Year-end report 2007

20 February 2008

Fourth quarter

- Order intake rose to SEK 1,518 M (1,311), up 16% - up 9%, adjusted[1]
- Net sales increased to 1,737 M (1,462), up 19% - up 8%, adjusted[1]
- Net earnings increased to SEK 101 M (92)
- Earnings per share totaled SEK 1.34 (1.23)
- Operating cash flow totaled SEK 161 M (61)

	2007	2006	Change	Adjusted change[1]
Order intake, SEK M	1,518	1,311	16%	9%
Net sales, SEK M	1,737	1,462	19%	8%
EBIT bef. amortization, SEK M[2]	174	143	22%	
EBIT, SEK M	171	143	20%	
EBIT margin, percent	9.8	9.8		
Net earnings, SEK M	101	92	9%	
Earnings per share, SEK	1.34	1.23	9%	

[1] Adjusted for currency fluctuations and acquisitions and disposals of businesses.
[2] Amortization of intangible assets relating to business acquisitions.

Full year

- Order intake rose to SEK 6,407 M (5,761), up 11% - up 6%, adjusted[1]
- Net sales increased to 6,262 M (5,712), up 10% - up 6%, adjusted[1]
- Net earnings increased to SEK 336 M (328)
- Earnings per share totaled SEK 4.49 (4.40)
- Proposed dividend of SEK 2,50 (2,25)

	2007	2006	Change	Adjusted change[1]
Order intake, SEK M	6,407	5,761	11%	6%
Net sales, SEK M	6,262	5,712	10%	6%
EBIT bef. amortization, SEK M[2]	574	529	8%	
EBIT, SEK M	566	529	7%	
EBIT margin, percent	9.0	9.3		
Net earnings, SEK M	336	328	2%	
Earnings per share, SEK	4.49	4.40	2%	

[1] Adjusted for currency fluctuations and acquisitions and disposals of businesses.
[2] Amortization of intangible assets relating to business acquisitions.

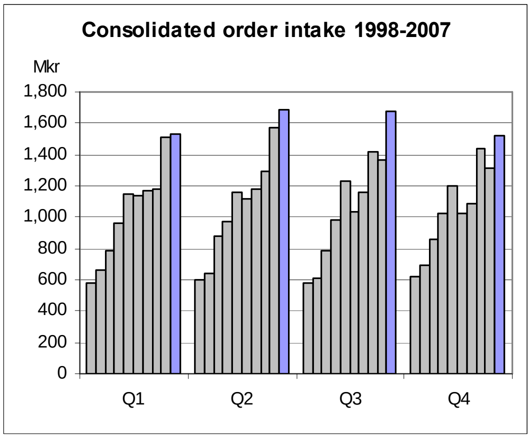
Munters is a global leader in energy efficient air treatment solutions and restoration services based on expertise in humidity and climate control technologies. Customers are served in a wide range of segments, the most important being insurance-, utilities-, food-, pharma- and electronics- industries. Manufacturing and sales are carried out via the Group's own companies in more than 30 countries. The Group has close to 4,300 employees and net sales of about SEK 6.3 billion. The Munters share is listed on OMX Nordic Exchange Stockholm, Mid Cap. For more information see www.munters.com

Fourth quarter

Order intake

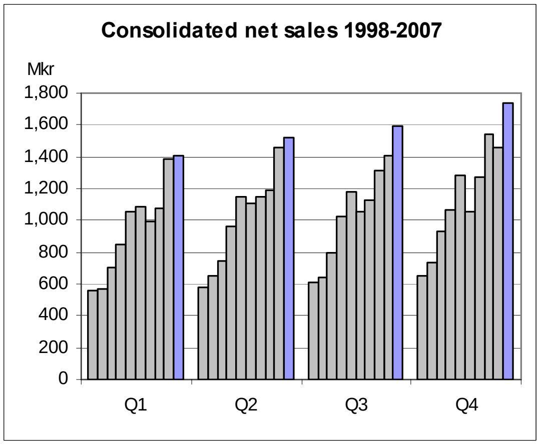
During the fourth quarter, order intake rose 16% to SEK 1,518 M (1,311). Pro forma, adjusted for currency effects, acquisitions and disposals of operations, the increase was 9%. Dehumidification reported a robust order intake throughout the division as a result of continuing high demand for both industrial and commercial products. Order intake at MCS was also favorable, primarily because of continuing favorable weather conditions and higher market shares for MCS in Northern Europe. HumiCool also reported satisfactory order intake, apart from activities in Mist Elimination in the US, where order intake from coal-fired power plants declined temporarily as anticipated.

The order backlog rose by 34% compared with the preceding year and totaled SEK 1,152 M (859) at the end of the quarter.



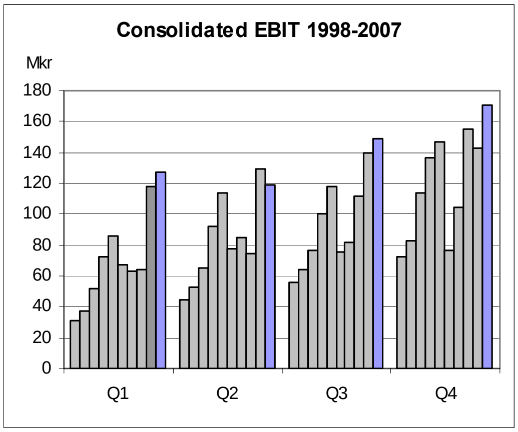
Net sales

Consolidated net sales advanced 19% to SEK 1,737 M (1,462). Adjusted[1], the increase was 8%. The stronger Swedish krona compared with the preceding year had an adverse impact of 2% on net sales in Swedish kronor.



