



INTERIM REPORT JANUARY-JUNE 2005

July 22, 2005

INTERIM PERIOD

- Net sales increased by 6 percent to 2,270 MSEK (2,146).
- Net earnings amounted to 80 MSEK (86).
- Earnings per share amounted to 3.26 SEK (3.54).
- More than 10 percent growth in order intake and sales within Dehumidification and HumiCool.
- Rapid growth within DesiCool™ in new areas of application.

	2005	2004 ¹	Change	Adjusted change ²
Order intake, MSEK	2,478	2,347	6%	7%
Net sales, MSEK	2,270	2,146	6%	8%
EBIT, MSEK	138	148	-7%	-4%
EBIT margin, percent	6.1	6.9		
Net earnings, MSEK	80	86	-8%	-4%
Earnings per share, SEK	3.26	3.54	-8%	

SECOND QUARTER

- Order intake rose by 11 percent when currency adjusted.
- Order backlog 849 MSEK, the highest ever.
- Improved earnings in MCS.
- Weak earnings within Dehumidification, mainly in Zeol.

	2005	2004 ¹	Change	Adjusted change ²
Order intake, MSEK	1,294	1,181	10%	11%
Net sales, MSEK	1,192	1,150	4%	5%
EBIT, MSEK	74	85	-13%	-12%
EBIT margin, percent	6.2	7.4		
Net earnings, MSEK	43	50	-15%	-13%
Earnings per share, SEK	1.75	2.06	-15%	

¹ Previous year is recalculated due to the transition to IFRS.

² Adjusted for currency fluctuations.

Munters operation

Munters is the world leader in moisture control with services for water and fire damage restoration and products for dehumidification, humidification and air cooling. Operations are organized into three global divisions: Dehumidification, MCS (Moisture Control Services), and HumiCool. Manufacturing, sales and service are carried out with 3,122 full-time employees through own companies in 28 countries. Munters' shares are quoted on the O list of the Stockholm Stock Exchange.

New organization

As announced in a news release on June 9, Munters has created a new structure for the organization with three global divisions: Dehumidification, MCS and HumiCool as from July 1. The Group was previously organized in the three regions: Europe, the Americas and Asia.

This Interim Report follows the regional organization which applied until June 30. As from the third quarter, the global divisions will be the primary segment. They will, therefore, report order intake, net sales, operating earnings, operating capital and number of employees. The regions will be the secondary segment and, as a result, operating earnings will not be reported by region.

Market trend during the second quarter

Within Dehumidification, the most important market segment, the food industry, enjoyed continued strong demand. The market for DesiCool™ systems, which combine cooling and dehumidification, continued to increase in step with the market's increased knowledge about the advantages of the systems compared with conventional cooling. However, demand from the semiconductor industry was low which affected the sales of Zeol systems.

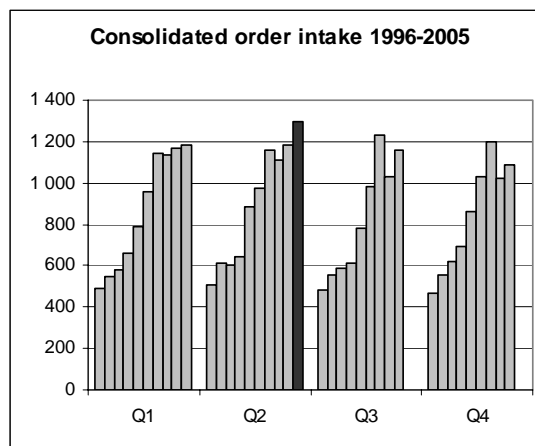
The low demand for MCS from the insurance industry in Europe continued during the quarter and the share of large incidents of damage was low for both water and fire damage. The trend towards an increased proportion of frame agreements with the major insurance companies continues. In America, demand fell compared with the previous year as a result of fewer large damage incidents. Demand in Asia continued to increase through the increased supply of services and the continued success in signing new frame agreements with leading insurance companies.

Within HumiCool, demand for components (so-called mist eliminators) for emission control in coal-fired power plants from the power industry remained strong. Demand for evaporative cooling systems for the AgHort segment improved in

Europe and America but demand in Asia remained weak as a result of new outbreaks of bird flu in South-East Asia earlier in the year.

Group development during the second quarter

Order intake

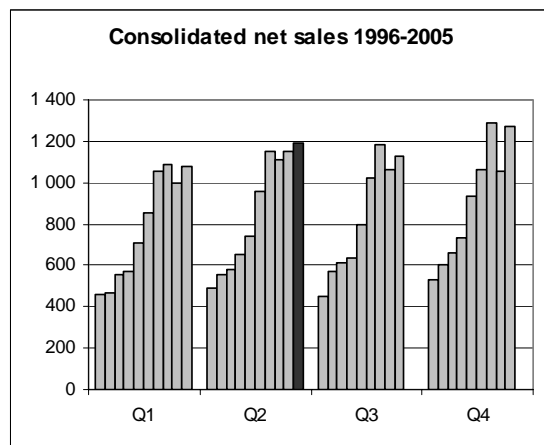


Order intake for the second quarter increased by 10 percent to 1,294 MSEK (1,181). Currency adjusted the increase was 11 percent.

