YEAR - END REPORT 2009

- Net sales MSEK 2,436 (2,770)
- Operating profit MSEK 104.2 (272.4)
- Restructuring costs have charged profit by MSEK 35 (0)
- Profit after taxes MSEK 74.0 (184.1)
- Earnings per share SEK 5.87 (14.62)
- Order intake MSEK 2,520 (2,724)
- Proposed dividend per share SEK 3.00 (5.50) per share

Comments from the Group CEO Johan Hjertonsson

- The weak business cycle has continued during the fourth quarter, however, demand has stabilized.
- Order intake, adjusted for comparable operations is 5 % lower than in the previous year.
- The Business Area Retail Lighting was impacted the most by the downturn in the economy.
- The close-down of the factories in Borås and Falkenberg is going according to plan and will be completed during the first quarter of 2010.
- Strong cash flow from operating activities, MSEK 215.

THE GROUP

JANUARY-DECEMBER

The business cycle has been weak during the year and there have been decreases in both sales and income. The operations are late in the business cycle. However, we have seen a stabilisation in demand at the end of the year.

The Group's net sales amounted to MSEK 2,436, a decrease of 12 % compared with 2008. Adjusted for acquired and sold operations, the decrease was 10 %. Exchange rate fluctuations have had a positive impact on sales of 3 %, that is, sales expressed as volume have decreased by 15 % and 13 %, respectively. Sales outside of Sweden amounted to MSEK 1,735 (1,918), comprising 71 (69) % of the Group's net sales. The Netherlands and Australia are the markets in which Fagerhult has been impacted the least by the weak business cycle, while Sweden, Norway and France were impacted the most.

The Group's order intake for comparable operations amounted to MSEK 2,497 (2,629), which exceeds net sales by MSEK 84.

Operating income before the close-down costs for the factories in Borås and Falkenberg decreased by MSEK 133 to MSEK 139. Restructuring costs regarding the close-down of the factories in Borås and Falkenberg have, thereafter, during the third quarter charged income by MSEK 35, primarily due to personnel costs, disposals and relocation expenses. Production will be relocated to the factories in Habo and Åhus and to the factory in Suzhou, China. The operating margin decreased to 5.7 (9.8) % before restructuring costs. The weakened margin is primarily due to the decrease in volumes, mainly within the Business Area Retail Lighting, in which margins are normally good. The decrease in the margin is also due to investments made in Central Europe.

Costs are decreased on an ongoing basis in relation to the decrease in volumes. During the year, the Group has decreased the number of temporary employees by 90 individuals and has reduced fixed costs, correponding to approximately MSEK 40 over the entire year. These measures were taken as part of the efforts to adapt costs to the current market situation. In addition to this, the close-down of the factories in Borås and Falkenberg will reduce fixed costs by slightly more than MSEK 15 and variable costs by MSEK 25, that is, by an additional total of MSEK 40.

During the year, two smaller business acquisitions were executed, in Spain and Belgium.

OCTOBER-DECEMBER

Net sales during the period amounted to MSEK 595 which, adjusted for comparable operations, is a decrease of 8 %. Operating income amounted to MSEK 35.2, compared with MSEK 37.1 for 2008.

Order intake was MSEK 597 (603). For comparable operations, the decrease is 2 %. The markets which have succeeded the most during the quarter are Sweden, Norway, the Netherlands and Australia, while the UK has decreased somewhat as compared to 2008.

At the beginning of October, a decision was made by the Board of Directors to close-down the factories in Borås and Falkenberg, and this was initiated during this quarter. As a result of the close-down, there will be a positive effect on income starting in the second quarter of 2010. The close-down is progressing according to plan and will be completed during the first quarter.

BUSINESS AREAS

PROFESSIONAL LIGHTING

This business area comprises the sale of indoor lighting for public environments such as offices, schools, hospitals and instustrial structures, etc.

Net sales amounted to MSEK 1,958, compared with MSEK 2,049 in the previous year. Operating income before close-down costs amounted to MSEK 150.0 (217.1) and the operating margin was 7.7 (10.6) %. This area has subsequently been charged with MSEK 20 referring to close-down costs which impacted the operating margin by 1.1 % to 6.6 %. The Business Area bears a larger portion of the Group´s costs as its share of the Group´s total sales is increasing.

For the full-year of 2009, the Netherlands, Australia, the UAE and Ireland show a higher level of sales compared with the previous year, while the majority of the other markets have decreased in sales. The situation in Sweden and Norway has stabilized during the second half of the year while the UK continues to show a decrease in volume.

RETAIL LIGHTING

This business area comprises the sale of lighting systems, light sources and service to retail locations.

Net sales amounted to MSEK 306, compared with MSEK 447 in the previous year. Operating income amounted to MSEK -11.4 (48.5).

