



MUNTERS

**January – December
2006**

Group Highlights – Q4

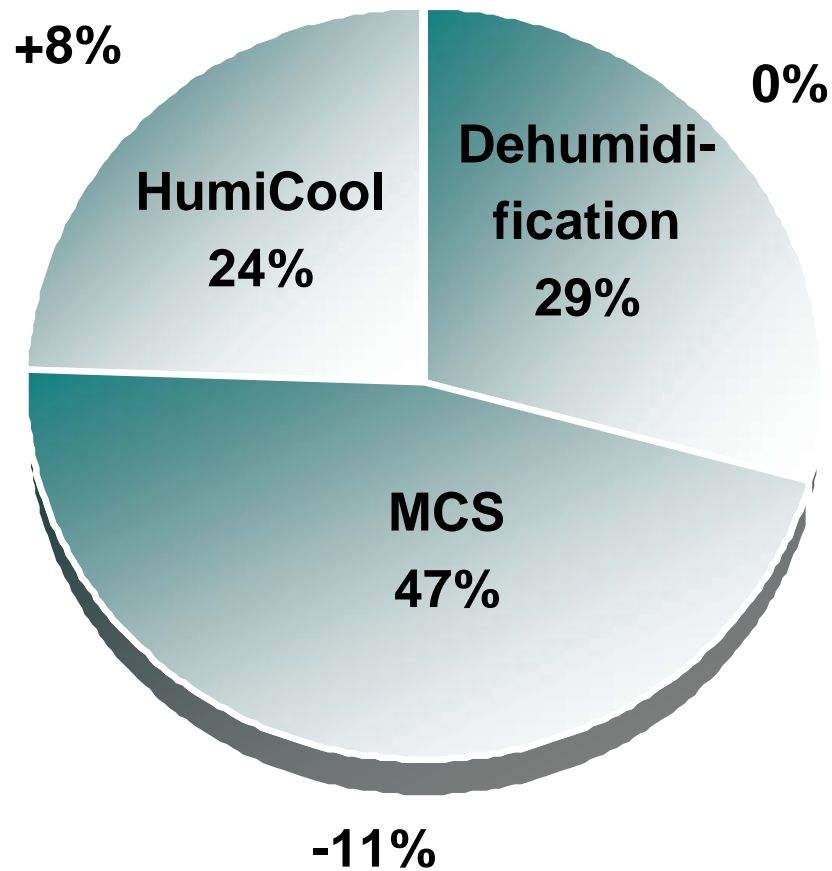
- Orders and sales comparison to 2005 impacted by
 - Currency translation due to weak US\$ and strong SEK
 - Lack of MCS Hurricane business
- Order intake up 9% adjusted for currency, acquisitions and MCS Hurricane business
 - MCS Hurricanes 140 MSEK Q4 2005
 - All divisions developing well
- Sales up 12% adjusted for currency, acquisitions and MCS Hurricane business
 - MCS Hurricanes 160 MSEK Q4 2005
- EBIT margin 9,8% (10,1% last year)
 - Dehumidification and HumiCool very strong
 - MCS margins impacted by lack of hurricanes and start of U.S. growth initiative
- Acquired Sial SpA, Italian heater manufacturer
 - Interesting expansion opportunities for HumiCool HVAC and AgHort

Group Highlights - 2006

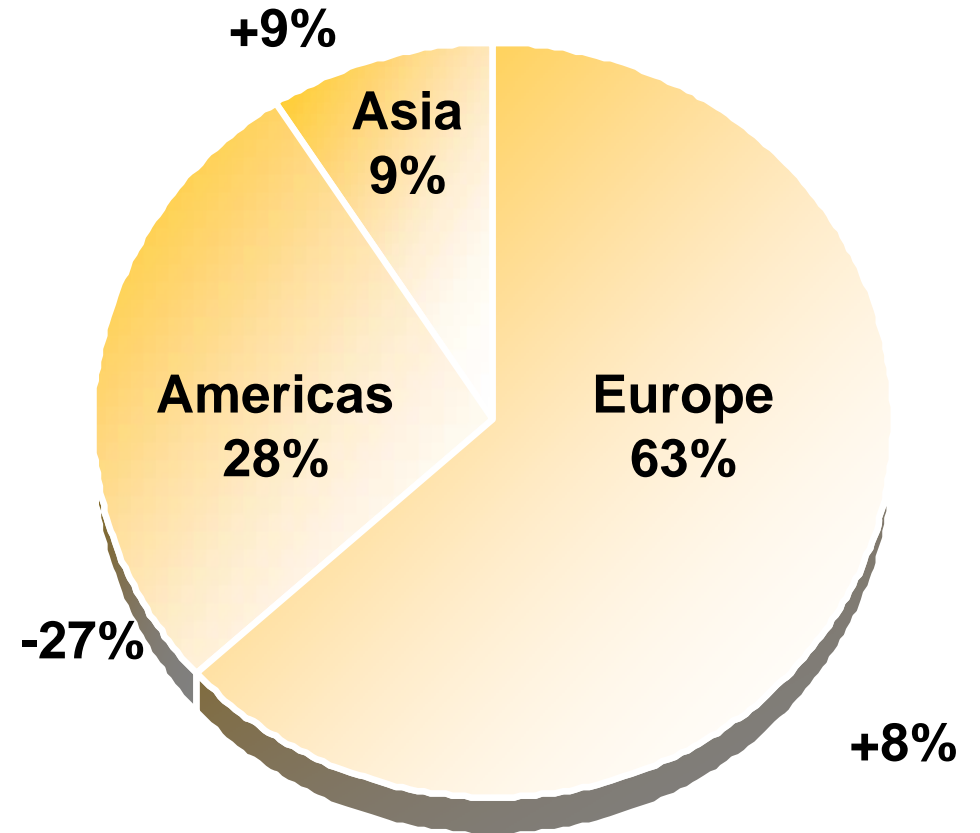
- Strong year on most parameters
 - All divisions show strong adjusted top line growth
 - Gross margins improving
 - Strong operating margins in Dehumidification and HumiCool
 - Strong cash flow (375 MSEK) and capital turns
- Resumed acquisitive growth drive
- Regular dividend 6,75 SEK/Share (5,50)
- XO capital distribution 20 SEK/Share

