

## Interim report January–March 2016

### Improved cash flow in the quarter

- Incoming orders amounted to SEK 738.8m (780.7), which adjusted for currency effects and acquisitions is a decrease of 4.7%, compared to the same quarter last year.
- Net sales amounted to SEK 724.7m (727.2), which adjusted for currency effects and acquisitions is a decrease of 1.2%, compared to the same quarter last year.
- The operating profit was SEK 30.8m (38.1), giving an operating margin of 4.3% (5.2).
- The net profit was SEK 20.1m (23.9).
- Earnings per share were SEK 1.72 (2.04).

### CEO's comments

“Orders received in the first quarter amounted to SEK 739 million, corresponding to an organic growth of -4.7%. It is primarily the deferment of major projects in the Americas and a slower than anticipated start in some EMEA countries that have contributed to this decrease.

Development in the Americas shows a positive sales trend for products and smaller systems while we booked fewer larger projects than expected in the first quarter. The number of tendered projects, however, remains at a good level.

The order intake in APAC developed strongly the first quarter with all countries contributing positively. The incentives for investments in environmental improving equipment remain, albeit in the short term, we see a gap between authorities' incentive to mitigate environmental issues and actual investments made in the industry. We are willing to invest in Asia but can conclude that profitability in our business segments is not satisfactory. We will, in addition to already taken actions, further evaluate our way of working in the region and adapt our offering according to market conditions.

Cash flow in the quarter has improved compared to same period last year. Mainly due to lower levels of working capital.”

**Sven Kristensson, CEO**

## Key figures, Group

SEK million	1 Jan – 31 March		Full year	April-March
	2016	2015	2015	12 months
Net Sales	724.7	727.2	3,198.0	3,195.5
Adjusted EBITDA	42.9	50.5	311.0	303.5
Adjusted EBITDA margin, %	5.9	6.9	9.7	9.5
Operating profit	30.8	38.1	242.0	234.7
Operating margin, %	4.3	5.2	7.6	7.3
Adjusted operating profit	30.8	38.1	263.1	255.8
Adjusted operating margin, %	4.3	5.2	8.2	8.0
Profit/loss before tax	28.4	34.8	214.9	208.5
Net profit/loss	20.1	23.9	152.8	149.0
Earnings per share, SEK	1.72	2.04	13.07	12.74
Return on shareholders' equity, %	9.5	12.5	19.5	18.1
Return on operating capital, %	8.3	11.4	19.0	17.8
Net debt			635.6	633.3
Net debt/equity ratio, %			75.9	74.3
Net debt/EBITDA, multiple			2.0	2.1
Interest cover ratio			8.9	9.3

## Development per operating segment

### EMEA

Order intake and sales developed slightly weaker during the first quarter of 2016 compared with the corresponding quarter of 2015. The lower volume is partly explained by Easter this year falling in March.

Two medium-sized orders were booked in the quarter. One order involves a foundry application in **Denmark** and the other an aluminium smelter in **Poland**.

The operating margin declined slightly compared to the comparable quarter last year. The fall is due to a less favourable product mix and lower sales volume. Costs were also lower than in the first quarter of 2015 as a result of the efficiency improvement program that has been implemented.

Market conditions are expected to remain unchanged with weak demand for large systems. Basic business continues to perform well in the **German** market, which showed a further positive development in the quarter despite the fact that no large projects booked.

In the **Nordic region**, the **UK/Ireland** and the **Netherlands**, order intake is somewhat weaker than the corresponding period in 2015.

In **Belgium** and **France**, orders grew in comparison with the first quarter of 2015. Thanks to the order for an aluminium smelter, Poland also had a positive development in order intake in the quarter.

SEK million	1 Jan- 31 March 2016	31 March 2015	Organic growth, %	Full year 2015	April-March 12 months
Incoming orders	335.0	353.2	-4.7 %	1,431.5	1,413.3
Net Sales	322.5	335.7	-3.8 %	1,455.8	1,442.6
Depreciation	-5.6	-5.5		-21.6	-21.7
Adjusted operating profit	23.7	29.2		168.6	163.1
Adjusted operating margin, %	7.3	8.7		11.6	11.3

Incoming orders amounted to SEK 335.0m, which adjusted for currency effects and acquisitions is a decrease of 4.7%, compared to the same quarter last year.

