

Interim report January-June 2008

August 13, 2008



Second quarter

- Order intake amounted to SEK 1,686 M (1,688) – up 4% adjusted¹
- Net sales advanced 2% to SEK 1,548 M (1,524) – up 5%, adjusted¹
- Costs for the MEP² program (Munters Efficiency Program phase 2) totaled SEK 19 M, according to plan
- Nonrecurring costs of SEK 13 M were incurred due to quality problems related to sub-suppliers
- EBIT before amortization and nonrecurring costs totaled SEK 129 M (130)
- Net earnings after tax totaled SEK 49 M (70)
- Earnings per share amounted to SEK 0.66 (0.95)
- Agreement signed on July 10 concerning the acquisition of Belgian company Toussaint Nyssenne, aimed at increasing sales of energy-efficient air-treatment systems in Europe

	2008	2007	Change	Adjusted change ¹
Order intake, SEK M	1,686	1,688	0%	4%
Net sales, SEK M	1,548	1,524	2%	5%
EBIT bef. amortization and nonrecurring costs, SEK M**	129	130	-1%	
EBIT, SEK M	95	119	-20%	
EBIT margin, percent	6.1	7.8		
Net earnings, SEK M	49	70		
Earnings per share, SEK	0.66	0.95	-31%	

¹ Pro forma, adjusted for currency fluctuations, acquisitions and divestment.

** Amortization of intangible assets relating to business acquisitions.

Interim-report period

- Order intake rose to SEK 3,272 M (3,215) – up 3% adjusted¹
- Net sales advanced to SEK 3,092 M (2,928) – up 6%, adjusted¹
- Net earnings after tax totaled SEK 107 M (148)
- Earnings per share amounted to SEK 1.44 (1.99)

	2008	2007	Change	Adjusted change ¹
Order intake, SEK M	3,272	3,215	2%	3%
Net sales, SEK M	3,092	2,928	6%	6%
EBIT bef. amortization and nonrecurring costs, SEK M**	260	258	1%	
EBIT, SEK M	204	246	-17%	
EBIT margin, percent	6.6	8.4		
Net earnings, SEK M	107	148		
Earnings per share, SEK	1.44	1.99	-28%	

¹ Pro forma, adjusted for currency fluctuations, acquisitions and divestment.

** Amortization of intangible assets relating to business acquisitions.

Munters is a global leader in energy-efficient air-treatment solutions and restoration services based on expertise in humidity and climate control technologies. Customers are served in a wide range of segments, the most important being the insurance, food, pharma and electronics industries.

Manufacturing and sales are carried out through the Group's own companies in more than 30 countries. The Group has slightly more than 4 000 employees and net sales of about SEK 6.3 billion. The Munters share is listed on the OMX Nordic Exchange Stockholm. For more information, see www.munters.com.

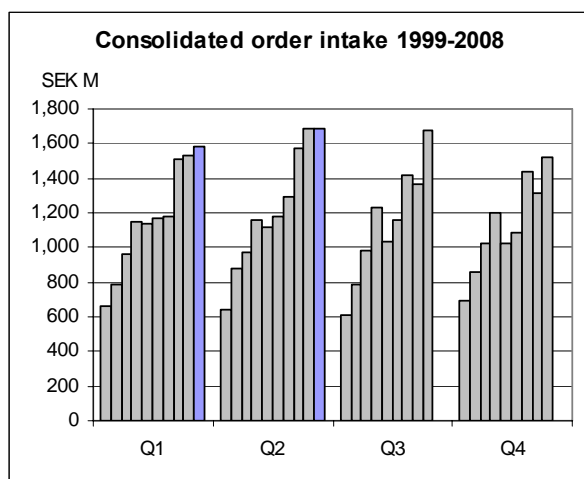
Second quarter

Order intake

During the second quarter, the order intake remained unchanged at SEK 1,686 M (1,688). Pro forma, adjusted for currency effects, acquisitions and divestment, the increase was 4%.

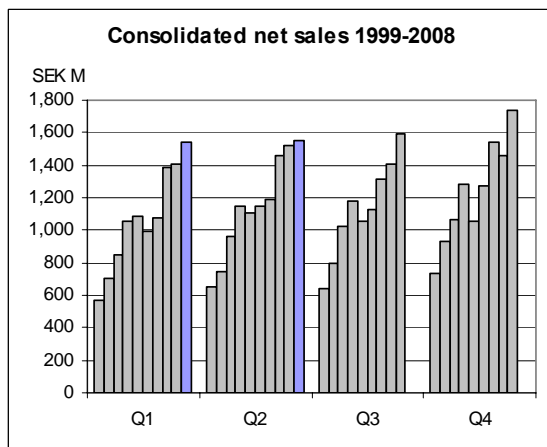
Dehumidification continued to report favorable order intake as part of the largest business area, Industrial, but in common with the first quarter was adversely affected by a sharp downturn in order intake from Wal-Mart in the Commercial business area. MCS enjoyed a favorable order intake during the seasonal weakest quarter of the year. HumiCool reported relatively favorable order intake in most business areas, but was negatively impacted by the continued poor order intake from coal-fired power plants in the US.

The order backlog rose slightly compared with the year-earlier period and totaled SEK 1,311 M (1,306) at the end of the quarter.