Earnings

EBIT for the Group amounted to SEK 171 M (143). The EBIT margin was 9.8% (9.8). The Dehumidification and HumiCool divisions reported strong earnings for the quarter, driven by high sales volumes overall. The cost-cutting program at MCS, which was launched during the second quarter, was implemented, and higher earnings were realized in the key markets of the Nordic region, Germany and the UK. Despite favorable sales at MCS, the division's margin dipped during the quarter compared with the preceding year as a result of negative nonrecurring items in Australia, France and Italy.



2004 and later years in accordance with IFRS.

Consolidated earnings after financial items totaled SEK 159 M (140). Net earnings for the quarter rose to SEK 101 M (92). Earnings per share increased to SEK 1.34 (1.23).

Cash flow

Operating cash flow totaled SEK 161 M (61). The increase was attributable to a decline in working capital, driven primarily by lower inventories, plus high cash flows from current operations during the quarter.

[1] Pro forma, adjusted for currency effects, acquisitions and disposals of operations

Full year

Order intake

During the year, consolidated order intake rose by 11% to SEK 6,407 M (5,761). Adjusted[1], the increase was 6%.

Net sales

Consolidated net sales increased by 10% to SEK 6,262 M (5,712). Adjusted[1], the increase was 6%.

Earnings

Consolidated EBIT advanced by 7% to SEK 566 M (529). The EBIT margin was 9.0% (9.3).

Consolidated earnings after financial items totaled SEK 526 M (514). Net earnings for the year totaled SEK 336 M (328), after a tax charge of 36% (36). Earnings per share were SEK 4.49 kronor (4.40).

Capital expenditure

Consolidated capital expenditure on tangible assets amounted to SEK 185 M (153) during the year, of which SEK 82 M (63) related to investment in MCS equipment. The remaining increase was driven primarily by investment in new plants in San Antonio, in the US, and in Beijing, China. Depreciation and impairments totaled SEK 152 M (136).

Cash flow

During the year operating cash flow totaled SEK 189 M (375). The decrease was mainly attributable to an increase in accounts receivables driven by sales increase, and higher investments in fixed assets.

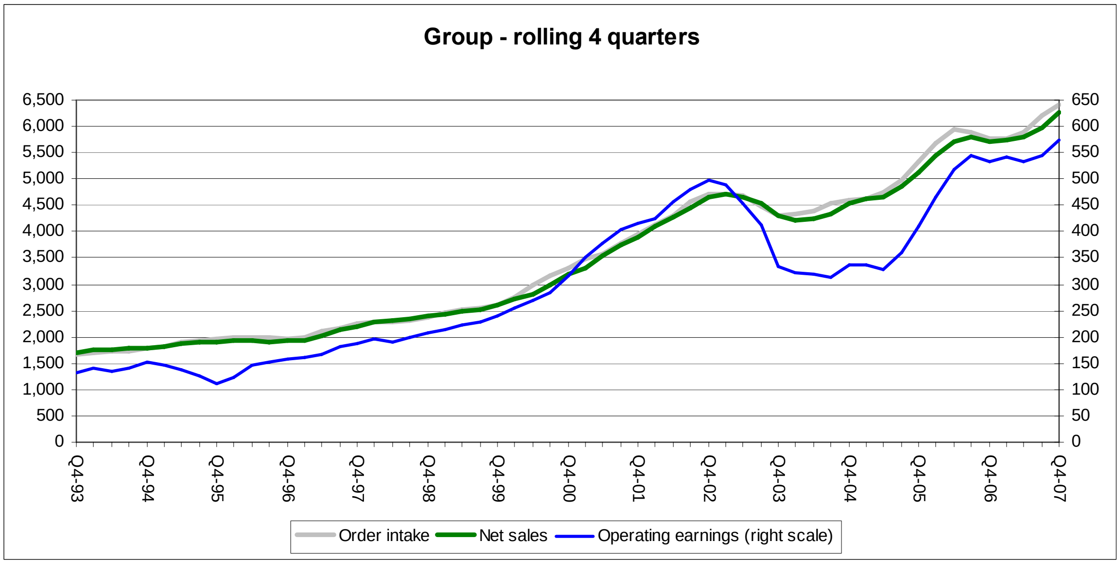
Financial position

The equity ratio was 31% at the end of the period (48 at the start of the year). Interest-bearing assets totaled SEK 276 M (201 at the start of the year) and interest-bearing provisions and liabilities amounted to SEK 1,344 M (458 at the start of the year). Net debt during the year rose by SEK 811 M to SEK 1,068 M, as a result of a redemption program (treasury shares) of SEK 494 M, the acquisition of Des Champs Technologies and Turbovent for a total of SEK 337 M, as well as a regular dividend. The group has unutilized loan facilities of SEK 1,019 M.

Personnel

At the end of the period, the number of permanent employees was 4,043, an increase of 491 during the year. The number rose by 280 in the Dehumidification Division, of which the acquisition of Des Champs Technologies represented 196: along with an increase of 73 in the MCS Division, and a rise of 135 in the HumiCool Division, of which the acquisition in July of Turbovent represented 50.

[1] Pro forma, adjusted for currency effects, acquisitions and disposals of operations.



Divisional performance

Dehumidification Division

The Dehumidification Division is divided into three business areas: Industrial Dehumidification, Commercial Dehumidification and Zeol.

	Fourth quarter		Jan-Dec	
SEK M	2007	2006	2007	2006
Order intake	460	355	2,001	1,693
Change	30%		18%	
Adjusted change[1]	22%		12%	
Net sales	534	432	1,936	1,635
Change	24%		18%	
Adjusted change[1]	13%		13%	
Operating earnings	72	65	234	194
Operating margin	13.5%	15.0%	12.1%	11.9%

- **High growth in orders and sales driven by continuing favorable markets for Industrial and Commercial**
- **Record result for the quarter**

Fourth quarter

The market for industrial dehumidifiers continues to progress positively, with solid demand in Europe and North America. Higher investment in Asia is beginning to show results, as exemplified by a major order for industrial air conditioning in the Philippines. Commercial Dehumidification reported very strong growth, notably in the school segment. The first order for a new and highly energy-efficient product developed in cooperation with the acquired Des Champs - DryCool ERV was secured during the quarter. As expected, order intake from WalMart fell during the quarter due to a decline in new store construction in the US. The market for Zeol's product for the semiconductor industry continued its recovery.

