

Interim report January – June 2007

Continued strong growth of sales and profits

- Sales in the second quarter reached SEK 243m (207), an increase of 17%. Sales in the first half of the year were SEK 485m (418), an increase of 16%.
- Incoming orders in the second quarter amounted to SEK 266m (224), an increase of 18%. Incoming orders in the first six months of the year were SEK 506m (444), an increase of 14%.
- Operating profit in the second quarter amounted to SEK 26m (19), up 37%. Operating profit in the first six months of the year amounted to SEK 51m (39), before the one-time charge in connection with the IPO process, up 30%. Including IPO expenses: SEK 45m.
- Profit before taxes in the second quarter was SEK 23m (16). Profit before taxes in the first six months of the year was SEK 47m (34), before the IPO charge. Including IPO charge: SEK 41m.
- Net profit in the second quarter was SEK 18m (13). Net profit in the first six months of the year was SEK 33m (26), before the IPO charge. Including IPO charge: SEK 29m.
- Earnings per share in the second quarter were SEK 1.54 (1.09). Earnings per share in the first six months of the year were SEK 2.85 (2.26), before the IPO charge. Including IPO charge: SEK 2.48.

Key figures

TSEK	1 April - 30 June		1 January - 30 June		Full Year	July - June
	2007	2006	2007	2006	2006	12 months
Net sales	242 752	207 311	484 745	418 321	877 794	944 218
Gross margin, %	50,0	49,2	50,1	49,8	49,1	49,3
EBITDA *)	29 860	19 682	59 343	44 311	104 384	119 416
EBITDA margin, % *)	12,3	9,5	12,2	10,6	11,9	12,6
EBIT *)	25 747	18 733	51 217	39 378	85 376	97 215
EBIT margin *)	10,6	9,0	10,6	9,4	9,7	10,3
EBT *)	23 258	16 337	47 087	34 342	75 609	82 354
Net profit *)	18 014	12 503	33 413	26 001	54 953	58 045
Earnings per share, SEK * **)	1,54	1,09	2,85	2,26	4,73	5,32
Operating cash flow *)			62 805	39 579	70 891	94 117
Return on equity, % *)			17,0	15,4	15,7	15,4
Return on operating capital, % *)			29,7	19,2	15,9	45,3
Net debt			141 476	184 756	163 893	141 476
Net debt to equity ratio, %			34,5	53,2	43,5	34,5
Net debt/EBITDA, x *)					1,6	1,2
EBITDA/financial net, x *)					10,7	13,5
Average number of employees			547	501	528	525

*) Before IPO charges of 6 000 pre tax

***) Before dilution; for 2007 there is no dilution

Stock market launch

The most significant event for the company in the first six months of the year was the launch of Nederman on the stock market. The first day of trading was 16 May 2007. The launch was successful and the offering was over-subscribed by a factor of ten. The launch price was SEK 87. Nederman, which is listed as "NMAN" on the OMX Nordic Market Small Cap list, currently has around 7,000 shareholders.

The Market

In addition to the established customer categories of metal engineering and the automotive aftermarket industry, Nederman has been strongly involved in new sectors in the past year, such as composite materials, schools and other education centres. This resulted in a number of interesting orders from both sectors during the first half of 2007. In the first quarter Nederman received several significant orders for working environment units for the wind power industry in China, India and Denmark. All three countries are among the world leaders in this sector. In mid July Nederman received another major order from one of the leading producers of wings for wind power stations.

Over the past six months Nederman has made a breakthrough in the schools sector. State and municipal authorities in various parts of the world are setting stricter demands to ensure that students and staff have a healthy working environment. As previously reported, Nederman Spain received in June an order worth around SEK 5m from the Catalan authorities to equip over 60 education centres for welders. Similar orders worth around SEK 7m have been received from, among other countries, Denmark, the US and Kazakhstan.

