

MUNTERS

January - September
2005



A new organization with three Global Divisions

- The new organization based on three Global Divisions had a good start
- New Division President in MCS
- Enhanced Group Management
- Focus on margins



Johan Söderström, newly recruited President for the Global MCS Division



The third quarter



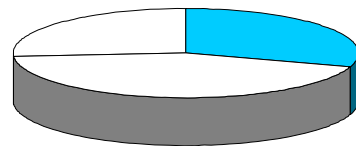
Highlights Q3-2005

- Order intake growth 19% (currency adjusted)
- Sales growth 14% (currency adjusted)
- Record order backlog
- EBIT margin 8.5% (7.2% last year)
- New organization
- Strong development in Dehumidification and HumiCool



Dehumidification

- Industrial
 - Food, Pharma
- Commercial
 - DesiCool



30% of Munters (R12)



The school segment within DesiCool™ has been growing fast. Indoor air quality is gaining importance world-wide.

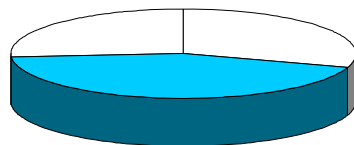
Dehumidification Q3-2005

- Orders up 13% (currency adjusted)
- Sales growth 22% (currency adjusted)
- Operating margin 11.2% (9.3)
- Strong orders in Europe and Americas
- Earnings develop well
 - Strong volume and maintained cost
 - Margin management



Moisture Control Services

- Water damage restoration
- Fire damage restoration
- Industry rental



44% of Munters (R12)



The New Orleans Superdome (left) and the New Orleans Arena (right) will be dried and remediated by Munters in September-October 2005, following hurricane Katrina.



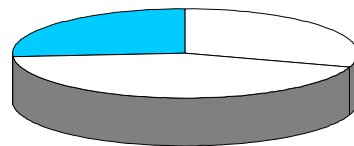
MCS Q3-2005

- Order growth 17% (currency adjusted)
- Sales growth 6% (currency adjusted)
- Operating margin 5.8% (6.9)
- 110 MSEK orders from hurricanes and floods
- Earnings decline in Germany
- Action plans, cost 8 MSEK (4)
- New Division management team



HumiCool

- AgHort
- Comfort cooling
- Utilities



26% of Munters (R12)



The HumiCool Division supplies components for emission control in coal fired power plants, a business with fast growth.





HumiCool Q3-2005

- Orders up 37% (currency adjusted)
- Sales up 21% (currency adjusted)
- Operating margin 12.4% (7.9)
- Strong earnings and margin improvement
 - High volume
 - Margin management
 - Effects from factory relocations
 - One time costs 0 MSEK (3)
- Strong development with coal fired power plants
- Impact of Avian flu
 - Strong results in Americas and Europe
 - Weak result in Asia

Financial overview by quarter

MSEK	2005				2004 ¹			Adjusted growth ²
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Order intake	1 422	1 294	1 184	1 089	1 161	1 181	1 167	19%
Net sales	1 317	1 192	1 079	1 270	1 127	1 150	996	14%
EBIT	112	74	64	104	82	85	63	32%
EBIT margin, %	8,5	6,2	5,9	8,2	7,2	7,4	6,4	
Net earnings	68	43	37	65	49	50	36	34%
Op. cash flow	75	37	32	47	9	37	28	

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

² Adjusted for currency fluctuations.

Division analysis Q3

MSEK	Net sales	Adjusted growth ¹	Margin ² 2005	Margin ^{2,3} 2004
Dehumidification	404	22%	11,2%	9,3%
MCS	562	6%	5,8%	6,9%
HumiCool	374	21%	12,4%	7,9%
Group	1 317	14%	8,5%	7,2%

¹ Adjusted for currency effects

² Divisions: operating margin, Group: EBIT margin.

³ Previous year for the Group is recalculated due to the transition to IFRS.

