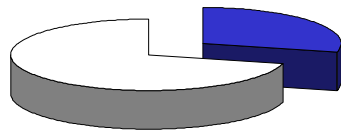


The image features a dark blue background with numerous water droplets of various sizes scattered across the top and bottom edges. A thin, horizontal white line runs across the middle of the frame, with several larger droplets resting on it. The overall aesthetic is clean and minimalist.

January- December 2003

Dehumidification

- Food
- Pharma
- Preservation
- DesiCool



29% of Munters 2003



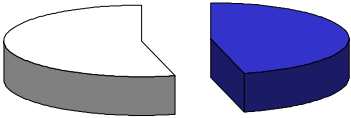
Dehumidification 2003

- Growth in Q4 orders, 12% organic
- Orders -14%, -3% organic
- Continued strong demand for DesiCool/HCU
- Improved demand for Industrial applications at end of the year. Growth in Food
- Negative product mix affecting margins
- Cost reductions on plan



Moisture Control Services

- Water damage restoration
- Fire damage restoration



46% of Munters 2003



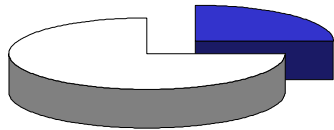
MCS 2003

- Weak demand in Europe, dry weather and few fire damages
- Good year for insurers, not for Munters
- Tough comparison due to floods in Europe last year
- Strong trend towards central agreements with fixed prices
- Negative mix change – smaller projects and less WDR
- Growth in Americas, 12% organic. Lower margins, PDR start-up
- Significant loss in France - restructuring
- Net sales -1%, -2% organic
- Cost reductions on plan



HumiCool

- AgHort
- Comfort Cooling
- Utilities



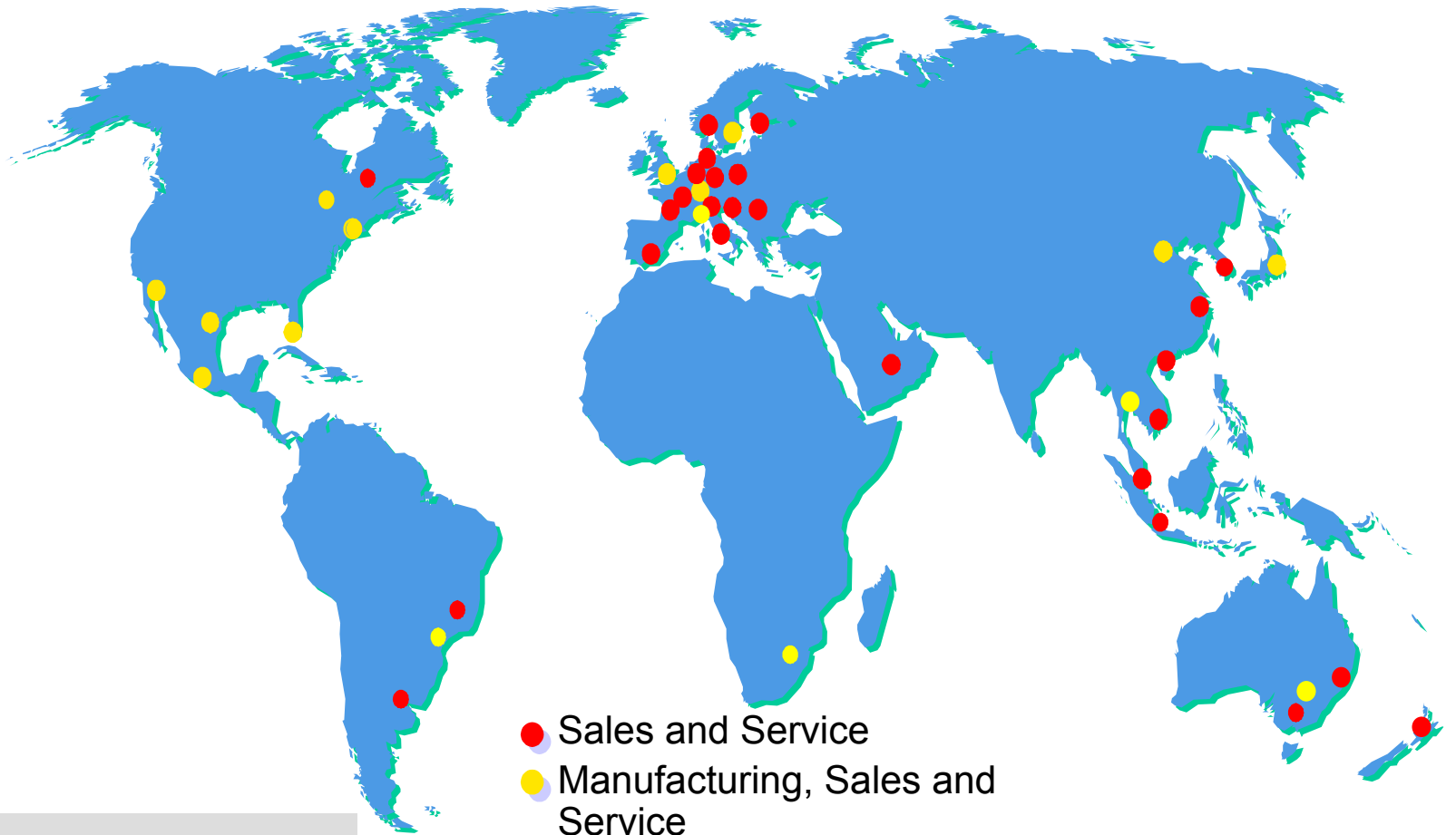
25% of Munters 2003



HumiCool 2003

- AgHort
 - War, lost season
 - Negative currency effect on export from Europe to Asia
 - Low cost chicken import creates low demand in Europe
 - Chicken flu in Asia started in December, good or bad?
- Improved demand for ME and DEC
- Net sales -9%, -8% organic
- Cost reductions on plan
- Good quote level in the end of the year, strong orders in January

