Q2 SYSTEMAIR AB INTERIM REPORT 1 MAY–31 OCTOBER 2010

ORGANIC GROWTH ACCELERATES

Second quarter, August–October 2010

- Net sales increased 12 percent, to SEK 929 million (829).
- Operating profit (EBIT) advanced 63 percent, to SEK 120 million (73). Adjusted for the sale of a property, operating profit was SEK 110 million.
- The operating margin equalled 12.9 percent (8.8). The adjusted margin was 11.7 percent.
- Profit after tax increased 44 percent, to SEK 80 million (55).
- Earnings per share equalled SEK 1.53 (1.06).
- Cash flows from operating activities totalled SEK 70 million (110).

First six months, May–October 2010

- Net sales increased 8 percent, to SEK 1,746 million (1,618).
- Operating profit (EBIT) advanced 51 percent, to SEK 214 million (142). Adjusted for the sale of a property, operating profit was SEK 204 million.
- The operating margin equalled 12.3 percent (8.8). The adjusted margin was 11.7 percent.
- Profit after tax increased 41 percent, to SEK 145 million (102).
- Earnings per share equalled SEK 2.77 (1.96).
- Cash flows from operating activities totalled SEK 125 million (183).

Significant acquisitions in the first six months

- In September, the operations of the Russian distributor Lex.
- In July, the Dutch ventilation company Rucon.
- In June, the sales company VKV in the Czech Republic.
- In June, the assets of the Greek ventilation products distributor Poliplevro.

Net sales

SEK 929

EBIT

SEK 120

	2010 3 mos.	2009 3 mos.	2010 6 mos.	2009 6 mos.
Net sales, SEK million	929	829	1 746	1 618
Growth, %	12,1	-12,5	7,9	-6,7
Operating profit, SEK million	120	73	214	142
Operating margin, %	12,9	8,8	12,3	8,8
Profit after tax, SEK million	80	55	145	102
Earnings per share, SEK	1,53	1,06	2,77	1,96
Operating cash flow, SEK per share	1,35	2,12	2,40	3,51

CEO'S COMMENTS

ORGANIC GROWTH ACCELERATES

Organic growth has revived, and profitability has improved, so the second quarter was satisfactory. However, we are not completely pleased, as growth is uneven and has not returned to all markets. We also see potential for improvement in several companies in the Group where we are not satisfied with the results achieved.

THE MARKET

In the Nordic region, we have achieved growth in all countries except Iceland. Norway remains the single biggest market, though Sweden is catching up, thanks to sales growth of 21 percent. In Western Europe, growth suffered from weak progress in Italy, Spain and Portugal during the period.

In Eastern Europe, we are pleased with steady growth in our largest markets: Russia, Poland and Slovenia. Evidence of our strong position in Russia is our order for the Olympic facilities in Sochi. In North America, Canada continues to advance, while recovery is slower in the United States.

In Other Markets, we are pleased to report growth in India, China, the Middle East and Turkey. We continue to see great potential in Asia, though we have yet to fully realise returns, in sales or earnings.

GROWTH AREAS

In our product areas, residential ventilation has achieved the best growth, about 15 percent, while compact units, air handling units with energy recovery, have surged 37 percent.

STAFF REINFORCED

We have employed about 200 more people compared to the same period the preceding year, chiefly at the manufacturing units, and added about 300 employees by acquiring businesses. The greatest increase in employees resulted from the acquisition of Ravistar, in India.

EXPANSION OF CAPACITY

The production facility in Lithuania is being expanded, scheduled for completion in early 2011. The addition of 7,200 m² will double the manufacturing area and enable expanded production of air handling units, chiefly for Eastern European markets.

In Skinnskatteberg, a decision has been made to invest about SEK 25 million in new and replacement machinery. Some of these investments will boost the production capacity for compact units.

OUTLOOK

Volumes are recovering, though more slowly than expected. To date, we are satisfied primarily with developments in the Nordic region and Eastern Europe. Volumes have increased 14 and 18 percent, respectively, adjusted for the effects of foreign exchange and acquisitions. Efficiency enhancements and greater volumes have improved the operating margin. We also see the potential for interesting business combinations this financial year.

