

Financial statement 2007

Continued strong incoming orders and earnings trend

- Sales in the fourth quarter reached SEK 303m (245), an increase of 24%. Sales for the year were SEK 1,041m (878), an increase of 19%.
- Incoming orders in the fourth quarter were SEK 323m (267), an increase of 21%. Incoming orders for the year were SEK 1,082m (907), an increase of 19%.
- The operating profit for the fourth quarter was SEK 34m (27). The operating profit for the year was SEK 114m (85), before one-off costs in connection with the IPO process, which is an increase of 34%. The operating margin for the fourth quarter was 11.2% (10.9) and 11.0% (9.7) for the year. The operating profit was SEK 107m including IPO costs.
- The profit before taxes for the fourth quarter was SEK 32m (24). The profit before taxes for the year was SEK 105m (76) before IPO costs and SEK 99m including IPO costs.
- The net profit for the fourth quarter was SEK 23m (17). The net profit for the year was SEK 75m (55) before IPO costs and SEK 70m including IPO costs.
- Earnings per share for the fourth quarter was SEK 1.98 (1.43). Earnings per share for the year was SEK 6.42 (4.73) before IPO costs and SEK 6.01 including IPO costs.
- The board proposes a dividend of SEK 2.50 per share.

Key figures, Group

SEK 000	1 Oct - 31 Dec		1 Jan - 31 Dec	
	2007	2006	2007	2006
Net sales	302 987	244 903	1 041 359	877 794
Gross profit	147 238	118 835	515 572	431 265
Gross margin, %	48.6	48.5	49.5	49.1
EBITDA ^{*)}	38 187	31 507	131 864	104 384
EBITDA-margin, % ^{*)}	12.6	12.9	12.7	11.9
Operating profit ^{*)}	34 003	26 652	114 071	85 376
Operating margin	11.2	10.9	11.0	9.7
Profit before tax ^{*)}	32 155	24 240	105 338	75 609
Profit after tax ^{*)}	23 172	16 844	75 186	54 953
Earnings per share ^{*)**}	1.98	1.43	6.42	4.73
Operating cash flow ^{*)}			88 496	70 891
Return on equity, % [*]			18.2	15.7
Return on operating capital, % ^{*)}			20.0	15.9
Net debt			-145 625	-163 893
Net debt/equity ratio, %			32.2	43.5
Net debt/EBITDA, times ^{*)}			1.1	1.6
EBITDA/financial net, times ^{*)}			15.1	10.7
Average no. of employees			568	528

^{*)} Before IPO costs of SEK 6,694

^{**) Before dilution}

The Market

Most markets continued to see good growth in the fourth quarter with the exception of North America and the UK.

Nederman's focus on new markets led to good growth over the year. Sales in **Other markets**, i.e. those outside Europe and North America, soared by around 125 per cent compared with the same time last year. Start-ups in China and India account for 35-40 per cent, Australia and Brazil for around a third and Japan for around a third of this increase.

The establishment of a central store and assembly unit for Nederman's products in Shanghai continues according to plan and will be completed by Q1 2008.

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

Growth in local currency in the UK of around four per cent has been seen through acquisitions.

The US has introduced new rules concerning the working environment of the individual worker when welding chrome-alloy steel. Requirements have been significantly tightened for employers. Nederman has increased activities in these welding-intensive industries. Demand in the important fire station sector in the US has fallen as federal subsidies have been re-allocated.

Sales in North America have fallen by around six per cent, which is completely due to the weakening of the US dollar. Sales in local currencies remain unchanged compared to last year.

New products

Nederman's new hose and cable reels, launched during the year, have been very well received in all markets where they have been introduced. Incoming orders for the new reels have been good.

Acquisitions

The English installation and service company Fumex Installations Ltd was acquired in November. The company has sales of around SEK 40 million and the acquisition will mean that Nederman's consolidated sales will increase by around SEK 30 million. Fumex mainly concentrates on sales to the automotive workshop industry, which is one of Nederman's core segments.