Global organization

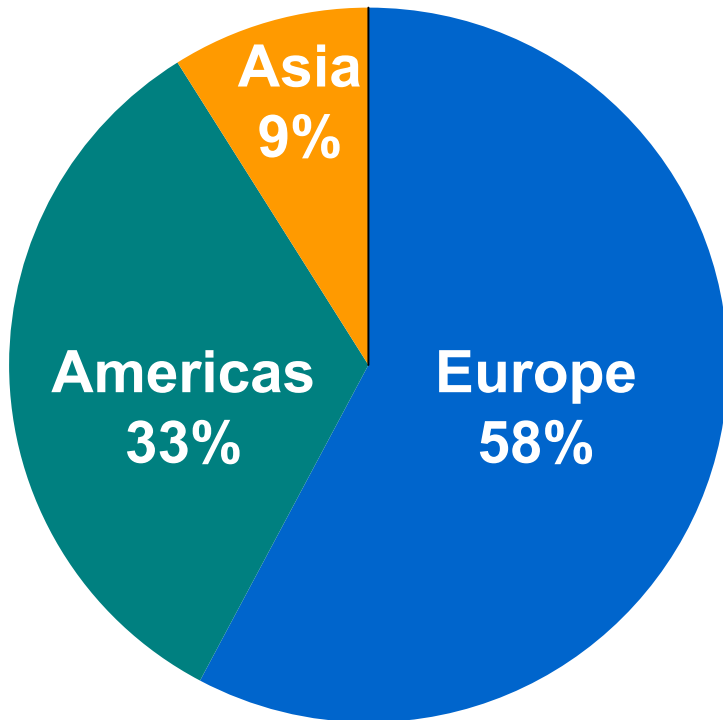


Net sales 4 308 MSEK
Employees 3 070

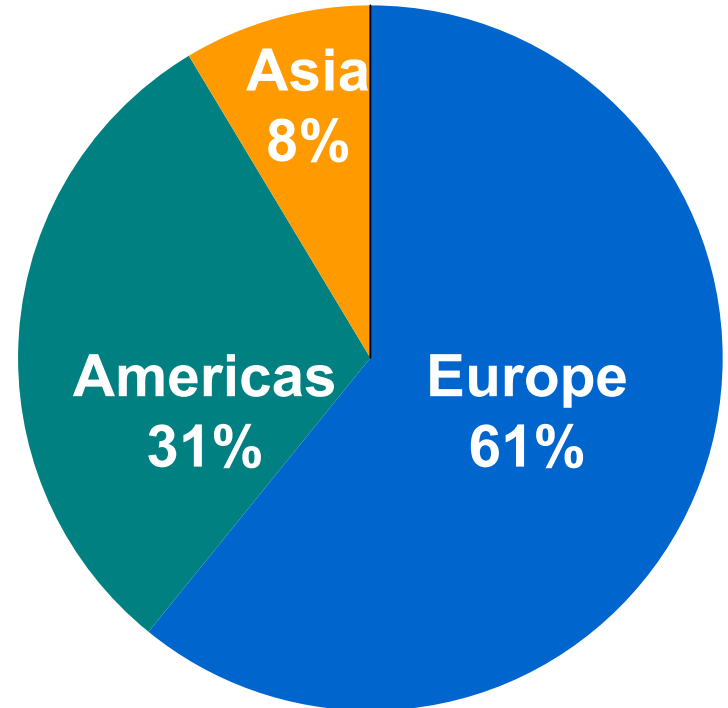
300 Service depots
not shown on map

Net sales by Region

2002
4 666 MSEK

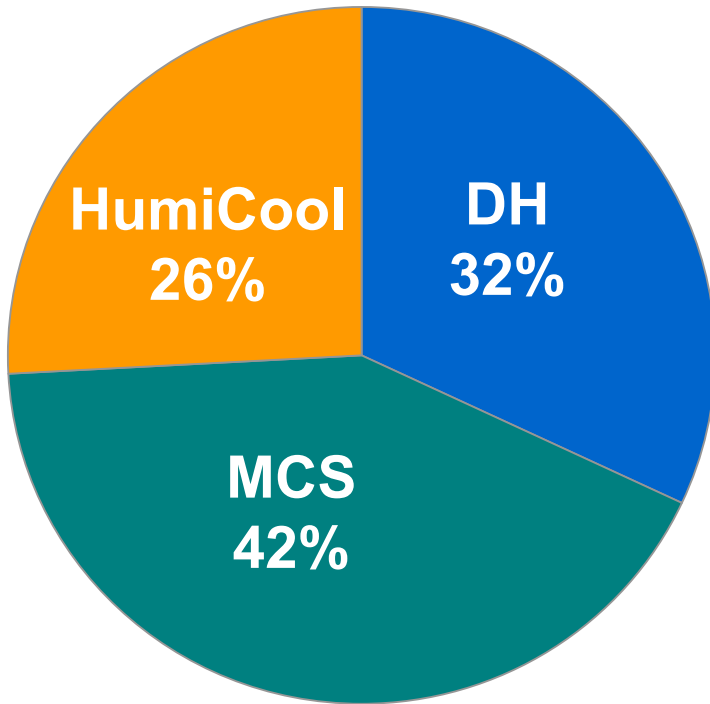


2003
4 308 MSEK

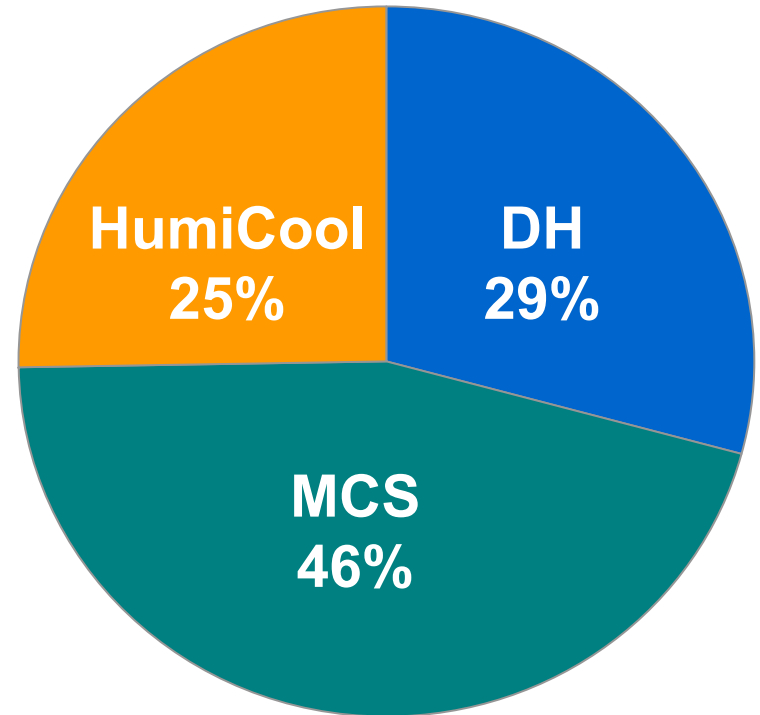


Net sales by Product Area

2002
4 666 MSEK



2003
4 308 MSEK



2003 Highlights

- Weak demand in MCS Europe
- Good demand for MCS in Americas
- Low demand in HumiCool
 - War
 - Currency effect
- Dehumidification
 - Good development for HCU
 - Weak demand for large projects incl Zeol
 - Asia strong after slow start
 - Food is growing
- Negative currency effects
- Reduced acquisition effect after January 1 and no effect after July 1
- Cost reductions