Net sales grew sharply during the quarter, rising by 13%, adjusted for currency effects and acquisition of operations. All business areas progressed favorably. However, a weaker product mix, compared with the fourth quarter of 2006, adversely impacted on gross margins for the quarter.

Operating earnings reached record levels but – as anticipated – operating margin narrowed compared with the impressive fourth quarter of 2006, mainly due to the effects of the product mix.

First quarter prospects

The growth rate is forecast to slow, primarily as a result of a lower demand from WalMart, the single largest customer for the Commercial business area, which is expected to impact adversely on the division.

[1] Pro forma, adjusted for currency effects, and acquisitions and disposals of operations.

Moisture Control Services (MCS) Division

The MCS Division is divided into six market areas: the Nordic Region, Central Europe, the UK and Ireland, Southern and Western Europe, the Americas, and Asia.

	Fourth quarter		Jan-Dec	
SEK M	2007	2006	2007	2006
Order intake	673	636	2,630	2,541
Change	6%		4%	
Adjusted change[1]	5%		5%	
Net sales	739	686	2,624	2,618
Change	8%		0%	
Adjusted change[1]	8%		2%	
Operating earnings	39	45	129	159
Operating margin	5.3%	6.5%	4.9%	6.1%

- **Continuing growth in market share in large areas of Europe**
- **Operating margin was adversely affected by problems in three countries**

Fourth quarter

As in earlier periods of the year, high growth was noted particularly in the Nordic Region, and Southern and Western Europe, driven by favorable weather conditions and rising market shares. German operations are now stable and profitable, but market activity is relatively low. The previously noted increase in cash reimbursements to insurance customers in the UK continued during the quarter, but has begun to slow. The low level of activity in the US continued during the fourth quarter, without the occurrence of any major weather event.

Operating earnings and margin progressed favorably in large areas of Europe, including Germany, driven by sales growth and reduced overheads. However, continuing problems in Italy, France and Australia had a negative impact of some SEK 13 M on earnings. Unsatisfactory business and accounts receivable processes in these countries led to write-offs in the fourth quarter, as well as previously in 2007. Due in part to this, a re-organization is in progress in the division, in addition to a business process and capital efficiency program.

During the quarter Morten Andreasen was appointed President MCS Division, and member of Munters Group Management. He will assume his position March 3, 2008.

Fist quarter prospects

Relatively stable sales growth is anticipated.

HumiCool Division

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

	Fourth quarter		Jan-Dec	
SEK M	2007	2006	2007	2006
Order intake	395	333	1,837	1,585
Change	19%		16%	
Adjusted change[1]	3%		2%	
Net sales	476	361	1,765	1,514
Change	32%		17%	
Adjusted change[1]	2%		5%	
Operating earnings	73	44	251	213
Operating margin	15.3%	12.2%	14.2%	14.1%

- **Aghort and Sial reported favorable order intake**
- **All business areas registered strong earnings**

Fourth quarter

Order intake during the quarter advanced 19% – measured in Swedish kronor – driven by strong order intake in Aghort and HVAC. Adjusted for acquisitions, disposals and currency effects, order intake was up 3%. The lower adjusted growth rate is due to lower order intake in Mist Elimination in the US compared with the preceding year, due to the anticipated slowdown in order intake from manufacturers of scrubbers for the coal-fired power industry, which in turn was attributable to extensive construction delays. Market demand for Aghort products continued to rise in the US and Europe, which commenced in the third quarter as a result of rising animal feed and meat prices.

Net sales rose 32% during the quarter – measured in Swedish kronor – or 2% adjusted for currency effects and acquisitions. The lower adjusted growth rate was due primarily to low order intake for heaters supplied by Sial earlier during the year.

Earnings continue to remain robust in all business areas. The fourth quarter was Sial's seasonally strongest quarterly period, with a positive impact on operating margin.

First quarter prospects

Stable demand is anticipated, except in the case of Mist Elimination in the US, where low demand is expected to continue over the first six months.

[1] Pro forma, adjusted for currency effects, and acquisitions and disposals of operations.

SUBSEQUENT EVENTS

MUNTERS EFFICIENCY PROGRAM PHASE 2

In February 2008 a wide-ranging efficiency and margin-enhancement program was launched, referred to as Munters Efficiency Program Phase 2, abbreviated to MEP^2. The program involves greater focus on production efficiency in the HumiCool and Dehumidification divisions, as well as the rollout of a mobile IT platform (Field.Link) for service technicians at MCS, which offers a platform for major productivity improvements. A capital efficiency program related to Field.Link also commenced at MCS.

The manufacturing efficiency program at Dehumidification and HumiCool encompasses seven of the largest production units, and entails changes in layout and production flows, as well as investments in productivity-enhancing machinery. In addition, the production of a number of products is being relocated to the company's plants in Mexico and China in a bid to cut costs.

The mobile IT platform for service technicians at MCS, Field.Link, is now ready for rollout. The platform was developed in 2007 and is based on the successful concept used in the UK in recent years. During the course of 2008, Field.Link is expected to be rolled out to some 1,000 service technicians, or some 75% of the total potential. Commencing at the close of 2008, productivity is anticipated to increase both in the field and in support functions as a result of a more efficient management of business processes.

In connection with this project, a capital-efficiency project is in progress, which is designed to improve business processes and reduce capital tied up in accounts receivable. The efficiency-enhancement efforts at MCS will be supported by a new organizational structure made up of three regional market areas with dedicated management focusing on operational quality in business units. The market areas are supported by the central functions in Finance, HR, sales and marketing, and operations support.

