

Interim report January – June 2008

Continued strong growth – sales + 30% and profits + 40% for quarter 2

Quarter 2:

- Sales reached SEK 316m (243), an increase of 30%.
- Incoming orders amounted to SEK 339m (266), an increase of 28%.
- Operating profit was SEK 36m (26), an increase of 40%. Operating margin was 11.4% (10.6).
- Net profit was SEK 23m (18), an increase of 27%.
- Earnings per share were SEK 1.95 (1.54).

First half year:

- Sales amounted to SEK 609m (485), an increase of 26%.
- Incoming orders were SEK 628m (506), an increase of 24%.
- Operating profit was SEK 69m (51), an increase of 34%. Operating margin was 11.3% (10.6).
- Net profit was SEK 45m (33), an increase of 35%.
- Earnings per share were SEK 3.85 (2.85).

Comparable figures for the previous year exclude costs for the IPO which had an impact of SEK 6.0m on operating profit and SEK 4.3m on net profit in the first quarter.

Key Figures, Group

SEK 000	1 April - 30 June		1 Jan - 30 June		Full year	July-June
	2008	2007 *)	2008	2007 *)	2007 *)	12 months *)
Net sales	316 067	242 752	608 818	484 745	1 041 359	1 165 432
Operating profit	36 120	25 747	68 868	51 217	114 071	131 722
Operating margin, %	11,4	10,6	11,3	10,6	11,0	11,3
Net profit	22 853	18 014	45 128	33 413	75 186	86 901
Earnings per share	1,95	1,54	3,85	2,85	6,42	7,42
Operating cash flow	34 321	30 756	43 432	62 805	88 496	69 123
Return on shareholders' equity, %	19,7	18,0	19,7	17,0	18,2	19,9
Return on operating capital, %	22,7	18,6	22,2	18,8	20,0	22,0
Net debt	-182 265	-141 476	-182 265	-141 476	145 625	182 265
Net debt / equity ratio, %	39,4	34,5	39,4	34,5	32,2	39,4
Average no. of employees			686	547	568	617

*) Before IPO costs

Market

There was a high level of activity on most markets during the period, with the exception of the North American market. Success in Asia included a contract worth SEK 13 m received from India during the quarter.

During the first six months the **Nordic markets** increased by around 40% compared with the first half of 2007, of which 15% was through acquisitions and 25% was organic growth.

The UK climbed by 37% in local currency in the first six months, of which 31% was through acquisitions and 6% was organic growth. Currency conversion rates were around 10% lower in the first half of 2008 compared with the first half of 2007.

Other European markets increased by around 20% in local currency in the first half of the year.

The **North American** markets fell by around 12% in local currency in the first half of the year.

Other markets outside North America and Europe rose by 56% in local currency during the period, of which 16% was through acquisitions and 40% was organic growth.

Acquisitions

In April Nederman took over Assalub's automotive activity. This strengthens Nederman's presence on the auto workshop segment. This is a core business where Nederman has been successful in Belgium, Norway and Spain in recent years. Assalub has been a leader in Sweden for many years within the field of rational handling of lubricants and service fluids for auto workshops.

Start-ups

Nederman's plant in Shanghai was officially opened in the second quarter. The plant is an assembly unit for selected Nederman products as well as constituting a logistics centre for Asia, Australia and New Zealand. This start-up is designed to support the fast industrial growth in the region. Customers will benefit from shorter lead-times, faster response times and higher availability. The Shanghai company also contains the central sales and marketing organisation for China and South East Asia.