The backlog rose by 14 percent compared with the previous year and was 849 MSEK (746) at the quarter end, the highest backlog ever. Currency adjusted the backlog increased by 9 percent.

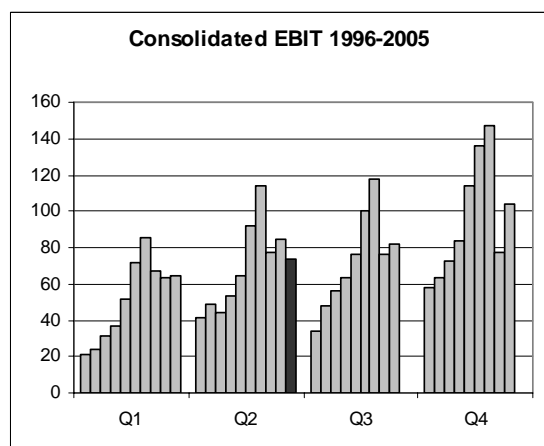
Order intake within Dehumidification for DesiCool™ systems developed very positively during the quarter while order intake for industrial systems and Zeol systems was low. Within MCS, order intake was higher than in the previous year in spite of a low proportion in the incidents of large water and fire damage. Strong order intake in Region Asia and Europe compensated for significantly lower order intake in the Americas. Order intake within HumiCool remained strong for components for mist elimination and for cooling systems for the chicken industry.

Net sales



Consolidated net sales increased by 4 percent to 1,192 MSEK (1,150). Currency adjusted the increase was 5 percent.

Earnings



Year 2003 and previous are according to precedent accounting principles.

EBIT fell by 13 percent to 74 MSEK (85). Currency adjusted the fall was 12 percent. The EBIT margin amounted to 6.2 percent (7.4).

Slightly higher operating earnings within HumiCool and MCS did not compensate for the significantly lower earnings within Dehumidification. Operating earnings were affected by action plans of 5 MSEK implemented within the MCS operation in Europe, by a write-down on Group level of goodwill of 3 MSEK assignable to MCS in France (M'Renov), through value changes in hedging agreements of 2 MSEK as a result of reporting in accordance with IAS 39 (see note 1) and by translation differences of 1 MSEK, i.e. 11 MSEK in total.

The previous year was charged with the moving of three plants within HumiCool and with costs for action programs relating to MCS. The moving of

plants to Italy and Germany produced the intended results, whereas the move to Mexico did not have any positive effect on earnings during the period. Earnings within Dehumidification were affected by a negative product mix in Europe and Americas and delivery of a low-margin project in Asia.

Consolidated earnings after financial items amounted to 72 MSEK (82). Net earnings for the quarter fell to 43 MSEK (50) after an effective tax rate of 40 percent (39). When adjusted for fiscally non-deductible write-down of goodwill, the tax rate was 38 percent (39). Earnings per share amounted to 1.75 SEK (2.06).

Regional development in the second quarter

Region Europe

Order intake for the quarter in Region Europe increased by 14 percent to 808 MSEK (708). Currency adjusted the increase was 13 percent. Sales increased by 9 percent to 741 MSEK (683). Currency adjusted the increase was 8 percent. Operating earnings rose by 25 percent and amounted to 45 MSEK (36). Currency adjusted the increase was 24 percent.

The Dehumidification division reported strong order intake and weak increase in sales, but a fall in operating earnings. The fall is due to a changed product mix, expanded product development and higher costs in connection with introduction of new products.

The MCS division reported stronger demand than in the previous year which resulted in higher net sales in spite of the lack of large water and fire damage projects. Order intake, sales and operating earnings for the quarter improved compared with the previous year.

The HumiCool division enjoyed continued strong order intake and sales and improved operating earnings. The moving of two plants in the previous year contributed to a positive earnings development.

Region Americas

During the quarter, order intake in Region Americas increased by 1 percent to 388 MSEK (385). Currency adjusted the increase was 5 percent. Sales fell by 5 percent to 363 MSEK (384). Currency adjusted sales fell by 1 percent. Operating earnings for the quarter fell by 18 percent to 37 MSEK (45). Currency adjusted the fall was 15 percent.

The Dehumidification division enjoyed a strong development within the DesiCool™ operation. However, industrial dehumidification applications within the pharmaceutical and food industries and

in the Zeol operation, whose systems are mainly used within the semiconductor industry, reported a negative development for the quarter. Currency adjusted order intake and sales for the division increased slightly while operating earnings fell as a result of a changed product mix.