As already reported the Belgian installation and service company Leda was acquired in February.

Nederman acquired the Brazilian company AtSource Exaustao Localizada in June. The company is well-established on the Brazilian market and the employees are very knowledgeable of Nederman's products and applications. The company now operates under the name Nederman do Brasil.

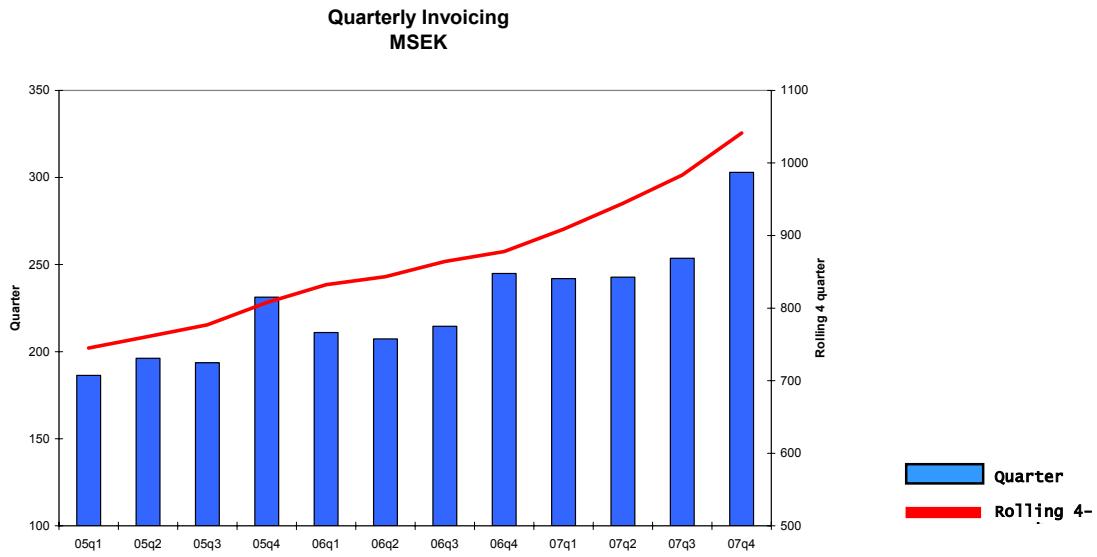
Töredal Verkstad AB was acquired in January 2008. The company has worked closely with Nederman for many years and has provided services for Nederman's High Vacuum product area.

Outlook

The company expects demand in 2008 to remain good in Europe and the rest of the world. The North American market is expected to show slightly weaker development.

Dividend

The board proposes a dividend of SEK 2.50 per share.



Sales

Net sales for the fourth quarter were SEK 303m (245), an increase of 24 per cent compared with the same period last year. The increase in local currency was 23 per cent. Net sales for the year were SEK 1,041m (878), an increase of 19 per cent compared with the same period in 2006 and 20 per cent in local currency. Around 4 per cent of the increase for the year relates to acquisitions.

Incoming orders in the fourth quarter were SEK 323m (267), which is an increase of 21 per cent compared with the same quarter last year and 20 per cent in local currency. Incoming orders for the year were SEK 1,082m (907), which is an increase of 19 per cent compared with the same period last year. The increase in local currency was 21 per cent.

Profits

The consolidated **operating profit** for the fourth quarter was SEK 34m (27), which corresponds to an operating margin of 11.2 per cent (10.9). This is an increase of 28 per cent compared with the fourth quarter of 2006. The gross margin was 48.6 per cent (48.5).

The consolidated operating profit for the year, before one-off costs in connection with the IPO process rose to SEK 114m (85), which corresponds to an operating margin of 11.0 per cent (9.7). This is an increase of 34 per cent compared with last year. Costs connected with the IPO process were SEK 6.7m for 2007. The operating profit after one-off costs was SEK 107m.

The **gross margin** was stable during the quarter at 48.6 per cent, compared with 48.5 per cent for Q4 last year. The gross margin for the year was 49.5 per cent compared with 49.1 per cent for the year in 2006.

