

## Interim Report January-September 2003

October 27, 2003

- **Net sales for the period amounted to 3,257 MSEK (3,380)**
- **Net profit amounted to 116 MSEK (181)**
- **Earnings per share amounted to 4.73 SEK (7.37)**
- **Weak demand and continued unfavorable product mix**
- **Earlier cost reduction program on plan**
- **The profit development causes further actions**

	<b>2003</b>	<b>2002</b>	<b>Change</b>	<b>Change</b>
	<b>Jan-Sep</b>	<b>Jan-Sep</b>	<b>nominal</b>	<b>adjusted <sup>1</sup></b>
Order intake, MSEK	3,280	3,531	-7%	-5%
Net sales, MSEK	3,257	3,380	-4%	-2%
Earnings before interest and tax, MSEK	221	318	-31%	-22%
EBIT margin, percent	6.8	9.4		
Net earnings, MSEK	116	181	-36%	
Earning per share, SEK	4.73	7.37	-36%	

<sup>1)</sup> Currency adjusted for current structure.

### 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' mission is to be a global service and applications-oriented niche company in air treatment from a base in dehumidification and humidification.

Operations are organized into three 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 28 countries. The Group had 3,126 employees at the end of the reporting period.

### Market trend

Several of the markets in which Munters operates report a continued weak demand for the third quarter of 2003. Industry's will to invest remains low due to the uncertainty about the economic outlook and low capacity utilization. During the third quarter, demand within the water damage restoration sector remained low as a result of the very dry weather in most of Munters' important markets.

The Dehumidification market in Europe suffered a fall in demand during the third quarter whilst HumiCool demand improved, albeit from a low level. The continuing very dry weather led to a fall in demand within MCS. In the previous year, demand was exceptionally high as a result of floods in Europe. During the year, demand for products for cooling inlet air to gas turbines has remained weak.

Within Dehumidification in America, demand for large industrial dehumidification systems was low. This was only partly compensated for by increased sales of small dehumidifiers. In addition, demand remained weak for Zeol systems which are largely dependent on investments within the semiconductor industry. Units with combined functions for cooling and dehumidification enjoyed strong demand. Despite dry weather, demand within MCS increased slightly, partly as a result of the tropical hurricane Isabel. Within HumiCool, demand was relatively weak for evaporative cooling systems for the AgHort industry.

Dehumidification enjoyed strong demand in Japan and China for industrial applications. In addition, Munters also launched its dehumidification program with combined dehumidification and cooling functions in the region during the latter part of the reporting period. Demand within HumiCool in Asia has improved.

### Group development during the third quarter

Munters' order intake for the third quarter fell by 16 percent to 1,032 MSEK (1,228). When adjusted for exchange rate fluctuations for the current structure, the fall was 10 percent. Net sales fell by 10 percent to 1,059 MSEK (1,179). When adjusted for exchange rate fluctuations for the current structure, the fall in sales was 3 percent after a fall in sales of 3 percent in Region Europe, minus 5 percent in Region Americas, and zero growth in Region Asia.

EBIT fell by 35 percent to 76 MSEK (118), equivalent to an EBIT margin, including goodwill amortization, of 7.2 percent (10.0). When adjusted for exchange rate fluctuations for the current structure, EBIT fell by 30 percent. The fall in earnings is due to reduced sales in products with a high margin (negative product mix change) and negative currency effects. The net effect of earlier decided cost reduction programs was positive with 15 MSEK in the third quarter (current cost reductions minus one-off costs).

### Action program

As a result of the weak demand during the year, a decision to implement cost-cutting measures was taken earlier in the year. The total cost reduction amounts to 80 MSEK on a yearly basis. For 2003, cost savings are estimated at 40 MSEK and full impact is anticipated from the beginning of 2004. During the year, costs for this amounted to 12 MSEK, of which 7 MSEK was in the third quarter.

As a result of the continued weak demand, the above mentioned action program has been further extended after the reporting period. The increased action program will mean cost reductions on a yearly basis of further 40 MSEK. It will also cause one-off costs of another 12 MSEK. The program is estimated to give full effect as from the second quarter 2004.

