

Interim report January–March 2011

A good start of 2011

- Incoming orders amounted to SEK 485.8m (240.8), which adjusted is an increase by 16.7%*).
- Net sales amounted to SEK 459.0m (240.3), which adjusted is an increase by 7.5%*).
- Operating profit was SEK 5.7m (9.3). The operating margin was 1.2% (3.9).
- Operating profit excluding acquisition costs, restructuring costs and capital gain on disposal of subsidiaries was SEK 32.2m (9.3). The adjusted operating margin was 7.0% (3.9).
- Net result was SEK -3.3m (5.0).
- Earnings per share were SEK -0.28 (0.43).

*) adjusted for currency effects and acquisitions

CEO's comments

“For the first quarter of 2011 we are reporting strong organizational growth in orders received with a climb of 18% (pro forma), which gives us a good start to the year. In addition, profitability continues to progress positively, even though the currency situation is affecting earnings negatively. The integration of Dantherm Filtration is proceeding according to plan and we can confirm that the integration of the sales and service companies is resulting in a more competitive business offer and improved market penetration.”

Sven Kristensson, CEO

Key figures, Group

Operating key figures, Group

Excluding restructuring/integration costs, acquisition costs and capital gain on disposal of subsidiaries.

SEK m	1 Jan – 31 March 2011	31 March 2010	Full year 2010	April-March 12 months
Net sales	459.0	240.3	1,694.1	1,912.8
EBITDA	42.9	13.8	144.9	174.0
EBITDA-margin, %	9.3	5.7	8.6	9.1
Operating profit	32.2	9.3	106.7	129.6
Operating margin, %	7.0	3.9	6.3	6.8
Operating cash flow	2.5	-0.8	153.1	156.4
Return on operating capital, %	18.9	5.9	14.1	17.2
EBITDA/net financial items, multiple			5.9	5.4
Net debt/EBITDA, multiple			2.7	2.3

Pro forma including Dantherm Filtration from 1 Jan 2010

Net sales	459.0	451.6	1,954.8	1,962.2
Operating profit	32.2	10.5	101.8	123.5
Operating margin, %	7.0	2.3	5.2	6.3

Financial key figures, Group

SEK m	1 Jan – 31 March 2011	31 March 2010	Full year 2010	April-March 12 months
Operating profit	5.7	9.3	51.3	47.7
Operating margin, %	1.2	3.9	3.0	2.5
Profit/loss before tax	-4.3	7.0	26.9	15.6
Net profit/loss	-3.3	5.0	21.1	12.8
Earnings per share, SEK	-0.28	0.43	1.80	1.09
Return on shareholders' equity, %	Neg.	16.4	4.2	2.6
Net debt	401.1	119.1	392.2	401.1
Net debt/equity ratio, %			78.7	84.2

Pro forma

To make it easier to follow the financial development of the Group, we have chosen to present, as a complement, pro forma figures for all reporting periods including for the two operating segments in which Dantherm Filtration is a part, as though we had owned them for the whole of 2010. The divested business (Dantherm Filtration Finland) is excluded from these figures.

Development per operating segment

Europe

Sales in **Sweden** were stable, with a good level of orders received during the quarter. The trend is positive and there is increasing activity on the market. The integration between Nederman and Dantherm Filtration has been completed in Sweden.

In **Denmark** the market is recovering gradually. The larger orders are mainly coming from the wind power industry.

The market in **Norway** is being boosted by a high oil price and orders received in March were the highest in the Norwegian company's history.

The market in **the UK** remains weak, but Nederman continues to win market share and thanks to a strong market position the trend is positive for orders received. In March, BAE Systems in partnership with Nederman were awarded the prestigious "Best Supplier Partnership" award. The integration between Nederman and Dantherm Filtration has been completed.

There was a good level of orders received in **France** and **Belgium** during the quarter.

In **Poland** we have noted signs of recovery within the metal fabrication industry and within vehicle repair shops. Sales are in line with expectations and the trend during the quarter was positive.

Increasing activity in **Germany** has had a positive effect on Nederman's sales and orders received were positive.

Countries in **Southern Europe** remain burdened by the debt crisis and high unemployment. Despite these problems we noted increased orders for project sales in **Spain**, thanks to our market position.

Pro forma including Dantherm Filtration from 1 Jan 2010

	1 Jan- 31 March		Full year	April-March
SEK m	2011	2010	2010	12 months
Net sales	330.0	328.2	1,424.2	1,426.0
Depreciation	-5.4	-6.7	-23.9	-22.6
Operating profit	31.5	11.4	120.8	140.9

Incoming orders over the quarter amounted to SEK 341.1m, which is an increase of 20.6 per cent adjusted for currency effects, compared to the same quarter last year.