Events after the end of the period

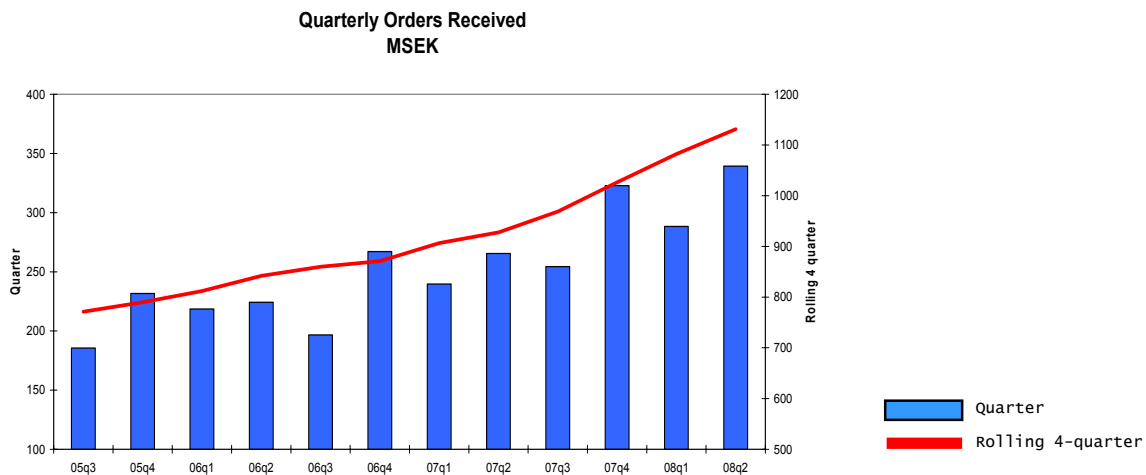
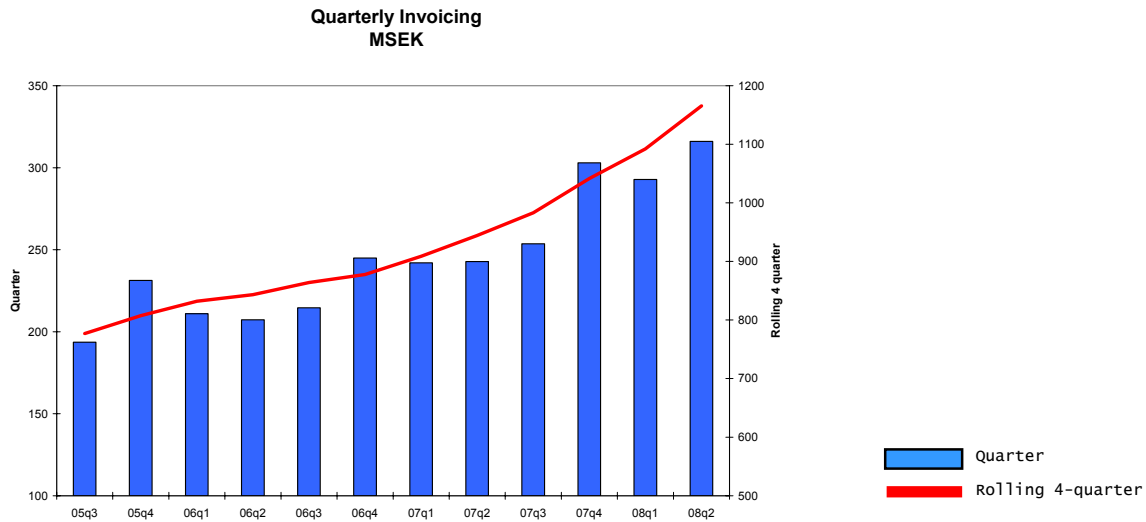
On 3 July 2008 Nederman acquired AB Norclean of Varberg, Sweden, which has been an exclusive distributor of Nederman Norclean and other products on the Swedish market since 1968. The company has sales of around SEK 30 m. The acquisition will have a marginally positive effect on Nederman's earnings in 2008.

The composites processing segment continues to develop positively. There is a large requirement for Nederman's systems for capturing composite dust in sectors such as the fast-expanding windmill manufacturing industry, where the blades are produced from composites. During the period, Nederman received a number of orders from this segment and in the second week of July additional orders worth SEK 12 m were received from the Danish windmill industry.

At the start of July Nederman signed a five-year contract, worth around SEK 25 m, with the New York City Fire Department, which covers 250 fire stations. The contract concerns upgrades and modernisation of existing stations with extraction units for exhaust fumes as well as preventive maintenance and service of installed systems.

Outlook

The company expects demand in Q3 to remain good in Europe and the rest of the world. The North American market is expected to show continued weak development.



