

Interim Report January – June 2009

Improved operating result compared to the first quarter, despite lower net sales. Strong growth in China and the U.S. while Europe is affected by the weak economy.

2nd quarter:

- Incoming orders amounted to SEK 247.5m (339.2), which adjusted is a decrease by 35%.*)
- Net sales amounted to SEK 257.6m (316.1), which adjusted is a decrease by 28%.*)
- Operating result was SEK 2.6m (36.2), resulting in an operating margin of 1.0% (11.5).
- Result before tax amounted to SEK 1.2m (32.6).
- Net result was SEK 0.6m (22.8).
- Earnings per share amounted to SEK 0.05 (1.95).

Half year:

- Incoming orders amounted to SEK 546.3m (627.5), which adjusted is a decrease by 24%.*)
- Net sales amounted to SEK 552.9m (608.8), which adjusted is a decrease by 22%.*)
- Operating result was SEK 3.0m (68.9), resulting in an operating margin of 0.5% (11.3).
- Result before tax amounted to SEK -0.5m (62.9).
- Net result was SEK -1.6m (45.1).
- Earnings per share amounted to SEK -0.14 (3.85).

*) Adjusted for currency effects and acquisitions

Key figures, Group

SEK m	1 Apr - 30 June		1 Jan - 30 June		Full year	July-June
	2009	2008	2009	2008	2008	12 months
Net sales	257.6	316.1	552.9	608.8	1,272.3	1,216.4
EBITDA	7.0	40.8	11.8	77.9	158.7	92.6
EBITDA-margin, %	2.7	12.9	2.1	12.8	12.5	7.6
Operating result	2.6	36.2	3.0	68.9	140.8	74.9
Operating margin, %	1.0	11.5	0.5	11.3	11.1	6.2
Result before tax	1.2	32.6	-0.5	62.9	125.6	62.2
Net result	0.6	22.8	-1.6	45.1	92.6	45.9
Earnings per share, SEK	0.05	1.95	-0.14	3.85	7.90	3.92
Operating cash flow	14.0	34.4	19.3	43.5	113.9	89.7
Return on shareholders' equity, %	0.5	19.6	-0.6	19.7	18.9	9.5
Return on operating capital, %	1.5	22.7	0.9	22.2	22.2	11.2
Net debt	194.6	182.3	194.6	182.3	144.1	194.6
Net debt/equity ratio, %	38.6	39.4	38.6	39.4	27.2	38.6
Net debt/EBITDA, multiple			2.1	1.0	0.9	2.1
Average no. of employees			699	686	710	693

Market

Incoming orders and invoiced sales continued to decline during the second quarter. The downturn has been most noticeable within metal fabrication customers and particularly in the machining industry, where invoiced sales declined by more than 60 per cent compared to the second quarter last year.

Net sales in the **Nordic markets** declined by 46 per cent in the quarter in local currencies and adjusted for structural changes. Corresponding decline on half year basis was 39 per cent. Incoming orders, adjusted for currency and acquisitions, declined by 36 per cent in the quarter and by 20 per cent in the first half year compared to last year.

Net sales in the **Other European markets** declined by 22 per cent in the quarter and by 16 per cent during the first half year in local currencies compared to the same period 2008. Incoming orders declined by 31 per cent in the quarter and by 21 per cent during the half year in local currencies.

Net sales in the **North American markets** increased by 25 per cent in local currencies in the quarter and by 18 per cent on the half year basis compared to the same periods last year. Incoming orders grew by 19 per cent in local currencies in the second quarter and by 18 per cent in the first half year. It is mainly the Emergency Vehicles market in the U.S. which has regained momentum compared to the low volumes during previous year.

Other markets outside the North American market and Europe gave mixed impressions. Incoming orders and net sales in China are almost three times as big as the same period last year. A higher level of market efforts and an increasing local sourcing are contributing factors to this success. Net sales in Brazil have increased by more than 30 per cent and net sales in Australia were on the same level as 2008. Both of these markets appear to be unaffected by the weak world economy. India, on the other hand, has been adversely affected by tightening of credits by the banks with difficulties to finance already approved capital expenditures. As a result net sales declined by almost 90 per cent during the first half year compared to the same period 2008. In markets like Japan and Korea sales have been reduced by some 50 per cent.

