Year-end report 2008

12 February 2009

Fourth quarter

- Order intake increased to SEK 1,661 M (1,518), - down 4% adjusted[1]
- Net sales increased to SEK 1,881 M (1,737), - down 3% adjusted[1]
- EBIT before intangible amortization and nonrecurring costs totaled SEK 141 M (187), equivalent to an EBIT margin of 7.5% (10.7)
- Costs for the MEP[2] program, which is now completed, and other nonrecurring costs totaled SEK 62 M
- Net earnings after tax totaled SEK 18 M (101)
- Earnings per share amounted to SEK 0.24 (1.34)
- Strong operating cash flow of SEK 158 M (161)

	2008	2007	Change	Adjusted change[1]
Order intake, SEK M	1,661	1,518	9%	-4%
Net sales, SEK M	1,881	1,737	8%	-3%
EBIT bef. amortization and nonrecurring costs, SEK M**	141	187	-25%	
EBIT, SEK M	76	171	-56%	
EBIT margin, percent	4.0	9.8	-59%	
Net earnings, SEK M	18	101	-82%	
Earnings per share, SEK	0.24	1.34	-82%	

[1] Pro forma, adjusted for currency fluctuations, acquisitions and divestment.
** Amortization of intangible assets relating to business acquisitions.

Full-year

- Order intake increased to SEK 6,515 M (6,407), - unchanged adjusted[1]
- Net sales increased to SEK 6,570 M (6,262), - up 3% adjusted[1]
- EBIT before intangible amortization and nonrecurring costs totaled SEK 525 M (597), equivalent to an EBIT margin of 8.0% (9.5)
- Costs for the MEP[2] program, which is now completed, and other nonrecurring costs totaled SEK 154 M
- Net earnings after tax totaled SEK 165 M (336)
- Earnings per share amounted to SEK 2.21 (4.49)
- The Board proposes that no dividend be paid for 2008

	2008	2007	Change	Adjusted change[1]
Order intake, SEK M	6,515	6,407	2%	0%
Net sales, SEK M	6,570	6,262	5%	3%
EBIT bef. amortization and nonrecurring costs, SEK M**	525	597	-12%	
EBIT, SEK M	362	566	-36%	
EBIT margin, percent	5.5	9.0	-39%	
Net earnings, SEK M	165	336	-51%	
Earnings per share, SEK	2.21	4.49	-51%	

[1] Pro forma, adjusted for currency fluctuations, acquisitions and divestment.
** Amortization of intangible assets relating to business acquisitions.

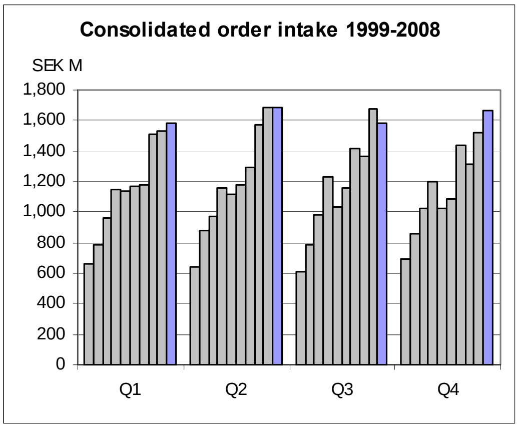
Munters is a global leader in energy-efficient air-treatment solutions and restoration services based on expertise in humidity and climate control technologies. Customers are served in a wide range of segments, the most important being the insurance, food, pharma and electronics industries. Manufacturing and sales are carried out through the Group's own companies in more than 30 countries. The Group has slightly more than 4 100 employees and net sales of about SEK 6.5 billion. The Munters share is listed on the OMX Nordic Exchange Stockholm. For more information, see www.munters.com.

Fourth quarter

Order intake

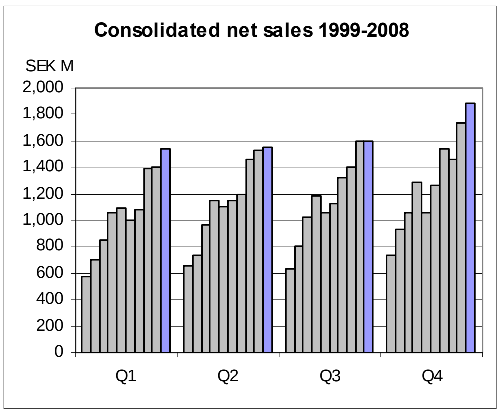
During the fourth quarter, order intake rose to SEK 1,661 M (1,518). Order intake, pro forma, adjusted for currency effects, acquisitions and disposals of operations declined 4%. Within the Dehumidification Division, order intake was strong both in the industrial process-air segment and the commercial comfort segment. The acquisition of Toussaint Nyssenne was finalized during the fourth quarter. MCS enjoyed a healthy order intake due to weather-related events in the US. However, order intake in HumiCool continued to drop sharply as a result of low demand for heaters from distributors, which in turn can be derived from the turmoil in the credit market. The AgHort segment was also impacted by a sharp decline in demand resulting from the same concerns and the increase in feed prices.

The order backlog rose by slightly more than 15% compared with the year-earlier period and totaled SEK 1,330 M (1,152) at the end of the quarter. Adjusted[1], this was a decline of 3%.



Net sales

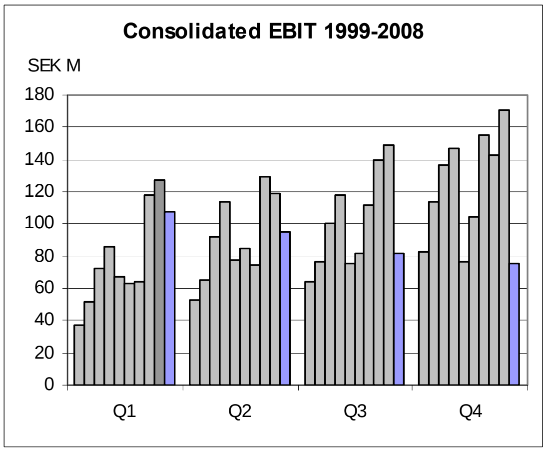
Consolidated net sales increased to SEK 1,881 M (1,737). Adjusted[1], this was a decline of 3%. The weaker SEK compared with the year-earlier period had a positive impact of approximately 8% on net sales in Swedish currency.



