SYSTEMAIR AB
INTERIM REPORT
1 May 2010–31 January 2011

Organic growth 16%

Third quarter, November 2010 – January 2011

- Net sales rose 12 percent, to SEK 893 million (799).
- Operating profit (EBIT) rose 43 percent, to SEK 95 million (67).
- The operating margin totalled 10.7 percent (8.3).
- Profit after tax surged 164 percent, to SEK 97 million (37).
- Basic and diluted earnings per share equalled SEK 1.87 (0.70).
- Cash flow from operating activities totalled SEK 178 million (107).

Nine months, May 2010 – January 2011

- Net sales rose 9 percent, to SEK 2,639 million (2,418).
- Operating profit (EBIT) rose 49 percent, to SEK 310 million (208).
- The operating margin totalled 11.7 percent (8.6).
- Profit after tax jumped 74 percent, to SEK 242 million (139).
- Basic and diluted earnings per share equalled SEK 4.64 (2.67).
- Cash flow from operating activities totalled SEK 303 million (290).

Net sales Q3

MSEK 893

EBIT Q3

MSEK 95

Significant events during the period under review

- In January, Systemair acquired non-controlling interests in Estonia and Slovakia.
- In June, Systemair agreed to acquire the Dutch ventilation company Rucon.
- In June, Systemair acquired the sales company VKV in the Czech Republic.

Significant events after the period under review

- In February, Systemair finalized the acquisition of the companies in the Aaldering Group that manufacture and sell air curtains in Germany and the Netherlands.

	2010/11 Nov-Jan	2009/10 Nov-Jan	2010/11 May-Jan	2009/10 May-Jan
Net sales, SEK million	893.2	799.3	2,639.0	2,417.8
Growth, %	11.8	-0.9	9.2	-4.8
Operating profit, SEK million	95.3	66.6	309.8	208.4
Operating margin, %	10.7	8.3	11.7	8.6
Profit after tax, SEK million	97.5	36.9	242.2	139.4
Basic and diluted earnings per share (SEK)	1.87	0.70	4.64	2.67
Operating cash flow, SEK per share	3.42	2.06	5.18	5.57

CEO's comments

16% organic growth

The organic growth has accelerated and amounts to 16 percent compared to the same period the preceding year, adjusted for the effects of foreign exchange. The cold winter that arrived early in most of Europe has boosted sales of heating products. Sales of ventilation products were adversely affected by delayed construction projects and supply problems as a consequence of snow and cold weather. Overall, our assessment is that the weather nudged sales in a negative direction.

Market

During our third quarter, sales in the Nordic region and Eastern Europe in particular developed favourably.
In Western Europe sales has declined chiefly in Spain and Italy. In Germany, Poland and the United Kingdom, the weather had a negative impact.
In North America, organic growth is healthy, but exchange rates have worked against us. In the region Other markets, we note a downturn where sales in the Middle East and in India were not up to our expectations.

Product development

Product development that focuses on energy conservation is a vital prerequisite for our growth. We have more than 80 technicians working to develop new and improved products. This spring, we will launch more products than ever before. At the big ISH trade fair in Frankfurt, we will present only newly developed products.

Growth areas

We see ongoing good potential for more growth in residential ventilation, where the building of low-energy and "passive" houses is boosting demand. Our compact units with energy recovery enjoy excellent growth, and here the product range has been greatly enhanced, so we see robust growth in this product area in several countries.

Expansion of capacity

The 7,200 sqm extension of our production facility in Lithuania will be completed this spring. This will increase production of air handling units, chiefly for the Eastern European market. In Skinnskatteberg, an additional 5,000 sqm will be put into use to increase production of compact units and air handling units with energy recovery. Here we have also installed more machines for working sheet metal to boost capacity.

Outlook

Our assessment is that the ventilation industry will develop favourably during the next few years. Intensified demand to cut buildings' energy consumption means that buildings are being constructed with more insulation and being made more airtight, in new construction as well as through renovation. Achieving a good indoor climate requires balanced ventilation with energy recovery, and that favours further steady growth in our industry.

We are well equipped for further growth through the investments already made and those planned in production machinery and expanded facilities. Our investment in product development and marketing has continued unabated. During the first six months, we will participate in 10 or so international trade fairs. All of this will contribute to continued positive performance.

