

Interim report, January – March 2010

The acquisition of Dantherm Filtration enables Nederman to create a platform for global leadership, and the savings programs boosts earnings capability

Quarter 1

- Incoming orders amounted to SEK 240.8m (298.8), which adjusted is a decline by 15.1% *)
- Net sales amounted to SEK 240.3m (295.3), which adjusted is a decline by 14.3%. *)
- Operating result was SEK 9.3m (0.4). Operating margin was 3.9% (0.1).
- Result after tax was SEK 5.0m (-2.2).
- Earnings per share were SEK 0.43 (-0.19).
- Nederman acquires Dantherm Filtration. Deal expected to be concluded on 29 April.

*) Adjusted for currency effects and acquisitions.

CEO'S comments

“It is very positive that despite continued pressure on volumes we can report an improved operating margin. This shows that the savings programs have had full effect and that we are well-positioned when volumes begin to pick up.” *Sven Kristensson, CEO.*

Key figures, Group

SEK m	1 Jan - 31 March 2010	2009	Full year 2009	April-March 12 months
Net sales	240.3	295.3	1 052.0	997.0
EBITDA	13.8	4.8	41.4	50.4
Operating result	9.3	0.4	23.3	32.2
Operating margin, %	3.9	0.1	2.2	3.2
Result before tax	7.0	-1.7	17.2	25.9
Result after tax	5.0	-2.2	14.6	21.8
Earnings per share, SEK	0.43	-0.19	1.25	1.87
Operating cash flow	-0.8	5.3	112.8	106.7
Return on shareholders' equity, %	3.9	-1.7	2.8	4.2
Return on operating capital, %	5.9	0.2	3.6	4.8
Net debt	119.1	168.5	108.0	119.1
Net debt/equity ratio, %	23.2	31.7	21.0	23.2
Net debt/EBITDA, multiple			2.6	2.4
EBITDA/net financial items, multiple			6.8	8.0
Average no. of employees	644	744	672	694

New reporting structure

As from 2010 Nederman is reporting according to the business areas Europe and International.

Europe comprises the Nordic region and the other European markets where Nederman operates its own sales companies.

International comprises national distributors and the company's own sales companies in the rest of the world.

The acquired business, Dantherm Filtration, will be reported as a separate operating segment in 2010.

Development per business area

Europe

The UK: The start of the year was weaker than expected. We are noting increased optimism and more activity regarding large projects.

Scandinavia

The Scandinavian market performed largely as expected. Development appears to be positive. We are noting increased activity in the machine processing segment in Sweden and Norway. Our efforts via the leading engineering companies in the Offshore segment in Norway have been positive. The Danish market has been affected by a temporary downturn in the international wind power market and a slowdown in domestic demand.

Other European countries are showing mixed development. In parts of Eastern Europe we are noting signs of recovery from a weak starting point while Central Europe shows continuous weak demand. Among other successes, we won a large prestigious order in the metalworking sector. Central Europe remains weak.

SEK m	1 Jan - 31 March 2010	2009	Full year 2009	April-March 12-months
Europe				
External sales	173.6	220.2	785.0	738.4
Total net sales	173.6	220.2	785.0	738.4
Depreciations	-1.4	-1.4	-5.7	-5.7
Operating result	14.8	30.4	77.0	61.4

Incoming orders in the first quarter was SEK 169.6 m (221.4), which is a decline by 23.4 per cent compared to the same quarter last year.

Net sales in the first quarter was SEK 173.6 m (220.2), which is a decline by 21.2 per cent compared to the same quarter last year.

International

In China, where we established two years ago, we now have a smoothly functioning organization in place. We have our own sales offices in Shanghai and Beijing, and in 2010 we will open up in two further areas of industrial significance. A well-functioning distribution network comprising over 20 distributors is already in place.

Environmental and occupational safety issues are becoming more and more important for China's leaders and large sums of money will be invested in this area in coming years.

