

# Systemair

## INTERIM REPORT Q2

1 May 2008–31 October 2008  
(SEK million)

### Second quarter August–October 2008

- Net sales rose 14 percent, to SEK 947 million (833).
- Operating profit (EBIT) rose 15 percent, to SEK 146 million (126). The operating margin was 15.4 percent (15.1).
- Profit after tax advanced 29 percent, to SEK 100 million (78).
- Earnings per share (basic and diluted) equalled SEK 1.91 (1.47).

### Six months May–October 2008

- Net sales rose 14 percent, to SEK 1,734 million (1,527).
- Operating profit (EBIT) rose 16 percent, to SEK 249 million (215). The operating margin was 14.4 percent (14.1).
- Profit after tax advanced 26 percent, to SEK 170 million (135).
- Earnings per share (basic and diluted) equalled SEK 3.24 (2.57).
- Cash flows from operating activities totalled SEK 189.2 million (64.2).
- Return on capital employed was 27.9 percent (26.0).

### Significant events during the period

- The operations in Emerson Ventilation Products of the United States was acquired in May.
- Megcool Industries of Malaysia was acquired in May.
- Construction work began on a new production plant in Lithuania.

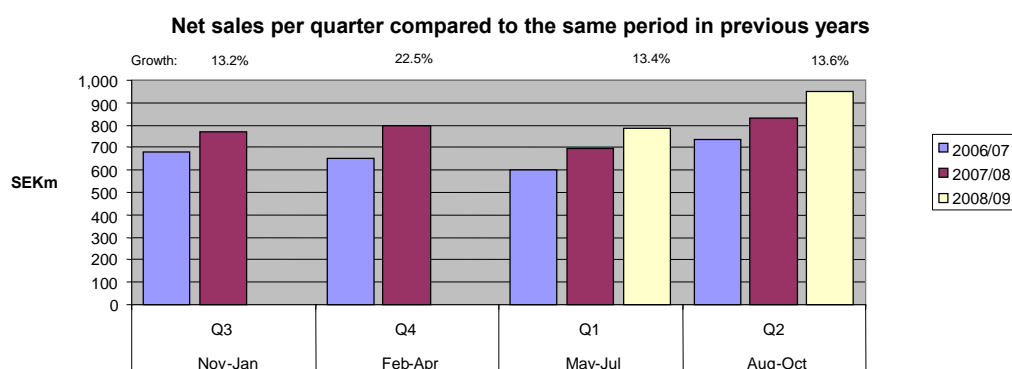
Comments by Gerald Engström, CEO:

*“In the second quarter, the Group continued to grow with increased profitability. The integration of the recent acquisition in the United States is progressing as planned and is providing a foundation for expansion in the commercial premises segment of the North American market. This report is being published in the midst of widespread financial uncertainty. We are following developments closely and have noted slower growth in Eastern Europe and the CIS as well as in the Nordic region. Expenditure has been successively adjusted throughout the period under review. In this period, we reached all financial targets set. Systemair has reported sales growth every year since the company was founded in 1974. Our aim is to continue growing even when demand slumps, by developing new products, marketing consistently and increasing our geographic presence through acquisitions and new operations.”*

## Sales

Group sales for the second quarter of financial 2008/09 reached SEK 946.8 million (833.2), up 13.6 percent from the same period the preceding year. For comparable units, net sales increased 6.2 percent, while growth in acquired businesses totalled 4.9 percent during the quarter. Fluctuations in exchange rates increased net sales 2.5 percent. The second quarter is usually Systemair's strongest, for seasonal reasons.

Net sales for the period May–October 2008 totalled SEK 1,733.9 million (1,527.1). During the period, demand for the Group's products remained healthy in most markets. Sales grew 13.5 percent for the period; of this total, acquired units contributed 5.4 percent, or SEK 82.7 million. Exchange rate effects in the translation of foreign subsidiaries' accounts had a positive net effect on sales of 1.3 percent.



