

# Systemair

## INTERIM REPORT Q3

1 May 2007 - 31 January 2008  
(SEK million)

### Further strong growth and a high margin

#### Third quarter November - January 2007/08

- Net sales increased by 13% to SEK 769 million (679).
- Operating profit (EBIT) rose by 20% to SEK 104 million (87). The Company's operating margin was 14% (13).
- Profit after tax amounted to SEK 63 million (57).
- Earnings per share before and after dilution totalled SEK 1.18 (1.10).

#### Nine months May - January 2007/08

- Net sales increased by 14% to SEK 2,296 million (2,015).
- Operating profit (EBIT) rose by 20% to SEK 319 million (266). The Company's operating margin was 14% (13). The cost of the Company's stock market listing, charged to the operating profit, amounted to SEK 7 million.
- Profit after tax amounted to SEK 198 million (221).
- Earnings per share before and after dilution totalled SEK 3.74 (4.26).

#### Significant events during the period covered by the interim report

- Growth still strong in Eastern Europe & CIS.
- Koolclima, a Spanish manufacturer of ventilation products, was acquired in June.
- Stove-maker Camina of Motala was sold in August.
- Systemair Software was established in India in October.
- The sales company Matthews & Yates was established in Australia in November.
- Systemair shares were admitted to the Stockholm Mid Cap List of the OMX Nordic Exchange on 12 October. The shares were over-subscribed nine times.

Comments by Gerald Engström, CEO:

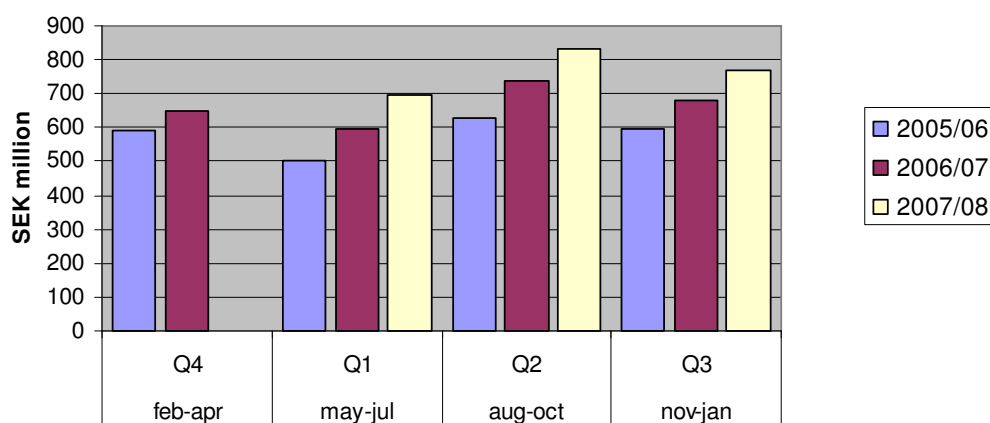
*"The period was distinguished by continued strong demand for the Group's products in most markets. We are pleased that Eastern Europe is showing a strong growth, especially in the commercial property construction sector. We believe that this market dynamics will continue during the last quarter of our financial year."*

## Net sales

Group sales in the third quarter totalled SEK 768.6 million (678.9), an increase of 13.2 percent compared to the figure for the same period in the preceding year. Companies acquired during the period contributed 2.5 percent, SEK 16.7 million, to sales in the quarter. The impact of exchange rates in the translation of the accounts of foreign subsidiaries contributed 2.7 percent to the growth in sales.

Net sales for the period May 2007-January 2008 amounted to SEK 2,295.6 million (2,014.6). The period was distinguished by continued strong demand for the Group's products in most markets, with the exception of North America. The increase in sales in the period totalled 14.0 percent, of which company acquisitions contributed 2.4 percent, or SEK 48.8 million. The impact of changes in exchange rates in the translation of the accounts of foreign subsidiaries contributed 1.0 percent to the growth in sales.