In India there is a high level of activity within Nederman's traditional market segments. A new organisation was established in 2009. Regional sales offices have opened in strategically important sites and the distribution network has expanded.

Brazil has not been directly hit by the effects of the global economic downturn to the same extent as other countries. We are noting strong demand for our products and services in all market segments.

North America: A new market organisation has been set up in the US with a sharper focus on Nederman's traditional market segments. The distribution network serving the welding industry and emergency vehicle stations is being expanded and developed continuously. A new product range for emergency vehicle stations has just been launched to enhance our flexibility and meet local technical specifications.

SEK m	1 Jan - 31 March		Full year	April-March
	2010	2009	2009	12-months
International				
External sales	65.3	73.7	261.3	252.9
Total net sales	65.3	73.7	261.3	252.9
Depreciations	-0.5	-0.5	-2.0	-2.0
Operating result	2.7	3.0	-7.3	-7.6

Incoming orders in the first quarter was SEK 68.9 m (73.8), which is a decline by 6.6 per cent compared to the same quarter last year.

Net sales in the first quarter was SEK 65.3 m (73.7), which is a decline by 11.4 per cent compared to the same quarter last year.

Positive effects of savings programs

The savings programs that Nederman reported on in 2009 has had positive effects, including an increase in gross margins and lower operating costs.

Acquisition

Nederman's acquisition of Dantherm Filtration

On 26 March 2010 Nederman announced in a press release the acquisition of Dantherm Filtration, a business area within Dantherm AS, Denmark.

Dantherm Filtration's sales in 2009 amounted to around SEK 980 m. The company is one of the world's largest producers of large industrial filters, and has around 900 employees.

The purchase amount was DKK 280 m (around SEK 364 m) on a debt free basis (enterprise value). The acquisition will be concluded on 29 April 2010.

Nederman has secured long-term bank financing for the acquisition through a credit promise from Skandinaviska Enskilda Banken (publ). As part of the agreement with the bank, Nederman's two largest owners, Investment AB Latour and Ernströmgruppen AB have pledged securities to the bank. These securities mean that Investment AB Latour and Ernströmgruppen AB (in relation to their ownership share) undertake to secure over a two-year period any new share issue in Nederman for an amount up to SEK 200 m, in the event that a new share issue is performed. For these securities Nederman is paying SEK 2 m per quarter.

The acquired business will be integrated gradually and the integration should be completed by 2011. The acquired business will be consolidated in the Nederman group from the takeover date.

Nederman will report on the future effects for the group in the interim report per June 2010.

The press release of 26 March 2010 is available at www.nederman.com/Financial

Outlook

The company's assessment is that a recovery will not occur until the latter part of 2010, although developing countries should start recovering sooner.

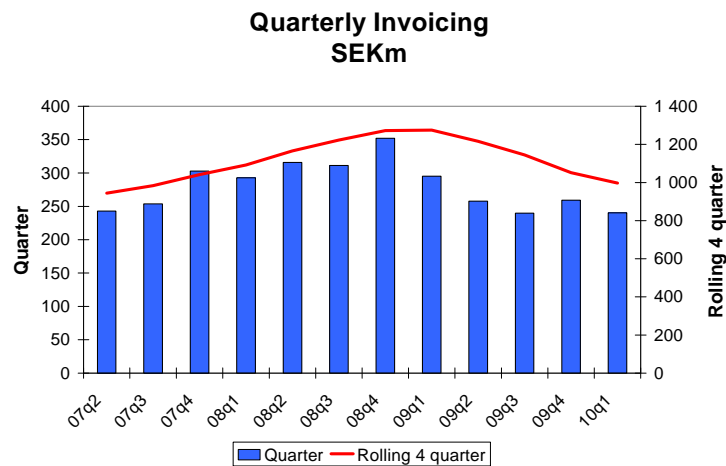
Sales and incoming orders

January - March

Incoming orders was SEK 240.8 m (298.8), which is a decline by 19.4 per cent compared to the same quarter last year. Adjusted for currency effects and acquisitions the decline was 15.1 per cent.