The MCS division reported lower activity for the quarter than in the previous year as a result of fewer large water and fire damage projects. Order intake, sales and earnings fell significantly as a result.

The HumiCool division reported significantly higher order intake while sales and earnings remained unchanged. Order intake was strong within AgHort and for components for evaporative cooling systems and power plants. The moving of the plant to Mexico in the previous year did not achieve the planned efficiency and profitability level.

Region Asia

Order intake for the quarter rose by 13 percent to 126 MSEK (112). Sales increased by 8 percent to 115 MSEK (107). Operating earnings fell by 46 percent to 6 MSEK (11). Exchange-rate fluctuations were marginal.

The Dehumidification division reported increased order intake, decreased sales and a significant fall in earnings compared with the previous year. As in the previous quarter, the improved order intake relates mainly to infrastructure projects and the electronics and pharmaceutical industries. The earnings were affected by delivery of a project with low margin.

The MCS division continued to develop positively during the second quarter and reported improved order intake, sales and operating earnings. An expanded customer base, a broader service supply and favorable weather contributed to the positive development.

The HumiCool division reported lower order intake, sales and operating earnings due to the previous outbreaks of bird flu in South-East Asia, strong competition and a shorter than normal season for comfort cooling in Australia.

Developments during the interim period (January-June)

Order intake

The Group's order intake for the interim period increased by 6 percent to 2,478 MSEK (2,347). Currency adjusted order intake increased by 7 percent.

Order intake increased by 8 percent in Region Europe and by 12 percent in Asia. Order intake in the Americas fell by 2 percent. Currency adjusted order intake increased in all regions, by 8 percent in Europe, 4 percent in the Americas and 14 percent in Asia.

Net sales

Consolidated net sales rose by 6 percent to 2,270 MSEK (2,146). Currency adjusted net sales increased by 8 percent.

Net sales increased by 8 percent in Region Europe, 1 percent in the Americas and 14 percent in Asia. Currency adjusted sales rose by 7 percent in Region Europe, 7 percent in the Americas and 16 percent in Asia.

Earnings

EBIT fell by 7 percent to 138 MSEK (148). Currency adjusted, EBIT fell by 4 percent. The EBIT margin amounted to 6.1 percent (6.9).

Earnings have been charged with a write-down of goodwill of 3 MSEK, costs of 7 MSEK relating to action plans within MCS in Region Europe, costs of 2 MSEK relating to the start-up of a production unit within HumiCool in Region Europe, value changes of 3 MSEK in hedging agreements due to the reporting in accordance with IAS 39 and by translation differences of 3 MSEK, i.e. 18 MSEK in total.

The previous year was charged with one-off costs of 17 MSEK.

In Region Europe, operating earnings rose by 9 percent while operating earnings fell by 4 percent in the Americas and by 24 percent in Asia. Currency adjusted the increase was 9 percent in Region Europe, 1 percent in the Americas and the decrease was 23 percent in Asia.

Consolidated earnings after financial items amounted to 132 MSEK (141). Net earnings for the interim period fell to 80 MSEK (86) after an effective tax rate of 40 percent (39). When adjusted for non-deductible write-down of goodwill, the tax rate was 39 percent (39). Earnings per share amounted to 3.26 SEK (3.54).

Capital expenditure

The Group's capital expenditure in tangible assets amounted to 52 MSEK (47) during the period. The majority, 32 MSEK, relates to investments in MCS equipment. Depreciation and write-downs amounted to 71 MSEK (76).

Financial position

The equity ratio amounted to 48 percent at the period end (47 percent at the start of the year). Interest-bearing assets amounted to 192 MSEK (123 MSEK at the start of the year) and interest-bearing liabilities to 589 MSEK (474 MSEK at the start of the year). Since the start of the year, the net debt has increased by 46 MSEK to 397 MSEK. During the period, Munters AB received 29 MSEK from sales of own shares in connection with the expiry of 202,700 outstanding call options, paid 98 MSEK in dividend to the shareholders and paid 41 MSEK in supplementary purchase price relating to its previous acquisition of Polygon A/S, Norway. The Group has unutilized loan facilities of 124 MSEK.

Personnel

At the period end, the number of full-time staff was 3,122, an increase of 58 during the year. In Region Europe, the number increased by 8; in Region the Americas, the number decreased by 8; and in Region Asia the number increased by 57. The

increase in Region Asia is mainly an effect of the expansion within MCS and the expansion of the production in China.

Parent company

The parent company's earnings after financial income and expenses for the reporting period amounted to -1 MSEK (-7). There were no net sales outside the Group (nor in the previous year). At the period end, liquid funds amounted to 43 MSEK (1) and the net debt to 264 MSEK (150). Capital expenditure amounted to 1 MSEK (0). The number of employees was 21 (19).

