

Quarterly report January – March 2009

Savings programs completed – positive effects in the second quarter

A reduced volume in local currencies, unutilized capacity and one time cost to implement the savings programs adversely affects the results in the first quarter.

- Sales in the first quarter reached SEK 295.3m (292.7), which adjusted *) is a decrease by 14%
- Incoming orders in the first quarter amounted to SEK 298.8m (288.3), which adjusted *) is a decrease by 12%
- Operating result in the first quarter was SEK 0.4m (32.7). Operating margin was 0.1% (11.2).
- Result before tax in the first quarter was SEK -1.7m (30.3).
- Net result was SEK -2.2m (22.3).
- Earnings per share were SEK -0.19 (1.90).

*)Adjusted for currency effects and acquisitions

Key figures, Group

SEK m	1 Jan - 31 March		Full year 2008	April-March 12 months
	2009	2008		
Net sales	295.3	292.7	1,272.3	1,274.9
EBITDA	4.8	37.3	158.7	126.3
EBITDA-margin, %	1.6	12.7	12.5	9.9
Operating result	0.4	32.7	140.8	108.5
Operating margin, %	0.1	11.2	11.1	8.5
Result before tax	-1.7	30.3	125.6	93.6
Result after tax	-2.2	22.3	92.6	68.1
Earnings per share , SEK	-0.19	1.90	7.90	5.81
Operating cash flow	5.3	9.1	113.9	110.2
Return on shareholders' equity, %	-1.7	19.4	18.9	13.6
Return on operating capital, %	0.2	21.3	22.2	16.3
Net debt	168.5	161.4	144.1	168.5
Net debt/equity ratio, %	31.7	34.5	27.2	31.7
Net debt/EBITDA, multiple	1.3	0.9	0.9	1.3
Average no. of employees	744	624	710	684

Market

Incoming orders were low during the period, which meant high costs for unutilised capacity during the first quarter. Incoming orders in March and April improved compared with previous months. This included a number of larger orders from the energy sector. Activity remains relatively high on several markets considering general economic conditions.

Invoicing in the first quarter was barely 1 per cent higher than the first quarter 2008. Invoicing was positively affected by acquisitions (+6%) and currency effects (+9%). Organically invoicing declined by 14 per cent in local currencies.

Invoicing in the **North American** markets increased 12 per cent in local currency. The US market increased by over 30 per cent while the Canadian market was down by around 10 per cent. Incoming orders in North America were up 17 per cent in local currency.

Invoicing in **The UK** fell by 14 per cent in local currency. Incoming orders followed a similar trend.

Invoicing in the **Nordic Markets** declined by 20 per cent in local currencies excluding acquisitions. Incoming orders however increased by 15 per cent partly due to some large orders from the wind power industry.

Both invoicing and incoming orders in **Other European** markets fell by around 10 per cent in local currencies.

Other markets outside North America and Europe present a mixed picture. India has been affected by a tightening of credit and difficulties in establishing bank guarantees with a resulting 80 per cent fall in invoicing, while incoming orders in China increased by almost 100 per cent. Activity is low in other Asia markets, while Australia and Brazil have not yet been notably affected by the economic downturn.