Net sales

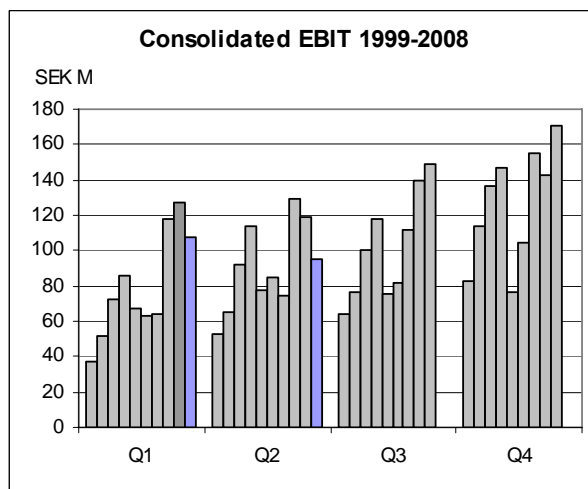
Consolidated net sales rose 2% to SEK 1,548 M (1,524). Adjusted¹, the increase was 5%. The stronger SEK compared with the year-earlier period had an adverse impact of more than 5% on net sales in Swedish currency.



Earnings

EBIT amounted to SEK 95 M (119) for the Group. The operating margin was 6.1% (7.8). MEP², the second phase of the efficiency program, was conducted as scheduled at a net cost of SEK 19 M during the quarter. In addition, earnings were negatively impacted by nonrecurring costs of SEK 13 M in the Dehumidification Division, related to quality problems in purchased components, which led to costs for replacing components in products that had been previously sold. The weak USD and other currency translation effects adversely impacted EBIT in the amount of SEK 11 M. EBIT for the Group, before amortization of intangible assets relating to business acquisitions and nonrecurring costs, totaled SEK 129 M (130).

In the product divisions, it was possible to offset rising prices of raw materials by implementing price increases and productivity improvements. However, the Dehumidification Division was adversely affected by low sales and production volumes to Wal-Mart and the aforementioned expenses relating to component replacements. HumiCool delivered strong earnings despite the negative impact of the weak USD. MCS' earnings were in line with expectations during the seasonally weakest quarter of the year.



2004 and later years in accordance with IFRS.

Consolidated earnings after financial items amounted to SEK 77 M (110). Net earnings for the quarter totaled SEK 49 M (70). Earnings per share amounted to SEK 0.66 (0.95).

Cash flow

Operating cash flow amounted to SEK 13 M (8).

Third quarter prospects

The MEP² program is continuing as planned and with the anticipated impact on earnings. The program is expected to entail costs of approximately SEK 11 M during the third quarter.

¹ Pro forma, adjusted for currency effects, acquisitions and divestment.

Interim-report period

Order intake

During the period, the Group's order intake rose by 2% to SEK 3,272 M (3,215). Adjusted¹, the increase was 3%.

Net sales

Consolidated net sales rose 6% to SEK 3,092 M (2,928). Adjusted¹, the increase was 6%.

Earnings

EBIT for the Group declined by 17% to SEK 204 M (246). The operating margin was 6.6% (8.4). The interim-report result was affected by SEK 40 M in MEP² program costs and SEK 13 M in nonrecurring costs due to component fault in purchased components, earlier announced. EBIT before amortization of intangible assets relating to business acquisitions and nonrecurring costs totaled SEK 260 M (258).

Consolidated earnings after financial items totaled SEK 168 M (231). Net earnings for the interim-report period totaled SEK 107 M (148), after a tax charge of 36% (36). Earnings per share amounted to SEK 1.44 (1.99).

Investments

The Group's investments in fixed assets during the period amounted to SEK 84 M (87), of which SEK 26 M (40) pertained to investments in MCS equipment. Depreciation and impairment amounted to SEK 81 M (75).