[1]Pro forma, adjusted for currency effects, acquisitions and divestment.

Earnings

EBIT amounted to SEK 76 M (171) for the Group, corresponding to an operating margin of 4.0% (9.8). Costs relating to the MEP[2] program amounted to SEK 17 M and the program has now been implemented and completed. Nonrecurring costs outside the MEP[2] program within MCS amounted to SEK 45 M. The Group's EBIT before amortization of intangible assets relating to business acquisitions and nonrecurring costs amounted to SEK 141 M (187). The Dehumidification Division ended the year with stable operating profits. High level of invoicing in the US supported MCS' underlying result. The weak trend within several customer segments resulted in a significantly lower EBIT margin within the HumiCool Division.



Year 2004 and later in accordance with IFRS.

Consolidated earnings after financial items amounted to SEK 55 M (159) for the fourth quarter. Net earnings for the quarter totaled SEK 18 M (101). Earnings per share amounted to SEK 0.24 (1.34).

Cash flow

Operating cash flow was strong and amounted to SEK 158 M (161), principally as a result of reduced inventories.

First-quarter prospects

The continuing turmoil in credit markets is also expected to have an adverse effect on sales and margin trends, primarily within HumiCool but also for Dehumidification. During the first quarter, costs are estimated at SEK 30-45 M for streamlining production and administration, volume-related staff cuts and wind up of certain operations.

Full-year

Order intake

During the period, the Group's order intake increased by 2% to SEK 6,515 M (6,407). Adjusted[1], order intake remained unchanged.

Net sales

Consolidated net sales rose 5% to SEK 6,570 M (6,262). Adjusted[1], the increase was 3%.

Earnings

EBIT for the Group declined by 36% to SEK 362 M (566), corresponding to an EBIT margin of 5.5% (9.0). Earnings for the full-year were impacted by an expense of SEK 86 M for the MEP[2] program, and SEK 68 M in costs for actual and expected account receivable losses, quality problems in purchased components and expenses relating to discontinued and merged operations. The MEP[2] is now implemented and completed.

EBIT before amortization of intangible assets relating to business acquisitions and nonrecurring costs totaled SEK 525 M (597).

Consolidated earnings after financial items totaled SEK 285 M (526) during the period. Net earnings for the period totaled SEK 165 M (336), after a tax charge of 42% (36). The increase in taxes is for the most part attributable to the amended tax regulations in Italy, which is one of the Group's larger operating countries. Earnings per share amounted to SEK 2.21 (4.49).

Investments

The Group's investments in tangible fixed assets during the period amounted to SEK 145 M (185), of which SEK 49 M (82) pertained to investments in MCS equipment. Depreciation and impairment amounted to SEK 167 M (156).

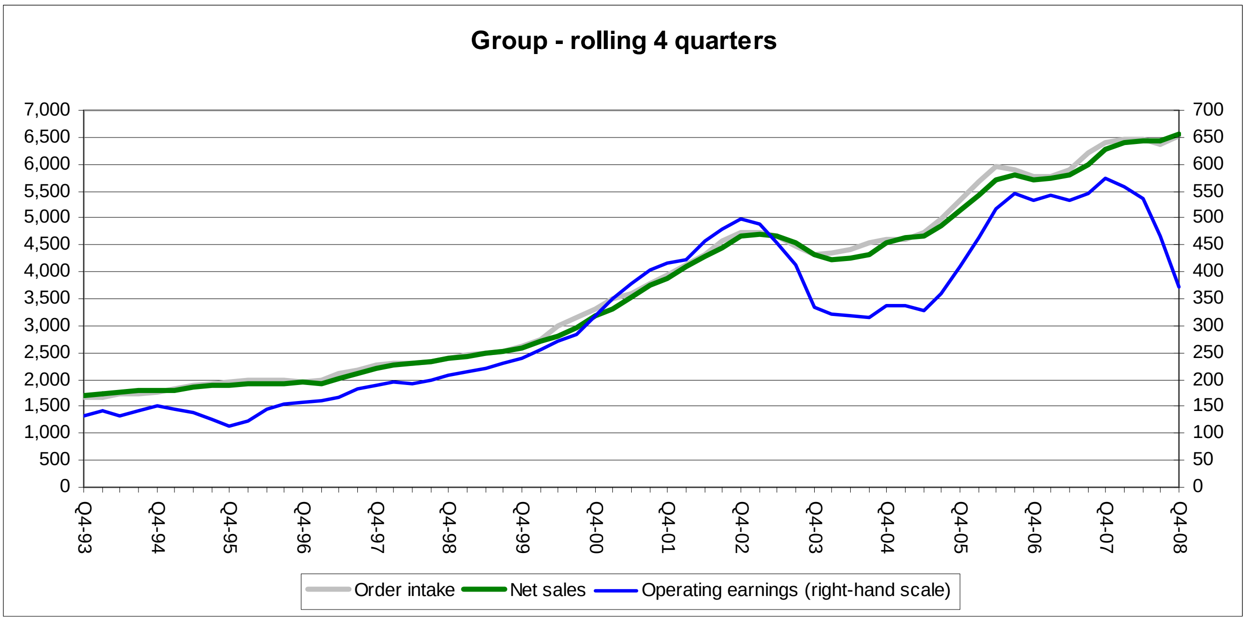
Financial position

The equity ratio decreased slightly to 28% at the end of the period (31 at the start of the year). Interest-bearing assets totaled SEK 490 M (276 at the start of the year) and interest-bearing provisions and liabilities amounted to SEK 1,880 M (1,344 at the start of the year). Net debt during the year rose by SEK 322 M to SEK 1,390 M as a result of acquisitions and exchange-rate fluctuations. The Group has unutilized loan facilities of SEK 545 M. Munters' borrowing from banks comprises a syndicated credit facility and bank loans to subsidiaries granted on an individual basis. The syndicated credit facility amounts to SEK 2,000 M and extends until 2012.