Future information dates

2005

October 27 Interim Report January-September

2006

February 16 Year-End Report 2005

April 26 Interim Report January-March

April 26 Annual General Meeting

Sollentuna, July 22, 2005

Munters AB (publ)

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Review report

We have reviewed Munters AB (publ) interim report for the six-month period at June 30, 2005. Our review has been made in accordance with the recommendation issued by the Swedish Institute of Authorized Public Accountants. A review means that we have planned and carried out the review to ensure that the interim report does not contain any significant misstatements. A review consists mainly of enquiries with the company's management team and an analytical examination of financial information. As a result, our attestation is based on restricted assurance compared with an audit.

During our review, nothing has emerged which causes us to believe that the interim report does not comply with the requirements for interim reports stipulated in the Annual Accounts Act and IAS 34.

Stockholm, July 22, 2005
Ernst & Young AB

Björn Fernström
Authorized Public Accountant

Amounts in MSEK	2005 Apr-Jun 3 months	2004 ¹ Apr-Jun 3 months	2005 Jan-Jun 6 months	2004 Jan-Jun 6 months	2004/2005 Jul-Jun 12 months	2004 ¹ Jan-Dec 12 months
Order intake	1,294	1,181	2,478	2,347	4,729	4,598
Income statement						
Net sales	1,192	1,150	2,270	2,146	4,668	4,543
Cost of goods sold	-870	-827	-1,658	-1,535	-3,380	-3,256
Gross earnings	322	323	612	611	1,288	1,287
Selling expenses	-138	-135	-265	-259	-532	-525
Administrative expenses	-93	-94	-179	-186	-380	-387
Research and development costs	-12	-9	-23	-18	-45	-40
Other operating income	-	0	-	0	0	0
Other operating expenses	-5	0	-7	0	-8	-1
Share in earnings in associated companies	-	0	-	0	0	0
Earnings before interest and tax	74	85	138	148	323	334
EBIT margin	6.2%	7.4%	6.1%	6.9%	6.9%	7.3%
Financial income and expenses	-2	-3	-6	-7	-14	-16
Earnings after financial items	72	82	132	141	309	318
Taxes	-29	-32	-52	-55	-115	-118
Net earnings	43	50	80	86	194	200
Profit attributable to minority interest	1	0	1	0	1	1
Profit attributable to equity holders of the parent	42	50	79	86	193	199
Earnings per share, SEK	1.75	2.06	3.26	3.54	7.95	8.23
Earnings per share after dilution, SEK	1.75	2.06	3.26	3.54	7.93	8.21
Net sales by Region						
Region Europe	741	683	1,397	1,299	2,803	2,705
Region Americas	363	384	687	682	1,507	1,501
Region Asia	115	107	232	204	447	419
Eliminations	-27	-24	-46	-39	-89	-82
Net sales	1,192	1,150	2,270	2,146	4,668	4,543
Operating earnings by Region						
Region Europe	45	36	73	67	157	151
operating margin	6.1%	5.3%	5.2%	5.2%	5.6%	5.6%
Region Americas	37	45	71	73	160	163
operating margin	10.2%	11.8%	10.3%	10.8%	10.7%	10.9%
Region Asia	6	11	16	22	41	46
operating margin	5.3%	10.7%	7.0%	10.5%	9.1%	11.0%
Group overhead, eliminations etc	-14	-7	-22	-14	-35	-26
Earnings before interest and tax	74	85	138	148	323	334
Net sales by Product Area						
Dehumidification	354	350	679	626	1,397	1,344
MCS	504	479	998	963	2,130	2,095
HumiCool	352	333	621	574	1,185	1,138
Eliminations	-18	-12	-28	-17	-44	-34
Net sales	1,192	1,150	2,270	2,146	4,668	4,543

¹ Previous year is recalculated due to the transition to IFRS.

