

# Financial Statement 2010

## 2010 – An important milestone for Nederman

### Quarter 4

- Incoming orders amounted to SEK 519.3m (270.8), which adjusted is an increase by 1.2%\*).
- Net sales amounted to SEK 521.8m (259.3), which adjusted is an increase by 6.5%\*).
- Operating profit was SEK 17.6m (11.7). The operating margin was 3.4% (4.5).
- Operating profit excluding acquisition and restructuring costs was SEK 39.1m (11.7). The adjusted operating margin was 7.5% (4.5).
- Net profit was SEK 10.3m (11.6).
- Earnings per share were SEK 0.88 (0.99).

### January - December

- Incoming orders amounted to SEK 1,689.8m (1,020.3), which adjusted is an increase by 3.3%\*).
- Net sales amounted to SEK 1,694.1m (1,052.0), which adjusted is a decline by 1.5%\*).
- Operating profit was SEK 51.3m (23.3). The operating margin was 3.0% (2.2).
- Operating profit excluding acquisition and restructuring costs was SEK 106.7m (33.3). The adjusted operating margin was 6.3% (3.2).
- Net profit was SEK 21.1m (14.6).
- Earnings per share were SEK 1.80 (1.25).
- The board propose a dividend of SEK 1.50 (0.00) per share.

\*) Adjusted for currency effects and acquisitions.

## CEO's comments

*"2010 was an important milestone for the Nederman Group. Through the acquisition of Dantherm Filtration, the Group doubled in size and this made us number one in the market for industrial air filtration. The demand situation improved and stabilized during the year and the new Group pro forma reported organic growth of around 5 per cent in orders received during the year. The profit level improved and our operating cash flow got stronger. The integration of Dantherm Filtration continues according to plan and I can confirm that 2010 was a successful year for Nederman."*

**Sven Kristensson, CEO**

## Key figures, Group

### Operating key figures, Group

Excluding acquisition and restructuring cost.

SEK m	1 Oct – 31 Dec 2010	2009	1 Jan – 31 Dec 2010	2009
Net sales	521.8	259.3	1,694.1	1,052.0
EBITDA	51.0	16.7	144.9	51.4
EBITDA margin, %	9.8	6.4	8.6	4.9
Operating profit	39.1	11.7	106.7	33.3
Operating margin, %	7.5	4.5	6.3	3.2
Operating cash flow	66.8	64.8	153.1	121.7
Return on operating capital, %	17.1	7.3	14.1	5.1
EBITDA/net financial items, multiple			5.9	8.4
Net debt/EBITDA*)			2.7	2.1

### Financial key figures, Group

SEK m	1 Oct – 31 Dec		1 Jan – 31 Dec	
	2010	2009	2010	2009
Net sales	521.8	259.3	1,694.1	1,052.0
Operating profit	17.6	11.7	51.3	23.3
Operating margin, %	3.4	4.5	3.0	2.2
Profit before taxes	12.1	10.7	26.9	17.2
Net profit	10.3	11.6	21.1	14.6
Earnings per share, SEK	0.88	0.99	1.80	1.25
Return on shareholders' equity, %	8.3	9.2	4.2	2.8
Net debt			392.2	108.0
Net debt/equity ratio, %			78.7	21.0

\*) Includes Dantherm Filtration pro forma January-April 2010

## Development per business area

### Europe

In **Sweden**, development within all business areas was increasingly positive as the year wore on. Sales to vehicle repair shops were good both for heavy and light vehicles. Sales in the welding-related industry developed well and we can report a breakthrough for sales of equipment for vocational training. In the heavy metal fabrication industry – the sector where willingness to invest was lowest during the year – investment did show an increase during the final months of the year.

The market in **Norway** is recovering. Nederman has noted growing demand for customized solutions in the Offshore and Shipping industries. We are also seeing encouraging trends in the vehicle repair workshop sector, with an increase in larger orders in recent months.