During the second quarter Nederman established in New Zealand by signing a distribution agreement with Atsource Extraction Systems. The company, which previously marketed similar products, will in future solely market Nederman's products and systems.

Acquisitions

In June Nederman acquired the Brazilian company AtSource Exaustao Localizada, Ltda. The company is well-established on the Brazilian market and staff have extensive knowledge of Nederman's products and applications.

The purchase sum was EUR 450,000, which was paid in cash. At the time of acquisition there was zero debt. As a result of the acquisition the Group's net sales are expected to increase by at least SEK 5m this year. Group profit in 2007 is not expected to be greatly affected.

Start-ups

Nederman's investments in new markets is successful and it is especially the markets outside North America and Europe which are growing fastest. Fast growth in Japan, China and other countries in South East Asia is setting greater demands for increased availability and sourcing closer to markets. The company has therefore decided to establish a Sourcing Unit in Shanghai, China, with central warehousing for the region and local assembly similar to the Sourcing Unit for the North American market that was opened in Canada in 2005. The Shanghai unit is expected to be in operation during the first quarter of 2008 with insignificant effects on the 2007 profit.

In February Nederman opened a representation office in Russia. According to the company's strategy, the initial focus will be on building a representative retail network in key segments.

Personnel and organisation

The Austrian market, previously part of the German company, will be organised as an independent sales company during the third quarter with a separate national manager.

In line with the objective to further develop the North American market, Nederman has implemented an organisational change during the early part of the year. Krister Johnsson, previously the business area manager for Extraction & Filter Systems (EFS), has been appointed to be the regional manager for North America as of May 21. Per Lind has been appointed to be the business area manager in EFS.

Outlook

The company expects demand in 2007 to remain good on the markets on which it is active. Continued expansion is expected on markets outside North America and Europe. The business cycle in Western Europe remains strong while Eastern Europe continues to experience high growth and investment in production facilities. The North American market is expected to remain relatively unchanged

Sales

Net sales for the period April-June amounted to SEK 243m (207), an increase of 17 per cent compared with same period last year. In local currency, the increase in net sales was 19 per cent. Net sales for the first six months of the year were SEK 485m (418), an increase of 16 per cent compared with the first half of 2006 and 19 per cent in local currency.

Incoming orders in the second quarter were SEK 266m (224), which is an increase of 18 per cent compared with the previous year. The increase in local currency was 20 per cent. Incoming orders for the first six months of the year were SEK 505m (444), which is an increase of 14 per cent compared with the previous year. The increase in local currency was 17 per cent.

Profits

The consolidated **operating profit** in the second quarter was SEK 26m (19), which corresponds to an operating margin of 10.6 per cent (9.0). This is an increase of 37 per cent compared with the second quarter of 2006. The gross margin was 50.0 per cent, (49.2).

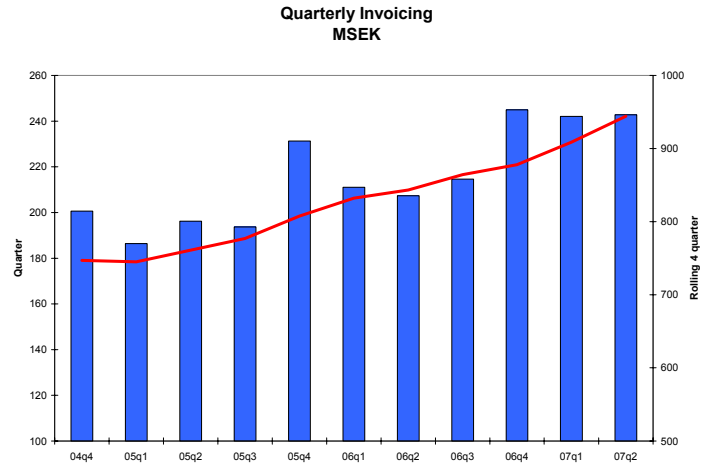
The consolidated operating profit in the first six months of the year before one-time costs in connection with the IPO process increased to SEK 51m (39), which corresponds to an operating margin of 10.6 per cent (9.4). Expenses connected with the IPO process are calculated at SEK 6m for 2007, which were charged completely to the first quarter. Operating profit after IPO expenses was SEK 45m. Operating profit climbed by 30 per cent in the first six months of 2007 compared with the first six months of 2006.