Amounts in MSEK	2005 Apr-Jun 3 months	2004 ¹ Apr-Jun 3 months	2005 Jan-Jun 6 months	2004 Jan-Jun 6 months	2004/2005 Jul-Jun 12 months	2004 ¹ Jan-Dec 12 months
Cash flow statement						
Current operations						
Earnings after financial items	72	82	132	141	309	318
Reversal of depreciation etc	38	41	71	77	138	144
Other earnings items not affecting cash flow	-2	0	-2	-7	-3	-8
Taxes paid	-40	-34	-62	-58	-130	-126
Cash flow from current operations before changes in working capital	68	89	139	153	314	328
<i>Cash flow from changes in working capital</i>						
Changes in inventories	-33	-32	-59	-85	-44	-70
Changes in accounts receivable	25	-47	70	-9	-76	-155
Changes in other receivables	1	-17	-18	-15	1	4
Changes in accounts payable	-8	30	-27	42	-18	51
Changes in other liabilities	13	38	15	26	40	51
Cash flow from current operations	66	61	120	112	217	209
Investing activities						
Acquisitions of enterprises	-41	-40	-41	-40	-41	-40
Investments in intangible assets	0	-1	0	-1	-2	-3
Investments in tangible assets	-31	-25	-52	-47	-113	-108
Sale of tangible assets	2	0	2	0	30	28
Changes in other financial assets	0	2	-1	1	-7	-5
Cash flow from investing activities	-70	-64	-92	-87	-133	-128
Financing activities						
Payment received for issued stock options	-	1	-	1	-	1
Changes in loans	99	87	96	53	40	-3
Dividend paid	-98	-85	-98	-85	-98	-85
Sale of own shares	1	-	29	-	29	-
Cash flow from financing activities	2	3	27	-31	-29	-87
Cash flow for the period	-2	0	55	-6	55	-6
Liquid funds at the beginning of the period	178	122	117	125	121	125
Exchange-rate differences in liquid funds	8	-1	12	2	8	-2
Liquid funds at the end of the period	184	121	184	121	184	117
Operating cash flow	37	37	69	65	125	121
Key figures						
More key figures are disclosed in the quarterly overview						
Capital turnover rate, times ²	-	-	2.7	2.7	2.7	2.8
Return on capital employed, % ²	-	-	19.4	19.4	19.4	21.0
Return on equity, % ²	-	-	16.4	16.9	16.4	17.8
Interest coverage ratio, times	12.3	20.1	12.3	15.5	15.7	17.7
Net debt structure						
Short-term loans	-	-	479	389	479	321
Long-term loans	-	-	2	38	2	46
Defined benefit plans etc	-	-	108	83	108	107
Interest-bearing assets	-	-	-192	-121	-192	-123
Net debt	-	-	397	389	397	351

¹ Previous year's earnings and reversal of depreciation are recalculated due to the transition to IFRS.

² Calculated on rolling 12 months.

Amounts in MSEK	2005 Jun 30	2005 Mar 31	2004 ¹ Dec 31	2004 ¹ Jun 30
Balance sheet				
Assets				
Fixed assets				
Tangible assets				
Buildings and land	178	170	167	195
Plant and machinery	162	157	152	147
Equipment, tools, fixtures and fittings	208	196	198	219
Constructions in progress	7	6	6	20
	555	529	523	581
Intangible assets				
Patents, licences and similar rights	19	19	19	20
Goodwill	364	350	342	364
	383	369	361	384
Financial assets				
Participations in associated companies	6	6	6	7
Deferred tax assets	52	49	48	54
Other long-term receivables	20	17	16	11
	78	72	70	72
	1,016	970	954	1,037
Current assets				
Inventories etc.	431	369	329	367
Accounts receivable	923	898	914	815
Other receivables	144	146	126	155
Liquid funds	184	178	117	121
	1,682	1,591	1,486	1,458
Total assets	2,698	2,561	2,440	2,495
Equity and liabilities				
Equity				
	1,291	1,261	1,148	1,110
Long-term liabilities				
Interest-bearing loans	2	47	46	38
Provisions	121	118	116	117
Deferred tax liabilities	27	29	29	32
Other liabilities	3	0	0	52
	153	194	191	239
Short-term liabilities				
Interest-bearing loans	479	324	321	389
Advances from customers	39	39	28	40
Accounts payable	282	280	286	292
Provisions	38	38	39	42
Other liabilities	416	425	427	383
	1,254	1,106	1,101	1,146
Total equity and liabilities	2,698	2,561	2,440	2,495
Changes in equity				
Opening balance ²	1,148	1,148	1,086	1,086
Effect on change of accounting principles (RR 29)	-	-	-1	-2
Minority interest (transition to IFRS)	-	-	4	4
Financial instruments (implementation of IAS 39)	2	2	-	-
Opening balance in accordance with new principles	1,150	1,150	1,089	1,088
Exchange-rate differences in translating subsidiaries	130	46	-57	20
Net earnings	80	37	200	86
Dividend	-98	-	-85	-85
Sale of own shares	29	28	-	-
Received payment for stock option program	-	-	1	1
Closing balance	1,291	1,261	1,148	1,110
Minority share of equity	4	3	4	3

¹ Previous year is recalculated due to the transition to IFRS.

