

## Interim report

Second quarter, April – June 2010

### An important milestone in Munters' development

- Munters signed an agreement to divest its MCS division, which is therefore reported on separate lines as discontinued operations. The deal value amounts to around SEK 1,300 M and estimated impact on net profit after tax is approximately SEK 650 M in quarter 3 when the deal is closed
- Order intake for continuing operations amounted to SEK 1,029 M (1,029), up 6% adjusted<sup>1</sup>
- Net sales for continuing operations totaled SEK 910 M (1,013), down 5% adjusted<sup>1</sup>
- EBIT for continuing operations before nonrecurring items amounted to SEK 87 M (86), up 7% adjusted<sup>1</sup>
- Operating cash flow from continuing operations amounted to SEK 60 M (153)
- Net earnings after tax for the period for continuing operations totaled SEK 57 M (47)
- Earnings per share for continuing operations amounted to SEK 0.77 (0.64)
- Net sales including discontinued operations amounted to SEK 1,566 M (1 694). EBIT including discontinued operations amounted to SEK 113 M (86)

	Quarter 2				Six-month period			
	2010	2009	Change	Adjusted change <sup>1</sup>	2010	2009	Change	Adjusted change <sup>1</sup>
<b>Continuing operations</b>								
Order intake, SEK M	1,029	1,029	0%	6%	1,890	2,031	-7%	1%
Net sales, SEK M	910	1,013	-10%	-5%	1,682	1,980	-15%	-8%
EBIT before nonrecurring items, SEK M	87	86	1%	7%	127	108	18%	28%
EBIT, SEK M	87	79	10%		127	72	76%	
EBIT margin, percent	9.6	7.8			7.6	3.6		
Net earnings, SEK M	57	47			77	22		
Earnings per share, SEK	0.77	0.64			1.05	0.30		
<b>Total, including discontinued operation</b>								
Net sales, SEK M	1,566	1,694	-8%		2,975	3,397	-12%	
EBIT before nonrecurring items, SEK M	113	86	31%		181	125	45%	
Net earnings, SEK M	50	27			87	5		
Earnings per share, SEK	0.67	0.36			1.17	0.07		

<sup>1</sup> Adjusted for currency effects

### Comments by President and CEO Lars Engström

The quarter marked an important milestone in Munters' development. The divestment of MCS was entered into at a time when our product divisions had achieved stable profitability following a number of difficult quarters.

With our two core criteria of stability and profitability in place, Munters' continuing operations can now focus on organic growth and growth through acquisitions. The current quarter was the first since the second quarter of 2008 in which Munters' continuing operations succeeded in achieving positive organic order growth.

Our current focus is on the numerous opportunities that exist to broaden our geographic presence and product range in several business segments in Dehumidification and HumiCool. Operational streamlining, combined with a strong balance sheet, will enable us to increase the rate at which we implement our acquisition plans.

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 and pharma industries. Manufacturing and sales are carried out through the Group's own companies in more than 30 countries. The Group has close to 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, [www.munters.com](http://www.munters.com).



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## Second quarter

### Discontinued operations

*In accordance with Munters' plans to focus on its core operations, the company signed an agreement to divest its MCS division to Triton. The value and cash-flow effect of the transaction amounted to around SEK 1,300 M, comprising a cash payment and repayment of intra-Group loans. The divestment is expected to be completed in the third quarter of 2010. The estimated impact on net earnings after tax in the third quarter will be approximately SEK 650 M.*

*The MCS division is the market leader in water and fire-damage restoration, with sales of SEK 2,768 M in 2009 and 1,805 employees in 18 countries. Following the divestment, Munters plans to streamline its operations to focus on energy-efficient air-treatment solutions based on expertise in humidity and climate control technologies.*

*Completion of the transaction is conditional upon approval from the relevant competition authorities, and Munters' fulfillment of the obligation to inform and consult with relevant employee bodies in each country where so is required.*

*In this interim report, the earnings generated by MCS are excluded from all income and expense items in the "Statement of comprehensive income" and are instead recognized in a net amount under "Net earnings from discontinued operations." In the "Statement of cash flows," MCS is recognized under the heading "Cash flow from discontinued operations." Assets and liabilities attributable to MCS are recognized on separate lines in the "Statement of financial position" as of June 30, 2010, under the respective items "Assets held for sale" and "Liabilities held for sale."*

### Order intake

During the second quarter, order intake for continuing operations amounted to SEK 1,029 M (1,029), up 6% adjusted<sup>1</sup>.

