

An aerial photograph of a vast, snow-covered mountain range. The terrain is rugged and textured with snow, with a winding road visible in the lower right quadrant. The overall color palette is dominated by various shades of blue and white, giving it a cool, wintry appearance.

MUNTERS

January – December 2005

Munters

A global, application and service driven niche company in air treatment from a base in dehumidification and humidification

**Pioneering thermodynamics -
Energy, air and water**



**Centralized/localized
manufacturing**

**Service business based
on core competences**



**Application specific systems on
standardized product platforms**



Munters Group Highlights

■ 4th Quarter

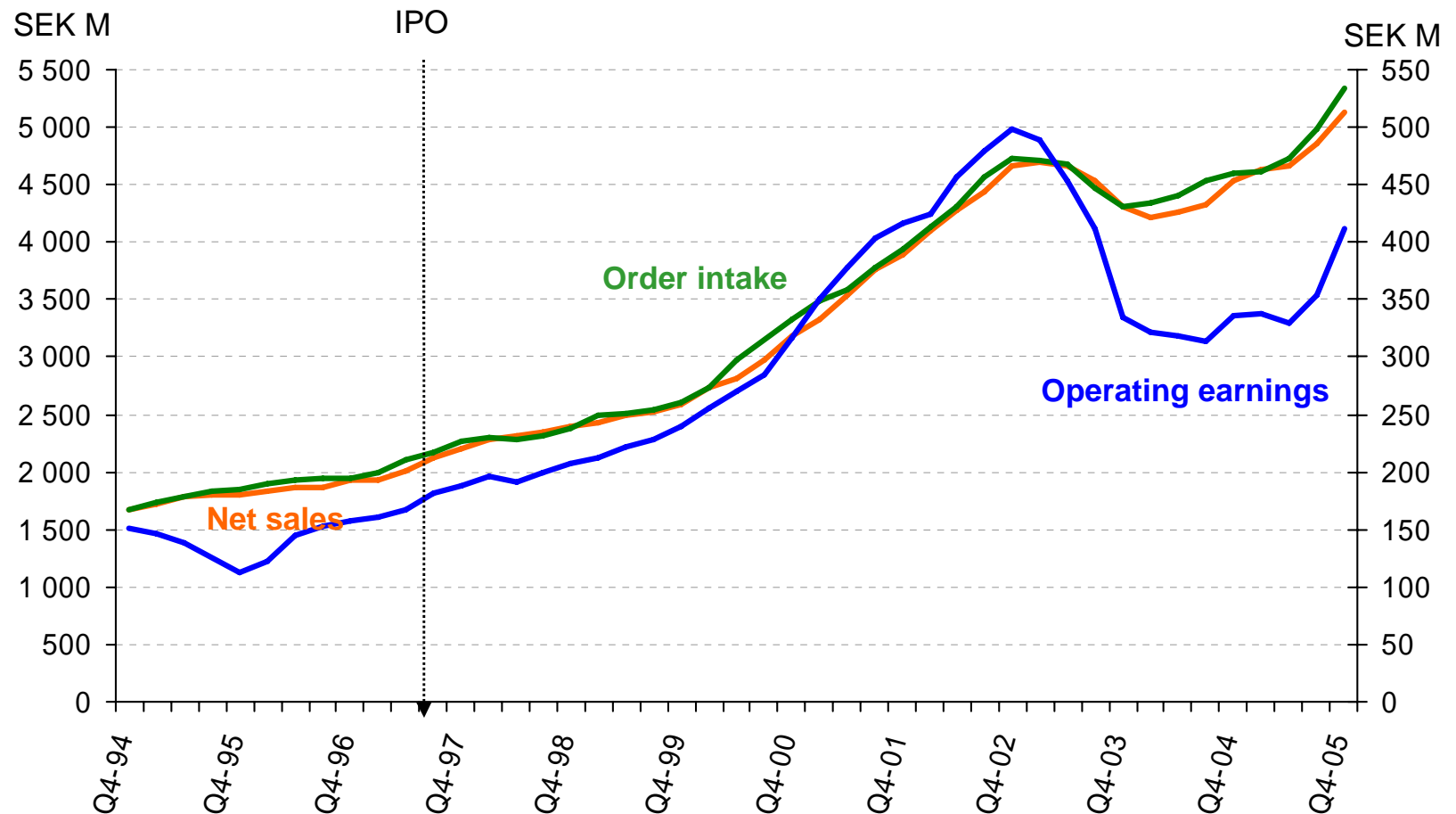
- Very strong Order intake +21% (currency adjusted)
- Sales growth 13% (currency adjusted)
- EBIT margin 10,1% (8,2% last year)
- Strong development in all Divisions
- Improved gross margins in Dehumidification and HumiCool

■ Full Year

- Order intake growth 14% (currency adjusted)
- Sales growth 11% (currency adjusted)
- EBIT margin 7,9% (7,3% last year)
- Significant improvement in second half of 2005
- Strong development in HumiCool