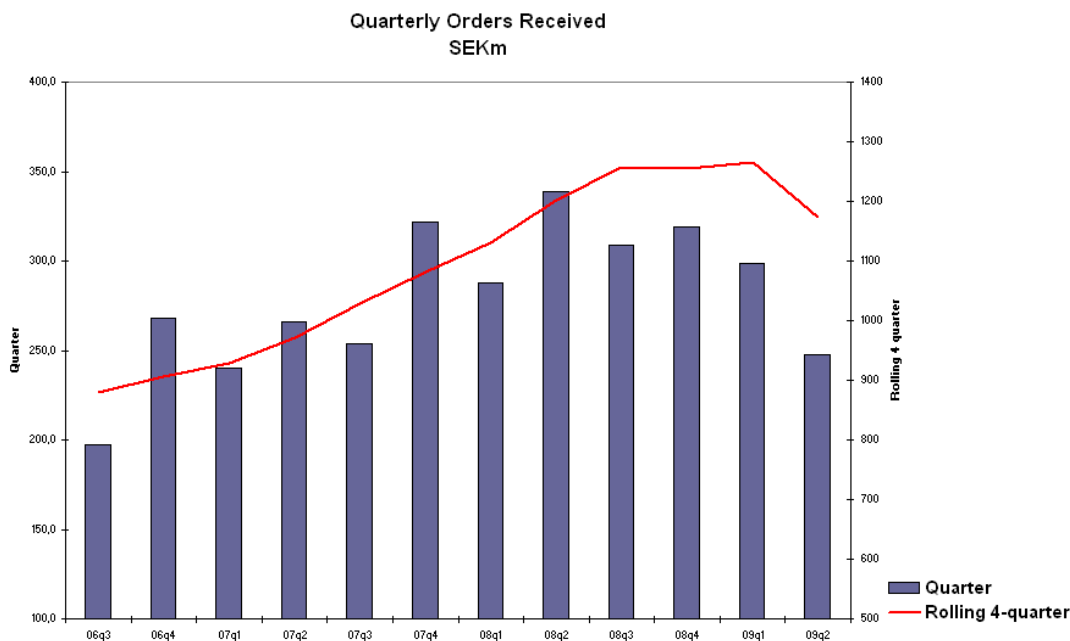
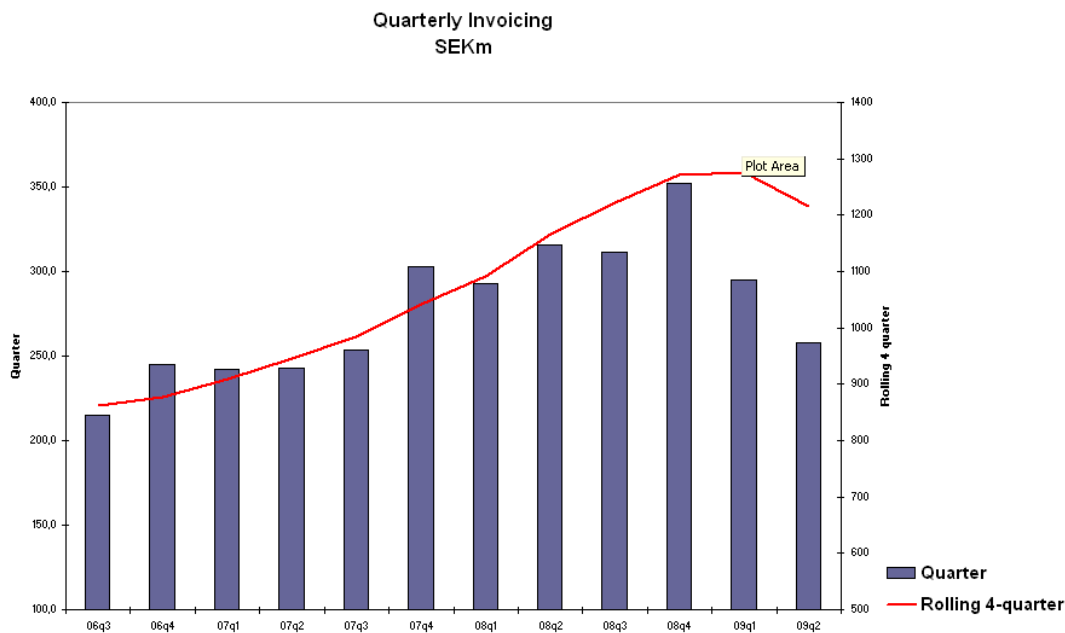
Savings programs

The savings programs implemented during the first quarter have started to generate effects during the second quarter on the gross margin through reductions of direct and indirect manufacturing cost as well as on sales and general administration expenses. Further cost adjustments have been realized during the second quarter to compensate the weaker level of incoming orders in the quarter.