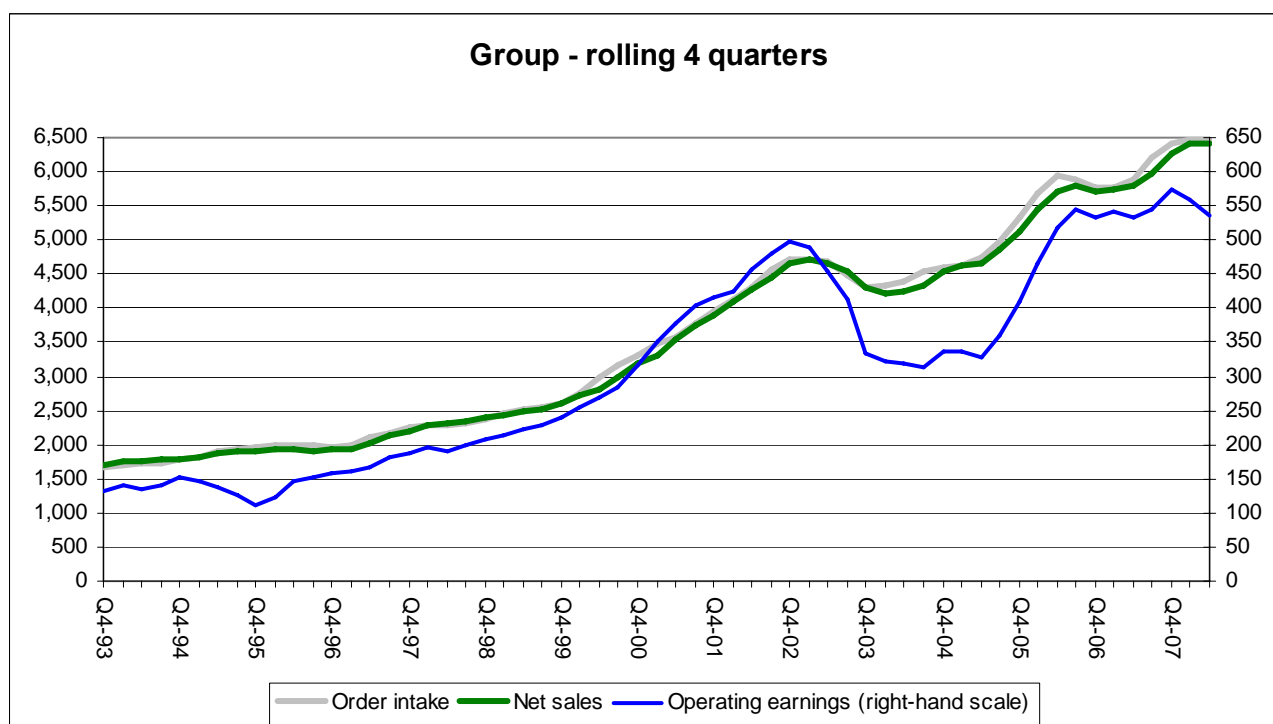
Financial position

The equity ratio was 28% at the end of the period (31 at the start of the year). Interest-bearing assets totaled SEK 242 M (276 at the start of the year) and interest-bearing provisions and liabilities amounted to SEK 1,534 M (1,344 at the start of the year). Net debt during the year rose by SEK 224 M to SEK 1,292 M. The Group has unutilized loan facilities of SEK 825 M.

Personnel

At the end of the period, the number of permanent employees was 4,083, an increase of 40 since year-end. However, the net number of permanent employees declined by 16 as a result of efficiency enhancements under the MEP² program despite sales growth of 5%. Additional personnel reductions are planned during the remainder of the year.

¹ Pro forma adjusted for currency effects, acquisitions and divestment.



Divisional performance

Dehumidification Division

The Dehumidification Division was until the end of the second quarter divided into three business areas: Industrial Dehumidification, Commercial Dehumidification and Zeol.

SEK M	Second quarter		Jan-Jun	
	2008	2007	2008	2007
Order intake	528	556	1,014	999
Change	-5%		2%	
Adjusted change ¹	3%		3%	
Net sales	478	527	911	898
Change	-9%		1%	
Adjusted change ¹	-3%		2%	
Operating earnings before one time costs	61	69	98	107
Operating margin	12.7%	13.1%	10.7%	11.9%
Operating earnings	45	69	78	107
Operating margin	9.5%	13.1%	8.6%	11.9%

- **Continued favorable order growth in the Industrial business area**
- **Commercial was adversely affected by Wal-Mart**
- **Acquisition of Toussaint Nysenne on July 10 aimed at substantially increasing sales of energy-efficient air-treatment systems in Europe**

Second quarter

The market for industrial dehumidifiers remained strong during the quarter based on favorable global demand. Growth in Asia continued to rise during the quarter. As in the first quarter, Commercial Dehumidification was adversely impacted by very low demand from Wal-Mart. Other parts of the business area reported healthy demand. The market for Zeol's products for the semiconductor industry was very weak during the quarter. Net sales in the division were negatively affected by lower delivery levels to Wal-Mart and long lead times in certain larger projects.

The underlying trend in the operating margin was positive during the quarter and rising prices of raw materials could be offset by raising prices. In addition to costs of SEK 3 M for MEP² during the quarter, operating earnings were impacted by nonrecurring warranty costs of SEK 13 M. For some time, a product in Commercial has suffered from a specific component fault, the cause of which has now been identified and was due to an incorrect component supplied by a third party. Munters has initiated legal proceedings against the third party and is highly confident that it will receive compensation for substantial amounts of the warranty costs incurred due to the fault. The accounting is in accordance with IAS 34 Provisions, Contingent Liabilities and Contingent Assets.

Division management reorganization was implemented end of the quarter in order to take full advantage of growth opportunities within energy-efficient air-treatment solutions.

Third quarter prospects

Continued positive development in most areas except Wal-Mart and Zeol and improvements in gross margins.

Acquisition of Toussaint Nysenne

Munters has entered into an agreement to acquire the Belgium-based company Toussaint Nysenne. The company has approximately 150 employees and generated sales of SEK 160 M (EUR 17 M) in 2007.

Toussaint Nysenne is based in Dison, Belgium, and manufactures high-quality air-conditioning systems adapted for offices, public buildings and industrial applications. The systems are highly flexible and modular, and provide air treatment for a wide range of demanding applications.

With this acquisition, Munters' Dehumidification Division is continuing its strategic growth initiative in energy-efficient air-treatment solutions by strengthening its position and presence in the European market. The combined operations will accelerate growth through synergies in product integration, technology and distribution.

The most significant business opportunity lies in creating better accessibility in Europe for Munters Drycool/HCU technology, which is highly successful in North America. These innovative products enable customers to independently control temperature and air humidity and provide fresh air to buildings with up to 45% lower energy consumption compared with conventional solutions. Toussaint Nysenne's products supplement and also contribute to Munters' product range in industrial dehumidification and provide the merged unit with a complete offering of customer solutions.

¹ Pro forma adjusted for currency effects, acquisitions and divestment.

Moisture Control Services (MCS) Division

The MCS Division has a country-based organization divided into three market areas: Northern Europe, Central Europe, and US & Asia.

SEK M	Second quarter		Jan-Jun	
	2008	2007	2008	2007
Order intake	643	634	1,315	1,267
Change	1%		4%	
Adjusted change ¹	4%		5%	
Net sales	645	605	1,314	1,219
Change	7%		8%	
Adjusted change ¹	9%		9%	
Operating earnings before one time costs	21	20	61	58
Operating margin	3.2%	3.3%	4.7%	4.8%
Operating earnings	14	10	50	48
Operating margin	2.2%	1.7%	3.8%	4.0%

- Favorable demand in weakest quarter of the year
- Weak sales mix and inflationary pressure

Second quarter

Demand during the second quarter was relatively favorable in many markets as a result of rainy weather in Continental Europe, and to a certain extent to flooding in the US Mid-West. However, the flooding did not match the extent reported in the UK in the year-earlier period.

Implementation of the Field.Link mobile IT system has entered an intense phase and about 192 employees used the application in their daily work at the end of the interim-report period. The system enables extensive efficiency improvements and a partially new business model for the Division's high-volume services.