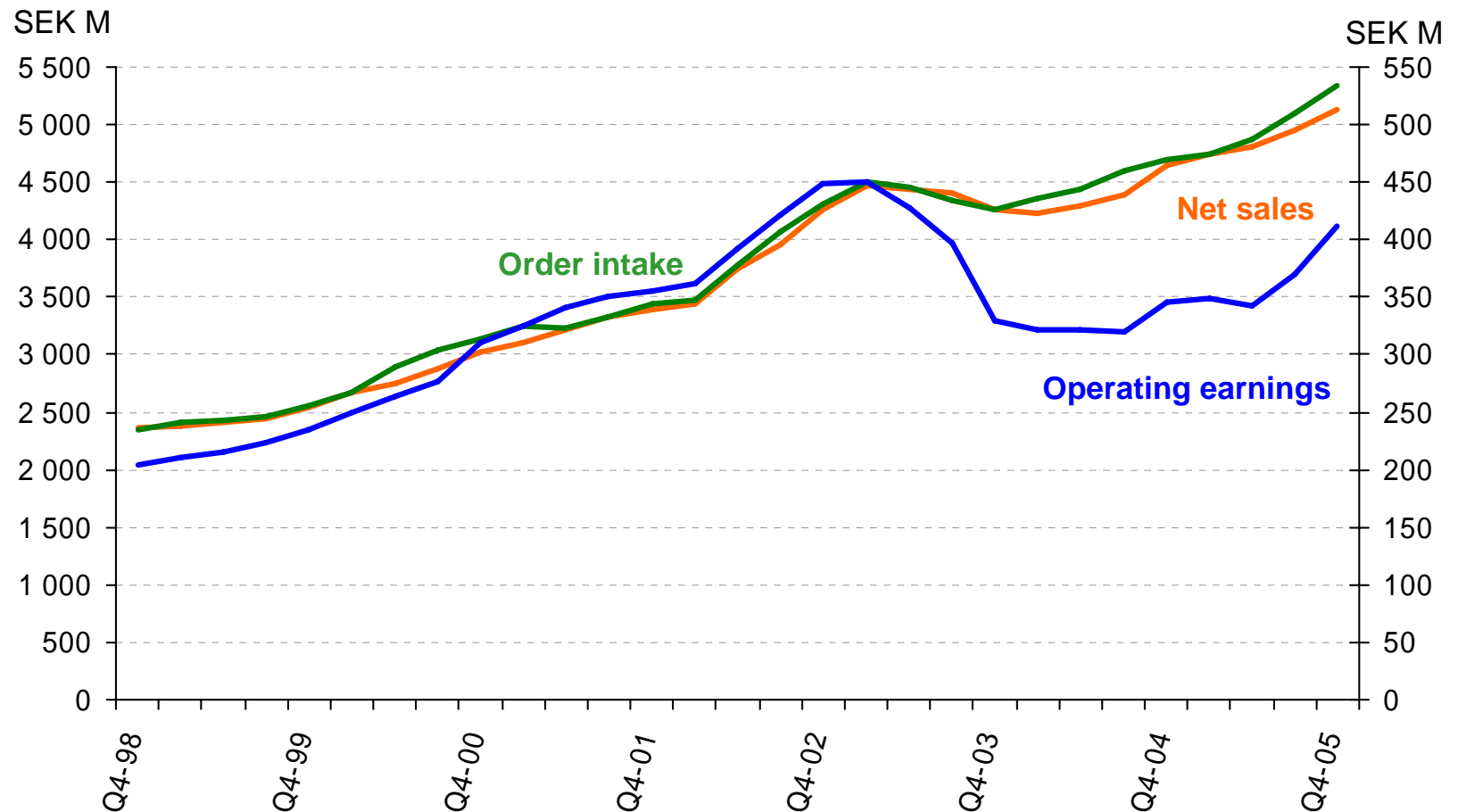
Rolling 4 Quarter Development

Strong Second Half 2005



Operating earnings excluding goodwill depreciation.

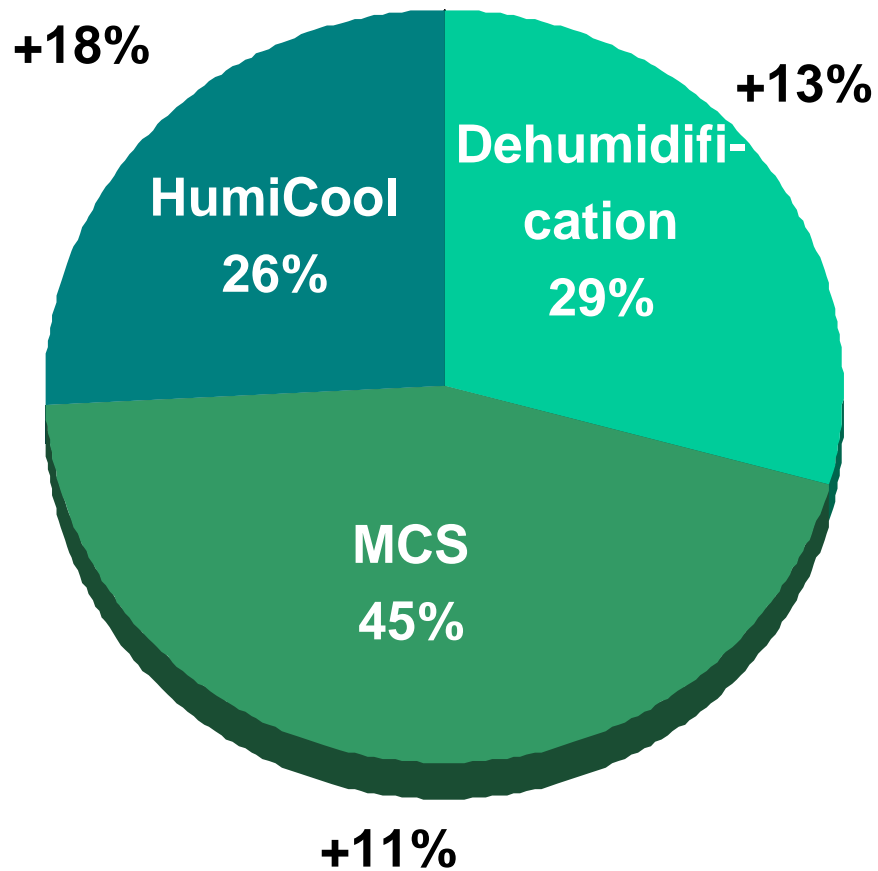
Rolling 4 Quarter Development Currency Adjusted



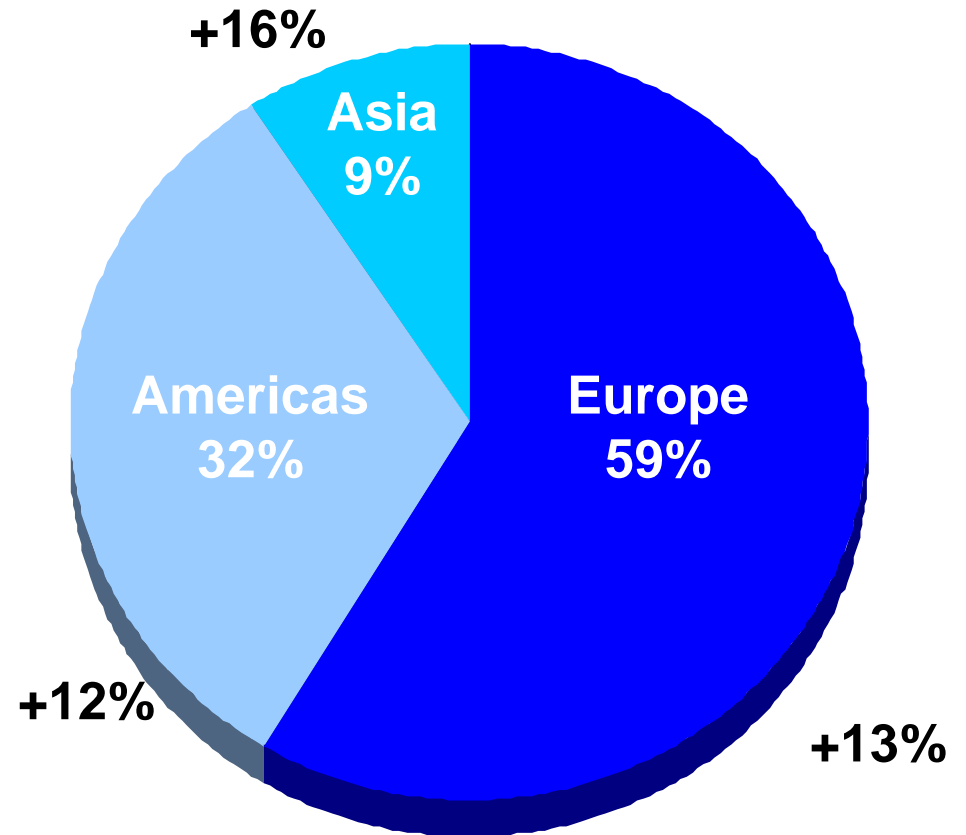
Operating earnings excluding goodwill depreciation.

Sales by Division and Region 2005

Division Break-down



Region Break-down



Note: Current exchange rates



Division Performance

Dehumidification Division



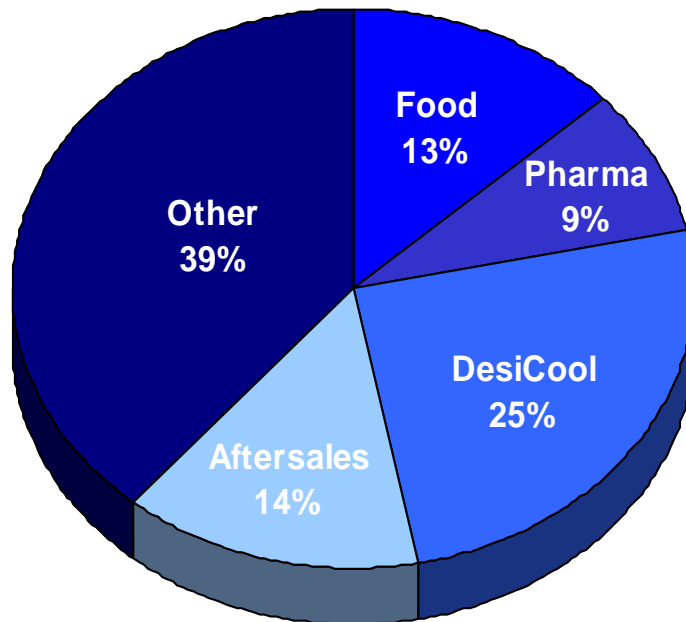
The school segment within DesiCool™ has been growing fast. Indoor air quality is gaining importance world-wide.