The number of full time employees have declined by 80 people since year end 2008 and were 679 at the end of June 2009. Fully implemented the savings programs will give a reduction of sales and administrative expenses on a full year basis of approximately SEK 70m compared to the level during the fourth quarter 2008. Further cost adjustments may be required.

Outlook

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



Sales and incoming orders

Net sales for the **second quarter** amounted to SEK 257.6m (316.1), which was 19 per cent lower than the second quarter last year. Structural changes had a positive impact of 1,4 per cent and currency 8 per cent. In local currencies and adjusted for acquisitions the decline was 28 per cent. Incoming orders were SEK 247.5m (339.2), a decline by 27 per cent compared to the second quarter 2008. Adjusted for currencies and acquisitions the decline was 35 per cent.

Net sales for the first **six months** were SEK 552.9m (608.8), which was 9 per cent lower than the same period last year. Currency had a positive impact of 9 per cent and acquisitions 4 per cent. Adjusted for currencies effects and acquisitions the decline was 22 per cent. Incoming orders during the first half year were SEK 546.3m (627.5) which was a decline by 13 per cent compared to same period last year.

In local currencies and adjusted for acquisitions the decline was 24 per cent.

Results

The consolidated **operating result** for the second quarter was SEK 2.6m (36.2). This corresponds to an operating margin of 1.0 per cent (11.5).

The capacity utilization in the factories continued to be low during the second quarter, but the savings programs and other improvement projects in the sourcing area brought gross margins back to acceptable levels. The savings programs had effects on sales and administrative expenses during the second quarter according to plan. The already implemented savings will gradually have full impact on the operating margins during the second half of this year, even if the net sales would remain on low levels. The operating result for the first half year was SEK 3.0m (68.9), giving an operating margin of 0.5 per cent (11.3).

The result before tax was SEK 1.2m (32.6) during the second quarter and SEK -0.5m (62.9) during the first six months.

Net result was SEK 0.6m (22.8) during the second quarter and SEK -1.6m (45.1) during the first six months.

Capital expenditure during the first six months amounted to SEK 11.7m (9.4).

Liquidity: At the end of June the group had SEK 67.2m in cash and cash equivalents and further SEK 77.7m in available but unutilized overdraft facilities.

Operating cash flow in the quarter was SEK 14.0m (34.4) and SEK 19.3m for the half year. Decreased working capital had a positive impact of SEK 21.7m on the operating cash flow.

Shareholders' equity in the group at June 30, 2009 was SEK 504.1m (462.4). An ordinary dividend of 2.50 per share was paid to shareholders in the second quarter, amounting in total to SEK 29.3m. The **total number of shares** at the end of the period was 11 715 340.

The group's **equity / assets ratio** was 49.3 per cent on June 30, 2009 (47.8) and the **financial net debt /equity ratio** was 38.6 per cent (39.4).

The average number of **employees** during the first half year was 699 (686). The number of full time employees at the end of the period was 679 (728). The equivalent number at the end of December 2008 was 759.

Operating segments - Business areas

SEK m	1 Apr - 30 June		1 Jan - 30 June		Full year	July-June
	2009	2008	2009	2008	2008	12 months
Group						
Net sales, external	257.6	316.1	552.9	608.8	1,272.3	1,216.4
Operating result	2.6	36.2	3.0	68.9	140.8	74.9
Operating margin, %	1.0	11.5	0.5	11.3	11.1	6.2
Financial income/expenses	-1.4	-3.6	-3.5	-6.0	-15.2	-12.7
Result before tax	1.2	32.6	-0.5	62.9	125.6	62.2
Tax	-0.6	-9.8	-1.1	-17.8	-33.0	-16.3
Net result	0.6	22.8	-1.6	45.1	92.6	45.9
Extraction & Filter Systems (EFS)						
Net sales, external	212.3	271.6	465.4	513.6	1,073.4	1,025.2
Net sales total	212.3	271.6	465.4	513.6	1,073.4	1,025.2
Operating result	2.4	34.4	5.3	62.4	124.0	66.9
Operating margin, %	1.1	12.7	1.1	12.1	11.6	6.5
Hose & Cable Reels (HCR)						
Net sales, external	45.3	44.5	87.5	95.2	198.9	191.2
Net sales total	45.3	44.5	87.5	95.2	198.9	191.2
Operating result	0.2	1.8	-2.3	6.5	16.8	8.0
Operating margin, %	0.4	4.0	-2.6	6.8	8.4	4.2

