

Interim report January-June 2009

July 22, 2009



Second quarter

- Order intake amounted to SEK 1,716 M (1,686), down 16% adjusted¹
- Net sales amounted to SEK 1,694 M (1,548), down 9% adjusted¹
- EBIT before nonrecurring costs amounted to SEK 86 M (127), down 38% adjusted¹, corresponding to an EBIT margin of 5,1% (8,2)
- The decline in earnings was primarily attributable to sharp volume decline within HumiCool and investments in increased overhead costs within MCS. Nonrecurring costs amounted to SEK 24 M
- Operating cash flow amounted to SEK 202 M (13)
- Net earnings after tax amounted to SEK 27 M (49)
- Earnings per share amounted to SEK 0,36 (0,66)

	2009	2008	Change	Adjusted change ¹
Order intake, SEK M	1,716	1,686	2%	-16%
Net sales, SEK M	1,694	1,548	9%	-9%
EBIT before nonrecurring costs, SEK M	86	127	-32%	-38%
EBIT, SEK M	62	95	-35%	
EBIT margin, percent	3.7	6.1	-39%	
Net earnings, SEK M	27	49	-45%	
Earnings per share, SEK	0.36	0.66	-45%	

¹ Pro forma, adjusted for currency fluctuations, acquisitions and divestments.

Six-month period

- Order intake amounted to SEK 3,440 M (3,272), down 13% adjusted¹
- Net sales amounted to SEK 3,397 M (3,092), down 8% adjusted¹
- EBIT before nonrecurring costs amounted to SEK 125 M (257), down 49% adjusted¹, corresponding to an EBIT margin of 3,7% (8,3)
- Nonrecurring costs amounted to SEK 57 M
- Operating cash flow amounted to SEK 189 M (neg:30) for the six-month period
- Net earnings after tax amounted to SEK 5 M (107)
- Earnings per share amounted to SEK 0,07 (1,44)

	2009	2008	Change	Adjusted change ¹
Order intake, SEK M	3,440	3,272	5%	-13%
Net sales, SEK M	3,397	3,092	10%	-8%
EBIT before nonrecurring costs, SEK M	125	257	-51%	-49%
EBIT, SEK M	68	204	-67%	
EBIT margin, percent	2.0	6.6	-70%	
Net earnings, SEK M	5	107	-95%	
Earnings per share, SEK	0.07	1.44	-95%	

¹ Pro forma, adjusted for currency fluctuations, acquisitions and divestments.

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 about 4 000 employees and net sales of about SEK 6.5 billion. The Munters share is listed on the Nasdaq OMX Stockholm, Mid Cap. For more information, see www.munters.com.

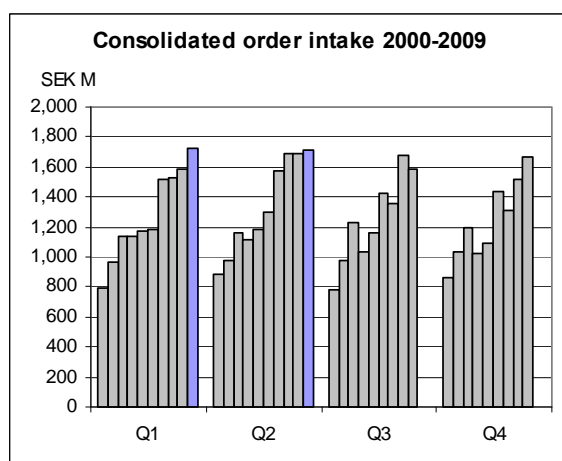
Second quarter

Order intake

During the second quarter, order intake increased to SEK 1,716 M (1,686). Pro forma intake, adjusted for currency effects, acquisitions and divestments, declined by 16%.

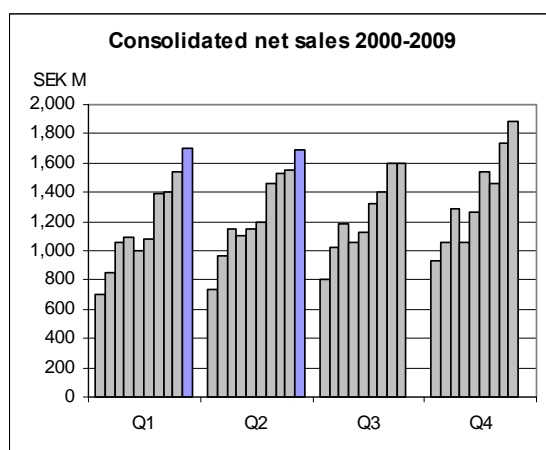
Within the Dehumidification Division, a further weakening of demand was noted in Europe. Within the HumiCool Division, order intake decreased sharply in all business areas, compared with the preceding year. For parts of the division a stabilization seems to have occurred. MCS noted stable demand.

The order backlog rose by 6%, compared with the preceding year, and totaled SEK 1,392 M (1,311) at the end of the quarter. Adjusted¹, this was a decline of 14%.



Net sales

Consolidated net sales increased to SEK 1,694 M (1,548). Adjusted¹, this was a decline of 9%. The weaker SEK, compared with the year-earlier period, had a positive impact of slightly less than 17%.