The wind power sector in **Denmark** is also showing signs of recovery, although new investment is largely taking place outside Europe. Overall the market was weak during the year.

The market in **the UK** remains weak. Nederman's strong market position however, resulted in a series of significant orders within selected segments, including the aerospace industry. Nederman recently installed a system worth about SEK 7m for recycling titanium cuttings.

The market in **Ireland** remains very weak.

We are noting a recovery in **Poland** within the metal fabrication industry and within vehicle repair workshops.

The market in **Germany** is showing increased strength and a growing number of inquiries is being received. As businesses increase capacity utilization, there will be a growing need for investment.

Markets in southern Europe remain weak. The aerospace industry in **Spain** is expanding and Nederman has won a number of orders in this sector.

There are signs of slow recovery in Eastern Europe. In **Russia** we see opportunities connected with the state-sponsored modernization of fire stations and the expansion of the railway network. The EU is providing support for environmental investment in **Romania**.

SEK m	1 Oct – 31 Dec		1 Jan – 31 Dec	
	2010	2009	2010	2009
<b>Europe</b>				
Net sales	176.6	178.9	692.6	775.0
Depreciations	-1.1	-1.5	-5.3	-5.7
Operating profit	13.5	17.8	62.5	70.0

Incoming orders over the quarter amounted to SEK 174.8m, which is a decline by 10.2 per cent compared to the same quarter last year. Incoming orders fell by 7.5 per cent over the full year compared to the same quarter last year. Adjusted for currency effects the incoming orders fell by 1.9 per cent over the full year.

Net sales over the quarter amounted to SEK 176.6m, which is a decline by 1.3 per cent compared to the same quarter last year. Net sales during the full year fell by 10.6 per cent compared with full year 2009. Adjusted for currency effects the net sales fell by 5.1 per cent.

## International

Nederman is continuing to develop according to plan in **China**, where the establishment of a qualified retail network is a high priority. During the year we have added about 30 new distributors. As demand for Nederman's solutions has grown we have also noted increasing competition.

The market in **India** is expanding stably, with Nederman's sales focused on international engineering companies, automotive industry and Indian businesses. A significant trend in India is competition for qualified employees, which is a positive sign for solutions that ensure a better and safer working environment.

In **Australia** Nederman experienced good growth during the year. There were signs of weakening in the final month of the year, which was probably due to the natural disasters that affected Australia.

Sales are continuing to develop positively in **Brazil**, with an increase of over 40 per cent for Nederman in 2010. The economy is expanding steadily with many international companies establishing a presence in the country. Demand remains strongest in welding-related industries. We are also noting positive trends within equipment for extraction of dust in processing of composite materials, such as the wind power industry. General filter solutions, such as those used within the offshore sector, also progressed positively.

In **the US**, investment in traditional manufacturing remains at a very low level. Regulations governing federal support for investment in emergency vehicles have changed, which has had a seriously negative impact on demand for exhaust extraction equipment. The establishment of a specialized retail network proceeded according to plan.

Signs of recovery are being noted in industrialized regions of **Canada**, where the government's announcement of tax reductions for businesses has bolstered optimism. To enhance its geographic coverage, Nederman during the year increased its co-operation with distributors of welding-related equipment and reinforced its sales team.

SEK m	1 Oct – 31 Dec		1 Jan – 31 Dec	
	2010	2009	2010	2009
<b>International</b>				
Net sales	83.7	79.0	293.6	271.3
Depreciations	-1.1	-0.5	-3.0	-2.0
Operating profit	5.8	2.2	18.3	5.0

Incoming orders over the quarter amounted to SEK 90.6m, which is an increase of 21.3 per cent compared to the same quarter last year. Over the full year incoming orders for the business area rose by 18.6 per cent compared to full year 2009. This change is completely organic, and exchange rates had only a marginal effect.

Net sales over the quarter amounted to SEK 83.7m, which is an increase of 5.9 per cent compared to the same quarter last year. Invoicing rose by 8.2 per cent compared with full year 2009. This change is completely organic, and exchange rates had only a marginal effect.