Savings programs

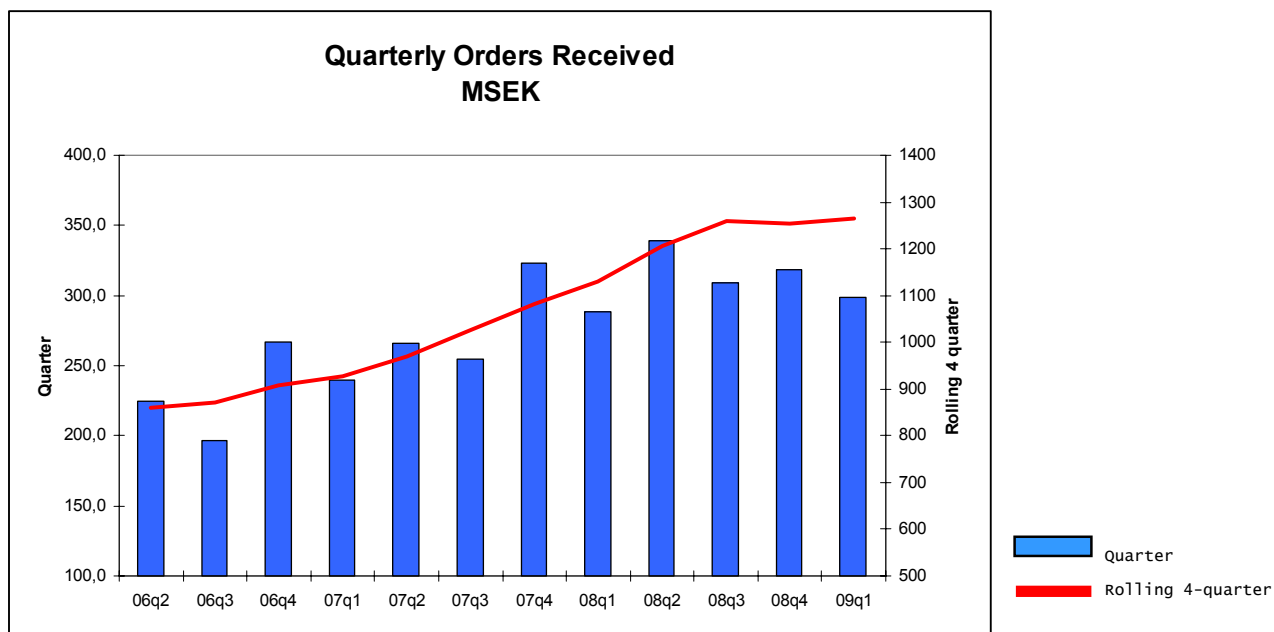
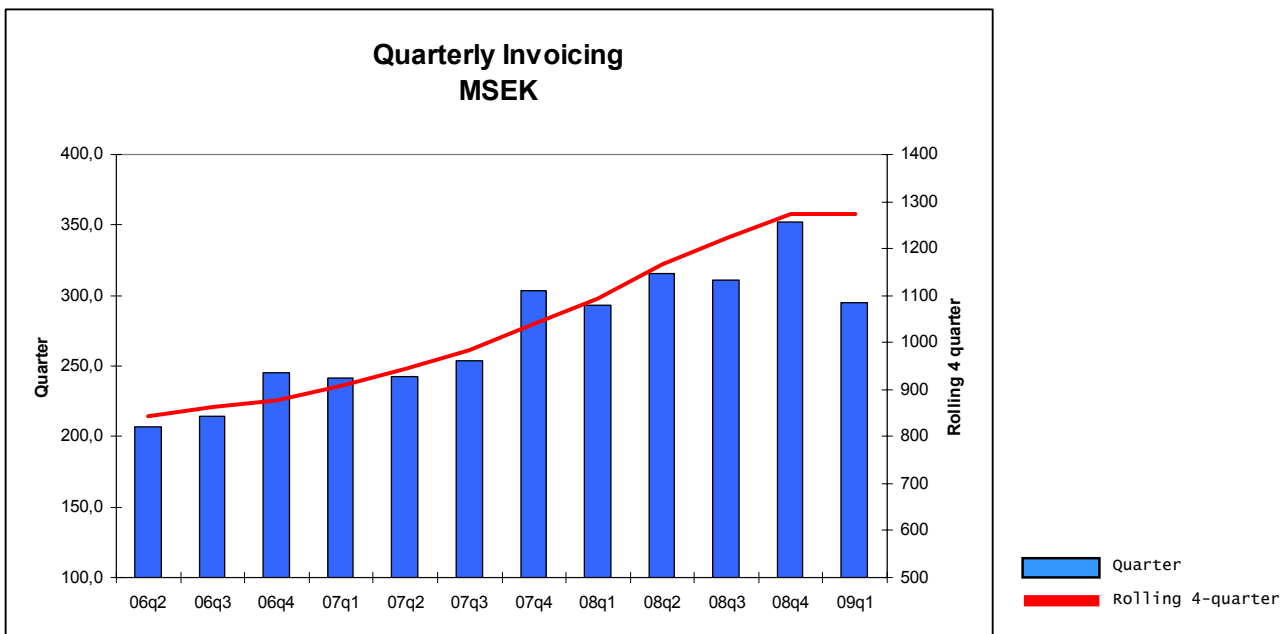
As previously announced, the company had prepared savings programs that was quickly implemented when incoming orders declined during December to February. Capacity utilisation was low primarily at the Helsingborg and Arboga factories and adjustments were therefore made. Rationalisation has also been carried out at other sites within the organisation. The company announced redundancies in February. Negotiations and dismissals were completed quickly, which will mean that the effects will be noted as early as the second quarter, with full effect from the third quarter. The costs of the savings programme have been charged in full to the first quarter.