### Group development for the first nine months of the year

The first nine months of 2003 were weak due to the fact that the positive trend within MCS at the beginning of the year did not continue during the second and third quarters and due to the weak demand within Dehumidification and HumiCool. During the period, order intake fell by 7 percent to 3,280 MSEK (3,531). When adjusted for exchange rate fluctuations for the current structure, order intake fell by 5 percent. At the quarter end, the backlog was 593 MSEK (703).

Net sales for the Group fell by 123 MSEK to 3,257 MSEK (3,380). When adjusted for exchange rate fluctuations for the current structure, the fall was 2 percent.

Distributed by region, net sales increased by 3 percent in Europe; fell by 11 percent in the Americas; and fell by 19 percent in Asia. When adjusted for exchange rate fluctuations for the current structure, sales fell by 1 percent in Europe and the Americas.

In Asia sales fell by 10 percent but 0 percent during the third quarter.

EBIT, after amortization of goodwill and surplus values of 33 MSEK (22), amounted to 221 MSEK (318). When adjusted for exchange rate fluctuations for the current structure, EBIT fell by 66 MSEK. The fall in earnings is due to reduced sales in products with a high margin (negative product mix change) and negative currency effects. Munters' highest margins are in operations that have suffered the largest negative currency effects. The translation into SEK of earnings in different currencies has, therefore, also contributed to a reduced margin. During the period, the EBIT margin amounted to 6.8 percent (9.4). When adjusted for exchange rate fluctuations for the current structure, the EBIT margin was 8.5 percent in the previous year.

Consolidated earnings before taxes amounted to 202 MSEK (300). Net earnings for the period fell by 36 percent to 116 MSEK (181) after an effective tax rate of 42 percent (39). The tax rate was 37 percent when adjusted for non-deductible amortization of goodwill and surplus values. Earnings per share amounted to 4.73 SEK (7.37).

### Region Europe

During the reporting period, order intake in Region Europe amounted to 2,001 MSEK (2,010). When adjusted for exchange rate fluctuations for the current structure, order intake fell by 4 percent. Sales increased by 3 percent to 1,983 MSEK (1,917). When adjusted for exchange rate fluctuations for the current structure, net sales fell by 1 percent. Operating earnings (EBIT excluding amortization of goodwill and surplus values) fell by 24 percent and amounted to 124 MSEK (164). Operating earnings were affected due to a negative product mix and exchange rate fluctuations of 3 MSEK.

**The Dehumidification division** reported weak order intake for the third quarter. Sales have fallen because fewer large projects were delivered during the reporting period. Operating earnings are significantly lower both in the quarter and in the reporting period. There are high levels of activity in the food industry but procurement periods are longer than normally.

After a strong first quarter, **the MCS division** developed negatively due to the dry weather and an unfavorable product mix. An increase in demand for small fire damage restoration projects has not succeeded to compensate for the low demand in water damage restoration. Order intake, sales and operating earnings fell compared with the previous year. Munters has experienced unusually low demand for weather-related operations. In addition, demand due to extensive floods and other disaster-related operations was very low during the period. In the previous year, Munters had exceptionally high demand during the third and fourth quarters as a result of the extensive floods in Europe.

After significantly reduced order intake, sales and operating earnings for the first half of 2003, **the**

**HumiCool division** improved its order intake during the third quarter. During the period order intake, sales and operating earnings have fallen compared with the previous year. During the year, the division was affected by a considerable fall in demand for new cooling systems for the AgHort industry in the Middle East and a weakened demand in Europe. Demand for products for cooling inlet air to gas turbines was low.

### Region Americas

During the reporting period, order intake in the Americas fell by 15 percent to 1,055 MSEK (1,239). When adjusted for exchange rate fluctuations for the current structure, order intake fell by 6 percent. Sales fell by 11 percent to 1,061 MSEK (1,190). When adjusted for exchange rate fluctuations for the current structure, sales fell by 1 percent. Operating earnings for the period amounted to 121 MSEK (154). Operating earnings were affected by exchange rate fluctuations of 26 MSEK.