Net sales per quarter compared with same period last year



## Net sales – geographical distribution

	2007/08			2006/07	
	May-Jan	change	% of total	May-Jan	% of total
Nordic region	676.8	10%	29%	613.4	30%
Western Europe	679.9	18%	30%	576.1	29%
Eastern Europe & CIS	645.1	24%	28%	519.6	26%
North America	185.1	-16%	8%	220.9	11%
Other markets	108.7	28%	5%	84.6	4%
<b>Total</b>	<b>2,295.6</b>	<b>14%</b>	<b>100%</b>	<b>2,014.6</b>	<b>100%</b>

Sales growth in the Nordic region totalled 10 percent. Adjusted to reflect the sale of Camina AB in Motala, growth over the nine-month period amounted to 20 percent in the Nordic region. Growth in Norway and Finland was especially strong during the period. In Western Europe, sales rose by 18 percent of which 8 percentage points were attributable to the acquisition of the Spanish company Koolclima. The markets in Eastern Europe & CIS continued to show strong growth, above all in the commercial property construction sector. The North American market declined by 16 percent relative to the same period in the preceding year on account of a lower level of residential construction and a weaker USD exchange rate. The US dollar weakened by 7.5 percent relative to its level in the corresponding period last year. Measured in local currencies, sales in North America

declined by 12 percent. During the period covered by the report, an action plan was initiated with a view to cutting overall costs in North America. Under the plan, production in Florida was moved to the facility in Canada with effect from 1 February.

## Profits

Operating profits for the period totalled SEK 319.3 million (266.5), an increase of 19.8 percent. The operating profit for the period was affected by non-recurring cost and revenue items. The cost of the Company's stock market launch was charged to the operating profit in the amount of SEK -7.2 million, while the sale of Camina produced a capital gain of SEK 4.1 million. In addition, part of a property in Skinnskatteberg was sold in December, resulting in a capital gain of SEK 7.6 million, accounted for among other operating income. The improvement in the operating profit was attributable to higher sales volumes, high capacity utilization in the production facilities and lower sales overheads relative to sales.

Interest expense and similar profit and loss items during the period totalled SEK -43.0 million (-12.6). This item also includes exchange losses on loans. Adjusted for exchange losses, interest expense totalled SEK -30.5 million (-18.3). The increase in interest expense resulted from higher borrowing and higher market interest rates. Capital tied-up in trade accounts receivable and inventories also rose as a result of higher volumes of sales and acquisitions. During the period, new loans were raised in a total net amount of SEK 34.2 million (209.9).

Tax for the period amounts to SEK -82.2 million (-42.2), corresponding to a tax charge of 29.4 percent (16.0). The difference from the same period in the preceding year arises from deferred tax income of SEK 37.2 million entered in June 2006. This arose as a result of acquisitions of companies carrying deficits from operations conducted earlier.

## Acquisitions and establishments

In November, Systemair established a sales company in Australia. The new company, Matthews & Yates Australia Pty. Ltd., will strengthen Systemair's position in the Australia and New Zealand markets. Offices and warehouse are located in Melbourne. Today, Systemair markets a limited product range via distributors in Australia. A company established locally will create the conditions for more efficient sales of Systemair's entire product range.

In October, Systemair established a software development and consulting company in India. The company is a joint venture between Systemair (60 percent) and the Indian development company Mechartés (40 percent). The new company, Systemair Software, develops computer programs for simulation of airflows in rooms, energy modelling for buildings and simulation of extraction of fire gases from multi-storey car parks. The company will also continue the development of the software documentation for Systemair's products.

Mechartés, that develops software for the defence industry and other industrial technologies, is a spin-off from the India Institute of Technology.

On 1 June 2007, Systemair acquired the assets of Koolclima S.L., a Spanish manufacturer of ventilation products. The acquisition reinforces Systemair's position in the Spanish market. It also provides Systemair with an efficient production facility in southern Europe.

Koolclima's ventilation systems and fans hold a strong position in the Spanish market. Operations are conducted just outside Madrid and employ around 70 people. In the 2006 calendar year, Koolclima reported net sales of SEK 71 million. The Spanish market accounts for the overwhelming share of sales. Systemair acquired the operations and assets of Koolclima from the Spanish Koolair Group. The production premises will be leased from the seller. Under the terms of the merger, Systemair Spain S.L.U. and Koolclima formed the company Koolclima-Systemair S.L.U.