## Dantherm Filtration

The acquired Dantherm Filtration has been reported as a separate operating segment from 30 April 2010.

### Scandinavia

Generally in Scandinavia, both product and system sales are showing signs of stabilizing. In **Sweden** the main recovery was in the wood and paper industries. During the final months of the year there were also signs of recovery in the heavy metal industry.

In **Denmark** there was a growing number of inquiries from the metalworking industry and we are seeing renewed interest for investment in renewable energy production, such as wind power.

### Other European countries

In **Poland** we have seen stabilization of the markets in the foundries and wood-processing industries.

Investment in **Germany** was at a low level during the year as a whole. In the final months of the year the number of inquiries rose considerably however, mainly concerning filter solutions for foundries, smelting plants and other metal processing businesses.

In **the UK** we won a series of orders during the year for filter equipment for mortuaries and we have had continued success concerning investment in larger systems in the wood processing sector.

Overall, the European market remained cautious about investment during the year, although there were growing signs of improvement in the final quarter.

### Asia

Markets in South East Asia are developing positively, with several new orders won during the year. Trends are positive for suppliers in the automotive and metal processing industries and within agriculture and food supplies.

In **Indonesia** the market developed swiftly as the automotive industry expanded strongly (growth of 30 per cent in 2010). A large number of infrastructure projects is resulting in greater demand from steel mills, for example, and manufacturers of cement and concrete. In **Vietnam** we have received a breakthrough order for filter systems in the food industry (soya bean processing). The sales force was reinforced throughout the year.

In **Thailand** the market stabilized during the second half of the year with increased investments made by suppliers to the expanding automotive industry, such as foundries and rubber producers. Political uncertainty in the country, however, has affected demand.

In **China** the authorities have began to take action against companies that do not meet modern environmental requirements, which is positive for investment in larger filtration systems. The strongest area for Dantherm Filtration is foundries. We also see opportunities for developing sales to smelting plants for aluminum recycling. Domestic companies in China are often dependent on financial support from the state and competition is intense from local manufacturers.

### North America

In **the US** there was a positive reception on the market for offers where solutions from Dantherm Filtration are combined with Nederman's high vacuum equipment. In general, however, demand in the US remains weak, although there were signs of stability in the final quarter of the year.

SEK m	1 Oct – 31 Dec		1 Jan – 31 Dec	
	2010	2009	2010	2009
<b>Dantherm Filtration</b>				
Net sales	259.6		701.0	
Depreciations	-7.4		-20.6	
Operating profit	22.9		46.4	

Dantherm Filtration is consolidated as from 30 April, 2010

### Pro forma

SEK m	1 Jan – 31 Dec	
	2010	2009
Net sales	994.8	980.0
Operating profit	43.6	-11.8

Net sales rose to SEK 994.8m, an increase of 1.8 per cent, or 6 per cent when adjusted for currency changes.

## Integration of acquisition

Work on the integration of Dantherm Filtration has been extensive since the deal was completed on April 30, 2010. Integration has proceeded according to plan and analyses have been carried out in the countries where both companies have sales companies and/or production.

The following announcements have been made concerning the integration:

On September 30, it was announced that Nederman was closing its production site in Arboga and moving activities to the Group's production unit in Marki, Poland.

On November 22, Nederman announced that it had initiated a business analysis of the subsidiary Norclean AS. After the end of the year it was announced that a decision had been made to move production of Norclean's product range from Sandefjord, Norway, to Helsingborg and Töredal in Sweden.

One-off costs in connection with these changes are included in the maximum amount of SEK 100m that was announced during Q2.

During the year, results were affected by one-off costs relating to the acquisition of Dantherm Filtration amounting to SEK 43.2 m. This mainly concerns integration activities that have started in Sweden, Denmark and Germany, and the closure of the production plant at Arboga, Sweden.