The large orders received in March primarily concern products produced in other factories than those whose capacity has been adjusted.

The savings now implemented are adapted to the fall in demand that has occurred and with regard to the signals the company has noted from activities on other markets. If the market situation weakens even further the company is prepared to implement further measures.

Outlook

The company expects market demand to remain low during the second quarter.



Sales and incoming orders

Net sales for the first quarter 2009 amounted to SEK 295.3m (292.7), an increase of 0.9 per cent compared to the same period last year. Organically sales were down 14 per cent in local currencies.

Incoming orders were SEK 298.8m (288.3), which is an increase of 4 per cent compared to the same quarter last year. Orders were down organically 12 per cent in local currencies.

Results

Operating result for the first quarter for the group amounted to SEK 0.4m, an operating margin of 0.1 per cent (11.2).

Sales were down organically by 14 percent in local currencies, or SEK 43m, which adversely affected the results by more than SEK 20m.

Sales grew through acquisitions by 6 per cent or SEK 18m. As far as the results were concerned the acquired companies gave a negative contribution for the first quarter. Arboga, which was acquired during 2008, reported a loss during the quarter due to expenses related to an improvement program and due to low sales volumes as a result of the economic downturn which has adversely impacted the company's customers particularly in the machining industry.

The weak SEK has had a positive impact on consolidated sales by 9 per cent or SEK 27m, in Swedish currency. It is mainly higher conversion rates of the foreign subsidiaries turnover that accounts for this increase. Cost of goods sold and general expenses in these companies are also subject to the same conversion.

The capacity utilization during the first quarter was low, particularly in the Swedish factories, due to the low orders received in the period December – February. The costs of unutilized capacity have adversely affected the gross margin during the quarter.

The one time implementation cost for adjusting the capacity and other savings have entirely impacted the first quarter results.

The result before tax was SEK -1.7m (30.3).

The result after tax was SEK -2.2m (22.3).

Gross investments during the quarter amounted to SEK 6.0m (3.7).

Liquidity: At the end of March 2009 the Group had SEK 77.2 in cash and cash equivalent as well as SEK 59.8m in available but unutilised overdraft facilities.

Operating cash flow in the quarter was SEK 5.3m (9.1).

Shareholders' equity in the Group on 31 March 2009 was SEK 531.4m (467.8). The **total number of shares** at the close of the period was 11,715,340.

The Group's **equity/assets ratio** was 51.8 per cent on 31 March 2009 (48.6) and the **financial net debt/equity ratio**, calculated as the net debt in relation to shareholders' equity, was 31.7 per cent (34.5).

The average number of **employees** during the first quarter was 744 (624). The number of employees at the end of the period was 737 (693).