Net sales analysis Q3

Net sales 2004	1 127	
Currency effect	33	3%
Organic growth	157	14%
Net sales 2005	1 317	17%

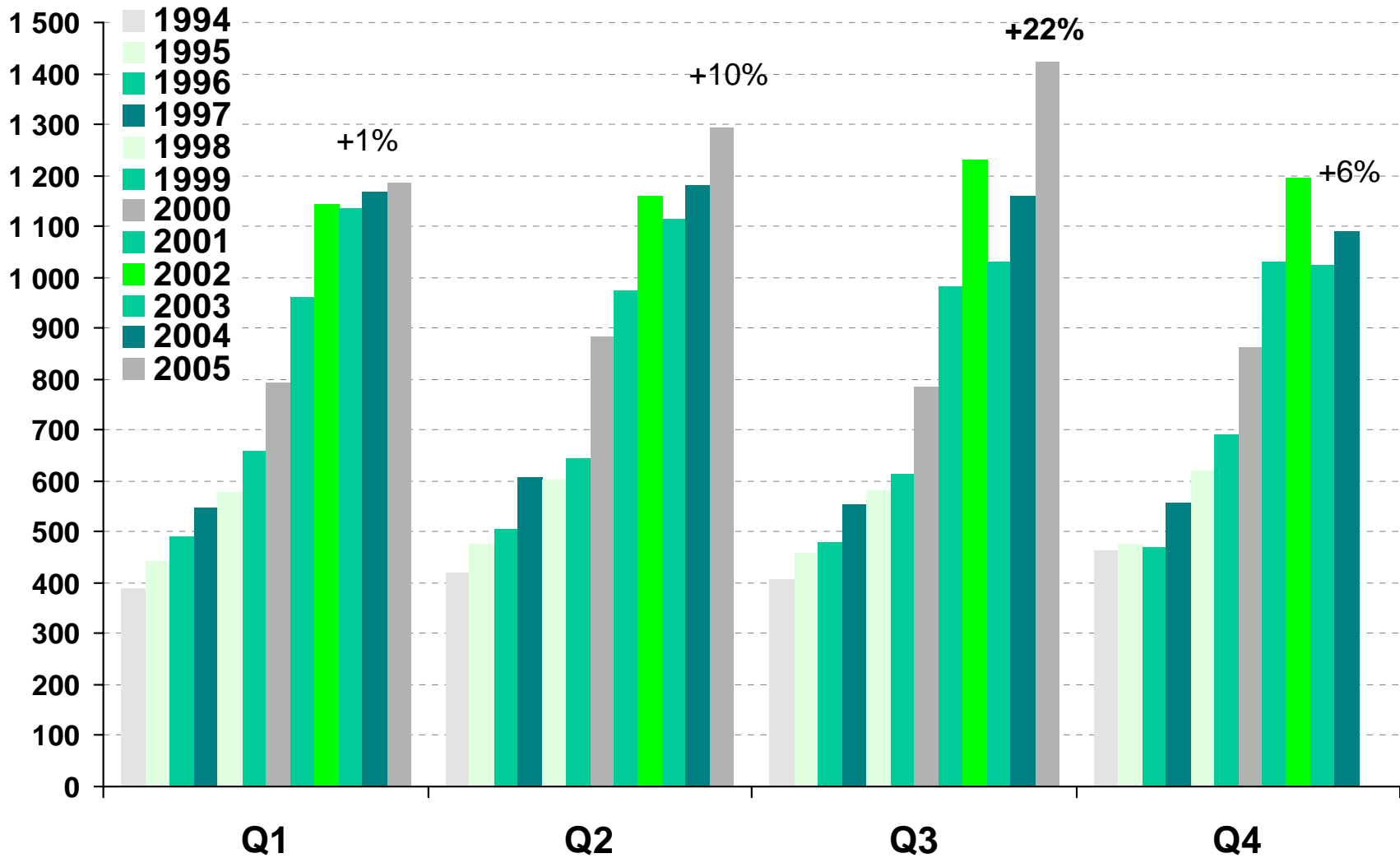
EBIT analysis Q3

EBIT 2004¹	82	
Action plans 2004, one-time effects	7	
Currency effects	-3	
Action plans 2005, MCS Europe	-8	
	78	
Volume effect	63	
Margin effect	-5	
Increase in indirect cost	-23	
EBIT 2005	112	37%