## Sales – geographical distribution

	2008			2007	
	May–Oct	Change	% of total	May–Oct	% of total
Nordic region	453.3	5%	26%	431.0	28%
Western Europe	566.3	24%	33%	455.9	30%
Eastern Europe & CIS	472.9	8%	27%	438.0	29%
North America	137.2	4%	8%	131.7	8%
Other markets	104.2	48%	6%	70.5	5%
<b>Total</b>	<b>1,733.9</b>	<b>14%</b>	<b>100%</b>	<b>1,527.1</b>	<b>100%</b>

Sales in the Nordic region grew 5 percent and were unaffected by acquisitions.

Sales in Western Europe advanced 24 percent, 11 percent of which was attributable to the acquisition of Climaproduct in Italy. Adjusted for that acquisition, growth in Western Europe was 13 percent, indicating an expansion of Group market shares in the region. Germany, the single largest market in the region, reported extremely strong growth of 33 percent, of which 3 percent was attributable to foreign exchange effects.

The market in Eastern Europe and the CIS continued to progress favourably, though growth slowed during the year. This growth is not affected by company acquisitions. In Russia, the single biggest market, growth reached 7 percent.

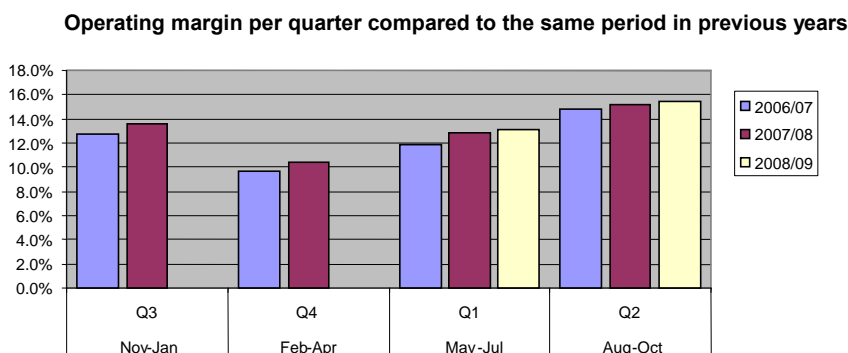
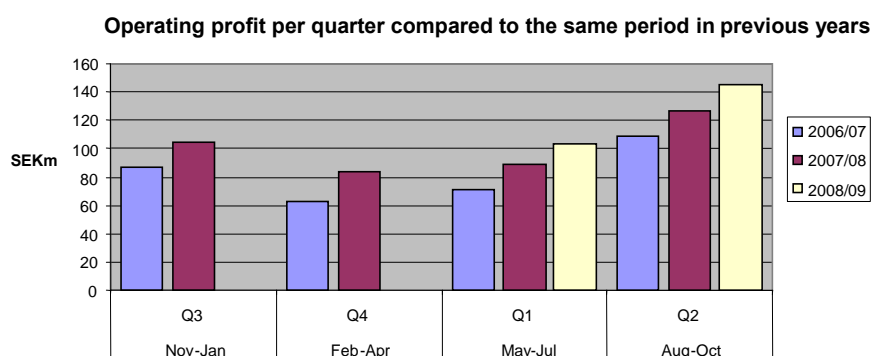
The North American market grew 4 percent compared to the same period the preceding year. Excluding acquisitions, growth was 1 percent.

Other markets progressed extremely well and reported growth of 48 percent. The acquisition of Megcool helped boost sales in Malaysia and Vietnam, accounting for 19 percent of the increase in the region. Outstanding growth was also noted in the Middle East and Turkey.

## Profit

The operating profit for the second quarter reached SEK 145.8 million (126.2), up 15.5 percent from the same period the preceding year. The operating margin was 15.4 percent (15.1).

The operating profit for the six months May–October totalled SEK 248.9 million (215.3), up 15.7 percent from the same period the preceding year. The operating margin for the period was 14.4 percent (14.1). Operating profit was affected by approximately SEK 4.0 million in costs for restructuring the North American operations. The improvement in operating profit was attributable to higher sales volumes and high capacity utilisation of production plant.