Dehumidification Division

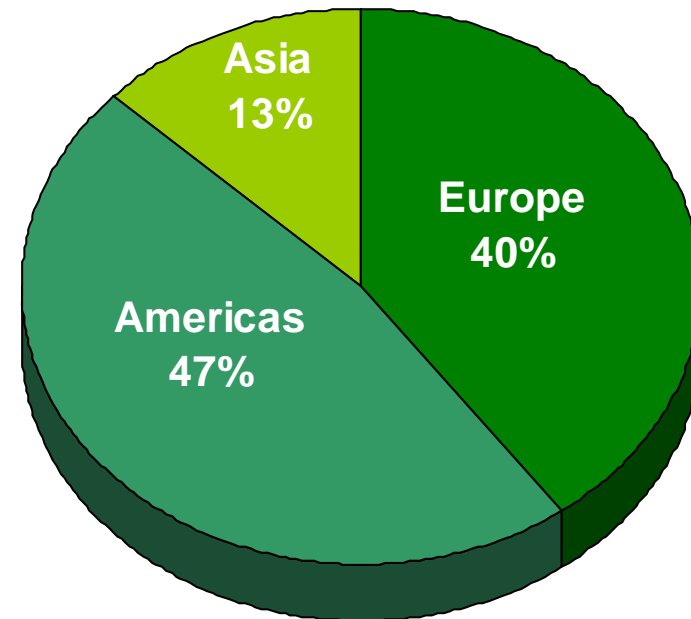
A global, application and service driven niche business in air treatment from a base in dehumidification



Customer Segments



Regional Mix



Dehumidification Highlights

■ Quarter 4

- Improved margins
 - Strong development in Europe
 - Efficiency Program
- Continued strong development in DesiCool
 - Plant expansion decided – USD 3 M capex, 2H 2006

■ Full Year

- Continued strong performance in Industrial applications
 - Sales growth
 - Strong “ProDry” platform growth
- Strong commercial development with DesiCool
- Global division focus
 - Grow commercial segments
 - Munters Efficiency Program

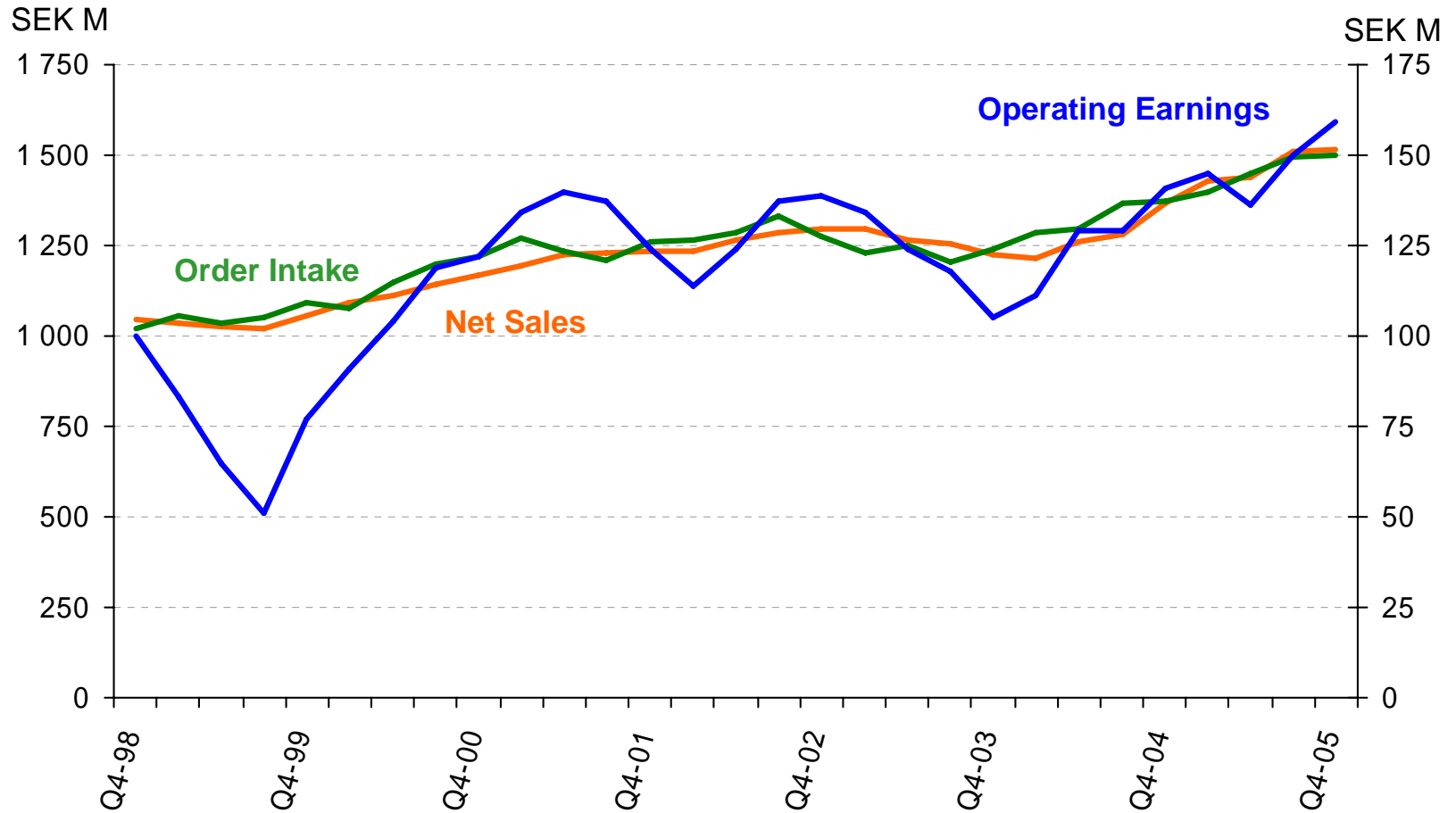
Dehumidification Division

SEK M	4th Quarter		Full Year	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Order Intake	355	316	1 500	1 352
Growth	13%		11%	
Adj growth	2%		9%	
Net Sales	431	395	1 514	1 344
Growth	9%		13%	
Adj growth	1%		11%	
Operating Earnings	58	46	159	138
Operating Margin	13,5%	11,6%	10,5%	10,3%
Operating Capital Turns			3,9	3,8

Dehumidification

Rolling 4 Quarter Development

Currency Adjusted



Operating earnings excluding goodwill depreciation.

