

A dark blue background featuring a horizontal line of water droplets and ripples. The droplets are of various sizes and are positioned above and below a central horizontal line, creating a symmetrical, wave-like pattern. The overall effect is that of water on a surface, with the droplets appearing to be in motion or about to merge.

**MUNTERS**

**January-December 2004**



# The fourth quarter

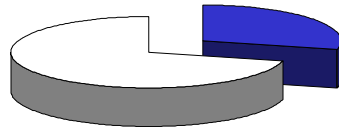
## Highlights Q4 2004

- Order intake 9%, adjusted
- Sales growth 24%, adjusted
- EBIT margin 7.6% (7.4%)
  
- Dehumidification, strong trend
- MCS, strong improvement
- HumiCool, weak result
  
- Europe improvement excl one-time effects
- Americas strong
- Asia ok



# Dehumidification

- Industrial - Food, Pharma
- Commercial – DesiCool



29% of Munters 2004





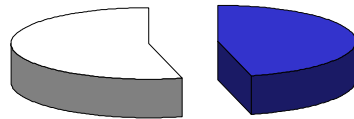
## Dehumidification Q4 2004

- Europe
  - Cost reductions well managed
- Americas
  - Strong finish for Wal-Mart
  - Zeol strong
- Asia
  - Management changes in China
  - Weak orders but high quote activity



# Moisture Control Services

- Water damage restoration
- Fire damage restoration
- Industry Rental



46% of Munters 2004



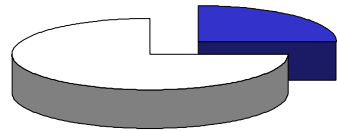
# MCS Q4 2004

- Europe
  - Positive tendency but not yet a trend
  - Continued cost reductions
  - Margin improvement but still low
- Americas
  - Good development, in addition Hurricanes
  - Hurricanes Q4: Net Sales 12 MUSD
  - Margin improvement
- Asia
  - Turnaround confirmed
  - Dramatic growth
  - Margin improvement



# HumiCool

- AgHort
- Comfort Cooling
- Utilities



25% of Munters 2004



# HumiCool Q4 2004

- Europe
  - Strong sales of Mist Eliminators to power plants, China
  - Relocation effects 2 factories
  - USD/EUR related price pressure and steel price effects
  - Sales decline in Water
- Americas
  - Strong sales
  - Continued start-up issues in Mexico, delayed cost reductions
- Asia
  - Avian flu, weak demand in South East Asia

# Financial overview by quarter

MSEK	2004				2003				Adjusted growth <sup>1</sup>
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Order intake	<b>1 089</b>	1 161	1 181	1 167	<b>1 025</b>	1 032	1 114	1 134	<b>9%</b>
Net sales	<b>1 270</b>	1 127	1 150	996	<b>1 052</b>	1 059	1 109	1 089	<b>24%</b>
EBIT	<b>96</b>	73	75	55	<b>77</b>	76	78	67	<b>28%</b>
EBIT margin, %	<b>7,6</b>	6,4	6,5	5,5	<b>7,4</b>	7,2	7,0	6,2	
Net earnings	<b>58</b>	40	41	28	<b>56</b>	43	40	33	<b>6%</b>
Op. cash flow <sup>2</sup>	<b>47</b>	9	37	28	<b>47</b>	56	14	8	

<sup>1</sup> Current Group structure adjusted for currency fluctuations.

<sup>2</sup> Cash flow from current operations and investing activities excluding acquisition of enterprises.

## Regional analysis Q4

MSEK	Net sales	Adjusted growth <sup>1</sup>	Margin <sup>2</sup> 2004	Margin <sup>2</sup> 2003
Europe	748	11%	6,5%	7,6%
Americas	432	64%	11,3%	10,2%
Asia	111	7%	12,1%	12,6%
Group	1 270	24%	7,6%	7,4%

<sup>1</sup> Current Group structure adjusted for currency fluctuations.

<sup>2</sup> Regions: operating margin, Group: EBIT margin.

## Net sales analysis Q4

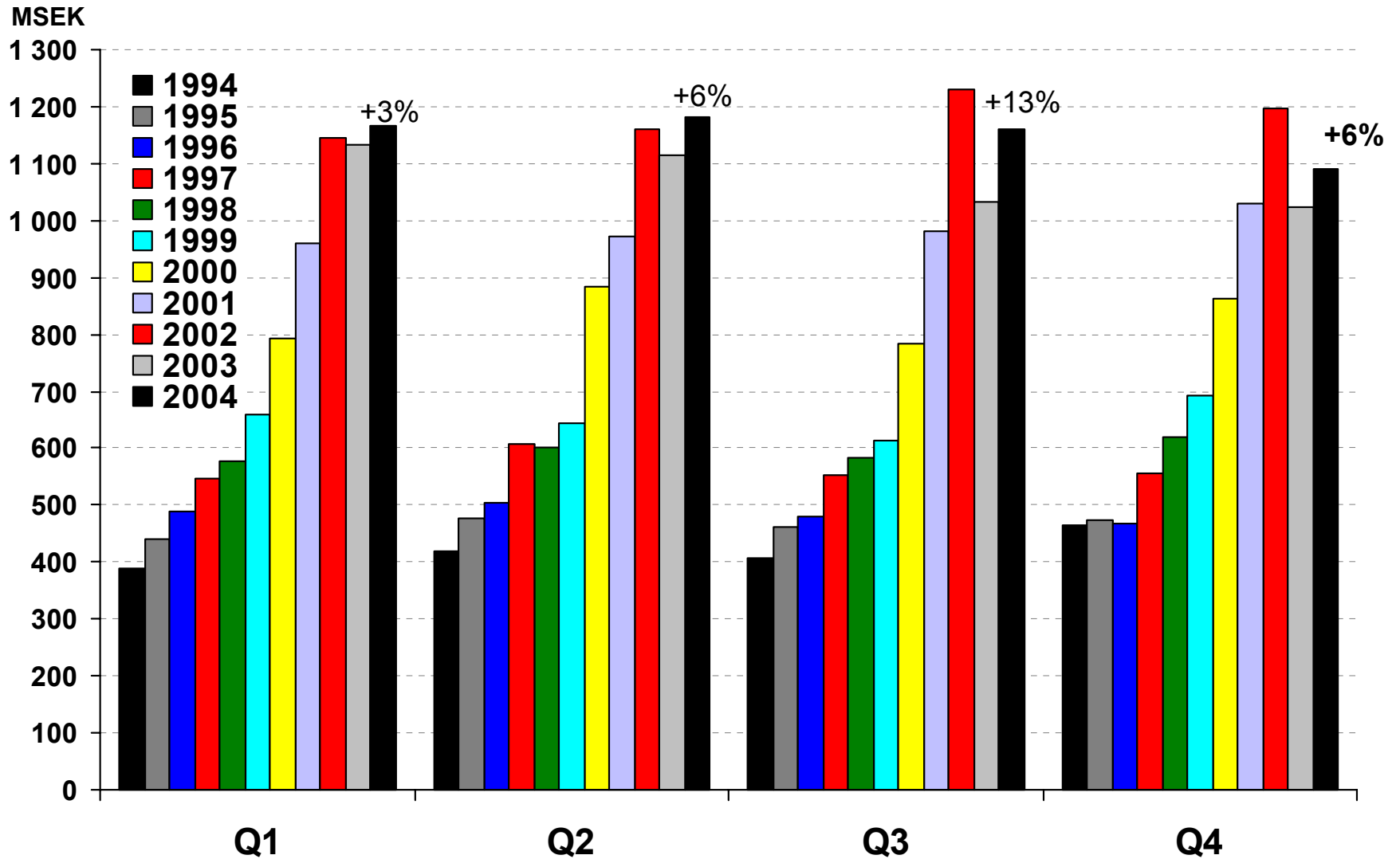
<b>Net sales, Q4-2003</b>	<b>1 052</b>	
Net sales, acquired units, pro forma	-	
<b>Net sales, present structure</b>	<b>1 052</b>	
Currency effect	-25	-2%
Organic growth	244	23%
<b>Net sales, Q4-2004</b>	<b>1 270</b>	<b>21%</b>