Net financial items for the second quarter totalled SEK -8.2 million (-13.0), and estimated tax SEK -37.1 million (-35.4), corresponding to an effective tax rate of 27.0 percent (31.3).

Interest expense for the May–October period totalled SEK -43.2 million (-23.2). Interest expense includes translation losses on loans. Restated without translation losses, interest expense totalled SEK -22.0 million (-20.9). Interest expense increased as a result of higher interest rates. Tax expense for the period totalled SEK -63.0 million (-59.5), corresponding to an effective tax rate of 27.0 percent (30.5) based on profit after financial items.

## Acquisitions and new operations

In September, Systemair acquired the minority share comprising 26 percent of the shares in Systemair (SEA) Pte Ltd of Singapore from that company's managing director. Following the acquisition, Systemair owns all shares in the company. Systemair paid a purchase consideration of SEK 5.3 million, resulting in goodwill of SEK 3.3 million.

Megcool Industries of Kuala Lumpur, Malaysia, was also acquired, with control effective 1 May 2008. Employing about 50 people, Megcool reported sales of approximately SEK 15 million for the period May–October 2008 and operating profit of approximately SEK 3.2 million. The company manufactures and markets products for the ventilation of tunnels and parking garages. The former owners, with 30 years' experience in the ventilation industry, remain active in the company. Through the acquisition, the Group acquired a competitive production unit in the region and a base for the Group's continued drive in Asia. The operations in Malaysia will also serve as a logistical hub for onward distribution of products in the region. Upon its acquisition, the company was renamed Systemair.

At 13 May 2008, Systemair acquired the operations of Emerson Ventilation Products from the U.S. company Emerson Electric Co. The company manufactures fan and ventilation equipment that broadens Systemair's product range; annual sales are roughly USD 10 million. Since the acquisition, production and sales have been integrated with Fantech's current operations in North America why it is difficult to segregate the exact effect of the profits added. The aim is to move and coordinate warehousing and logistics functions during the third and fourth quarters so as to achieve additional synergy effects.

A preliminary breakdown of the purchase consideration paid for Megcool and Emerson is as follows:

Cash payment	SEK 32.8 million
Additional payment	<u>SEK 3.2 million</u>
Total purchase cost	SEK 36.0 million

Assets acquired	
Fair value of assets acquired, net	SEK 20.8 million
Goodwill	SEK 15.2 million

Assets and liabilities acquired	Carrying amount	Adjustment	Fair value
Intangible assets	-	15.2	15.2
Machinery and equipment	12.1	-	12.1
Inventories	10.6	-2.7	7.9
Other current assets	12.8	-	12.8
Cash and cash equivalents	0.1	-	0.1
Non-interest-bearing liabilities (incl. deferred tax liability)	-1.0	-	-1.0
Interest-bearing liabilities	-0.8	-	-0.8
Other operating liabilities	-10.3	-	-10.3
	<b>23.5</b>	<b>12.5</b>	<b>36.0</b>

Impact on cash flow	
Purchase consideration incl. additional payment	-36.0
Purchase consideration not paid	3.2
Cash and cash equivalents in company acquired	0.1
<u>Additional purchase consideration paid for prior acquisitions (Climaproduct)</u>	<u>-1.6</u>
<b>Change in consolidated cash and cash equivalents through acquisitions</b>	<b>-34.3</b>

## Investment, depreciation and amortisation

Group investment during the period totalled SEK 96.6 million (83.8). Depreciation of fixed assets totalled SEK 39.2 (36.1). Investment in new construction and machinery totalled SEK 54.4 million (20.8), predominantly for investments in the manufacturing units. Acquisition of subsidiaries totalled SEK 39.6 (37.8) for the period.

In Ukmergė, Lithuania, new production and warehouse facilities are under construction. The building will comprise about 8,000 m<sup>2</sup> of production and warehousing space, the total investment being budgeted at SEK 50 million. The facilities are scheduled to be officially opened in spring 2009. The project has been granted investment incentives from the EU structural fund, which are estimated at about SEK 5.7 million and will reduce the total cost of the investment.

