

## INTERIM REPORT JANUARY-SEPTEMBER 2005

October 27, 2005

### INTERIM PERIOD

- Net sales increased by 10 percent to 3,588 MSEK (3,273) and order intake by 11 percent to 3,900 MSEK (3,509).
- Net earnings amounted to 148 MSEK (135).
- Earnings per share amounted to 6.04 SEK (5.54).
- Continued earnings improvements within HumiCool and Dehumidification.
- Strong development for DesiCool™ systems which combine dehumidification and cooling.

	2005	2004 <sup>1</sup>	Change	Adjusted change <sup>2</sup>
Order intake, MSEK	3,900	3,509	11%	11%
Net sales, MSEK	3,588	3,273	10%	10%
EBIT, MSEK	250	230	9%	9%
EBIT margin, percent	7.0	7.0		
Net earnings, MSEK	148	135	9%	10%
Earnings per share, SEK	6.04	5.54	9%	

### THIRD QUARTER

- Order intake rose by 22 percent, 19 percent when currency adjusted.
- The backlog increased to 951 MSEK, the highest ever.
- More than 10 percent operating margin in HumiCool and Dehumidification.
- 8 MSEK was charged to earnings in connection with action plans (previous year 7 MSEK).
- Order intake of 110 MSEK following the hurricanes and floodings.

	2005	2004 <sup>1</sup>	Change	Adjusted change <sup>2</sup>
Order intake, MSEK	1,422	1,161	22%	19%
Net sales, MSEK	1,317	1,127	17%	14%
EBIT, MSEK	112	82	37%	32%
EBIT margin, percent	8.5	7.2		
Net earnings, MSEK	68	49	39%	34%
Earnings per share, SEK	2.78	2.00	39%	

<sup>1</sup> Previous year is recalculated due to the transition to IFRS.

<sup>2</sup> Adjusted for currency fluctuations.

## MUNTERS OPERATION

Munters is the world leader in moisture control with services and products for water and fire damage restoration, dehumidification, humidification and air cooling. Operations are organized into three global divisions: Dehumidification, Moisture Control Services (MCS) and HumiCool. Manufacturing, sales and services are carried out through the Group's own companies, which have 3,180 full-time employees in 30 countries. Munters' shares are quoted on the O list of the Stockholm Stock Exchange.

On July 1, 2005, Munters implemented a new organization with three global divisions. The Group was previously organized in the three regions: Europe, the Americas and Asia. As from this quarterly report, the global divisions will, therefore, be the primary segments.

## THIRD QUARTER

### Market trend

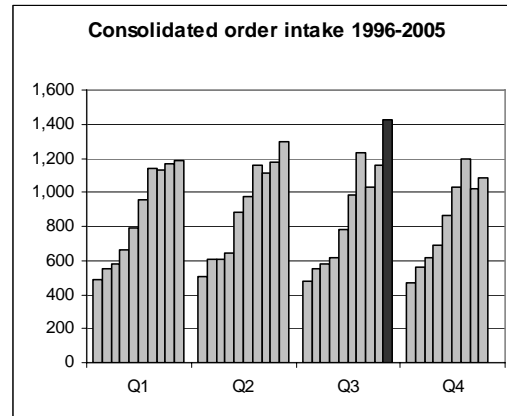
Dehumidification enjoyed continued strong demand for DesiCool™ systems, which offer the combination of an optimum indoor climate in food stores, schools and restaurants by controlling both air humidity and temperature. Dehumidification in industrial applications also had strong demand from the food and pharmaceutical industries, mainly in Europe. Demand from the semiconductor industry in the world remained weak, which continued to affect sales of Munters Zeol systems.

From a low level, MCS had improved demand from the insurance industry in Europe, partly as an effect of the flooding incidents in Switzerland and Austria. The proportion of large incidents of damage remained low for both water and fire damage. In America, demand increased at the end of September as a result of damage restoration work following hurricanes Katrina and Rita. In Asia, the MCS operation reported a continued positive market trend thanks to increased demand from insurance companies for fire and water damage restoration.

HumiCool enjoyed continued strong demand for components (so-called mist eliminators) for emission control in coal-fired power stations and for cooling inlet air to gas turbines from the power industry. In addition, demand for evaporative cooling systems for the AgHort segment was strong in Europe and America but demand in Asia remained weak as an effect of extensive outbreaks of Avian flu.

## Group development

### Order intake

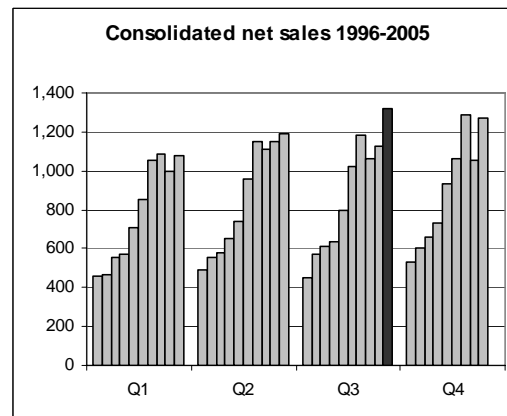


Order intake for the third quarter increased by 22 percent to 1,422 MSEK (1,161). Currency adjusted the increase was 19 percent.