Sales

Net sales for the **second quarter** of 2008 amounted to SEK 316m (243), an increase of 30 per cent compared with the same period last year. In local currency, the increase was 29 per cent. Nine per cent of the increase was through acquisitions and 20 per cent was organic growth. Incoming orders were SEK 339m (266), which is an increase of 28 per cent compared with the previous year.

Net sales for the **first half** year were SEK 609m (485), an increase of 26 per cent compared with the first half of 2007. The increase in local currency was 25 per cent. Nine per cent of the increase was through acquisitions and 16 per cent was organic growth. Incoming orders for the first half year were SEK 628m (506), which is an increase of 24 per cent compared with the first half year of 2007.

Profits

The consolidated **operating profit** for the second quarter was SEK 36m (26), which corresponds to an operating margin of 11.4 per cent (10.6). This is an increase of 40 per cent compared with the second quarter of 2007. The consolidated operating profit in the first half year increased to SEK 69m (51), which corresponds to an operating margin of 11.3 per cent (10.6). The operating profit increased with 34 per cent in the first half year compared with the same period the previous year.

The **Gross margin** was in the second quarter 49.8 (50,0) per cent and 49,9 (50,1) per cent in the first half year.

Profit before tax increased to SEK 32m (23) in the second quarter and to SEK 63m (47) in the first half year.

Net Profit increased to SEK 23m (18) in the second quarter and to SEK 45m (33) in the first half year.

Gross investments for the second quarter amounted to SEK 4m (5) and for the first half year to SEK 8m (9).

The **liquidity**: The Group had at the close of the period SEK 63m in cash and cash equivalents and SEK 67m in available but unutilised overdraft facilities.

Shareholders' equity in the Group amounted to SEK 462m. An ordinary dividend of 2.50 per share was paid to the shareholders in the second quarter, amounting in total to SEK 29.3m. Total **number of shares** at the close of the period was 11 715 340.

The Group's **equity/assets ratio** was 47.8 per cent on 30 June 2008 (50.3) and the **financial net debt/equity ratio**, calculated as the net debt in relation to the shareholders' equity, was 39.4 per cent (34.5).

Employees

The average number of employees in the first half year was 686 (547). The number of employees at the end of the period was 728 (550).

Business areas

In the business area **Extraction & Filter Systems**, net sales increased to SEK 272m (201) or with 35 per cent compared with the second quarter of 2007. Net sales for the first half year were SEK 514m (401), an increase of 28 per cent compared with the first half of 2007, of which 10 percentage units are through acquisitions.

Operating profit for the second quarter increased to SEK 32m (22), corresponding to an operating margin of 11.8 per cent (11.1). Profit for the first half year was SEK 60m (45), an operating margin of 13.8 per cent (11.2).

In the business area **Hose & Cable Reels**, net sales for the second quarter increased to SEK 45m (42) or with 6 per cent compared with the same period of 2007. Net sales during the first half year were SEK 95m (84), an increase of 13 per cent compared with the first half the previous year.

The business area's operating profit for the second quarter was SEK 3.9m (3.5), which was equivalent to an operating margin of 8.8 per cent (8.3). The operating profit for the first half year was SEK 8.4m (7.7), equivalent to an operating margin of 8.8 per cent (7.7).

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 currency. These risks are described in detail on page 27 and in note 26 of the company's annual report for the 2007 financial year. During the reporting period no circumstances have arisen to change the assessment of the identified risks.

Accounting principles

This financial report has been prepared in accordance with International Financial Reporting Standards, IFRS, as approved by the EU Commission for application within the EU. The report is also prepared in accordance with IAS 34, Interim Financial Reporting, which is in accordance with the requirements of recommendation RR31, Interim Reports for Groups, of the Swedish Financial Accounting Standards Council. For a description of the Group's accounting principles and definitions, please see the 2007 annual report. The principles applied are unchanged. Annual reports and interim reports published prior to the end of June 2006 were prepared in accordance with the Swedish Annual Accounts Act and the general guidance of the Swedish Accounting Standards Board. In connection with the preparation of the listing prospectus, historical financial information for comparable periods was re-stated in accordance with IFRS.