Net sales over the quarter amounted to SEK 330.0m, which is an increase of 9.9 per cent adjusted for currency effects, compared to the same quarter last year.

International

Nederman **China** is continuing to develop according to plan, and we are working continuously to strengthen our sales organization. Incoming orders are in line with expectations. Demand is strong, but competition from local manufacturers is extensive.

Markets in **South East Asia** are progressing positively, with a rise in orders received. The trend is positive for suppliers in the auto sector, metal fabrication industry and in agriculture and food. The **Indonesian** market is developing quickly and we are looking at different alternatives to strengthen Nederman's presence in the country. The market in **Thailand** has stabilized and we are seeing increased willingness to invest from sub-suppliers in the auto and food industries, for example.

Sales are continuing to develop positively in **Brazil** and the country's economy is growing steadily.

There are signs of an increased willingness to invest in **the US** and both invoicing and orders received strengthened gradually during the quarter. The integration between Nederman and Dantherm Filtration has been completed.

The market in **Canada** is recovering and there was a positive trend of increasing orders towards the end of the quarter.

Pro forma including Dantherm Filtration from 1 Jan 2010

	1 Jan- 31 March		Full year	April-March
SEK m	2011	2010	2010	12 months
Net sales	129.0	123.4	530.6	536.2
Depreciation	-3.3	-3.2	-14.8	-14.9
Operating profit	8.8	4.0	37.2	42.0

Incoming orders over the quarter amounted to SEK 144.7m, which is an increase of 12.1 per cent adjusted for currency effects, compared to the same quarter last year.

Net sales over the quarter amounted to SEK 129.0m, which is an increase of 12.5 per cent adjusted for currency effects, compared to the same quarter last year.

Integration of acquisition

As previously reported, the integration of Dantherm Filtration is proceeding according to plan. Out of a total of 30 integration projects, 29 have been started and 11 of these completed.

During the quarter, one-off costs relating to the acquisition of Dantherm Filtration had an impact of SEK 35.6m on earnings, mainly relating to integration activities in Sweden, the UK and the US, as well as the closure of the production plant in Sandefjord. A total of SEK 79.2m has impacted on earnings since the acquisition was concluded on 30 April 2010. The assessment remains that total restructuring costs will not exceed SEK 100m. Remaining restructuring costs will affect Q2 and Q3 in 2011.

Outlook

In accordance with our comments in the Financial Statement for 2010, demand for Nederman's products strengthened in the first quarter of 2011. Our assessment remains that increased industrial activity will lead to an increase in orders received for Nederman.

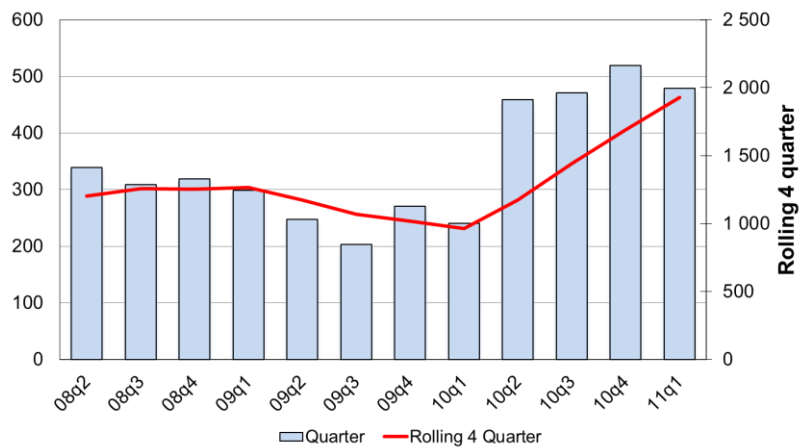
Quarter 1

Sales and incoming orders

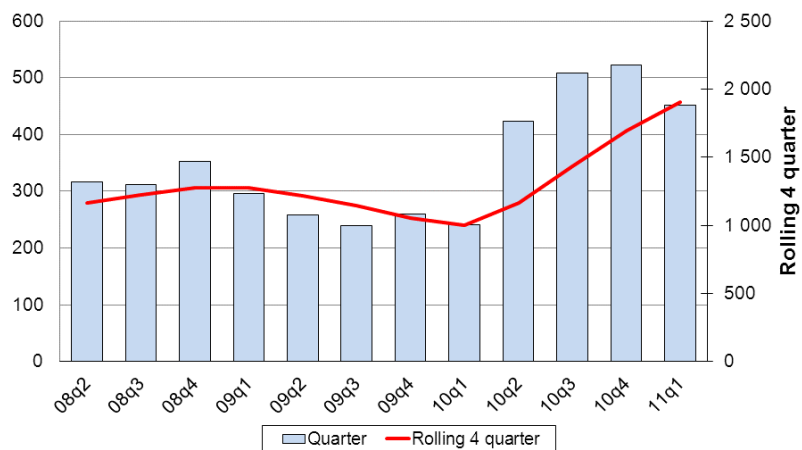
Incoming orders was SEK 485.8m (240.8), which adjusted for currency effects and acquisitions is an increase of 16.7 per cent compared to the same quarter last year. Pro forma organic growth including Dantherm Filtration was 18 per cent.