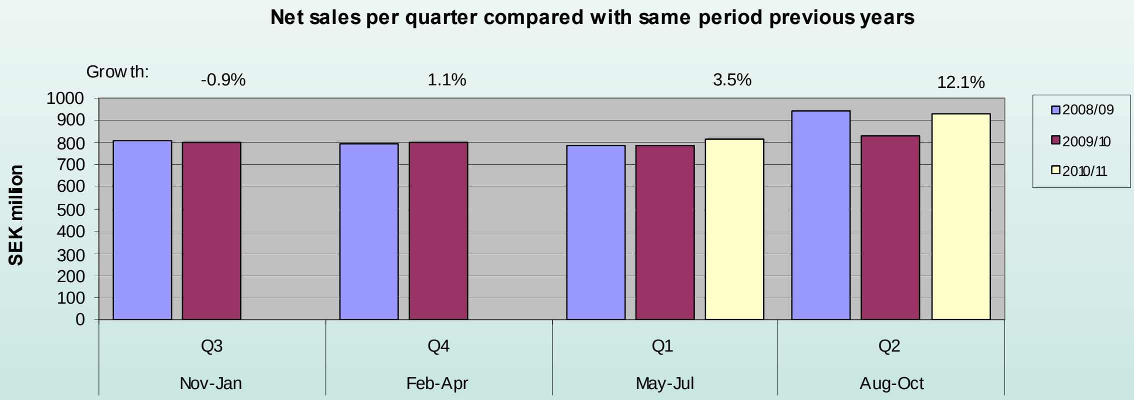
We are well equipped for further growth through our investments in production plant, product development and marketing.

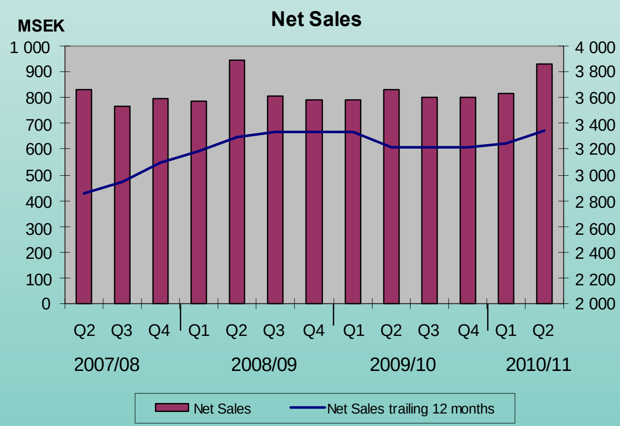
Gerald Engström
President and CEO

Sales

Group sales for the second quarter of the 2010/11 financial year totalled SEK 928.9 million (828.8), up 12.1 percent from the same period the preceding year. Adjusted for the effects of foreign exchange and acquisitions, sales grew 9.9 percent. Growth in acquired operations equalled 7.2 percent, or SEK 59.3 million, while foreign exchange effects reduced sales 5.0 percent during the quarter.

Net sales for the period May–October 2010 reached SEK 1,745.9 million (1,618.5), up 7.9 percent for the period. Adjusted for the effects of foreign exchange and acquisitions, sales expanded 8.1 percent. Acquired companies contributed 5.4 percent, or SEK 87.9 million. Exchange rate effects in the translation of foreign subsidiaries' accounts had a negative net effect of 5.6 percent on sales.





Sales – Geographic breakdown

During the second quarter, sales in the Nordic region were up 13 percent from the same period the preceding year. Acquisitions added 2 percent to sales in the region during the second quarter. In Sweden, sales advanced 21 percent, of which 6 percentage points were attributable to acquisitions. In Norway, the single largest market for the Group, sales increased 3 percent.

In Western Europe, income rose 3 percent in the second quarter. The acquisition of Rucon in the Netherlands contributed 11 percent to regional sales growth. However, adjusted for the effects of foreign exchange and acquisitions, sales declined 1 percent. Sales trends differ within the region. During the quarter, sales in Italy, Portugal and Spain were down 29 percent from the same period the preceding year, of which 10 percentage points were attributable to the stronger Swedish krona.

