

## Interim report January – September 2009

**Strong operating cash flow in the quarter and increased operating margin compared to the first six months.**

### Quarter 3

- Incoming orders amounted to SEK 203.2m (308.7), which adjusted is a decrease by 37%.\*)
- Net sales amounted to SEK 239.8m (311.3), which adjusted is a decrease by 27%.\*)
- Operating result was SEK 8.6m (34.4), resulting in an operating margin of 3.6% (11.1).
- Net result was SEK 4.6m (21.6).
- Earnings per share amounted to SEK 0.40 (1.84).

### First nine months

- Incoming orders amounted to SEK 749.5m (936.2), which adjusted is a decrease by 28%.\*)
- Net sales amounted to SEK 792.7m (920.1), which adjusted is a decrease by 23%.\*)
- Operating result was SEK 11.6m (103.3), resulting in an operating margin of 1.5% (11.2).
- Net result was SEK 3.0m (66.7).
- Earnings per share amounted to SEK 0.26 (5.70).

\*) Adjusted for currency effects and acquisitions

### Comments from CEO:

*"We are happy to report a strong operating cash flow and increasing operating margins in the prevailing economy. This proves that our savings programs work according to plan. The efficiency improvements and cost cuts will ensure satisfactory levels of profit, even if volumes would continue to be low, and will have a good impact when the markets improve."* **Sven Kristensson, CEO.**

### Key figures, Group

SEK m	1 July - 30 Sep		1 Jan - 30 Sep		Full year 2008	Oct-Sep 12 months
	2009	2008	2009	2008		
Net sales	239.8	311.3	792.7	920.1	1,272.3	1,144.9
EBITDA	12.9	38.7	24.7	116.6	158.7	66.8
Operating result	8.6	34.4	11.6	103.3	140.8	49.1
Operating margin, %	3.6	11.1	1.5	11.2	11.1	4.3
Net result	4.6	21.6	3.0	66.7	92.6	28.9
Earnings per share, SEK	0.40	1.84	0.26	5.70	7.90	2.46
Operating cash flow	28.7	10.3	48.0	53.8	113.9	108.1
Return on shareholders' equity, %	3.7	18.1	0.8	18.8	18.9	5.8
Return on operating capital, %	5.1	20.7	2.3	21.5	22.2	7.3
Net debt	163.7	191.9	163.7	191.9	144.1	163.7
Net debt/equity ratio, %	32.9	38.9	32.9	38.9	27.2	32.9
Net debt/EBITDA, multiple			2.5*)	1.0*)	0.9	2.5
Average no. of employees			665	710	710	688

\*) 12 months

## Market

The significantly reduced investments in the metal fabrication industry are still clear. Invoiced sales to the machining industry declined by more than 50 per cent during the quarter. All market segments and geographic regions show a decline in incoming orders and invoiced sales. However, China and Brazil have shown an increase during the quarter.

The activity levels of inquiries and quotations are high and the optimism in the market has slightly increased.

Incoming orders in the **Nordic markets** declined by 55 per cent during the quarter adjusted for currency effects and acquisitions compared to the same period last year. Corresponding decline during the first nine months was 36 per cent. Net sales declined by 19 per cent during the quarter in local currencies and adjusted for acquisitions compared to the same period last year. Corresponding decline during the first nine months was 32 per cent.

Incoming orders in the **Other European markets** declined by 32 per cent in local currencies during the third quarter and by 25 per cent during the first nine months. Net sales declined by 27 per cent during the third quarter and 20 per cent during the first nine months.

Incoming orders in the **North American markets** declined by 20 per cent in local currencies during the quarter, but increased by 4 per cent during the first nine months. Net sales in the North American markets declined by 11 per cent in local currencies during the quarter, but increased by 9 per cent during the first nine months.

Incoming orders in **Other markets** outside the North American market and Europe declined by 27 per cent in local currencies during the quarter and by 42 per cent during the first nine months. Net sales declined by 47 per cent during the quarter and 38 per cent during the first nine months.

## Savings programs

The savings programs implemented during the first six months has generated effects on the gross margin through reductions of direct and indirect manufacturing costs as well

as on sales and general administration expenses. Further capacity adjustments have been realized during the third quarter.

