

Interim report January – March 2007

Continued strong growth of sales and profits

- Sales grew by 15% (*in local currency, by 19%*) to SEK 242m (211)
- Incoming orders grew by 10% (*in local currency, by 14%*) to SEK 240m (218)
- Operating profit amounted to SEK 25.5m (20.6) (*before the one-time charge in connection with the IPO process. Including IPO expenses, SEK 19.5m.*)
- Profit/loss before taxes increased by 32 per cent to SEK 23,8m (18,0) (*before the IPO charge. Including IPO charge SEK 17,8m*)
- Net profit/loss was SEK 17,1m (13,5) (*before IPO charge. Including IPO charge SEK 11,7m*)
- Earnings per share were SEK 1.46 (1.17) (*before the IPO charge. Including IPO charge 0,95m*)
- Nederman acquires an installation and service company in Belgium
- Considerable increased in incoming orders from the wind power industry in China and India
- The owners of the company have decided to list Nederman on a stock exchange. See the separate press release

Sven Kristensson, CEO comments on the financial report

”It is with great satisfaction that we can report that the invoicing increased by 15% and at the same time profits continued to increase during the first quarter of 2007.”

”The group’s result continues to show strong growth with profit/loss before taxes which is more than 30% better than for the same period last year.”

”What was especially significant during the quarter is the strong growth in the markets outside of Europe and North America, and the successful inroads made with wind power equipment manufacturers in both China and India.”

”All of us in the company are happy that the owners, after a number of successful years, have chosen to list Nederman on a stock exchange. Thereby, we now enter the next stage in the growth of the company.”

The Market

Nederman continues to invest in new markets. During the month of February, Nederman established its own business operations in Moscow, Russia. Other countries in Eastern Europe with our own operations are: Poland, the Czech Republic, Slovakia, Romania, and Hungary. The structured work since the establishment of operations in India and China 2005 has resulted in that Nederman has recently received a number of orders from these countries. The orders encompass equipment for the capture of particles harmful to the environment and human health, which arise when working with composite materials. In both India and China, large investments were made in facilities for the production of wind power equipment. During the first quarter Nederman has also made a number of

complete installations of equipment for exhaust extraction for the automotive service industry in India. For example at Tata Motors, India's largest car manufacturer, and Hero Honda Motors, the world's largest manufacturer of motorcycles. Additional orders have been received from Honda Motors.

Acquisitions

In the month of February, Nederman Belgium acquired the installation and service company Leda which has extensive experience from the automotive aftermarket industry. Via the acquisition, Nederman Belgium will be able to offer the automotive service industry complete systems and solutions from design of the entire facility to installation and service agreements. The purchase price was EUR 1,7m, which was paid in cash. Liquid fund

of EUR 0,7m was included in the acquisition. Sales 2006 amounted to around SEK 16m. The group's net sales is expected to grow by at least SEK 12m, after adjustments for internal deliveries. Profit/loss before taxes is expected to grow by around SEK 2m.

Personnel and organisation

In line with the objective to further develop the North American market, Nederman has implemented an organisational change during the early part of the year. Krister Johnsson, currently the business area manager for Extraction & Filter Systems (EFS), has been appointed to be the regional manager for North America as of May 21. Per Lind has been appointed to be the business area manager in EFS.

Key figures

MSEK	1 January - 31 March		Full year	Full year
	2007	2006	2006	2005
Net sales	242	211	878	808
Gross margin	50,1%	50,3%	49,1%	48,4%
EBITDA ¹⁾	30	25	104	82
EBITDA margin ¹⁾	12,2%	11,7%	11,9%	10,2%
EBIT ¹⁾	26	21	85	63
EBITmargin ¹⁾	10,5%	9,8%	9,7%	7,8%
Shareholders' equity	392		377	325
Equity/assets ratio	49%		49%	43%
Return on operating capital ¹⁾	16,6%		15,9%	12,2%
Net debt	162		164	208
Net debt/equity ratio, x	0,41		0,44	0,64
Earnings per share before dilution, SEK	1,46		4,73	4,50
Earnings per share after dilution, SEK	1,46		4,67	4,45
Number of shares before dilution, average	11 715 340		11 613 010	11 512 340
Number of shares after dilution, average	11 715 340		11 786 430	11 715 340
Earnings per share after full dilution ¹⁾	1,46		4,67	4,18