Net sales in the business area **EFS** declined during the second quarter by 21.8 per cent in SEK compared to the same quarter previous year. During the first half year net sales declined by 9.4 per cent compared to the first six months 2008. In local currencies and adjusted for acquisitions the decline was 22.4 per cent for the first half year. The lower sales particularly to customers in metal fabrication had adversely affected the business area during the second quarter.

Net sales in the business area **HCR** grew during the second quarter by 1.8 per cent in SEK compared to the same quarter last year. During the first six months the business area sales declined by 8.1 per cent compared to the same period 2008. In local currencies the decline for the six month period was 17.9 per cent. A somewhat increased sale to vehicle repair shops during the second quarter partly compensated for the very weak sales during the first quarter for the business area.

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.

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 Accounts 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 January 1 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 in one report and presentation of changes in shareholders' equity.

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 Apr - 30 June		1 Jan - 30 June		Full year	July-June
	2009	2008	2009	2008	2008	12 months
Net sales	257.6	316.1	552.9	608.8	1,272.3	1,216.4
Cost of goods sold	-126.7	-163.8	-287.6	-314.4	-654.5	-627.7
Gross result	130.9	152.3	265.3	294.4	617.8	588.7
Selling expenses	-98.9	-88.1	-202.0	-171.7	-365.2	-395.5
Administrative expenses	-22.2	-24.9	-48.2	-45.5	-93.1	-95.8
Research and development expenses	-4.7	-4.6	-9.0	-9.3	-17.2	-16.9
Other operating income/expenses	-2.5	1.5	-3.1	1.0	-1.5	-5.6
Operating result	2.6	36.2	3.0	68.9	140.8	74.9
Financial income	0.4	0.2	1.0	0.7	2.1	2.4
Financial expenses	-1.8	-3.8	-4.5	-6.7	-17.3	-15.1
Net financial items	-1.4	-3.6	-3.5	-6.0	-15.2	-12.7
Result before tax	1.2	32.6	-0.5	62.9	125.6	62.2
Tax	-0.6	-9.8	-1.1	-17.8	-33.0	-16.3
Net result	0.6	22.8	-1.6	45.1	92.6	45.9
Other comprehensive income						
Translation differences	1.4	1.1	5.9	-5.2	14.0	25.1
Other comprehensive income	1.4	1.1	5.9	-5.2	14.0	25.1
Total comprehensive income	2.0	23.9	4.3	39.9	106.6	71.0
Net result attributable to:						
The parent company's shareholders	0.6	22.8	-1.6	45.1	92.6	45.9
Non-controlling interest						
Total comprehensive income attributable to:						
The parent company's shareholders	2.0	23.9	4.3	39.9	106.6	71.0
Non-controlling interest						
Earnings per share						
before dilution (SEK)	0.05	1.95	-0.14	3.85	7.90	3.92
after dilution (SEK)	0.05	1.95	-0.14	3.85	7.90	3.92

Consolidated statement of financial position

SEK m	30 June		31 Dec
	2009	2008	2008
Assets			
Goodwill	404.1	389.6	396.6
Other intangible fixed assets	29.1	25.0	28.8
Tangible fixed assets	39.8	41.9	36.8
Long-term receivables	0.2	0.4	0.2
Deferred tax assets	34.2	17.4	21.5
Total fixed assets	507.4	474.3	483.9
Inventories	164.4	155.2	170.9
Accounts receivables	234.0	236.2	270.0
Other current receivables	50.2	38.5	42.2
Cash and cash equivalents	67.2	62.6	90.8
Total current assets	515.8	492.5	573.9
Total assets	1,023.2	966.8	1,057.8
Shareholders' equity			
	504.1	462.4	529.1
Liabilities			
Long-term interest-bearing liabilities	206.7	196.9	176.2
Other long-term liabilities	0.3	0.2	0.4
Provision for pensions	32.7	31.0	31.7
Deferred tax liabilities	15.1	12.5	12.7
Total long-term liabilities	254.8	240.6	221.0
Current interest-bearing liabilities	22.4	15.6	27.0
Accounts payable	76.4	98.9	120.8
Other current liabilities	165.5	149.3	159.9
Total current liabilities	264.3	263.8	307.7
Total liabilities	519.1	504.4	528.7
Total shareholders' equity and liabilities	1,023.2	966.8	1,057.8