The backlog rose by 22 percent compared with the previous year and was 951 MSEK (777) at the quarter end. Currency adjusted the backlog increased by 17 percent.

Order intake for the quarter was strong in all divisions, even currency adjusted. Order intake for the quarter is the highest in Munters' history.

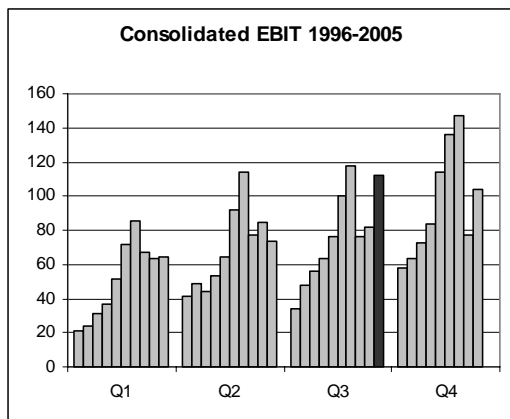
### Net sales



Consolidated net sales increased by 17 percent to 1,317 MSEK (1,127). Currency adjusted the increase was 14 percent.

Sales for the quarter rose in all divisions.

## Earnings



EBIT rose by 37 percent to 112 MSEK (82). Currency adjusted the increase was 32 percent. The operating margin amounted to 8.5 percent (7.2).

The HumiCool and Dehumidification divisions improved their earnings for the quarter, while earnings fell within MCS.

The quarter was charged with costs of 8 MSEK in connection with action plans within the MCS operation in Europe. In the previous year, the same quarter was charged with 4 MSEK for costs in connection with action plans within MCS and with one-off costs of 3 MSEK for the relocation of plants within HumiCool.

Consolidated earnings after financial items amounted to 106 MSEK (78). Net earnings for the quarter rose to 68 MSEK (49) after an effective tax rate of 36 percent (37). Earnings per share amounted to 2.78 SEK (2.00), equivalent to an increase of 39 percent.

### Divisional development

#### Dehumidification division

Order intake for the quarter in the Dehumidification division increased by 16 percent to 412 MSEK (356). Currency adjusted the increase was 13 percent. Sales rose by 25 percent to 404 MSEK (323). Currency adjusted the increase was 22 percent. Operating earnings rose by 50 percent and amounted to 45 MSEK (30). Currency adjusted the increase was 47 percent. The division's operating margin amounted to 11.2 percent (9.3) during the quarter.

Both industrial and commercial dehumidification (DesiCool™ systems) enjoyed increased order intake, sales and earnings as well as an improved operating margin. However, the Zeol operation reported a continued negative trend from an already low level.

#### MCS division

Order intake for the quarter in the MCS division increased by 20 percent to 665 MSEK (554). Currency adjusted the increase was 17 percent. Sales rose by 10 percent to 562 MSEK (512). Currency adjusted the increase was 6 percent. Operating earnings for the quarter fell by 9 percent to 32 MSEK (36). Currency adjusted the fall was 12 percent. The division's operating margin amounted to 5.8 percent (6.9) during the quarter.

Hurricanes Katrina and Rita in the USA and flooding in central Europe generated an order intake of 110 MSEK for the quarter. In the previous year, order intake of 52 MSEK was received relating to water damage restoration following the hurricanes which ravaged Florida, USA.

Sales were only marginally affected by the aforementioned incidents. Sales increased significantly in Asia as an effect of a broader service supply and contracts signed with insurance companies. In Europe, sales increased in spite of a lack of large incidents of fire and water damage. In America, sales fell compared with the high level of the previous year. Earnings for the quarter were charged with 8 MSEK in connection with measures implemented in Sweden and France. If earnings in the current and the previous year are adjusted for costs relating to action plans, earnings rose by 1 MSEK.

#### HumiCool division

Order intake for the quarter rose by 42 percent to 366 MSEK (257). Currency adjusted the increase was 37 percent. Sales increased by 25 percent to 374 MSEK (300). Currency adjusted the increase was 21 percent. Operating earnings rose by 96 percent and amounted to 46 MSEK (24). Currency adjusted the increase was 86 percent. The division's operating margin amounted to 12.4 percent (7.9) during the quarter.

Order intake, sales and earnings for the quarter were strong relating to components for emission control in coal-fired power stations, systems for evaporative cooling of inlet air to gas turbines and cooling systems for the AgHort industry. In the previous year, the third quarter was charged with 3 MSEK in connection with the moving of three plants. This was carried out during the latter part of the year and, partly, at the beginning of the current year.

## INTERIM PERIOD JANUARY-SEPTEMBER

### Order intake

Consolidated order intake for the interim period rose by 11 percent to 3,900 MSEK (3,509). Currency adjusted the increase was the same.

Order intake rose by 10 percent in the Dehumidification division, by 8 percent in MCS and by 20 percent in HumiCool. Currency adjusted order intake increased by 11 percent in Dehumidification, by 7 per cent in MCS and by 20 percent in HumiCool.

### Net sales

Consolidated net sales increased by 10 percent to 3,588 MSEK (3,273). Currency adjusted the increase was the same.

Net sales increased by 14 percent in the Dehumidification division, by 6 percent in MCS and by 14 percent in HumiCool. Currency adjusted order intake increased by 15 percent in the Dehumidification division, by 5 percent in MCS and by 14 percent in HumiCool.

