Nederman

Q1 report January – March 2008

Continued good growth in sales and profits

- **Sales during the quarter reached SEK 293m (242), an increase of 21%.**
- **Incoming orders during the quarter amounted to SEK 288m (240), an increase of 20%.**
- **The operating profit for the quarter was SEK 33m (25), an increase of 29%.
  The operating margin for the quarter was 11.2% (10.5).**
- **Profit before tax for the quarter was SEK 30m (24), an increase of 27%.**
- **Net profit for the quarter was SEK 22m (15), an increase of 45%.**
- **Earnings per share for the quarter were SEK 1.90 (1.31).**

Comparable figures for the previous year exclude costs for the IPO which had an impact of SEK 6m on operating profit and SEK 4.3m on net profit in the first quarter.

Key figures, Group

SEK 000	1 Jan - 31 March		Full year	April-March
	2008	2007 *)	2007 *)	12 months *)
Net sales	292 751	241 993	1 041 359	1 092 117
Operating profit	32 748	25 470	114 071	121 349
Operating margin, %	11.2	10.5	11.0	11.1
Profit before tax	30 297	23 829	105 338	111 806
Profit after tax	22 275	15 399	75 186	82 062
Earnings per share	1.90	1.31	6.42	7.00
Operating cash flow	9 111	32 049	88 496	65 558
Return on shareholders' equity, %	19.4	16.0	18.2	19.1
Return on operating capital, %	21.4	18.6	20.0	20.5
Net debt	161 427	162 416	145 625	161 427
Net debt/equity ratio %	34.5	41.4	32.2	34.5
Average no. of employees	624	540	568	582

*) Before IPO costs

Market

The positive development Nederman experienced in 2007 in the market segment for composite manufacturers continued into 2008. During the year, two major orders were received from manufacturers of wind power plants: an order from Spain amounting to around SEK 7m, and a three-year contract from India. The total value of this contract is not yet known, but deliveries in 2008 will amount to around SEK 13m.

During the quarter Nederman received an order for exhaust equipment for 188 sites in Turkey from the Turkish car inspection centres. This order is worth around SEK 10m for Nederman. The order will be delivered in full during this year.

Invoicing increased by 21 per cent compared with the first quarter last year. Growth through acquisitions was 8.0 per cent, while organic growth was 11.4 per cent and there was a positive currency effect of 1.6 per cent.

Nederman's focus on new markets continued to generate good growth during the first quarter. Sales on markets outside Europe and North America climbed by around 100 per cent compared with the same period last year.

Sales in **North America** fell by around 8 per cent in local currency.

Invoicing in **the UK** increased by around 25 per cent in local currency, of which 20 per cent was due to acquisitions.

The **Nordic and Other European** markets both increased by around 20 per cent.

The establishment of a central warehouse and assembly unit for Nederman's products in Shanghai continues according to plan. In March the first order was delivered from the warehouse directly to an end-user in China. By establishing in Shanghai Nederman will be able to serve markets in South East Asia, Australia and New Zealand more efficiently

Acquisitions

In early January Nederman acquired Töredal Verkstad AB, which has been a supplier to the high vacuum product area for decades. Through the acquisition the company secures production of high vacuum products while strengthening competence in this area. There will be a marginally positive effect on profits in 2008. The purchase price was SEK 11m and payment was in cash.

In early March Nederman acquired Arboga-Darenthgruppen, excluding property. This company manufactures and markets products and systems that, in an eco-friendly manner, handle, transport and recycle surplus metal and cutting fluids in the metal processing industry. Arboga-Darenth's products complement Nederman's existing offer in this market segment. The three companies had sales of SEK 76m in 2007. There will be a marginally positive effect on profits in 2008. The purchase price was SEK 11m and payment was in cash.

On 1 April Nederman took over the automotive part of Assalub, which strengthens Nederman's presence in the market segment of auto workshops, which is a core area and where Nederman has been successful especially in Belgium and Norway but also in Spain in recent years. For many years Assalub has been a leader in Sweden within the field of rational handling of lubricants and service fluids for auto workshops. Nederman's sales are expected to increase by around SEK 25m annually. There will be a marginally positive effect on profits in 2008. The purchase price was SEK 7m and payment is being made in cash.

Outlook

The company expects demand in Q2 to remain good in Europe and the rest of the world. The North American market is expected to show a slightly weaker performance.