Increased demand in Europe and Asia was noted in the Dehumidification division. The US operations experienced a continued organic decline attributable to the industrial segment in the US.

In the HumiCool division, growth remained favorable in AgHort and HVAC standard products, while HVAC systems (PreCooler) and Mist Elimination continued to decline.

The order backlog fell 4% compared with the year-earlier period and amounted to SEK 1,163 M (1,207) at the end of the quarter, corresponding to a change of 0% adjusted<sup>1</sup>.

### Net sales

Net sales for continuing operations declined to SEK 910 M (1,013), down 5% adjusted<sup>1</sup>. A stronger SEK compared with the year-earlier period had a negative impact of 5% on SEK-denominated net sales.

### Earnings

EBIT for continuing operations amounted to SEK 87 M (79), corresponding to an operating margin of 9.6% (7.8).

Despite a decline in sales, profitability improved in both divisions due to increased gross margins and a reduction in overhead costs.

The closure of MCS Australia was completed according to plan. The total cost amounted to SEK 18 M.

Earnings from continuing operations after financial items totaled SEK 84 M (63) during the second quarter. Net earnings from continuing operations amounted to SEK 57 M (47) and earnings per share to SEK 0.77 (0.64). For the Group as a whole, net earnings amounted to SEK 50 M (27) and earnings per share to SEK 0.67 (0.36).

### Cash flow

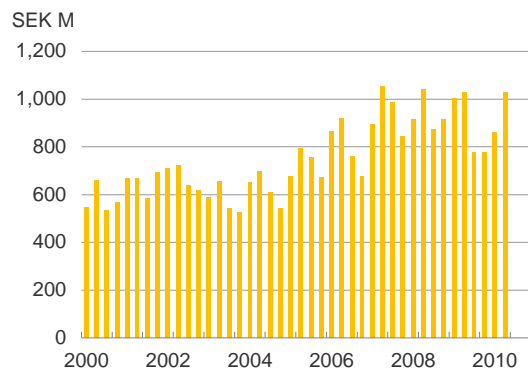
Operating cash flow from continuing operations amounted to SEK 60 M (153). Though the capital turnover improved in both divisions, the cash flow was lower than in the very strong second quarter 2009.

### Third-quarter prospects

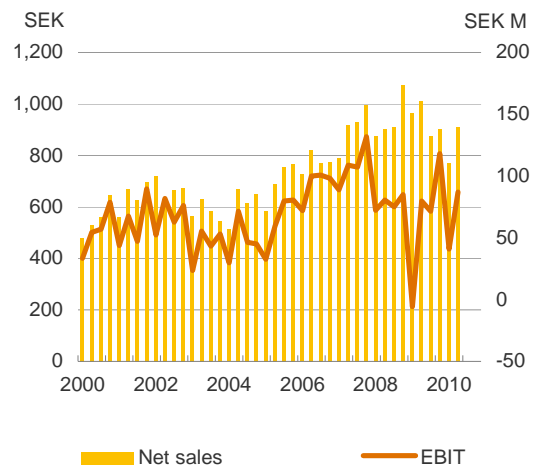
The Dehumidification division and parts of HumiCool are expected to recover.

<sup>1</sup>Adjusted for currency effects

**Consolidated order intake for continuing operations 2000 – 2010**



**Consolidated net sales and EBIT for continuing operations 2000 – 2010**



2004 and later in accordance with IFRS

## Interim period

### Order intake

Order intake for continuing operations declined 7% during the period to SEK 1,890 M (2,031), up 1% adjusted<sup>1</sup>.

### Net sales

Consolidated net sales for continuing operations fell 15% to SEK 1,682 M (1,980), down 8% adjusted<sup>1</sup>.

### Earnings

Consolidated EBIT for continuing operations increased to SEK 127 M (72). The operating margin was 7.6% (3.6).

Consolidated earnings from continuing operations after financial items amounted to SEK 120 M (39). Net earnings from continuing operations for the interim period totaled SEK 77 M (22) after tax burden of 36% (43). The Group's tax run rate is estimated not to be significantly affected by the divestment of division MCS. Earnings per share for continuing operations amounted to SEK 1.05 (0.30). For the Group as a whole, net earnings totaled SEK 87 M (5) and earnings per share amounted to SEK 1.17 (0.07).

