

# Systemair

## INTERIM REPORT Q3 1 May 2009–31 January 2010 (SEK million)

### Third quarter November 2009–January 2010

- Net sales decreased 1 percent, to SEK 799 million (807).
- Operating profit (EBIT) declined 1 percent, to SEK 66.6 million (67.3). The operating margin equalled 8.3 percent (8.3).
- Profit after tax fell 32 percent, to SEK 37 million (54).
- Earnings per share equalled SEK 0.70 (1.04).
- Cash flows from operating activities totalled SEK 107 million (57).

### Nine months 1 May 2009–31 January 2010

- Net sales decreased 5 percent, to SEK 2,418 million (2,541).
- Operating profit (EBIT) declined 34 percent, to SEK 208 million (316). The operating margin equalled 8.6 percent (12.4).
- Profit after tax fell 38 percent, to SEK 139 million (224).
- Earnings per share equalled SEK 2.67 (4.28).
- Cash flows from operating activities totalled SEK 290 million (246).
- Return on capital employed was 11.1 percent (25.2).

### Significant events during the period under review

- In November, Systemair acquired Ravistar, in India. Ravistar leads the Indian market for air distribution products.
- The dehumidifier division of W.C. Wood, in Canada, was acquired in October.
- In May, the ventilation company Energo Plus, in Slovenia, was acquired.

#### Comments by Gerald Engström, CEO:

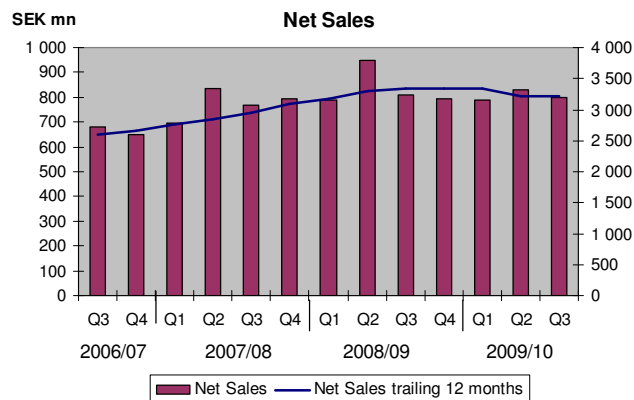
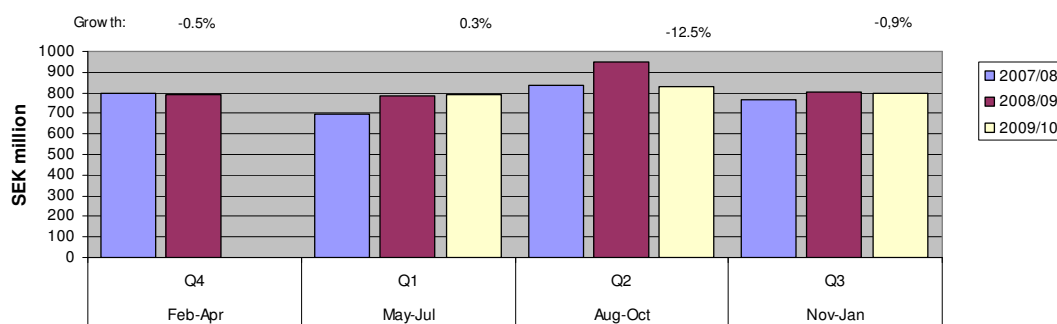
*“We are satisfied to have achieved the same sales and operating profit as in the corresponding quarter the previous year. The cold winter all over Europe boosted sales of heating products while it also slowed or halted several construction projects, thus reducing sales of ventilation products. We believe these effects offset one another. Our assessment is that we are expanding market shares in several markets. At our biggest production facility in Skinnskatteberg, Sweden, we went back to having five-day week starting 1 January. Our assessment of the next few quarters is cautiously optimistic. When business conditions turn around, we will be well equipped at our production facilities to handle significant growth in volume. We have decided to augment our production facility in Lithuania by 7,200 sq m to prepare for an expected increase in demand in Eastern Europe and CIS.”*

