

- Sales increased by 21 percent in the fourth quarter.
- Six acquisitions with annual sales totaling SEK 890M were made during the year.
- Sales for the year rose by 20 percent to SEK 4,666M.
- EBIT for the year improved by 16 percent to SEK 465M.
- Earnings per share rose by 12 percent to SEK 10.83.
- The Board of Directors proposes a dividend of SEK 3.50 (3.00).

	2002	2001	Change
	Jan-Dec	Jan-Dec	
Order intake, SEK M	4,727	3,945	20%
Net sales, SEK M	4,666	3,894	20%
Earnings before interest and tax, SEK M	465	401	16%
EBIT margin, percent	10.0	10.3	
Earnings per share, SEK	10.83	9.69	12%
Dividend, SEK (for 2002, proposal)	3.50	3.00	17%

### Munters operations

Munters is the world leader in moisture control with products and services for water and fire damage restoration and dehumidification, humidification and air-cooling.

Munters' business objective is to be a global service and applications-oriented niche company within the air treatment market from a base in dehumidification and humidification.

Operations are divided into three geographic regions: Europe, the Americas and Asia. In each region, operations are subdivided into the following three divisions: Dehumidification, Moisture Control Services (MCS) and HumiCool. Munters' operations are often project-oriented with extensive collaboration between regions and divisions within sales, production and product development. Manufacturing and sales are carried out through the Group's own companies in more than 25 countries. The Group had 3,192 employees at the year-end.

### Market trend

The market demand in Europe had a positive development during the period, especially for MCS. This was partly due to water damage restoration work after flooding in Europe during the fourth quarter. Demand for Dehumidification was also strong for the first nine months of the year but then stagnated as a result of few large projects. Within HumiCool, demand was high for evaporative cooling systems for the AgHort (Agriculture & Horticulture) industry,

whilst demand for products for cooling inlet air to gas turbines was very weak throughout the year.

Despite the negative economic trend, the markets in America showed continued growth during the year. Demand for Dehumidification was strong, with the exception of Zeol systems for which demand is largely dependent on investments within the semiconductor industry. In the previous year, MCS reported strong demand for services relating to water damage restoration after Hurricane Allison in Texas and after the terrorist attacks on September 11. During 2002, demand for normal water damage restoration continued to increase but demand for catastrophe-related damage restoration operations was weak. Within HumiCool, demand was strong for evaporative cooling systems for the AgHort industry, whilst products for cooling inlet air to gas turbines fell significantly.

Demand remained strong in Australia and Thailand, especially for HumiCool, whereas there was a low level of activity in Japan and South East Asia.

### Fourth quarter

Order intake for the fourth quarter amounted to SEK 1,196M (1,029), an increase of 16 percent compared with the previous year. When adjusted for currency fluctuations for comparable units, the growth in order intake was minus 1 percent.

Net sales rose by 21 percent to SEK 1,286M (1,063). When adjusted for currency fluctuations, the sales increase for comparable units was 4

percent compared with the corresponding quarter in 2001.

EBIT improved by 8 percent to SEK 147M (136) compared with the fourth quarter in the previous year. This is equivalent to an EBIT margin of 11.5 percent (12.8). Amortization of goodwill and surplus values is included by SEK 11M (3). When adjusted for currency fluctuations, the EBIT for comparable units rose by 5 percent.

Earnings before tax improved by 2 percent to SEK 137M (134) after increased financial net of SEK 4M to SEK 10M (6). This was due to increased indebtedness following the acquisitions implemented earlier in the year. Through the acquisition of the previously partly owned company, Polygon A/S in Norway, no earnings in associated companies are reported as they were in the fourth quarter 2001 with SEK 3M.

### **Group order intake, net sales and full year results**

During the year, order intake increased by 20 percent to SEK 4,727M (3,945). When adjusted for currency fluctuations, growth for comparable units was 3 percent. The backlog rose by 29 percent and amounted to SEK 622M (593) at year-end. When adjusted for currency fluctuations, the increase in the backlog for comparable units was 6 percent.

Net sales of the Munters Group rose by 20 percent to SEK 4,666M (3,894). When adjusted for currency fluctuations, the increase was 4 percent for comparable units.

Distributed by region, net sales increased by 40 percent in Europe, fell by 1 percent in the Americas and rose by 5 percent in Asia. When adjusted for currency fluctuations for the same units, Europe and Asia increased their sales, whilst the Americas reported slightly lower sales.

Consolidated EBIT after amortization of goodwill and surplus values of SEK 33M (14) amounted to SEK 465M (401), an improvement of 16 percent. EBIT were affected negatively by exchange rate fluctuations to the amount of SEK 17M. The EBIT margin amounted to 10.0 percent (10.3). For comparable units, the EBIT margin was 10.7 percent (10.3).