Incoming orders amounted to SEK 322.5m, which adjusted for currency effects and acquisitions is a decrease of 3.8%, compared to the same quarter last year.

### Asia Pacific

The **APAC** operating segment posted a good performance during the first quarter of 2016 with an order intake that grew organically by 16.0 per cent compared with the comparative period in 2015.

The Chinese market is characterised by a continued focus on environmental technology and air purification. In India, the strong economic growth is stimulating industrial investments from both local and international companies.

Viewing the region as a whole, economic growth is relatively weak and low raw material prices continue to affect orders with long decision-making processes and delays, especially in regard to major projects.

During the quarter, the first breakthrough in the growing market for air purification for installations for the incineration of waste came in the form of an order in Indonesia.

Increasing demand is also being seen in a number of countries for systems for handling sensitive explosive dust that is being driven by increasing awareness in the aftermath of a number of notorious accidents.

Otherwise, the market is characterised by fierce price competition from both international and local companies.

In **China**, demand from the automobile industry continues to be good. Orders within systems for handling fumes from welding robots were won during the quarter. Efforts to expand the market for air purification in smaller district heating plants have continued during the quarter.

**Indonesia** showed strong growth in the quarter within both orders received and sales.

**India** also showed strong growth in regard to orders received and sales. Demand was particularly strong within the automobile industry and the related after-market.

Cost reductions continued in **Australia** and **Thailand** in order to adapt the organisation to the weak market.

SEK million	1 Jan- 31 March 2016	31 March 2015	Organic growth, %	Full year 2015	April-March 12 months
Incoming orders	91.2	82.5	16.0 %	360.2	368.9
Net Sales	72.2	67.6	11.5 %	362.6	367.2
Depreciation	-1.1	-1.6		-5.3	-4.8
Adjusted operating profit	-13.2	-6.5		-5.7	-12.4
Adjusted operating margin, %	-18.3	-9.6		-1.6	-3.4

Incoming orders over the quarter amounted to SEK 91.2m, which is an increase of 16.0 per cent adjusted for currency effects and acquisitions, compared to the same quarter last year.

Net sales over the quarter amounted to SEK 72.2m, which is an increase of 11.5 per cent adjusted for currency effects and acquisitions, compared to the same quarter last year.

## Americas

**Americas** reported a weak performance in the first quarter of 2016. Order intake fell organically by 9.8 percent, mainly as a result of prolonged decision-making on large projects.

The US market has been characterized by a certain degree of uncertainty since the fourth quarter of 2015, but at large the business environment remains satisfactory. Sales of small and medium-sized systems have held up well in the quarter, while the decision-making process on large projects shows a tendency to be more long drawn out than was the case previously.

The regulations of the US EPA (United States Environmental Protection Agency) continue to have a positive impact on the need for Nederman's products and solutions.

During the quarter, Nederman has continued expansion of its sales network in the **USA**. Training of the company's dealers and improvements in the project sales organisation were also carried out during the quarter.

**Canada** reported a significantly improved performance in the first quarter of 2016 compared with the same quarter of 2015 with growth in both order intake and sales. The Canadian market continues to be hampered by weak investment interest in the wake of low raw material prices. Despite this, there is reason for cautious optimism regarding development for the rest of the year.

In **Brazil**, the trend was strong in the first quarter, with significant growth in terms of both sales and order intake. Given the uncertain political situation and a challenging economic situation for the country, it is difficult in the current situation to assess the development trend for the coming quarters.

In **Mexico**, the rebuilding of Nederman's sales organization is continuing as planned.

SEK million	1 Jan- 31 March 2016	31 March 2015	Organic growth, %	Full year 2015	April- March 12 months
Incoming orders	312.6	345.0	-9.8 %	1,380.1	1,347.7
Net Sales	330.0	323.9	-1.3 %	1,379.6	1,385.7
Depreciation	-3.7	-3.0		-12.8	-13.5
Adjusted operating profit	34.4	37.2		163.8	161.0
Adjusted operating margin, %	10.4	11.5		11.9	11.6

Incoming orders over the quarter amounted to SEK 312.6m, which is a decrease of 9.8 per cent adjusted for currency effects and acquisitions, compared to the same quarter last year.