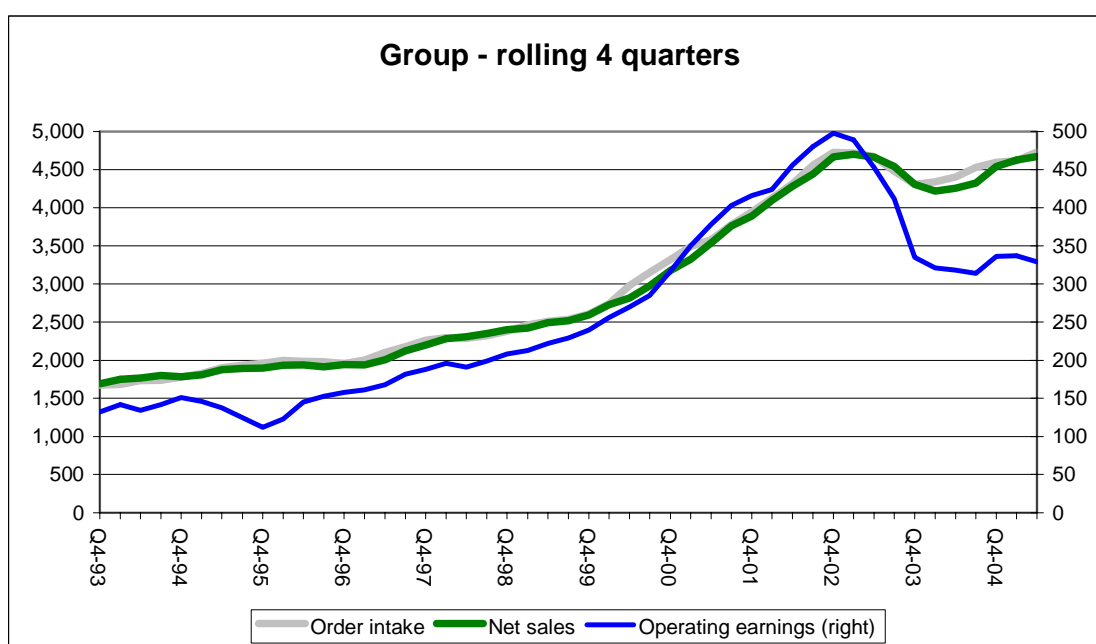
² Year 2004 is according to previous accounting principles.

Quarterly overview - Consolidated earnings, share data and cash flow

Amounts in MSEK	2005		2004 ¹				2003 ²			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	1,294	1,184	1,089	1,161	1,181	1,167	1,025	1,032	1,114	1,134
Income statement										
Net sales	1,192	1,079	1,270	1,127	1,150	996	1,052	1,059	1,109	1,089
Operating expenses	-1,118	-1,015	-1,166	-1,045	-1,065	-933	-977	-983	-1,031	-1,022
Share in earnings of associates	-	-	-	-	0	0	2	-	-	-
EBIT	74	64	104	82	85	63	77	76	78	67
EBIT margin	6.2%	5.9%	8.2%	7.2%	7.4%	6.4%	7.4%	7.2%	7.0%	6.2%
Financial income and expenses	-2	-3	-5	-4	-3	-4	1	-7	-5	-7
Earnings after financial items	72	61	99	78	82	59	78	69	73	60
Taxes	-29	-24	-34	-29	-32	-23	-22	-26	-33	-27
Net earnings	43	37	65	49	50	36	56	43	40	33
Depreciation and write-downs	38	33	33	35	41	36	38	43	44	45
Share data										
Earnings per share, SEK	1.75	1.51	2.69	2.00	2.06	1.48	2.31	1.73	1.66	1.34
Earnings per share after dilution, SEK	1.75	1.51	2.68	1.99	2.06	1.48	2.30	1.73	1.66	1.34
Average no of shares, thousand	24,580	24,407	24,378	24,378	24,378	24,378	24,379	24,436	24,438	24,438
No of shares at period-end, thousand	24,581	24,571	24,378	24,378	24,378	24,378	24,378	24,429	24,438	24,438
Holding of own shares, thousand	419	429	622	622	622	622	622	571	562	562
Equity per share, SEK	52.36	51.17	46.96	46.31	45.42	47.55	44.53	42.99	43.29	46.08
Stock price at period-end, SEK	173	190	200	180	189	186	174	168	174	178
Market cap at period-end, MSEK	4,240	4,669	4,876	4,388	4,607	4,534	4,242	4,096	4,252	4,350
Cash flow statement										
From current operations	66	54	66	31	61	51	83	84	46	43
From investing activities	-70	-22	-19	-22	-64	-23	-40	-28	-54	-35
From financing activities	2	25	-44	-12	3	-34	-52	-36	10	-20
Cash flow for the period	-2	57	3	-3	0	-6	-9	20	2	-12
Operating cash flow	37	32	47	9	37	28	47	56	14	8

¹ Previous year is recalculated due to the transition to IFRS.

² In accordance with previous accounting principles.