Operating segments - Business areas

	1 Jan - 31 March		Full year	April-March
SEK m	2009	2008	2008	12 months
Group				
Net sales, external	295.3	292.7	1,272.3	1,274.8
Net sales total	295.3	292.7	1,272.3	1,274.8
Operating result	0.4	32.7	140.8	108.5
Operating margin %	0.1	11.2	11.1	8.5
Financial income/expenses	-2.1	-2.5	-15.2	-14.8
Result before tax	-1.7	30.3	125.6	936
Tax	-0.5	-8.0	-33.0	-25.5
Net result	-2.2	22.3	92.6	68.1
Extractions & Filter Systems (EFS)				
Net sales, external	253.1	242.0	1,073.4	1,084.5
Net sales total	253.1	242.0	1,073.4	1,084.5
Operating result	2.9	28.0	124.0	98.9
Operating margin %	1.1	11.6	11.6	9.1
Hose & Cable Reels (HCR)				
Net sales, external	42.2	51.0	198.9	190.1
Net sales total	42.2	51.0	198.9	190.1
Operating result	-2.5	4.4	16.7	9.8
Operating margin %	-5.9	8.6	8.4	5.2

Invoiced sales for **EFS** increased by 4.6 per cent in SEK. Exchange rate conversions were positive by 9.4 per cent and sales increased through acquisitions by 7.0 per cent. Organically sales declined by 11.8 per cent in local currency. The lower volumes, a loss in the acquired company Arboga as well as one time cost for the savings programs caused the reduction in profit in the business area.

Invoiced sales for **HCR** were down by 17.3 per cent in SEK. In local currencies the decline was 26 per cent and no impact from acquisitions. The lower volumes in the business area are due to low investment activity in the automotive repair industry and destocking effects with the company's dealers and distributors. The deterioration in results are explained by the lower volumes, that a relatively large portion of the cost for unused capacity in the Helsingborg factory is born by HCR as well as one time cost for the implementation of the savings programs.

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. These risks are described in detail in the Directors' Report in the Annual Report 2008 on p.17 and also in the note 26 of the same Annual Report. During the reporting period no circumstances have arisen to change the assessment of the identified risks.

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 2.2.

The following changes of existing standards, new interpretations and a new standard, IFRS 8, which came into effect on 1 January 2009, are considered to be relevant for Nederman's accounting principles and presentation of this financial report.

IAS 1, Presentation of financial reports

Changes to tables for income statement and changes to shareholders' equity. Nederman presents the Group's results in a report of comprehensive income for the Group.

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 segments compared with previous presentations in accordance with IAS 14.

Otherwise Nederman applies the same accounting and valuation principles used in the most recent annual report.

Consolidated statement of comprehensive income

SEK m	1 Jan - 31 March		Full year	April-March
	2009	2008	2008	12 months
Net sales	295.3	292.7	1,272.3	1,274.9
Cost of goods sold	-160.9	-150.6	-654.5	-664.8
Gross result	134.4	142.1	617.8	610.1
Selling expenses	-103.1	-83.6	-365.2	-384.7
Administrative expenses	-26.0	-20.6	-93.1	-98.5
Research and development expenses	-4.3	-4.7	-17.2	-16.8
Other operating income/expenses	-0.6	-0.5	-1.5	-1.6
Operating result	0.4	32.7	140.8	108.5
Financial income	0.6	0.5	2.1	2.2
Financial expenses	-2.7	-2.9	-17.3	-17.1
Net financial items	-2.1	-2.4	-15.2	-14.9
Result before tax	-1.7	30.3	125.6	93.6
Tax	-0.5	-8.0	-33.0	-25.5
Net result	-2.2	22.3	92.6	68.1
Other comprehensive income				
Translation differences	4.5	-6.3	14.0	24.8
Other comprehensive income	4.5	-6.3	14.0	24.8
Total comprehensive income	2.3	16.0	106.6	92.9
Net result attributable to:				
The parent company's shareholders	-2.2	22.3	92.6	68.1
Minority interest				
Total comprehensive income attributable to:				
The parent company's shareholders	2.3	16.0	106.6	92.9
Minority interest				