Sales Q4 2006

Division Break-down



Region Break-down



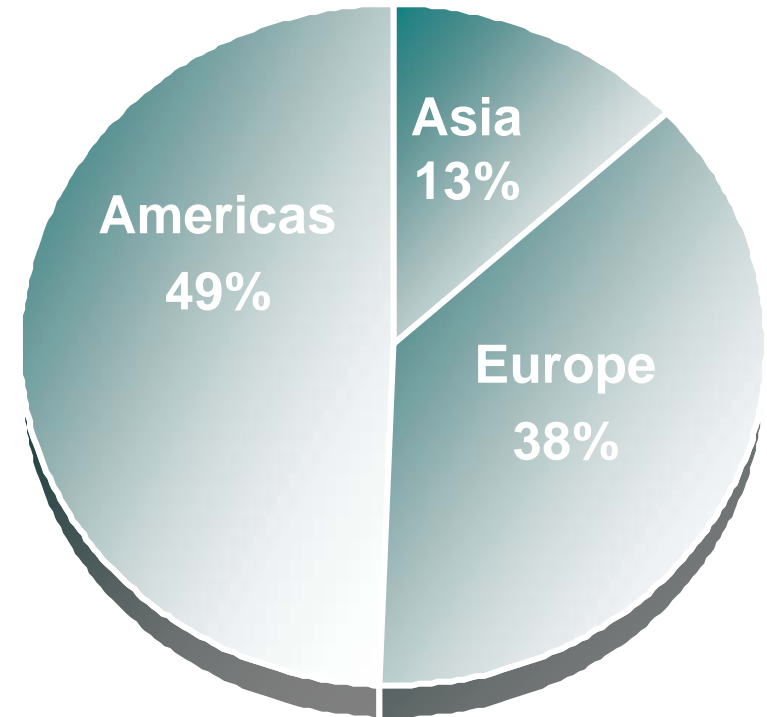
4 Note: Current exchange rates

A vertical strip on the left side of the slide shows a microscopic view of cells, likely from a tissue section, with various cellular structures and colors (blue, yellow, green) visible.

Division Performance

Dehumidification Division

Geographic Break-down 2006



Munters Condensation Control System with PowerPurge™ energy recovery option installed at a poultry processing plant in North Carolina

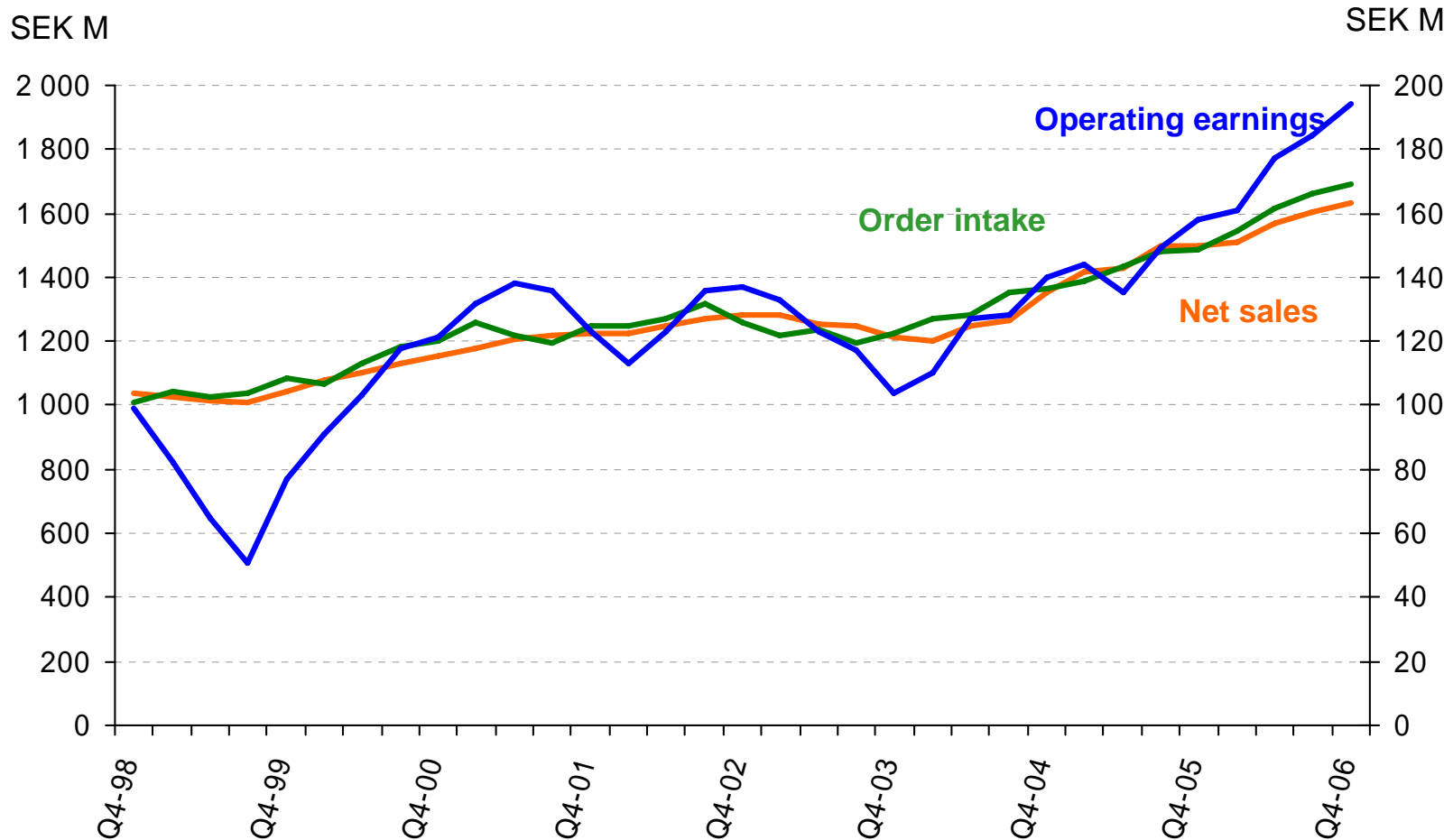
Dehumidification Highlights

- Q4
 - Relatively strong order intake (9% adjusted)
 - DH Industrial strong in Asia and Americas
 - DH Commercial unfavorably impacted by slow-down in WalMart construction
 - Zeol on steady level
 - Mix towards more systems business with longer lead times impacting Net Sales
 - Very high Operating margin (15%)
 - Good sales mix combined with margin management activities
- 2006
 - Solid growth in orders and sales in all three Business Areas
 - Margin expansion due to mix and efficiency improvements
 - High Operating Capital Turns (4,2)

Dehumidification Division

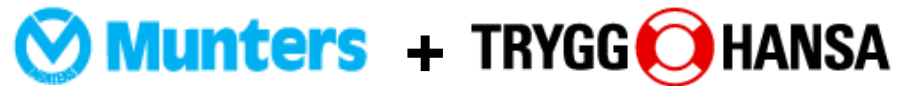
SEK M	4th Quarter		Cal. Yr.	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Order Intake	355	355	1 693	1 500
Grow th	0%		13%	
Adj grow th	9%		14%	
Net Sales	432	431	1 635	1 514
Grow th	0%		8%	
Adj grow th	7%		9%	
Operating Earnings	65	58	194	159
Operating Margin	15,0%	13,5%	11,9%	10,5%
Operating Capital Turns	4,2	3,9		