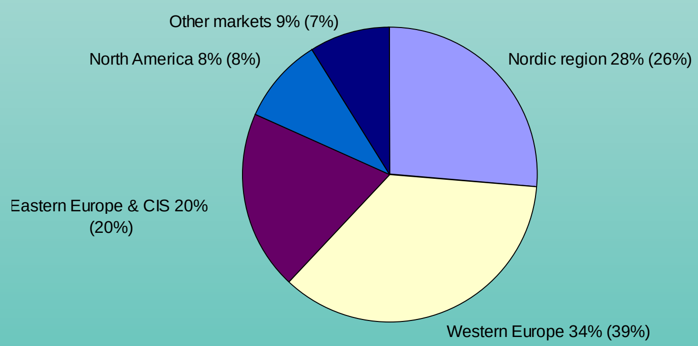
Sales in Eastern Europe and the CIS increased 12 percent during the quarter. Adjusted for the effects of foreign exchange and acquisitions, sales rose 18 percent. Sales in Russia were up 17 percent in the second quarter compared to the same period the preceding year. The acquisition of Energo Plus in Slovenia, completed in May 2009, continues to progress very favourably. During the quarter, sales in Slovenia advanced 22 percent. In Poland, the increase was 17 percent.

Sales in the North American market grew 13 percent during the quarter compared to the same period the preceding year. The acquisition of W.C. Wood's dehumidifier division in Canada contributed 8 percentage points to sales growth in the region during the second quarter.

Sales to Other markets surged 61 percent during the second quarter. The acquisition of Ravistar in India contributed 26 percentage points of the region's sales growth during the second quarter. Growth was robust in China, Turkey and the United Arab Emirates.

	2010 Aug–Oct 3 mos.	**2009 Aug–Oct 3 mos.**	**Change**	**2010 May–Oct 6 mos.**	**2009 May–Oct 6 mos.**	**Change**
Nordic region	264.0	234.5	13%	462.0	413.5	12%
Western Europe	319.3	309.2	3%	618.4	625.7	-1%
Eastern Europe & CIS	189.4	168.8	12%	347.6	323.8	7%
North America	73.5	64.9	13%	160.9	136.4	18%
Other markets	82.7	51.4	61%	157.0	119.1	32%
Total	**928.9**	**828.8**	**12%**	**1,745.9**	**1,618.5**	8%

Sales by markets 6 months 2010 (2009)