### Investments

Group investments in tangible assets for continuing operations amounted to SEK 18 M (26) during the

quarter. Depreciation, amortization and impairment totaled SEK 37 M (45).

### Financial position

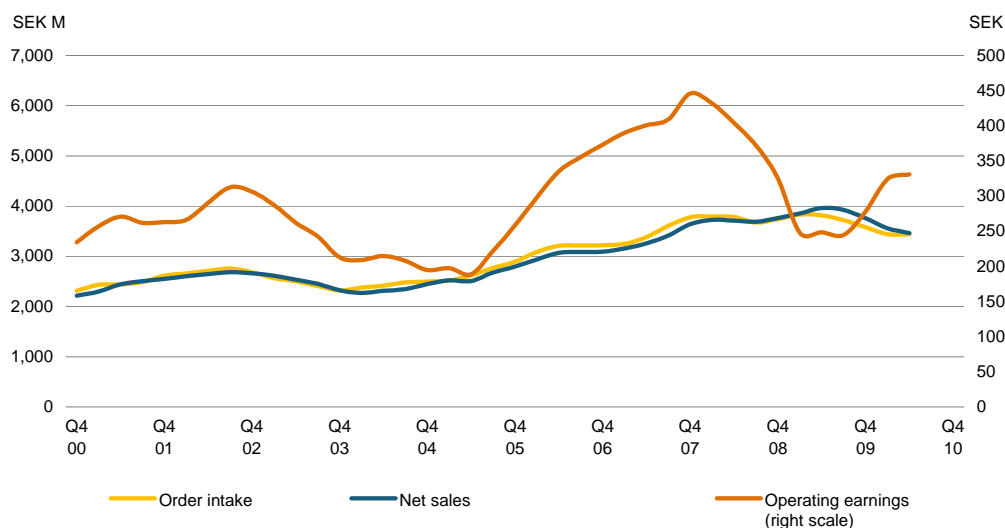
The equity ratio at the end of the period rose to 37% (35 at the beginning of the year). Interest-bearing assets totaled SEK 427 M (460 at the beginning of the year), and interest-bearing provisions and liabilities amounted to SEK 1,161 M (1,309 at the beginning of the year). Net debt declined SEK 115 M to SEK 734 M during the period. The Group has unutilized loan facilities of SEK 1,303 M. Munters' bank borrowings consist of a syndicated credit facility and bank loans granted to subsidiaries on an individual basis. During the year, the syndicated credit facility was amortized by SEK 98 M. The syndicated credit facility amounts to SEK 2,000 M and extends until 2012. Due to the upcoming divestment of division MCS, the Group's financing will be reviewed.

### Personnel

The workforce in continuing operations at the end of the period corresponded to 2,082 permanent employees, which represents an increase by 65 employees from year-end and an increase with 16 employees since end of second quarter 2009. The number of permanent employees in the MCS division amounted to 1,750 (1,889) at the end of the period.

<sup>1</sup>Adjusted for currency effects

### Group – rolling 4 quarters continuing operations



## Divisional performance

### Dehumidification division

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

Amounts in SEK M	Second quarter		Jan-Jun	
	2010	2009	2010	2009
Order intake	603	636	1,145	1,232
Change	-5%		-7%	
Adjusted change <sup>1</sup>	0%		1%	
Net sales	556	598	1,008	1,186
Change	-7%		-15%	
Adjusted change <sup>1</sup>	-3%		-8%	
EBITA ex. one-time items	68	70	100	97
Adjusted margin	12.2%	11.8%	9.9%	8.2%
EBITA	68	66	100	80
EBITA margin	12.2%	11.0%	9.9%	6.8%

- **Growth in Europe**
- **Continued low order intake from the US industrial segment**
- **Higher gross margins and lower overhead costs**
- **Improvement in capital turnover**

#### Second quarter

Following two consecutive quarters of stable but unchanged order intake, the division's European operations experienced noticeable growth. The division's Asian operations grew 25% while the US operations continued to face organic decline attributable to the industrial segment.

Sales declined 3% organically. The downturn was attributable to the order situation in the preceding quarter and a higher proportion of major projects with protracted lead times.

Profitability improved somewhat, despite the downturn in volumes. The division continued to report a stronger gross margin and a reduction in overhead costs, although the rate of improvement slowed since the relatively comprehensive improvement measures implemented in the second half of 2009 are now included in the comparative period.

