



## PRESS RELEASE

13 August 2002

### MUNTERS AB PRELIMINARY REPORT, 1 January – 30 June 2002

	2002	2001	
	Jan - Jun	Jan-Jun	Change
Order intake, SEK M	2 303	1 934	+ 19 %
Net sales, SEK M	2 201	1 811	+ 22 %
Operating earnings, SEK M	200	164	+ 22 %
- as a percentage of net sales	9.1	9.1	-
Earnings before taxes, SEK M	187	158	+ 18 %
- as a percentage of net sales	8.5	8.7	-
Earnings per share, SEK	4.58	3.83	+ 20 %

- Operating earnings increased by 22 per cent to SEK 200M
- Five acquisitions, whereof two after the end of June will add annual net sales of SEK 900M
- After the acquisitions Service (MCS and after sales) represents nearly 50 per cent of net sales
- Earnings per share rose by 20 per cent to SEK 4.58

#### MUNTERS OPERATIONS

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

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

Operations are divided into three geographic regions – Europe, the Americas and Asia. In each region, operations are subdivided into the divisions: Dehumidification, Moisture Control Services (MCS) and HumiCool. Manufacturing and sales are carried out via the Group's own companies in more than 25 countries. The Group had 3,043 employees at the quarter end.

#### MARKET TRENDS

The market in Europe continued to improve in all divisions, especially within the MCS operations. Implemented acquisitions within MCS were positively received by customers.

Despite the uncertain economy, the markets in America showed continued growth within the Dehumidification division, especially for industrial applications, and HumiCool. During the quarter, the market situation improved for Munters' Zeol system,

which is significantly dependent on demand from the semiconductor industry, following a dramatic fall in the previous quarters. In the previous year, MCS reported a significant demand for service assignments relating to water damage restoration after Hurricane Allison, Texas, which has led to reduced demand during the reporting period.

Demand was high in Australia and Thailand, whereas activities in Japan and South-East Asia remained low.

#### SECOND QUARTER 2002

During the second quarter, order intake increased by 19 per cent to SEK 1,159M (974). When adjusted for currency fluctuations, the order intake for comparable units rose by seven per cent.

Net sales of the Munters Group rose by 20 per cent to SEK 1,149M (960). When adjusted for currency fluctuations, the sales increase for comparable units was eight per cent.

Compared with the second quarter in the previous year, consolidated operating earnings improved by 24 per cent to SEK 114M (92), equivalent to an operating margin, inclusive of goodwill amortisation, of 9.9 per cent (9.6). When adjusted for currency fluctuations, operating earnings for comparable units increased by 18 per cent.

At 1 May, Munters acquired all the shares in

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

### **FIRST SIX MONTHS 2002**

During the first six months of the year, order intake increased by 19 per cent to SEK 2,303M (1,934). When adjusted for currency fluctuations, the increase in order intake for comparable units was four per cent. At the period end, the backlog was SEK 659 (669). When adjusted for currency fluctuations and comparable units, this is equivalent to an increase of 10 per cent.

Net sales of the Munters Group rose by 22 per cent to SEK 2,201M (1,811). When adjusted for currency fluctuations, the sales increase for comparable units was seven per cent.

Distributed by region, net sales increased by 35 per cent in Europe, seven per cent in the Americas and 13 per cent in Asia.

Consolidated operating earnings, including goodwill amortisation, amounted to SEK 200M (164), an improvement of 22 per cent. Operating earnings were affected positively by exchange rates fluctuations by SEK 2M. The operating margin, including goodwill amortisation, amounted to 9.1 per cent (9.1). For comparable units, the operating margin was 9.7 per cent.

Consolidated earnings before taxes increased by 18 per cent to SEK 187M (158). Net earnings for the period improved by 20 per cent to SEK 114M (96) after an effective tax rate of just under 39 per cent (39). Earnings per share increased to SEK 4.58 (3.83).

Net sales increased through organic growth within all divisions and also through acquisitions within MCS and HumiCool. In addition, sales increased as a result of the launch of new products and increased value content in implemented deliveries. The earnings improvement is due to increased net sales, a favourable product mix and implemented rationalisation, especially relating to indirect costs.