The number of full time employees has declined by over 100 people since year end 2008 and was 650 at the end of the period.

The effects of the savings programs have gradually increased the operating margins despite declining invoiced sales. The margins are expected to continue to increase in the coming quarters as a result of the actions taken, even at continuously low volumes.

The full year effect of the savings is SEK 85m compared to the cost levels at the beginning of this year. The operating result this year includes one time cost for the savings programs of SEK 10m.

## Outlook

The company expects market demand to be continuously low during the fourth quarter.

## Sales and incoming orders

### Quarter 3

Incoming orders during the third quarter was SEK 203.2m (308.7), which is a decline by 34 per cent compared to the same quarter last year. Adjusted for currency effects the incoming orders declined by 37 per cent.

Net sales during the third quarter amounted to SEK 239.8m (311.3), which was 23 per cent lower than the third quarter last year. Currency had a positive impact of 4 per cent on net sales. Adjusted for currency effects net sales declined by 27 per cent.

### First nine months

Incoming orders during the first nine months was SEK 749.5m (936.2), which is a decline by 20 per cent compared to the same period last year. Adjusted for currency effects and acquisitions the decline was 28 per cent.

Net sales during the period amounted to SEK 792.7m (920.1), which was 14 per cent lower than the same period last year. Acquisitions had a positive impact of 2 per cent and currency of 7 per cent. Adjusted for currency effects and acquisitions the decline was 23 per cent.

## Results

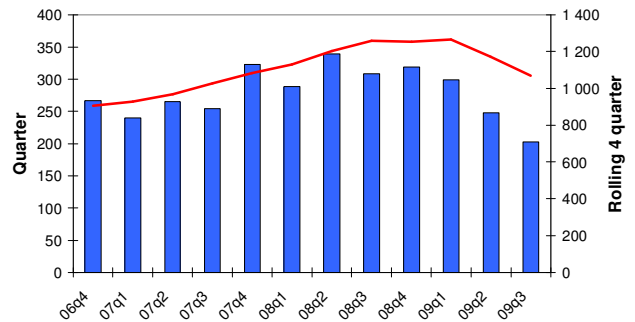
The consolidated **operating result** for the third quarter was SEK 8.6m (34.4). This corresponds to an operating margin of 3.6 per cent (11.1). The capacity utilization has been low during the third quarter with reduced working hours in the Swedish production units. The operating result for the first nine months was SEK 11.6m (103.3), giving an operating margin of 1.5 per cent (11.2).

The savings programs have gradually had effects and the operating margins have increased despite lower sales volumes. Excluding non-recurring costs for the savings programs the operating margins during the first three quarters were 1.5, 2.3 and 4.5 respectively.

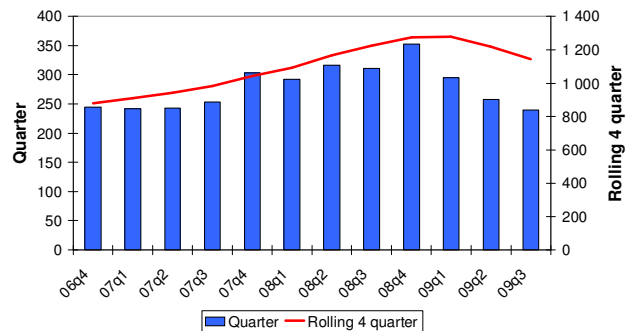
**The result before tax** was SEK 7.0m (30.6) during the third quarter and SEK 6.5m (93.5) during the first nine months.

Current tax for the period amounted to SEK 3.5m. SEK 1.2m were due to higher tax rates in foreign subsidiaries and SEK 0.2m for prior years. Adjusted for these items the year to date tax cost amounted to SEK 2.1m.

Quarterly Orders Received  
SEKm



Quarterly Invoicing  
SEKm



**Net result** was SEK 4.6m (21.6) during the third quarter and SEK 3.0m (66.7) during the first nine months.

**Capital expenditure** during the first nine months amounted to SEK 16.3m (13.6).

**Liquidity:** At the end of September the group had SEK 91.2m in cash and cash equivalents and further SEK 75.3 in available but unutilized overdraft facilities.