Moisture Control Services Division



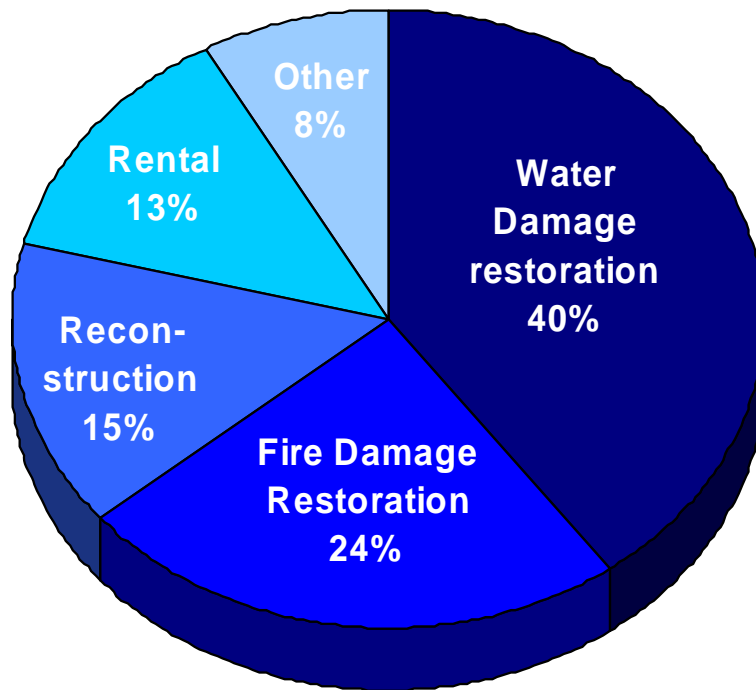
Hurricane Katrina hit New Orleans on August 29, 2005. Extended service offering increased sales and reduced volatility

MCS Division

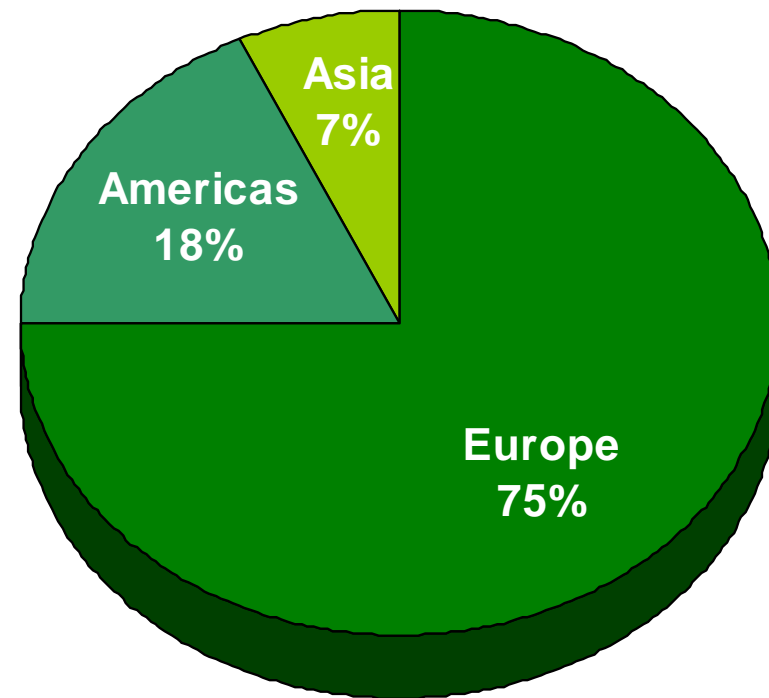
A global leader in temporary humidity control and damage restoration services



Business Segments



Regional Mix





MCS Highlights

- Quarter 4
 - Order intake +31% adjusted, strong also excluding hurricanes
 - Sales +18% adjusted (+10% excluding hurricane effects)
 - Earnings decline in Germany - Action plan launched
 - MCS Growth Academy - 150 leaders
- Full Year
 - Decline 1H, strong 2H
 - Disappointing margins
 - Positive trend in Sweden and France, action programs
 - Global division focus
 - People management
 - Scalable business model

MCS Division

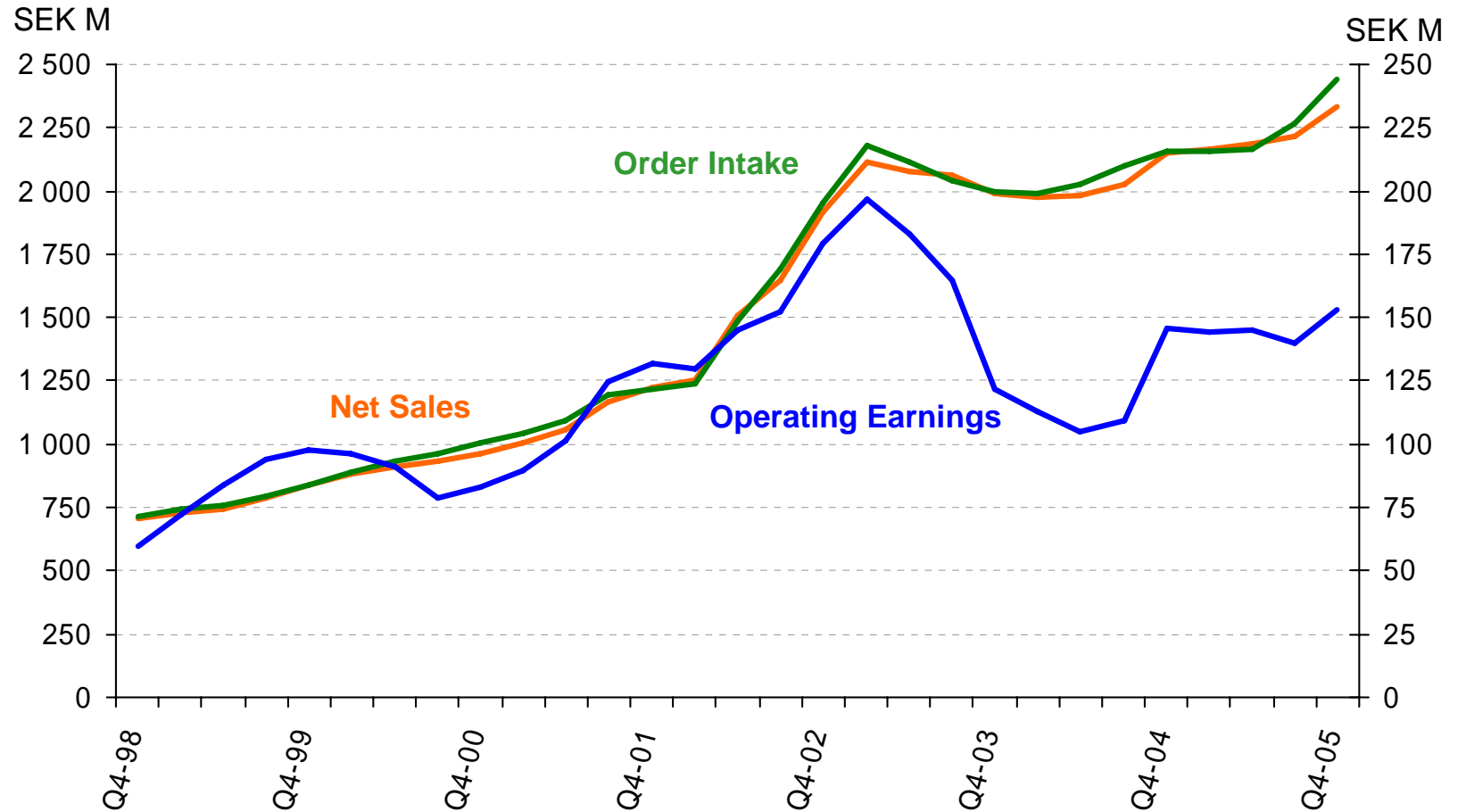
SEK M

	4th Quarter		Full Year	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Order Intake	769	547	2 444	2 102
Growth	41%		16%	
Adj growth	31%		13%	
Adj growth ex. Hurricanes 04 and 05	29%			
Net Sales	775	620	2 335	2 095
Growth	25%		11%	
Adj growth	18%		9%	
Adj growth ex. Hurricanes 04 and 05	10%			
Operating Earnings	74	59	153	141
Operating Margin	9,6%	9,5%	6,5%	6,7%
Operating Capital Turns			3,3	3,4

MCS

Rolling 4 Quarter Development

Currency Adjusted



Operating earnings excluding goodwill depreciation.