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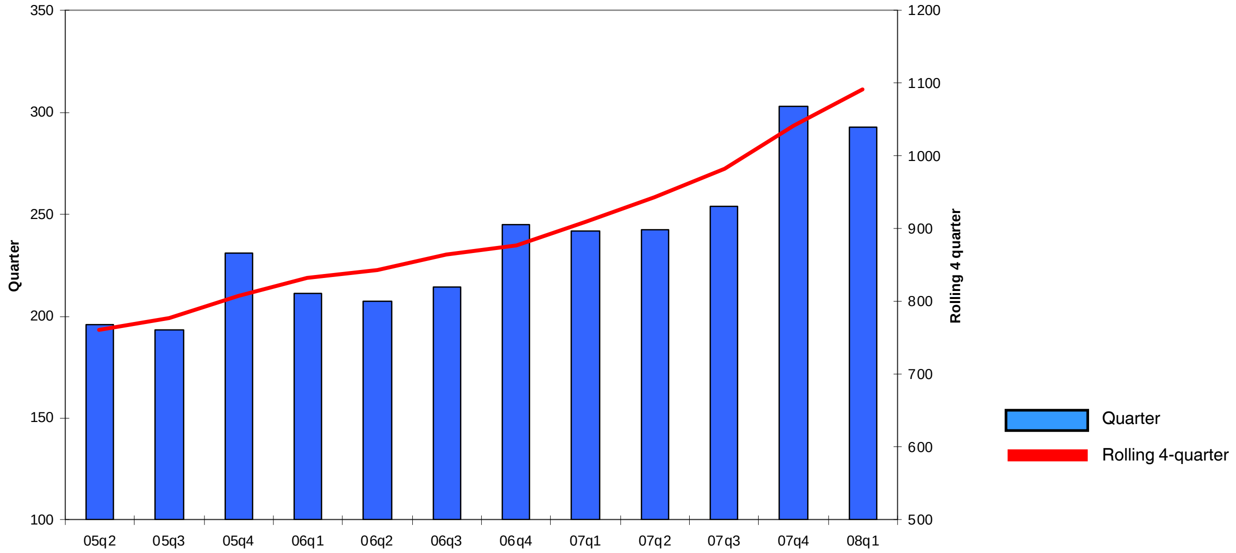
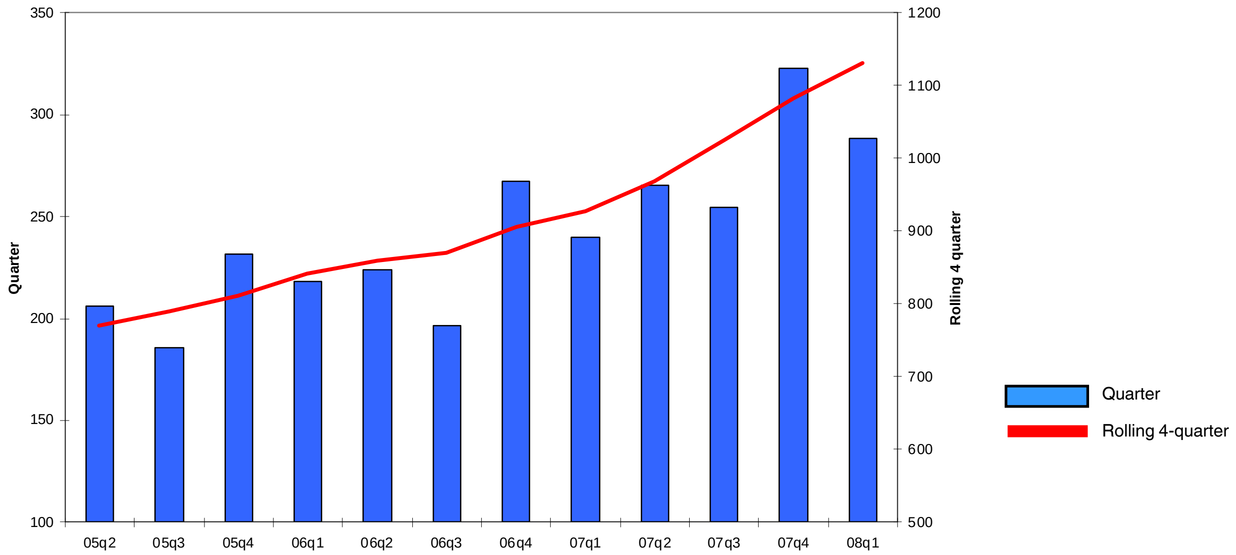
Quarterly Invoicing
MSEK



Quarterly Orders Received
MSEK



Sales

Net sales for the first quarter were SEK 293m (242), an increase of 21 per cent compared with the same period last year. The increase in local currency was 19 per cent. Eight per cent of the increase was due to acquisitions and 11 per cent to organic growth.

Incoming orders in the first quarter were SEK 288m (240), which is an increase of 20 per cent compared with the same quarter last year and 19 per cent in local currency.

Profits

The consolidated **operating profit** for the first quarter was SEK 33m (25), which corresponds to an operating margin of 11.2 per cent (10.5). This is an increase of 29 per cent compared with the first quarter of 2007.

The **gross margin** was 50.1 per cent, which was the same as the first quarter of 2007.