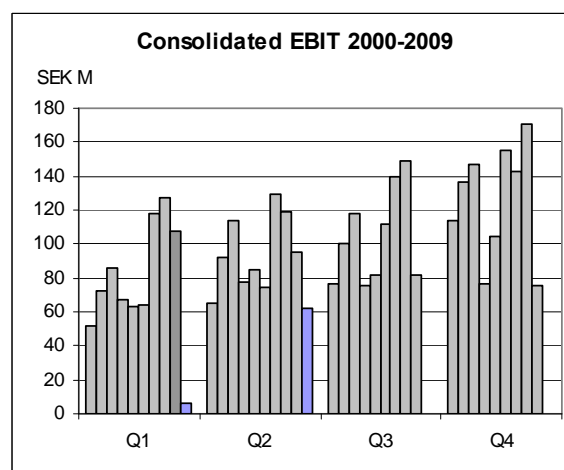


¹Pro forma, adjusted for currency effects, acquisitions and divestments.

Earnings

Consolidated EBIT amounted to SEK 62 M (95), corresponding to an EBIT margin of 3.7% (6.1). The sharp downturn and the associated low capacity utilization within HumiCool continued to negatively affect earnings. Reductions in materials costs and overhead costs partially offset this trend. Despite a volume decline and a disadvantageous product mix, Dehumidification succeeded in defending and improving its gross margin. Lower materials costs and overhead costs also contributed in this case. In MCS, the gross margin was stable. The decline in earnings, compared with the preceding year, was attributable to the build-up of overhead costs that took place with the objective of changing the division's business model.

Nonrecurring costs of SEK 24 M were charged against earnings in the quarter with the objective of reducing costs and adapting production capacity, including the sale of the MCS business in Italy.



2004 and later years in accordance with IFRS.

Consolidated earnings after net financial items amounted to SEK 42 M (77). Net profit for the quarter amounted to SEK 27 M (49). Earnings per share amounted to SEK 0.36 (0.66).

Cash flow

Operating cash flow totaled SEK 202 M (13). Cash flow from operations was strong in relation to profitability, mainly as a result of focusing on reductions in accounts receivable in all divisions.

Third-quarter prospects

Demand is expected to be low while not declining further; impact on result from the low capacity utilization is expected to be offset by cost reductions already initiated.

Reporting period

Order intake

During the period, the Group's order intake increased by 5% to SEK 3,440 M (3,272). Adjusted¹, this corresponded to a decline of 13%.

Net sales

Consolidated net sales increased by 10% to SEK 3,397 M (3,092). Adjusted¹, this was a decline of 8%.

Earnings

Consolidated EBIT declined to SEK 68 M (204). The operating margin amounted to 2.0% (6.6). The six-month results were affected by nonrecurring costs of SEK 57 M intended to reduce costs and adapt production capacity.

Consolidated EBIT after financial items amounted to SEK 26 M (168). The net profit for the six-month period amounted to SEK 5 M (107) after an effective tax rate of 80% (36). The reason for the high effective tax rate was that profits for the period were generated in countries with high nominal tax rates, while losses were generated in countries with low nominal tax rates. A review of the Group's tax situation is underway. Earnings per share amounted to SEK 0.07 (1.44).

Investments

The Group's investments in tangible fixed assets during the period amounted to SEK 73 M (84), of which SEK 36 M (26) related to investments in MCS equipment. Depreciation and impairment amounted to SEK 93 M (81).

Financial position

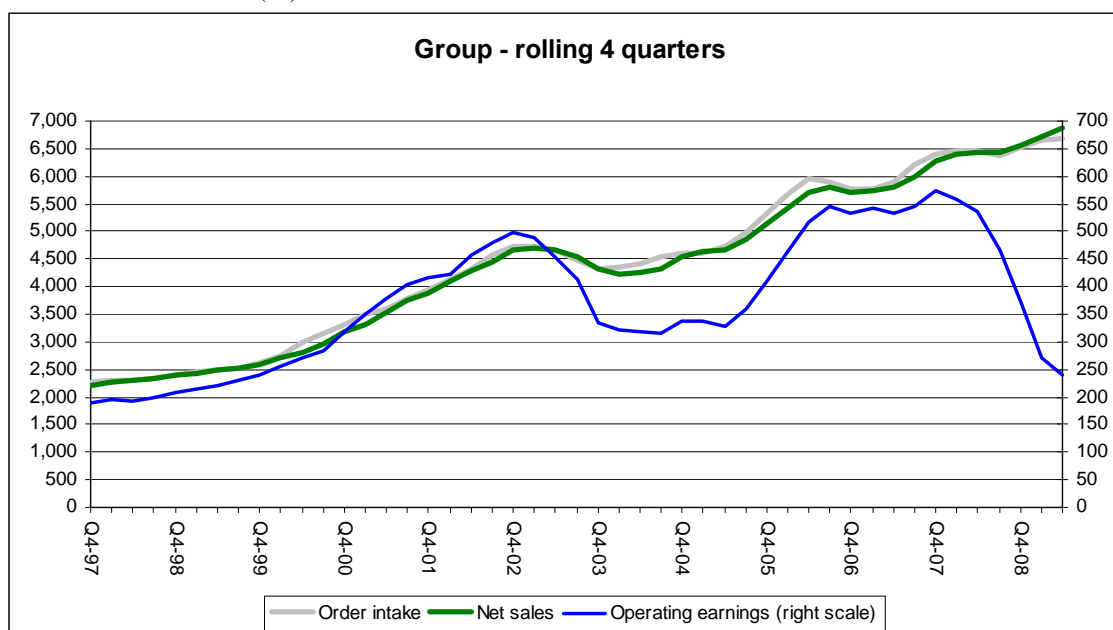
The equity ratio increased to slightly more than 31% (28 at the start of the year). Interest-bearing assets totaled SEK 367 M (490 at the start of the year), while interest-bearing provisions and liabilities amounted to SEK 1,598 M (1,880 at the start of the year). Net debt was reduced by SEK 159 M during the year to SEK 1,231 M. Credit facilities were amortized by SEK 267 M during the period. The Group has unutilized credit facilities totaling SEK 830 M. Munters' bank loans consist of syndicated credit facilities and individual bank loans to subsidiaries. The syndicated credit facilities amounted to SEK 2,000 M and extend to 2012.