Net sales amounted to SEK 240.3 m (295.3), which is a decline by 18.6 per cent compared to the same quarter last year. Adjusted for currency effects and acquisitions the decline was 14.3 per cent.



Earnings

Operating result for the first quarter was SEK 9.3m (0.4), giving a gross margin of 3.9 per cent (0.1). The savings programs during 2009 have resulted in an improved gross margin, 48.7 per cent (45.5) and a reduction of the operating expenses with about 15 per cent.

Result before tax was SEK 7.0m (-1.7) for the first quarter.

Result after tax was SEK 5.0m (-2.2) for the first quarter. Result per share was SEK 0.43 (-0.19).

Operating cash flow and capital expenditures

The **operating cash flow** for the quarter was SEK -0.8m (5.3).

The **capital expenditures** during the quarter amounted to SEK 1.2 m (6.0).

Other financial information

Liquidity: At the end of the period the Group had SEK 70.9m in cash and cash equivalents as well as SEK 80.8m in available but unutilized overdraft facilities.

The **equity** in the Group at 31 March, 2010 amounted to SEK 514.4m (531.4). During the second quarter 2009 a dividend of SEK 29.3 m was paid to the shareholders of the parent. Total number of shares was 11,715,340 at the end of the period.

The **equity/assets ratio** for the Group was 56.5 per cent at 31 March, 2010 (51.8). The net debt/equity ratio, calculated as net debt in relation to equity was 23.2 per cent (31.7).

Number of employees

The average number of employees during the period was 644 (744). The number of employees at the end of the period was 641 (737).

Risks and uncertainties

The Nederman Group and the parent company are exposed to a number of risks, mainly due to purchasing and selling of products in foreign currencies. The risks and uncertainties are described in detail in the Annual Report 2009, Directors' report, page 21, and in note 26. No circumstances have arisen to change the assessment of identified risks.

Nominations committee

In accordance with the nominations committee's instructions, a nominations committee has been appointed comprising Jan Svensson (chairman), Fabian Hielte and Peter Rönström. New instructions for the nominations committee will be adopted by the AGM, held on 28 April 2010. For questions concerning the nominations committee is referred to jan.svensson@latour.se.

Accounting principles

The consolidated financial statements are prepared in accordance with IAS 34. The report for the parent company has been prepared in accordance with Swedish Annual accounts Act and RFR 2.3.

The following changes of existing standards, new interpretations and new standards, effective from 1 January 2010, are considered to be valid for Nederman Group.

IFRS 3, Business Combinations (revised): Transaction costs shall be expensed when they occur and not as previously included in the acquisition value. Stepwise acquisitions and divestments may impact the result.

IFRS 8, Segment reporting: As from January, 2010 Nederman reports according to the operating segments Europe and International.

According to RFR 2.3 the Parent Company has a separate report showing the comprehensive result, i.e. a separate income statement and a separate statement of the comprehensive result. The parent company will also specify the changes in the shareholders' equity.

Otherwise, accounting principles and valuation principles are unchanged compared the Annual Report 2009.

Consolidated Income statement

SEK m	1 Jan - 31 March		Full year 2009	April-March 12-months
	2010	2009		
Net sales	240.3	295.3	1 052.0	997.0
Costs of goods sold	-123.2	-160.9	-548.2	-510.5
Gross result	117.1	134.4	503.8	486.5
Selling expenses	-87.8	-103.1	-376.3	-361.0
Administrative expenses	-19.7	-26.0	-86.5	-80.2
Research and development expenses	-3.9	-4.3	-16.7	-16.3
Other operating income/expenses	3.6	-0.6	-1.0	3.2
Operating result	9.3	0.4	23.3	32.2
Financial income	0.2	0.6	2.3	1.9
Financial expenses	-2.5	-2.7	-8.4	-8.2
Net financial income/expenses	-2.3	-2.1	-6.1	-6.3
Result before taxes	7.0	-1.7	17.2	25.9
Taxes	-2.0	-0.5	-2.6	-4.1
Net result	5.0	-2.2	14.6	21.8
Net result attributable to:				
The parent company's shareholders	5.0	-2.2	14.6	21.8
Non-controlling interest				
Earnings per share				
before dilution (SEK)	0.43	-0.19	1.25	1.87
after dilution (SEK)	0.43	-0.19	1.25	1.87