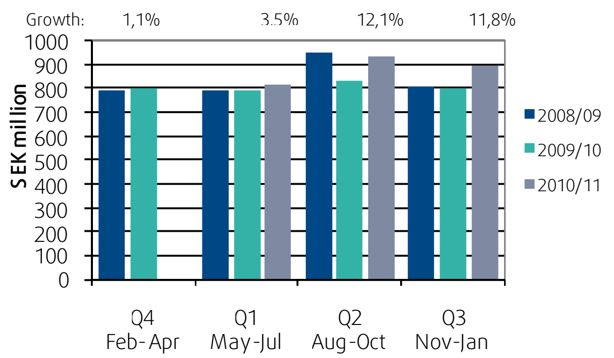
Gerald Engström
President and CEO

Sales

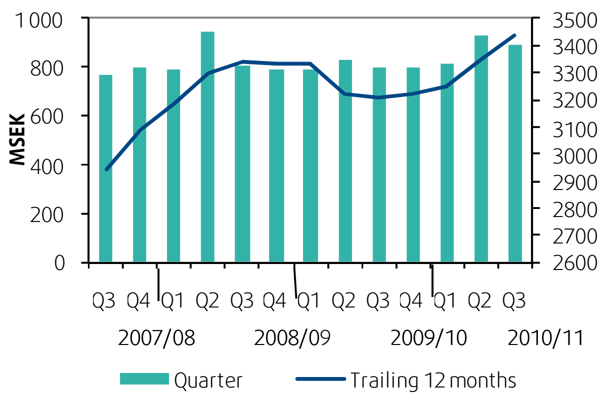
Group sales for the third quarter of the 2010/11 financial year totalled SEK 893.2 million (799.3), up 11.8 percent from the same period the preceding year. Adjusted for the effects of foreign exchange and acquisitions, sales expanded 16.3 percent. Growth in acquired operations equalled 3.5 percent, or SEK 27.6 million, while foreign exchange effects reduced sales 8.0 percent during the quarter.

Net sales for the period May-January 2010/11 reached SEK 2,639.0 million (2,417.8), up 9.2 percent for the period. Adjusted for the effects of foreign exchange and acquisitions, sales rose 10.8 percent. Acquired companies contributed 4.8 percent, or SEK 115.4 million. Exchange rate effects in the translation of foreign subsidiaries' accounts had a negative net effect of 6.4 percent on sales.

Net sales per quarter compared with same period previous years



Net sales



Sales – Geographic breakdown

Nordic region

During the third quarter, sales in the Nordic region advanced 22 percent from the same period the preceding year. In Sweden, sales grew 34 percent. In Norway, the single largest market for the Group, sales increased 7 percent, and in Denmark the advance was 57 percent.

Western Europe

In Western Europe, income rose 5 percent in the third quarter. The acquisition of Rucon in the Netherlands contributed 10 percent to regional sales. Adjusted for the effects of foreign exchange and acquisitions, sales increased 5 percent during the quarter. The appreciation of the Swedish krona against the euro had a net negative impact of 11 percent on the translation of sales in subsidiaries.

Eastern Europe and CIS

Sales in Eastern Europe and the CIS increased 19 percent during the quarter. Adjusted for the effects of foreign exchange and acquisitions, sales rose 25 percent. Sales in Russia grew 29 percent but remain far less than they were before the global financial crisis.

	2010/11 Nov-Jan 3 mos.	2009/10 Nov-Jan 3 mos.	change	2010/11 May-Jan 9 mos.	2009/10 May-Jan 9 mos.	change
Nordic region	292.8	239.2	22%	754.8	652.7	16%
Western Europe	304.7	289.0	5%	923.1	914.7	1%
Eastern Europe & CIS	161.1	135.6	19%	508.6	459.4	11%
North America	64.7	61.1	6%	225.5	197.6	14%
Other markets	69.9	74.4	-6%	227.0	193.4	17%
Total	**893.2**	**799.3**	**12%**	**2,639.0**	**2,417.8**	**9%**