The goal for MEP^2 is to cut the cost base by some SEK 75 M and reduce working capital by SEK 170 M. During 2008, earnings are expected to be negatively impacted by SEK 50 M, whereof SEK 20 M during the first quarter, and extra capital expenditures of SEK 45 M. The positive effect on EBIT in 2009 is projected to be SEK 50 M, with subsequent annual improvements of SEK 75 M.

KEY RISKS AND UNCERTAINTY FACTORS

Munters' exposure to risk can be divided into two categories: operational risks such as those due to weather, dependence on key personnel and key customers and geographically dispersed operations involving small operational units, on the one hand, and financial risks, consisting mainly of currency, interest and financing risks, on the other.

After a period of relatively few acquisitions, the number of acquisitions has increased in Munters, which can result in integration-related risks. During the year, financial risks – primarily interest-rate risks and currency risks – are deemed to have increased somewhat due to increased external borrowing as a result of acquisitions and share redemptions. A more detailed description of the Group's and Parent Company's risk exposure and risk management activity may be found in the "Risk management" section on pages 30-31 of the Munters Annual Report 2006, which is available on 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 effect on the actual outcomes. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political risks, the impact of competing products and their pricing, product development, commercialization and technological difficulties, interruptions in supply, and major customer credit losses.

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 in 2007 amounted to SEK 257 M (929). There were no external net sales (as was the case in the preceding year). Cash and cash equivalents at the close of the period amounted to SEK 75 M (22) and the net debt amounted to SEK 1,106 M (281). Capital expenditure amounted to SEK 21 M (13). The average number of employees was 24 (22).

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Tuesday, 22 April at 5:00 p.m. in Kungsholmen Konferens & Matsal, on Flemminggatan 18 (the Trygg-Hansa Building), in Stockholm.

DIVIDEND PROPOSAL

In accordance with the dividend policy, whereby approximately one-half of the average consolidated net earnings, measured over a period of several years, shall be distributed, the Board has decided to propose to this year's Annual General Meeting a regular dividend of SEK 2.50 per share, corresponding to a total of SEK 185 M.

STOCK OPTIONS PROGRAM

The Board of Directors proposes to the Annual General Meeting that the company be granted the right to issue an employee stock option program to senior executives in Munters, involving the transfer of previously repurchased shares in Munters (treasury shares).

Mainly, the program entails that employee stock options be issued to about 30 senior executives. Allotment will be conditional on an improvement in earnings per share in 2008 compared with the preceding year. No allotment will be made in the event of a rise of less than 4%. The maximum allotment is attained in conjunction with a rise of more than 8%. In the event of a rise of between 4 and 8%, allotment will be conducted on a pro rata basis. The maximum number of shares that may be allotted is 600,000. Each stock option shall entitle the holder to acquire one (1) share in the company at a price corresponding to 120 percent of the average, volume-weighted paid price for the share in the company during ten trading days in the period 29 April - 13 May 2008. The employee stock options will have a ceiling whereby the profit as a maximum can amount to 100 percent of the exercise price. The employee stock options will have a lifetime extending through 31 May 2012, with the right for the holder to exercise the option rights from and including 1 June 2011. Exercise of the stock employee options require that the holder remains an employee of the Munters Group as of 31 December 2010.

In the event of a positive price performance, the employee stock option program will involve costs in the form of social security fees, which will be recognized in expenses as incurred on a continual basis and as non-cash item affecting personnel expenses pursuant to IFRS 2.

As a result of the employee stock option program, the Board also proposes that the Annual General Meeting resolve that the company, in accordance with the terms and conditions of the employee stock options program, be authorized to transfer a maximum of 600,000 repurchased shares in the company to those persons allotted employee stock options. A detailed presentation of the Board's proposal will be available in conjunction with the dispatch of the summons to the Annual General Meeting.

PROPOSAL OF BOARD OF DIRECTORS

The nomination committee proposes to the annual general meeting that the number of board members should be eight, with no deputies. Proposed re-election of Anders Ilstam, Bengt Kjell, Eva-Lotta Kraft, Sören Mellstig, Jan Svensson and Lars Engström and new election of Kenneth Eriksson and Kjell Åkesson. Anders Ilstam proposes as Chairman. Berthold Lindqvist and Sven Ohlsson have declined re-election. Kenneth Eriksson, born 1944, is President of SCA Forest Products AB and Kjell Åkesson, born 1949, is CEO and President of Lindab International AB.

FUTURE INFORMATION DATES

The Swedish-language version of the Annual Report will be published on the Munters website on 17 March. The printed version will be available from the company's Head Office at the end of March. It will also be mailed to registered shareholders. The English-language version of the Annual Report will be published on the website on 10 April.

22 April	January-March interim report
12 August	January-June interim report
23 October	January-September interim report

PRESS AND ANALYSTS CONFERENCE

Munters will hold a press conference for the media, analysts and investors on Wednesday 20 February at 4.00 pm at Berns, Rektangelsalen, Berzelli Park, in Stockholm.

The presentation may also be monitored by telephone:
+46-8-53 526 407.

Kista, 20 February 2008

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 20 at 12.30 (CET).

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This interim report, along with other 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 financial reports included in the year-end report of Munters AB as at 31 December 2007. Our review included the twelve-month period 1 January – 31 December. The preparation and fair presentation of the year-end report in accordance with the provisions of the listing agreement with OMX Nordic Exchange, entailing that interim financial statements shall be reported with the application of the regulations in IAS 34 and the Annual Accounts Act, are the responsibility of the Board of Directors and the President. Our responsibility is to express an opinion on the financial reports based on our review.

Focus and Scope of the review

We conducted our review in accordance with the Standard on review engagements SÖG 2410 Översiktlig granskning av finansiell delårsinformation (Review of interim financial reporting) executed by the company elected accountant. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The emphasis and scope of a review differ considerably from the emphasis and scope of an audit in accordance with Revisionsstandard i Sverige RS (Audit standards in Sweden RS) and other generally accepted auditing practice in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance to become aware of all significant matters that could have been identified in an audit. Since our opinion is based on a review, the level of assurance is not as high as that of an opinion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial reports, in all material respects, are not prepared in accordance with IAS 34 and the Annual Accounts Act, and, in respect of the Parent Company, in accordance with the Annual Accounts Act.