**Operating cash flow** in the quarter was SEK 28.7m (10.3) and SEK 48.0m (53.8) for the first nine months, and thus above both the operating result and EBITDA for both the quarter and the first nine months.

**Shareholders' equity** in the group on 30 September 2009 was SEK 497.6m (492.9). An ordinary dividend of SEK 29.3m was paid during the year. The **total number of shares** at the end of the period was 11 715 340.

The group's **equity / assets ratio** was 51.4 per cent on 30 September 2009 (48.3) and the **financial net debt / equity ratio** was 32.9 per cent (38.9).

The average number of **employees** during the first nine months was 665 (710). The number of full time employees at the end of the period was 649 (761). The equivalent number at the end of December 2008 was 759.

## Operating segments - Business areas

SEK m	1 July - 30 Sep		1 Jan - 30 Sep		Full year	Oct-Sep
	2009	2008	2009	2008	2008	12 months
<b>Group</b>						
Net sales, external	239.8	311.3	792.7	920.1	1,272.3	1,144.9
Net sales, total	239.8	311.3	792.7	920.1	1,272.3	1,144.9
Operating result	8.6	34.4	11.6	103.3	140.8	49.1
Operating margin, %	3.6	11.1	1.5	11.2	11.1	4.3
Financial income/expenses	-1.6	-3.8	-5.1	-9.8	-15.2	-10.5
Result before tax	7.0	30.6	6.5	93.5	125.6	38.6
Tax	-2.4	-9.0	-3.5	-26.8	-33.0	-9.7
Net result	4.6	21.6	3.0	66.7	92.6	28.9
<b>Extraction &amp; Filter Systems (EFS)</b>						
Net sales, external	206.3	265.0	671.7	778.6	1,073.4	966.5
Net sales, total	206.3	265.0	671.7	778.6	1,073.4	966.5
Operating result	8.2	28.9	13.5	91.3	124.0	46.2
Operating margin, %	4.0	10.9	2.0	11.7	11.6	4.8
<b>Hose &amp; Cable Reels (HCR)</b>						
Net sales, external	33.5	46.3	121.0	141.5	198.9	178.4
Net sales, total	33.5	46.3	121.0	141.5	198.9	178.4
Operating result	0.4	5.5	-1.9	12.0	16.7	2.9
Operating margin, %	1.2	11.9	-1.6	8.5	8.4	1.6

Net sales in the business area **EFS** declined during the third quarter by 23.0 per cent in SEK compared to the same quarter previous year. During the first nine months net sales declined by 13.8 per cent compared to the first nine months 2008. In local currencies and adjusted for acquisitions the decline was 23.7 per cent for the first nine months. The sales to customers in metal fabrication has declined by more than 50 per cent during the quarter, which is one of the main reasons for the business area's negative development during the quarter.

Net sales in the business area **HCR** declined during the third quarter by 27.6 per cent in SEK compared to the same quarter last year. During the first nine months net sales declined by 14.5 per cent compared to the same period 2008. In local currencies the decline for the nine month period was 21.7 per cent. The invoiced sales in the Business Area shows volatility between quarters due to timing of project orders.

### Risks and uncertainties

The group and the parent company are exposed to a number of risks, primarily connected with the buying and selling of products in foreign currencies. The risks are described in detail in the Annual Report 2008, Director's Report page 17 and in note 26. No circumstances have arisen to change the assessment of the identified risks.

### Nominations committee

Ahead of the AGM in 2010, shareholders representing more than 55 per cent of the shares have decided that the

nominations committee will consist of Jan Svensson (chairman), Fabian Hielte and Peter Rönström. For questions about the nominations committee's work, please contact [jan.svensson@latour.se](mailto:jan.svensson@latour.se).

### Accounting principles

The consolidated financial statement has been prepared in accordance with IAS 34 Interim Financial Reporting. The report for the parent company has been prepared in accordance with Swedish Annual Account Acts and RFR 2.2.