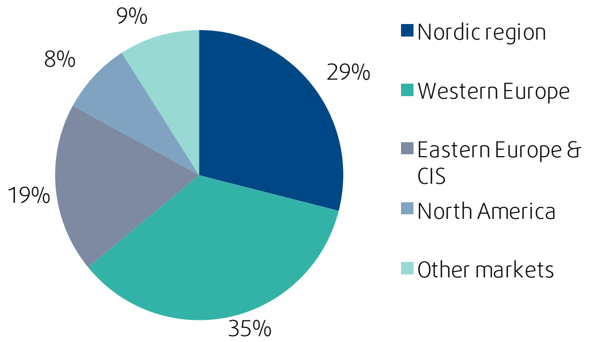
North America

Sales in the North American market grew 6 percent during the quarter compared to the same period the preceding year. Adjusted for the effects of foreign exchange and acquisitions, sales increased 22 percent during the quarter.

Other markets

Sales to Other markets declined 6 percent during the third quarter. The acquisition of Ravistar in India contributed 6 percentage points of the region's sales growth during the third quarter.

Sales by market, nine months 2010/11



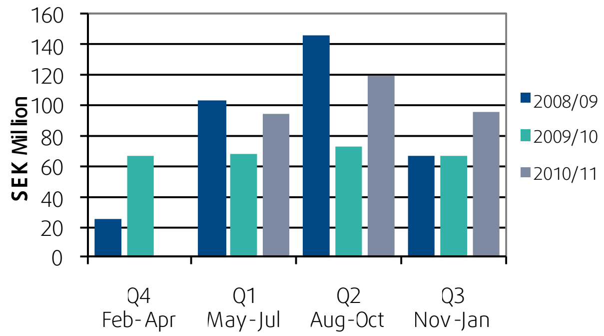
Profit

Gross profit for the third quarter reached SEK 344.1 million (296.4), up 16.1 percent from the same period the preceding year. The improvement was chiefly attributable to higher capacity utilisation at the manufacturing units.

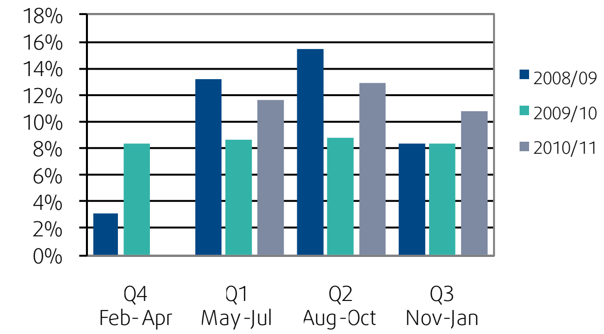
Operating profit for the third quarter reached SEK 95.3 million (66.6), up 43.1 percent from the same period the preceding year. The operating margin equalled 10.7 percent (8.3).

Selling and administration expenses for the quarter equalled SEK 259.0 million (233.8), up SEK 25.2 million from the same period the preceding year. Adjusted for acquired companies, selling and administration expenses increased SEK 11.5 million. Selling expenses were charged SEK 5.8 million (3.4) for anticipated bad debts and impairment losses on trade receivables.

Operating profit per quarter, relative to the same period in previous years



Operating margin per quarter, relative to the same period in previous years



Net financial items for the third quarter ended at SEK -5.8 million (-22.1). Net financial items for the preceding year included impairment of SEK 20.2 million, a non-recurring charge.

The net effect of foreign exchange on long-term receivables, loans and bank balances was SEK -3.0 million (1.4). Interest expense for the quarter totalled SEK -4.1 million (-4.2).

Tax for the quarter is estimated at SEK 8.0 million (-7.6). This tax income resulted from revenue recognition of loss carry-forwards that were obtained through the acquisition of companies with losses made in previous operations. The acquired tax-loss carry-forwards produced net tax income of SEK 34.2 million. Adjusted for this tax income, the effective tax rate for the quarter was 29.3 percent (17.1) based on profit after financial items.

Acquisitions and new operations

In January, Systemair acquired the outstanding non-controlling interests in Systemair AS Estonia (25%) and Imos-Systemair in Slovakia (20%) from the companies' management. After these acquisitions, the companies are wholly owned by Systemair AB.

In September, Systemair acquired the business operations of the Russian distributor Lex. Lex employs more than 20 people and had sales of about SEK 55 million in 2009. A large portion of those sales were based on an agency agreement that was cancelled at the time of acquisition. The acquisition is intended to strengthen Systemair's presence in the Russian market and to offer distributors better service through delivery from local inventory.