**The Dehumidification division** reported lower order intake, sales and operating earnings, mainly due to reduced activity in the Zeol operation and the lack of large projects for industrial dehumidifiers. During the period, order intake and sales for Zeol was 35 MSEK respectively 38 MSEK lower than in the previous year. Order intake for, and sales of, dehumidification systems for department stores continued to increase. The new dehumidification program, launched during the previous year with combined functions for dehumidification and cooling, has progressed positively.

**The MCS division** reported an 8 percent increase in order intake and 10 percent in sales in local currency, but a fall in operating earnings as a result of a higher share of small projects with lower margin. In addition, as for the MCS operation in Europe, the unusually dry weather has affected the demand for Munters' services.

**The HumiCool division** enjoyed increased order intake, sales and operating earnings. The trend within cooling systems for the AgHort industry was good as a result of the acquisitions of Aerotech and Glacier-Cor during the previous year. As for the European operation, demand was low for products for cooling inlet air to gas turbines.

### Region Asia

Munters' operations in Region Asia improved during the latter part of the reporting period. Asia had previously been affected by the impact of the SARS epidemic which led to the postponement of investment decisions by customers.

Order intake, sales and operating earnings were all lower than in the previous year, despite the recent improvement. During the period, order intake fell by 16 percent to 279 MSEK (334). Sales fell by 19 percent to 264 MSEK (325). When adjusted for exchange rate fluctuations, the fall was 10 percent. During the period, operating earnings amounted to

27 MSEK (37). Exchange rate fluctuations affected earnings by 4 MSEK.

**The Dehumidification division** reported increased order intake, sales and improved operating earnings. The new generation of dehumidifiers, which combines functions for dehumidification and cooling and which had previously been launched in the Americas, was also successfully launched in the region during the latter part of the reporting period. Earnings were positively affected by improved margins in both the Japanese and the Chinese operations where a number of large industrial projects were delivered during the period.

**The MCS division**, which represents a small part of Region Asia, reported lower sales and operating earnings than in the previous year. During the first quarter, a new management team took over the Australian operation, which is the region's largest MCS operation. The new management has implemented extensive structural change and earnings were positive for the last quarter but marginally negative during the reporting period.

**The HumiCool division** reported lower order intake, sales and operating earnings compared with the previous year. However, the operations in Australia and Thailand developed positively, mainly through sales of evaporative cooling systems for the AgHort industry in Thailand and evaporative cooling components in Australia. This compensated partly for the continued downturn in Japan.

### Capital expenditure

The Group's capital expenditure in tangible assets amounted to 95 MSEK (135) during the period. The majority relates to investment in MCS, production and IT equipment. Depreciation amounted to 132 MSEK (118), of which amortization of goodwill and surplus values accounted for 33 MSEK (22).

### Financial position

The equity ratio improved and amounted to 42 percent (38) at the end of the period. On the same date, liquid funds were 137 MSEK (112) and interest-bearing liabilities (including interest-bearing pensions) were 540 MSEK (637). Since the beginning of the year, the net debt has increased by 38 MSEK to 403 MSEK. During the period, 86 MSEK was paid in dividend to the shareholders, 22 MSEK as supplementary purchase prices relating to previously implemented acquisitions and own shares bought back for 10 MSEK. The Group has unutilized loan facilities of 204 MSEK.

### Personnel

At the end of the reporting period, the number of staff was 3,126, a reduction of 90 since the corresponding period in the previous year. Within Region Europe, the number fell by 64; within Region Americas by 9; and within Region Asia the number fell by 15.

## Buy-back of shares

In connection with the year's stock options scheme, Munters AB bought back 56,550 own shares at an average price of 177.78 SEK per share, equivalent to 10.1 MSEK. After the aforementioned buy-back of shares, Munters AB owns 618,750 own shares.

## Nomination Committee

In accordance with the Annual General Meeting's decision, a Nomination Committee has been appointed ahead of the next Annual General Meeting. It consists of representatives of the company's largest shareholders. The task of the Nomination Committee is to make proposals ahead of the next Annual General Meeting for the election of Board of Directors; appointment of Auditors where applicable; and remuneration. The Nomination Committee appointed ahead of the 2004 Annual General Meeting consists of Berthold Lindqvist (Chairman of the Board of Directors); Carl-Olof By, Industrivärden; Peter Rudman, Nordea Fonder; Magnus Bakke, Robur Fonder; Mats Guldbrand, AMF Pension; and Tomas Nicolin, Tredje AP-fonden.