Financial overview Jan-Dec 2003

<i>MSEK</i>	January-December					Growth ¹⁾	
	1999	2000	2001	2002	2003	Reported	Adjusted
Order intake	2 608	3 322	3 945	4 727	4 305	-9%	-5%
Net sales	2 594	3 179	3 894	4 666	4 308	-8%	-4%
EBIT	237	306	401	465	298	-36%	-29%
<i>Margin %</i>	9.1	9.6	10.3	10.0	6.9		
Net earnings	144	186	239	266	172	-35%	-30%
Op. cash flow	219	273	470	549	542	-1%	

¹⁾ Reported/present structure, currency adjusted

Regional analysis Jan–Dec 2003

	Net sales	Growth		Margin ¹⁾	
		Reported/Adjusted ²⁾		2003	2002
Europe	2 658	-3%	-5%	6.6%	10.1%
Americas	1 347	-15%	-4%	11.2%	13.0%
Asia	372	-13%	-5%	11.0%	10.8%
Total Group	4 308	-8%	-4%	6.9%	10.0%

1) Operating margin for regions, EBIT margin for Group

2) Present structure, currency adjusted

Currency and acquisitions effect full year

Net sales, Jan-Dec 2002	4 666	
Net sales, acquired units, pro forma	219	4,7%
Present structure	<u>4 885</u>	
Currency effect	-375	-7.7%
Organic growth	-202	-4.1%
Net sales, Jan-Dec 2003:	<u>4 308</u>	

Full year analysis

EBIT 2002	465
Acquisitions	-2
Goodwill	-5
Currency translation effect	-41
Cost reductions	53
One-time costs	-20
Reversed provision	12
Sales decline	-85
Margin decline	-62
Other	-17
EBIT 2003	298

Rough estimate, margin declines

Margin decline	-62
Currency transaction effect, mainly AgHort	
PDR US	
WDR to FDR	
France and Italy	

Key ratios Jan–Dec

	2002	2003
Return on capital employed, %	31.5	19.4
Interest coverage ratio, times	14.2	11.3
Net debt, MSEK	365	338
Net debt/Equity ratio	0.33	0.31
Earnings per share, SEK	10.83	7.04

2003 Q4 Highlights

- Strong orders in Dehumidification in all regions
- Strong improvement in Asia
- Strong growth in MCS Americas, lower margin in PDR
- Weak demand in MCS Europe continues, strong last year
- Negative currency effect, also indirect in AgHort
- Cost reductions on plan

Financial overview by Quarter

MSEK	2002				2003				Adjusted growth ¹⁾
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Order intake	1 144	1 159	1 228	1 196	1 134	1 114	1 032	1 025	-7%
Net sales	1 052	1 149	1 179	1 286	1 089	1 109	1 059	1 052	-11%
EBIT	86	114	118	147	67	78	76	77	-44%
<i>EBIT margin</i> %	8.2	9.9	10.0	11.5	6.2	7.0	7.2	7.4	
Net earnings	49	65	67	85	33	40	43	56	-29%
Op. cash flow (bef. capex & tax)	93	121	108	227	117	126	131	167	

¹⁾ Present structure, currency adjusted

Regional analysis Q4, 2003

	Net sales	Growth		Margin ¹⁾	
		Reported/Adjusted ²⁾		2003	2002
Europe	675	-17%	-15%	7.6%	13.7%
Americas	287	-26%	-11%	10.2%	13.0%
Asia	108	5%	9%	12.6%	9.3%
Total Group	1 052	-18%	-11%	7.4%	11.5%

1) Operating margin for regions, EBIT margin for Group

2) Present structure, currency adjusted

Currency and acquisitions effect Q4

Net sales, Oct-Dec 2002	1 286	
Net sales, acquired units, pro forma	<u>0</u>	
Present structure	<u><u>1 286</u></u>	
Currency effect	-92	-7.2%
Organic growth	-142	-11.1%
Net sales, Oct-Dec 2003:	<u><u>1 052</u></u>	