## EBIT analysis Q4

<b>EBIT, Q4-2003</b>	<b>77</b>	
EBIT, acquired units, pro forma	-	
Release of rental provision	-12	
<hr/>		
<b>EBIT, adjusted <sup>1)</sup></b>	<b>65</b>	
Action plans, relocations, net 04/03	2	
Currency effect	-2	-3%
Product Area HumiCool, excl. Factory relocation cos	-5	-8%
Other units	36	56%
<hr/>		
<b>EBIT, Q4-2004</b>	<b>96</b>	<b>47%</b>

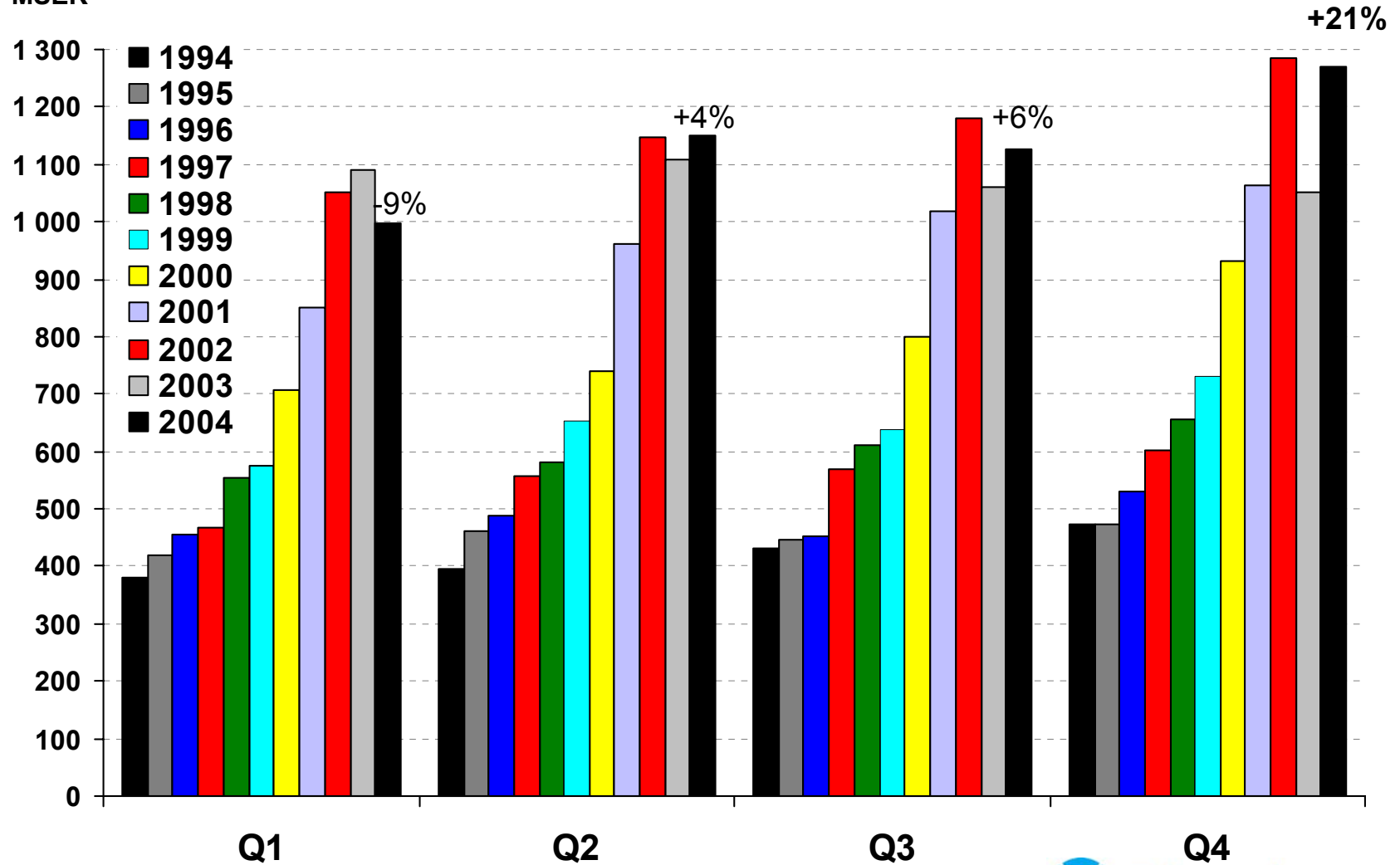
1) EBIT adjusted for last years release of rental provision, 12 MSEK