Personnel

At the end of the period, the number of permanent employees was 3,955, a decrease of 180 persons since the start of the year as a result of personnel reductions and divestment of business. Temporary personnel are used in many of Munters' operations, which has been reduced in addition to permanent employees.

In addition to the sale of MCS Italy, the action program of SEK 24 M that was expensed in the second quarter will result on full implementation in further personnel reductions of about 125 persons and generate annual savings of SEK 97 M, compared to current level of expenses.

¹Pro forma, adjusted for currency effects, acquisitions and divestments.



Divisional performance

Dehumidification Division

SEK M	Second quarter		Jan-Jun	
	2009	2008	2009	2008
Order intake	636	528	1,232	1,014
Change	21%		22%	
Adjusted change ¹	-12%		-10%	
Net sales	598	478	1,186	911
Change	25%		30%	
Adjusted change ¹	-7%		-2%	
EBITA ex one-time costs	70	61	97	98
Adjusted Margin	11.8%	12.7%	8.2%	10.7%
EBITA	66	45	80	78
EBITA Margin	11.0%	9.5%	6.8%	8.6%

- Further decline in order intake and sales in Europe
- Continued recession-driven decline in the more profitable industrial segment in the US
- Cost reductions and productivity increases maintained earnings
- Restructuring costs of SEK 4 M

Second quarter

In the Dehumidification Division, the negative trend from the first quarter continued and intensified with the result that the division reported negative sales growth for the quarter. The entire sales decline was attributable to the division's European operations, where order intake declined by 25%¹.

Despite the volume decline and the unfavorable mix between the Comfort and Industrial segments, the division was very successful in maintaining both its gross margin and operating profit. This was achieved through reductions of material costs, direct costs and overhead costs that had already been initiated. The investments made in the MEP² program during 2008 also began to produce the intended effects, particularly in the plant in Tobo.

Cash flow during the quarter was very strong depending on a sharp reduction in outstanding accounts receivable.

The restructuring costs charged against earnings in the first quarter were supplemented with an additional SEK 4 M in the second quarter to offset continued declining demand.

¹Pro forma, adjusted for currency effects, acquisitions and divestments.

Third-quarter prospects

Demand is expected to be stable, compared with the second quarter, although the shift in mix will continue. Cost reductions in progress are expected to have a positive effect on third-quarter earnings.

HumiCool Division

SEK M	Second quarter		Jan-Jun	
	2009	2008	2009	2008
Order intake	401	525	814	961
Change	-24%		-15%	
Adjusted change ¹	-36%		-30%	
Net sales	421	433	811	883
Change	-3%		-8%	
Adjusted change ¹	-20%		-25%	
EBITA ex one-time costs	34	54	39	118
Adjusted Margin	8.0%	12.5%	4.9%	13.3%
EBITA	31	44	20	96
EBITA Margin	7.3%	10.2%	2.5%	10.8%

- Demand within the AgHort and Mist Elimination business areas remained at a low level
- Significantly lower order intake within HVAC
- Continued pressure on margins as a result of excess capacity in several plants
- Sharp reduction of overhead costs and reduction of material costs
- Restructuring costs of SEK 3 M

Second quarter

The demand within AgHort and Mist Elimination remained at the same low level set during the first quarter, and did not weaken further. Within HVAC, order intake declined sharply due to unwillingness at the distributor level to build inventories for the winter season. The financial crisis affects mainly AgHort and Mist Elimination due to lower levels of investments.

The negative adjusted sales growth figure was -20% in the second quarter, which was an improvement compared with -29% in the first quarter. Mist Elimination's sales were significantly higher than in the very weak first quarter. Pressures on gross margins and thus profitability continued within the HumiCool Division, primarily due to the sharp volume decline. As with Dehumidification, HumiCool succeeded during the quarter in reducing material costs and overhead costs, primarily within AgHort.

The MEP² program's investments began to produce the intended effects during the quarter, particularly in Mist Elimination.

Restructuring costs of SEK 3 M were charged against earnings during the quarter for continued adjustment of costs to current demand.

Third-quarter prospects

HVAC is difficult to assess, since the distributor level is waiting to receive orders instead of building inventory. AgHort and Mist Elimination showed no weakening of demand between the first and second quarters, which may possibly be an indication of stabilization at this level. Sales of PreCooler will decline during the third quarter, thus negatively affecting earnings in the division.

The cost reductions now in progress are expected to have a positive effect on earnings in the third quarter.

Moisture Control Services (MCS) Division

SEK M	Second quarter		Jan-Jun	
	2009	2008	2009	2008
Order intake	687	643	1,410	1,315
Change	7%		7%	
Adjusted change ¹	-1%		-1%	
Net sales	682	645	1,419	1,314
Change	6%		8%	
Adjusted change ¹	-2%		0%	
EBITA ex one-time costs	-1	21	15	61
Adjusted Margin	-0.2%	3.2%	1.1%	4.7%
EBITA	-18	14	-6	50
EBITA Margin	-2.6%	2.2%	-0.4%	3.8%

- **Stable demand**
- **Sale of MCS Italy completed**
- **Gross margin affected by mix shift and continued price pressure**
- **Restructuring costs of SEK 17 M, including costs for sale of MCS Italy**

Second quarter

Demand within the MCS Division was stable. Order intake in Australia was strong following the extensive fire damage in the state of Victoria. As in the first quarter, activity was low in the construction sectors in the US and Dutch markets, with the result that leasing operations declined in volume. Heavy rain in Sweden increased order intake toward the end of the quarter. In other respects, a seasonal decline was noted within water damage restoration.