Operating capital remained a focus area, and the division was highly successful in its efforts to improve its capital turnover.

<sup>1</sup>Adjusted for currency effects

### Third-quarter prospects

A stabilization and improvement in demand is anticipated in all regions. The declining relative size of the industrial segment is expected to generate a continued mix-related decline in the gross margin, which will partly counteract the profitability improvement achieved to date.

### HumiCool division

The HumiCool division is divided into three business areas: AgHort, Mist Elimination and HVAC (including PreCooler).

Amounts in SEK M	Second quarter		Jan-Jun	
	2010	2009	2010	2009
Order intake	430	401	763	814
Change	7%		-6%	
Adjusted change <sup>1</sup>	14%		1%	
Net sales	368	421	691	811
Change	-13%		-15%	
Adjusted change <sup>1</sup>	-7%		-8%	
EBITA ex. one-time items	35	34	57	39
Adjusted margin	9.5%	8.0%	8.3%	4.9%
EBITA	35	31	57	20
EBITA margin	9.5%	7.3%	8.3%	2.5%

- **Positive order growth in AgHort and HVAC standard products**
- **Continued decline in order intake and sales in HVAC systems (PreCooler) and Mist Elimination**
- **Improved gross margins and somewhat lower overhead costs**

#### Second quarter

Order intake increased for the third consecutive quarter in AgHort and HVAC standard products. AgHort reported substantial growth in all regions. PreCooler and Mist Elimination noted a continued decline in demand.

HVAC experienced a gradual return to earlier order behavior for portable heaters at the distributor level, and a certain increase in pre-season orders was noted in the second quarter. The number of pre-season orders in the year-earlier period was reduced as a result of the financial crisis.

Sales increased in AgHort and HVAC standard products, but declined sharply in PreCooler and Mist Elimination with 76% and 20% respectively.

Despite declining volumes, profitability in the division improved. The gross margin increased in all segments, and overhead costs fell somewhat. As in the Dehumidification division, the rate of improvement slowed since the comparative period now includes extensive cost-saving measures.

Capital turnover improved during the quarter.

### Third-quarter prospects

A continued recovery is anticipated for AgHort and HVAC standard products, while PreCooler and Mist Elimination are expected to remain at a low level.

HumiCool's review of the plant structure will continue. During the second half of 2010, the review is expected to cost SEK 30 M and will mainly focus on consolidating the division's Italian operations to Imperia, after which the plant in Mondovi will be closed.

## Moisture Control Services (MCS) division undergoing sale

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

Amounts in SEK M	Second quarter		Jan-Jun	
	2010	2009	2010	2009
Order intake	602	687	1,285	1,410
Change	-12%		-9%	
Adjusted change <sup>1</sup>	2%		4%	
Net sales	656	682	1,294	1,419
Change	-4%		-9%	
Adjusted change <sup>1</sup>	7%		2%	
EBITA ex. one-time items	25	-1	52	15
Adjusted margin	3.8%	-0.2%	4.0%	1.1%
EBITA	3	-18	30	-6
EBITA margin	0.4%	-2.6%	2.3%	-0.4%

- **Munters has signed an agreement to sell MCS to Triton**
- **Closure of MCS Australia completed according to plan**

### Second quarter

Order intake and sales increased during the quarter. A certain portion of the division's sales pertained to outstanding invoicing following the cold and snowy first quarter.

Profitability increased to 3.8%, excluding nonrecurring items and the loss for the quarter in Australia.

The division's Australian operations were discontinued according to plan at a total cost of SEK 18 M, including the operating loss for the quarter.

The division incurred additional nonrecurring costs totaling SEK 4 M within the framework of its ongoing organizational changes.

### Third-quarter prospects

No forecast has been issued since the division is currently being sold.

<sup>1</sup>Adjusted for currency effects, acquisition 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 dependent on weather, key personnel and key customers, and geographically dispersed operations involving small operational units. Financial risks consist mainly of currency, interest-rate and financing risks.

Demand for the company's products is affected by general economic trends. The recession has resulted in lower sales, thereby also reducing capacity utilization in manufacturing in the short term. The continuing trend in the global economy, including interest-rate and currency risks, represents an uncertainty factor concerning the earnings trend. Munters' previous acquisition frequency may result in integration-related risks.