Earnings before tax increased to SEK 105m (76) before one-off costs and SEK 99m after one-off costs.

Earnings after tax increased to SEK 75m (55) before and SEK 70m after IPO costs. Currency fluctuations do not significantly affect earnings.

Gross investments during the year amounted to SEK 23m (18).

The **liquidity** in the Group during the reporting period rose by SEK 26m. At the close of the period the Group had SEK 76m in cash and cash equivalents and SEK 36m (27.5) in available but unutilised overdraft facilities.

Financing

Nederman Holding AB (publ) signed a five-year credit framework agreement in October worth SEK 400m with Nordea Bank AB (publ).

Shareholders' equity in the Group on 31 December 2007 was SEK 452m (377). The **total number of shares** at the close of the period was 11,715,340.

The Group's **equity/assets ratio** was 50.2 per cent on 31 December 2007 (49) and the **financial net debt/equity ratio**, calculated as the net debt in relation to shareholders' equity, was 32.2 per cent (43.5).

Employees

The average number of employees during the year was 568 (528). The number of employees at the end of the period was 600 (531).

Business areas

The **Extraction & Filter Systems** business area's net sales increased to SEK 253m (207) or by 22 per cent compared with the Q4 2006. Net sales during the year were SEK 866m (743), an increase of 17 per cent compared with 2006. The operating profit for the year was SEK 96m (71), an operating margin of 11.1 per cent (9.6).

The **Hose & Cable Reels** business area's net sales for Q4 increased to SEK 50m (37) or by 34 per cent compared with the same quarter in 2006. Net sales for the year were SEK 175m (134), an increase of 30 per cent compared with the same period in 2006. The acquisition of the Belgian installation and service company Leda was responsible for 11 per cent of this increase. The operating profit for the year was SEK 18.2m (13.9), an operating margin of 10.4 per cent (10.4). Group-wide costs are, unlike before, divided by business area, both for 2007 and for previous comparable years.

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 pages 10 and 11 of the listing prospectus dated 30 April 2007 and in note 26 in the company's annual report for the 2006 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 for the year 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 2006 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. The report for the year for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and RR32:06.

Consolidated income statement

SEK 000	1 Oct - 31 Dec		1 Jan-31 Dec	
	2007	2006	2007	2006
Net sales	302 987	244 903	1 041 359	877 794
Cost of goods sold	-155 749	-126 068	-525 787	-446 529
Gross profit	147 238	118 835	515 572	431 265
Selling expenses	-86 804	-77 371	-315 295	-275 757
Administrative costs	-12 770	-14 930	-66 829	-58 967
Research and development costs	-4 150	-3 668	-15 146	-14 356
Other operating income/expenses	-10 162	3 786	-10 925	3 191
Operating profit	33 352	26 652	107 377	85 376
Financial income	-6	434	3 474	794
Financial expenses	-1 842	-2 846	-12 207	-10 561
Net financial items	-1 848	-2 412	-8 733	-9 767
Profit before tax	31 504	24 240	98 644	75 609
Tax	-8 801	-7 396	-28 278	-20 656
Profit for the year	22 703	16 844	70 366	54 953
Earnings per share, SEK	1.94	1.44	6.01	4.73
Earnings per share after dilution, SEK	1.94	1.44	6.01	4.66
Average number of shares	11 715 340	11 715 340	11 715 340	11 613 010
Average number of shares after dilution	11 715 340	11 715 340	11 715 340	11 786 420
Number of shares at year-end	11 715 340	11 715 340	11 715 340	11 715 340