During the quarter, MCS completed the sale of the MCS business in Italy. The purchaser was Saccomandi S.r.l, which thus took over assets and existing personnel of 37 persons. Of the decline in earnings before nonrecurring cost of SEK 22 M that MCS reported in the second quarter, MCS Italy accounted for about SEK 7 M. For the period from January to June, MCS Italy accounted for SEK 19 M of the division's total decline in earnings before nonrecurring costs of SEK 46 M.

The mergers of the France/Belgium and UK/Ireland business units were completed during the quarter.

The gross margin for the quarter was stable. As in the previous quarter, price pressure from contractors had a negative impact on margins.

Establishment of MCS's new business model has been in progress since 2008 and has resulted in investments in increased overhead costs. Until the effects in the form of increased sales and higher gross margins are realized, these costs will have a negative impact on profitability in the division. The new business model based on Field.Link (Mobile IT), centralized administration and planning of site visits is intended to significantly increase the efficiency of operations. Implementation proceeded according to plan during the quarter with one result being that an additional 14 service depots were closed.

Restructuring costs of SEK 17 M for the sale of MCS Italy and for reduction of overhead costs were charged against earnings for the quarter.

Operating profit for the division excluding nonrecurring costs and excluding MCS Italy amounted to SEK 7 M, corresponding to a margin of 1.0%. For January to June, the corresponding figures were SEK 31 M or 2.2%.

Third-quarter prospects

Order intake and sales are expected to remain stable in the third quarter. Increased productivity and reduced costs will be prioritized.

¹Pro forma, adjusted for currency effects, acquisitions and divestments.

SIGNIFICANT RISKS AND UNCERTAINTIES

Munters' exposure to risk can be divided primarily into two categories: operational risks and financial risks. Operational risks are those due to weather, dependence on 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 2009-2010. 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 risks, 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 32-33 and note 3 of the Munters Annual Report for 2008, 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 the period amounted to a loss of SEK 2 M (profit: 47). 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 61 M (0) and net debt amounted to SEK 1,337 M (1,354). Capital expenditure totaled SEK 3 M (6). The number of employees at the end of the period was 31 (30).

FUTURE INFORMATION DATES

October 28 Interim report, January - September
February 9, 2010 Year-End report 2009
April 22, 2010 Interim report, January - March 2010

PRESS AND ANALYST CONFERENCE

Munters will hold a telephone conference for the media, analysts and investors on Wednesday, July 22 between 2:00 and 3:00 p.m.

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AUDITOR'S REVIEW REPORT

This interim report has not been reviewed by the company's auditor.

The undersigned give their assurance that this six-month report provides a true and fair view of the Parent Company's and the Group's operations, their financial position and earnings, and describes the material risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Kista, July 22, 2009

Anders Ilstam
Chairman of the Board of Directors

Kenneth Eriksson
Board member

Bengt Kjell
Board member

Eva-Lotta Kraft
Board member

Sören Mellstig
Board member

Pia Nordquist
Board member

Jan Svensson
Board member

Kjell Wiberg
Board member

Kjell Åkesson
Board member

Lars Engström

*President and Chief Executive Officer
Board member*

Munters AB (publ) discloses the information provided herein pursuant to the Swedish Securities Exchange Act and/or the Financial Instruments Trading Act. The information was submitted for publication on July 22, 2009 at 1:00 pm (CET).

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Amounts in SEK M	2009 Apr-Jun 3 months	2008 Apr-Jun 3 months	2009 Jan-Jun 6 months	2008 Jan-Jun 6 months	2008/2009 Jul-Jun 12 months	2008 Jan-Dec 12 months
Order intake	1,716	1,686	3,440	3,272	6,683	6,515
Statement of comprehensive income						
Net sales	1,694	1,548	3,397	3,092	6,875	6,570
Cost of goods sold	-1,257	-1,150	-2,574	-2,279	-5,149	-4,854
Gross earnings	437	398	823	813	1,726	1,716
Gross margin	25.8%	25.7%	24.2%	26.3%	25.1%	26.1%
Other operating income	-1	0	4	7	8	11
Selling expenses	-196	-160	-401	-327	-838	-764
Administrative expenses	-154	-121	-310	-243	-580	-513
Research and development costs	-22	-21	-46	-41	-90	-85
Other operating expenses	-2	-1	-2	-5	0	-3
EBIT - Earnings before interest and tax	62	95	68	204	226	362
EBIT margin	3.7%	6.1%	2.0%	6.6%	3.3%	5.5%
Financial income and expenses	-20	-18	-42	-36	-83	-77
Earnings after financial items	42	77	26	168	143	285
Taxes	-15	-28	-21	-61	-80	-120
Net earnings	27	49	5	107	63	165
Other comprehensive income						
Actuarial gains and losses on defined benefit pension plans	0	1	0	-1	-43	-44
Cash flow hedges	-6	2	-4	-1	-4	-1
Exchange differences on translating foreign operations	-24	15	29	-44	210	137
Income tax relating to components of other comprehensive income	2	-2	1	0	14	13
Other comprehensive income for the period, net of tax	-28	16	26	-46	177	105
Total comprehensive income for the period	-1	65	31	61	240	270
Net earnings						
Attributable to equity holders of the parent	27	48	5	106	62	163
Attributable to minority interest	0	1	0	1	1	2
	27	49	5	107	63	165
Total comprehensive income						
Attributable to equity holders of the parent	-1	64	31	60	239	268
Attributable to minority interest	0	1	0	1	1	2
	-1	65	31	61	240	270
Earnings per share						
Earnings per share, SEK	0.36	0.66	0.07	1.44	0.84	2.21
Earnings per share - after dilution, SEK	0.36	0.66	0.07	1.44	0.84	2.21