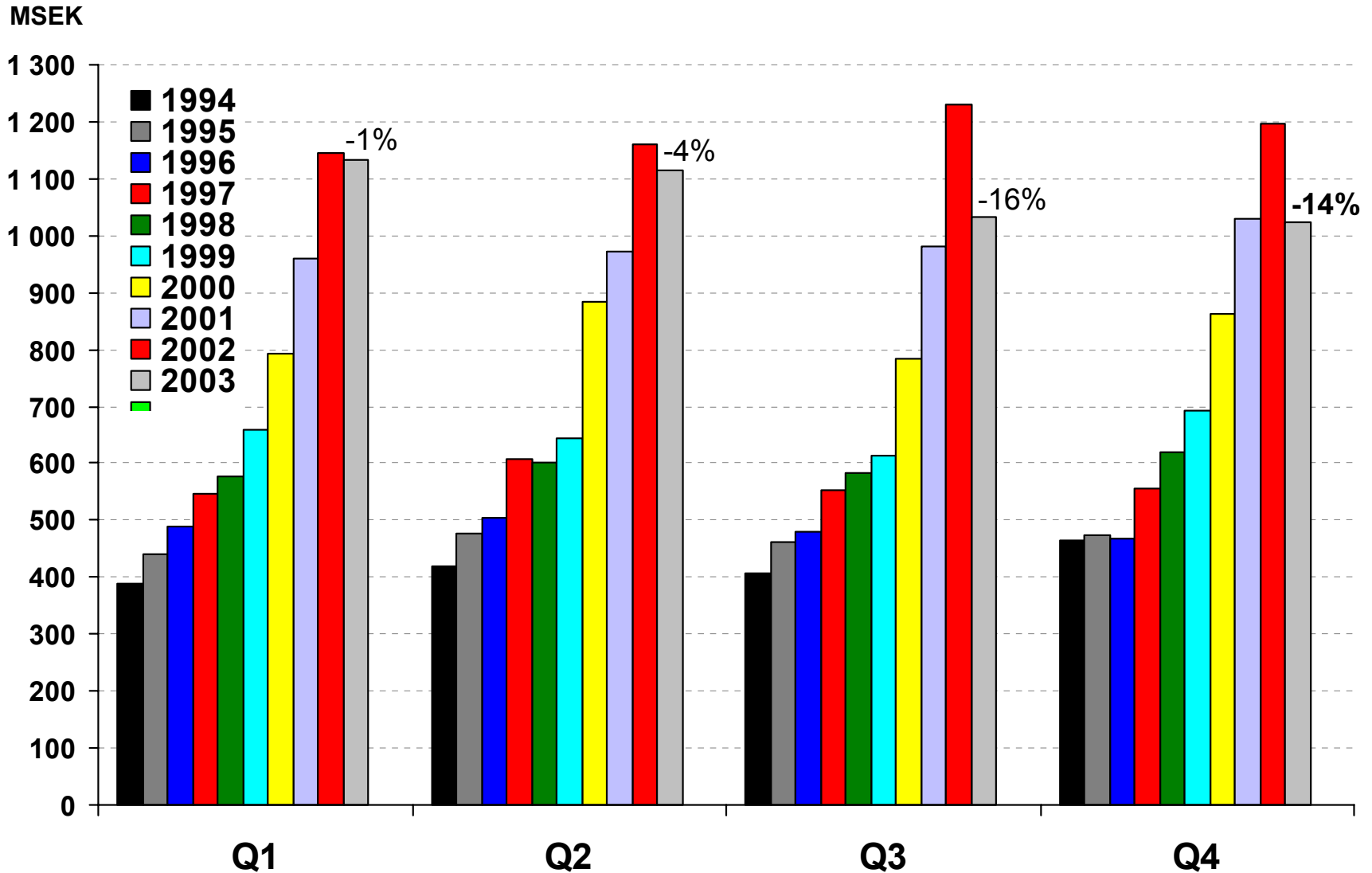
Q4 analysis

EBIT 2002	147
Acquisitions	0
Goodwill	6
Currency translation effect	-10
Cost reductions	26
One-time costs	-12
Reversed provisions	12
Sales decline	-70
Margin decline	-29
Other	7
EBIT 2003	77

Rough Estimates

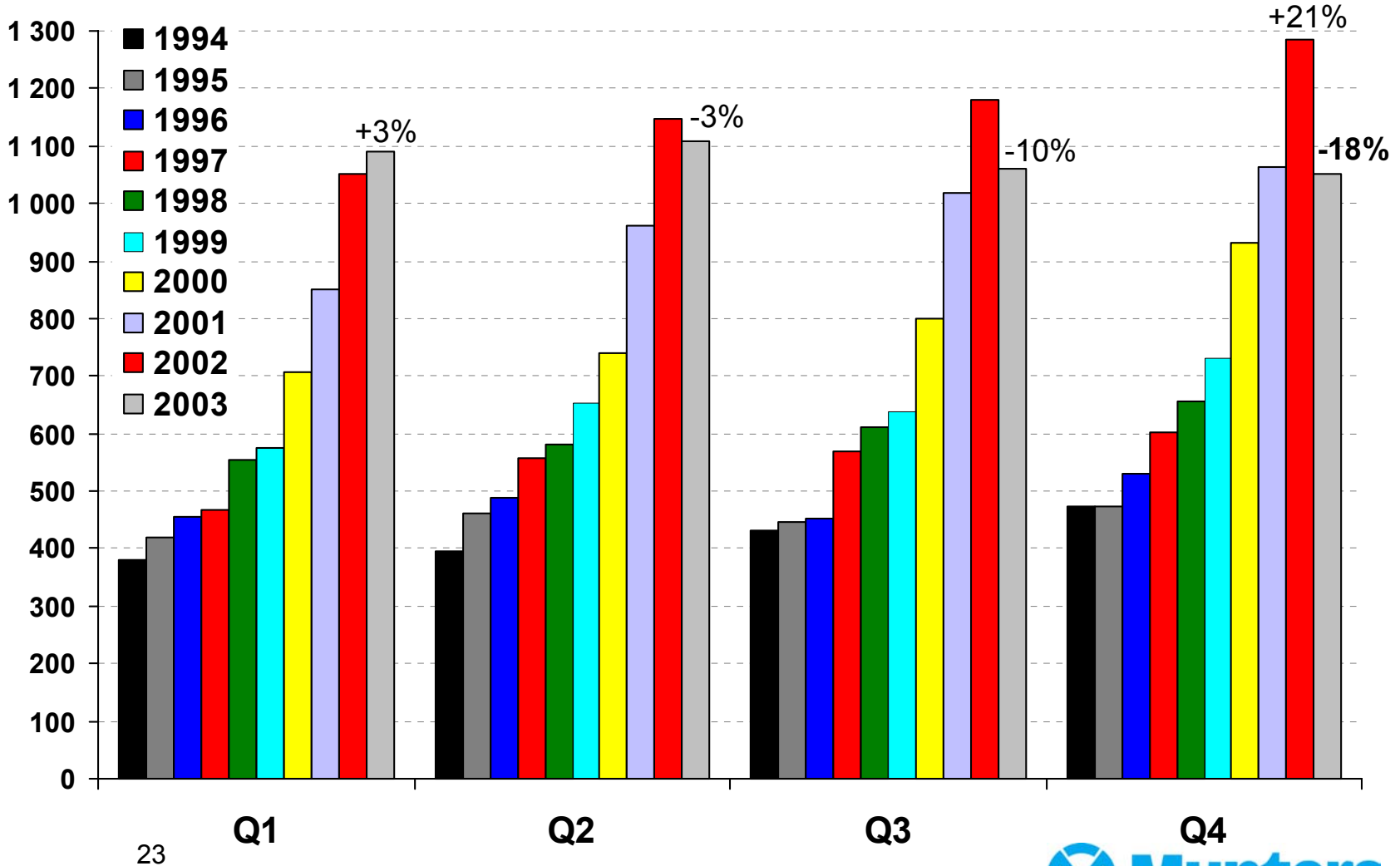
Margin decline	-29
Currency transaction effect, mainly AgHort	
PDR US	
WDR to FDR	
France and Italy	