Consolidated income statement

SEK 000	1 April - 30 June		1 January - 30 June		Full year	July-June
	2008	2007	2008	2007	2007	12 months
Net sales	316 067	242 752	608 818	484 745	1 041 359	1 165 432
Cost of goods sold	-158 778	-121 316	-304 864	-242 070	-525 787	-588 581
Gross profit	157 289	121 436	303 954	242 675	515 572	576 851
Selling expenses	-93 114	-76 463	-181 202	-152 105	-315 295	-344 392
Administrative costs	-24 862	-16 185	-45 492	-31 038	-66 829	-81 283
Research and development costs	-4 638	-3 689	-9 351	-6 956	-15 146	-17 541
Other operating income/expenses	1 445	648	959	-7 359	-10 925	-2 607
Operating profit	36 120	25 747	68 868	45 217	107 377	131 028
Financial income	254	123	730	985	3 474	3 219
Financial expenses	-3 741	-2 612	-6 668	-5 115	-12 207	-13 760
Net financial items	-3 487	-2 489	-5 938	-4 130	-8 733	-10 541
Profit before tax	32 633	23 258	62 930	41 087	98 644	120 487
Tax	-9 780	-5 244	-17 802	-11 994	-28 278	-34 086
Profit for the period	22 853	18 014	45 128	29 093	70 366	86 401
Earnings per share, SEK	1,95	1,54	3,85	2,48	6,01	7,38
Earnings per share after dilution, SEK	1,95	1,54	3,85	2,48	6,01	7,38
Average number of shares		11 715 340	11 715 340	11 715 340	11 715 340	11 715 340
Average number of shares after dilution		11 715 340	11 715 340	11 715 340	11 715 340	11 715 340
Number of shares at end of period		11 715 340	11 715 340	11 715 340	11 715 340	11 715 340

Consolidated balance sheet

SEK 000	30 June		31 Dec
	2008	2007	2007
Assets			
Goodwill	389 586	360 663	370 336
Other intangible fixed assets	25 037	23 438	24 197
Tangible fixed assets	41 880	38 270	40 987
Long-term receivables	427	901	497
Deferred tax assets	17 398	12 296	12 924
Total fixed assets	474 328	435 568	448 941
Inventories	155 193	106 180	121 600
Accounts receivable	236 137	188 131	234 844
Other current receivables	38 531	24 475	27 980
Cash and cash equivalents	62 626	61 388	76 439
Total current assets	492 487	380 174	460 863
Total assets	966 815	815 742	909 804
Shareholders' equity			
	462 390	410 212	451 764
Liabilities			
Long-term interest-bearing liabilities	196 885	140 626	158 111
Other Long-term liabilities	151	3 407	566
Provisions for pensions	30 998	29 270	30 207
Deferred tax liabilities	12 506	10 558	13 089
Total long-term liabilities	240 540	183 861	201 973
Current interest-bearing liabilities	15 648	32 968	33 746
Accounts payable	98 951	92 995	104 847
Other current liabilities	149 286	95 706	117 474
Total current liabilities	263 885	221 669	256 067
Total liabilities	504 425	405 530	458 040
Total shareholders' equity and liabilities	966 815	815 742	909 804

Summary of changes in the Group's shareholders' equity

SEK 000	30 June		31 Dec
	2008	2007	2007
Shareholders' equity on 1 January	451 764	376 587	376 587
Dividend	-29 288		
Changes in translation reserve for the period	-5 214	4 440	4 811
Profit for the period	45 128	11 079	70 366
Shareholders' equity at end of period	462 390	392 106	451 764