Net sales over the quarter amounted to SEK 330.0m, which is a decrease of 1.3 per cent adjusted for currency effects and acquisitions, compared to the same quarter last year.

## Outlook

The assessment made about EMEA in our last report still applies and means that we continue to expect limited growth in the market.

In Americas, Nederman has noted a strong quarter in both Brazil and Canada. However, the belief that there are risks in these commodity-dominated economies still holds.

The situation with reduced demand from certain segments during the last quarter of 2015 has largely stabilized in the first quarter in 2016. Despite the somewhat more protracted decision-making processes regarding large investments, we believe that there is still good demand in the USA.

APAC shows a strong trend in order intake compared with the same quarter of 2015. Despite this, the situation is difficult to assess and the market continues to be affected by political instability and lower economic activity in the region. The need for environmental investments is unchanged but it will take time before it is converted into actual investment in the industry.

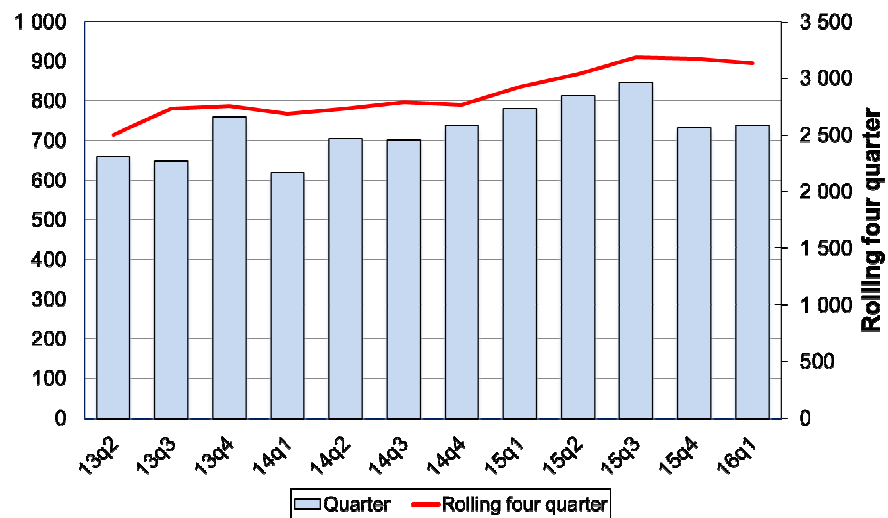
## Quarter 1

### Sales and incoming orders

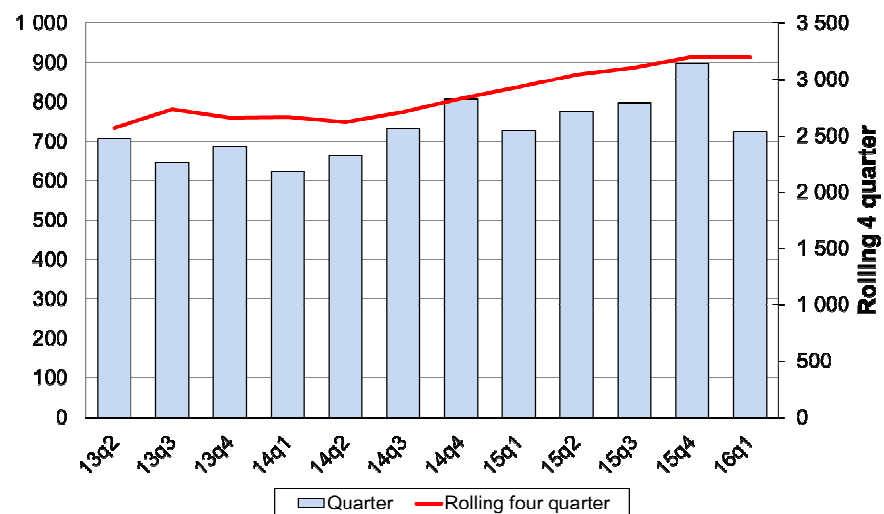
**Incoming orders** amounted to SEK 738.8m (780.7), which adjusted for currency effects and acquisitions is a decrease of 4.7 per cent, compared to the same quarter last year.

**Net sales** amounted to SEK 724.7m (727.2), which adjusted for currency effects and acquisitions is a decrease of 1.2 per cent, compared to the same quarter last year.

