Lindab Annual Report 2015

Lindab's innovative solutions create ultimate comfort in the buildings of the future

During the year, several important steps were taken towards changing the work methods and offering that support the vision for Lindab's development

Lindab®

www.lindab.com

The Lindab website provides extensive information about the Group. You will also find contact details and addresses there for all our companies worldwide.

Lindab delivered 23 modular AHUs for the indoor climate solution in connection with the extensive renovation and refurbishment of parts of the large university campus Campus de Jussieu in Paris. All the units are adapted to specific needs with filter sections, supply and exhaust fans, heating and cooling units, heat recovery and dehumidifiers. The cover shows the large renovated atrium in one of the main buildings on the campus.

Contents

This document is a translation of the original, published in Swedish. In cases of any discrepancies between the Swedish and English versions, or in any other context, the Swedish original shall have precedence.

Lindab reports on its sustainability work as an integral part of the Annual Report and on the website. Lindab has applied the Global Reporting Initiative (GRI) guidelines for reporting of sustainability information since 2009, this year for the first time according to GRI G4 Core. A GRI index with references to where information can be found can be downloaded at www.lindab.com.

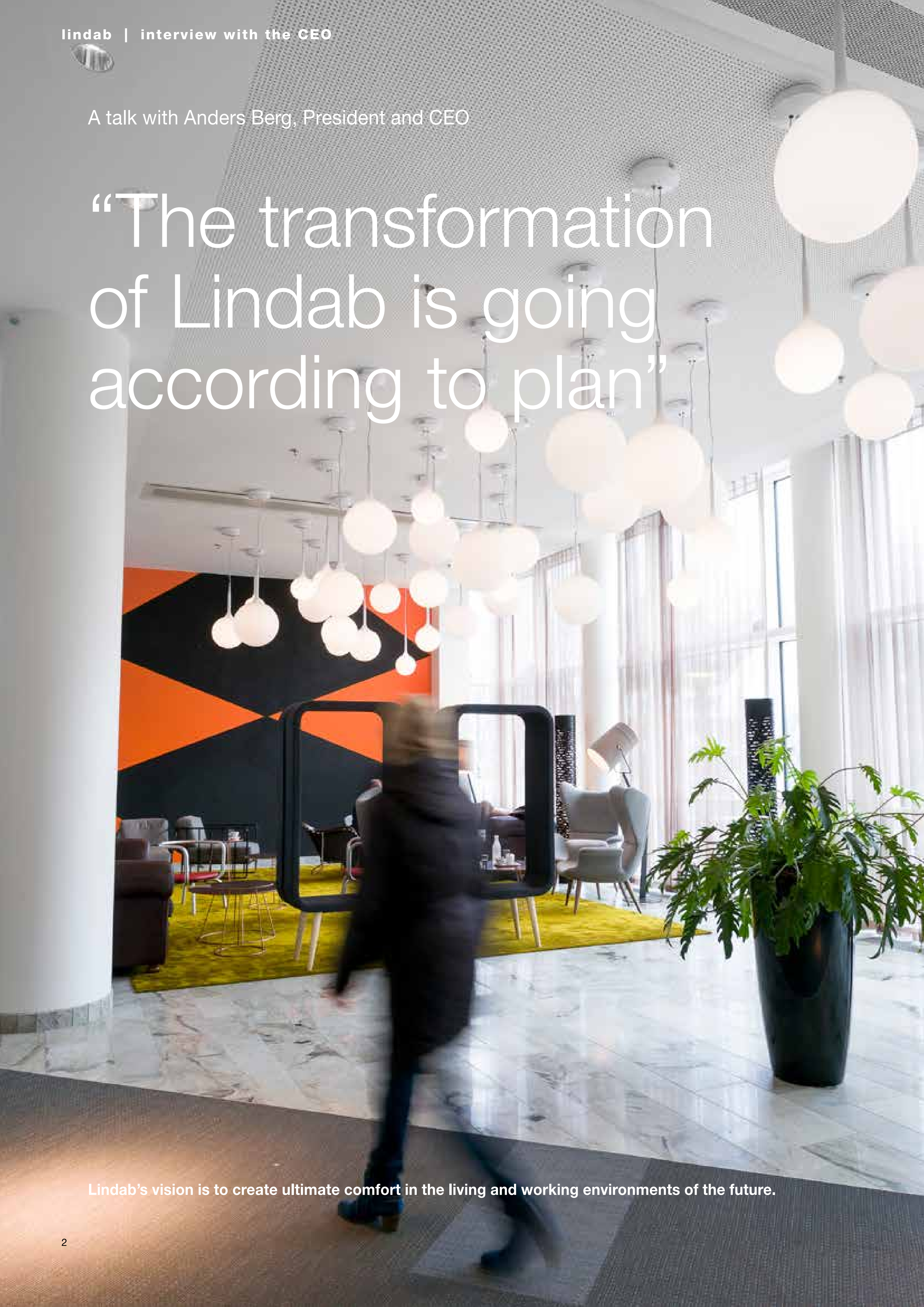
Progress

Lindab continued the roll-out of its new strategy in 2015. Ambitions are high, and in the different strategic focus areas throughout the company targeted efforts are being made to ensure that Lindab can strengthen its market positions and achieve its financial targets. Developing innovative solutions that simplify construction and continuing to put future issues such as ventilation and indoor climate high on the agenda are key to this work.

Read more about the activities in Lindab's strategy on pages 24–40

A talk with Anders Berg, President and CEO

"The transformation of Lindab is going according to plan"



Lindab's vision is to create ultimate comfort in the living and working environments of the future.

"Today we are an organisation that embraces an integrated approach, and we view every new project from an increasingly holistic perspective."

Anders Berg, President and CEO

You have now been with Lindab for three years. How do you view the company's transformation during this period?
It has been three eventful and important years. By focusing on what Lindab has always done best, making things simpler for the customers and offering energy-efficient construction and ventilation solutions, and with a more efficient organisation and new work methods we have begun a comprehensive development and transformation of the company. This work is going according to plan.

What activities will you first and foremost have to pursue further? How important is innovation, for example?
We are operating on a market with ever-increasing competition. All parts of the company therefore have to undergo continuous development. At the same time, innovation is crucial to our ability to maintain and strengthen our market positions in the long term. There are profound entrepreneurial and innovative capabilities within the Group, but we have to be even better at translating these capabilities into new and innovative customer offerings. That's why this area is a top priority for us.

I understand that the changes are necessary given the challenges that the construction industry is facing. Is Lindab ready for them?
We are starting to be. Our focus on developing and offering complete solutions within our already strong areas of ventilation and indoor climate is part of these efforts. Among other things, we also have a strong focus on nearly zero-energy buildings, solutions which will have a major impact on the property industry's contribution to the transition towards a fossil-free society.

A lot has happened at Lindab in 2015. Is there anything in particular you would like to highlight?
Apart from the fact that the organisation is increasingly working as One Lindab, I would like to highlight our acquisitions. The acquisitions of MP3, IMP Klima, Nather and Froid Partn'Air are a result of our analysis of what we need to be able to offer the customers leading and complete ventilation solutions. Integrating several new companies with over 400 employees is of course a challenge, but it has been a great success. We have begun to roll out our fire protection and air handling offerings in almost all our markets, and in 2016 we have to further expand our expertise in order to sell even more complete solutions. 2015 was also a year of challenges; I'm mainly thinking about the difficult market situation in Russia.

In terms of strategy, what are the big differences compared to how Lindab worked previously and what is the time frame for delivering on the strategy?
The work on the strategy we launched at the end of 2014 is in full swing, and we're working in a completely different way than we used to. Now we are concentrating all our efforts on identifying the solutions that are best for the customers, not what we produce and need to sell, and ensuring that everyone at Lindab is involved and committed to developing these solutions. We're quite simply an organisation that embraces a more integrated approach and views every new project from an increasingly holistic perspective. And despite challenging markets we have to deliver on our strategy. To do this, however, requires hard work and that we really translate the strategy into action which is always a great challenge, but an enjoyable one.

Lindab's segments went in different directions in 2015. Why is that and how do you see the future?
Much of what I've mentioned cannot yet be seen on the bottom line. In Products & Solutions we've incurred costs relating to the integration of acquisitions and increased market investments, which have affected the margin. Sales, on the other hand, grew by double digits for the second consecutive year, and with an even better product mix we'll also be able to increase profitability in future. In Building Systems we have increased exposure in Western Europe and Africa, among other places, which has reduced the negative effects of the continued weak development in Russia. Towards the end of the year, we saw some improvement in the order intake, but it's much too early to talk about a changed trend. Despite the challenges we delivered our best full-year EBIT including one-off items in many years.

One final question: what are your expectations for 2016?
In a rapidly changing world, we have only one focus: to continue to deliver on our strategy and do everything we can to ensure that our customers can develop successfully. Today we have more than 5,000 employees in 32 countries with a clear vision – to make things simpler for our customers and create ultimate comfort in the buildings of the future.

Lindab is a leading supplier of customised solutions for simplified construction and improved indoor climate. Through close dialogue with its customers, Lindab develops energy-efficient solutions which combined with service, support and high availability offer increased customer value and lower environmental impact. The Group is established in 32 countries with just over 5,000 employees. Renovation and new non-residential construction account for around 80 percent of sales, while residential construction accounts for the remaining share of sales.

Lindab 2015

- Sales increased by 8.4 percent to SEK 7,589 m
- Strong increase in sales in Products & Solutions
- Increased market diversification, but lower sales and profitability in Building Systems
- Acquisition of the companies MP3*, IMP Klima, Nather and Froid Partn'Air with a focus on ventilation and indoor climate
- Divestment of Lindab Inc, USA
- Establishment of distribution centre begun in the Nordic region
- The Board of Directors proposes dividend of SEK 1.25 (1.10)

At Lindab, our focus has always been on effective distribution and solutions which simplify all aspects of the construction process. This is reflected in, for example, the delivery of comprehensive ventilation systems for large construction projects in Malmö, Istanbul and Bergen as well as the award-winning Quadrio project in Prague.

**An acquisition agreement was concluded in December 2014, and the acquisition was completed in 2015.*

Net sales

SEK 7.6 billion

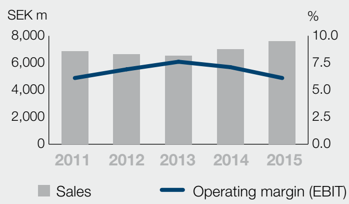
Sales increased by 8.4% to SEK 7,589 m (7,003). Adjusted for currency and structure, the increase was 2%.

Operating margin (EBIT)

6.1%

The operating margin, excluding one-off items, fell to 6.1% (7.1).

Sales, operating margin 2011–2015



Operating profit (EBIT)

SEK 463 m

Excluding one-off items of SEK 6 m (–30), the operating profit fell to SEK 463 m (497).

Cash flow

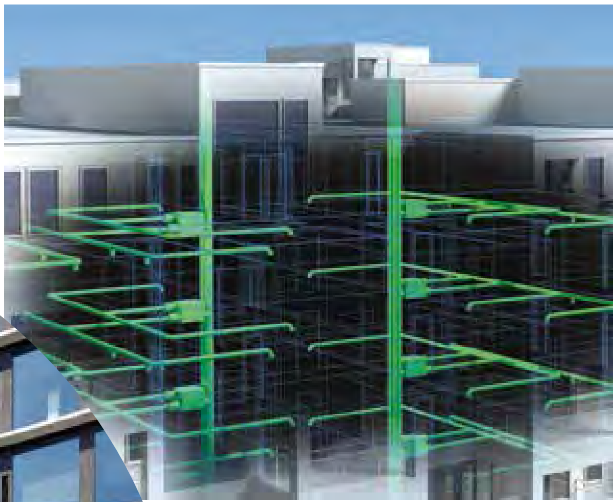
SEK 460 m

Cash flow from operating activities increased to SEK 460 m (278).

Earnings per share

SEK 3.99

Earnings per share increased by 7.5% to SEK 3.99 (3.71).



A close partnership with building specifiers such as building consultants and architects is key to selling solutions. Lindab's extensive IT and project support is constantly being developed and gives the user a comprehensive picture of the construction process.

N°1

One of Lindab's most important business goals is to become a leading supplier of complete ventilation and indoor climate solutions within selected segments by 2020.

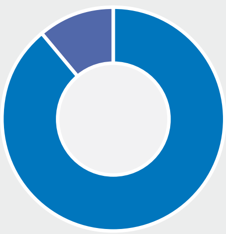
Acquisitions with specialist expertise in AHUs, fire protection and residential ventilation strengthen Lindab's offering. Fire protection solutions from the Italian company MP3 are now being sold in more than 30 countries.

For more detailed financial information, see Financial statements on page 58.

Two segments, seven product areas

Lindab's business is divided into two separate segments with different business models, brands and customer groups. Both segments offer customers complete solutions with a focus on reduced environmental impact, among other things.

Share of Net sales



Products & Solutions 89%

- Ventilation products
- Indoor climate solutions
- Air movement
- Fire & smoke
- Building solutions
- Rainwater and building products

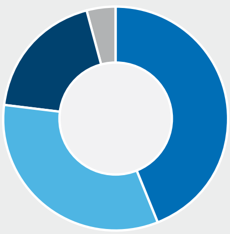
Building Systems 11%

- Complete steel construction systems

Strong domestic market

Lindab was established in Grevie, Sweden in 1959, and its head office is still located there. The Nordic region has been Lindab's domestic market since then, and in 2015 the region saw the strongest organic sales growth in the Group.

Share of Net sales



Nordic region 44%

Western Europe 33%

CEE/CIS* 19%

Other markets 4%

**Lindab uses the English abbreviations CEE for Central and Eastern Europe and CIS for Commonwealth of Independent States (former republics of the Soviet Union).*

Segment

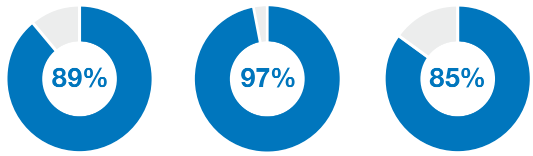
Products & Solutions

Sales increase for solutions

Sales increased by just over 10 percent during 2015. The segment showed organic growth for nine consecutive quarters compared with the corresponding quarter of the previous year. The complementary acquisitions of MP3 and IMP Klima, among others, have led to increased sales and access to new markets and significantly strengthened Lindab's ventilation and indoor climate offering. Sales of ventilation and indoor climate solutions accounted for 68 percent of total sales. Rainwater systems continued to win market share in the UK and elsewhere. The Nordic region, led by Sweden, recorded the strongest organic growth during 2015.

Share of the Group

Net sales Operating profit* Employees*



*Excluding one-off items and Group function which are reported in Note 7.

*54 of the Lindab employees are not employed in any segment.

Net sales

SEK 6.7 billion

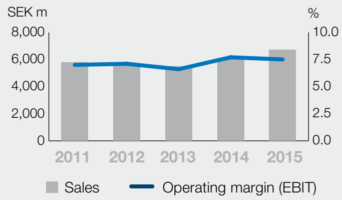
Sales increased by 10.6% to SEK 6,727 m (6,084). Acquisitions accounted for around half of the increase.

Operating margin (EBIT)

7.5%

The operating margin, excluding one-off items, decreased marginally to 7.5% (7.7).

Sales, operating margin 2011–2015



Operating profit (EBIT)

SEK 504 m

Excluding one-off items of SEK 35 m (–21), the operating profit increased to SEK 504 m (471).

Number of branches

137

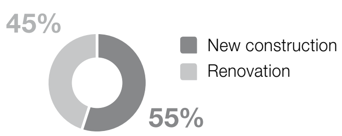
The number of own branches increased to 137 (127), among other things after the addition of ten new branches following the acquisitions.

Number of employees

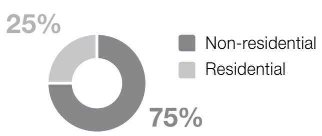
4,308

The number of employees increased to 4,308 (3,830). Just over 400 employees were added as a result of the acquisitions.

New construction and renovation



Market segment



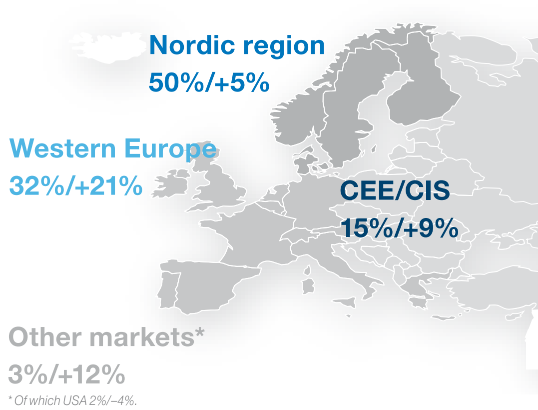
Three largest countries

1. Sweden
2. Denmark
3. UK

Lindab®

The products and solutions in the segment are mainly sold under the Lindab brand.

Share of sales per market/sales growth 2015



*Of which USA 2%/–4%.

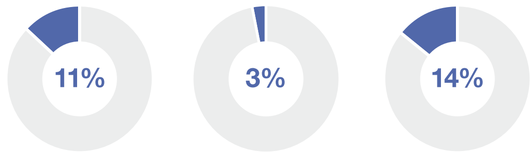
Segment

Building Systems

Market diversification is paying off

Net sales fell by 6 percent during 2015. The negative development is mainly explained by reduced sales in Russia due to the political and economic uncertainty in the country. During the year, the segment increased its efforts in the markets in CEE, Western Europe and Africa in order to compensate for the development in Russia/CIS. The efforts are starting to pay off, with increased order intake towards the end of the year, thanks in part to the close partnership with international export companies which resulted in large orders for complete steel construction systems in Algeria, Italy and elsewhere.

Share of the Group



*Excluding one-off items and Group function which are reported in Note 7.

*54 of the Lindab employees are not employed in any segment.

Net sales

SEK 0.9 billion

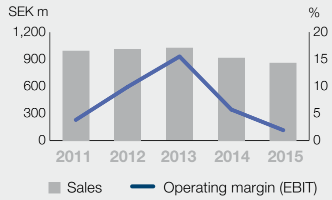
Sales decreased by 6.2% to SEK 862 m (919). Sales in Russia decreased by 31%.

Operating margin (EBIT)

1.9%

The operating margin, excluding one-off items, decreased to 1.9% (5.7).

Sales, operating margin 2011–2015



Operating profit (EBIT)

SEK 16 m

Excluding one-off items of SEK –9 m (–11), the operating profit fell to SEK 16 m (52).

Number of building contractors*

307

The number of building contractors increased to 307 (286) following enhanced investments in CEE, Western Europe and Africa.

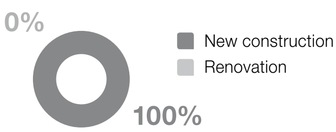
*Authorised Astron builders.

Number of employees

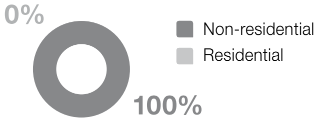
704

The number of employees was largely unchanged at the end of the year and amounted to 704 (709).

New construction and renovation



Market segment

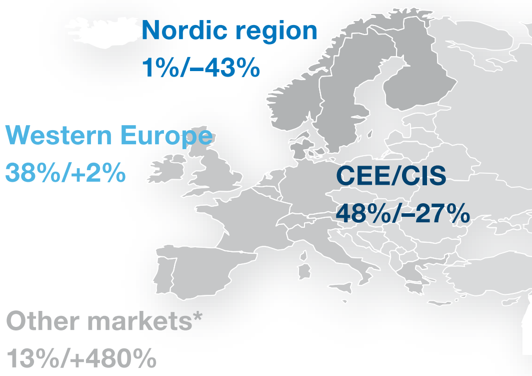


Three largest countries

1. Germany
2. Russia
3. Poland

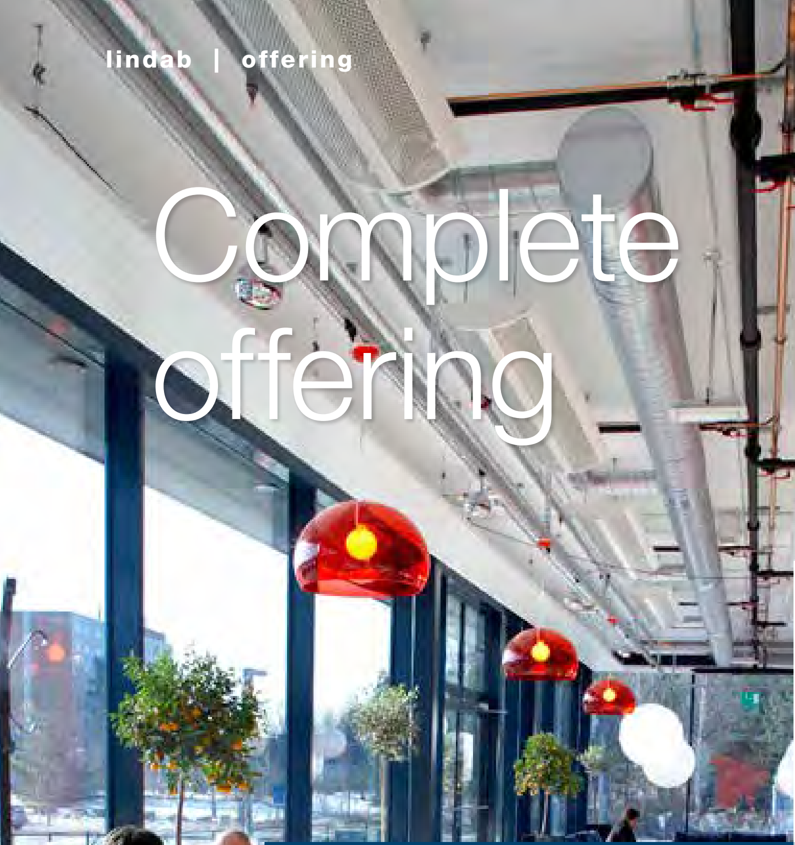
Building Systems' complete steel construction system is sold under the Astron brand in all markets.

Share of sales per market/sales growth



*95% of sales in 2015 relate to Africa.

Complete offering



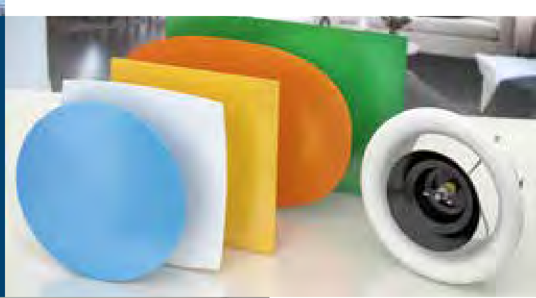
Fire & smoke

Broad selection of reliable, certified products such as combustion gas dampers, smoke evacuation fans and ducts that can withstand very high temperatures. Lindab also offers complete fire-resistant system solutions for all types of buildings.

Share of Group sales

Complete ventilation solutions

Lindab offers products, systems, knowledge and service for complete and energy-efficient indoor climate and ventilation solutions for all customer groups within selected segments.



Indoor climate solutions

Our product range covers three areas – diffusers, waterborne climate systems and acoustics – designed to create a pleasant, healthy and productive indoor climate. One of the most energy-efficient solutions on the market.

Share of Group sales

Air movement

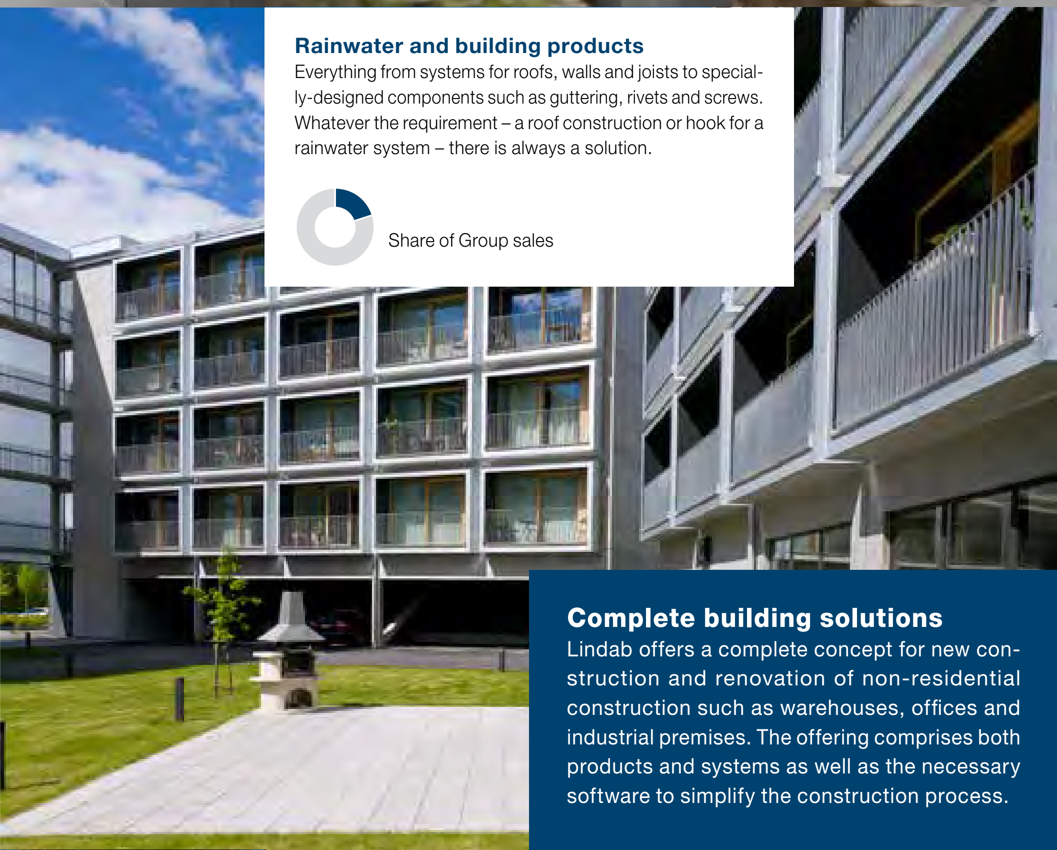
Everything from cooling units and AHUs to fans, air conditioning and heat exchangers that move or condition air. Industry-leading, easy to use products with low operating costs and high energy efficiency.

Share of Group sales

Ventilation products

Solutions and systems that are energy-efficient, easy to install and well-documented. A broad range of both circular and rectangular ducting systems, plus a wide selection of accessories.

Share of Group sales



Rainwater and building products

Everything from systems for roofs, walls and joists to specially-designed components such as guttering, rivets and screws. Whatever the requirement – a roof construction or hook for a rainwater system – there is always a solution.

Share of Group sales

Complete building solutions

Lindab offers a complete concept for new construction and renovation of non-residential construction such as warehouses, offices and industrial premises. The offering comprises both products and systems as well as the necessary software to simplify the construction process.

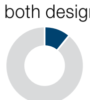
Building solutions

A wide range of economic, functional, simple and environmentally-friendly building solutions for both residential and commercial properties. Depending on your needs, customised or standard solutions can be delivered.

Share of Group sales

Complete steel construction systems

Complete prefabricated steel construction systems and software for large non-residential construction such as industrial premises and warehouses, leisure facilities and multi-storey car parks and which make things simpler for both designers and contractors.

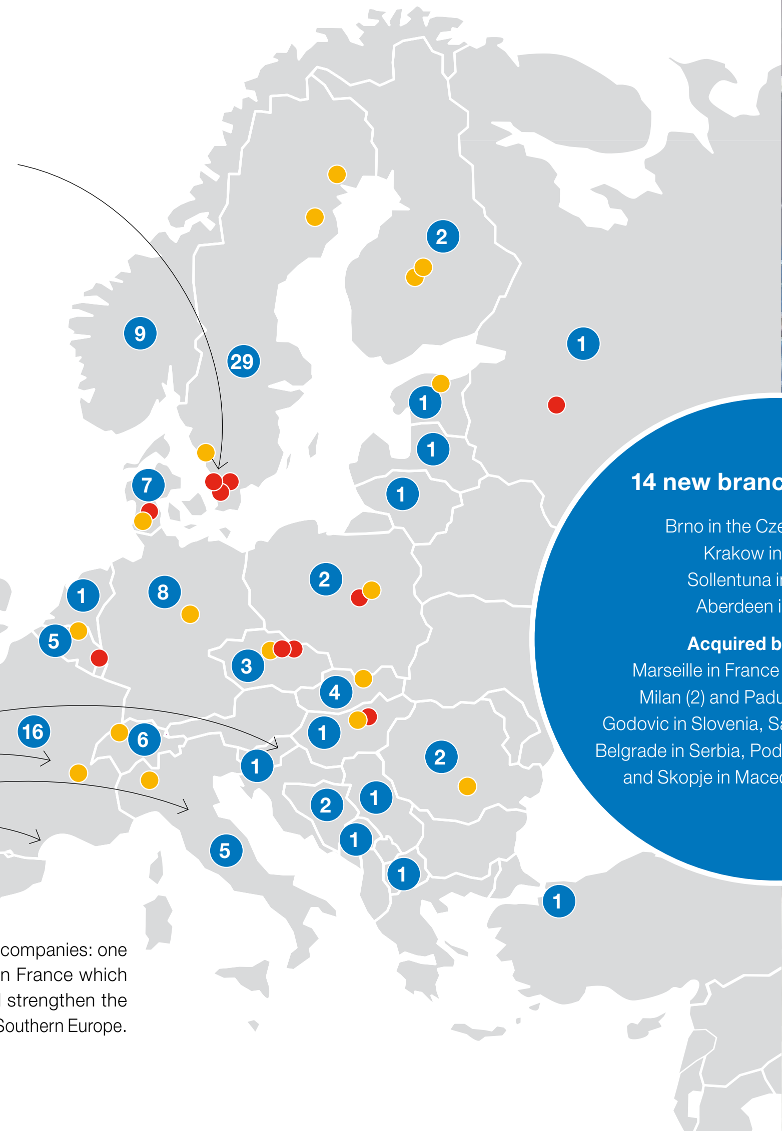


Share of Group sales

Always nearby

Lindab's products and solutions are sold to customers either in direct connection with major projects or through the Group's extensive distribution network in Europe. The network comprises 137 own branches with associated online sales in a growing number of countries, and retailers such as builder's merchants in Northern Europe and Lindab Centres* in CEE. Distribution is adapted to the particular conditions on each market. Focus is on local availability and satisfying all of the customers' professional needs.

A large distribution centre is being built in Grevie which is to handle all logistics in Sweden, Norway and Denmark. The centre is scheduled for completion in 2017.



14 new branches in 2015

Brno in the Czech Republic
Krakow in Poland
Sollentuna in Sweden
Aberdeen in the UK

Acquired branches:
Marseille in France *(Froid Partn'Air)*.
Milan (2) and Padua in Italy *(MP3)*.
Godovic in Slovenia, Sarajevo (2) in Bosnia, Belgrade in Serbia, Podgorica in Montenegro and Skopje in Macedonia *(IMP Klima)*.

4

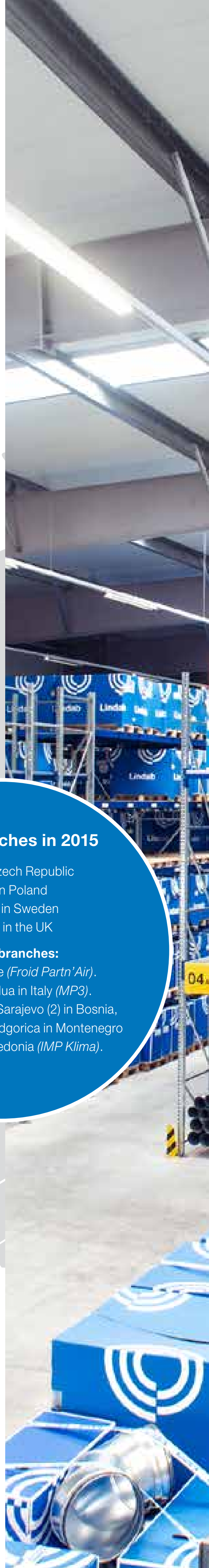
In 2015, Lindab acquired four new companies: one in Italy, one in Slovenia and two in France which increase the product offering and strengthen the market presence and distribution in Southern Europe.

Number of branches
A branch is a local warehouse, store, sales office and competence centre for Lindab's products, systems and solutions.

Central production
Strategically located units with large-scale, automated production of highly refined products. These units also act as logistics centres.

Local production
Smaller units that have been adapted to meet local customer requirements with a great deal of speed and flexibility.

* *Independent retailers where Lindab is the largest supplier.*

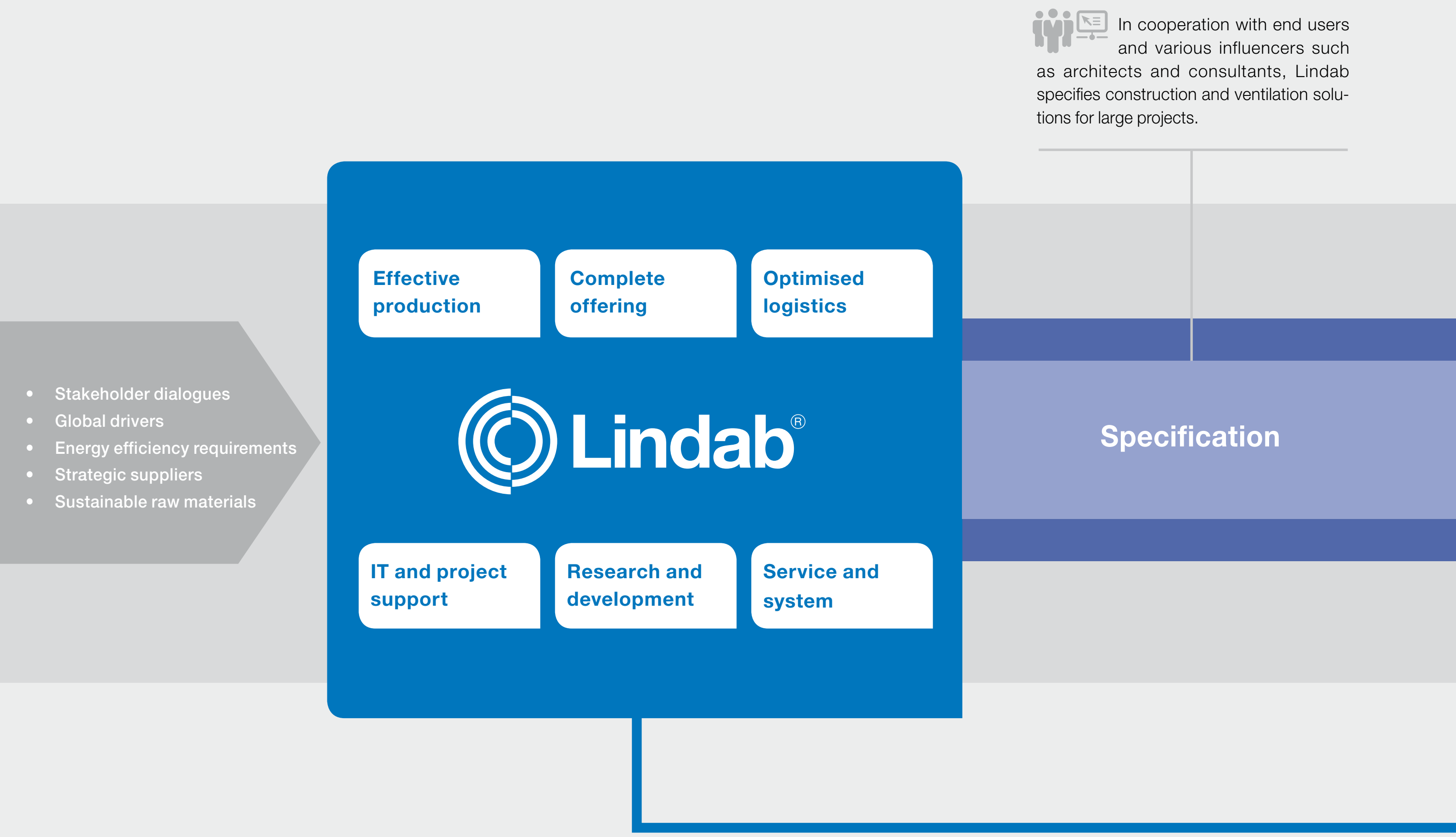


24,000 customers
60 countries*
137 branches
307 building contractors
3,000 retailers

** Products are sold to around 60 countries. Lindab has own companies or representative offices in 32 countries.*

Lindab's value chain

A key part of Lindab's strategy is to create more added value for more stakeholders in the value chain. Quality, speed and availability must be an integral part of everything, from concept and purchasing to production and delivery to the end customer. The goal is to create ultimate comfort by offering energy-efficient and prefabricated solutions for healthy, sustainable buildings and always developing high-quality products that make Lindab a trustworthy and reliable business partner.



"By focusing on energy-efficient solutions, we create the highest possible customer value by simplifying the construction process and optimising our offering."

Anders Berg, President and CEO

Lindab's construction and ventilation products are sold and distributed through the company's own branch network, webshop, external retailers such as builder's merchants and OEM manufacturers.

Lindab's products move from production to end users primarily via ventilation installers, tinsmiths and contractors. Building and ventilation contractors often offer end customers a complete solution, where Lindab's offering constitutes either the entire or part of the solution.

Simplifying is our passion. Ultimate comfort is our vision.

Distribution

Installation

End users

- Residential
- Industrial
- Commercial
- Warehouse
- Marine sector
- Public sector

A large number of Lindab's ideas for new innovations result from the close cooperation with different customer groups and those who live and work in the buildings where Lindab's products and solutions are installed.

Property managers and property owners

Building specifiers, architects and consultants

Authorities

Lindab has a close partnership with various influencers such as property owners, architects, HVAC and ventilation consultants, designers and authorities. The aim of the cooperation is to provide support for investment and maintenance, facilitate the design process, calculations and choice of solutions and accelerate the standardisation and adaptation of environmental goals to industry standards.

Lindab's markets

Increased construction activity in Europe

Higher GDP growth, with economic recovery in previously weak Southern European economies, among other things, contributed to the increased construction activity in Europe in 2015. Facilities/infrastructure showed the strongest growth followed by residential, while activity within non-residential remained unchanged.

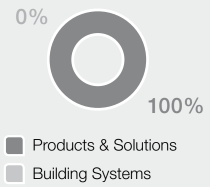
Lindab in **the Nordic region**

Share of total sales

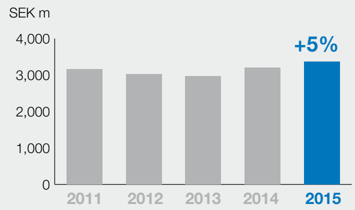
44%

Strong position with a complete offering within Products & Solutions, but with a continued growth potential, mainly within indoor climate solutions.

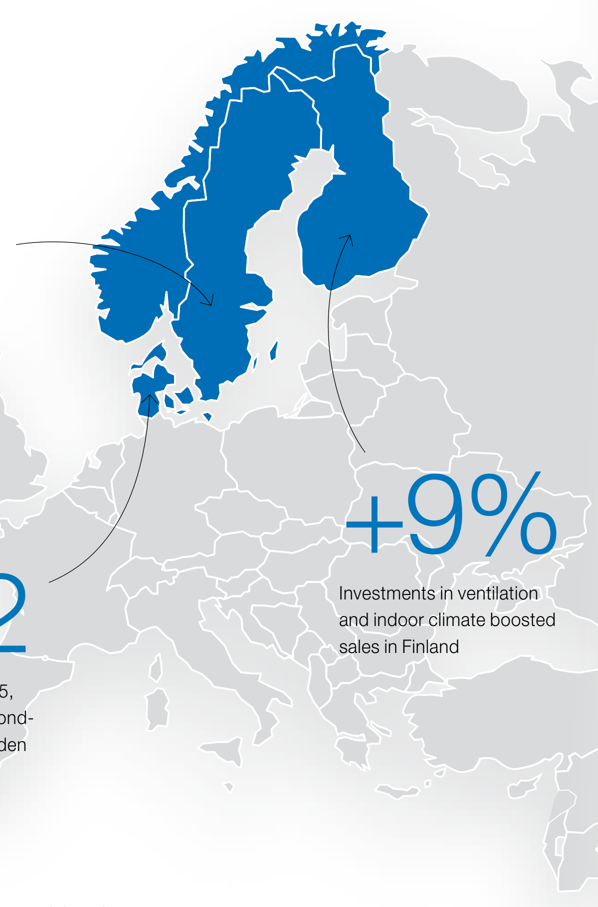
Distribution, segment



Sales trend 2011–2015



In three years, Lindab has increased the number of branches in the Nordic region from 40 to 47



No.2

With 10% of sales in 2015, Denmark is Lindab's second-largest market after Sweden

+9%

Investments in ventilation and indoor climate boosted sales in Finland

The Nordic region is Lindab's domestic market and the largest region in terms of sales, production and number of employees. The majority of Products & Solutions' offering enjoys a strong market position. The Lindab brand is well-established and associated with quality of the highest order.

In Sweden and Norway, both ventilation and building products are sold in all 38 branches. Parts of the product range are also sold by a large number of retailers such as builder's merchants. Lindab also makes significant direct deliveries to construction sites, where products are distributed from regional production units.

Lindab's sales in the region continued to develop positively in 2015, with organic growth recorded in all markets. In Finland, recent years' efforts to streamline the business have paid off and in Denmark a higher level of activity contributed to the development. Growth in Sweden slowed down compared with 2014, but remained broad.

General market data 2015*

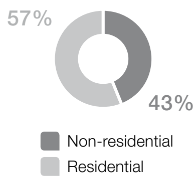
Macro facts

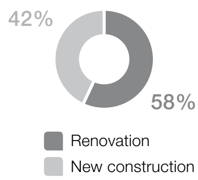
Population: 26 m
Construction activity: +2.8%
Investments in construction per capita: EUR 3,699

Market development

Continued strong growth in new construction of residentials in Sweden was an important reason for the higher construction activity in the Nordic region as a whole in 2015. New non-residential construction, however, fell in all countries apart from Denmark, while the market for renovation of non-residential construction showed a steady increase throughout the region. In Finland, the overall construction activity fell for the fourth consecutive year.

Distribution, construction segment





Source: Euroconstruct's forecast December 2015. Refers to the construction market for buildings, i.e. residential and non-residential construction.

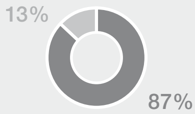
Lindab in **Western Europe**

Share of total sales

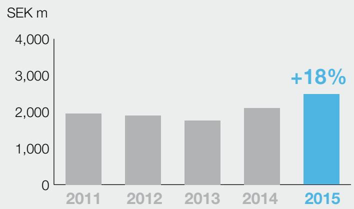
33%

Generally strong positions on selected markets, mainly in ventilation, but several product areas and markets with a high growth potential.

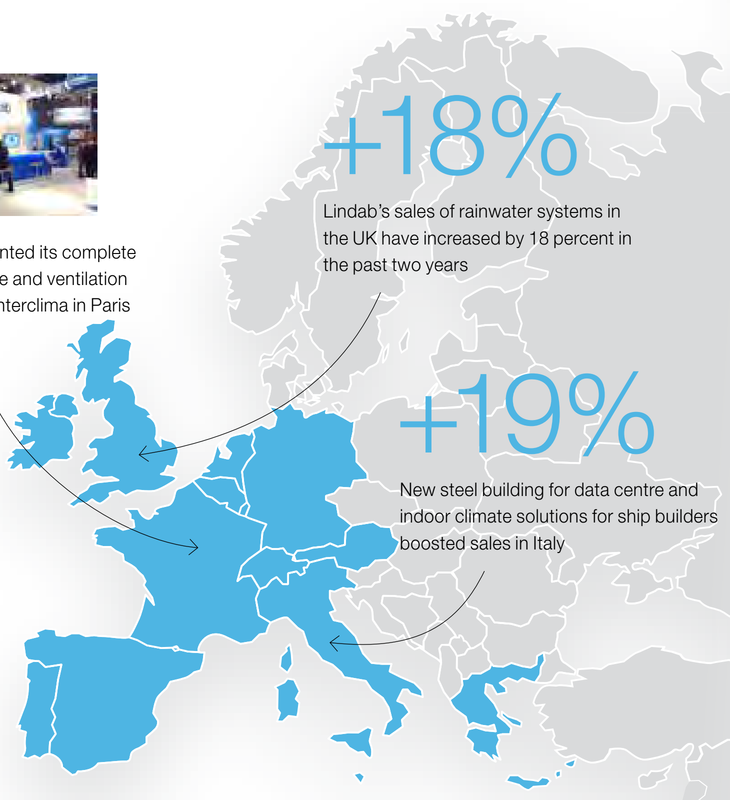
Distribution, segment



Sales trend 2011–2015



Lindab presented its complete indoor climate and ventilation solutions at Interclima in Paris



In Western Europe, through acquisitions and organic growth, Lindab has built up an extensive operation, primarily in ventilation. The largest markets are the UK, Germany and France. Sales of building products are small but growing in, for example, the UK and France. Building Systems sells complete steel construction systems throughout the region, with Germany being the largest market.

