

## Financial statement 2009

**Extremely strong operating cash flow, especially during quarter four.**

### Quarter 4

- Incoming orders amounted to SEK 270.8m (319.0), which adjusted is a decline by 15 %.\*)
- Net sales amounted to SEK 259.3m (352.2), which adjusted is a decline by 26%.\*)
- Operating result was SEK 11.7m (37.6), resulting in an operating margin of 4.5% (10.7).
- Net result was SEK 11.6m (25.9).
- Earnings per share amounted to SEK 0.99 (2.21).

### Whole Year

- Incoming orders amounted to SEK 1 020.3m (1 254.9), which adjusted is a decline by 25%.\*)
- Net sales amounted to SEK 1 052.0m (1 272.3), which adjusted is a decline by 24%.\*)
- Operating result was SEK 23.3m (140.8), resulting in an operating margin of 2.2% (11.1).
- Net result was SEK 14.6m (92.6).
- Earnings per share amounted to SEK 1.25 (7.90).
- The board propose no dividend. (SEK 2.50)

\*) Adjusted for currency effects and acquisitions

### Comments from CEO:

*" We are pleased that our measures to reduce the working capital have given a strong operating cash flow, especially during the fourth quarter. The savings programs have resulted in increasing operating margins. The net sales in the growth markets are increasing but cannot yet compensate for the weaker development in Europe."Sven Kristensson, CEO*

## Key figures, Group

SEK m	1 Oct - 31 Dec 2009	2008	Full year 2009	2008
Net sales	259.3	352.2	1 052.0	1272.3
EBITDA	16.7	42.2	41.4	158.7
Operating result	11.7	37.6	23.3	140.8
Operating margin, %	4.5	10.7	2.2	11.1
Net result	11.6	25.9	14.6	92.6
Earnings per share, SEK	0.99	2.21	1.25	7.90
Operating cash flow	64.8	60.2	112.8	113.9
Return on shareholders' equity, %	9.2	20.3	2.8	18.9
Return on operating capital, %	7.3	22.1	3.6	22.2
Net debt	108.0	144.1	108.0	144.1
Net debt/equity ratio, %	21.0	27.2	21.0	27.2
Net debt/EBITDA, multiple			2.6	0.9
EBITDA/net financial items, multiple			6.8	10.4
Average no. of employees			672	710

## Market

The capital expenditure levels especially in the metal fabrication industry are still low in most regions. The growth markets such as China and Brazil are satisfactory with an increasing demand. This will however not compensate the continuously low levels in Western Europe.

The activity levels of inquiries and quotations are increasing as well as the optimism in the market. Even so, the company expects only a weak recovery in Europe in the coming year.

Incoming orders in the **Nordic markets** declined by 22 per cent during the fourth quarter adjusted for currency effects and acquisitions and by 33 per cent for the whole year compared to same periods last year. Net sales declined by 35 per cent in local currencies adjusted for acquisitions compared to the fourth quarter last year. The decline for the full year was 33 per cent.

Incoming orders in **Other European markets** declined by 19 per cent in local currencies during the fourth quarter and by 23 per cent during the period January-December. Net sales declined by 30 per cent in the fourth quarter and by 23 per cent for the full year.

Incoming orders in the **North American markets** declined by 12 per cent in local currencies during the quarter and by 1 per cent during the 12-month period. During the fourth quarter the net sales in North America fell by 10 per cent in local currency but increased by 3 percent during the full year.

Incoming orders in **markets outside Europe and North America** increased by 10 per cent in local currencies during the quarter but declined by 31 per cent during the full year. Net sales declined by 4 per cent during the quarter and by 30 per cent during the 12-month period.

## Savings programs

The savings programs implemented during the year have reached full effect on the gross margin as well as on the selling- and administration expenses during the fourth quarter.

The number of full time employees has since the turn of the year declined by 110 people and was at the end of the period 647. Capacity adjustment has been done by 150 employees. An increase in the number of employees occurred mainly in the growth markets China, India and Brazil.

The effects of the savings programs have resulted in increasing operating margins despite lower sales volumes.

The one time costs for the savings programs have burdened the result of the year by SEK 10m.