Consolidated earnings before tax increased by 12 percent to SEK 436M (389), after a lower financial net of SEK -7M to SEK -29M (-22). This is due to increased indebtedness following acquisitions implemented during the year. Through the acquisition of the previously partly owned company, Polygon AS in Norway, no earnings in associated companies are reported as they were in 2001 with SEK 9M. Net earnings for the year improved by 11 percent to SEK 266M (239) after an effective tax rate of just under 39 percent (38). The tax rate was just over 36 percent when adjusted for non-deductible goodwill amortization and surplus values. Earnings per share increased to SEK 10.83 (9.69).

Net sales increased through acquisitions; increased delivery volumes, mainly within MCS; and higher

value added in deliveries. At the same time, net sales were affected by negative currency effects on translation into SEK; and low delivery volumes for the Zeol operation and for products for cooling inlet air to gas turbines. The earnings improvement is due to acquisitions made during the year; increased net sales, especially within MCS; and improved margins within Dehumidification and HumiCool.

### **Financial position**

The equity ratio fell during the year due to increased net debt after implemented acquisitions and amounted to 41.0 percent (45.4) at the year-end. On December 31, liquid funds were SEK 133M (152) and interest-bearing liabilities (including Swedish PRI pensions) were SEK 498M (348). During the year, the net debt increased by SEK 169M to SEK 365M, of which financing of acquisitions (including re-financed loans) represents SEK 313M and buy-back of 114,500 of the company's own shares represents SEK 25M. The Group has unutilized loan facilities of approximately SEK 175M.

### **Investments**

The Group's capital expenditure in fixed tangible assets amounted to SEK 183M (140) during the year. The majority relates to investment in MCS, production and IT equipment. Depreciation amounted to SEK 161M (125), of which goodwill amortization accounted for SEK 33M (14).

During the year, the purchase price relating to acquired operations amounted to SEK 448M, of which SEK 138M represent estimated future earn-out prices.

During the year, a new production plant was completed in China. At the year-end, the total investment of SEK 24M had been completed.

### **Personnel**

At the year-end, the number of staff was 3,192, an increase of 613 during the year. Acquired units contributed an increase of 470. Within Region Europe, the number increased by 501; within Region Americas by 81; and within Region Asia the number rose by 29.

MCS is the product area which reported the largest increase in the number of staff, up by 488, of which 400 relates to staff in acquired companies.

### **Option scheme and buy-back of shares**

During the year, 37 senior executives subscribed for warrants in Munters AB at market prices. In connection with the previous option schemes and the year's option scheme, Munters has bought back a total of 562,200 of the company's own shares for an average price of SEK 161 per share to cover the company's undertaking in accordance with the option schemes.

### **Region Europe**

During the year, order intake in Region Europe increased by 40 percent to SEK 2,773M (1,979).

Net sales rose by 40 percent to SEK 2,731M (1,950). When adjusted for currency fluctuations, the sales increase was 9 percent for comparable units. Operating earnings (earnings before amortization of goodwill and surplus values) increased by 51 percent and amounted to SEK 275M (182). Earnings were affected positively by increased sales, improved margins within all divisions and by implemented acquisitions within MCS. Adjusted for currency effects operating earnings rose by 22 percent for comparable units.

**The Dehumidification division** reported lower order intake than in the previous year due to low demand in the fourth quarter and negative currency effects. Sales rose slightly following a slowdown towards the end of the year. Growth is mainly driven by demand in the food and pharmaceutical industries, whereas other sectors have not had any growth. Operating earnings improved through implemented rationalization.

**The MCS division** reported an increasingly positive trend. Order intake, sales and operating earnings improved significantly compared with the corresponding period in the previous year. The operating margin also improved as a result of the increased sales. Following the floods in Europe during the third quarter, Munters received a large number of orders for water damage restoration. During the year, sales relating to these floodings amounted to SEK 78M. During the year, four companies with total yearly sales of SEK 665M were acquired following the decision to expand the service supply and strengthen local market positions.

**The HumiCool division** reported increased order intake and sales and improved operating earnings. Growth remains strong for cooling systems for the AgHort industry and for mist eliminators. Products for cooling inlet air to gas turbines showed a significant fall. The water treatment operation reported a weak trend throughout the year but it improved slightly towards the end of the year when a large order was received from United Utilities in the United Kingdom.

### Region Americas

During the year, order intake in the Americas fell by 1 percent to SEK 1,592M (1,611). Sales fell by 1 percent to SEK 1,577M (1,592). When adjusted for currency fluctuations for comparable units, sales fell by 3 percent. Operating earnings for the year amounted to SEK 205M (198). Adjusted for currency effects operating earnings rose by 10 percent for comparable units. During the year, earnings were positively affected by lower materials costs and the impact of rationalization programs implemented during the year.