Consolidated statement of financial position

SEK m	31-March		31-Dec
	2009	2008	2008
Assets			
Goodwill	399.1	379.8	396.6
Other intangible fixed assets	29.2	24.1	28.8
Tangible fixed assets	38.4	42.4	36.8
Long-term receivables	0.2	0.7	0.2
Deferred tax assets	30.3	14.1	21.5
Total fixed assets	497.2	461.1	483.9
Inventories	165.7	142.2	170.9
Accounts receivables	235.5	238.2	270.0
Other current receivables	49.3	47.1	42.2
Cash and cash equivalents	77.2	74.2	90.8
Total current assets	527.7	501.7	573.9
Total assets	1,024.9	962.8	1,057.8
Shareholders equity	531.4	467.8	529.1
Liabilities			
Long-term interest-bearing liabilities	176.6	158.1	176.2
Other long-term liabilities	0.4	0.3	0.4
Provision for pensions	32.3	30.6	31.7
Deferred tax liabilities	14.9	12.7	12.7
Total long-term liabilities	224.2	201.7	221.0
Current interest-bearing liabilities	36.8	46.9	27.0
Accounts payable	92.3	96.6	120.8
Other current liabilities	140.2	149.8	159.9
Total current liabilities	269.3	293.3	307.7
Total liabilities	493.5	495.0	528.7
Total shareholders' equity and liabilities	1,024.9	962.8	1,057.8

Summary of changes in shareholders' equity

SEK m	31-March		31-Dec
	2009	2008	2008
Shareholders' equity on 1 January	529.1	451.8	451.8
Dividend			-29.3
Total comprehensive income	2.3	16.0	106.6
Shareholders' equity at the end of period	531.4	467.8	529.1

Consolidated cash flow statement

SEK m	1 Jan - 31 March		Full year	April-March
	2009	2008	2008	12 month
Operating profit	0.4	32.7	140.8	108.5
Adjustment for:				
Depreciations of fixed assets	4.4	4.6	16.5	16.3
Other adjustments	4.2	0.4	7.6	11.4
Interest received and paid incl. other financial items	-2.8	-2.1	-15.5	-16.2
Taxes paid	-23.1	-8.5	-32.5	-47.1
Cash flow from operating activities before changes in working capital	-16.9	27.1	116.9	72.9
Cash flow from changes in working capital	2.1	-24.9	-30.3	-3.3
Cash flow from operating activities	-14.8	2.2	86.6	69.6
Net investment in fixed assets	-5.8	-3.6	-20.7	-22.9
Acquired units		-13.2	-42.1	-28.9
Cash flow before financing activities	-20.6	-14.6	23.8	17.8
Dividend			-29.3	-29.3
Cash flow from other financing activities	8.8	11.5	16.4	13.7
Cash flow for the period	-11.8	-3.1	10.9	2.2
Cash and cash equivalent at the beginning of the period	90.8	76.4	76.4	90.8
Exchange rate differences	-1.8	1.0	3.5	0.7
Cash and cash equivalents at the end of the period	77.2	74.3	90.8	93.7

Income statement for the parent company

SEK m	1 Jan - 31 March		Full year	April-March
	2009	2008	2008	12 Months
Operating result	-8.2	-5.0	-21.1	-24.3
Net financial items	-1.7	4.3	29.9	23.9
Result after financial items	-9.9	-0.7	8.8	-0.4
Changes in untaxed reserves	0.0	0.0	-12.0	-12.0
Result before tax	-9.9	-0.7	-3.2	-12.4
Tax	2.5	0.0	12.2	14.7
Result for the period	-7.4	-0.7	9.0	2.3

Balance sheet for the parent company

SEK m	31-March		31-Dec
	2009	2008	2008
<u>Assets</u>			
Total fixed assets	555.1	535.3	552.6
Total current assets	82.0	59.1	94.5
Total assets	637.1	594.4	647.1
<u>Liabilities</u>			
Total long-term liabilities	175.0	150.0	175.0
Total current liabilities	40.6	65.2	43.2
Total liabilities	215.6	215.2	218.2
Total shareholders' equity and liabilities	637.1	594.4	647.1

Related parties

SEK m	Period Jan - March	Other operating income	Dividend received	Financial income and expenses	Receivable related parties 31-March	Liabilities related parties 31-March
Subsidiaries		2.5		0.0	77.2	18.8

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

Date for the publications of financial information

Q2 report 14 August 2009
Q3 report 22 October 2009

Helsingborg 28 April, 2009

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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, 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 730 employees.