1) Before one-time charges for the IPO process

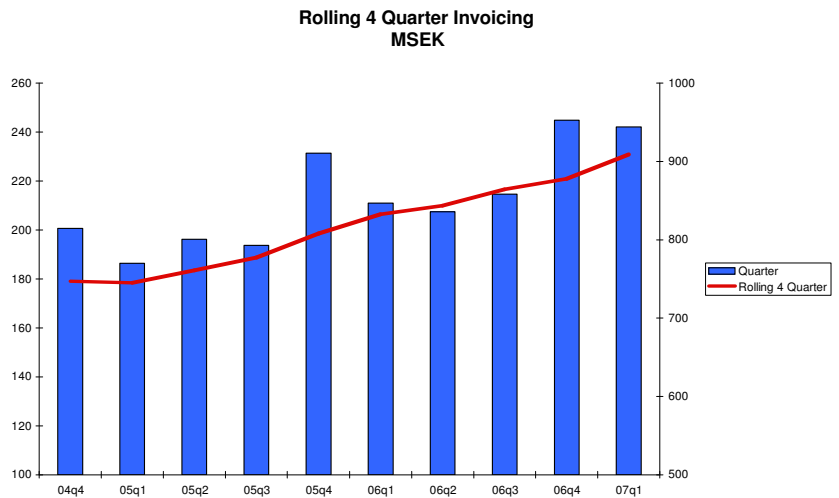
Sales

The net sales for the period January – March amounted to SEK 242m (211), an increase of 15 per cent compared with same period the previous year. Adjusted for currency effects, the increase in net sales was 19 per cent. The incoming orders during same period was SEK 240m (218), which is an increase of 10 per cent compared with the previous year. This is a 14 per cent growth with the adjustment for currency effects.

In the business area **Extraction & Filter Systems**, net sales increased to SEK 200m (176) or with 13 per cent compared with the first quarter of 2006. It is primarily within the customer segment composite materials that the business area has experienced significant success with during the first quarter of 2007.

In the business area **Hose & Cable Reels**, net sales increased to SEK 42m (33) or with 25 per cent compared with the first quarter of 2006. A contributing factor to the increase was the effects of the acquisition of the Belgian installation and service company Leda, which was responsible for 9 per cent of this increase. The investment within car repair workshops in certain selected markets has also positively contributed to the increase in sales within the business area.

Nederman's investments in new markets have resulted in a good growth during the first quarter. The sales in **Other Markets**, which are markets outside of Europe and North America, increased by almost 150 per cent compared with the same period the previous year, though from low levels.



The net sales in the **Nordic Region** increased by 25 per cent compared with the first quarter of 2006. There was good growth in all sub-markets. What was most satisfying above all was the growth in Denmark as a result of the changes made during 2006.

Profits

The consolidated operating profits before one-time charges in connection with the IPO process increased to SEK 25.5m (20.6), which corresponds to an operating margin of 10.5 per cent (9.8). The expenses in connection with the IPO process is calculated to be SEK 6m for 2007, which as a whole has been charged to the first quarter. Operating profits after the one-time charges amounted to SEK 19.5m.

The gross margin has been stable during the period with 50.1 per cent, compared with 50.3 per cent the first quarter of the previous year, and 49.1 per cent for the full year 2006. Pre-tax profits increased to SEK 24m (18) before and SEK 18m after the IPO expenses.

Net profit increased to SEK 17m (13) before and SEK 11m after IPO expenses. The effects of currency translation did not have a significant impact on the profits.

In the business area **Extraction & Filters Systems**, operating profit increased to SEK 26.4m (21.4), which corresponds to an operating margin of 13.2 per cent (12.1). The gross margin has increased somewhat during the period due to a favourable product mix.

In the business area **Hose & Cable Reels**, operating profit amounted to SEK 3.8m (3.9), which corresponds to an operating margin of 9.1 per cent (11.7). The gross margin has decreased somewhat due to the increase of sales to the automotive service and repair shop industry where the proportion of the products we produce ourselves is somewhat lower than other industries.

Gross investments during the period amounted to SEK 3.7m (2.9)

The **liquidity** in the Group during current reporting period has increased by SEK 6.9m (10.7). At the close of the period, the Group had SEK 57.2m in cash and cash equivalents and SEK 27.5m in available but unutilised overdraft facilities. The Group thereby had SEK 84.7m available on 31 March 2007.

Shareholders' equity in the Group amounts to SEK 392m. The total numbers of shares at close of the period was 1,171,534. On the extraordinary

general meeting 2007 a 10:1 split was decided. The numbers of shares in this report, including for previous periods, are stated as if the split already was carried out.

The Group's **equity/assets ratio** was 49.2 per cent as at 31 March 2007 (45.3) and the net debt/equity ratio, calculated as the financial net interest-bearing debt divided by shareholders' equity was 0.41 (0.58).

Loans during the period have been raised in the amount of SEK 10m via using of a part of the unutilised revolving line of credit in connection with the acquisition of the Belgian company Leda.

Employees

The company had 540 (503) employees at the close of the period.

Accounting principles

This interim report has been prepared in accordance with the Swedish Annual Accounts Act (*Årsredovisningslagen*) and IAS 34, Interim Financial Reporting. The accounting principles were changed to IFRS as of the annual report 2006. Instead of the Swedish Accounting Standards Board general guidance which was previously used. All comparison numbers are adapted according to the new principles applied and the effect these refer to the Annual Report 2006.