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

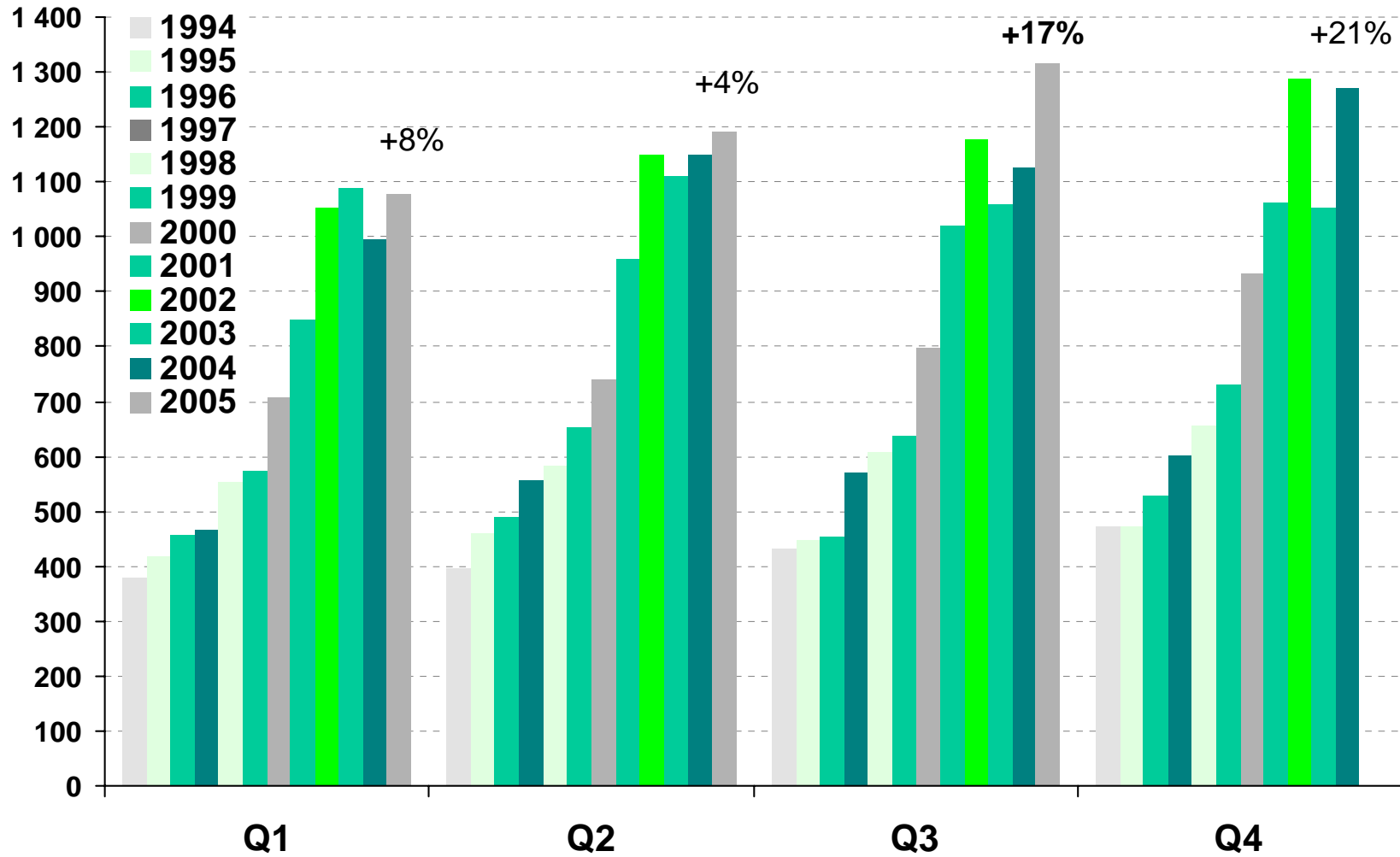
Order intake

MSEK



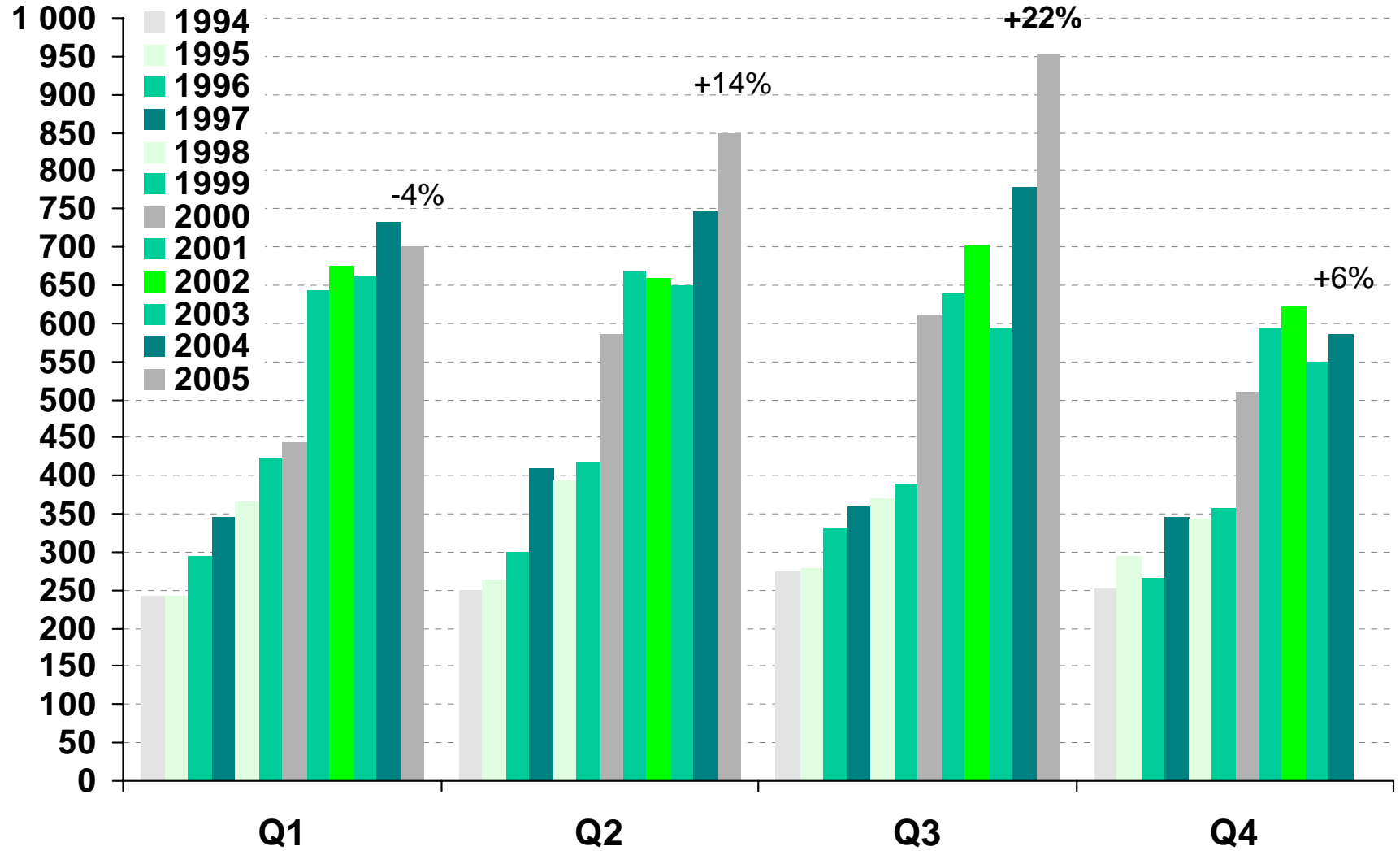
Net sales

MSEK

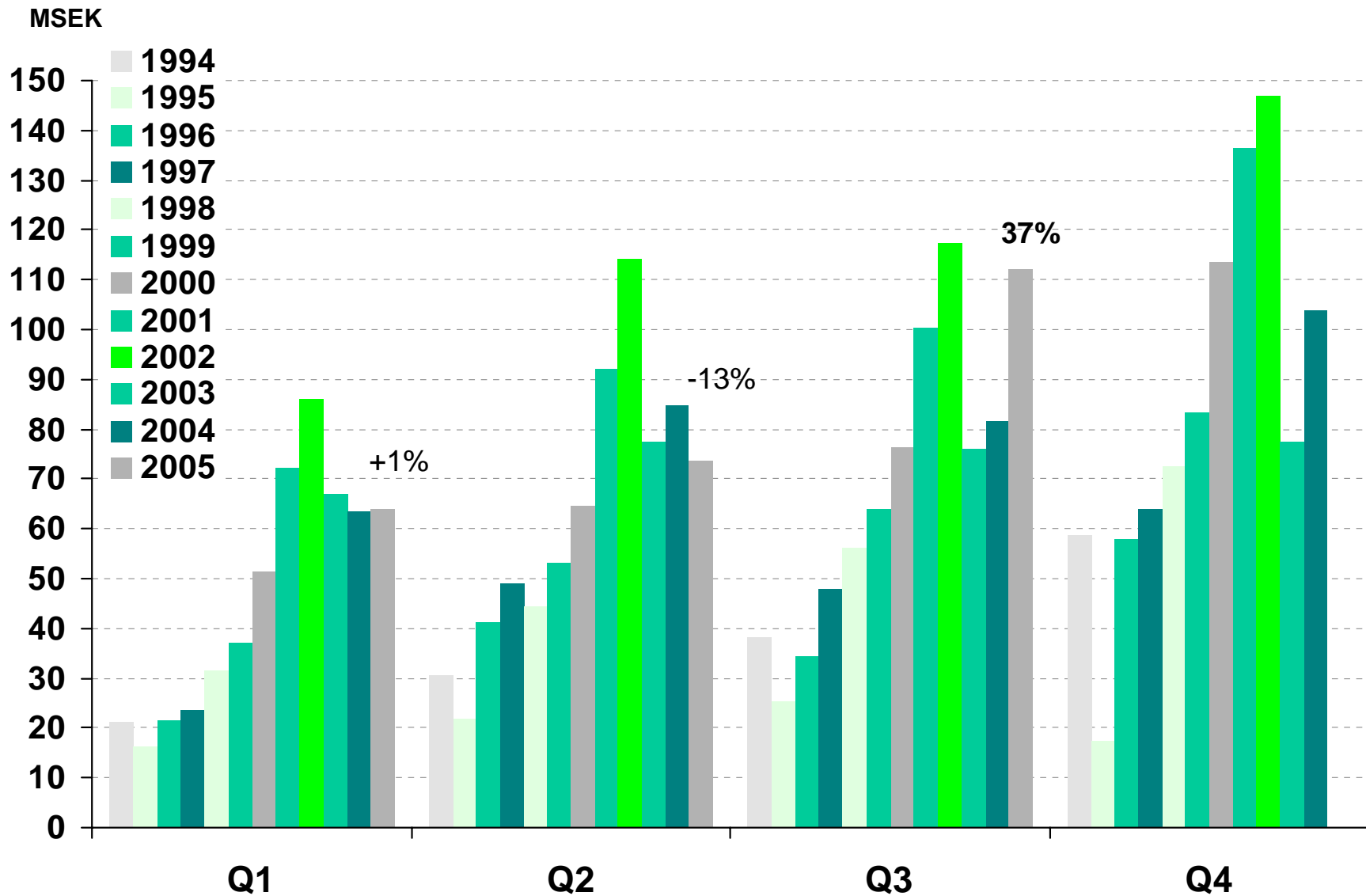