### Earnings

EBIT rose by 9 percent to 250 MSEK (230). Currency adjusted the increase was the same. The operating margin amounted to 7.0 percent (7.0).

Earnings were charged with costs of 11 MSEK in connection with action plans within MCS, with 2 MSEK in connection with the start-up of production units within HumiCool, with 3 MSEK for the write-down of goodwill and with 3 MSEK for fair value on hedging contracts at the period end. In total, the charges amounted to 19 MSEK. The same period in the previous year was charged with similar costs of 24 MSEK.

Operating earnings increased by 9 percent in the Dehumidification division whilst they fell by 5 percent in MCS and rose by 30 percent in HumiCool. Currency adjusted the increase was 10 percent in the Dehumidification division, a fall of 6 percent in MCS and an increase of 30 percent in HumiCool.

Consolidated earnings after financial items amounted to 238 MSEK (219). Net earnings for the interim period rose to 148 MSEK (135) after an effective tax rate of 38 percent (38). When adjusted for fiscally non-deductible write-down of goodwill, the tax rate was 37 percent (38). Earnings per share amounted to 6.04 SEK (5.54), equivalent to an increase of 9 percent.

### Capital expenditure

The Group's capital expenditure in tangible fixed assets amounted to 89 MSEK (70) during the period. The majority, 60 MSEK, relates to investments in MCS equipment. Depreciation and write-downs amounted to 106 MSEK (111).

### Financial position

The equity ratio amounted to 50 percent at the period end (47 percent at the start of the year). Interest-bearing assets amounted to 166 MSEK (123 at the start of the year) and interest-bearing liabilities to 484 MSEK (474 at the start of the year). Since the start of the year, the net debt has decreased by 33 MSEK to 318 MSEK. During the interim period, Munters AB received 29 MSEK from sales of own shares in connection with the exercise of 202,700 outstanding call options, paid 98 MSEK in dividend to the shareholders and paid 41 MSEK in a supplementary purchase price relating to its previous acquisitions of Polygon in Norway. The Group has unutilized loan facilities of 228 MSEK.

### Personnel

At the period end, the number of full-time staff was 3,180, an increase of 116 during the year. In the Dehumidification division, the number increased by 67; in the MCS division by 35; and in the HumiCool division by 14.

## ELECTION COMMITTEE

In accordance with the decision made by the Annual General Meeting (AGM), an Election Committee has been appointed ahead of the next AGM. It consists of representatives of the company's largest shareholders. The task of the Election Committee is to put forward proposals ahead of the next AGM for the election of Board of Directors; for the appointment of Auditors where applicable; and for remuneration. The Election Committee appointed ahead of the 2006 AGM consists of Carl-Olof By (Industrivärden), Gustaf Douglas (Latour), Jan Andersson (Robur fonder), Cecilia Lager (SEB fonder) and Jan-Erik Erenius (AMF Pension), who together represent approximately 42 percent of the shares entitled to vote in the company. In addition, the Election Committee has decided that the Chairman of the Board, Berthold Lindqvist, should be included in the Committee. Carl-Olof By is the Chairman of the Election Committee. Individual shareholders can submit proposals for Board Members to the Election Committee for further evaluation within the framework of its activities.

## FUTURE INFORMATION DATES

2006

February 16 Year-End Report 2005  
April 26 Interim Report January-March  
April 26 Annual General Meeting at 5 pm  
in the Lecture Hall, Almegahuset,  
Blasieholmsgatan 5, Stockholm

Sollentuna, October 27, 2005

Munters AB (publ)

Lennart Evrell  
Chief Executive Officer

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## Review

This Interim Report has not been reviewed by the company's auditor.