Personnel

At the end of the period, the number of permanent employees was 4,132, a decrease of 92 since year-end 2007, adjusted for acquisitions. Companies acquired during the year contributed 140 employees. During the fourth quarter, the net number of permanent employees, excluding acquisition, declined by 31 as a result of efficiency enhancement within the MEP[2] program. Additional personnel reductions are planned for the first quarter of 2009.

[1]Pro forma, adjusted for currency effects, acquisitions and divestment.



Divisional performance

Dehumidification Division

The Dehumidification Division is a function-based organization divided into three market areas: Americas, Europe and Asia & Pacific.

	Fourth Quarter		Jan-Dec	
SEK M	2008	2007	2008	2007
Order intake	608	460	2,133	2,001
Change	32%		7%	
Adjusted change[1]	7%		5%	
Net Sales	645	534	2,051	1,936
Change	21%		6%	
Adjusted change[1]	0%		3%	
EBITA ex. one-time costs	76	72	222	234
EBITA Margin	11.9%	13.5%	10.8%	12.1%
EBITA	75	72	201	234
EBITA Margin	11.7%	13.5%	9.8%	12.1%

- **Favorable order intake for both industrial applications and comfort products, but a certain decline was reported at the end of the quarter**
- **Stable gross margin**
- **The newly acquired Toussaint Nyssenne was consolidated as of October 1, 2008**
- **Strong cash flow for the quarter**

Fourth quarter

The market for industrial dehumidifiers and the comfort segment remained strong during the quarter. Order intake in the regions of Americas and Europe was strong, although a certain decline was reported at the end of the quarter. The acquisition of Toussaint Nyssenne was finalized during the fourth quarter and was consolidated as of October 1, 2008. Toussaint Nyssenne reported higher growth in order intake and sales as well as a lower operating margin than the division on average. In the Asia & Pacific region, the market was characterized by a wait-and-see attitude. The focus on measures to generate cash flow resulted in a strong cash flow during the quarter, primarily through a significant reduction in inventories.

The underlying gross margin trend remained positive during the quarter. Comparable indirect costs during the quarter were slightly lower than in the preceding year due to the ongoing cost review.

MEP[2] costs amounted to SEK 1 M for the quarter and the program has now been implemented.

First-quarter prospects

Continued relatively strong trend anticipated within most segments. The order backlog for the Division has a slight weaker gross margin mix. Personnel reductions during the quarter will entail costs for the division.

Moisture Control Services (MCS) Division

The MCS Division has a country-based organization divided into three market areas: Northern Europe, Central Europe, and US & Asia.

	Fourth Quarter		Jan-Dec	
SEK M	2008	2007	2008	2007
Order intake	745	673	2,770	2,630
Change	11%		5%	
Adjusted change[1]	5%		5%	
Net Sales	809	739	2,809	2,624
Change	10%		7%	
Adjusted change[1]	5%		7%	
EBITA ex. one-time costs	51	52	148	152
EBITA Margin	6.3%	7.0%	5.3%	5.8%
EBITA	-9	39	48	129
EBITA Margin	-1.1%	5.3%	1.7%	4.9%

- **Continued favorable order intake and sales in most markets**
- **Strong invoicing and profits in the US related to the year's hurricane season**
- **Nonrecurring costs of SEK 60 M, of which SEK 15 M for the MEP[2] program**

Fourth quarter

Demand during the quarter was favorable, particularly in the US market, as a result of weather-related events. Strong sales and operating profits were reported in the US due to invoicing of the remaining order backlog from the previous quarter's hurricanes, Ike and Gustav. A new framework agreement was signed during the fourth quarter with a major insurance company in Australia and the global cooperation with AXA was expanded with a new agreement in the UK.

Nonrecurring costs within MCS amounted to SEK 45 M for the revaluation of accounts receivables outside the MEP[2] project, the discontinuation of operations in New Zealand and three depots in Australia as well as the merger of the French and Belgian business units.

[1]Pro forma, adjusted for currency effects, acquisitions and divestment.

In addition to costs for the current ROAR project within the MEP² program, additional accounts receivables have been revalued as a result of weak domestic market conditions and ongoing discontinuation of operations. It was assessed that the unit in New Zealand did not have the earnings potential required and will consequently be discontinued. In Australia, we decided that a certain type of work with low margins will be discontinued, which will result in closure of three depots with corresponding staff cuts. In order to achieve a more streamlined administration and control, the business units in France and Belgium were merged.

The mobile IT system, Field.Link, was successfully launched in the five countries included in the MEP² program. Costs for the MEP² amounted to SEK 15 M for the quarter and both sub-projects, Field.Link and ROAR have been completed. The ROAR project's focus on reducing accounts receivables and a general focus on operating capital resulted in a strong cash flow for the quarter.

First-quarter prospects

Market activities are estimated to remain at a favorable level. Earnings will be affected by costs for discontinuation of certain operations, centralization of administration and the merger of certain business units, which will entail a reduction in personnel.

HumiCool Division

The HumiCool Division is divided into four business areas: AgHort, Mist Elimination, HVAC and PreCooler.

SEK M	Fourth Quarter 2008	Fourth Quarter 2007	Jan-Dec 2008	Jan-Dec 2007
Order intake	314	395	1,644	1,837
Change	-21%		-11%	
Adjusted change[1]	-31%		-14%	
Net Sales	435	476	1,743	1,765
Change	-9%		-1%	
Adjusted change[1]	-18%		-5%	
EBITA ex. one-time costs	24	73	187	251
EBITA Margin	5.5%	15.3%	10.7%	14.2%
EBITA	23	73	155	251
EBITA Margin	5.3%	15.3%	8.9%	14.2%

- **Significant decline in order intake within primarily HVAC and AgHort as a result of restrictions in the credit markets**
- **Margins depressed as a result of surplus capacity in many plants**
- **Measures to reduce personnel continued on par with market activities**
- **Strong cash flow in the quarter**

Fourth quarter

AgHort experienced an unexpected and strong decline in order intake and sales, through a combination of customers' current shortage of funds for financing and as a result of high feed prices in relation to market prices for meat.