Backlog

MSEK



EBIT





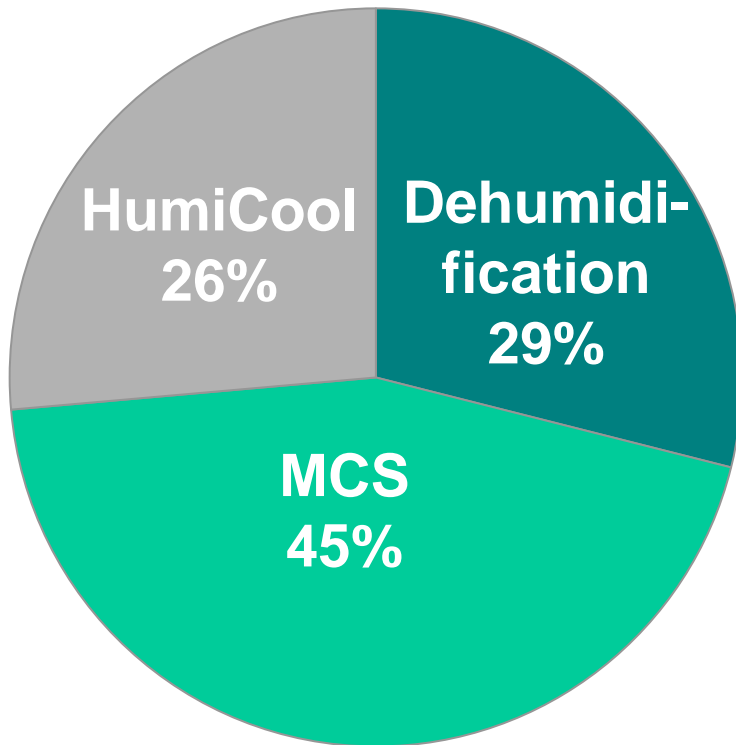
The first nine months

Highlights January-September

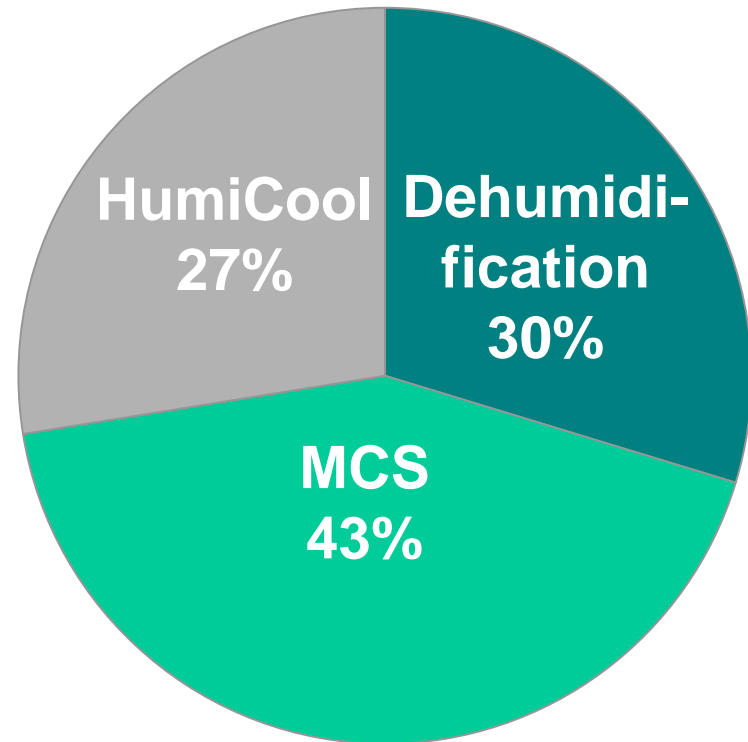
- Dehumidification
 - Orders +11%, Net sales +15% (adjusted)
 - Operating margin 9.3% (9.8)
 - DesiCool™ strong
- MCS
 - Orders +7%, Net sales +5% (adjusted)
 - Operating margin 5.0% (5.6)
 - USA: sharp decline 1H, Katrina 2H, difficult comparison 2H
 - Action plans in Europe, cost 11 MSEK (6)
 - Continued strong trend in Asia
- HumiCool
 - Orders +20%, Net sales +14% (adjusted)
 - Operating margin 10.6% (9.3)
 - Positive effects from factory relocations
 - Action plans cost 2 MSEK (18)
 - Avian flu