After the end of the year it was announced that Dantherm Filtration in Finland had been sold to Indutrade Oy. Nederman do not have a sales company of its own in Finland. Instead, Indutrade's subsidiary, Tecalemit, has been the distributor of Nederman's products in Finland for the past 27 years, and has a strong market position in the country. Discussions with Indutrade Oy resulted in their deciding that the best solution was for them to take over Dantherm Filtration Oy.

## Events after the closing date

As announced in a separate press release, the company has signed an agreement with Indutrade Oy concerning the sale of all the shares in Dantherm Filtration Oy. This transaction was completed as of January 3, 2011, and will result in a minor capital gain to be reported in Q1, 2011.

On January 17, 2011 the company announced that it was closing down its production site in Sandefjord, Norway, and moving activities to Töredal and Helsingborg in Sweden. This relocation should be completed by the start of the second half of 2011. One-off costs for completing this activity will impact on results for the first quarter and are included in the maximum amount of SEK 100m in restructuring costs that were announced on connection with the acquisition of Dantherm Filtration.

## Outlook

As industrial activity increases it is expected that there will be a growing need and willingness to invest in production capacity. This should mean a continued stabilization and modest recovery in the market for Nederman's products.

## Dividend

The Board propose a dividend for the 2010 financial year of SEK 1.50 per share.

## Quarter 4

### Sales and incoming orders

Incoming orders for the quarter amounted to SEK 519.3m (270.8), which is an increase of 91.8 per cent compared to the same quarter last year. Adjusted for currency effects and acquisitions the increase was 1.2 per cent.

Net sales for the quarter amounted to SEK 521.8m (259.3), which is an increase of 101.2 per cent compared to the same quarter last year. Adjusted for currency effects and acquisitions the increase was 6.5 per cent.

### Earnings

The Group's **operating profit** for the quarter was SEK 17.6m (11.7). Excluding acquisition and restructuring costs the operating profit was SEK 39.1m (11.7), giving an adjusted operating margin of 7.5 per cent (4.5).

The **profit before tax** was SEK 12.1 m (10.7).

The **net profit** was SEK 10.3m (11.6), giving an earnings per share of SEK 0.88 (0.99).

### Operating cash flow and capital expenditure

The **operating cash flow** amounted to SEK 66.8m (64.8).

**Capital expenditure** during the quarter amounted to SEK 4.5m (10.6).

## January – December

### Sales and incoming orders

Incoming orders amounted to SEK 1,689.8m (1,020.3), which is an increase of 65.6 per cent compared to last year. Adjusted for currency effects and acquisitions it was an increase of 3.3 per cent.

Net sales amounted to SEK 1,694.1m (1,052.0), which is an increase of 61.0 per cent compared to 2009. Adjusted for currency effects and acquisitions it was a decline of 1.5 per cent.

### Earnings

The Group's **operating profit** for the year was SEK 51.3m (23.3). Excluding acquisition and restructuring costs the operating profit was SEK 106.7m (33.3), giving an adjusted operating margin of 6.3 per cent (3.2).

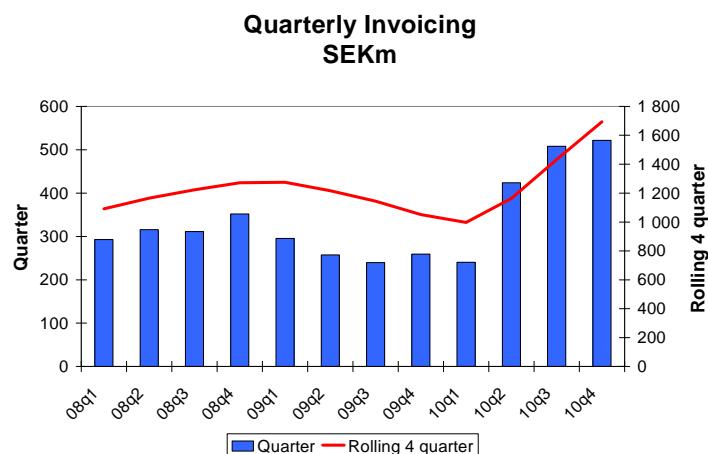
The **profit before tax** was SEK 26.9m (17.2).