Quarterly overview - Consolidated balance sheet and key figures

Amounts in MSEK	2005		2004 ¹				2003 ²			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Balance sheet										
Assets										
Fixed assets										
Tangible assets	555	529	523	540	581	603	600	600	629	653
Intangible assets	383	369	362	380	384	379	372	416	438	460
Financial assets	78	72	70	74	72	65	72	92	92	93
	1,016	970	955	994	1,037	1,047	1,044	1,108	1,159	1,206
Current assets										
Inventories etc.	431	369	329	405	367	340	276	347	355	376
Accounts receivable	923	898	914	823	815	778	792	791	805	822
Other receivables	144	146	125	176	155	140	128	123	126	84
Liquid funds	184	178	117	116	121	122	125	137	120	119
	1,682	1,591	1,485	1,520	1,458	1,380	1,321	1,398	1,406	1,401
Total assets	2,698	2,561	2,440	2,514	2,495	2,427	2,365	2,506	2,565	2,607
Equity and liabilities										
Equity	1,291	1,261	1,148	1,132	1,110	1,164	1,086	1,050	1,058	1,126
Minority interest	-	-	-	-	-	-	4	4	4	5
Provisions	-	-	-	-	-	-	190	195	212	213
Long-term liabilities	151	147	145	199	202	200	51	99	101	106
Interest-bearing liabilities	481	371	367	419	427	350	377	455	492	419
Accounts payable	282	280	286	251	292	266	246	258	265	278
Other short-term liabilities	493	502	494	513	464	447	411	445	433	460
Total equity and liabilities	2,698	2,561	2,440	2,514	2,495	2,427	2,365	2,506	2,565	2,607
Key figures										
Equity ratio, %	47.9	49.2	47.0	45.0	44.5	47.9	46.1	42.1	41.4	43.4
Net debt, MSEK	397	296	351	389	389	311	338	403	456	383
Net debt ratio, times	0.31	0.23	0.31	0.34	0.35	0.27	0.31	0.38	0.43	0.34
Interest coverage ratio, times	12.3	12.3	20.6	19.2	20.1	11.9	14.6	11.3	11.4	8.9
Investments tangible assets, MSEK	31	21	38	23	25	22	35	28	32	35
Number of employees at period-end	3,122	3,128	3,064	3,003	3,038	3,036	3,070	3,126	3,147	3,164

¹ Previous year is recalculated due to the transition to IFRS.

² In accordance with previous accounting principles.

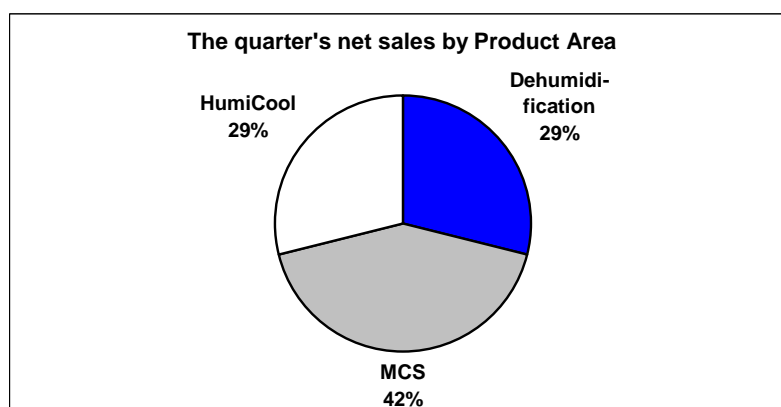
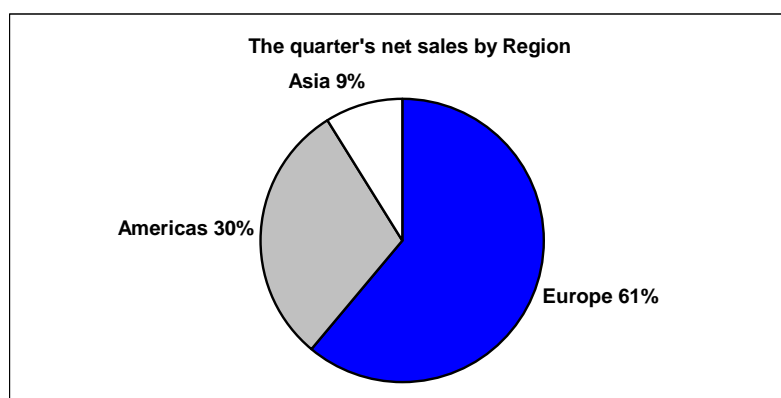
Quarterly overview - Regions and Product Areas