**The Dehumidification division** reported continued strong order intake and operating earnings with the exception of the Zeol operation, which mainly sells to the semiconductor industry where the investment level is currently very low. During the year, order intake for Zeol was SEK 70M lower than in the previous year and sales were down SEK 40M. Order intake and sales of dehumidification units for industrial applications and department stores showed con-

tinued high growth. A new dehumidification program was launched during the year. These newly developed dehumidifiers combine functions for dehumidification and cooling. Low energy consumption means that the products can be electrically operated instead of using gas as the source of energy. This represents an increased market opportunity.

**The MCS division** reported a significant fall in order intake, sales and operating earnings compared with the previous year. During 2001, MCS reported sales of approximately SEK 100M as a result of water damage restoration after Hurricane Allison, Texas and damage restoration work following the terrorist attack on the Pentagon on September 11. During 2002, it was not possible to compensate for this extraordinary work through other service assignments. The MCS operation otherwise reported continued high growth and the division's operating margins remained high.

**The HumiCool division** reported a positive year with significantly improved order intake, sales and operating earnings. Pre-coolers for gas turbines, however, are an exception and suffered a significant decline during the year. This led to the cancellation of a number of orders received in the previous year. Munters investment in cooling systems for the AgHort industry was further strengthened through the acquisitions of Aerotech Inc and Glacier-Cor during the year. Sales of components for mist eliminators, which are included in exhaust treatment systems for coal-fired power stations, enjoyed strong growth.

### Region Asia

Munters' operations in Region Asia reported a positive trend in order intake and sales, whilst operating earnings were slightly lower due to a weak trend in China and Japan, and negative currency effects. During the year, order intake increased by 5 percent to SEK 428M (410). Sales rose by 5 percent to SEK 428M (408). When adjusted for currency fluctuations, the increase was 10 percent. During the year, operating earnings amounted to SEK 46M (52). Adjusted for currency effects operating earnings rose by 2 percent for comparable units.

Overall, Munters had a relatively weak year in the region due to the recession in Japan and problems in connection with the starting up of the new factory in China. The trend was strong in Thailand and Australia. During the year, Australia developed into the largest market for Munters in Asia.

**The Dehumidification division** reported a fall in order intake, sales and lower operating earnings. This was mainly due to low demand in Japan, the effects of the delayed start-up of the new production plant in China during the first few months of the year, and negative currency effects.

**The MCS division**, representing a small part of Region Asia, reported a fall in order intake, slightly increased sales and operating earnings on par with the previous year.

**The HumiCool division** enjoyed a continued increase in order intake, sales and operating earnings. The operations in Thailand, Australia and

China developed strongly, in particular due to sales of evaporative cooling systems for the AgHort industry, which compensated for a drop in sales in Japan.

### Acquired operations

On January 1, 2002, Munters acquired the Norwegian company **Polygon AS**, which has MCS operations in Norway and Denmark. Polygon is the leading supplier of water and **fire damage restoration** systems and services to the Norwegian insurance industry. Munters has owned one third of Polygon since 1986. In 2001, Polygon's net sales amounted to SEK 450M and the number of employees was 230. In addition to its own organization, Polygon has built a network of franchisees in the Norwegian market. These agents have an additional 180 employees. The acquisition is aimed at making Munters the leading water and fire restoration company in the Nordic countries. The acquisition was based on a value of NOK 230M for Polygon. Munters has acquired the remaining two thirds of the shares. Payment for these shares will be made in two stages: 70 percent, NOK 107.3M, was paid when the agreement was entered into and the remaining 30 percent is based on Polygon's earnings development between 2002-2004. The acquisition gives rise to goodwill and surplus values in buildings and machinery totaling SEK 105M.

On January 15, Munters acquired the assets, liabilities and the operations of its American competitor **Glacier-Cor**. The company is one of the three largest manufacturers of components for evaporative cooling with sales of approximately SEK 50M in 2001. The acquisition price, USD 1.9M, did not give rise to any goodwill. Munters is already the largest company in the world in this sector and the acquisition is aimed at further strengthening Munters' HumiCool operation in the American market with the aid of a second brand.

On May 1, Munters acquired, through its subsidiary Polygon AS, Norway, all the shares in **Alfa Service Senter AS**, Norway. The company, which was previously a franchisee of Polygon, has its head office in Stavanger and also has two service depots. It has a total of approximately 90 employees and annual net sales of SEK 58M. The acquisition is aimed at strengthening Polygon's position within water and fire damage restoration in the Norwegian market.