# Order intake



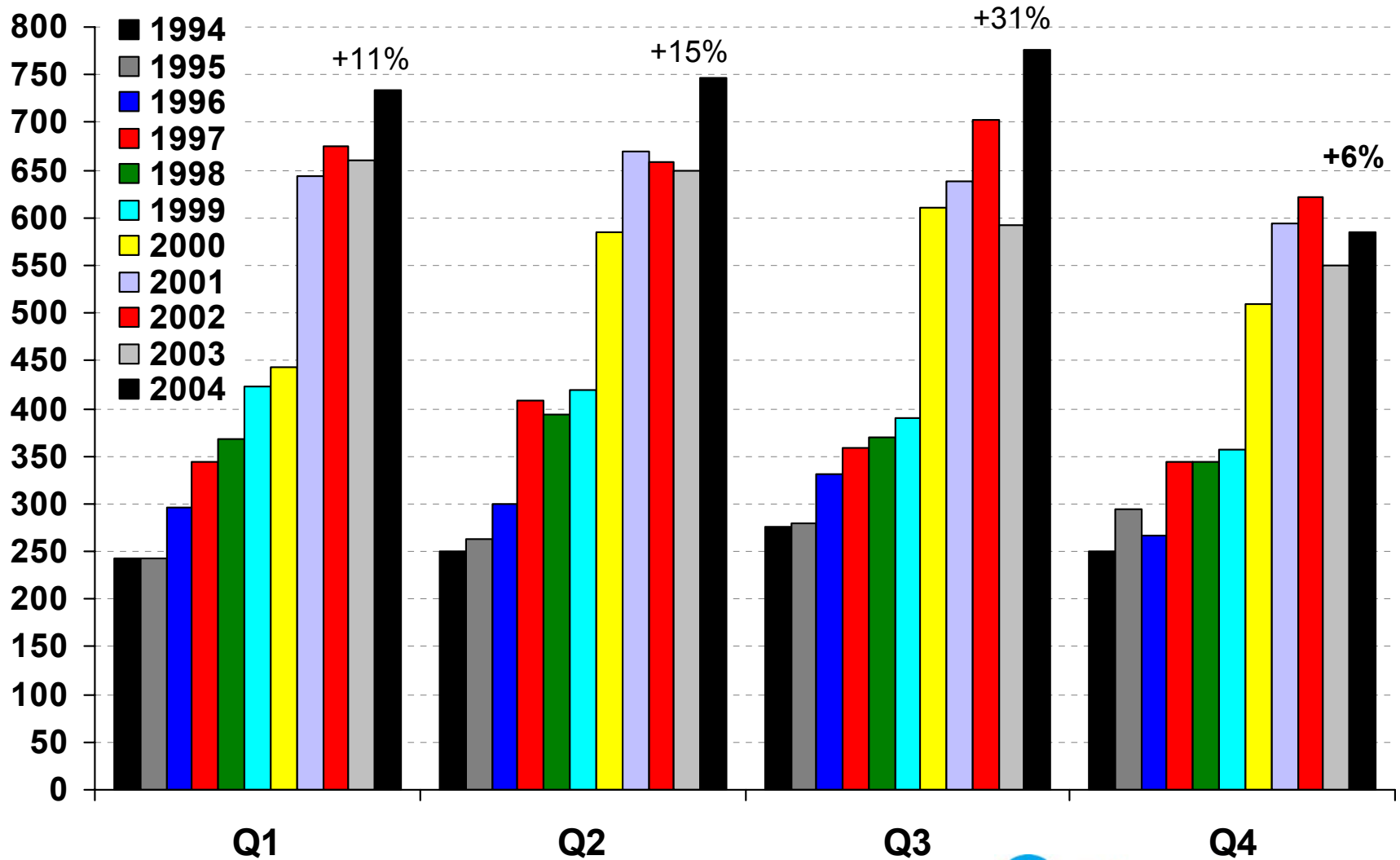
# Net sales

MSEK

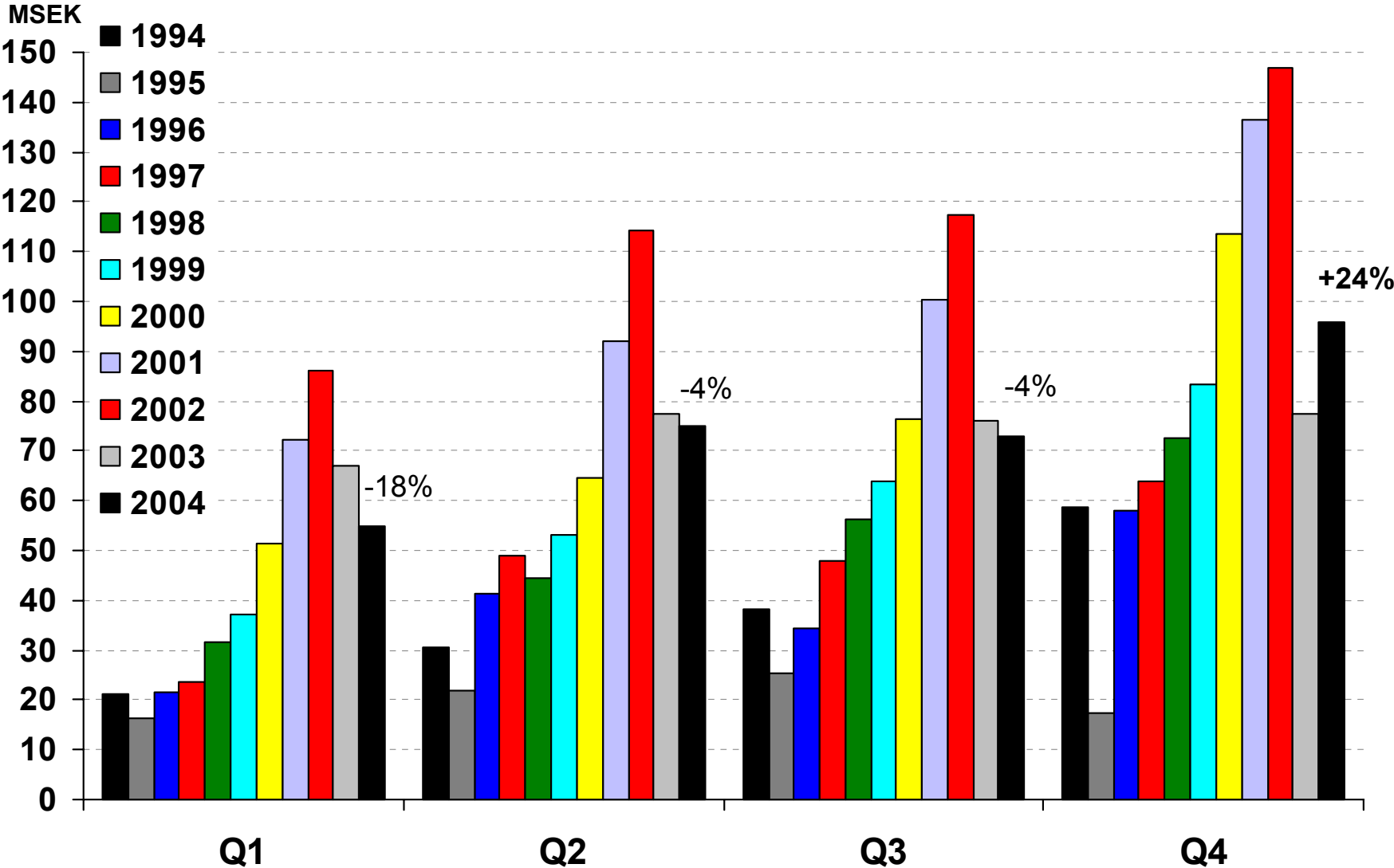


# Backlog

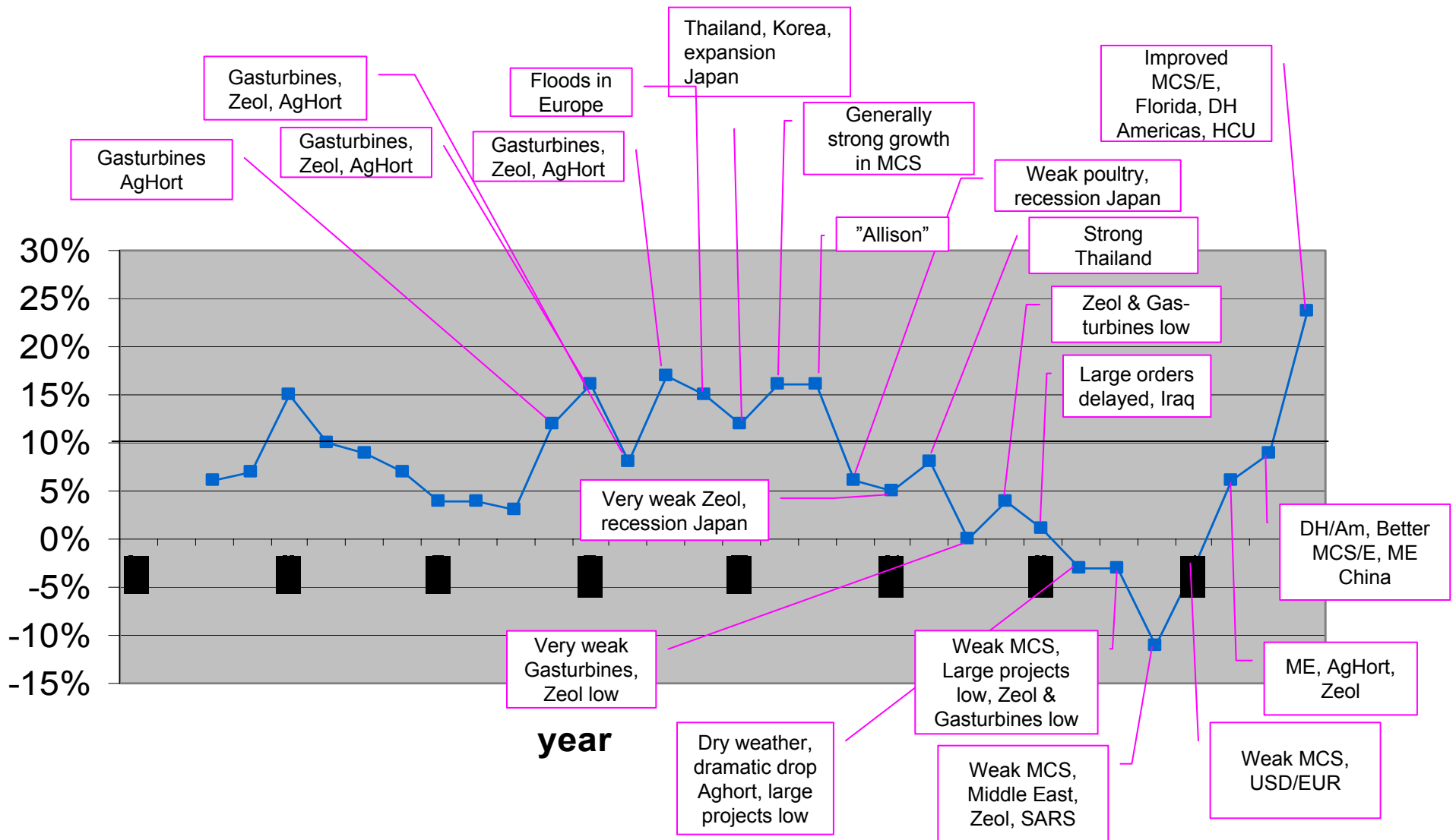
MSEK



# EBIT



# Where has the growth come from?



Organic growth by quarter, with main explanations





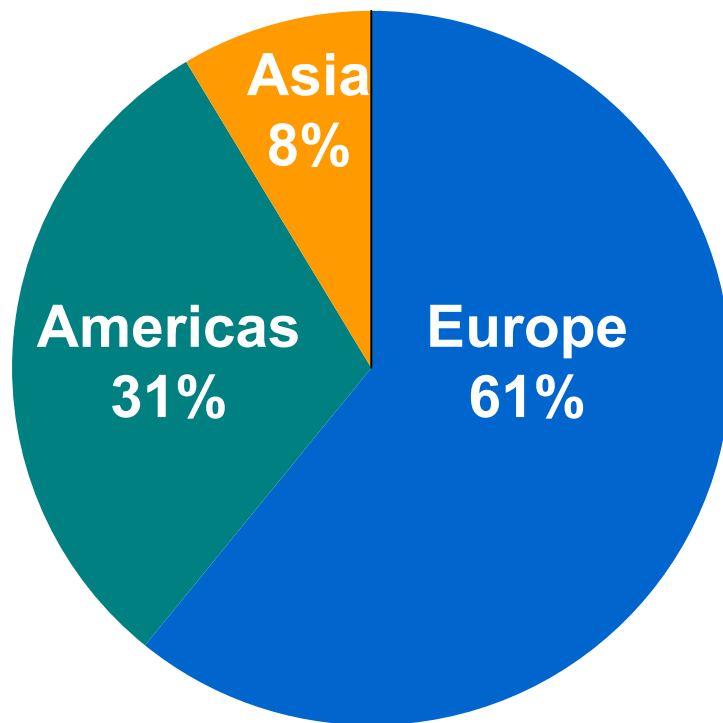
# The full year

# Highlights January-December 2004

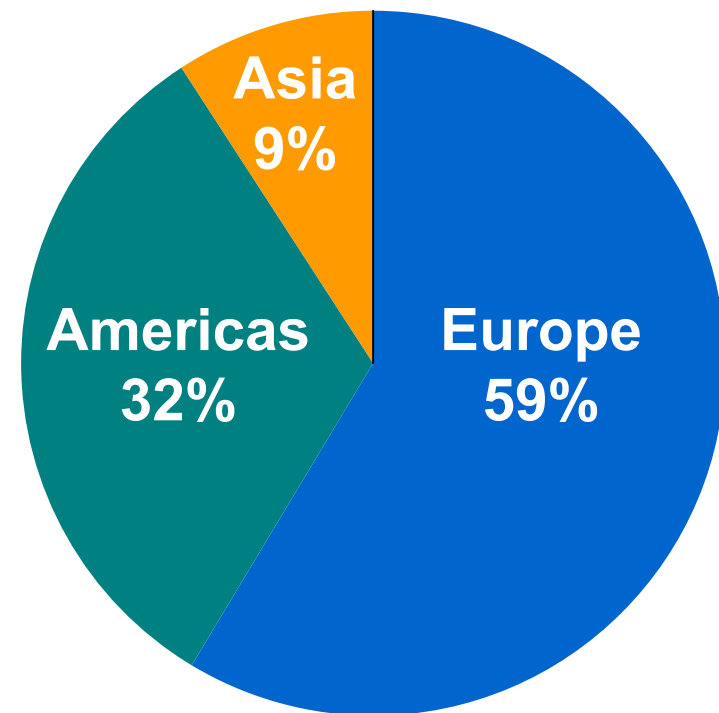
- Dehumidification
  - New products and applications
  - Order growth 11% (organic)
  - Sales growth 12% (organic)
  - Improved earnings and margin
- MCS
  - Low demand in the largest division, improvement Q4
  - Order growth 8% (organic) after slow start
  - Sales growth 8% (organic)
  - Improved earnings and margin
- HumiCool
  - Order growth 14% (organic) after slow start
  - Sales growth 7% (organic)
  - 3 factory relocations
  - Lower margin

