

# Systemair

## YEAR-END REPORT

1 May 2007 – 30 April 2008  
(SEK million)

### Strong finish to year

#### Fourth quarter February – April 2008

- Net sales increased by 23% to SEK 769 million (650).
- Operating profit (EBIT) rose by 32% to SEK 83 million (63). The operating margin was 10% (10).
- Profit after tax amounted to SEK 50 million (34).
- Earnings per share before and after dilution totalled SEK 0.94 (0.64).

#### Twelve months May – April 2007/08

- Net sales increased by 16% to SEK 3,092 million (2,664).
- Operating profit (EBIT) rose by 22% to SEK 403 million (329). The group's operating margin was 13% (12). The costs of the stock market listing, which was charged to operating profit, amounted to SEK 7 million.
- Profit after tax amounted to SEK 248 million (255).
- Earnings per share before and after dilution totalled SEK 4.69 (4.90).
- The Board of Directors proposes a dividend of SEK 1.50 (1.46) per share.

#### Significant events during the period covered by the financial year

- Growth remained strong in Eastern Europe & CIS
- An agreement on the acquisition of Megcool Industries, Malaysia, was signed in April.
- Climaproduct, an Italian sales company based in Milan, was acquired in February.
- The sales company Matthews & Yates was established in Australia in November.
- Systemair Software was established in India in October.
- Stove-maker Camina of Motala was sold in August.
- Koolclima, a Spanish manufacturer of air handling units, was acquired in June.
- Systemair shares were admitted to the Stockholm Mid Cap List of the OMX Nordic Exchange on 12 October.

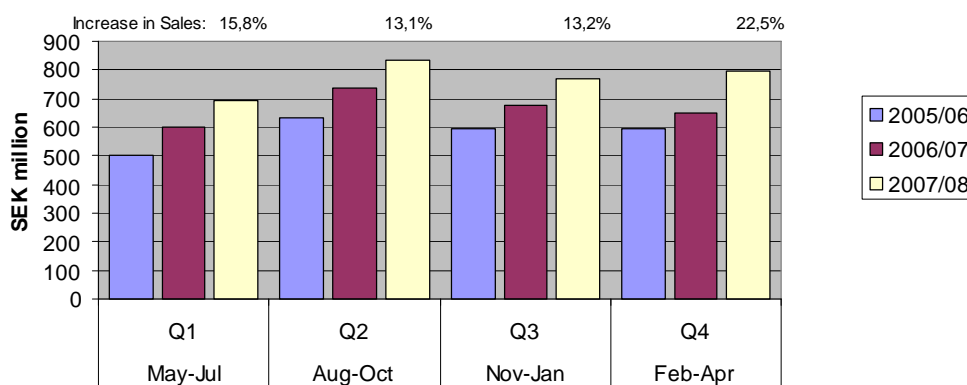
Gerald Engström, CEO, comments:

*"The financial year was notable for further strong demand for the Group's products in most markets. It is especially pleasing that Eastern Europe continues to show strong growth, above all in commercial property. We anticipate that the market will remain favourable for the majority of our products."*

## Net sales

Group sales in the fourth quarter totalled SEK 795.9 million (768.6), an increase of 22.5% compared to the figure for the same period last year. Companies acquired during the financial year contributed 7.1%, SEK 45.9 million, to sales in the quarter. In translation of the accounts of foreign subsidiaries to SEK, the impact of exchange rates on sales growth was negative, at 0.6%.

Net sales per quarter compared with same period previous years

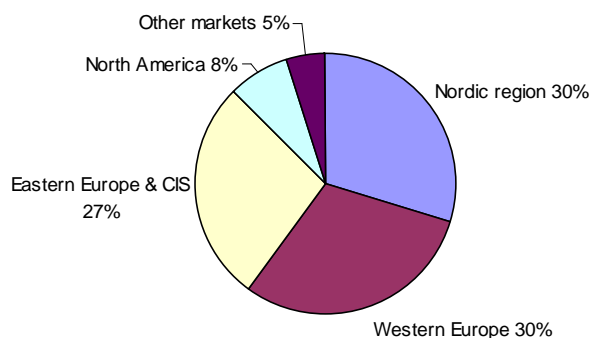


Net sales for the financial year May 2007-April 2008 amounted to SEK 3,091.6 million (2,664.2). The 2007/08 financial year was notable for continued strong demand for the Group's products in most markets, with the exception of North America. The increase in sales in the financial year totalled 16.0%, of which company acquisitions contributed 3.6%, or SEK 94.7 million. In translation of the accounts of foreign subsidiaries to SEK, the impact of exchange rates on sales growth was positive, at 0.6%.