## Parent company

The parent company's earnings after financial income and expenses amounted to 3 MSEK (14). Dividends of 18 MSEK (23) received from subsidiaries are included. There were no net sales outside the Group. At the period end, liquid funds amounted to 29 MSEK (0) and the net debt to 135 MSEK (315). Capital expenditure amounted to 0 MSEK (1) during the period and the number of employees was 20 (20).

## Comments on the accounts

The applied accounting principles and calculation methods correspond with the latest Annual Report.

This Interim Report has not been reviewed by the company's auditors.

## Future information dates

### 2004

February 19	Year-End Report 2003
April 27	Annual General Meeting
April 27	Interim Report January- March
August 16	Interim Report January-June
October 28	Interim Report January- September

Sollentuna, October 27, 2003

Munters AB (publ)

The Board of Directors

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Amounts in MSEK	2003 Jul-Sep 3 months	2002 Jul-Sep 3 months	2003 Jan-Sep 9 months	2002 Jan-Sep 9 months	2002/2003 Oct-Sep 12 months	2002 Jan-Dec 12 months
<b>Order intake</b>	1,032	1,228	3,280	3,531	4,476	4,727
<b>Income statement</b>						
Net sales	1,059	1,179	3,257	3,380	4,543	4,666
Cost of goods sold <sup>2)</sup>	-742	-768	-2,286	-2,219	-3,137	-3,070
<b>Gross earnings</b>	<b>317</b>	<b>411</b>	<b>971</b>	<b>1,161</b>	<b>1,406</b>	<b>1,596</b>
Selling expenses <sup>2)</sup>	-132	-169	-410	-517	-585	-692
Administrative expenses <sup>2)</sup>	-90	-103	-279	-271	-377	-369
Research and development costs	-9	-11	-32	-33	-42	-43
Other operating income and operating expenses	-10	-10	-29	-22	-34	-27
<b>Earnings before interest and tax <sup>1)</sup></b>	<b>76</b>	<b>118</b>	<b>221</b>	<b>318</b>	<b>368</b>	<b>465</b>
Financial income and expenses	-7	-5	-19	-18	-30	-29
<b>Earnings after financial items</b>	<b>69</b>	<b>113</b>	<b>202</b>	<b>300</b>	<b>338</b>	<b>436</b>
Taxes	-26	-45	-86	-118	-137	-169
Minority interests	0	-1	0	-1	0	-1
<b>Net earnings</b>	<b>43</b>	<b>67</b>	<b>116</b>	<b>181</b>	<b>201</b>	<b>266</b>
Earnings per share, SEK	1.73	2.71	4.73	7.37	8.19	10.83
Earnings per share after dilution, SEK	1.73	2.70	4.73	7.35	8.18	10.80
<sup>1)</sup> Depreciation and amortization	43	44	132	118	175	161
of which, goodwill and surplus values	11	10	33	22	44	33

<sup>2)</sup> Due to reclassifications in the internal reporting, the figures for 2003 are not comparable with 2002.

If these reclassifications are reversed, the figures for Jan-Sep 2003 are: cost of goods sold 2,232 (-54), selling expenses 476 (+66) and administrative expenses 267 (-12).

### Net sales by Region

Region Europe	643	682	1,983	1,917	2,798	2,731
Region Americas	335	407	1,061	1,190	1,448	1,577
Region Asia	96	104	264	325	367	428
Eliminations	-15	-14	-51	-52	-70	-70
<b>Net sales</b>	<b>1,059</b>	<b>1,179</b>	<b>3,257</b>	<b>3,380</b>	<b>4,543</b>	<b>4,666</b>