In July, Systemair acquired the Dutch ventilation company Rucon. Rucon is a well-established supplier of ventilation products, active in the Dutch market for 40 years. The company has 41 employees and had sales of EUR 12 million in 2009.

In June, Systemair acquired the sales company VKV, which leads the market for air distribution products in the Czech Republic. For 2009, the company reported sales of about SEK 30 million and an operating margin of 15 percent.

In June, Systemair acquired the assets of the Greek ventilation products distributor Poliplevro SA. Sales are expected to reach about SEK 10 million in the first financial year.

If the companies acquired during the period had been consolidated as of 1 May 2010, net sales for the period May 2010 through January 2011 would have been about SEK 2,661 million. The operating profit for that period would have been about SEK 310 million.

Note 1 in this report contains an acquisition analysis and the effects of the acquisitions on the Group's cash and cash equivalents.

Investment, depreciation and amortisation

Gross investment for the quarter, excluding divestments, totalled SEK 106.7 million (71.0), including SEK 32.2 million (14.6) invested in new construction and machinery. Acquisitions and additional consideration paid for subsidiaries and minorities equalled SEK 74.5 million (56.4) for the quarter. Depreciation of property, plant and equipment totalled SEK 22.4 million (22.8).

Personnel

The average number of employees in the Group was 2,372 (1,882). At the end of the period, Systemair had 2,503 employees (2,085), 418 more than one year previous. New employees were recruited chiefly in Canada, Sweden, India and Lithuania. Acquired companies added 91 employees to the Group.

Cash flow and financial position

Cash flow from operating activities before changes in working capital totalled SEK 90.6 million (63.7) for the quarter. Changes in working capital, chiefly a decrease in trade accounts receivable, had a positive effect of SEK 87.1 (43.5) on cash flow. Net cash flow from financing activities was SEK -77.1 million (-51.8), as a result of the repayment of loans. At the end of the period, net indebtedness totalled SEK 503.0 million (656.5). The consolidated equity/assets ratio was 49.0 percent (46.8) at the end of the period.

Events after the close of the period

In February, Systemair completed the acquisition of the companies in the Aaldering Group that manufacture and sell air curtains in Germany and the Netherlands. The Aaldering Group consists of three companies: LGB, which manufactures air curtains in Langenfeld, Germany; the sales company Tekadoor in Langenfeld, Germany, and the sales company LSA in Arnhem, Netherlands. The group has 38 employees, and 2010 sales equalled SEK 67 million, for an operating profit of SEK 13 million. The acquired companies' products will be combined with Systemair's existing range of air curtains under the Frico brand and strengthen its position as the market's leading supplier of air curtains in Europe. The companies will be consolidated in Systemair effective 1 January 2011.

Material risks and uncertainty

Systemair is exposed to operational and financial risks in its business. Operational risk arises from the international nature of the operations, tough competition and the sensitivity of the construction industry to the economy. The financial risks that Systemair has identified in its business are foreign exchange risk, borrowing and interest rate risk, credit and liquidity risk and loss carry-forwards. The material risks and uncertainty affecting Systemair are described in more detail in the Company's 2009/10 Annual Report. No significant change occurred in the risk situation during the period.

Transactions with related parties

Systemair's significant transactions with related parties concern ebmpapst AB and ebmpapst Mulfingen GmbH & Co. KG. Related-party transactions are described in detail in note 36 to the accounts in the 2009/10 Annual Report. During the period, no material change occurred in the scale of these transactions.

Parent Company

Parent Company sales for the quarter totalled SEK 231.3 million (196.4), while operating profit was SEK 19.6 million (9.2).

The average number of employees in the Parent Company was 371 (325).

Financial information

The Report for the fourth quarter and full year 2010/11 will be published at 8:30 am on 9 June 2011.

Other information

The information in this Interim Report is information that Systemair is required to disclose in accordance with the Swedish Securities Markets Act (*lagen om värdepappersmarknaden*) and/or the Swedish Financial Instruments Trading Act (*lagen om handel med finansiella instrument*). This information was submitted for publication at 8.30 AM on 24 February 2011.

This interim report has not been reviewed by the Company's auditor.