In July, Munters acquired the **fire damage restoration** operation from the German group, **Svt** (System- und Verfahrenstechnik GmbH). The operation reported sales of approximately SEK 180M and has 65 employees. The acquisition is aimed at further strengthening Munters' position in the German water and fire damage restoration market. The acquisition was structured as a combined share and assets and liabilities deal. The total purchase price includes a fixed price of SEK 90M and a portion based on the company's operating earnings in 2002 and 2003, up to a maximum of SEK 45M. The acquisition was consolidated in Munters from July 1, 2002 and gave rise to goodwill of SEK 125M.

In July, Munters acquired all the shares in **Aerotech Inc**, a leading supplier of evaporative cooling sys-

tems and ventilation systems mainly for the AgHort industry in the USA. The company has 80 employees and reported net sales of SEK 180M in 2001. The acquisition positions Munters as the leading global supplier of cooling systems for the AgHort industry. The total purchase price will not exceed SEK 107M and consists of a fixed and a flexible portion based on Aerotech's operating earnings in 2002 and 2003. On the date of acquisition, Aerotech had interest-bearing liabilities of approximately SEK 20M. The acquisition was consolidated in Munters from July 1, 2002 and gave rise to goodwill of approximately SEK 75M.

On September 1, Munters acquired, through its subsidiary Polygon AS, Norway, all the shares in **Polygon Kristiansand AS**, Norway. The company, which was previously a franchisee of Polygon, has seven employees. The acquisition is aimed at strengthening Polygon's position within the water and fire damage restoration segment in the Norwegian market.

All the aforementioned acquisitions have made a positive impact on Munters earnings per share in 2002.

### Parent company

The parent company's earnings after financial income and expenses amounted to SEK -18.8M (-9.2) due to increased interest expenses in connection with this year's acquisitions. There were no Group external sales. At the year-end, liquid funds amounted to SEK 5M (0) and net liabilities to SEK 230M (271). Capital expenditure amounted to SEK 1.6 (2.1) during the year and the number of employees was 19 (14).

### Comments on the accounts

The applied accounting principles and calculation methods correspond with the latest Annual Report with the addition of the Swedish Accounting Standards Council's recommendations which came into force on January 1, 2002. The application of these recommendations has not had any significant effect on the company's results and position. The alternative, to re-calculate goodwill in accordance with the transitional regulations in RR 1:00, has not been applied as such re-calculation would not involve any significant change.

This year-end report has not been examined by the company's auditors.

### Proposal for dividend

The Board of Directors has decided to propose that the Annual General Meeting approves an increase in dividend to SEK 3.50 (3.00) per share for 2002. This is equivalent to a dividend of SEK 86M (74).

### Option scheme

The Board of Directors intends to propose that the Annual General Meeting authorizes the Board to issue an option scheme directed at senior executives within Munters. The scope and terms of the scheme are currently being analyzed and will be

submitted in good time before the Annual General Meeting on May 7, 2003.

### **Opportunity for buy-back of shares**

The Board of Directors intends to propose that the Annual General Meeting renew the Board's authority to decide a buy-back of the company's shares. Such a mandate would mean that the Board is given the opportunity until the next AGM – if this is deemed to be appropriate – to decide a buy-back of the company's shares. Any buy-back could be made via the stock market as well as through an offer to the shareholders. The Board of Directors' mandate is also proposed to include an opportunity to transfer repurchased shares not only via the Stockholm Stock Exchange but also in connection with acquisitions of companies or assets. Complete proposal will be available well before the AGM May 7.

### **Nomination Committee**

In accordance with earlier applied principle, a Nomination Committee has been appointed ahead of this year's AGM, consisting of representatives of the company's largest shareholders per December 31, 2002. The Chairman of Munters is convener. The task of the Nomination Committee is to submit proposals ahead of the Annual General Meeting relating to election of Board of Directors, appointment of auditors, when applicable, and re-

muneration. The Nomination Committee appointed ahead of the 2003 AGM consists of Berthold Lindqvist (Chairman of Munters), Marianne Nilsson, Robur Fonder, Tomas Nicolin, Tredje AP-fonden, Mats Guldbland, AMF Pension, Mats Gustafsson, SEB Fonder and Peter Rudman, Nordea Fonder.

### **Annual General Meeting**

The Annual General Meeting will be held in IVA's Konferenscenter, Grev Turegatan 16, in Stockholm at 5 p.m. on Wednesday May 7, 2003.

### **Future information dates**

The Annual Report is expected to be published on Munters' web site in the middle of April. The printed version will be available at the Company's premises on the same date. At the same time it will be distributed to the registered shareholders.