### Operating earnings by Region

Region Europe	42	66	124	164	236	275
operating margin	6.6%	9.7%	6.3%	8.6%	8.4%	10.1%
Region Americas	39	56	121	154	171	205
operating margin	11.8%	13.6%	11.4%	13.0%	11.8%	13.0%
Region Asia	10	14	27	37	37	46
operating margin	10.5%	13.1%	10.3%	11.3%	10.0%	10.8%
Group overhead etc.	-5	-7	-18	-19	-24	-25
Amortization goodwill, eliminations etc.	-10	-11	-33	-18	-52	-36
<b>Earnings before interest and tax</b>	<b>76</b>	<b>118</b>	<b>221</b>	<b>318</b>	<b>368</b>	<b>465</b>

### Key figures

EBIT margin, %	7.2	10.0	6.8	9.4	8.1	10.0
Capital turnover rate, times	-	-	-	-	2.8	3.1
Return on capital employed, %	-	-	-	-	23.0	31.5
Return on equity, %	-	-	-	-	18.4	25.0
Equity ratio, %	42.1	38.0	42.1	38.0	42.1	41.0
Net debt, MSEK	403	525	403	525	403	365
Net debt ratio, times	0.38	0.51	0.38	0.51	0.38	0.33
Interest coverage ratio, times	11.3	19.6	10.5	17.9	11.0	14.2
Investments in tangible assets, MSEK	28	42	95	135	143	183
Number of employees at period-end	3,126	3,216	3,126	3,216	3,126	3,192

Amounts in MSEK	2003 Jul-Sep 3 months	2002 Jul-Sep 3 months	2003 Jan-Sep 9 months	2002 Jan-Sep 9 months	2002/2003 Oct-Sep 12 months	2002 Jan-Dec 12 months
<b>Cash flow statement</b>						
<b>Current operations</b>						
Earnings after financial items	69	113	202	300	338	436
Reversal of depreciation and amortization	43	44	132	118	175	161
Reversal of other items not affecting cash flow	0	0	0	2	2	4
Taxes paid	-44	-43	-118	-144	-172	-198
<b>Cash flow from current operations before changes in working capital</b>	<b>68</b>	<b>114</b>	<b>216</b>	<b>276</b>	<b>343</b>	<b>403</b>
<i>Cash flow from changes in working capital</i>						
Changes in inventory	8	-26	-18	-28	38	28
Changes in accounts receivable	14	-27	157	42	157	42
Changes in other receivables	3	41	-12	47	-31	28
Changes in accounts payable	-7	-11	-74	-18	-74	-18
Changes in other liabilities	-2	3	-96	-62	-101	-67
<b>Cash flow from current operations</b>	<b>84</b>	<b>94</b>	<b>173</b>	<b>257</b>	<b>332</b>	<b>416</b>
<b>Investing activities</b>						
Acquisitions of subsidiaries	-	-145	-22	-289	-22	-289
Investments in intangible assets	-	-	-	-	-5	-5
Investments in tangible assets	-28	-42	-95	-135	-143	-183
Sale of tangible assets	-	-	-	-	1	1
Change in other financial assets	-	-	-	-	1	1
<b>Cash flow from investing activities</b>	<b>-28</b>	<b>-187</b>	<b>-117</b>	<b>-424</b>	<b>-168</b>	<b>-475</b>
<b>Financing activities</b>						
Payment received for issued stock options	-	-	1	3	1	3
Changes in loans and long-term liabilities	-26	165	49	227	-38	140
Dividends paid	-	-	-86	-74	-86	-74
Buy-back of stock	-10	-25	-10	-25	-10	-25
<b>Cash flow from financing activities</b>	<b>-36</b>	<b>140</b>	<b>-46</b>	<b>131</b>	<b>-133</b>	<b>44</b>
<b>Cash flow for the period</b>	<b>20</b>	<b>47</b>	<b>10</b>	<b>-36</b>	<b>31</b>	<b>-15</b>
Liquid funds at the beginning of the period	120	65	133	152	112	152
Exchange rate differences in liquid funds	-3	0	-6	-4	-6	-4
<b>Liquid funds at the end of the period</b>	<b>137</b>	<b>112</b>	<b>137</b>	<b>112</b>	<b>137</b>	<b>133</b>
<b>Net debt</b>						
Short-term loans	370	312	370	312	370	260
Long-term loans	85	246	85	246	85	156
Provisions for pensions	85	79	85	79	85	82
Liquid funds	-137	-112	-137	-112	-137	-133
<b>Net debt</b>	<b>403</b>	<b>525</b>	<b>403</b>	<b>525</b>	<b>403</b>	<b>365</b>
<b>Share data</b>						
Average number of shares, million	24.4	24.5	24.4	24.5	24.4	24.5
Number of shares at period-end, million	24.4	24.4	24.4	24.4	24.4	24.4
Holding of own shares, thousand	619	562	619	562	619	562
Equity per share, SEK	42.99	42.44	42.99	42.44	42.99	45.59
Stock price at period-end, SEK	168	190	168	190	168	193
Market cap at period-end, MSEK	4,096	4,643	4,096	4,643	4,096	4,716