## Net sales – geographical distribution

	2007/08			2006/07	
	May-Apr	change	% of total	May-Apr	% of total
Nordic region	921.3	11%	30%	832.0	31%
Western Europe	933.8	21%	30%	768.7	29%
Eastern Europe & CIS	851.5	27%	27%	670.9	25%
North America	241.2	-16%	8%	286.6	11%
Other markets	143.8	36%	5%	106.0	4%
<b>Total</b>	<b>3,091.6</b>	<b>16%</b>	<b>100%</b>	<b>2,664.2</b>	<b>100%</b>

### Sales per regional market 2007/08



Sales growth in the Nordic region totalled 11%. Adjusted for the sale of Camina AB in Motala, growth over the twelve-month period amounted to 18% in the Nordic region. Growth in Norway and Finland was especially strong during the year. The Norwegian market has, as of the current year, developed into Systemair's second biggest market, after Russia.

In Western Europe, sales rose by 21%, 8% of which was attributable to the acquisition of the Spanish company Koolclima.

The Eastern Europe & CIS market continued to show strong growth, above all in the commercial property construction sector.

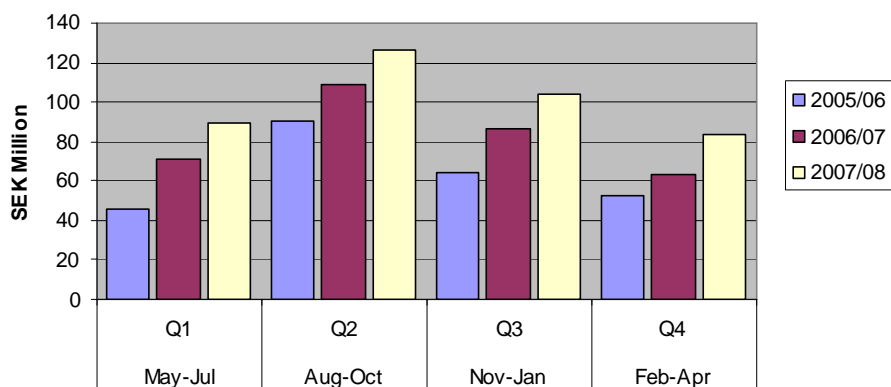
The North American market declined by 16% relative to the same period in the preceding year, on account of a lower level of residential construction and a weaker USD exchange rate. The US dollar weakened by 8.7% from its level in the corresponding period last year. In local currencies, sales in North America declined by 10%. During the year, an action plan was initiated with a view to cutting costs in North America. Under the plan, production and administration in Florida was moved to the facility in Canada.

### Profits

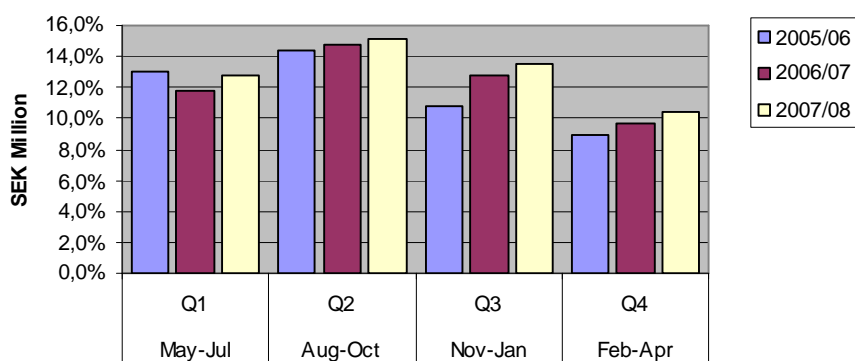
Operating profits in the fourth quarter totalled SEK 83.2 million (62.8), an increase of 32.5% over the figure for the corresponding period last year. Operating margin amounted to 10.4% (9.7).

The operating profit for the financial year amounted to SEK 402.5 million (329.3), an increase of 22.2%. The operating margin amounted to 13.0% (12.4). The operating profit for the financial year 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 2.6 million. In addition, part of a property in Skinnskatteberg was sold in December. This resulted in a capital gain of SEK 7.6 million, which was 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 net sales.