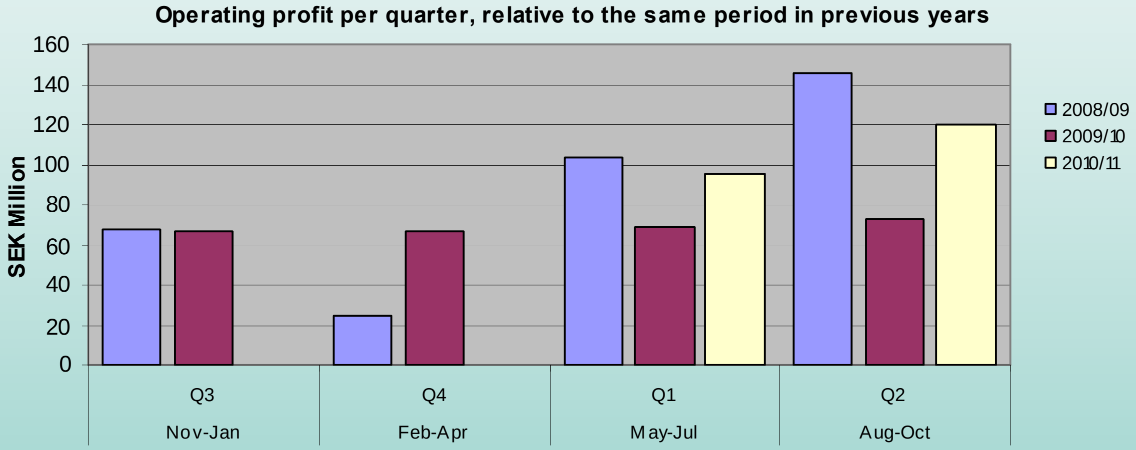


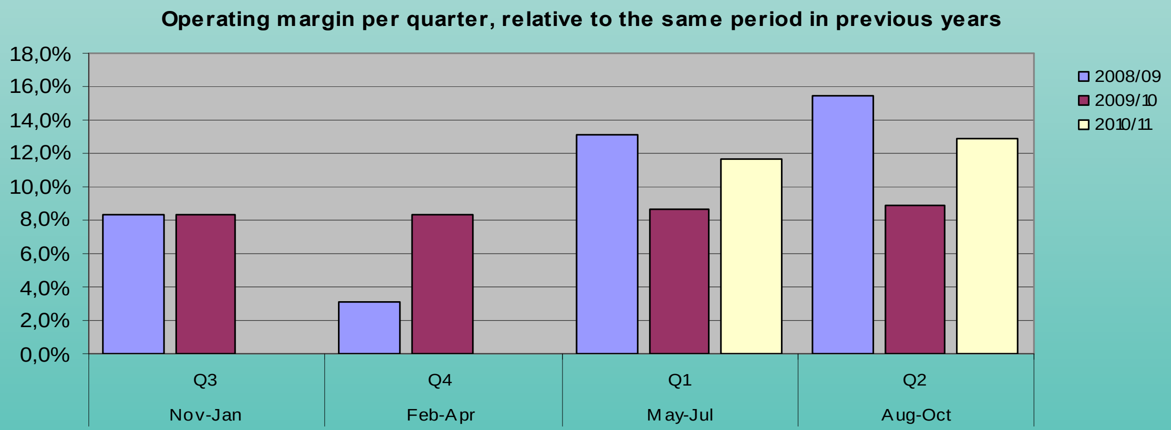
Profit

Gross profit for the second quarter totalled SEK 366.5 million (310.2), up 18.2 percent from the same period the preceding year. The gross margin equalled 39.5 percent (37.4). The improvement was chiefly attributable to cost-savings and better capacity utilisation at the manufacturing units. During the period, prices for input materials rose more slowly than anticipated.

Operating profit for the second quarter reached SEK 119.5 million (73.2), up 63.3 percent from the same period the preceding year. The operating margin equalled 12.9 percent (8.8). In August, Systemair sold its production facility in Schlierbach, Germany. The sale of this property was the last step taken to implement the decision to consolidate production of air curtains in Skinnskatteberg. The transaction yielded a capital gain of SEK 10.5 million, recognised in operating profit. Adjusted operating profit totalled SEK 109.0 million, and the adjusted operating margin 11.7 percent.

Selling and administration expenses for the quarter equalled SEK 253.0 million (232.1), up SEK 20.9 million from the same period the preceding year. Acquired companies boosted selling and administration expenses for the quarter by SEK 15.4 million. Selling expenses were charged SEK 4.6 million (10.5) for anticipated bad debts and impairment losses on trade receivables.





Net financial items for the second quarter equalled SEK -8.5 million (-3.2). The net effect of foreign exchange on long-term receivables, loans and bank balances was SEK -2.9 million (-1.2). Interest expense for the quarter totalled SEK -4.1 million (-4.1). Shares in Repant, which produces reverse vending machines for returnable containers, were charged impairment of SEK 2.1 million. The carrying amount of the shares equalled SEK 3.2 million following the charge.

The tax expense for the quarter is estimated at SEK -31.1 million (-14.7), corresponding to an effective tax rate of 28.0 percent (20.9) based on profit after net financial items.

Acquisitions and new operations

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 had been 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 sales of EUR 12 million for 2009. The company's previous owner and chief executive, Henk van der Zande, will continue as CEO. Rucon's emphasis complements Systemair's superbly, and synergy gains are expected immediately. After the acquisition, sales in the Netherlands, including those of Systemair's previous operations, will total about EUR 20 million, making that market one of Systemair's single largest.