# Net sales by Region

**Jan-Dec 2003**  
**4 308 MSEK**

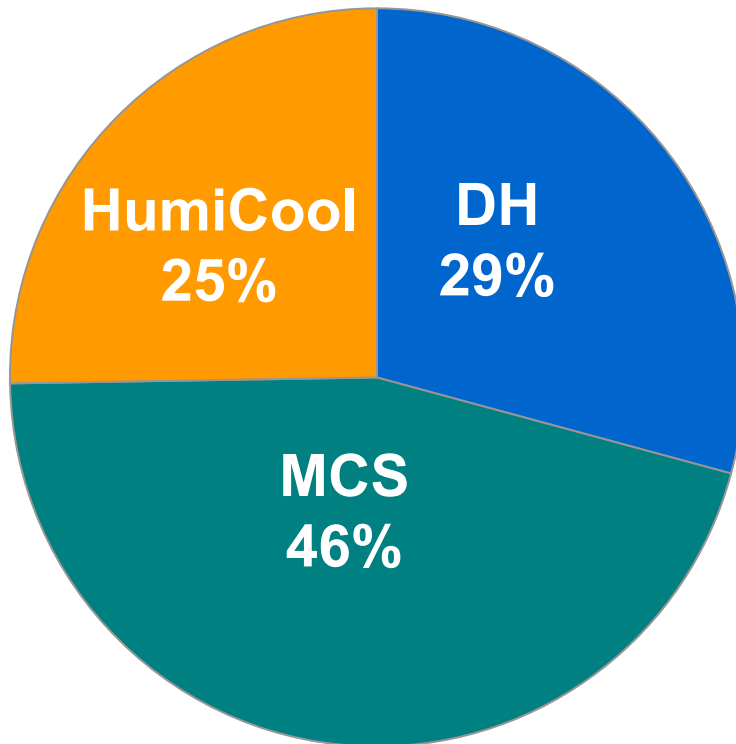


**Jan-Dec 2004**  
**4 543 MSEK**

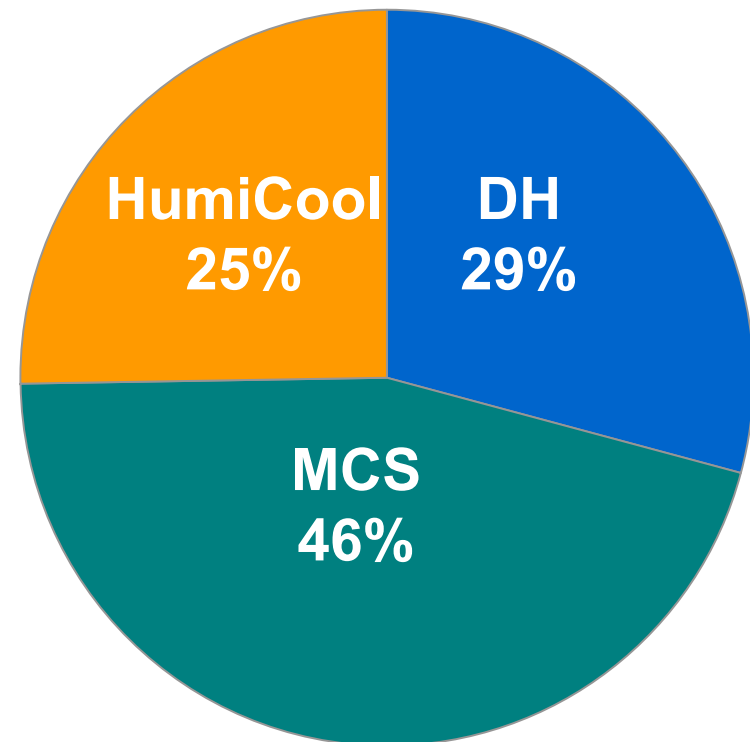


# Net sales by Product Area

**Jan-Dec 2003**  
**4 308 MSEK**



**Jan-Dec 2004**  
**4 543 MSEK**



# Financial overview Jan-Dec

MSEK	January-December					Adjusted growth <sup>1</sup>
	2004	2003	2002	2001	2000	
Order intake	<b>4 598</b>	4 305	4 727	3 945	3 322	<b>10%</b>
Net sales	<b>4 543</b>	4 308	4 666	3 894	3 179	<b>9%</b>
EBIT <sup>2</sup>	<b>298</b>	298	465	401	306	<b>4%</b>
EBIT margin, %	<b>6,6</b>	6,9	10,0	10,3	9,6	
Net earnings	<b>167</b>	172	266	239	184	<b>0%</b>
Op. cash flow <sup>3</sup>	<b>121</b>	125	230	236	2	

<sup>1</sup> Current Group structure adjusted for currency fluctuations.

<sup>2</sup> Excluding surplus refunds from Alecta 15 MSEK in Q3-2000.

<sup>3</sup> Cash flow from current operations and investing activities excluding acquisition of enterprises.

## Regional analysis Jan-Dec

MSEK	Net sales	Adjusted growth <sup>1</sup>	Margin <sup>2</sup> 2004	Margin <sup>2</sup> 2003
Europe	2 705	2%	5,6%	6,6%
Americas	1 501	22%	10,9%	11,2%
Asia	419	15%	11,0%	11,0%
Group	4 543	9%	6,6%	6,9%

<sup>1</sup> Current Group structure adjusted for currency fluctuations.

<sup>2</sup> Regions: operating margin, Group: EBIT margin.

## Net sales analysis Jan-Dec

<b>Net sales, Jan-Dec 2003</b>	<b>4 308</b>	
Net sales, acquired units, pro forma	-	
<b>Net sales, present structure</b>	<b>4 308</b>	
Currency effect	-137	-3%
Organic growth	372	9%
<b>Net sales, Jan-Dec 2004</b>	<b>4 543</b>	<b>5%</b>

## EBIT analysis Jan-Dec

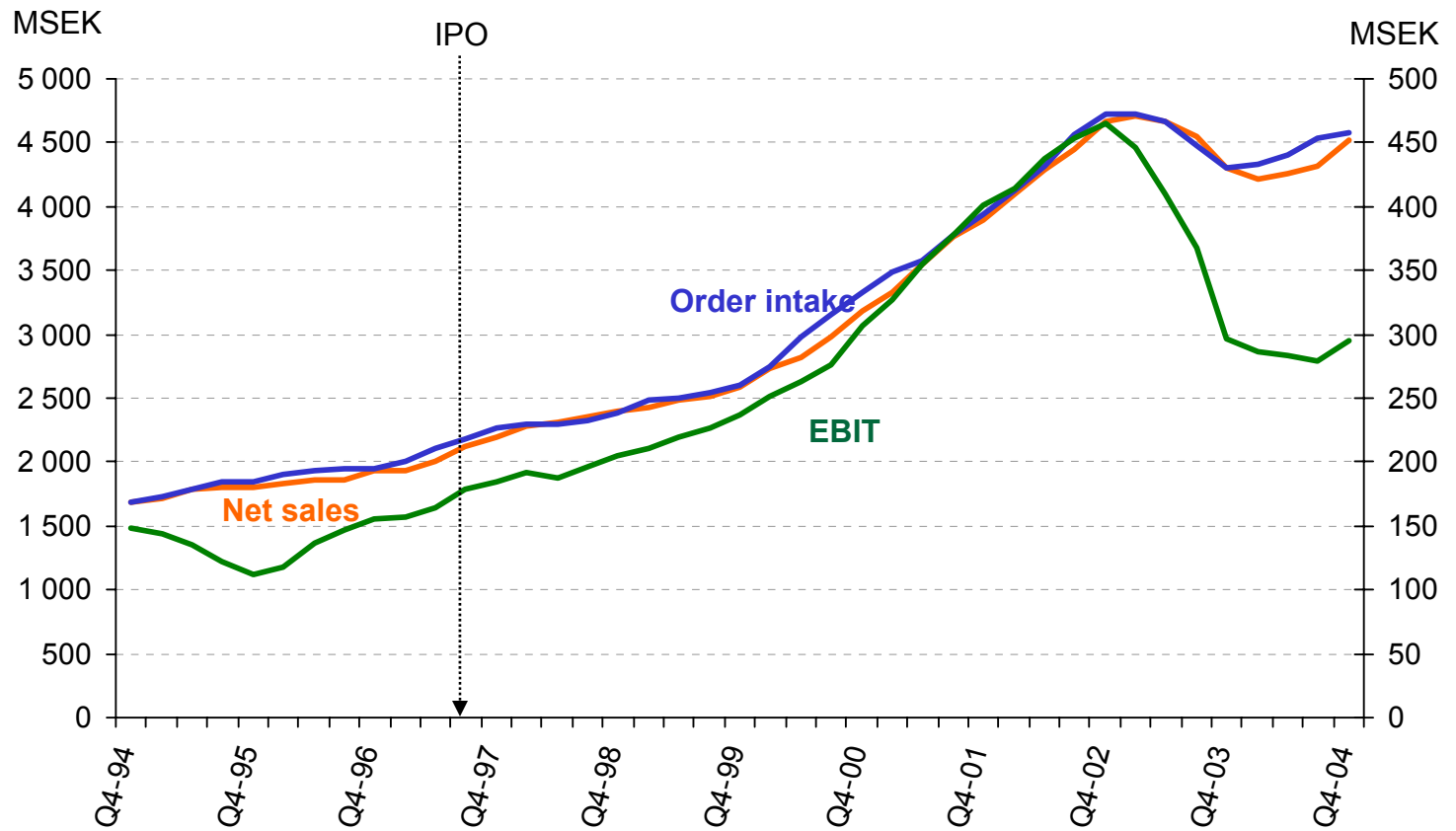
<b>EBIT, Jan-Dec 2003</b>	<b>298</b>	
EBIT, acquired units, pro forma	-	
Release of rental provision	-12	
<hr/>		
<b>EBIT, adjusted <sup>1)</sup></b>	<b>286</b>	
Action plans, relocations, net 04/03	-14	
Currency effect	-12	-4%
HumiCool, excl. factory relocation costs	-10	-3%
Other units	48	17%
<hr/>		
<b>EBIT, Jan-Dec 2004</b>	<b>298</b>	