The **gross margin** was stable during the period at 50.1 per cent, compared with 49.8 per cent in the first half of 2006 and 49.1 per cent in the full year.

Earnings before tax increased to SEK 47m (34) before one-time expenses and SEK 41m after one-time expenses. Net profit increased to SEK 33m (26) before IPO expenses and SEK 29m after IPO expenses. Currency changes did not affect results significantly.

Gross investments during the period amounted to SEK 9m (15).

The **liquidity** in the Group during the reporting period increased by SEK 11.2m (-3.5). At the close of the period, the Group had SEK 61m in cash and cash equivalents and SEK 30m in available but unutilised overdraft facilities.



Shareholders' equity in the Group amounts to SEK 410m. Following the 10:1 split decided at the extraordinary general meeting held on 11 April 2007, the **total number of shares** at the close of the period was 11,715,340.

The Group's **equity/assets ratio** was 50.3 per cent as at 30 June 2007 (46.5) and **the net debt/equity ratio**, calculated as the financial net interest-bearing debt divided by shareholders' equity, was 34.5 per cent (53.2).

Employees

The average number of employees during the first six months of the year was 547 (501). The number of employees at the end of the period was 550 (518).

Business Areas

In the business area **Extraction & Filter Systems**, net sales increased to SEK 201m (177) or with 13 per cent compared with the second quarter of 2006. Net sales during the first six months of the year were SEK 401m (354), which was also an increase of 13 per cent compared with the first half of 2006.

Operating profit in the second quarter increased to SEK 27m (22), corresponding to an operating margin of 13.5 per cent (12.5). Profit for the first six months of the year was SEK 53m (43), or an operating margin of 13.3 per cent (12.3).

In the business area **Hose & Cable Reels**, net sales in the second quarter increased to SEK 42m (30) or with 39 per cent compared with the second quarter of 2006. Net sales during the first six months of the year were SEK 84 (64), an increase of 32 per cent compared with the first half of 2006. The acquisition of the Belgian installation and service company, Leda, was responsible for 11 per cent of this increase. The investment within car repair workshops in certain selected markets has also positively contributed to the increase in sales within the business area.

The business area's operating profit in the second quarter was SEK 4.4m (3.2), which was equivalent to an operating margin of 10.5 per cent (10.5). The operating profit during the first half of the year was SEK 8.3m (7.1), equivalent to an operating margin of 9.8 per cent (11.1).

Markets

Nederman's investments in new markets have resulted in a good growth during the first half of 2007. The sales in **Other Markets**, which are markets outside of Europe and North America, increased by around 90 per cent compared with the same period the previous year, though from low levels. The net sales in the **Nordic Region** increased by 21 per cent compared with the first half of 2006. There was good growth in all sub-markets. The growth in Denmark, a result of the changes made during 2006, was especially pleasing.

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 pages 10 and 11 of the listing prospectus dated 30 April 2007 and in note 26 in the company's annual report for the 2006 financial year. During the reporting period no circumstances have arisen to change the assessment of the identified risks.