### **FINANCIAL POSITION**

The equity ratio fell during the reporting period as a result of implemented acquisitions, and amounted to 42.0 per cent on 30 June (31 December 2001: 45.4 per cent). Liquid funds were SEK 65M (79) and interest-bearing liabilities (including PRI pensions) were SEK 446M (416). During the year, the net debt has increased by SEK 185M, of which financing of acquisitions accounts for SEK 163M, and amounted to SEK 381M at the end of the reporting period. The Group has unutilised loan facilities of approximately SEK 130M.

### **INVESTMENTS**

The Group's capital expenditure amounted to SEK 93M (64). The majority relates to investment in dehumidifiers for MCS and production and IT equipment. Depreciation amounted to SEK 74M (59)

during the period, of which goodwill amortisation accounted for SEK 12M (6).

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

### **PERSONNEL**

At the end of the reporting period, the number of staff was 3,043, an increase of 464 during the period. Within Europe, the number increased by 419; within the Americas by 17; and within Asia by 26. The MCS division reported the largest increase in the number of staff, up by 369, of which approximately 325 relate to personnel in the acquired companies – Polygon AS and Alfa Service Senter AS.

In accordance with the decision by the Annual General Meeting, senior executives have been offered to subscribe for call options in Munters AB at a market price of SEK 25.60. In total, 37 employees have subscribed for 114,000 call options. The exercise price is set at SEK 315 per share, equivalent to 145 per cent of the average highest and lowest price paid for Munters shares on the Stockholm Stock Exchange during the period 30 April -7 May 2002. The call options can be exercised for acquisition of shares in Munters AB during the period 1 September 2005 – 31 March 2006. The price of the call options is 40 per cent subsidised by Munters, subject to the conditions of employment remaining in force at the end of the exercise period for the call options.

### **REGIONS**

#### *EUROPE*

During the reporting period, order intake in Europe increased by 34 per cent to SEK 1,290M (960). Net sales rose by 35 per cent to SEK 1,235M (913). When adjusted for currency fluctuations, the sales increase was nine per cent for comparable units. Operating earnings improved by 31 per cent and amounted to SEK 97M (74). Of this, acquired units, excluding goodwill amortisation, contributed SEK 14M. Earnings were affected positively by increased net sales within HumiCool and MCS and by positive currency effects.

The Dehumidification division reported a normal start to the year for order intake and sales, and improved operating earnings. Growth was high in Northern Europe, whereas Southern Europe reported weak growth. Growth is mainly driven by strong demand in the food and pharmaceutical industries.

The MCS division enjoyed continued growth. Order intake, sales and operating earnings improved compared with the corresponding period in the previous year. Implemented acquisitions contributed a sales increase of SEK 228M during the period.

The HumiCool division reported increased order intake, sales and marginally improved operating earnings. Growth remains high in cooling systems for the poultry industry and for mist eliminators. The water treatment operation and products for cooling of inlet air to gas turbines reported a weak trend.

#### *AMERICAS*

During the reporting period, order intake in the Americas rose by three per cent to SEK 813M (794). Net sales increased by seven per cent to SEK 783M (731). When adjusted for currency fluctuations and comparable units, net sales rose by three per cent.

Operating earnings during the period amounted to SEK 99M (82). Earnings during the reporting period were positively influenced by increasing sales and a favourable product mix.

The Dehumidification division reported continued strong order intake, sales and earnings with the exception of the Zeol operation which mainly sells to the semiconductor industry. However, during the second quarter, order intake for Zeol was higher than during the corresponding period in the previous year. Order intake for dehumidification units for industrial applications and department stores showed continued high growth which fully compensated for the fall within Zeol.

The MCS division reported a significant fall in order intake. During the second quarter of 2001 it received an order of a 'one-off nature' for SEK 40M relating to Hurricane Allison. Industrial applications for temporary dehumidification enjoyed a continued positive trend. However, operating earnings fell compared with the previous year.

The HumiCool division reports continuing growth. Order intake, sales and operating earnings improved significantly compared with the previous year. During the first quarter, Munters acquired its American competitor, Glacier-Cor, for the production of evaporative cooling components for the poultry industry. Sales of components for mist eliminators also showed a significant growth.