Dehumidification Rolling 4 Quarter



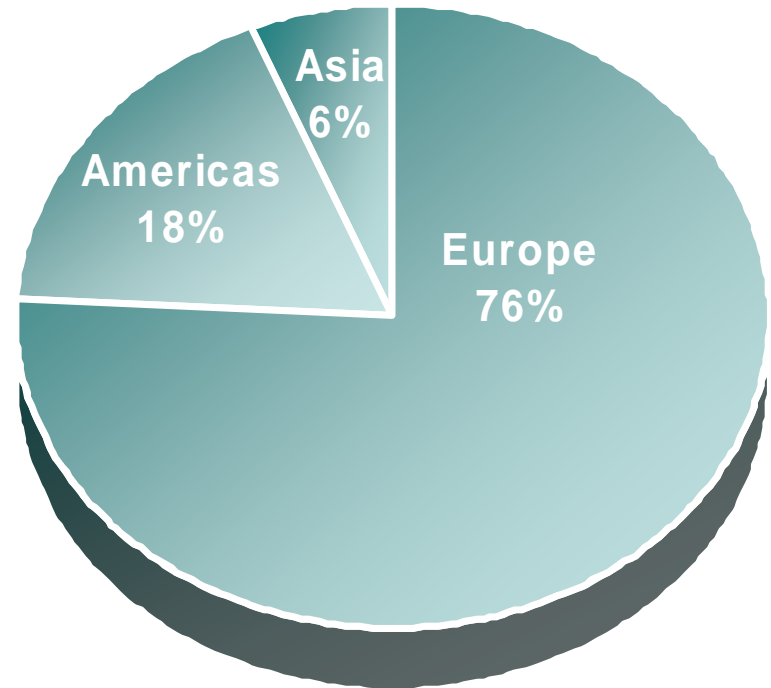
Operating earnings excluding goodwill depreciation.
 Figures are currency adjusted.

Moisture Control Services Division



The insurance company TryggHansa has selected Munters as its main supplier of water damage restoration in Sweden.

Geographic Break-down 2006



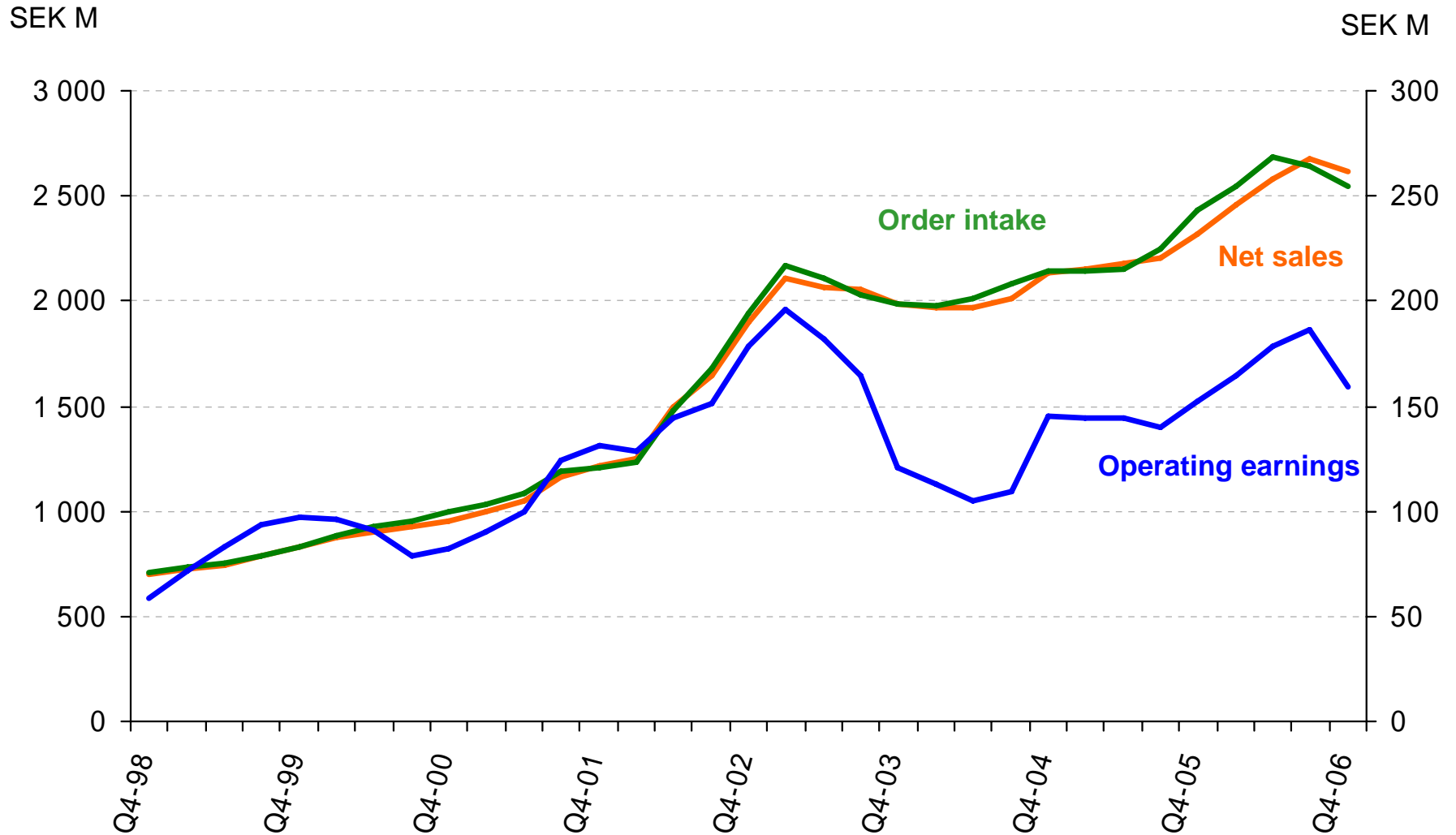
MCS Highlights

- Q4
 - Relatively strong order intake
 - Up 7% adjusted excluding impact of Hurricanes 2005
 - Hurricane orders 140 MSEK Q4 2005
 - Mild start to winter impacting December orders
 - Net sales developing well excluding Hurricanes
 - Hurricane sales 160 MSEK Q4 2005
 - Operating Margin 6,5% (9,6%)
 - Significant impact from lack of Hurricane sales
 - Launch expense from base business growth initiative in USA
 - Restructuring costs in Germany, underlying profitability improving
 - Improvements in most of Europe
- 2006
 - Market share improvement in Europe
 - Margin development unsatisfactory, but strategic margin initiatives in progress
 - Margin improvement in most of Europe
 - Trend reversed in Germany