Summary of changes in shareholders' equity

SEK m	30 June		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	4.3	39.9	106.6
Shareholders' equity at the end of period	504.1	462.4	529.1

Consolidated cash flow statement

SEK m	1 Jan - 30 June	Full year	July-June
	2009	2008	2008
Operating profit	3.0	68.9	140.8
Adjustment for:			
Depreciations of fixed assets	8.8	9.0	16.5
Other adjustments	-2.7	0.8	7.6
Interest received and paid incl. other financial items	-4.1	-5.5	-15.5
Taxes paid	-29.7	-14.7	-32.5
Cash flow from operating activities before changes in working capital	-24.7	58.5	116.9
Cash flow from changes in working capital	21.7	-26.8	-30.3
Cash flow from operating activities	-3.0	31.7	86.6
Net investment in fixed assets	-11.5	-8.4	-20.7
Acquired units	-1.9	-28.2	-42.1
Cash flow before financing activities	-16.4	-4.9	23.8
Dividend	-29.3	-29.3	-29.3
Cash flow from other financing activities	24.5	20.0	16.4
Cash flow for the period	-21.2	-14.2	10.9
Cash and cash equivalent at the beginning of the period	90.8	76.4	76.4
Exchange rate differences	-2.4	0.4	3.5
Cash and cash equivalent at the end of the period	67.2	62.6	90.8
Specifications of acquisitions			
Acquisition price incl direct costs		3.0	
Fair value of acquired net assets		-1.1	
Goodwill		4.1	
Purchase price not yet paid			
		1.1	
Acquired assets and liabilities			
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	
Net assets		-1.1	
Of which cash in acquired units		0.0	
Fair value of acquired net assets		-1.1	

Income statement for the parent company

SEK m	1 Apr - 30 June		1 Jan - 30 June		Full year	July-June
	2009	2008	2009	2008	2008	12 months
Operating result	-5.5	-7.0	-13.7	-12.0	-21.1	-19.6
Net financial items	4.9	-2.8	3.2	1.5	29.9	37.6
Result after financial items	-0.6	-9.8	-10.5	-10.5	8.8	18.0
Changes in untaxed reserves					-12.0	-12.0
Result before tax	-0.6	-9.8	-10.5	-10.5	-3.2	6.0
Tax	1.6	4.7	4.1	4.7	12.2	9.1
Net result	1.0	-5.1	-6.4	-5.8	9.0	15.1

Balance sheet for the parent company

SEK m	30 June		31 Dec
	2009	2008	2008
Assets			
Total fixed assets	556.7	540.8	552.6
Total current assets	79.2	22.4	94.5
Total assets	635.9	563.2	647.1
Total shareholders' equity			
	374.6	338.4	410.4
Untaxed reserves	18.5	6.5	18.5
Liabilities			
Total long-term liabilities	205.0	190.0	175.0
Total current liabilities	37.8	28.3	43.2
Total liabilities	242.8	218.3	218.2
Total shareholders' equity and liabilities	635.9	563.2	647.1

Related parties

SEK m	Period Jan- June	Other operating income	Dividend received	Financial income and expenses	Receivable related parties 30 June	Liabilities related parties 30 June
Subsidiaries		4.9	5.9	0.1	73.3	22.9

This report has not been reviewed by the company's auditors.

Dates for the publications of financial information

Q3 Report 22 October 2009
Financial statement 2009 16 February 2010

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

Helsingborg, Sweden 13 August 2009

Jan Svensson
Chairman of the board

Eric Hielte
Board member

Peter Möller
Board member

Gunnar Gremlin
Board member

Per Borgvall
Board member

Jan Eric Larson
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Facts about Nederman

Nederman, one of the world's leading environmental 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 commitment to customers include everything from pre-studies and project work installation, operational start-up and service.

Manufacturing is certified according to ISO 9001 and ISO 14000. 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 680 employees.