Skinnskatteberg, 24 February 2011
Systemair AB (publ)

Gerald Engström
Chief Executive Officer

For further information, please contact:
Gerald Engström, CEO, phone: +46-222-440-01 or +46-70-519-0001, geen@systemair.se
Lars Hansson, Chairman, phone: +46-70-895-9002, lars.hansson@systemair.se
Glen Nilsson, CFO, phone +46-222-440-03, +46-70-654-4003, glni@systemair.se

Systemair AB (publ)

Corporate reg. no. 556160-4108
SE-739 30 Skinnskatteberg
Phone +46-222-44000
Fax +46-222-44099
info@systemair.se
www.systemair.se

Systemair in brief

Systemair is a leading ventilation company with operations in 39 countries in Europe, North America, the Middle East, Asia, Africa and Australia. The Company had sales of SEK 3.2 billion in financial 2009/10 and currently employs about 2,500 people. Systemair has reported an operating profit every year since 1974, when the Company was founded. During the past 15 years, the Company's growth rate has averaged about 15 percent.

Systemair has well-established operations in growth markets. The Group's products are marketed under the Systemair, Frico, VEAB and Fantech brands. Systemair shares have been quoted on the Mid Cap List of the OMX Nordic Exchange in Stockholm since October 2007. The Group comprises about 60 companies.

Consolidated Income Statement

SEKm	2010/11 Nov-Jan 3 mos.	2009/10 Nov-Jan 3 mos.	2010/11 May-Jan 9 mos.	2009/10 May-Jan 9 mos.	2010/11 Feb-Jan TTM	2009/10 May-Apr 12 mos.
Net sales	893.2	799.3	2,639.0	2,417.8	3,439.8	3,218.6
Cost of goods sold	-549.1	-502.9	-1,611.2	-1,514.5	-2,098.3	-2,001.6
Gross profit	**344.1**	**296.4**	**1,027.8**	**903.3**	**1,341.5**	**1,217.0**
Other operating income	16.0	10.5	47.5	29.0	58.3	39.8
Selling expenses	-210.0	-183.9	-595.9	-550.0	-795.0	-749.2
Administration expenses	-49.0	-49.9	-139.6	-144.6	-191.3	-196.4
Other operating expenses	-5.8	-6.5	-30.1	-29.3	-37.3	-36.5
Operating profit	**95.3**	**66.6**	**309.7**	**208.4**	**376.2**	**274.7**
Net financial items	-5.8	-22.1	-19.9	-28.7	-23.0	-31.7
Profit after financial items	**89.5**	**44.5**	**289.8**	**179.7**	**353.2**	**243.0**
Tax on profit for the period	8.0	-7.6	-47.6	-40.3	-58.8	-51.5
Profit for the period	**97.5**	**36.9**	**242.2**	**139.4**	**294.4**	**191.5**
Attributable to:						
Parent Company shareholders	97.2	36.6	241.1	138.6	293.0	190.5
Non-controlling interest	0.3	0.3	1.1	0.8	1.4	1.0
Basic earnings per share, SEK [1)]	1.87	0.70	4.64	2.67	5.63	3.66
Diluted earnings per share, SEK [1)]	1.87	0.70	4.64	2.67	5.63	3.66
Average number of shares during period, basic [1)]	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000
Average number of shares during period, diluted [1)]	52,003,987	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000

1) The Company has issued 223,500 warrants to employees of the Group. The average price of the share during the third quarter exceeded the redemption price for the warrants. During all other periods, the price of the share was less than the redemption price, so no dilution effect is taken into account The total number of shares outstanding at the end of the period under review was 52,000,000.

Consolidated Statement of Comprehensive Income

	2010/11 Nov-Jan 3 mos.	2009/10 Nov-Jan 3 mos.	2010/11 May-Jan 9 mos.	2009/10 May-Jan 9 mos.	2010/11 Feb-Jan TTM	2009/10 May-Apr 12 mos.
Profit for the period	97.5	36.9	242.2	139.4	294.4	191.5
Other comprehensive income, net after tax:						
Translation differences, foreign operations	-45.7	4.8	-75.2	-19.6	-106.1	-51.2
Hedging of net assets in foreign operations, net after tax	2.5	1.1	3.4	3.5	7.4	7.5
Change in market value of securities held for sale	-	-2.4	-	-	-	15.0
Disposal of securities held for sale	-	14.3	-	19.3	-	5.0
Other comprehensive income, net after tax	**-43.2**	**17.8**	**-71.8**	**3.2**	**-98.7**	**-23.7**
Total comprehensive income for the period	54.3	54.7	170.4	142.6	195.7	167.8
Attributable to:						
Parent Company shareholders	55.0	54.6	170.6	142.4	196.8	168.5
Non-controlling interest	-0.7	0.1	-0.2	0.2	-1.1	-0.7