### Quarterly Orders Received SEKm



### Quarterly Invoicing SEKm



## Earnings

The **Operating profit** for the first quarter was SEK 30.8m (38.1), giving an operating margin of 4.3 per cent (5.2).

The **profit before tax** was SEK 28.4m (34.8).

The **net profit** was SEK 20.1m (23.9), giving earnings per share of SEK 1.72 (2.04).

## Cash flow and capital expenditure

**Cash flow for the quarter** amounted to SEK -4.2 million (-37.3). Compared with the corresponding period last year, cash flow was primarily affected positively by changes in working capital and that the investment level was lower. Operating profit contributed slightly less than the same period last year.

**Capital expenditure** during the quarter amounted to SEK 8.6 million (21.1).

## Other financial information

**Liquidity:** At the end of the period, the Group had SEK 258.1m in cash and cash equivalents as well as SEK 109.4m in available but unutilised overdraft facilities. In addition, there was a credit facility of SEK 350.0m, which is a part of Nederman's loan agreement with SEB and a further loan facility of SEK 268.8m within Nederman's loan agreement with SHB.

**The equity** in the Group as of 31 March 2016 amounted to SEK 852.5m (791.4). The total number of shares outstanding was 11,681,340 at the end of the quarter.

**The equity/assets ratio** for the Group was 33.3 per cent as of 31 March 2016 (31.8). The **Net debt/equity ratio**, calculated as net debt in relation to equity was 74.3 per cent (75.0).

## Number of employees

The average number of employees during the quarter was 1,815 (1,808). The number of employees at the end of the quarter was 1,869 (1,897).

## Risks and uncertainties

The Nederman Group and the parent company are exposed to a number of risks, mainly due to purchasing and selling of products in foreign currencies. The risks and uncertainties are described in detail in the Directors' Report on page 44 and in note 24 of the 2015 Annual Report. No circumstances have arisen to change the assessment of identified risks.

## Nominations committee

According to guidelines adopted by the AGM, a nominations committee has been appointed comprising Göran Espelund (chairman), Lannebo Fonder, Anders Mörck, Investment AB Latour, Sophia Pettersson, Ernström & Co and the Chairman of the board Jan Svensson ahead of the AGM in 2016. For questions concerning the work of the nominations committee, please contact: [goran.espelund@lannebofonder.se](mailto:goran.espelund@lannebofonder.se).

## Accounting policies

The consolidated financial statements are prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The report for the parent company has been prepared in accordance with Swedish Annual Accounts Act chapter 9 and RFR 2. The same accounting policies and valuation principles, except for amendments mentioned below, as described in the annual report 2015, pages 52-56 applies both to the Group and the parent company.

### Changes that will come into effect in 2016 and beyond

IFRS 15, effective for fiscal years beginning no earlier than 1 January 2018, will not have any material impact on reporting of consolidated income, although the Group will be affected by extended disclosure requirements.

IFRS 9, effective for fiscal years beginning no earlier than 1 January 2018, will not have any material impact on the consolidated reporting of financial instruments.

IFRS 16 replacing IAS 17 from 1 January 2019. So far there is no information when the EU will approve the standard, so no decision has been made about when or how the standard will be applied. Any evaluation of the impact of the standard has not yet begun.

The Board and CEO confirm that the interim report provides a true and fair overview of the Parent Company and the Group's operations, position and earnings and describes the material risks and uncertainty factors faced by the Parent Company and the Group.