MCS Division

	4th Quarter		Cal. Yr.	
SEK M	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Order Intake	636	769	2 541	2 444
Grow th	-17%		4%	
Adj grow th	-13%		5%	
Adj grow th ex. Cat	7%		17%	
Net Sales	686	775	2 618	2 335
Grow th	-12%		12%	
Adj grow th	-8%		13%	
Adj grow th ex. Cat	18%		16%	
Operating Earnings	45	74	159	153
Operating Margin	6,5%	9,6%	6,1%	6,5%
Operating Capital Turns	3,3	3,3		

MCS Rolling 4 Quarter



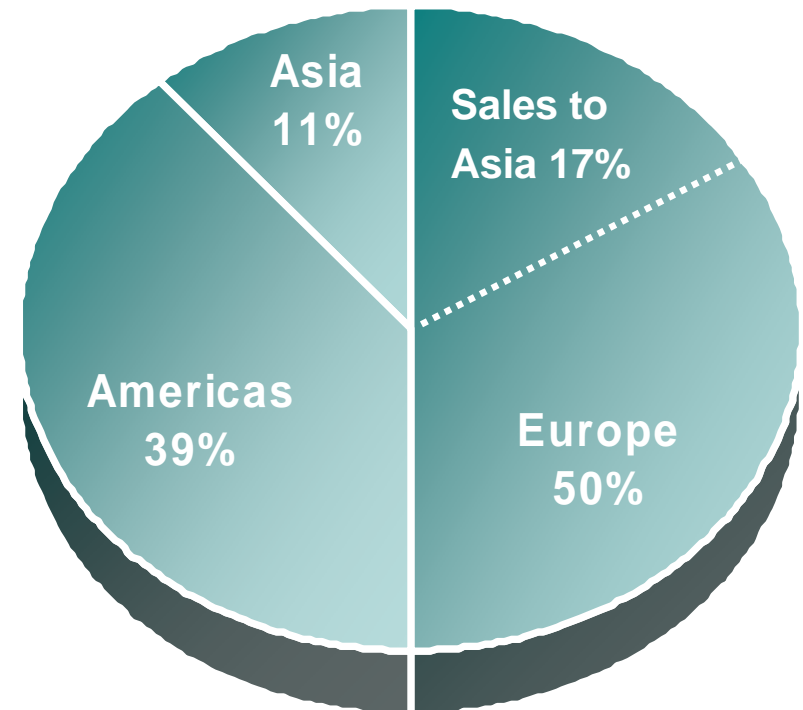
Operating earnings excluding goodwill depreciation.
Figures are currency adjusted.

HumiCool Division



SIAL Helios, oil mobile heater

Geographic Break-down 2006



HumiCool Highlights

■ Q4

- Strong order intake (up 11% adjusted)
 - Mist Elimination improving, especially coal in USA
 - AgHort market trending weaker after strong first 3 quarters also excluding seasonal impact
 - HVAC strong globally
- Net sales developing well (+8% adjusted)
 - Impacted by weak Mist Elimination orders in Q3
- Significant earnings improvement
 - One month of Sial earnings included
 - Earnings and margin improvement in all Business Areas

■ 2006

- Strong top line growth in all Business Areas
- Mix, capacity utilization and margin management resulting in significant margin improvement
- Acquisition of Sial gives opportunity to grow HVAC and AgHort businesses



HumiCool Division

	4th Quarter		Cal. Yr.	
SEK M	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Order Intake	333	330	1 585	1 460
Grow th	1%		9%	
Adj grow th	11%		14%	
Net Sales	361	347	1 514	1 342
Grow th	4%		13%	
Adj grow th	8%		15%	
Operating Earnings	44	30	213	135
Operating Margin	12,2%	8,7%	14,1%	10,1%
Operating Capital Turns	3,6	2,9		

Note: Adjusted growth includes currency effects and impact of Water business divestiture, and excludes Sial

Status Update Sial

- Acquisition concluded according to plan
- 2006 calendar year revenue 25,5 MEUR
- Sales synergy activities pursued aggressively
 - Heaters in HumiCool AgHort channels
 - Spot coolers in HVAC sales channels
 - Portable dehumidifiers in DH channels
 - Expansion in USA and Asia
- Also pursuing operational integration
- Mild winter impacting late season unfavorably