Retail lighting is the Business Area which has been impacted the most by the financial crisis with a decrease in sales of 32 %. The decreases in sales have been reported, in principle, in all of the markets where the Group has operations, which demonstrates both the strength and the extent of the downturn in the market. This Business Area's largest markets are Sweden, the UK and France. We await a continued increased activity in the market. Income during the fourth quarter decreased compared with the previous year, however, the decrease was significantly less in scope than during the previous quarters of the year.

OUTDOOR LIGHTING

This business area comprises the sale of outdoor products for the lighting of buildings, parks, recreational areas, paths, etc.

Net sales amounted to MSEK 172, compared with MSEK 175 in the previous year. Operating income before close-down costs amounted to MSEK 0.6 (2.9). This area was subsequently charged with MSEK 15 referring to close-down costs.

Sales within this Business Area are primarily attributable to the Nordic countries. There is an increased interest for our new products, introduced during the year, which creates the conditions for a higher level of sales in coming years.

NET SALES AND OPERATING PROFIT PER BUSINESS AREA

	Professional Lighting		Retail Lighting		Outdoor Lighting		Home Lighting [2]		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
External sales	1 958,4	2 049,1	305,7	447,0	172,2	175,4	-	98,6	2 436,3	2 770,1
Operating profit/loss [1]	130,0	217,1	-11,4	48,5	-14,4	2,9	-	3,9	104,2	272,4
Operating margin	6,6 %	10,6 %	-	10,9 %	-	1,7 %	-	4,0 %	4,3 %	9,8 %

1)) Operating profit for 2009 has been negatively impacted by restructuring costs corresponding to MSEK 35 allocated to Professional Lighting, MSEK 20 and Exterior Lighting, MSEK 15.

2) the business Area Home Lighting was divested in 2008.

FINANCIAL POSITION

The Group's equity/assets ratio amounted to 42 (41) %. Cash and bank balances at the end of the period amounted to MSEK 197 (200) and consolidated equity to MSEK 717 (706). Net indebtedness amounted to MSEK 305. Net indebtedness in relation to earnings before depreciation and amortisation (EBITDA), for the last twelve month period, amounted to 1.7. If EBITDA is adjusted for one-off costs, this relation is, instead, 1.4.

The translation of overseas net assets to the closing rate of exchange has increased equity by MSEK 6.8.

Cash flow from operating activities was MSEK 215.1 (216.9). Cash flow has been positively impacted by a reduction in working capital tied of MSEK 116.6.

Pledged assets and contingent liabilities amounted to MSEK 5.0 (5.0) and MSEK 5.9 (12.3), respectively.

REPURCHASE OF SHARES

At the Annual General Meeting on 22 April 2009, the Board of Directors was authorised to adopt a resolution regarding the acquisition of the Company's own shares. No acquisition of the Company's own shares has been made. The total holding of own shares amounted to 238,000 shares.

AB Fagerhult's Board of Directors has, today, resolved to propose that the Annual General Meeting on 27 April 2010 shall authorise the Board of Directors to decide upon the acquisition of own shares for the period of time up to the next Annual General Meeting.

INVESTMENTS

The Group's gross investments in fixed assets amounted to 90.3 (104.0), primarily referring to machinery and equipment.

In addition, there are investments in subsidiaries of MSEK 34.8.

PERSONNEL

The average number of employees during the period was 1,881 (1,978), of which 21 refer to acquired companies.

PARENT COMPANY

Operations in AB Fagerhult comprise the management of the Group, financing and coordination of marketing, production and business development. The Company's sales during the period amounted to 5.9 (4.8). Income after financial items amounted to MSEK 63.1 (143.6). During the period, the number of employees was 6 (6).

DIVIDENDS

The Board of Directors will propose that the Annual General Meeting shall resolve on a dividend of SEK 3.00 (5.50) per share.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting.

The Parent Company's Interim Report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Councils' Recommendation, RFR 2.2. The accounting principles applied remain unchanged compared with the previous year.

For further information on the accounting principles applied, please refer to AB Fagerhult's website under the heading Financial Information.

RISKS AND UNCERTAINTIES

The material risk and uncertainty factors for the Group primarily consist of business risks and financial risks regarding currencies and interest rates. Due to our international operations, the Fagerhult Group is subject to financial exposure arising from exchange rate fluctuations. The most prominent of these are currency risks associated with export sales and the import of raw materials and components. This exposure is reduced through the hedging of flows in sensitive currencies, on the basis of individual assessment. Currency risks also exist in the translation of foreign net assets and profits. Further information on the Company's risks can be found in the Annual Report for 2008. Apart from the risks described in the Company's Annual Report, no further material risks are deemed to have arisen.