The turmoil in the credit market continued to have a strong negative impact on demand for heaters within HVAC, as a result of distributors' reluctance to build inventories. In addition, some previous orders were cancelled during the quarter.

Order intake for Mist Elimination improved somewhat compared with the preceding quarter, as a result of higher project sales in Europe. However, investing interest within the US coal-fired power industry remained very weak, as a result of political uncertainty relating to prevailing emissions allowances. The assessment that order intake and sales will remain at a low level in the foreseeable future stands firm.

To cope with the lower degree of marketing activities within several segments, personnel reductions continued, which will be combined with additional changes in the production structure.

The division reported a strong cash flow primarily within marked reductions in inventories. MEP² costs amounted to SEK 1 M and the program was completed.

First-quarter prospects

The significantly lower order intake at the end of the year will have a negative impact on sales and earnings. Within AgHort and HVAC, the trend is also deemed to be weak. The division will be charged with costs for streamlining the production structure and additional staff cuts to adapt to significantly reduced volumes.

[1] Pro forma, adjusted for currency effects, and acquisitions and divestment.

SUBSEQUENT EVENTS

During the first quarter of 2009, Munters will implement a number of measures to adapt operations to weakening market conditions. Within MCS, the measures include discontinuation of certain operations and centralization of administration and merger of certain business units entailing personnel reductions. Within HumiCool, it involves streamlining the production structure and volume-related personnel downsizing. Dehumidification will decrease indirect personnel to reduce the cost level. These costs are estimated at SEK 30-45 M, which will be charged against the first quarter. In total, staff cuts will amount to approximately 250 and the annual cost savings for continuing operations, the following 12-month period after full implementation, are estimated at SEK 75 M.

SIGNIFICANT RISKS AND UNCERTAINTIES

Munters' exposure to risk can be divided primarily into two categories - operational risks and financial risks. Operational risks are dependent on weather, key personnel and key customers, and geographically dispersed operations involving small operational units. Financial risks consist mainly of currency, interest and financing risks.

Demand for the company's products is affected by general economic trends. A weakening in the trend can result in lower sales, which will also reduce capacity utilization in manufacturing in the short term. The continuing trend in the global economy is an uncertainty factor for the earnings trend for 2009. Munters' acquisition frequency may result in integration-related risks. In addition, it is estimated that the financial risks, primarily interest-rate risks, currency risks and refinancing risk have increased somewhat in the current and past year. A more detailed description of the Group's and Parent Company's other risk exposure and risk management activities is available in the "Risk management" section on pages 30-31 of the Munters Annual Report for 2007, which is available at www.munters.com.

FORWARD-LOOKING STATEMENTS

Some statements in this report are forward-looking, and the actual outcomes may be materially different. In addition to the factors explicitly discussed, other factors could have a material impact on actual outcomes, such as general business conditions, fluctuations in exchange rates and interest rates, political risks, the impact of competing products and their pricing, product development, commercial and technological difficulties, interruptions in supply and major customer-related bad debts.

TRANSACTIONS WITH RELATED PARTIES

There are no significant contractual relationships or transactions between Munters and its related parties, apart from the remuneration of senior executives.

PARENT COMPANY

The Parent Company's earnings after financial items during 2008 amounted to SEK 225 M (257). There were no external net sales (in common with the year-earlier period). Cash and cash equivalents at the close of the period amounted to SEK 227 M (75) and net debt to SEK 1,449 M (1,099). Capital expenditure totaled SEK 11 M (21). The average number of employees during the year was 30 (24).

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on April 15 at 5:00 p.m. at IVA, Grev Turegatan 16 in Stockholm.

DIVIDEND PROPOSAL

The Board of Directors' intention is to apply a dividend policy according to which the dividend level is adjusted to Munters' earnings level, financial position and other factors that the Board of Directors considers relevant. The annual dividend shall correspond to approximately half of the Group's average net profit measured over a period of several years. Considering the current unpredictability in the financial and existent economic environment the Board of Directors proposes the Annual General Meeting that no dividend be paid for 2008.

FUTURE INFORMATION DATES

The Swedish-language version of the Annual Report will be published on Munters' website on March 17. The printed version will be available at the company's offices at the end of March. It will also be sent to registered owners. The English-language version of the Annual Report will be published on the website on April 3.

April 23	Interim report, January - March
August 12	Interim report, January - June
October 28	Interim report, January - September

PRESS AND ANALYST CONFERENCE

Munters will hold a press conference for the media, analysts and investors on Thursday, February 12, at 08:30 a.m. at IVA, Grev Turegatan 16, Wenström hall, Stockholm.

The presentation may also be monitored by telephone: +46-8-5051 3793, code 7865422.

Kista, February 12, 2009
Board of Directors

Munters discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication on February 12, 2009 at 7:30 am (CET).

For further information, contact

Lars Engström, Chief Executive Officer
Tel: +46-8-626 63 03, lars.engstrom@munters.se

Andreas Olofsson, VP Corp. Communications
Tel: +46-8-626 54 08, andreas.olofsson@munters.se

Munters AB (publ)

Corp. Reg. No. 556041-0606
P.O Box 1188, 164 26 Kista, Sweden
Tel: +46-8-626 63 00, Fax +46-8-754 68 96
info@munters.se
This Year-end report, along with other financial information, is available on www.munters.com

AUDITORS' REVIEW REPORT

To the Board of Directors of Munters AB (publ)

Introduction

We have conducted a review of the condensed financial information included in the year-end report for Munters AB on December 31, 2008. The Board of Directors and the President are responsible for preparing and presenting this condensed year-end report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this financial information presented in the year-end report based on our review.

Focus and scope of the review

We have conducted our review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity***.** A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different direction and is substantially more limited in scope than an audit conducted in accordance with Revisionsstandard i Sverige RA (Audit standards in Sweden RS) and other generally accepted auditing practice. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed based on a review does not provide the same level of assurance as a conclusion expressed based on an audit.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects, the accompanying condensed financial information has not been prepared in accordance with IAS 34 and the Annual Accounts Act, and the interim report for the Parent Company has not been prepared in accordance with the Annual Accounts Act.