During the quarter, earnings were charged with SEK 6 M for costs for MEP². In the second quarter of 2007, earnings were negatively affected by nonrecurring costs totaling SEK 10 M. Operating earnings before MEP² costs improved slightly, primarily in Germany, the UK and Australia, compared with the second quarter of 2007. However, due to increasing inflationary pressure on salaries and fuel, gross margins are under pressure in many markets. Measures to raise prices and further enhance efficiency will be implemented in the third quarter.

Third quarter prospects

Continued trend of good demand but weak mix is expected. Compared to last year, when the floods in England strengthen the net sales and earnings, the absence of large weather events affects negative.

HumiCool Division

The HumiCool Division is divided into four business areas: AgHort, Mist Elimination, HVAC and PreCooler.

SEK M	Second quarter		Jan-Jun	
	2008	2007	2008	2007
Order intake	525	518	961	983
Change	1%		-2%	
Adjusted change ¹	1%		-3%	
Net sales	433	414	883	843
Change	5%		5%	
Adjusted change ¹	4%		3%	
Operating earnings before on time costs	54	55	118	114
Operating margin	12.4%	13.3%	13.3%	13.6%
Operating earnings	44	55	96	114
Operating margin	10.2%	13.3%	10.8%	13.6%

- Favorable order intake in most business areas
- Continued low order intake from coal-fired plants in the US
- Strong earnings despite weak USD

Second quarter

Adjusted order intake during the quarter was up 1%, driven by the continued very low order intake to Mist Elimination in the US due to the slowdown in order intake from manufacturers of treatment plants for coal-fired power plants, which, in turn, was driven by extensive construction delays. Underlying market demand for AgHort products remained strong, although the very cool and rainy early summer weather in Continental Europe and North America temporarily had a slight adverse impact on demand. Net sales rose 4%, adjusted for currency effects and acquisitions, since the lower demand from coal-fired power plants in the US has not yet had a full impact on sales.

Earnings remain robust in all business areas except HVAC, which was affected by the annual low season for heaters. The weak USD/EUR exchange rate also continued to burden earnings during the quarter. Costs for the MEP² project amounted to SEK 10 M during the quarter, primarily as a result of the relocation of production to China and redundancies in Mist Elimination in Aachen, Germany.

Third quarter prospects

Continued good development in AgHort. The continued slow order activity in Mist Elimination expects to negatively impact net sales during the third quarter.

¹ Pro forma, adjusted for currency effects, and acquisitions and divestment.

EVENTS AFTER THE CLOSE OF THE QUARTER

On July 9, Munters acquired Västgöta Torkteknik AB and further strengthened its position as a leader in the restoration of water damage in Sweden. The company's work focuses on moisture and water damage and sales of about SEK 4 M were generated in 2007.

On July 10, Munters entered into an agreement to acquire the Belgium-based company Ateliers Toussaint Nysse SA, a manufacturer of high-quality air conditioning systems. The acquisition supplements Munters' range of products in energy-efficient air treatment. The company has approximately 150 employees and generated sales of SEK 160 M (EUR 17 M) in 2007. The acquisition was based on an enterprise value of SEK 72 M (EUR 7.7 M). The final purchase price will depend on the company's net debt. Completion of the transaction also depends on the fulfillment of a number of conditions by the seller, and the acquisition is expected to be finalized in a few months. In 2007, Toussaint Nysse had EBIT of SEK 11.8 M (EUR 1.25 M) before depreciation and amortization. The acquisition is expected to have a positive effect on Munters' earnings per share in 2008.

SIGNIFICANT RISKS AND UNCERTAINTIES

Munters' exposure to risk can be divided into two categories: operational risks, such as those due to weather, dependence on key personnel and key customers, and geographically dispersed operations involving small operational units, on the one hand, and financial risks, consisting mainly of currency, interest and financing risks, on the other.

Munters' acquisition frequency has increased, which could result in integration-related risks. During the current and past year, financial risks – primarily interest-rate risks and currency risks – are deemed to have increased somewhat due to increased external borrowing as a result of acquisitions and share redemptions. A more detailed description of the Group's and Parent Company's risk exposure and risk management activities is available in the "Risk management" section on pages 30-31 of the Munters Annual Report for 2007, at www.munters.com.

FORWARD-LOOKING STATEMENTS

Some statements in this report are forward-looking, and the actual outcomes may be materially different. In addition to the factors explicitly discussed, other factors could have a material impact on actual outcomes. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political risks, the impact of competing products and their pricing, product development, commercialization and technological difficulties, interruptions in supply, and major customer-related bad debts.

TRANSACTIONS WITH RELATED PARTIES

There are no significant contractual relationships or transactions between Munters and its related parties, apart from the remuneration of senior executives.

PARENT COMPANY

The Parent Company's earnings after financial items during the period amounted to SEK 47 M (144). There were no external net sales (in common with the year-earlier period). Cash and cash equivalents at the close of the period amounted to SEK 0 M (80) and net debt to SEK 1,354 M (1,186). Capital expenditure totaled SEK 6 M (8). The number of employees at the end of the period was 30 (28).

FUTURE INFORMATION DATES

October 24	January-September interim report
February 12	Year-End Report

PRESS AND ANALYSTS CONFERENCE

Munters will hold a press conference for the media, analysts and investors on Wednesday, August 13, at 10:00 am at Berns, Berzelii Park, Stockholm, in the Kilsalen venue.

The presentation may also be monitored by telephone: +46 8 5051 3792 or +44 20 7806 1968 (UK) or +1 718 354 1390 (US), code 1149509.