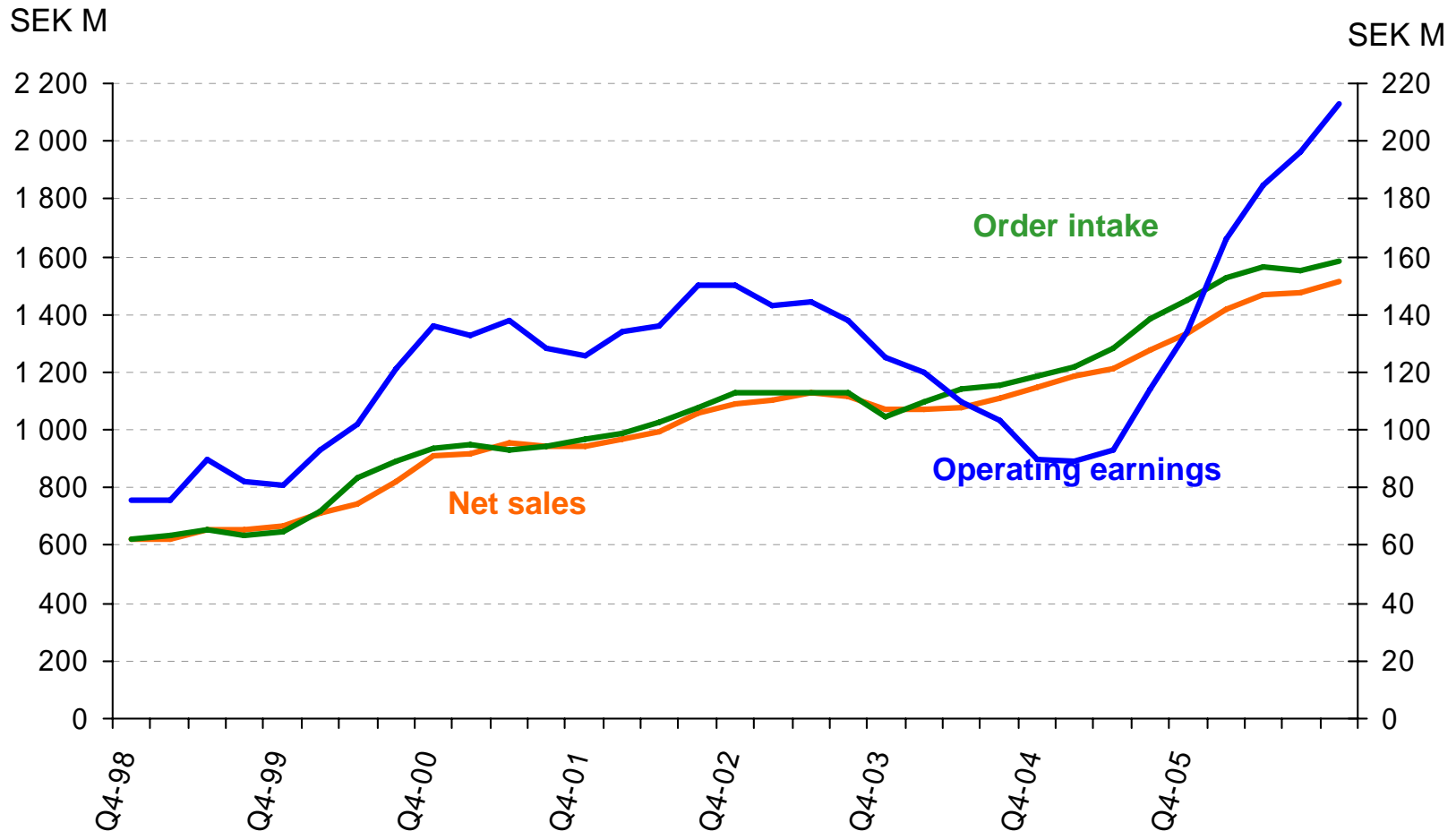
Sial Seasonality

Typical Quarterly Distribution

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
Order Intake	10%	35%	35%	20%
Net Sales	20%	5%	25%	50%
Operating Margin	+	--	+	++

- Sial's sales pattern driven by demand for heaters during European winter season
- Pushing higher utilization in low quarters through sales of evaporative coolers and dehumidifiers

HumiCool Rolling 4 Quarter



Operating earnings excluding goodwill depreciation.
 Figures are currency adjusted.

Munters Group Financial Analysis

Munters Group Financials

SEK M	4th Quarter		Jan-Dec	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Order Intake	1 311	1 440	5 761	5 340
Growth	-9%		8%	
Adj growth	-3%		10%	
Adj Growth ex. Cat	9%		15%	
Net Sales	1 462	1 543	5 712	5 130
Growth	-5%		11%	
Adj growth	-1%		12%	
Adj Growth ex. Cat	12%		14%	
Gross Margin (excl write-offs)	29,4%	28,8%	28,3%	27,9%
EBIT	143	155	529	405
EBIT Margin	9,8%	10,1%	9,3%	7,9%
Net Earnings	92	104	328	252

Note: Adjusted growth includes currency effects and impact of Water business divestiture

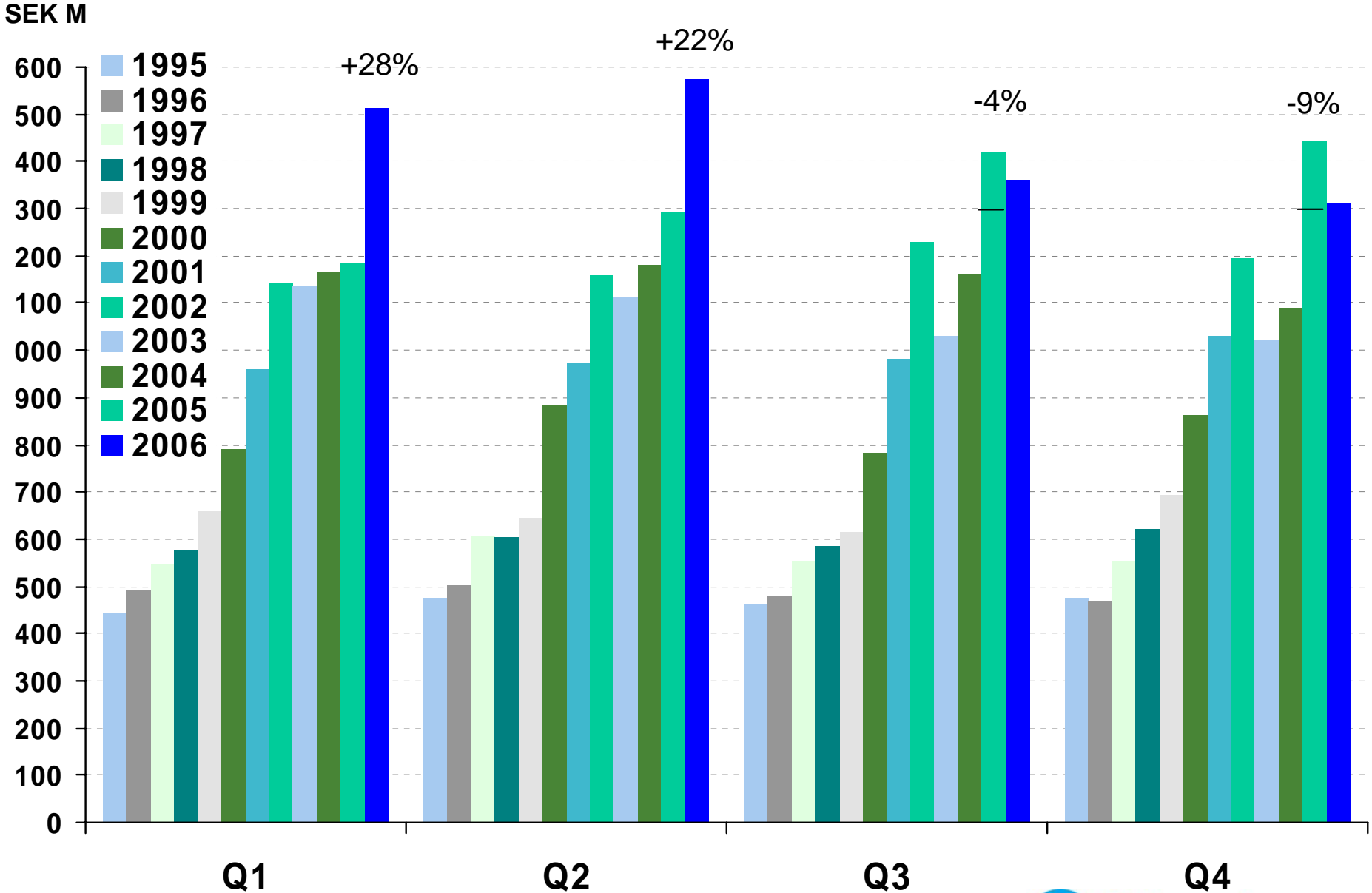
Q4 2006 Performance Analysis

SEK M	Net Sales		EBIT	
Q4 2005	1 543		155	
Water Business Divestiture	-20			
Sial Acquisition	32			
Currency effects	-85		-8	
	1 470		147	
Volume effect	-8		-2	
Margin effect			9	
Indirect cost & Other			-10	
Q4 2006	1 462	-1%	143	-3%