Amounts in MSEK	2005 Jul-Sep 3 months	2004 <sup>1</sup> Jul-Sep 3 months	2005 Jan-Sep 9 months	2004 <sup>1</sup> Jan-Sep 9 months	2004/2005 Oct-Sep 12 months	2004 <sup>1</sup> Jan-Dec 12 months
<b>Order intake</b>	1,422	1,161	3,900	3,509	4,989	4,598
<b>Income statement</b>						
Net sales	1,317	1,127	3,588	3,273	4,858	4,543
Cost of goods sold	-945	-813	-2,604	-2,348	-3,512	-3,256
<b>Gross earnings</b>	<b>372</b>	<b>314</b>	<b>984</b>	<b>925</b>	<b>1,346</b>	<b>1,287</b>
Selling expenses	-146	-130	-411	-389	-547	-525
Administrative expenses	-102	-92	-281	-277	-391	-387
Research and development costs	-11	-9	-34	-28	-46	-40
Other operating expenses	-1	-1	-8	-1	-8	-1
<b>EBIT - Earnings before interest and tax</b>	<b>112</b>	<b>82</b>	<b>250</b>	<b>230</b>	<b>354</b>	<b>334</b>
EBIT margin	8.5%	7.2%	7.0%	7.0%	7.3%	7.3%
Financial income and expenses	-6	-4	-12	-11	-17	-16
<b>Earnings after financial items</b>	<b>106</b>	<b>78</b>	<b>238</b>	<b>219</b>	<b>337</b>	<b>318</b>
Taxes	-38	-29	-90	-84	-124	-118
<b>Net earnings</b>	<b>68</b>	<b>49</b>	<b>148</b>	<b>135</b>	<b>213</b>	<b>200</b>
Profit attributable to minority interest	0	0	1	0	1	1
Profit attributable to equity holders of the parent	68	49	147	135	212	199
Earnings per share, SEK	2.78	2.00	6.04	5.54	8.73	8.23
Earnings per share after dilution, SEK	2.78	1.99	6.04	5.53	8.72	8.21
<b>Order intake by division</b>						
Dehumidification Division	412	356	1,145	1,037	1,460	1,352
MCS Division	665	554	1,675	1,555	2,222	2,102
HumiCool Division	366	257	1,130	943	1,365	1,178
Eliminations	-21	-6	-50	-26	-58	-34
<b>Order intake</b>	<b>1,422</b>	<b>1,161</b>	<b>3,900</b>	<b>3,509</b>	<b>4,989</b>	<b>4,598</b>
<b>Net sales by division</b>						
Dehumidification Division	404	323	1,083	949	1,478	1,344
MCS Division	562	512	1,560	1,475	2,180	2,095
HumiCool Division	374	300	995	874	1,259	1,138
Eliminations	-23	-8	-50	-25	-59	-34
<b>Net sales</b>	<b>1,317</b>	<b>1,127</b>	<b>3,588</b>	<b>3,273</b>	<b>4,858</b>	<b>4,543</b>
<b>Operating earnings by division</b>						
Dehumidification Division	45	30	101	93	147	138
operating margin	11.2%	9.3%	9.3%	9.8%	9.9%	10.3%
MCS Division	32	36	78	82	137	141
operating margin	5.8%	6.9%	5.0%	5.6%	6.3%	6.7%
HumiCool Division	46	24	105	81	113	88
operating margin	12.4%	7.9%	10.6%	9.3%	8.9%	7.8%
Central, write-down of goodwill, eliminations etc	-11	-8	-34	-26	-43	-33
<b>EBIT</b>	<b>112</b>	<b>82</b>	<b>250</b>	<b>230</b>	<b>354</b>	<b>334</b>

<sup>1</sup> Previous year is recalculated due to the transition to IFRS.

Amounts in MSEK	2005 Jul-Sep 3 months	2004 <sup>1</sup> Jul-Sep 3 months	2005 Jan-Sep 9 months	2004 <sup>1</sup> Jan-Sep 9 months	2004/2005 Oct-Sep 12 months	2004 <sup>1</sup> Jan-Dec 12 months
<b>Cash flow statement</b>						
<b>Current operations</b>						
Earnings after financial items	106	78	238	219	337	318
Reversal of depreciation etc	35	35	106	111	139	144
Other earnings items not affecting cash flow	-4	-5	-6	-11	-3	-8
Taxes paid	-34	-33	-96	-91	-131	-126
<b>Cash flow from current operations before changes in working capital</b>	<b>103</b>	<b>75</b>	<b>242</b>	<b>228</b>	<b>342</b>	<b>328</b>
<i>Cash flow from changes in working capital</i>						
Changes in inventory	-12	-43	-71	-128	-13	-70
Changes in accounts receivable	-35	-21	35	-30	-90	-155
Changes in other receivables	9	5	-9	-10	5	4
Changes in accounts payable	-16	-37	-43	5	3	51
Changes in other financial assets	63	52	78	78	51	51
<b>Cash flow from current operations</b>	<b>112</b>	<b>31</b>	<b>232</b>	<b>143</b>	<b>298</b>	<b>209</b>
<b>Investing activities</b>						
Acquisitions of enterprises	-	-	-41	-40	-41	-40
Investments in intangible assets	-1	0	-1	-1	-3	-3
Investments in tangible assets	-37	-23	-89	-70	-127	-108
Sales of tangible assets	1	1	3	1	30	28
Changes in other financial assets	0	-	-1	1	-7	-5
<b>Cash flow from investing activities</b>	<b>-37</b>	<b>-22</b>	<b>-129</b>	<b>-109</b>	<b>-148</b>	<b>-128</b>
<b>Financing activities</b>						
Payment received for issued stock options	-	-	-	1	-	1
Changes in loans	-100	-12	-4	41	-48	-3
Dividend paid	-	-	-98	-85	-98	-85
Sale of own shares	-	-	29	-	29	-
<b>Cash flow from financing activities</b>	<b>-100</b>	<b>-12</b>	<b>-73</b>	<b>-43</b>	<b>-117</b>	<b>-87</b>
<b>Cash flow for the period</b>	<b>-25</b>	<b>-3</b>	<b>30</b>	<b>-9</b>	<b>33</b>	<b>-6</b>
Liquid funds at the beginning of the period	184	121	117	125	116	125
Exchange-rate differences in liquid funds	-1	-2	11	0	9	-2
<b>Liquid funds at end of the period</b>	<b>158</b>	<b>116</b>	<b>158</b>	<b>116</b>	<b>158</b>	<b>117</b>
<b>Operating cash flow</b>	<b>75</b>	<b>9</b>	<b>144</b>	<b>74</b>	<b>191</b>	<b>121</b>
<b>Key figures</b>						
<b>More key figures are disclosed in the quarterly review</b>						
Capital turnover rate, times <sup>2</sup>	-	-	2.8	2.7	2.8	2.8
Return on capital employed, % <sup>2</sup>	-	-	20.5	19.8	20.5	21.0
Return on equity, % <sup>2</sup>	-	-	17.3	17.3	17.3	17.8
Interest coverage ratio, times	27.7	19.2	16.2	16.6	17.3	17.7
<b>Net debt structure</b>						
Short-term loans	-	-	372	419	372	321
Long-term loans	-	-	2	-	2	46
Defined benefit plans etc	-	-	110	86	110	107
Interest-bearing assets	-	-	-166	-116	-166	-123
<b>Net debt</b>	<b>-</b>	<b>-</b>	<b>318</b>	<b>389</b>	<b>318</b>	<b>351</b>