Amounts in MSEK	2003 Sep 30	2003 Jun 30	2002 Dec 31	2002 Sep 30
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## Balance Sheet

Amounts in MSEK	2003 Sep 30	2003 Jun 30	2002 Dec 31	2002 Sep 30
<b>Assets</b>				
<i>Fixed assets</i>				
<i>Intangible assets</i>				
Patent, licenses and similar rights	21	22	23	6
Goodwill	395	416	446	445
	416	438	469	451
<i>Tangible assets</i>				
Buildings and land	201	209	225	234
Machinery and plant <sup>1)</sup>	159	194	200	204
Equipment, tools, fixtures and fittings <sup>1)</sup>	222	199	208	205
New construction in progress	18	27	34	34
	600	629	667	677
<i>Financial assets</i>				
Shares and participations	2	2	-	1
Deferred tax asset	69	67	69	59
Long-term receivables	21	23	23	23
	92	92	92	83
	<b>1,108</b>	<b>1,159</b>	<b>1,228</b>	<b>1,211</b>
<i>Current assets</i>				
Inventory etc.	347	355	329	384
Accounts receivable	791	805	948	924
Current receivables	123	126	94	100
Liquid funds	137	120	133	112
	<b>1,398</b>	<b>1,406</b>	<b>1,504</b>	<b>1,520</b>
<b>Total assets</b>	<b>2,506</b>	<b>2,565</b>	<b>2,732</b>	<b>2,731</b>
<b>Equity and liabilities</b>				
Equity	1,050	1,058	1,114	1,037
Minority interest	4	4	5	5
Provisions	195	212	222	209
<i>Long-term liabilities</i>				
Liabilities to credit institutions	85	98	156	246
Other liabilities	99	101	129	74
	184	199	285	320
<i>Current liabilities</i>				
Liabilities to credit institutions	370	394	260	312
Advances from customers	26	21	49	49
Accounts payable	258	265	332	318
Other liabilities	419	412	465	481
	1,073	1,092	1,106	1,160
<b>Total equity and liabilities</b>	<b>2,506</b>	<b>2,565</b>	<b>2,732</b>	<b>2,731</b>

<sup>1)</sup> Equipment at a book value of 42 MSEK has during the third quarter been reclassified from machinery to equipment. The reclassification does not affect the Income Statement.

## Change in equity

Amounts in MSEK	2003 Sep 30	2003 Jun 30	2002 Dec 31	2002 Sep 30
<b>Opening balance</b>	<b>1,114</b>	<b>1,114</b>	<b>1,012</b>	<b>1,012</b>
Dividend	-86	-86	-74	-74
Received payment for stock options program	1	1	3	3
Buy-back of shares	-10	-	-25	-25
Translation difference	-85	-44	-68	-60
Net earnings	116	73	266	181
<b>Closing balance</b>	<b>1,050</b>	<b>1,058</b>	<b>1,114</b>	<b>1,037</b>