Accounting principles

This interim report has been prepared in accordance with International Financial Reporting Standards, IFRS, as approved by the EU Commission for application within the EU. The interim 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 2006 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 Profit and Loss Statement

TSEK	1 April - 30 June		1 January - 30 June		Full year	July – June
	2007	2006	2007	2006	2006	12 months
Net sales	242 752	207 311	484 745	418 321	877 794	944 218
Cost of goods sold	-121 316	-105 217	-242 070	-210 181	-446 529	-478 418
Gross profit	121 436	102 094	242 675	208 140	431 265	465 800
Other operating income	1 218	1 103	1 740	3 193	7 886	6 433
Selling expense	-76 463	-66 088	-152 105	-132 189	-275 757	-295 673
Administrative expenses	-16 185	-15 550	-37 038	-30 243	-58 967	-65 762
Research and development expenses	-3 689	-3 508	-6 956	-7 314	-14 356	-13 998
Other operating expenses	-570	682	-3 099	-2 209	-4 695	-5 585
Operating profit	25 747	18 733	45 217	39 378	85 376	91 215
Financial income	123	230	985	230	794	1 549
Financial expenses	-2 612	-2 626	-5 115	-5 266	-10 561	-10 410
Net from financial items	-2 489	-2 396	-4 130	-5 036	-9 767	-8 861
Profit/loss before taxes	23 258	16 337	41 087	34 342	75 609	82 354
Taxes	-5 244	-3 834	-11 994	-8 341	-20 656	-24 309
Net profit/loss	18 014	12 503	29 093	26 001	54 953	58 045
Earnings per share, SEK	1,54	1,09	2,48	2,26	4,73	4,95
Earnings per share after dilution, SEK	1,54	1,06	2,48	2,19	4,66	4,95
Number of shares before dilution, average	11 715 340	11 512 340	11 715 340	11 512 340	11 613 010	11 715 175
Number of shares after dilution, average	11 715 340	11 809 341	11 715 340	11 887 156	11 786 430	11 715 340
Number of shares at end of period	11 715 340	11 512 340	11 715 340	11 512 340	11 715 340	

Consolidated Balance Sheet

TSEK	As of June 30		Dec 31
	2007	2006	2006
Assets			
Goodwill	360 663	346 734	348 010
Other intangible fixed assets	23 438	23 141	22 885
Tangible fixed assets	38 270	38 126	37 451
Long term receivables	901	2 027	772
Deferred tax assets	12 296	12 867	12 210
Total fixed assets	435 568	422 895	421 328
Inventories	106 180	84 349	89 776
Accounts receivable	188 131	159 898	187 815
Other short term receivable	24 475	28 812	24 081
Cash and cash equivalents	61 388	51 496	50 235
Total current assets	380 174	324 555	351 907
Total assets	815 742	747 450	773 235
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Total equity	410 212	347 386	376 587
Liabilities			
Long term interest bearing liabilities	140 626	169 615	146 264
Other long term liabilities	3 407	2 269	0
Provision for pensions	29 270	27 963	28 389
Deferred tax liabilities	10 558	12 590	13 258
Total long term liabilities	183 861	212 437	187 911
Short term interest bearing liabilities	32 968	38 674	39 475
Accounts payable	92 995	69 954	84 160
Other short term liabilities	95 706	78 999	85 102
Total short term liabilities	221 669	187 627	208 737
Total Liabilities	405 530	400 064	396 648
Total equity and liabilities	815 742	747 450	773 235

Consolidated Cash Flow Statement

TSEK	1 January - 30 June		Full Year	July - June
	2007	2006	2006	12 months
Operating Profit	45 217	39 378	85 376	91 215
Adjustments for:				
Depreciation on fixed assets	11 803	8 609	19 008	22 202
Other adjustments	0	0	-4 550	-4 550
Received and paid interest	-4 023	-6 044	-9 299	-7 278
Paid taxes	-12 937	-10 118	-15 201	-18 020
Cash flow from current operations before changes in working capital	40 060	31 825	75 334	83 569
Cash flow from changes in working capital	8 885	6 769	-14 259	-12 143
Cash flow from current operations	48 945	38 594	61 075	71 426
Cash flow from capital expenditure	-9 100	-15 177	-14 684	-8 607
Investments in subsidiaries	-14 608		-4 708	-19 316
Cash flow before financing activities	25 237	23 417	41 683	43 503
Cash flow from financing activities	-15 453	-26 435	-44 955	-33 973
Cash flow for the period	9 784	-3 018	-3 272	9 530
Cash at the beginning of the year	50 235	55 038	55 038	50 235
Exchange rate differences in cash	1 369	-524	-1 531	362
Cash at the end of the period	61 388	51 496	50 235	60 127
Specification of acquisitions				
Purchase price including direct cost	14 608		4 708	19 316
Real value of net assets	2 505		3 324	5 829
Goodwill	12 103		1 384	13 487
Acquired assets and liabilities				
Tangible fixed assets	936		8	944
Deferred tax	3			3
Current asset	4 535		3 316	7 851
Cash	6 632			6 632
Current liabilities	-2 969			-2 969
	9 137		3 324	12 461
Whereof cash in acquired units	-6 632			-6 632
Total	2 505		3 324	5 829