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

Helsingborg, 20 April 2016

Jan Svensson  
*Chairman*

Fabian Hielte  
*Member of the board*

Ylva Hammargren  
*Member of the board*

Gunnar Gremlin  
*Member of the board*

Per Borgvall  
*Member of the board*

Susanne Pahlén Åklundh  
*Member of the board*

Sven Kristensson  
*Chief Executive Officer*

Jonas Svensson  
*Employee representative*



## Consolidated income statement

SEK million	1 Jan- 31 March 2016	2015	Full year 2015	April-March 12 months
Net Sales	724.7	727.2	3,198.0	3,195.5
Cost of goods sold	-475.6	-470.5	-2,070.4	-2,075.5
<b>Gross profit</b>	<b>249.1</b>	<b>256.7</b>	<b>1,127.6</b>	<b>1,120.0</b>
Selling expenses	-159.8	-161.9	-640.7	-638.6
Administrative expenses	-54.4	-51.0	-212.0	-215.4
Research and development expenses	-2.0	-1.5	-6.4	-6.9
Acquisition costs	-	-	-1.1	-1.1
Restructuring and integration costs	-	-	-20.0	-20.0
Other operating income/expenses	-2.1	-4.2	-5.4	-3.3
<b>Operating profit</b>	<b>30.8</b>	<b>38.1</b>	<b>242.0</b>	<b>234.7</b>
Financial income	2.7	4.3	2.9	1.3
Financial expenses	-5.1	-7.6	-30.0	-27.5
<b>Net financial income/expenses</b>	<b>-2.4</b>	<b>-3.3</b>	<b>-27.1</b>	<b>-26.2</b>
<b>Result before taxes</b>	<b>28.4</b>	<b>34.8</b>	<b>214.9</b>	<b>208.5</b>
Taxes	-8.3	-10.9	-62.1	-59.5
<b>Net result</b>	<b>20.1</b>	<b>23.9</b>	<b>152.8</b>	<b>149.0</b>
<b>Net result attributable to:</b>				
The parent company's shareholders	20.1	23.9	152.8	149.0
<b>Earnings per share</b>				
before dilution (SEK)	1.72	2.05	13.08	12.76
after dilution (SEK)	1.71	2.04	13.03	12.71

## Consolidated statement of comprehensive income

SEK million	1 Jan – 31 March 2016	2015	Full year 2015	April-March 12 months
<b>Net profit/loss</b>	<b>20.1</b>	<b>23.9</b>	<b>152.8</b>	<b>149.0</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to the income statement</b>				
Revaluation of defined-benefit pension plans	-1.3	0.4	1.8	0.1
Income taxes	0.3	-	-0.5	-0.2
	<b>-1.0</b>	<b>0.4</b>	<b>1.3</b>	<b>-0.1</b>
<b>Items that may be reclassified to the income statement</b>				
Exchange differences arising on translation of foreign operations	-5.8	33.7	-7.1	-46.6
Cash flow hedge	1.8	-	1.4	3.2
Income taxes	-0.4	-	-0.3	-0.7
	<b>-4.4</b>	<b>33.7</b>	<b>-6.0</b>	<b>-44.1</b>
<b>Other comprehensive income for the period, net after tax</b>	<b>-5.4</b>	<b>34.1</b>	<b>-4.7</b>	<b>-44.2</b>
<b>Total comprehensive income for the period</b>	<b>14.7</b>	<b>58.0</b>	<b>148.1</b>	<b>104.8</b>
<b>Total comprehensive income attributable to:</b>				
The parent company's shareholders	14.7	58.0	148.1	104.8

## Consolidated statement of financial position

SEK million	NOTES	31 March 2016	31 March 2015	31 Dec 2015
<b>Assets</b>				
Goodwill		682.8	671.1	688.6
Other intangible assets		103.7	89.4	102.4
Other intangible assets		257.5	264.8	262.8
Long-term receivables		5.1	6.3	5.1
Deferred tax assets		80.1	95.0	76.3
<b>Total fixed assets</b>		<b>1,129.2</b>	<b>1,126.6</b>	<b>1,135.2</b>
Inventories		353.2	355.9	330.7
Accounts receivable	1	519.8	529.1	538.8
Other receivables	1	299.8	172.2	299.7
Cash and cash equivalents	1	258.1	306.0	261.4
<b>Total current assets</b>		<b>1,430.9</b>	<b>1,363.2</b>	<b>1,430.6</b>
<b>Total:</b>		<b>2,560.1</b>	<b>2,489.8</b>	<b>2,565.8</b>
<b>Equity</b>				
		<b>852.5</b>	<b>791.4</b>	<b>837.1</b>
<b>Liabilities</b>				
Long-term interest bearing liabilities	1	782.1	757.7	788.2
Other long-term liabilities		1.2	1.5	1.2
Provision for pensions		109.0	110.3	107.7
Other provisions		8.3	12.0	8.2
Deferred tax liabilities		28.8	17.9	29.8
<b>Total long-term liabilities</b>		<b>929.4</b>	<b>899.4</b>	<b>935.1</b>
Current interest bearing liabilities	1	0.3	31.4	1.1
Accounts payable	1	338.6	344.9	362.1
Other current liabilities	1	399.7	383.3	384.3
Provisions		39.6	39.4	46.1
<b>Total current liabilities</b>		<b>778.2</b>	<b>799.0</b>	<b>793.6</b>
<b>Total liabilities</b>		<b>1,707.6</b>	<b>1,698.4</b>	<b>1,728.7</b>
<b>Total equity and liabilities</b>		<b>2,560.1</b>	<b>2,489.8</b>	<b>2,565.8</b>