The undersigned give their assurance that the interim report provides a true and fair view of the Parent Company's and the Group's operations, their financial position and earnings, and describes the material risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Kista, August 13, 2008

Anders Ilstam
Chairman of the board

Kenneth Eriksson
Board member

Bengt Kjell
Board member

Eva-Lotta Kraft
Board member

Sören Mellstig
Board member

Jan Svensson
Board member

Pia Nordquist
Board member

Kjell Wiberg
Board member

Kjell Åkesson
Board member

Lars Engström
President and Chief Executive Officer
Board member

Munters discloses the information provided herein pursuant to the Swedish Securities Exchange Act and/or the Financial Instruments Trading Act. The information was submitted for publication on August 13, 2008 at 8:00 am (CET).

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This interim report, along with other information, is available on www.munters.

AUDITOR'S REVIEW REPORT

To the Board of Directors of Munters AB (publ)

Introduction

We have conducted a review of the interim report of Munters AB as at June 30, 2008 and for the period January 1 to June 30, 2008. The Board of Directors and the President are responsible for the preparation and fair presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of review

We conducted our review in accordance with the International Standard on Review Engagements, SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other general review procedures. A review has a different direction and is substantially more limited in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not in all material respects been prepared, as regards the consolidated information, in accordance with IAS 34 and the Annual Accounts Act, and as regards the Parent Company information, in accordance with the Annual Accounts Act.

Stockholm, August 13, 2008

Ernst & Young AB

Björn Fernström
Authorized Public Accountant

Amounts in SEK M	2008 Apr-Jun 3 months	2007 Apr-Jun 3 months	2008 Jan-Jun 6 months	2007 Jan-Jun 6 months	2007/2008 Jul-Jun 12 months	2007 Jan-Dec 12 months
Order intake	1,686	1,688	3,272	3,215	6,464	6,407
Income statement						
Net sales	1,548	1,524	3,092	2,928	6,426	6,262
Cost of goods sold	-1,150	-1,097	-2,279	-2,097	-4,685	-4,503
Gross earnings	398	427	813	831	1,741	1,759
Gross margin	25.7%	28.0%	26.3%	28.3%	27.1%	28.1%
Other operating income	0	-	7	1	6	0
Selling expenses	-160	-168	-327	-321	-659	-653
Administrative expenses	-121	-122	-243	-232	-475	-464
Research and development costs	-21	-18	-41	-33	-78	-70
Other operating expenses	-1	0	-5	0	-11	-6
EBIT - Earnings before interest and tax	95	119	204	246	524	566
EBIT margin	6.1%	7.8%	6.6%	8.4%	8.2%	9.0%
Financial income and expenses	-18	-9	-36	-15	-61	-40
Earnings after financial income	77	110	168	231	463	526
Taxes	-28	-40	-61	-83	-168	-190
Net earnings	49	70	107	148	295	336
Attributable to equity holders of the parent	48	70	106	147	291	332
Attributable to minority interest	1	0	1	1	4	4
Earnings per share, SEK	0.66	0.95	1.44	1.99	3.94	4.49
Earnings per share - after dilution, SEK	0.66	0.95	1.44	1.99	3.94	4.49
Order intake by division						
Dehumidification Division	528	556	1,014	999	2,016	2,001
MCS Division	643	634	1,315	1,267	2,678	2,630
HumiCool Division	525	518	961	983	1,815	1,837
Eliminations	-10	-20	-18	-34	-45	-61
Order take	1,686	1,688	3,272	3,215	6,464	6,407
Net sales by division						
Dehumidification Division	478	527	911	898	1,949	1,936
MCS Division	645	605	1,314	1,219	2,719	2,624
HumiCool Division	433	414	883	843	1,805	1,765
Eliminations	-8	-22	-16	-32	-47	-63
Net sales	1,548	1,524	3,092	2,928	6,426	6,262
Operating earnings by division						
Dehumidification Division	45	69	78	107	205	234
operating margin	9.5%	13.1%	8.6%	11.9%	10.5%	12.1%
MCS Division	14	10	50	48	131	129
operating margin	2.2%	1.7%	3.8%	4.0%	4.8%	4.9%
HumiCool Division	44	55	96	114	233	251
operating margin	10.2%	13.3%	10.8%	13.6%	12.9%	14.2%
Central, eliminations etc.	-6	-14	-16	-21	-35	-40
EBIT before amortizations, interest and tax	97	120	208	248	534	574
Amortizations on acquisition related intangible assets	-2	-1	-4	-2	-10	-8
EBIT - Earnings before interest and tax	95	119	204	246	524	566

Amounts in SEK M	2008 30 Jun	2008 31 Mar	2007 31 Dec	2007 30 Jun
Balance sheet				
Assets				
Fixed assets				
Tangible assets				
Buildings and land	185	164	172	175
Plant and machinery	139	134	144	135
Equipment, tools, fixtures and fittings	261	250	262	254
Construction in progress	7	29	22	11
	592	577	600	575
Intangible assets				
Patent, licenses, trademarks and similar rights	107	103	110	75
Goodwill	804	773	794	768
	911	876	904	843
Other fixed assets				
Participation in associated companies	2	2	2	5
Other long-term receivables	19	20	19	16
Deferred tax assets	86	85	62	78
	107	107	83	99
	1,610	1,560	1,587	1,517
Current assets				
Inventory etc.	622	577	536	581
Accounts receivable	1,182	1,197	1,292	1,096
Other receivables	192	179	171	162
Liquid funds	242	242	276	291
	2,238	2,195	2,275	2,130
Total assets	3,848	3,755	3,862	3,647
Equity and liabilities				
Equity	1,076	1,198	1,202	1,066
Long-term liabilities				
Interest-bearing liabilities	1,332	1,155	1,168	18
Provisions	163	168	165	174
Deferred tax liabilities	69	70	47	45
Other liabilities	8	1	3	3
	1,572	1,394	1,383	240
Short-term liabilities				
Interest-bearing liabilities	60	59	32	1,264
Advances from customers	89	86	99	82
Accounts payable	460	414	496	426
Provisions	73	64	66	72
Other liabilities	518	540	584	497
	1,200	1,163	1,277	2,341
Total equity and liabilities	3,848	3,755	3,862	3,647