The price paid to acquire Koolclima was preliminarily made up as follows:

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Systemair AB (publ)

Cash payment	<u>SEK 37.8 million</u>
Total acquisition cost	SEK 37.8 million

Assets acquired	
Actual value of assets taken over	SEK 18.5 million
Goodwill	SEK 19.3 million

<b>Assets and liabilities acquired</b>	<b>Book value</b>	<b>Adjustment</b>	<b>Actual value</b>
Goodwill	-	19.3	19.3
Machinery and equipment	6.3	-	6.3
Inventories	8.4	-	8.4
Other current assets	5.5	-	5.5
Other operating liabilities	-1.7	-	-1.7
	<b>18.5</b>	<b>19.3</b>	<b>37.8</b>

**Effect on cash flow**

Purchase price, incl. supplementary payment	-37.8
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<b>Change in Group's liquid assets at acquisition</b>	<b>-37.8</b>
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Koolclima is included in the group accounts from 1 June 2007. If Koolclima had instead been consolidated from 1 May 2007, the net sales for the period May until January would have totalled SEK 2,302.7 million. The operating profit for the period May to October would have been SEK 319.8 million.

**Disposals of companies**

In August, Systemair sold all shares outstanding in Camina AB to EcoTec Värmesystem AB for SEK 7.2 million. Camina develops and markets above all solid-fuel stoves and tiled stoves. The products are marketed under the brands Camina, Svenska kakelugnar and Wärmo. With headquarters and warehousing facilities in Motala, the company had 13 employees in the past financial year and sales of SEK 57 million, mainly in the Swedish market. Camina's products fall outside Systemair's core area and the sale of the company represents a streamlining of Systemair's business. As a result of the deal, Systemair reports a capital gain of SEK 4.1 million on consolidation.

The selling price for Camina was provisionally made up as follows:

Cash payment	SEK 7.2 million
Less, acquisition of minority holding	<u>SEK -1.1 million</u>
Net selling price	SEK 6.1 million

<b>Assets and liabilities sold</b>	<b>Book value</b>
Machinery and equipment	2.4
Inventories	16.7
Other current assets	6.1
Other operating liabilities	-23.1
	<b>2.0</b>
Net selling price	6.1
<b>Change in Group's liquid assets at sale</b>	<b>6.1</b>
<b>Capital gain on consolidation</b>	<b>4.1</b>

### **Investments and depreciation**

The Group's investments during the period totalled SEK 101.8 million (139.8). Depreciation of fixed assets amounted to SEK 54.7 million (43.8). Investment activities in new buildings and machinery totalled SEK 70.8 million (127.0) and comprised primarily measures to expand capacity at the manufacturing units. Investments in the acquisition of subsidiaries totalled SEK 37.8 million (16.5) during the period.

### **Personnel**

The average number of employees in the Group totalled 1,742 (1,449). At the end of the period, Systemair had 1,756 employees (1,445), of whom 208 joined the Group via companies acquired during the past 12-month period. New appointments were primarily made at the production facilities in Sweden and Germany.

### **Cash flow and financial position**

The cash flow from current operations before changes in working capital during the period amounted to SEK 286.7 million (275.4), the increase being attributable to an improved operating profit. Working capital rose by SEK 142.5 million (71.6), mainly because of a rise in trade accounts receivable. A series of projects were initiated at the company with a view to reducing tied-up capital, which should bring improvements within the next year. The cash flow from financing operations totalled SEK -28.2 million net (-41.4). Systemair's net indebtedness at the end of the period was SEK 790.1 million (648.9).

The consolidated equity/assets ratio was 36.9 percent (36.0) at the close of the period.

### **Acquisitions, establishments and disposals of companies after the end of the period covered by the report**

In February, the acquisition of the Italian company Climaproduct S.p.A. was completed in accordance with the agreement on intent entered into in August 2007. Climaproduct has annual sales of around SEK 100 million and an operating profit of SEK 10 million. Climaproduct started up 24 years ago and employs around 40 people. The company is headquartered in Milan and has a production facility in Padova. Following the take-over, the company will be re-named Systemair Climaproduct S.p.A.