Consolidated Balance Sheet

SEKm	31 Jan 2011	31 Jan 2010	30 Apr 2010
ASSETS			
Goodwill	261.3	209.0	204.0
Other intangible assets	71.3	39.3	37.2
Property, plant and equipment	716.1	773.8	740.4
Financial and other assets	141.7	81.6	93.5
Total non-current assets	**1,190.4**	**1,103.7**	**1,075.1**
Inventory	541.8	503.9	510.2
Current receivables	758.1	759.5	714.0
Cash and cash equivalents	82.7	73.8	85.9
Total current assets	**1,382.6**	**1,337.2**	**1,310.1**
TOTAL ASSETS	**2,573.0**	**2,440.9**	**2,385.2**
EQUITY AND LIABILITIES			
Equity	**1,261.8**	**1,142.5**	**1,167.7**
Non-current liabilities, provisions	105.8	84.0	86.3
Non-current liabilities, interest-bearing	234.7	329.7	295.8
Total non-current liabilities	**340.5**	**413.7**	**382.1**
Current liabilities, interest-bearing	336.2	390.0	367.0
Current liabilities, non-interest-bearing	634.5	494.7	468.4
Total current liabilities	**970.7**	**884.7**	**835.4**
TOTAL EQUITY AND LIABILITIES	**2,573.0**	**2,440.9**	**2,385.2**

Consolidated Cash Flow Statement

SEKm	2010/11 Nov–Jan 3 mos.	2009/10 Nov–Jan 3 mos.	2010/11 May–Jan 9 mos.	2009/10 May–Jan 9 mos.	2009/10 May–Apr 12 mos.
Operating profit	95.3	66.6	309.8	208.4	274.7
Adjustment for non-cash items	10.7	20.2	43.7	65.5	85.6
Financial items	-3.7	-3.1	-9.3	-6.9	-9.6
Income tax paid	-11.7	-20.0	-42.4	-41.7	-76.8
Cash flow from operating activities before changes in working capital	**90.6**	**63.7**	**301.8**	**225.3**	**273.9**
Changes in working capital	87.1	43.5	0.8	64.5	82.6
Cash flow from operating activities	**177.7**	**107.2**	**302.6**	**289.8**	**356.5**
Cash flow from investing activities	-105.1	-69.4	-174.5	-197.2	-218.6
Cash flow from financing activities	-77.1	-51.8	-121.1	-115.3	-143.8
Cash flow for the period	**-4.5**	**-14.0**	**7.0**	**-22.7**	**-5.9**
Cash and cash equivalents at start of period	93.2	86.8	85.9	99.7	99.7
Translation differences in cash	-6.0	1.0	-10.2	-3.2	-7.9
Cash and cash equivalents at close of period	**82.7**	**73.8**	**82.7**	**73.8**	**85.9**

Statement of Changes in Equity – Group

	2010/11 May-Jan			2009/10 May-Jan		
SEKm	Equity	Non-controlling interest	Total equity	Equity	Non-controlling interest	Total equity
Amount at beginning of year	**1,151.6**	**16.1**	**1,167.7**	**1,022.1**	**18.5**	**1,040.6**
Dividend	-65.0	-0.6	-65.6	-39.0	-1.7	-40.7
Acquisition of non-controlling interests	-6.7	-4.0	-10.7	-	-	-
Comprehensive income	170.6	-0.2	170.4	142.4	0.2	142.6
Amount at end of period	**1,250.5**	**11.3**	**1,261.8**	**1,125.5**	**17.0**	**1,142.5**