Order intake



Net sales

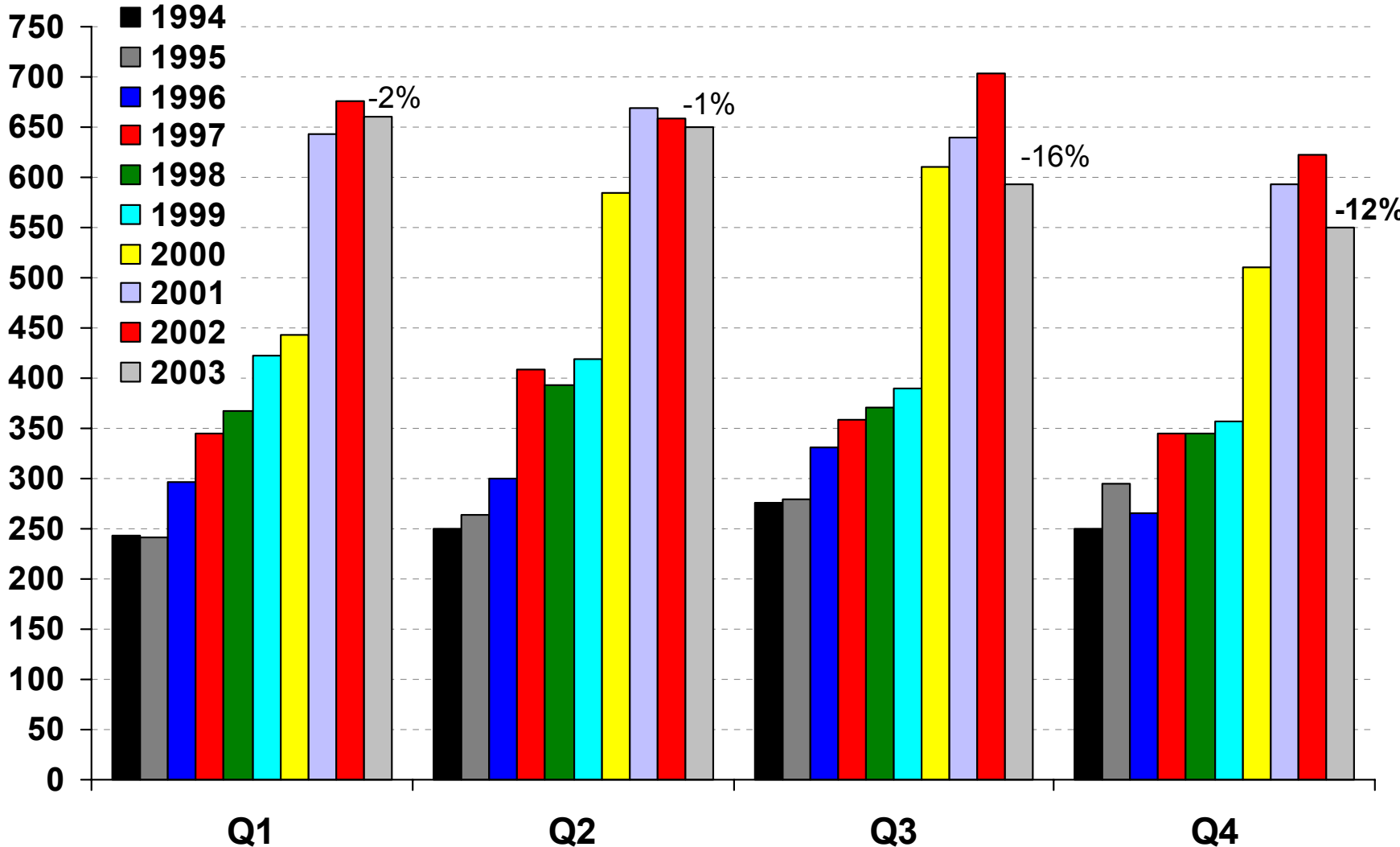
MSEK



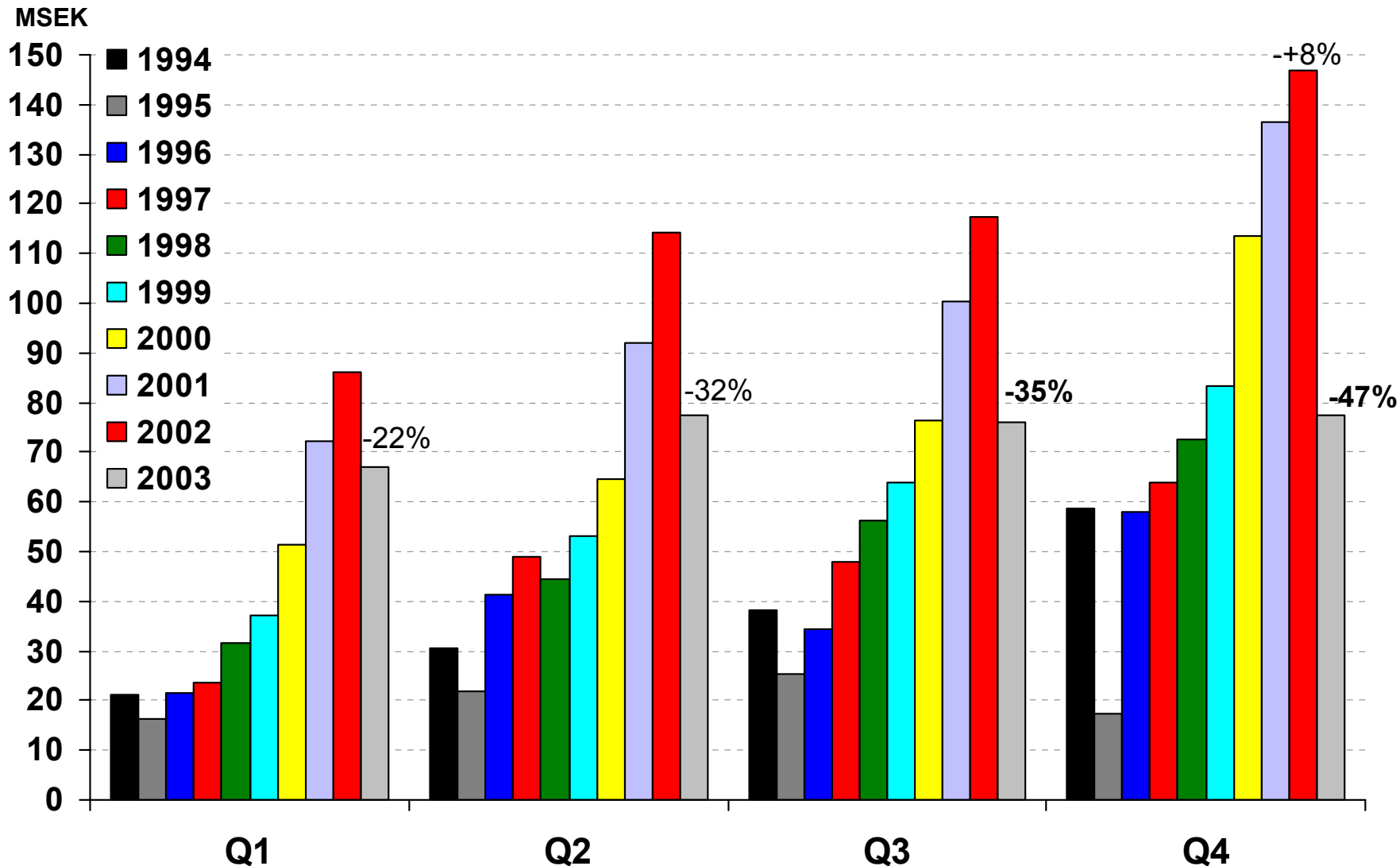
23

Backlog

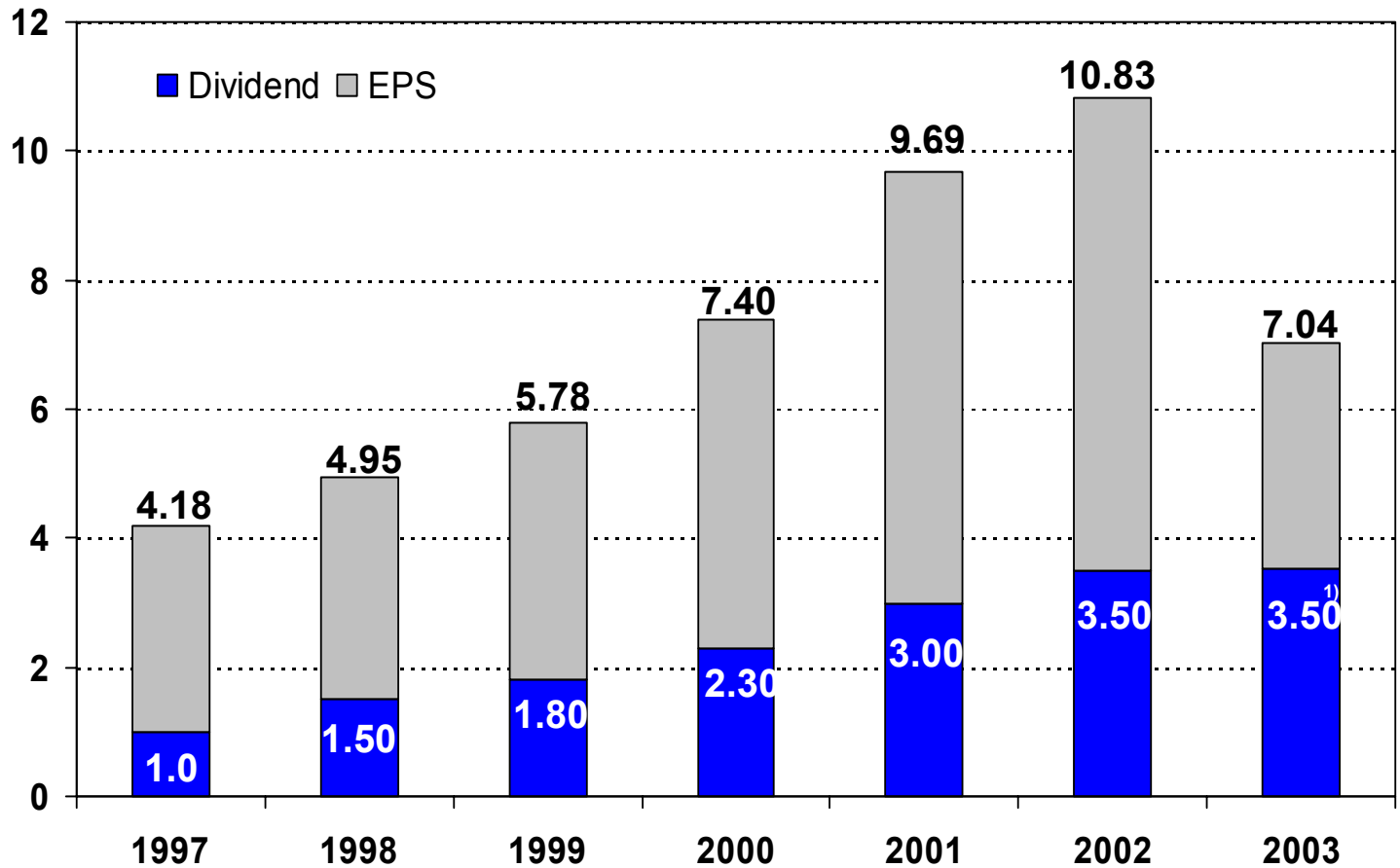
MSEK



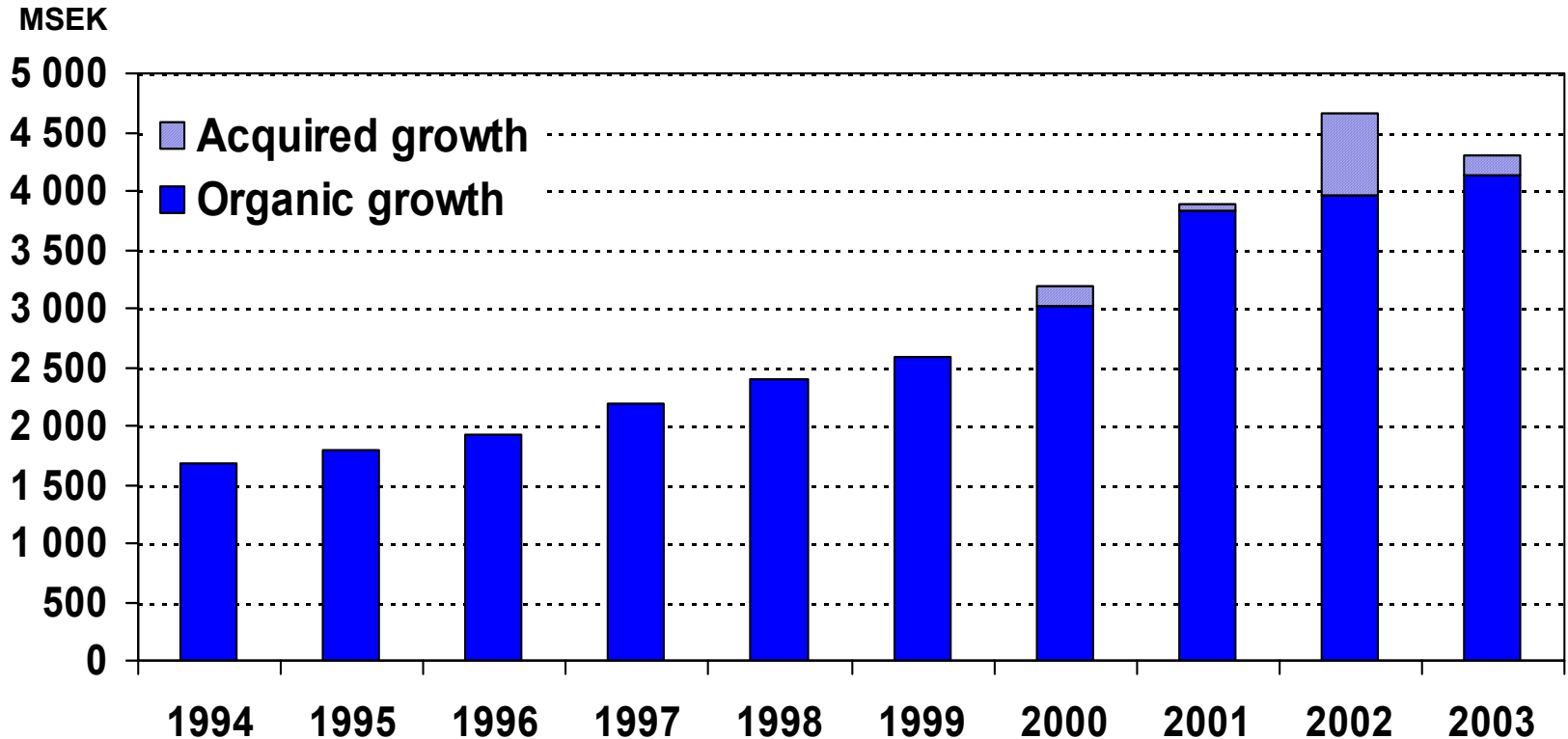
EBIT



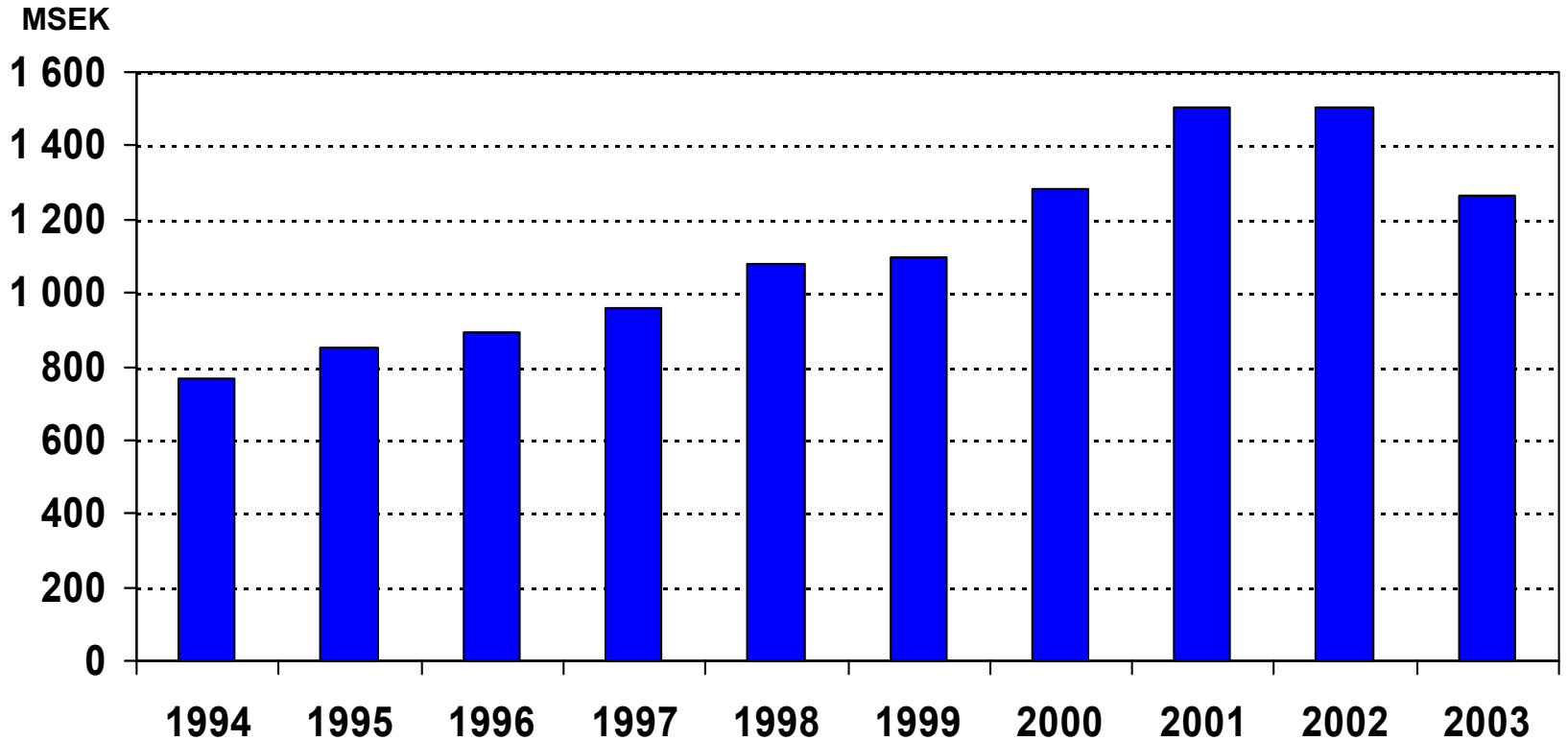
Earnings per share (EPS) and Dividend



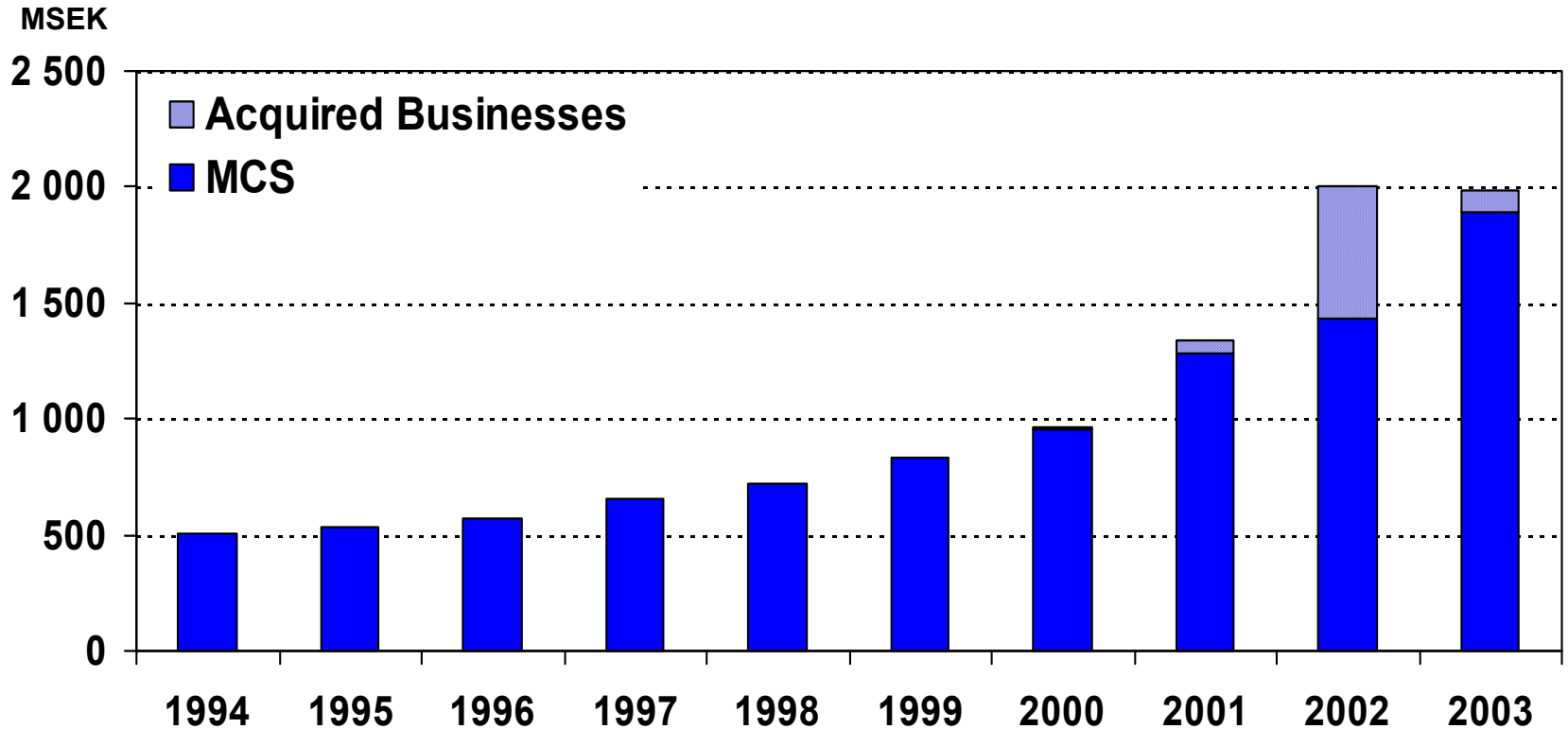
Munters Group Net Sales



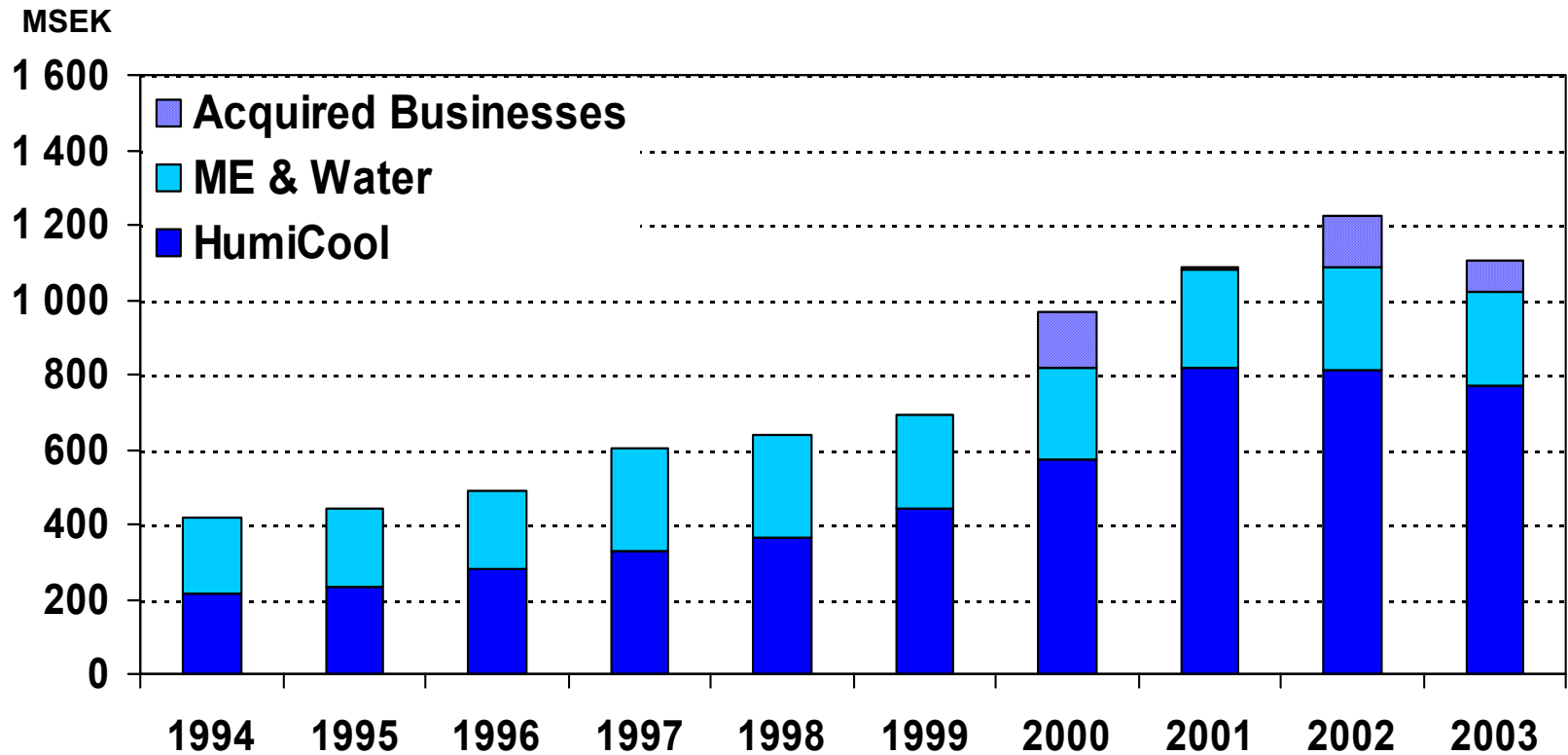