Consolidated statement of recognized income and expense

Income and expenses recognized in equity	2008 Jan-Jun	2008 Jan-Mar	2007 Jan-Dec	2007 Jan-Jun
Actuarial gains and losses related to pensions, including special employer's contribution	-1	-2	3	0
Cash flow hedges	-1	-3	-1	-1
Exchange differences on translation of foreign operations	-44	-59	10	64
Tax on items reported directly in equity	0	2	0	0
Total transactions reported in equity	-46	-62	12	63
Net earnings for the period	107	58	336	148
Total income and expenses recognized for the period, net	61	-4	348	211
Attributable to:				
Equity holders of the parent	60	-4	344	211
Minority interest	1	0	4	1
	61	-4	348	212

Amounts in SEK M	2008 Apr-Jun 3 months	2007 Apr-Jun 3 months	2008 Jan-Jun 6 months	2007 Jan-Jun 6 months	2007/2008 Jul-Jun 12 months	2007 Jan-Dec 12 months
Cash flow statement						
Current operations						
Earnings after financial items	77	110	168	231	463	526
Reversal of depreciation etc.	38	38	81	75	162	156
Other earnings items not affecting cash flow	4	-1	0	-9	-10	-19
Taxes paid	-46	-82	-99	-105	-181	-187
Cash flow from current operations before changes in working capital	73	65	150	192	434	476
<i>Cash flow from changes in working capital</i>						
Changes in inventory	-35	-54	-100	-82	-46	-28
Changes in accounts receivable	26	5	78	91	-115	-102
Changes in other receivables	-3	19	-19	-7	-27	-15
Changes in accounts payable	42	8	-28	-48	51	31
Changes in other liabilities	-48	17	-26	-3	10	33
Sum of changes in working capital	-18	-5	-95	-49	-127	-81
Cash flow from current operations	55	60	55	143	307	395
Investing activities						
Acquisitions and disposals of businesses	-21	-253	-21	-255	-82	-316
Investments in intangible assets	-2	0	-3	-5	-23	-25
Investments in tangible assets	-41	-53	-84	-87	-182	-185
Sales of tangible assets	1	0	2	1	5	4
Change in other financial assets	0	1	0	1	-1	0
Cash flow from current operations	-63	-305	-106	-345	-283	-522
Financing activities						
Changes in loans	192	981	208	936	119	847
Dividend paid	-185	-166	-185	-166	-185	-166
Redemption of shares	-	-494	-	-494	-	-494
Sale of treasury stock	-	-1	-	11	-	11
Cash flow from investing activities	7	320	23	287	-66	198
Cash flow for the period	-1	75	-28	85	-42	71
Liquid funds at the beginning of the period	242	216	276	201	291	201
Exchange-differences in liquid funds	1	0	-6	5	-7	4
Liquid funds at end of the period	242	291	242	291	242	276
Operating cash flow	13	8	-30	53	106	189
Key figures						
More key figures are disclosed in the quarterly review						
Capital turnover rate, times	-	-	2.5	2.8	2.5	2.7
Return on capital employed, %	-	-	20.8	26.1	20.8	24.8
Return on equity, %	-	-	26.1	23.0	26.1	25.7
Interest coverage ratio, times	5.5	11.1	5.9	15.0	7.5	10.7
Net debt structure						
Short-term interest-bearing liabilities	-	-	60	1,264	60	32
Long-term interest-bearing liabilities	-	-	1,332	18	1,332	1,168
Defined benefit plans etc.	-	-	142	147	142	144
Interest-bearing liabilities	-	-	-242	-291	-242	-276
Net debt	-	-	1,292	1,138	1,292	1,068

Quarterly overview - consolidated earnings, share data and cash flow

Amounts in SEK M	2008		2007				2006			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	1,686	1,586	1,518	1,674	1,688	1,527	1,311	1,362	1,573	1,515
Income statement										
Net sales	1,548	1,545	1,737	1,597	1,524	1,404	1,462	1,408	1,456	1,386
Operating expenses	-1,453	-1,437	-1,566	-1,448	-1,405	-1,277	-1,319	-1,268	-1,327	-1,268
EBIT	95	108	171	149	119	127	143	140	129	118
EBIT margin	6.1%	7.0%	9.8%	9.3%	7.8%	9.0%	9.8%	9.9%	8.8%	8.5%
Financial income and expense	-18	-17	-12	-13	-9	-6	-3	-4	-4	-5
Earnings after financial items	77	91	159	136	110	121	140	136	125	113
Taxes	-28	-33	-58	-49	-40	-43	-48	-50	-46	-42
Net earnings	49	58	101	87	70	78	92	86	79	71
Depreciations and impairments	38	43	41	40	38	37	28	32	30	46
Share data^{1,3}										
Earnings per share, SEK	0.66	0.78	1.34	1.16	0.95	1.04	1.23	1.15	1.06	0.96
Earnings per share after dilution, SEK	0.66	0.78	1.34	1.16	0.95	1.04	1.23	1.15	1.06	0.96
Average no of shares outstanding, thousand	73,933	73,933	73,898	73,887	73,863	73,791	73,749	73,743	73,743	73,743
No of shares outstanding at period-end, thousand	73,933	73,933	73,933	73,933	73,933	73,933	73,785	73,746	73,743	73,743
Number of treasury shares, thousand	1,067	1,067	1,067	1,067	1,067	1,067	1,215	1,254	1,257	1,257
Equity per share, SEK	14.48	16.11	16.16	14.51	14.36	22.13	20.33	19.66	18.48	20.04
Stock price at period-end, SEK	57.25	68.50	76.75	93.00	107.50	100.67	106	95	80	88
Market cap at period-end, SEK M ²	4,294	5,138	5,756	6,975	8,063	7,550	7,925	7,100	6,013	6,613
Cash flow statement										
From current operations	55	0	210	42	60	83	112	184	138	96
From investing operations	-63	-43	-49	-128	-305	-40	-210	-45	-28	-4
From financing operations	7	16	-194	105	320	-33	3	-50	-140	-19
Cash flow for the period	-1	-27	-33	19	75	10	-95	89	-30	73
Operating cash flow	13	-43	161	-25	8	45	61	138	110	66