The full year effect of the implemented savings is app. SEK 90m compared to the cost level at the beginning of the year.

## Acquisitions

During the year only one minor acquisition was made, an installation company in Belgium, Van Hassel. The purpose of the acquisition is to expand the installation and management capacity in the Belgian subsidiary. The purchase price was SEK 3.1m.

## Organization

An organization change has been implemented during autumn to be valid from 2010. The two business units EFS (Extraction & Filter Systems) and HCR (Hose & Cable Reels) have been merged into one unit called Systems, Products and Services (SPS). The purpose of the merger is to achieve synergies in marketing and application development. The change implies that the SPS unit will move from being product oriented into a direction of being more close-to-customer. SPS will as a support function work close to the two market regions Europe and International. These units will be two separate profit centers.

The Production and Logistic units will be reported as a third profit center, Sourcing.

## Outlook

The company is expecting a continuously low demand in Europe during the first quarter of 2010 while the outlook for the growth markets is significantly more positive.

## Dividend

The Board and the Managing Director propose no dividend.

## Sales and incoming orders

### Quarter 4

Incoming orders for the fourth quarter was SEK 270.8m (319.0), which is a decline by 15 per cent compared to the same quarter last year. The decline is organic and the currency effect is negligible.

Net sales during the fourth quarter amounted to SEK 259.3m (352.2), which was 26 per cent lower than the same quarter last year. The change is unaffected by acquisition and currency effects.

### Whole Year

Incoming orders for the whole year was SEK 1 020.3m (1 254.9), which is a decline by 19 per cent compared to the same period last year. Adjusted for currency effects and acquisitions the decline was 25 per cent.

Net sales for the whole year amounted to SEK 1 052.0m (1 272.3), which was 17 per cent lower than the same period last year. Acquisitions had a positive impact of 2 per cent and currency of 5 per cent. Adjusted for currency effects and acquisitions the decline was 24 per cent.

## Results

The consolidated **operating result** for the fourth quarter was SEK 11.7m (37.6). This corresponds to an operating margin of 4.5 per cent (10.7). The operating result for the whole year was SEK 23.3m (140.8), giving an operating margin of 2.2 per cent (11.1).

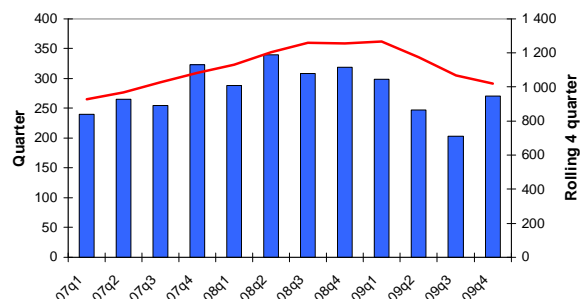
The savings programs have gradually had effects on the operating margins as well as selling and administration expenses. Operating result has increased during the year despite lower sales volumes. Excluding non-recurring costs for the savings programs the operating margins during the quarters were 1.5, 2.3, 4.5 and 4.7 respectively.

**The result before tax** was SEK 10.7m (32.1) during the fourth quarter and SEK 17.2m (125.6) for the whole year.

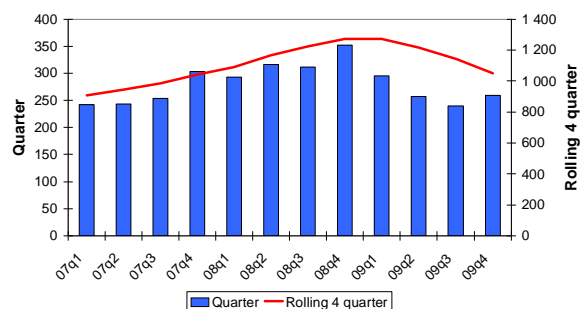
The **tax** for the year amounted to SEK -2.6m, which represents 15.1 per cent of the result before tax. The fourth quarter shows a tax revenue of SEK 0.9m, due to a positive prior year adjustment.