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. Through this acquisition, Systemair gains control over distribution of all of its products in the Czech Republic. VKV has marketed air distribution products that were brought into the Group in a previous acquisition. Through coordination with our existing operations in the Czech Republic, we anticipate cost-savings and increased sales through market synergies.

In June, Systemair acquired the assets of the Greek ventilation products distributor Poliplevro SA. Poliplevro was hit hard by the Greek crisis, and their sales have declined sharply in recent years. However, Systemair sees opportunities to expand sales of the Group's product programme in the Greek market using Poliplevro's business as a base. Sales are expected to reach about SEK 10 million in the first financial year.

If Lex, Rucon, VKV and Poliplevro had been consolidated as of 1 May 2010, net sales for the period May 2010 through October 2010 would have been roughly SEK 1,768 million. The operating profit for that period would have been about SEK 215 million.

Note 1 in this report contains a preliminary 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 was SEK 69.1 million (39.4), including SEK 13.4 million (25.6) invested in new construction and machinery. Acquisitions and additional consideration paid for subsidiaries totalled SEK 55.7 million (13.8) for the quarter. Depreciation of property, plant and equipment totalled SEK 22.6 million (21.8).

Personnel

The average number of employees in the Group was 2,286 (1,866). At the end of the period, Systemair had 2,440 employees (1,931), 509 more than one year previous. Acquired companies added 334 employees to the Group. In addition, new employees have been recruited, chiefly for the production facilities in Canada, Lithuania, Sweden, Malaysia and the United States.

Cash flow and financial position

Cash flows from operating activities before changes in working capital totalled SEK 113.7 million (89.8) for the quarter. Changes in working capital, chiefly an increase in trade accounts receivable, had an impact of SEK -43.6 (20.4) on cash flow. The cash flow from financing operations totalled SEK -21.2 million net (-85.6). At the end of the period, net indebtedness totalled SEK 604.2 million (696.3). The consolidated equity/assets ratio was 47.4 percent (44.1).

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 229.4 million (212.5), while operating profit was SEK 12.1 million (11.5).

The average number of employees in the Parent Company was 343 (331).

Financial information

The Interim Report for the third quarter of 2010/11 will be published at 8:30 AM on 24 February 2011.

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*). Swedish and English versions of this information have been submitted for publication at 8:30 AM on 25 November 2010.

The undersigned affirm that this six-month report provides a true and fair survey of the Parent Company's and the Group's operations, financial position and profits as well as describing the material risks and uncertainty facing the Parent Company and the companies included in the Group.

Skinnskatteberg, 25 November 2010
Systemair AB (publ)

Gerald Engström *Chief Executive Officer*	Lars Hansson *Chairman of the Board*	
Göran Robertsson *Director*	Elisabeth Westberg *Director*	Jürgen Zilling *Director*
Åke Henningsson *Employee Representative*	*Kevin Rowland* *Employee Representative*	

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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 2,400 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.

Auditors' review report

Introduction

We have reviewed the interim report for Systemair AB (publ) for the period 1 May–31 October 2010. The preparation and fair presentation of the interim report in accordance with IAS 34 and the Annual Accounts Act are the responsibility of the Board of Directors and the Chief Executive Officer. Our responsibility is to express our opinion of this interim report based on our review.

Emphasis and scope of the review

We conducted our review in accordance with the Standard on review engagements (SÖG) 2410, Review of interim financial reporting conducted by the company's elected auditors (*Översiktlig granskning av finansiell delårsinformation utförd av företagets valda revisor*). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a considerably different emphasis and narrower scope than an audit has in accordance with the Swedish translation of International Standards on Auditing and other good auditing practice in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance to become aware of all significant matters that could have been identified in an audit. As our opinion is based on a review, the level of assurance is not as high as that of an opinion expressed based on an audit.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material respects, was not prepared in accordance with IAS 34 and the Annual Accounts Act for the Group or in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, 25 November 2010