Amounts in SEK M	2009 Apr-Jun 3 months	2008 Apr-Jun 3 months	2009 Jan-Jun 6 months	2008 Jan-Jun 6 months	2008/2009 Jul-Jun 12 months	2008 Jan-Dec 12 months
Segment information						
Order intake by division						
Dehumidification Division	636	528	1,233	1,014	2,352	2,133
MCS Division	687	643	1,410	1,315	2,865	2,770
HumiCool Division	401	525	814	961	1,497	1,644
Eliminations	-8	-10	-17	-18	-31	-32
Order intake	1,716	1,686	3,440	3,272	6,683	6,515
Net sales by division						
Dehumidification Division	598	478	1,186	911	2,326	2,051
MCS Division	682	645	1,419	1,314	2,914	2,809
HumiCool Division	421	433	811	883	1,671	1,743
Eliminations	-7	-8	-19	-16	-36	-33
Net sales	1,694	1,548	3,397	3,092	6,875	6,570
Operating earnings by division						
Dehumidification Division	66	45	80	78	203	201
operating margin	11.0%	9.5%	6.8%	8.6%	8.7%	9.8%
MCS Division	-18	14	-6	50	-8	48
operating margin	-2.6%	2.2%	-0.4%	3.8%	-0.3%	1.7%
HumiCool Division	31	44	20	96	79	155
operating margin	7.3%	10.2%	2.5%	10.8%	4.7%	8.9%
Central, eliminations etc.	-13	-6	-19	-16	-36	-33
EBIT before amortizations, interest and tax	66	97	75	208	238	371
Amortizations on acquisition related intangible assets	-4	-2	-7	-4	-12	-9
EBIT - Earnings before interest and tax	62	95	68	204	226	362

Earnings by segment	Dehumidification	HumiCool	MCS	Eliminations	Total
	2009 Apr-Jun 3 months	2009 Apr-Jun 3 months	2009 Apr-Jun 3 months	2009 Apr-Jun 3 months	2009 Apr-Jun 3 months
External net sales	592	682	420		1,694
Internal net sales	6	0	1	-7	0
Net sales	598	682	421	-7	1,694
Operating earnings	66	31	-18	-1	78
Amortization of surplus values	-2	-2			-4
Undistributed costs					-12
EBIT - Earnings before interest and tax	64	29	-18	-1	62
Financial items, net					-20
Taxes					-15
Net earnings					27

	Dehumidification	HumiCool	MCS	Eliminations	Total
	2008 Apr-Jun 3 months	2008 Apr-Jun 3 months	2008 Apr-Jun 3 months	2008 Apr-Jun 3 months	2008 Apr-Jun 3 months
External net sales	472	432	644		1,548
Internal net sales	6	1	1	-8	0
Net sales	478	433	645	-8	1,548
Operating earnings	45	44	14	2	105
Amortization of surplus values	-1	-1			-2
Undistributed costs					-8
EBIT - Earnings before interest and tax	44	43	14	2	95
Financial items, net					-18
Taxes					-28
Net earnings					49

Amounts in SEK M	2009 30 Jun	2009 31 Mar	2008 31 Dec	2008 30 Jun
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Statement of financial position

Assets

Fixed assets

Tangible assets

Buildings and land	206	218	209	185
Plant and machinery	140	151	149	139
Equipment, tools, fixtures and fittings	295	299	294	261
Construction in progress	17	20	12	7
	658	688	664	592

Intangible assets

Patent, trademarks and similar rights	140	143	142	107
Goodwill	974	1,006	978	804
	1,114	1,149	1,120	911

Other fixed assets

Participation in associated companies	2	2	2	2
Other long-term receivables	29	26	21	19
Deferred tax assets	160	154	126	86
	191	182	149	107
	1,963	2,019	1,933	1,610

Current assets

Inventory etc.	569	617	589	622
Accounts receivable	1,080	1,248	1,354	1,182
Other receivables	255	269	248	192
Cash and cash equivalents	367	352	490	242
	2,271	2,486	2,681	2,238

Total assets	4,234	4,505	4,614	3,848
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Equity and liabilities

Equity and liabilities	1,316	1,317	1,285	1,076
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Long-term liabilities

Interest-bearing liabilities	1,395	1,580	1,653	1,332
Provisions	213	222	210	163
Deferred tax liabilities	84	95	87	69
Other liabilities	7	11	11	8
	1,699	1,908	1,961	1,572

Current liabilities

Interest-bearing liabilities	15	6	41	60
Advances from customers	87	85	107	89
Accounts payable	478	507	537	460
Provisions	86	78	68	73
Other liabilities	553	604	615	518
	1,219	1,280	1,368	1,200

Total equity and liabilities	4,234	4,505	4,614	3,848
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Statement of changes in equity

	Share capital	Translation of foreign operations	Retained earnings	Total equity attributable to equity holders of the parent	Minority interest	Total equity
Balance at 1 January 2008	131	-38	1,102	1,195	7	1,202
Changes in equity 2008						
Dividend			-185	-185	-2	-187
Total comprehensive income for the year		137	131	268	2	270
Balance at 31 December 2008	131	99	1,048	1,278	7	1,285
Changes in equity 2009						
Total comprehensive income for the period		29	2	31	0	31
Balance at 30 June 2009	131	128	1,050	1,309	7	1,316