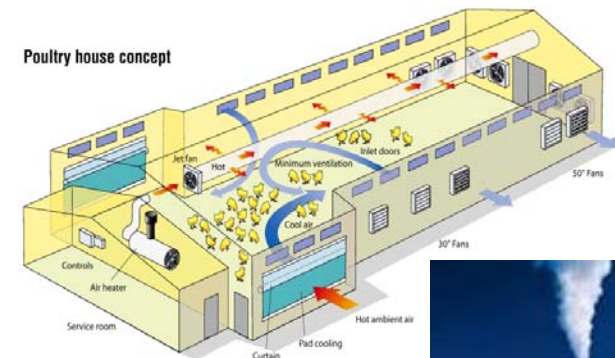
HumiCool Division



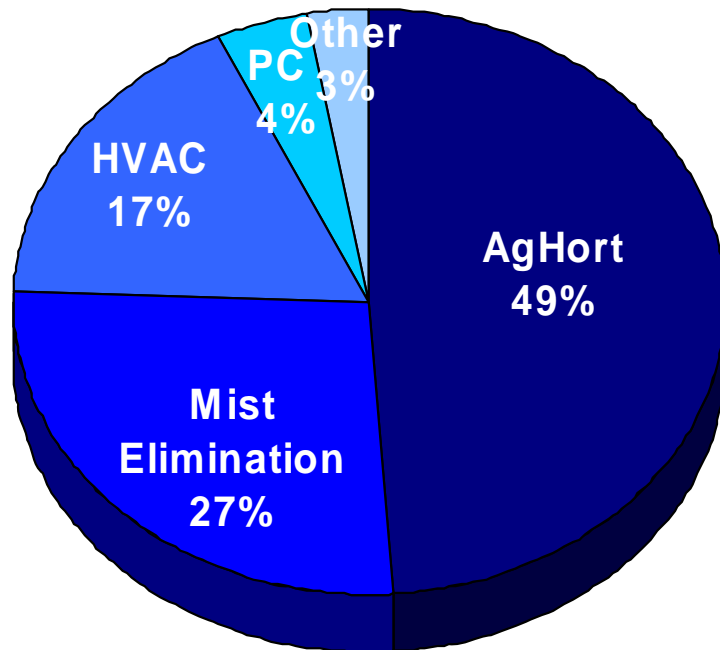
The HumiCool Division supplies components for emission control in coal fired power plants, a business with fast growth in China and USA.

HumiCool Division

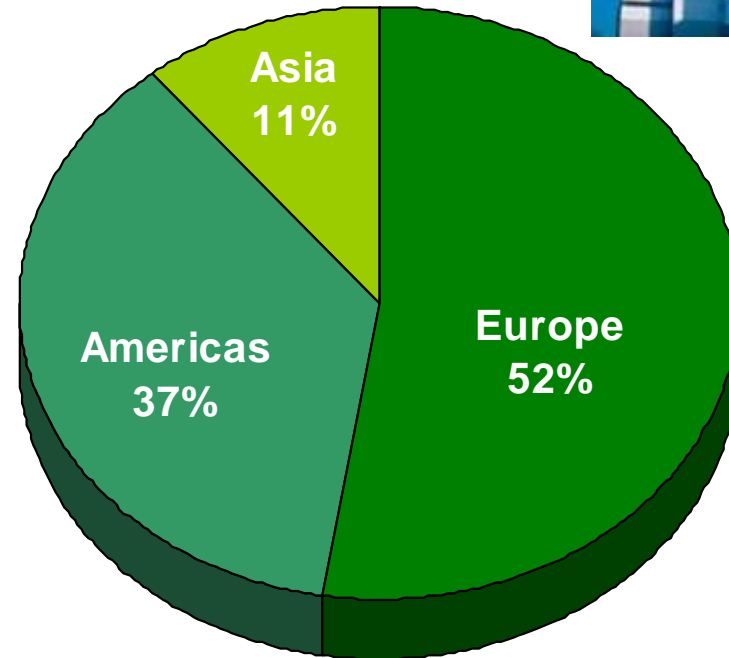
A global leader in systems for selected cooling/humidification and mist elimination applications



Business Segments



Regional Mix





HumiCool Highlights

■ Quarter 4

- Strong earnings and margin improvement
 - Volume, margin management, factory relocations
- Strong development for coal fired power plants

■ Full Year

- Weak first half, strong second half
- Positive effects factory relocations in Mexico and Aachen
 - Full impact of Imperia move 2H
- Strong development for coal fired power plants
- Avian flu – positive and negative impact
 - Poultry meat demand has fallen in several countries
 - Closed houses reduce virus spread and drive HumiCool demand