The **net profit** was SEK 21.1m (14.6), giving an earnings per share of SEK 1.80 (1.25)

### Operating cash flow and capital expenditure

The **operating cash flow** January – December amounted to SEK 153.1m (121.7).

**Capital expenditure** during the year amounted to SEK 15.0m (21.1).



## Other financial information

**Liquidity:** At the end of the year the Group had SEK 228.0m in cash and cash equivalents as well as SEK 98.2 in available but unutilized overdraft facilities. In addition there was a credit facility of SEK 151.7 m, which is a part of Nederman's loan agreement with SEB.

**The equity** in the Group as of 31 December, 2010 amounted to SEK 498.1m (514.7). Total number of shares was 11,715,340 at the end of the period.

The **equity/assets ratio** for the Group was 30.1 per cent as of 31 December, 2010 (55.1). The acquisition of Dantherm Filtration has increased the net debt by SEK 374.6m. The net financial debt/equity ratio, calculated as net debt in relation to equity was 78.7 per cent (21.0).

## Number of employees

The average number of **employees** during the year was 1,300 (672). The number of employees at the end of the year was 1,455 (647).

## 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 Directors' Report on page 21, and in note 26 of the 2009 Annual Report. No circumstances have arisen to change the assessment of identified risks.

## Nominations committee

According to guidelines adopted by the AGM a nominations committee has been appointed comprising Göran Espelund (chairman), Lannebo Fonder, Jan Svensson, Investment AB Latour and Fabian Hielte, Ernströmgruppen ahead of the AGM in 2011. For questions concerning the work of the nominations committee please contact [goran.espelund@lannebofonder.se](mailto:goran.espelund@lannebofonder.se)

## Accounting policies

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 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the EU commission. Nederman applies the same accounting policies and valuation principles as described in the annual report 2009, pages 30-35.

The following amendments valid from 1 January 2010 are considered to be valid for Nederman's accounting principles and presentation of this financial report:

**IFRS 3, Business Combinations (revised):** Transaction related 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, Operating segment**

As from Jan 2010 Nederman reports according to the operating segments Europe and International. Dantherm Filtration is reported as a separate operating segment from 30 April 2010.

In accordance with RFR 2.3, the parent company shall make a separate report for comprehensive income together with its income statement, i.e. a separate income statement and a separate report of comprehensive income. The parent company shall also present a report of changes in shareholders' equity. Furthermore, Nederman applies the same accounting policies and valuation principles as described in the annual report, pages 34-35.

## Consolidated Income Statement

SEK m	1 Oct - 31 Dec		1 Jan – 31 Dec	
	2010	2009	2010	2009
Net sales	521.8	259.3	1,694.1	1,052.0
Costs of goods sold*)	-314.0	-131.0	-996.3	-545.6
<b>Gross profit</b>	<b>207.8</b>	<b>128.3</b>	<b>697.8</b>	<b>506.4</b>
Selling expenses*)	-149.6	-87.5	-467.2	-369.4
Administration expenses	-17.8	-21.1	-110.6	-86.5
Research and development expenses	-3.6	-4.5	-19.7	-16.7
Acquisition costs	-1.2		-11.8	
Restructuring and integration costs	-20.3		-43.6	-10.0
Other operating income/expenses*)	2.3	-3.5	6.4	-0.5
<b>Operating profit</b>	<b>17.6</b>	<b>11.7</b>	<b>51.3</b>	<b>23.3</b>
Financial income	-0.2	1.1	4.2	2.3
Financial expenses	-5.3	-2.1	-28.6	-8.4
<b>Net financial income/expenses</b>	<b>-5.5</b>	<b>-1.0</b>	<b>-24.4</b>	<b>-6.1</b>
<b>Profit before taxes</b>	<b>12.1</b>	<b>10.7</b>	<b>26.9</b>	<b>17.2</b>
Taxes	-1.8	0.9	-5.8	-2.6
<b>Net profit</b>	<b>10.3</b>	<b>11.6</b>	<b>21.1</b>	<b>14.6</b>
<b>Net profit attributable to</b>				
The parent company's shareholders	10.3	11.6	21.1	14.6
<b>Earnings per share</b>				
before dilution (SEK)	0.88	0.99	1.80	1.25
after dilution (SEK)	0.88	0.99	1.80	1.25