The following changes of existing standards, IAS 1, new interpretations and new standards, IFRS 8, which came into effect on 1 January 2009, are considered to be relevant for Nederman's accounting principles and presentation of the financial statements.

**IAS 1**, Presentation of Financial Statements: Presentation of consolidated statement of comprehensive income and changes in shareholders' equity is shown in one report.

**IFRS 8**, Operating segments: IFRS 8 prescribes that segment reporting shall be presented based on reports given to the CEO. This does not mean any changes in segment reporting compared with previous presentations in accordance with IAS 14.

In all other aspects Nederman applies the same accounting and valuation principles used in the most recent annual report.

## Consolidated statement of comprehensive income

SEK m	1 July - 30 Sep		1 Jan - 30 Sep		Full year	Oct-Sep
	2009	2008	2009	2008	2008	12 months
Net sales	239.8	311.3	792.7	920.1	1,272.3	1,144.9
Cost of goods sold	-129.6	-164.5	-417.2	-478.9	-654.5	-592.8
<b>Gross result</b>	<b>110.2</b>	<b>146.8</b>	<b>375.5</b>	<b>441.2</b>	<b>617.8</b>	<b>552.1</b>
Selling expenses	-86.8	-88.0	-288.8	-259.7	-365.2	-394.3
Administrative expenses	-17.2	-21.1	-65.4	-66.6	-93.1	-91.9
Research and development expenses	-3.2	-3.0	-12.2	-12.3	-17.2	-17.1
Other operating income/expenses	5.6	-0.3	2.5	0.7	-1.5	0.3
<b>Operating result</b>	<b>8.6</b>	<b>34.4</b>	<b>11.6</b>	<b>103.3</b>	<b>140.8</b>	<b>49.1</b>
Financial income	0.2	0.5	1.2	1.2	2.1	2.1
Financial expenses	-1.8	-4.3	-6.3	-11.0	-17.3	-12.6
<b>Net financial items</b>	<b>-1.6</b>	<b>-3.8</b>	<b>-5.1</b>	<b>-9.8</b>	<b>-15.2</b>	<b>-10.5</b>
<b>Result before tax</b>	<b>7.0</b>	<b>30.6</b>	<b>6.5</b>	<b>93.5</b>	<b>125.6</b>	<b>38.6</b>
Tax	-2.4	-9.0	-3.5	-26.8	-33.0	-9.7
<b>Net result</b>	<b>4.6</b>	<b>21.6</b>	<b>3.0</b>	<b>66.7</b>	<b>92.6</b>	<b>28.9</b>
<b>Other comprehensive income</b>						
Translation differences	-11.1	8.9	-5.2	3.7	14.0	5.1
<b>Other comprehensive income</b>	<b>-11.1</b>	<b>8.9</b>	<b>-5.2</b>	<b>3.7</b>	<b>14.0</b>	<b>5.1</b>
<b>Total comprehensive income</b>	<b>-6.5</b>	<b>30.5</b>	<b>-2.2</b>	<b>70.4</b>	<b>106.6</b>	<b>34.0</b>
<b>Net result attributable to:</b>						
The parent company's shareholders	4.6	21.6	3.0	66.7	92.6	28.9
Non-controlling interest						
<b>Total comprehensive income attributable to:</b>						
The parent company's shareholders	-6.5	30.5	-2.2	70.4	106.6	34.0
Non-controlling interest						
<b>Earnings per share</b>						
before dilution (SEK)	0.40	1.84	0.26	5.70	7.90	2.46
after dilution (SEK)	0.40	1.84	0.26	5.70	7.90	2.46