#### ASIA

Munters' operations in Asia reported a positive trend in order intake, sales and earnings despite a low level of activity in Japan.

During the reporting period, order intake increased by 13 per cent to SEK 237M (209). Net sales rose by 13 per cent to SEK 221M (195). When adjusted for currency fluctuations it represented an increase of 15 per cent. Operating earnings increased by three per cent to SEK 23M (23).

The Dehumidification division reported a slight fall in order intake, sales and operating earnings, mainly due to the delayed start-up of the new production unit in China. During the second quarter, the operation in China enjoyed a positive trend.

The MCS division reported continued growth in order intake and sales, and operating earnings improved during the second quarter. Measures implemented during the fourth quarter 2001 have made an impact during the latest quarter.

The HumiCool division enjoyed a continued strong increase in order intake, sales and operating earnings. The HumiCool operations in Thailand and Australia, in particular, reported a strong trend. The positive development of the poultry industry in Thailand and China has a positive effect on the HumiCool operation. Components for evaporative cooling systems showed a positive trend in Australia.

#### ACQUISITIONS DURING FIRST HALF OF 2002

In January, Munters acquired the assets, liabilities and the operations of its American competitor, Glacier-Cor. The company is one of the three largest manufacturers of components for evaporative cooling and reported sales of approximately SEK 50M in 2001. The acquisition price, USD 1.9M, does not give rise to any goodwill. Munters is already the largest company in the world in this sector and the

acquisition is aimed at strengthening still further Munters HumiCool operation in the American market.

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

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

#### PARENT COMPANY

The parent company's earnings before taxes amounted to SEK -5M (-11). There were no net sales. Liquid funds were 0 (31 December 2001: SEK 41M) and the net debt amounted to SEK 383M (31 December 2001: SEK 271M). Investment amounted to SEK 1.3M (1.2) and the number of employees was 20 (16).

#### SUBSEQUENT EVENTS

In July, Munters acquired all the operations within fire damage restoration from the German group, Svt (System- und Verfahrenstechnik GmbH). Since 2000, Munters and Svt have collaborated closely to offer insurance companies and property owners a total solution after water and fire damage. Svt reports net sales of approximately SEK 180M and has 65 employees who work in a network with 10 depots which cover the German market. The acquisition is aimed at strengthening still further Munters' position within water and fire damage restoration in the German market. The acquisition will be made in a combined share, assets and liabilities transaction. The total purchase price includes a fixed price of approximately SEK 90M and a portion which is based on the company's operating earnings during 2002 and 2003. However, this portion will not be more than SEK 45M. The payment will be made in cash. The acquisition will be consolidated in Munters from July 2002 and gives rise to goodwill of

approximately SEK 125M which will be amortised over 10 years.

In July, Munters acquired all the shares in Aerotech Inc., a leading supplier of evaporative cooling and ventilation systems, mainly to the poultry industry in the USA. Aerotech has its head office in Mason, Michigan and has a well-established sales and distribution network which covers the whole of the USA. The company has around 80 employees and reported net sales of approximately SEK 180M in 2001. The acquisition is aimed at positioning Munters as the leading global supplier of cooling systems to the poultry industry. The total purchase price will not exceed SEK 107M. It consists of a fixed and a flexible portion based on Aerotech's operating earnings during 2002 and 2003. The payment will be made in cash. On the date of acquisition, Aerotech had interest-bearing liabilities of approximately SEK 20M. The acquisition will be consolidated in Munters from 1 July 2002 and gives rise to goodwill of approximately SEK 75M which will be amortised over 15 years.

All the aforementioned acquisitions are expected to make a positive impact on Munters' earnings per share as early as 2002.