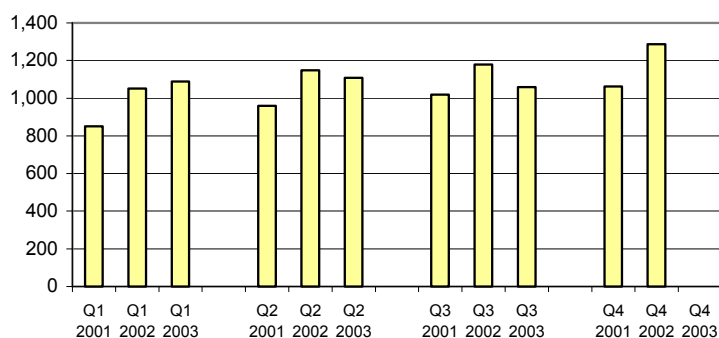
## Quarterly summary

Amounts in MSEK	2001				2002				2003		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Order intake	960	974	982	1,029	1,144	1,159	1,228	1,196	1,134	1,114	1,032
<b>Income statement</b>											
Net sales	851	960	1,020	1,063	1,052	1,149	1,179	1,286	1,089	1,109	1,059
Operating expenses <sup>1)</sup>	-779	-868	-920	-926	-966	-1,035	-1,061	-1,139	-1,022	-1,031	-983
<b>EBIT</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>	<b>67</b>	<b>78</b>	<b>76</b>
Earnings in associated companies	2	2	2	3	-	-	-	-	-	-	-
Financial income and expenses	-7	-3	-5	-6	-5	-8	-5	-10	-7	-5	-7
<b>Earnings before taxes</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>	<b>60</b>	<b>73</b>	<b>69</b>
Taxes	-26	-36	-38	-49	-32	-41	-45	-52	-27	-33	-26
Minority interests	-	-	-	-	0	0	-1	0	0	0	0
<b>Net earnings</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>	<b>33</b>	<b>40</b>	<b>43</b>
<sup>1)</sup> of which depreciation/amortization	28	31	33	33	36	38	44	43	45	44	43
<b>Share data</b>											
Earnings per share, SEK	1.63	2.23	2.38	3.45	2.00	2.66	2.71	3.46	1.34	1.66	1.73
Earnings/share after dilution, SEK	1.63	2.23	2.38	3.43	2.00	2.65	2.70	3.45	1.34	1.65	1.73
Average number of shares, million	24.8	24.8	24.7	24.6	24.6	24.6	24.5	24.4	24.4	24.4	24.4
No of shares at period-end, million	24.8	24.8	24.6	24.6	24.6	24.6	24.4	24.4	24.4	24.4	24.4
Equity per share, SEK	34.84	35.38	36.97	41.23	41.91	40.38	42.44	45.59	46.08	43.29	42.99
Stock price at period-end, SEK	150	173	140	175	227	204	190	193	178	174	168
Market cap at period-end, MSEK	3,720	4,290	3,437	4,284	5,574	5,009	4,643	4,716	4,350	4,252	4,096
<b>Balance Sheet</b>											
<b>Assets</b>											
<b>Fixed assets</b>											
Intangible assets	174	174	190	189	250	281	451	469	460	438	416
Tangible assets	538	555	560	563	670	635	677	667	653	629	600
Financial assets	107	114	111	105	77	77	77	92	93	92	92
	819	843	861	857	997	993	1,205	1,228	1,206	1,159	1,108
<b>Current assets</b>											
Inventory etc.	291	319	324	264	326	309	384	329	376	355	347
Accounts receivable	773	803	872	861	888	894	924	948	822	805	791
Current receivables	46	48	62	94	83	98	106	94	84	126	123
Liquid funds	98	79	120	152	151	65	112	133	119	120	137
	1,208	1,249	1,378	1,371	1,448	1,366	1,526	1,504	1,401	1,406	1,398
<b>Total assets</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>2,607</b>	<b>2,565</b>	<b>2,506</b>
<b>Equity and liabilities</b>											
Equity	864	877	908	1,012	1,029	991	1,037	1,114	1,126	1,058	1,050
Minority interest	-	-	-	-	4	4	5	5	5	4	4
Provisions and long-term liabilities	88	84	93	131	181	104	177	269	236	229	195
Interest-bearing prov./long-term. liab.	75	73	75	81	82	134	325	238	236	182	184
Advances from customers	50	42	64	77	52	45	49	49	37	21	26
Current liabilities	612	673	731	660	683	769	826	797	701	677	677
Interest-bearing current liabilities	338	343	368	267	414	312	312	260	266	394	370
<b>Total equity and liabilities</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>2,607</b>	<b>2,565</b>	<b>2,506</b>
<b>Key figures</b>											
EBIT margin, %	8.5	9.6	9.8	12.8	8.2	9.9	10.0	11.5	6.2	7.0	7.2
Equity ratio, %	42.6	41.9	40.5	45.4	42.1	42.0	38.0	41.0	43.4	41.4	42.1
Net debt, MSEK	316	337	322	196	345	381	525	365	383	456	403
Net debt ratio, times	0.37	0.38	0.36	0.19	0.33	0.38	0.51	0.33	0.34	0.43	0.38
Interest coverage ratio, times	9.6	27.5	18.8	16.3	15.1	13.0	19.6	12.0	8.9	11.4	11.3
Investments tangible assets, MSEK	31	33	27	49	40	53	42	48	35	32	28
Number of employees at period-end	2,419	2,488	2,563	2,579	2,916	3,043	3,216	3,192	3,164	3,147	3,126