Consolidated Profit and Loss Statement

TSEK	1 January - 31 March		Full year	Q2-06-Q1-07
	2007	2006	2006	12 months
Net sales	241 993	211 010	877 794	908 777
Cost of goods sold	-120 754	-104 964	-446 529	-462 319
Gross profit/loss	121 239	106 046	431 265	446 458
Other operating income	522	2 090	7 886	6 318
Selling expenses	-75 642	-66 101	-275 757	-285 298
Administrative expenses ¹⁾	-20 853	-14 693	-58 967	-65 127
Research and development expenses	-3 267	-3 806	-14 356	-13 817
Other operating expenses	-2 529	-2 891	-4 695	-4 333
Operating profit/loss ¹⁾	19 470	20 645	85 376	84 201
Financial income	862	0	794	1 656
Financial expenses	-2 503	-2 640	-10 561	-10 424
Net from financial items	-1 641	-2 640	-9 767	-8 768
Profit/loss before taxes ¹⁾	17 829	18 005	75 609	75 433
Taxes	-6 750	-4 507	-20 656	-22 899
Net profit/loss ¹⁾	11 079	13 498	54 953	52 534
Earnings per share before dilution, SEK ¹⁾	0,95	1,17	4,73	4,50
Earnings per share after dilution, SEK ¹⁾	0,95	1,16	4,67	4,45
Number per shares before dilution, average	11 715 340	11 512 340	11 613 010	11 816 010
Number per shares after dilution, average	11 715 340	11 609 780	11 786 430	11 891 990

1) After one-time charge in connection with the 100 process.

Consolidated Balance Sheet

TSEK	As of 31 March		31 December
	2007	2006	2006
Assets			
Goodwill	356 313	346 878	348 010
Other intangible fixed assets	22 764	22 067	22 885
Tangible fixed assets	37 599	39 825	37 451
Long-term receivables	887	514	772
Income taxes recoverable	12 298	12 071	12 210
Total fixed assets	429 861	421 355	421 328
Stocks on hand	97 648	84 456	89 776
Accounts receivable	187 970	152 701	187 815
Other short-term receivables	21 005	23 118	24 081
Cash and cash equivalents	57 155	65 726	50 235
Total current assets	363 778	326 001	351 907
Total assets	793 639	747 356	773 235
Shareholders' equity			
Share capital	1 172	1 151	1 172
Other contributed capital	345 931	340 065	345 931
Reserves	4 883	9 743	443
Retained earnings including of this year's net profit/loss	40 120	-12 414	29 041
Total shareholders' equity	392 106	338 545	376 587
Liabilities			
Long-term interest bearing liabilities	158 473	193 413	146 264
Other long-term liabilities	2 329	1 710	0
Provision for pensions	29 665	27 701	28 389
Deferred taxes liabilities	10 543	10 961	13 258
Total long-term liabilities	201 010	233 785	187 911
Short-term interest bearing liabilities	31 433	41 495	39 475
Accounts payable	72 331	59 093	84 160
Other short-term liabilities	96 759	74 438	85 102
Total short-term liabilities	200 523	175 026	208 737
Total liabilities	401 533	408 811	396 648
Total shareholders' equity and liabilities	793 639	747 356	773 235

Consolidated cash flow statement

TSEK	1 January - 31 March		Full year
	2007	2006	2006
Cash flow from current operations before changes in operating capital	13 233	13 159	75 334
Cash flow from changes in operating capital	5 615	5 451	-14 259
Investments in subsidiaries	-9 390	0	-4 711
Cash flow from other investment activities	-3 710	-2 851	-14 681
Cash flow from financing activities	-41	-5 121	-44 955
Cash flow for the period	5 707	10 638	-3 272
Cash and cash equivalents at the beginning of the year	50 235	55 038	55 038
Exchange rate gains/losses in cash and cash equivalents	1 213	50	-1 531
Cash and cash equivalents at the close of the period	57 155	65 726	50 235

Summary of changes in the Group's shareholders' equity

TSEK	As of 31 March		31 December
	2007	2006	2006
Shareholders' equity, 1 January	376 587	325 246	325 246
Changes in translation reserves for the period	4 440	-199	-9 499
Profit/loss for the period	11 079	13 498	54 953
Conversion of loans	0	0	5 887
Shareholders' equity at the close of the period	392 106	338 545	376 587

This interim report has not been prepared in accordance with IAS 34.
This interim report has not been subject to any review by the company's auditors.

Dates for the publication of financial information 2007

Interim report January – June, 2 nd quarter	26 July, 2007
Interim report January – September, 3 rd quarter	26 October, 2007
Release of unaudited annual earnings figures	14 February, 2008

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Nederman Holding AB (publ) has its registered offices in Helsingborg, Sweden
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Facts about Nederman

Nederman is one of the world's leading companies with products and systems for extraction of dust, smoke, automobile exhaust fumes, and with equipment for industrial cleaning. These are based on a vacuum technology, which encompasses the entire range from high vacuum to middle and low vacuum. Nederman also has an extensive programme of hose and self-retractable cable reels for water, air, oil, and other media.

Nederman's systems contribute in several ways to creating clean, efficient and safe workplaces all over the world.

The company's commitments to customers encompass everything from preliminary studies and project planning to installation, operational start-up and service.

The manufacturing is certified according to ISO 9001 and ISO 14000. Units for production and assembly are located in Sweden, Norway and Canada.

Nederman's products and systems are marketed by our own subsidiaries in 24 countries, and by agents and distributors in more than 50 countries.

The Group has approximately 540 employees.