## Consolidated statement of changes in equity in summary

SEK million	31 March 2016	31 March 2015	31 Dec 2015
Opening balance on 1 January	837.1	733.3	733.3
Net profit	20.1	23.9	152.8
<i>Other comprehensive income</i>			
Change in translation reserve	-5.8	33.7	-7.1
Cash flow hedges, net of tax	1.4	-	1.1
Revaluation of defined-benefit pension plans, net of tax	-1.0	0.4	1.3
<b>Total other comprehensive income for the period</b>	<b>-5.4</b>	<b>34.1</b>	<b>-4.7</b>
<b>Total comprehensive income for the period</b>	<b>14.7</b>	<b>58.0</b>	<b>148.1</b>
<i>Transactions with owners</i>			
Dividend paid	-	-	-46.7
Share-based payments	0.7	0.2	2.4
<b>Closing balance at the end of period</b>	<b>852.5</b>	<b>791.4</b>	<b>837.1</b>

## Consolidated cash flow statements

SEK million	1 Jan – 31 March		Full year	April-March
	2016	2015	2015	12 months
Operating profit/loss	30.8	38.1	242.0	234.7
Adjustment for:				
Depreciation of fixed assets	12.1	12.4	47.9	47.6
Other adjustments	-6.0	-3.2	1.4	-1.4
Interest received and paid	-2.6	-7.0	-25.7	-21.3
Taxes paid	-10.2	-14.4	-60.8	-56.6
<b>Cash flow from operating activities before changes in working capital</b>	<b>24.1</b>	<b>25.9</b>	<b>204.8</b>	<b>203.0</b>
Cash flow from changes in working capital	-18.1	-35.2	-124.1	-107.0
<b>Cash flow from operating activities</b>	<b>6.0</b>	<b>-9.3</b>	<b>80.7</b>	<b>96.0</b>
Net investment in fixed assets	-9.3	-20.2	-63.6	-52.7
Acquired units	-	-	-43.2	-43.2
<b>Cash flow before financing activities</b>	<b>-3.3</b>	<b>-29.5</b>	<b>-26.1</b>	<b>0.1</b>
Dividend paid	-	-	-46.7	-46.7
Cash flow from financing activities	-0.9	-7.8	4.4	11.3
<b>Cash flow for the period</b>	<b>-4.2</b>	<b>-37.3</b>	<b>-68.4</b>	<b>-35.3</b>
Cash and cash equivalents at the beginning of the period	261.4	325.0	325.0	261.4
Translation differences	0.9	18.3	4.8	-12.6
<b>Cash and cash equivalents at the end of the period</b>	<b>258.1</b>	<b>306.0</b>	<b>261.4</b>	<b>213.5</b>

## Income statement for the parent company in summary

SEK million	1 Jan – 31 March		Full year 2015	April-March 12 months
	2016	2015		
Operating result	-16.6	-20.4	-68.1	-64.3
Result from investments in subsidiaries	-	-0.3	174.3	174.6
Other financial items	-1.2	-2.1	5.2	6.1
<b>Profit/loss after financial items</b>	<b>-17.8</b>	<b>-22.8</b>	<b>111.4</b>	<b>116.4</b>
Appropriations	-	-	82.7	82.7
<b>Profit/loss before taxes</b>	<b>-17.8</b>	<b>-22.8</b>	<b>194.1</b>	<b>199.1</b>
Taxes	-	-	1.0	1.0
<b>Net profit/loss</b>	<b>-17.8</b>	<b>-22.8</b>	<b>195.1</b>	<b>200.1</b>