Stockholm, February12, 2009

Ernst & Young AB

Björn Fernström
Authorized Public Accountant

Amounts in SEK M	2008 Oct-Dec 3 months	2007 Oct-Dec 3 months	2008 Jan-Dec 12 months	2007 Jan-Dec 12 months
Order take	1,661	1,518	6,515	6,407
Income statement				
Net sales	1,881	1,737	6,570	6,262
Cost of goods sold	-1,394	-1,255	-4,854	-4,503
Gross earnings	**487**	**482**	**1,716**	**1,759**
Gross margin	25.9%	27.7%	26.1%	28.1%
Other operating income	4	0	11	0
Selling expenses	-240	-173	-764	-653
Administrative expenses	-150	-114	-513	-464
Research and development costs	-25	-19	-85	-70
Other operating expenses	0	-5	-3	-6
EBIT - Earnings before interest and tax	**76**	**171**	**362**	**566**
EBIT margin	4.0%	9.8%	5.5%	9.0%
Financial income and expenses	-21	-12	-77	-40
Earnings after financial income	**55**	**159**	**285**	**526**
Taxes	-37	-58	-120	-190
Net earnings	**18**	**101**	**165**	**336**
Attributable to equity holders of the parent	17	99	163	332
Attributable to minority interest	1	2	2	4
Earnings per share, SEK	0.24	1.34	2.21	4.49
Earnings per share - after dilution, SEK	0.24	1.34	2.21	4.49
Order intake by division				
Dehumidification Division	608	460	2,133	2,001
MCS Division	745	673	2,770	2,630
HumiCool Division	314	395	1,644	1,837
Eliminations	-6	-10	-32	-61
Order intake	**1,661**	**1,518**	**6,515**	**6,407**
Net sales by division				
Dehumidification Division	645	534	2,051	1,936
MCS Division	809	739	2,809	2,624
HumiCool Division	435	476	1,743	1,765
Eliminations	-8	-12	-33	-63
Net sales	**1,881**	**1,737**	**6,570**	**6,262**
Operating earnings by division				
Dehumidification Division	75	72	201	234
operating margin	11.7%	13.5%	9.8%	12.1%
MCS Division	-9	39	48	129
operating margin	-1.1%	5.3%	1.7%	4.9%
HumiCool Division	23	73	155	251
operating margin	5.3%	15.3%	8.9%	14.2%
Central, eliminations etc.	-10	-10	-33	-40
EBIT before amortizations, interest and tax	**79**	**174**	**371**	**574**
Amortizations on acquisition related intangible assets	-3	-3	-9	-8
EBIT - Earnings before interest and tax	**76**	**171**	**362**	**566**

Amounts in SEK M	Note	2008 31 Dec	2008 30 Sep	2007 31 Dec
Balance sheet				
Assets	Note			
Fixed assets				
Tangible assets				
Buildings and land		209	194	172
Plant and machinery		149	144	144
Equipment, tools, fixtures and fittings		294	269	262
Construction in progress		12	12	22
		664	619	600
Intangible assets				
Patent, licenses, trademarks and similar rights		142	113	110
Goodwill	3	978	852	794
		1,120	965	904
Other fixed assets				
Participation in associated companies		2	2	2
Other long-term receivables		21	21	19
Deferred tax assets		126	92	62
		149	115	83
		1,933	**1,699**	**1,587**
Current assets				
Inventory etc.		589	668	536
Accounts receivable		1,354	1,174	1,292
Other receivables		248	231	171
Liquid funds		490	251	276
		2,681	**2,324**	**2,275**
Total assets		**4,614**	**4,023**	**3,862**
Equity and liabilities				
Equity	2	1,285	1,188	1,202
Long-term liabilities				
Interest-bearing liabilities		1,653	1,385	1,168
Provisions		210	165	165
Deferred tax liabilities		87	72	47
Other liabilities		11	8	3
		1,961	1,630	1,383
Short-term liabilities				
Interest-bearing liabilities		41	33	32
Advances from customers		107	91	99
Accounts payable		537	437	496
Provisions		68	77	66
Other liabilities		615	567	584
		1,368	1,205	1,277
Total equity and liabilities		**4,614**	**4,023**	**3,862**

Consolidated statement of recognized income and expense

Income and expenses recognized in equity	2008 Jan-Dec	2008 Jan-Sep	2007 Jan-Dec
Actuarial gains and losses related to pensions, including special employer's contribution	-44	-1	3
Cash flow hedges	-1	1	-1
Exchange differences on translation of foreign operations	137	26	10
Tax on items reported directly in equity	13	0	0
Total transactions reported in equity	**105**	**26**	**12**
Net earnings for the period	165	147	336
Total income and expenses recognized for the period, net	**270**	**173**	**348**
Attributable to:			
Equity holders of the parent	268	172	344
Minority interest	2	1	4
	270	**173**	**348**