Consolidated statement of comprehensive income

SEK m	1 Jan - 31 March		Full year 2009	April-March 12-months
	2010	2009		
Net result	5.0	-2.2	14.6	21.8
Other comprehensive income				
Translation differences	-5.3	4.5	0.3	-9.5
Other comprehensive income	-5.3	4.5	0.3	-9.5
Total comprehensive income	-0.3	2.3	14.9	12.3
Total comprehensive income attributable to:				
The parent company's shareholders	-0.3	2.3	14.9	12.3
Non-controlling interest				

Consolidated statement of financial position

SEK m	31-March 2010	31-March 2009	31-dec 2009
Assets			
Goodwill	397.9	399.1	400.0
Other intangible fixed assets	28.4	29.2	28.8
Tangible fixed assets	37.7	38.4	40.2
Long-term receivable	0.9	0.2	0.8
Deferred tax assets	24.9	30.3	23.4
Total fixed assets	489.8	497.2	493.2
Inventories	124.4	165.7	126.0
Accounts receivable	173.8	235.5	178.3
Other receivables	51.0	49.3	45.1
Cash and cash equivalents	70.9	77.2	90.9
Total current assets	420.1	527.7	440.3
Total assets	909.9	1 024.9	933.5
Equity	514.4	531.4	514.7
Liabilities			
Long-term interest-bearing liabilities	141.1	176.6	151.3
Other long-term liabilities	0.7	0.4	0.4
Provision for pensions	34.1	32.3	34.0
Deferred tax liabilities	8.0	14.9	6.2
Total long-term liabilities	183.9	224.2	191.9
Current interest-bearing liabilities	14.8	36.8	13.6
Accounts payable	92.7	92.3	91.6
Other liabilities	104.1	140.2	121.7
Total current liabilities	211.6	269.3	226.9
Total liabilities	395.5	493.5	418.8
Total equity and liabilities	909.9	1 024.9	933.5

Consolidated statement of changes in equity

SEK m	31-March 2010	31-March 2009	31-dec 2009
Opening balance 1 January	214.7	529.1	529.1
Dividend			-29.3
Total comprehensive income	-0.3	2.3	14.9
Closing balance at the end of period	214.4	531.4	514.7

Consolidated cash flow statement

SEK m	1 Jan - 31 March		Full year 2009	April-March 12-months
	2010	2009		
Operating result	9.3	0.4	23.3	32.2
Adjustment for:				
Depreciations of fixed assets	4.5	4.4	18.1	18.2
Other adjustments	-3.5	0.3	-6.4	-10.2
Interest received and paid incl. other financial items	-2.6	-2.8	-4.7	-4.5
Income tax paid	-7.1	-23.1	-34.9	-18.9
Cash flow from operating activities before changes in working capital	0.6	-20.8	-4.6	16.8
Cash flow from changes in working capital	-9.0	6.0	98.3	83.3
Cash flow from operating activities	-8.4	-14.8	93.7	100.1
Net investment in fixed assets	-2.1	-5.8	-20.5	-16.8
Acquired units	-0.7	0.0	-2.1	-2.8
Cash flow before financing activities	-11.2	-20.6	71.1	80.5
Dividend			-29.3	-29.3
Cash flow from other financing activities	-9.0	8.8	-40.0	-57.8
Cash flow for the period	-20.2	-11.8	1.8	-6.6
Cash and cash equivalent at the beginning of the period	90.9	90.8	90.8	77.2
Translation differences	0.2	-1.8	-1.7	0.3
Cash and cash equivalent at the end of the period	70.9	77.2	90.9	70.9