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



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



Interest expenses during the financial year totalled SEK -54.7 million (-25.3). This item also includes exchange losses on loans. Adjusted for exchange losses, interest expense totalled SEK -41.0 million (-23.6). 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, through higher volumes of sales, and acquisitions. During the year, new loans were raised in a total net amount of SEK 81.4 million (293.5).

Tax for the year amounted to SEK -101.3 million (-56.9), corresponding to a tax charge of 29.0% (18.3), based on the profit after financial items. The difference from the corresponding period in the preceding year arises from deferred income taxes recoverable 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 February, Systemair acquired the Italian ventilation company Climaproduct S.p.A. Climaproduct was established 20 years ago and employs around 40 people. The company has headquarters in Milan and a small production facility at Padova. Climaproduct, which has acted as a distributor for Systemair since 1992, also delivers ventilation products from manufacturers other than Systemair. Systemair products today represent only a minor share of Climaproduct's total sales, but the objective is to increase this share gradually. The acquisition forms part of Systemair's continued

European programme and offers increased possibilities for marketing the Group's products in Italy. Following the acquisition, the company was renamed Systemair Climaproduct S.p.A.

The price paid to acquire Climaproduct may provisionally be calculated as follows:

Cash payment	SEK 46.6 million
Maximum supplementary payment	SEK 3.8 million
Total acquisition cost	SEK 50.4 million

Assets acquired	
Actual value of assets taken over	SEK 24.6 million
Goodwill	SEK 25.8 million

<b>Assets and liabilities acquired</b>	<b>Book value</b>	<b>Adjustment</b>	<b>Actual value</b>
Intangible assets	1.3	24.5	25.8
Machinery and equipment	1.3	-	1.3
Deferred income taxes recoverable	-	1.4	1.4
Inventories	9.5	-	9.5
Other current assets	49.0	-4.1	44.9
Other operating liabilities	-1.7	-	-1.7
Liquid assets	3.6	-	3.6
Interest-free liabilities (incl. deferred income taxes recoverable)	-4.6	-	-4.6
Interest-bearing liabilities	-1.1	-	-1.1
Other current liabilities	-30.4	-	-30.4
	<b>28.6</b>	<b>21.8</b>	<b>50.4</b>

#### **Effect on cash flow**

Purchase price, incl. supplementary payment	-50.4
Purchase price as yet unpaid	3.8
Liquid assets in company acquired	3.6
<b>Change in Group's liquid assets at acquisition</b>	<b>-43.0</b>

Climaproduct is included in the group accounts from 1 January 2008. As a result, net sales for the Group rose by SEK 31.6 million during 2007/08 and the Group's operating profit increased by SEK 2.5 million. If Climaproduct had instead been consolidated from 1 May 2007, inclusive, net sales for 2007/08 would have totalled SEK 3,154.8 million. The operating profit would have totalled SEK 407.4 million.

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, which 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 a production facility in southern Europe.

Koolclima's air handling units 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 acquisition resulted in goodwill on consolidation totalling SEK 19.3 million. A more detailed account of assets and liabilities acquired will be found in the Q1 interim report.

Koolclima is included in the group accounts from 1 June 2007. As a result, net sales for the Group increased by SEK 63.0 million during 2007/08 and the Group's operating profit decreased by SEK 4.1 million. If Koolclima had instead been consolidated from 1 May 2007, inclusive, the net sales for 2007/08 would have totalled SEK 3,097.3 million. The operating profit would have been SEK 402.1 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 2.6 million on consolidation.

### **Investments and depreciation**

The Group's total investments during the financial year totalled SEK 168.8 million (215.9). Depreciation of fixed assets amounted to SEK 72.8 million (58.2). Investments in new buildings and machinery totalled SEK 94.7 million (171.5) and comprised primarily measures to expand capacity at the manufacturing units. Investments in the acquisition of subsidiaries totalled SEK 90.0 million (49.8) during the year.