Amounts in SEK M	2008 Oct-Dec 3 months	2007 Oct-Dec 3 months	2008 Jan-Dec 12 months	2007 Jan-Dec 12 months
Cash flow statement				
Current operations				
Earnings after financial items	55	159	285	526
Reversal of depreciation etc.	47	41	167	156
Other earnings not affecting cash flow	15	-7	16	-19
Taxes paid	-45	-26	-181	-187
Cash flow from current operations before changes in working capital	**72**	**167**	**287**	**476**
Cash flow from changes in working capital				
Changes in inventory	152	82	43	-28
Changes in accounts receivable	-19	-111	127	-102
Changes in other receivables	25	9	-17	-15
Changes in accounts payable	15	48	-59	31
Changes in other liabilities	-52	15	-53	33
Sum of changes in working capital	**121**	**43**	**41**	**-81**
Cash flow from current operations	**193**	**210**	**328**	**395**
Investing activities				
Acquisitions and divestments of businesses	-58	0	-84	-316
Investments in intangible assets	-7	-10	-12	-25
Investments in tangible assets	-32	-42	-145	-185
Sales of tangible assets	3	3	5	4
Change in other financial assets	1	-	1	0
Cash flow from investing activities	**-93**	**-49**	**-235**	**-522**
Financing activities				
Changes in loans	112	-194	276	847
Dividend paid	-	-	-189	-166
Redemption of shares	-	-	-	-494
Sales of treasury stock	-	-	-	11
Cash flow from financing activities	**112**	**-194**	**87**	**198**
Cash flow for the period	**212**	**-33**	**180**	**71**
Liquid funds at the beginning of the period	251	307	276	201
Exchange-differences in liquid funds	27	2	34	4
Liquid funds at end of the period	**490**	**276**	**490**	**276**
Operating cash flow	**158**	**161**	**177**	**189**
Key figures				
More key figures are disclosed in the quarterly review				
Capital turnover rates, times (4 quarters)	-	-	2.4	2.7
Return on capital employed, %	2.6	7.0	13.6	24.8
Return on equity, %	1.5	8.7	13.8	25.7
Return on total capital, % (4 quarters)	-	-	9.2	16.4
Interest coverage ratio, time	3.1	8.9	4.4	10.7
Net debt structure				
Short-term interest-bearing liabilities	-	-	41	32
Long-term interest-bearing liabilities	-	-	1,653	1,168
Defined benefit plans etc.	-	-	186	144
Interest-bearing liabilities	-	-	-490	-276
Net debt	**-**	**-**	**1,390**	**1,068**

Quarterly overview - consolidated earnings, share data and cash flow

Amounts in SEK M	2008				2007				2006[1]			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	1,661	1,582	1,686	1,586	1,518	1,674	1,688	1,527	1,311	1,362	1,573	1,515
Income statement												
Net sales	1,881	1,597	1,548	1,545	1,737	1,597	1,524	1,404	1,462	1,408	1,456	1,386
Operating expenses	-1,805	-1,515	-1,453	-1,437	-1,566	-1,448	-1,405	-1,277	-1,319	-1,268	-1,327	-1,268
EBIT	**76**	**82**	**95**	**108**	**171**	**149**	**119**	**127**	**143**	**140**	**129**	**118**
EBIT margin	4.0%	5.1%	6.1%	7.0%	9.8%	9.3%	7.8%	9.0%	9.8%	9.9%	8.8%	8.5%
Financial income and expense	-21	-20	-18	-17	-12	-13	-9	-6	-3	-4	-4	-5
Earnings after financial items	**55**	**62**	**77**	**91**	**159**	**136**	**110**	**121**	**140**	**136**	**125**	**113**
Taxes	-37	-22	-28	-33	-58	-49	-40	-43	-48	-50	-46	-42
Net earnings	**18**	**40**	**49**	**58**	**101**	**87**	**70**	**78**	**92**	**86**	**79**	**71**
Depreciations and impairments	47	39	38	43	41	40	38	37	28	32	30	46
Share data[1,3]												
Earnings per share, SEK	0.24	0.53	0.66	0.78	1.34	1.16	0.95	1.04	1.23	1.15	1.06	0.96
Earnings per share after dilution, SEK	0.24	0.53	0.66	0.78	1.34	1.16	0.95	1.04	1.23	1.15	1.06	0.96
Average number of shares outstanding, thousand	73,933	73,933	73,933	73,933	73,898	73,887	73,863	73,791	73,749	73,743	73,743	73,743
No of shares outstanding at period-end, thousand	73,933	73,933	73,933	73,933	73,933	73,933	73,933	73,933	73,785	73,746	73,743	73,743
Number of treasury shares, thousand	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,215	1,254	1,257	1,257
Equity per share, SEK	17.28	15.99	14.48	16.11	16.16	14.51	14.36	22.13	20.33	19.66	18.48	20.04
Equity per share after dilution, SEK	17.28	15.99	14.48	16.11	16.16	14.51	14.36	22.13	20.33	19.66	18.48	20.04
Stock price at period-end, SEK	38.40	48.50	57.25	68.50	76.75	93.00	107.50	100.67	106	95	80	88
Market cap at period-end, SEK M[2]	2,880	3,638	4,294	5,138	5,756	6,975	8,063	7,550	7,925	7,100	6,013	6,613
Cash flow statement												
From current operations	193	80	55	0	210	42	60	83	112	184	138	96
From investing operations	-93	-36	-63	-43	-49	-128	-305	-40	-210	-45	-28	-4
From financing operations	112	-48	7	16	-194	105	320	-33	3	-50	-140	-19
Cash flow for the period	**212**	**-4**	**-1**	**-27**	**-33**	**19**	**75**	**10**	**-95**	**89**	**-30**	**73**
Operating cash flow	**158**	**49**	**13**	**-43**	**161**	**-25**	**8**	**45**	**61**	**138**	**110**	**66**

[1] The periods Q4 2005 to Q3 2006 have been restated in accordance with new option in IAS 19 applied in 2006.

[2] The market cap is calculated on total number of issued shares, including treasury shares.

[3] Historical data for the share are adjusted for the share split, redemption and bonus issue performed in Q2 2007.