## Statement of comprehensive income for the parent company

SEK million	1 Jan – 31 March		Full year 2015	April-March 12 months
	2016	2015		
<b>Net profit/loss</b>	<b>-17.8</b>	<b>-22.8</b>	<b>195.1</b>	<b>200.1</b>
<b>Other comprehensive income</b>	-	-	-	-
<b>Items that will not be reclassified to the income statement</b>	-	-	-	-
<b>Items that may be reclassified to the income statement</b>	-	-	-	-
<b>Other comprehensive income for the period, net after tax</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-17.8</b>	<b>-22.8</b>	<b>195.1</b>	<b>200.1</b>

## Balance sheet for the parent company in summary

SEK million	31 March 2016	31 March 2015	31 Dec 2015
<b>Assets</b>			
Total fixed assets	1,460.2	1,394.4	1,472.1
Total current assets	446.8	266.5	354.1
<b>Total:</b>	<b>1,907.0</b>	<b>1,660.9</b>	<b>1,826.2</b>
<b>Shareholder's equity</b>	<b>698.4</b>	<b>542.1</b>	<b>715.5</b>
<b>Liabilities</b>			
Total long-term liabilities	781.1	755.8	787.2
Total current liabilities	427.5	363.0	323.5
<b>Total liabilities</b>	<b>1,208.6</b>	<b>1,118.8</b>	<b>1,110.7</b>
<b>Total shareholders' equity and liabilities</b>	<b>1,907.0</b>	<b>1,660.9</b>	<b>1,826.2</b>

## Statements of changes in shareholders' equity in summary

SEK million	31 March 2016	31 March 2015	31 Dec 2015
Opening balance on 1 January	715.5	564.7	564.7
Net profit/loss	-17.8	-22.8	195.1
<i>Other comprehensive income</i>			
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>-17.8</b>	<b>-22.8</b>	<b>195.1</b>
<i>Transactions with owners</i>			
Dividend paid	-	-	-46.7
Share-based payments	0.7	0.2	2.4
<b>Closing balance at the end of period</b>	<b>698.4</b>	<b>542.1</b>	<b>715.5</b>

## Related parties

SEK million	2016
Subsidiaries	
Net Sales	6.9
Financial income and expenses	1.5
Receivables on 31 March	850.1
Liabilities on 31 March	401.9

## NOTE 1 Fair value and reported value in the statement of financial position

	March 31, 2016			
SEK million	Measured at fair value through profit and loss	Derivatives used for hedge accounting	Financial assets and liabilities not recorded at fair value	Total book value
Trade receivables		-	519.8	519.8
Foreign exchange forward contracts entered *)		3.9	-	3.9
Other current receivables		-	218.8	218.8
Liquid assets		-	258.1	258.1
<b>Total other receivables</b>		<b>3.9</b>	<b>996.7</b>	<b>1,000.6</b>
Financial leasing liabilities		-	0.8	0.8
Bank loans		-	781.6	781.6
Accounts payable		-	338.6	338.6
Foreign exchange forward contracts entered *)		0.3	-	0.3
Other current liabilities		-	358.4	358.4
<b>Total other liabilities</b>		<b>0.3</b>	<b>1,479.4</b>	<b>1,479.7</b>

\*) The Group holds financial instruments in the form of currency futures that are recorded at fair value in the balance sheet. The fair value of currency futures is determined by discounting the difference between the contracted forward rate and the forward rate that can be subscribed on the closing date for the remaining contracted period. Discounting is made using market rates. The fair value for all contracts has been determined from directly or indirectly observable market data, i.e. level 2 according to IFRS 7. For other financial instruments, the fair value and the book value are materially consistent. For further information, refer to note 24 in the 2015 Annual Report.

## Operating segment reporting

Expenses that have not been allocated refer mainly to costs relating to the parent company, Nederman Holding AB, which includes the central head office functions.