1) EBIT adjusted for last years release of rental provision, 12 MSEK

## Key ratios January-December

	2004	2003
Return on capital employed, %	19.0	19.4
Interest coverage ratio, times	15.8	11.3
Net debt, MSEK	351	338
Net debt/equity ratio	0.32	0.31
Earnings per share, SEK	6.84	7.04

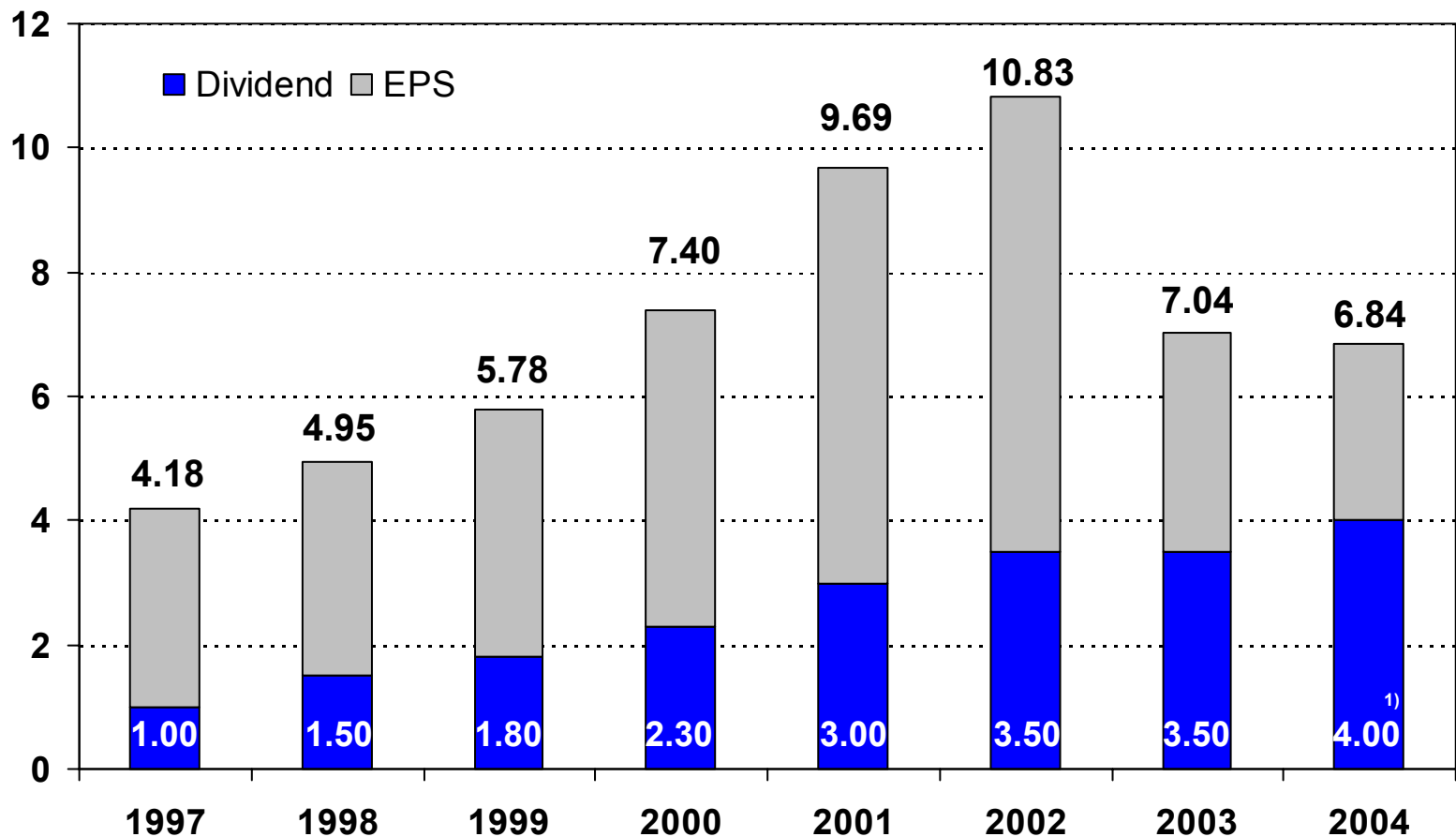
# Rolling 4 quarter development



Excluding surplus refunds from Alecta 15 MSEK in Q3-2000.