### **Personnel**

The average number of employees in the Group totalled 1,786 (1,471). At the end of the year, Systemair had 1,827 employees (1,644), of whom 96 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 year amounted to SEK 344.9 million (295.1), the increase being attributable to an improved operating profit. Working capital rose by SEK 126.5 million (91.6), mainly because of a rise in trade accounts receivable. A series of projects are in progress at the company with a view to reducing tied-up capital. These are thought likely to bring improvements within the next year. Adjusted for company acquisitions, capital tied up in trade accounts receivable and inventory declined as a proportion of net sales during the fourth quarter. The cash flow from financing operations totalled SEK 6.1 million net (43.6). Systemair's net indebtedness at the financial year-end was SEK 816.7 million (764.5). The consolidated equity/assets ratio was 37.3% (33.9) at the close of the year.

### **Acquisitions, establishments and disposals of companies after the financial year-end**

Systemair has acquired Megcool Industries, Kuala Lumpur, Malaysia, taking over ownership on 1 May 2008. Megcool reported annual sales of around SEK 20 million in 2007 and an operating profit of approximately SEK 3 million.

The company manufactures and markets products for ventilation of tunnels and underground garages. The former owners, with 30 years of experience in the ventilation industry, remain active in the company. Through the acquisition, the Group has acquired a competitive production unit in the region and a base for the Group's continued drive in Asia. The establishment of operations in Malaysia will also serve as a logistical hub for onward distribution of products in the region. At acquisition, the company was renamed Systemair.

On 13 May 2008, Systemair acquired the assets of Emerson Ventilation Products from the U.S. company Emerson. The company manufactures fans and ventilation equipment and has sales of approximately USD 10 million. Production and sales will be integrated with Fantech's current operations in North America and represent a broadening of the product range.

### **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, on 12 October 2007. Following the listing, the Company's principal owners are Gerald Engström via the wholly owned company Färna Invest, with a shareholding of 42%, and ebm-papst, with a shareholding of 21%. Färna Invest has entered into an undertaking not to sell any shares for 12 months from the date of first listing, and the share was over-subscribed approximately nine times. The share price was set at SEK 78 per share and, at the time of listing, the number of shareholders exceeded 6,000. The total cost of the listing was around SEK 10.5 million whereof SEK 7.2 million reduced the operating profit for the financial year 2007/08.

### **Financial targets**

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

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

All objectives set for the 2006/2007 financial year and for 2007/08 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 financial year.

### **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 year, no material change took place in the scale of these transactions.

## **Parent Company**

Sales by the Parent Company in the 2007/08 financial year totalled SEK 1,000.4 million (900.7) while the operating profit amounted to SEK 114.4 million (116.7). Adjusted for the cost of the stock market listing, the operating profit totalled SEK 121.6 million.

The average number of employees in the Parent Company was 385 (343).

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%. The warrants may be exercised to subscribe for shares during three periods during the 2010/11 and 2011/12 financial years.

## **Dividend**

The Board of Directors proposes a dividend of SEK 1.50 (1.46) per share.

## **Financial information**

The Company's Annual General Meeting will be held in Skinnskatteberg at 3 p.m. on 27 August 2008. The Annual Report will be available in Week 32 on our Website, [www.systemair.se](http://www.systemair.se).

The Q1 2008 Interim Report will be published at 8.30 a.m. on 10 September 2008.



## Miscellaneous

The Information provided in this year-end 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 13 June 2008.

This Year-End Report has not been submitted to a general examination by the Company's auditors.

Skinnskatteberg, 13 June 2008  
Systemair AB (publ)

Gerald Engström  
CEO

*For further information, please contact:*

*Gerald Engström, CEO, Tel. +46-222-440 01 or +46-70-519 00 01 [geen@systemair.se](mailto:geen@systemair.se)*

*Lars Hansson, Chairman, Tel. +46-70-895 90 02, [lars.hansson@systemair.se](mailto:lars.hansson@systemair.se)*

*Glen Nilsson, CFO, Tel. +46-222-440 03 or +46-70-654 40 03 [glni@systemair.se](mailto:glni@systemair.se)*

## **Systemair AB (publ)**

Co. Reg. No. 556160-4108

SE-739 30 Skinnskatteberg

Telephone: +46-222-44000

Fax: +46-222-44099

[info@systemair.se](mailto:info@systemair.se)

[www.systemair.se](http://www.systemair.se)

### **Systemair in brief**

*Systemair is a leading ventilation company, with activities in 38 countries in Europe, North America, the Middle East, Asia, South Africa and Australia. The Company had sales of approximately SEK 3.1 billion in the 2007/08 financial year and approximately 1,800 employees. Since its foundation in 1974, the Company has every year steadily increased its sales while simultaneously returning positive operating profits. Over the past 3 years, the Company has averaged 18% 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