Stockholm, 20 February 2008

Ernst & Young AB

Björn Fernström
Authorized Public Accountant

Amounts in SEK M	2007 Oct-Dec 3 months	2006 Oct-Dec 3 months	2007 Jan-Dec 12 months	2006 Jan-Dec 12 months
Order intake	1,518	1,311	6,407	5,761
Income statement				
Net sales	1,737	1,462	6,262	5,712
Cost of goods sold	-1,255	-1,032	-4,503	-4,108
Gross earnings	**482**	**430**	**1,759**	**1,604**
Gross margin	27.7%	29.4%	28.1%	28.1%
Other operating income	0	-	0	14
Selling expenses	-173	-163	-653	-617
Administrative expenses	-114	-107	-464	-414
Research and development costs	-19	-13	-70	-52
Other operating expenses	-5	-4	-6	-6
EBIT - Earnings before interest and tax	**171**	**143**	**566**	**529**
EBIT margin	9.8%	9.8%	9.0%	9.3%
Financial income and expenses	-12	-3	-40	-15
Earnings after financial income	**159**	**140**	**526**	**514**
Taxes	-58	-48	-190	-186
Net earnings	**101**	**92**	**336**	**328**
Attributable to equity holders of the parent	99	91	332	325
Attributable to minority interest	2	1	4	3
Earnings per share, SEK	1.34	1.23	4.49	4.40
Earnings per share - after dilution, SEK	1.34	1.23	4.49	4.40
Order intake by division				
Dehumidification Division	460	355	2,001	1,693
MCS Division	673	636	2,630	2,541
HumiCool Division	395	333	1,837	1,585
Eliminations	-10	-13	-61	-58
Order intake	**1,518**	**1,311**	**6,407**	**5,761**
Net sales by division				
Dehumidification Division	534	432	1,936	1,635
MCS Division	739	686	2,624	2,618
HumiCool Division	476	361	1,765	1,514
Eliminations	-12	-17	-63	-55
Net sales	**1,737**	**1,462**	**6,262**	**5,712**
Operating earnings by division				
Dehumidification Division	72	65	234	194
operating margin	13.5%	15.0%	12.1%	11.9%
MCS Division	39	45	129	159
operating margin	5.3%	6.5%	4.9%	6.1%
HumiCool Division	73	44	251	213
operating margin	15.3%	12.2%	14.2%	14.1%
Central, eliminations etc.	-10	-11	-40	-37
EBIT before amortizations	**174**	**143**	**574**	**529**
Amortizations on acquisitions related to intangible assets	-3	0	-8	0
EBIT - Earnings before interest and tax	**171**	**143**	**566**	**529**

Amounts in SEK M		2007 31 Dec	2007 30 Sep	2006 31 Dec
Balance sheet				
Assets				
Fixed assets				
Tangible assets				
Buildings and land		172	171	166
Plant and machinery		144	142	134
Equipment, tools, fixtures and fittings		262	253	228
Construction in progress		22	15	10
		600	581	538
Intangible assets				
Patent, licenses, trademarks and similar rights		110	103	43
Goodwill	note 3	794	776	543
		904	879	586
Other fixed assets				
Participation in associated companies		2	5	4
Other long-term receivables		19	17	14
Deferred tax assets		62	79	62
		83	101	80
		1,587	**1,561**	**1,204**
Current assets				
Inventory etc.		536	614	458
Accounts receivable		1,292	1,172	1,132
Other receivables		171	182	149
Liquid funds		276	307	201
		2,275	**2,275**	**1,940**
Total assets		**3,862**	**3,836**	**3,144**
Equity and liabilities				
Equity		1,202	1,077	1,506
Long-term liabilities				
Interest-bearing liabilities	note 4	1,168	31	16
Provisions		165	178	170
Deferred tax liabilities		47	53	32
Other liabilities		3	3	2
		1,383	265	220
Short-term liabilities				
Interest-bearing liabilities	note 4	32	1,370	299
Advances from customers		99	93	117
Accounts payable		496	445	435
Provisions		66	60	59
Other liabilities		584	526	508
		1,277	2,494	1,418
Total equity and liabilities		**3,862**	**3,836**	**3,144**

Consolidated statement of recognized income and expense

Income and expenses recognized in equity			
Actuarial gains and losses related to pensions, including special employer's contribution	3	0	3
Cash flow hedges	-1	-2	5
Exchange differences on translation of foreign operations	10	-11	-132
Tax on items reported directly in equity	0	0	-3
Total transactions reported in equity	**12**	**-13**	**-127**
Net earnings for the period	336	235	328
Total income and expenses recognized for the period, net	**348**	**222**	**201**
Attributable to:			
Equity holders of the parent	344	220	198
Minority interest	4	2	3
	348	**222**	**201**