## Sales

Group sales for the third quarter of the 2009/10 financial year totalled SEK 799.3 million (806.9), down 0.9 percent from the same period the preceding year. Adjusted for the effects of foreign exchange and acquisitions, sales decreased 3.3 percent. Growth in acquired operations totalled 4.3 percent, or SEK 34.5 million. Foreign exchange effects reduced sales 1.9 percent during the quarter.

Net sales for the period May 2009–January 2010 totalled SEK 2,417.8 million (2,540.8), representing a decline of 4.8 percent. Acquired companies contributed 2.5 percent, or SEK 64.0 million. Exchange rate effects in the translation of foreign subsidiaries' accounts had a positive net effect of 2.8 percent on sales. Our assessment is that demand has stabilised, and we see tentative increases in some markets.

Net sales per quarter compared with same period previous years



## Sales – Geographic breakdown

During the third quarter, sales in the Nordic region increased 3 percent from the same period the preceding year. In Norway, sales advanced 15 percent. Sales in Sweden also progressed favourably. Sales in Finland remained weak, because the country has been hit hard by the economic crisis. The acquisition of the division for dehumidifiers from W.C. Wood of Canada contributed 1 percent to sales in the region during the third quarter.

In Western Europe, sales were unchanged during the third quarter and were not affected by acquisitions. Sales trends differed within the region. Healthy growth was noted in markets such as Portugal, Switzerland, Germany and France.

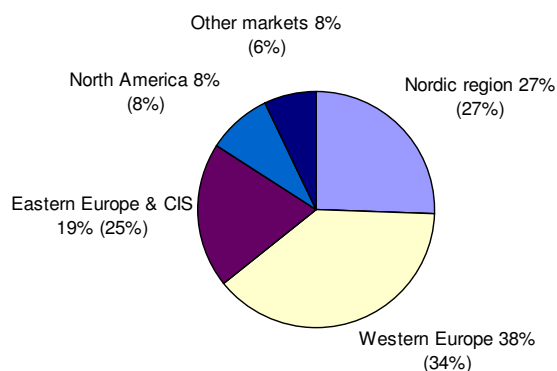
Sales in Eastern Europe and the CIS fell 17 percent during the quarter. The acquisition of Energo Plus in Slovenia lifted sales 8 percent. Sales in Russia suffered from the financial crisis and during the third quarter were 17 percent less than in the same period the preceding year.

Sales in the North American market decreased 8 percent during the quarter compared to the same period the preceding year. The acquisition of the division for dehumidifiers from W.C. Wood of Canada contributed 5 percent to sales in the region during the third quarter.

Sales to Other markets rose 30 percent during the third quarter. The acquisition of Ravistar in India contributed 26 percent. Growth was healthy in China and Israel, while sales declined in Turkey and the United Arab Emirates.

	2009/10 Nov–Jan 3 mos.	2008/09 Nov–Jan 3 mos.	Change	2009/10 May–Jan 9 mos.	2008/09 May–Jan 9 mos.	Change
Nordic region	239.2	231.4	3%	652.7	684.7	-5%
Western Europe	289.0	288.4	0%	914.7	854.6	7%
Eastern Europe and CIS	135.6	163.8	-17%	459.4	636.7	-28%
North America	61.1	66.2	-8%	197.6	203.4	-3%
Other markets	74.4	57.1	30%	193.4	161.4	20%
<b>Total</b>	<b>799.3</b>	<b>806.9</b>	<b>-1%</b>	<b>2,417.8</b>	<b>2,540.8</b>	<b>-5%</b>

Sales by markets 9 months 09/10 (08/09)