Net sales mix

Jan-Sep 2004
3,273 MSEK

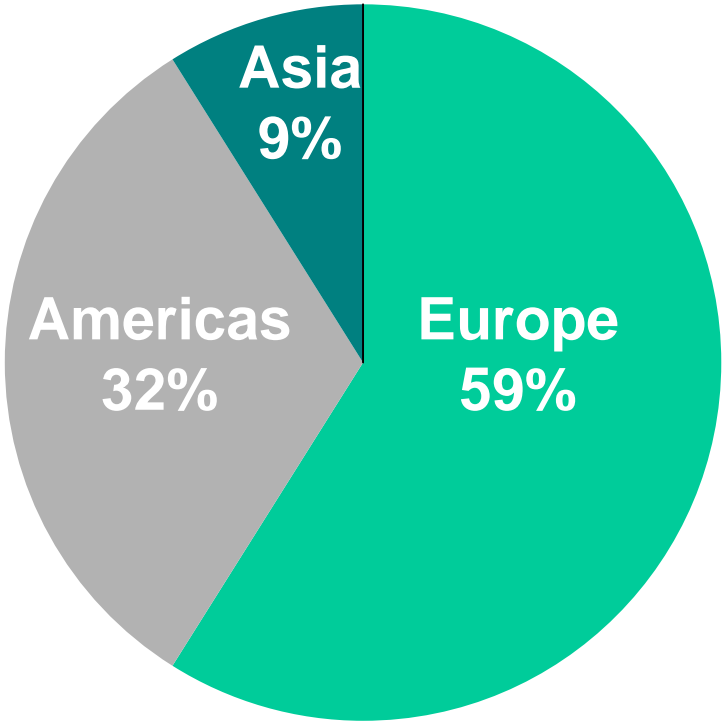


Jan-Sep 2005
3,588 MSEK

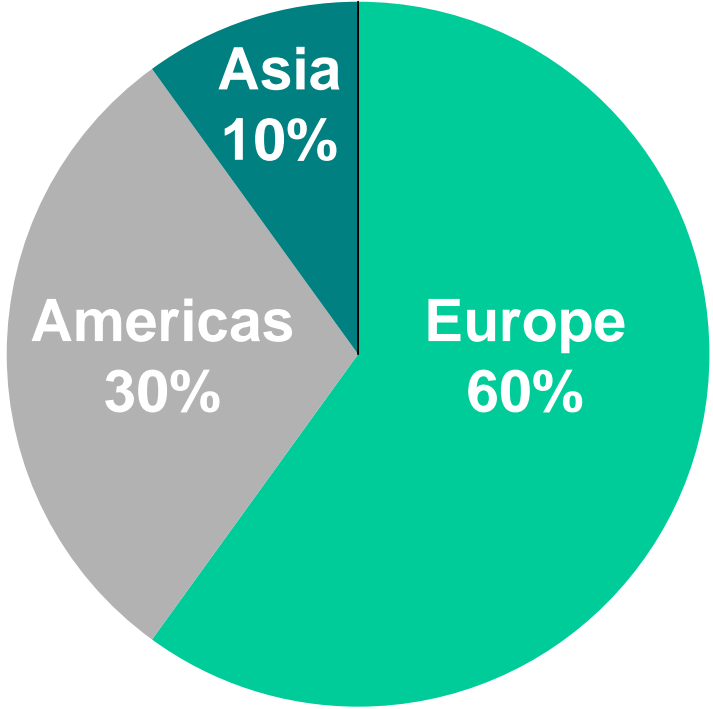


Geography mix

Jan-Sep 2004
3,273 MSEK



Jan-Sep 2005
3,588 MSEK



Financial overview Jan-Sep

MSEK	January-September					Adjusted growth ²
	2005	2004 ¹	2003	2002	2001	
Order intake	3 900	3 509	3 280	3 531	2 916	11%
Net sales	3 588	3 273	3 257	3 380	2 830	10%
EBIT	250	230	221	318	265	9%
EBIT margin, %	7,0	7,0	6,8	9,4	9,4	
Net earnings	148	135	116	181	155	10%
Op. cash flow	144	74	78	122	108	

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

² Adjusted for currency fluctuations.

Division analysis Jan-Sep

MSEK	Net sales	Adjusted growth ¹	Margin ² 2005	Margin ^{2,3} 2004
Dehumidification	1 083	15%	9,3%	9,8%
MCS	1 560	5%	5,0%	5,6%
HumiCool	995	14%	10,6%	9,3%
Group	3 588	10%	7,0%	7,0%

¹ Adjusted for currency effects

² Divisions: operating margin, Group: EBIT margin.

³ Previous year for the Group is recalculated due to the transition to IFRS.