■ Events after Q4

- Water business sale agreed Q1 2006

HumiCool Division

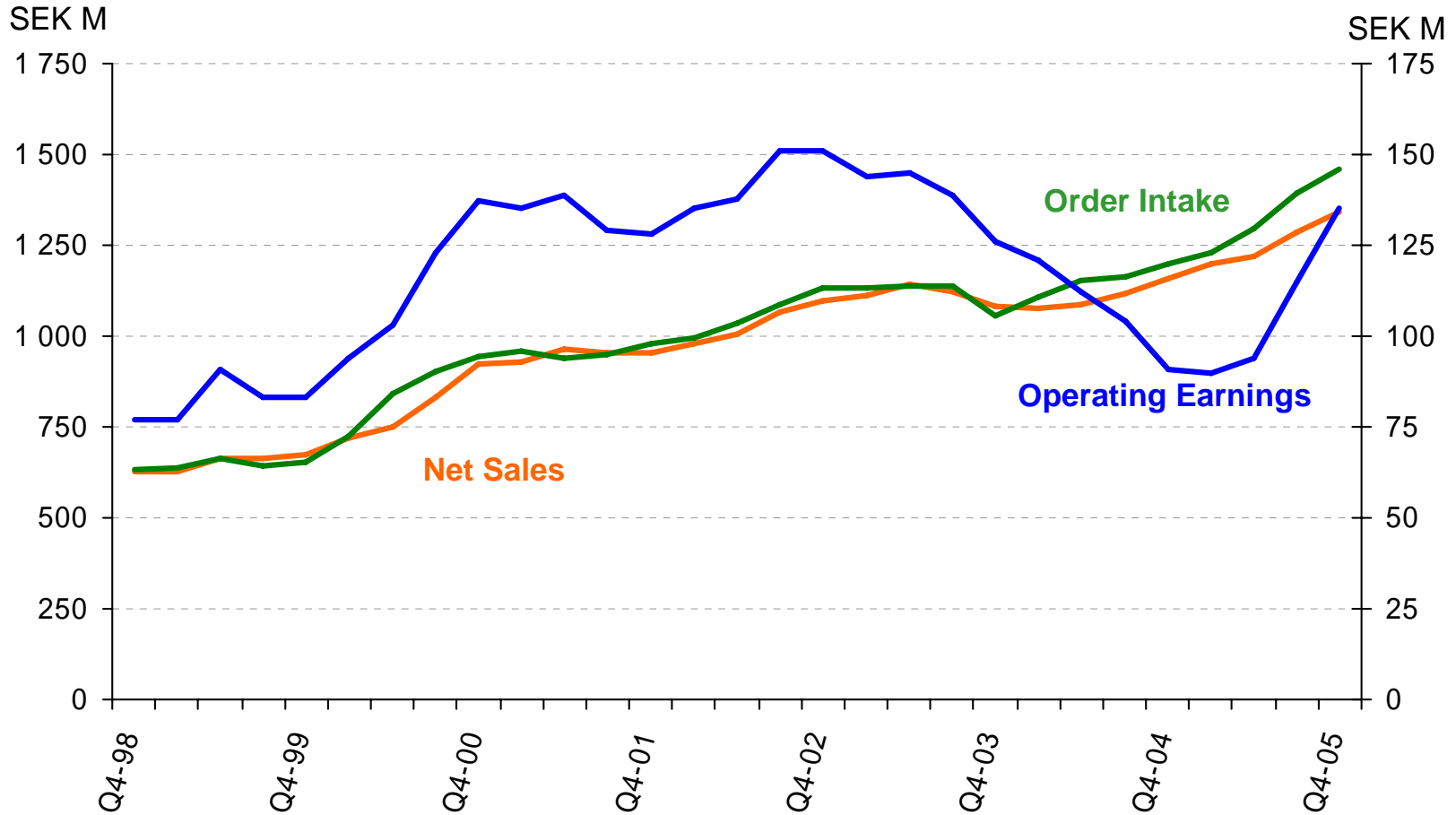
SEK M

	4th Quarter		Full Year	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Order Intake	330	235	1 460	1 178
Growth	40%		24%	
Adj growth	26%		22%	
Net Sales	347	264	1 343	1 138
Growth	32%		18%	
Adj growth	20%		16%	
Operating Earnings	30	7	135	88
Operating Margin	8,7%	2,8%	10,1%	7,8%
Operating Capital Turns			2,9	2,3

HumiCool

Rolling 4 Quarter Development

Currency Adjusted



Operating earnings excluding goodwill depreciation.

Munters Group Financial Analysis

Munters Group Financials

SEK M	4th Quarter		Full Year	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Order Intake	1 440	1 089	5 340	4 598
Growth	32%		16%	
Adj growth	21%		14%	
Net Sales	1 543	1 270	5 130	4 543
Growth	21%		13%	
Adj growth	13%		11%	
Gross Margin	28,8%	28,5%	27,9%	28,3%
EBIT	155	104	405	334
Growth	50%		21%	
EBIT Margin	10,1%	8,2%	7,9%	7,3%
Net Earnings	104	65	252	200
Operating Cash Flow	37	47	181	121

Q4 2005 Performance Analysis

SEK M	Net Sales		EBIT	
Q4 2004¹	1 270		104	
Action plans 2004, one-time effects			9	
Action plans 2005			0	
Currency effects	97		10	
	1 367		123	
Volume effect	176		50	
Margin effect			4	
Indirect cost			-22	
Q4 2005	1 543	13%	155	26%

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

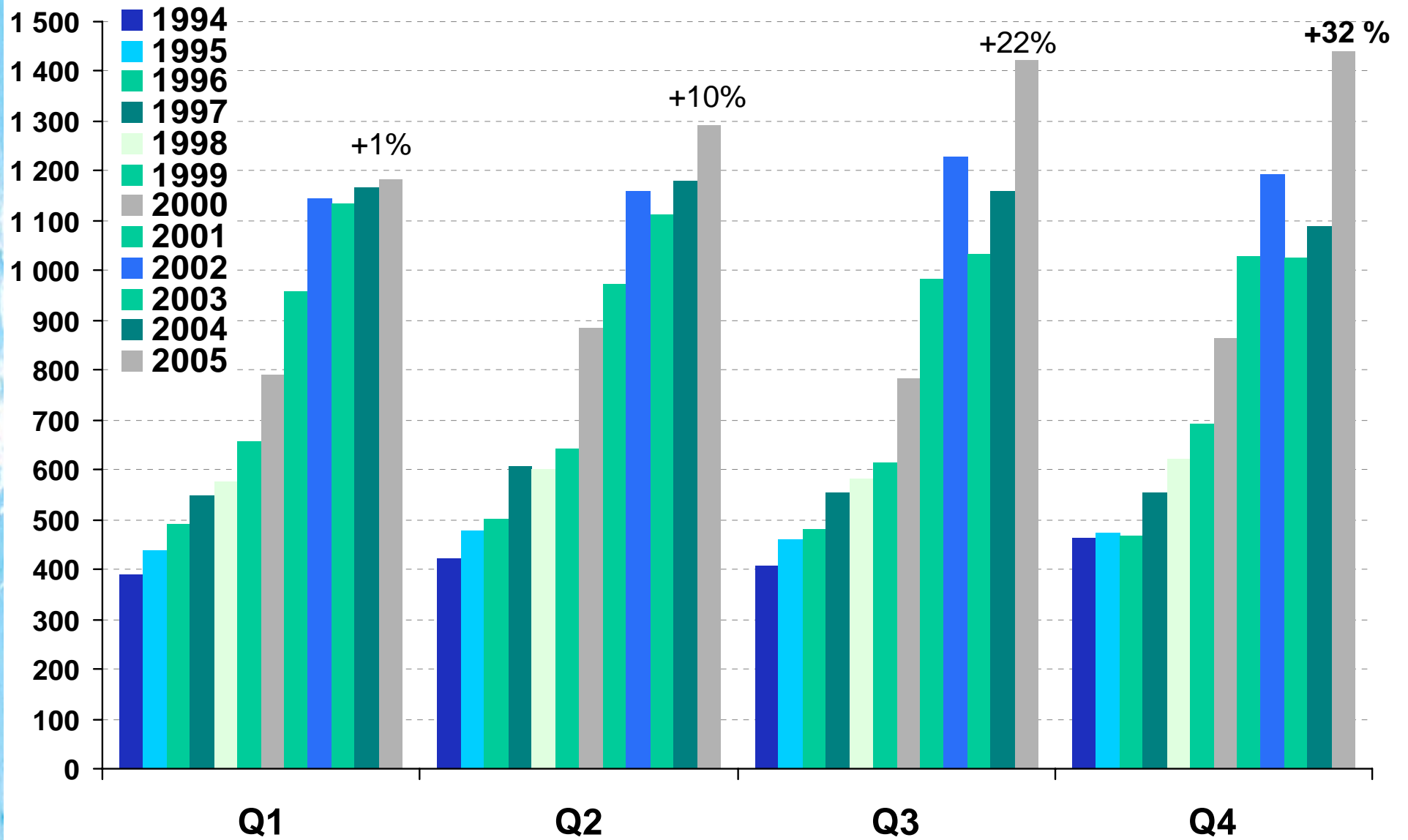
Full Year 2005 Performance Analysis

	Net Sales	EBIT
Full Year 2004¹	4 543	334
Action plans 2004, one-time effects		33
Action plans 2005		-19
Currency effects	98	9
	4 641	357
SEK M		
Volume effect	489	139
Margin effect		-18
Increase in indirect cost		-64
Goodwill amortization & other		-8
Full Year 2005	5 130 11%	405 14%