Net sales amounted to SEK 459.0m (240.3), which adjusted for currency effects and acquisitions is an increase of 7.5 per cent compared to the same quarter last year. Pro forma organic growth including Dantherm Filtration was 10.6 per cent.

Quarterly Orders Received SEKm



Quarterly Invoicing SEKm



Earnings

The **Operating profit** for the first quarter was SEK 5.7m (9.3). The operating profit was positively affected by SEK 9.5m on the disposal of the Dantherm Filtrations subsidiary in Finland. Adjusted for this and excluding acquisition and restructuring costs, the operating profit was SEK 32.2m (9.3), giving a operating margin of 7.0 per cent (3.9),

The **loss before tax** was SEK -4.3m (7.0).

The **net loss** was SEK -3.3m (5.0), giving earnings per share of SEK -0.28 (+0.43).

Operating cash flow and capital expenditure

The **operating cash flow** was SEK 2.5m (-0.8).

Capital expenditure during the quarter was SEK 4.3m (1.2).

Other financial information

Liquidity: At the end of the period the Group had SEK 201.9m in cash and cash equivalents as well as SEK 68.6m in available but unutilized overdraft facilities. In addition there was a credit facility of SEK 186.1m, which is a part of Nederman's loan agreement with SEB.

The equity in the Group as of 31 March 2011 amounted to SEK 476.5m (514.4). The total number of shares was 11,715,340 at the end of the quarter.

The **equity/assets ratio** for the Group was 29.5 per cent as of 31 March 2011 (56.5). The net financial debt/equity ratio, calculated as net debt in relation to equity was 84.2 per cent (23.2).

Number of employees

The average number of **employees** during the quarter was 1,412 (644). The number of employees at the end of the quarter was 1,418 (641).

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 26 and in note 26 of the 2010 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), Jan Svensson (Investment AB Latour) and Fabian Hielte (Ernstström Kapitalpartner AB) ahead of the AGM in 2011.

For questions concerning the work of the nominations committee, please contact: goran.espelund@lannebofonder.se

Accounting policies

The consolidated financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. 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 2010, pages 35-38.

Consolidated income statement

SEK m	1 Jan - 31 March 2011	2010	Full year 2010	April-March 12 months
Net sales	459.0	240.3	1,694.1	1,912.8
Cost of goods sold	-264.7	-123.2	-996.3	-1,137.8
Gross profit	194.3	117.1	697.8	775.0
Selling expenses	-119.6	-87.8	-467.2	-499.0
Administrative expenses	-35.0	-19.7	-110.6	-125.9
Research and development expenses	-5.8	-3.9	-19.7	-21.6
Acquisition costs	-0.4		-11.8	-12.2
Restructuring and integration costs	-35.6		-43.6	-79.2
Other operating income/expenses	7.8	3.6	6.4	10.6
Operating profit	5.7	9.3	51.3	47.7
Financial income	0.5	0.2	4.2	4.5
Financial expenses	-10.5	-2.5	-28.6	-36.6
Net financial income/expenses	-10.0	-2.3	-24.4	-32.1
Profit/loss before taxes	-4.3	7.0	26.9	15.6
Taxes	1.0	-2.0	-5.8	-2.8
Net profit/loss	-3.3	5.0	21.1	12.8
Net profit/loss attributable to:				
The parent company's shareholders	-3.3	5.0	21.1	12.8
Earnings per share				
before dilution (SEK)	-0.28	0.43	1.80	1.09
after dilution (SEK)	-0.28	0.43	1.80	1.09

Consolidated statement of comprehensive income

SEK m	1 Jan - 31 March 2011	2010	Full year 2010	April-March 12 months
Net profit/loss	-3.3	5.0	21.1	12.8
Other comprehensive income				
Translation differences	-18.3	-5.3	-37.7	-50.7
Other comprehensive income	-18.3	-5.3	-37.7	-50.7
Total other comprehensive income	-21.6	-0.3	-16.6	-37.9
Total comprehensive income attributable to:				
The parent company's shareholders	-21.6	-0.3	-16.6	-37.9