Earnings before tax increased to SEK 30m (24).

Earnings after tax increased to SEK 22m (15).

Gross investments during the period amounted to SEK 4m (4).

The **liquidity** in the Group during the reporting period fell by SEK 3m. At the close of the period the Group had SEK 74m in cash and cash equivalents and SEK 36m (27.5) in available but unutilised overdraft facilities. The Group thereby had at its disposal SEK 110m on 31 March 2008.

The **operating cash flow** in the quarter was SEK 9m (32). The decline was mainly caused by temporary differences in allocations to periods of payments to suppliers and other current receivables.

Shareholders' equity in the Group on 31 March 2008 was SEK 468m (392). The **total number of shares** at the close of the period was 11,715,340.

The Group's **equity/assets ratio** was 49 per cent on 31 March 2008 (49) and the **financial net debt/equity ratio**, calculated as the net debt in relation to shareholders' equity, was 34.5 per cent (41.4).

Employees
The average number of employees during the period was 624 (540). The number of employees at the end of the period was 693 (551).

Business areas

The **Extraction & Filter Systems** business area's net sales increased to SEK 242m (207) or by 21 per cent compared with the Q1 2007. The operating profit for the quarter was SEK 28m (23), an operating margin of 11.7 per cent (11.3).

The **Hose & Cable Reels** business area's net sales for Q1 increased to SEK 51m (42) or by 21 per cent compared with the same quarter in 2007. The operating profit for the quarter was SEK 4.4m (2.9), an operating margin of 8.8 per cent (7.0).

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 currency. These risks are described in detail on page 27 and in note 26 of the company's annual report for the 2007 financial year. During the reporting period no circumstances have arisen to change the assessment of the identified risks.

Accounting principles
This financial report has been prepared in accordance with International Financial Reporting Standards, IFRS, as approved by the EU Commission for application within the EU. The report is also prepared in accordance with IAS 34, Interim Financial Reporting, which is in accordance with the requirements of recommendation RR31, Interim Reports for Groups, of the Swedish Financial Accounting Standards Council. For a description of the Group's accounting principles and definitions, please see the 2007 annual report. The principles applied are unchanged. Annual reports and interim reports published prior to the end of June 2006 were prepared in accordance with the Swedish Annual Accounts Act and the general guidance of the Swedish Accounting Standards Board. In connection with the preparation of the listing prospectus, historical financial information for comparable periods was re-stated in accordance with IFRS.

Consolidated income statement

	1 Jan - 31 March		Full year	April-March
SEK 000	2008	2007	2007	12 months
Net sales	292 751	241 993	1 041 359	1 092 117
Cost of goods sold	-146 086	-120 754	-525 787	-551 119
Gross profit	146 665	121 239	515 572	540 998
Selling expenses	-88 088	-75 642	-315 295	-327 741
Administrative costs	-20 630	-14 853	-66 829	-72 606
Research and development costs	-4 713	-3 267	-15 146	-16 592
Other operating income/expenses	-486	-8 007	-10 925	-3 404
Operating profit	32 748	19 470	107 377	120 655
Financial income	476	862	3 474	3 088
Financial expenses	-2 927	-2 503	-12 207	-12 631
Net financial items	-2 451	-1 641	-8 733	-9 543
Profit before tax	30 297	17 829	98 644	111 112
Tax	-8 022	-6 750	-28 278	-29 550
Profit for the year	22 275	11 079	70 366	81 562
Earnings per share, SEK	1.90	0.95	6.01	6.96
Earnings per share after dilution, SEK	1.90	0.95	6.01	6.96
Average number of shares	11 715 340	11 715 340	11 715 340	11 715 340
Average number of shares after dilution	11 715 340	11 715 340	11 715 340	11 715 340
Number of shares at year-end	11 715 340	11 715 340	11 715 340	11 715 340

Consolidated balance sheet

SEK 000	31 March		31 Dec
	2008	2007	2007
Assets			
Goodwill	379 752	356 313	370 336
Other intangible fixed assets	24 054	22 764	24 197
Tangible fixed assets	42 455	37 599	40 987
Long-term receivables	730	887	497
Deferred tax assets	14 080	12 298	12 924
Total fixed assets	461 071	429 861	448 941
Inventories	142 156	97 648	121 600
Accounts receivable	238 193	187 970	234 844
Other current receivables	47 154	21 005	27 980
Cash and cash equivalents	74 196	57 155	76 439
Total current assets	501 699	363 778	460 863
Total assets	962 770	793 639	909 804
Shareholders' equity	467 777	392 106	451 764
Liabilities			
Long-term interest-bearing liabilities	158 141	158 473	158 111
Other long-term liabilities	257	2 329	566
Provisions for pensions	30 599	29 665	30 207
Deferred tax liabilities	12 739	10 543	13 089
Total long-term liabilities	201 736	201 010	201 973
Current interest-bearing liabilities	46 883	31 433	33 746
Accounts payable	96 545	72 331	104 847
Other current liabilities	149 829	96 759	117 474
Total current liabilities	293 257	200 523	256 067
Total liabilities	494 993	401 533	458 040
Total shareholders' equity and liabilities	962 770	793 639	909 804