## Consolidated statement of financial position

SEK m	30 Sep		31 Dec
	2009	2008	2008
<b>Assets</b>			
Goodwill	401.4	399.2	396.6
Other intangible fixed assets	28.6	26.4	28.8
Tangible fixed assets	39.4	34.5	36.8
Long-term receivables	0.2	0.5	0.2
Deferred tax assets	35.7	20.4	21.5
<b>Total fixed assets</b>	<b>505.3</b>	<b>481.0</b>	<b>483.9</b>
Inventories	135.0	168.6	170.9
Accounts receivables	175.5	259.3	270.0
Other current receivables	61.0	49.1	42.2
Cash and cash equivalents	91.2	63.5	90.8
<b>Total current assets</b>	<b>462.7</b>	<b>540.5</b>	<b>573.9</b>
<b>Total assets</b>	<b>968.0</b>	<b>1,021.5</b>	<b>1,057.8</b>
<b>Shareholders' equity</b>	<b>497.6</b>	<b>492.9</b>	<b>529.1</b>
<b>Liabilities</b>			
Long-term interest-bearing liabilities	206.8	206.3	176.2
Other long-term liabilities	0.3	0.2	0.4
Provision for pensions	32.3	31.4	31.7
Deferred tax liabilities	17.9	12.5	12.7
<b>Total long-term liabilities</b>	<b>257.3</b>	<b>250.4</b>	<b>221.0</b>
Current interest-bearing liabilities	15.8	17.8	27.0
Accounts payable	68.3	94.9	120.8
Other current liabilities	129.0	165.5	159.9
<b>Total current liabilities</b>	<b>213.1</b>	<b>278.2</b>	<b>307.7</b>
<b>Total liabilities</b>	<b>470.4</b>	<b>528.6</b>	<b>528.7</b>
<b>Total shareholders' equity and liabilities</b>	<b>968.0</b>	<b>1,021.5</b>	<b>1,057.8</b>

## Summary of changes in shareholders' equity

SEK m	30 Sep		31 Dec
	2009	2008	2008
Shareholders' equity on 1 January	529.1	451.8	451.8
Dividend	-29.3	-29.3	-29.3
Total comprehensive income	-2.2	70.4	106.6
<b>Shareholders' equity at the end of period</b>	<b>497.6</b>	<b>492.9</b>	<b>529.1</b>

## Consolidated cash flow statement

SEK m	1 Jan - 30 sep 2009	2008	Full year 2008	Oct-Sep 12 months
Operating profit	11.6	103.3	140.8	49.1
Adjustment for:				
Depreciations of fixed assets	13.1	13.3	16.5	16.3
Other adjustments *)	-18.5	5.2	7.6	-16.1
Interest received and paid incl. other financial items	-4.7	-9.0	-15.5	-11.2
Taxes paid **)	-31.2	-23.7	-32.5	-40.0
Cash flow from operating activities before changes in working capital				
in working capital	-29.7	89.1	116.9	-1.9
Cash flow from changes in working capital	57.8	-56.2	-30.3	83.7
Cash flow from operating activities	28.1	32.9	86.6	81.8
Capital expenditure in fixed assets, net	-16.0	-11.8	-20.7	-24.9
Acquired units	-1.9	-41.8	-42.1	-2.2
Cash flow before financing activities	10.2	-20.7	23.8	54.7
Dividend	-29.3	-29.3	-29.3	-29.3
Cash flow from other financing activities	19.5	37.0	16.4	-1.1
Cash flow for the period	0.4	-13.0	10.9	24.3
Cash and cash equivalent at the beginning of the period	90.8	76.4	76.4	63.5
Exchange rate differences	0.0	0.1	3.5	3.4
Cash and cash equivalent at the end of the period	91.2	63.5	90.8	91.2
<b>Specifications of acquisitions</b>				
Acquisition price incl direct costs	3.0			
Fair value of acquired net assets	-1.1			
<b>Goodwill</b>	<b>4.1</b>			
<b>Purchase price not yet paid</b>	<b>1.1</b>			
<b>Acquired assets and liabilities</b>				
Tangible fixed assets	0.1			
Inventories	0.1			
Accounts receivable and other receivables	0.1			
Cash	0.0			
Interest-bearing liabilities	-0.9			
Accounts payable and other operating liabilities	-0.5			
<b>Net assets</b>	<b>-1.1</b>			
Of which cash in acquired units	0.0			
<b>Fair value of acquired net assets</b>	<b>-1.1</b>			

\*) Other adjustments consist of unrealised currency differences, change in fair value of financial instruments, provisions and other items.

\*\*\*) Taxes paid during 2009 amounts to SEK 31.2m, of which the absolute majority concerns last year.