Amounts in SEK M	2007 Oct-Dec 3 months	2006 Oct-Dec 3 months	2007 Jan-Dec 12 months	2006 Jan-Dec 12 months
Cash flow statement				
Current operations				
Earnings after financial items	159	140	526	514
Reversal of depreciation etc.	41	28	156	136
Other earnings items not affecting cash flow	-7	1	-19	19
Taxes paid	-26	-56	-187	-181
Cash flow from current operations before changes in working capital	**167**	**113**	**476**	**488**
Cash flow from changes in working capital				
Changes in inventory	82	52	-28	22
Changes in accounts receivable	-111	-99	-102	5
Changes in other receivables	9	1	-15	-19
Changes in accounts payable	48	40	31	19
Changes in other liabilities	15	5	33	15
Sum of changes in working capital	**43**	**-1**	**-81**	**42**
Cash flow from current operations	**210**	**112**	**395**	**530**
Investing activities				
Acquisitions and disposals of businesses	0	-159	-316	-132
Investments in intangible assets	-10	-2	-25	-6
Investments in tangible assets	-42	-53	-185	-153
Sales of tangible assets	3	4	4	4
Cash flow from investing activities	**-49**	**-210**	**-522**	**-287**
Financing activities				
Changes in loans	-194	0	847	-76
Dividend paid	-	-	-166	-135
Redemption of shares	-	-	-494	-
Payment received for issued stock options	-	-	-	2
Sale of treasury stock	-	3	11	3
Cash flow from financing activities	**-194**	**3**	**198**	**-206**
Cash flow for the period	**-33**	**-95**	**71**	**37**
Liquid funds at the beginning of the period	307	297	201	176
Exchange-differences in liquid funds	2	-1	4	-12
Liquid funds at end of the period	**276**	**201**	**276**	**201**
Operating cash flow	**161**	**61**	**189**	**375**
Key figures				
More key figures are disclosed in the quarterly review				
Capital turnover rate, times	-	-	2.7	3.0
Return on capital employed, %	-	-	24.8	28.0
Return on equity, %	-	-	25.7	22.5
Interest coverage ratio, times	8.9	21.1	10.7	25.0
Net debt structure				
Short-term interest-bearing liabilities	-	-	32	298
Long-term interest-bearing liabilities	-	-	1,168	16
Defined benefit plans etc.	-	-	144	144
Interest-bearing liabilities	-	-	-276	-201
Net debt	**-**	**-**	**1,068**	**257**

Quarterly overview - consolidated earnings, share data and cash flow

Amounts in SEK M	2007				2006				2005			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	1,518	1,674	1,688	1,527	1,311	1,362	1,573	1,515	1,440	1,422	1,294	1,184
Income statement												
Net sales	1,737	1,597	1,524	1,404	1,462	1,408	1,456	1,386	1,543	1,317	1,192	1,079
Operating expenses	-1,566	-1,448	-1,405	-1,277	-1,319	-1,268	-1,327	-1,268	-1,388	-1,205	-1,118	-1,015
EBIT	**171**	**149**	**119**	**127**	**143**	**140**	**129**	**118**	**155**	**112**	**74**	**64**
EBIT margin	9.8%	9.3%	7.8%	9.0%	9.8%	9.9%	8.8%	8.5%	10.1%	8.5%	6.2%	5.9%
Financial income and expense	-12	-13	-9	-6	-3	-4	-4	-5	-2	-6	-2	-3
Earnings after financial items	**159**	**136**	**110**	**121**	**140**	**136**	**125**	**113**	**153**	**106**	**72**	**61**
Taxes	-58	-49	-40	-43	-48	-50	-46	-42	-49	-38	-29	-24
Net earnings	**101**	**87**	**70**	**78**	**92**	**86**	**79**	**71**	**104**	**68**	**43**	**37**
Depreciations and impairments	41	40	38	37	28	32	30	46	35	35	38	33
Share data[1,3]												
Earnings per share, SEK	1.34	1.16	0.95	1.04	1.23	1.15	1.06	0.96	1.40	0.92	0.57	0.50
Earnings per share after dilution, SEK	1.34	1.16	0.95	1.04	1.23	1.15	1.06	0.96	1.40	0.92	0.57	0.50
Average no of shares outstanding, thousand	73,898	73,887	73,863	73,791	73,749	73,743	73,743	73,743	73,614	73,572	73,485	73,221
No of shares outstanding at period-end, thousand	73,933	73,933	73,933	73,933	73,785	73,746	73,743	73,743	73,743	73,743	73,743	73,713
Number of treasury shares, thousand	1,067	1,067	1,067	1,067	1,215	1,254	1,257	1,257	1,257	1,257	1,257	1,287
Equity per share, SEK	16.16	14.51	14.36	22.13	20.33	19.66	18.48	20.04	19.42	18.28	17.45	17.06
Stock price at period-end, SEK	76.75	93.00	107.50	100.67	106	95	80	88	73	61	58	63
Market cap at period-end, SEK M[2]	5,756	6,975	8,063	7,550	7,925	7,100	6,013	6,613	5,475	4,575	4,325	4,750
Cash flow statement												
From current operations	210	42	60	83	112	184	138	96	74	112	66	54
From investing operations	-49	-128	-305	-40	-210	-45	-28	-4	-37	-37	-70	-22
From financing operations	-194	105	320	-33	3	-50	-140	-19	-22	-100	2	25
Cash flow for the period	**-33**	**19**	**75**	**10**	**-95**	**89**	**-30**	**73**	**15**	**-25**	**-2**	**57**
Operating cash flow	**161**	**-25**	**8**	**45**	**61**	**138**	**110**	**66**	**37**	**75**	**37**	**32**