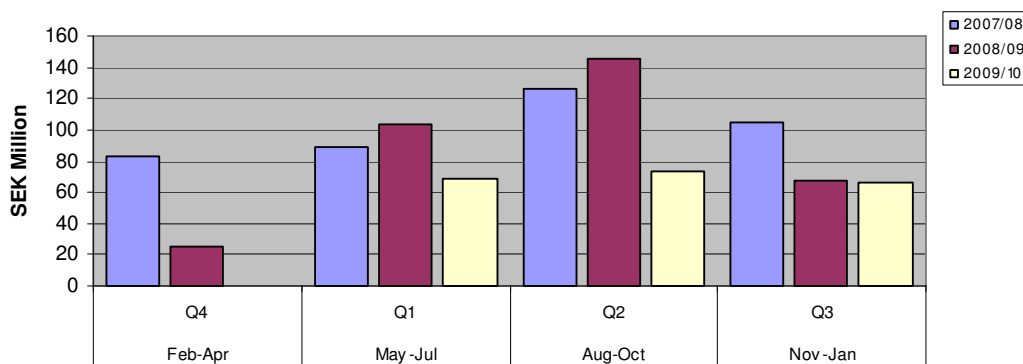
## Profit

Operating profit for the third quarter totalled SEK 296.4 million (304.4), down 2.6 percent from the same period the preceding year. The gross margin equalled 37.1 percent (37.7).

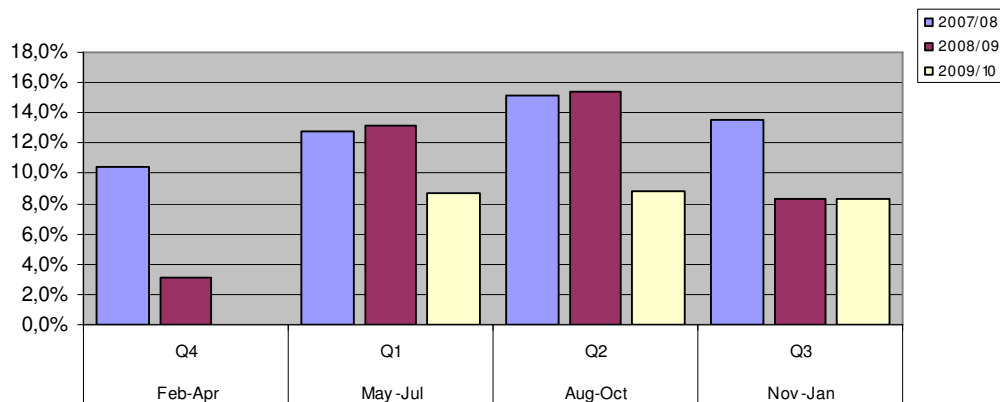
Operating profit for the third quarter totalled SEK 66.6 million (67.3), down 1.1 percent from the same period the preceding year. The operating margin equalled 8.3 percent (8.3).

Selling expenses for the third quarter were SEK 183.9 million (187.1), down SEK 3.2 million. This item includes SEK 3.4 million (6.1) in charges for anticipated bad debts and impairment losses on trade receivables. The acquisition of Energo Plus and Ravistar increased selling expenses SEK 4.4 million.

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 -22.1 million (-20.2). Net financial items include non-recurring charges of SEK 14.7 million for the impairment of shares in Repant and of SEK 5.5 million for impairment of long-term receivables. The net effect of foreign exchange on long-term receivables, loans and bank balances totalled SEK 1.4 million (-12.1). Interest expense for the quarter totalled SEK -4.2 million (-9.4). The decrease resulted from lower interest rates.

The tax expense for the quarter is estimated at SEK -7.6 million (7.0), corresponding to an effective tax rate of -17.1 percent (14.8). The decrease in tax for the quarter, compared to previous quarters in 2009, was attributable to lower tax rates and greater opportunities to apply tax-loss carry-

forwards. The tax income for the third quarter of 2008/09 is attributable to revenue recognition of such loss carry-forwards.