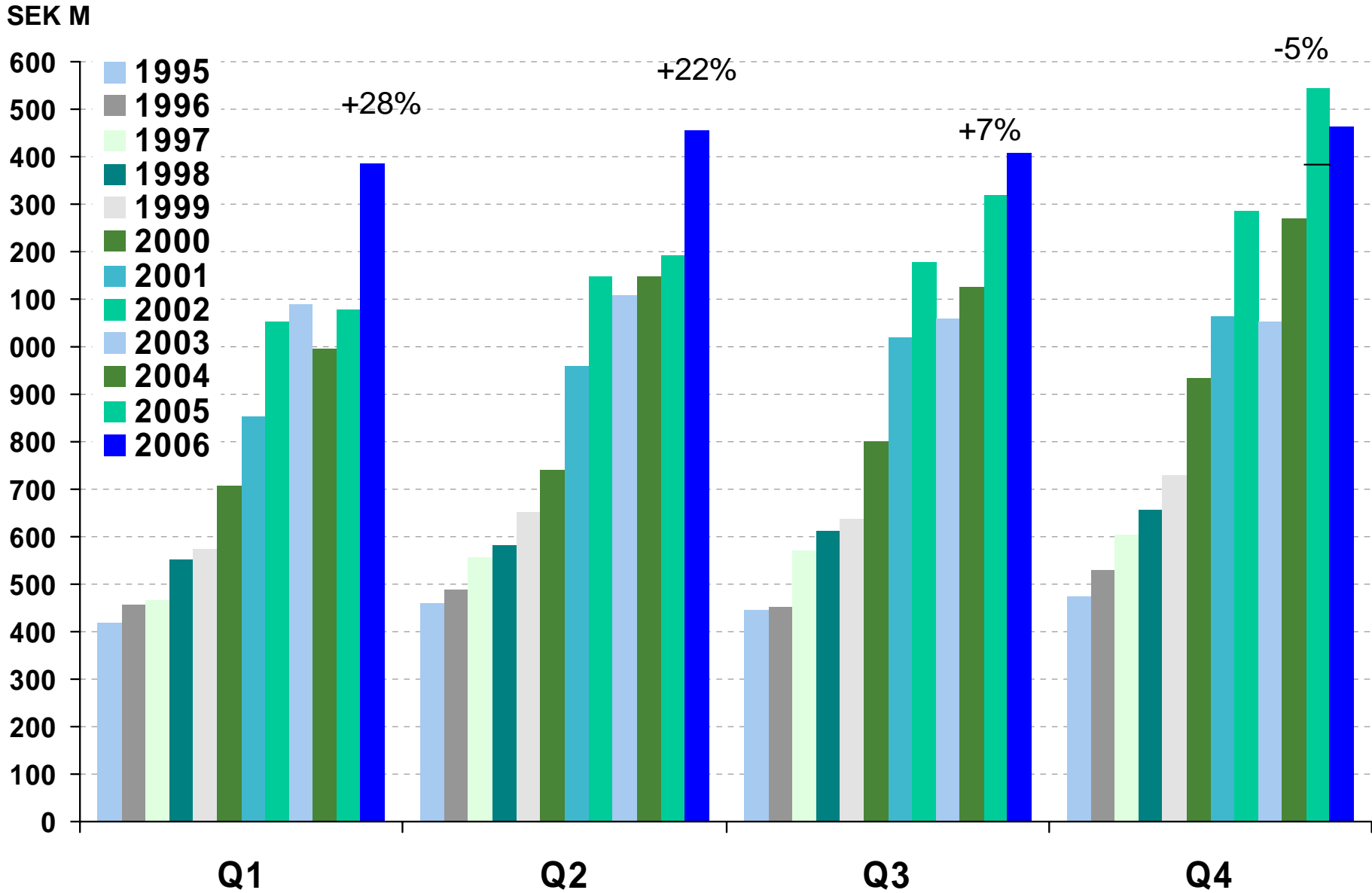
Jan-Dec 2006 Performance Analysis

SEK M	Net Sales		EBIT	
Jan-Dec 2005	5 130		405	
Water business divestiture	-48			
Sial Acquisition	32			
Currency effects	-36		-3	
	5 078		402	
Volume effect	634		177	
Margin effect			20	
Indirect cost & Other			-70	
Jan-Dec 2006	5 712	12%	529	32%