The 67 branches in the region sell mainly ventilation products and are adapted to the particular needs of each market. Project sales in the region are also significant and rapidly growing, for example within fire protection and residential ventilation.

The acquisitions in ventilation contributed to Lindab's significantly higher sales in Western Europe in 2015. Otherwise, organic growth was fragmented. Sales increased significantly in Ireland and Italy, while growth in large markets such as Germany and the UK was low. Products & Solutions' sales in France fell after several years of strong growth in a weak macro-economy.

General market data 2015*

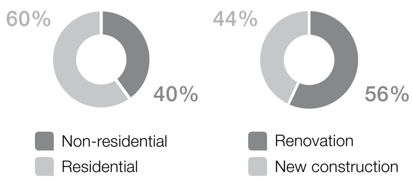
Macro facts

Population: 380 m
Construction activity: +0.8%
Investments in construction per capita: EUR 2,409

Market development

The region continued to see cautious recovery with large variations. The new residential construction increased by 30 percent in Ireland and 16 percent in the Netherlands. Lower activity levels in non-residential construction were seen in the three large markets in Germany, the UK and France. A reversed trend was seen in Southern Europe where Portugal and Spain again reported higher construction activity after many years of negative growth.

Distribution, construction segment



Source: Euroconstruct's forecast December 2015. Refers to the construction market for buildings, i.e. residential and non-residential construction.

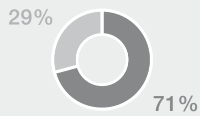
Lindab in **CEE/CIS**

Share of total sales

19%

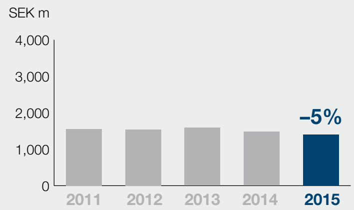
Volatile CIS for Building Systems, but long-term potential for Products & Solutions. CEE shows a good potential for continued growth mainly in ventilation.

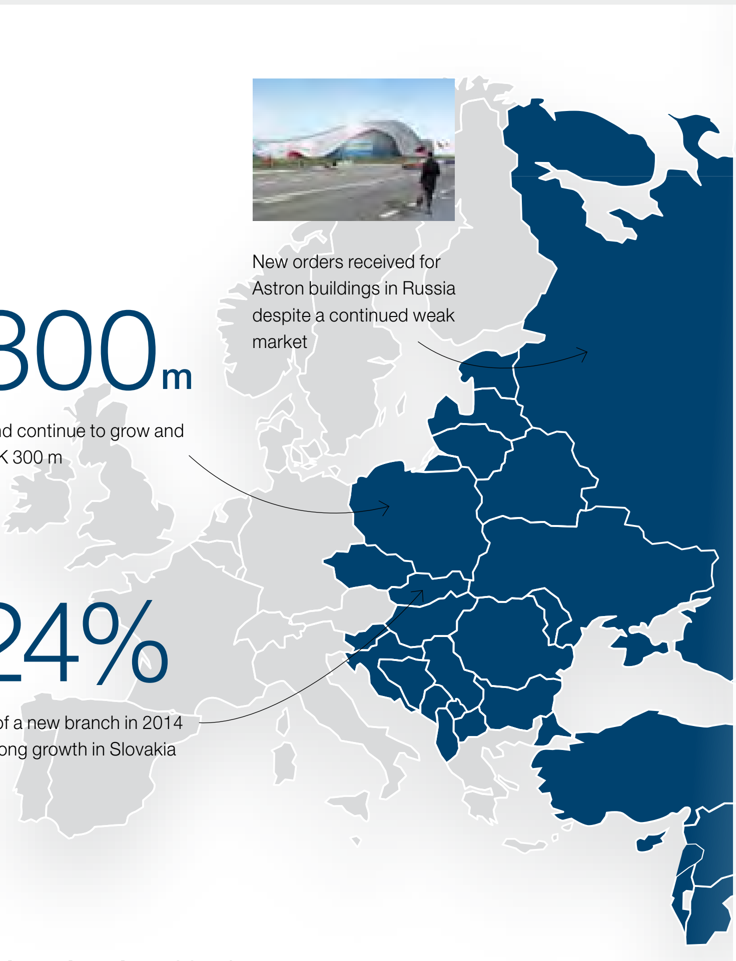
Distribution, segment



Products & Solutions
Building Systems

Sales trend 2011–2015





New orders received for Astron buildings in Russia despite a continued weak market

SEK 300 m

Sales in Poland continue to grow and exceeded SEK 300 m

+24%

The opening of a new branch in 2014 resulted in strong growth in Slovakia

In CEE, Lindab has long had a strong position in building products, primarily in roofing and Rainwater system. In Poland, Lindab has built up considerable sales of ventilation products through acquisitions, and ventilation is now also growing in other CEE markets. In Russia and other CIS countries, Building Systems has built up a leading niche position in complete steel construction systems.

The building products are mainly sold via independent distributors, while ventilation products are sold through own branches or delivered directly to the construction sites. Building Systems' construction systems are sold to Key Accounts and via a network of building contractors.

Building Systems' sales in Russia continued its sharp decline in 2015. In CEE, enhanced competition had a negative effect on sales of building products. There were positive signs in ventilation where Lindab showed growth in both Russia, from low levels, and various markets in CEE where Poland accounted for the majority of the growth.

General market data 2015*

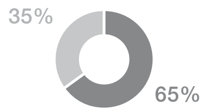
Macro facts

Population: 64 m
Construction activity: +3.8%
Investments in construction per capita: EUR 772

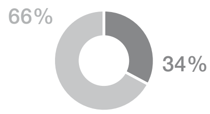
Market development

In Russia and neighbouring CIS countries, the unstable geopolitical situation continued to affect construction activity negatively. In CEE, the market development was good in Poland and the Czech Republic with broad growth in residential and non-residential construction while building investments in Hungary and Slovakia were relatively unchanged compared with last year.

Distribution, construction segment



Non-residential
Residential



Renovation
New construction

Source: Euroconstruct's forecast December 2015. Relates to the construction market for buildings, i.e. residential and non-residential construction and only the Czech Republic, Hungary, Poland and Slovakia.

An energy-efficient future

The general low-energy trend is getting stronger every year and it will soon be a defining factor for the entire construction and property sector. Building concepts such as passive houses, zero-energy houses and energy-plus houses will become increasingly common, whether as homes, industrial buildings or office premises.

Initiatives to reduce global warming are high on the agenda of governments, companies and organisations worldwide. In Europe, the EU has introduced a directive to speed up the work and achieve its own goal of reducing carbon dioxide emissions by 20 percent by 2020. As buildings account for just over 40 percent of energy consumption and 35 percent of carbon dioxide emissions in the EU, the construction industry's efforts to reduce its environmental impact are key to a sustainable development.

Nearly zero-energy buildings and energy efficiency

The EU has introduced a directive stipulating that all new buildings must be nearly zero-energy buildings by 2020. The definition of nearly zero is determined by each member state based on national conditions. At the same time, new construction only represents a small part of the market. In order to significantly reduce the total carbon dioxide emissions, existing buildings must be renovated with a focus on new energy-efficient solutions. The need is particularly strong in Europe where as much as 35 percent of buildings are more than 50 years old. To speed up the process, the EU has introduced an energy-efficiency directive. The directive entered into force on 1 July 2014 and requires each member state to establish a strategy for investments in renovations of residential and commercial buildings.

Towards a fossil-free society

The EU's climate target for 2020 is just the first interim target. Reducing global warning to the critical level of two degrees by the turn of the century requires a fundamental change in how energy is used in society. The EU has set up a roadmap leading up to 2050 with the aim of creating a largely fossil-free society. The environmental impact of buildings is also vital to fulfilling this ambition. Green house gas emissions from premises, offices and homes should be reduced by up to 90 percent compared to today. This is possible if

- passive house technology is introduced in all new buildings as a minimum
- older buildings undergo extensive energy renovations
- only heating and electricity from renewable energy sources are used
- intelligent energy solutions are introduced.

Complete responsibility is essential

The construction industry is undergoing a rapid transformation in order to balance requirements from new legislation, customer demands for

40%

Buildings currently account for 40 percent of energy consumption in the EU

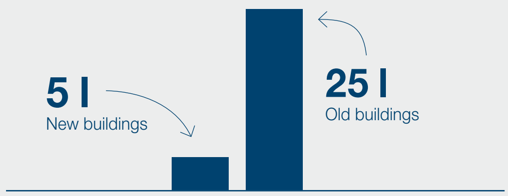
Various low-energy houses

Nearly zero-energy house
Passive house
Zero-energy house
Energy-plus house

All low-energy buildings are well insulated and have demand-controlled ventilation with heat recovery.

50 years

35 percent of the buildings in the EU are more than 50 years old



Average consumption of heating oil, litre/sqm and year within the EU

lower costs and fast deliveries as well as the users' need for comfort and a healthy indoor climate. This requires a change and simplification of the often complicated value chain and that business models are reviewed to focus more on delivering function and performance rather than just physical products. In order to put the right focus on energy-efficient solutions, a complete responsibility must be taken for the building, for example by involving suppliers as early as the design and concept phase.

Innovation is crucial

To meet the ever-increasing demands for a more efficient construction process combined with the need for comfort and reduced climate impact, more innovation is required. Most importantly, innovation is required within complete solutions that focus on energy performance in the building as a whole. In addition to new low-energy technology for various new construction concepts, there is a great need for energy-efficient solutions for refurbishment and renovations which also reduce operating costs and increase the value of the buildings. According to the EU, investments of up to EUR 200 billion are needed in new energy-efficient components and equipment for both new construction and renovations until 2050.

90%

Europe's buildings must reduce their carbon dioxide emissions by 90 percent by 2050

2050

Sources: EU Roadmap 2050 (ec.europa.eu/clima/policies/strategies/2050) and Lindab's own estimates.

Lindab is leading the way

"Lindab continues to be a driving force to ensure that the customers can meet the new requirements and ensure a healthy indoor climate for those who live and work in the buildings. A key part of this work is our close partnership with customers, consultants, specifiers and users in order to find the best solutions for each segment. Our strong focus on complete ventilation solutions and simplifying the various stages of the construction process is an important cornerstone of this work."

Niclas Ivarsson
Strategic Innovation Manager
Lindab

"We have been using software for a long time to easily calculate and optimise the energy consumption of buildings. In recent years, we have accelerated research in the area and also conducted laboratory and field tests and built advanced models. Consequently, we can now offer our customers a nearly zero-energy concept for industrial buildings.

Pascal Brinks, Astron, was named "Best Young Researcher – Energy Efficiency" at the "World Sustainable Energy Days 2015" in Austria.

We have created the first prototypes, published scientific articles and received international awards for our work. And now we are discussing real projects in the area with customers."

René Oly
R&D Manager
Astron Building Systems

A firmly founded sustainable strategy

Lindab's strategy involves long-term repositioning to generate greater value for more stakeholders and expand Lindab's share of the value chain. The strategy is based on internal strengths and unique opportunities to take advantage of strong global trends. In short, the strategy encompasses five focus areas where Lindab is advancing its position in order to generate profitable growth and fulfil its vision of ultimate comfort in the buildings of the future.

5 global trends that affect Lindab

Environment, legislation and energy efficiency

More supranational and national energy directives. There are great opportunities for developing solutions that will reduce customer costs and set Lindab's offering apart from others by focusing on energy efficiency, among other things.

Intelligent buildings

Powered by improved and cheaper technology and the possibility of linking different systems through IoT*. Has a strong link to environmental conversion and customers' demand for more functions using new technology.

Rising populations and urbanisation

Demographic development resulting in dramatically increased demand for housing, energy and infrastructure, as well as a more acute need for solutions for cleaner air and sustainable urban growth.

Development of new materials and processes

Demands for higher performance, higher quality and shorter delivery times increase the need for prefabrication and modularisation to ensure a more efficient and profitable construction process. This creates a base for more innovation.

Global economic patterns

Fragmented recovery in developed economies and a muted construction industry in many countries. Increased geopolitical uncertainty. Large-scale investment in infrastructure is mainly driving global demand.

Having an understanding of how various global trends are affecting our business is crucial in determining how Lindab can strengthen its position in a competitive market.

**Internet of Things – a network of physical objects embedded with sensors which are connected to the internet with the aim of creating smart environments and services.*

Vision

Simplifying is our passion. Ultimate comfort is our vision.

Long-term targets

Financial targets

5–8% Annual growth

10% Operating margin

< 2.5 Net debt/EBITDA

Non-financial targets

Attractive employer

Lower carbon dioxide emissions

Better working environment

Strategic focus areas

Market Excellence

Efficient availability

Solutions

Innovation

People

Foundation

Employees | **Products and solutions** | **Production and processes** | **Sales and distribution**

Important sustainability issues

Customer success | **Down to earth** | **Neatness and order**

Lindab's core values

The successful implementation of the strategy is supported by the strong foundation that exists within the company. Thanks to Lindab's deeply rooted core values and a firm foundation of talented employees, leading products and efficient production and distribution, among other things, the company has posted a profit every year since it was formed in 1959.

Long-term targets

As a part of Lindab's work to generate long-term value for shareholders and other stakeholders, new financial and non-financial targets have been introduced. All targets must contribute to strengthening Lindab's offering and competitiveness.

	Target	Progress 2015	Development

Financial targets

The financial targets which consist of a growth, profitability and capital target must be achieved in the course of one business cycle and apply as of 2015.

5–8%

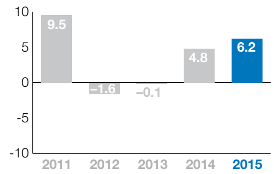
annual growth rate as a combination of organic and acquired growth

Progress 2015

- Four acquisitions within ventilation
- Sales increase in Other markets
- Broader customer offering

Development

Sales growth (adjusted for currency), %



10%

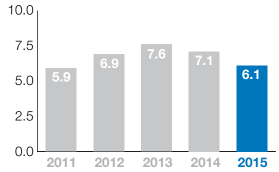
average operating margin (EBIT), excluding one-off items

Progress 2015

- Increased share of solutions
- Purchasing organisation in place
- Focus on efficient logistics

Development

EBIT, excluding one-off items, %



2.5

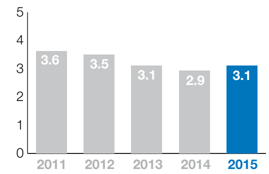
is the maximum number of times the seasonally adjusted net debt is allowed to exceed EBITDA in the long term

Progress 2015

- Stronger cash flow
- Increased stock turnover rate
- Lower financing costs

Development

Net debt/EBITDA, times



Non-financial targets

The non-financial targets were presented at the end of 2015 and apply as of 2016.

Lindab must be one of the most attractive employers in the industry

Progress 2015

- Equal Opportunity Policy launched
- Leadership training completed
- Presence in more markets

Development

Measured using the following key performance indicators:

- Lindab Diversity Index (LDI)
- Performance appraisal interviews every year
- Share of female applicants for new services
- Training in Lindab's most important policies

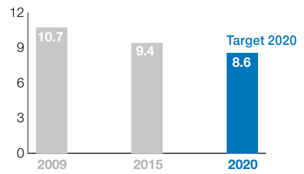
Carbon dioxide emissions measured as a percentage of turnover must be reduced by 20% in the period 2009–2020

Progress 2015

- Decision on distribution centre
- Increased share of renewable energy
- Ongoing energy efficiency project

Development

Tonnes CO2/SEK m



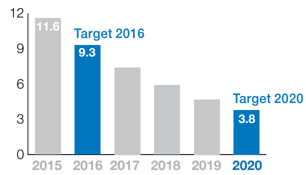
LTIF, the number of injuries per one million hours worked must be reduced by 20% every year

Progress 2015

- Focus on more training
- Joint reporting system introduced
- More examples of best practice

Development

No. of accidents per one million hours worked



Strategic focus areas

The strategy primarily focuses on five areas that provide great opportunities for advancing Lindab's position. All the focus areas are connected where Innovation and People must build the culture and expertise required to successfully implement the activities in the other areas. The strategy also includes an increased focus on acquisitions, primarily to support the initiatives within Market Excellence and Solutions.

Market Excellence

Through the strong distribution network and broad product offering along with numerous close customer relationships, Lindab's positions in prioritised markets will advance even further.

Efficient Availability

The supply chain which comprises purchasing, production, logistics and distribution will generate higher value based on an overall customer-focused approach through simplification, rationalisation and innovation.

Solutions

By utilising the strength of Lindab's ventilation and indoor climate product portfolio comprising strong R&D and customised manufacturing, complete solutions will be offered to new customer segments.

Innovation

Enhancing a long-term, innovative culture in order to generate ideas, both groundbreaking and incremental improvements, in all areas will assure future growth and profitability.

People

Strong leadership, employer brand, culture and investment in staff development will create the right conditions to ensure that Lindab has the best team for its business.

How sustainable is Lindab's strategy?

Lindab's strategy has been developed by almost 40 employees from various functions within the company and has therefore been deeply anchored in the organisation from the very beginning. Christian Svensson is Business Excellence Manager at Lindab and responsible for the strategy work:

How did the discussion of the need for a new strategy begin?
It began with the increased awareness of how Lindab is increasingly being affected by global forces and trends. In order to develop successfully in the future, we realised that there was a need for clearly defining what this means to our business, what we need to focus on in the long term and how we need to work. Basically, it's about undertaking a comprehensive transformation of the entire business.

What was the most difficult part of the work?
Getting the organisation to think as One Lindab. We have previously had a business area-oriented culture in the company, and it's always hard to break with that. But now that everyone can see the benefits in the form of enhanced cooperation, increased sales and how great challenges can be overcome if we work together, an innovative and engaging environment has been created instead. Everything is moving faster, and so it should be.

What is Lindab's aim?
The conditions in the construction industry are changing rapidly, and those who fail to realise this will have a hard time surviving the competition going forward. In a few years from now, there will be an even larger focus on energy-efficient and sustainable building solutions. Lindab has a small advantage given its position in the area, and now focus is on maintaining and developing this position which is where our strategy comes in. Quite simply, we need to build a management system for the business which does not depend on who runs the company, but which can quickly be adapted to a changed environment. That's what I call a sustainable strategy.

Lindab The Future is a booklet which explains Lindab's strategy in simple terms and is translated into 14 languages and distributed to all employees.

Strategy
in action

Lindab is working hard to implement the strategy and continue the important transformation of the company. During 2015, a number of activities were completed with the contribution of all parts of the organisation. A selection of these activities within the five strategic focus areas is presented on the following pages. The work pace will remain high going forward. The trick is to take advantage of what has already been done while at the same time carrying out new activities. The aim is to create the right conditions to ensure that Lindab can develop successfully in a rapidly changing market.

Market Excellence

Completed

2015

- ☑ Offering in prioritised markets strengthened, branches and stores upgraded with new concept and four new branches opened
- ☑ Market expansion completed through the acquisitions of MP3, IMP Klima, Nather and Froid Partn’Air
- ☑ Group-wide approach to Strategic Product Management established
- ☑ Lindab Inc, USA divested
- ☑ New concept with new e-commerce functionality launched in five markets
- ☑ Shop-in-shop concept for retailers launched

Priorities

2016

- ☐ Develop the existing branch network and upgrade the commercial offering in this channel
- ☐ Continue to develop the offering with a higher degree of added value to increase business with established customers
- ☐ Increase the level of shared work methods throughout the Group in order to strengthen the sales organisation
- ☐ Strengthen the offering and presence within so-called “geographical white spots”

Rainline in the UK

A safe channel for British rain

As a central part of its strategy, Lindab is mapping all its markets with the aim of strengthening its position on each one — partly by selling more of the existing range to existing customers, but also by broadening both the range and the customer base. Efficient use of the branch network and strengthening contacts with influencers such as architects and consultants are key to the initiative's success.

In the UK, plastic roof drainage has long been the norm. In recent years, however, there has been a shift towards higher quality, more eco-friendly systems like the steel-based Lindab Rainline. Sales have increased in this product group, but there is tremendous potential as steel gutters and downpipes are only a marginal part of the total market today. Lindab Rainline is one of the most appreciated products.

18%

Lindab's Rainline sales in the UK have increased by 18 percent in the past two years

Nigel Stokes, Commercial Manager, Lindab UK:

How are things going for Rainline in the UK?
Very well. Sales have increased considerably in recent years, and we're taking market share. We've built up some strong relations with various stakeholders in the construction sector. In the first phase we've focused on builder's merchants and construction companies, but there's increasing emphasis now on strengthening the dialogue with architects, home builders and others. Close collaboration with architects who focus on sustainable building, for instance, is something we believe could lead to good results in the long term.

Why is the UK looking for steel roof drainage right now?
Awareness of the importance of eco-friendly products and materials is increasing rapidly, and plastic simply isn't a part of that. Basically, Lindab Rainline meets the requirements of buyers for more sustainable, low maintenance housing. Steel also looks far better than plastic architecturally.

What's the outlook for the immediate future?
Because we have products with sales arguments like long life expectancy, low carbon footprint and value for money, our range is now a natural part of the strong trend towards more eco-friendly, energy-efficient construction. We've also helped various construction projects win prestigious environment and sustainability awards, such as Queens Court most recently which won the Green Apple Award*, and this has made more architects and consultants aware of Rainline. So let the rain keep falling over the British Isles!

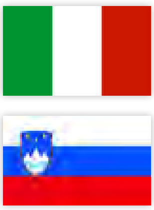
**Award presented to construction projects that have a considerably reduced environmental impact and improved sustainability.*

GREEN APPLE AWARD WINNER 2015

New markets

Acquisitions provide access to new customer groups

The acquisitions of the Italian company MP3 and the Slovenian company IMP Klima have not only enabled Lindab to offer customers complete ventilation solutions, but also increased the company's market presence in Europe. MP3 has brought new, strong customer relationships in Italy and other Southern European countries. The acquisition of IMP Klima strengthens the market presence within ventilation in the Balkans, Russia and the Middle East. Both companies have a total of 10 branches and more than 400 employees, and their respective main cities, Padua and Godovic, are just a couple of hours' drive from each other.



Italy and Slovenia now form a big part of Lindab.

New market

New centre in Dubai, a city with green ambitions

Lindab must grow in new markets. Dubai in the United Arab Emirates aims to become one of the world's most sustainable cities by 2020. With an ambition like that, Lindab should be there. In January 2015, Lindab therefore opened a centre in the city with the aim of offering innovative and energy-efficient building and indoor climate solutions to the construction sector.

Extended distribution

French addition makes Lindab stronger

Lindab has the industry's most comprehensive branch network in Europe which enables fast and flexible deliveries of everything the customers need for their projects.

In order to further improve the company's competitiveness, efforts are being made to update and further streamline the network, for example by adding new products and branches through acquisitions. In 2015, focus was on France, among other countries.

Two important acquisitions

In June, the French company Nather was acquired whose business mainly covers products and solutions for residential ventilation. As a result, Lindab can now offer its customers in France and nearby markets complete solutions within residential ventilation, a strongly growing segment with a great need for energy-efficient solutions. In July another French company was acquired. The acquisition of the assets of Froid Partn'Air, whose business covers distribution of ventilation and indoor climate products in Marseille, strengthens Lindab's position in the third-most populous region in France.

The acquired company Nather's business mainly covers products and solutions for residential ventilation.

Lindab webshop

More customers shop online

Constantly simplifying construction for the customers is a key part of Lindab's business concept. In an age where quick access to a variety of products and solutions is becoming increasingly significant to the successful completion of a construction project, online shopping is becoming ever more important. Lindab's webshop meets the need as fast deliveries from a nearby branch are only a mouse-click away. The webshop, which was upgraded in 2015, is available in five European countries and sales via this channel are growing rapidly. In Denmark, online shopping accounted for 25 percent of Lindab's total sales in the country in 2015.

Market diversification

Astron in Africa

The political and economic uncertainty in Russia has reduced sales for the Building Systems segment in the Russian market and nearby regions. In order to counter the effects of the decline, increasing exposure in other regions has been a top priority.

Astron is a strong brand, not just in Europe but also in Africa, where the company over the years has delivered around 150 sustainable, energy-efficient and complete steel construction systems. In 2015, several new orders were received in the region which is a result of the close partnership with large international export companies. In Calabar, Nigeria, a new production and service facility is being built for a US oil and gas company. The order has a value of around SEK 30 m. In 2016, deliveries will begin for buildings and production units for a new brewery in Anyama in the Ivory Coast which is owned by a European beverage company. The order has a value of SEK 56 m. Market diversification is a long-term investment. In addition to the efforts in Africa, positions have been strengthened in Germany and Poland, which are new Building Systems' largest and third-largest market in terms of sales.

Brand architecture

A portfolio of strong brands

The mapping currently being executed is also to create the basis for further development of the Group's brands. In 2015, the portfolio was expanded by two free-standing brands, Nather and MP3, as well as the brand Lindab IMP Klima. Today just over 80 percent of sales are made under the Lindab brand.

Lindab

SPIRO ASTRON

Lindab IMP Klima | unite | MP3 | BJARNES

Centrum Klima | NATHER VENTILATION | SPIRAL-HELIX, inc. | DIRECT VENT | Dandy Port

Ciftci Towers and Malmö Live

A brand that commands respect

A strong brand, products of the highest tightness class and the capacity to meet extensive and complex deliveries are some of the reasons why Lindab was chosen as the supplier of a complete duct system for the 45-storey twin towers Ciftci Towers in Istanbul. The towers which were designed by the award-winning architects John McAslan + Partners will offer exclusive high-rise accommodation. Another exclusive and complex project is Malmö Live, a new concert hall, convention centre and hotel in Malmö which was completed in 2015. With a brand that is synonymous with quality and efficient logistics, Lindab was the obvious choice of supplier of the duct system for the massive construction project in a central location and under tight deadlines.

"Lindab is now an established brand in Turkey and we are gradually strengthening our presence in the country."

Levent Özcan, Country Manager, Lindab Turkey

Efficient Availability

Completed

2015

- ☑ Construction of new distribution centre begun in Northern Europe
- ☑ New inventory management model introduced mainly for finished goods
- ☑ Purchasing organisation restructured
- ☑ Production streamlined in Finland, the Czech Republic and Poland
- ☑ Integration of MP3 and IMP Klima begun

Priorities

2016

- ☐ Complete strategic automation projects in large production units
- ☐ Increase the share of Group purchasing of raw materials, intermediate goods and finished goods
- ☐ Increase the coordination of transport
- ☐ Expand the inventory control model to include more product areas and markets in the Group

Distribution centre

300,000* products on a straight delivery path to customers

An important part of Lindab's strategy is to implement more initiatives to simplify the often complex value chain in the construction sector. An investment that goes hand in hand with the customers' demand for shorter lead times, more service and lower environmental impact. Being able to efficiently link own production, purchasing, branch network and direct deliveries strengthens Lindab's competitiveness as a supplier.

Lindab has undertaken one of its biggest investments ever: the establishment of a centre to handle all logistics in Sweden, Norway and Denmark. Once completed in 2017, nearly all products in stock, both produced and purchased, will pass through the centre on their way from the factory to a branch or directly to the customer. In terms of volume, the centre will be handling around 300,000* products every day.

Stefan Lindqvist is project manager for the new distribution centre:

Why are you building a distribution centre?
We are always looking for new ways to strengthen our distribution to the customers while at the same time reducing our environmental impact. With this solution, the factories become dedicated producers, while the distribution centre effectively handles deliveries to the customers and our comprehensive branch network. By effectively coordinating deliveries we can improve our delivery capability and effectively handle the increased volume of small orders, while also freeing up resources to broaden the customer offering.

What does this mean for Lindab?
In addition to improving our ability to meet the needs of our customers, it ensures increased productivity in the supply chain and lower working capital. In short, it eliminates unnecessary storage space and makes it easier to coordinate the delivery chain and effectively reduce costs.

Why is the centre being built in Grevie?
The Nordic region is our largest sales region and a highly efficient distribution centre right next to our largest production units here in Grevie and Förslöv in Sweden will be an important cornerstone in the continued expansion in the region.

**Average number of goods and transports handled per day in 2015.*

Efficient production

Right production in the right place

Lindab's products are produced at own facilities or purchased from external suppliers based on the need of the respective markets. The goal is to make high-quality products available at all times to quickly meet the demand and to free up resources for investments in product development and marketing.

In 2015, a number of production activities were completed with the aim of reducing costs, increasing efficiency and improving service. In the Czech Republic, the production of ventilation products was centred in Karlovarska and the production of building products in Hustopece. In Finland, the production of building products in Kyyjärvi was closed down and the production centred in Jyväskylä and Estonia. In Poland, the building product unit in Lomianki was closed down and Wieruchów will be the new centre for production and distribution.

Efficient purchasing

A fan of control

Being able to act as a single large company when dealing with different suppliers is key to increasing competitiveness and reducing costs and this is continuously being done for all major product groups.

Fans are an important component in ventilation systems and Lindab must have in-depth knowledge of the products in order to meet the customers' demands for each individual solution. Working with a limited number of strategic partners allows Lindab to offer a competitive range as well as improved technical expertise, guarantees and delivery capability, all of which benefit the customer. In 2015, Lindab launched a brand new range of fans for the Entire Group.

Solutions

Completed

2015

- ☑ Expertise within solutions increased through the acquisitions of MP3, IMP Klima and Nather
- ☑ Complete ventilation solutions developed within fire protection, non-residential construction and hospitals
- ☑ First-generation ventilation solution concept developed on the basis of the “Internet of Things”

Priorities

2016

- ☐ Integrate products and services from IMP Klima and MP3
- ☐ Develop the expertise and the organisation needed to sell complete ventilation solutions
- ☐ Establish and commercialise new energy-efficient and user-friendly solutions based on Lindab’s unique position in ventilation

The modular AHU TopAir is designed for central air handling

Business combinations

Acquisitions complete Lindab

The overall business goal is clear. By 2020, Lindab must be a leading supplier of complete ventilation solutions for all customer groups within selected segments. Previous efforts to identify strategically important product areas and expertise to reach this goal have formed the basis for the acquisitions of MP3, IMP Klima and Nather in 2015.

With the acquisition of MP3, Lindab now has a broad offering of fire protection products, including a competence centre where different fire and smoke solutions can be tested under extreme heat. As a result, Lindab can now develop solutions completely independently of other players. Furthermore, it allows Lindab to strengthen its offering of indoor climate solutions outside the Nordic region where Lindab has already built up a strong position within the area.

IMP Klima has first-rate R&D facilities and more than 12 test laboratories for various purposes. IMP Klima's offering mainly includes AHUs, which are an important part of a complete ventilation system. These products allow Lindab to engage in a constructive dialogue with customers when developing complete ventilation solutions. The acquisitions of MP3 and IMP Klima have provided Lindab with a strong offering within a segment that is growing considerably faster than the construction market as a whole. The demand for ventilation and indoor climate solutions is driven by a growing need for greater energy efficiency and better air quality to meet regulatory as well as user requirements. Once the integration of products, solutions, expertise and structures is complete, Lindab will have access to:

- Complete fire protection solutions
- Complete ventilation solutions for certain types of non-residential construction
- Complete solutions for so-called clean rooms at, for example, hospitals

With the acquisition of Nather, Lindab is one step closer to offering complete ventilation solutions for homes, an important and large segment. In order to continue this focus, further strategic product areas and expertise have been identified.

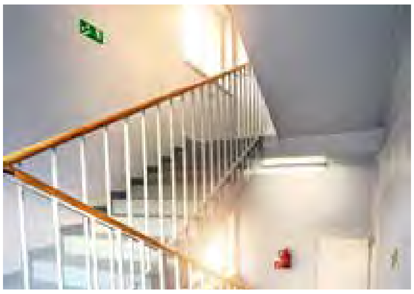
24%

Sales of indoor climate solutions increased by 24 percent in 2015

Lindab Protect

Protection for a safe environment

The acquisition of the Italian company MP3 has strengthened Lindab's expertise within fire protection systems for ventilation. The systems are now also sold under the name Lindab Protect in new markets. The systems can be installed in hospitals, hotels, shopping centres, train stations and multi-storey car parks, among other places.



Eli Alps Centre, Hungary

Sensitive research environment demands the best

ELI-ALPS' research facility which is being built in Szeged, Hungary, will give researchers around the world the chance to study ultrafast light sources. The fact that it is a sensitive project with extremely high demands down to the last detail may have been the reason why Lindab was chosen by the designer as the supplier of the indoor climate solution. Among other things, the project has the highest tightness requirements for ventilation on the market, class D, and Lindab is one of the few suppliers that can meet this requirement. The complete indoor climate solution includes ducts and duct components, dampers, silencers, AHUs, fire and smoke protection as well as technical support, service and software such as CADvent, DIMcomfort and DIMsilencer. IMP Klima also delivered the complex ventilation solution for the clean rooms.

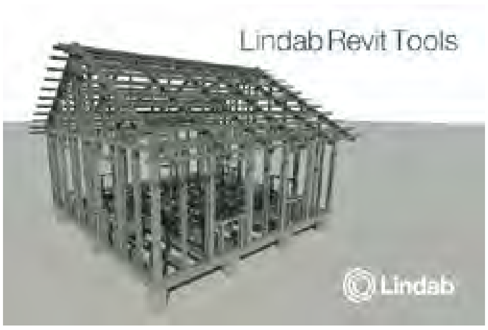
IT solutions

Supporting simplification every step of the way

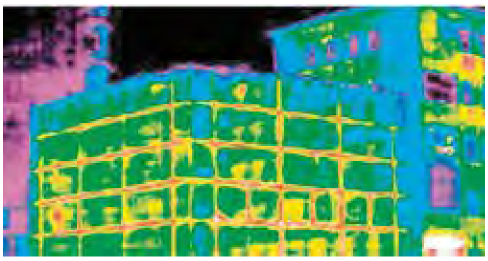
Lindab's strategy for the development of IT solutions and project support is to simplify every stage of the design and construction process in order to increase the level of quality and profitability for all parties involved. The pace of innovation is high as new generations of existing software are continuously being introduced and new, innovative software is being developed. The aim is to make things simpler for the customers and adapt the solutions to existing building regulations and put an even greater focus on the buildings' energy performance.

"Lindab's project planning software makes it easy to visualise and plan each project down to the last detail."

LindQST, CADvent and TeknoSIM are some of the project planning tools that Lindab offers consultants, architects and other influencers in order to simplify the work of visualising and planning a project for a complete indoor climate or ventilation solution.



Lindab's portfolio of construction software such as WALLanalyzer, LindabStructuralDesigner and LindabRevitTools, is one of the most comprehensive on the market and is designed to support and streamline calculation, specification and CAD work in one complete building solution.



Cy-nergy is software that helps the designer to easily determine and optimise a building's energy consumption, for example to comply with the new EU directive on nearly zero-energy buildings. The calculation is based on the building's theoretical energy consumption for construction, insulation and heating as well as air conditioning, lighting, ventilation and hot water.

Competence centre

Cutting-edge expertise ensures leading solutions

With the acquisitions of IMP Klima and MP3, Lindab can now offer complete solutions in indoor climate and ventilation. Most importantly, Lindab has been strengthened with the unique expertise that both companies represent, which is an important investment in innovation.

For many years, Lindab has had some of Europe's most advanced test centres, for example the acoustic laboratory in the Danish town of Farum where comprehensive tests are continuously being conducted in close cooperation with customers. The acquisitions of IMP Klima and MP3 have given Lindab access to additional test centres which strengthen and complement Lindab's customer offering.

IMP Klima's modern R&D centre in Godovic, Slovenia, has laboratories for air quality and air distribution, cleanroom technology/HEPA, building acoustics, heating/cooling units, AHUs and solar heating. Here, customised solutions are continuously being developed and subjected to full-scale tests. In order to be at the forefront of the field, IMP Klima has close partnerships with Slovenian universities and international research institutes.

MP3 also focuses on constant development and improvement and ensuring that the solutions always comply with European standards for fire dampers and fire evacuation, among other things. MP3's laboratory in Padua has a test oven where products and materials are tested at temperatures of up to 1,050 degrees.

"Here we develop industry-leading climate systems and solutions that contribute to a healthy, comfortable and energy-efficient indoor environment."

Dr Erik Pavlovic, R&D Manager, Lindab IMP Klima

Innovation

Completed

2015

- ☑ New function, Strategic Innovation, established for cross-border innovation work in the Group
- ☑ Existing product range organised according to the degree of innovation
- ☑ First installation of the globally unique Solus indoor climate system completed
- ☑ New and existing IT solutions and project support developed and upgraded

Priorities

2016

- ☐ Integrate MP3's and IMP Klima's R&D centre in Lindab's innovation process
- ☐ Strengthen and streamline the innovation process in the Group
- ☐ Set up balanced scorecards for follow-up of innovation efforts
- ☐ Commercialise new ventilation technology to reduce energy consumption and provide new solutions for energy consumption in nearly zero-energy buildings

Solus, Jönköping

The indoor climate system of the future is here

More innovation is key to developing products and solutions that meet the future need for smart, energy-efficient buildings and an optimum indoor climate.

Lindab's strategic focus on innovation covers all parts of the company and is aimed at creating an innovative culture. The goal is for a growing share of sales to be generated by brand-new innovations. However, Lindab already has products on the market that are breaking new ground. The 16-storey office building Runda Huset in Jönköping, Sweden, is not only a unique architectural landmark, but it also represents a milestone in a brand-new, globally unique indoor climate technology: Lindab's new Solus system. Solus transfers energy from cold to hot rooms and mixes and recirculates the temperate water rather than constantly cooling or heating it as in conventional systems. When combined with renewable energy sources, Solus can reduce cooling energy use by 45 percent. The entire system, comprising approximately 500 Solus chilled beams in one water circuit, was commissioned in Runda Huset at the end of November.

"To us, Solus is the future of indoor climate systems. Large energy savings, simple installation, negligible maintenance costs, but above all it offers the possibility to maintain a consistent temperature in the whole building, round the clock."

Gunnar Järvhammar, Lustgården

Runda Huset is owned by Tolust AB which, in turn, is 50 percent owned by Lustgården and 50 percent owned by Tosito.

45%

Solus reduces cool energy use by up to 45 percent

Lindab Art

Create your own expression on the wall

Lindab has developed a way of creating your own expression on facades. The customer chooses the motif to be shown, for example an image, a logo or text. Pattern perforated facade cassettes are used to create the motif on the facade, which can either be a small area or an entire wall section. The solution is called Lindab Art and allows architects and designers to give their building a distinct look. The possibilities are endless.

Indoor climate at schools

Pascal is happy at school

Studies from the World Health Organisation (WHO), among others, demonstrate that a good indoor climate is important for the employees' ability to perform well at work. The same is of course true for school children. Sadly, many European schools still fail to meet this basic requirement. However, at the Kaarisilta school in Pori, Finland, they decided to do something about it. The solution was the innovative indoor climate system Lindab Pascal. It not only provided a consistent and comfortable indoor climate in all classrooms, but was also simple to install as well as cost- and energy-efficient. In 2016, Lindab will launch an upgrade to Pascal which will not only give more schools, but also rooms across Europe access to a much-needed improvement in the indoor climate.

"A good indoor climate may increase people's performance by 10–25%." (WHO)

People

Completed

2015

- ☑ Group onboarding and recruitment processes implemented
- ☑ Effective e-learning platform for various training concepts developed, including implementation of the strategy
- ☑ Diversity project group established with the aim of carrying out activities to increase equality
- ☑ One Lindab – One Management training in business ethics, corporate governance, leadership and financial knowledge completed for around 150 managers
- ☑ Group system support for mapping strategically critical skills implemented

Priorities

2016

- ☐ Identify action and training programme in order to strengthen strategic expertise
- ☐ Establish Lindab as one of the most attractive employers in the industry
- ☐ Develop and implement additional Group HR processes

Per Gustafsson and Trang Vu

Employer branding

The future is at Lindab

The successful development of employees is a key issue for Lindab if we are to be able to implement strategies in the different focus areas and achieve the Group's long-term goals. One of the goals is to make Lindab one of the industry's strongest and most respected employers.

Two people who can provide an idea of how far Lindab has come in this work are Per and Trang who were trainees at Lindab in Sweden in 2014–2015.

Per and Trang, what are your jobs today, and how have you benefited from the trainee programme?

Trang: I'm currently working as a logistics developer at Lindab Profil in Förslöv, Sweden. Being a trainee has given me a comprehensive understanding of Lindab and a network of contacts that are very useful in my current position.
Per: Yes, having had the opportunity to build a broad network in the organisation has made my current job as purchasing analyst significantly easier.

Is there a special Lindab spirit?

Per: Absolutely. You can feel how the core values pervade the company. Neatness and order, down to earth and customer success are something that everyone is aware of and tries to follow in their daily work.
Trang: A strong customer focus pervades everything that Lindab does. It's probably a part of the company's long history of entrepreneurship, always finding the best solution for the customer in order to increase both the customer's and Lindab's own sales.

Does Lindab have a strong employer brand?

Trang: That varies to some extent depending on the region. Here on the Bjäre peninsula in Sweden, close to the head office, there are many people who would like to work at Lindab. In other regions, Lindab may have a strong brand, but is mainly known for its products. However, having products that everybody knows is of course important to also create interest among potential employees.

What can then be done to increase interest in the company?

Per: By continuing to participate in job fairs and meeting the students face to face in order to talk to them about the opportunities in the company. And given the company's focus on research and development, inviting students to write their exam paper at Lindab provides great value for the company. It's often a win-win situation.
Trang: We also need to get even better at using various social media. We have a lot to tell which is so important to many people, for example, living and working environments. There's therefore a great potential for getting a lot of people interested in what we do at Lindab and what it's like to work here.

How do you view your own career opportunities at Lindab?

Trang: Lindab is a large group so there are many opportunities for development and with the right skills and drive it's definitely possible to advance your career.
Per: They're certainly good. Lindab is also known for its internal recruitment. It also feels good to be part of a company of the future.

"As a logistics developer my work includes flow mapping and analyses to identify problems and improve our processes."

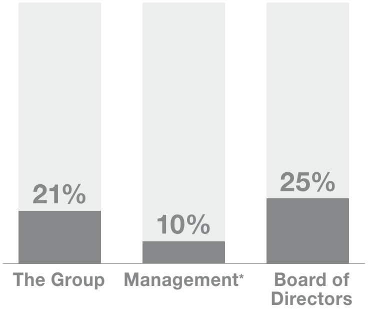
"My main task is to analyse the steel markets in order to provide the Executive management and others with reports on prices, indexes and forecasts. I'm also responsible for establishing the Group's total purchasing costs."

Diversity

Diversity does it

Lindab is part of a rapidly changing society. In order to meet the needs of the markets and develop successfully, the company must ensure a mix of people and perspectives that largely reflect the society in which the company operates and that everyone in the Group has the same career opportunities. In 2015, Lindab's Board of Directors signed an Equal Opportunity Policy which demonstrates Lindab's strong commitment to this issue. Furthermore, a project group has been set up which is in charge of activities to improve diversity in the Group. This includes an ambition to increase the proportion of women in management positions.

Proportion of women



* Refers to the operational management team of 10 people.

Leadership development

150 managers that think (almost) alike

For Lindab to be able to implement its strategy requires a strong and dedicated leadership, with the same clear view of Lindab's strengths. During the year, new leadership criteria were introduced which support this view. Furthermore, an extensive training programme for 150 managers in the Group was completed. The training programme, One Lindab – One Management, focused on the development of skills to support the implementation of the strategy and included training in leadership and business acumen.