Net sales analysis Jan-Sep

Net sales, 2004	3 273	
Currency effect	0	0%
Organic growth	315	10%
Net sales, 2005	3 588	10%

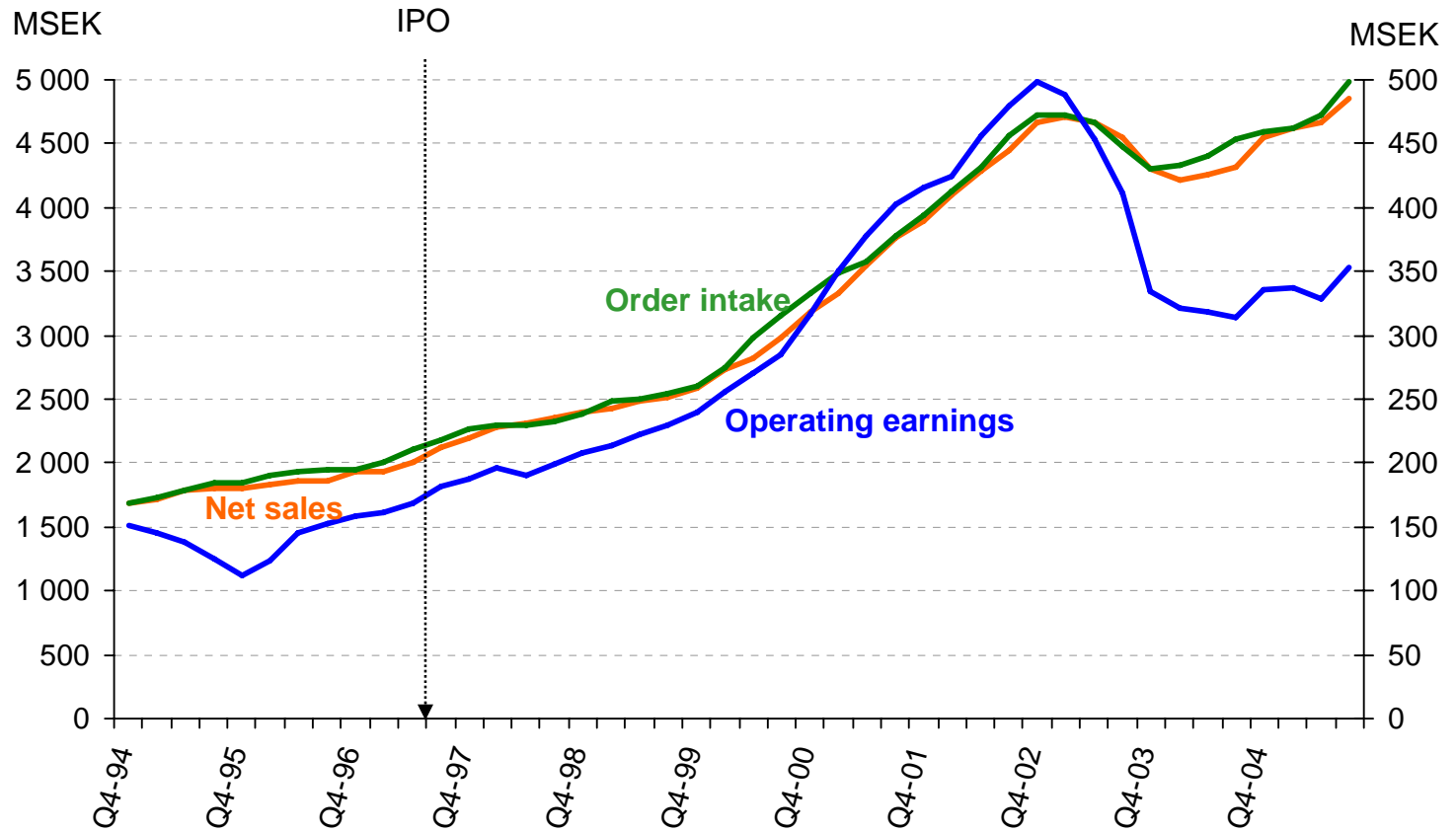
Key ratios Jan-Sep

	2005	2004 ¹
Return on capital employed, % ²	20.5	19.8
Interest coverage ratio, times	16.2	16.6
Net debt, MSEK	318	389
Net debt/equity ratio	0.23	0.34
Earnings per share, SEK	6.04	5.54

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

² Calculated on rolling 12 months.

Rolling 4 quarter development



Operating earnings excluding goodwill depreciation.



A blue-tinted close-up photograph of water droplets on a surface, with the text "The Humidity Expert" overlaid in white. The background shows a textured surface with numerous small, glistening water droplets of various sizes. A prominent, larger droplet is visible in the lower-left quadrant, partially obscured by the text. The overall lighting is soft, highlighting the reflective surfaces of the water.

The Humidity Expert