PROSPECTS FOR 2010

In recent years, the Group has experienced a strong sales and earnings trend due to good organic growth, but also as the result of a series of business acquisitions. This strategy remains in effect and the Group will stay to the course of continued investments and increased internationalisation.

The instability in the financial markets has had a substantial impact on sales and earnings during 2009. The structural measures undertaken referring to, among other things, the close-down of two factories, implies that we have adapted to the present market situation. Should the business cycle turn up, there are good conditions for improved results.

Habo, 3 February 2010
AB Fagerhult (publ)

Johan Hjertonsson
Chief Executive Officer and Managing Director

The report has not been the subject of individual review by the Company's auditor.

The Annual General Meeting will take place on Tuesday, 27 April 2010 at Fagerhult, Habo. The Annual Report will be distributed during the week of 29 March – 4 April. The interim reports will be presented on 27 April 2010, 19 August 2010 and 20 October 2010.

Disclosures can be provided by Johan Hjertonsson, Managing Director or Ulf Karlsson, Group CFO, telephone 036-10 85 00.

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THE GROUP

REPORT OF THE COMPPREHENSIVE INCOME FOR THE PERIOD	2009 Oct-Dec 3 months	2008 Oct-Dec 3 months	2009 Jan-Dec 12 months	2008 Jan-Dec 12 months
Net sales	595.1	643.9	2 436.3	2 770.1
(of which outside Sweden)	(425.5)	(453.2)	(1 734.8)	(1 918.6)
Cost of goods sold	-379.2	-414.5	-1672.2	-1 834.9
Gross profit	**215.9**	**229.4**	**764.1**	**935.2**
Selling expenses	-135.5	-144.9	-497.7	-507.7
Administrative expenses	-47.9	-52.1	-172.0	-170.5
Other operating income	2.7	4.7	9.8	15.4
Operating profit/loss	**35.2**	**37.1**	**104.2**	**272.4**
Income from shares in subsidiaries	-	0.8	-	0.7
Financial items	0.5	2.6	0.5	-13.3
Profit after financial items	**35.7**	**39.7**	**104.7**	**259.8**
Tax	-9.4	-11.8	-30.7	-75.7
Net profit for the period	**26.3**	**27.9**	**74.0**	**184.1**
Other comprehensive income:				
Exchange differences on translation foreign operations	12.2	-8.2	6.8	-18.6
Other comprehensive income for the period, net of tax	**12.2**	**-8.2**	**6.8**	**-18.6**
Total comprehensive profit for the period	**38.5**	**19.7**	**80.8**	**165.5**
Profit attributed to owners of the parent company	26.3	27.9	74.0	184.1
Total comprehensive profit for the period attributed to the owners of the parent company	38.5	19.7	80.8	165.5
Earnings per share, calculated on profit attributed to owners of the parent company:				
Earnings per share before dilution, SEK	2.09	2.22	5.87	14.62
Earnings per share after dilution, SEK	2.05	2.17	5.76	14.33
Average no. of outstanding shares before dilution	12 612	12 595	12 612	12 596
Average no. of outstanding shares after dilution	12 850	12 850	12 850	12 850
No. of outstanding shares, thousands	12 612	12 612	12 612	12 612

BALANCE SHEET	31 Dec 2009	31 Dec 2008
Intangible fixed assets	474.5	430.0
Tangible fixed assets	319.9	288.9
Financial fixed assets	18.8	24.7
Inventories, etc.	301.7	352.6
Accounts receivable - trade	363.5	390.7
Other non interest-bearing current assets	40.2	33.1
Liquid funds	197.4	200.3
Total assets	**1 716.0**	**1 720.3**
Equity	717.4	706.0
Long-term interest-bearing liabilities	500.8	471.8
Long-term non interest-bearing liabilities	63.7	57.6
Short-term interest-bearing liabilities	1.8	50.0
Short-term non interest-bearing liabilities	432.3	434.9
Total equity and liabilities	**1 716.0**	**1 720.3**

CASH FLOW STATEMENT	2009 Oct-Dec 3 months	2008 Oct-Dec 3 months	2009 Jan-Dec 12 months	2008 Jan-Dec 12 months
Operating profit	**35.2**	**37.1**	**104.2**	**272.4**
Adjustment for items not included in the cash flow	21.9	28.6	78.1	75.7
Financial items	-0.5	-4.0	-10.3	-20.6
Paid tax	-20.3	-18.8	-73.5	-71.2
Cash flow generated by operations	**36.3**	**42.9**	**98.5**	**256.3**
Changes in working capital	51.4	51.3	116.6	-39.4
Cash flow from continuing operations	**87.7**	**94.2**	**215.1**	**216.9**
Cash flow from investing activities	-31.5	-30.0	-127.3	-16.9
Cash flow from financing activities	-18.8	-27.9	-90.2	-133.2
Cash flow for the period	**37.4**	**36.3**	**-2.4**	**66.8**
Liquid funds at the beginning of the period	156.7	162.0	200.3	131.9
Translation differences in liquid funds	3.3	2.0	-0.5	1.6
Liquid funds at the end of the period	**197.7**	**200.3**	**197.4**	**200.3**