¹ The periods Q4 2005 to Q3 2006 have been restated in accordance with new option in IAS 19 applied in 2006.

² The market cap is calculated on total number of issued shares, including treasury shares.

³ Historical data for the share are adjusted for the share split, redemption and bonus issue performed in Q2 2007.

Quarterly overview - Consolidated balance sheet and key figures

Amounts in SEK M	2008		2007				2006 ¹			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Balance sheet										
Assets										
Fixed assets										
Tangible assets	592	577	600	581	575	550	538	507	497	520
Intangible assets	911	876	904	879	843	609	586	370	370	379
Other fixed assets	107	107	83	101	99	79	80	83	84	85
	1,610	1,560	1,587	1,561	1,517	1,238	1,204	960	951	984
Current assets										
Inventory etc.	622	577	536	614	581	498	458	472	464	471
Accounts receivable	1,182	1,197	1,292	1,172	1,096	1,077	1,132	994	1,040	1,066
Other receivables	192	179	171	182	162	181	149	151	161	150
Liquid funds	242	242	276	307	291	216	201	297	213	248
	2,238	2,195	2,275	2,275	2,130	1,972	1,940	1,914	1,878	1,935
Total assets	3,848	3,755	3,862	3,836	3,647	3,210	3,144	2,874	2,829	2,919
Equity and liabilities										
Equity	1,076	1,198	1,202	1,077	1,066	1,640	1,506	1,454	1,367	1,483
Long-term liabilities	240	239	215	234	222	215	204	193	190	183
Interest-bearing liabilities	1,392	1,214	1,200	1,401	1,282	268	315	273	323	332
Accounts payable	460	414	496	445	426	416	435	320	344	328
Other short-term liabilities	680	690	749	679	651	671	684	634	605	593
Total equity and liabilities	3,848	3,755	3,862	3,836	3,647	3,210	3,144	2,874	2,829	2,919
Key figures										
Equity ratio, %	28.0	31.8	31.1	28.1	29.2	51.1	47.9	50.6	48.3	50.8
Net debt, SEK M	1,292	1,119	1,068	1,245	1,138	209	257	127	258	229
Net debt ratio, times	1.20	0.93	0.89	1.16	1.07	0.13	0.17	0.09	0.19	0.15
Interest coverage ratio, times	5.5	6.3	8.9	8.9	11.1	22.2	21.1	28.3	27.2	24.9
Investments in tangible assets, SEK M	41	43	42	56	53	34	53	44	26	30
Number of employees at period-end	4,083	4,099	4,043	3,982	3,915	3,669	3,552	3,449	3,400	3,365

¹ The periods Q4 2005 to Q3 2006 have been restated in accordance with new option in IAS 19 in 2006.

Definition of the financial key figures can be found on page 73 in the Annual Report 2007.

Quarterly overview - Divisions

Amounts in SEK M	2008		2007				2006			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake										
Dehumidification Division	528	487	460	541	556	444	355	443	465	430
MCS Division	643	672	673	690	634	633	636	601	654	650
HumiCool Division	525	436	395	460	518	465	333	340	462	450
Eliminations	-10	-9	-10	-17	-20	-15	-13	-22	-8	-15
Order intake	1,686	1,586	1,518	1,674	1,688	1,527	1,311	1,362	1,573	1,515
Net sales										
Dehumidification Division	478	433	534	504	527	371	432	423	419	360
MCS Division	645	669	739	666	605	614	686	638	635	660
HumiCool Division	433	451	476	446	414	429	361	367	411	376
Eliminations	-8	-8	-12	-19	-22	-10	-17	-20	-9	-10
Net sales	1,548	1,545	1,737	1,597	1,524	1,404	1,462	1,408	1,456	1,386
Operating earnings										
Dehumidification Division	45	33	72	55	69	38	65	51	49	29
operating margin	9.5%	7.6%	13.5%	11.0%	13.1%	10.2%	15.0%	11.9%	11.8%	8.1%
MCS Division	14	36	39	42	10	38	45	39	29	46
operating margin	2.2%	5.3%	5.3%	6.3%	1.7%	6.2%	6.5%	6.1%	4.6%	7.0%
HumiCool Division	44	51	73	64	55	59	44	56	62	51
operating margin	10.2%	11.4%	15.3%	14.3%	13.3%	13.8%	12.2%	15.2%	15.2%	13.6%
Group overheads, eliminations etc.	-8	-12	-13	-12	-15	-8	-11	-6	-11	-8
Earnings before interest and tax	95	108	171	149	119	127	143	140	129	118
EBIT margin	6.1%	7.0%	9.8%	9.3%	7.8%	9.0%	9.8%	9.9%	8.8%	8.5%
Operating capital										
Dehumidification Division	480	476	481	477	488	384	383	394	392	395
MCS Division	856	871	895	885	790	805	811	779	779	824
HumiCool Division	567	542	497	494	492	452	391	392	399	436
Central, eliminations	52	65	69	77	49	30	34	12	16	13
Operating capital	1,955	1,954	1,942	1,933	1,819	1,671	1,619	1,577	1,586	1,668
Permanent employees										
Dehumidification Division	1,196	1,184	1,180	1,151	1,126	913	900	890	877	867
MCS Division	1,952	1,938	1,918	1,903	1,916	1,906	1,845	1,842	1,830	1,784
HumiCool Division	914	959	924	911	855	832	789	698	672	695
Central	21	18	21	17	18	18	18	19	21	19
Number of permanent employees	4,083	4,099	4,043	3,982	3,915	3,669	3,552	3,449	3,400	3,365