A more detailed description of the operations' operational and financial risks and the Group's control and risk management activities is available in the "Risks and risk management" section on page 25 and in Note 3 of the Munters Annual Report for 2009, which is available at [www.munters.com](http://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 reported profit of SEK 101 M (0) after financial items during the quarter. There were no external net sales (as in 2009). Cash and cash equivalents at the close of the period amounted to SEK 87 M (148 at the beginning of the year) and net debt to SEK 881 M (981 at the beginning of the year). Capital expenditure totaled SEK 2 M (3). The average number of employees at the close of the period was 32 (31).

## FUTURE INFORMATION DATES

November 11, 2010 Interim report, January-September 2010

February 9, 2011 Year-end report 2010

April 26, 2011 Interim report, January-March 2011

## PRESS AND ANALYST CONFERENCE

Munters will hold an audiocast and teleconference for the media, analysts and investors on Thursday, July 22, from 2:00 to 3:00 p.m.

The link to the audiocast is [www.munters.com/Investors/Calendar](http://www.munters.com/Investors/Calendar)

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## AUDITORS' EXAMINATION REPORT

The auditors have not examined this interim report.

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*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, 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, 2010

Anders Ilstam  
*Chairman of the Board*

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*

Ulf Wallén  
*Board member*

Kjell Åkesson  
*Board member*

Lars Engström  
*President and Chief Executive Officer*  
*Board member*

Munters AB 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 July 22, 2010 at 1:00 pm (CET).

CONSOLIDATED		2010	2009	2010	2009	2009/2010	2009
		Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Amounts in SEK M		3 months	3 months	6 months	6 months	12 months	12 months
	Note						
<b>Order intake</b>		1,029	1,029	1,890	2,031	3,443	3,584
<b>Statement of comprehensive income</b>							
Net sales		910	1,013	1,682	1,980	3,461	3,759
Cost of goods sold		-595	-689	-1,113	-1,404	-2,287	-2,578
<b>Gross earnings</b>		<b>315</b>	<b>324</b>	<b>569</b>	<b>576</b>	<b>1,174</b>	<b>1,181</b>
Gross margin		34.6%	32.0%	33.8%	29.1%	33.9%	31.4%
Other operating income		1	0	-2	4	-4	2
Selling expenses		-122	-128	-234	-271	-450	-487
Administrative expenses		-85	-93	-163	-190	-321	-348
Research and development costs		-22	-22	-43	-45	-80	-82
Other operating expenses		0	-2	0	-2	-1	-3
<b>EBIT - Earnings before interest and tax</b>		<b>87</b>	<b>79</b>	<b>127</b>	<b>72</b>	<b>318</b>	<b>263</b>
EBIT margin		9.6%	7.8%	7.6%	3.6%	9.2%	7.0%
Financial income and expenses		-3	-16	-7	-33	-24	-50
<b>Earnings after financial income</b>		<b>84</b>	<b>63</b>	<b>120</b>	<b>39</b>	<b>294</b>	<b>213</b>
Taxes		-27	-16	-43	-17	-118	-92
<b>Net earnings from continuing operations</b>		<b>57</b>	<b>47</b>	<b>77</b>	<b>22</b>	<b>176</b>	<b>121</b>
Net earnings from discontinued operation	2	-7	-20	10	-17	41	14
<b>Net earnings</b>		<b>50</b>	<b>27</b>	<b>87</b>	<b>5</b>	<b>217</b>	<b>135</b>
<b>Other comprehensive income</b>							
Actuarial gains and losses on defined benefit pension plans		0	0	-1	0	8	9
Cash flow hedges		1	-6	1	-4	6	1
Exchange differences on translating foreign operations		42	-22	27	17	-20	-30
Income tax relating to components of other comprehensive income		0	2	0	1	-3	-2
<b>Other comprehensive income for the period, net of tax continuing operations</b>		<b>43</b>	<b>-26</b>	<b>27</b>	<b>14</b>	<b>-9</b>	<b>-22</b>
Other comprehensive income for the period, net of tax discontinued operation	2	-3	-2	-15	12	-17	10
<b>Other comprehensive income for the period, net of tax</b>		<b>40</b>	<b>-28</b>	<b>12</b>	<b>26</b>	<b>-26</b>	<b>-12</b>
<b>Total comprehensive income for the period continuing operations</b>		<b>100</b>	<b>21</b>	<b>104</b>	<b>36</b>	<b>167</b>	<b>99</b>
Total comprehensive income for the period discontinued operation	2	-10	-22	-5	-5	24	24
<b>Total comprehensive income for the period</b>		<b>90</b>	<b>-1</b>	<b>99</b>	<b>31</b>	<b>191</b>	<b>123</b>
<b>Net earnings</b>							
Attributable to equity holders of the parent		49	27	86	5	215	134
Attributable to minority interest		1	0	1	0	2	1
		<b>50</b>	<b>27</b>	<b>87</b>	<b>5</b>	<b>217</b>	<b>135</b>
<b>Total comprehensive income</b>							
Attributable to equity holders of the parent		89	-1	98	31	189	122
Attributable to minority interest		1	0	1	0	2	1
		<b>90</b>	<b>-1</b>	<b>99</b>	<b>31</b>	<b>191</b>	<b>123</b>
<b>Earnings per share<sup>1</sup></b>							
<b>Continuing operations</b>							
Earnings per share, SEK		0.77	0.64	1.05	0.30	2.38	1.63
Earnings per share - after dilution, SEK		0.77	0.64	1.05	0.30	2.38	1.63
<b>Total</b>							
Earnings per share, SEK		0.67	0.36	1.17	0.07	2.91	1.81
Earnings per share - after dilution, SEK		0.67	0.36	1.17	0.07	2.91	1.81