Amounts in SEK M	2009 Apr-Jun 3 months	2008 Apr-Jun 3 months	2009 Jan-Jun 6 months	2008 Jan-Jun 6 months	2008/2009 Jul-Jun 12 months	2008 Jan-Dec 12 months
Statement of cash flows						
Operating activities						
Earnings after financial items	42	77	26	168	143	285
Reversal of depreciation etc.	47	38	93	81	179	167
Other earnings not affecting cash flow	19	4	15	0	31	16
Taxes paid	-64	-46	-90	-99	-172	-181
Cash flow from operating activities before changes in working capital	44	73	44	150	181	287
<i>Cash flow from changes in working capital</i>						
Changes in inventory	35	-35	27	-100	170	43
Changes in accounts receivable	148	26	298	78	347	127
Changes in other receivables	19	-3	-16	-19	-14	-17
Changes in accounts payable	-18	42	-63	-28	-94	-59
Changes in other liabilities	10	-48	-26	-26	-53	-53
Sum of changes in working capital	194	-18	220	-95	356	41
Cash flow from operating activities	238	55	264	55	537	328
Investing activities						
Acquisitions and divestments of businesses	3	-21	0	-21	-63	-84
Investments in intangible assets	-2	-2	-4	-3	-13	-12
Investments in tangible assets	-35	-41	-73	-84	-134	-145
Sales of tangible assets	1	1	1	2	4	5
Change in other financial assets	0	0	1	0	2	1
Cash flow from financing activities	-33	-63	-75	-106	-204	-235
Financing activities						
Changes in loans	-137	192	-267	208	-199	276
Dividend paid	-	-185	-	-185	-4	-189
Cash flow from financing activities	-137	7	-267	23	-203	87
Cash flow for the period	68	-1	-78	-28	130	180
Cash and cash equivalents at beginning of period	352	242	490	276	242	276
Exchange-differences in cash and cash equivalents	-53	1	-45	-6	-5	34
Cash and cash equivalents at end of period	367	242	367	242	367	490
Operating cash flow	202	13	189	-30	396	177
Key figures						
More key figures are disclosed in the quarterly review						
Capital turnover rate, times (4 quarters)	-	-	2.4	2.5	2.4	2.4
Return on capital employed, %	2.0	3.6	7.9	20.8	7.9	13.6
Return on equity, %	2.0	4.3	5.1	26.1	5.1	13.8
Return on total capital, % (4 quarters)	-	-	5.4	14.1	5.4	9.2
Interest coverage ratio, times	3.6	5.5	1.7	5.9	2.7	4.4
Net debt structure						
Short-term interest-bearing liabilities	-	-	15	60	15	41
Long-term interest-bearing liabilities	-	-	1,395	1,332	1,395	1,653
Defined-benefit pension plans	-	-	188	142	188	186
Interest-bearing liabilities	-	-	-367	-242	-367	-490
Net debt	-	-	1,231	1,292	1,231	1,390

Quarterly overview - consolidated earnings, share data and cash flow

Amounts in SEK M	2009		2008				2007			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	1,716	1,724	1,661	1,582	1,686	1,586	1,518	1,674	1,688	1,527
Income statement										
Net sales	1,694	1,703	1,881	1,597	1,548	1,545	1,737	1,597	1,524	1,404
Operating expenses	-1,632	-1,697	-1,805	-1,515	-1,453	-1,437	-1,566	-1,448	-1,405	-1,277
EBIT	62	6	76	82	95	108	171	149	119	127
EBIT margin	3.7%	0.4%	4.0%	5.1%	6.1%	7.0%	9.8%	9.3%	7.8%	9.0%
Financial income and expense	-20	-22	-21	-20	-18	-17	-12	-13	-9	-6
Earnings after financial items	42	-16	55	62	77	91	159	136	110	121
Taxes	-15	-6	-37	-22	-28	-33	-58	-49	-40	-43
Net earnings	27	-22	18	40	49	58	101	87	70	78
Depreciations and amortizations	47	46	47	39	38	43	41	40	38	37
Share data¹										
Earnings per share, SEK	0.36	-0.29	0.24	0.53	0.66	0.78	1.34	1.16	0.95	1.04
Earnings per share after dilution, SEK	0.36	-0.29	0.24	0.53	0.66	0.78	1.34	1.16	0.95	1.04
Average number of shares outstanding, thousand	73,933	73,933	73,933	73,933	73,933	73,933	73,898	73,887	73,863	73,791
No of shares outstanding at period-end, thousand	73,933	73,933	73,933	73,933	73,933	73,933	73,933	73,933	73,933	73,933
Number of treasury shares, thousand	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067
Equity per share, SEK	17.71	17.72	17.28	15.99	14.48	16.11	16.16	14.51	14.36	22.13
Equity per share after dilution, SEK	17.71	17.72	17.28	15.99	14.48	16.11	16.16	14.51	14.36	22.13
Stock price at period-end, SEK	37.20	23.50	38.40	48.50	57.25	68.50	76.75	93.00	107.50	100.67
Market cap at period-end, SEK M ²	2,790	1,763	2,880	3,638	4,294	5,138	5,756	6,975	8,063	7,550
Statement of cash flows										
From operating activities	238	26	193	80	55	0	210	42	60	83
From investing activities	-33	-42	-93	-36	-63	-43	-49	-128	-305	-40
From financing activities	-137	-130	112	-48	7	16	-194	105	320	-33
Cash flow for the period	68	-146	212	-4	-1	-27	-33	19	75	10
Operating cash flow	202	-13	158	49	13	-43	161	-25	8	45

¹ Historical data for the share are adjusted for the share split, redemption and bonus issue performed in Q2 2007.