## Employees

The average number of employees in the Group totalled 1,963 (1,728). At the end of the period, the total number of employees was 1,977 (1,729), 177 of whom were added through companies established or acquired since October 2007. New employees have been added primarily at the manufacturing plants in Denmark, Germany and Slovakia.

## Cash flow and financial position

Cash flow from operating activities before changes in working capital during the period totalled SEK 250.7 million (190.3), the increase being chiefly attributable to improved operating profit. Working capital increased SEK 61.5 million (128.2) chiefly as a result of increased capital tied-up in trade receivables, a result of seasonal variations in sales as well as increased sales in markets with longer credit periods. Net cash flow from financing activities was SEK -122.6 million (34.2), as a result of loan amortisation and the dividend paid. At the end of the period, net indebtedness totalled SEK 726.9 million (787.7), while the consolidated equity/assets ratio was 38.8 percent (33.4).

## Financial targets

In April 2007, the Board of Directors of Systemair adopted three financial targets and a dividend policy.

- Sales growth	no less than 12 percent over a business cycle, both organic and acquired
- Operating margin	no less than 10 percent over a business cycle
- Equity/assets ratio	no less than 30 percent
- Dividend	approximately 30 percent of profit after tax

All objectives were achieved in the 2007/08 financial year and the period under review.

## Material risks and uncertainty

Systemair is exposed to operational and financial risks in its business. Operational risk arises from the international nature of the operations, tough competition and the sensitivity of the construction industry to the business cycle. The financial risks that Systemair has identified in its business consist of foreign exchange risk, collateral and interest-rate risk, credit and liquidity risk and tax losses carried forward. The material risks and uncertainty affecting Systemair are described in more detail in the Company's 2007/2008 Annual Report. No significant change occurred in the risk situation during the period.

### Transactions with related parties

Systemair's significant transactions with related parties concern ebm-papst AB and ebm-papst Mulfingen GmbH & Co. KG. Transactions with related parties are described in detail in note 37 to the accounts in the Annual Report for the 2007/08 financial year. During the period, no material change took place in the scale of these transactions.

### Events after the end of the period covered by the report

In November, Systemair received an order of 328 jet tunnel fans for a highway in Italy. The order value amounts to EUR 2,9 million. It is highway tunnels between Torino-Bardonnecchia that will be refurbished and the fans will be delivered from 2008 until 2010. The intention is to upgrade the tunnels in accordance with a EC directive in order to improve the safety of the tunnels. The order is a break-through for Systemair on the European market for infrastructural fans and is a result of the acquisition of Matthews & Yates that was carried out in 2007.

### Parent Company

Parent Company sales for the period totalled SEK 502.3 million (489.9), while operating profit was SEK 60.7 million (60.1).

The average number of employees in the Parent Company was 384 (378).

### Financial information

The Interim Report for the third quarter will be published at 8.30 AM on 5 March 2009.

### Miscellaneous

The information in this interim report is information that Systemair is required to publish in accordance with the Swedish Securities Markets Act (*lagen om värdepappersmarknaden*) and/or the Swedish Financial Instruments Trading Act (*lagen om handel med finansiella instrument*). This information has been submitted for publication at 8.30 AM on 9 December 2008.

The undersigned affirm that this six-month report provides a true and fair survey of the Parent Company's and the Group's operations, financial position and profits as well as describing the material risks and uncertainty facing the Parent Company and the companies included in the Group.