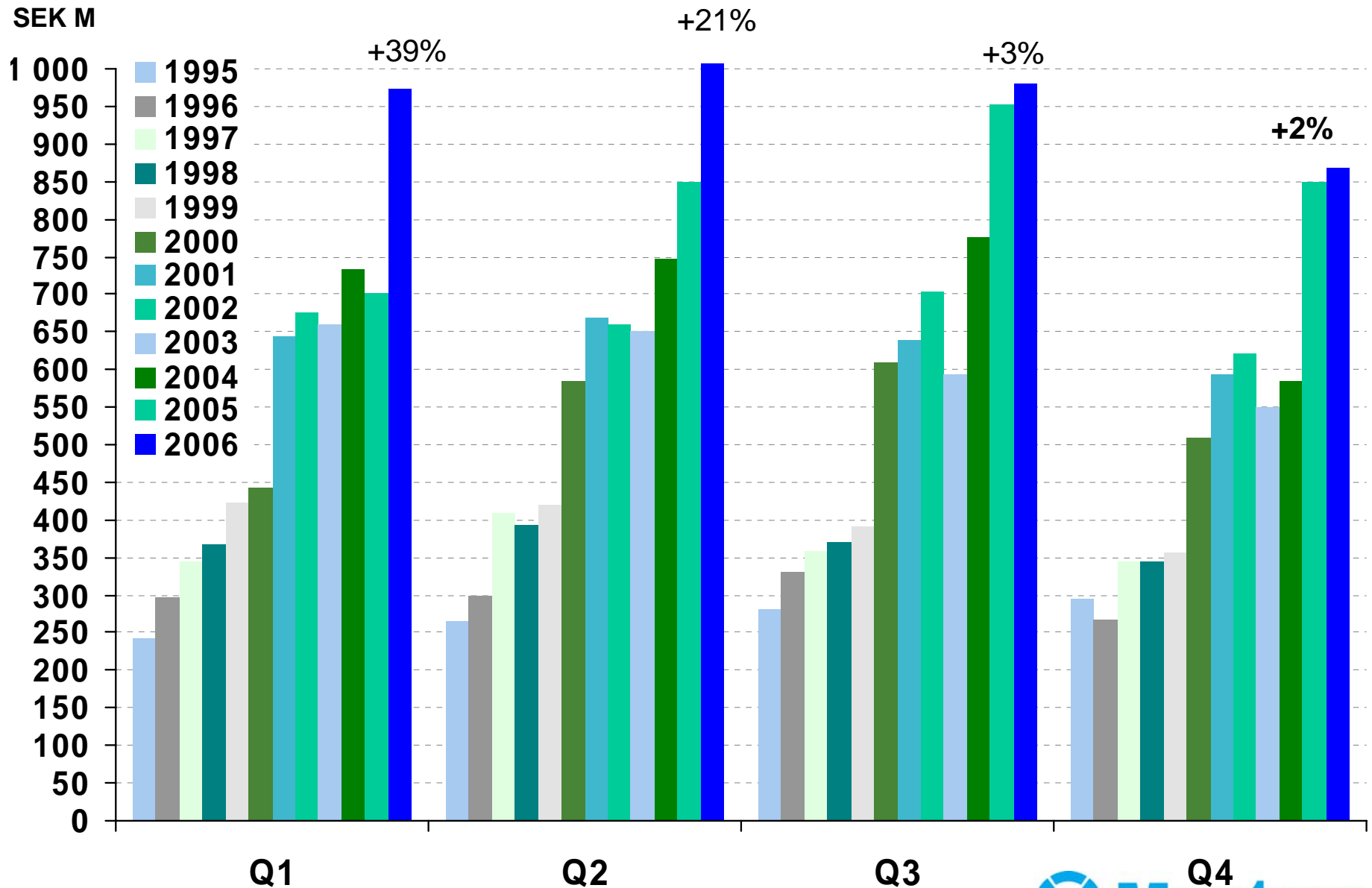
Order Intake



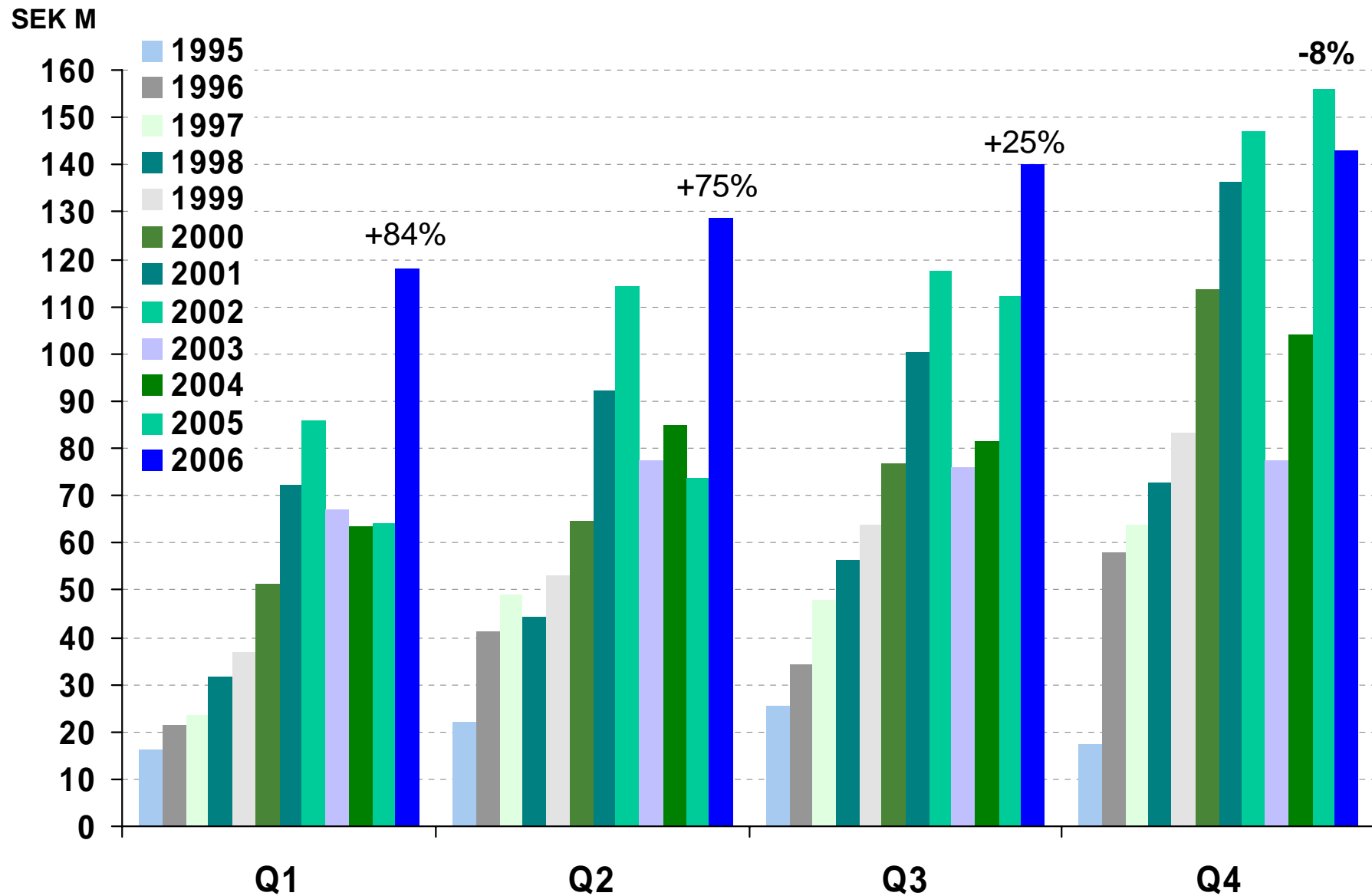
Net Sales



Backlog



EBIT



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

Key Financial Ratios

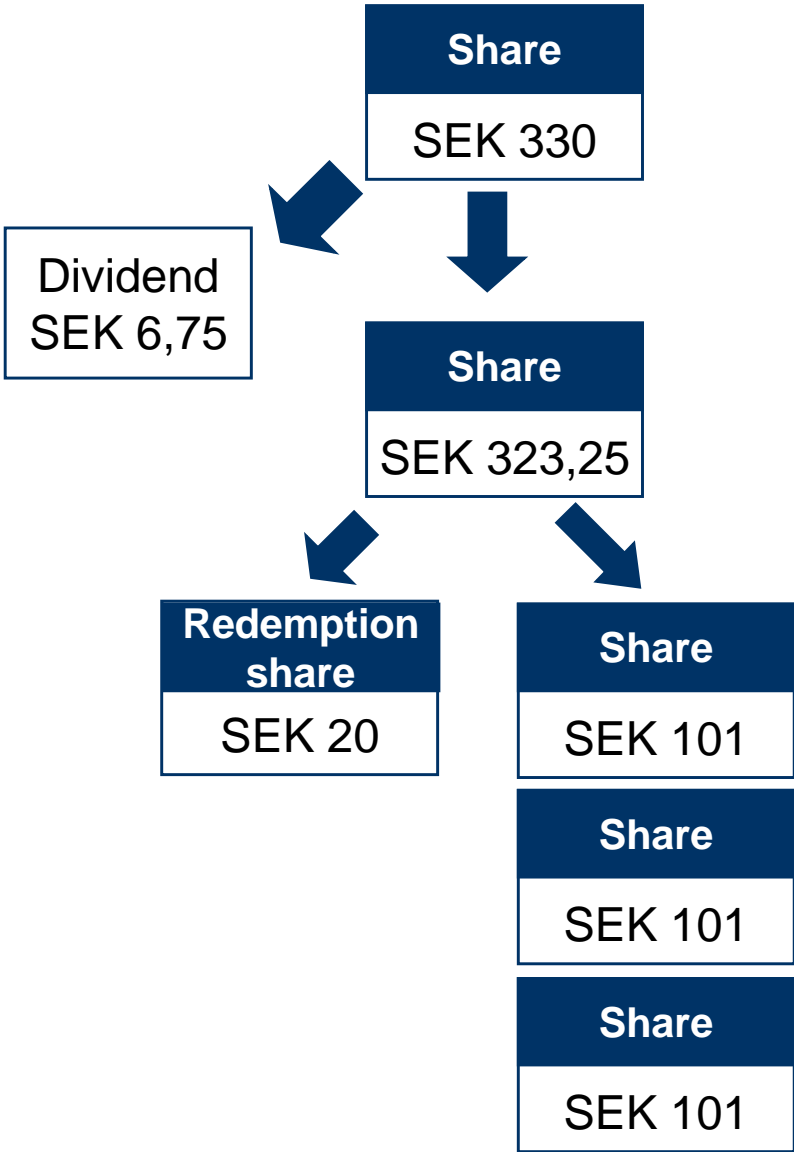
	<u>Q4 2006</u>	<u>Q4 2005</u>
Capital Turns ¹	3,0	2,8
EBIT Margin ¹	9,3%	7,9%
Return on capital employed ¹	28,0%	22,8%
Operating Cash Flow	61	37
Net debt, SEK M	257	315
Net debt/equity ratio	0,17	0,19
Earnings per share, SEK	3,70	4,19

¹ Calculated on rolling 12 months.

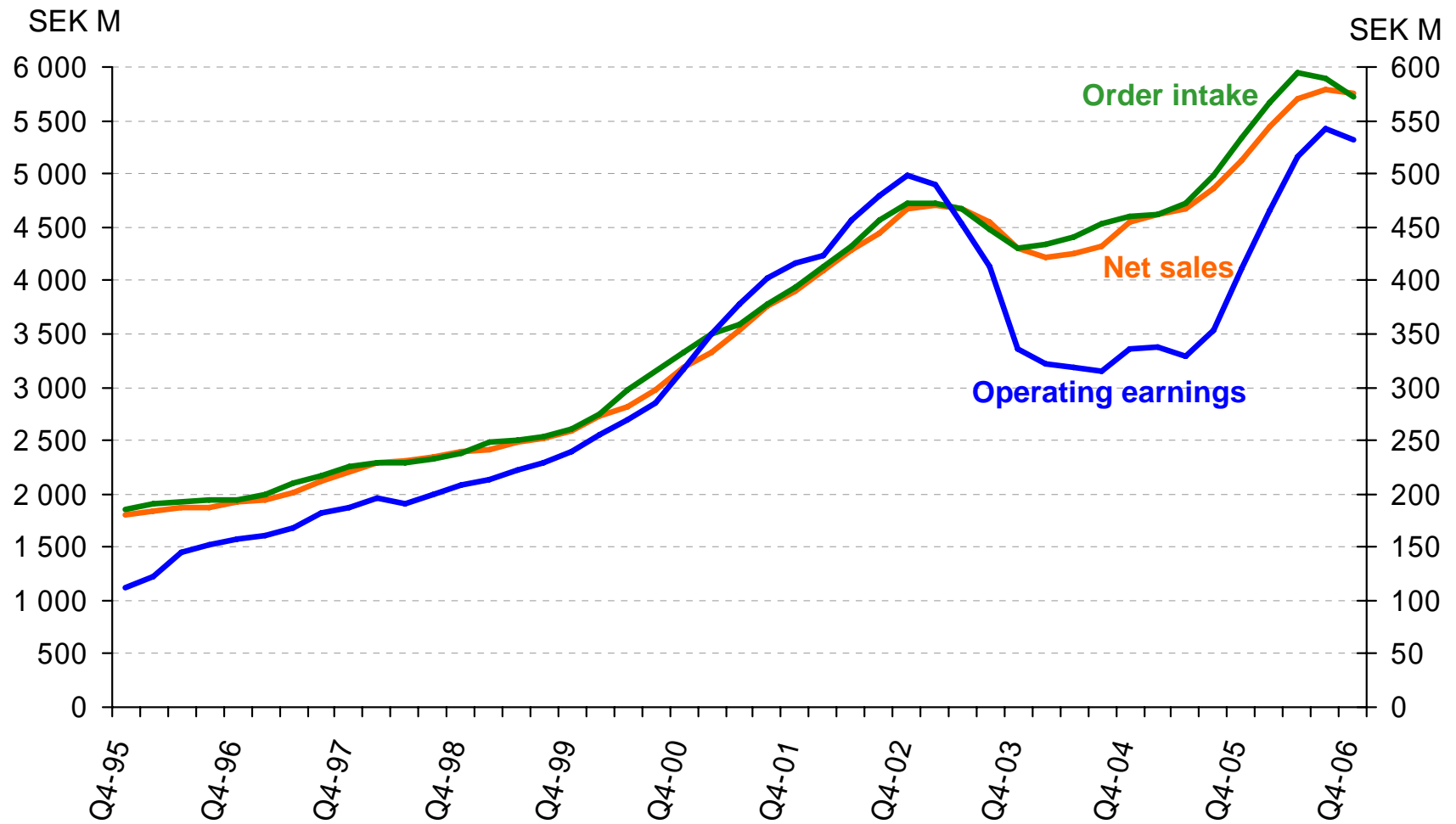
Capital Distribution

- Strong balance sheet and cash generation combined with limited operating risk
 - Ability to return cash to shareholders
- Board proposal
 - Regular 2006 dividend of 6,75 SEK/share (5,50)
 - Extra capital distribution of 20 SEK/share through automatic share redemption program
 - 4/1 stock split
 - Total cash distribution of approximately 658 MSEK
- Resulting Y/E 2006 pro forma ratios:
 - Net Debt / Equity 1,1
 - Net Debt / EBITDA 1,4
- Retaining significant acquisition capacity
 - Actively pursuing additional acquisitions

Impact on Munters Share Theoretical Example



Rolling 4 Quarter Development



Operating earnings excluding goodwill depreciation.



The Humidity Expert