## Acquisitions and new operations

In May 2009, Systemair acquired all shares in the ventilation company Energo Plus, Slovenia. For 2008, the company posted sales of about SEK 100 million and an operating profit of about SEK 7 million. Energo Plus is the market leader in Slovenia for ventilation and air-conditioning products. The company was founded in 1990 and has 30 employees in Ljubljana and Maribor. Upon acquisition, the company changed its name to Systemair Energo Plus d.o.o.

In October 2009, Systemair acquired the dehumidifier division of the Canadian company W.C. Wood. The operations, with sales of about SEK 30 million, have been moved to Systemair's subsidiary in Canada. The products will continue to be marketed under the current Wood's brand in Europe but under the Fantech brand in North America.

In November 2009, Systemair acquired the Indian ventilation company Ravistar. The company leads the Indian market for air terminal devices and ventilation grilles. Ravistar employs more than 200 people and has its head office and production in Noida, outside New Delhi, and an additional production facility in Hyderabad. Sales for the previous financial year were roughly SEK 60 million, with an operating margin around 12 percent. The acquisition enables Systemair to expand sales of its entire product range in the Indian market.

In India, Systemair has already earlier established sales offices in Delhi, Bangalore, Kolkata and Pune as well as a warehouse and assembly plant in Alwar. Since 2007, Systemair also has a company, Systemair Software, that develops simulation programs for various ventilation solutions and a program for selecting Systemair products.

If Ravistar and the Wood's dehumidifier division had been consolidated as of 1 May 2009 instead, net sales for the period May 2009 through January 2010 would have totalled SEK 2,456.6 million. The operating profit for that same period would have been SEK 212.9 million.

*The acquisition analysis and effects of these acquisitions on the Group's cash and cash equivalents appear in Note 1 in this report.*

## Investment, depreciation and amortisation

Investment during the quarter totalled SEK 69.4 million (38.8), including SEK 13.0 million (27.4) invested in new construction and machinery. Investments include SEK 56.4 million (8.8) for the quarter for acquisition of subsidiaries. Depreciation of property, plant and equipment totalled SEK 22.8 (20.7).

## Employees

The average number of employees in the Group totalled 1,882 (1,930). At the end of the period, Systemair had 2,085 employees (1,952), 133 more than one year previous. The acquisitions of Energo Plus in Slovenia and Ravistar in India added 168 employees. Thus the decrease in comparable units was 35 employees, chiefly related to the manufacturing facility in Skinnskatteberg. In addition, about 100 people are employed in India on a contract basis and not included in the numbers above. The preceding year's figures have been restated because of new rules for calculations.

Working hours were shortened in Skinnskatteberg during spring and autumn 2009 but were fully reinstated starting in January 2010, so that salaried employees and blue-collar employees have resumed full working hours. No employee was given notice in 2009.

## Cash flow and financial position

Cash flows from operating activities before changes in working capital totalled SEK 63.7 million (47.5) for the quarter. Reduced inventory and trade receivables helped to free up SEK 43.5 million in working capital. Net cash flow from financing activities was SEK -51.8 million (-28.2), as a result of repayment of loans. At the end of the period, net indebtedness totalled SEK 656.5 million (738.5), while the consolidated equity/assets ratio was 46.8 percent (41.6).

## 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 2008/09 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. Transactions with related parties are described in detail in Note 37 to the accounts in the 2008/09 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 196.4 million (204.1), while operating profit was SEK 9.2 million (9.9).

The average number of employees in the Parent Company was 325 (373).

## Financial information

The Interim Report for the fourth quarter will be published at 8.30 AM on 3 June 2010.

## Miscellaneous

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 25 February 2010.