<sup>1</sup> Previous year's earnings and reversal of depreciation are recalculated due to the transition to IFRS.

<sup>2</sup> Calculated on rolling 12 months.

Amounts in MSEK	2005 Sep 30	2005 Jun 30	2004 <sup>1</sup> Dec 31	2004 <sup>1</sup> Sep 30
<b>Balance sheet</b>				
<b>Assets</b>				
<b>Fixed assets</b>				
<b>Tangible assets</b>				
Buildings and land	176	178	167	172
Plant and machinery	155	162	152	139
Equipment, tools, fixtures and fittings	214	208	198	207
Constructions in progress	6	7	6	23
	551	555	523	541
<b>Intangible assets</b>				
Patent, licences and similar rights	18	19	19	19
Goodwill	362	364	342	361
	380	383	361	380
<b>Financial assets</b>				
Participations in associated companies	6	6	6	6
Deferred tax assets	57	52	48	57
Other long-term receivables	18	20	16	10
	81	78	70	73
	<b>1,012</b>	<b>1,016</b>	<b>954</b>	<b>994</b>
<b>Current assets</b>				
Inventories etc.	442	431	329	405
Accounts receivable	953	923	914	823
Other receivables	141	144	126	176
Liquid funds	158	184	117	116
	<b>1,694</b>	<b>1,682</b>	<b>1,486</b>	<b>1,520</b>
<b>Total assets</b>	<b>2,706</b>	<b>2,698</b>	<b>2,440</b>	<b>2,514</b>
<b>Equity and liabilities</b>				
<b>Equity</b>	1,350	1,291	1,148	1,132
<b>Long-term liabilities</b>				
Interest-bearing loans	2	2	46	-
Provisions	121	121	116	120
Deferred tax liabilities	27	27	29	31
Other liabilities	3	3	0	51
	153	153	191	202
<b>Short-term liabilities</b>				
Interest-bearing loans	372	479	321	419
Advances from customers	48	39	28	59
Accounts payable	263	282	286	251
Provisions	44	38	39	41
Other liabilities	476	416	427	410
	1,203	1,254	1,101	1,180
<b>Total equity and liabilities</b>	<b>2,706</b>	<b>2,698</b>	<b>2,440</b>	<b>2,514</b>
<b>Changes in equity</b>				
<b>Opening balance</b> <sup>2</sup>	<b>1,148</b>	<b>1,148</b>	<b>1,086</b>	<b>1,086</b>
Effect on change of accounting principles (RR 29)	-	-	-1	-2
Minority interest (transition to IFRS)	-	-	4	3
Financial instruments (implementation of IAS 39)	2	2	-	-
<b>Opening balance in accordance with new principles</b>	<b>1,150</b>	<b>1,150</b>	<b>1,089</b>	<b>1,087</b>
Exchange-rate differences in translating subsidiaries	121	130	-57	-6
Net earnings	148	80	200	135
Dividend	-98	-98	-85	-85
Sale of own shares	29	29	-	-
Received payment for stock option program	-	-	1	1
<b>Closing balance</b>	<b>1,350</b>	<b>1,291</b>	<b>1,148</b>	<b>1,132</b>
Minority share of equity	4	4	4	3

<sup>1</sup> Previous year is recalculated due to the transition to IFRS.

<sup>2</sup> Year 2004 is according to previous accounting principles.