Ernst & Young AB

Thomas Forslund

Authorised Public Accountant

Consolidated Income Statement

SEKm	2010 Aug–Oct 3 mos.	2009 Aug–Oct 3 mos.	2010 May–Oct 6 mos.	2009 May–Oct 6 mos.	2009/10 Nov–Oct TTM	2009/10 May–Apr 12 mos.
Net sales	928.9	828.8	1,745.9	1,618.5	3,345.9	3,218.6
Cost of goods sold	-562.4	-518.6	-1,062.2	-1,011.6	-2,052.1	-2,001.6
Gross profit	**366.5**	**310.2**	**683.7**	**606.9**	**1,293.8**	**1,217.0**
Other operating income	21.7	5.7	31.6	18.6	52.8	39.8
Selling expenses	-206.3	-187.2	-385.9	-366.1	-769.0	-749.2
Administration expenses	-46.7	-44.9	-90.6	-94.8	-192.2	-196.4
Other operating expenses	-15.7	-10.6	-24.4	-22.8	-38.0	-36.5
Operating profit	**119.5**	**73.2**	**214.4**	**141.8**	**347.4**	**274.7**
Net financial items	-8.5	-3.2	-14.0	-6.6	-39.2	-31.7
Profit after financial items	**111.0**	**70.0**	**200.4**	**135.2**	**308.2**	**243.0**
Tax on profit for the period	-31.1	-14.7	-55.6	-32.7	-74.4	-51.5
Profit for the period	**79.9**	**55.3**	**144.8**	**102.5**	**233.8**	**191.5**
Attributable to:						
Parent Company shareholders	79.4	55.1	143.9	102.0	232.5	190.5
Non-controlling interest	0.5	0.2	0.9	0.5	1.3	1.0
Earnings per share (SEK) 1)	1.53	1.06	2.77	1.96	4.47	3.66
Avg. no. of shares during period 1)	52,000,000	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 all periods has been less than the redemption price for the warrants, so no dilution effect has been 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 Aug–Oct 3 mos.	2009 Aug–Oct 3 mos.	2010 May–Oct 6 mos.	2009 May–Oct 6 mos.	2009/10 Nov–Oct TTM	2009/10 May–Apr 12 mos.
Profit for the period	**79.9**	**55.3**	**144.8**	**102.5**	**233.8**	**191.5**
Other comprehensive income, net after tax:						
Translation differences, foreign operations	-15.5	-4.5	-29.5	-24.4	-55.6	-51.2
Hedging of net assets in foreign operations, net after tax	0.1	0.3	0.9	2.4	6.0	7.5
Change in market value of securities held for sale	-	-0.6	-	2.4	11.9	15.0
Disposal of securities held for sale	-	-	-	5.0	-	5.0
Other comprehensive income, net after tax	**-15.4**	**-4.8**	**-28.6**	**-14.6**	**-37.7**	**-23.7**
Total comprehensive income for the period	**64.5**	**50.5**	**116.2**	**87.9**	**196.1**	**167.8**
Attributable to:						
Parent Company shareholders	64.1	50.3	115.8	87.8	196.4	168.5
Non-controlling interest	0.4	0.2	0.4	0.1	-0.3	-0.7

Consolidated Balance Sheet

SEKm	31 Oct 2010	31 Oct 2009	30 Apr 2010
ASSETS			
Goodwill	232.0	173.0	204.0
Other intangible assets	51.6	26.1	37.2
Property, plant and equipment	728.1	776.3	740.4
Financial and other assets	86.2	78.7	93.5
Total non-current assets	**1,097.9**	**1,054.1**	**1,075.1**
Inventory	533.2	531.0	510.2
Current receivables	847.4	796.5	714.0
Cash and cash equivalents	93.2	86.8	85.9
Total current assets	**1,473.8**	**1,414.3**	**1,310.1**
TOTAL ASSETS	**2,571.7**	**2,468.4**	**2,385.2**
EQUITY AND LIABILITIES			
Equity	**1,218.0**	**1,087.8**	**1,167.7**
Non-current liabilities, provisions	94.9	83.6	86.3
Non-current liabilities, interest-bearing	256.0	344.3	295.8
Total non-current liabilities	**350.9**	**427.9**	**382.1**
Current liabilities, interest-bearing	426.0	425.9	367.0
Current liabilities, non-interest-bearing	576.8	526.8	468.4
Total current liabilities	**1,002.8**	**952.7**	**835.4**
TOTAL EQUITY AND LIABILITIES	**2,571.7**	**2,468.4**	**2,385.2**