Skinnskatteberg, 9 December 2008  
Systemair AB (publ)

Göran Robertsson  
*Director*

Kevin Rowland  
*Employee Representative*

Knut Stålenhag  
*Employee Representative*

Elisabeth Westberg  
*Director*

Jürgen Zilling  
*Director*

INTERIM REPORT MAY 2008 – OCTOBER 2008  
Systemair AB (publ)

Lars Hansson  
*Chairman of the Board*

Gerald Engström  
*Chief Executive Officer*

For further information, please contact:

Gerald Engström, CEO, phone: +46 222-440-01 or +46 70-519-0001, [geen@systemair.se](mailto:geen@systemair.se)

Lars Hansson, Chairman, phone: +46 70-895-9002, [lars.hansson@systemair.se](mailto:lars.hansson@systemair.se)

Glen Nilsson, CFO, Phone +46 222-440-03, +46 70-654-4003, [glni@systemair.se](mailto:glni@systemair.se)

**Systemair AB**

Co. reg. no. 556160-4108

SE-739 30 Skinnskatteberg

Phone +46-222-44000

Fax +46-222-44099

[info@systemair.se](mailto:info@systemair.se)

[www.systemair.se](http://www.systemair.se)

**Systemair in brief**

*Systemair is a leading ventilation company with operations in 38 countries in Europe, North America, the Middle East, Asia, Africa and Australia. In the 2007/08 financial year, the Company had sales of approximately SEK 3.1 billion and currently employs about 1,960 people. Since it was founded in 1974, the Company has increased sales every year and at the same time reported an operating profit. During the past three years, the Company's growth rate has averaged roughly 18 percent. The Group comprises about 50 companies.*

*Systemair has well-established operations in growth markets. The Group's products are marketed under the Systemair, Frico, VEAB and Fantech brands. Systemair shares have been quoted on the Mid Cap List of the OMX Nordic Exchange in Stockholm since October 2007.*



## **Auditors' review report**

### **Introduction**

We have reviewed the interim report for Systemair AB (publ) for the period 1 May–31 October 2008. The preparation and fair presentation of the interim report in accordance with IAS 34 and the Swedish Annual Accounts Act are the responsibility of the Board of Directors and the Chief Executive Officer. Our responsibility is to express our opinion of this interim report based on our review.

### **Emphasis and scope of the review**

We conducted our review in accordance with the Standard on review engagements, SÖG 2410 Review of interim financial reporting conducted by the company's elected auditors (*Översiktlig granskning av finansiell delårsinformation utförd av företagens valda revisor*). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The emphasis and scope of a review differ considerably from that of an audit in accordance with Audit Standards in Sweden RS (*Revisionsstandard i Sverige*) and other good auditing practice in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance to become aware of all significant matters that could have been identified in an audit. As our opinion is based on a review, the level of assurance is not as high as that of an opinion expressed based on an audit.

### **Opinion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material respects, was not prepared in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group or in accordance with the Swedish Annual Accounts Act for the Parent Company.

Stockholm, 9 December 2008  
Ernst & Young AB

Thomas Forslund  
Authorised Public Accountant

## Consolidated Income Statement

	2008 Aug–Oct 3 months	2007 Aug–Oct 3 months	2008 May–Oct 6 months	2007 May–Oct 6 months	2007/08 Nov–Oct rolling 12	2007/08 May–Apr 12 months
SEK million						
Net sales	946.8	833.2	1,733.9	1,527.1	3,298.4	3,091.6
Cost of goods sold	-587.6	-515.4	-1,076.0	-957.4	-2,046.1	-1,927.4
<b>Gross profit</b>	<b>359.2</b>	<b>317.8</b>	<b>657.9</b>	<b>569.7</b>	<b>1,252.3</b>	<b>1,164.2</b>
Other operating income	29.4	11.3	37.2	21.2	68.5	52.8
Selling expenses	-176.4	-145.7	-326.7	-273.3	-652.3	-599.0
Administration expenses	-49.0	-48.3	-96.5	-85.8	-186.7	-176.0
Other operating expenses	-17.4	-8.9	-23.0	-16.5	-45.5	-39.5
<b>Operating profit</b>	<b>145.8</b>	<b>126.2</b>	<b>248.9</b>	<b>215.3</b>	<b>436.3</b>	<b>402.5</b>
Interest income	12.6	2.7	15.7	4.4	20.2	7.8
Interest expense	-30.4	-13.5	-43.2	-23.2	-74.9	-54.7
Other financial income and expense	9.5	-2.2	11.6	-1.7	6.0	-6.3
<b>Profit after financial items</b>	<b>137.5</b>	<b>113.2</b>	<b>233.0</b>	<b>194.8</b>	<b>387.6</b>	<b>349.3</b>
Tax on profit for the period	-37.1	-35.5	-63.0	-59.5	-104.9	-101.3
<b>Profit for the period</b>	<b>100.4</b>	<b>77.7</b>	<b>170.0</b>	<b>135.3</b>	<b>282.7</b>	<b>248.0</b>
<b>Attributable to:</b>						
Parent Company's shareholders	99.4	76.6	168.4	133.4	278.8	243.8
Minority interest	1.0	1.1	1.6	1.9	3.9	4.2
Basic earnings per share (SEK) 1)	1.91	1.47	3.24	2.57	5.36	4.69
Diluted earnings per share (SEK) 1)	1.91	1.47	3.24	2.57	5.36	4.69
Average number of shares during period, basic 1)	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000
Average number of shares during period, diluted 1)	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000