#### **FUTURE INFORMATION DATES**

28 October 2002 - Interim Report  
January-September 2002  
25 February 2003 - Year-End Report 2002  
25 April 2003 - Interim Report  
January-March 2003  
7 May 2003 - Annual General Meeting

Stockholm, 13 August 2002

Lennart Evrell  
*President*

For further information, please contact:

Lennart Evrell, CEO Tel: +46 8-626 63 03  
E-mail address: lennart.evrell@munters.se  
Bernt Ingman, CFO Tel: +46 8-626 63 06  
E-mail address: bernt.ingman@munters.se

Munters AB (publ)  
Box 430  
SE-191 24 SOLLENTUNA  
Sweden  
Tel: +46 8-626 63 00  
Fax: +46 8-754 68 96

Website on the Internet: [www.munters.com](http://www.munters.com)

#### **Comments on the accounts**

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

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

## Income statement, SEK M

	— 6 months —		— 12 months —	
	2002	2001	2001/02	2001
	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Order intake	2 303	1 934	4 314	3 945
Net sales	2 201	1 811	4 284	3 894
Operating expenses *	-2 001	-1 647	-3 847	-3 493
Operating earnings	200	164	437	401
Earnings from participation in associated companies	-	4	5	9
Financial net	-13	-10	-24	-21
Earnings before taxes	187	158	418	389
Minority share	0	-	0	-
Taxes	-73	-62	-160	-149
Net earnings for the period	114	96	258	240
* Depreciation	74	59	140	125
of which amortisation of goodwill	12	6	20	14
Earnings per share before dilution, SEK, Note 2	4,58	3,83	10,32	9,57
Earnings per share after dilution, SEK, Note 2	4,58	3,83	10,32	9,57
Number of shares at period-end, million, Note 2	25	25	25	25

## Balance sheet, SEK M

	2002	2001	2001
	30 Jun	30 Jun	31 Dec
<b>Assets</b>			
<b>Fixed assets</b>			
Patents, licenses and similar rights	5	5	13
Goodwill & excess values	276	168	176
Buildings and land	217	176	171
Machinery and plant	204	223	219
Equipment, tools, fixtures and fittings	181	139	155
New construction in progress and advances	33	18	18
Shares and participations	1	39	38
Long-term receivables	23	20	14
Total fixed assets	940	788	804
<b>Current assets</b>			
Inventories	309	319	264
Trade receivables	894	803	861
Current receivables	151	103	147
Liquid funds	65	79	152
Total current assets	1 419	1 304	1 424
<b>Total assets</b>	<b>2 359</b>	<b>2 092</b>	<b>2 228</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity (no of shares 25 000 000), Note 1 and 2	991	877	1 012
Minority interest	4	-	-
Long-term liabilities and provisions	104	84	131
Long-term liabilities, interest-bearing	134	73	81
Advances from customers	45	42	77
Current liabilities	769	673	660
Current liabilities, interest-bearing	312	343	267
<b>Total shareholders' equity and liabilities</b>	<b>2 359</b>	<b>2 092</b>	<b>2 228</b>

## Key figures

	2002	2001	2001/02	2001
	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Operating margin, %	9.1	9.1	10.2	10.3
Return on capital employed, %	e.m.	e.m.	33,8	34,0
Return on shareholders' equity, %	e.m.	e.m.	27,6	26,1
Equity ratio, %	42.0	41.9	42.0	45.4
Net debt, SEK M	381	337	381	196
Net debt ratio	0.38	0.38	0.38	0.19
Interest coverage ratio	18.4	14.3	20.5	18.2
Investments in fixed assets, SEK M	93	64	169	140
Equity per share, SEK	39.66	35.1	39.66	40.49
Number of employees at period-end	3 043	2 488	3 043	2 579

## QUARTERLY SUMMARY

### Income statement, SEK M

	2000				2001				2002	
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
Order intake	791	884	784	863	960	974	982	1 029	1 144	1 159
Net sales	707	741	799	932	851	960	1 020	1 063	1 052	1 149
Operating expenses <sup>1)</sup>	-656	-676	-723	-818	-779	-868	-920	-926	-966	-1 035
Items affecting comparability	-	-	15	-	-	-	-	-	-	-
Operating earnings	51	65	91	114	72	92	100	137	86	114
Earnings from participations in associated companies	1	2	2	1	2	2	2	3	-	-
Financial net	-4	-7	-6	-7	-7	-3	-5	-6	-5	-8
Earnings before taxes	48	60	87	108	67	91	97	134	81	106
Minority share	-	-	-	-	-	-	-	-	0	0
Taxes	-19	-23	-35	-42	-26	-36	-38	-49	-32	-41
Net earnings for the period	29	37	52	66	41	55	59	85	49	65
<sup>1)</sup> of which depreciations	24	25	26	28	28	31	33	33	36	38