## Income statement for the parent company

SEK m	1 July - 30 Sep		1 Jan - 30 Sep		Full year	Oct-Sep
	2009	2008	2009	2008	2008	12 months
Operating result	-4.3	-3.5	-18.0	-15.5	-21.1	-23.6
Net financial items	-0.9	-1.0	2.3	0.5	29.9	31.7
<b>Result after financial items</b>	<b>-5.2</b>	<b>-4.5</b>	<b>-15.7</b>	<b>-15.0</b>	<b>8.8</b>	<b>8.1</b>
Changes in untaxed reserves				0.0	-12.0	-12.0
<b>Result before tax</b>	<b>-5.2</b>	<b>-4.5</b>	<b>-15.7</b>	<b>-15.0</b>	<b>-3.2</b>	<b>-3.9</b>
Tax	1.4	2.0	5.5	6.7	12.2	11.0
<b>Result for the period</b>	<b>-3.8</b>	<b>-2.5</b>	<b>-10.2</b>	<b>-8.3</b>	<b>9.0</b>	<b>7.1</b>

## Balance sheet for the parent company

SEK m	30 sep		31 Dec
	2009	2008	2008
<b>Assets</b>			
Total fixed assets	555.8	551.2	552.6
Total current assets	73.2	26.2	94.5
<b>Total assets</b>	<b>631.4</b>	<b>577.4</b>	<b>647.1</b>
<b>Total shareholders' equity</b>			
	<b>370.9</b>	<b>335.8</b>	<b>410.4</b>
<b>Untaxed reserves</b>			
	<b>18.5</b>	<b>6.5</b>	<b>18.5</b>
<b>Liabilities</b>			
Total long-term liabilities	205.0	205.0	175.0
Total current liabilities	37.0	30.1	43.2
<b>Total liabilities</b>	<b>242.0</b>	<b>235.1</b>	<b>218.2</b>
<b>Total shareholders' equity and liabilities</b>	<b>631.4</b>	<b>577.4</b>	<b>647.1</b>

## Pledged assets and contingent liabilities for the parent company

Pledged assets			
Contingent liabilities	34.9	43.2	45.1

## Related parties

SEK m	1 Jan - 30 Sep 2009
<b>Subsidiaries</b>	
Other operating income	7.3
Dividend received	5.9
Financial income and expenses	0.1
Receivables related parties 30 September	39.0
Liabilities related parties 30 September	26.0

## Dates for the publications of financial information

Release of unaudited annual earnings figures	16 February 2010
Q1 Report	28 April 2010
Annual General Meeting	28 April 2010

The interim report gives a fair picture of the Group's and parent company's activities, position and results. The report also describes the significant risks and uncertainties facing the parent company and Group companies.

Helsingborg, Sweden 22 October 2009

Sven Kristensson  
*President and CEO*

## Report on Review of Interim Financial Information

### Introduction

We have reviewed the accompanying interim report of Nederman Holding AB as of 30 September 2009 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with Standard on Review Engagements (SÖG) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swedish Standards on Auditing RS and other generally accepted auditing standards in Sweden and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent company in accordance with the Annual Accounts Act.

Helsingborg 22 October 2009  
KPMG AB

Alf Svensson  
Chartered Accountant

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## Facts about Nederman

Nederman, one of the world's leading environment technology companies, develops, produces and markets its own products and systems for the extraction of dust, smoke, vehicle exhaust fumes and equipment for industrial cleaning. These are based on vacuum technology covering the entire scale from high vacuum to middle and low vacuum. Nederman also produces and sells a comprehensive range of hose and cable reels for water, air, oil and other media.

Nederman's systems contribute in many ways to creating clean, efficient and safe workplaces around the world.

The company's commitments to customers include everything from pre-studies and project work to installation, operational start-up and service.

Manufacturing is certified according to ISO 9001 and ISO 14001. The company has production and assembly units in Sweden, Norway, Canada and China.

Nederman's products and systems are marketed via its own subsidiaries in 25 countries and via agents and distributors in more than 50 countries. The Group has around 650 employees.