Skinnskatteberg, 25 February 2010  
Systemair AB (publ)

Gerald Engström  
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### **Systemair in brief**

*Systemair is a leading ventilation company with operations in 38 countries in Europe, North America, the Middle East, Asia, Africa and Australia. The Company had sales exceeding SEK 3.3 billion in the 2008/09 financial year and currently employs more than 2,000 people. Since it was founded in 1974, the Company has increased sales every year and at the same time reported an operating profit. During the past ten years, the Company's growth rate has averaged roughly 15 percent. The Group comprises about 60 companies.*

*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.*

## Consolidated Income Statement

	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
	Nov–Jan	Nov–Jan	May–Jan	May–Jan	Feb–Jan	May–Apr
SEK million	3 mos.	3 mos.	9 mos.	9 mos.	TTM	12 mos.
Net sales	799.3	806.9	2,417.8	2,540.8	3,210.1	3,333.1
Cost of goods sold	-502.9	-502.5	-1,514.5	-1,578.5	-2,025.2	-2,089.1
<b>Gross profit</b>	<b>296.4</b>	<b>304.4</b>	<b>903.3</b>	<b>962.3</b>	<b>1,184.9</b>	<b>1,244.0</b>
Other operating income	10.5	34.5	29.0	71.7	41.4	84.1
Selling expenses	-183.9	-187.1	-550.0	-513.8	-755.1	-718.9
Administration expenses	-49.9	-51.7	-144.6	-148.2	-200.5	-204.2
Other operating expenses	-6.5	-32.8	-29.3	-55.7	-37.6	-64.0
<b>Operating profit</b>	<b>66.6</b>	<b>67.3</b>	<b>208.4</b>	<b>316.3</b>	<b>233.1</b>	<b>341.0</b>
Net financial items	-22.1	-20.2	-28.7	-36.1	-32.3	-39.7
<b>Profit after financial items</b>	<b>44.5</b>	<b>47.1</b>	<b>179.7</b>	<b>280.2</b>	<b>200.8</b>	<b>301.3</b>
Tax on profit for the period	-7.6	7.0	-40.3	-56.0	-48.0	-63.7
<b>Profit for the period</b>	<b>36.9</b>	<b>54.1</b>	<b>139.4</b>	<b>224.2</b>	<b>152.8</b>	<b>237.6</b>
<b>Attributable to:</b>						
Parent Company's shareholders	36.6	54.2	138.6	222.7	151.4	235.5
Minority interests	0.3	-0.1	0.8	1.5	1.4	2.1
Earnings per share (SEK) 1)	0.70	1.04	2.67	4.28	2.91	4.53
Average 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.



## Statement of Comprehensive Income

	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
	Nov–Jan	Nov–Jan	May–Jan	May–Jan	Feb–Jan	May–Apr
	3 mos.	3 mos.	9 mos.	9 mos.	TTM	12 mos.
<b>Profit for the period</b>	<b>36.9</b>	<b>54.1</b>	<b>139.4</b>	<b>224.2</b>	<b>152.8</b>	<b>237.6</b>
<b>Other comprehensive income, net after tax:</b>						
Translation differences, foreign operations	4.8	45.0	-19.6	94.8	-21.5	92.9
Hedging of net assets in foreign operations, net after tax	1.1	-5.7	3.5	-5.7	3.3	-5.9
Change in market value of securities held for sale	-2.4	-0.3	-	-8.4	13.6	-9.1
Disposal/write-down of securities held for sale	14.3	-	19.3	-	5.0	-
<b>Other comprehensive income, net after tax</b>	<b>17.8</b>	<b>39.0</b>	<b>3.2</b>	<b>80.7</b>	<b>0.4</b>	<b>77.9</b>
<b>Total comprehensive income for the period</b>	<b>54.7</b>	<b>93.1</b>	<b>142.6</b>	<b>304.9</b>	<b>153.2</b>	<b>315.5</b>
<b>Attributable to:</b>						
Parent Company's shareholders	54.6	92.7	142.4	301.6	152.3	311.2
Minority interests	0,1	0.4	0.2	3.3	0.9	4.3