\*) For comparison historical data have been adjusted concerning restructuring and integration costs according to below

SEK m	
Costs of goods sold	2.6
Selling expenses	6.9
Other operating income/expenses	0.5
Restructuring and integration costs	-10.0

## Consolidated statement of comprehensive income

SEK m	1 Oct – 31 Dec		1 Jan – 31 Dec	
	2010	2009	2010	2009
Net result	10.3	11.6	21.1	14.6
<b>Other comprehensive income</b>				
Translation differences	-7.1	5.5	-37.7	0.3
<b>Other comprehensive income</b>	<b>-7.1</b>	<b>5.5</b>	<b>-37.7</b>	<b>0.3</b>
<b>Total comprehensive income</b>	<b>3.2</b>	<b>17.1</b>	<b>-16.6</b>	<b>14.9</b>
<b>Total comprehensive income attributable to:</b>				
The parent company's shareholders	3.2	17.1	-16.6	14.9

## Consolidated statement of financial position

SEK m	31 Dec 2010	31 Dec 2009
<b>Assets</b>		
Goodwill	469.8	400.0
Other intangible fixed assets	53.8	28.8
Tangible fixed assets	191.0	40.2
Long-term receivables	0.9	0.8
Deferred tax assets	46.0	23.4
<b>Total fixed assets</b>	<b>761.5</b>	<b>493.2</b>
Inventories	208.9	126.0
Accounts receivables	351.8	178.3
Other current receivables	102.9	45.1
Cash and cash equivalents	228.0	90.9
<b>Total current assets</b>	<b>891.6</b>	<b>440.3</b>
<b>Total assets</b>	<b>1,653.1</b>	<b>933.5</b>
 <b>Equity</b>		
	<b>498.1</b>	<b>514.7</b>
<b>Liabilities</b>		
Long-term interest-bearing liabilities	567.0	151.3
Other long-term liabilities	16.6	0.4
Provision for pensions	41.4	34.0
Deferred tax liabilities	24.4	6.2
<b>Total long-term liabilities</b>	<b>649.4</b>	<b>191.9</b>
Current interest-bearing liabilities	11.8	13.6
Accounts payable	121.8	91.6
Other current liabilities	372.0	121.7
<b>Total current liabilities</b>	<b>505.6</b>	<b>226.9</b>
<b>Total liabilities</b>	<b>1,155.0</b>	<b>418.8</b>
<b>Total equity and liabilities</b>	<b>1,653.1</b>	<b>933.5</b>

## Consolidated statement of changes in equity in summary

SEK m	31 Dec 2010	31 Dec 2009
Opening balance on 1 January	514.7	529.1
Dividend		-29.3
Total comprehensive income	-16.6	14.9
<b>Closing balance at the end of period</b>	<b>498.1</b>	<b>514.7</b>