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

Quarterly overview - Consolidated financial position and key figures

Amounts in SEK M	2009		2008				2007			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Statement of financial position										
Assets										
Fixed assets										
Tangible assets	658	688	664	619	592	577	600	581	575	550
Intangible assets	1,114	1,149	1,120	965	911	876	904	879	843	609
Other fixed assets	191	182	149	115	107	107	83	101	99	79
	1,963	2,019	1,933	1,699	1,610	1,560	1,587	1,561	1,517	1,238
Current assets										
Inventory etc.	569	617	589	668	622	577	536	614	581	498
Accounts receivable	1,080	1,248	1,354	1,174	1,182	1,197	1,292	1,172	1,096	1,077
Other receivables	255	269	248	231	192	179	171	182	162	181
Cash and cash equivalent	367	352	490	251	242	242	276	307	291	216
	2,271	2,486	2,681	2,324	2,238	2,195	2,275	2,275	2,130	1,972
Total assets	4,234	4,505	4,614	4,023	3,848	3,755	3,862	3,836	3,647	3,210
Equity and liabilities										
Equity	1,316	1,317	1,285	1,188	1,076	1,198	1,202	1,077	1,066	1,640
Long-term liabilities	304	328	308	245	240	239	215	234	222	215
Interest-bearing liabilities	1,410	1,586	1,694	1,418	1,392	1,214	1,200	1,401	1,282	268
Accounts payable	478	507	537	437	460	414	496	445	426	416
Other current liabilities	726	767	790	735	680	690	749	679	651	671
Total equity and liabilities	4,234	4,505	4,614	4,023	3,848	3,755	3,862	3,836	3,647	3,210
Key figures										
Equity ratio, %	31.1	29.2	27.8	29.5	28.0	31.8	31.1	28.1	29.2	51.1
Net debt, SEK M	1,231	1,423	1,390	1,311	1,292	1,119	1,068	1,245	1,138	209
Net debt ratio, times	0.94	1.08	1.08	1.10	1.20	0.93	0.89	1.16	1.07	0.13
Interest coverage ratio, times	3.6	0.2	3.1	3.6	5.5	6.3	8.9	8.9	11.1	22.2
Investments in tangible assets, SEK M	35	38	32	29	41	43	42	56	53	34
No of permanent employees at period-end	3,955	4,072	4,135	4,047	4,086	4,102	4,043	3,982	3,915	3,669

Definitions of the financial key figures can be found on page 85 in the Annual Report 2008.

Financial overview Group - 5 years

	2009	2008	2007	2006	2005
	Q2	Q2	Q2	Q2	Q2
Sales and earnings					
Net sales, SEK M	1,694	1,548	1,524	1,456	1,192
EBIT, SEK M	62	95	119	129	74
EBIT margin, %	3.7	6.1	7.8	8.8	6.2
Net earnings, SEK M	27	49	70	79	43
Earnings per share, SEK	0.36	0.66	0.95	1.06	0.57
Business and financial ratios					
Return on equity, %	2.0	4.3	5.2	5.5	3.3
Return on capital employed, %	2.0	3.6	4.8	7.1	4.1

Quarterly overview - Divisions

Amounts in SEK M	2009		2008				2007			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake										
Dehumidification Division	636	596	608	511	528	487	460	541	556	444
MCS Division	687	722	745	710	643	672	673	690	634	633
HumiCool Division	401	413	314	369	525	436	395	460	518	465
Eliminations	-8	-7	-6	-8	-10	-9	-10	-17	-20	-15
Order intake	1,716	1,724	1,661	1,582	1,686	1,586	1,518	1,674	1,688	1,527
Net sales										
Dehumidification Division	598	588	645	495	478	433	534	504	527	371
MCS Division	682	736	809	686	645	669	739	666	605	614
HumiCool Division	421	389	435	425	433	451	476	446	414	429
Eliminations	-7	-10	-8	-9	-8	-8	-12	-19	-22	-10
Net sales	1,694	1,703	1,881	1,597	1,548	1,545	1,737	1,597	1,524	1,404
Operating activities										
Dehumidification Division	66	14	75	48	45	33	72	55	69	38
operating margin	11.0%	2.4%	11.7%	9.6%	9.5%	7.6%	13.5%	11.0%	13.1%	10.2%
MCS Division	-18	12	-9	7	14	36	39	42	10	38
operating margin	-2.6%	1.6%	-1.1%	1.0%	2.2%	5.3%	5.3%	6.3%	1.7%	6.2%
HumiCool Division	31	-11	23	36	44	51	73	64	55	59
operating margin	7.3%	-2.8%	5.5%	8.5%	10.2%	11.4%	15.3%	14.3%	13.3%	13.8%
Group overheads, eliminations etc.	-17	-9	-13	-9	-8	-12	-13	-12	-15	-8
Earnings before interest and tax	62	6	76	82	95	108	171	149	119	127
EBIT margin	3.7%	0.4%	4.0%	5.1%	6.1%	7.0%	9.8%	9.3%	7.8%	9.0%
Operating capital										
Dehumidification Division - Assets	798	883	855	703	675	649	672	654	665	562
Dehumidification Division - Liabilities	-260	-267	-265	-179	-195	-173	-191	-177	-177	-178
MCS Division - Assets	881	976	1,028	1,001	963	977	1,040	995	896	902
MCS Division - Liabilities	-128	-151	-174	-121	-107	-106	-145	-110	-106	-97
HumiCool Division - Assets	691	759	787	821	818	767	764	760	729	688
HumiCool Division - Liabilities	-179	-178	-206	-239	-251	-225	-267	-266	-237	-236
Central, eliminations	80	82	79	59	52	65	69	77	49	30
Operating capital	1,883	2,104	2,104	2,045	1,955	1,954	1,942	1,933	1,819	1,671
Permanent employees										
Dehumidification Division	1,238	1,293	1,301	1,173	1,196	1,184	1,180	1,151	1,126	913
MCS Division	1,889	1,959	1,944	1,942	1,952	1,938	1,918	1,903	1,916	1,906
HumiCool Division	805	795	866	908	914	959	924	911	855	832
Central	23	25	24	24	24	21	21	17	18	18
Number of permanent employees	3,955	4,072	4,135	4,047	4,086	4,102	4,043	3,982	3,915	3,669