	2008	2007	2007/08	2006/07
	Feb-Apr	Feb-Apr	May-Apr	May-Apr
SEK million	3 mth	3 mth	12 mth	12 mth
Net sales	795.9	649.6	3,091.6	2,664.2
Costs of goods sold	-487.4	-398.3	-1,927.4	-1,651.6
<b>Gross profit</b>	<b>308.5</b>	<b>251.3</b>	<b>1,164.2</b>	<b>1,012.6</b>
Other operating income	11.1	13.9	52.8	29.6
Selling expenses	-176.9	-152.1	-599.0	-531.6
Administrative expenses	-47.5	-39.2	-176.0	-147.5
Other operating expenses	-12.0	-11.1	-39.5	-33.8
<b>Operating profit</b>	<b>83.2</b>	<b>62.8</b>	<b>402.5</b>	<b>329.3</b>
Interest income	2.2	2.7	7.8	7.9
Interest expense	-11.6	-12.6	-54.7	-25.3
Other financial income and expenses	-4.5	-4.7	-6.3	-0.4
<b>Profit after financial items</b>	<b>69.3</b>	<b>48.2</b>	<b>349.3</b>	<b>311.5</b>
Tax on profit for the year	-19.1	-14.7	-101.3	-56.9
<b>Profit for the period</b>	<b>50.2</b>	<b>33.5</b>	<b>248.0</b>	<b>254.6</b>
<b>Attributable to:</b>				
Parent Company's shareholders	49.2	33.4	243.8	253.2
Minority shareholding	1.0	0.1	4.2	1.4
Earnings per share before dilution, SEK <sup>1</sup>	0.94	0.64	4.69	4.90
Earnings per share after dilution, SEK <sup>1</sup>	0.94	0.64	4.69	4.90
Average number of shares in period, before dilution <sup>1</sup>	52,000,000	52,000,000	52,000,000	51,676,500
Average number of shares in period, after dilution <sup>1</sup>	52,000,000	52,000,000	52,000,000	51,676,500

<sup>1</sup> 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 year, a 100-for-1 share split was carried out. The figures for earlier periods provided for comparison have been adjusted to reflect the split.

## Consolidated Balance Sheet

SEK million	30-04-2008	30-04-2007
Goodwill	118.5	75.0
Other intangible assets	1.9	1.4
Tangible assets	646.0	617.7
Financial and other fixed assets	72.8	100.5
Inventories	510.2	500.3
Current receivables	702.1	538.6
Liquid assets	117.1	61.5
<b>Total assets</b>	<b>2,168.6</b>	<b>1,895.0</b>
Equity	808.4	642.9
Long-term liabilities, provisions	76.4	75.6
Long-term liabilities, interest-bearing	334.0	251.7
Current liabilities, interest-bearing	482.7	512.8
Current liabilities, interest-free	467.0	412.0
<b>Total equity and liabilities</b>	<b>2,168.6</b>	<b>1,895.0</b>

## Consolidated Changes in Equity

SEK million	2007/08 May-Apr	2006/07 May-Apr
<b>Opening balance</b>	<b>642.9</b>	<b>687.8</b>
Change in market value of marketable securities	-18.3	-33.4
Transferred to income statement for year	-0.3	-1.0
Translation differences	11.6	-20.9
<b>Total income and expenses charged directly to shareholders' equity</b>	<b>-7.0</b>	<b>-55.3</b>
Profit for the year	248.0	254.6
<b>Total income and expenses</b>	<b>241.0</b>	<b>199.3</b>
New share issue	-	16.0
Payment for warrants	1.7	-
Dividend	-75.9	-264.8
Acquisition of subsidiary with minority shareholding	-	5.1
Dividend in subsidiary to minority shareholder	-1.3	-0.5
<b>Closing balance</b>	<b>808.4</b>	<b>642.9</b>
<b>Attributable to:</b>		
Parent Company's shareholders	793.1	631.2
Minority shareholding	15.3	11.7