Lindab's leadership criteria

Competence development

Wanted: complete skills

New expertise is needed to develop a variety of skills and meet the challenges of the market. Among other things, it requires special skills to sell complete solutions.

Lindab's technical sales force must, in an informed, competent way, be able to offer customers complete ventilation solutions that include all products and services, which is different from just selling a part of a solution. This requires a holistic approach and the ability to engage in a dialogue with customers early on in the project. In 2016, extensive investments will be made in developing this skill in the Group, but the first steps were already taken in 2015. Among other things, different teams have been instructed in what skills the recently acquired companies such as MP3 and IMP Klima can contribute in order for Lindab to be able to offer complete solutions to the various segments.

It's all about sustainability

"At Lindab, we not only take responsibility for creating sustainable development through products and services that improve energy efficiency and reduce resource consumption, we also take responsibility for all the different stakeholders who might be affected by our activities in some way. During 2015, we structured our work on important sustainability issues that affect our stakeholders and integrated them into our business strategy. Furthermore, we defined three long-term goals to help us advance our position as an attractive employer, our commitment to safety in production and take the next step towards reducing the environmental impact from our own production and our comprehensive offering of products and solutions. Increasing our focus on taking more responsibility for different projects and developing complete solutions are an important step towards achieving all our goals, both financial and non-financial. Creating value for each section of the value chain, from the contact with suppliers to those who live and work in the buildings we are involved in and take responsibility for, is a key part of the strategy. We've said it before, and we'll say it again – Lindab will not only be a part of the future, we want to help shape it."

Anders Berg, President and CEO

Attractive employer

Lower carbon dioxide emissions

Better working environment

Important sustainability issues for Lindab

Since 2009, Lindab has reported on its sustainability work in accordance with the international framework Global Reporting Initiative (GRI), and this year, for the first time, the reporting will be in accordance with the updated G4 guidelines. Internal analyses of strategic issues, global driving forces and dialogues with various stakeholders have identified the sustainability issues that are considered to be of greatest importance to Lindab.

The issues have been grouped based on Lindab's so-called foundation comprising Employees, Products and solutions, Production and processes and Sales and distribution (see page 21).

The sustainability report has not been examined by a third party, but Lindab judges that all the information in the Annual Report for 2015 and the information on Lindab's website comply with GRI's G4 Core requirements. Unless otherwise stated, the information concerns the Group as a whole. A GRI index can be found on Lindab's website www.lindabgroup.com.

Employees

- Health and safety
- Diversity and equality

Products and solutions

- Customer health and safety
- Product content declarations
- Environmental impact of products and services

Production and processes

- Supplier requirements
- Materials used in production
- Greenhouse gas emissions
- Waste
- Energy consumption

Sales and distribution

- Anti-corruption
- Fair competition
- Financial stability

Why invest in the Lindab share?

The Lindab share was listed on the Stockholm Stock Exchange in December 2006. The share is currently traded on the Exchange's MidCap list and is included in the Building Products sector. At the end of the year, Lindab had a market capitalisation of SEK 4.9 billion and 8,313 (8,202) shareholders.

At Lindab's Capital Markets Day in May 2015, Anders Berg and the rest of the Executive management talked about the transformation undertaken by Lindab and how the new strategy must be able to capitalise on different trends and internal strengths. This is a long-term process which is based on Lindab's strong core values – Success for the customer, Down to earth and Neatness and order – which have been an integral part of the company since it was founded in 1959. With the business concept "Back to Basics, Into the Future", Lindab focused on activities to boost sales, improve operating leverage and increase the pace of innovation. By combining business areas, resources were freed up and synergies created. Furthermore, a new, flat matrix organisation made Lindab faster, more customer-focused and better at exploiting the breadth of the entire offering and adapt it to the local markets. With all this in place, the new strategy was launched at the end of 2014. With rapidly changing markets and an increasing need for solutions to meet the need for higher energy-efficiency and comfort in many different types of buildings, Lindab sees a great potential for creating profitable growth through its cutting-edge expertise within areas such as ventilation and indoor climate. The strategy focuses on different areas of the business with a potential for advancing Lindab's position, among other things through new innovations, increased expertise and acquisitions that make Lindab a complete supplier of ventilation solutions within selected segments.

There are of course challenges, for example those posed by a continued weak European construction market, increased geopolitical uncertainty and growing competition. However, with one of the market's most comprehensive distribution networks, modern and efficient production, close partnerships with customers and influencers as well as continuous development of solutions that simplify all stages of the construction process, Lindab's strategy stands a great chance of success. The goal is to increase sales by an average of 5–8 percent per year with an operating margin of at least 10 percent. These are ambitious but completely realistic goals which, if achieved, will create significant shareholder value going forward.

1.

Neatness and order also applies to Lindab's finances. Consequently, the company has not reported a single loss since 1959. Making things simpler for the customers has been a key guiding principle.

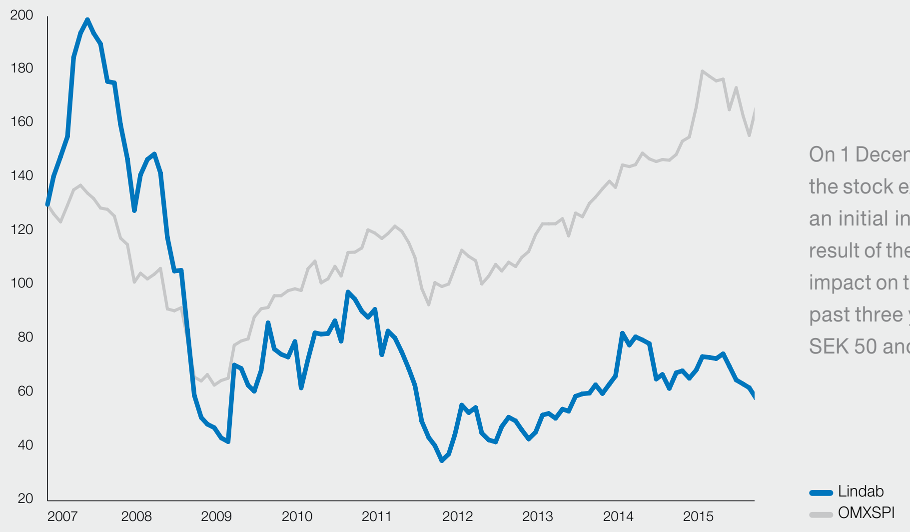
2.

The long-term trend in the construction sector is for an increasing need for energy-efficient solutions to meet climate targets as well as the users' demands for comfort and a healthy indoor climate.

3.

Lindab's new strategy has a strong focus on enhancing the investments in ventilation and indoor climate with the aim of offering customers leading, complete solutions in the area that help them to deal with future challenges.

The Lindab share's development on the stock exchange



On 1 December 2006, the Lindab share was listed on the stock exchange at a price of SEK 110. Following an initial increase, the share fell dramatically as a result of the global financial crisis, which had a major impact on the European construction industry. In the past three years, the share has fluctuated between SEK 50 and 85.

For more up-to-date information on the share, go to www.lindabgroup.com

Price development in 2015

Share price performance 1 January–31 December 2015, SEK

Lindab
OMXSPI

- The price fell by 4.1 percent to SEK 62.90.
- The highest price paid was SEK 78.35 on 17 April and the lowest price paid was SEK 55.95 on 24 August.
- An average of 181,802 shares (261,264) were traded every day and the turnover rate was 60 percent (81).
- At the end of the year, of 6 (7) analysts monitoring Lindab's progress, 4 (4) made the recommendation to Buy/Increase, 2 (3) the recommendation to Hold and 0 (0) the recommendation to Sell/Reduce.

The Board of Directors proposed dividend of SEK 1.25 (1.10) for the financial year 2015 which is in line with Lindab's dividend policy of distributing 30 percent of the after-tax result.

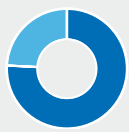
Lindab's largest shareholders

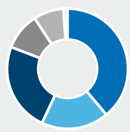
	2015		2014
	Shares	**Capital & votes, %**	Capital & votes, %
Creades	7,870,782	10.3	10.3
Lannebo Fonder	6,180,952	8.1	9.0
Fjärde AP-fonden	6,078,691	8.0	3.3
Afa Försäkring	5,082,889	6.7	4.3
Handelsbanken Fonder AB RE JPMEL	4,669,895	6.1	6.5
Skandia	4,344,328	5.7	6.1
Other	42,104,445	55.1	60.5
Total number of outstanding shares*	**76,331,982**	**100.0**	**100.0**

** Total number of shares excl. Lindab's own holding of 2,375,838 (2,375,838) shares.*

The share capital amounts to SEK 78,707,820 split between 78,707,820 class A shares. Each share entitles the holder to one vote.

Distribution of ownership, %





Data per share

SEK per share unless otherwise specified	**2015**	2014	2013	2012	2011	2010	2009	2008	2007
Diluted earnings per share (EPS)	3.99	3.71	3.05	1.61	1.21	0.36	0.45	9.32	11.45
Earnings per share[1)]	3.99	3.71	3.05	1.61	1.21	0.36	0.45	9.67	11.45
Dividend	1.25[2)]	1.10	-	-	1.00	1.00	-	2.75	5.25
Dividend yield, %[3)]	1.99	1.68	ET	ET	2.67	1.13	ET	5.67	3.57
Dividend in %[1)]	31.0	30.0	ET	ET	82.4	277.8	ET	28.4	45.9
Quoted price, at end of period	62.90	65.60	63.40	43.00	37.40	88.25	73.50	48.50	147.25
Highest quoted price	78.35	83.70	65.20	57.95	95.80	105.00	91.00	163.00	205.00
Lowest quoted price	55.95	52.35	42.17	37.17	31.84	61.25	40.00	36.0	125.00
Shareholder's equity, after dilution	46.00	43.81	38.87	35.15	35.83	36.57	40.16	44.75	37.72
Number of outstanding shares, after dilution	76,331,982	76,331,982	76,331,982	76,331,982	75,331,982	75,331,982	74,772,429	74,772,429	78,707,820

1) Based on the current number of outstanding shares at the end of the year. 2) Proposed dividend. 3) Dividend as a percentage of the quoted price at the end of the period.

Effective risk management

The successful implementation of the strategy requires that Lindab is able to effectively identify and manage the different risks to which the company is exposed. In 2015, Lindab continued its focus on the risks business ethics and working environment.

To identify and prevent risks in a structured way, Lindab is working with an Enterprise Risk Management (ERM) programme called LindRIM. This is a comprehensive programme that involves all business units and Group functions. LindRIM helps to raise awareness throughout the organisation, from operational decision-makers to the Board of Directors, about the risks that may occur and their likely impact. It also increases employees' understanding of how various risks interact.

Clear reporting structure

The risks identified have been divided into four main risk areas: operational risks, strategic risks, financial risks and compliance risks. Reporting, monitoring and control of the various risks are conducted through formally established procedures and processes. A clear structure for reporting risks creates the basis for a common approach within the Group for what should be prioritised and addressed. Reports are made to the Board once a year.

Overall risk exposure picture

For all identified risks, an assessment is made of the probability of the risk occurring and its impact on the business. To provide an overall picture of the risk exposure within the Group, the risks are placed in a matrix and divided into three levels to determine future risk management. A number of activities are proposed for each risk, the aim being to mitigate both short and long-term impact.

Risk management in 2015

As in 2014, the risks business ethics and working environment continued to be a priority in 2015. Another important area was to integrate the new acquired companies' risk management in Lindab's processes.

Risk areas

Operational risks

Steel price development
Stoppages
Bad debt losses
Disputes
IS/IT
Product liability

Strategic risks

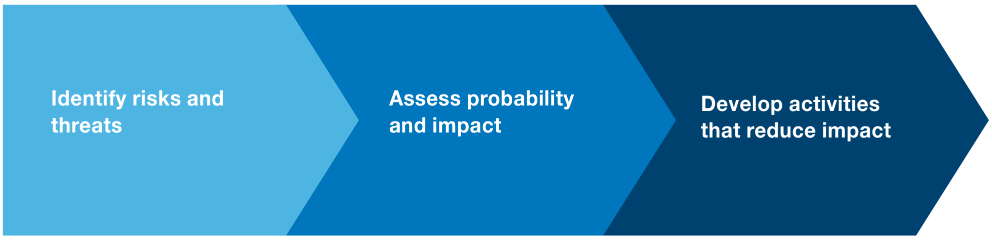
Competition
Customer behaviour
Macro-economy/market

Compliance risks

Environment
Business ethics
Work environment
Internal control
Taxes

Financial risks

Financing
Liquidity
Interest
Currency



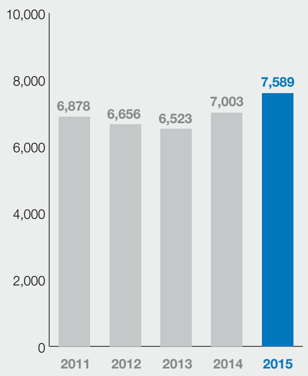
Firm action taken in Hungary

Lindab is present in many markets, and good business ethics has always been a priority. During the year, Lindab carried out an extensive review of internal fraudulent activities in the company's Hungarian business unit Lindab Kft, which resulted in dismissals and legal action. Fraudulent activities of this kind are very unusual, but Lindab has taken firm action and pursued all available legal action to safeguard its interests and ensure compliance with the company's Code of Ethics at all times. The fraudulent activities have over time resulted in costs for Lindab, but over and above the legal costs, the estimated impact on Lindab's future profit is expected to be limited.

Five-year overview

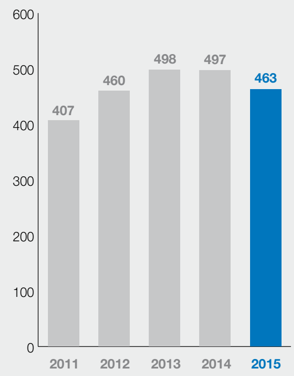
Lindab reported a strong increase in sales in 2015. The continued weak development within Building Systems and acquisition costs within Products & Solutions had a negative impact on profitability. Investments and working capital fell, while lower financing costs resulted in higher earnings per share.

Net sales, SEK m



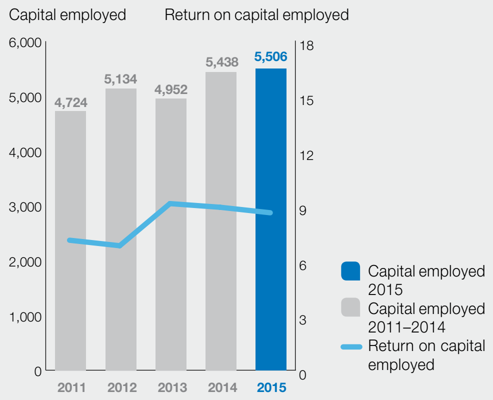
Sales increased by 8.4 percent in 2015, mainly driven by acquisitions and strong organic growth in sales in the Nordic region.

Operating profit (EBIT), excl. one-off items SEK m



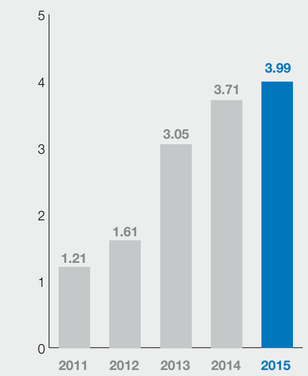
Costs relating to the integration of acquisitions and lower profitability within Building Systems resulted in a lower operating profit in 2015.

Capital employed, SEK m and return on capital employed, %



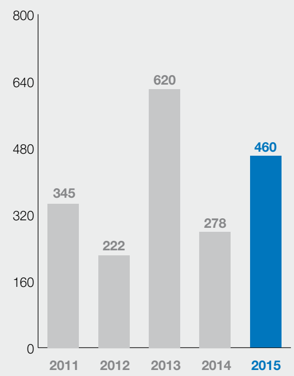
Capital employed increased during 2015 as a result of acquisitions and currency. Returns were largely unchanged.

Diluted earnings per share, SEK



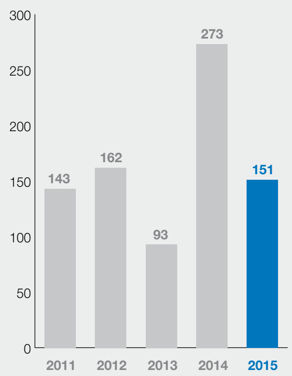
Earnings per share continued to rise in 2015 as a result of reduced financing costs and lower tax rates.

Cash flow from operating activities, SEK m



The substantial cash flow improvement in 2015 is mainly attributable to a higher stock turnover rate.

Gross investments in fixed assets, excl. acquisitions and divestments, SEK m



The change in investments is mainly due to the acquisition of a property in the Czech Republic in 2014 which was previously operationally leased.

Corporate Governance Report

Lindab International AB (publ) is a Swedish public limited company which, according to the Articles of Association, develops, produces and sells products to both the ventilation business area and the construction industry. Lindab is listed on the NASDAQ OMX Nordic Exchange in Stockholm.

Lindab applies the Swedish Code of Corporate Governance ("the Code").

The corporate governance of Lindab is based on the Articles of Association, the Companies Act, the Annual Accounts Act, the Board's rules of procedure, the regulations of the Stockholm Stock Exchange, the Code, and other applicable Swedish laws and regulations.

Lindab abides by the Code for the year 2015. However, it should be noted that, the Code, amongst other things, stipulates that Board members may serve on the Nomination Committee, but they may not represent the majority of the Nomination Committee's members. Lindab's Nomination Committee consists of four members, two of which are Board members. One of these members is the Chairman of the Board and one of the members represents Lindab's largest shareholder. None of these Board members are Chairman of the Nomination Committee. Lindab deems it appropriate that these representatives participate in the work of both the Nomination Committee and the Board.

Share capital and shareholders

Lindab's share capital amounted to SEK 78,707,820 at the end of the year. All shares, only one class, have a face value of SEK 1, meaning that the total number of shares amounts to 78,707,820. Each share entitles the holder to one vote and an equal right to a share in the company's assets and results. Lindab holds 2,375,838 treasury shares. The number of outstanding shares therefore amounts to 76,331,982. Lindab has no voting rights for the repurchased shares. There were 8,313 shareholders (8,202) at 31 December 2015. The four largest shareholders, in relation to the number of outstanding shares, were Creades with 10.3 percent (10.3), Lannebo Fonder with 8.1 percent (9.0), Fjärde AP-fonden with 8.0 percent (3.3), and AFA Försäkring with 6.7 percent (4.3). More information about Lindab's shareholders and the share development in 2015 can be found on pages 42–43.

Annual General Meeting 2015

The Annual General Meeting for the financial year 2014 was held on 27 April 2015 in Grevieparken, in the municipality of Båstad. 220 shareholders participated. The minutes of the 2015 Annual General Meeting have been available since 11 May 2015 on the company's website.

In addition to other matters, the 2015 Annual General Meeting adopted decisions regarding:

- The re-election of the Chairman of the Board, Kjell Nilsson, and Board members Sonat Burman-Olsson, Stefan Charette, Erik Eberhardson and Hans Porat as well as the election of Marianne Brismar and Per Frankling as new members of the Board.
- The re-election of the registered accounting firm Deloitte AB as the company's auditors.
- Resolution regarding Nomination Committee
- Guidelines for remuneration of senior executives
- Authorisation for the Board to decide on the transfer of treasury shares.

Annual General Meeting 2016

The Annual General Meeting for the financial year 2015 will take place on 3 May 2016 at 16.00 in Grevieparken, Grevie, municipality of Båstad, Sweden. In accordance with the Articles of Association, notice to attend the Annual General Meeting will be published in the Official Swedish Gazette (Sw. Post and Inrikes Tidningar), as well as on the company's website. The fact that notice has been given will be published in Dagens Industri. Shareholders wishing to attend the meeting must be entered into the company's share register five weekdays before the meeting, i.e., 27 April 2016, and must notify the company as specified in the notice to attend the 2016 Annual General Meeting. Shareholders who wish to have a matter discussed at the Annual General Meeting must, as specified on the company's website, submit the matter to the Chairman no later than 15 March 2016.

Nomination Committee

At the 2015 Annual General Meeting, it was decided that the company must have a Nomination Committee consisting of a minimum of four members, one of whom will be the Chairman of the Board. The Chairman was instructed at the end of the third quarter of 2015 to contact the three largest shareholders in the company and request them to appoint their representative to the Nomination Committee as soon as possible. The Chairman of the Nomination Committee shall be the member who is appointed by the largest shareholder, unless agreed otherwise by the Nomination Committee. The Nomination Committee's mandate period runs until a new Nomination Committee has been appointed.

A Nomination Committee was constituted on 29 September 2015, comprising:

- Peter Rönström, representative for Lannebo Fonder (Chairman)
- Per Frankling, representative for Creades
- Per Colléen, representative for Fjärde AP-fonden
- Kjell Nilsson, Chairman of the Board of Lindab International AB (publ).

In accordance with the resolution at the Annual General Meeting, the Nomination Committee must evaluate the composition and work of the Board of Directors and submit proposals for the 2016 Annual General Meeting with regard to:

- election of the Chairman at the 2016 Annual General Meeting
- election of the Board and Chairman of the Board
- election of auditors
- fees for the Board of Directors, any Board committee and auditors
- composition of the Nomination Committee for the 2017 Annual General Meeting.

The Nomination Committee held two minuted meetings in 2015. In 2016, the Nomination Committee held three minuted meeting prior to the 2016 Annual General Meeting.

The company's website states that shareholders wishing to make contact with the Nomination Committee can send:

– an e-mail to fredrik.liedholm@lindab.com (subject "To the Nomination Committee") or
– a letter to "Lindab's Nomination Committee", Fredrik Liedholm, Lindab International AB (publ), SE-269 82 Båstad, Sweden.

Board of Directors

At the Annual General Meeting on 27 April 2015, it was decided that the Board of Directors would consist of six members without deputies. The company's CEO is the rapporteur for the Board of Directors. The various assignments of the members of the Board of Directors are shown on page 52 of the Annual Report.

Key issues at each Board meeting

– 9 Feb	Year-end Report 2015, dividend
– 27 April	Quarterly report, acquisitions
– 27 April	Constitutive meeting
– 16 June	Rules of procedure, strategy, acquisitions, divestments
– 16 July	Interim Report
– 16 Sept	Visit, subsidiary in the Czech Republic
– 26 Oct	Interim report, Board evaluation
– 14 Dec	Budget

Work of the Board of Directors

The work of the Board of Directors is governed by rules of procedure approved annually. The rules of procedure include the instructions to the company's CEO, the duties of the Chairman, the Board's meeting procedures as well as decision-making procedures together with instructions and policies. The Group's Executive management has been present at Board meetings.

During 2015, the Board of Directors had eight board meetings. At each ordinary meeting, the financial performance was reported and followed up. The Board held one meeting with the auditors, without the Executive management present, to review the cooperation with the Executive management regarding implementation of the audit process and other related matters. Key issues addressed at Board meetings are shown separately.

An evaluation of the work of the Board took place in 2015. All Board members have carried out a written evaluation of the work of the Board and answered a number of questions relating to the work from various aspects. The members' answers have been compiled and reported to the Board and the Nomination Committee. The Board has also evaluated the CEO's performance in 2015. The evaluations showed that the work of the CEO and the Board have been well performed.

Remuneration to the Board of Directors

At the Annual General Meeting on 27 April 2015, fees totalling SEK 2,200,000 were resolved and allocated as follows: SEK 650,000 to the Chairman of the Board, SEK 300,000 to each of the other elected Board members and SEK 25,000 to each of the employee representatives.

Remuneration Committee

The Board in its entirety performs the duties of the Remuneration Committee as this is deemed appropriate considering the high priority of the issues concerned. No separate fee is paid for the Remuneration Committee as it consists of the Board of Directors in its entirety.

Audit Committee

In addition, the Board in its entirety will discharge matters that are referred to the Audit Committee. The Board will thus ensure the quality of the financial statements, maintain ongoing contact with the auditors, evaluate the auditing work, assist the Nomination Committee in its preparations for the election of auditors, ensure that the company has a proper system for internal control, risk management and other related issues. Sonat Burman-Olsson is an independent member with specialist expertise in accounting and auditing matters. No separate fee is paid for the Audit Committee as it consists of the Board of Directors in its entirety.

The Board of Directors and breakdown of Board fees

Name	Function	Number of meetings present 8 meetings	Elected year	Company	Ownership	Board fees
Kjell Nilsson	Chairman	8	2012	Independent	Independent	650,000
Pontus Andersson[1]	Member	8	1995			25,000
Marianne Brismar[2]	Member	6	2015	Independent	Dependent	200,000
Sonat Burman-Olsson	Member	8	2011	Independent	Independent	300,000
Stefan Charette[3]	Member	1	2012	Independent	Dependent	100,000
Erik Eberhardson	Member	6	2009	Independent	Independent	300,000
Per Frankling[2]	Member	6	2015	Independent	Dependent	200,000
Birgit Nørgaard[3]	Member	2	2012	Independent	Independent	100,000
Hans Porat	Member	8	2014	Independent	Independent	300,000
Markku Rantala[1]	Member	8	1998			25,000
Total						**2,200,000**

1) Employee representatives replaced by deputies due to absence
2) Elected to the Board of Directors on 27 April 2015, mandate period covered six meetings
3) Resigned on 27 April 2015, mandate period covered two meetings

Auditors
At the 2015 Annual General Meeting, the accounting firm Deloitte AB was elected to be the company's auditor. Authorised public accountant Hans Warén was appointed as lead auditor. Hans Warén is also appointed by other listed companies, but this does not encroach on the time necessary to carry out his work for Lindab. The accounting firm, Deloitte AB, and the lead auditor, Hans Warén, do not perform any services that could bring their independence into question. Nor have the services performed by the auditor for Lindab, over and above the auditing services, altered this opinion.

Auditors' fees
The auditors' fees paid to the company's accounting firm, Deloitte AB, amounted to SEK 0.3 m for the parent company and SEK 6.3 m for the Group. Fees paid to Deloitte for other services for the Group amounted to SEK 3.4 m.

Rules of Procedure
At the constitutive Board Meeting on 27 April 2015, the Board of Directors adopted rules of procedure for determining the distribution of duties between the members of the Board, the Chairman's role, decision-making procedures and issues regarding financial reporting and internal control. The rules of procedure include the CEO's instructions for the determination of the CEO's duties and responsibilities.

The Board has also established guidelines for the company's and Group's governance. These guidelines are explained below:

Corporate Governance Policy
Lindab has identified three main areas, CSR, internal control and compliance, within corporate governance and has established a Corporate Governance Committee, CGC, which is primarily responsible for ensuring good corporate governance within the Group.

Code of Conduct
For Lindab and all its employees, it is important that laws, regulations and general ethical values are respected and followed. Lindab has ensured itself of this through Lindab's Code of Conduct.

Information Policy
The policy ensures that the public receives coherent and correct information about Lindab and its business, including financial targets, and that Lindab fulfils the requirements of the stock exchange regarding information to the stock market.

Insider Policy
This policy contains rules in order to prevent improper trading in shares or other financial instruments in Lindab by individuals who possess information that is not known by the market.

IPR Policy
Intellectual property rights, consisting of registered rights, such as patents, trade marks and designs, as well as other rights such as copyright, trade secrets and know-how, are valuable assets for Lindab. The policy describes the strategy and guidelines for Lindab's management and protection of their intellectual property rights.

IT Policy
Lindab's IT policy contains comprehensive rules for the Group's IT use and management. The goal is to ensure access to the IT structure that has been built to enable the business to be run effectively. It contains rules about how the data centres will be organised, including the management of critical IT equipment, access to support, backup procedures and system administration.

Anti-corruption Policy
Lindab has zero tolerance for corruption. The policy is the regulatory framework for Lindab's business and employees.

Anti-trust Policy
It is important that the Group and its employees observe competition legislation. The adopted Anti-trust Policy protects against breaches of competition legislation.

Environmental Policy
An Environmental Policy governs Lindab's work with environmental issues and ensures that the operations are conducted with consideration to the environment and that the product solutions offered help make buildings more energy-efficient.

Working Environment Policy
The Working Environment Policy is in line with Lindab's efforts to ensure a safe and healthy working environment. The policy provides a clear message concerning responsibility and that the key to a safe working environment is prevention.

Treasury Policy
The purpose of the Treasury Policy is to define the framework for the Lindab Group's management of financial risks and transactions. These issues are handled centrally by the Group treasury function in order to minimise costs.

Equal Opportunity Policy
The Policy establishes guidelines to ensure that all employees at Lindab receive equal treatment and that no one is discriminated based on their gender, religion, ethnicity, or other similar reasons.

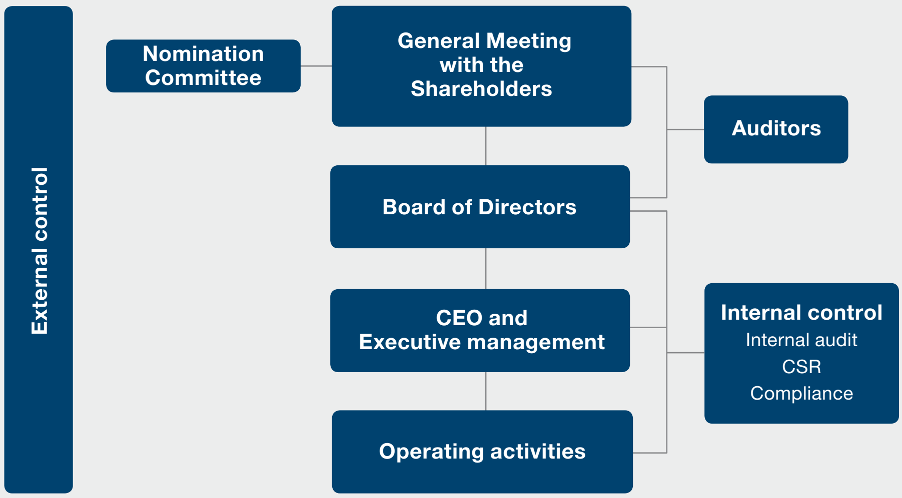
CEO and Executive management
Anders Berg is President and CEO of Lindab since 18 March 2013. For the full year 2015, in addition to Anders Berg, President and CEO, the Executive management included Fredrik Liedholm, General Counsel and M&A- and HR Director, and Bengt Andersson, Group Market and Product Director. Former CFO Per Nilsson was included in the Executive management until 30 April 2015. He was then replaced by acting CFO Linda Kjellgren. On 1 December 2015, Kristian Ackeby took over as new CFO.

Overview of governance in the Lindab Group

Shareholders
Shareholders' rights to decide on Lindab matters are exercised at the Annual General Meeting or, where appropriate, at the Extraordinary General Meeting, which is Lindab's highest decision-making body. The Annual General Meeting is usually held during April or May in Ängelholm or Båstad. The Annual General Meeting decides on matters referred to in the Companies Act and the company Code, including matters concerning amendments of the Articles of Association and election of the Board of Directors and auditors.

Nomination Committee
The Nomination Committee submits proposals to the Annual General Meeting for the election of the Chairman of the Meeting, Board of Directors, Chairman of the Board, auditors, remuneration of the Board and auditors, as well as composition of the Nomination Committee prior to the next Annual General Meeting.

Auditors
Lindab's elected auditors review the company's Annual Report and accounts, as well as the management of the Board of Directors and the CEO. The auditors work according to an audit plan and report their findings to the Executive management throughout the year and at least once annually to the Board of Directors. The auditors also attend the Annual General Meeting to deliver the Auditors' Report which describes the review process and observations made.



External control
The external regulations concerning Lindab's corporate governance include the Companies Act, the Annual Accounts Act, rules for issuers of shares on the NASDAQ OMX Exchange, Stockholm, and the Code.

Internal control
The internal corporate governance includes the Board's adopted rules of procedure together with codes or policies as well as other corporate governance documents such as directives adopted by the Executive management. Lindab's Corporate Governance Policy and Code of Conduct constitute the two overall most important policy documents. Lindab has established a Corporate Governance Committee whose main task is to ensure good corporate governance within the Group.

Internal audit
Lindab has an internal audit function that continuously reports directly to the Executive management which, in turn, reports to the Board of Directors. The internal audit is designed to ensure that the Group's objectives are met in terms of appropriate and effective processes, and that the financial statements are prepared in accordance with applicable laws and regulations.

CSR
An important part of the governance of the Group is Lindab's commitment to social responsibility, CSR. Among other things, CSR deals with how Lindab treats its employees and conducts itself in society. CSR is also concerned with Lindab's focused work on continuous environmental improvements.

Compliance
Compliance is about ensuring that Lindab complies with laws and other applicable regulations and that the company is operated to the highest standards of integrity and ethics. Within this area, Lindab has, among other things, adopted policies to prevent all forms of corruption and anti-competitive behaviour.

Board of Directors

Composition of the Board of Directors
According to the Articles of Association, the Board must consist of between three and ten members, with a maximum of ten deputies. Members and deputies are elected at the Annual General Meeting for the period from the date of the Annual General Meeting until the end of the next Annual General Meeting. The Board consists of six members elected by the Annual General Meeting and two employee representatives. The employees have also appointed two deputies to the Board. The CEO is the rapporteur for the Board of Directors. The rest of the Executive management also participates in the Board meetings.

The Chairman's responsibilities
The Chairman leads the Board's work, follows its activities in dialogue with the CEO and is responsible for other Board members receiving the information and documentation necessary for high-quality discussions and decisions. The Chairman represents the company in matters regarding ownership.

The work and responsibilities of the Board of Directors
The Board of Directors ensures that the Group's organisation, management and guidelines for the management of the Group's affairs are appropriate and that the internal control is satisfactory. In addition, the Board of Directors' responsibilities include the establishment of policies and objectives, establishing internal control instruments, deciding on key matters, issuing the financial statements as well as evaluating the operational management and ensuring succession planning. The Board of Directors' responsibilities include supervision of the CEO's work through continuous monitoring of operations.

The Board's responsibility for the financial statements
The Board of Directors ensures the quality of the internal financial statements through instructions to the CEO, and by directing the financial statements to the Board of Directors. Furthermore, the Board of Directors ensures the quality of the external financial statements through detailed discussion of the interim reports, Annual Report and Year-end Report at Board meetings and during reviews with the auditors.

Remuneration of senior executives

Remuneration principles

At the 2015 Annual General Meeting, guidelines for the remuneration of senior executives were established. The guidelines are based on remuneration that reflects the market and environment in which the executives operate. The remuneration should be competitive, facilitate recruitment and motivate employees to remain with the company. The remuneration will consist of fixed salaries, variable salaries, benefits and pensions. The fixed salaries and benefits will be established individually, based on the above and on the specific skills of each individual. The variable salary will be based on clear goals for the Group and awarded as a percentage of the fixed salary and will have a cap not exceeding 50 percent of the fixed remuneration. The pension will be a defined contribution plan. The extent of the pension is founded on the same criteria as for fixed remuneration and based partly on fixed and partly on variable salaries. In special cases, the Board of Directors has the right to deviate from the guidelines. The Board of Directors did not exercise this mandate in 2015.

Remuneration and other benefits for the Executive management are shown in the table on the right. A further SEK 3.3 m has been recorded relating to payroll overheads, including special employers' contributions on pensions.

Remuneration of the CEO

Anders Berg's fixed salary for 2015 totalled SEK 3,600,000. Anders Berg can also receive a variable salary of up to 50 percent of the fixed salary. Pension contribution entitlements amount to 30 percent of the fixed salary. In addition, Anders Berg has the right to a free car and certain other benefits. Payments received by Anders Berg in 2015 are shown in a separate table. The notice period for Anders Berg is twelve months on the part of the company and six months on the part of Anders Berg. During the notice period, Anders Berg is entitled to retain his salary and employee benefits, excluding the variable remuneration. Anders Berg is bound by a non-competition clause that is valid for two years from the termination of employment, during which he is entitled to remuneration of up to 60 percent of the fixed salary. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to Anders Berg.

Remuneration to Executive Management in general

For the full year 2015, the Executive management included Anders Berg, President and CEO, Fredrik Liedholm, General Counsel and M&A- and HR Director, and Bengt Andersson, Group Market and Product Director. Former CFO Per Nilsson was included in the Executive management until 1 May 2015. Acting CFO Linda Kjellgren was then part of the Executive management until she was replaced by CFO Kristian Ackeby on 1 December 2015. The remuneration to the Executive management follows the guidelines adopted by the Annual General Meeting. The employment contracts of the current Executive management include notice periods of twelve months on the part of the company and six months on the part of the employee. During the notice period, the company may exercise the right to release the employee from the duty to work, whereby any salary from another employer will be deducted from the salary the employee receives from Lindab during the notice period. The Executive Management is bound by non-competition clauses effective for one year from the expiration of employment, during which they are entitled to remuneration of up to 60 or 20 percent, of the fixed salary. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to the employee.

Remuneration and other benefits for the Executive management 2015

SEK	**Anders Berg**	**Remuneration of other Executive management***	**Total**
Fixed salary incl. holiday pay	3,669,600	4,681,764	8,351,364
Variable salary	0	0	0
Incentive programme	0	352,555	352,555
Pension expenses	1,080,000	1,203,603	2,283,603
Benefits	133,624	211,429	345,053
Total	**4,883,224**	**6,449,351**	**11,332,575****

**) Includes remuneration for Per Nilsson until 30 April 2015, for Linda Kjellgren from 1 May 2015 to 30 November 2015 and for Kristian Ackeby from 1 December 2015.*
***) The above amount does not include social security contributions or special employers' contributions.*

Incentive programme

The Annual General Meetings in 2011 and 2012 decided to introduce long-term incentive programmes in the form of performance-based share-savings programmes for each year. Participation in these programmes required participants to make their own investments in Lindab shares. Participation entitled the holder to receive new shares, provided that certain requirements were met. The first programme was settled on 30 June 2014. The second programme was settled on 12 June 2015 and included 45 people who together invested in a total of 46,057 shares. In total, 46,057 matching shares were allocated. No allocation of performance shares has occurred as none of the set targets were met. The total cost of the second programme was approximately SEK 2 m.

The Board did not propose an incentive programme the 2013–2015 Annual General Meetings.

Evaluation

The Board has monitored and evaluated the company's programmes for variable remuneration to the Executive management, the application of guidelines for remuneration to senior executives and applicable remuneration structures and levels of remuneration in the company. The variable remuneration to the Executive management has been found to be appropriate and in accordance with the guidelines laid down by the Annual General Meeting. The application of guidelines for the remuneration of senior executives was also found to be correct and the Board's assessment is that the remuneration for senior executives provides a good balance between motivating employees and providing compensation in a competitive manner. Thus, the remuneration structures and levels within the company are well balanced and in accordance with market practice.

Board of Directors

Kjell Nilsson

Born 1948.

Elected to the Board in 2012, independent.

Chairman of the Board since 2012.

Kjell Nilsson was previously President and CEO of Semcon AB, Boliden AB and Trelleborg AB. He is Chairman of Semcon AB.

Main qualifications: Economics and Business Studies Graduate from the School of Business, Economics and Law, University of Gothenburg.

Holding: 60,000 own shares and 110,000 shares through insurance.

Erik Eberhardson

Born 1970.

Elected to the Board in 2009, independent.

Executive Vice Chairman and founder of Ferronordic Machines AB and Scandsib Holdings Ltd. President of Volvo Ukraine LLC, 1996–2000, and of Volvo Construction Equipment in the CIS countries, 2002-2005. Between 2005 and 2009, Erik Eberhardson held various positions in OJSC "GAZ", Russia's largest manufacturer of commercial vehicles, as Strategic Manager, President and Chairman.

Main qualifications: MBA at Uppsala University, and Engineering Physics at Royal Institute of Technology in Stockholm.

Holding: 0 shares.

Sonat Burman-Olsson

Born 1958.

Elected to the Board in 2011, independent.

President and CEO of COOP Sverige AB since 2014. Deputy CEO and CFO of the ICA Group from 2007 to 2013. Prior to the above, Sonat Burman-Olsson was Vice President of the Electrolux Group with responsibility for Global Marketing Strategies. She has also held positions as Senior Vice President, Operational Development for Electrolux Europe and Vice President, Finance for Electrolux International (Asia & Latin America). Sonat Burman-Olsson is a member of the Boards of Tredje AP-fonden, Svensk Handel and Svensk Dagligvaruhandel.

Main qualifications: M.Sc. in Business and Economics, Executive MBA and retail management training in Oxford and at Harvard.

Holding: 0 shares.

Hans Porat

Born 1955.

Elected to the Board in 2014, independent.

President and CEO of Nolato AB with many years of experience from leading positions within Fläkt AB, ABB, Vice President of Trelleborg AB and CEO of Gadelius Trelleborg AB Japan. Other directorships: Autoropa AB, Nolato AB.

Main qualifications: Mining engineering.

Holding: 10,000 shares.

Kjell Nilsson, Chairman of the Board

The transformation of Lindab must contribute to strengthening our offering

It has been another intense year for Lindab's Board of Directors. What has been the most important part of your work?
Naturally, there's been a lot of focus on assisting the Executive management in implementing the strategy. It's important that all the decisions made by the Board contribute to supporting the transformation and development of Lindab, creating an integrated and customer-focused company that can take advantage of global trends and internal strengths to a even greater extent.

Per Frankling

Born 1971.

Elected to the Board in 2015, dependent on the shareholder Creades AB.

CEO of Creades AB. Board member of Transcom and Acne studios. Chairman of the Board of Inet. He has previously served as Investment Director of Ratos AB, management consultant at McKinsey and Arkwright as well as a member of the Board of Lindab and Inwido, Tornet, Stofa, Nordic Cinema Group, Nebula, Jøtul and others.

Main qualifications: M.Sc. in Business and Economics, Stockholm School of Economics and M.Sc. in Engineering, Royal Institute of Technology in Stockholm.

Holding: 0 shares.

Marianne Brismar

Born 1961.

Elected to the Board in 2015, dependent on the shareholder Creades AB.

Former CEO and owner of Atlet AB. Board member of Beijer Alma AB, Concentric AB, Axel Johnson International AB, Semcon AB, Creades AB and JOAB AB.

Main qualifications: Pharmacist and M.Sc. in Business and Economics, University of Gothenburg.

Holding: 10,000 shares.

Markku Rantala

Born 1952.

Elected to the Board in 1998.

Employee representative with LO (Swedish Trade Union Confederation). Employed since 1993 and currently Chairman of Verkstadsklubben Lindab IF Metall.

Holding: 250 shares.

Pontus Andersson

Born 1966.

Elected to the Board in 1995.

Employee representative with Unionen (Swedish Union of Clerical and Technical Employees in Industry). Employed since 1987 and currently working as a development engineer. He has a technical collage graduate in engineering.

Holding: 250 shares.

After seven acquisitions in two years, is there scope for additional acquisitions in the coming years?

All acquisitions, regardless of size, are about quickly familiarising new employees with Lindab's work processes. We have therefore not only considered which companies and skills we need, but also whether the culture was the right one. IMP Klima, Nather and MP3 are good examples of how quickly we have begun to speak the same language in a short period of time. This ensures faster roll-out of new, innovative offerings, among other things. More acquisitions may be considered, but it's also important that we deliver on the promises made with respect to the acquisitions already completed.

Sales continued to grow in 2015, but profitability fell. What will it take for Lindab to be able to achieve its goal of an operating margin of 10 percent in one business cycle?

The transformation of Lindab is also about strengthening the offering, developing more complete solutions within ventilation and indoor climate, thereby increasing the sales volume while also getting paid for our expertise. This, combined with the continued streamlining of purchasing, production and logistics, will gradually bring Lindab one step closer to its operating margin target.

One final question: what should be the Board's primary focus areas for 2016?

As in 2015, we need to do what's required to support management in the strategy work. 2016 will be an exciting year with many new products and solutions to be rolled out in all Lindab's markets, and the new distribution centre in Grevie will also be taking shape. In recent years, much hard work has gone into advancing Products & Solutions' and Building Systems' positions. Now the trick is to translate this into continued profitable growth, despite challenging markets.

Executive management

Anders Berg

Born 1972.

President and CEO (member of the Executive Board since 2013).

Employed since 2013.