Quarterly overview - Consolidated balance sheet and key figures

Amounts in SEK M	2008				2007				2006[1]			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Balance sheet												
Assets												
Fixed assets												
Tangible assets	664	619	592	577	600	581	575	550	538	507	497	520
Intangible assets	1,120	965	911	876	904	879	843	609	586	370	370	379
Other fixed assets	149	115	107	107	83	101	99	79	80	83	84	85
	1,933	1,699	1,610	1,560	1,587	1,561	1,517	1,238	1,204	960	951	984
Current assets												
Inventory etc.	589	668	622	577	536	614	581	498	458	472	464	471
Accounts receivable	1,354	1,174	1,182	1,197	1,292	1,172	1,096	1,077	1,132	994	1,040	1,066
Other receivables	248	231	192	179	171	182	162	181	149	151	161	150
Liquid funds	490	251	242	242	276	307	291	216	201	297	213	248
	2,681	2,324	2,238	2,195	2,275	2,275	2,130	1,972	1,940	1,914	1,878	1,935
Total assets	**4,614**	**4,023**	**3,848**	**3,755**	**3,862**	**3,836**	**3,647**	**3,210**	**3,144**	**2,874**	**2,829**	**2,919**
Equity and liabilities												
Equity	1,285	1,188	1,076	1,198	1,202	1,077	1,066	1,640	1,506	1,454	1,367	1,483
Long-term liabilities	308	245	240	239	215	234	222	215	204	193	190	183
Interest-bearing liabilities	1,694	1,418	1,392	1,214	1,200	1,401	1,282	268	315	273	323	332
Accounts payable	537	437	460	414	496	445	426	416	435	320	344	328
Other short-term liabilities	790	735	680	690	749	679	651	671	684	634	605	593
Total equity and liabilities	**4,614**	**4,023**	**3,848**	**3,755**	**3,862**	**3,836**	**3,647**	**3,210**	**3,144**	**2,874**	**2,829**	**2,919**
Key figures												
Equity ratio, %	27.8	29.5	28.0	31.8	31.1	28.1	29.2	51.1	47.9	50.6	48.3	50.8
Net debt, SEK M	1,390	1,311	1,292	1,119	1,068	1,245	1,138	209	257	127	258	229
Net debt ratio, times	1.08	1.10	1.20	0.93	0.89	1.16	1.07	0.13	0.17	0.09	0.19	0.15
Interest coverage ratio, times	3.1	3.6	5.5	6.3	8.9	8.9	11.1	22.2	21.1	28.3	27.2	24.9
Investments in tangible assets, SEK M	32	29	41	43	42	56	53	34	53	44	26	30
Number of employees at period-end	4,132	4,044	4,083	4,099	4,043	3,982	3,915	3,669	3,552	3,449	3,400	3,365

[1] The periods Q4 2005 to Q3 2006 have been restated in accordance with new option in IAS 19 applied in 2006.

Definitions of the financial key figures can be found on page 73 in the Annual Report 2007.

Financial overview Group - 5 years

	2008	2007	2006[1]	2005[1]	2004
Sales and earnings					
Net sales, SEK M	6,570	6,262	5,712	5,130	4,543
EBIT, SEK M	362	566	529	405	334
EBIT margin, %	5.5	9.0	9.3	7.9	7.3
Net earnings, SEK M	165	336	328	252	200
Earnings per share, SEK	2.21	4.49	4.40	3.39	2.74
Business and financial ratios					
Return on equity, %	13.8	25.7	22.5	19.3	17.8
Return on capital employed, %	13.6	24.8	28.0	22.8	21.0

Quarterly overview - Divisions

Amounts in SEK M	2008				2007				2006			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake												
Dehumidification Division	608	511	528	487	460	541	556	444	355	443	465	430
MCS Division	745	710	643	672	673	690	634	633	636	601	654	650
HumiCool Division	314	369	525	436	395	460	518	465	333	340	462	450
Eliminations	-6	-8	-10	-9	-10	-17	-20	-15	-13	-22	-8	-15
Order intake	**1,661**	**1,582**	**1,686**	**1,586**	**1,518**	**1,674**	**1,688**	**1,527**	**1,311**	**1,362**	**1,573**	**1,515**
Net sales												
Dehumidification Division	645	495	478	433	534	504	527	371	432	423	419	360
MCS Division	809	686	645	669	739	666	605	614	686	638	635	660
HumiCool Division	435	425	433	451	476	446	414	429	361	367	411	376
Eliminations	-8	-9	-8	-8	-12	-19	-22	-10	-17	-20	-9	-10
Net sales	**1,881**	**1,597**	**1,548**	**1,545**	**1,737**	**1,597**	**1,524**	**1,404**	**1,462**	**1,408**	**1,456**	**1,386**
Operating earnings												
Dehumidification Division	75	48	45	33	72	55	69	38	65	51	49	29
operating margin	11.7%	9.6%	9.5%	7.6%	13.5%	11.0%	13.1%	10.2%	15.0%	11.9%	11.8%	8.1%
MCS Division	-9	7	14	36	39	42	10	38	45	39	29	46
operating margin	-1.1%	1.0%	2.2%	5.3%	5.3%	6.3%	1.7%	6.2%	6.5%	6.1%	4.6%	7.0%
HumiCool Division	23	36	44	51	73	64	55	59	44	56	62	51
operating margin	5.5%	8.5%	10.2%	11.4%	15.3%	14.3%	13.3%	13.8%	12.2%	15.2%	15.2%	13.6%
Group overheads, eliminations etc.	-13	-9	-8	-12	-13	-12	-15	-8	-11	-6	-11	-8
Earnings before interest and tax	**76**	**82**	**95**	**108**	**171**	**149**	**119**	**127**	**143**	**140**	**129**	**118**
EBIT margin	4.0%	5.1%	6.1%	7.0%	9.8%	9.3%	7.8%	9.0%	9.8%	9.9%	8.8%	8.5%
Operating capital												
Dehumidification Division	590	524	480	476	481	477	488	384	383	394	392	395
MCS Division	854	880	856	871	895	885	790	805	811	779	779	824
HumiCool Division	581	582	567	542	497	494	492	452	391	392	399	436
Central, eliminations	79	59	52	65	69	77	49	30	34	12	16	13
Operating capital	**2,104**	**2,045**	**1,955**	**1,954**	**1,942**	**1,933**	**1,819**	**1,671**	**1,619**	**1,577**	**1,586**	**1,668**
Permanent employees												
Dehumidification Division	1301	1,173	1,196	1,184	1,180	1,151	1,126	913	900	890	877	867
MCS Division	1944	1,942	1,952	1,938	1,918	1,903	1,916	1,906	1,845	1,842	1,830	1,784
HumiCool Division	866	908	914	959	924	911	855	832	789	698	672	695
Central	21	21	21	18	21	17	18	18	18	19	21	19
Number of permanent employees	**4,132**	**4,044**	**4,083**	**4,099**	**4,043**	**3,982**	**3,915**	**3,669**	**3,552**	**3,449**	**3,400**	**3,365**

This document is a translation of the Swedish version. In the event of any discrepancies between this translation and the Swedish version, the Swedish version shall prevail.