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

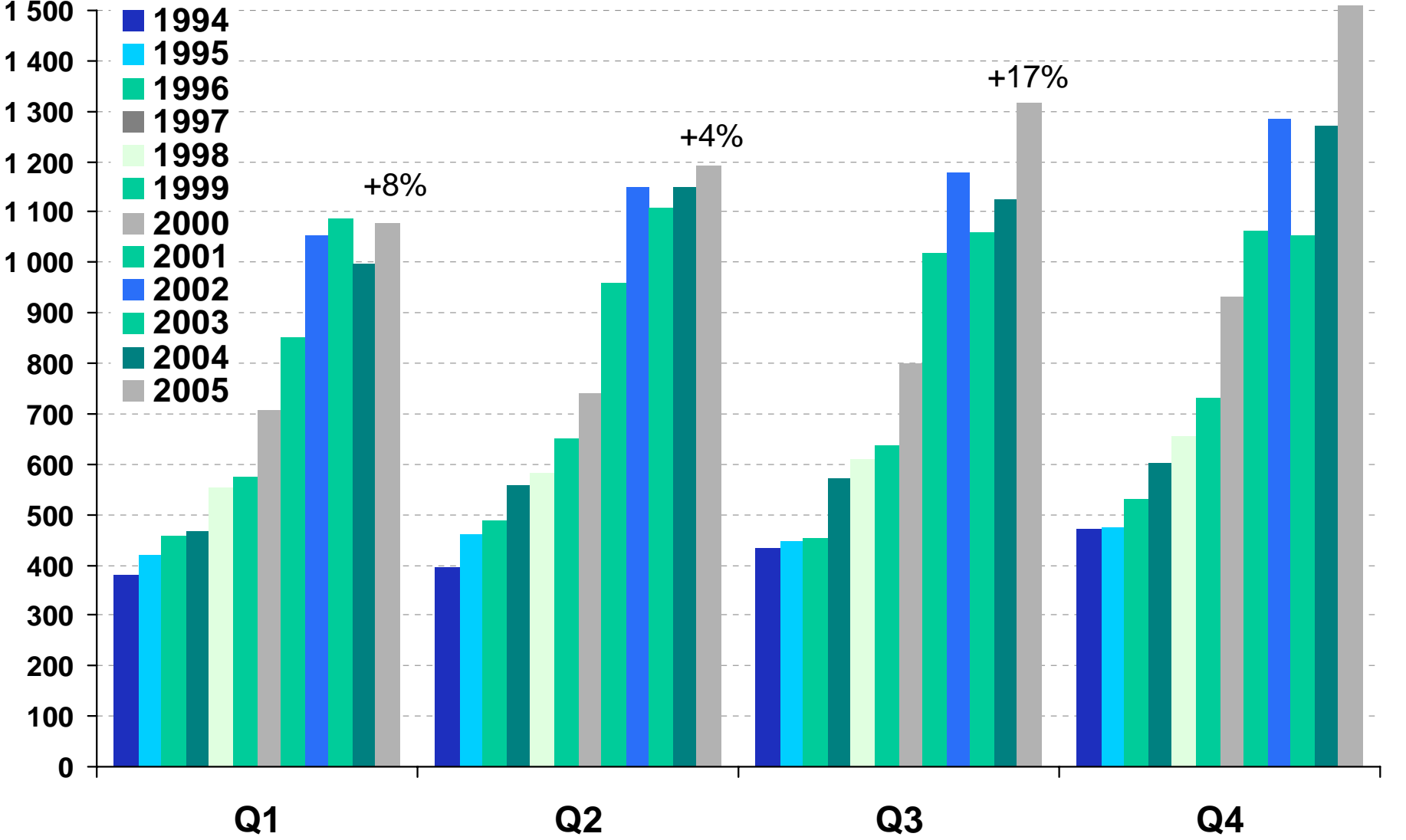
Order Intake

SEK M



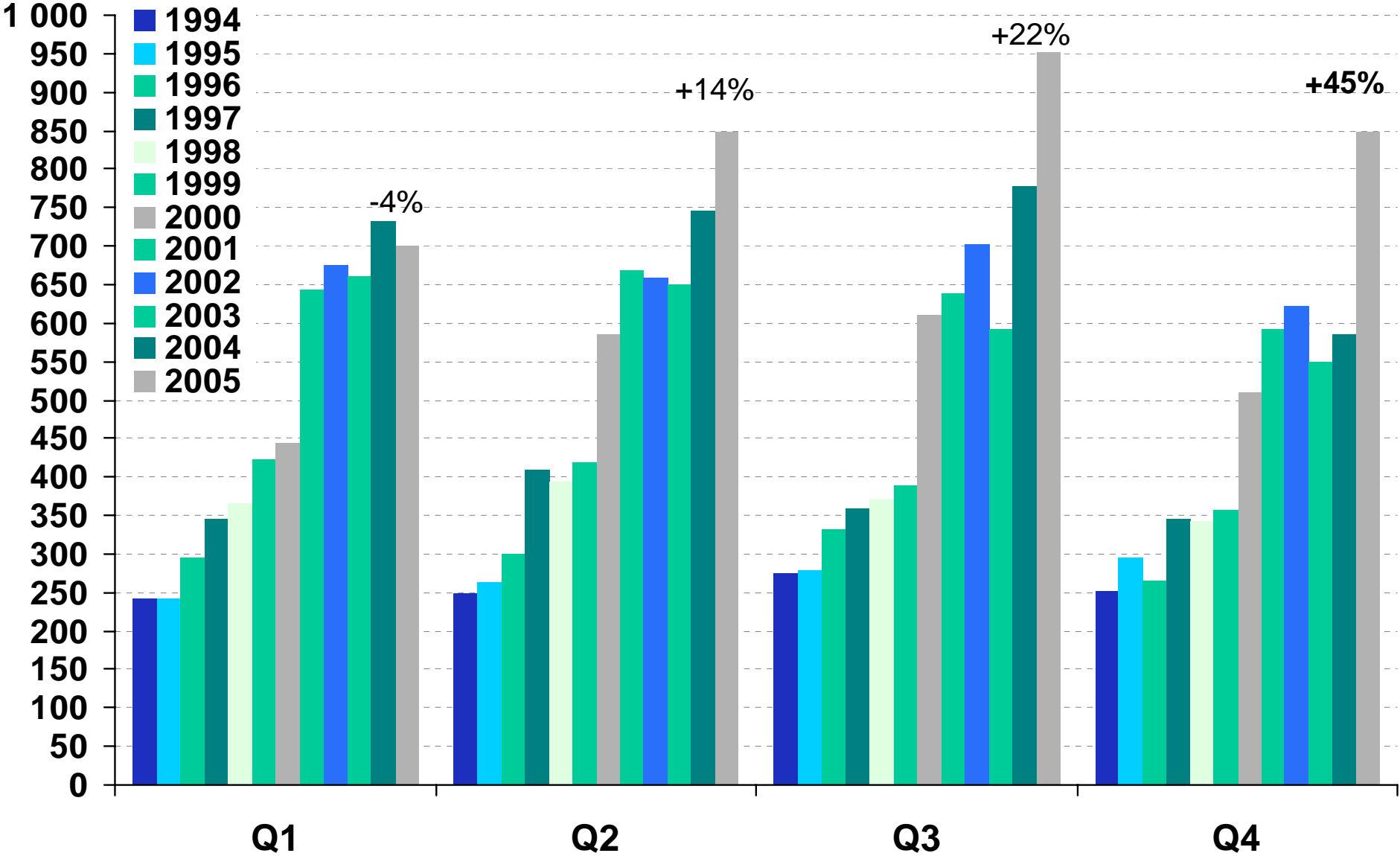
Net Sales

SEK M



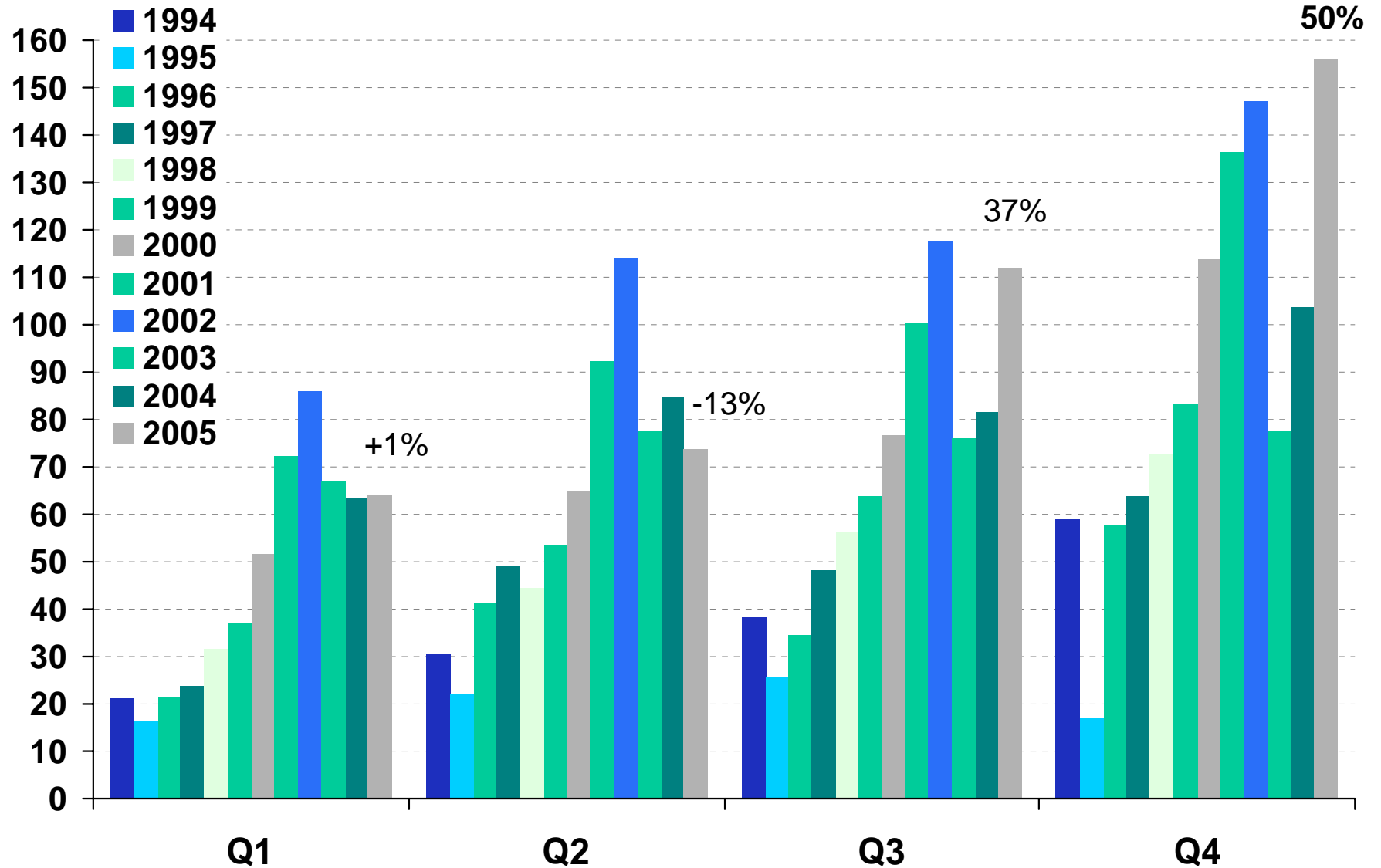
Backlog

SEK M



EBIT

SEK M



Year 2003 and previous years are according to preceding accounting principles, i.e. including goodwill amortization.

Key Financial Ratios

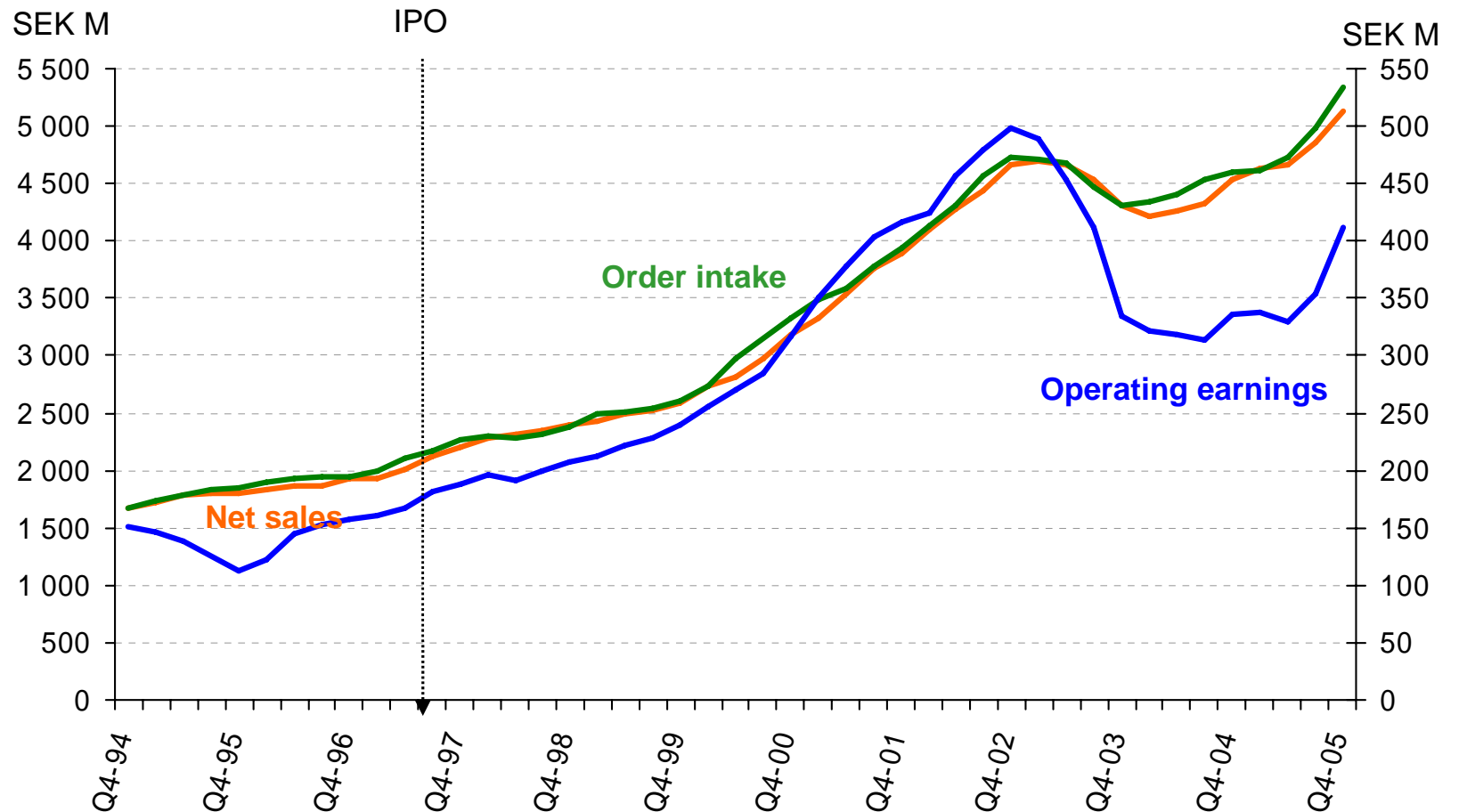
	<u>2005</u>	<u>2004</u> ¹
Capital Turns	2,85	2,83
EBIT Margin, %	7,9	7,3
Return on capital employed, % ²	22,8	21,0
Interest coverage ratio, times	20,2	17,7
Net debt, SEK M	282	351
Net debt/equity ratio	0,19	0,31
Earnings per share, SEK	10,17	8,20

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

² Calculated on rolling 12 months.

Rolling 4 Quarter Development

Strong Second Half 2005



Operating earnings excluding goodwill depreciation.



The Humidity Expert