Directorships: Board member of Symbrio AB.

Professional experience: Various positions within the SSAB Group, including Vice President, in Shanghai, China, and Managing Director of Plannja AB.

Main qualifications: M.Sc. in Industrial Engineering, Luleå University of Technology.

Holding: 66,000 shares.

Bengt Andersson

Born: 1960.

Product and Market Director (member of the Executive management since 2014).

Employed since 1991.

Professional experience: Has held various positions within the Lindab Group.

Main qualifications: Technical college graduate, in mechanical engineering.

Holding: 46,900 shares.

Related party holdings: 5,690 shares.

Fredrik Liedholm

Born: 1964.

General Counsel, M&A- and HR Director (member of the Executive management since 2014).

Employed since 2014.

Professional experience: Legal counsel, Frigoscandia Equipment AB, Associate General Counsel, FMC Technologies, Advokatfirman Lindahl, and most recently General Counsel, Kockums AB.

Main qualifications: Master of Laws, Lund University.

Holding: 1,500 shares.

Kristian Ackeby

Born: 1977.

Chief Financial Officer (member of the Executive management since 2015).

Employed since 2015.

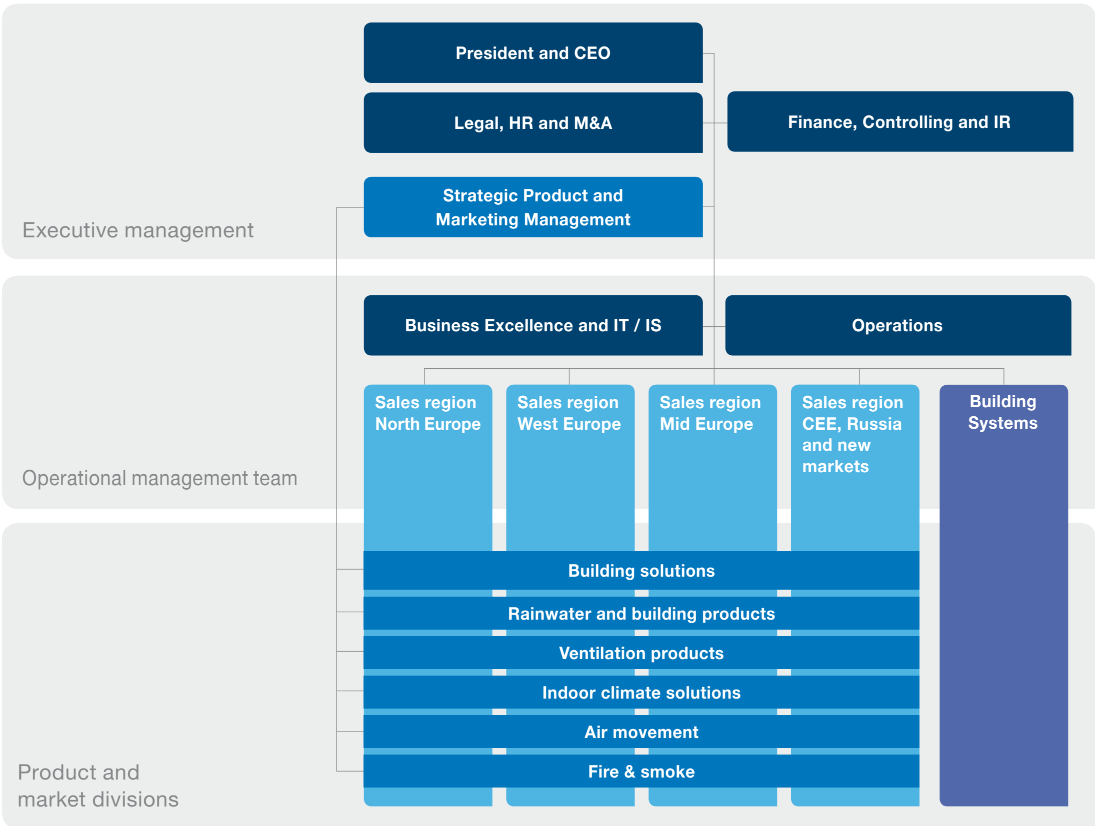
Professional experience: Various positions within the Autoliv Group and most recently Vice President, Corporate Control. Previously Financial Manager, Coop Inköp and Kategori AB.

Main qualifications: B.Sc. in Business and Economics, University of Skövde.

Holding: 3,000 shares.

Lindab's organisation

Lindab's matrix organisation – with four geographical sales regions, six product areas and one division – allows Lindab to get even closer to its customers and better utilise synergies and expertise within the Group. The operational management team consists of a total of ten people, including the four members of the Executive management, and focuses on strengthening the Group's offering.



Auditors

Deloitte AB

Lead auditor:

Hans Warén

Born 1964.

Authorised public accountant, Deloitte AB, Gothenburg, Sweden.

Auditor to Lindab since 2014.

Extensive experience of publicly listed companies.

The Board of Directors' Report on Internal Control

The Board of Directors' Report on Internal Control for the Financial Year 2015

Lindab's Board of Directors is responsible for internal control in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance. Lindab's financial statements comply with the laws and regulations applicable to companies listed on the NASDAQ OMX Nordic Exchange and the local rules of each of the countries in which business is conducted. The Board of Directors will issue a report on how the internal control of the financial statements is organised.

The objectives of Lindab's financial statements are:

- To be accurate and complete, and to comply with applicable laws, rules and recommendations.
- To provide an accurate description of the company's business. To support a rational and informed assessment of the business.

In addition to these objectives, the internal financial statements will provide support to ensure correct business decisions are made at every level within the Group.

The Board of Directors' description of the internal control uses the structure found in COSO's (Committee of Sponsoring Organisations of the Treadway Commission) framework as its starting point for internal control. This report has been established against this background.

Control environment

In order to create and maintain a working control environment, the Board of Directors has established a number of fundamental documents that are important for financial statements. These specifically include the Board of Directors' rules of procedure, instructions for the CEO and the committees. The primary responsibility for enforcing the Board's instructions regarding the control environment resides with the CEO. He reports regularly to the Board as part of established routines. In addition, reports are issued by the company's auditors.

The internal control structure is based on a management system that is based on the company's organisation and methods for running the business, with clearly defined roles, areas of responsibility and delegated authorities. The controlling documents also play an important role in the control structure, e.g. policies and guidelines, including the Code of Ethics, which also includes business ethics. The controlling documents concerned with accounting and financial reporting comprise the most important parts of the control environment with regard to the financial statements.

Risk assessment

The Group carries out an ongoing risk assessment to identify material risks. Lindab's risk management consists in identifying, measuring and trying to prevent risks from being realised, and continually making improvements to minimise potential risks. Since 2012, Lindab has a risk management programme, Enterprise Risk Management (ERM), covering all parts of the business including segments and Group functions. The aim is to work on the prevention of risks in a more structured way than previously.

The main risk associated with the financial statements is considered to be material misstatements in the accounts, e.g. regarding the accounting and valuation of assets, liabilities, income and expenses or other discrepancies. Further risks include fraud and losses through embezzlement. Risk management is built into every process while various methods are used to evaluate and limit risks, and ensure that the risks to which Lindab is exposed are managed according to established policies, instructions and follow-up procedures. This is to minimise potential risks and promote accurate accounting, reporting and the issuing of information.

Control activities

Control activities are designed to manage the risks that the Board of Directors and management consider to be significant for the business, the internal control and the financial statements.

The control structure consists of clear roles within the organisation that allow for efficient distribution of responsibilities for specific control activities, the aim being to discover and prevent any risk of errors in the reports. Such activities may include clear decision-making processes for major decisions such as acquisitions and other types of major investment, divestments, agreements and analytical follow-ups.

Another important task for Lindab's staff is to implement, develop and maintain the Group's control routines and implement internal controls for dealing with business-critical issues. Process managers at various levels are responsible for implementing the necessary controls regarding the financial statements. The accounting and reporting processes include controls pertaining to valuation, accounting principles and estimates. All reporting units have their own controllers/financial managers who are responsible for ensuring accurate reporting. Continual analysis of the financial statements, together with the analysis performed at Group level, is extremely important to ensure that the financial statements are free from material misstatement. The Group's controller organisation plays an important role in the
internal control process and is responsible for ensuring that the financial statements from each unit are accurate, complete, and timely.

Information and communication

Lindab has internal information and communication channels aimed at promoting completeness and accuracy in the financial statements, for example by means of controlling documents in the form of internal instructions, guidelines and policies relating to the financial statements. Regular updates and communications concerning changes in accounting policies, reporting requirements or other forms of information are made available and known to the employees concerned. The organisation has access to policies and guidelines through the Group's intranet (Lindnet).

The Board of Directors receives financial statements on a regular basis. External information and communication is controlled by the company's Information Policy which describes Lindab's general principles for releasing information.

Follow-up

The Group's compliance with adopted policies and guidelines is followed up by the Board of Directors and Executive management. The company's financial situation is discussed at every Board meeting. The Board's Remuneration Committee and Audit Committee play an important role in matters concerned with remuneration, financial statements and internal control. The Board of Directors in its entirety constitutes both the Audit Committee and the Remuneration Committee.

Before the publication of interim and annual reports, the Board of Directors reviews the financial statements. Lindab's management conducts monthly result follow-ups with analyses of deviations from budget, forecast and previous years. The external auditors' duties also include an annual review of the internal control of the Group companies. The auditors normally attend the Board meetings twice a year and report their findings from their audit of the internal control, their preliminary audit of the third quarter financial statements and their audit of the financial statements.

Lindab has identified three main areas, CSR, internal control and compliance, within corporate governance and has set up a Corporate Governance Committee, CGC, which is primarily responsible for ensuring good corporate governance within the Group.

Internal audit

Lindab has an internal audit function that is an integral part of the Group financial function. This function reports continuously to Lindab's Executive management which in turn reports to Lindab's Board of Directors in its capacity as Audit Committee. The direction and scope of the internal audit work is determined by the Board. The function develops the internal control by means of audits according to an annual plan. This included consultancy work in relation to internal control issues within the business. Control measures that involve visits to subsidiaries are implemented according to an established and evolved control process which has been continuously developed throughout the year to optimise the approach and provision of value-added reports. The aim of Lindab's internal audit function is to create added value for each operating unit by providing independent, objective scrutiny of its processes, and to identify and recommend improvements.

Båstad, 10 March 2016

Board of Lindab International AB (publ)

Auditor's statement concerning the Corporate Governance Report

To the Annual General Meeting of the shareholders of Lindab International AB,
Corporate Identity Number 556606-5446

The Board is responsible for the Corporate Governance Report for 2015, which is included in the printed version of this document on pages 47–57, and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and, based on this reading and our knowledge of the company and the Group, we believe that we have a sufficient basis for our opinions. This implies that our statutory examination of the Corporate Governance Report has a different focus and is substantially smaller in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

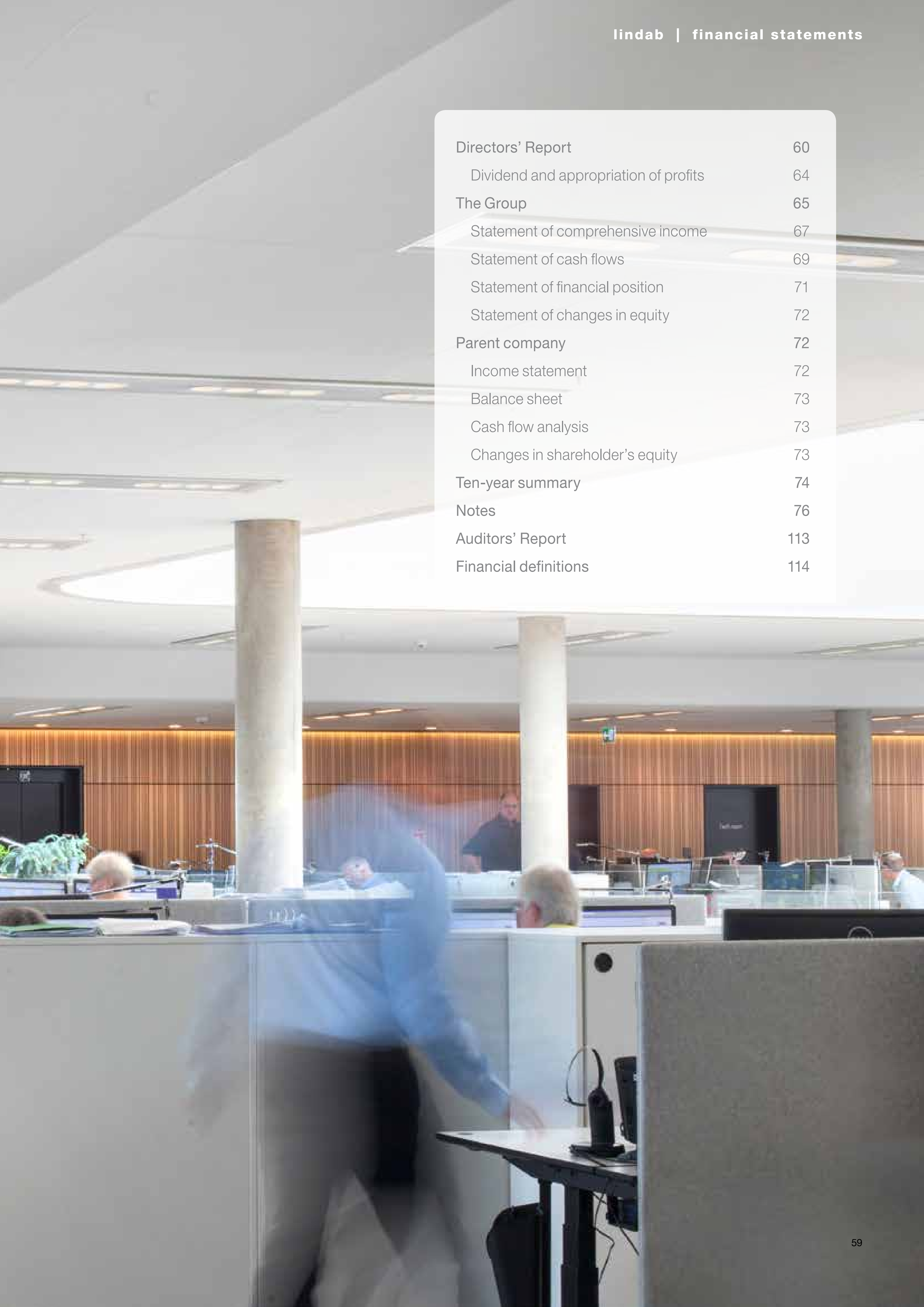
In our opinion, the Corporate Governance Report has been prepared and its statutory content is consistent with the annual accounts and consolidated accounts.

Gothenburg, 10 March 2016

Deloitte AB

Hans Warén
Authorised Public Accountant

Financial statements



Directors' Report

- Net sales increased by 8 percent to SEK 7,589 m
- The operating profit was in line with the previous year and amounted to SEK 469 m
- Acquisition of the ventilation companies MP3, IMP Klima, Nather and Froid Partn'Air
- Divestment of Lindab Inc, USA
- The Board of Directors proposes dividend of SEK 1.25 (1.10)

The Board and the CEO of Lindab International AB, Corporate ID no. 556606-5446, registered in Sweden and with its head office in Båstad, hereby present their Annual Report for the financial year of 2015.

Lindab International AB constitutes the parent company of the Lindab Group. The Lindab share is quoted on the NASDAQ OMX Nordic Exchange "Mid Cap", list for medium-sized companies, under the ticker symbol LIAB.

The business

Lindab develops, manufactures, markets and distributes products and system solutions in sheet metal and steel for simplified construction and improved indoor climate. The products are characterised by high quality, ease of assembly, energy efficiency and environmentally friendly design and are delivered with high levels of service. Altogether, this provides greater customer value.

Lindab's new strategy entails a long-term re-positioning in order to generate greater added value for all stakeholders and move Lindab higher up in the value chain. It is based on Lindab's internal strengths and unique opportunities to take advantage of global trends in population growth, urbanisation, energy efficiency, intelligent buildings and materials, and the fast-growing market segment HVAC (heating, ventilation and air conditioning). In short, the strategy comprises five focus areas: Market Excellence, Efficient Availability, Solutions, Innovation and People which are to ensure higher profitability and growth in the coming years.

Lindab's business is managed on the basis of a matrix organisation. The reporting structure is comprised of the two segments Product & Solutions and Building Systems. The Products & Solutions segment includes complete systems for both ventilation and indoor climate solutions, while the construction sector offers complete systems for roof drainage, lightweight construction and roof and façade solutions in sheet metal. Building Systems produces and sells complete steel building systems. Lindab's business is also based on a geographically distributed sales organisation supported by six product and system areas with central production and purchasing functions.

Financial targets and target fulfilment 2015

As a part of Lindab's work to generate value for our shareholders and other stakeholders, new financial targets were set in 2014. These targets consist of a growth, a profitability and a capital target. The targets are aimed to improve Lindab's financial strength and further enhance its customer offering. The period for achieving these financial targets extends over one business cycle. The financial targets are:

- As a combination of organic and acquired growth, the annual growth rate will be 5-8 percent.
- The operating margin (EBIT) should average at 10 percent.
- The seasonally adjusted net debt* to EBITDA, excluding one-off items, is not to exceed 2.5.
- Dividends to shareholders are to normally comprise 30 percent of profit for the year, taking into account Lindab's financial position, acquisition needs and long-term financing needs.

* Average net debt for the year.

For the year, Lindab's sales development, adjusted for currency effects, was 6 percent (5) compared with 2014. With a strong focus on innovation, value-adding solutions and improved efficiency, Lindab's profitability target is to be achieved in the current business cycle. The operating margin (EBIT) for the full-year 2015, excluding one-off items, amounted to 6.1 percent (7.1). At the end of 2015, the seasonally adjusted net debt was 3.1 (2.9) times greater than EBITDA, excluding one-off items. Lindab's Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 1.25 per share. This results in a total dividend of SEK 95 m, which corresponds to 31 percent of profit for the year.

Financial key performance indicators

Amounts in SEK m unless otherwise indicated.	**2015**	2014	Change, %
Net sales	7,589	7,003	8
Distribution growth, of which:			
Organic, %	2	5	
Acquired/divested, %	4	0	
Currency effects, %	2	2	
EBITDA	637	625	2
EBITA	472	467	1
Operating profit (EBIT), excl. one-off items[1]	463	497	–7
Operating profit (EBIT)	469	467	0
Earnings before tax (EBT)	431	386	12
Profit for the year	305	283	8
Cash flow from operating activities	460	278	66
EBITA margin, %	6.2	6.7	
Operating margin (EBIT), excl. one-off items, %[1]	6.1	7.1	
Total equity	3,511	3,344	5
Net debt	1,657	1,746	–5
Return on equity, %	8.8	9.0	
Return on capital employed, %	8.6	8.9	
Net debt/equity ratio, times	0.5	0.5	
Average no. of employees	5,052	4,541	11

1) For one-off items, see the table on page 67.

Business combinations

On 7 August, the US subsidiary Lindab Inc. was divested whose business covers production and sale of ventilation ducts and components. The company will continue to distribute Lindab's products. Net sales amounted to just under SEK 150 m in 2014, and the company had 98 employees.

On 1 July, the assets of the French company Froid Partn'Air were acquired whose business covers distribution of ventilation and indoor climate products in the Marseille region in France. The company has annual net sales of around SEK 13 m and five employees.

On 1 July, the Slovenian ventilation company IMP Klima was acquired. The business comprises products and solutions for ventilation and indoor climate with cutting-edge expertise within air handling, cleanroom technology and floor convectors. The company has annual net sales of around SEK 230 m and about 360 employees.

On 3 June, the French company Nather S.A. was acquired whose business mainly covers products and solutions for residential ventilation. The company has annual sales of approximately SEK 45 m and 17 employees.

On 15 January, the acquisition of the Italian company MP3 was completed. The company is a leading manufacturer of indoor climate solutions, with specialist knowledge in fire protection. The company has annual sales of approximately SEK 210 m and 95 employees.

Note 5 contains further information about acquisitions and divestments.

Research and development

Lindab is a driver in the development of more effective and resource-efficient construction. The focus is, among other things, on finding solutions that will increase the degree of standardisation in construction projects, contribute to a lower use of resources in all phases and create a better indoor climate. This includes the development of software and new technologies to facilitate the planning process for customers' projects and installations. Lindab invests considerable resources in developing market-leading indoor climate systems and also works with various aspects of sustainability in areas such as surface coatings, soundproofing and solutions for passive and plus energy housing. Research and development projects are carried out in-house as well as in cooperation with suppliers, including work on strength of materials, health and environmental aspects.

During the year, Lindab Ventilation launched LindQST which is a web-based product selection programme with a built-in simulation function. The company also introduced another IT solution, Xbow, which is a newly developed sales support tool for project sales in Building Solutions. Building Systems has introduced an nZEB (nearly zero-energy building) concept for certain types of Astron buildings. During the year, Lindab also developed a new façade solution, Lindab Art, which makes it possible to pattern perforate façade cassettes according to individual requirements.

For 2015, research and development costs amounted to SEK 58 m (51), of which SEK 45 m (36) was within Products & Solutions, and SEK 13 m (15) was within Building Systems. The number of people employed within the Group's product development departments totalled 74 (57), of whom 55 (40) were within Products & Solutions, and 19 (17) within Building Systems.

Personnel and personnel development

During the year, the average number of employees in the Lindab Group totalled 5,052 (4,541), an increase of 511 people. The number of employees at the end of the year was 5,066 (4,536), an increase of 530 people compared with the previous year. Adjusted for acquisitions and divestments, the net increase in the number of employees was 183 compared with the previous year. The average number of employees in Sweden was 1,101 (1,075), corresponding to 22 percent (24) of all employees. Note 6 contains further information about personnel costs and the average number of employees.

The aim for Lindab is to have the same professional approach throughout the Group. With the emphasis on "One Lindab", Group-wide guidelines and principles were initiated for the recruitment and induction process, and corporate training programmes were established in leadership and production. During 2015, Lindab launched an Equal Opportunity Policy and established a project group which is responsible for carrying out activities to increase diversity in the Group.

Guidelines for remuneration of senior executives

The most recently resolved remuneration principles for senior executives, as well as the Board's suggested guidelines that will apply from the next Annual General Meeting are detailed in Note 6 and are the same guidelines as for the current year.

Profit-sharing system

For all employees with permanent positions in the Swedish Lindab companies, there is an agreement for the payment of contributions into a profit-sharing foundation. The annual provisions are based on the earnings of the Swedish Group companies. A provision of SEK 6 m (6) was made for 2015, including special employers' contributions. At the end of 2015, the foundation held 143,500 Lindab shares. A smaller profit-sharing plan also exists in one of Lindab's French companies. See also Note 6.

Environment

Consistent environmental work

Lindab is actively working to minimise the environmental impact created by the Group's operations and its products. Lindab's Environmental policy is a key document that forms the basis for environmental work within the Group. All of Lindab's major production units are certified under the ISO 9001 quality management system and the 14001 environmental management system. As of 2015, Lindab's reporting follows the updated guidelines GRI 64. A GRI index can be found on Lindab's website www.lindabgroup.com/sustainability. During 2015, the Group set non-financial targets with a focus on the sustainability aspects that are important to the company and its stakeholders.

Products

By focusing on product development and continuous improvement, products have been developed that are good in terms of both quality and the environment, and that also improve customers' environmental performance.

Environmental permits

The majority of Lindab's production units do not normally fall under specific environmental regulations or permits. The companies report to the regulatory bodies in each country in accordance with local regulations.

In Sweden, operating permits are required for the production unit in Grevie. The permit relates to facilities where metalworking is performed mechanically and where the total tank volume for oils in the metalworking machines is greater than 20 cubic metres. Other Swedish operations are either obliged to declare or do not require permits.

Environmental impact

Lindab's manufacture of products from steel has a relatively limited impact on the environment. The Group pursues activities on properties where soil contamination may occur. The company controls, monitors and addresses any issues in consultation with the local authorities. The waste products generated during production consist of primarily scrap metal, and are recovered completely. Other waste is recycled up to 90 percent. Anything not used is sorted and disposed of in accordance with applicable regulations.

Climate impact

Lindab's impact on the climate arises from energy consumption as well as from the consumption of raw materials. Several projects focusing on energy efficiency and reducing volumes of scrap are being conducted within the Group.

Corporate Governance

Please refer to the Corporate Governance Report on pages 47-57.

Risks and risk management

Exposure to risk is, to a certain extent, part of the business activities. Lindab's risk management consists in identifying, measuring and trying to prevent risks from being realised, and continually making improvements to minimise potential risks. For the Group, risk prevention is principally aimed at preventing potential risks from developing into damage and/or losses. If this does not fully succeed, the next goal is to mitigate the effect of damage that has already occurred.

Since 2012, Lindab has a risk management programme, Enterprise Risk Management (ERM), covering all parts of the business including segments and Group functions. The aim is to work on the prevention of risks in a structured way. The Group's risks have been divided into four main risk areas: Operational risks, Strategic risks, Financial risks and Compliance risks. The probability of each risk and its impact on Lindab's business is assessed continuously with a subsequent action plan. Reporting, monitoring and controls are conducted through formally established procedures and processes. The Group's main identified risk areas are described below.

Operational risks

Steel price development

Lindab purchases large quantities of steel, mainly in the form of sheet metal, and is subject to developments in the market for raw materials. The purchasing strategy developed by Lindab is based on long-standing relations with the most important suppliers of steel and sheet metal, enabling the company to purchase directly from steel mills rather than intermediaries. Lindab's close relationship with steel mills has enabled it to develop special grades of steel and finishes adapted to the company's systems and products. Lindab only purchases steel to requirements and does not speculate or hedge on future steel prices.

Lindab has chosen to centralise all steel purchasing in order to utilise its size to obtain competitive prices and terms with steel mills, thereby creating competitive advantages in relation to smaller competitors. A thorough internal review is also being conducted to enable the Group to react and adapt its prices for customers in the event of price increases that cannot be absorbed by the organisation through rationalisation.

Stoppages

Lindab may be affected by stoppages due to various reasons such as breakdowns and strikes, as well as other causes outside the Group's control. Its global presence offers the Group many possibilities to move its operations to other locations should any unit be forced out, thereby ensuring that any tasks undertaken are completed.

The Group's global insurance programmes cover property damage, stoppages and breakdowns.

Bad debt losses

The Group sells to a large number of customers. Just as in other companies, there is a risk that some customers go into liquidation or their financial position leads them to have problems making payments. This in turn may result in Lindab not receiving payment for the products it has sold. In order to minimise bad debt losses, a number of companies within the Group have insured their receivables against bad debt losses. The Group obtains credit information about new customers and monitors existing customers. This leads to fewer bad debt losses. The single largest customer represents about 2.0 (2.2) percent of net sales.

In general for the Group, a provision of 50 percent is made for accounts receivable that have been due for between 180 and 360 days, while a provision of 100 percent is made for accounts receivable due for more than 360 days. In addition, provisions are made for individually significant exposures that do not fall within the description above. However, credit insurance, etc., is to be taken into account. On 31 December 2015, the provision for bad debts amounted to SEK 89 m (82). During the year, SEK 10 m (12) was expensed concerning provisions for bad debts, equivalent to 0.1 percent (0.2) of the Group's net sales.

Disputes

This risk pertains to costs that the Group may incur as a party to various legal disputes. The responsibility for monitoring and guiding the legal risk management lies with the legal department led by Lindab's Group Legal Director. The Group companies are only involved in minor disputes that are directly attributable to the business.

Within the Building Systems segment, provisions are regularly made for potential future claims. Provisions are based, among other things, on Building Systems' history of various claims costs. In addition, provisions are made, as well within Building Systems as within Products & Solutions, for disputes that are deemed likely to result in a risk of liability to pay compensation. The warranty provision for 2015 amounted to SEK 14 m (20), see Note 24.

IS/IT

Lindab harmonises business processes and consolidates the Group's IS/IT systems with the aim of establishing a sustainable value chain that offers customer and market segments order management and service that is in balance with the overall cost.

To provide for high availability and disaster preparedness and to minimise the risk of disruption, a redundant IT infrastructure has been established (communication lines, servers, storage and server rooms).

Regular risk analyses are conducted on critical IS/IT systems, including identification, analysis and mitigation measures.

A Group-wide project methodology has been implemented to support uninterrupted start-up when rolling out harmonised business processes and consolidated IS/IT systems.

Strategic risks

Competition

In the various markets, Lindab competes against a large number of small companies and a small number of relatively large national and multinational companies. The company's competitors include Ruukki, Tata Steel, Armat, Marley, Plannja, Balex Metal, Budmat, Pruszynski, Fläkt Woods, Swegon, Systemair, Trox, Goldbeck and Llentab.

To face up to this competition, Lindab has opted to work with highly automated central production units for volume products. These products can be easily transported. This is combined with smaller, local production units for products that require local adaptation.

Through a well-developed distribution network, Lindab can keep abreast of changes, trends and new demands from customers and lay the foundations for the adaptation of products, systems solutions and services.

Lindab's primary raw material is steel, mainly in the form of sheet metal, and Lindab's competitive strength is partially affected by changes in the price of raw materials.

Lindab is continuously rationalising production, distribution and organisation to maintain the competitive edge. Steel has many advantages over competing materials such as plastic and concrete. Customer campaigns also have an influence on customers' product choices. Lindab is working to build long-term relationships with customers and to provide added value by simplifying construction through the use of Lindab's products and system solutions.

Customer behaviour

Demand for Lindab's products is affected by changes in customers' investment plans and production levels. Customers' investments can change if the political or economic situation in a country or an industry changes. Lindab has its own operations in 32 countries, which balances the various country-specific risks in the construction industry. However, since construction is a cyclical industry, it is not possible to protect against a downturn in the global economy. The current economic climate in Europe is affecting the majority of Lindab's markets and has therefore had some impact on Lindab. Political unrest and instability, e.g. in the Russian market, is also having an effect on Lindab.

Macro-economy/market

Lindab's business is late cyclical, with 80 percent of sales directed to non-residential construction and a range of products and solutions that are mostly installed at a later stage of the construction process. Generally, over time the construction market follows overall GDP growth, although with greater fluctuation. The market in non-residential construction is often somewhat later in the business cycle than residential construction as the projects involved are generally larger and extend over longer lead times.

During normal business cycles this allows Lindab some latitude to manage capacity planning. However, in the event of macroeconomic crises, such as the financial crisis of 2008, the opposite generally occurs with rapid and significantly greater fluctuations in construction activity compared with the general economy.

Financial risks

For a description of financial risks, see Note 3.

Compliance risks

Taxes

Lindab has operations in many different countries, especially in Europe, and perceives in general that the tax laws and their application are becoming more complex. Predictability has declined and it is increasingly important to keep systems and processes for managing taxes and levies up-to-date and fully functional.

In recent years, focus has also been on the field of income taxes, especially transfer pricing issues, which relate to the prices agreed in cross-border transactions between related companies. Internal prices affect revenues and costs and therefore taxable profits in the countries where they operate. The internationally accepted view is that the conditions should be consistent with what would be agreed between independent parties, known as the arm's length principle. In principle, all countries where Lindab operates are members of the OECD. Lindab is continuously working to ensure that the Group complies with the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, in terms of pricing, documentation and in general. Lindab is also monitoring the development of BEPS (Base Erosion Profit Shifting) in order to adapt to the new regulations.

Lindab is working in general to develop and adapt procedures to identify tax risks and to manage them effectively. Lindab also has regular contact with tax advisor for the interpretation of tax laws and to assess how various issues should be handled. A single improper action could affect Lindab through higher operating expenses or tax expenses plus interest and penalties.

The Group is not involved in any tax disputes that could have a material negative impact on the Group's result or financial position.

Environment

Lindab is actively working to minimise the environmental impact created by the Group's operations and its products. Lindab's Environmental policy is a key document that forms the basis for environmental work within the Group. Lindab's manufacture of products from steel has a minimal environmental impact. In cases where there is a risk of environmental liability, a judgement is made to determine whether a provision is required. During 2015, a provision of SEK 3 m was made for environmental liability. The waste products generated through production consist mainly of scrap metal that is recovered completely and other waste, which is recycled at up to 90 percent. Anything not used is sorted and disposed of in accordance with applicable regulations.

In order to protect the company and third parties in the event of environmental accidents, Lindab has environmental insurance where required by local law, and in some cases this has been extended to include voluntary environmental liability. The insurance includes liability for damages that are part of or are the result of environmental damage.

Business ethics
Lindab's reputation is a valuable asset that can be influenced by Lindab's actions as well as by external stakeholders. The Lindab Group strives to avoid actions that might risk Lindab's good standing. Lindab aims to be a good corporate citizen wherever the Group is active. A Code of Ethics has been produced and implemented in the Group to ensure that all employees in Lindab's markets follow good business practice.

In the construction industry and in the various geographical markets where Lindab operates, there are some operators acting in a way that does not meet good business practice. Lindab has long had a competition policy that is continuously reviewed and updated. Conduct that breaches competition rules is unacceptable. Lindab has zero tolerance towards corruption and an anti-corruption policy exists to ensure that conduct that might be considered as corruption does not take place in the Group. During the financial year, certain disciplinary action has been taken in the Group's Hungarian company, Lindab Kft, for breach of the Group's ethical principles.

Work environment
A good and safe working environment is a strategic issue for the Group. Lindab's work environment policy is implemented in the Group with clearly defined responsibilities for both managers and employees. Emphasis is placed on preventive work, which is done in cooperation between the management, employees, safety organisations and occupational health.

Accidents that resulted in lost work time of at least one day are monitored and reported as LTIF (Lost Time Injury Frequency). During the past two years, LTIF has dropped from 14.9 to 11.7. In the event of very serious accidents, with the risk of permanent disability, the President and CEO is informed within 24 hours and corrective and preventive actions are followed up and implemented within 2 weeks. In 2015, one serious accident occurred. The person injured has recovered completely.

Internal control
Lindab attaches great importance to Corporate Governance and establishes, implements and follows up different policies. More information on Corporate Governance and internal control can be found on pages 47-57.

Share capital
As of 31 December 2015, the share capital amounted to SEK 78,707,820 split between 78,707,820 class A shares only. All shares have a face value of SEK 1.00.

Lindab holds 2,375,838 treasury shares (2,375,838), equivalent to 3.0 percent (3.0) of the total number of Lindab shares. The number of outstanding shares is 76,331,982 (76,331,982).

All shares have the same right to dividend and surplus in the event of liquidation and they entitle the holder to one vote at Lindab's Annual General Meeting. According to Lindab's Articles of Association, issued share capital must not fall below SEK 60 m nor exceed SEK 240 m, and the number of shares must not fall below 60,000,000 nor exceed 240,000,000.

There are no restrictions in law or in the Articles of Association relating to the transferability of shares.

On 31 December 2015, the company had a market capitalisation of SEK 4,801 m (5,007) and 8,313 shareholders (8,202). The largest shareholder in relation to outstanding shares is Creades AB, which owns 10.3 percent (10.3). This is followed by Lannebo Fonder with 8.1 percent (9.0), Fjärde AP-fonden with 8.0 percent (3.3), AFA Försäkring with 6.7 percent (4.3) and Handelsbanken Fonder with 6.1 percent (6.5). These five largest shareholders together hold 39.2 percent (33.4) of the share capital and votes. The ten largest holdings constitute 57.4 percent (58.1) of the shares.

There are no restrictions on how many shares a shareholder can represent at a general meeting. Lindab is unaware of any agreements between shareholders that may result in restrictions in their right to transfer shares.

The Articles of Association state that the Board members are elected at the Annual General Meeting. The appointment and dismissal of Board members are otherwise governed by provisions in the Companies Act and the Code of Corporate Governance. In addition, the Companies Act states that changes to the Articles of Association, as appropriate, should be resolved at general meetings.

Events after the reporting period
The current line of credit limits with SEB and Nordea, as described under Financial position, were extended for a further year at the beginning of January 2016. These credit limits now extend to the first quarter of 2019.

Dividend
Dividend policy
Lindab's dividend policy is to distribute the equivalent of 30 percent of net profit. However, the company's capital structure, acquisition needs and long-term financing requirements will always be taken into consideration.

Proposed appropriation of profits for the financial year 2015
The Annual Report will be presented to the Annual General Meeting on 3 May 2016 with the following proposal for appropriation of profits in the parent company:

At the disposal of The Annual General Meeting:

SEK	
Profit brought forward	596,744,865
Dividend	–83,965,180
Net profit for the year	1,047,339
Profit carried forward	**513,827,024**

Lindab's Board of Directors proposes that the Annual General Meeting on 3 May 2016 should approve a dividend of SEK 1.25 per share, which is in line with the company's dividend policy and provides dividend totalling SEK 95 m. It is proposed that the record date for the right to a dividend payout should be 6 May 2016, with the dividend expected to be paid to shareholders on 11 May.

Net sales and profit

- Net sales increased by 8 percent to SEK 7,589 m (7,003), an increase of 2 percent for the Group when adjusted for currency and structure
- The operating profit, excluding one-off items, fell to SEK 463 m (497), corresponding to a margin of 6.2 percent (6.7)
- Profit for the year improved to SEK 305 m (283), and earnings per share improved to SEK 3.99 (3.71)

Net sales

Net sales amounted to SEK 7,589 m (7,003), which is an increase of 8 percent compared with the previous year. Adjusted for currency effects and structure, the increase was 2 percent. Currency effects impacted net sales positively by 2 percent, while completed acquisitions and divestments impacted net sales positively by 4 percent. The financial growth target of 5-8 percent, which is a combination of organic and acquired growth, was thus met in 2015. Foreign net sales increased by 10 percent and amounted to SEK 5,802 m (5,286), corresponding to 76 percent (75) of the Group's total sales.

Lindab has its own operations in 32 (32) countries and the geographical breakdown of sales in 2015 was 44 percent (46) in the Nordic region, 33 percent (30) in Western Europe, 19 percent (21) in CEE/CIS and 4 percent (3) in other markets.

In all quarters in 2015, sales improved compared with the corresponding quarter of the previous year. The improvement in sales is explained by continued positive development within the Products & Solutions segment, where ventilation and indoor climate solutions saw particularly good organic growth. However, sales fell within the smaller Building Systems segment, but adjusted for currency effects sales remained unchanged. Increased project sales to primarily Africa compensated for the continued decline in sales in Russia.

Seasonal variations

Lindab's operations are affected by seasonal variations in the construction industry, and the greatest proportion of sales is normally seen during the second half of the year.

Performance by segment

From 1 January 2014, the Group's operations have been reported in two segments, Products & Solutions and Building Systems. The distribution of net sales and operating profit (EBIT) by segment are shown in the table on page 66.

Products & Solutions segment

The product and solution offering for Products & Solutions includes products and entire systems for ventilation, cooling and heating, as well as construction products and building solutions such as roof drainage in steel, roof and wall cladding, steel profiles for wall, roof and beam constructions and large span buildings.

Net sales amounted to SEK 6,727 m (6,084), an increase of 11 percent. Adjusted for currency and structure the increase was 3 percent. All product areas in the ventilation area showed positive organic growth in 2015, with particularly good growth being recorded in the more technical product areas Indoor climate solutions, Air handling and Fire safety. Sales also increased in Building solutions, while it decreased in Roof drainage and building products.

All markets in the Nordic region saw good organic growth in 2015. Growth was particularly positive in Denmark, the segment's second-largest market, and Finland where major restructuring measures had the desired effect. In Western Europe, organic growth was unchanged compared with the previous year. However, there were large variations between the individual countries. The segment's two largest markets in the region, the UK and Germany, both experienced organic sales growth, while sales in France and Switzerland fell. In CEE/CIS, which accounts for 15 percent of the segment's sales, sales decreased slightly adjusted for currency and acquisitions. The ventilation business, however, continued the strong organic growth, while the markets for roof drainage and building products as well as building solutions were challenged.

The operating profit (EBIT), excluding one-off items, increased by 7 percent to SEK 504 m (471). The operating margin (EBIT), excluding one-off items, amounted to 7.5 percent (7.7). The improvement in the operating profit is explained by the higher volume of sales.

Building Systems segment

The Building Systems segment offers complete prefabricated steel construction systems and proprietary IT software that simplifies the project planning and quotation process for designers and contractors.

Net sales in 2015 amounted to SEK 862 m (919), which is a decrease of 6 percent compared with the previous year. Adjusted for currency effects, however, sales remained unchanged.

The sales trend during the year varied greatly between the individual markets. A number of interacting factors continued to affect sales in the Russian market negatively; a weak underlying market, trade sanctions, a significantly weakened rouble and difficulties with financing among customers. The declining sales in Russia and CIS were, however, compensated by the positive outcome of several strategic initia-

Net sales and growth

	2015	2014	2013
Net sales, SEK m	7,589	7,003	6,523
Change, SEK m	586	480	–133
Change, %	8	7	–2
Of which			
Volumes and prices, %	2	5	–1
Acquisitions/divestments, %	4	0	1
Currency effects, %	2	2	–2

Net sales by region

SEK m	**2015**	**Share, %**	2014	Share, %	2013	Share, %
Nordic region	3,372	44	3,208	46	2,968	46
Western Europe	2,481	33	2,106	30	1,761	27
CEE/CIS	1,408	19	1,479	21	1,590	24
Other markets	328	4	210	3	204	3
Total	**7,589**	**100**	**7,003**	**100**	**6,523**	**100**

tives aimed at increasing market diversification in the segment. Sales were particular strong in Africa where several large orders were received during the year.

Operating profit (EBIT), excluding one-off items, decreased to SEK 16 m (52). The operating margin (EBIT), excluding one-off items, amounted to 1.9 percent (5.7). For several years now, profitability for Building Systems has had a large exposure to Russia, and also to CIS. The decline in sales in these markets, combined with a significantly weakened rouble, has negatively affected the result and explains most of the decline in earnings.

Gross profit

Gross profit increased by 5 percent to SEK 2,071 m (1,973). The gross margin stood at 27 percent (28) of net sales.

Other operating income

Other operating income amounted to SEK 114 m (63) and consists primarily of exchange rate gains on operating receivables/liabilities. Other operating income includes one-off items of SEK 36 m, of which SEK 34 m concerns the dissolution of negative goodwill in connection with the acquisition of IMP Klima, see one-off items in the table on page 67.

Indirect costs

Sales and administration expenses increased by 10 percent, to SEK 1,551 m (1,409), equivalent to 20 percent (20) of net sales. Research and development expenses amounted to SEK 58 m (51), equivalent to 0.8 percent (0.7) of net sales.

Other operating expenses

Other operating expenses amounted to SEK 107 m (109). Other operating expenses include one-off items of SEK 17 m (28), see one-off items on page 67. In addition, this also includes exchange rate losses on operating receivables/liabilities.

Depreciation/amortisation and impairment losses

Total depreciation/amortisation and impairment losses for the year, included in the costs per function, see Note 8, amounted to SEK 168 m (158).

Operating profit

The operating profit (EBIT) amounted to SEK 469 m (467), which is line with the previous year. The operating profit (EBIT), excluding one-off items, amounted to SEK 463 m (497), which is a reduction of 7 percent compared with the previous year. The operating margin (EBIT), excluding one-off items, decreased and amounted to 6.1 percent (7.1). The lower margin is mainly due to a declining market in Russia and Belarus in the Building Systems segment.

Total one-off items charged to operating profit (EBIT) amount to SEK 6 m (–30), see specification of one-off items on page 67. One-off items for the year mainly concern structure-related items and reversal of negative goodwill.

Earnings before tax

Earnings before tax amounted to SEK 431 m (386), an increase of 12 percent. Financial items amounted to SEK –38 m (–81). The positive development can mainly be explained by a lower interest level and the fact that the previous year was affected by previously accrued charges attributable to previous credit agreements.

Taxes

The Group's tax expenses for the year amounted to SEK –126 m (–103) and the effective tax rate amounted to 29 percent (27) of the earnings before tax. Current tax amounted to SEK –109 m (–109). Deferred tax amounted to SEK –17 m (6). The average tax rate was 20 percent (20). This has been calculated by weighting the subsidiaries' earnings before tax against the local tax rate for each country.