Operating capital consists of accounts receivable (external and internal), inventory, accounts payable, advances from customers and fixed assets excluding goodwill.

Amounts in SEK M	2009 Apr-Jun 3 months	2008 Apr-Jun 3 months	2009 Jan-Jun 6 months	2008 Jan-Jun 6 months	2008/2009 Jul-Jun 12 months	2008 Jan-Dec 12 months
MUNTERS AB						
Income statement						
Net sales	14	12	27	24	54	51
Cost of goods sold	-	-	-	-	-	-
Gross earnings	14	12	27	24	54	51
Other operating income	1	1	1	2	1	2
Selling expenses	0	0	0	0	0	0
Administrative expenses	-34	-26	-55	-50	-104	-99
Other operating expenses	0	0	0	0	1	1
EBIT - Earnings before interest and tax	-19	-13	-27	-24	-48	-45
Financial income and expenses	19	24	25	71	224	270
Earnings after financial items	0	11	-2	47	176	225
Transfer to allocation reserve	-	-	-	-	-4	-4
Income taxes	4	2	4	11	7	14
Net earnings	4	13	2	58	179	235

	2009 30 Jun	2009 31 Mar	2008 31 Dec	2008 30 Jun
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Balance sheet

Assets

Fixed assets

Tangible assets

Equipment, tools, fixtures and fittings	6	9	24	23
	6	9	24	23

Intangible assets

Patent, licenses and similar rights	18	18	18	18
	18	18	18	18

Financial assets

Participations in subsidiaries	800	800	791	716
Receivables from subsidiaries	1,576	1,744	1,785	1,432
	2,376	2,544	2,576	2,148
	2,400	2,571	2,618	2,189

Current assets

Receivables from subsidiaries	44	31	36	85
Other receivables	41	52	56	21
Cash and cash equivalents	61	88	227	0
	146	171	319	106

Total assets	2,546	2,742	2,937	2,295
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Equity and liabilities

Equity	1,008	1,004	1,006	786
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Untaxed reserves

	19	19	19	15
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Long-term liabilities

Interest-bearing liabilities	1,359	1,540	1,637	1,316
Provisions	39	39	39	38
	1,398	1,579	1,676	1,354

Current liabilities

Liabilities to subsidiaries	100	107	197	97
Accounts payable	5	7	5	6
Other liabilities	16	26	34	37
	121	140	236	140

Total equity and liability	2,546	2,742	2,937	2,295
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Notes

Note 1: Accounting principles

The consolidated financial statements for the second quarter of 2009 have been prepared, as were the annual accounts for 2008, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The parent company has prepared its financial statements in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.2, Accounting for legal entities.

This quarterly report has been prepared in accordance with IAS 34. In this document, the term "IFRS" includes the application of both IAS and IFRS, and the interpretations of these standards published by the IASB's Standards Interpretation Committee (SIC) and its International Financial Reporting Interpretations Committee (IFRIC).

The Group uses the same accounting principles as described in its 2008 Annual Report, with the following exceptions motivated by new or revised standards, interpretations and improvements adopted by the EU and that are to be applied as of January 1, 2009. This report deals only with the changes that have had an effect on the Group.

New or revised standards

IFRS 8: Operating Segments

This standard requires information concerning the Group's operating segments and replaces the requirement to define the Group's primary and secondary segments. Implementation of this standard has not had any effect on the Group's financial position. The implementation of IFRS 8 has not resulted in any segments other than those reported as primary under IAS 14 and that were reported in the 2008 Annual Report. Munters reports its three divisions Dehumidification, HumiCool and MCS as operating segments. Information about the segments is shown in the sections Segment information and Quarterly overview – Divisions, and in Note 2.

Amended IAS 1, Presentation of Financial Statements

The standard divides changes in shareholders' equity into changes due to transactions with owners and other changes. The presentation of changes in equity will only contain details relating to shareholder transactions. In addition, the standard introduces the concept of the "Statement of comprehensive income," which shows all revenue and costs, items previously reported under the statement of shareholders' equity and the statement of recognized income and expense, either as a separate presentation or as two integrated presentations. The Group has elected to present its statement of comprehensive income as a separate presentation.

Note 2: Operating segments

As of January 1, 2009, the Group has implemented IFRS 8 Operating Segments. This standard requires that information be reported based on the perspective of company management, which means it is presented in the way in which it is used in the company's internal reporting. Reportable segments are identified based on the internal reporting to the highest-ranking Chief Operating Decision Maker (CODM). Munters has identified its Group Management as its CODM. The Group is organized in divisions. Munters has identified the three divisions as reportable operating segments, which is the same as previously. The divisions are consolidated based on the same principles as is the Group as a whole. Transactions between the divisions are based on market terms. Central controlling and reporting concepts include: order intake, net sales, operating earnings and operating capital.

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.