Consolidated statement of financial position

SEK m	31 March 2011	31 March 2010	31 Dec 2010
Assets			
Goodwill	460.0	397.9	469.8
Other intangible fixed assets	50.8	28.4	53.8
Tangible fixed assets	181.3	37.7	191.0
Long-term receivables	0.8	0.9	0.9
Deferred tax assets	57.2	24.9	46.0
Total fixed assets	750.1	489.8	761.5
Inventories	212.9	124.4	208.9
Accounts receivable	331.6	173.8	351.9
Other receivables	117.1	51.0	102.8
Cash and cash equivalents	201.9	70.9	228.0
Total current assets	863.5	420.1	891.6
Total assets	1,613.6	909.9	1,653.1
Equity	476.5	514.4	498.1
Liabilities			
Long-term interest bearing liabilities	461.0	141.1	507.0
Other long-term liabilities	17.3	0.7	16.6
Provision for pensions	41.8	34.1	41.4
Deferred tax liabilities	29.6	8.0	24.4
Total long-term liabilities	549.7	183.9	589.4
Current interest bearing liabilities	100.2	14.8	71.8
Accounts payable	116.8	92.7	121.8
Other liabilities	370.4	104.1	372.0
Total current liabilities	587.4	211.6	565.6
Total liabilities	1,137.1	395.5	1,155.0
Total equity and liabilities	1,613.6	909.9	1,653.1

Consolidated statement of changes in equity in summary

SEK m	31 March 2011	31 March 2010	31 Dec 2010
Opening balance on 1 January	498.1	514.7	514.7
Dividend			
Total comprehensive income	-21.6	-0.3	-16.6
Closing balance at the end of period	476.5	514.4	498.1

Consolidated cash flow statements

SEK m	1 Jan – 31 March 2011	31 March 2010	Full year 2010	April-March 12 months
Operating profit	5.7	9.3	51.3	47.7
Adjustment for:				
Depreciation of fixed assets	10.7	4.5	38.2	44.4
Other adjustments	18.8	-3.5	12.3	34.6
Interest received and paid incl. other financial items	-10.5	-2.6	-19.5	-27.4
Taxes paid	-10.3	-7.1	-25.0	-28.2
Cash flow from operating activities before changes in working capital	14.4	0.6	57.3	71.1
Cash flow from changes in working capital	-38.0	-9.0	40.5	11.5
Cash flow from operating activities	-23.6	-8.4	97.8	82.6
Net investment in fixed assets	-3.7	-2.1	-14.2	-15.8
Acquired/divested units	17.0	-0.7	-138.2	-120.5
Cash flow before financing activities	-10.3	-11.2	-54.6	-53.7
Cash flow from other financing activities	-11.4	-9.0	209.3	206.9
Cash flow for the period	-21.7	-20.2	154.7	153.2
Cash and cash equivalents at the beginning of the period	228.0	90.9	90.9	70.9
Translation differences	-4.4	0.2	-17.6	-22.2
Cash and cash equivalents at the end of the period	201.9	70.9	228.0	201.9
Operating cash flow				
Operating profit	5.7	9.3	51.3	47.7
Adjustment for:				
Depreciation of fixed assets	10.7	4.5	38.2	44.4
Restructuring and integration costs	8.6		13.2	21.8
Acquisition costs	0.4		11.8	12.2
Other adjustments	18.8	-3.5	12.3	34.6
Cash flow from changes in working capital	-38.0	-9.0	40.5	11.5
Net investment in fixed assets	-3.7	-2.1	-14.2	-15.8
Operating cash flow	2.5	-0.8	153.1	156.4

Income statement for the parent company in summary

SEK m	1 Jan – 31 March 2011	31 March 2010	Full year 2010	April-March 12 months
Operating loss	-12.6	-5.8	-33.2	-40.0
Other financial items	-7.4	-1.6	-7.4	-13.2
Loss after financial items	-20.0	-7.4	-40.6	-53.2
Appropriations				
Loss before taxes	-20.0	-7.4	-40.6	-53.2
Taxes	5.2	1.9	12.9	16.2
Net loss	-14.8	-5.5	-27.7	-37.0

Statement of comprehensive income for the parent company

SEK m	1 Jan – 31 March 2011	31 March 2010	Full year 2010	April-March 12 months
Net loss	-14.8	-5.5	-27.7	-37.0
Other comprehensive income	0.0	0.0	0.0	0.0
Total comprehensive income	-14.8	-5.5	-27.7	-37.0