The higher tax rate in the Lindab Group is largely attributable to a non-recognised loss incurred during the year of SEK –39 m, where an assessment is made of the possibility of utilising it against future taxable surpluses in the respective tax domicile. Taxes attributable to previous years have also had an impact of SEK –13 m (–3) to which Germany and the USA, among other countries, contributed. The recognition of deferred tax on loss carry-forwards of SEK 16 m (8) attributable to previous years, particularly in Germany, has had a positive impact. For more information, see Note 14.

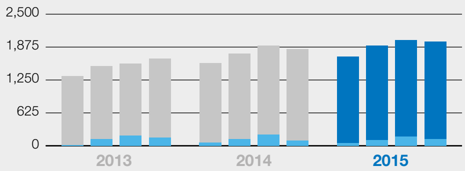
Profit for the year and earnings per share

Profit for the year amounted to SEK 305 m (283). The earnings per share, both undiluted and diluted, amounted to SEK 3.99 (3.71).

Comprehensive income

Comprehensive income amounted to SEK 228 m (366). Comprehensive income includes Other comprehensive income, comprising translation differences arising when foreign operations are translated to SEK, the value of hedging of net investments, actuarial gains and losses regarding defined benefit plans and tax.

Net sales and operating profit (EBIT) for the Group per quarter, SEK m



Net sales 2013-2014
Net sales 2015
Operating profit (EBIT), adjusted for one-off items

Net sales, operating profit (EBIT) and operating margin (EBIT), % by segment

	Net sales			Operating profit (EBIT)			Operating margin (EBIT),%		
SEK m	**2015**	2014	2013	**2015**	2014	2013	**2015**	2014	2013
Products & Solutions	6,727	6,084	5,496	504	471	360	7.5	7.7	6.6
Building Systems	862	919	1,027	16	52	159	1.9	5.7	15.5
Other operations	-	-	-	–57	–26	–21	ET	ET	ET
Total, excluding one-off items	**7,589**	**7,003**	**6,523**	**463**	**497**	**498**	**6.1**	**7.1**	**7.6**
One-off items	-	-	-	6	–30	–46	ET	ET	ET
Total, including one-off items	**7,589**	**7,003**	**6,523**	**469**	**467**	**452**	**6.2**	**6.7**	**6.9**

Statement of comprehensive income

(Income statement)

Amounts in SEK m	Note	**2015**	2014
Net sales	7	7,589	7,003
Cost of goods sold	6, 8, 9, 27	–5,518	–5,030
Gross profit		**2,071**	**1,973**
Other operating income	12	114	63
Selling expenses	6, 8, 9, 27	–1,030	–952
Administrative expenses	6, 8, 9, 10, 27	–521	–457
R&D expenses	6, 8, 9, 11	–58	–51
Other operating expenses	9, 12	–107	–109
Total operating expenses		**–1,602**	**–1,506**
Operating profit (EBIT)		**469**	**467**
Interest income	13	17	7
Interest expenses	13	–49	–79
Other financial income and expenses	13	–6	–9
Financial items		**–38**	**–81**
Earnings before tax (EBT)		**431**	**386**
Tax on profit for the year	14	–126	–103
Profit for the year		**305**	**283**
– attributable to parent company shareholders		*305*	*283*
– attributable to non-controlling interests		*0*	-
Other comprehensive income			
Items that will not be reclassified to the income statement			
Actuarial gains/losses, defined benefit plans		23	–29
Deferred tax attributable to defined benefit plans		–6	6
		17	–23
Items that later can be reclassified to the income statement			
Translation differences, foreign operations		–119	163
Hedging of net investments		32	–73
Deferred tax attributable to hedging of net investments		–7	16
		–94	106
Other comprehensive income, net of tax		**–77**	**83**
Comprehensive income		**228**	**366**
– attributable to parent company shareholders		*228*	*366*
– attributable to non-controlling interests		*0*	-
Earnings per share, SEK			
Undiluted	15	3.99	3.71
Diluted	15	3.99	3.71

Specification of one-off items

2015	**Products & Solutions**	**Building Systems**	**Other operations**	**Total**
Operating profit (EBIT), excl. one-off items	504	16	–57	463
One-off items	35	–9	–20	6*
Operating profit (EBIT), incl. one-off items	**539**	**7**	**–77**	**469**
2014				
Operating profit (EBIT), excl. one-off items	471	52	–26	497
One-off items	–21	–11	2	–30**
Operating profit (EBIT), incl. one-off items	**450**	**41**	**–24**	**467**

Operating profit (EBIT) has been adjusted for the following one-off items, which are reported as other operating income, other operating expenses and depreciation/amortisation.

2015 SEK 6 m relating to structure-related items, cost-reduction initiatives, reversal of negative goodwill and governance project.*

*2014** SEK –30 m relating to restructuring costs resulting from the reorganisation.*

Cash flow

- Cash flow from operating activities improved to SEK 460 m (278)
- Investments in tangible fixed assets decreased and amounted to SEK –130 m (–248)
- The net cash flow from acquisitions and divestments amounted to SEK –168 m (–30)

Cash flow from operating activities

Cash flow from operating activities improved and amounted to SEK 460 m (278). This was mainly due to the fact that the change in working capital for the full year improved compared to the previous year and amounted to SEK 5 m (–161), where a change in operating receivables but primarily the stock contributed positively to the development. The change in stock improved to SEK 88 m (–111), which is attributable to continued active efforts to increase the stock turnover rate.

Items not affecting cash flow

Items not affecting cash flow include unrealised exchange rate differences, provisions, and depreciation/amortisation. Realised gains and losses resulting from the sale of assets are eliminated since the cash effect from the sale of fixed assets and operations is reported separately under cash flow from investing activities.

Cash flow from investing activities

Investments in fixed assets amounted to SEK 151 m (273), while disposals amounted to SEK 31 m (11). The change in investments is mainly due to the previous year's acquisition of a property in the Czech Republic previously operationally leased with a purchase price of SEK 139 m.

Apart from the normal level of maintenance investments and reinvestments, investments in fixed assets are mainly related to efficiency projects in central production in Grevie and the Czech Republic, among other places; the efficiency project in the Czech Republic also covers the entire supply chain. Furthermore, investments have been made in Estonia in order to optimise product sales in the Finnish business.

Net cash flow from investing activities amounted to SEK –120 m (–262), excluding acquisitions and divestments of subsidiaries.

Business combinations

On 7 August, the US subsidiary Lindab Inc. was divested whose business covers production and sale of ventilation ducts and components. The company will continue to distribute Lindab's products. Net sales amounted to just under SEK 150 m in 2014, and the company had 98 employees.

On 1 July, the assets of the French company Froid Partn'Air were acquired whose business covers distribution of ventilation and indoor climate products in the Marseille region in France. The company has annual net sales of around SEK 13 m and five employees.

On 1 July, the Slovenian ventilation company IMP Klima was acquired. The business comprises products and solutions for ventilation and indoor climate with cutting-edge expertise within air handling, cleanroom technology and floor convectors. The company has annual net sales of around SEK 230 m and about 360 employees.

On 3 June, the French company Nather S.A. was acquired whose business mainly covers products and solutions for residential ventilation. The company has annual sales of approximately SEK 45 m and 17 employees.

On 15 January, the acquisition of the Italian company MP3 was completed. The company is a leading manufacturer of indoor climate solutions, with specialist knowledge in fire protection. The company has annual sales of approximately SEK 210 m and 95 employees.

The net cash flow from acquisitions and divestments amounted to SEK –168 m (–30). For a more detailed explanation, see Note 5.

Financing activities

Financing activities for the year resulted in a cash flow of SEK –177 m (24). The negative change is mainly explained by dividend paid of SEK –84 m and repayment of borrowings. No dividend was paid in the previous year.

On 31 December 2015, net debt amounted to SEK 1,657 m (1,746). The strengthened Swedish krona has reduced net debt by approximately SEK 35 m.

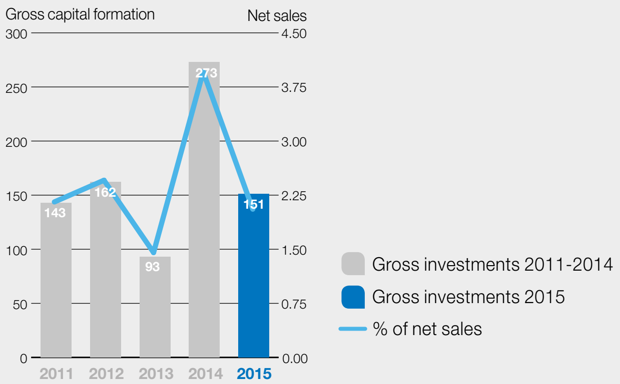
Statement of cash flows for the Group

(Indirect method)

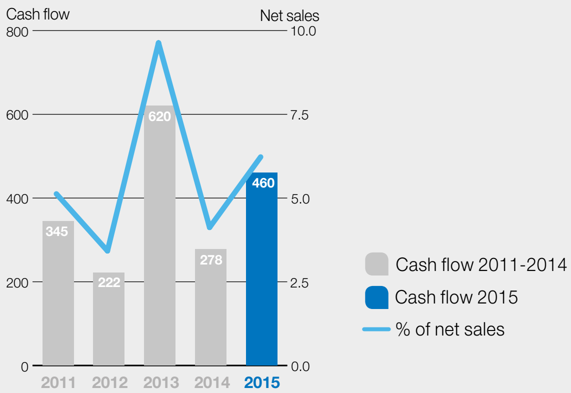
Amounts in SEK m	Note	2015	2014
Operating activities			
Operating profit		469	467
Reversal of depreciation/amortisation and impairment losses	8	168	158
Reversal of capital gains (–)/losses (+) reported in operating profit		–5	3
Provisions, not affecting cash flow		–18	–42
Adjustment for other items not affecting cash flow		–32	–20
Total		**582**	**566**
Interest received		16	7
Interest paid		–47	–62
Tax paid		–96	–72
Cash flow from operating activities before change in working capital		**455**	**439**
Change in working capital*			
Stock (increase – /decrease +)		88	–111
Operating receivables (increase – /decrease +)		–51	–76
Operating liabilities (increase + /decrease –)		–32	26
Total change in working capital		*5*	*–161*
Cash flow from operating activities		**460**	**278**
Investing activities			
Acquisition of Group companies	5	–256	–30
Divestment of Group companies	5	88	-
Investments in intangible fixed assets	16	–21	–25
Investments in tangible fixed assets	17	–130	–248
Disposal of tangible fixed assets	17	31	11
Cash flow from investing activities		**–288**	**–292**
Financing activities			
Proceeds from borrowings		-	1,885
Repayment of borrowings		–91	–1,907
Shares for allocation, incentive programme		–2	–2
Dividend to shareholders		–84	-
Cash flow from financing activities		**–177**	**–24**
Cash flow for the year		**–5**	**–38**
Cash and cash equivalents at the beginning of the year		300	331
Effect of exchange rate changes on cash and cash equivalents		–10	7
Cash and cash equivalents at the end of the year		**285**	**300**

*) *Working capital, see definition on page 114.*

Gross investments in fixed assets, excl. acquisitions and divestments, SEK m, and in relation to net sales, %



Cash flow from operating activities, SEK m, and in relation to net sales, %



Financial position

- The equity/asset ratio amounted to 49.1 percent (48.0)
- The return on equity amounted to 8.8 percent (9.0)
- Financial net debt decreased to SEK 1,657 m (1,746)

Fixed assets and investments

Information about changes in the structure of fixed assets can be found in the comments to the Statement of cash flows on page 68.

Stock and accounts receivable

Stock fell by –6 percent (15), which is attributable to the continued active efforts to increase the stock turnover rate. Accounts receivable have increased by 11 percent (13). The increase is primarily driven by the increased sales volume. At the year-end, stock and accounts receivable in relation to net sales amounted to 14 percent (16) and 16 percent (15) respectively.

Cash and cash equivalents

At the year-end, consolidated cash and cash equivalents totalled SEK 285 m (300). Escrow accounts amounting to SEK 5 m (5) are included in cash and cash equivalents. Unappropriated cash and cash equivalents, including unused credit facilities, amounted to SEK 1,164 m (1,064) based on an underlying credit limit of SEK 2,100 m (2,100).

Capital employed

Consolidated capital employed, including goodwill and consolidated surplus value, amounted to SEK 5,506 m (5,438), which is an increase of 1 percent (10). Return on capital employed, including goodwill, amounted to 8.6 percent (8.9).

Total equity

At the year-end, consolidated equity totalled SEK 3,511 m (3,344). Translation differences have negatively affected equity by SEK –119 m (163), while actuarial gains relating to defined benefit plans and hedging of net investments, net of tax, have positively affected equity by SEK 17 m (–23) and SEK 25 m (–57) respectively. The incentive programme completed during the year has had an overall positive impact of SEK 21 m (11). Dividend of SEK 84 m was paid during the year. Equity per share amounted to SEK 46.00 (43.81). Return on equity, i.e. profit for the year in relation to equity amounted to 8.8 percent (9.0).

Operating capital

Operating capital amounted to SEK 5,169 m (5,090). The return on operating capital amounted to 8.9 percent (9.3). Adjusted for one-off items, the return is 8.7 percent (9.9).

Net debt

On 31 December 2015, net debt amounted to SEK 1,657 m (1,746). The strengthened Swedish krona has positively affected net debt by approximately SEK 35 m since the beginning of 2014. The net debt comprises non-current and current interest-bearing liabilities, including interest-bearing provisions less interest-bearing assets, cash holdings and bank balances. Interest-bearing liabilities amounted to SEK 1,995 m (2,094), of which SEK 189 m (201) were provisions for pensions. Interest-bearing assets including cash and bank balances amounted to SEK 338 m (348).

The net debt is included in one of the Group's financial targets. The goal is that the seasonally adjusted net debt* to EBITDA, excluding one-off items, is not to exceed 2.5. The measurement shows the relationship between borrowings and equity and thus the gearing effect, or expressed another way, the company's financial strength. The net debt/equity ratio, i.e. net debt in relation to equity, was 0.5 times (0.5).

* Average net debt for the year.

Interest coverage ratio

The interest coverage ratio, which expresses the Group's ability to pay interest, was 8.6 times (5.4).

Equity/asset ratio

The Group's equity/asset ratio, i.e. equity in relation to total assets, amounted to 49 percent (48).

Credit agreement

A credit agreement was entered into with Nordea, SEB and Svensk Exportkredit (SEK) in February 2014. The long-term credit limits amount to SEK 1,600 m (1,600) from Nordea and SEB, and SEK 500 m from SEK. The credit limit with Nordea/SEB is valid for 3 years and the credit limit with SEK is valid for 5 years. The current line of credit limits with Nordea/SEB was extended for a further year at the beginning of January 2016. These credit limits now extend to the first quarter of 2019.

Pledged assets and contingent liabilities

Pledged assets total SEK 21 m (42). The change is that Lindab no longer provides security in the form of floating charges. Contingent liabilities total SEK 20 m (27).

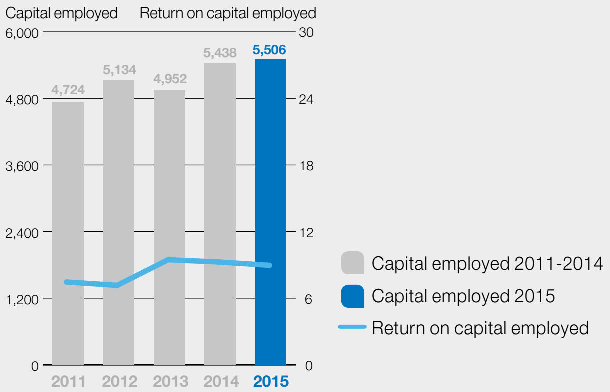
Statement of financial position

(Balance sheet)

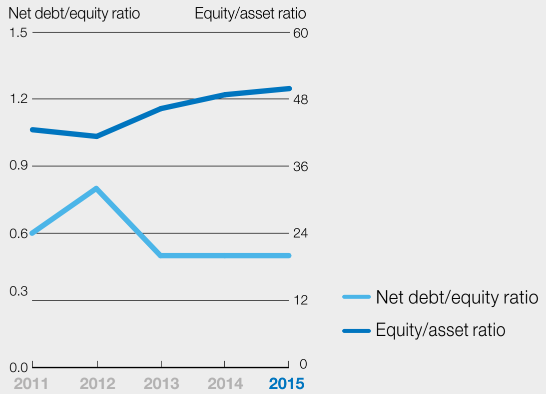
Amounts in SEK m	Note	**31 Dec 2015**	31 Dec 2014
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalised expenditure for development work	16	21	0
Patents and similar rights	16	2	1
Goodwill	16	2,897	2,859
Other intangible fixed assets	16	100	63
Total intangible fixed assets		*3,020*	*2,923*
Tangible fixed assets			
Buildings and land	17, 27	798	731
Machinery and equipment	17	451	456
Construction in progress and advance payments on tangible fixed assets	17	52	53
Total tangible fixed assets		*1,301*	*1,240*
Financial fixed assets			
Financial investment	23	47	46
Deferred tax assets	14	100	126
Other investments held as fixed assets	18	4	3
Other non-current receivables	19	4	3
Total financial fixed assets		*155*	*178*
Total fixed assets		**4,476**	**4,341**
Current assets			
Stock	20	1,045	1,107
Accounts receivable	21	1,177	1,064
Other receivables	21	61	53
Current tax assets		20	14
Prepaid expenses and accrued income	21	79	80
Prepaid expenses and accrued income, interest-bearing	21	6	2
Cash and cash equivalents		285	300
Total current assets		**2,673**	**2,620**
TOTAL ASSETS		**7,149**	**6,961**

Amounts in SEK m	Note	**31 Dec 2015**	31 Dec 2014
EQUITY AND LIABILITIES			
Total equity			
Equity attributable to parent company shareholders			
Share capital	22	79	79
Other contributed capital		2,260	2,239
Reserves		–43	51
Profit brought forward, including profit for the year		1,213	975
		3,509	3,344
Non-controlling interests		*2*	-
Total equity		**3,511**	**3,344**
Non-current liabilities			
Interest-bearing liabilities			
Liabilities to credit institutions	25	1,713	1,765
Provisions for pensions and similar obligations	23	189	201
Total interest-bearing liabilities		*1,902*	*1,966*
Non-interest-bearing liabilities			
Deferred tax liabilities	14	115	96
Other provisions	24	21	15
Other liabilities		5	5
Total non-interest-bearing liabilities		*141*	*116*
Total non-current liabilities		**2,043**	**2,082**
Current liabilities			
Interest-bearing liabilities			
Liabilities to credit institutions	25	7	8
Bank overdraft facilities	25	70	99
Accrued expenses and deferred income	26	16	21
Total interest-bearing liabilities		*93*	*128*
Non-interest-bearing liabilities			
Advance payments from customers		85	159
Accounts payable		790	650
Current tax liabilities		45	20
Other provisions	24	30	52
Other liabilities		104	99
Accrued expenses and deferred income	26	448	427
Total non-interest-bearing liabilities		*1,502*	*1,407*
Total current liabilities		**1,595**	**1,535**
TOTAL EQUITY AND LIABILITIES		**7,149**	**6,961**
Pledged assets	28	21	42
Contingent liabilities	28	20	27

Capital employed, SEK m and return on capital employed, %



Net debt/equity ratio and equity/asset ratio, times and %



Statement of changes in equity for the Group

Amounts in SEK m	Equity attributable to parent company shareholders: Share capital	Other contributed capital	Foreign currency translation reserve	Profit brought forward incl. profit for the year	Total	Non-controlling interests	Total equity
Opening balance, 1 January 2014	**79**	**2,228**	**–55**	**715**	**2,967**	**-**	**2,967**
Profit for the year				283	283	-	283
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				–23	–23	-	–23
Translation differences, foreign operations			163		163	-	163
Hedging of net investments			–57		–57	-	–57
Total comprehensive income	-	-	*106*	*260*	*366*	-	*366*
Incentive programme [1]		0			0	-	0
Matured futures contracts to acquire treasury shares, incentive programme		11			11	-	11
Effect unutilised shares, incentive programme		2			2	-	2
Shares for allocation, incentive programme		–2			–2	-	–2
Transactions with shareholders	-	*11*	-	-	*11*	-	*11*
Closing balance, 31 December 2014	**79**	**2,239**	**51**	**975**	**3,344**	**-**	**3,344**
Profit for the year				305	305	-	305
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				17	17	-	17
Translation differences, foreign operations			–119		–119	-	–119
Hedging of net investments			25		25	-	25
Total comprehensive income	-	-	*–94*	*322*	*228*	-	*228*
Incentive programme [1]		0			0	-	0
Matured futures contracts to acquire treasury shares, incentive programme		17			17	-	17
Effect unutilised shares, incentive programme		6			6	-	6
Shares for allocation, incentive programme		–2			–2	-	–2
Dividend to shareholders				–84	–84	-	–84
Transactions with shareholders	-	*21*	-	*–84*	*–63*	-	*–63*
Acquisition of non-controlling interests						2	2
Closing balance, 31 December 2015	**79**	**2,260**	**–43**	**1,213**	**3,509**	**2**	**3,511**

1) The 2011 and 2012 Annual General Meetings resolved to introduce a long-term incentive programme for each year. To ensure that Lindab holds shares for the maximum allocation, futures contracts have been signed with third parties to acquire treasury shares, which means that no dilution occurs. The incentive programme initiated during 2011 fell due in 2013 and was paid out during the second quarter of 2014. The incentive programme initiated during 2012 fell due in 2014 and was paid out in June 2015.

Parent company

The parent company is a holding company that holds shares in Lindab AB, where the head office functions are carried out. Lindab AB, which is the original parent company of the Lindab Group, also directly owns the majority of subsidiaries.

The parent company's net sales for the financial year amounted to SEK 3 m (3). Profit for the year amounted to SEK 1 m (1). Group contributions received from subsidiaries amounted to SEK 34 m (49). No dividends from subsidiaries were received in 2015.

Income statement

Amounts in SEK m	Note	**2015**	2014
Net sales		3	3
Administrative expenses	9, 10	–4	–4
Other operating income	12	0	0
Other operating expenses	6, 9, 10, 12	0	0
Operating profit		**–1**	**–1**
Profit from subsidiaries	13	34	49
Interest expenses, internal	13	–32	–48
Earnings before tax (EBT)		**1**	**0**
Tax on profit for the year	14	0	1
Profit for the year*		**1**	**1**

*) *Comprehensive income corresponds to profit for the year for all periods.*

Balance sheet

Amounts in SEK m	Note	31 Dec 2015	31 Dec 2014
ASSETS			
Fixed assets			
Financial fixed assets			
Shares in Group companies	30	3,467	3,467
Financial fixed assets, interest-bearing		7	7
Deferred tax assets		2	2
Total fixed assets		**3,476**	**3,476**
Current assets			
Accounts receivable		34	51
Current tax assets		0	1
Cash and cash equivalents		0	0
Total current assets		**34**	**52**
TOTAL ASSETS		**3,510**	**3,528**
EQUITY AND LIABILITIES			
Shareholder's equity			
Restricted shareholder's equity			
Share capital	22	79	79
Statutory reserve		708	708
Non-restricted shareholder's equity			
Share premium reserve		90	90
Profit brought forward		423	506
Profit for the year*		1	1
Total shareholder's equity		**1,301**	**1,384**
Provisions			
Provisions, interest-bearing		7	8
Total provisions		**7**	**8**
Non-current liabilities			
Liabilities to Group companies, interest-bearing		2,166	2,134
Total non-current liabilities		**2,166**	**2,134**
Current liabilities			
Non-interest-bearing liabilities			
Accounts payable		34	0
Accrued expenses and deferred income	26	2	2
Total non-interest-bearing liabilities		*36*	*2*
Total current liabilities		**36**	**2**
TOTAL EQUITY AND LIABILITIES		**3,510**	**3,528**
Pledged assets	28	1,673	1,705
Contingent liabilities	28	-	-

*) Comprehensive income corresponds to profit for the year for all periods.

Cash flow analysis

Amounts in SEK m	2015	2014
Operating profit	–1	–1
Provisions, not affecting cash flow	–1	0
Interest received	0	0
Interest paid	–32	–48
Tax paid	1	1
Cash flow from operating activities before change in working capital	**–33**	**–48**
Change in working capital		
Operating liabilities	34	0
Cash flow from operating activities	**1**	**–48**
Financing activities		
Loans from Group companies	83	46
Dividend paid	–84	-
Cash flow from financing activities	**–1**	**46**
Cash flow for the year	**0**	**–2**
Cash and cash equivalents at the beginning of the year	0	2
Cash and cash equivalents at the end of the year	**0**	**0**

Changes in parent company equity

	Shareholder's equity attributable to parent company shareholders					
	Restricted shareholder's equity		Non-restricted shareholder's equity			
Amounts in SEK m	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Profit for the year*	Total shareholder's equity
Opening balance, 1 January 2014	**79**	**708**	**90**	**506**	**0**	**1,383**
Profit for the year					1	1
Closing balance, 31 December 2014	**79**	**708**	**90**	**506**	**1**	**1,384**
Profit for the year					1	1
Transactions with shareholders						
Dividend to shareholders				–84		–84
Closing balance, 31 December 2015	**79**	**708**	**90**	**423**	**1**	**1,301**

*) Comprehensive income corresponds to profit for the year for all periods.

Shareholder's equity

Dividend to shareholders for the financial year 2014

The Annual General Meeting held on 27 April 2015 resolved that dividend of SEK 1.10 per share would be paid to shareholders, corresponding to SEK 84 m, and that the remainder, SEK 596,774,865, would be carried forward. In 2014, no dividend was paid for the financial year 2013.

Outstanding shares

As of 31 December 2015, the share capital amounted to SEK 78,707,820 split between 78,707,820 class A shares only. All shares have a face value of SEK 1.00. The number of outstanding shares is 76,331,982 (76,331,982). For more information, see Note 22.

Risks, risk management and internal control

See the Directors' Report, pages 60-64, Corporate Governance Report, pages 47-57, and Note 3.

The Group: Ten-year summary

Amounts in SEK m unless otherwise indicated.

Net sales and profit	**2015**	2014	2013	2012	2011*	2010*	2009*	2008*	2007*	2006*
Net sales	7,589	7,003	6,523	6,656	6,878	6,527	7,019	9,840	9,280	7,609
Growth, %	8	7	–2	–3	5	–7	–29	6	22	22
of which volumes and prices	2	5	–1	–5	9	–1	–33	2	14	10
of which acquisitions/divestments	4	0	1	3	0	0	1	3	8	13
of which currency effects	2	2	–2	–1	–4	–6	3	1	0	1
Net sales abroad, %	76	75	76	76	76	77	81	82	82	80
EBITDA	637	625	609	490	511	565	479	1,388	1,512	1,103
Depreciation/amortisation	168	158	157	156	163	280	225	225	203	209
EBITA	472	467	452	334	348	401	265	1,172	1,318	903
Operating profit (EBIT)	469	467	452	334	348	284	254	1,163	1,309	894
One-off items [1]	6	–30	–46	–126	–59	–63	–47	–116	-	–39
Operating profit (EBIT), excluding one-off items	463	497	498	460	407	347	301	1,279	1,309	933
Earnings before tax (EBT)	431	386	329	178	186	112	119	990	1,175	797
Profit for the year	305	283	233	122	91	27	34	723	901	585
Comprehensive income	228	366	283	36	36	–298	–142	1,124	1,035	439
Cash flow										
Cash flow from operating activities	460	278	620	222	345	391	719	673	875	778
Cash flow from investing activities	–288	–292	–111	–441	–143	241	–188	–418	–225	–424
Cash flow from financing activities	–177	–24	–482	291	–202	–616	–541	–396	–487	–395
Cash flow for the year	–5	–38	27	72	0	16	–10	–141	163	–40
Operating cash flow	442	58	546	319	361	418	731	931	985	821
Capital employed and financing										
Balance sheet total	7,149	6,961	6,517	6,623	6,479	6,570	7,442	8,625	7,700	7,077
Capital employed	5,506	5,438	4,952	5,134	4,724	4,897	5,701	6,419	5,594	4,998
Operating capital	5,169	5,090	4,579	4,789	4,446	4,611	5,425	6,120	5,207	4,792
Net debt	1,657	1,746	1,612	2,106	1,747	1,856	2,422	2,774	2,238	2,602
Total equity	3,511	3,344	2,967	2,683	2,699	2,755	3,003	3,346	2,969	2,190
Data per share, SEK										
Undiluted average number of shares, ’000s[2]	76,332	76,332	76,332	75,998	75,332	75,203	74,772	77,548	78,708	90,702
Diluted average number of shares, ’000s[2]	76,332	76,332	76,332	75,998	75,332	75,203	74,772	77,548	78,708	93,062
Undiluted no. of shares at year-end, ’000s	76,332	76,332	76,332	76,332	75,332	75,332	74,772	74,772	78,708	78,708
Diluted no. of shares at year-end, ’000s	76,332	76,332	76,332	76,332	75,332	75,332	74,772	74,772	78,708	78,708
Undiluted earnings per share	3.99	3.71	3.05	1.61	1.21	0.36	0.45	9.32	11.45	6.45
Diluted earnings per share	3.99	3.71	3.05	1.61	1.21	0.36	0.45	9.32	11.45	6.29
Earnings per share, current number of outstanding shares	3.99	3.71	3.05	1.61	1.21	0.36	0.45	9.67	11.45	7.43
Undiluted equity per share	46.00	43.81	38.87	35.15	35.83	36.57	40.16	44.75	37.72	27.82
Diluted equity per share	46.00	43.81	38.87	35.15	35.83	36.57	40.16	44.75	37.72	27.82
Cash flow from operating activities per share	6.03	3.64	8.12	2.92	4.58	5.20	9.62	8.68	11.12	9.89
Dividend per share (for 2015 according to Board’s proposal)	1.25	1.10	-	-	1.00	1.00	-	2.75	5.25	3.25
P/E ratio	15.80	17.70	20.80	26.70	30.90	245.10	163.30	5.20	12.90	20.70
Quoted price at year-end, LIAB	62.90	65.60	63.40	43.00	37.40	88.25	73.50	48.50	147.25	130.25
Market capitalisation at year-end	4,801	5,007	4,839	3,282	2,817	6,648	5,496	3,626	11,590	10,252
Investments										
Fixed assets (gross)	151	273	93	162	143	128	182	301	195	146

Key performance indicators	2015	2014	2013	2012	2011*	2010*	2009*	2008*	2007*	2006*
EBITDA margin, %	8.4	8.9	9.3	7.4	7.4	8.7	6.8	14.1	16.3	14.5
EBITA margin, %	6.2	6.7	6.9	5.0	5.1	6.1	3.8	11.9	14.2	11.9
Operating margin (EBIT), %	6.2	6.7	6.9	5.0	5.1	4.4	3.6	11.8	14.1	11.7
Operating margin (EBIT), excluding one-off items, %	6.1	7.1	7.6	6.9	5.9	5.3	4.3	13.0	14.1	12.3
Profit margin, %	5.7	5.5	5.0	2.7	2.7	1.7	1.7	10.1	12.7	10.5
Return on capital employed, %	8.6	8.9	9.1	6.8	7.1	5.5	4.3	20.0	24.5	18.2
Return on operating capital, %	8.9	9.3	9.6	7.1	7.4	5.6	4.3	20.7	25.4	19.1
Return on operating capital, excluding one-off items, %	8.7	9.9	10.5	9.8	8.7	6.9	5.1	22.8	25.4	19.9
Return on equity, %	8.8	9.0	8.5	4.6	3.3	0.9	1.1	23.4	35.9	25.1
Return on total assets, %	6.6	6.8	6.9	5.0	5.2	4.1	3.3	14.3	17.4	13.3
Equity/asset ratio, %	49.1	48.0	45.5	40.5	41.7	41.9	40.4	38.8	38.6	30.9
Seasonally adjusted net debt** to EBITDA, excluding one-off items	3.1	2.9	3.1	3.5	3.6	4.3	5.3	1.7	1.8	2.1
Net debt/equity ratio, times	0.5	0.5	0.5	0.8	0.6	0.7	0.8	0.8	0.8	1.2
Interest coverage ratio, times	8.6	5.4	3.5	2.1	2.1	1.6	1.8	6.1	8.6	8.4
Employees										
Average no. of employees	5,052	4,541	4,368	4,509	4,484	4,454	4,586	5,389	5,013	4,689
of which abroad	3,951	3,466	3,350	3,469	3,474	3,460	3,638	4,211	3,907	3,611
Number of employees at close of period	5,066	4,536	4,371	4,363	4,347	4,381	4,435	5,291	5,256	4,942
Payroll expenses including social security contributions and pension expenses	1,969	1,778	1,659	1,706	1,735	1,724	1,874	2,098	1,938	1,706
Sales per employee, SEK ('000s)	1,502	1,542	1,493	1,476	1,534	1,465	1,531	1,826	1,851	1,623

** Not restated due to standard amendments, IAS 19R.*

*** Average net debt for the year.*

1) One-off items for

- *2015, totalling SEK 6 m, consist of structure-related items, cost-reduction initiatives, reversal of negative goodwill and governance project.*
- *2014, totalling SEK –30 m, consist of restructuring costs as a result of the reorganisation.*
- *2013, totalling SEK –46 m, consist of the cost-reduction programme and reorganisation.*
- *2012, totalling SEK –126 m, consist of SEK –92 m relating to the cost-reduction programme, SEK –7 m for the acquisition of subsidiaries, and SEK –27 m relating to severance cost for the President and CEO.*
- *2011, totalling SEK –59 m, consist of the transfer of Ventilation's production in St. Petersburg, Russia, to Tallin, Estonia, and the change of business area manager, SEK –17 m for the cost-reduction programme, SEK –22 m and SEK –20 m regarding the change in management for the Building Systems business area and for the impairment of assets in production units in CEE.*
- *2010, totalling SEK –63 m, consist of SEK –110 m relating to impairment of goodwill in the Ventilation business area's operations in the USA, SEK 73 m regarding capital gain on the sales of property in Luxembourg, SEK –7 m in costs relating to closure of the Ventilation unit in Texas in the USA, and SEK –19 m in restructuring expenses.*
- *2009, totalling SEK –47 m, consist of SEK –45 m in costs relating to cost-reduction programme, a SEK 10 m income from the disposal of Folke Perforering's operations, plus SEK –12 m in cost relating to the closure of Lindab Plåt in Edsvära.*
- *2008, totalling SEK –116 m, consist of SEK –117 m for the cost-reduction programme, a SEK –18 m impairment loss in stock, a SEK 14 m capital gain on the sale of property as well as a SEK 18 m capital gain from the divestment of company holdings and SEK –13 m in cost to replace the President and CEO.*
- *2006, totalling SEK –39 m, consist of restructuring costs of SEK –41 m, SEK –25 m in costs in connection with flotation on the stock exchange and a capital gain of SEK 27 m from the sale of property.*

For Lindab, one-off items are considered to exist in the case of events that are not among regular business transactions and when each individual amount is of a considerable size, and could therefore have an effect on the profit or loss and key performance indicators.

2) The average number of shares has been adjusted for 2006 with respect to the 8:1 and 15:1 splits.

Financial definitions, see page 114.

Notes

Interior from Malmö Live, Malmö's new large concert hall, convention centre and hotel. Lindab has delivered a comprehensive duct system and roof solution.

Note 01 General information

Lindab International AB, with its head office in Båstad, and registered in Sweden under the Corporate identification number 556606-5446 (the parent company) and its subsidiaries (referred to collectively as the Group) and its operations are described in the Directors' Report. The address of the company's head office is Lindab International AB, SE-269 82 Båstad, Sweden.

These consolidated accounts have been approved for publication by the Board of Directors and the CEO on 10 March 2016. The statement of comprehensive income and statement of financial position, as well as the parent company's income statement and balance sheet, will be matters for approval at the Annual General Meeting of shareholders on 3 May 2016.

Information on the structure of the Group at the end of the financial year is shown in Note 30.

Unless otherwise stated, amounts are in SEK m.

Note 02 Summary of important accounting principles

The most important accounting principles that have been applied when preparing these consolidated accounts are detailed below. Unless otherwise stated, these principles have been applied consistently for all the years presented.

Basis for the preparation of accounts
Lindab prepares its consolidated accounts in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Recommendation 1, Supplementary Accounting Rules for Groups, from the Swedish Financial Reporting Board.

Lindab applies the cost method when measuring assets and liabilities except for certain financial instruments, which are measured at fair value.

New and revised IFRS standards and interpretations 2015
- IFRIC 21 Levies.

IFRIC 21 Levies deals with the recognition of the liability to pay levies that the state or similar body has imposed on the company if such liability is comprised by IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IFRIC 21 also deals with the recognition of the liability to pay levies when the time and amount are uncertain. The interpretation clarifies the time at which a liability for such levies should be recognised. The event that triggers the liability to pay a levy is the event that triggers payment of the levy.

For the Group, IFRIC 21 means that property tax is entered as a liability in its entirety when the obligation arises. As the obligation arises annually as of 1 January, the Group recognises the entire liability for property tax for the year as of 1 January. In addition, a prepaid expense of the property tax will be recognised and amortised on a straight-line basis over the financial year. IFRIC 21 therefore does not affect reporting on the annual accounts but has had an effect on interim reporting compared with the principles previously applied. IFRIC 21 must be applied to financial years beginning on or after 17 June 2014.

The judgement of management is that other new or revised standards and new interpretations that apply from the financial year 2015 have not had a material impact on the consolidated financial statements.

New and revised standards and interpretations which have not yet come into effect
The new and revised standards and interpretations that have been issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC) but which only come into effect for financial years beginning after 1 January 2016 have not yet been applied by the Group. The following describes the new and revised standards and interpretations that are expected to have an impact on the consolidated financial statements in the period in which they are first applied.

- IFRS 9, Financial Instruments. Must be applied to financial years beginning on or after 1 January 2018.
- IFRS 15 Revenue from contracts with customers. Must be applied to financial years beginning on or after 1 January 2018.
- IFRS 16 Leases. Must be applied to financial years beginning on or after 1 January 2019.

IFRS 9 Financial Instruments was issued on 24 July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. The standard is published in phases with the version that was released in July 2014 replacing all previous versions.

IFRS 9 contains new principles for how financial assets must be classified and measured. Which measurement category a financial asset belongs to is determined by the company's purpose of holding the asset (i.e. the company's "business model") and the contractual cash flow of the financial asset.

The new standard also contains new rules for impairment testing of financial assets, which means that the previous "incurred loss method" is replaced by a new so-called "expected loss method".

The aim of the new rules for hedge accounting is that the company's risk management should be reflected in the reporting. The standard provides better opportunities for hedging risk components in non-financial items and for several types of instruments to be included in a hedging relationship. The quantitative efficiency requirement has also been abolished. IFRS 9 must be applied to financial years beginning on or after 1 January 2018 and has not yet been adopted by the EU.

The judgement of management is that the application of IFRS 9 may affect the amounts reported in the financial statements regarding the Group's financial assets and liabilities. Management has not yet completed a detailed analysis of the effects of application of IFRS 9 and cannot therefore quantify the effects yet.

IFRS 15 Revenue from Contracts with Customers was issued on 28 May 2014 and will replace IAS 18 Revenue and IAS 11 Construction Contracts.

IFRS 15 represents a model for revenue recognition for almost any revenue arising from contracts with customers, with the exception of lease contracts, financial instruments and insurance contracts. The basic principle for revenue recognition according to IFRS 15 is that the company must recognise revenue in a way that reflects the transfer of the promised goods or services to the customer at the amount which the company expects to receive in exchange for such goods or services. Revenue is recognised when the customer takes control of the goods or services. IFRS 15 provides detailed guidance in specific areas and includes a comprehensive set of disclosure requirements. IFRS 15 must be applied to financial years beginning on or after 1 January 2018, but earlier application is allowed. The standard has not yet been adopted by the EU. Management has not yet completed a detailed analysis of the effects of application of IFRS 15 and cannot therefore quantify the effects yet.

IFRS 16 was issued on 13 January 2016 and will replace IAS 17 Leases. IFRS 16 introduces a right of use model which for the lessee implies that nearly all leases must be recognised in the balance sheet, eliminating the classification of leases into either operating leases or financial leases. This does not apply to leases with a lease term of 12 months or less and leases of low-value assets. Depreciation/amortisation of assets and interest expenses on liabilities are recognised in the income statement. The standard includes more comprehensive disclosure requirements than the current standard. IFRS 16 does not contain any

Note 2, cont.

substantial changes for lessors compared with IAS 17. IFRS 16 must be applied for financial years beginning on or after 1 January 2019, but earlier application is allowed provided that IFRS 15 is applied at the same time. The standard has not yet been adopted by the EU. Management has not yet completed a detailed analysis of the effects of adoption of IFRS 16 and cannot therefore quantify the effects yet.

Management believes that other new and revised standards and interpretations that have not yet been adopted, are not expected to have any significant impact on the consolidated financial statements when they are applied for the first time.

Consolidated accounts

The consolidated accounts comprise the parent company, Lindab International AB, and the companies over which the parent company has a controlling influence, subsidiaries. Controlling influence exists when the parent company has influence over the investment object, is exposed to, or is entitled to variable returns from its commitment to the investment object and can use its influence over the investment object to affect its returns.

The parent company performs a rejudgement of whether a controlling influence exists if the facts and circumstances suggest that one or more of the factors listed above has changed.

Consolidation of a subsidiary takes place from the date the parent company gains a controlling influence until the date it ceases to have a controlling influence over the subsidiary. This means that revenues and expenses for a subsidiary that was acquired or divested during the current financial year are included in the consolidated statement of income and other comprehensive income from the date the parent company gains a controlling influence until the date the parent company ceases to have a controlling influence.

Consolidated profits and components of other comprehensive income are attributable to the parent company's owners.

The accounting principles of subsidiaries have been adjusted where necessary to conform with the Group's accounting principles. All inter-company transactions, dealings and unrealised gains and losses attributable to inter-company transactions are eliminated when preparing the consolidated accounts.

Business combinations

Business combinations are accounted for using the acquisition method. Consideration transferred of the business combination is measured at fair value on the acquisition date, which is calculated as the sum of the fair values as at the acquisition date of the assets issued, liabilities incurred or assumed, and equity interests issued in exchange for control of the acquired business. Acquisition-related costs are recognised in the income statement when incurred.

Consideration transferred also includes the fair value at the acquisition date for the assets or liabilities resulting from an arrangement of contingent consideration. Changes in the fair value of the contingent concideration that arise as a result of additional information received after the acquisition date about facts and circumstances that existed as of the acquisition date qualify as adjustments during the valuation period and are adjusted retroactively, with a corresponding adjustment of goodwill. All other changes in the fair value of a contingent consideration that are classified as an asset or liability are recognised in accordance with the applicable standard. The contingent concideration, which is classified as shareholder's equity, is not revalued and its subsequent settlement is accounted for within shareholder's equity.

In the case of acquisitions where the balance of the consideration transferred, any non-controlling interests and the fair value as of the acquisition date of previous shareholdings exceeds the fair value as of the acquisition date of the identifiable acquired net assets the difference is recorded as goodwill in the statement of financial position. If the difference is negative, it is recognised as a gain on a bargain purchase, negative goodwill, directly in profit after reconsideration of the difference.

Associates and joint ventures

An associate is an entity over which the Group has significant but not controlling influence. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control only exist when decisions about the relevant activities require unanimous consent of the parties sharing control. Lindab has made a judgement of the joint arrangements and determine they all are joint ventures.

An investment in an associate or a joint venture is accounted for using the equity method. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and thereafter adjusted to recognise the Group's share of the profit or loss and other comprehensive income of the associate/joint venture, with adjustment for impairment.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate/joint venture (including any long-term interest that, in substance, form part of the Group's net investment in the associate/joint venture), the Group derecognises its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate/joint venture.

Sales and other transactions with associates/joint ventures have been eliminated in the consolidated financial statements. Dividend received reduces the carrying amount of an investment.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquired company is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss.

Translation of foreign subsidiaries and foreign currency

The consolidated financial statements are presented in Swedish krona (SEK), which is the parent company's functional currency and reporting currency. The income statements and balance sheets for operations abroad, subsidiaries and associated companies, are submitted in their functional currencies and translated into the Group's reporting currency according to the current method. The functional currency is the same as the local currency for the reporting entity's accounts.