**Net result** was SEK 11.6m (25.9) during the fourth quarter and SEK 14.6m (92.6) for the whole year.

Quarterly Orders Received  
SEKm



Quarterly Invoicing  
SEKm



**Capital expenditure** during the year amounted to SEK 21.1m (21.5).

**Liquidity:** At the end of December the group had SEK 90.9m in cash and cash equivalents and further SEK 78.4 in available but unutilized overdraft facilities.

**Operating cash flow** in the quarter was SEK 64.8m (60.2) and SEK 112.8m (113.9) for the year, and thus significant higher than both the operating result and EBITDA for both the quarter and the whole year.

**Shareholders' equity** in the group on 31 December 2009 was SEK 514.7m (529.1). An ordinary dividend of SEK 29.3m was paid during the year. The total number of shares at the end of the period was 11 715 340.

The group's **equity / assets ratio** was 55.1 per cent on 31 December 2009 (50.0) and the **financial net debt / equity ratio** was 21.0 per cent (27.2).

The average number of **employees** during the year was 672 (710). The number of full time employees at the end of the period was 647 (757).

## Operating segments - Business areas

SEK m	1 Oct - 31 Dec		Full year	
	2009	2008	2009	2008
<b>Group</b>				
Net sales, external	259.3	352.2	1 052.0	1272.3
Net sales, total	259.3	352.2	1 052.0	1272.3
Operating result	11.7	37.6	23.3	140.8
Operating margin, %	4.5	10.7	2.2	11.1
Financial income/expenses	-1.0	-5.4	-6.1	-15.2
Result before tax	10.7	32.2	17.2	125.6
Tax	0.9	-6.3	-2.6	-33.0
Net result	11.6	25.9	14.6	92.6
<b>Extraction &amp; Filter Systems (EFS)</b>				
Net sales, external	217.9	294.8	889.6	1073.4
Net sales total	217.9	294.8	889.6	1073.4
Operating result	10.7	32.7	24.2	124.0
Operating margin, %	4.9	11.1	2.7	11.6
<b>Hose &amp; Cable Reels (HCR)</b>				
Net sales, external	41.4	57.4	162.4	198.9
Net sales total	41.4	57.4	162.4	198.9
Operating result	1.0	4.9	-0.9	16.8
Operating margin, %	2.4	8.5	-0.6	8.4

Net sales in the business area **EFS** declined during the fourth quarter by 26.1 per cent compared to the same quarter previous year. For the whole year the net sales declined by 17.1 per cent compared to last year. In local currencies and adjusted for acquisitions the decline was 24.2 per cent for the whole year.

Net sales in the business area **HCR** declined during the fourth quarter by 27.9 per cent compared to the same quarter last year. Net sales for the whole year declined by 18.4 per cent compared to last year. Adjusted for currency effects the decline for the whole year was 23.5 per cent. The invoiced sales in the Business Area show volatility between quarters due to timing of project orders.

### New business areas for 2010

The three business areas that will be reported starting 2010 are Europe, International and Sourcing.

**Europe** consists of the Nordic markets and other European markets where Nederman has its own sales companies.

**International** consists of national distributors and own sales companies in the rest of the world.

Production and Logistic units will be reported as a separate profit unit, **Sourcing**.

The previous business areas EFS and HCR have been merged into one unit. The purpose of the merger is to achieve synergies in the marketing and application development.

This business area structure will appear for the first time in the interim report of the first quarter 2010.

### 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. The risks are described in detail in the Annual Report 2008, Director's Report page 17 and in note 26. No circumstances have arisen to change the assessment of the identified risks.

### Nominations committee

Jan Svensson (chairman), Fabian Hielte and Peter Rönström have been appointed to the nomination committee according to the AGM (annual general meeting) guidelines. For questions about the nominations committee's work, please contact [jan.svensson@latour.se](mailto:jan.svensson@latour.se).

## Accounting principles

The consolidated financial statement has been prepared in accordance with IAS 34 Interim Financial Reporting. The report for the parent company has been prepared in accordance with Swedish Annual Account Acts and RFR 2.2.

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

**IAS 1.** Presentation of Financial Statements: Presentation of consolidated statement of comprehensive income and changes in shareholders' equity is shown in one report.