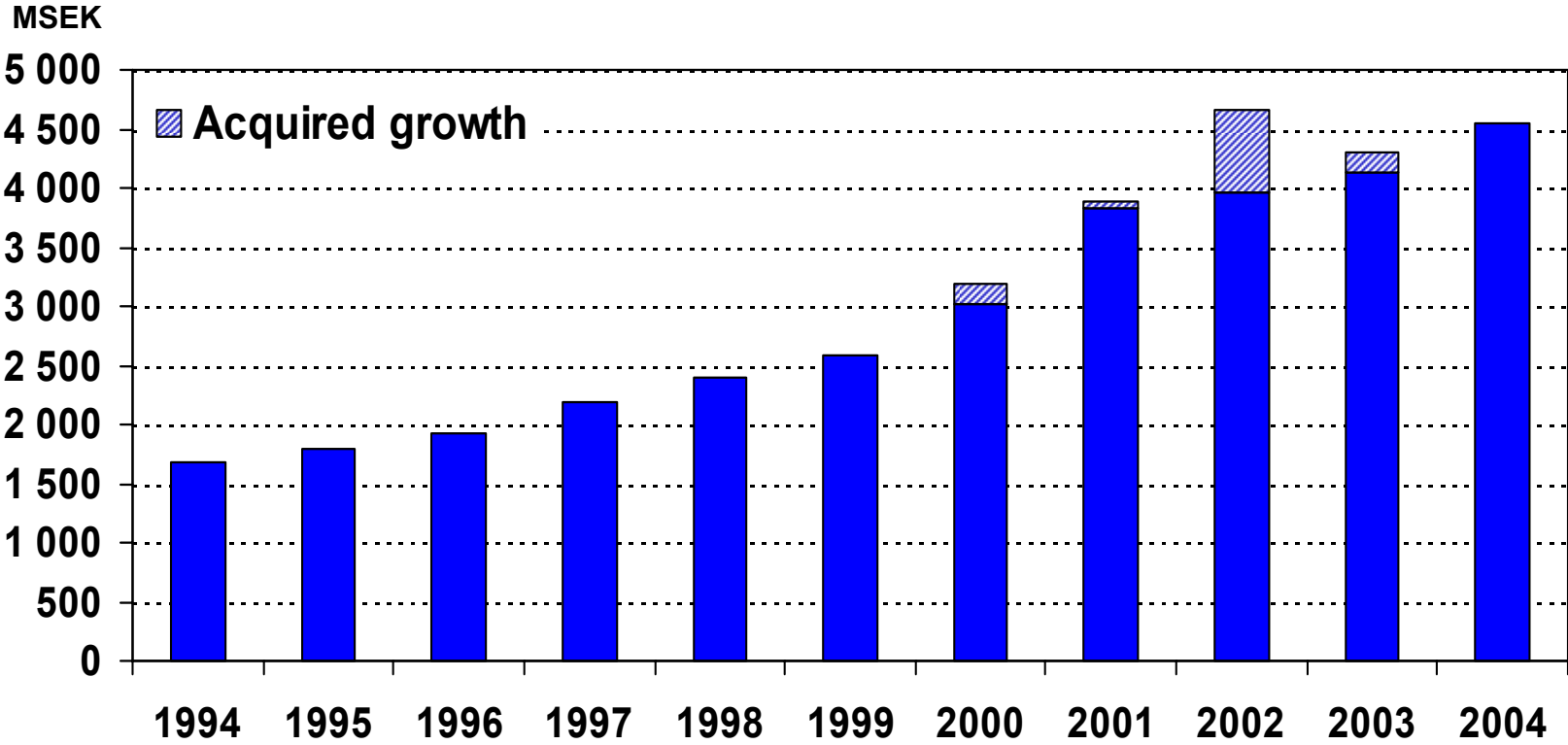


# Earnings per share (EPS) and dividend

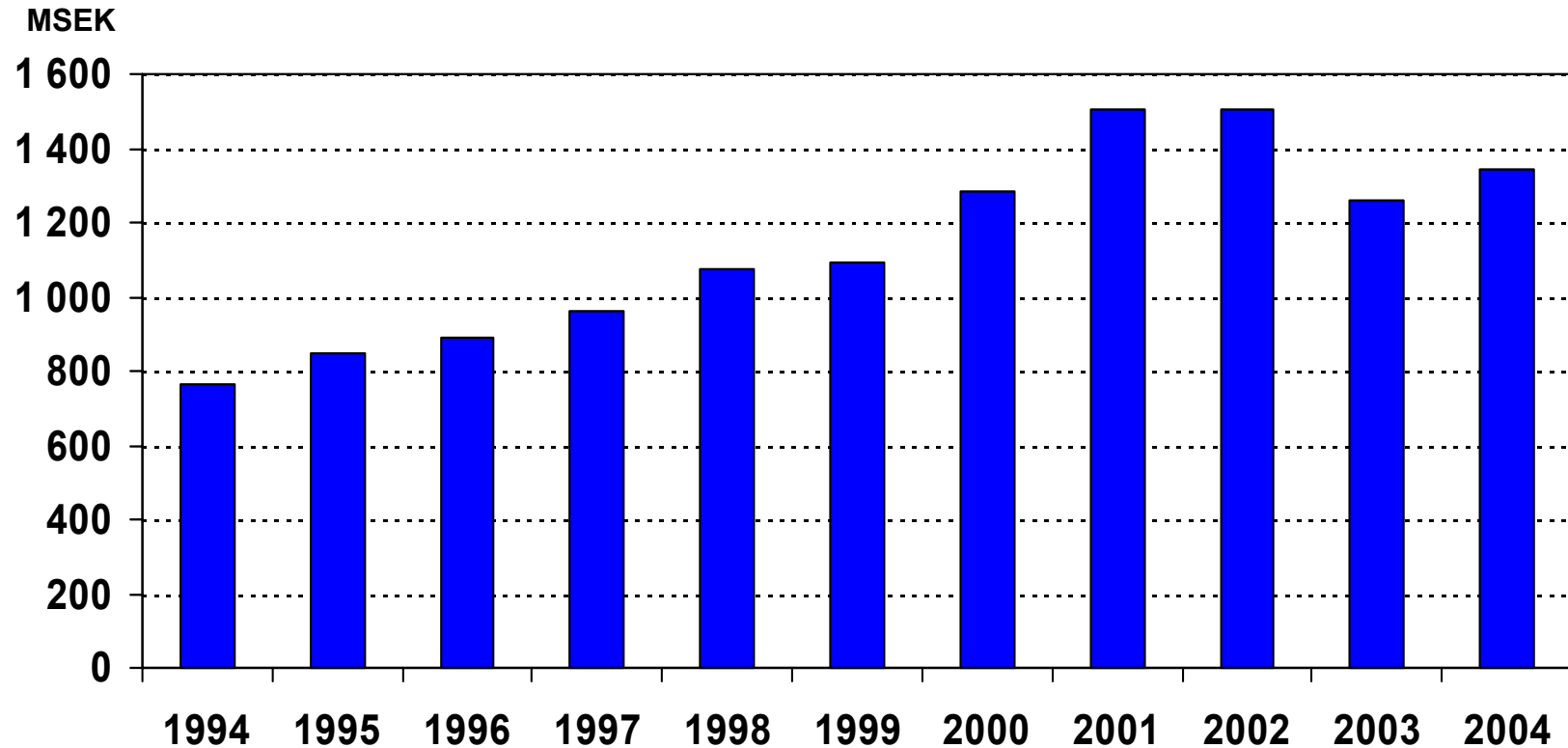


1) Proposal from the Board of Directors.