April 25	Interim Report January-March
May 7	Annual General Meeting
August 18	Interim Report January-June
October 27	Interim Report January-September

Stockholm, February 25, 2003

Lennart Evrell  
President

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Amounts in SEK M	2002 Oct-Dec	2001 Oct-Dec	2002 Jan-Dec	2001 Jan-Dec	2000 Jan-Dec
<b>Order intake</b>	1,196	1,029	4,727	3,945	3,322
<b>Income statement</b>					
Net sales	1,286	1,063	4,666	3,894	3,179
Cost of goods sold	-848	-661	-3,070	-2,434	-1,954
<b>Gross earnings</b>	<b>438</b>	<b>402</b>	<b>1,596</b>	<b>1,460</b>	<b>1,225</b>
Selling expenses	-174	-179	-692	-666	-578
Administrative expenses	-98	-72	-369	-333	-290
Research and development costs	-10	-11	-43	-46	-40
Other operating income and operating expenses <sup>1</sup>	-9	-3	-27	-14	-11
<b>Earnings before interest and tax before items affecting comparability</b>	<b>147</b>	<b>137</b>	<b>465</b>	<b>401</b>	<b>306</b>
Items affecting comparability	-	-	-	-	15
<b>Earnings before interest and tax <sup>2</sup></b>	<b>147</b>	<b>137</b>	<b>465</b>	<b>401</b>	<b>321</b>
Earnings in associated companies	-	3	-	9	6
Financial income and expenses	-10	-6	-29	-22	-24
<b>Earnings before tax</b>	<b>137</b>	<b>134</b>	<b>436</b>	<b>388</b>	<b>303</b>
Tax	-52	-49	-169	-149	-119
Minority interests	0	-	-1	-	-
<b>Net earnings</b>	<b>85</b>	<b>85</b>	<b>266</b>	<b>239</b>	<b>184</b>
<sup>1</sup> Including amortization of goodwill.					
<sup>2</sup> Depreciation and amortization:	43	33	161	125	103
of which amortization goodwill and surplus values:	11	3	33	14	11
<b>Share data</b>					
Earnings per share, SEK	3.46	3.45	10.83	9.69	7.40
Earnings per share after dilution, SEK	3.45	3.43	10.80	9.67	7.40
Earnings per share incl holding own shares, SEK	3.39	3.39	10.62	9.57	7.37
Average number of shares, million	24.4	24.6	24.5	24.7	24.9
Number of shares at period-end, million	24.4	24.6	24.4	24.6	24.8
Holding of own shares, thousand	562	448	562	448	200
Equity per share, SEK	45.59	41.23	45.59	41.23	33.10
Stock price at period-end, SEK	193.00	174.50	193.00	174.50	171.00
Market cap at period-end, SEK M	4,716	4,284	4,716	4,284	4,241
<b>Net sales by Region</b>					
Region Europe	814	562	2,731	1,950	1,674
Region Americas	387	412	1,577	1,592	1,231
Region Asia	103	104	428	408	335
Eliminations	-18	-15	-70	-56	-61
<b>Net sales</b>	<b>1,286</b>	<b>1,063</b>	<b>4,666</b>	<b>3,894</b>	<b>3,179</b>
<b>Operating earnings by Region</b>					
Region Europe	111	73	275	182	154
operating margin	13.7%	13.1%	10.1%	9.4%	9.2%
Region Americas	51	50	205	198	145
operating margin	13.0%	12.1%	13.0%	12.4%	11.9%
Region Asia	9	15	46	51	44
operating margin	9.3%	14.4%	10.8%	12.8%	13.1%
Items affecting comparability	-	-	-	-	15
Group overhead etc	-4	-4	-15	-18	-11
Eliminations, amortization goodwill etc	-20	3	-46	-12	-26
<b>Earnings before interest and tax</b>	<b>147</b>	<b>137</b>	<b>465</b>	<b>401</b>	<b>321</b>