## Consolidated cash flow statement

SEK m	1 Jan – 31 Dec	
	2010	2009
Operating profit	51.3	23.3
Adjustment for:		
Depreciations of fixed assets	38.2	18.1
Other adjustments	12.3	-6.4
Interest received and paid incl. other financial items	-19.5	-4.7
Taxes paid	-25.0	-34.9
<b>Cash flow from operating activities before changes in working capital</b>	<b>57.3</b>	<b>-4.6</b>
Cash flow from changes in working capital	40.5	98.3
<b>Cash flow from operating activities</b>	<b>97.8</b>	<b>93.7</b>
Net investment in fixed assets	-14.2	-20.5
Acquired units*)	-138.2	-2.1
<b>Cash flow before financing activities</b>	<b>-54.6</b>	<b>71.1</b>
Dividend		-29.3
Cash flow from other financing activities	209.3	-40.0
<b>Cash flow for the period</b>	<b>154.7</b>	<b>1.8</b>
Cash and cash equivalent at the beginning of the period	90.9	90.8
Exchange rate differences	-17.6	-1.7
Cash and cash equivalent at the end of the period	228.0	90.9
<b>Operating cash flow</b>		
Operating profit	51.3	23.3
Adjustment for:		
Depreciations of fixed assets	38.2	18.1
Restructuring and integration costs	13.2	8.9
Acquisition costs	11.8	
Other adjustments	12.3	-6.4
Cash flow from changes in working capital	40.5	98.3
Net investment in fixed assets	-14.2	-20.5
<b>Operating cash flow</b>	<b>153.1</b>	<b>121.7</b>
<b>Specification of acquisitions</b>		
Acquisition price	137.2	
Fair value of acquired net assets	-50.7	
<b>Goodwill</b>	<b>86.5</b>	
<b>Acquired assets and liabilities</b>		
Intangible fixed assets	34.7	
Tangible fixed assets	178.7	
Financial fixed assets	0.0	
Inventories	114.0	
Customer receivable and other receivables	222.8	
Current tax receivables	2.4	
Deferred tax assets	8.8	
Liquid funds	59.1	
Interest bearing liabilities	-225.4	
Accounts payable and other operating liabilities	-259.2	
Current tax liabilities	-4.8	
Deferred tax liabilities	-21.3	
<b>Net assets</b>	<b>109.8</b>	
Of which liquid funds in acquired units	-59.1	
<b>Fair value of acquired net assets</b>	<b>50.7</b>	
Net sales during ownership period	701.0	
Net result during ownership period	22.0	
Net sales January-December for acquired units	994.8	
Net result January-December for acquired units	12.9	
*) Acquisitions during the year		
Payment for previous years acquisition	1.0	
Acquired units	138.2	

## Income statement for the parent company in summary

SEK m	1 Oct – 31 Dec 2010	2009	1 Jan – 31 Dec 2010	2009
Operating result	-11.3	-5.8	-33.2	-23.8
Write down book value shares in subsidiaries		-54.7		-54.7
Other financial items	7.2	35.5	-7.4	37.8
<b>Result after financial items</b>	<b>-4.1</b>	<b>-25.0</b>	<b>-40.6</b>	<b>-40.7</b>
Changes in untaxed reserves		18.5		18.5
<b>Result before tax</b>	<b>-4.1</b>	<b>-6.5</b>	<b>-40.6</b>	<b>-22.2</b>
Tax	3.4	-0.3	12.9	5.2
<b>Net result</b>	<b>-0.7</b>	<b>-6.8</b>	<b>-27.7</b>	<b>-17.0</b>

## Statement of comprehensive income for the parent company

SEK m	1 Oct – 31 Dec 2010	2009	1 Jan – 31 Dec 2010	2009
<b>Result for the period</b>	<b>-0.7</b>	<b>-6.8</b>	<b>-27.0</b>	<b>-17.0</b>
<b>Other comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total comprehensive income</b>	<b>-0.7</b>	<b>-6.8</b>	<b>-27.0</b>	<b>-17.0</b>

## Balance sheet for the parent company in summary

SEK m	31 Dec 2010	31 Dec 2009
<b>Assets</b>		
Total fixed assets	891.9	495.9
Total current assets	103.0	72.7
<b>Total assets</b>	<b>994.9</b>	<b>568.6</b>
<b>Total shareholders' equity</b>	<b>359.8</b>	<b>371.1</b>
Untaxed reserves		
<b>Liabilities</b>		
Total long-term liabilities	564.5	150.0
Total current liabilities	70.6	47.5
<b>Total liabilities</b>	<b>635.1</b>	<b>197.5</b>
<b>Total shareholders' equity and liabilities</b>	<b>994.9</b>	<b>568.6</b>