Summary of changes in the Group's shareholders' equity

SEK 000	31 March		31 Dec
	2008	2007	2007
Shareholders' equity on 1 January	451 764	376 587	376 587
Changes in translation reserve for the period	-6 262	4 440	4 811
Profit for the period	22 275	11 079	70 366
Shareholders' equity at end of period	**467 777**	**392 106**	**451 764**

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Consolidated cash flow statement

SEK 000	1 Jan - 31 March 2008	Full year 2007	Full year 2007	April-March 12 months
Operating profit	32 748	19 470	107 377	120 655
Adjustments for:				
Depreciation of fixed assets	4 553	4 350	17 793	17 996
Other adjustments	355	324	3 737	3 768
Interest received and paid incl. Other financial items	-2 083	-2 319	-8 605	-8 369
Taxes paid	-8 511	-8 592	-21 441	-21 360
Cash flow from current activities before changes in working capital	27 062	13 233	98 861	112 690
Cash flow from changes in working capital	-24 939	5 615	-30 392	-60 946
Cash flow from current activities	2 123	18 848	68 469	51 744
Net investments in fixed assets	-3 606	-3 710	-16 713	-16 609
Acquired units	-13 242	-9 390	-31 149	-35 001
Cash flow before financing activities	-14 725	5 748	20 607	134
Cash flow from financing activities	11 509	-41	3 845	15 395
Cash flow for the period	-3 216	5 707	24 452	15 529
Cash at the beginning of the period	76 439	50 235	50 235	57 155
Exchange rate differences	973	1 213	1 752	1 512
Cash at the end of the period	74 196	57 155	76 439	74 196

Specification of acquisitions				
Acquisition price including direct costs	22 246	9 652	33 171	45 765
Fair value of acquired net assets	11 593	3 015	11 446	20 024
Goodwill	**10 653**	**6 637**	**21 725**	**25 741**
Purchase price not yet paid	**9 004**	**262**	**2 022**	**10 764**
Acquired assets and liabilities				
Tangible fixed assets	3 400	861	1 626	4 165
Inventories	12 769	2 412	3 481	13 838
Accounts receivable and other receivables	20 539	2 601	16 034	33 972
Deferred tax asset			4	4
Cash	9 770	6 880	7 084	9 974
Interest-bearing liabilities	-1 370			
Accounts payable and other operating liabilities	-23 465	-2 188	-8 732	-30 009
Deferred tax liabilities	-280	-671	-967	-576
Assets	**21 363**	**9 895**	**18 530**	**29 998**
Of which cash/interest-bearing liabilities in acquired units	-9 770	-6880	-7 084	-9 974
Fair value of acquired net assets	**11 593**	**3 015**	**11 446**	**20 024**
Net profit during ownership period	94	558	4 322	3 858
Net sales January-March in the acquired units	9 527	3 140	64 566	70 953
Net profit January-March in the acquired units	-677	835	7 969	6 457

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Income statement for the parent company

SEK 000	1 Jan - 31 March 2008	1 Jan - 31 March 2007	Full year 2007	April-March 12 months
Operating loss	-5 014	-8 857	-20 672	-16 829
Net financial items	4 264	-1 424	6 859	12 547
Profit/loss after net financial items	-750	-10 281	-13 813	-4 282
Transfers to/from untaxed reserves	0	0	-5 473	-5 473
Profit/loss before tax	-750	-10 281	-19 286	-9 755
Tax		2 865	8 851	5 986
Profit/loss for the year	-750	-7 416	-10 435	-3 769

Balance Sheet for the parent company

SEK 000	31 March 2008	31 March 2007	31 Dec 2007
Assets			
Total fixed assets	535 313	534 353	520 407
Total current assets	59 139	11 983	67 863
Total assets	594 452	546 336	588 270
Total shareholders' equity	372 719	338 343	373 469
Untaxed reserves	6 489	1 016	6 489
Liabilities			
Total long-term liabilities	150 000	150 000	150 000
Total current liabilities	65 244	56 977	58 312
Total liabilities	215 244	206 977	208 312
Total shareholders' equity and liabilities	594 452	546 336	588 270

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Dates for the publication of financial information

Q 2 report 24 July 2008
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Helsingborg, Sweden 29 April 2008

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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 14000. The company has production and assembly units in Sweden, Norway and Canada.

Nederman’s products and systems are marketed via its own subsidiaries in 24 countries and via agents and distributors in more than 50 countries. The Group has around 700 employees.