**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 segment reporting compared with previous presentations in accordance with IAS 14.

In all other aspects Nederman applies the same accounting and valuation principles used in the most recent annual report.

## Consolidated statement of comprehensive income

SEK m	1 Oct - 31 Dec		Full year	
	2009	2008	2009	2008
Net sales	259.3	352.2	1 052.0	1272.3
Cost of goods sold	-131.0	-175.6	-548.2	-654.5
<b>Gross result</b>	<b>128.3</b>	<b>176.6</b>	<b>503.8</b>	<b>617.8</b>
Selling expenses	-87.5	-105.4	-376.3	-365.2
Administrative expenses	-21.1	-26.5	-86.5	-93.1
Research and development expenses	-4.5	-4.9	-16.7	-17.2
Other operating income/expenses		-2.2	-3.5	-1.5
<b>Operating result</b>	<b>11.7</b>	<b>37.6</b>	<b>23.3</b>	<b>140.8</b>
Financial income	1.1	0.9	2.3	2.1
Financial expenses	-2.1	-6.3	-8.4	-17.3
<b>Net financial items</b>	<b>-1.0</b>	<b>-5.4</b>	<b>-6.1</b>	<b>-15.2</b>
<b>Result before tax</b>	<b>10.7</b>	<b>32.2</b>	<b>17.2</b>	<b>125.6</b>
Tax	0.9	-6.3	-2.6	-33.0
<b>Net result</b>	<b>11.6</b>	<b>25.9</b>	<b>14.6</b>	<b>92.6</b>
<b>Other comprehensive income</b>				
Translation differences	5.5	10.3	0.3	14.0
<b>Other comprehensive income</b>	<b>5.5</b>	<b>10.3</b>	<b>0.3</b>	<b>14.0</b>
<b>Total comprehensive income</b>	<b>17.1</b>	<b>36.2</b>	<b>14.9</b>	<b>106.6</b>
<b>Net result attributable to:</b>				
The parent company's shareholders	11.6	25.9	14.6	92.6
Non-controlling interest				
<b>Total comprehensive income attributable to:</b>				
The parent company's shareholders	17.1	36.2	14.9	106.6
Non-controlling interest				
<b>Earnings per share</b>				
before dilution (SEK)	0.99	2.21	1.25	7.90
after dilution (SEK)	0.99	2.21	1.25	7.90

## Consolidated statement of financial position

	31 Dec	
SEK m	2009	2008
<b>Assets</b>		
Goodwill	400.0	396.6
Other intangible fixed assets	28.8	28.8
Tangible fixed assets	40.2	36.8
Long-term receivables	0.8	0.2
Deferred tax assets	23.4	21.5
<b>Total fixed assets</b>	<b>493.2</b>	<b>483.9</b>
Inventories	126.0	170.9
Accounts receivables	178.3	270.0
Other current receivables	45.1	42.2
Cash and cash equivalents	90.9	90.8
<b>Total current assets</b>	<b>440.3</b>	<b>573.9</b>
<b>Total assets</b>	<b>933.5</b>	<b>1 057.8</b>
<b>Shareholders' equity</b>	<b>514.7</b>	<b>529.1</b>
<b>Liabilities</b>		
Long-term interest-bearing liabilities	151.3	176.2
Other long-term liabilities	0.4	0.4
Provision for pensions	34.0	31.7
Deferred tax liabilities	6.2	12.7
<b>Total long-term liabilities</b>	<b>191.9</b>	<b>221.0</b>
Current interest-bearing liabilities	13.6	27.0
Accounts payable	91.6	120.8
Other current liabilities	121.7	159.9
<b>Total current liabilities</b>	<b>226.9</b>	<b>307.7</b>
<b>Total liabilities</b>	<b>418.8</b>	<b>528.7</b>
<b>Total shareholders' equity and liabilities</b>	<b>933.5</b>	<b>1 057.8</b>

## Summary of changes in shareholders' equity

SEK m	2009	2008
Shareholders' equity on 1 January	529.1	451.8
Dividend	-29.3	-29.3
Total comprehensive income	14.9	106.6
<b>Shareholders' equity at the end of period</b>	<b>514.7</b>	<b>529.1</b>