Key Ratios – Group

		2010/11 Nov–Jan 3 mos.	2009/10 Nov–Jan 3 mos.	2010/11 May–Jan 9 mos.	2009/10 May–Jan 9 mos.	2009/10 May–Apr 12 mos.
Net sales	SEKm	893.2	799.3	2,639.0	2,417.8	3,218.6
Growth	%	11.8	-0.9	9.2	-4.8	-3.4
Operating profit	SEKm	95.3	66.6	309.8	208.4	274.7
Operating margin	%	10.7	8.3	11.7	8.6	8.5
Profit after net financial items	SEKm	89.5	44.5	289.8	179.7	243.0
Profit margin	%	10.0	5.6	11.0	7.4	7.6
Return on capital employed	%	21.0	11.1	21.0	11.1	15.2
Return on equity	%	24.5	14.3	24.5	14.3	17.4
Equity/assets ratio	%	49.0	46.8	49.0	46.8	49.0
Investments	SEKm	105.1	69.4	141.1	197.2	233.3
Depreciation and amortisation	SEKm	22.4	22.8	67.7	66.9	88.5
Per share ratios						
Basic and diluted earnings per share	SEK	1.87	0.70	4.64	2.67	3.66
Basic and diluted equity per share	SEK	24.05	21.65	24.05	21.65	22.15
Basic and diluted operating cash flow per share	SEK	3.42	2.06	5.18	5.57	6.86
No. of shares at end of period	shares	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000

Quarterly Key Ratios – Group

		2010/11			2009/10				2008/09	
		Nov-Jan Q3	Aug-Oct Q2	May-Jul Q1	Feb-Apr Q4	Nov-Jan Q3	Aug-Oct Q2	May-Jul Q1	Feb-Apr Q4	Nov-Jan Q3
Net sales	SEKm	893.2	928.9	817.0	800.8	799.3	828.8	789.7	792.3	806.9
Growth	%	11.8	12.1	3.5	1.1	-0.9	-12.5	0.3	-0.5	5.0
Operating profit	SEKm	95.3	119.5	94.9	66.4	66.6	73.2	68.6	24.7	67.3
Operating margin	%	10.7	12.9	11.6	8.3	8.3	8.8	8.7	3.1	8.3
Return on capital employed	%	21.0	19.1	17.0	15.2	11.1	12.6	18.1	21.3	25.2
Return on equity	%	24.5	20.0	18.4	17.4	14.3	16.3	21.4	24.8	30.5
Equity/assets ratio	%	49.0	47.4	49.5	49.0	46.8	44.1	43.9	43.3	41.6
Basic and diluted equity per share	SEK	24.05	23.12	23.14	22.15	21.65	20.59	20.70	19.66	19.44
Basic and diluted earnings per share	SEK	1.87	1.53	1.24	1.00	0.70	1.06	0.90	0.25	1.04

Parent Company Income Statement

SEKm	2010/11 Nov–Jan 3 mos.	2009/10 Nov–Jan 3 mos.	2010/11 May–Jan 9 mos.	2009/10 May–Jan 9 mos.	2009/10 May–Apr 12 mos.
Net sales	231.3	196.4	665.1	600.5	820.7
Cost of goods sold	-170.7	-143.1	-482.4	-432.5	-590.0
Gross profit	**60.6**	**53.3**	**182.7**	**168.0**	**230.7**
Other operating income	3.9	4.7	11.9	13.9	16.1
Selling expenses	-34.0	-30.9	-93.8	-88.5	-121.5
Administration expenses	-16.2	-15.9	-47.2	-44.7	-61.7
Other operating expenses	5.3	-2.0	-1.4	-12.8	-9.8
Operating profit	**19.6**	**9.2**	**52.2**	**35.9**	**53.8**
Net financial items	10.4	-7.6	139.4	260.4	268.8
Profit after financial items	**30.0**	**1.6**	**191.6**	**296.3**	**322.6**
Appropriations [1)]	-0.3	3.9	-0.5	0.8	-3.5
Pre-tax profit	**29.7**	**5.5**	**191.1**	**297.1**	**319.1**
Tax on profit for the period	-8.1	-3.3	-19.2	-11.6	-15.5
Profit for the period	**21.6**	**2.2**	**171.9**	**285.5**	**303.6**