1) The Company has issued 223,500 warrants to employees of the Group. The average price of the share during the period under review was lower than the redemption price for the warrants, so no dilution effect has been taken into account. The total number of shares outstanding at the end of the period under review was 52,000,000.

## Consolidated Balance Sheet

SEK million	31 Oct 2008	31 Oct 2007	30 Apr 2008
<b>ASSETS</b>			
Goodwill	150.4	93.8	118.6
Other intangible assets	1.7	1.9	1.9
Property, plant and equipment	703.8	640.3	646.0
Financial and other assets	59.9	82.5	72.7
<b>Total fixed assets</b>	<b>915.8</b>	<b>818.5</b>	<b>839.2</b>
Inventories	554.3	504.3	510.2
Current receivables	851.7	688.5	702.1
Cash and cash equivalents	96.0	76.6	117.1
<b>Total current assets</b>	<b>1,502.0</b>	<b>1,269.4</b>	<b>1,329.4</b>
<b>TOTAL ASSETS</b>	<b>2,417.8</b>	<b>2,087.9</b>	<b>2,168.6</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>937.4</b>	<b>697.4</b>	<b>808.4</b>
Non-current liabilities, provisions	85.9	74.8	76.4
Non-current liabilities, interest-bearing	316.9	323.5	334.1
<b>Total non-current liabilities</b>	<b>402.8</b>	<b>398.3</b>	<b>410.5</b>
Current liabilities, interest-bearing	493.6	531.4	482.7
Current liabilities, non-interest-bearing	584.0	460.8	467.0
<b>Total current liabilities</b>	<b>1,077.6</b>	<b>992.2</b>	<b>949.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,417.8</b>	<b>2,087.9</b>	<b>2,168.6</b>

## Changes in Equity – Group

SEK million	2008 May–Oct	2007 May–Oct	2007/08 May–Apr
<b>Amount at beginning of year</b>	<b>808.4</b>	<b>642.9</b>	<b>642.9</b>
Change in market value of securities held for sale	-8.1	-12.3	-18.4
Transferred to income statement for the period	-	-0.3	-0.3
Translation differences	49.8	7.4	11.6
<b>Total income and expenses recognised directly in equity</b>	<b>41.7</b>	<b>-5.2</b>	<b>-7.1</b>
Net Profit for the period	170.0	135.3	248.0
<b>Total income and expenses</b>	<b>211.7</b>	<b>130.1</b>	<b>240.9</b>
Payment for warrants	-	1.2	1.7
Dividend to shareholders	-78.0	-75.9	-75.9
Dividend in subsidiary paid to minority shareholders	-3.0	-0.9	-1.2
Acquisition of minority share	-1.7	-	-
<b>Amount at year-end</b>	<b>937.4</b>	<b>697.4</b>	<b>808.4</b>
<b>Attributable to:</b>			
Parent Company's shareholders	923.6	684.6	793.1
Minority interest	13.8	12.8	15.3