### **Stock market listing on 12 October 2007**

Systemair's shares were admitted to the Mid Cap List of the OMX Nordic Exchange in Stockholm, under the short name of SYSR. Following the listing, the Company's principal owners are Gerald Engström via Färna Invest, with a shareholding of 42 percent, and ebm-papst, with a shareholding of 21 percent. Färna Invest has entered into an undertaking not to sell any shares for 12 months from the date of first listing, while ebm-papst has made a similar undertaking, for a period of 6 months. Market interest in Systemair shares was very strong prior to the listing and the share was over-subscribed approximately nine times. The share price was set at SEK 78 per share, representing a market capitalization of around SEK 4.1 billion. At the time of listing, the number of shareholders exceeded 6,000. The total cost of the listing was around SEK 10.5 million, spread over a period of 12 months.

## Financial targets

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

- Growth in sales                      minimum of 12 percent over a business cycle, both organic and acquired
- Operating margin                    minimum of 10 percent over a business cycle
- Equity/assets ratio                  minimum of 30 percent
- Dividends                              approximately 30 percent of profits after tax

All objectives set for the 2006/2007 financial year and for the period covered by the report were achieved.

## Material risks and factors of uncertainty

Systemair is exposed to operational and financial risks in its business. Operational risk factors arise from the international nature of the business, 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 currency risk, borrowing and interest-rate risk, credit and liquidity risk and loss carry-forwards. The material risks and factors of uncertainty affecting Systemair are described in more detail in the Company's 2006/2007 Annual Report and in the prospectus issued in connection with the Company's stock market listing. No significant change occurred in the risk situation during the period covered by the interim report.

## 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 2006/07 financial year. During the period covered by this interim report, no material change took place in the scale of these transactions.

## Parent Company

Sales by the Parent Company in the first nine months of 2007/08 totalled SEK 733.3 million (668.2) while the operating profit amounted to SEK 84.3 million (92.2). Adjusted for the cost of the stock market listing, the operating profit totalled SEK 91.6 million.

The average number of employees in the Parent Company was 380 (328).

An extraordinary general meeting of shareholders was held on 25 June, at which it was decided to carry out a 100-for-1 share split. Following the split, the number of shares outstanding totals 52,000,000.

At the Company's annual general meeting, held on 9 August 2007, it was decided that an incentive programme should be launched. Within the programme, around 70 senior executives acquired 223,500 warrants out of the total 320,000 issued. If the warrants are exercised in full, a total of 320,000 shares may be issued, representing a dilution of 0.6 percent. The warrants may be exercised to subscribe for shares during three periods during the 2010/11 and 2011/12 financial years.

## Financial information

The year-end financial report will be published at 8.30 a.m. on 13 June 2008 and the Annual General Meeting will be held in Skinnskatteberg at 3.00 p.m. on 27 August 2008.

## Miscellaneous

The Information provided in this interim report is such that Systemair is required to publish in accordance with the Swedish Capital Markets Act (*lagen om värdepappersmarknaden*) and/or the Swedish Financial Instruments Trading Act (*lagen om handel med finansiella instrument*). This information will be submitted for publication at 8.30 a.m. on 7 March 2007.

This interim report has not been subject to a general review by the Company's auditor.

Skinnskatteberg, 07.03.08  
Systemair AB (publ)

Gerald Engström  
CEO

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#### **Systemair in brief**

*Systemair is a leading ventilation company, with activities in 37 countries in Europe, North America, Asia, the Middle East, South Africa, and Australia. The Company had sales of just over SEK 2.7 billion in the preceding financial year and approximately 1,750 employees. Since its foundation in 1974, Systemair has steadily increased its annual sales while simultaneously returning positive operating profits. Over the past decade, the company has averaged 16 percent annual growth in sales. The Group comprises around 50 companies.*