## Consolidated Balance Sheet

SEK million	31 Jan 2010	31 Jan 2009	30 Apr 2009
<b>ASSETS</b>			
Goodwill	209.0	166.9	166.1
Other intangible assets	39.3	1.7	7.1
Property, plant and equipment	773.8	739.0	742.9
Financial and other assets	81.6	74.7	74.4
<b>Total non-current assets</b>	<b>1,103.7</b>	<b>982.3</b>	<b>990.5</b>
Inventories	503.9	588.3	557.7
Current receivables	759.5	812.4	753.5
Cash and cash equivalents	73.8	93.2	99.7
<b>Total current assets</b>	<b>1,337.2</b>	<b>1,493.9</b>	<b>1,410.9</b>
<b>TOTAL ASSETS</b>	<b>2,440.9</b>	<b>2,476.2</b>	<b>2,401.4</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>1,142.5</b>	<b>1,030.3</b>	<b>1,040.6</b>
Non-current liabilities, provisions	84.0	93.4	78.5
Non-current liabilities, interest-bearing	329.7	319.0	316.0
<b>Total non-current liabilities</b>	<b>413.7</b>	<b>412.4</b>	<b>394.5</b>
Current liabilities, interest-bearing	390.0	498.2	486.8
Current liabilities, non-interest-bearing	494.7	535.3	479.5
<b>Total current liabilities</b>	<b>884.7</b>	<b>1,033.5</b>	<b>966.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,440.9</b>	<b>2,476.2</b>	<b>2,401.4</b>

## Consolidated Cash-Flow Statement

SEK million	2009/10 Nov–Jan 3 mos.	2008/09 Nov–Jan 3 mos.	2009/10 May–Jan 9 mos.	2008/09 May–Jan 9 mos.	2008/09 May–Apr 12 mos.
Operating profit	66.6	67.3	208.4	316.3	341.0
Adjustments for non-cash items	20.2	9.8	65.5	57.8	73.3
Financial items	-3.1	-8.8	-6.9	-25.2	-30.5
Income tax paid	-20.0	-20.8	-41.7	-50.7	-76.1
<b>Cash flow from operating activities before changes in working capital</b>	<b>63.7</b>	<b>47.5</b>	<b>225.3</b>	<b>298.2</b>	<b>307.7</b>
Change in working capital	43.5	9.5	64.5	-52.0	-10.7
<b>Cash flow from operating activities</b>	<b>107.2</b>	<b>57.0</b>	<b>289.8</b>	<b>246.2</b>	<b>297.0</b>
Cash flow from investing activities	-69.4	-38.8	-197.2	-135.4	-165.5
Cash flow from financing activities	-51.8	-28.2	-115.3	-150.8	-169.1
<b>Cash flow for the period</b>	<b>-14.0</b>	<b>-10.0</b>	<b>-22.7</b>	<b>-40.0</b>	<b>-37.6</b>
Cash and cash equivalents at start of period	86.8	96.0	99.7	117.1	117.1
Translation differences in cash	1.0	7.2	-3.2	16.1	20.2
<b>Cash and cash equivalents at close of period</b>	<b>73.8</b>	<b>93.2</b>	<b>73.8</b>	<b>93.2</b>	<b>99.7</b>

## Changes in Equity – Group

SEK million	2009/10 May–Jan			2008/09 May–Jan		
	Equity	Minorities	Total equity	Equity	Minorities	Total equity
Amount at beginning of year	1,022.1	18.5	1,040.6	793.1	15.3	808.4
Dividend	-39.0	-1.7	-40.7	-78.0	-3.3	-81.3
Acquisition of minority share	–	–	–	–	-1.7	-1.7
Comprehensive income	142.4	0.2	142.6	301.6	3.3	304.9
<b>Amount at end of period</b>	<b>1,125.5</b>	<b>17.0</b>	<b>1,142.5</b>	<b>1,016.7</b>	<b>13.6</b>	<b>1,030.3</b>