Amounts in SEK M	2002 Oct-Dec	2001 Oct-Dec	2002 Jan-Dec	2001 Jan-Dec	2000 Jan-Dec
<b>Statement of changes in Financial Position</b>					
Earnings after financial items excl					
earnings in associated companies	137	129	436	379	297
Depreciation according to plan	43	33	161	125	103
<i>Change in working capital</i>					
Change in accounts receivable	-24	11	38	-72	-168
Change in inventories	55	60	27	-10	-47
Change in accounts payable	14	-1	-18	21	70
Change in advances from customers	1	13	-30	27	22
Investments in tangible assets	-48	-49	-183	-140	-148
<b>Operating cash flow</b>	<b>178</b>	<b>196</b>	<b>431</b>	<b>330</b>	<b>129</b>
Changes in other working capital	24	-38	-15	31	-70
Investments in intangible assets	-5	-5	-5	-21	-
Effect from acquired units	-	-	-313	-	-
Buy-back of own shares, payment for call options, net	-	-	-22	-39	-25
Dividend paid	-	-	-74	-57	-45
Taxes paid	-44	-37	-176	-124	-131
Other, incl translation differences	7	10	5	17	39
<b>Change in net debt</b>	<b>160</b>	<b>126</b>	<b>-169</b>	<b>137</b>	<b>-103</b>
<b>Net debt structure</b>					
Current loans	260	267	260	267	347
Long-term loans	156	7	156	7	2
Pensions	82	74	82	74	72
Cash and cash equivalents	-133	-152	-133	-152	-88
<b>Net debt</b>	<b>365</b>	<b>196</b>	<b>365</b>	<b>196</b>	<b>333</b>
<b>Key figures</b>					
EBIT margin, %	11.5	12.8	10.0	10.3	9.6
Return on capital employed, %	-	-	31.5	31.8	28.1
Return on equity, %	-	-	25.0	26.1	25.0
Capital turnover rate, times	-	-	3.1	3.0	2.8
Equity ratio, %	41.0	45.4	41.0	45.4	41.2
Net debt, SEK M	365	196	365	196	333
Net debt ratio, %	0.33	0.19	0.33	0.19	0.41
Interest coverage ratio, times	11.9	16.3	14.2	16.3	11.7
Investments in fixed tangible assets, SEK M	48	49	183	140	148
Number of employees at period-end	3,192	2,579	3,192	2,579	2,374

Amounts in SEK M	2002 Dec 31	2001 Dec 31	2000 Dec 31
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## Balance Sheet

### Assets

#### Fixed assets

##### Intangible assets

Patent, licenses and similar rights	23	13	3
Goodwill	446	176	160
	469	189	163

##### Tangible assets

Buildings and land	225	171	165
Machinery and plant	200	219	210
Equipment, tools, fixtures and fittings	208	155	126
New construction in progress	34	18	12
	667	563	513

##### Financial fixed assets

Shares and participations	-	38	34
Deferred tax asset	69	53	55
Long-term receivables	23	13	19
	92	104	108

	<b>1,228</b>	<b>856</b>	<b>784</b>
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#### Current assets

Inventory	329	264	254
Accounts receivable	948	861	789
Current receivables	94	95	78
Cash and cash equivalents	133	152	88

	<b>1,504</b>	<b>1,372</b>	<b>1,209</b>
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<b>Total assets</b>	<b>2,732</b>	<b>2,228</b>	<b>1,993</b>
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### Equity and liabilities

Equity	1,114	1,012	821
Minority interest	5	-	-
Provisions	222	206	186

#### Long-term liabilities

Liabilities to credit institutes	156	7	2
Other liabilities	129	6	2
	285	13	4

#### Current liabilities

Liabilities to credit institutes	260	267	347
Advances from customers	49	77	50
Accounts payable	332	283	262
Other liabilities	465	370	323
	1,106	997	982

<b>Total equity and liability</b>	<b>2,732</b>	<b>2,228</b>	<b>1,993</b>
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## Change in equity

<b>Opening balance</b>	<b>1,012</b>	<b>821</b>	<b>655</b>
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Effect of change in accounting principle	-	5	26
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<b>Opening balance adjusted in accordance with new accounting principle</b>	<b>1,012</b>	<b>826</b>	<b>681</b>
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Dividend	-74	-57	-45
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Received payment for warranty program	3	2	4
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Buy-back of shares	-25	-41	-25
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Translation difference	-68	43	22
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Net earnings	266	239	184
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<b>Closing balance</b>	<b>1,114</b>	<b>1,012</b>	<b>821</b>
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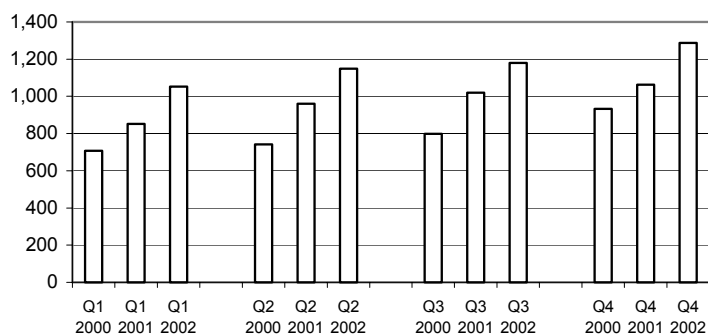
## Quarterly summary