All assets and liabilities of subsidiaries are translated using the rate on the balance sheet date and income and expenses are translated at average exchange rates for the year. The exchange rate differences arising when consolidating are carried directly to other comprehensive income. When a subsidiary is sold, the accumulated translation differences are reported in the statement of comprehensive income.

Transactions in foreign currencies are translated to the functional currency at the prevailing exchange rate on the date of the transaction. Swedish Group companies' receivables and liabilities in foreign currencies are valued at the rate on the balance sheet date. Exchange rate gains and losses that arise when paying and when translating monetary assets and liabilities in foreign currencies at the exchange rate on the balance sheet date are reported in the statement of comprehensive income. Exchange rate differences relating to operations are shown as other operating income/expenses, Note 12, and are thereby included in the operating profit. Exchange rate differences of a financial nature are reported in financial income and expenses, Note 13.

Internal pricing
Market-based pricing is used for inter-company transactions.

Segment reporting
Lindab's operations are reported by segment. The operating segments are reported in a manner consistent with the internal reporting provided to the chief executive decision maker. The Group's segments consist of Products & Solutions and Building Systems.

The segments are responsible for the operating profit and net assets used in their operations, while net financial items and taxes as well as net borrowing and equity are not reported by segment. The operating profit and net assets for the segments are consolidated according to the same principles as for the Group overall. Operating expenses not included in the segments are reported under the item Other and include the parent company functions, among other things. Segment reporting is presented in Note 7.

Revenue recognition
Net sales for products and services in the ordinary activities, is reported once the delivery is made and the material risks and benefits connected to ownership of the goods have been transferred to the purchaser. For projects within the Building Systems segment, revenue recognition mainly occurs upon each part delivery. Sales are reported net of VAT, less taxes on goods, returns, freight and discounts.

Other income includes payment for any sales that occur in addition to ordinary activities, such as gains on fixed assets sold and exchange rate gains relating to operations.

Interest income is reported with consideration to accrued rates on the balance sheet date. Received dividends are reported when the right to receive dividends has been established.

Incentive programme
The Group has previously had long-term incentive programmes in the form of a performance-based share savings programme, but at the 2013-2015 Annual General Meetings the Board of Directors did not propose any incentive programme.

Financial income and expenses
Finance income comprises interest income on funds invested and dividend plus gains on financial instruments that are measured through profit or loss. This item also includes gains on hedges of net investments, which are considered as the ineffective portion of the hedge and profit when the hedging instrument matures or is sold, or when a hedge no longer meets the criteria for hedge accounting. The transaction is recognised immediately in the income statement in financial items.

Financial expenses comprise interest expenses on borrowings, effects of the reversal of discounted provisions as well as losses on financial instruments measured at fair value through profit or loss. This item also includes losses on hedges of net investments, which are considered as the ineffective portion of the hedge and profit when the hedging instrument matures or is sold, or when a hedge no longer meets the criteria for hedge accounting. The transaction is recognised immediately in the income statement in financial items.

Interest income and interest expenses on financial instruments are recognised according to the effective interest method. Dividend income is recognised when the right to receive payment has been established. Exchange rate gains and losses are reported net.

Borrowing costs
Borrowing costs are carried as an expense in the period they are incurred, unless they relate to assets that take a substantial period of time to get ready for use or sale. In such cases, these must be capitalised in accordance with IAS 23 Borrowing Costs.

Income taxes
Recorded tax comprises current tax and deferred tax. Current tax is tax that is to be paid or received during the current fiscal year. This also includes adjustments to tax attributable to previous years. Deferred tax is recognised for income taxes recoverable in future periods in respect of taxable temporary differences. The measurement of deferred tax is based on expected liabilities and receivables on the balance sheet date using the tax rates for individual companies decided or announced on the balance sheet date.

The tax effect is recognised in the same way as attributable to transactions, i.e. in the comprehensive income, in other comprehensive income or directly in equity.

Deferred tax receivables are reported to the extent that it is likely that future taxable surpluses will be available and against which the temporary differences may be utilised. Deferred tax receivables and liabilities are offset when there is a legal right to offset current tax receivables and liabilities and when the deferred taxes are levied by the same tax authorities.

Deferred tax receivables on loss carry-forwards are recognised to the extent that the losses are expected to be used to lower tax payments in the foreseeable future. See Note 14 for information on tax on profit or loss for the year and deferred tax receivables and liabilities.

One-off items
Items not included in the regular business transactions and when each amount is significant in size and therefore has an effect on the profit or loss and key ratios are classified as one-off items.

Earnings per share
The item is shown directly adjacent to the statement of comprehensive income. Earnings per share are not affected by preference shares or convertible debentures since there are none. If the number of shares changes during the year, a weighted average is calculated for the outstanding shares during the period.

Note 2, cont.

Intangible fixed assets

Goodwill

Goodwill arising from the acquisition of a company and operations is assessed according to IFRS 3 Business Combinations. See also the section on the consolidated accounts on page 78. Goodwill on acquisitions of subsidiaries is reported in intangible assets. Goodwill is tested for impairment at least annually, or when there is any indication of this. Goodwill is reported as the acquisition value less accumulated impairment losses.

Impairment is determined by estimating the discounted cash flow that has been projected for the entity to which the goodwill is attributed. In such a case, the estimate is made on the lowest cash-generating units within the business. For the Lindab Group, the two segments Products & Solutions and Building Systems are regarded as the lowest level of cash-generating units that are tested for impairment.

Gains or losses on the divestment of a subsidiary or associated company include the remaining carrying amount of the goodwill relating to the unit sold.

Brands, patents and similar rights

Brands, patents and similar rights are reported as the acquisition value less accumulated amortisation. Amortisation is applied on a straight line basis over the estimated useful life of between five and 20 years. The useful life is reviewed annually.

Software

Acquired software licences are capitalised on the basis of the costs arising when the software in question was acquired and put into operation. These costs are amortised over an estimated useful life of between three and five years. The useful life is reviewed annually.

Capitalised expenditure for development work

Costs for research undertaken in order to gain new scientific or technical knowledge are charged as they are incurred.

Development costs, where the outcome is used for planning or establishing the production of new or greatly improved processes or products, are capitalised when it is considered that the process or product is technically and commercially viable. Costs that will be capitalised include material costs, direct labour costs and a reasonable proportion of indirect costs. Capitalised development costs are carried at the acquisition value less accumulated amortisation and impairment losses. The estimated useful life is three years. The useful life is reviewed annually.

Tangible fixed assets

Buildings and land principally comprises factories and offices. These are recognised as the acquisition value less the accumulated depreciation and any impairment losses recorded. The depreciation according to plan is based on the acquisition value of fixed assets and is calculated with consideration to the estimated useful life. The useful life is reviewed annually. Land is not depreciated. Additional expenses are added to the asset's carrying amount or are shown as a separate asset, depending on which is the most appropriate. Additional expenses should only be added to the carrying amount of assets when it is likely that the prospective economic benefits resulting from the asset will benefit the Group and if the asset can be reliably measured. All other forms of repair and maintenance are reported as costs in the statement of comprehensive income during the period in which they arise.

The acquisition value of assets is divided into material components and each component must be depreciated separately over its estimated useful life i.e. component depreciation. This applies to buildings as well as to machines and equipment.

During the investment year, depreciation is made according to plan on machines, equipment, vehicles and computers from the time that they are put into use, or if that is not possible, using half of the depreciation rates shown below.

The following depreciation periods have been used

	Year
Buildings	20-50
Land facilities	20
Machinery and equipment	5-15
Vehicles and computers	3-5

Impairment losses

Impairment tests are performed whenever there is an indication of possible impairment. However, intangible assets not yet available for use are tested annually. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of the value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows after tax are discounted. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amounts and if the recoverable amount is higher than the carrying value. An impairment loss is reversed only to the extent that the asset's carrying amount after reversal does not exceed the carrying amount, net of depreciation/amortisation, which would have been reported if no impairment loss had been recognised.

An annual impairment test for the cash-generating units to which goodwill has been allocated is performed in the fourth quarter, or when there is an indication of impairment. Impairment testing as well as recognition of impairment of goodwill is performed in the same manner as for intangible assets. However, an impairment loss in respect of goodwill is not reversed.

Impairment testing as well as recognition or reversal of impairment of tangible fixed assets is performed in the same manner as for intangible assets above.

Financial instruments

Financial instruments are every form of agreement giving rise to a financial asset, financial liability or equity instrument in another company. In Lindab's case, they include cash and cash equivalents, investments, investments held as fixed assets, interest-bearing receivables, accounts receivable, accounts payable, borrowing and derivative instruments.

Purchases and sales of financial assets and liabilities are recognised on the trade date. A financial asset or financial liability is included in the statement of financial position when the company is party to the instrument's contractual terms. Financial assets are derecognised from the statement of financial position when the right to obtain cash flow from an asset matures or is transferred to another party by transferring all risks and benefits associated with the asset to the other party. A financial liability is derecognised from the statement of financial position when the obligation has been met, cancelled or has matured.

Financial instruments are initially recognised at their acquisition value corresponding to the instrument's fair value at the date of acquisition plus transaction costs for all financial instruments apart from the financial instruments classified under the financial assets category which are recognised at fair value through profit or loss where transaction costs are recognised directly in the income statement.

Classification of financial assets and liabilities
Financial assets are classified in the Group as either:
- Financial assets at fair value through profit or loss,
- Financial assets held-to-maturity,
- Loan receivables and accounts receivable, or
- Available-for-sale financial assets.

Financial liabilities are classified in the Group as either:
- Financial liabilities at fair value through profit or loss, or
- Other financial liabilities.

The classification determines the measurement and recognition of changes in value.

Fair value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for Lindab's financial instruments is determined based on current market prices where available. Fair value for quoted investments and derivatives is based on current purchase prices and interest rates. If market prices are not available, the fair value of each instrument is determined using various valuation techniques.

Amortised cost
Amortised cost refers to the amount at which the asset or liability measured is initially recognised net of amortisation and impairment losses as well as additions for the accrual of the initial amount and the maturity amount.

Financial assets measured at fair value through profit or loss
For Lindab, financial assets at fair value through profit or loss include derivative assets not used in hedge accounting and which are therefore included in the sub-category referred to as holding for trading. The result from the change in fair value on assets in this category is reported in the income statement during the period in which they arise.

For foreign exchange contracts, such as currency futures, the fair value is calculated by discounting the difference between the contracted forward rate and the forward rate that can be subscribed to on the balance sheet date for the remaining contract period.

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity periods, which the Group does not intend to sell before their maturity date. The assets are recognised at the amortised cost using the so-called effective interest method, which means that an accrual is made to ensure that a constant return is obtained.

For disclosure purposes, a fair value is calculated based on quoted prices in active markets or, if quoted prices are not available, by discounting future cash flows using current interest rates.

Loan receivables and accounts receivable
Loan receivables and accounts receivable are non-derivative financial assets with fixed or determinable cash flows that are not traded in an active market. This type of receivable normally arises when the Group pays cash to another party or supplies a customer with products or services without intending to convert the receivable into cash. Loan receivables and accounts receivable are recognised at the amortised cost less any impairment, i.e. at the amount that is expected to flow in. The expected maturity period for accounts receivable is short, and therefore the value is reported at the nominal amount without discounting.

For disclosure purposes, a fair value is calculated for non-current receivables by discounting future cash flows using current interest rates. For current receivables, such as accounts receivable, with a remaining maturity of less than six months, the carrying amount is considered to reflect fair value.

Available-for-sale financial assets
Available-for-sale financial assets include non-derivative financial assets that are either classified as assets that can be sold or do not fall into any of the other categories. The assets are measured at fair value with fair value changes in other comprehensive income. On being sold, accumulated changes in value are reversed against profit for the year. Holdings of unlisted shares are recognised at the acquisition cost in cases where a reliable fair value cannot be determined. Other investments held as fixed assets, Note 18, are included in this category since they have not been classified in any other category.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value in the income statement include derivative liabilities not used in hedge accounting and which are therefore included in the sub-category referred to as held for trading. The result from the change in fair value on financial instruments in this category is reported in the profit for the year during the period in which they arise.

For a description of how fair value is calculated, see above under "Financial assets at fair value through profit or loss".

Impairment losses
On each balance sheet date, Lindab evaluates whether there is objective evidence that a financial asset or group of financial assets require an impairment loss to be recorded because of past events. Objective evidence may be a breach of contract, such as a default or delay in interest or principal payments, significant financial difficulties of the debtor and the decrease of customers' creditworthiness. The carrying amount after impairment losses on assets is calculated as the present value of future cash flows discounted at the effective interest rate in effect when the asset was initially recognised. Assets with a short maturity period are not discounted. An impairment loss is charged to the income statement. In the event of bankruptcy, the asset is derecognised from the statement of financial position.

Other financial liabilities
This category includes loans, other financial liabilities and accounts payable. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Note 2, cont.

Cash and cash equivalents

Cash and cash equivalents include cash holdings and bank balances as well as current investments with high liquidity which can be quickly converted into a known amount of cash and which are subject to an insignificant risk from foreign currency fluctuations. Bank overdrafts are reported in the statement of financial position as part of borrowings in current liabilities.

Derivatives

The Lindab Group uses derivative instruments to cover risks of currency and interest rate exposure. The holding of financial derivatives consists of currency swaps and currency futures. Currency risk in the Group is managed through foreign exchange contracts entered into with a third party for the biggest gross flows in each period.

Derivatives are recognised in the statement of financial position on the trade date and measured at fair value, both initially and subsequently. The method of recognising the gain or loss arising on remeasurement depends on whether the derivative is recognised as a hedging instrument, and if so, the nature of the item being hedged.

Hedging of net investments in foreign operations

Hedging of net investments in foreign operations is reported according to the principles for hedge accounting in IAS 39. In order to apply these principles, the hedging must be documented in accordance with the regulatory requirements. This means that there should be a designated hedging relationship between the hedging instrument and the hedged items, as well as a link to the company's risk management policy and the risk management goals. In addition, the hedge is expected to be highly effective and it must be possible for this effectiveness to be measured in a reliable way.

Lindab uses loans as hedging instruments. The profit or loss on the hedging instrument relating to the effective hedge is recognised in other comprehensive income. The ineffective portion of the profit or loss is recognised immediately in the income statement under financial items. Profit or loss recognised in other comprehensive income is reclassified to the income statement when the foreign operation is divested.

Stock

The Group's stock is reported excluding inter-company profits. Inter-company profits generated within the Lindab Group are eliminated at Group level and therefore have no impact on operating profit. Stock is valued at the lower of cost and net realisable value for raw materials, consumables and purchased finished goods. Own produced goods have been valued at the lower of production costs and net realisable value. Obsolescence has therefore been taken into account in the evaluation. Market prices apply when pricing for deliveries between Group companies.

Non-current assets held for sale and discontinued operations

Non-current assets held for sale and operations that are being closed down are reported, when relevant, in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The assets must be available for sale and it must be likely that the sale will take place within one year of reclassification.

Total equity

Share capital

Transaction costs directly attributable to the issue of new shares or warrants are reported, net of tax, in equity as a deduction from the issue proceeds.

Dividend

Dividends to the parent company's shareholders are reported as a liability in the consolidated financial statements during the period in which the dividend was approved by the parent company's shareholders.

Repurchase and redemption of shares

The repurchase and redemption of shares are carried, where appropriate, directly to profit carried forward. For the repurchase and redemption of shares, see Note 22.

Commitment to acquire treasury shares

Lindab has entered into transactions with a third party as a result of the incentive programmes to ensure the holding of sufficient shares when the incentive programmes expire. The transactions mean that Lindab has agreed to acquire treasury shares through the external counterpart at a future time. The value of the contracted shares is initially determined and the contract requires delivery of underlying equity instruments. Lindab's obligation is initially recognised at the present value of future payments and a reduction in other capital in shareholder's equity. For subsequent measurement, the liability is recognised at amortised cost. No subsequent re-evaluation is made of the equity component.

Provisions

IAS 37 Provisions, Contingent Liabilities and Contingent Assets is applied for provisions, except for provisions regarding personnel, where IAS 19 Employee Benefits, is applied.

A provision is only reported when:

- there is an actual legal or informal obligation resulting from a past event
- it is likely that an expense will arise to settle the obligation and a reliable estimate of the amount can be made.

The amount reported as a provision is the best estimate of the expense required to meet the obligation in question on the balance sheet date.

Provisions for pensions and similar obligations

Pensions are generally funded through payments to insurance companies or nominee registered funds, where the payments are determined based on periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is defined as a plan where the company pays set contributions to a separate legal entity and has no obligation to pay additional contributions, even if the legal entity does not have sufficient assets to pay the benefits attributable to the employees' service until the balance sheet date. There are significant defined contribution plans in Sweden, Denmark, Finland and Germany, among other countries.

All plans that are not defined contribution plans are considered to be defined benefit plans. Special features of defined benefit plans are that they state an amount for the pension benefit that an employee will receive on retirement, usually based on factors such as age, years of service and salary. The most comprehensive defined benefit plans are in Sweden, Norway and Luxembourg. In Italy, there is a benefit plan for the termination of employment.

The liability reported in the balance sheet for defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the obligation is determined by discounting estimated future cash outflows using interest rates of AAA credit rated bonds that are issued in the same currency in which the benefits will be paid with a maturity period comparable to the current pension obligation.

Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recognised in other comprehensive income during the period in which they arise. Payroll tax attributable to actuarial gains and losses is included in determining the actuarial gains and losses.

Costs relating to past service are recognised directly in the income statement.

Defined benefit plans can be unfunded or entirely or partially funded. In the case of funded plans, the company contributes to, for example, specific funds or foundations. These plan assets are valued at fair value and reduce the projected pension obligation so that the net accounting appears in the statement of financial position.

In some cases, pension commitments in Sweden have been secured through the purchase of endowment insurance as a benefit for the insured. Where these commitments are defined contribution in nature, they are recorded as provisions for pensions, defined contribution obligations and corresponding assets in the endowment insurance as the fair value of plan assets for defined contribution obligations. Endowment insurance is recognised at amortised cost using the effective interest method. The provision for special employers' contributions is calculated based on the carrying value of the endowment insurance fund.

Other contributions to employees are reported as expenses during the period when the employee performs the services to which the benefits pertain.

Leases

Lease contracts where Lindab largely assumes all risks and benefits associated with the asset are reported as financial leases. All other leases are classified as operating leases. Lindab has entered into financial and operating leases, see Note 27.

Financial leases

At the beginning of the lease term, financial leases are reported at the lower of fair value for the asset in the lease and the current value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet under other borrowings. Lease payments are proportionally distributed between financial costs and reduced lease obligations in order to obtain a constant rate on the remaining debt. The asset's useful life corresponds to the Group's policy for owned assets.

Gains on the sale and leaseback of property and equipment under financial leases are deferred and amortised over the lease period. Sale and leaseback agreements are classified in accordance with the above principles for financial and operating leases.

Operating leases

Fees payable under operating leases are charged to earnings on a straight-line basis over the period for each lease. Benefits that have been received and may be received as an incentive to commence an operating lease are also spread on a straight-line basis over the lease period.

If a sale and leaseback transaction results in an operating lease and it is obvious that the transaction is established at fair value, the Group reports any profit or loss immediately.

Statement of cash flows

Lindab applies the indirect method. The purpose is to provide a basis in order to assess the company's ability to generate cash and the company's need for this. The following definitions have been used. Cash and bank consists of cash as well as deposits held with banks and equivalent institutions. Cash and cash equivalents other than cash and bank include current liquid investments that can easily be converted into cash and that are exposed to an insignificant risk from foreign currency fluctuations. Cash flow is the flow of cash and cash equivalents coming into and going out from the company. Operating activities are the main income generating activities of the company and other activities that are not investing or financing activities. Investing activities consist of the acquisition and divestment of fixed assets and investments that do not qualify as cash equivalents. Financing activities are activities that result in changes to the size and composition of the company's shareholder's equity and borrowings.

Pledged assets and contingent liabilities

Pledged assets are reported if Lindab has pledged assets for the company's or the Group's liabilities or obligations. These can include debts and provisions that may be shown in the statement of financial position, though not necessarily. The pledged assets may be tied to assets in the statement of financial position or encumbrances. The assets are entered at their carrying amount and encumbrances at their nominal value. Shares in Group companies are reported at their value in the Group.

Contingent liabilities are recognised when there is a potential obligation arising from past events and occurrence is confirmed only by one or more uncertain future events or when there is an obligation that is not recognised as a liability or provision as it is unlikely that an outflow of resources will be required. See also Note 28.

Government grants

Government grants are actions by the government intended to provide an economic benefit that is specific to a company or a category of company fulfilling certain criteria. Government assistance is conditional upon the recipient complying with certain conditions. Here, the term government refers to government agencies or authorities and similar bodies, regardless of geographical location. Grants related to assets are reported as a deduction in the carrying amount of the asset and grants related to income are recognised as a deduction of the related expenses.

Related party disclosures

Transactions and agreements with related parties and/or private individuals are accounted for according to IAS 24 Related Party Disclosures. In the Group, expenses arising from inter-company transactions are eliminated and are thus not included in this disclosure/reporting requirement. For the full extent of these transactions, see Note 29 Transactions with related parties.

Note 2, cont.

Parent company accounts

The parent company's financial statements are prepared and presented in accordance with the Annual Accounts Act (ÅRL) and Recommendations from the Swedish Financial Reporting Board (RFR), RFR 2. RFR 2 requires the parent company to apply all EU approved IFRS standards and pronouncements as far as possible under the Annual Accounts Act and taking into account the relationship between accounting and taxation. The recommendation includes the exemptions to IFRS to be considered and the additions that must be made.

The changes in RFR 2 Accounting for legal entities that came into effect and are applicable to the financial year 2015 have not had a significant impact on the parent company's financial statements in 2015.

Changes in RFR 2 which have not yet come into effect

The parent company has not yet applied the changes in RFR 2 Accounting for legal entities which came into effect on 1 January 2016. The following describes the changes that are expected to have an impact on the parent company's financial statements in the period in which they are first applied.

IFRS 7 Financial instruments: Disclosures

Enhanced disclosure requirements for legal entities to clarify the meaning of "based on the acquisition value in accordance with the Annual Accounts Act". This includes accounting principles, among other things. Management's assessment is that the change involves extended accounting principles.

Management believes that other changes in RFR 2 that have not yet come into force are not expected to have any significant impact on the parent company's financial statements when they are applied for the first time.

According to RFR 2, Group contributions received by a parent company from subsidiaries are recognised as financial income, and Group contributions that a parent company makes to subsidiaries are reported either as holdings in subsidiaries, i.e. similar to shareholder contributions, or as an expense owing to the relationship between accounting and taxation.

The parent company does not apply IAS 39 and financial instruments are recognised on the basis of cost in accordance with ÅRL, which means that financial assets are measured at acquisition cost less any impairment and financial assets at the lower of cost or market.

The parent company reports appropriations and untaxed reserves without a breakdown of deferred tax liabilities and other reserves in shareholder's equity.

Note 03 Financial risks

Financial risks include currency risk, interest rate risk, financing, liquidity and financial credit risks. The work involved in financial risks is an integral part of Lindab's business. All risks are managed in accordance with Lindab's established policies. The Group's treasury function is responsible for these risks and also supports the Group's companies in the implementation of financial policies and guidelines. Follow-up on compliance with the Treasury policy is made on a regular basis and the result is reported to the Board of Directors.

Financial risks

Risk	Exposure	Comments
Financing		
Financing risk is the risk that financing the Group's capital requirements and refinancing of outstanding credits is impeded or becomes more expensive.	As of 31 December 2015, Lindab's total credit limit amounts to SEK 2,100 m (2,100).	Lindab's credit agreement with SEB, Nordea and SEK include two covenants in the form of net debt in relation to EBITDA and the interest coverage ratio, which are followed up quarterly. Lindab considers that credit conditions will be fulfilled. According to the Group's Treasury policy, long-term financing should always be in place 12 months before existing financing expires.
Liquidity		
Liquidity risk is defined as the risk that the Group would incur increased costs due to a lack of liquidity.	At the year-end, the Group's unappropriated cash and cash equivalents, including unused credit facilities, amounted to SEK 1,164 m (1,064), based mainly on the above credit limit and overdraft.	All centrally managed loan maturities are planned in relation to the consolidated cash flow. The aforementioned credit agreements safeguards liquidity needs. Lindab's operations are seasonal, which has an effect on the cash flow. During the period January-June, cash flow is negative and then becomes positive in July-December. According to the Group's Treasury policy, the Group will at all times hold unappropriated funds, including unused credit facilities to cover all obligations of the business.
Interest rate		
Interest rate risk is the risk that changes in current interest rates will have a negative effect on the Group.	Lindab is a net borrower. The net debt at the year-end amounted to SEK 1,657 m (1,746), which means that rising interest rates have an adverse effect on the Group.	Surplus liquidity is always used to amortise existing loans. In accordance with the Treasury policy, the fixed interest rate period will be 1-12 months. On 31 December 2015 it was 3 months (3).
Currency		
Currency risk is the risk of negative effects on the Group's statement of comprehensive income, cash flow and statement of financial position as a result of changes in exchange rates: • The profit is affected when income and expenses in foreign currencies are translated into Swedish kronor. • The statement of financial position is affected when assets and liabilities in foreign currencies are recalculated in Swedish kronor. The risk can be divided into transaction risk and translation risk.		
Transaction risk		
Transaction risk is the risk that occurs when transactions are made in a currency other than the local company's functional currency. A company may also have monetary assets and liabilities in a currency other than the functional currency which are translated to the local currency using the exchange rate on the balance sheet date. The translation of the monetary assets and liabilities results in currency effects which are recognised in the statement of comprehensive income.	76 percent (75) of the Group's sales are made in currencies other than SEK. Sales are made in 16 (14) different currencies, the most important of which, besides SEK, are EUR, DKK, GBP and NOK. Lindab's net exposure translated to SEK is approximately SEK 200 m (200) annually. SEK 15 m (26) of the transaction exposure entered in the balance sheet was hedged at the end of the year.	To reduce currency exposure, the Group attempts to match inflows and outflows of different currencies by, for example, using the same currency for invoicing as purchasing. Each individual Group company is responsible for identifying its own currency exposure. Some special orders, projects, investments and purchases can be hedged to create certainty of future cash flows. The treasury function is responsible for the Group's overall currency exposure, and make decisions and implements any hedging of subsidiaries' exposure.
Translation risk		
Translation differences arise when translating foreign subsidiaries' statements of financial position in local currency to Swedish kronor. The income statement is translated at the average rate for the year and the statement of financial position is translated at the rate on December 31. The translation difference is applied to other comprehensive income. Translation exposure is the risk that the translation difference represents in terms of the impact on comprehensive income. Parts of this exposure have been hedged since 2013.	At the end of 2015, the Group's net investments in foreign currency amounted to SEK 3,851 m (4,120), of which SEK 1,173 m (1,205) is hedged via loans taken out in foreign currency.	Hedging of the Group's translation exposure is determined by the CFO in accordance with the Group's Treasury policy.
Lindab AB has currency risks in its lending and borrowing to Group companies, which mainly takes place in the Group companies' local currency.	Lindab AB's lending and borrowing in foreign currencies at the end of 2015 amounted to SEK 571 m (417) and SEK 339 m (487) respectively.	The currency risk in these transactions is hedged using forward exchange agreements. These are evaluated monthly and the effect is recognised in financial items in the statement of comprehensive income.

Note 3, cont.

Liquidity risk

The table below analyses the Group's financial liabilities, broken down according to the time remaining until the contractual maturity date.

On 31 December 2015	< 3 months	between 3-12 months	between 1-2 years	between 2-5 years	> 5 years
Borrowings (excluding financial lease liabilities)	25	98	35	1,708	4
Financial lease liabilities	-	6	5	10	25
Derivative instruments	15	324	-	-	-
Accounts payable and other liabilities	790	203	-	-	-

On 31 December 2014	< 3 months	between 3-12 months	between 1-2 years	between 2-5 years	> 5 years
Borrowings (excluding financial lease liabilities)	10	132	52	1,748	5
Financial lease liabilities	1	6	7	14	32
Derivative instruments	142	28	-	-	-
Accounts payable and other liabilities	650	178	-	-	-

The amounts included in the table are the contractual undiscounted cash flows. The derivatives flow refers to the gross flow of currency futures. The liquidity risk is limited as it is covered by available credit limits and inflows of financial assets.

Currency futures on 31 December 2015

		2015		2014	
Equivalent in SEK m		**Amount**	**Term months**	Amount	Term months
Sell	EUR	–181	3	–71	3
Sell	NOK	–20	3	–26	3
Sell	CZK	–138	3	–73	3
Sell total		*–339*		*–170*	
Buy	USD	76	3	5	3
Buy	HRK	5	3	-	-
Buy	CHF	61	3	53	3
Buy	HUF	32	1	-	-
Buy	RUB	63	6	113	4
Buy total		*237*		*171*	
Net		**–102**		**1**	

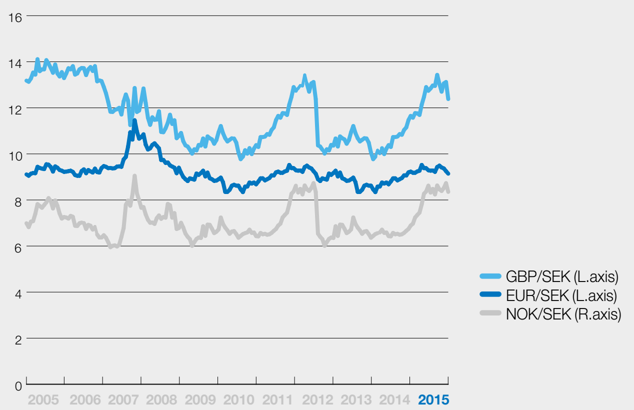
Offsetting of assets and liabilities within ISDA agreements

There is no balance sheet offsetting as the Lindab Group has a right to offset under the ISDA agreement. The right to offset amounts to SEK 4 m (1) in accordance with the table below.

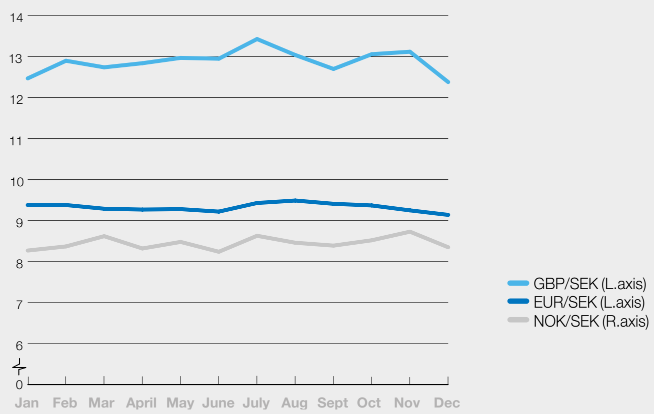
On 31 December 2015	Amounts recognised in the balance sheet	Financial agreements	Net
Assets			
Currency derivatives	4	–4	0
Liabilities			
Currency derivatives	–12	4	–8
Total	**–8**	**0**	**–8**

On 31 December 2014	Amounts recognised in the balance sheet	Financial agreements	Net
Assets			
Currency derivatives	1	–1	0
Liabilities			
Currency derivatives	–19	1	–18
Total	**–18**	**0**	**–18**

Exchange rate movement 2005-2015, SEK



Exchange rate movement January-December 2015, SEK



The following exchange rates have been used for translation of foreign operations

Country	Cur-rency	Currency code	Average exchange rate Jan-Dec 2015	2014	Closing day exchange rate 2015	2014
Euroland	1	EUR	9.36	9.10	9.14	9.52
Denmark	1	DKK	1.25	1.22	1.22	1.28
Lithuania*	1	LTL	-	2.63	-	2.76
Norway	1	NOK	1.05	1.09	0.96	1.05
Poland	1	PLN	2.24	2.17	2.15	2.21
Romania	1	RON	2.10	2.05	2.02	2.11
Russia	100	RUB	13.91	18.05	11.42	13.75
Switzerland	1	CHF	8.77	7.49	8.43	7.91
UK	1	GBP	12.89	11.29	12.38	12.14
Czech Republic	100	CZK	34.29	33.04	33.80	34.35
Hungary	100	HUF	3.02	2.95	2.92	3.02
USA	1	USD	8.43	6.86	8.35	7.81

** Lithuania adopted the EUR on 1 January 2015.*

Sensitivity analysis

	Change	Impact on profit, SEK m	
Variations in volume, %	+/–5	+/–109	(+/–104)
Fluctuations in the steel price, %	+/–10	+/–141	(+/–154)
Fluctuations in interest rates, %	+/–1	+/–14	(+/–15)

Calculations are based on the 2015 volumes and assumes that everything else remains unchanged, e.g. prices are not adjusted because of changes in the steel price.

Variations in volume

5 percent variations in volume result in a change to the operating profit of SEK +/–109 m (104).

Fluctuations in the steel price

Lindab's sales prices are normally adjusted in line with steel price fluctuations. Theoretically a 10 percent change in the steel price affects Lindab's profit by approximately SEK 141 m (154) assuming that the sales price does not change.

Fluctuations in interest rates

Changes in interest rates affect Lindab's profitability and cash flow. A 1 percent change in interest rates affects Lindab's profit by SEK 14 m (15), of which interest expenses comprise SEK 13 m (14) and rental charges on existing "sale and leaseback" contracts are SEK 1 m (1).

Asset management

Lindab's managed capital comprises the sum of equity and the Group's net debt, totalling SEK 5,168 m (5,090).

The Group's capital will be used to retain a high degree of flexibility and to finance acquisitions. Any surplus capital will be transferred to Lindab's shareholders.

The overall goal of asset management is to ensure the Group's ability to continue as a going-concern, while ensuring that the Group's funds are being used in the best way to give shareholders a good return and lenders a good level of security.

Lindab is governed on the basis of the financial targets, as detailed below:

- As a combination of organic and acquired growth, the annual growth rate will be 5-8 percent.
- The operating margin (EBIT) should average at 10 percent.
- The seasonally adjusted net debt* to EBITDA, excluding one-off items, is not to exceed 2.5.
- Dividends to shareholders are to normally comprise 30 percent of profit for the year, taking into account Lindab's financial position, acquisition needs and long-term financing needs.

* Average net debt for the year.

Examples of active measures include the proposal by Lindab's Board of Directors to pay a dividend of SEK 1.25 per share for 2015. See also Notes 25 and 28.

To ensure the availability of financing, it is important to meet the obligations to the banks arising from the credit agreement. The credit agreement includes two covenants in the form of the net debt to EBITDA ratio and the interest coverage ratio. Lindab fulfils these obligations.

Lindab's Treasury policy has been approved by the Board of Directors and this constitutes a framework of guidelines and regulations for the financing operations that are centralised at Corporate Finance. This enables the Group to monitor all financial risk positions and safeguard common interests. At the same time, this brings about cost efficiency, economies of scale and skills development.

Credit risk management

Customer credit risk is managed by each business unit and is covered by the Group's established policies, procedures and controls. Individual credit limits are identified and assessed. Outstanding accounts receivable are regularly monitored and portions of outstanding accounts receivable are covered by credit insurance. Lindab's exposure to individual customers is limited as Lindab's biggest customer accounts for 2.0 percent (2.2) of the Group's total net sales. Credit risks from deposits held with banks and financial institutions are managed by the Group's central treasury function in accordance with Group policy. The total credit risk exposure corresponds to the recognised value of financial assets.

Note 04 Key estimates and judgements for accounting purposes

IFRS is a principles-based framework and contains no detailed rules under normal circumstances, but instead develops the overall principles that should characterise the financial statements. This implies that significant estimates and judgements must be made by Lindab that may give rise to specific consequences in the financial statements. Judgements that are made are central to the financial outcome, and these are combined with detailed information.

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are deemed reasonable in the circumstances.

In the application of accounting principles, various assumptions have been made that may substantially affect the amounts presented in the financial statements.

Impairment testing for goodwill
The Group continually tests the goodwill for impairment in accordance with the accounting principles that are described in Note 2. The recoverable amounts for cash generating units are determined by calculating their value in use. To perform these calculations, certain assumptions must be made in which the gross margin, discount rate and annual growth rate after the forecast period are significant assumptions, see also Note 16.

No impairment losses have been identified in the Group. Reported goodwill amounted to SEK 2,897 m (2,859) at the end of the year, of which SEK 2,532 m (2,479) related to Products & Solutions and SEK 365 m (380) related to Building Systems.

A deterioration in each of the main assumptions included in the calculation of value in use shows that the recoverable amount exceeds the carrying amount for the next year. In the analysis, a reasonable change in the gross margin, the discount rate and a growth assumption has been taken into account.

Lease contracts
In accordance with IAS 17, lease contracts will be classified as financial or operating leases. According to IAS 17, a financial lease is a contract whereby the financial risks and benefits associated with ownership of an object are essentially transferred from the lessor to the lessee. A lease contract other than a financial lease is an operating lease.

A sale and leaseback transaction is the sale of an asset and subsequent lease of the same asset in accordance with a subsequent lease contract. In the event of a sale and leaseback transaction, where an operating lease contract is in effect and where it is clear that the sale price and terms of the lease contract are based on fair value, the sale is judged to have taken place and any profit or loss incurred is therefore reported in the period in which the sale took place.

In IAS 17, a number of criteria are presented that are individually or collectively indicative for the classification of a lease contract as either financial or operating.

Note 27 describes the most significant leases that Lindab has entered into. These relate to production units in Luxembourg and Switzerland as well as production units and office premises in Sweden. The properties in Sweden and Luxembourg were previously owned by Lindab, explaining why these transactions are referred to as sale and leaseback transactions.

In the case of each of these contracts, Lindab has an option to acquire the properties at market value when the lease contract expires. The market value is based on an independent valuation. The options are therefore not worded in such a way that it is apparent that they will be utilised. Lindab also has the option of extending the contracts for which market-based compensation will then be paid. Altogether, this means that the entire economic benefit attributable to the value of the properties goes to the lessor.

The durations of the lease contracts are less than the properties' economic life and the present value of the minimum lease payments payable, including residual value guarantees, are around 15 percent lower than the properties' estimated fair value upon commencement of the contracts.

IAS 17 shows that an overall judgement must be performed in order to clarify whether the economic benefits and risks associated with ownership of a leased asset rests with the lessee or lessor. Having weighed the evidence of the criteria described in IAS 17, Lindab assessed that the economic benefits and risks associated with ownership rest primarily with the lessor, explaining why the contracts are recorded as operating leases.

Further information regarding these lease agreements are provided in Note 27.

Deferred tax assets
Deferred tax assets, which are primarily attributable to loss carry-forwards, are reported to the extent that it is likely that future taxable surpluses will be available, against which the accumulated deficit may be utilised. The Group's loss carry-forwards relate primarily to countries with long or indefinite periods of utilisation. Lindab's judgement is that it will be possible for sufficient taxable income to be generated in the coming years to utilise the tax loss carry-forwards. At the end of 2015, deferred tax assets related to tax loss carry-forwards totalled SEK 105 m (115).

Accounting of stock
Stock is recognised at the lowest of cost and net realisable value. Valuations and judgements of stocks are governed by internal regulations which all companies within the Group are obliged to comply with. The aim is to ensure that stocks are valued at the lowest of cost and net realisable value.

When calculating the net realisable value, a judgement is made of discontinued items, surplus items, damaged goods, and the estimated sales value based on available information. On 31 December 2015, the stock provision amounted to SEK 56 m (59).

Doubtful accounts receivable
A judgment of unpaid accounts receivable provides the basis for doubtful accounts. The provision for bad debts is based on a calculation in accordance with the internal regulations, combined with an individual judgement. The judgement is made based on the circumstances that may lead to significant effects on the valuation, such as significant customer solvency and financial position, as known on the balance sheet date.

Lindab's judgement is that the assumptions that have been made about the future do not involve any significant risk of material adjustments in the carrying amounts for the next financial year, see also Bad debt losses in the section on Risk in the Directors' Report. At the end of 2015, the provision for bad debts amounted to SEK 89 m (82).

Other provisions

The amount reported as a provision is the best estimate of the expenditure that is required to meet the obligation in question on the balance sheet date.

Provisions for future expenses on the basis of the guarantee commitments are reported at the estimated amount required to settle the commitment on the balance sheet date. The estimated amount is based on calculations, judgements and experience. Through experience, Lindab has developed a common calculation principle for warranty provisions. The provision is calculated on a statistics-based percentage in relation to net sales over the last ten years less actual warranty costs.

The Group's reporting of provisions means that SEK 51 m (67) is reported as other provisions, see Note 24. This is important when assessing the Group's financial position, since provisions are normally based on judgements of probability and estimates of costs and risks.

Lindab's manufacture of products from steel has a relatively limited impact on the environment. The Group pursues activities on properties where soil contamination may occur. In cases where there is a risk of environmental liability, a judgement is made to determine whether a provision is required based on known information, the perceptions of representatives and other advisors, the probability that a present obligation exists and the reliability of the figure that the obligation is estimated to amount to. A provision of SEK 3 m for environmental liability was made in 2015, see Note 24.

Pensions

The Group's provisions for benefit-based pensions amounted to SEK 142 m (153) net after deductions for plan assets. The present value of the pension obligation is dependent on a number of factors that are determined on an actuarial basis using a number of assumptions about discount rates, future salary increases, inflation and demographic conditions. Any change in these assumptions will impact the carrying amount of the pension obligations, and a valuation will be carried out every six months.

Lindab determines the appropriate discount rate at the end of each year. This is a rate that is used to determine the present value of estimated future cash outflows that can be expected to be required to settle the pension obligations. In determining the discount rate, Lindab takes into account the rates for high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have a maturity period corresponding to the estimates for the current pension obligation.

Other important assumptions regarding pension obligations are based in part on prevailing market conditions.

Legal proceedings

According to IFRS, a liability is reported when an event results in an obligation that is likely to require an outflow of economic resources to settle the obligation, and that a reliable estimate of the amount can be made. Outstanding legal matters are reviewed regularly. A judgement is then made as to whether reserves are required in the financial statements. A judgement that does not correspond with the actual outcome may have an effect on the financial statements, see also the Directors' Report.

The Group companies are only involved in minor disputes that are directly attributable to the business. Appropriate provisions are made where the judgement resulted in risk.

Note 05 Business combinations

Business combinations in 2015

On 7 August, the US subsidiary Lindab Inc. was divested whose business covers production and sale of ventilation ducts and components, mainly in the eastern regions of the USA. Lindab Inc., which is based in Portsmouth, Virginia, has operated as an independent unit on the US market and the company will continue to be a distributor of Lindab's products. In 2014, the company had net sales of just under SEK 150 m with an operating profit (EBIT) of approximately SEK 11 m and 98 employees. The divestment allows Lindab to further focus its resources on its core business and accelerate the strategic move towards profitable growth. The sales price amounted to SEK 97 m and included a capital gain of SEK 12 m. The capital gain after transaction costs amounted to SEK 2 m and has been recognised under other operating income.

On 1 July, the assets of the French company Froid Partn'Air were acquired whose business covers distribution of ventilation and indoor climate products in the region around Marseille in France. The company has annual net sales of around SEK 13 m and five employees. The acquisition strengthens Lindab's presence and distribution in this area which is the third most populous area in France. Consideration transferred amounted to SEK 2 m, and the acquisition did not result in any consolidated goodwill. The direct costs related to the acquisition amounted to SEK 0 m.

On 1 July, the Slovenian ventilation company IMP Klima was acquired. The business comprises products and solutions for ventilation and indoor climate with cutting-edge expertise within AHUs, cleanroom technology and floor convectors. IMP Klima has its registered office and main business in Godovič, Slovenia. The company has net sales of around SEK 230 m with an operating profit (EBIT) of approximately SEK 0 m and about 360 employees. The acquisition is a strategic step for Lindab towards developing its position as a complete supplier of ventilation and indoor climate solutions. Consideration transferred amounted to EUR 1. The purchase agreement also included the repayment of loans of around SEK 146 m. According to the purchase price analysis, the acquisition resulted in negative goodwill of SEK 34 m which has been recognised in other operating income. The reason for the negative goodwill is that the seller underwent a financial reconstruction where the financial partners pushed for the disposal of IMP Klima. The direct costs related to the acquisition amount to SEK 3 m. The total cash flow effect of the acquisition amounted to SEK 149 m.