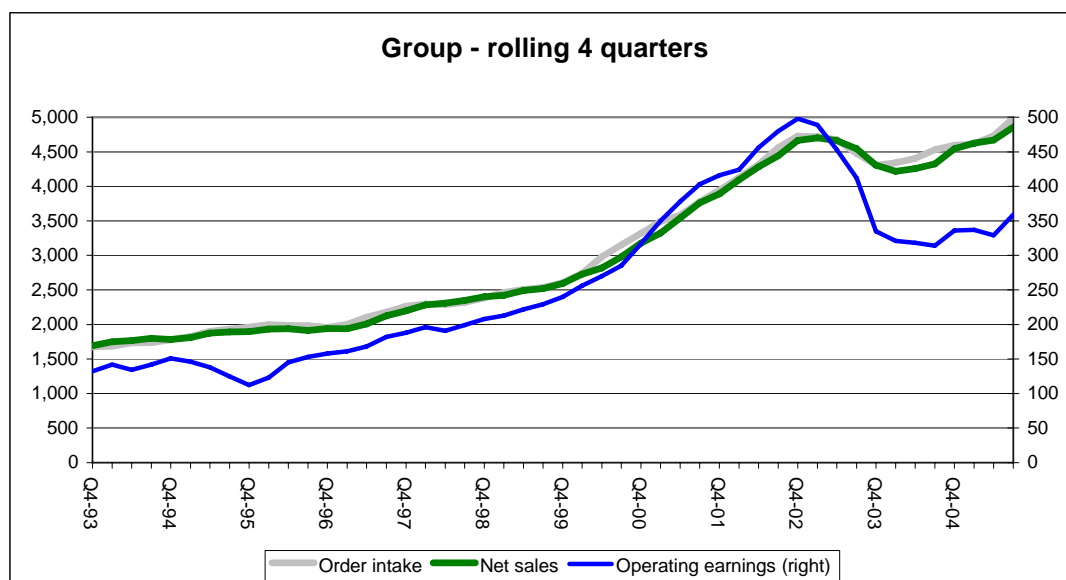


## Quarterly overview - Consolidated earnings, share data and cash flow

Amounts in MSEK	2005			2004 <sup>1</sup>				2003 <sup>2</sup>			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	1,422	1,294	1,184	1,089	1,161	1,181	1,167	1,025	1,032	1,114	1,134
<b>Income statement</b>											
Net sales	1,317	1,192	1,079	1,270	1,127	1,150	996	1,052	1,059	1,109	1,089
Operating expenses	-1,205	-1,118	-1,015	-1,166	-1,045	-1,065	-933	-977	-983	-1,031	-1,022
Share in earnings of associates	-	-	-	-	-	0	0	2	-	-	-
<b>EBIT</b>	<b>112</b>	<b>74</b>	<b>64</b>	<b>104</b>	<b>82</b>	<b>85</b>	<b>63</b>	<b>77</b>	<b>76</b>	<b>78</b>	<b>67</b>
EBIT margin	8.5%	6.2%	5.9%	8.2%	7.2%	7.4%	6.4%	7.4%	7.2%	7.0%	6.2%
Financial income and expense	-6	-2	-3	-5	-4	-3	-4	1	-7	-5	-7
<b>Earnings after financial items</b>	<b>106</b>	<b>72</b>	<b>61</b>	<b>99</b>	<b>78</b>	<b>82</b>	<b>59</b>	<b>78</b>	<b>69</b>	<b>73</b>	<b>60</b>
Taxes	-38	-29	-24	-34	-29	-32	-23	-22	-26	-33	-27
<b>Net earnings</b>	<b>68</b>	<b>43</b>	<b>37</b>	<b>65</b>	<b>49</b>	<b>50</b>	<b>36</b>	<b>56</b>	<b>43</b>	<b>40</b>	<b>33</b>
Depreciation and write-downs	35	38	33	33	35	41	36	38	43	44	45
<b>Share data</b>											
Earnings per share, SEK	2.78	1.75	1.51	2.69	2.00	2.06	1.48	2.31	1.73	1.66	1.34
Earnings per share after dilution, SEK	2.78	1.75	1.51	2.68	1.99	2.06	1.48	2.30	1.73	1.66	1.34
Average no of shares, thousand	24,524	24,495	24,407	24,378	24,378	24,378	24,378	24,379	24,436	24,438	24,438
No of shares at period-end, thousand	24,581	24,581	24,571	24,378	24,378	24,378	24,378	24,378	24,429	24,438	24,438
Holding of own shares, thousand	419	419	429	622	622	622	622	622	571	562	562
Equity per share, SEK	54.84	52.36	51.17	46.96	46.31	45.42	47.55	44.53	42.99	43.29	46.08
Stock price at period-end, SEK	183	173	190	200	180	189	186	174	168	174	178
Market cap at period-end, MSEK	4,498	4,240	4,669	4,876	4,388	4,607	4,534	4,242	4,096	4,252	4,350
<b>Cash flow statement</b>											
From current operations	112	66	54	66	31	61	51	83	84	46	43
From investing activities	-37	-70	-22	-19	-22	-64	-23	-40	-28	-54	-35
From financing activities	-100	2	25	-44	-12	3	-34	-52	-36	10	-20
<b>Cash flow for the period</b>	<b>-25</b>	<b>-2</b>	<b>57</b>	<b>3</b>	<b>-3</b>	<b>0</b>	<b>-6</b>	<b>-9</b>	<b>20</b>	<b>2</b>	<b>-12</b>
<b>Operating cash flow</b>	<b>75</b>	<b>37</b>	<b>32</b>	<b>47</b>	<b>9</b>	<b>37</b>	<b>28</b>	<b>47</b>	<b>56</b>	<b>14</b>	<b>8</b>

<sup>1</sup> Previous year is recalculated due to the transition to IFRS.

<sup>2</sup> In accordance with previous accounting principles.