Amounts in SEK M	2000	2000	2000	2000	2001	2001	2001	2001	2002	2002	2002	2002
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Order intake	791	884	784	863	960	974	982	1,029	1,144	1,159	1,228	1,196
<b>Income statement</b>												
Net sales	707	741	799	932	851	960	1,020	1,063	1,052	1,149	1,179	1,286
Operating expenses <sup>1</sup>	-656	-676	-723	-818	-779	-868	-920	-926	-966	-1,035	-1,061	-1,139
Items affecting comparability	-	-	15	-	-	-	-	-	-	-	-	-
<b>EBIT</b>	<b>51</b>	<b>65</b>	<b>91</b>	<b>114</b>	<b>72</b>	<b>92</b>	<b>100</b>	<b>137</b>	<b>86</b>	<b>114</b>	<b>118</b>	<b>147</b>
Earnings in associated companies	1	2	2	1	2	2	2	3	-	-	-	-
Financial income and expenses	-4	-7	-6	-7	-7	-3	-5	-6	-5	-8	-5	-10
<b>Earnings before tax</b>	<b>48</b>	<b>60</b>	<b>87</b>	<b>108</b>	<b>67</b>	<b>91</b>	<b>97</b>	<b>134</b>	<b>81</b>	<b>106</b>	<b>113</b>	<b>137</b>
Tax	-19	-23	-35	-42	-26	-36	-38	-49	-32	-41	-45	-52
Minority interests	-	-	-	-	-	-	-	-	0	0	-1	0
<b>Net earnings</b>	<b>29</b>	<b>37</b>	<b>52</b>	<b>66</b>	<b>41</b>	<b>55</b>	<b>59</b>	<b>85</b>	<b>49</b>	<b>65</b>	<b>67</b>	<b>85</b>
<sup>1</sup> of which depreciation/amortization	24	25	26	28	28	31	33	33	36	38	44	43
<b>Share data</b>												
Earnings per share, SEK	1.17	1.45	2.10	2.68	1.63	2.23	2.38	3.45	2.00	2.66	2.71	3.46
Earnings/share after dilution, SEK	1.17	1.45	2.10	2.68	1.63	2.23	2.38	3.43	2.00	2.65	2.70	3.45
Average number of shares, million	25.0	24.9	24.8	24.8	24.8	24.8	24.7	24.6	24.6	24.6	24.5	24.4
No of shares at period-end, million	25.0	24.8	24.8	24.8	24.8	24.8	24.6	24.6	24.6	24.6	24.4	24.4
Equity per share, SEK	27.03	26.06	29.56	33.10	34.84	35.38	36.97	41.23	41.91	40.38	42.44	45.59
Stock price at period-end, SEK	107.00	107.00	112.00	171.00	150.00	173.00	140.00	174.50	227.00	204.00	190.00	193.00
Market cap at period-end, SEK M	2,675	2,675	2,778	4,241	3,720	4,290	3,437	4,284	5,574	5,009	4,643	4,716
<b>Balance Sheet</b>												
<b>Assets</b>												
<b>Fixed assets</b>												
Intangible fixed assets	162	162	161	163	174	174	190	189	250	281	451	456
Tangible fixed assets	447	461	491	513	538	555	560	563	670	635	677	680
Financial fixed assets	99	101	107	108	107	114	111	105	77	77	77	92
	708	724	759	784	819	843	861	857	997	993	1,205	1,228
<b>Current assets</b>												
Inventory	214	239	263	254	291	319	324	264	326	309	384	329
Accounts receivable	623	630	696	789	773	803	872	861	888	894	924	948
Current receivables	37	47	67	78	46	48	62	94	83	98	106	94
Cash and cash equivalents	127	107	90	88	98	79	120	152	151	65	112	133
	1,001	1,023	1,116	1,209	1,208	1,249	1,378	1,371	1,448	1,366	1,526	1,504
<b>Total assets</b>	<b>1,709</b>	<b>1,747</b>	<b>1,875</b>	<b>1,993</b>	<b>2,027</b>	<b>2,092</b>	<b>2,239</b>	<b>2,228</b>	<b>2,445</b>	<b>2,359</b>	<b>2,731</b>	<b>2,732</b>
<b>Equity and liabilities</b>												
Equity	676	651	733	821	864	877	908	1,012	1,029	991	1,037	1,114
Minority interest	-	-	-	-	-	-	-	-	4	4	5	5
Provisions and long-term liabilities	81	68	69	106	88	84	93	131	181	104	177	269
Prov/long-term liab., interest-bearing	70	68	72	74	75	73	75	81	82	134	325	238
Advances from customers	38	39	43	50	50	42	64	77	52	45	49	49
Current liabilities	529	531	591	595	612	673	731	660	683	769	826	797
Current liabilities, interest-bearing	315	390	367	347	338	343	368	267	414	312	312	260
<b>Total equity and liabilities</b>	<b>1,709</b>	<b>1,747</b>	<b>1,875</b>	<b>1,993</b>	<b>2,027</b>	<b>2,092</b>	<b>2,239</b>	<b>2,228</b>	<b>2,445</b>	<b>2,359</b>	<b>2,731</b>	<b>2,732</b>
<b>Key figures</b>												
EBIT margin, %	7.3	8.7	9.6	12.2	8.5	9.6	9.8	12.8	8.2	9.9	10.0	11.5
Equity ratio, %	39.5	37.3	38.8	41.2	42.6	41.9	40.5	45.4	42.1	42.0	38.0	41.0
Net debt, SEK M	258	351	349	333	316	337	322	196	345	381	525	365
Net debt ratio, times	0.38	0.54	0.48	0.41	0.37	0.38	0.36	0.19	0.33	0.38	0.51	0.33
Interest coverage ratio, times	10.7	8.6	12.0	16.6	9.6	27.5	18.8	16.3	14.1	13.6	19.6	11.9
Investm. fixed tang. assets, SEK M	33	33	33	49	31	33	27	49	40	53	42	48
Number of employees at period-end	2,249	2,326	2,346	2,374	2,419	2,488	2,563	2,579	2,916	3,043	3,216	3,192