Dehumidification Net Sales



MCS Net Sales



HumiCool Net Sales



The image features a solid blue background. A thin, horizontal white line runs across the middle of the frame. Numerous water droplets of various sizes are scattered across the surface, with some resting on the white line and others floating above or below it. The droplets are rendered with soft highlights and shadows, giving them a three-dimensional appearance. The overall aesthetic is clean and minimalist.

Corrective actions

Cost reductions, summary

- Total plan
 - 250 persons
 - Cost reductions 120 MSEK/year, 40 this year
 - One-time cost 25 MSEK (12 MSEK in Q1-Q3 2003)
 - Full effect Q2 2004
- Actual
 - 187 persons since peak
 - Cost reductions 105 MSEK/year 2H/2H, 53 this year
 - One-time cost 20 MSEK
 - Full effect Q2 2004

15 persons employed in Mexico, reduction in US not yet done

Conclusion

- The demand in Dehumidification increased at the end of the year
- Asia had strong finish
- MCS Americas had a strong finish
- MCS Europe continued the weak development
- Negative currency effects
- Cost reductions

Beginning of 2004

- Good orders
 - DH
 - MCS
 - HC
- Low sales
- Low cost
- MCS Europe is the problem
- Bird flu in Asia, problem and opportunity

- Two shareholders over 10%



The Humidity Expert