Balance sheets for the parent company in summary

SEK m	31 March 2011	31 March 2010	31 Dec 2010
Assets			
Total fixed assets	880.6	497.7	891.9
Total current assets	65.8	54.4	103.0
Total assets	946.4	552.1	994.9
Shareholder's equity	345.0	365.6	359.8
Liabilities			
Total long-term liabilities	458.9	140.0	504.5
Total current liabilities	142.5	46.5	130.6
Total liabilities	601.4	186.5	635.1
Total shareholders' equity and liabilities	946.4	552.1	994.9

Statements of changes in shareholders' equity in summary

SEK m	31 March 2011	31 March 2010	31 Dec 2010
Opening balance on 1 January	359.8	371.1	371.1
Group contribution received			16.4
Total comprehensive income	-14.8	-5.5	-27.7
Closing balance at the end of period	345.0	365.6	359.8

Related parties

SEK m	2011
Subsidiaries	
Other operating income	1.9
Financial income and expenses	0.1
Receivables on 31 March	215.2
Liabilities on 31 March	41.8

Operating segment reporting

As previously announced in the Financial Statement and Annual Report for 2010, the operating segments will be adjusted to reflect the integration of Dantherm Filtration. The two operating segments, Europe and International, will be the Group's reporting units and will include their separate parts of Dantherm Filtration.

The item that has not been distributed refers mainly to costs relating to the parent company, Nederman Holding AB, which includes the central head office functions.

Consolidated operating segments

SEK m	1 Jan - 31 March 2011	2010	Full year 2010	April-March 12 months
Europe				
Net sales	330.0	175.5	1,227.3	1,381.8
Depreciation	-5.4	-3.1	-20.0	-22.3
Operating profit *)	31.5	9.9	119.2	140.8
International				
Net sales	129.0	64.8	466.8	531.0
Depreciation	-3.3	-1.3	-11.8	-13.8
Operating profit *)	8.8	1.9	35.2	42.1
Not allocated				
Depreciation	-2.0	-0.1	-6.5	-8.4
Operating profit /loss*)	-8.1	-2.5	-47.7	-53.3
Group				
Net sales	459.0	240.3	1,694.1	1,912.8
Depreciation	-10.7	-4.5	-38.3	-44.5
Operating profit *)	32.2	9.3	106.7	129.6
Acquisition costs	-0.4		-11.8	-12.2
Restructuring and integration costs	-35.6		-43.6	-79.2
Capital gain on disposal of subsidiaries	9.5			9.5
Operating profit	5.7	9.3	51.3	47.7
Result before tax	-4.3	7.0	26.9	15.6
Net result	-3.3	5.0	21.1	12.8

Consolidated operating segments including Dantherm Filtration pro forma Jan-April 2010

SEK m	1 Jan - 31 March 2011	2010	Full year 2010	April-March 12 months
Europe				
Net sales	330.0	328.2	1,424.2	1,426.0
Depreciation	-5.4	-6.7	-23.9	-22.6
Operating profit *)	31.5	11.4	120.8	140.9
International				
Net sales	129.0	123.4	530.6	536.2
Depreciation	-3.3	-3.2	-14.8	-14.9
Operating profit *)	8.8	4.0	37.2	42.0
Not allocated				
Depreciation	-2.0	-2.1	-9.0	-8.9
Operating profit /loss*)	-8.1	-4.9	-56.2	-59.4
Group				
Net sales	459.0	451.6	1,954.8	1,962.2
Depreciation	-10.7	-12.0	-47.7	-46.4
Operating profit *)	32.2	10.5	101.8	123.5

*) excluding restructuring/integration costs, acquisition costs and capital gain on disposal of subsidiaries

Dates for the publication of financial information

Interim report Q2 19 July 2011
Interim report Q3 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.

Helsingborg, 26 April 2011

Sven Kristensson
President and CEO

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

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 is required to disclose the information provided herein according to the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instrument Trading Act. The information was submitted for publication on 26 April 2011 at 4 p.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 focusing on industrial air filtration and recycling. The company's products and systems are contributing to the lowering of environmental effects from industrial production, to creating safe and clean working environments and to boosting production efficiency.

Nederman's offering encompasses everything from the design stage through to installation, commissioning and servicing. Sales are carried out via subsidiaries in 29 countries and agents and distributors in over 30 countries. Nederman develops and produces in its own manufacturing and assembly units in 9 countries. In April 2010, Dantherm Filtration, with its primary focus on industrial air filtration, was acquired. The Group is listed on the OMX Small Cap list; it has about 1400 employees and a turnover of about 2 billion SEK.