Consolidated Cash Flow Statement

SEKm	2010 Aug–Oct 3 mos.	2009 Aug–Oct 3 mos.	2010 May–Oct 6 mos.	2009 May–Oct 6 mos.	2009/10 May–Apr 12 mos.
Operating profit	119.5	73.2	214.4	141.8	274.7
Adjustment for non-cash items	12.2	21.5	33.0	45.3	85.6
Financial items	-3.5	-2.4	-5.6	-3.8	-9.6
Income tax paid	-14.5	-2.5	-30.6	-21.7	-76.8
Cash flows from operating activities before changes in working capital	**113.7**	**89.8**	**211.2**	**161.6**	**273.9**
Changes in working capital	-43.6	20.4	-86.3	21.0	82.6
Cash flow from operating activities	**70.1**	**110.2**	**124.9**	**182.6**	**356.5**
Cash flow from investing activities	-50.8	-36.7	-69.4	-127.7	-218.6
Cash flow from financing activities	-21.2	-85.6	-43.9	-63.5	-143.8
Cash flow for the period	**-1.9**	**-12.1**	**11.6**	**-8.6**	**-5.9**
Cash and cash equivalents at start of period	98.0	100.1	85.9	99.7	99.7
Translation differences in cash	-2.9	-1.2	-4.3	-4.3	-7.9
Cash and cash equivalents at close of period	**93.2**	**86.8**	**93.2**	**86.8**	**85.9**

Statement of Changes in Equity – Group

SEKm	2010 May–Oct			2009 May–Oct		
	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	-0.7	-65.7	-39.0	-1.7	**-40.7**
Acquisition of non-controlling interests	-	-0.2	-0.2	-	-	**-**
Comprehensive income	115.8	0.4	116.2	87.8	0.1	**87.9**
Amount at end of period	**1,202.4**	**15.6**	**1,218.0**	**1,070.9**	**16.9**	**1,087.8**

Group Key Ratios

		2010 Aug–Oct 3 mos.	2009 Aug–Oct 3 mos.	2010 May–Oct 6 mos.	2009 May–Oct 6 mos.	2009/10 May–Apr 12 mos.
Net sales	SEKm	928.9	828.8	1,745.9	1,618.5	3,218.6
Growth	%	12.1	-12.5	7.9	-6.7	-3.4
Operating profit	SEKm	119.5	73.2	214.4	141.8	274.7
Operating margin	%	12.9	8.8	12.3	8.8	8.5
Profit after net financial items	SEKm	111.0	70.0	200.4	135.2	243.0
Profit margin	%	12.0	8.4	11.5	8.4	7.6
Return on capital employed	%	19.1	12.6	19.1	12.6	15.2
Return on equity	%	20.0	16.3	20.0	16.3	17.4
Equity/assets ratio	%	47.4	44.1	47.4	44.1	49.0
Investments	SEKm	69.1	39.4	88.5	127.7	233.3
Depreciation and amortisation	SEKm	22.6	21.8	45.3	44.0	88.5
Per share ratios						
Basic earnings per share	SEK	1.53	1.06	2.77	1.96	3.66
Diluted earnings per share	SEK	1.53	1.06	2.77	1.96	3.66
Basic equity per share	SEK	23.12	20.59	23.12	20.59	22.15
Diluted equity per share	SEK	23.12	20.59	23.12	20.59	22.15
Basic operating cash flow per share	SEK	1.35	2.12	2.40	3.51	6.86
Diluted operating cash flow per share	SEK	1.35	2.12	2.40	3.51	6.86
No. of shares at end of period		52,000,000	52,000,000	52,000,000	52,000,000	52,000,000