[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	2007				2006[1]				2005[1]			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Balance sheet												
Assets												
Fixed assets												
Tangible assets	600	581	575	550	538	507	497	520	556	551	555	529
Intangible assets	904	879	843	609	586	370	370	379	382	380	383	369
Other fixed assets	83	101	99	79	80	83	84	85	98	81	78	72
	1,587	1,561	1,517	1,238	1,204	960	951	984	1,036	1,012	1,016	970
Current assets												
Inventory etc.	536	614	581	498	458	472	464	471	469	442	431	369
Accounts receivable	1,292	1,172	1,096	1,077	1,132	994	1,040	1,066	1,140	953	923	898
Other receivables	171	182	162	181	149	151	161	150	125	141	144	146
Liquid funds	276	307	291	216	201	297	213	248	176	158	184	178
	2,275	2,275	2,130	1,972	1,940	1,914	1,878	1,935	1,910	1,694	1,682	1,591
Total assets	**3,862**	**3,836**	**3,647**	**3,210**	**3,144**	**2,874**	**2,829**	**2,919**	**2,946**	**2,706**	**2,698**	**2,561**
Equity and liabilities												
Equity	1,202	1,077	1,066	1,640	1,506	1,454	1,367	1,483	1,437	1,350	1,291	1,261
Long-term liabilities	1,352	234	222	215	204	193	190	183	181	151	151	147
Interest-bearing liabilities	63	1,401	1,282	268	315	273	323	332	351	374	481	371
Accounts payable	496	445	426	416	435	320	344	328	355	263	282	280
Other short-term liabilities	749	679	651	671	684	634	605	593	622	568	493	502
Total equity and liabilities	**3,862**	**3,836**	**3,647**	**3,210**	**3,144**	**2,874**	**2,829**	**2,919**	**2,946**	**2,706**	**2,698**	**2,561**
Key figures												
Equity ratio, %	31.1	28.1	29.2	51.1	47.9	50.6	48.3	50.8	48.8	50.0	47.9	49.2
Net debt, SEK M	1,068	1,245	1,138	209	257	127	258	229	315	318	397	296
Net debt ratio, times	0.89	1.16	1.07	0.13	0.17	0.09	0.19	0.15	0.22	0.23	0.31	0.23
Interest coverage ratio, times	8.9	8.9	11.1	22.2	21.1	28.3	27.2	24.9	33.6	27.7	12.3	12.3
Investments in tangible assets, SEK M	42	56	53	34	53	44	26	30	37	37	31	21
Number of employees at period-end	4,043	3,982	3,915	3,669	3,552	3,449	3,400	3,365	3,245	3,180	3,122	3,128

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

Definition of financial key figures can be found on page 67 in the Annual Report 2006.

Quarterly overview - Divisions

Amounts in SEK M	2007				2006				2005			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Order intake												
Dehumidification Division	460	541	556	444	355	443	465	430	355	412	389	344
MCS Division	673	690	634	633	636	601	654	650	769	665	501	509
HumiCool Division	395	460	518	465	333	340	462	450	330	366	419	345
Eliminations	-10	-17	-20	-15	-13	-22	-8	-15	-14	-21	-15	-14
Order intake	**1,518**	**1,674**	**1,688**	**1,527**	**1,311**	**1,362**	**1,573**	**1,515**	**1,440**	**1,422**	**1,294**	**1,184**
Net sales												
Dehumidification Division	534	504	527	371	432	423	419	360	431	404	354	325
MCS Division	739	666	605	614	686	638	635	660	775	562	504	494
HumiCool Division	476	446	414	429	361	367	411	376	347	374	352	269
Eliminations	-12	-19	-22	-10	-17	-20	-9	-10	-10	-23	-18	-9
Net sales	**1,737**	**1,597**	**1,524**	**1,404**	**1,462**	**1,408**	**1,456**	**1,386**	**1,543**	**1,317**	**1,192**	**1,079**
Operating earnings												
Dehumidification Division	72	55	69	38	65	51	49	29	58	45	32	24
operating margin	13.5%	11.0%	13.1%	10.2%	15.0%	11.9%	11.8%	8.1%	13.5%	11.2%	9.1%	7.3%
MCS Division	39	42	10	38	45	39	29	46	74	32	14	31
operating margin	5.3%	6.3%	1.7%	6.2%	6.5%	6.1%	4.6%	7.0%	9.6%	5.8%	2.9%	6.4%
HumiCool Division	73	64	55	59	44	56	62	51	30	46	41	18
operating margin	15.3%	14.3%	13.3%	13.8%	12.2%	15.2%	15.2%	13.6%	8.7%	12.4%	11.8%	6.5%
Group overheads, eliminations etc.	-13	-12	-15	-8	-11	-6	-11	-8	-7	-11	-13	-9
Earnings before interest and tax	**171**	**149**	**119**	**127**	**143**	**140**	**129**	**118**	**155**	**112**	**74**	**64**
EBIT margin	9.8%	9.3%	7.8%	9.0%	9.8%	9.9%	8.8%	8.5%	10.1%	8.5%	6.2%	5.9%
Operating capital												
Dehumidification Division	481	477	488	384	383	394	392	395	422	408	395	384
MCS Division	895	885	790	805	811	779	779	824	862	715	666	658
HumiCool Division	497	494	492	452	391	392	399	436	440	514	527	442
Central, eliminations	69	77	49	30	34	12	16	13	15	16	18	12
Operating capital	**1,942**	**1,933**	**1,819**	**1,671**	**1,619**	**1,577**	**1,586**	**1,668**	**1,739**	**1,653**	**1,606**	**1,496**
Permanent employees												
Dehumidification Division	1,180	1,151	1,126	913	900	890	877	867	853	848	831	826
MCS Division	1,918	1,903	1,916	1,906	1,845	1,842	1,830	1,784	1,706	1,650	1,625	1,641
HumiCool Division	924	911	855	832	789	698	672	695	668	663	647	642
Central	21	17	18	18	18	19	21	19	18	19	19	19
Number of permanent employees	**4,043**	**3,982**	**3,915**	**3,669**	**3,552**	**3,449**	**3,400**	**3,365**	**3,245**	**3,180**	**3,122**	**3,128**

Amounts in SEK M **MUNTERS AB**	2007 Oct-Dec 3 months	2006 Oct-Dec 3 months	2007 Jan-Dec 12 months	2006 Jan-Dec 12 months
Income statement				
Net sales	13	12	51	37
Cost of goods sold	-	-	-	-
Gross earnings	**13**	**12**	**51**	**37**
Other operating income	0	1	2	3
Selling expenses	0	0	0	0
Administrative expenses	-20	-22	-78	-64
Research and development costs	-	-	-	-
Other operating expenses	0	-	-1	-1
EBIT - Earnings before interest and tax	**-7**	**-9**	**-26**	**-25**
Financial income and expenses	91	829	283	954
Earnings after financial income	**84**	**820**	**257**	**929**
Transfer to tax allocation reserve	-15	-	-15	-
Income taxes	0	3	4	8
Net earnings	**69**	**823**	**246**	**937**