## Statements of changes in Shareholders Equity

SEK m	31 Dec 2010	31 Dec 2009
Opening balance on 1 jan	371.1	410.4
Dividend		-29.3
Group contributions, net after tax	16.4	7.0
Total comprehensive income	-27.7	-17.0
<b>Closing balance at the end of the period</b>	<b>359.8</b>	<b>371.1</b>

## Related parties

SEK m	2010
Subsidiaries	
Other operating income	7.7
Dividend received	
Financial income and expenses	13.6
Receivable related parties 31 December	273.4
Liabilities related parties 31 December	55.9

## Pledged assets and contingent liabilities for the parent company

SEK m	31 Dec 2010	31 Dec 2009
Contingent liabilities	133.0	39.0

## Operating segments

SEK m	1 Oct-31 Dec 2010	Dec 2009	1 Jan – 31 Dec 2010	2009
<b>Europe</b>				
Net sales	176.6	178.9	692.6	775.0
Depreciations	-1.1	-1.5	-5.3	-5.7
Operating profit*)	13.5	17.8	62.5	70.0
<b>International</b>				
Net sales	83.7	79.0	293.6	271.3
Depreciations	-1.1	-0.5	-3.0	-2.0
Operating profit*)	5.8	2.2	18.3	5.0
<b>Dantherm Filtration</b>				
Net sales	259.6		701.0	
Depreciations	-7.4		-20.6	
Operating profit*)	22.9		46.4	
<b>Other - not allocated</b>				
Net sales	1.9	1.4	6.9	5.7
Depreciations	-2.2	-2.9	-9.2	-10.4
Operating profit*)	-3.1	-8.3	-20.5	-41.7
<b>Group</b>				
Net sales	521.8	259.3	1,694.1	1,052.0
Depreciations	-11.9	-4.9	38.2	-18.1
Operating profit*)	39.1	11.7	106.7	33.3
Acquisition costs	-1.2		-11.8	
Restructuring and integration costs	-20.3		-43.6	-10.0
Operating profit	17.6	11.7	51.3	23.3
Profit before tax	12.1	10.7	26.9	17.2
Net profit	10.3	11.6	21.1	14.6

\*) Excluding acquisition and restructuring cost

## Changes in operating segments in 2011

During 2010 Nederman's business operations were organized in two operating segments, Europe and International. During the year a third operating segment comprising the acquired activities at Dantherm Filtration was added to the Group.

### Two operating segments from 2011

As a part of the integration of Dantherm Filtration the organization is being adapted from 2011. The two operating segments, Europe and International, will be the Group's reporting units and will each include a part of the acquired business.

The operational organization of the operating segment will be based on four regions, two covering Europe, one America and one Asia Pacific. For accounting purposes, sales in the regions will be reported within the framework of the two operating segments.

## Dates for the publication of financial information

Annual Report	End of March
Q1 Report	26 April, 2011
Annual Meeting	26 April, 2011
Q2 Report	19 July, 2011
Q3 Report	21 October, 2011

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

Helsingborg, 16 February 2011

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 factor.

Nederman is 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 16 February 2011 at 8 a.m.

### **Further information can be obtained from**

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### **Facts about Nederman**

Nederman is one of the world's leading companies supplying products and services in the environmental technology sector. The company's products and systems are contributing to the creation of clean and safe working environments focusing on clean air, recycling and environmentally friendly transport management.

Nederman's offering on the market encompasses everything from the design stage through to installation, commissioning and servicing. Sales and marketing are carried out via subsidiaries in 27 countries as well as agents and distributors in over 30 countries. Nederman develops and produces in its own manufacturing and assembly units in 8 countries.

In April 2010, Dantherm Filtration, with its primary focus on industrial air filtration, was acquired.

The Group was floated in 2007 on OMX Small Cap list; it has circa 1500 employees and a turnover of circa 2 billion SEK.