<sup>1</sup> Earnings per share, before and after dilution, is based on net earnings attributable to equity holders of the parent

## Segment information continuing operations

	2010 Apr-Jun 3 months	2009 Apr-Jun 3 months	2010 Jan-Jun 6 months	2009 Jan-Jun 6 months	2009/2010 Jul-Jun 12 months	2009 Jan-Dec 12 months
Amounts in SEK M						
<b>Order intake by division</b>						
Dehumidification division	603	636	1,145	1,232	2,147	2,234
HumiCool division	430	401	763	814	1,319	1,370
Eliminations	-4	-8	-18	-15	-23	-20
<b>Order intake</b>	<b>1,029</b>	<b>1,029</b>	<b>1,890</b>	<b>2,031</b>	<b>3,443</b>	<b>3,584</b>
<b>Net sales by division</b>						
Dehumidification division	556	598	1,008	1,186	2,122	2,300
HumiCool division	368	421	698	811	1,370	1,483
Eliminations	-14	-6	-24	-17	-31	-24
<b>Net sales</b>	<b>910</b>	<b>1,013</b>	<b>1,682</b>	<b>1,980</b>	<b>3,461</b>	<b>3,759</b>
<b>Operating earnings by division</b>						
Dehumidification division	68	66	100	80	271	251
operating margin	12.2%	11.0%	9.9%	6.8%	12.4%	10.9%
HumiCool division	35	31	57	20	108	71
operating margin	9.5%	7.3%	8.3%	2.5%	7.3%	4.8%
Central, eliminations etc.	-12	-14	-24	-22	-48	-46
<b>EBIT before amortizations, interest and tax</b>	<b>91</b>	<b>83</b>	<b>133</b>	<b>78</b>	<b>331</b>	<b>276</b>
Amortizations on acquisition related intangible assets	-4	-4	-6	-6	-13	-13
<b>EBIT - Earnings before interest and tax</b>	<b>87</b>	<b>79</b>	<b>127</b>	<b>72</b>	<b>318</b>	<b>263</b>

	Dehumidification	HumiCool	Central,elim	Total
	2010	2010	2010	2010
	Apr-Jun	Apr-Jun	Apr-Jun	Apr-Jun
Amounts in SEK M	3 months	3 months	3 months	3 months
External net sales	544	366		910
Internal net sales	12	2	-14	0
<b>Net sales</b>	<b>556</b>	<b>368</b>	<b>-14</b>	<b>910</b>
<b>Operating earnings</b>	<b>68</b>	<b>35</b>	<b>0</b>	<b>103</b>
Amortization of surplus values	-2	-2		-4
Undistributed costs			-12	-12
<b>EBIT - Earnings before interest and tax</b>	<b>66</b>	<b>33</b>	<b>-12</b>	<b>87</b>
Financial items, net				-3
Taxes				-27
<b>Net earnings from continuing operations</b>				<b>57</b>
Net earnings from discontinued operation				-7
<b>Net earnings</b>				<b>50</b>
	Dehumidification	HumiCool	Central,elim	Total
	2009	2009	2009	2009
	Apr-Jun	Apr-Jun	Apr-Jun	Apr-Jun
Amounts in SEK M	3 months	3 months	3 months	3 months
External net sales	592	420		1,012
Internal net sales	6	1	-7	0
<b>Net sales</b>	<b>598</b>	<b>421</b>	<b>-7</b>	<b>1,012</b>
<b>Operating earnings</b>	<b>66</b>	<b>31</b>	<b>-2</b>	<b>95</b>
Amortization of surplus values	-2	-2		-4
Undistributed costs			-12	-12
<b>EBIT - Earnings before interest and tax</b>	<b>64</b>	<b>29</b>	<b>-14</b>	<b>79</b>
Financial items, net				-16
Taxes				-16
<b>Net earnings from continuing operations</b>				<b>47</b>
Net earnings from discontinued operation				-20
<b>Net earnings</b>				<b>27</b>