Income statement for the parent company

SEK m	1 Jan - 31 March		Full year 2009	April-March 12-months
	2010	2009		
Operating result	-5.8	-8.2	-23.8	-21.4
Writedown of shares in subsidiaries			-54.7	-54.7
Other financial items	-1.6	-1.7	37.8	37.9
Result after financial items	-7.4	-9.9	-40.7	-38.2
Appropriations			18.5	18.5
Result before tax	-7.4	-9.9	-22.2	-19.7
Tax	1.9	2.5	5.2	4.6
Net result	-5.5	-7.4	-17.0	-15.1

Statement of comprehensive income for the parent company

SEK m	1 Jan - 31 March		Full year 2009	April-March 12-months
	2010	2009		
Net result	-5.5	-7.4	-17.0	-15.1
Other comprehensive income	0.0	0.0	0.0	0.0
Total comprehensive income	-5.5	-7.4	-17.0	-15.1

Balance sheet for the parent company

SEK m	31-March 2010	31-March 2009	31-Dec 2009
Assets			
Total fixed assets	497.7	555.1	495.9
Total current assets	54.4	82.0	72.7
Total assets	552.1	637.1	568.6
Total shareholders' equity			
	365.6	403.0	371.1
Untaxed reserves		18.5	
Liabilities			
Total long-term liabilities	140.0	175.0	150.0
Total current liabilities	46.5	40.6	47.5
Total liabilities	186.5	215.6	197.5
Total shareholders' equity and liabilities	552.1	637.1	568.6

Statements of changes in Shareholders' Equity

SEK m	31-March 2010	31-March 2009	31-Dec 2009
Opening balance 1 January	371.1	410.4	410.4
Dividend			-29.3
Group Contributions net after tax			7.0
Total comprehensive income	-5.5	-7.4	-17.0
Closing balance at the end of the period	365.6	403.0	371.1

Related parties

SEK m	2010
Subsidiaries	
Other operating income	3.3
Dividend received	
Financial income and expenses	0.0
Receivable 31 March	39.0
Liabilities 31 March	34.2

Operating segments - Business areas

SEK m	1 Jan - 31 March		Full year	April-March
	2010	2009	2009	12-months
Europe				
External sales	173.6	220.3	785.0	738.3
Total net sales	173.6	220.3	785.0	738.3
Depreciations	-1.4	-1.4	-5.7	-5.7
Operating result	14.8	30.4	77.0	61.4
International				
External sales	65.3	73.7	261.3	252.9
Total net sales	65.3	73.7	261.3	252.9
Depreciations	-0.5	-0.5	-2.0	-2.0
Operating result	2.7	3.0	-7.3	-7.6
Other – not allocated				
External sales	1.4	1.4	5.7	5.7
Total net sales	1.4	1.4	5.7	5.7
Depreciations	-2.6	-2.5	-10.4	-10.5
Operating result	-8.2	-33.0	-46.4	-21.6
Group				
Net sales	240,3	295,4	1052,0	996,9
Depreciations	-4,5	-4,4	-18,1	-18,2
Operating result	9,3	0,4	23,3	32,2
Result before tax	7,0	-1,7	17,2	25,9
Result after tax	5,0	-2,2	14,6	21,8

The report has not been reviewed by the company's auditor.

Dates for the publication of financial information

Interim Report Q2 12 August, 2010
Interim Report Q3 22 October, 2010

The interim report provides a true and fair overview of the Parent Company and the Group's operations, position and earnings and describes the material risks and uncertainty factors faced by the Parent Company and the Group.

Helsingborg, 28 April 2010

Sven Kristensson
President and CEO

This report contains forward-looking statements that are based on the current expectations of the management of Nederman. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

Nederman may be required to disclose the information provided herein according to the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 28 April 2010 at 4 p.m.

Further information can be obtained from

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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.