KEY RATIOS AND DATA PER SHARE	2009 Oct-Dec 3 months	2008 Oct-Dec 3 months	2009 Jan-Dec 12 months	2008 Jan-Dec 12 months
Sales growth, %	-7.6	-4.6	-12.1	9.6
Growth in operating income, %	-5.1	-31.3	-61.7	37.9
Growth in profit after taxes net financial income, %	-10.1	-19.6	-59.7	36.7
Operating margin, %	5.9	5.8	4.3	9.8
Profit margin, %	6.0	6.2	4.3	9.4
Liquid ratio, %			45	41
Debt/equity ratio			0.7	0.7
Equity/assets ratio, %			42	41
Capital employed, MSEK			1 220	1 228
Return on capital employed, %			9.8	25.7
Return on equity, %			10.4	28.2
Net liability, MSEK			305	322
Gross investments in fixed assets, MSEK	18.4	17.6	90.3	104.0
Net investments in fixed assets, MSEK	18.4	17.6	90.3	104.0
Depreciation of fixed assets, MSEK	19.5	13.8	74.8	62.8
Number of employees			1 881	1 978
Equity per share, SEK			56.88	55.98
No. of outstanding shares, thousands			12 612	12 612

CHANGE IN EQUITY

Attributed to the owners of the parent company

	Share capital	Other contributed capital	Difference on translation	Profit carried forward	Total equity
Equity as at 1 January 2008	65.5	159.4	-4.2	380.8	601.5
Change in differences on translation			-18.6		-18.6
Total transactions reported for equity			-18.6		-18.6
Net profit for the period				184.1	184.1
Total comprehensive profit for the period			-18.6	184.1	165.5
Repurchase of the company's own shares				-4.4	-4.4
Dividend				-56.6	-56.6
Equity as at 31 December 2008	**65.5**	**159.4**	**-22.8**	**503.9**	**706.0**
Equity as at 1 January 2009	65.5	159.4	-22.8	503.9	706.0
Change in differences on translation			6.8		6.8
Total transactions reported for equity l			6.8		6.8
Net profit for the period				74.0	74.0
Total comprehensive profit for the period			6.8	74.0	80.8
Dividend				-69.4	-69.4
Equity as at 31 December 2009	**65.5**	**159.4**	**-16.0**	**508.5**	**717.4**

PARENT COMPANY

INCOME STATEMENT	2009 Oct-Dec 3 months	2008 Oct-Dec 3 months	2009 Jan-Dec 12 months	2008 Jan-Dec 12 months
Net sales	5.9	4.8	5.9	4.8
Selling expenses	-0.4	-0.4	-1.5	-1.5
Administrative expenses	-7.2	-7.3	-20.1	-23.4
Operating profit	**-1.7**	**-2.9**	**-15.7**	**-20.1**
Income from shares in subsidiaries	57.0	169.0	86.1	182.1
Financial items	-2.5	-0.6	-7.2	-18.4
Profit after financial items	**52.8**	**165.5**	**63.2**	**143.6**
Changes in tax allocation reserve	25.1	-19.6	25.1	-19.6
Tax	-9.5	-32.0	-9.5	-32.0
Net profit	**68.4**	**113.9**	**78.8**	**92.0**

BALANCE SHEET	31 Dec 2009	31 Dec 2008
Financial fixed assets	877.1	915.5
Other non interest-bearing current assets	6.2	0.2
Cash and bank balances	4,7	10.6
Total assets	**888.0**	**926.3**
Equity	373.9	364.5
Untaxed reserves	31.4	56.5
Long-term interest-bearing liabilities	458.7	431.0
Short-term interest-bearing liabilities	17,2	50.0
Short-term non interest-bearing liabilities	6.8	24.3
Total equity and liabilities	**888.0**	**926.3**

CHANGE IN EQUITY	Share capital	Statutory reserve	Profit brought forward	Total equity
Equity as at 1 January 2008	65.5	159.4	108.6	333.5
Net profit for the period			92.0	92.0
Change in own shareholding			-4.4	-4.4
Dividend paid, SEK 4,50 per share			-56.6	-56.6
Equity as at 31 December 2008	65.5	159.4	139.6	364.5
Net profit for the period			78.8	78.8
Dividend paid, SEK 5,50 per share			-69.4	-69.4
Equity as at 31 December 2009	65.5	159.4	149.0	373.9