Summary of changes in group equity

TSEK	As of June 30		Dec 31
	2007	2006	2006
Equity January 1	376 587	325 246	325 246
Changes in translation reserve for the period	4 532	-3 861	-9 499
Profit/loss for the period	29 093	26 001	54 953
Conversion of loans	0	0	5 887
Equity end of period	410 212	347 386	376 587

Profit and Loss Statement for the parent company

TSEK	1 April - 30 June		1 January - 30 June		Full Year	July - June
	2007	2006	2007	2006	2006	12 months
Operating profit/loss	-3 467	-4 179	-12 324	-6 944	-12 235	-17 615
Financial items	-1 959	1 573	-3 383	-367	20 497	17 481
Profit/loss after financial items	-5 426	-2 606	-15 707	-7 311	8 262	-134
Transfers to/from untaxed reserves	0	0			2 181	2 181
Profit/loss before taxes	-5 426	-2 606	-15 707	-7 311	10 443	2 047
Tax	0	0				0
Tax	1 505	730	4 370	2 033	4 721	7 058
Net profit/loss	-3 921	-1 876	-11 337	-5 278	15 164	9 105

Balance Sheet for the parent company

TSEK	As of June 30		Dec 31
	2007	2006	2006
<u>Assets</u>			
Total fixed assets	529 823	525 509	525 135
Total current assets	13 220	8 327	22 078
Total assets	543 043	533 836	547 213
<u>Equity</u>			
Total equity	337 286	308 448	348 623
Untaxed reserves	1 016	3 197	1 016
<u>Liabilities</u>			
Total long term liabilities	135 000	171 613	140 000
Total current liabilities	69 741	50 578	57 574
Total liabilities	204 741	222 191	197 574
Total equity and liabilities	543 043	533 836	547 213

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

Dates for publication of financial information 2007

Interim report January – September, 3 rd quarter	26 October 2007
Release of unaudited annual earnings figures	14 February 2008

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 25th July 2007

Anders Scharp
Chairman of the Board

Hans Stråberg
Board member

Peter Möller
Board member

Gunnar Gremlin
Board member

Caspar Callerström
Board member

Jan Eric Larson
Board member

Sven Kristensson
President & CEO

Bengt Olsson
Employee Representative

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Nederman Holding AB (publ) has its registered office in Helsingborg, Sweden
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Facts about Nederman

Nederman is one of the world's leading companies with products and systems for extraction of dust, smoke, automobile exhaust fumes, and with equipment for industrial cleaning. These are based on a vacuum technology, which encompasses the entire range from high vacuum to middle and low vacuum. Nederman also has an extensive programme of hose and self-retractable cable reels for water, air, oil, and other media.

Nederman's systems contribute in several ways to creating clean, efficient and safe workplaces all over the world.

The company's commitments to customers encompass everything from preliminary studies and project planning to installation, operational start-up and service.

The manufacturing is certified according to ISO 9001 and ISO 14000. Units for production and assembly are located in Sweden, Norway and Canada.

Nederman's products and systems are marketed by our own subsidiaries in 24 countries, and by agents and distributors in more than 50 countries.

The Group has approximately 540 employees.