		2007 31 Dec	2007 30 Sep	2006 31 Dec
Balance sheet				
Assets				
Fixed assets				
Tangible assets				
Equipment, tools, fixtures and fittings		19	19	15
		19	19	15
Intangible assets				
Patent, licenses and similar rights		17	10	3
		17	10	3
Financial assets				
Participation in subsidiaries		690	672	659
Receivables from subsidiaries		1,385	1,360	891
		2,075	2,032	1,550
		2,111	**2,061**	**1,568**
Current assets				
Receivables from subsidiaries		82	57	92
Other receivables		18	43	14
Liquid funds		75	104	22
		175	**204**	**128**
Total assets		**2,286**	**2,265**	**1,696**
Equity and liabilities				
Equity		912	798	1,269
Untaxed reserves		15	-	-
Long-term liabilities				
Interest-bearing liabilities	note 4	1,137	-	-
Provisions		37	36	35
		1,174	36	35
Short-term liabilities				
Interest-bearing liabilities	note 4	-	1,324	268
Liabilities to subsidiaries		152	2	109
Accounts payable		6	4	3
Other liabilities		27	101	12
		185	1,431	392
Total equity and liabilities		**2,286**	**2,265**	**1,696**

Notes

Note 1. Accounting principles

This interim report has been prepared in accordance with the applicable listing agreement with OMX Nordic Exchange Stockholm. Among other implications, this means that the rules of the Annual Accounts Act and IAS 34, Interim Financial Reporting, have been applied to the consolidated financial statements. The accounting principles applied in this interim report match the accounting principles used in preparing the latest annual report and are described in Note 2 of the Annual Report for 2006.

Note 2. Changes in Equity

	2007 31 Dec	2007 30 Sep	2006 31 Dec
Equity at the beginning of the year	**1,506**	**1,506**	**1,437**
Total recognized income and expenses for the period	348	222	201
Change in minority interest	-3	-2	-2
Sales of treasury shares	11	11	3
Payment received for issued stock options	-	-	2
Dividend	-166	-166	-135
Redemption of treasury shares	-494	-494	-
Equity at the end of the period	**1,202**	**1,077**	**1,506**

Note 3. Acquisition of operations

Des Champs Technologies

Effective 4 April 2007, the US company Des Champs Technologies was acquired. Munters purchased 100 percent of the shares in Entrodyne Corporations, which is the holding company of Des Champs. The company is a technological leader in solutions for energy-efficient air treatment and manufactures mainly customer-adapted ventilation and air-conditioning systems for commercial buildings. The company was consolidated as of April 2007. The acquired operations contributed income of SEK 196 M for the period 1 April 2007 through 31 December 2007. Had the acquisition been completed at 1 January 2007, the companies would have contributed SEK 245 M in income to the Group.

Information on acquired net assets and goodwill is as follows:	
Purchase consideration	
- purchase consideration paid	225
- expenses directly attributable to the acquisition	3
Total acquisition value	**228**
Fair value of the acquired net assets	-57
Goodwill	171

The acquisition price of the company was SEK 254 M, of which SEK 29 M involved payment to option holders settled by Des Champs Technologies prior to the acquisition. Goodwill is attributable to anticipated future synergies in product integration, technology and distribution. Apart from the synergies, the company's expertise in heat-exchange technology and its future earnings potential are also components of the goodwill item.

The acquired company's net assets at the time of acquisition:	Reported value	Fair value adjustment	Fair value
Tangible fixed assets	13		13
Intangible assets – trademark and technology	0	48	48
Non-interest-bearing receivables	85		85
Cash and cash equivalents	5		5
Interest-bearing liabilities	0		0
Interest-free liabilities (incl. deferred tax liability)	-75	-19	-94
Net identifiable assets and liabilities	**28**	**29**	**57**

Change in the Group's cash and cash equivalents at the time of the acquisition: 223

Turbovent

Effective 1 July 2007, the Danish companies Turbovent Agro A/S and Turbovent Environment A/S were acquired. Munters purchased 100 percent of both companies. Turbovent primarily manufactures ventilation equipment designed for breeding facilities for poultry, pigs and cattle in Scandinavia, Germany and Eastern Europe. Turbovent also represents the state of the art in terms of air cleaning and odor removal solutions for the farming industry. The companies were consolidated in July 2007. The acquired companies contributed income of SEK 58 M for the period extending from 1 July 2007 to 31 December 2007. Had the acquisition occurred on 1 January 2007, the companies would have contributed income of SEK 100 M to the Group.

Information on acquired net assets and goodwill is as follows:	
Purchase consideration	
- purchase consideration paid	81
- expenses directly attributable to the acquisition	2
Purchase price paid	**83**
Additional purchase price - estimated	3
Total acquisition value	**86**
Fair value of the acquired net assets	-14
Goodwill	72

Supplementary consideration relates to the estimated royalty and product development contributions to the seller. Goodwill is attributable to expected future synergies in product integration.

The acquired company's net assets at the time of acquisition:	Reported value	Fair value adjustment	Fair value
Tangible fixed assets	4		4
Intangible assets – trademark and technology	0	7	7
Non-interest-bearing receivables	28		28
Cash and cash equivalents	1		1
Interest-bearing liabilities	-2		-2
Interest-free liabilities (incl. deferred tax liability)	-21	-3	-24
Net identifiable assets and liabilities	**10**	**4**	**14**

Change in the Group's cash and cash equivalents at the time of the acquisition: 82

Note 4. Interest-bearing liabilities in Munters AB

In the second quarter of 2007, Munters AB signed a revolving credit facility agreement with a syndicate of five banks. The credit amounts to SEK 2,000 M and extends for a period of five years, with the option of two-year extensions. The current interest-rate fixing period is 3-6 months. During the year, the credit was utilized for acquisitions. The liability has been reclassified from short to long term during the fourth quarter 2007.

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.