Group Key Ratios Quarterly

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

Parent Company Income Statement

SEKm	2010 Aug–Oct 3 mos.	2009 Aug–Oct 3 mos.	2010 May–Oct 6 mos.	2009 May–Oct 6 mos.	2009/10 May–Apr 12 mos.
Net sales	229.4	212.5	433.8	404.1	820.7
Cost of goods sold	-166.7	-152.4	-311.8	-289.4	-590.0
Gross profit	**62.7**	**60.1**	**122.0**	**114.7**	**230.7**
Other operating income	4.9	4.9	8.0	9.2	16.1
Selling expenses	-32.9	-30.5	-59.7	-57.6	-121.5
Administration expenses	-16.4	-14.9	-31.0	-28.8	-61.7
Other operating expenses	-6.2	-8.1	-6.7	-10.8	-9.8
Operating profit	**12.1**	**11.5**	**32.6**	**26.7**	**53.8**
Net financial items	2.5	102.3	129.0	268.0	268.8
Profit after financial items	**14.6**	**113.8**	**161.6**	**294.7**	**322.6**
Appropriations [1)]	0.1	-	-0.2	-3.1	-3.5
Pre-tax profit	**14.7**	**113.8**	**161.4**	**291.6**	**319.1**
Tax on profit for the period	-5.3	-4.4	-11.1	-8.3	-15.5
Profit for the period	**9.4**	**109.4**	**150.3**	**283.3**	**303.6**

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

Parent Company Balance Sheet

SEKm	31 Oct 2010	31 Oct 2009	30 Apr 2010
ASSETS			
Other intangible assets	2.9	3.8	3.3
Property, plant and equipment	95.8	111.6	105.0
Financial and other assets	1,023.8	843.3	926.6
Total non-current assets	**1,122.5**	**958.7**	**1,034.9**
Inventory	104.7	103.5	103.6
Current receivables	275.4	303.4	277.8
Cash and cash equivalents	332.8	368.4	310.0
Total current assets	**712.9**	**775.3**	**691.4**
TOTAL ASSETS	**1,835.4**	**1,734.0**	**1,726.3**
EQUITY AND LIABILITIES			
Equity	732.7	634.7	651.1
Untaxed reserves	121.5	120.9	121.2
Non-current liabilities, provisions	3.4	1.0	1.1
Non-current liabilities, interest-bearing	361.1	423.3	526.7
Total non-current liabilities	**364.5**	**424.3**	**527.8**
Current liabilities, interest-bearing	471.3	420.7	302.3
Current liabilities, non-interest-bearing	145.4	133.4	123.9
Total current liabilities	**616.7**	**554.1**	**426.2**
TOTAL EQUITY AND LIABILITIES	**1,835.4**	**1,734.0**	**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 financial year 2010/11.

Note 1

The purchase consideration paid to acquire Lex in Russia, Rucon in the Netherlands, VKV in the Czech Republic and Poliplevro in Greece may provisionally be calculated as follows:

Total historical cost	SEK 95.7 million
Assets acquired	
Fair value of assets acquired, net	SEK 59.1 million
Goodwill	SEK 36.6 million

Assets and liabilities acquired	Carrying amount	Adjustment	Fair value
Goodwill	0.1	36.5	36.6
Brands, customer relationships, licences, agencies etc.	-	18.7	18.7
Buildings and land	28.3	3.4	31.8
Machinery and equipment	0.4	-	0.4
Financial and other non-current assets	1.3	-	1.3
Inventory	19.6	-	19.6
Other current assets	29.8	-	29.8
Cash and cash equivalents	16.8	-	16.8
Non-interest-bearing liabilities (incl. deferred tax liability)	-5.0	-4.7	-9.7
Interest-bearing liabilities	-14.6	-	-14.6
Other operating liabilities	-34.9	-	-34.9
	41.7	**54.0**	**95.7**

Impact on cash flow	
Purchase consideration incl. additional payment	-95.7
Purchase consideration not paid	15.9
Cash and cash equivalents in companies acquired	16.8
Additional purchase consideration paid for prior years' acquisitions	0.0
Change in consolidated cash and cash equivalents through acquisitions	**-63.0**

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.