## Quarterly overview - Consolidated balance sheet and key figures

Amounts in MSEK	2005			2004 <sup>1</sup>				2003 <sup>2</sup>			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Balance sheet</b>											
<b>Assets</b>											
<b>Fixed assets</b>											
Tangible assets	551	555	529	523	541	581	603	600	600	629	653
Intangible assets	380	383	369	361	380	384	379	372	416	438	460
Financial assets	81	78	72	70	73	72	65	72	92	92	93
	1,012	1,016	970	954	994	1,037	1,047	1,044	1,108	1,159	1,206
<b>Current assets</b>											
Inventories etc.	442	431	369	329	405	367	340	276	347	355	376
Accounts receivable	953	923	898	914	823	815	778	792	791	805	822
Other receivables	141	144	146	126	176	155	140	128	123	126	84
Liquid funds	158	184	178	117	116	121	122	125	137	120	119
	1,694	1,682	1,591	1,486	1,520	1,458	1,380	1,321	1,398	1,406	1,401
<b>Total assets</b>	<b>2,706</b>	<b>2,698</b>	<b>2,561</b>	<b>2,440</b>	<b>2,514</b>	<b>2,495</b>	<b>2,427</b>	<b>2,365</b>	<b>2,506</b>	<b>2,565</b>	<b>2,607</b>
<b>Equity and liabilities</b>											
Equity	1,350	1,291	1,261	1,148	1,132	1,110	1,164	1,086	1,050	1,058	1,126
Minority interest	-	-	-	-	-	-	-	4	4	4	5
Provisions	-	-	-	-	-	-	-	190	195	212	213
Long-term liabilities	151	151	147	145	199	202	200	51	99	101	106
Interest-bearing liabilities	374	481	371	367	419	427	350	377	455	492	419
Accounts payable	263	282	280	286	251	292	266	246	258	265	278
Other short-term liabilities	568	493	502	494	513	464	447	411	445	433	460
<b>Total equity and liabilities</b>	<b>2,706</b>	<b>2,698</b>	<b>2,561</b>	<b>2,440</b>	<b>2,514</b>	<b>2,495</b>	<b>2,427</b>	<b>2,365</b>	<b>2,506</b>	<b>2,565</b>	<b>2,607</b>
<b>Key figures</b>											
Equity ratio, %	50.0	47.9	49.2	47.0	45.0	44.5	47.9	46.1	42.1	41.4	43.4
Net debt, MSEK	318	397	296	351	389	389	311	338	403	456	383
Net debt ratio, times	0.23	0.31	0.23	0.31	0.34	0.35	0.27	0.31	0.38	0.43	0.34
Interest coverage ratio, times	27.7	12.3	12.3	20.6	19.2	20.1	11.9	14.6	11.3	11.4	8.9
Investments tangible assets, MSEK	37	31	21	38	23	25	22	35	28	32	35
Number of employees at period-end	3,180	3,122	3,128	3,064	3,003	3,038	3,036	3,070	3,126	3,147	3,164

<sup>1</sup> Previous year is recalculated due to the transition to IFRS.

<sup>2</sup> In accordance with previous accounting principles.

## Quarterly overview - Divisions

Amounts in MSEK	2005			2004 <sup>1</sup>				2003 <sup>2</sup>			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Order intake</b>											
Dehumidification Division	412	389	344	316	356	348	333	324	297	348	306
MCS Division	665	501	509	547	554	485	516	498	487	458	544
HumiCool Division	366	419	345	235	257	358	327	207	254	321	297
Eliminations	-21	-15	-14	-9	-6	-10	-9	-4	-6	-13	-13
<b>Order intake</b>	<b>1,422</b>	<b>1,294</b>	<b>1,184</b>	<b>1,089</b>	<b>1,161</b>	<b>1,181</b>	<b>1,167</b>	<b>1,025</b>	<b>1,032</b>	<b>1,114</b>	<b>1,134</b>
<b>Net sales</b>											
Dehumidification Division	404	354	325	395	323	350	276	322	315	312	313
MCS Division	562	504	494	620	512	479	484	506	474	479	523
HumiCool Division	374	352	269	264	300	333	241	230	278	334	260
Eliminations	-23	-18	-9	-9	-8	-12	-5	-6	-8	-16	-7
<b>Net sales</b>	<b>1,317</b>	<b>1,192</b>	<b>1,079</b>	<b>1,270</b>	<b>1,127</b>	<b>1,150</b>	<b>996</b>	<b>1,052</b>	<b>1,059</b>	<b>1,109</b>	<b>1,089</b>
<b>Operating earnings</b>											
Dehumidification Division	45	32	24	46	30	42	21	36	31	26	17
operating margin	11.2%	9.1%	7.3%	11.6%	9.3%	12.0%	7.5%	11.3%	9.7%	8.2%	5.3%
MCS Division	32	14	31	59	36	14	33	24	33	22	43
operating margin	5.8%	2.9%	6.4%	9.5%	6.9%	2.8%	6.9%	4.7%	6.9%	4.6%	8.3%
HumiCool Division	46	41	18	7	24	38	20	19	32	49	26
operating margin	12.4%	11.8%	6.5%	2.8%	7.9%	11.4%	8.1%	8.5%	11.5%	14.8%	9.9%
Group overhead, eliminations etc <sup>3</sup>	-11	-13	-9	-8	-8	-9	-11	-2	-20	-19	-19
<b>Earnings before interest and tax</b>	<b>112</b>	<b>74</b>	<b>64</b>	<b>104</b>	<b>82</b>	<b>85</b>	<b>63</b>	<b>77</b>	<b>76</b>	<b>78</b>	<b>67</b>
EBIT margin	8.5%	6.2%	5.9%	8.2%	7.2%	7.4%	6.4%	7.4%	7.2%	7.0%	6.2%
<b>Operating capital</b>											
Dehumidification Division	408	395	384	362	364	352	351	369	373	384	367
MCS Division	715	666	658	683	648	586	598	580	602	606	659
HumiCool Division	514	527	442	432	471	512	496	474	500	534	525
Central, eliminations <sup>4</sup>	16	18	12	-5	-5	1	0	-1	-1	1	8
<b>Operating capital</b>	<b>1,653</b>	<b>1,606</b>	<b>1,496</b>	<b>1,472</b>	<b>1,478</b>	<b>1,451</b>	<b>1,445</b>	<b>1,422</b>	<b>1,474</b>	<b>1,525</b>	<b>1,559</b>
<b>Employees</b>											
Dehumidification Division	848	831	826	781	756	758	744	771	791	796	812
MCS Division	1,650	1,625	1,641	1,615	1,577	1,603	1,617	1,618	1,633	1,635	1,642
HumiCool Division	663	647	642	649	651	659	656	661	681	695	695
Central	19	19	19	19	19	18	19	20	21	21	15
<b>Number of employees</b>	<b>3,180</b>	<b>3,122</b>	<b>3,128</b>	<b>3,064</b>	<b>3,003</b>	<b>3,038</b>	<b>3,036</b>	<b>3,070</b>	<b>3,126</b>	<b>3,147</b>	<b>3,164</b>