### Balance sheet, SEK M

	2000				2001				2002	
	31 Mar	30 Jun	30 Sep	31 Dec	31 Mar	30 Jun	30 Sep	31 Dec	31 Mar	30 Jun
<b>Assets</b>										
<i>Fixed assets</i>										
Intangible assets	162	162	161	163	174	174	190	189	250	281
Plants	447	461	491	513	538	555	560	563	670	635
Shares and participations	34	35	32	34	33	39	36	38	1	1
Long-term receivables	10	11	20	19	19	20	20	14	23	23
Total fixed assets	653	669	704	729	764	788	806	804	944	940
<i>Current assets</i>										
Inventories	214	239	263	254	291	319	324	264	326	309
Trade receivables	623	630	696	789	773	803	872	861	888	894
Current receivables	92	102	122	133	101	103	117	147	136	151
Liquid funds	127	107	90	88	98	79	120	152	151	65
Total current assets	1 056	1 078	1 171	1 264	1 263	1 304	1 433	1 424	1 501	1 419
<b>Total assets</b>	<b>1 709</b>	<b>1 747</b>	<b>1 875</b>	<b>1 993</b>	<b>2 027</b>	<b>2 092</b>	<b>2 239</b>	<b>2 228</b>	<b>2 445</b>	<b>2 359</b>
<b>Shareholders' equity and liabilities</b>										
Shareholders' equity (25 000 000 shares)	676	651	733	821	864	877	908	1 012	1 029	991
Minority share	-	-	-	-	-	-	-	-	4	4
Long-term liabilities and provisions	81	68	69	106	88	84	93	131	181	104
Long-term liabilities, interest-bearing	70	68	72	74	75	73	75	81	82	134
Advances from customers	38	39	43	50	50	42	64	77	52	45
Current liabilities and provisions	529	531	591	595	612	673	731	660	683	769
Current liabilities, interest-bearing	315	390	367	347	338	343	368	267	414	312
<b>Total shareholders' equity and liabilities</b>	<b>1 709</b>	<b>1 747</b>	<b>1 875</b>	<b>1 993</b>	<b>2 027</b>	<b>2 092</b>	<b>2 239</b>	<b>2 228</b>	<b>2 445</b>	<b>2 359</b>

### Key figures

	2000				2001				2002	
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
<b>excl items affecting comparability</b>										
Operating margin, %	7.3	8.7	9.6	12.2	8.5	9.6	9.8	12.8	8.2	9.9
Equity, %	39.5	37.3	38.8	41.2	42.6	41.9	40.5	45.4	42.1	42.0
Net debt, SEK M	258	351	349	333	316	337	322	196	345	381
Net debt ratio	0.38	0.54	0.48	41.0	0.37	0.38	0.36	0.19	0.33	0.38
Interest coverage ratio	11.6	10.5	12.9	13.8	11.3	18.0	18.9	26.1	19.6	17.7
Investments in fixed assets, SEK M	33	33	33	49	31	33	27	49	40	53
Number of shares at period-end, million	25	25	25	25	25	25	25	25	25	25
Earnings per share, SEK	1.17	1.45	1.73	2.63	1.62	2.21	2.35	3.39	1.97	2.61
Equity per share, SEK	27.03	26.06	28.97	32.83	34.56	35.10	36.30	40.49	41.16	39.27
Number of employees at period-end	2 249	2 326	2 346	2 374	2 419	2 488	2 563	2 578	2 916	3 043

### Regions

	2000				2001				2002	
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
<b>Net sales, SEK M</b>										
Europe	392	383	406	493	435	477	476	562	605	630
The Americas	261	300	312	358	331	400	449	412	364	419
Asia	67	77	95	96	100	95	109	104	96	125
Eliminations/adjustments	-13	-19	-14	-15	-15	-12	-15	-15	-13	-25
<b>Total</b>	<b>707</b>	<b>741</b>	<b>799</b>	<b>932</b>	<b>851</b>	<b>960</b>	<b>1 020</b>	<b>1 063</b>	<b>1 052</b>	<b>1 149</b>
<b>Operating earnings, SEK M</b>										
Europe	28	20	33	69	34	42	33	73	47	51
The Americas	25	38	32	45	34	52	62	50	40	58
Asia	6	10	15	9	13	10	13	15	9	14
Group overheads	-4	-3	-4	-1	-5	-7	-2	-4	-1	-4
Elimination/adjustments/provisions	-4	0	0	-8	-4	-5	-6	3	-9	-5
<b>Op.Earnings before items affecting comparability</b>	<b>51</b>	<b>65</b>	<b>76</b>	<b>114</b>	<b>72</b>	<b>92</b>	<b>100</b>	<b>137</b>	<b>86</b>	<b>114</b>
Items affecting comparability				15						