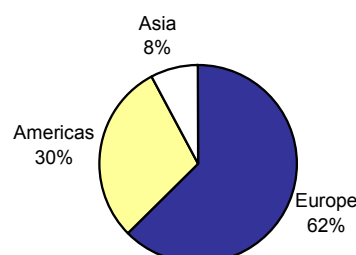
## Quarterly summary

Amounts in SEK M	2000	2000	2000	2000	2001	2001	2001	2001	2002	2002	2002	2002
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Net sales by Region</b>												
Region Europe	392	383	406	493	435	477	476	562	605	630	682	814
Region Americas	261	300	312	358	331	400	449	412	364	419	407	387
Region Asia	67	77	95	96	100	95	109	104	96	125	104	103
Eliminations	-13	-19	-14	-15	-15	-12	-14	-15	-13	-25	-14	-18
<b>Net sales</b>	<b>707</b>	<b>741</b>	<b>799</b>	<b>932</b>	<b>851</b>	<b>960</b>	<b>1,020</b>	<b>1,063</b>	<b>1,052</b>	<b>1,149</b>	<b>1,179</b>	<b>1,286</b>
<b>Operating earnings by Region</b>												
Region Europe	29	21	33	71	34	42	33	73	47	51	66	111
operating margin	7.3%	5.4%	8.2%	14.4%	7.7%	8.9%	7.0%	13.1%	7.7%	8.1%	9.7%	13.7%
Region Americas	26	40	33	46	34	52	62	50	40	58	56	51
operating margin	10.1%	13.4%	10.7%	12.9%	10.4%	12.9%	13.8%	12.1%	11.0%	14.0%	13.6%	13.0%
Region Asia	7	10	16	11	13	10	13	15	9	14	14	9
operating margin	10.7%	13.2%	16.7%	11.2%	12.9%	11.1%	12.5%	14.4%	9.7%	11.1%	13.1%	9.3%
Group overhead	-4	-2	-3	-2	-5	-7	-2	-4	-1	-4	-6	-4
Eliminations, amort. goodwill etc	-7	-4	-3	-12	-4	-5	-6	3	-9	-5	-12	-20
<b>EBIT before items affecting comparability</b>	<b>51</b>	<b>65</b>	<b>76</b>	<b>114</b>	<b>72</b>	<b>92</b>	<b>100</b>	<b>137</b>	<b>86</b>	<b>114</b>	<b>118</b>	<b>147</b>
EBIT margin	7.3%	8.7%	9.6%	12.2%	8.5%	9.6%	9.8%	12.8%	8.2%	9.9%	10.0%	11.5%
Items affecting comparability	-	-	15	-	-	-	-	-	-	-	-	-
<b>EBIT</b>	<b>51</b>	<b>65</b>	<b>91</b>	<b>114</b>	<b>72</b>	<b>92</b>	<b>100</b>	<b>137</b>	<b>86</b>	<b>114</b>	<b>118</b>	<b>147</b>

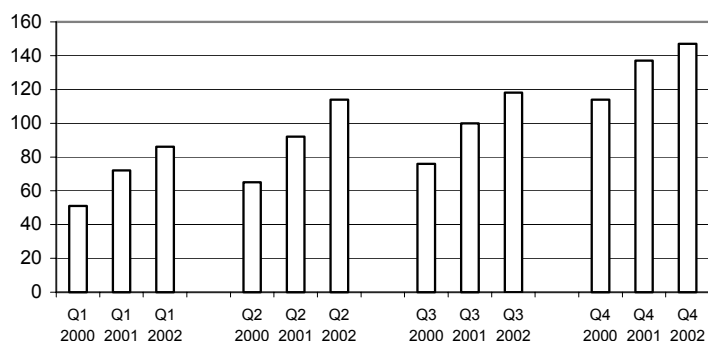
Net sales



Net sales in the quarter by Region



EBIT



Net sales in the quarter by Product Area