On 3 June, the French company Nather S.A. was acquired whose business mainly covers products and solutions for residential ventilation. The company has annual net sales of around SEK 45 m with an operating profit (EBIT) of approximately SEK 1 m and 17 employees. The company's sales are mainly in France, and the acquisition is expected to produce synergies primarily within sales and purchasing. The acquisition strengthens Lindab's market position in the form of complete residential ventilation solutions in the French market and nearby markets. Consideration transferred amounted to SEK 11 m, and the acquisition resulted in consolidated goodwill of SEK 10 m. The direct costs related to the acquisition amounted to SEK 0 m.

The agreement on the acquisition of MP3, which was entered into in December 2014, was completed on 15 January 2015. MP3 is a leading manufacturer of indoor climate solutions, with specialist knowledge in fire protection. MP3 has its registered office in Padua in Northern Italy, has annual sales of approximately SEK 210 m, with an operating profit (EBIT) of around SEK 20 m, and 95 employees. MP3 is integrated into Lindab's business, which means synergy gains, mainly in sales, but also in terms of costs. The acquisition of MP3 was strategically important in order to strengthen the position as a supplier of complete ventilation solutions and to increase the market coverage. Consideration transferred amounted to SEK 141 m. The direct costs related to the acquisition amount to SEK 2 m. The total cash flow effect of the acquisition amounted to SEK 143 m. Fair value of acquired identifiable intangible fixed assets amounts to SEK 51 m, including brands, distribution networks and licences. The acquisition includes consolidated goodwill of SEK 91 m.

The fair value of all acquired/divested net assets, in addition to those related to MP3, is preliminary pending the final valuation.

Financial impact of business combinations in 2015

Lindab Inc. was consolidated up to 7 August 2015. During 2015, the company had net sales of SEK 92 m and contributed SEK 2 m to the Group's profit for the year.

Nather S.A. was consolidated from June 2015. The acquisition resulted in a SEK 21 m increase in the Group's sales from the acquisition date to 31 December 2015. The Group's profit for the year was positively affected by SEK 1 m. Had the acquisition been made on 1 January 2015, it was estimated that the net sales for the Group would have increased by SEK 42 m and the effect on the Group's profit for the year would have increased by SEK 1 m.

IMP Klima was consolidated from July 2015. The acquisition resulted in a SEK 110 m increase in the Group's sales from the acquisition date to 31 December 2015. The Group's profit for the year was positively affected by SEK 35 m, of which negative goodwill of SEK 34 m has been recognised in other operating income. Had the acquisition been made on 1 January 2015, it was estimated that the net sales for the Group would have increased by SEK 220 m and the effect on the Group's profit for the year would have increased by SEK 68 m, including financial one-off items of SEK 44 m and dissolution of negative goodwill of SEK 34 m.

MP3 was consolidated from January 2015. The acquisition resulted in a SEK 181 m increase in the Group's sales from the acquisition date to 31 December 2015, while the Group's profit for the year was negatively affected by SEK –4 m. Had the acquisition been made on 1 January 2015, it was estimated that the Group's net sales and profit for the year would have been affected accordingly.

Acquisitions in 2014

During 2014, Lindab acquired all shares in Klimasystem AS in Norway and Bjarnes System AB in Sweden. Operations in NovoClima were acquired through an acquisition of assets.

On 14 November, Bjarnes Systems AB was acquired. The company had annual sales of approximately SEK 12 m and one employee. The acquisition created opportunities for continued development of the important Nordic tinsmith market, and opened up new opportunities in other markets in Europe.

On 16 July, Klimasystem AS, a former agent for the Lindab indoor climate systems, was acquired in Norway. The number of employees in the company amounted to 4 people and annual net sales amounted to approximately SEK 15 m. The acquisition contributed additional expertise to the product range for indoor climate solutions. The acquisition means that consolidate goodwill increased by SEK 2 m.

On 13 March, NovoClima was acquired through an acquisition of assets, which were placed in a newly formed company, Lindab Götene AB. These operations had annual sales of approximately SEK 40 m, of which only a marginal proportion was to customers outside the Lindab Group. The number of employees was 26 and activities included the manufacture of waterborne indoor climate products included in the Lindab range. With the acquisition of NovoClima, Lindab has assured and increased efficiency in the value chain.

Consideration transferred for the acquisitions totalled SEK 33 m. The acquisitions mean that the consolidated goodwill increased by SEK 2 m and the cash flow was negatively affected by SEK 30 m.

Financial impact of acquisitions in 2014

Bjarnes System AB was consolidated from November 2014. The acquisition resulted in a SEK 1 m increase in the Group's net sales from the acquisition date to 31 December 2014. The effect on the Group's profit for the year was marginal. Had the acquisition been made on 1 January 2014, it was estimated that the net sales for the Group would have increased by SEK 11 m and the effect on the Group's profit for the year would have increased by SEK 2 m.

Klimasystem AS was consolidated from July 2014. The acquisition resulted in a SEK 9 m increase in the Group's sales from the acquisition date to 31 December 2014. The effect on the Group's profit for the year was marginal. Had the acquisition been made on 1 January 2014, it was estimated that the net sales for the Group would have increased by SEK 17 m and the effect on the Group's profit for the year would have been marginally affected.

NovoClima was consolidated from March 2014. The acquisition resulted in a SEK 38 m increase in the Group's sales from the acquisition date to 31 December 2014. The Group's profit for the year was negatively affected by SEK 2 m. Had the acquisition been made on 1 January 2014, it was estimated that the net sales for the Group would have increased by SEK 45 m and the Group's profit for the year would have been negatively affected by SEK 2 m.

Consideration transferred, goodwill and effect on cash and cash equivalents

The table below shows information regarding the purchase price, goodwill and the impact of acquisitions/divestments on the Group's cash and cash equivalents.

	Acquired businesses					Divested businesses	
	2015				2014	2015	2014
	MP3	IMP Klima	Other	Total			
Consideration transferred	141	146	13	300	33	97	-
Direct costs relating to the acquisition/divestment*	2	3	-	5	-	–10	-
Total acquisitions/divestments	**143**	**149**	**13**	**305**	**33**	**87**	**-**
Less direct costs relating to acquisitions/divestments	–2	–3	-	–5	-	10	-
Total consideration transferred	**141**	**146**	**13**	**300**	**33**	**97**	**-**
Fair value of acquired/divested net assets/liabilities	50	180	3	233	–31	85	-
Goodwill/negative goodwill/capital gain	**91**	**–34**	**10**	**67**	**2**	**12**	**-**
Consideration transferred	141	146	13	300	33	97	-
Direct costs relating to the acquisition/divestment	-	-	-	-	-	-	-
Cash and cash equivalents in the acquired/divested subsidiary	–6	–34	–4	–44	–3	–9	-
Effect of acquisition/divestment on consolidated cash and cash equivalents	**135**	**112**	**9**	**256**	**30**	**88**	**-**

** Costs are recognised in the income statement under other operating expenses/income.*

No portion of reported goodwill is expected to be deductible for income tax.

Acquired/divested assets and liabilities

Acquired/divested net assets, liabilities and goodwill related to acquisitions /divestments are shown below.

	Acquired businesses					Divested businesses	
	2015				2014	2015	2014
	MP3	IMP Klima	Other	Total			
Tangible fixed assets	16	159	0	175	13	40	-
Intangible fixed assets	69	4	2	75	0	2	-
Financial fixed assets	0	2	0	2	-	13	-
Deferred tax assets	-	8	-	8	1	-	-
Stock	25	25	7	57	19	9	-
Accounts receivable and other current assets	78	46	9	133	5	26	-
Cash and cash equivalents and current investments	6	34	4	44	3	9	-
Total acquired/divested assets	**194**	**278**	**22**	**494**	**41**	**99**	**-**
Deferred tax liabilities	17	6	-	23	1	-	-
Current liabilities	90	84	11	185	9	14	-
Non-current liabilities	37	8	8	53	-	-	-
Total acquired/divested liabilities	**144**	**98**	**19**	**261**	**10**	**14**	**-**
Fair value of acquired/divested net assets	**50**	**180**	**3**	**233**	**31**	**85**	**-**
Goodwill	91	-	10	101	2	-	-
Negative goodwill	-	–34	-	–34	-	-	-
Capital gain	-	-	-	-	-	12	-
Consideration transferred	**141**	**146**	**13**	**300**	**33**	**97**	**-**

Note 06 Employees and senior executives

Average no. of employees

	2015			2014		
	Men	**Women**	**Total**	Men	Women	Total
Parent company, Sweden	-	-	-	-	-	-
Subsidiaries						
Sweden	894	207	1,101	860	215	1,075
Belgium	22	5	27	23	5	28
Bosnia and Herzegovina	60	9	69	-	-	-
Denmark	350	101	451	322	103	425
Estonia	54	6	60	39	5	44
Finland	80	16	96	90	16	106
France	108	31	139	89	27	116
Ireland	26	5	31	21	6	27
Italy	87	47	134	21	9	30
Croatia	1	0	1	1	1	2
Latvia	14	2	16	9	1	10
Lithuania	7	2	9	4	1	5
Luxembourg	213	21	234	208	22	230
Macedonia	0	1	1	-	-	-
Montenegro	1	1	2	-	-	-
Netherlands	10	4	14	12	4	16
Norway	87	13	100	80	11	91
Poland	236	118	354	196	112	308
Romania	79	16	95	76	14	90
Russia	264	58	322	255	58	313
Switzerland	83	10	93	94	11	105
Serbia	3	3	6	-	-	-
Slovakia	30	12	42	31	12	43
Slovenia	187	70	257	-	-	-
UK	224	53	277	222	54	276
Czech Republic	655	190	845	626	193	819
Turkey	2	1	3	0	1	1
Germany	100	21	121	94	22	116
Hungary	119	27	146	130	28	158
USA	5	1	6	85	22	107
Subsidiaries total	*4,001*	*1,051*	*5,052*	*3,588*	*953*	*4,541*
Group total	**4,001**	**1,051**	**5,052**	**3,588**	**953**	**4,541**

Gender balance among senior executives

	2015			2014		
	Men	Women	Total	Men	Women	Total
Parent company						
The Board, incl. employee representatives	6	2	8	6	2	8
The Group						
CEO/Executive management	4	-	4*	4	-	4**

Per Nilsson was included in the Executive management until 30 April 2015, Linda Kjellgren from 1 May 2015 to 30 November 2015 and Kristian Ackeby has been a member of the Executive management from 1 December 2015.

***Bengt Andersson has been a member of the Executive management since 1 June 2014. On 1 September 2014, Carl-Gustav Nilsson was replaced by Fredrik Liedholm in the Executive management.*

Personnel costs

	2015			2014		
Salaries and other benefits	**Board/CEO and Executive management**	**Other employees**	**Total salaries and other benefits**	Board/ CEO and Executive management	Other employees	Total salaries and other benefits
Parent company, Sweden	2.0	0.0	2.0	2.2	-	2.2
Subsidiaries total	49.2	1,485.4	1,534.6	57.6	1,336.9	1,394.5
Group total	**51.2**	**1,485.4**	**1,536.6**	**59.8**	**1,336.9**	**1,396.7**

Payroll overheads						
Parent company, Sweden	0.6	-	0.6	0.6	-	0.6
of which pensions	0.2	-	0.2	0.0	-	0.0
Group total	43.8	389.0	432.8	17.4	364.2	381.6
of which pensions	5.5	90.0	95.5	5.5	82.3	87.8
Total personnel costs	**95.0**	**1,874.4**	**1,969.4**	**77.2**	**1,701.1**	**1,778.3**

Of total pension provisions in the statement of financial position of SEK 189 m (201), SEK 41 m (40) comprise pension obligations for previous CEOs. The obligations are invested in endowment insurance funds. These are valued at SEK 41 m (40). The cost of pension obligations for the year, attributable to previous CEOs, is SEK 3.2 m (3.8).

In 2015, total remuneration paid to Board members totalled SEK 2,200 k (2,200), broken down in the table below.

At the Annual General Meeting on 27 April 2015, it was resolved that the fees for the Board members would amount to SEK 2,200 k. Of this, SEK 650 k would be paid to the Chairman of the Board, SEK 300 k to each of the Board's elected members, and SEK 25 k to each of the employee representatives. Because the Board of Directors as a whole constitutes both the audit committee and the remuneration committee, it was resolved that no separate fee would be paid.

Board fees paid

SEK (thousands)	**2015**	2014
Kjell Nilsson	650.0	650.0
Pontus Andersson	25.0	25.0
Marianne Brismar (elected in 2015)	200.0	-
Sonat Burman-Olsson	300.0	300.0
Stefan Charette (resigned in 2015)	100.0	300.0
Erik Eberhardson	300.0	300.0
Gerald Engström (resigned in 2014)	-	100.0
Per Frankling (elected in 2015)	200.0	-
Birgit Nørgaard (resigned in 2015)	100.0	300.0
Hans Porat (elected in 2014)	300.0	200.0
Markku Rantala	25.0	25.0
Total	**2,200.0**	**2,200.0**

None of the Board members or deputies are entitled to any benefits upon termination of their Board services.

Remuneration to Executive management and other terms of employment

Fixed and variable salaries

Remuneration to Executive management is based on a combination of fixed and variable salaries, with the variable part based on achieved results.

At present, the variable salary is based on consolidated profits. The maximum variable salary amounts to 40 percent of the employee's fixed salary, with the exception of the company's President and CEO, who is entitled to a variable salary up to a maximum of 50 percent of his annual fixed salary. Anders Berg's fixed salary for 2015 totalled SEK 3,600,000 with a variable salary of up to 50 percent of the fixed salary. Pension contribution entitlements amount to 30 percent of the fixed salary. In addition, Anders Berg has the right to a free car and certain other benefits. What Anders Berg received in 2015 is shown in the separate table.

For the full year 2015, the Executive management included Anders Berg, CEO, Fredrik Liedholm, Group Legal Director, and Bengt Andersson, Group Market and Product Director. Former Group Chief Financial Officer Per Nilsson was included in the Executive management until 1 May 2015. Acting Chief Financial Officer Linda Kjellgren was then part of the Executive management until she was replaced by Chief Financial Officer Kristian Ackeby on 1 December 2015.

Remuneration for 2015 to Anders Berg, CEO, and the other members of the Executive management, is shown in the table below.

SEK	**Anders Berg**	**Remuneration of other Executive management**	**Total**
Fixed salary incl. holiday pay	3,669,600	4,681,764	8,351,364
Variable salary	0	0	0
Incentive programme	0	352,555	352,555
Pension expenses	1,080,000	1,203,603	2,283,603
Benefits	133,624	211,429	345,053
Total	**4,883,224**	**6,449,351**	**11,332,575**

Guidelines for remuneration of senior executives

The Annual General Meeting resolved on the following guidelines for remuneration for senior executives:

- Remuneration to senior executives will be based upon the market and the environment in which each of the executives operate; it will be competitive, facilitate recruitment as well as motivate employees to remain with the company.
- The remuneration system consists of the following: fixed salaries, variable salaries, pensions and benefits as specified below.
- Fixed salaries and benefits will be established on an individual basis according to the criteria outlined above and the specific skills of each individual.
- Variable salaries are paid on achieving clearly established goals for the Group. Variable salaries are paid as a percentage of fixed salaries and have a cap not exceeding 50 percent of the fixed remuneration.
- The pension will be a defined contribution plan. The extent of the pension is founded on the same criteria as for fixed remuneration and based partly on fixed and partly on variable salaries.
- In special cases, the Board of Directors has the right to deviate from the guidelines. The Board of Directors has not exercised this mandate in 2015.

The Board proposes that the guidelines above remain unchanged from the next Annual General Meeting.

Note 6, cont.

Termination regulations

The notice period for Anders Berg's employment is twelve months on the part of the company and six months on the part of Anders Berg. During the notice period, Anders Berg is entitled to retain his salary and employee benefits excluding variable salary. Anders Berg is bound by a non-competition clause that is valid for two years from the termination of employment, during which he is entitled to remuneration of up to 60 percent of the fixed salary. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to Anders Berg.

The notice period for other senior executives is 12 months on the part of the company and 6 months on the part of the employee. During the notice period, the company may exercise the right to give the employee garden leave, whereby any salary from another employer will be deducted from the salary the employee receives from Lindab during the notice period. Other senior executives are bound by non-competition clauses effective for twelve months from the termination of employment, during which they are entitled to remuneration of up to 60 percent, alternatively 20 percent, of the fixed salary. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to the employee.

Pensions

The retirement age for all senior executives is 65.

The company has agreed to pay pension premiums for Anders Berg equivalent to 30 percent of his annual gross salary. The expenses for pension premiums amounted to SEK 1,080 k (1,072).

Other senior executives have pension benefits, over and above their legal right to a pension. The pension will be a defined contribution plan based on the same principles as for the fixed and variable salary. The cost of pension premiums for these individuals, over and above their legal right to a pension, totalled SEK 1,204 k (1,357).

Bonus scheme

In addition to the variable salaries for the Executive management there is a bonus scheme for other senior executives. The bonus programme is based on results-oriented targets. Dependent upon the individual's position, bonuses are equivalent to 10-40 percent of the annual salary.

Profit share plan

Since 1980, the company has paid contributions into a profit-sharing foundation for employees in Sweden, in accordance with the agreement. The current agreement is effective through 2016. The annual payments are based on the earnings of the Swedish Group companies. The maximum amount is adjusted upwards annually using the Consumer Price Index (CPI). Payments for the year amounted to SEK 6,447 k (6,345) including special employers' contributions.

During the years 2001-2006, when Lindab shares were not listed on the stock exchange, investments were placed in the owner company Ratos AB. From and including 2007, investments have again been made in Lindab shares. Gradually, as older funds are replaced, the remaining funds will be invested in Lindab shares. At the end of 2015, the foundation held 143,500 Lindab shares.

A smaller profit-sharing plan also exists in one of Lindab's French companies.

Incentive programme

The 2012 Annual General Meeting decided to introduce a long-term incentive programme in the form of a performance-based share savings programme. Participation in the programme required participants to make an initial investment in Lindab shares. Participation entitles the holder to receive new shares, provided that certain requirements are met. Performance is measured in the 2014 financial year and compared to the outcome for the 2011 financial year.

Participants in the programme are divided into five groups: CEO, Executive management and three groups consisting of senior executives or other key personnel.

The allocation of shares in the programme is dependent on the outcome of the three financial goals: operating margin, organic growth and acquisitions/strategic growth. Allocation will be free of charge after completing the programme. As a general rule, if participants terminate their employment at Lindab during the programme, the right to receive shares will become void upon termination of employment.

The programme was settled on 12 June 2015 and included 45 people, who together invested in a total of 46,057 shares. In total, 46,057 matching shares were allocated. No allocation of performance shares occurred, since none of the set targets have been met. The total cost of the programme amounted to around SEK 2 m.

To ensure that the company could meet its commitment under the incentive programme, an agreement was signed with a third party to acquire treasury shares on Lindab's behalf, see also accounting principles concerning equity on page 82.

Note 07 Segment reporting

	Products & Solutions		Building Systems		Other		Total		Elimination		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Net sales, external	6,727	6,084	862	919	-	-	7,589	7,003	-	-	7,589	7,003
Net sales, internal	0	24	0	0	-	-	0	24	-	–24	0	0
Net sales, total	**6,727**	**6,108**	**862**	**919**	**-**	**-**	**7,589**	**7,027**	**-**	**–24**	**7,589**	**7,003**
EBITDA before one-off items	**639**	**594**	**40**	**77**	**–48**	**–16**	**631**	**655**	**-**	**-**	**631**	**655**
Depreciation/amortisation	–132	–123	–24	–25	–9	–10	–165	–158	-	-	–165	–158
EBITA before one-off items	**507**	**471**	**16**	**52**	**–57**	**–26**	**466**	**497**	**-**	**0**	**466**	**497**
Operating profit (EBIT) before one-off items	**504**	**471**	**16**	**52**	**–57**	**–26**	**463**	**497**	**-**	**0**	**463**	**497**
One-off items	35	–21	–9	–11	–20	2	6	–30	-	-	6	–30
Operating profit (EBIT)	**539**	**450**	**7**	**41**	**–77**	**–24**	**469**	**467**	**-**	**0**	**469**	**467**
Financial items											–38	–81
Earnings before tax (EBT)											**431**	**386**
Tax on profit for the year											–126	–103
Profit for the year											**305**	**283**
Fixed assets excl. financial assets	3,615	3,411	530	585	176	167	4,321	4,163	-	-	4,321	4,163
Stock	925	988	120	119	-	-	1,045	1,107	-	-	1,045	1,107
Other assets	1,157	1,144	162	91	274	275	1,593	1,510	–276	–313	1,317	1,197
Undistributed assets											466	494
Total assets							**6,959**	**6,780**	**–276**	**–313**	**7,149**	**6,961**
Total equity											3,511	3,344
Other liabilities	1,427	1,329	270	307	61	84	1,758	1,720	–276	–313	1,482	1,407
Undistributed liabilities											2,156	2,210
Total equity and liabilities							**1,758**	**1,720**	**–276**	**–313**	**7,149**	**6,961**
Gross investments in fixed assets	122	239	11	24	18	10	151	273	-	-	151	273

Geographical information

Income from external customers (based on place of residence)

Below is a summary of external net sales for Lindab's largest markets, based on the customer's residence. Lindab's largest customer accounts for 2.0 percent (2.2) of the Group's total net sales, meaning that Lindab's dependence on individual customers is limited.

Country	**2015**	**Percent**
Sweden	1,787	24
Denmark	771	10
UK	716	9
Germany	580	8
Norway	526	7
Other	3,209	42
Total	**7,589**	**100**

Country	2014	Percent
Sweden	1,717	25
Denmark	707	10
UK	613	9
Germany	538	8
Norway	528	7
Other	2,900	41
Total	**7,003**	**100**

Fixed assets per country

Fixed assets, broken down by individual major countries with regard to production capacity.

Country	**2015**	**Percent**
Sweden	285	20
Czech Republic	219	16
Denmark	174	12
Slovenia	146	10
Poland	117	8
Russia	109	8
Other	374	26
Total	**1,424**	**100**
Goodwill	2,897	-
Total	**4,321**	**-**

Country	2014	Percent
Sweden	287	22
Czech Republic	227	17
Denmark	190	14
Russia	139	11
Poland	125	10
Luxembourg	60	5
Other	276	21
Total	**1,304**	**100**
Goodwill	2,859	-
Total	**4,163**	**-**

Segment information

Lindab's business is based on a geographically distributed sales organisation supported by six product and system areas with central production and purchasing functions. The basis for the division of segments are the different products on offer. The Products & Solutions segment includes complete systems for both ventilation and indoor climate, while the construction sector offers complete systems for roof drainage, lightweight construction and roof and façade solutions in sheet metal. Building Systems produces and sells complete steel building systems. The Other segment comprises parent company functions, among other things.

During last year Lindab adopted new financial targets that form the basis of control of the business. These are growth, profitability, capital structure and dividend policy, see the Directors' Report on page 60.

The segments are responsible for the management of operational assets and their performance is calculated at this level, while the treasury function is responsible for financing at the Group and country level. Therefore undistributed assets mainly comprise pension assets and current and deferred tax assets. Undistributed liabilities mainly comprise net borrowing, pension provisions as well as current and deferred tax liabilities.

Note 7, cont.

The purchase and processing of steel is done centrally for the most part. Profit/loss items from the part of those activities that are sold internally are allocated to segments of consolidation for the segments.

Inter-segment transfer pricing is determined on an arms-length basis i.e. between parties that are independent of one another, are well informed and have an interest in the implementation of the transaction. Assets and investments are reported wherever the asset is located.

Note 08 Depreciation/amortisation and impairment losses by type of asset and by function

	Group	
Depreciation/amortisation	**2015**	2014
Capitalised expenditure for development work (Note 16)	5	0
Patents and similar rights (Note 16)	0	0
IT and other intangible fixed assets (Note 16)	28	24
Buildings and land (Note 17)	34	34
Machinery and other technical facilities (Note 17)	78	79
Equipment, tools and installations (Note 17)	23	19
Total	**168**	**156**
Impairment losses		
Buildings and land (Note 17)	-	0
Machinery and other technical facilities (Note 17)	-	2
Equipment, tools and installations (Note 17)	0	0
Total	**0**	**2**
Total depreciation/amortisation and impairment losses by type of asset	**168**	**158**
Total depreciation/amortisation distributed by function		
Cost of goods sold	121	118
Selling expenses	15	15
Administrative expenses	23	22
R&D expenses	6	1
Total	**165**	**156**
Amortisation of surplus value on intangible assets distributed by function		
Selling expenses (Note 16)	3	0
Total	**3**	**0**
Total impairment losses distributed by function		
Cost of goods sold	-	2
Total	**-**	**2**
Total depreciation/amortisation and impairment losses distributed by function	**168**	**158**

Note 09 Costs distributed by cost items

	Group		Parent company	
	2015	2014	**2015**	2014
Cost of direct materials	3,531	3,216	-	-
Personnel costs (Note 6)	1,996	1,797	3	3
Depreciation/amortisation and impairment losses (Notes 8, 16, 17)	168	158	-	-
Other operating expenses	1,539	1,428	1	1
Total	**7,234**	**6,599**	**4**	**4**

In the statement of comprehensive income/income statement, the costs are classified according to function. The cost of goods sold, selling expenses, administrative expenses, R&D expenses and other operating expenses totals SEK 7,234 m (6,599). A breakdown of these costs into key cost categories is shown above. Personnel costs consist of employed members of staff, SEK 1,969 m (1,778), and temporary employees, SEK 27 m (21).

Note 10 Auditors' fees and expenses

Auditors' fees

An audit includes an examination of the annual report, a judgement of the accounting principles used and the significant estimates that were made by the company management. This also includes a review in order to determine whether the Board and CEO may be discharged from liability.

	Group		Parent company	
	2015	2014	**2015**	2014
Deloitte				
Auditing assignments	6.2	5.6	0.3	0.3
Audits separate from auditing assignments	0.1	-	-	-
Tax advice	0.3	0.2	-	-
Other assignments	3.1	0.1	-	-
Total Deloitte	*9.7*	*5.9*	*0.3*	*0.3*
Other				
Auditing assignments	1.1	0.9	-	-
Tax advice	0.1	0.3	-	-
Other assignments	0.1	0.3	-	-
Total Other	*1.3*	*1.5*	-	-
Total	**11.0**	**7.4**	**0.3**	**0.3**

Note 11 Research and development

Costs for research and development amount to SEK 58 m (51) and are reported directly in the statement of comprehensive income, of which SEK 5 m (0) relates to the amortisation of capitalised development expenditure. For capitalised development expenditure, see Note 16.

Note 12 Other operating income and expenses

	Group		Parent company	
Income	**2015**	2014	**2015**	2014
Exchange rate differences in operating receivables/liabilities	58	47	-	-
Capital gains on the disposals of fixed assets	8	2	-	-
Structure-related income	36*	-	-	-
Other	12	14	-	-
Total	**114**	**63**	**-**	**-**
Costs				
Exchange rate differences in operating receivables/liabilities	–70	–65	-	-
Capital losses on the disposals of fixed assets	–2	–4	-	-
Restructuring provision	-	–30	-	-
Other	–35**	–10	-	-
Total	**–107**	**–109**	**-**	**-**

** Of which SEK 34 m relates to negative goodwill*

*** Other mainly comprises structure-related items, cost-reduction initiatives and a governance project*

Note 13 Financial income and expenses

	Group		Parent company	
Result from participations in Group companies	**2015**	2014	**2015**	2014
Received Group contribution	-	-	34	49
Total	-	-	*34*	*49*
Interest income				
External	17	7	0	0
Total	*17*	*7*	*0*	*0*
Interest expenses				
External	–46	–72	0	0
To Group companies	-	-	–32	–48
For pensions, net	–3	–7	-	-
Total	*–49*	*–79*	*–32*	*–48*
Other financial income and expenses				
Exchange rate gains	2	0	-	-
Exchange rate losses	–4	–5	-	-
Other financial expenses	–4	–4	-	-
Total	*–6*	*–9*	-	-
Total	**–38**	**–81**	**2**	**1**

The net profit from financial assets and liabilities at fair value through profit or loss amounts to SEK 13 m (–15).

Note 14 Tax on profit for the year

Income tax in the statement of comprehensive income consists mainly of the following components:

	Group		Parent company	
	2015	2014	**2015**	2014
Income statement				
Current tax				
Tax on profit for the year	–96	–110	0	0
Adjustments in respect of previous years	–13	1	0	1
Total current tax	*–109*	*–109*	*0*	*1*
Deferred tax				
Occurrence and reversal of temporary differences	–18	5	-	-
Effect of changed tax rates abroad	1	1	-	-
Total deferred tax	*–17*	*6*	-	-
Total reported tax expense in the income statement	**–126**	**–103**	**0**	**1**
Other comprehensive income				
Deferred tax attributable to defined benefit plans	–6	6	-	-
Deferred tax attributable to net investment hedges	–7	16	-	-
Total reported tax expense in other comprehensive income	**–13**	**22**	**-**	**-**

The Group's tax expenses for the year amounted to SEK 126 m (103) and the effective tax rate amounted to 29 percent (27) of the profit after financial items.

The average tax rate was 20 percent (20). This has been calculated by weighting the subsidiaries' earnings before tax against the local tax rate for each country.

The discrepancy between the effective and the average tax rate amounts to 9 percentage points (7) and is due in part to adjustments to taxes attributable to previous years, such as the reversal of deferred tax on loss carry-forwards. Changes in tax rates in different countries also have an effect as the liabilities and receivables relating to deferred taxes must be adjusted to the new tax rates. Other influential factors include fiscal adjustments to reported earnings, such as non-deductible expenses and deferred tax not being recognised on deficits in some subsidiaries. Adjustments may also have a greater impact on the tax rate for low profits than in years when profit levels have been more normal.

The tax rate in Sweden is 22 percent. The main reasons for the difference between the Swedish income tax rate and the Lindab Group's tax rate based on the earnings before tax are shown in the table below.

The higher tax rate in the Lindab Group is largely attributable to a non-recognised loss incurred during the year of SEK –39 m, where an assessment is made of the possibility of utilising it against future taxable surpluses in the respective tax domicile. Taxes attributable to previous years have also had an impact of SEK –13 m (–3) to which Germany and the USA, among other countries, contributed. The recognition of deferred tax on loss carry-forwards of SEK 16 m (8) attributable to previous years, particularly in Germany, has had a positive impact.

	Group			
	2015	**Percent**	2014	Percent
Earnings before tax (EBT)	431		386	
Tax in accordance with current tax rates for the company	–95	–22.0	–85	–22.0
Reconciliation with reported tax				
Effect of other tax rates for companies abroad	10	2.3	7	1.8
Deficit not recognised, incurred during the year	–39	–8.9	–20	–5.2
Tax attributable to previous years	–13	–3.0	–3	–0.8
Non-deductible expenses	–16	–3.7	–11	–2.9
Non-taxable income	14	3.2	4	1.0
Effect of changed tax rates on deferred tax	1	0.2	1	0.3
Reversal of previously recognised loss carry-forwards	–2	–0.5	–5	–1.3
Recognised loss carry-forwards attributable to previous years	16	3.7	8	2.1
Other	–2	–0.6	1	0.3
Reported tax expense	**–126**	**–29.3**	**–103**	**–26.7**

Deferred tax assets and liabilities at the year-end, not taking into consideration any offsets made within the same fiscal jurisdiction, are detailed below:

	Deferred tax assets		Deferred tax liabilities		Net	
	2015	2014	**2015**	2014	**2015**	2014
Intangible fixed assets	16	29	–12	-	4	29
Tangible fixed assets	6	3	–134	–132	–128	–129
Financial fixed assets	-	0	-	–2	-	–2
Stock	16	14	–1	0	15	14
Receivables	8	6	–3	0	5	6
Provisions	34	42	0	–1	34	41
Liabilities	0	-	-	-	0	-
Leases	1	1	–2	–1	–1	0
Other	8	15	–7	–13	1	2
Loss carry-forward	105	115	-	-	105	115
Tax allocation reserves	-	-	–50	–46	–50	–46
Total	**194**	**225**	**–209**	**–195**	**–15**	**30**
Offsetting receivables/liabilities	–94	–99	94	99		
Reported in the statement of financial position	**100**	**126**	**–115**	**–96**	**–15**	**30**

Reconciliation of deferred tax liabilities/assets, net	**2015**	2014
Opening balance	30	15
Reported in the statement of comprehensive income	–17	6
Acquisitions of subsidiaries (Note 5)	–11	0
Divestments of subsidiaries (Note 5)	–12	-
Reported in other comprehensive income and equity:		
– adjustment of defined benefit plans, pensions	–6	6
Translation differences	1	3
Other	0	0
Closing balance	**–15**	**30**

Expiry dates, unused loss-carry forwards	**2015**	2014
Next year	4	7
In 2-4 years	24	9
In 5-6 years	50	89
After 6 years	453	405
– thereof without expiry date	*386*	*308*
	531	**510**

Deferred tax assets for tax loss carry-forwards are reported to the extent that it is likely that they will be able to be used to lower future taxable income.

At the end of the year, the Group had loss carry-forwards of approximately SEK 903 m (895), of which SEK 372 m (385) is the basis for the deferred tax asset of SEK 105 m (115).

The remaining loss carry-forwards of SEK 531 m (510) could result in a deferred tax asset of SEK 145 m (145). They have not been taken into consideration, however, as it is not considered possible to determine whether Lindab can utilise them in the foreseeable future, or it is considered unlikely that Lindab will be able to utilise them.

Note 15 Earnings per share

Undiluted	**2015**	2014
Profit attributable to parent company shareholders, SEK m	305	283
Weighted average number of outstanding ordinary shares	76,331,982	76,331,982
Undiluted earnings per share (SEK per share)	**3.99**	**3.71**

Undiluted earnings per share

Undiluted earnings per share are calculated by dividing the profit attributable to the parent company's shareholders by a weighted average number of outstanding ordinary shares during the period, excluding repurchased shares held by the parent company as treasury shares.

Diluted	**2015**	2014
Profit attributable to parent company shareholders, SEK m	305	283
Weighted average number of outstanding ordinary shares	76,331,982	76,331,982
Weighted average number of ordinary shares for calculation of diluted earnings per share	76,331,982	76,331,982
Diluted earnings per share (SEK per share)	**3.99**	**3.71**

Note 16 Intangible fixed assets

	Capitalised expenditure for development work	Patents and similar rights	IT and other intangible assets	Brands	Goodwill	Total
1 January-31 December 2014						
Accumulated acquisition values						
Opening balance	9	77	228	46	2,833	3,193
Items relating to acquisitions of subsidiaries	-	0	0	-	2	2
Acquisitions	-	1	24	-	-	25
Disposals	-	-	–1	-	-	–1
Reclassifications	-	-	13	-	-	13
Translation differences for the year	0	1	16	-	143	160
Closing balance	**9**	**79**	**280**	**46**	**2,978**	**3,392**
Accumulated amortisation according to plan						
Opening balance	–9	–77	–168	–46	0	–300
Amortisation for the year	-	0	–24	-	-	–24
Disposals	-	-	1	-	-	1
Reclassifications	-	-	–13	-	-	–13
Translation differences for the year	0	–1	–13	-	-	–14
Closing balance	**–9**	**–78**	**–217**	**–46**	**0**	**–350**
Accumulated impairment losses						
Opening balance	0	0	0	0	–99	–99
Impairment losses for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Translation differences for the year	-	-	-	-	–20	–20
Closing balance	**0**	**0**	**0**	**0**	**–119**	**–119**
Net carrying value at start of year	0	0	60	0	2,734	2,794
Net carrying value at end of year	**0**	**1**	**63**	**0**	**2,859**	**2,923**
1 January-31 December 2015						
Accumulated acquisition values						
Opening balance	9	79	280	46	2,978	3,392
Items relating to acquisitions of subsidiaries	22	1	27	22	102	174
Items relating to divestments of subsidiaries	-	-	-	-	–129	–129
Acquisitions	4	0	17	-	-	21
Disposals	-	-	–14	-	-	–14
Reclassifications	-	0	7	-	0	7
Translation differences for the year	0	1	–9	0	–54	–62
Closing balance	**35**	**81**	**308**	**68**	**2,897**	**3,389**
Accumulated amortisation according to plan						
Opening balance	–9	–78	–217	–46	0	–350
Amortisation for the year	–5	0	–27	–1	-	–33
Disposals	-	-	14	-	-	14
Reclassifications	-	0	–4	-	-	–4
Translation differences for the year	0	–1	5	0	-	4
Closing balance	**–14**	**–79**	**–229**	**–47**	**0**	**–369**
Accumulated impairment losses						
Opening balance	0	0	0	0	–119	–119
Items relating to divestments of subsidiaries	-	-	-	-	128	128
Impairment losses for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Translation differences for the year	-	-	-	-	–9	–9
Closing balance	**0**	**0**	**0**	**0**	**0**	**0**
Net carrying value at start of year	0	1	63	0	2,859	2,923
Net carrying value at end of year	**21**	**2**	**79**	**21**	**2,897**	**3,020**

Capitalised expenditure for development work mainly relates to internally generated capitalised expenses for software development and certificates. Other intangible assets consist mainly of software and customer lists.

Impairment testing of goodwill

The Group assesses at least once annually whether there are any impairment losses for goodwill in accordance with the accounting principles that are described in Note 2. The basis for the assessment is the financial budgets approved by the Executive management.

Testing for impairment is to be based on the smallest cash-generating unit, which for the Lindab Group is considered to be the strongly integrated operating and reporting segments, Products & Solutions and Building Systems.

Lindab performed its impairment test on 30 November 2015. The recoverable amount for the cash-generating units is based on estimates of value in use. These calculations are based on estimated future cash flows after tax based on financial budgets for each segment, covering the period up to 2020. The generated financial budgets are included in the 2015-2020 strategy, which involves long-term repositioning to generate greater value for more stakeholders and expand Lindab's share of the value chain. The strategy is based on internal strengths and unique opportunities to take advantage of trends. The financial budgets form the basis for fulfilment of the financial targets, see the Directors' Report on page 60. Key assumptions used for calculating value in use are gross margins, discount rates and growth assumptions following the close of the budget periods. The gross margin assumption consists of assumptions about sales volumes, sales prices and raw materials prices, all of which are key assumptions for calculating the gross margin. The following describes the methods that management used to determine the value of each essential assumption.

Sales volumes are based on previous results and an assessment of future development. External sources of information are used in the assessment of future development.

Sales prices are based on previous results and an assessment of future development. External sources of information are used in the assessment of future development.

Raw materials prices are based on previous results and an assessment of future development. External sources of information are used in the assessment of future development.

The discount rate has been estimated based on a weighted cost of capital after tax of 8.1 percent (8.3) and has been used for all cash generating units for discounting estimated cash flows after tax. This discounting is not materially different compared with discounting based on projected cash flows before tax and the pre-tax discount levels required by IFRS. The applied discount rate corresponds to a discount rate before tax of 10.4 percent (10.0) and has been based on the Group's weighted average tax rate.

The discount rate represents the current market assessment of the risks specific to Lindab, taking into account individual risks in the underlying assets that have not been included in the calculations for the cash flow. The calculation of the discount rate is based on the Group's specific situation and from its weighted average cost of capital (WACC). WACC takes into account both liabilities and shareholder's equity. The capital cost of shareholder's equity is based on expected returns from the Group's investors. The cost of the Group's liabilities is based on the interest-bearing liabilities that Lindab is obliged to redeem. Group-specific risks are considered through an individually considered beta factor. The beta factor is assessed annually on the basis of publicly available market data.

Cash flows beyond 2020 have been extrapolated using an estimated average long-term growth of 1.0 percent (2.0), which is in line with the average growth in markets where the segments are operating in accordance with forecasts made by the construction industry's economic institutions. The assumption includes a weighting of the growth forecast for the underlying geographical markets, the Nordic region, Western Europe and CEE/CIS.

Both segments conduct operations Construction as their main industry, with a shared concept regarding the development, manufacture, marketing and distribution of products and system solutions in sheet metal and steel. The risk profile is considered to be uniform since, taken together, the segments act in similar geographical markets. The same assumptions have therefore been made regarding the discount rate and long-term growth for each segment.

In order to support the impairment test of goodwill performed within the Group, a comprehensive analysis was made regarding the sensitivity of the variables used in the model. A deterioration in each of the main assumptions included in the calculation of value in use shows that the recoverable amount exceeds the carrying amount. In the analysis, a reasonable change in the gross margin, the discount rate and a growth assumption has been taken into account. Consequently there is no need for recording impairment loss of goodwill at the end of 2015.

Goodwill allocated per segment	**2015**	2014
Products & Solutions	2,532	2,479
Building Systems	365	380
Total goodwill	**2,897**	**2,859**

Note 17 Tangible fixed assets

	Buildings and land	Machinery and other technical facilities	Equipment, tools and installations	Plants under construction, buildings	Plants under construction, machinery	Total
1 January-31 December 2014						
Accumulated acquisition values						
Opening balance	889	1,754	422	16	36	3,117
Items relating to acquisitions of subsidiaries	0	6	2	-	4	12
Acquisitions	158	46	25	9	10	248
Disposals	–12	–14	–13	-	-	–39
Reclassifications	11	–20	8	–11	–8	–20
Translation differences for the year	7	43	14	–2	1	63
Closing balance	**1,053**	**1,815**	**458**	**12**	**43**	**3,381**
Accumulated depreciation according to plan						
Opening balance	–267	–1,336	–341	0	0	–1,944
Depreciation for the year	–34	–79	–19	-	-	–132
Disposals	0	11	10	-	-	21
Reclassifications	0	20	0	-	-	20
Translation differences for the year	–17	–49	–12	-	-	–78
Closing balance	**–318**	**–1,433**	**–362**	**0**	**0**	**–2,113**
Accumulated impairment losses						
Opening balance	–5	–19	–2	–3	0	–29
Impairment losses for the year	-	–2	0	-	-	–2
Reversed losses	-	-	-	-	-	-
Disposals	1	2	0	-	-	3
Reclassifications	-	-	-	-	-	-
Translation differences for the year	0	–1	0	1	-	0
Closing balance	**–4**	**–20**	**–2**	**–2**	**0**	**–28**
Net carrying value at start of year	617	399	79	13	36	1,144
Net carrying value at end of year	**731**	**362**	**94**	**10**	**43**	**1,240**
1 January-31 December 2015						
Accumulated acquisition values						
Opening balance	–1,053	–1,815	458	12	43	3,381
Items relating to acquisitions of subsidiaries	141	23	12	-	-	176
Items relating to divestments of subsidiaries	–50	–85	–26	-	-	–161
Acquisitions	33	53	25	6	13	130
Disposals	–56	–33	–30	-	0	–119
Reclassifications	60	–19	–5	–11	–8	17
Translation differences for the year	–45	–31	–1	–1	0	–78
Closing balance	**–1,136**	**–1,723**	**433**	**6**	**48**	**3,346**
Accumulated depreciation according to plan						
Opening balance	–318	–1,433	–362	0	0	–2,113
Items relating to divestments of subsidiaries	22	77	24	-	-	123
Depreciation for the year	–34	–78	–23	-	-	–135
Disposals	33	31	29	-	-	93
Reclassifications	–51	25	4	-	-	–22
Translation differences for the year	13	20	0	-	-	33
Closing balance	**–335**	**–1,358**	**–328**	**0**	**0**	**–2,021**
Accumulated impairment losses						
Opening balance	–4	–20	–2	–2	0	–28
Impairment losses for the year	-	-	0	-	-	0
Reversed losses	0	-	0	-	-	0
Disposals	-	1	0	-	-	1
Reclassifications	-	2	0	-	-	2
Translation differences for the year	1	0	0	0	-	1
Closing balance	**–3**	**–17**	**–2**	**–2**	**0**	**–24**
Net carrying value at start of year	731	362	94	10	43	1,240
Net carrying value at end of year	**798**	**348**	**103**	**4**	**48**	**1,301**

Note 18 Other investments held as fixed assets

	Group	
	2015	2014
Opening balance	3	3
Acquisitions/Divestments	1	0
Translation differences for the year	0	0
Book value	**4**	**3**

Long-term holdings of unlisted shares are reported here. Associated companies are included at book value, SEK 0 m (0), see Note 29. Other holdings, SEK 4 m (3), mainly constitute smaller holdings owned by Group companies.