Statement of changes in Financial Position, SEK M	— 6 months—		— 12 months—	
	2002	2001	2001/02	2001
	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Earnings after financial items excl associated companies	187	155	411	379
Depreciations according to plan	74	59	140	125
Change in working capital				
trade receivables	66	-14	8	-72
inventories	-6	-65	49	-10
trade payables	6	26	1	21
advances from customers	-32	-8	3	27
Investments in tangible assets	<u>-93</u>	<u>-64</u>	<u>-169</u>	<u>-140</u>
<b>Operating cash flow</b>	<b>202</b>	<b>89</b>	<b>443</b>	<b>330</b>
Changes in other working capital	32	15	48	31
Investments in intangible assets	-	-12	-9	-21
Effect from acquired unit	-241	-	-241	-
Acquisitions of own shares, payment for warrants	-	-	-39	-39
Dividend paid	-74	-57	-74	-57
Taxes paid	-89	-55	-158	-124
Other, incl translation differences	-16	16	-14	17
<b>Change in net debt</b>	<b>-185</b>	<b>-4</b>	<b>-44</b>	<b>137</b>

The Group's net debt is defined as follows:

	2002	2001	2001
	30 Jun	30 Jun	31 Dec
SEK M			
Current loans	312	343	267
Long-term loans	56	2	7
Pensions	78	71	74
Cash and bank	<u>-65</u>	<u>-79</u>	<u>-152</u>
<b>Net debt</b>	<b>381</b>	<b>337</b>	<b>196</b>

REGIONS	2002	2001	2001/02	2001
	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
<b>Net sales, SEK M</b>				
Europe	1 235	913	2 272	1 950
The Americas	783	731	1 644	1 592
Asia	221	195	434	408
Eliminations/adjustments	-38	-28	-66	-56
<b>Total</b>	<b>2 201</b>	<b>1 811</b>	<b>4 284</b>	<b>3 894</b>
<b>Operating earnings, SEK M</b>				
Europe	97	74	204	181
The Americas	99	82	207	190
Asia	23	23	50	50
Group overheads	-5	-7	-11	-13
Eliminations/adjustments/provisions	-14	-8	-13	-7
<b>Operating earnings</b>	<b>200</b>	<b>164</b>	<b>437</b>	<b>401</b>

## NOTES

### Note 1

#### Change in equity, Group

(SEK M)	2002	2001
	30 Jun	Jan-Dec
Opening balance	1 012	821
Effect of change in accounting principle	-	5
Opening balance adjusted in accordance with new accounting principle	1 012	826
Dividend	-74	-57
Received payment fro warranty program	3	3
Buy-back of shares	-	-41
Net earnings for the period	114	239
Translation difference	-64	42
<b>Closing balance</b>	<b>991</b>	<b>1 012</b>

### Note 2

Staff in Munters has subscribed during May 2000 for 202,000 warrants, equivalent to approximately 0.8 per cent of the share capital. The warrants can be utilized for subscription of corresponding number of shares in Munters AB during the period 3 January – 31 March 2005, at a set price of SEK 145 per share.

Staff in Munters has subscribed during May 2001 for 245,500 warrants, equivalent to approximately 1.0 per cent of the share capital. The warrants can be utilized for subscription of corresponding number of share in Munters AB during the period 1 May- 20 October 2004, at a set price of SEK 263 per share.

Staff in Munters has subscribed during May 2002 for 114,000 warrants, equivalent to approximately 0.5 per cent of the share capital. The warrants can be utilized for subscription of corresponding number of share in Munters AB during the period 1 September 2005- 31 March 2006, at a set price of SEK 315 per share.