INTERIM REPORT MAY 2009–JANUARY 2010  
Systemair AB (publ)

Group Key Ratios		2009/10	2008/09	2009/10	2008/09	2008/09
		Nov–Jan 3 mos.	Nov–Jan 3 mos.	May–Jan 9 mos.	May–Jan 9 mos.	May–Apr 12 mos.
Net sales	SEK mn	799.3	806.9	2,417.8	2,540.8	3,333.1
Growth	%	-0.9	5.0	-4.8	10.7	7.8
Operating profit	SEK mn	66.6	67.3	208.4	316.3	341.0
Operating margin	%	8.3	8.3	8.6	12.4	10.2
Profit after net financial items	SEK mn	44.5	47.1	179.7	280.2	301.3
Profit margin	%	5.6	5.8	7.4	11.0	9.0
Return on capital employed	%	11.1	25.2	11.1	25.2	19.6
Return on equity	%	14.3	30.5	14.3	30.5	24.8
Equity/assets ratio	%	46.8	41.6	46.8	41.6	43.3
Investments	SEK mn	69.4	38.8	197.2	135.4	165.5
Depreciation and amortisation	SEK mn	22.8	20.7	66.9	59.9	80.9
<b>Per share ratios</b>						
Basic earnings per share	SEK	0.70	1.04	2.67	4.28	4.53
Diluted earnings per share	SEK	0.70	1.04	2.67	4.28	4.53
Basic equity per share	SEK	21.65	19.44	21.65	19.44	19.66
Diluted equity per share	SEK	21.65	19.44	21.65	19.44	19.66
No. of shares at end of period	shares	52,000,000	52,000,000	52,000,000	52,000,000	52,000,000

### Financial targets

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

- Sales growth shall be no less than 12 percent over a business cycle.
- The operating margin shall be no less than 10 percent over a business cycle.
- The Group's equity/assets ratio shall be no less than 30 percent.
- The dividend shall be approximately 30 percent of profit after tax.

## Parent Company Income Statement

SEK million	2009/10 Nov–Jan 3 mos.	2008/09 Nov–Jan 3 mos.	2009/10 May–Jan 9 mos.	2008/09 May–Jan 9 mos.	2008/09 May–Apr 12 mos.
Net sales	196.4	204.1	600.5	706.4	914.5
Cost of goods sold	-143.1	-148.3	-432.5	-503.5	-654.5
<b>Gross profit</b>	<b>53.3</b>	<b>55.8</b>	<b>168.0</b>	<b>202.9</b>	<b>260.0</b>
Other operating income	4.7	24.4	13.9	47.2	52.4
Selling expenses	-30.9	-34.0	-88.5	-94.5	-129.2
Administration expenses	-15.9	-16.9	-44.7	-50.6	-67.8
Other operating expenses	-2.0	-19.4	-12.8	-34.4	-40.5
<b>Operating profit</b>	<b>9.2</b>	<b>9.9</b>	<b>35.9</b>	<b>70.6</b>	<b>74.9</b>
Net financial items	-7.6	-18.6	260.4	81.8	81.9
<b>Profit after financial items</b>	<b>1.6</b>	<b>-8.7</b>	<b>296.3</b>	<b>152.4</b>	<b>156.8</b>
Appropriations <sup>1)</sup>	3.9	15.4	0.8	3.2	7.5
<b>Pre-tax profit</b>	<b>5.5</b>	<b>6.7</b>	<b>297.1</b>	<b>155.6</b>	<b>164.3</b>
Tax on profit for the period	-3.3	-4.8	-11.6	-16.4	-18.0
<b>Profit for the period</b>	<b>2.2</b>	<b>1.9</b>	<b>285.5</b>	<b>139.2</b>	<b>146.3</b>