Note 19 Other non-current receivables

	Group	
	2015	2014
Opening balance	3	2
Increase	1	1
Book value	**4**	**3**

Other non-current receivables primarily consist of deposits for rented premises.

Note 20 Stock

	Group	
	2015	2014
Raw materials and supplies	411	485
Goods in progress	54	45
Finished goods and goods for resale	580	577
Total	**1,045**	**1,107**

Direct material costs for the year amounted to SEK 3,531 m (3,216), including an adjustment of the provision for obsolescence of SEK –1 m (3). In addition, the provision for obsolescence for finished goods has been adjusted by SEK –2 m (0). The provision for obsolescence for stock amounts to SEK 56 m (59), equivalent to 5 percent (5) of the stock value before deduction for obsolescence. Currency effects have decreased the provision by SEK 1 m (–2) during the year.

Note 21 Current receivables

	Group					
	Accounts receivable		Accrued income [1]		Other receivables [2]	
Number of days overdue	**2015**	2014	**2015**	2014	**2015**	2014
Not overdue	1,008	888	13	7	56	49
< 90 days	125	135	-	-	4	3
90-180 days	27	26	-	-	0	-
180-360 days	20	16	-	-	-	1
> 360 days	86	81	-	-	1	-
Total accounts receivable	**1,266**	**1,146**	**13**	**7**	**61**	**53**
Provision for bad debts	–89	–82	-	-	-	-
Total	**1,177**	**1,064**	**13**	**7**	**61**	**53**

1) Accrued income only relates to the exchange rate gain on forward exchange agreements amounting to SEK 6 m (1) and bonus income of SEK 7 m (6).

2) Other receivables relate only to VAT amounting to SEK 38 m (41) and other receivables of SEK 23 m (12).
Other receivables are specified below.

	Group	
Change in the provision for bad debts	**2015**	2014
Opening balance	82	83
Added via acquisitions	9	-
Increase in provision	16	16
Actual losses	–9	–15
Cancellation of provisions	–6	–4
Translation differences	–3	2
Closing balance	**89**	**82**

During the year, SEK 10 m (12) was carried as expenses regarding the provision for bad debts.

Provisions for bad debts are made in accordance with internal regulations and normally when the receivables have been due for more than 180 days. An impairment of 50 percent is made for accounts receivable that have been due for up to 360 days. Thereafter, an impairment of 100 percent is made. In addition, provisions are made for individually significant exposures that do not fall within the description above.

As of 31 December 2015, the Group has outstanding accounts receivable of SEK 6 m (7) that are overdue but where an impairment loss has not been deemed to exist. The judgement was made against the backdrop of current cases in which Lindab received some form of security for claims.

Prepaid expenses and accrued income	Group	
	2015	2014
Prepaid expenses for rental and leasing	11	10
Accrued exchange gain forward exchange agreement	4	1
Insurance premiums	7	4
Accrued bonus income	7	6
Other prepaid expenses	56	61
Total	**85**	**82**

	Group	
Other receivables	**2015**	2014
VAT recoverable	38	41
Advance payments to employees	0	0
Travel advances	1	1
Other receivables	22	11
Total	**61**	**53**

Note 22 Shareholder's equity and number of shares

The table below indicates the changes in Lindab's share capital and the number of shares as from 2001.

Year	Action	Number of shares Class A	Class B[1]	Change in share capital (SEK 000's)	Total share capital (SEK 000's)
2001	New formation	1,000	-	100	100
	Issue of new shares	9,000	-	900	1,000
2002	Share split (100:1)	1,000,000	-	-	1,000
2006	Share split (8:1)	8,000,000	-	-	1,000
	Issue of new shares	-	2,988,810	374	1,374
	Redemption of shares and reduction of share capital	–2,988,810	-	–374	1,000
	Redemption of shares and reduction of share capital	-	–2,988,810	–374	626
	Bonus issue	-	-	74,542	75,168
	Share split (15:1)	75,167,850	-	-	75,168
	Exercised options	3,539,970	-	3,540	78,708
Closing balance		**78,707,820**	**-**	**-**	**78,708**
Number of treasury shares		–2,375,838	-	-	-
Total number of outstanding shares at year-end		**76,331,982**	**-**	**-**	**-**

1) All class B shares were redeemed in May 2006 and this type of share has been removed by a change to the Articles of Association.

The share capital of SEK 78,708 k is divided among 78,707,820 shares.

Treasury shares

In 2008, 3,935,391 treasury shares were repurchased, amounting to SEK 348 m. In 2010, IVK-Tuote Oy was acquired through the transfer of 559,553 treasury shares to the seller of the company. In 2012, 1,000,000 treasury shares were sold, amounting to SEK 52 m. The number of treasury shares thereby decreased to 2,375,838 and the number of outstanding shares increased to 76,331,982.

Dividend to shareholders for the financial year 2014

The Annual General Meeting held on 27 April 2015 resolved that dividend of SEK 1.10 per share would be paid to shareholders, corresponding to SEK 84 m for the financial year, and that the remainder, SEK 596,774,865, would be carried forward. In 2014, no dividend was paid for the financial year 2013.

Nature and purpose of reserves within shareholder's equity

The foreign currency translation reserve comprises all exchange rate differences that arise when translating financial statements from foreign operations that prepare their financial statements in a currency other than the currency of the consolidated financial statements. The translation reserve also includes the cumulative net change in the hedging of net investments in foreign operations. Lindab uses loans as hedging instruments.

Note 23 Provisions for pensions and similar obligations

Provisions for pensions and similar obligations include, apart from pensions, other post-employment benefits paid to employees, e.g. upon termination of employment. The majority of employees in the Lindab Group are included in defined contribution plans. Some countries also have defined benefit plans for pensions or terminations. The table below indicates the pension costs and liabilities as well as the material assumptions used in their calculations.

The retirement and family pension plans for salaried employees in Sweden are guaranteed through insurance cover with Alecta, in the ITP2 plan. According to a statement from the Swedish Financial Reporting Board, UFR 10, this is a defined benefit plan that includes several employers. For the financial years 2015 (2014), the company did not have access to the information required to report its proportionate share of the plan's obligations, plan assets and expenses which meant that it was not possible to report this as a defined benefit plan. The pension plan is in accordance with ITP, which is guaranteed through insurance with Alecta and is therefore shown as a defined contribution plan. The premium for the defined benefit retirement and family pension plan is calculated individually and is dependent on the salary, previously earned pension and expected remaining working life of the person concerned. Anticipated contributions for pension insurance cover with Alecta amount to SEK 5 m (6) for the next reporting period. The Group's share of the total contributions to the plan and the Group's share of the total number of active members in the plan amounts to 0.03 and 0.07 percent (0.04 and 0.07) respectively.

A surplus or deficit with Alecta may mean a refund for the Group or alternatively lower or higher future charges. At the end of the year, Alecta's surplus in terms of the collective consolidation level amounted to 153 percent (143). The collective consolidation level comprises the market value of the trustee's assets as a percentage of the insurance commitments calculated according to the trustee's actuarial assumptions.

There was also a commitment to a collective pension plan in the USA until the company was divested at the end of the year. The pension plan was a defined benefit plan, but because the company did not have access to information that would have made it possible to report the pension plan as a defined benefit plan, it was therefore reported as a defined contribution plan. The fees for this plan up to the end of the year amount to SEK 2 m (3) for the year.

The expenses for defined contribution plans amounted to SEK 88 m (84).

Reported in the statement of financial position Specification of defined benefit obligations, etc.	2015	2014
Present value of funded pension obligations	35	64
Fair value of plan assets	–21	–38
Net value of funded plans	*14*	*26*
Present value of unfunded defined benefit obligations	128	127
Net debt in the statement of financial position for defined benefit obligations	**142**	**153**
Allocated to pensions, defined contribution obligations	47	48
Pension liability as per the statement of financial position	**189**	**201**
Fair value of plan assets for defined contribution obligations	–47	–46
Financial investments as per the statement of financial position	**–47**	**–46**

For defined benefit funded plans, the net pension commitment after deductions that have been made for the plan assets is reported in the statement of financial position. Funded plans with net assets, i.e. assets exceeding commitments, are reported as financial investments. Defined contribution plans that are funded are reported gross in the statement of financial position, the assets as Financial investments, and the commitments as Provisions for pensions and similar obligations.

Of total pension provisions in the statement of financial position of SEK 189 m (201), SEK 41 m (40) comprise pension obligations for previous CEOs. The obligations are invested in endowment insurance funds. These are valued at SEK 41 m (40).

Costs recognised in income statement in the table below include expenses for service during the current year, expenses for past service, net interest expenses and gains and losses on settlements.

	2015		2014	
Change in plan assets and defined benefit obligations during the year	**Assets**	**Obligations**	Assets	Obligations
Opening balance	–38	191	–39	166
Pension expenses are reported in the income statement				
- Expenses for service in the current year	–1	8	-	4
- Interest expenses/income	0	4	–1	6
Total	*–39*	*203*	*–40*	*176*
Revaluations recognised in other comprehensive income				
- Return on plan assets, excluding amounts included in interest expenses/income	0	-	0	-
- Gain/loss arising from changes in demographic assumptions	14	–18	-	–6
- Gain/loss arising from changes in financial assumptions	-	–13	4	29
- Experience-based gains/losses	-	–2	-	–1
Total	*14*	*–33*	*4*	*22*
Exchange rate differences	3	–4	–1	–1
Contributions by employer	–1	3	–3	0
Benefits paid	2	–6	2	–6
Closing balance	**–21**	**163**	**–38**	**191**

The weighted average maturity for the defined benefit pension obligation amounts to SEK 23.3 m (28.5).

	2015			
Most significant actuarial assumptions	**Sweden**	**Luxembourg**	**Norway**	**Other**
Discount rate, %	3.3	2.1	2.7	1.5-2.0
Future salary increases, %	3.0	3.3	2.5	0.0-3.0
Future pension increases, %	1.5	0.0	0.0	0.0-1.8
Net debt breakdown for 2015, SEK m	110	11	3	18
Net debt breakdown for 2014, SEK m	117	15	12	9

	2014			
Most significant actuarial assumptions	Sweden	Luxembourg	Norway	Other
Discount rate, %	2.8	1.9	2.3	1.5-2.0
Future salary increases, %	3.0	3.3	2.8	0.0-3.0
Future pension increases, %	1.5	2.0	1.5	0.0-1.8
Net debt breakdown for 2014, SEK m	117	15	12	9
Net debt breakdown for 2013, SEK m	97	13	9	8

The choice of discount rate in Sweden was based on the market rate applicable to housing bonds with a duration corresponding to the average residual maturity of the obligation, for Lindab 3.3 percent (2.8).

The pension liability in Norway regarding defined benefit obligations has largely been converted to defined contribution plans, reducing the liability to SEK 3 m (12).

Note 23, cont.

The sensitivity of the defined benefit obligation for changes in the most significant assumptions are:		Effect on the defined benefit plans			
		2015		2014	
		Increase in the assumption	Decrease in the assumption	Increase in the assumption	Decrease in the assumption
Discount rate	+/– 0.5%	–13	14	–18	16
Changes in salary	+/– 0.5%	12	–6	12	–13
Changes in pensions	+/– 0.5%	8	–8	10	–10

The sensitivity analysis has been based on one change in the assumptions while all others are kept constant. The projected unit credit method is used for calculating the pension liability as well as for calculating the sensitivity of the defined benefit obligations for significant actuarial assumptions.

Plan assets are as follows:	2015	Percent	2014	Percent
Shares	1	5	2	5
Bonds	4	19	16	42
Property	1	5	3	8
Qualifying insurance policies	15	71	16	42
Other	0	0	1	3
Total	**21**	**100**	**38**	**100**

Maturity analysis regarding expected contributions to the defined benefit plan obligations in the future:	2015	2014
Within 12 months	9	6
Between 2 and 5 years	21	31
Between 5 and 10 years	32	46
Total	**62**	**83**

Parent company

The company's pension obligation for the President and CEO is classified as a contribution based plan. See also Note 6.

Note 24 Other provisions

	Group			
	Restructuring provision	Warranty provision	Other	Total
Opening balance	44	20	3	67
Utilised (–)/increase during the year (+)	–19	–5	4	–20
Exchange rate differences	1	–1	4	4
Closing balance	**26**	**14**	**11**	**51**
Breakdown in the statement of financial position				
Other non-current provisions	5	7	9	21
Other current provisions	21	7	2	30
Total	**26**	**14**	**11**	**51**

The restructuring provision consists of provisions for cost-reduction initiatives.

The warranty provisions of SEK 14 m (20) include estimated future expenses for defects in items or work carried out, and provisions for actual claims.

Building Systems has a common calculation principle for warranty provisions covering the entire warranty period, which spans five to ten years. This is calculated on a statistics-based percentage in relation to net sales over the last ten years less actual warranty costs. The projected warranty provision is reduced by SEK 4 m (6) in actual known claims, which usually occur in association with deliveries. The estimated future warranty provisions amount to SEK 7 m (11). In addition, there are individual provisions for specific products of SEK 0 m (0).

Other provisions relate mainly to personnel-related provisions and a provision for environmental liability of SEK 3 m. The judgement of the provision for environmental liability is based on known information, the perceptions of representatives and other advisors, the probability that a present obligation exists and the reliability of the figure that the obligation is estimated to amount to.

Note 25 Consolidated borrowing and financial instruments

	Group		Parent company	
Non-current	**2015**	2014	**2015**	2014
Bank loans	1,713	1,765	-	-
Current				
Liabilities to credit institutions	7	8	-	-
Overdraft facilities	70	99	-	-
Total borrowing	**1,790**	**1,872**	**-**	**-**

Bank loans include leasing liabilities of SEK 37 m (40). The current share of the leasing liability amounted to SEK 7 m (5) and is included in liabilities to credit institutions. Total borrowing includes pledged liabilities, bank loans with security, of SEK 7 m (8). Security for these loans consists of mortgage deeds in properties.

According to the Group's Treasury policy, the fixed interest rate must not exceed 12 months. On 31 December 2015 it was 3 months. In 2014, the fixed interest rate period was 3 months. The majority of consolidated borrowing currently has a variable interest rate.

Fixed rates only apply to the financing of property loans in Switzerland. These loans amounted to SEK 7 m (8).

Unappropriated cash and cash equivalents including unused credit facilities in the Group amounted to SEK 1,164 m (1,064). The parent company has no unused credit.

Consolidated borrowing broken down in different currencies:

	Group		Parent company	
Amounts in SEK m	**2015**	2014	**2015**	2014
SEK	532	529	-	-
DKK	-	3	-	-
EUR	1,043	1,096	-	-
NOK	-	33	-	-
CHF	176	166	-	-
PLN	39	45	-	-
	1,790	**1,872**	**-**	**-**

Disclosures regarding the carrying amount by category and fair value by class

	2015					2014				
Financial assets	**Available-for-sale financial assets**	**Held for trading**	**Loan receivables and accounts receivable**	**Total carrying amount**	**Fair value**	Available-for-sale financial assets	Held for trading	Loan receivables and accounts receivable	Total carrying amount	Fair value
Other investments held as fixed assets	1	-	-	1	-	1	-	-	1	-
Other non-current receivables	-	-	4	4	-*	-	-	3	3	-*
Derivative assets	-	4	-	4	4	-	1	-	1	1
Accounts receivable	-	-	1,177	1,177	-*	-	-	1,064	1,064	-*
Other receivables	-	-	17	17	-*	-	-	8	8	-*
Accrued income	-	-	7	7	-*	-	-	6	6	-*
Cash and cash equivalents	-	-	285	285	-*	-	-	300	300	-*
Total financial assets	**1**	**4**	**1,490**	**1,495**	**4**	**1**	**1**	**1,381**	**1,383**	**1**

	2015				2014			
Financial liabilities	**Held for trading**	**Other financial liabilities**	**Total carrying amount**	**Fair value**	Held for trading	Other financial liabilities	Total carrying amount	Fair value
Overdraft facilities	-	–70	–70	–70	-	–99	–99	–99
Liabilities to credit institutions	-	–1,722	–1,722	–1,676	-	–1,728	–1,728	–1,725
Derivative liabilities	–12	-	–12	–12	–19	-	–19	–19
Accounts payable	-	–790	–790	-*	-	–650	–650	-*
Other liabilities	-	–18	–18	-*	-	–6	–6	-*
Accrued expenses	-	–185	–185	-*	-	–172	–172	-*
Total financial liabilities	**–12**	**–2,785**	**–2,797**	**–1,758**	**–19**	**–2,655**	**–2,674**	**–1,843**

Note 25, cont.

Description of fair value

Other investments held as fixed assets

No information about fair value regarding shares and participations is provided. Lindab considers that a fair value cannot be calculated in a reliable manner, and that the market for these holdings is limited.

Other non-current receivables

Other non-current receivables consist of cash deposited as security for rent, which means that the carrying amount is considered to be a reasonable approximation of fair value.

Interest-bearing liabilities

The fair value of interest-bearing liabilities is provided for the purposes of disclosure and is calculated by discounting the future cash flows of principals and interest payments, discounted at current market interest rates.

Derivatives

Forward exchange contracts are valued at fair value by discounting the difference between the contracted forward rate and the rate that can be subscribed for on the balance sheet date for the remaining contract term.

**Other financial assets and liabilities*

For cash and cash equivalents, accounts receivable, other receivables, accrued income, accounts payable, overdraft facilities, other liabilities and accrued expenses with a remaining maturity of less than 6 months, the carrying amount is considered to reflect the fair value.

Valuation hierarchy

The table below shows financial instruments measured at fair value, based on the classification in the fair value hierarchy. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),
- Other observable input data for the asset or liability other than the quoted prices included in Level 1, either directly, (i.e. as price quotations) or indirectly, (i.e. derived from price quotations) (Level 2),
- Input data for the asset or liability that is not based on observable market data (i.e. non-observable input data) (Level 3).

	2015				2014			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss								
Derivative assets	-	4	-	4	-	1	-	1
Total assets	**-**	**4**	**-**	**4**	**-**	**1**	**-**	**1**

	2015				2014			
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value through profit or loss								
Derivative liabilities	-	–12	-	–12	-	–19	-	–19
Measured at fair value for disclosure purposes								
Overdraft facilities	-	–70	-	–70	-	–99	-	–99
Liabilities to credit institutions	-	–1,676	-	–1,676	-	–1,725	-	–1,725
Total liabilities	**-**	**–1,758**	**-**	**–1,758**	**-**	**–1,843**	**-**	**–1,843**

There have been no transfers between the different levels during the year. The company has not offset any financial instruments in the balance sheet.

At the end of 2015 there was no obligation to acquire treasury shares. The fair value of Lindab's obligation to acquire treasury shares amounted in 2014 to SEK 16 m.

The fair value was determined by calculating the difference between the market price of the underlying shares at the balance sheet date and the price of the undertaking. The effect of discounting was not expected to be material. The valuation was defined as level 2 according to IFRS 13.

Note 26 Accrued expenses and deferred income

	Group		Parent company	
	2015	2014	**2015**	2014
Salaries and holiday pay	145	150	-	-
Share of profits	11	9	-	-
Payroll overheads	89	89	2	2
Bonuses to customers	129	108	-	-
Accrued exchange loss forward exchange agreement	12	19	-	-
Other costs	78	73	0	0
Total	**464**	**448**	**2**	**2**

Note 27 Leases

Operational lease contracts

Leasing costs for assets held through operating lease contracts, such as rented premises, machinery and office equipment, are reported in operating expenses and amount to SEK 24 m (41), of which property rental charges amount to SEK 17 m (32).

Future payments for non-cancellable operating lease contracts amount to SEK 379 m (164) and are broken down as follows:

	2015	2014
Year 1	29	29
Years 2-5	169	82
Year 6 and later	181	53
	379	**164**

Variable charges consist of variable interest rates, with the exception of the lease contract with Credit Suisse which has a fixed interest rate. An increase in interest rates of one percentage point increases total leasing costs by SEK 1 m (4).

Existing lease contracts vary in length from 7 to 22 years. Within the Group, there are companies with options contracts giving them the right to buy back properties sold to leasing companies.

If the option giving the right to buy back is exercised, the property's market value determines the purchase price. None of the Group's lease contracts contain restrictions regarding equity or financing opportunities.

The above table includes the following major items.

In October 2014, Lindab entered into a 15-year operating lease contract with Credit Suisse for a newly built production property in Switzerland. The rent for 2015 amounted to SEK 3 m (1). There is an option to acquire the property when the lease contract expires.

In September 2013, the properties in Båstad were acquired by DSL Renting from DAL Nordic Finance AB, and in June 2015 existing lease contracts were renegotiated in connection with the financing of the new distribution centre. The properties have been leased back by Lindab through 7-year operating lease contracts. The rent for 2015 amounted to SEK 9 m (11).

In January 2010, Lindab sold a production facility in Luxembourg. This property was acquired by DAL Nordic Finance AB for a purchase price of SEK 285 m. Lindab leased back the property through a 5-year operating lease contract and had the option to buy back the production facility when the lease contract expired.

In January 2015, Lindab exercised its option to buy back the production facility. The property's book value at the time of completion is estimated at EUR 25 m, corresponding to the estimated market value. Hypothecation of the property totalled the same amount. At the same time, the property was divested to a third party and a long-term lease agreement signed. The rent for 2015 amounted to SEK 11 m. The lease contract is associated with the commitment as described in Note 28.

For the leasing transactions above, there is a possibility to extend the lease contracts if the possibility is exercised in accordance with established agreements. If Lindab chooses not to extend the lease contract, Lindab typically has an obligation to guarantee the majority of the carrying value.

Financial lease contracts

Financial lease contracts amounting to SEK 60 m (58) are included in the balance sheet under buildings and land and totalling SEK 9 m (11) under machinery and software. In 2015, costs for these contracts excluding deferred tax amounted to SEK 6 m (7). Future obligations for financial lease contracts amount to SEK 43 m (60) and are broken down as follows:

	Nominal value (present)	
	2015	2014
Year 1	6 (6)	7 (7)
Years 2-5	13 (12)	22 (19)
Year 6 and later	24 (19)	31 (24)
	43 (37)	**60 (50)**

Interest rates were determined upon commencement of the lease contracts. All lease contracts have fixed repayments; the included variable charges do not amount to substantial sums.

Note 28 Pledged assets and contingent liabilities

	Group		**Parent company**	
Pledged assets	**2015**	2014	**2015**	2014
Property mortgages	21	20	-	-
Floating charges	-	22	-	-
Total	**21**	**42**	**-**	**-**

All pledged assets refer to security for liabilities to credit institutions.

	Group		**Parent company**	
Contingent liabilities	**2015**	2014	**2015**	2014
Guarantee commitment for entered credit agreements	-	-	1,673	1,705
Other guarantees and sureties	16	16	-	-
Pension obligations	4	11	-	-
Total	**20**	**27**	**1,673**	**1,705**

The current credit agreements with Nordea, SEB and SEK expire in February 2019. At the year-end, the total credit limit was SEK 2,100 m (2,100). The agreements contain covenants, which are monitored quarterly. Lindab fulfils the terms of these credit agreements.

Note 28, cont.

Lindab has subsequently established a pension plan covering several employees in the USA, which was linked to an initiative to, under certain circumstances, cover Lindab's share of the deficit for the collective pension plans. This initiative ended when the company in the USA, Lindab Inc, was divested on 7 July. For further information about the initiative, see Note 28 in last year's annual report.

Group companies have signed a guarantee for Building Systems in Luxembourg in case the company should fail to meet its obligations under the terms of the lease, see Note 27. Important obligations under the terms of the signed lease include the payment of all rental charges until 2030, maintenance of the property, and responsibility for its operation and environmental impact.

In the lease contracts for the properties in Båstad and Switzerland described in Note 27, Group companies have signed a guarantee for the payment of all rental charges until the end of the contract. In the lease contract for the property in Switzerland, the guarantee is limited to CHF 1.5 m.

As part of the Group's normal business activities and according to standard professional practice, the Group has signed guarantees for the fulfilment of various contractual obligations in relation to large suppliers. There was no indication at year-end that these contractual guarantees will result in any payment being required.

Note 29 Transactions with related parties

Transactions with related parties can affect a company's financial results and position. Information must therefore be provided about parties that may be considered related to the Lindab Group.

Related parties

Systemair AB (publ), which was Lindab's biggest shareholder in 2013, sold its entire holding on 3 March 2014. Up until then, transactions with Systemair AB (publ) were considered to be transactions with related parties. Transactions with Systemair AB (publ) for the period up until 3 March 2014 consisted of net sales of SEK 4 m and purchases of SEK 5 m. The transactions were conducted on market terms, on an arm's length basis. Other than Systemair AB (publ), there are no external parties that are considered related parties.

In addition, the parent company has direct and indirect control over its subsidiaries, see Note 30. The parent company's transactions and dealings with subsidiaries consist of the transactions shown below and what follows from agreements with the senior management, see Note 6.

Present and former members of the Board and the senior management with their respective inner circles have been related parties. Salaries, remuneration, benefits, pension entitlements, termination benefits etc. for the President and CEO, members of the Board and other senior executives are presented in Notes 6 and 23.

The associated company Meak B.V. in the Netherlands is also to be considered to be a related party. Since the extent of these transactions is negligible, however, they have not been included below.

Other transactions with related parties are specified below	**Group companies**		**Parent company**	
Parent company	**2015**	2014	**2015**	2014
Net sales	3	3	ET	ET
Dividend and Group contributions to the parent company	34	49	ET	ET
Interest income from the parent company	32	48	ET	ET
Non-current receivables in the parent company	2,166	2,134	ET	ET

Other transactions with related parties

For information about the incentive programmes aimed at participants in various management positions at Lindab, see Note 6 on page 94.

In addition to that stated above, none of Lindab's Board members, deputy Board members, senior executives or shareholders have participated or are participating in any business transactions with the company that are unusual in nature, terms or have significance for the company's business as a whole, or have taken place during the current financial year or in the last three financial years. This also applies to transactions in previous financial years which in some respect have not yet been settled or concluded. Lindab has no outstanding loans to any of these people, nor have any guarantees or stood surety been given for any of them.

In general, transactions with related parties have taken place on terms equivalent to those that apply to business transactions.

Note 30 Group companies and associates

The Group operates in several markets, which means that the Group has subsidiaries in many parts of the world. The parent company has a controlling influence over a subsidiary when it is exposed or is entitled to variable returns from its commitment to the subsidiary and can affect returns by using its controlling influence over the subsidiary. In principle, all subsidiaries are owned directly or indirectly, 100 percent, by the parent company, Lindab International AB. The subsidiaries that are not 100 percent owned are considered to have non-controlling interests that are not essential for the Group.

	Currency code	Corporate identity number	Domicile	Share in %	Recorded value
Lindab AB 1)	SEK	556068-2022	Båstad, Sweden	100	3,467*
Lindab Sverige AB 2)	SEK	556247-2273	Båstad, Sweden	100	
Lindab Steel AB 4)	SEK	556237-8660	Båstad, Sweden	100	
Lindab Ventilation AB 3)	SEK	556026-1587	Båstad, Sweden	100	
Lindab Götene AB 3)	SEK	556961-9918	Båstad, Sweden	100	
Lindab Ryssland AB 7)	SEK	556960-0322	Båstad, Sweden	0	
Lindab Profil AB 3)	SEK	556071-4320	Båstad, Sweden	100	
Bjarnes System AB 3)	SEK	556203-8322	Södertälje, Sweden	100	
Astron Buildings S.A. 2) 3) 4)	EUR	RC B91774	Diekirch, Luxembourg	0	
Lindab s.r.o. 2)	CZK	49613332	Prague, Czech Republic	15	
U-nite Fasteners Technology AB 2)	SEK	556286-9858	Uddevalla, Sweden	100	
Lindab Fastigheter AB 5)	SEK	5566629-2271	Båstad, Sweden	100	
Lindab Innovation AB 6)	SEK	556897-8505	Båstad, Sweden	100	
Lindab Ryssland AB 7)	SEK	556960-0322	Båstad, Sweden	100	
Lindab Ltd. Co. 2) 3)	RUB	105781261234	Moscow, Russia	100	
Astron Buildings LLC 2) 3) 4)	RUB	USRN 1067611020840	Yaroslavl, Russia	99	
Astron Buildings S.A. 2) 3) 4)	EUR	RC B91774	Diekirch, Luxembourg	100	
LA Services S.à r.l 7)	EUR	B146465	Diekirch, Luxembourg	100	
Lindab Treasury AB 8)	SEK	556044-4704	Båstad, Sweden	100	
Astron Buildings S.A.S. 2)	EUR	RCS 327 258 943	Bussy-St-Martin, France	100	
Astron Buildings s.r.o. 5)	CZK	633 19 675	Prerov, Czech Republic	100	
OOO Astron Buildings LLC 9)	RUB	OGRN 1047796961464	Moscow, Russia	100	
NF Lux Buildings S.A. 9)	EUR	B146466	Diekirch, Luxembourg	100	
Astron Buildings Sp. z o.o. 2)	PLN	KRS 0000039952	Lomianki, Poland	1	
Astron Buildings LLC 2) 3) 4)	RUB	USRN 1067611020840	Yaroslavl, Russia	1	
Lindab SIA 2)	EUR	40003602009	Riga, Latvia	100	
UAB Lindab 2) 3)	EUR	111788414	Vilnius, Lithuania	100	
Lindab d.o.o. 2)	HRK	80182671	Zaprešić, Croatia	100	
Lindab AS 2) 3)	EUR	10424824	Harju mk, Estonia	100	
Oy Lindab Ab 2) 3)	EUR	0920791-3	Esbo, Finland	100	
Lindab s.r.o. 2) 3)	CZK	49613332	Prague, Czech Republic	85	
LLC Spiro 2)	RUB	1117604013108	Yaroslavl, Russia	1	
Spiro International S.A. 2) 3)	CHF	CH-217.0.135.550-1	Bösingen, Switzerland	100	
LLC Spiro 2)	RUB	1117604013108	Yaroslavl, Russia	99	
Lindab Havalandirma LTD STI 2)	TRY	877776	Istanbul, Turkey	100	
Lindab Holding Inc. 7)	USD	54-179 29 84	Portsmouth VA, USA	100	
Spiral Helix Inc. 2) 3)	USD	36-4381930	Chicago IL, USA	100	
Lindab Profile Inc. 9)	USD	90-091 66 93	Portsmouth VA, USA	100	
Lindab SRL 2) 3)	RON	J23/1168/2002	Ilfov, Romania	100	
Lindab Ukraine LLC 9)	UAH	34300449	Kiev, Ukraine	100	
Lindab Kft. 2) 3)	HUF	13-09-065422	Biatorbagy, Hungary	100	
Lindab Profil Kft. 9)	EUR	13-09-155264	Biatorbagy, Hungary	100	
Lindab AS 2) 3)	NOK	929805925 MVA	Oslo, Norway	100	
Lindab Sp. z o.o. 2) 3)	PLN	KRS 0000043661	Wieruchow, Poland	100	
Lindab S.r.l 2) 3)	EUR	12002580152	Volpiano, Italy	100	
MP3 S.r.l 2) 3)	EUR	03345850964	Padua, Italy	100	
Lindab N.V. 2) 3)	EUR	BE 464.910.211	Gent, Belgium	100	
Lindab A/S 2) 3)	DKK	CVR no. 33 12 42 28	Haderslev, Denmark	100	
Lindab Door B.V. 2)	EUR	33291638	Groeneken, The Netherlands	100	
Meak B.V. 2)	EUR	18042479	Utrecht, The Netherlands	40	
Lindab GmbH 2) 3)	EUR	HRB 2276 AH	Amtsgericht Lübeck, Germany	100	
Astron Buildings GmbH 2)	EUR	HRB 8007	Mainz, Germany	100	
Astron Buildings Sp. z o.o. 2)	PLN	KRS 0000039952	Lomianki, Poland	99	
Lindab AG 2) 3)	CHF	CH-170.3.023.237-3	Otelfingen, Switzerland	100	
Lindab Ltd 2) 3)	GBP	1641399	Northampton, UK	100	
CCL Lindab Ltd 9)	GBP	1909033	Northampton, UK	100	
Lindab France S.A.S. 2) 3)	EUR	31 228 513 300 061	Montluel, France	100	
Nather S.A. 2) 3)	EUR	313 181 109	Porte les valence, France	100	
Lindab (IRL) Ltd 2)	EUR	44222	Dublin, Ireland	100	
Lindab a.s. 2) 3)	EUR	36 214 604	Jamník, Slovakia	100	
Lindab Steel AG 4)	CHF	CH-020.3.036.274-9	Wetzikon, Switzerland	100	
Kalnesa Holdings Limited 9)	EUR	303110	Nicosia, Cyprus	100	
Spircus Enterprises Limited 9)	EUR	303031	Nicosia, Cyprus	100	
Lindab IMP Klima d.o.o. 2) 3)	EUR	5519225000	Godovič, Slovenia	100	
Lindab d.o.o. Belgrad 2)	RSD	17421557	Belgrade, Serbia	100	
Lindab d.o.o.e.l. Skopje 2)	MKD	5439833	Skopje, Macedonia	100	
Lindab d.o.o. Podgorica 2)	EUR	027146453	Podgorica, Montenegro	100	
Lindab d.o.o. Sarajevo 2)	BAM	4200550810003	Sarajevo, Bosnia	100	
Hidria Heatec d.o.o. 2)	EUR	6556086000	Godovič, Slovenia	100	
Uniklima d.d. 3)	BAM	4200240030008	Ilidža, Bosnia	95	

** The number of shares owned amounts to 23,582,857.*

1) Group functions, 2) Sales company, 3) Production company, 4) Purchasing company, 5) Property company, 6) Patent business, 7) Holding company, 8) Treasury business, 9) Dormant company

The Board of Directors and the CEO hereby affirm that the consolidated financial statements and annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and generally accepted accounting standards, and give a true and fair view of the Group's and the parent company's financial position and results of operations, and that the Directors' Report gives a true and fair view of the Group's and parent company's business, financial position and results of operations, and describe material risks and uncertainties that the parent company and the companies included in the Group are facing.

Båstad, 10 March 2016

Kjell Nilsson
Chairman

Anders Berg
CEO

Erik Eberhardson
Board member

Per Frankling
Board member

Sonat Burman-Olsson
Board member

Hans Porat
Board member

Marianne Brismar
Board member

Pontus Andersson
Employee representative

Markku Rantala
Employee representative

Our audit report was submitted on 10 March 2016.

Deloitte AB

Hans Warén
Authorised Public Accountant

Auditors' Report

To the Annual General Meeting of shareholders of Lindab International AB
Corporate identity number 556606-5446

Report on the annual accounts and consolidated accounts
We have audited the annual accounts and consolidated accounts of Lindab International AB for the financial year 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 60-112.

Responsibility of the Board of Directors and the CEO for the annual accounts and consolidated accounts
The Board of Directors and the CEO are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The Directors' Report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the Group.

Report on other legal and regulatory requirements
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Lindab International AB for the financial year 2015.

Responsibilities of the Board of Directors and the CEO
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the CEO are responsible for administration under the Companies Act.

Auditor's responsibility
Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions
We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the Directors' Report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Gothenburg, 10 March 2016

Deloitte AB

Hans Warén
Authorised Public Accountant

Financial definitions

EBITDA
EBITDA comprises the results before planned depreciation and before consolidated amortisation of the surplus value in intangible assets.

EBITA
EBITA comprises the results following depreciation, but before consolidated amortisation of the surplus value in intangible assets.

Operating profit (EBIT)
The operating profit (EBIT) comprises results before financial items and tax.

Working capital
Working capital comprises stock, operating receivables and operating liabilities, and is obtained from the statement of financial position but adjusted where appropriate for items not affecting cash flow. The operating receivables consist of accounts receivable, other receivables as well as non-interest bearing prepaid expenses and accrued income. Operating liabilities include other non-interest-bearing non-current liabilities, advance payments from customers, accounts payable, other current liabilities as well as non-interest-bearing accrued expenses and deferred income.

Capital employed
Total assets less non-interest bearing liabilities and provisions including deferred tax liabilities.

Operating capital
Total net debt, minority shareholding and equity.

Operating cash flow
Cash flow from operating activities excluding one-off items and tax paid but including net investments in intangible and tangible fixed assets.

Net debt
Non-current and current interest-bearing liabilities, including interest-bearing provisions, minus interest-bearing assets as well as cash and bank.

Diluted number of shares
The weighted average number of shares outstanding at end of the period plus any additional shares in accordance with IAS 33.

Undiluted/diluted earnings per share
Profit for the year attributable to the parent company shareholders in relation to the average number of outstanding shares, undiluted/diluted respectively.

Equity per share
Equity in relation to the number of outstanding shares at the end of the period.

Cash flow from operating activities per share
Cash flow from operating activities in relation to the average number of shares.

P/E ratio
Quoted price at the year-end divided by the earnings per share.

EBITDA margin
EBITDA margin has been calculated as the profit before planned depreciation and before consolidated amortisation of surplus value on intangible assets, expressed as a percentage of net sales for the year.

EBITA margin
EBITA margin has been calculated as the profit following depreciation but before consolidated amortisation of surplus value on intangible assets, expressed as a percentage of net sales for the year.

Operating margin (EBIT)
Operating margin (EBIT) has been calculated as the profit before financial items and tax, expressed as a percentage of net sales for the year.

Profit margin
Profit margin has been calculated as the earnings before tax, expressed as a percentage of net sales for the year.

Return on capital employed
Return on capital employed comprises the Group's earnings before tax plus financial expenses as a percentage of average capital employed.

Return on operating capital
Operating profit (EBIT) as a percentage of average operating capital.

Return on equity
Return on equity comprises the profit for the year as a percentage of the weighted average equity.

Return on total assets
Return on total assets comprises earnings before tax plus financial expenses as a percentage of the average total assets.

Equity/asset ratio
The equity/asset ratio has been calculated as equity as a percentage of total assets according to the statement of financial position.

Net debt/equity ratio
Net borrowings in relation to equity.

Net debt to EBITDA ratio
Net debt to EBITDA ratio consists of average* net debt in relation to EBITDA, excluding one-off items, rolling twelve-month value.

Interest coverage ratio
The interest coverage ratio has been calculated as the profit after financial items plus financial expenses in relation to financial expenses.

*Average net debt in the past twelve-month period.

Glossary

CEE
Central and Eastern Europe.

CIS
Commonwealth of Independent States (former Soviet Republics).

CE
Product labelling within the European Economic Area (EEA). The CE mark indicates that the manufacturer or importer has met the basic requirements of the EU Directive governing this area.

EU Climate targets 2020
The EU's current climate targets which are to be met by 2020. The four targets are: reduce greenhouse gas emissions by at least 20 percent compared with 1990 levels, reduce energy consumption by 20 percent, increase the share of renewable energy to 20 percent of all energy consumption and increase the share of biofuels for transport to 10 percent.

Renewable energy
Examples of renewable energy are hydropower, wind power, solar energy and bioenergy.

Global Reporting Initiative, GRI
International sustainability reporting guidelines. The fourth-generation guidelines are called G4.

Internet of Things
A network of physical objects, devices, vehicles, buildings and other items. These are embedded with sensors which are connected to the internet with the aim of creating smart, attractive and helpful environments, products and services.

Sustainable development
Usually defined as a society that meets today's needs without compromising the ability of future generations to meet their own needs. This definition comes from the Brundtland Commission, formally known as the World Commission on Environment and Development (WCED).

Nearly zero-energy building
Defined in Article 2(2) of the Energy Performance of Buildings Directive as a building that has a very high energy performance. The nearly zero or very low amount of energy required should be covered to a very significant extent by energy from renewable sources, including energy from renewable sources produced on-site or nearby.

Zero-energy house
Defined by Sveriges Centrum för nollenergihus as a house that, in addition to meeting the requirements for a passive house, over a year does not use more energy than it generates. This may be electricity from, for example, solar cells or heating supplied to another building or district heating network.

Passive house
Defined by Passivhuscentrum as a house where the heating requirement does not exceed 15 kWh/m2 per year at an indoor temperature of 20°C. The Swedish FEBY 12 requirements permit a heat loss of 17 W/m2 in climate zone I, 16 W/m2 in climate zone II and 15 W/m2 in climate zone III as well as an additional 2 W/m2 for buildings under 400 m2 at the dimensioning outdoor temperature.

Energy-plus house
Forum för energieffektiva byggnader defines an energy-plus house as a passive house which produces more electricity and heat than it consumes.

Information to shareholders

Annual General Meeting

The Annual General Meeting for Lindab International AB (publ) will be held on 3 May 2016 16.00 in Grevieparken, Grevie, municipality of Båstad, Sweden.

Registration

Shareholders who wish to attend the Annual General Meeting must be registered in the register of shareholders maintained by Euroclear Sweden AB no later than 27 April 2016, and must notify Lindab International AB (publ) of their intention to attend the meeting no later than 16.00 on 27 April 2016.

Please register using one of the following methods:

- via the website: www.lindabgroup.com
- by telephone: +46 (0)431 850 00 or
- by e-mail: "Lindab International AB (publ)", subject "Annual General Meeting", 269 82 Båstad.

To participate in the meeting and exercise their right to vote, shareholders who have nominee-registered shares through a bank or other nominee must request temporary registration in their own name in the Euroclear Sweden AB share register. Such registration must be completed at Euroclear Sweden AB no later than Wednesday 27 April 2016. Shareholders must notify their bank or other trustee in good time before this date. The notification must include the shareholder's name, personal or corporate identity number, shareholding, address, telephone number and, where applicable, information regarding assistants and representatives wishing to attend the meeting.

Shareholders who wish to be represented by a proxy at the meeting must issue a written, dated power of attorney for such proxy. A proxy form is available on the company's website www.lindabgroup.com. A power of attorney issued by a legal entity must be accompanied by a copy of the certificate of registration for such legal entity. To facilitate admission to the meeting, the original power of attorney and authorisation documents must be received by the company no later than Wednesday 27 April 2016.

Reports

Reports can be ordered from Lindab International AB via the website, www.lindabgroup.com, or e-mail "Lindab International AB", subject "Reports", 269 82 Båstad.

Printed annual reports will only be sent to shareholders and stakeholders who order copies.

Nomination Committee

The Nomination Committee proposes the election of Board members, auditors, the Chairman of the Annual General Meeting, Board fees and the composition of the Nomination Committee for the Annual General Meeting in 2017.

The Nomination Committee for the Annual General Meeting 2016 consists of:

- Peter Rönström, representative for Lannebo Fonder (Chairman)
- Per Frankling, representative for Creades AB
- Per Colléen, representative for Fjärde AP-fonden
- Kjell Nilsson, Chairman of the Board of Lindab International AB

Financial statements, financial year 2016

Interim Report January-March, Q1	3 May 2016
Interim Report January-June, Q2	19 July 2016
Interim Report January-September, Q3	27 October 2016
Q4 and Year-end Report	February 2017
Annual Report 2016	April 2017

The year was 1959. Lage Lindh and his partner Valter Persson had moved their sheet metal workshop to new premises in the small community of Grevie, Sweden, and were now looking to expand the business. Lage had a clear vision for his company AB Lidhults Plåtslageri: developing products and solutions that made things simpler for the customers. With this vision, a high degree of neatness and order in the company and a down to earth philosophy, Lage began to develop what would since become the Lindab we know today – a group with over 5,000 employees and sales in 60 countries. It has been almost six decades since the company started out on a small scale in a completely different age, but the values that guided Lage's and his partner's work back then are felt just as strongly throughout the company today. Ask anyone at Lindab what is most important in their work and they will probably answer: "Creating success for the customer, neatness and order and always keeping your feet firmly planted on the ground." And the head office, well, that is still located in the small town of Grevie in the centre of the beautiful Bjäre peninsula in south-western Sweden.

Graphic design: Johanna Åkerberg, Åkerbergs Ord och Form AB.
Photography: Lars Owesson, Johan Sundström and others
Repro and printing: Ljungbergs Tryckeri AB. Paper: Munken Polar

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www.lindab.com
The Lindab website provides extensive information about the Group. You will also find contact details and addresses there for all our companies worldwide.

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