Amounts in SEK M **MUNTERS AB**	2008 Oct-Dec 3 months	2007 Oct-Dec 3 months	2008 Jan-Dec 12 months	2007 Jan-Dec 12 months
Income statement				
Net sales	14	13	51	51
Cost of goods sold	-	-	-	-
Gross earnings	**14**	**13**	**51**	**51**
Other operating income	0	0	2	2
Administrative expenses	-29	-20	-99	-78
Other operating expenses	1	0	1	-1
EBIT - Earnings before interest and tax	**-14**	**-7**	**-45**	**-26**
Financial income and expenses	172	91	270	283
Earnings after financial items	**158**	**84**	**225**	**257**
Transfer to tax allocation reserve	-4	-15	-4	-15
Income taxes	3	0	14	4
Net earnings	**157**	**69**	**235**	**246**

	2008 31 Dec	2008 30 Sep	2007 31 Dec
Balance sheet			
Assets			
Fixed assets			
Tangible assets			
Equipment, tools, fixtures and fittings	24	23	19
	24	23	19
Intangible assets			
Patent, licenses and similar rights	18	18	17
	18	18	17
Financial assets			
Participations in subsidiaries	791	712	690
Receivables from subsidiaries	1,785	1,495	1,385
	2,576	2,207	2,075
	2,618	**2,248**	**2,111**
Current assets			
Receivables from subsidiaries	36	55	82
Other receivables	56	31	18
Liquid funds	227	37	75
	319	**123**	**175**
Total assets	**2,937**	**2,371**	**2,286**
Equity and liabilities			
Equity	1,006	805	912
Untaxed reserves	19	15	15
Long-term liabilities			
Interest-bearing liabilities	1,637	1,368	1,137
Provisions	39	38	37
	1,676	1,406	1,174
Short-term liabilities			
Interest-bearing liabilities	-	14	-
Liabilities to subsidiaries	197	101	152
Accounts payable	5	6	6
Other liabilities	34	24	27
	236	145	185
Total equity and liabilities	**2,937**	**2,371**	**2,286**

Notes

Note 1. Accounting principles

This year-end report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The accounting principles and calculation methods applied remain unchanged compared with the principles and methods applied in the 2007 Annual Report.

Note 2. Changes in equity

Amounts in SEK M	2008 31 Dec	2008 30 Sep	2008 30 Jun	2007 31 Dec
Equity at the beginning of the year	**1,202**	**1,202**	**1,202**	**1,506**
Total recognized income and expenses	270	173	61	348
Change in minority interest	-2	-2	-2	-3
Sales of treasury shares	-	-	-	11
Dividend	-185	-185	-185	-166
Redemption of treasury shares	-	-	-	-494
Equity at the end of the period	**1,285**	**1,188**	**1,076**	**1,202**

Note 3. Acquisitions of operations

Toussaint Nyssenne

On October 30, 2008, Munters acquired 100% of the Belgium company, Ateliers Toussaint Nyssenne SA including its French subsidiary, Toussaint Nyssenne International (T.N.I) SA. Toussaint Nyssenne manufactures high-quality adapted air-conditioning systems for offices, public buildings and industrial applications. The systems are highly flexible and modular and provide air treatment to a broad range of demanding applications. The company was consolidated as of October 1, 2008, when controlling influence came into effect. The acquired operations contributed net sales of SEK 54 M and an EBIT of SEK 3.5 M for the October 1, 2008 – December 31, 2008 period. If the acquisition had occurred on January 1, 2008, the company would have contributed SEK 193 M in net sales and an EBIT of SEK 7 M.

Information on preliminary acquired net assets and goodwill is as follows:

Purchase consideration	
- purchase consideration paid in cash	75
- expenses directly attributable to the acquisition	4
Sub-total acquisition value	**79**
Additional purchase consideration – estimated	2
Total acquisition value	**81**
Fair value of acquired net assets	-48
Goodwill	33

Goodwill is attributable to anticipated future synergies and expansion opportunities primarily in product integration, technology and distribution in the European market.

The acquired company's net assets at the time of acquisition:	Reported value	Fair value adjustment	Fair value
Tangible fixed assets	7		7
Intangible assets – customer relationships, trademark	0	18	18
Current assets	24		24
Non-interest-bearing receivables	67		67
Cash and cash equivalents	14		14
Interest-bearing liabilities	-13		-13
Interest-free liabilities (including def tax liabilities)	-63	-6	-69
Net identifiable assets and liabilities	**36**	**12**	**48**

Purchase consideration paid in cash and expenses directly attributable to the acquisition	79
Cash and cash equivalents at the time of the acquisition	-14
Change in the Group's cash and cash equivalents at the time of the acquisition	65

The purchase price allocation has not been conclusively settled.

Munters Form

On April 30, 2008, Munters acquired 80% of the Turkish company Munters-Form Endüstri Sistemleri Sanayi ve Ticaret A.Ş. Munters-Form is primarily active in the dehumidification area, ventilation products for the agriculture sector and precoolers for gas turbines. The company was consolidated on May 1, 2008. The acquired operations contributed SEK 37 M in net sales and an EBIT of SEK 5 M for the period May 1, 2008 to December 31, 2008. If the acquisition had taken place on January 1, 2008, the company would have contributed SEK 46 M in net sales and an EBIT of SEK 6 M.

Information on acquired net assets and goodwill is as follows:

Purchase consideration paid in cash	
- purchase consideration paid in cash	21
- expenses directly attributable to the acquisition	1
Sub-total acquisition value	**22**
Additional purchase consideration – estimated	7
Total acquisition value	**29**
Fair value of acquired net assets	-6
Minority interest	1
Goodwill	24

Goodwill is attributable to anticipated future synergies and expansion opportunities primarily within distribution in the region and neighboring countries.

The acquired company's net asset at the time of acquisition:	Reported value	Fair value adjustment	Fair value
Intangible assets – customer relationships	0	5	5
Current assets	5		5
Non-interest-bearing receivables	4		4
Cash and cash equivalents	2		2
Interest-free liabilities (including def tax liabilities)	-9	-1	-10
Net identifiable assets and liabilities	**2**	**4**	**6**

Change in the Group's cash and cash equivalents at the time of the acquisition.	21