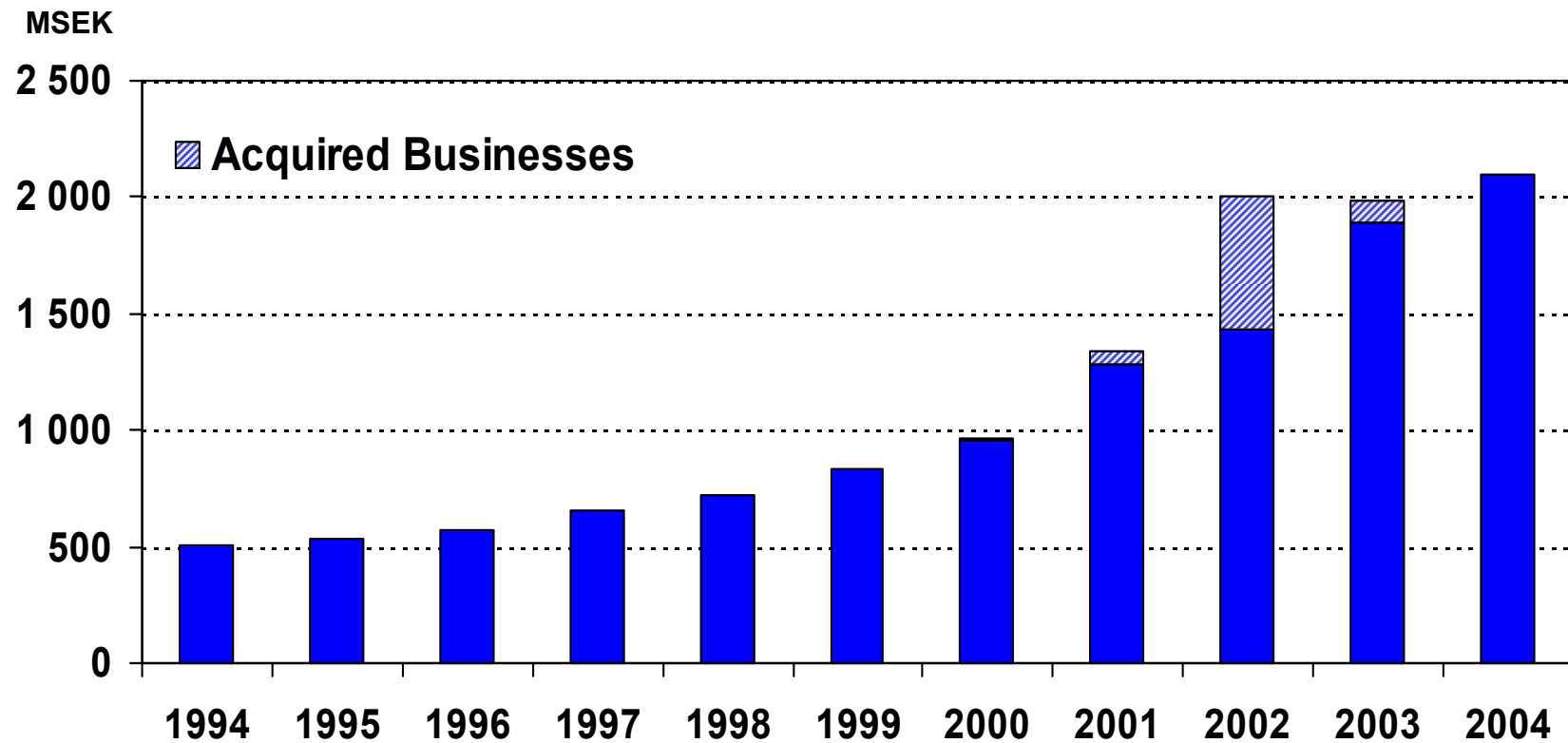
# Munters Group Net Sales



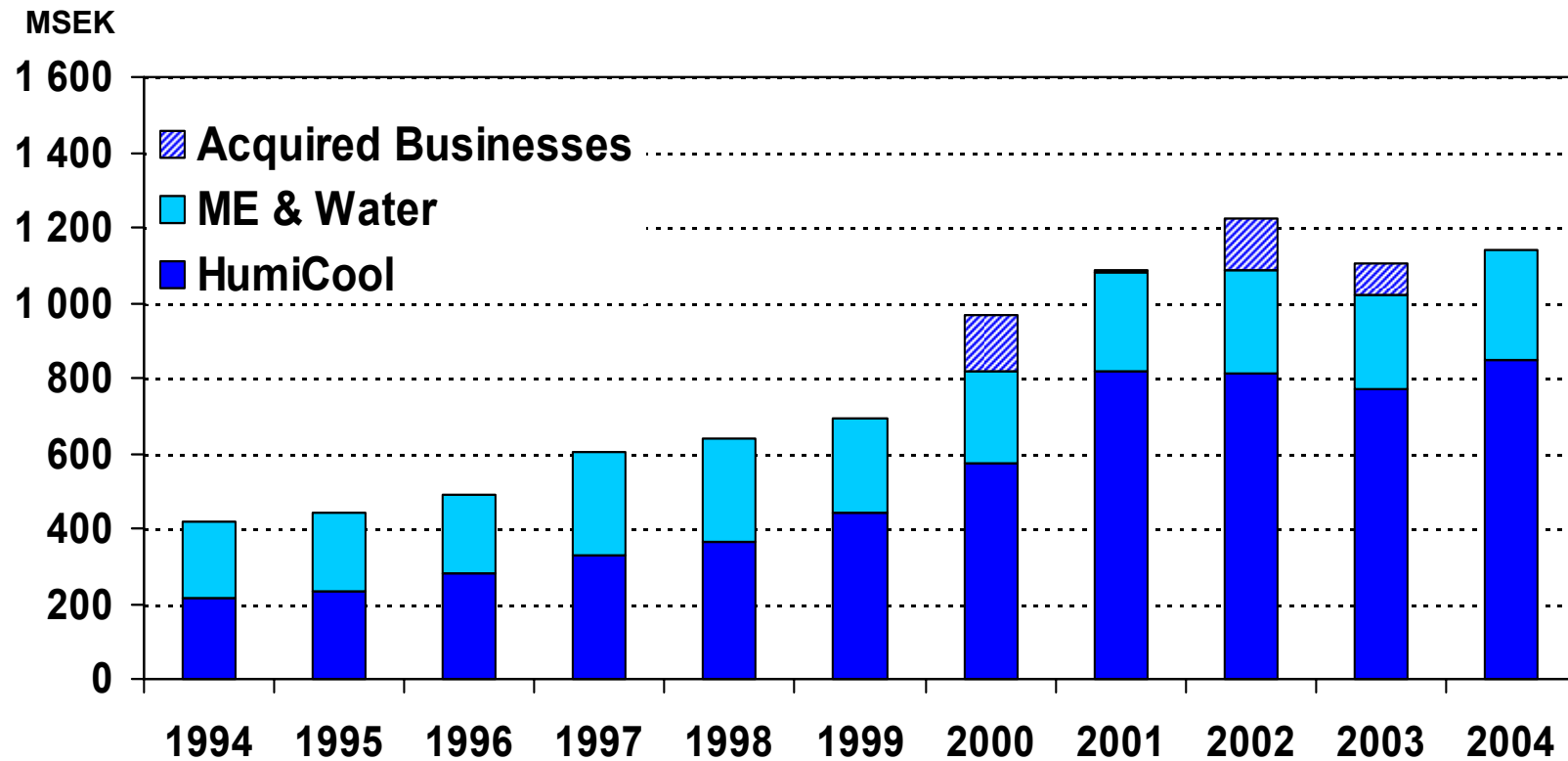
# Dehumidification Net Sales



# MCS Net Sales



# HumiCool Net Sales



## Preliminary effects of IFRS implementation

	2004 previous principles	2004 IFRS (prel.)	Effect of IFRS
EBIT, MSEK	298	333	35
EBIT margin, percent	6.6	7.3	0.7
Earnings per share, SEK	6.84	8.29	1.45

- The effect on EBIT 35 MSEK is reversal of goodwill amortization.
- The equity as per December 1, 2005 will increase with 2 MSEK due to fair value reporting of financial instruments.

# The first 6 weeks of 2005

- Good start of Q1
  - Orders
  - Net Sales

The image features a dark blue background. A horizontal line of water droplets is positioned in the upper third of the frame, with several larger droplets prominently displayed. At the bottom of the frame, there is a wavy line of water droplets, also with some larger droplets. The overall aesthetic is clean and minimalist, emphasizing the texture and form of water droplets.

# The Humidity Expert