Consolidated cash flow statement

SEK 000	1 January - 30 June		Full year	July-June
	2008	2007	2007	12 months
Operating profit	68 868	45 217	107 377	131 028
Adjustments for:				
Depreciation of fixed assets	8 976	11 803	17 793	14 966
Other adjustments	779	0	3 737	4 516
Interest received and paid incl. other financial items	-5 512	-4 023	-8 605	-10 094
Taxes paid	-14 657	-12 937	-21 441	-23 161
Cash flow from operating activities before changes in working capital	58 454	40 060	98 861	117 255
Cash flow from changes in working capital	-26 834	8 885	-30 392	-66 111
Cash flow from operating activities	31 620	48 945	68 469	51 144
Net investments in fixed assets	-8 357	-9 100	-16 713	-15 970
Acquired units	-28 182	-14 608	-31 149	-44 723
Cash flow before financing activities	-4 919	25 237	20 607	-9 549
Dividend	-29 288			-29 288
Cash flow from other financing activities	20 025	-15 453	3 845	39 323
Cash flow for the period	-14 182	9 784	24 452	486
Cash and cash equivalents at the beginning of the period	76 439	50 235	50 235	61 388
Exchange rate differences	369	1 369	1 752	752
Cash and cash equivalents at the end of the period	62 626	61 388	76 439	62 626
Specification of acquisitions				
Acquisition price incl direct costs			31 682	
Fair value of acquired net assets			9 526	
Goodwill			22 156	
Purchase price not yet paid			3 500	
Acquired assets and liabilities				
Intangible fixed assets			147	
Tangible fixed assets			3 011	
Financial fixed assets			233	
Inventories			14 669	
Accounts receivable and other receivables			18 160	
Cash			9 770	
Interest-bearing liabilities			-1 579	
Accounts payable and other operating liabilities			-24 835	
Deferred tax liabilities			-280	
Net assets			19 296	
Of which cash / interest-bearing liabilities in acquired units			-9 770	
Fair value of acquired net assets			9 526	
Net profit during ownership period			-370	
Net sales in the acquired units during the period			29 437	
Net profit in the acquired units during the period			458	

Income statement for the parent company

SEK 000	1 April - 30 June		1 January - 30 June		Full year	July-June
	2008	2007	2008	2007	2007	12 months
Operating profit / loss	-6 999	-3 467	-12 013	-8 857	-20 672	-23 828
Net financial items	-2 775	-1 959	1 489	-1 424	6 859	9 772
Profit / loss after financial items	-9 774	-5 426	-10 524	-10 281	-13 813	-14 056
Transfers to/from untaxed reserves	0	0	0	0	-5 473	-5 473
Profit / loss before tax	-9 774	-5 426	-10 524	-10 281	-19 286	-19 529
Tax	4 700	1 505	4 700	2 865	8 851	10 686
Profit / loss for the period	-5 074	-3 921	-5 824	-7 416	-10 435	-8 843

Balance Sheet for the parent company

SEK 000	30 June		31 Dec
	2008	2007	2007
Assets			
Total fixed assets	540 787	529 823	520 407
Total current assets	22 438	13 220	67 863
Total assets	563 225	543 043	588 270
<hr/>			
Total shareholders' equity	338 357	337 286	373 469
Untaxed reserves	6 489	1 016	6 489
Liabilities			
Total long-term liabilities	190 000	135 000	150 000
Total current liabilities	28 379	69 741	58 312
Total liabilities	218 379	204 741	208 312
Total shareholders' equity and liabilities	563 225	543 043	588 270

This interim report has not been subject to any review by the company's auditors.

Date for the publication of financial information

Q3 report 30 October 2008
Release of unaudited annual earnings figures 13 February 2009

The interim report 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 23rd July 2008

Jan Svensson
Chairman of the Board

Eric Hielte
Board member

Peter Möller
Board member

Gunnar Gremlin
Board member

Per Borgvall
Board member

Jan Eric Larson
Board member

Sven Kristensson
Board member and CEO

Mikael Kram
Employee Representative

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Facts about Nederman

Nederman, one of the world's leading environment technology companies, develops, produces and markets its own products and systems for the extraction of dust, smoke, vehicle exhaust fumes and equipment for industrial cleaning. These are based on vacuum technology covering the entire scale from high vacuum to middle and low vacuum. Nederman also produces and sells a comprehensive range of hose and cable reels for water, air, oil and other media.

Nederman's systems contribute in many ways to creating clean, efficient and safe workplaces around the world.

The company's commitments to customers include everything from pre-studies and project work to installation, operational start-up and service.

Manufacturing is certified according to ISO 9001 and ISO 14000. The company has production and assembly units in Sweden, Norway and Canada.

Nederman's products and systems are marketed via its own subsidiaries in 24 countries and via agents and distributors in more than 50 countries. The Group has around 700 employees.