## Consolidated cash flow statement

SEK m	Full Year 2009	2008
Operating result	23.3	140.8
Adjustment for:		
Depreciations of fixed assets	18.1	16.5
Other adjustments*	-6.4	7.6
Interest received and paid incl. other financial items	-4.7	-15.5
Taxes paid**	-34.9	-32.5
<b>Cash flow from operating activities before changes in working capital</b>	<b>-4.6</b>	<b>116.9</b>
Cash flow from changes in working capital	98.3	-30.3
<b>Cash flow from operating activities</b>	<b>93.7</b>	<b>86.6</b>
Net investment in fixed assets	-20.5	-20.7
Acquired units	-2.1	-42.1
<b>Cash flow before financing activities</b>	<b>71.1</b>	<b>23.8</b>
Dividend	-29.3	-29.3
Cash flow from other financing activities	-40.0	16.4
<b>Cash flow for the period</b>	<b>1.8</b>	<b>10.9</b>
Cash and cash equivalent at the beginning of the period	90.8	76.4
Exchange rate differences	-1.7	3.5
Cash and cash equivalent at the end of the period	90.9	90.8

\*) Other adjustments consist of unrealised currency differences, change in fair value of financial instruments, provisions and other items.

\*\*) Taxes paid during 2009 amounts to SEK 34.9m, of which the major part concerns last year.

As the size of the units acquired during 2009 are small the acquisitions will not be specified according to IFRS 3 in this report. In the annual report for 2009 we will include the acquisitions made 2009. For acquisitions made 2008 see annual report 2008.

## Income statement for the parent company

SEK m	1 Oct - 31 Dec		Full Year	
	2009	2008	2009	2008
Operating result	-5.8	-5.6	-23.8	-21.1
Write down of shares in subsidiaries	-54.7		-54.7	
Other financial items	35.5	29.4	37.8	29.9
<b>Result after financial items</b>	<b>-25.0</b>	<b>23.8</b>	<b>-40.7</b>	<b>8.8</b>
Changes in untaxed reserves	18.5	-12.0	18.5	-12.0
<b>Result before tax</b>	<b>-6.5</b>	<b>11.8</b>	<b>-22.2</b>	<b>-3.2</b>
Tax	-0.3	5.5	5.2	12.2
<b>Net result</b>	<b>-6.8</b>	<b>17.3</b>	<b>-17.0</b>	<b>9.0</b>

## Balance sheet for the parent company

SEK m	31 Dec	
	2009	2008
<b><u>Assets</u></b>		
Total fixed assets	495.9	552.6
Total current assets	72.7	94.5
<b>Total assets</b>	<b>568.6</b>	<b>647.1</b>
<b>Total shareholders' equity</b>	<b>371.1</b>	<b>410.4</b>
Untaxed reserves		18.5
<b><u>Liabilities</u></b>		
Total long-term liabilities	150.0	175.0
Total current liabilities	47.5	43.2
<b>Total liabilities</b>	<b>197.5</b>	<b>218.2</b>
<b>Total shareholders' equity and liabilities</b>	<b>568.6</b>	<b>647.1</b>

## Related parties

SEK m		
<b>Subsidiaries</b>	<b>2009</b>	<b>2008</b>
Other operating income	10.0	9.4
Dividend received	35.3	29.4
Financial income and expenses	6.5	11.8
Receivable 31 December	48.1	73.5
Liabilities 31 December	37.2	14.0

## Pledged assets and contingent liabilities, parent company

SEK m	31 Dec	
	2009	2008
Pledged assets		
Contingent liabilities	39.0	45.1

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



## Dates for the publications of financial information

Q1 Report	28 April 2010
Annual General Meeting	28 April 2010
Q2 Report	12 August 2010
Q3 Report	22 October 2010

The financial statement gives a fair picture of the Group's and parent company's activities, position and results. The report also describes the significant risks and uncertainties facing the parent company and Group companies.

Helsingborg, Sweden 16 February 2010

Sven Kristensson  
*President and CEO*

### 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.