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

Parent Company Balance Sheet

SEKm	31 Jan 2011	31 Jan 2010	30 Apr 2010
ASSETS			
Other intangible assets	2.7	3.6	3.3
Property, plant and equipment	99.8	108.1	105.0
Financial and other assets	1,102.4	907.6	926.6
Total non-current assets	**1,204.9**	**1,019.3**	**1,034.9**
Inventory	122.7	108.4	103.6
Current receivables	255.0	256.1	277.8
Cash and cash equivalents	321.8	333.1	310.0
Total current assets	**699.5**	**697.6**	**691.4**
TOTAL ASSETS	**1,904.4**	**1,716.9**	**1,726.3**
EQUITY AND LIABILITIES			
Equity	749.9	636.5	651.1
Untaxed reserves	121.8	116.9	121.2
Non-current liabilities, provisions	5.6	2.7	1.1
Non-current liabilities, interest-bearing	346.4	411.5	526.7
Total non-current liabilities	**352.0**	**414.2**	**527.8**
Current liabilities, interest-bearing	456.3	412.2	302.3
Current liabilities, non-interest-bearing	224.4	137.1	123.9
Total current liabilities	**680.7**	**549.3**	**426.2**
TOTAL EQUITY AND LIABILITIES	**1,904.4**	**1,716.9**	**1,726.3**

General accounting policies and principles

Systemair applies International Financial Reporting Standards (IFRS). This interim report was prepared for the Group in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1 and IAS 34, Interim Financial Reporting, and for the Parent Company in accordance with the Swedish Annual Accounts Act and RFR 2. The accounting policies and methods of calculation applied for the Group and Parent Company accord with those used in preparing the most recent Annual Report with the exception of the new or revised standards, interpretations and improvements, described in the following, as adopted by the IASB and approved by the European Union. Only those changes that affect the Systemair Group are discussed.

IFRS 3 Business Combinations – The revised standard continues to prescribe use of the acquisition method for business combinations albeit with some material changes. All payments made to purchase a business operation shall be recognised at fair value at the date of acquisition, while subsequent conditional payments shall be classified as liabilities that are later revalued via the income statement. All transaction expenses related to acquisitions shall be expensed. The revised standard shall be applied for financial years beginning on or after 1 July 2009. These changes have been applied for acquisitions carried out during the reporting period.

Note 1

Purchase consideration paid to acquire companies may provisionally be calculated as follows:

Total historical cost	SEK 176.5 million

Assets acquired

Fair value of assets acquired, net	SEK 100.7 million
Goodwill	SEK 75.8 million

Assets and liabilities acquired	Carrying amount	Adjustment	Fair value
Goodwill	0.1	75.7	75.8
Brands, customer relationships, licences, agencies etc.	-	43.0	43.0
Buildings and land	28.7	3.4	32.1
Machinery and equipment	4.2	-	4.2
Financial and other non-current assets	1.3	-	1.3
Inventory	27.8	-	27.8
Other current assets	41.9	-	41.9
Cash and cash equivalents	26.4	-	26.4
Non-interest-bearing liabilities (incl. deferred tax liability)	-8.2	-12.0	-20.2
Interest-bearing liabilities	-17.3	-	-17.3
Other operating liabilities	-38.5	-	-38.5
	66.4	110.1	176.5

Impact on cash flow	
Purchase consideration incl. additional payment	-176.5
Purchase consideration not paid	23.8
Cash and cash equivalents in companies acquired	26.4
Additional purchase consideration paid for prior years' acquisitions	0.0
Change in consolidated cash and cash equivalents through acquisitions	-126.3

Brands and customer relationships have been stated at the net present value of future cash flows. The useful life of these assets has been estimated at 10 years.

Definitions of key ratios

Operating profit (EBIT)
Earnings before financial items and tax.

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

Operating margin
Operating profit divided by net sales.

Profit margin
Profit after financial items divided by net sales.

Return on capital employed
Profit after financial income, for the trailing 12 months (TTM), divided by average capital employed.

Capital employed
Total assets less non-interest-bearing liabilities.

Return on equity
Profit after tax before non-controlling interest, for the trailing 12 months (TTM), divided by average capital employed excluding non-controlling interest.

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

Earnings per share
Profit for the period attributable to Parent Company shareholders, divided by the average number of shares during the period.

Operating cash flow per share
Cash flow from operating activities for the period, divided by the average number of shares during the period.

Equity/assets ratio
Adjusted equity divided by total assets.

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