SEK million	1 Jan- 31 March		Full year	April-March
	2016	2015	2015	12 months
<b>EMEA</b>				
Incoming orders	335.0	353.2	1,431.5	1,413.3
Net Sales	322.5	335.7	1,455.8	1,442.6
Depreciation	-5.6	-5.5	-21.6	-21.7
Adjusted operating profit	23.7	29.2	168.6	163.1
Adjusted operating margin, %	7.3	8.7	11.6	11.3
<b>Asia Pacific</b>				
Incoming orders	91.2	82.5	360.2	368.9
Net Sales	72.2	67.6	362.6	367.2
Depreciation	-1.1	-1.6	-5.3	-4.8
Adjusted operating profit	-13.2	-6.5	-5.7	-12.4
Adjusted operating margin, %	-18.3	-9.6	-1.6	-3.4
<b>Americas</b>				
Incoming orders	312.6	345.0	1,380.1	1,347.7
Net Sales	330.0	323.9	1,379.6	1,385.7
Depreciation	-3.7	-3.0	-12.8	-13.5
Adjusted operating profit	34.4	37.2	163.8	161.0
Adjusted operating margin, %	10.4	11.5	11.9	11.6
<b>Not allocated</b>				
Depreciation	-1.7	-2.3	-8.2	-7.6
Adjusted operating profit /loss	-14.1	-21.8	-63.6	-55.9
<b>Group</b>				
Incoming orders	738.8	780.7	3,171.8	3,129.9
Net Sales	724.7	727.2	3,198.0	3,195.5
Depreciation	-12.1	-12.4	-47.9	-47.6
Adjusted operating profit	30.8	38.1	263.1	255.8
Acquisition costs	-	-	-1.1	-1.1
Restructuring costs	-	-	-20.0	-20.0
Operating profit	30.8	38.1	242.0	234.7
Result before tax	28.4	34.8	214.9	208.5
Net result	20.1	23.9	152.8	149.0

## Invitation to telephone conference

A telephone conference regarding the report will be held, in English, today, Wednesday 20 April, at 5.30 p.m. Nederman's President and CEO, Sven Kristensson and CFO, Stefan Fristedt will present the report and answer questions.

To participate in the conference please call +46 (0)8 566 426 65. The conference will also be streamed over the internet.

Visit our website: [www.nederman.se/telekonf](http://www.nederman.se/telekonf) for an internet link and presentation.

## Dates for the publication of financial information

Interim report Q2	12 July 2016
Interim report Q3	19 October 2016

This report contains forward-looking statements that are based on the current expectations of Nederman's management. Although the management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

Nederman is required to disclose the information provided herein according to the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instrument Trading Act. The information was submitted for publication on 20 April 2016 at 16.00.

### Further information can be obtained from

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### Facts about Nederman

Nederman is one of the world's leading companies supplying products and systems in the environmental technology sector focusing on industrial air filtration and recycling. The company's solutions are contributing to reducing the environmental effects from industrial production, to creating safe and clean working environments and to boosting production efficiency.

Nederman's offering encompasses everything from the design stage through to installation, commissioning and servicing. Sales are carried out via subsidiaries in 25 countries and agents and distributors in over 30 countries. Nederman develops and produces in its own manufacturing and assembly units in Europe, North America and Asia.

The Group is listed on the Nasdaq Stockholm Mid Cap list; it has about 1,900 employees and a turnover of about SEK 3 billion.



## Definitions

### **Adjusted EBITDA**

Operating profit before depreciation and amortisation, excluding acquisition and restructuring costs.

### **Adjusted EBITDA margin**

Adjusted EBITDA as percentage of net sales.

### **Adjusted operating margin**

Adjusted operating profit as percentage of net sales.

### **Adjusted operating profit**

Operating profit excluding acquisition and restructuring

### **Annual average**

Average of year-beginning and year-end balance.

### **Earnings per share (after dilution)**

Net profit attributable to Parent Company shareholders plus average number of convertibles and options divided by average number of shares outstanding, as calculated in accordance with IAS 33.

### **Earnings per share (before dilution)**

Net profit attributable to Parent Company shareholders divided by average number of shares outstanding.

### **EBITDA**

Operating profit before depreciation and amortisation.

### **EBITDA margin**

EBITDA as a percentage of net sales.

### **Equity/asset ratio**

Equity divided by total assets (balance sheet total).

### **Interest coverage ratio**

Pre-tax profit with return of financial costs in relation to

### **Net debt**

Interest bearing liabilities (including pensions) minus cash

### **Net debt/equity ratio**

Net debt divided by shareholders' equity.

### **Operating capital**

Shareholders' equity plus net debt.

### **Operating margin**

Operating profit as percentage of net sales.

### **Operating profit**

Operating profit after depreciation and impairment.

### **Return on equity**

Net profit for the period divided by average shareholders'

### **Return on operating capital**

Adjusted operating profit as a percentage of average operating