*Systemair has well-established operations in a number of growth markets – notably those of Central and Eastern Europe, including Russia. The Group's products are marketed under the brands Systemair, Frico, VEAB and Fantech. Systemair shares have been traded on the Mid Cap List of the OMX Nordic Exchange in Stockholm since 12 October 2007.*

## Consolidated Income Statement

SEK million	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
	Nov-Jan 3 mth	Nov-Jan 3 mth	Maj-Jan 9 mth	Maj-Jan 9 mth	Feb-Jan rolling 12	May-Apr 12 mth
Net sales	768.6	678.9	2,295.6	2,014.6	2,945.2	2,664.2
Cost of goods sold	-482.7	-419.6	-1,440.0	-1,253.3	-1,838.3	-1,651.6
<b>Gross profit</b>	<b>285.9</b>	<b>259.3</b>	<b>855.6</b>	<b>761.3</b>	<b>1,106.9</b>	<b>1,012.6</b>
Other operating income	20.2	5.2	41.7	15.7	55.6	29.6
Selling expenses	-148.8	-129.0	-422.1	-379.5	-574.2	-531.6
Administrative expenses	-42.6	-38.9	-128.5	-108.3	-167.7	-147.5
Other operating expenses	-10.5	-9.6	-27.4	-22.7	-38.3	-33.7
<b>Operating profit</b>	<b>104.2</b>	<b>87.0</b>	<b>319.3</b>	<b>266.5</b>	<b>382.3</b>	<b>329.4</b>
Interest income	2.4	0.3	5.7	5.1	11.8	7.9
Interest expense	-20.1	-0.5	-43.0	-12.6	-59.2	-25.3
Other financial income and expenses	-1.2	2.8	-1.9	4.3	-6.7	-0.5
<b>Profit after financial items</b>	<b>85.3</b>	<b>89.6</b>	<b>280.1</b>	<b>263.3</b>	<b>328.2</b>	<b>311.5</b>
Tax on profit for the period	-22.8	-32.6	-82.3	-42.2	-96.8	-56.9
<b>Profit for the period</b>	<b>62.5</b>	<b>57.0</b>	<b>197.8</b>	<b>221.1</b>	<b>231.4</b>	<b>254.6</b>
<b>Attributable to:</b>						
Parent Company's shareholders	61.3	56.7	194.7	219.8	228.2	253.2
Minority shareholding	1.2	0.3	3.1	1.3	3.2	1.4
Earnings per share before dilution, SEK 1	1.18	1.10	3.74	4.26	4.39	4.90
Earnings per share after dilution, SEK1	1.18	1.10	3.74	4.26	4.39	4.90
Average number of shares in period before dilution 1)	52,000,000	51,684,783	52,000,000	51,561,594	52,000,000	51,676,500
Average number of shares in period after dilution 1)	52,000,000	51,684,783	52,000,000	51,561,594	52,000,000	51,676,500

1) The Company has issued 223,500 warrants to employees of the Group. The average price for shares during the period was lower than the redemption price for the warrants and as a result no dilution effect has been taken into account. The total number of shares outstanding at the end of the accounting period was 52,000,000. During the interim report period, a 100-for-1 share split was carried out. The figures for earlier periods provided for comparison have been adjusted.



## Consolidated Balance Sheet

SEK million	2008-01-31	2007-01-31	2007-04-30
Goodwill	94.7	64.4	75.0
Other intangible assets	2.0	0.3	1.4
Tangible assets	643.8	531.7	617.7
Financial and other fixed assets	74.5	115.2	100.5
Inventories	512.5	445.8	500.3
Current receivables	666.0	513.8	538.6
Liquid assets	77.6	52.7	61.5
<b>Total assets</b>	<b>2,071.1</b>	<b>1,723.9</b>	<b>1,895.0</b>
Equity	763.9	620.4	642.9
Long-term liabilities, provisions	69.6	75.7	75.6
Long-term liabilities, interest-bearing	327.5	255.3	251.7
Current liabilities, interest-bearing	462.6	393.6	512.8
Current liabilities, non-interest-bearing	447.5	378.9	412.0
<b>Total equity and liabilities</b>	<b>2,071.1</b>	<b>1,723.9</b>	<b>1,895.0</b>