## Consolidated Cash Flow Statement

SEK million	<b>2007/08</b>	<b>2006/07</b>
	<b>May-Apr</b>	<b>May-Apr</b>
	<b>12 mth</b>	<b>12 mth</b>
Operating profit	402.5	329.4
Adjustment for non-cash-flow items	46.5	38.4
Financial items	-32.6	-16.4
Income taxes paid	-71.6	-56.3
<b>Cash flow from current operations before changes in working capital</b>	<b>344.8</b>	<b>295.1</b>
Changes in working capital	-126.5	-91.6
<b>Cash flow from current operations</b>	<b>218.3</b>	<b>203.5</b>
Cash flow from investment activities	-168.8	-216.3
Cash flow from financing activities	6.1	43.6
<b>Cash flow for year</b>	<b>55.6</b>	<b>30.8</b>
Opening balance, liquid assets	61.5	32.1
Translation differences on liquid assets	0	-1.4
<b>Liquid assets at year-end</b>	<b>117.1</b>	<b>61.5</b>

## Key figures – Group

		2008 Feb-Apr 3 mth	2007 Feb-Apr 3 mth	2007/08 May-Apr 12 mth	2006/07 May-Apr 12 mth
Net sales	SEK million	795.9	649.6	3,091.6	2,664.2
Growth	%	22.5	9.5	16.0	14.8
Operating profit	SEK million	83.2	62.8	402.5	329.3
Operating margin	%	10.4	9.7	13.0	12.4
Profit after net financial items	SEK million	69.3	48.2	349.3	311.5
Profit margin	%	8.7	7.4	11.3	11.7
Return on capital employed	%	-	-	25.8	26.7
Equity ratio	%	-	-	37.3	33.9
<b>Key ratios per share</b>					
Earnings per share before dilution	SEK	0.94	0.64	4.69	4.90
Earnings per share after dilution	SEK	0.94	0.64	4.69	4.90
Equity per share before dilution	SEK	15.26	12.36	15.26	12.14
Equity per share after dilution	SEK	15.26	12.36	15.26	12.14
Shares outstanding at end of period	Number	52,000,000	52,000,000	52,000,000	52,000,000

<sup>1</sup> During the financial year, a 100-for-1 share split was carried out. The figures for earlier periods provided for comparison have been adjusted.

## Parent Company Income Statement

	2008	2007	2007/08	2006/07
	Feb-Apr	Feb-Apr	May-Apr	May-Apr
SEK million	3 mth	3 mth	12 mth	12 mth
Net sales	267.1	232.5	1,000.4	900.7
Cost of goods sold	-191.1	-170.7	-721.7	-647.9
<b>Gross profit</b>	<b>76.0</b>	<b>61.8</b>	<b>278.7</b>	<b>252.8</b>
Other operating income	5.9	8.1	30.7	29.0
Selling expenses	-33.3	-30.0	-116.1	-101.3
Administrative expenses	-16.3	-14.8	-66.6	-48.2
Other operating expenses	-2.2	-0.8	-12.3	-15.6
<b>Operating profit</b>	<b>30.1</b>	<b>24.3</b>	<b>114.4</b>	<b>116.7</b>
Interest income	7.1	6.3	29.1	17.2
Interest expense	-10.2	-10.6	-49.9	-21.1
Other financial income and expenses	-8.2	24.4	26.5	112.5
<b>Profit after financial items</b>	<b>18.8</b>	<b>44.4</b>	<b>120.1</b>	<b>225.3</b>
Appropriations <sup>1</sup>	-3.5	-4.0	-19.9	-26.4
<b>Pre-tax profit</b>	<b>15.3</b>	<b>40.4</b>	<b>100.2</b>	<b>198.9</b>
Tax on profit for the period	-5.5	-4.4	-20.0	-24.5
<b>Profit for the period</b>	<b>9.8</b>	<b>36.0</b>	<b>80.2</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	30-04-2008	30-04-2007
Goodwill	-	0.2
Tangible assets	128.1	120.3
Financial assets	763.6	721.6
Inventories	132.5	137.2
Current receivables	298.6	270.7
Liquid assets	250.4	206.6
<b>Total assets</b>	<b>1,573.2</b>	<b>1,456.6</b>
Equity	370.6	367.0
Untaxed reserves	125.3	105.4
Long-term liabilities, provisions	1.0	0.9
Long-term liabilities, interest-bearing	450.8	364.0
Current liabilities, interest-bearing	487.7	460.6
Current liabilities, interest-free	137.8	158.7
<b>Total equity and liabilities</b>	<b>1,573.2</b>	<b>1,456.6</b>



## **General Accounting Principles**

This year-end 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 legal entity 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.