## Consolidated Cash Flow Statement

SEK million	2008 May–Oct 6 months	2007 May–Oct 6 months	2007/08 May–Apr 12 months
Operating profit	248.9	215.3	402.5
Adjustments for non-cash items	48.1	31.6	46.5
Financial items	-16.4	-18.2	-32.7
Income tax paid	-29.9	-38.4	-71.5
<b>Cash flows from operating activities before changes in working capital</b>	<b>250.7</b>	<b>190.3</b>	<b>344.8</b>
Change in working capital	-61.5	-126.1	-126.5
<b>Cash flows from operating activities</b>	<b>189.2</b>	<b>64.2</b>	<b>218.3</b>
Cash flows from investing activities	-96.6	-83.8	-168.9
Cash flows from financing activities	-122.6	34.2	6.1
<b>Cash flow for the year</b>	<b>-30.1</b>	<b>14.6</b>	<b>55.5</b>
Cash and cash equivalents at start of year	117.1	61.5	61.5
Translation differences in cash	9.0	0.5	0.1
<b>Cash and cash equivalents at close of period</b>	<b>96.0</b>	<b>76.6</b>	<b>117.1</b>

## Key Ratios – Group

		2008 Aug–Oct 3 months	2007 Aug–Oct 3 months	2008 May–Oct 6 months	2007 May–Oct 6 months	2007/08 May–Apr 12 months
Net sales	SEKm	946.8	833.2	1,733.9	1,527.1	3,091.6
Growth	%	13.6	13.1	13.5	14.3	16.0
Operating profit	SEKm	145.8	126.2	248.9	215.3	402.5
Operating margin	%	15.4	15.1	14.4	14.1	13.0
Profit after net financial items	SEKm	137.5	113.2	233.1	194.8	349.3
Profit margin	%	14.5	13.6	13.4	12.8	11.3
Return on capital employed	%	27.9	26.0	27.9	26.0	25.8
Return on equity	%	33.9	40.2	33.9	40.2	34.0
Equity/assets ratio	%	38.8	33.4	38.8	33.4	37.3
Investments	SEKm	38.2	12.9	96.9	83.8	168.9
Depreciation and amortisation	SEKm	19.8	18.5	39.2	36.1	72.8
<b>Key ratios per share</b>						
Basic earnings per share	SEK	1.91	1.47	3.24	2.57	4.69
Diluted earnings per share	SEK	1.91	1.47	3.24	2.57	4.69
Equity per share, basic	SEK	17.76	13.17	17.76	13.17	15.25
Equity per share, diluted	SEK	17.76	13.17	17.76	13.17	15.25
Number of shares at year-end		52,000,000	52,000,000	52,000,000	52,000,000	52,000,000

## Parent Company Income Statement

SEK million	2008 Aug–Oct 3 months	2007 Aug–Oct 3 months	2008 May–Oct 6 months	2007 May–Oct 6 months	2007/08 May–Apr 12 months
Net sales	268.9	268.3	502.3	489.9	1,000.4
Cost of goods sold	-190.6	-193.0	-352.9	-353.1	-721.7
<b>Gross profit</b>	<b>78.3</b>	<b>75.3</b>	<b>149.4</b>	<b>136.8</b>	<b>278.7</b>
Other operating income	17.3	5.8	22.8	14.5	30.7
Selling expenses	-32.8	-28.6	-62.8	-52.8	-116.1
Administration expenses	-17.0	-21.0	-33.7	-33.8	-66.6
Other operating expenses	-12.2	-1.7	-15.0	-4.6	-12.3
<b>Operating profit</b>	<b>33.6</b>	<b>29.8</b>	<b>60.7</b>	<b>60.1</b>	<b>114.4</b>
Interest income	9.4	8.0	18.3	15.1	29.1
Interest expense	-28.4	-11.9	-41.8	-21.9	-49.9
Other financial income and expense	66.5	56.2	123.9	47.3	26.6
<b>Profit after financial items</b>	<b>81.1</b>	<b>82.1</b>	<b>161.1</b>	<b>100.6</b>	<b>120.2</b>
Appropriations <sup>1)</sup>	-6.7	-11.3	-12.2	-15.5	-19.9
<b>Pre-tax profit</b>	<b>74.4</b>	<b>70.8</b>	<b>148.9</b>	<b>85.1</b>	<b>100.3</b>
Tax on profit for the period	-6.0	-6.0	-11.6	-10.6	-20.1
<b>Profit for the period</b>	<b>68.4</b>	<b>64.8</b>	<b>137.3</b>	<b>74.5</b>	<b>80.2</b>

1) Appropriations have been calculated on a pro rata basis for the accounting period.