## Consolidated Changes in Equity

SEK million	2007/08 May-Jan	2006/07 May-Jan	2006/07 May-Apr
<b>Opening balance</b>	<b>642.9</b>	<b>687.8</b>	<b>687.8</b>
Change in market value of marketable securities	-16.0	-19.3	-33.4
Transferred to income statement for period	-0.3	-	-1.0
Translation differences	14.7	-20.4	-20.9
<b>Total income and expenses charged directly to shareholders' equity</b>	<b>-1.6</b>	<b>-39.7</b>	<b>-55.3</b>
Profit for the period	197.8	221.1	254.6
<b>Total income and expenses</b>	<b>196.2</b>	<b>181.4</b>	<b>199.3</b>
New share issue	-	16.0	16.0
Payment for warrants	1.7	-	-
Dividend	-75.9	-264.8	-264.8
Acquisition of subsidiary with minority shareholding	-	-	5.1
Dividend in subsidiary to minority shareholder	-1.0	-	-0.5
<b>Closing balance</b>	<b>763.9</b>	<b>620.4</b>	<b>642.9</b>
<b>Attributable to:</b>			
Parent Company's shareholders	749.7	613.7	631.2
Minority shareholding	14.2	6.7	11.7

## Consolidated Cash Flow Statement

SEK million	2007 May-Jan 9 mth	2006 May-Jan 9 mth	2006/07 May-Apr 12 mth
Operating profit	319.3	266.5	329.4
Adjustment for non-cash-flow items	50.8	45.8	38.4
Financial items	-34.6	-5.0	-16.4
Income taxes paid	-48.8	-31.9	-56.3
<b>Cash flow from current operations Before changes in working capital</b>	<b>286.7</b>	<b>275.4</b>	<b>295.1</b>
Changes in working capital	-142.6	-71.6	-91.6
<b>Cash flow from current operations</b>	<b>144.1</b>	<b>203.8</b>	<b>203.5</b>
Cash flow from investment activities	-101.8	-139.8	-216.3
Cash flow from financing activities	-28.2	-41.5	43.6
<b>Cash flow for period</b>	<b>14.1</b>	<b>22.5</b>	<b>30.8</b>
Opening balance, liquid assets	61.5	32.1	32.1
Translation differences on liquid assets	2.0	-1.9	-1.4
<b>Liquid assets at close of period</b>	<b>77.6</b>	<b>52.7</b>	<b>61.5</b>

## Key figures – Group

		2007/08 Nov-Jan 3 mth	2006/07 Nov-Jan 3 mth	2007/08 May-Jan 9 mth	2006/07 May-Jan 9 mth	2006/07 May-Apr 12 mth
Net sales	SEK million	768.6	678.9	2,295.6	2 014.6	2 664.2
Growth	%	13.2	13.8	14.0	16.6	14.8
Operating profit	SEK million	104.2	87.0	319.3	266.5	329.3
Operating margin	%	13.6	12.8	13.9	13.2	12.4
Profit after net financial items	SEK million	85.3	89.6	280.1	263.3	311.5
Profit margin	%	11.1	13.2	12.2	13.1	11.7
Return on capital employed	%	35.6	33.0	-	-	33.2
<b>Key ratios per share</b>						
Earnings per share before dilution	SEK	1.18	1.10	3.74	4.26	4.90
Earnings per share after dilution	SEK	1.18	1.10	3.74	4.26	4.90
Equity per share before dilution	SEK	14.42	11.80	14.42	11.80	12.14
Equity per share after dilution	SEK	14.42	11.80	14.42	11.80	12.14
Shares outstanding at end of period	Number	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000

1) During the period covered by the interim report, a 100-for-1 share split was carried out. The figures for earlier periods provided for comparison have been adjusted.