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**Statement of financial position**

	2010	2010	2009	2009
Amounts in SEK M	30 Jun	31 Mar	31 Dec	30 Jun
<b>ASSETS</b>				
<b>Fixed assets</b>				
Buildings and land	148	191	197	206
Plant and machinery	108	109	116	140
Equipment, tools, fixtures and fittings	42	227	241	295
Construction in progress	9	8	15	17
Patent, trademarks and similar rights	99	120	127	140
Goodwill	765	890	926	974
Participation in associated companies	0	0	0	2
Other long-term receivables	17	22	28	29
Deferred tax assets	125	142	148	160
	<b>1,313</b>	<b>1,709</b>	<b>1,798</b>	<b>1,963</b>
<b>Current assets</b>				
Inventory etc.	462	471	427	569
Accounts receivable	554	939	1,051	1,080
Other receivables	186	221	235	255
Cash and cash equivalents	321	401	458	367
	<b>1,523</b>	<b>2,032</b>	<b>2,171</b>	<b>2,271</b>
Assets held for sale	1,046			
<b>TOTAL ASSETS</b>	<b>3,882</b>	<b>3,741</b>	<b>3,969</b>	<b>4,234</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>	<b>1,431</b>	<b>1,415</b>	<b>1,407</b>	<b>1,316</b>
<b>Long-term liabilities</b>				
Interest-bearing liabilities	941	953	1,100	1,395
Provisions	147	192	205	213
Deferred tax liabilities	70	79	81	84
Other liabilities	0	0	1	7
	<b>1,158</b>	<b>1,224</b>	<b>1,387</b>	<b>1,699</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	34	32	31	15
Advances from customers	72	62	66	87
Accounts payable	375	421	479	478
Provisions	84	83	81	86
Other liabilities	337	504	518	553
	<b>902</b>	<b>1,102</b>	<b>1,175</b>	<b>1,219</b>
Liabilities held for sale	391			
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,882</b>	<b>3,741</b>	<b>3,969</b>	<b>4,234</b>

**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
<b>Balance at 1 January 2009</b>	<b>131</b>	<b>99</b>	<b>1,048</b>	<b>1,278</b>	<b>7</b>	<b>1,285</b>
<b>Changes in equity 2009</b>						
Dividend					-1	-1
Total comprehensive income for the year		-23	145	122	1	123
<b>Balance at 31 December 2009</b>	<b>131</b>	<b>76</b>	<b>1,193</b>	<b>1,400</b>	<b>7</b>	<b>1,407</b>
<b>Changes in equity 2010</b>						
Dividend			-74	-74	-1	-75
Total comprehensive income for the year		10	89	98	1	99
<b>Balance at 30 June 2010</b>	<b>131</b>	<b>86</b>	<b>1,208</b>	<b>1,424</b>	<b>7</b>	<b>1,431</b>