Consolidated balance sheet

SEK 000	31-Dec	
	2007	2006
Assets		
Goodwill	370 336	348 010
Other intangible fixed assets	24 197	22 885
Tangible fixed assets	40 987	37 451
Long-term receivables	497	772
Deferred tax assets	12 924	12 210
Total fixed assets	448 941	421 328
Inventories	121 600	89 776
Accounts receivable	234 844	187 815
Other current receivables	27 980	24 081
Cash and cash equivalents	76 439	50 235
Total current assets	460 863	351 907
Total assets	909 804	773 235
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Shareholders' equity	451 764	376 587
Liabilities		
Long-term interest-bearing liabilities	158 111	146 264
Other long-term liabilities	566	0
Provisions for pensions	30 207	28 389
Deferred tax liabilities	13 089	13 258
Total long-term liabilities	201 973	187 911
Current interest-bearing liabilities	33 746	39 475
Accounts payable	104 847	84 160
Other current liabilities	117 474	85 102
Total current liabilities	256 067	208 737
Total liabilities	458 040	396 648
Total shareholders' equity and liabilities	909 804	773 235

Summary of changes in the Group's shareholders' equity

SEK 000	31-Dec	
	2007	2006
Shareholders' equity on 1 January	376 587	325 246
Changes in translation reserve for the period	4 811	-9 499
Profit for the period	70 366	54 953
Conversion of loans	5 887	
Shareholders' equity at end of period	451 764	376 587

Consolidated cash flow statement

SEK 000	1 Jan - 31 Dec	
	2007	2006
Operating profit	107 377	85 376
Adjustments for:		
Depreciation of fixed assets	17 793	19 008
Other adjustments	3 737	-4 550
Interest received and paid incl. Other financial items	-8 605	-9 299
Taxes paid	-21 441	-15 201
Cash flow from current activities before changes in working capital	98 861	75 334
Cash flow from changes in working capital	-30 392	-14 259
Cash flow from current activities	68 469	61 075
Net investments in fixed assets	-16 713	-14 684
Acquired units	-31 149	-4 708
Cash flow before financing activities	20 607	41 683
Cash flow from financing activities	3 845	-44 955
Cash flow for the period	24 452	-3 272
Cash at the beginning of the period	50 235	55 038
Exchange rate differences	1 752	-1 531
Cash at the end of the period	76 439	50 235
Specification of acquisitions		
Acquisition price including direct costs	31 149	4 708
Fair value of acquired net assets	9 424	3 324
Goodwill	21 725	1 384
Acquired assets and liabilities		
Tangible fixed assets	1 626	8
Deferred tax asset	4	
Current assets	19 515	3 316
Cash	7 084	
Current liabilities	-8 732	
Deferred tax liabilities	-967	
Identifiable assets and liabilities	18 530	3 324
Of which cash in acquired units	-7 084	
Acquisition price not paid	-2 022	
Value on acquired net assets	9 424	3 324
Net profit since date of acquisition	4 322	0
Net profit January-December in the acquired units	7 969	0

Income statement for the parent company

SEK 000	1 Oct - 31 Dec		1 Jan - 31 Dec	
	2007	2006	2007	2006
Operating loss	-8 347	-3 557	-20 671	-12 235
Net financial items	10 242	20 564	6 859	20 497
Profit/loss after net financial items	1 895	17 007	-13 812	8 262
Transfers to/from untaxed reserves	-5 473	2 181	-5 473	2 181
Profit/loss before tax	-3 578	19 188	-19 285	10 443
Tax	4 481	2 273	8 851	4 721
Profit/loss for the year	903	21 461	-10 434	15 164

Balance Sheet for the parent company

SEK 000	As of 31 Dec	
	2007	2006
Assets		
Total fixed assets	520 407	525 135
Total current assets	67 863	22 078
Total assets	588 270	547 213
Shareholders' equity		
Total shareholders' equity	373 469	348 623
Untaxed reserves	6 489	1 016
Liabilities		
Total long-term liabilities	150 000	140 000
Total current liabilities	58 312	57 574
Total liabilities	208 312	197 574
Total shareholders' equity and liabilities	588 270	547 213

This financial report has not been subject to any review by the company's auditors.

Dates for the publication of financial information

Annual General Meeting and Q1 report	29 April 2008
Q 2 report	24 July 2008
Q 3 report	30 October 2008

Helsingborg, Sweden 14 February 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 Groups has around 600 employees.