## Parent Company Income Statement

	2007/08	2006/07	2007/08	2006/07	2006/07
	Nov-Jan	Nov-Jan	May-Jan	May-Jan	May-Apr
SEK million	3 mth	3 mth	9 mth	9 mth	12 mth
Net sales	243.4	224.3	733.3	668.2	900.7
Cost of goods sold	-177.5	-158.6	-530.6	-477.1	-647.9
<b>Gross profit</b>	<b>65.9</b>	<b>65.7</b>	<b>202.7</b>	<b>191.1</b>	<b>252.8</b>
Other operating income	10.3	5.4	24.8	20.8	29.0
Selling expenses	-30.0	-25.9	-82.8	-71.2	-101.3
Administrative expenses	-16.4	-11.9	-50.3	-33.4	-48.2
Other operating expenses	-5.0	-4.9	-10.1	-15.1	-15.6
<b>Operating profit</b>	<b>24.8</b>	<b>28.4</b>	<b>84.3</b>	<b>92.2</b>	<b>116.7</b>
Interest income	7.9	10.9	21.9	10.9	17.2
Interest expense	-17.9	-7.8	-39.7	-10.3	-21.1
Other financial income and expenses	-13.9	-24.3	34.8	88.0	112.5
<b>Profit after financial items</b>	<b>0.9</b>	<b>7.2</b>	<b>101.3</b>	<b>180.8</b>	<b>225.3</b>
Appropriations <sup>1</sup>	-0.9	-7.3	-16.4	-22.4	-26.4
<b>Pre-tax profit</b>	<b>0.0</b>	<b>-0.1</b>	<b>84.9</b>	<b>158.4</b>	<b>198.9</b>
Tax on profit for the period	-4.0	-6.7	-14.6	-20.0	-24.5
<b>Profit for the period</b>	<b>-4.0</b>	<b>-6.8</b>	<b>70.3</b>	<b>138.4</b>	<b>174.4</b>

<sup>1</sup> Appropriations have been calculated on a pro rata basis for the accounting period.

## Parent Company Balance Sheet

SEK million	2008-01-31	2007-01-31	2007-04-30
Goodwill	0.1	0.2	0.2
Tangible assets	129.5	111.8	120.3
Financial assets	699.9	650.6	721.6
Inventories	149.1	127.5	137.2
Current receivables	277.5	259.7	270.7
Liquid assets	272.7	175.2	206.6
<b>Total assets</b>	<b>1,528.8</b>	<b>1,325.0</b>	<b>1,456.6</b>
Equity	363.1	332.1	367.0
Untaxed reserves	121.8	101.4	105.4
Long-term liabilities, provisions	0.9	1.4	0.9
Long-term liabilities, interest-bearing	432.3	337.0	364.0
Current liabilities, interest-bearing	458.9	395.5	460.6
Current liabilities, non-interest-bearing	151.8	157.6	158.7
<b>Total equity and liabilities</b>	<b>1,528.8</b>	<b>1,325.0</b>	<b>1,456.6</b>

## **General Accounting Principles**

This interim report has been prepared for the Group in accordance with the Annual Accounts Act and IAS 34, Interim Financial Reporting, and for the Parent Company in accordance with the 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, but all are designed for the same area of application for customers, i.e. ventilation of commercial and residential premises. Customers are mainly professional fitters and distributors. As all sales of ventilation products feature similar risks and opportunities, Systemair is active in only one business area, which thus comprises all reporting activities for the company as a whole. As a secondary segment, Systemair reports by geographical regions. Internal follow-up of the Company's business is performed on a country-by-country basis.

## **Definitions of key figures**

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

Profit before financial items and tax.

### **Growth**

Growth is the change in net sales in relation to the sales for the previous year.

### **Operating margin**

Operating profit divided by net sales.

### **Profit margin**

Profit after financial income/expenses divided by net sales.

### **Return on capital employed**

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

### **Capital employed**

Total assets less non-interest-bearing liabilities.

### **Number of employees**

The number of employees at the end of the period covered by the report. New employees, terminated positions, part-time employment and paid overtime are all converted to full-time positions.

### **Earnings per share**

The profit for the period divided by the average number of shares outstanding during the period.

### **Equity/assets ratio**

Adjusted equity divided by the balance sheet total.

### **Equity per share**

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