Amounts in MSEK	2005		2004 ¹				2003 ²			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales by Region										
Region Europe	741	656	748	658	683	616	675	643	673	667
Region Americas	363	324	432	387	384	298	287	335	364	361
Region Asia	115	117	111	104	107	98	108	96	89	79
Eliminations	-27	-18	-21	-22	-24	-16	-18	-15	-17	-18
Net sales	1,192	1,079	1,270	1,127	1,150	996	1,052	1,059	1,109	1,089
Operating earnings by Region										
Region Europe	45	28	49	35	36	31	51	42	40	42
operating margin	6.1%	4.3%	6.5%	5.3%	5.3%	5.0%	7.6%	6.6%	5.9%	6.3%
Region Americas	37	34	49	41	45	28	29	39	44	38
operating margin	10.2%	10.3%	11.3%	10.6%	11.8%	9.5%	10.2%	11.8%	12.0%	10.5%
Region Asia	6	10	13	11	11	10	14	10	10	7
operating margin	5.3%	8.7%	12.1%	10.7%	10.7%	10.4%	12.6%	10.5%	11.3%	8.9%
Group overhead, eliminations etc ³	-14	-8	-7	-5	-7	-6	-17	-15	-16	-20
Earnings before interest and tax	74	64	104	82	85	63	77	76	78	67
EBIT margin	6.2%	5.9%	8.2%	7.2%	7.4%	6.4%	7.4%	7.2%	7.0%	6.2%
Net sales by Product Area										
Dehumidification	354	325	395	323	350	276	322	315	312	313
MCS	504	494	620	512	479	484	506	474	479	523
HumiCool	352	269	264	300	333	241	230	278	334	260
Eliminations	-18	-9	-9	-8	-12	-5	-6	-8	-16	-7
Net sales	1,192	1,079	1,270	1,127	1,150	996	1,052	1,059	1,109	1,089

¹ Previous year is recalculated due to the transition to IFRS.

² In accordance with previous accounting principles.

³ Year 2003 includes depreciations on goodwill. Q2-2005 includes write-down of goodwill.



Notes

Note 1. Accounting principles

This interim report has been prepared in accordance with IAS 34, Interim reporting, which is in accordance with the Swedish Financial Accounting Standards Council's recommendation RR29, Interim reporting for groups.

The accounting standards applied in this interim report are those described in the consolidated accounts for 2004, note 1 and 2. They make it clear that International Financial Reporting Standards (IFRS) will be applied from 2005 and that comparative figures relating to 2004 have been recalculated in accordance with the new principles with the exception of the principles applying to financial instruments. In accordance with the rules for changeover to IFRS, the new principles for financial instruments are only applied in the part of the accounts which relate to 2005. The effect on equity at the start of the year of recalculation to the new principles is stated in note 2 in the Annual Report for 2004.

The new accounting principles for financial instruments imply among other things that exchange contracts related to forecasted future cash flows shall be valued at actual value in the balance sheet at every end of accounting period. These have not previously been reported in the balance sheet. It means that the reported result will show greater volatility where the change in the value of the hedging instruments will be reported currently in the result.

The Parent Company's accounting has been prepared in accordance with RR 32, Accounting for legal entities.

Note 2. Effects of the changeover to IFRS

The reporting shall be prepared in accordance with the IFRS standards which apply on December 31, 2005. In addition, these standards shall have been approved by the EU. The effects of the changeover to IFRS reported below are, therefore, preliminary and based on current IFRS and interpretation thereof, except for IAS 39 which is implemented from January 1, 2005, which could be changed until December 31, 2005.

The change in the income statement is fully related to different accounting for goodwill. In the balance sheet, changed accounting of minority interest is also included. The interim report for the period January-March 2005 discloses the whole year 2004.

Comparative figures relating to the second quarter and the six-months period 2004

(MSEK unless otherwise stated)	Apr-Jun Earlier	Change	Apr-Jun IFRS	Jan-Jun Earlier	Change	Jan-Jun IFRS
Income statement						
EBIT	75	10	85	129	19	148
EBIT margin, percent	6.5	0.9	7.4	6.0	0.9	6.9
Earnings after financial items	72	10	82	123	19	141
Taxes	-31	-1	-32	-54	-1	-55
Net earnings	41	9	50	69	18	86
Earnings per share, SEK	1.68	0.38	2.06	2.83	0.71	3.54
Balance sheet						
<i>Assets</i>						
Goodwill				345	19	364
Deferred tax assets				54	-	54
Other assets				2,077	-	2,077
Total assets				2,476	19	2,495
<i>Equity and liabilities</i>						
Equity				1,090	20	1,110
Minority interest				3	-3	-
Deferred tax liabilities				30	2	32
Other liabilities				1,353	-	1,353
Total equity and liabilities				2,476	19	2,495
Key figures						
Return on capital employed, percent ¹				18.4	1.0	19.4
Return on equity, percent ¹				15.3	1.6	16.9
Capital turnover rate ¹				2.7	-	2.7
Equity ratio, percent				44.1	0.4	44.5
Equity per share, SEK				44.71	0.71	45.42

¹ Calculated on rolling 12 months.