<sup>1</sup> Previous year is recalculated due to the transition to IFRS.

<sup>2</sup> In accordance with previous accounting principles.

<sup>3</sup> Year 2003 includes depreciation on goodwill. Q2-2005 includes write-down of goodwill 3.4 MSEK.

<sup>4</sup> The new organization affects the internal eliminations in year 2005.

## Notes

### Note 1. Accounting principles

This interim report has been prepared in accordance with IAS 34, Interim reporting, which is in accordance with the Swedish Financial Accounting Standards Council's recommendation RR29, Interim reporting for groups.

The accounting standards applied in this interim report are those described in the consolidated accounts for 2004, note 1 and 2. They make it clear that International Financial Reporting Standards (IFRS) will be applied from 2005 and that comparative figures relating to 2004 have been recalculated in accordance with the new principles with the exception of the principles applying to financial instruments. In accordance with the rules for changeover to IFRS, the new principles for financial instruments are only applied in the part of the accounts which relate to 2005. The effect on equity at the start of the year of recalculation to the new principles is stated in note 2 in the Annual Report for 2004.

The new accounting principles for financial instruments imply among other things that exchange contracts related to forecasted future cash flows shall be valued at actual value in the balance sheet at every end of accounting period. These have not previously been reported in the balance sheet. It means that the reported result will show greater volatility where the change in the value of the hedging instruments will be reported currently in the result.

### Note 2. Effects of the changeover to IFRS

The reporting shall be prepared in accordance with the IFRS standards which apply on December 31, 2005. In addition, these standards shall have been approved by the EU. The effects of the changeover to IFRS reported below are, therefore, preliminary and based on current IFRS and interpretation thereof, except for IAS 39 which is implemented from January 1, 2005, which could be changed until December 31, 2005.

The change in the income statement is fully related to different accounting for goodwill. In the balance sheet, changed accounting of minority interest is also included. The interim report for the period January-March 2005 discloses the whole year 2004.

#### Comparative figures relating to the third quarter and the nine-months period 2004

(MSEK unless otherwise stated)	Jul-Sep Earlier	Change	Jul-Sep IFRS	Jan-Sep Earlier	Change	Jan-Sep IFRS
<b>Income statement</b>						
EBIT	73	9	<b>82</b>	202	28	<b>230</b>
EBIT margin, percent	6.4	0.8	<b>7.2</b>	6.2	0.8	<b>7.0</b>
Earnings after financial items	69	9	<b>78</b>	191	28	<b>219</b>
Taxes	-28	-1	<b>-29</b>	-82	-2	<b>-84</b>
Net earnings	40	9	<b>49</b>	109	26	<b>135</b>
Earnings per share, SEK	1.62	0.38	<b>2.00</b>	4.45	1.09	<b>5.54</b>
<b>Balance sheet</b>						
<b>Assets</b>						
Goodwill				333	28	<b>361</b>
Deferred tax assets				57	-	<b>57</b>
Other assets				2,096	-	<b>2,096</b>
Total assets				2,486	28	<b>2,514</b>
<b>Equity and liabilities</b>						
Equity				1,103	30	<b>1,132</b>
Minority interest				3	-3	<b>-</b>
Deferred tax liabilities				30	1	<b>31</b>
Other liabilities				1,350	-	<b>1,350</b>
Total equity and liabilities				2,486	28	<b>2,514</b>
<b>Key figures</b>						
Return on capital employed, percent <sup>1</sup>				18.2	1.6	<b>19.8</b>
Return on equity, percent <sup>1</sup>				14.9	2.4	<b>17.3</b>
Capital turnover rate <sup>1</sup>				2.7	-	<b>2.7</b>
Equity ratio, percent				44.5	0.5	<b>45.0</b>
Equity per share, SEK				45.23	1.08	<b>46.31</b>

<sup>1</sup> Calculated on rolling 12 months.