## Parent Company Balance Sheet

SEK million	31 Oct 2008	31 Oct 2007	30 Apr 2008
<b>ASSETS</b>			
Goodwill	–	0.1	–
Property, plant and equipment	126.7	124.6	128.1
Financial and other assets	811.8	716.8	763.6
<b>Total fixed assets</b>	<b>938.5</b>	<b>841.5</b>	<b>891.7</b>
Inventories	130.3	137.9	132.5
Current receivables	319.4	328.3	298.6
Cash and cash equivalents	302.5	258.0	250.4
<b>Total current assets</b>	<b>752.2</b>	<b>724.2</b>	<b>681.5</b>
<b>TOTAL ASSETS</b>	<b>1,690.7</b>	<b>1,565.7</b>	<b>1,573.2</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>432.1</b>	<b>366.6</b>	<b>370.6</b>
<b>Untaxed reserves</b>	<b>137.5</b>	<b>120.9</b>	<b>125.3</b>
Non-current liabilities, provisions	1.0	0.9	1.0
Non-current liabilities, interest-bearing	432.2	438.0	521.4
<b>Total non-current liabilities</b>	<b>433.2</b>	<b>438.9</b>	<b>522.4</b>
Current liabilities, interest-bearing	528.5	489.4	417.0
Current liabilities, non-interest-bearing	159.4	149.9	137.9
<b>Total current liabilities</b>	<b>687.9</b>	<b>639.3</b>	<b>554.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,690.7</b>	<b>1,565.7</b>	<b>1,573.2</b>

### General accounting policies and principles

Systemair applies International Financial Reporting Standards (IFRS). This interim report has been prepared for the Group in accordance with the Swedish Annual Accounts Act and IAS 34, Interim Financial Reporting, and for the Parent Company in accordance with the Swedish Annual Accounts Act. The accounting policies applied for the Group and Parent Company accounts accord with the accounting policies used in preparing the Company's most recent Annual Report.

### Segment reporting

Systemair's opportunities and risks are primarily associated with the solutions offered to customers. The Group's sales are based mainly on ventilation products. The Group has a number of separate product groups with different functions and performance, but all are designed for the same area of



application for customers, that is, ventilation of commercial and residential premises. Customers are mainly professional ventilation contractors and distributors. Because all sales of ventilation products are exposed to similar risks and opportunities, Systemair operates in only one area of business which consequently coincides with the accounts reported for the Group as a whole. Secondary segment reporting is provided by geographical regions. Operations are monitored internally by company.

## **Definitions of key ratios**

### **Operating profit (EBIT)**

Earnings before financial items and tax.

### **Growth**

Change in net sales, relative to net sales for the preceding period.

### **Operating margin**

Operating profit divided by net sales.

### **Profit margin**

Profit after financial items divided by net sales.

### **Return on capital employed**

Profit after financial income, calculated on a rolling 12-month basis, divided by average capital employed.

### **Capital employed**

Total assets less non-interest-bearing liabilities.

### **Return on equity**

Profit after tax, before minority share, calculated on a rolling 12-month basis, divided by average capital employed, excluding minority share.

### **Number of employees**

Number of employees at the end of the accounting period. New employees, appointments terminated, part-time employees and paid overtime are converted into full-time equivalents.

### **Earnings per share**

Profit for the period, divided by the average number of shares during the period.

### **Equity/assets ratio**

Adjusted equity divided by total assets.

### **Equity per share**

Equity divided by the number of shares at the end of the period.