Amounts in SEK M	2008 Apr-Jun 3 months	2007 Apr-Jun 3 months	2008 Jan-Jun 6 months	2007 Jan-Jun 6 months	2007/2008 Jul-Jun 12 months	2007 Jan-Dec 12 months
MUNTERS AB						
Income statement						
Net sales	12	12	24	25	50	51
Cost of goods sold	-	-	-	-	-	-
Gross earnings	12	12	24	25	50	51
Other operating income	1	0	2	1	3	2
Selling expenses	0	0	0	0	0	0
Administrative expenses	-26	-21	-50	-40	-88	-78
Other operating expenses	0	-	0	0	-1	-1
EBIT - Earnings before interest and tax	-13	-9	-24	-14	-36	-26
Financial income and expenses	24	125	71	158	196	283
Earnings after financial items	11	116	47	144	160	257
Transfer to tax allocation reserve	-	-	-	-	-15	-15
Income taxes	2	4	11	-3	18	4
Net earnings	13	120	58	141	163	246

	2008 30 Jun	2008 31 Mar	2007 31 Dec	2007 30 Jun
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Balance sheet

Assets

Fixed assets

Tangible assets

Equipment, tools, fixtures and fittings	23	21	19	19
	23	21	19	19

Intangible assets

Patent, licenses and similar rights	18	17	17	6
	18	17	17	6

Financial assets

Participation in subsidiaries	716	690	690	659
Receivables from subsidiaries	1,432	1,368	1,385	1,284
	2,148	2,058	2,075	1,943
	2,189	2,096	2,111	1,968

Current assets

Receivables from subsidiaries	85	93	82	78
Other receivables	21	22	18	23
Liquid funds	0	64	75	80
	106	179	175	181

Total assets	2,295	2,275	2,286	2,149
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Equity and liabilities

Equity	786	957	912	761
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Untaxed reserves

	15	15	15	-
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Long-term liabilities

Interest-bearing liabilities	1,316	1,138	1,137	-
Provisions	38	37	37	36
	1,354	1,175	1,174	36

Short-term liabilities

Interest-bearing liabilities	-	-	-	1,230
Liabilities to subsidiaries	97	98	152	44
Accounts payable	6	3	6	2
Other liabilities	37	27	27	76
	140	128	185	1,352

Total equity and liabilities	2,295	2,275	2,286	2,149
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Notes

Note 1. Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The accounting principles and calculation methods applied in this interim report remain unchanged compared with the principles and methods applied in the 2007 Annual Report.

Note 2. Changes in equity

	2008 June 30	2008 March 31	2007 Dec 31	2007 June 30
Equity at the beginning of the year	1,202	1,202	1,506	1,506
Total recognized income and expenses for the period	61	-4	348	211
Change in minority interest	-2	0	-3	-2
Sales of treasury shares	-	-	11	11
Dividend	-185	-	-166	-166
Redemption of treasury shares	-	-	-494	-494
Equity at the end of the period	1,076	1,198	1,202	1,066

Note 3. Acquisition of operations

Munters Form

On April 30, 2008, Munters acquired 80% of the Turkish company Munters-Form Endüstri Sistemleri Sanayi ve Ticaret A.Ş. Munters-Form is primarily active in the dehumidification area, ventilation products for the agriculture sector and precoolers for gas turbines. The company was consolidated on May 1, 2008. The acquired operations contributed SEK 21 M in revenues and slightly more than SEK 3 M in earnings before tax for the period May 1, 2008 to June 30, 2008. If the acquisition had taken place on January 1, 2008, the company would have contributed SEK 30 M in revenues and slightly more than SEK 5 M in profit.

Information on acquired preliminary net assets and goodwill is as follows:

Purchase consideration	
- purchase consideration paid in cash	21
- expenses directly attributable to the acquisition	1
Sub-total acquisition value	22
Additional purchase consideration – estimated	7
Total acquisition value	29
Fair value of acquired net assets	-6
Minority interest	1
Goodwill	24

Goodwill is attributable to anticipated future synergies and expansion opportunities primarily in distribution in the region and neighboring countries.

The acquired company's net assets at the time of acquisition:	Carrying amounts	Fair value adjustment	Fair value
Tangible fixed assets	0		0
Intangible assets – customer relationships	0	5	5
Current assets	5		5
Non-interest-bearing receivables	5		5
Cash and cash equivalents	1		1
Interest-free liabilities (including deferred tax liabilities)	-9	-1	-10
Net identifiable assets and liabilities	2	4	6

Purchase consideration paid in cash and expenses directly attributable to the acquisition	22
Cash and cash equivalents at the time of the acquisition	-1
Change in the Group's cash and cash equivalents at the time of the acquisition.	21

The distribution of the acquisition value has not been finally determined.

Västgöta Torkteknik Aktiebolag

The Swedish company Västgöta Torkteknik Aktiebolag was acquired on July 9, 2008. Munters acquired 100% of the shares. The company works in the field of moisture and water damage in the County of Skaraborg, Sweden. It was consolidated from July 2008.

This document is a translation of the Swedish version. In the event of any discrepancies between this translation and the Swedish version, the Swedish version shall prevail.