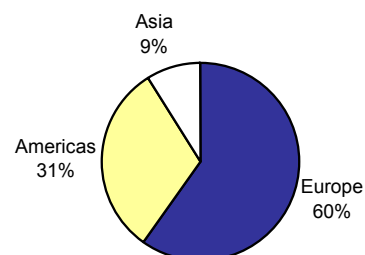
## Quarterly summary

Amounts in MSEK	2001				2002				2003		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Net sales by Region</b>											
Region Europe	435	477	476	562	605	630	682	814	667	673	643
Region Americas	331	400	449	412	364	419	407	387	361	364	335
Region Asia	100	95	109	104	96	125	104	103	79	89	96
Eliminations	-15	-12	-14	-15	-13	-25	-14	-18	-18	-17	-15
<b>Net sales</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>1,089</b>	<b>1,109</b>	<b>1,059</b>
<b>Operating earnings by Region</b>											
Region Europe	34	42	33	73	47	51	66	111	42	40	42
operating margin	7.7%	8.9%	7.0%	13.1%	7.7%	8.1%	9.7%	13.7%	6.3%	5.9%	6.6%
Region Americas	34	52	62	50	40	58	56	51	38	44	39
operating margin	10.4%	12.9%	13.8%	12.1%	11.0%	14.0%	13.6%	13.0%	10.5%	12.0%	11.8%
Region Asia	13	10	13	15	9	14	14	9	7	10	10
operating margin	12.9%	11.1%	12.5%	14.4%	9.7%	11.1%	13.1%	9.3%	8.9%	11.3%	10.5%
Group overhead etc.	-5	-7	-2	-4	-7	-5	-7	-6	-6	-7	-5
Amort. goodwill, eliminations etc.	-4	-5	-6	3	-3	-4	-11	-18	-14	-9	-10
<b>EBIT</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>	<b>67</b>	<b>78</b>	<b>76</b>
EBIT margin	8.5%	9.6%	9.8%	12.8%	8.2%	9.9%	10.0%	11.5%	6.2%	7.0%	7.2%

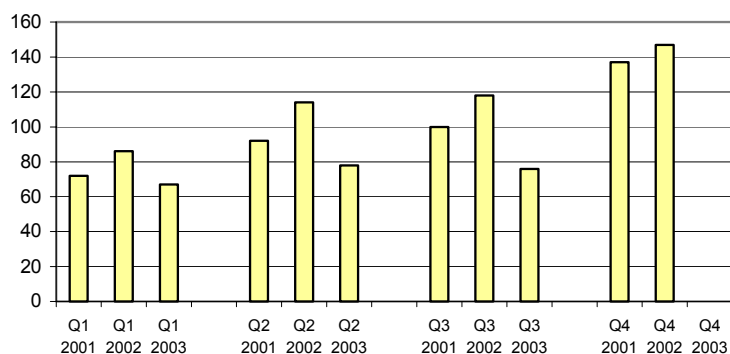
Net sales



Net sales in the quarter by Region



EBIT



Net sales in the quarter by Product Area