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

## Parent Company Balance Sheet

SEK million	31 Jan 2010	31 Jan 2009	30 Apr 2009
<b>ASSETS</b>			
Other intangible assets	3.6	2.7	4.2
Property, plant and equipment	108.1	124.3	116.2
Financial and other assets	907.6	786.3	821.8
<b>Total non-current assets</b>	<b>1,019.3</b>	<b>913.3</b>	<b>942.2</b>
Inventories	108.4	139.1	122.6
Current receivables	256.1	297.8	300.4
Cash and cash equivalents	333.1	321.6	309.1
<b>Total current assets</b>	<b>697.6</b>	<b>758.5</b>	<b>732.1</b>
<b>TOTAL ASSETS</b>	<b>1,716.9</b>	<b>1,671.8</b>	<b>1,674.3</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	636.5	432.0	393.3
Untaxed reserves	116.9	122.0	117.7
Non-current liabilities, provisions	2.7	1.1	1.0
Non-current liabilities, interest-bearing	411.5	542.1	537.1
<b>Total non-current liabilities</b>	<b>414.2</b>	<b>543.2</b>	<b>538.1</b>
Current liabilities, interest-bearing	412.2	434.8	438.4
Current liabilities, non-interest-bearing	137.1	139.8	186.8
<b>Total current liabilities</b>	<b>549.3</b>	<b>574.6</b>	<b>625.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,716.9</b>	<b>1,671.8</b>	<b>1,674.3</b>

## 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 1.2 and IAS 34, Interim Financial Reporting, and for the Parent Company in accordance with the Swedish Annual Accounts Act and RFR 2.2. 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 European Union and effective 1 January 2009. Only those changes that affect the Systemair Group are discussed.

IAS 1, Presentation of Financial Statements, has been revised. For Systemair, IAS 1 means that revenues and costs previously recognised directly in equity will now be recognised in a separate statement, the "Statement of comprehensive income", adjacent to the consolidated income statement. The statement of changes in equity will now contain only changes related to transactions with shareholders. IFRS 8, Operating Segments, replaces IAS 14, Segment Reporting. The new standard deals with segment reporting. This standard has not affected Systemair's segment reporting. No other new or revised IFRS or interpretations from the IFRIC have had any material impact on the Group's or the Parent Company's financial position.

### Note 1

The purchase consideration paid to acquire Energo Plus, Ravistar and the dehumidifier division of W.C. Wood may provisionally be calculated as follows:

Total acquisition cost SEK 108.1 million

Assets acquired

Fair value of assets adopted, net SEK 60.1 million

Goodwill SEK 48.0 million

Assets and liabilities acquired	Carrying amount	Adjustment	Fair value
Goodwill	0.0	48.0	48.0
Brands, customer relationships, licences, agencies etc.	0.4	35.2	35.6
Machinery and equipment	5.3	–	5.3
Financial and other non-current assets	1.7	–	1.7
Inventories	28.1	–	28.1
Other current assets	46.8	–	46.8
Cash and cash equivalents	0.5	–	0.5
Non-interest-bearing liabilities (incl. deferred tax liability)	-2.4	-7.5	-9.8
Interest-bearing liabilities	-14.9	–	-14.9
Other operating liabilities	-33.3	–	-33.3
	<b>32.4</b>	<b>75.7</b>	<b>108.1</b>

### Impact on cash flow

Purchase consideration incl. additional payment	-108.1
Purchase consideration not paid	10.5
Cash and cash equivalents in companies acquired	0.5
Additional purchase consideration paid regarding acquisitions in prior years	0.0
<b>Change in consolidated cash and cash equivalents through acquisitions</b>	<b>-97.1</b>

The goodwill upon acquisition in Ravistar and Energo Plus is attributable to the companies' strong market positions, synergy effects expected to emerge after the acquisitions and the companies' estimated future earning capacity.

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 minority share, for the trailing 12 months (TTM), divided by average capital employed, excluding minority share.*

**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, 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.*