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Statement of cash flows

	2010	2009	2010	2009	2009/2010	2009
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Amounts in SEK M	3 months	3 months	6 months	6 months	12 months	12 months
<b>Operating activities</b>						
Earnings after financial items	84	63	120	39	294	213
Reversal of depreciation etc.	19	23	37	45	77	85
Other earnings not affecting cash flow	-1	14	-	6	-10	-4
Taxes paid	-37	-69	-52	-73	-129	-150
<b>Cash flow from operating activities before changes in working capital</b>	<b>65</b>	<b>31</b>	<b>105</b>	<b>17</b>	<b>232</b>	<b>144</b>
<b>Cash flow from changes in working capital</b>						
Changes in inventory	-60	22	-85	31	14	130
Changes in accounts receivable	-33	94	43	134	11	102
Changes in other receivables	-	13	8	-11	21	2
Changes in accounts payable	64	-2	48	-17	41	-24
Changes in other liabilities	31	6	25	-15	-9	-49
<b>Sum of changes in working capital</b>	<b>2</b>	<b>133</b>	<b>39</b>	<b>122</b>	<b>78</b>	<b>161</b>
<b>Cash flow from operating activities</b>	<b>67</b>	<b>164</b>	<b>144</b>	<b>139</b>	<b>310</b>	<b>305</b>
<b>Investing activities</b>						
Acquisitions and divestments of businesses	-	2	-	-2	-	-2
Investments in intangible assets	-1	-1	-2	-	-5	-3
Investments in tangible assets	-10	-11	-18	-27	-35	-44
Sales of tangible assets	4	1	5	1	9	5
Change in other financial assets	-	-	1	1	1	1
<b>Cash flow from investing activities</b>	<b>-7</b>	<b>-9</b>	<b>-14</b>	<b>-27</b>	<b>-30</b>	<b>-43</b>
<b>Financing activities</b>						
Changes in loans	57	-104	-15	-260	-104	-349
Dividend paid	-74	-	-74	-	-74	-
<b>Cash flow from financing activities</b>	<b>-17</b>	<b>-104</b>	<b>-89</b>	<b>-260</b>	<b>-178</b>	<b>-349</b>
<b>Cash flow for the period from continuing operations</b>	<b>43</b>	<b>51</b>	<b>41</b>	<b>-148</b>	<b>102</b>	<b>-87</b>
<b>Cash flow from discontinued operation</b>						
Cash flow from operating activities	40	74	28	125	155	252
Cash flow from investing activities	-11	-25	-17	-48	-24	-55
Cash flow from financing activities	-51	-32	-79	-7	-211	-139
<b>Cash flow for the period from discontinued operation</b>	<b>-22</b>	<b>17</b>	<b>-68</b>	<b>70</b>	<b>-80</b>	<b>58</b>
<b>Cash flow for the period</b>	<b>21</b>	<b>68</b>	<b>-27</b>	<b>-78</b>	<b>22</b>	<b>-29</b>
Cash and cash equivalents at beginning of period	401	352	458	490	251	490
Exchange-differences in cash and cash equivalents	6	-53	-4	-45	38	-3
<b>Cash and cash equivalents at end of period</b> <sup>1</sup>	<b>427</b>	<b>367</b>	<b>427</b>	<b>367</b>	<b>311</b>	<b>458</b>
<b>Operating cash flow from continuing operations</b>	<b>60</b>	<b>153</b>	<b>130</b>	<b>114</b>	<b>280</b>	<b>264</b>
<b>Net debt structure</b>						
Short-term interest-bearing liabilities	-	-	41	15	41	31
Long-term interest-bearing liabilities	-	-	943	1,395	943	1,100
Defined benefit pension plans	-	-	177	188	177	178
Interest-bearing liabilities	-	-	-427	-367	-427	-460
<b>Net debt</b>	<b>-</b>	<b>-</b>	<b>734</b>	<b>1,231</b>	<b>734</b>	<b>849</b>

<sup>1</sup> In cash and cash equivalents at end of period SEK 107 M refers to discontinued operations.

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Quarterly overview - Consolidated earnings, share data and cash flow

Amounts in SEK M	2010		2009				2008			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Order intake	1,029	861	775	777	1,029	1,002	916	873	1,043	914
<b>Income statement</b>										
Net sales	910	772	902	877	1,013	967	1,073	911	903	876
Operating expenses	-823	-732	-784	-804	-934	-975	-989	-836	-823	-804
<b>EBIT</b>	<b>87</b>	<b>40</b>	<b>118</b>	<b>73</b>	<b>79</b>	<b>-8</b>	<b>84</b>	<b>75</b>	<b>80</b>	<b>72</b>
EBIT margin	9.6%	5.2%	13.1%	8.3%	7.8%	-0.8%	7.8%	8.2%	8.9%	8.2%
Financial income and expense	-3	-4	-4	-13	-16	-17	-13	-12	-13	-13
<b>Earnings after financial items</b>	<b>84</b>	<b>36</b>	<b>114</b>	<b>60</b>	<b>63</b>	<b>-25</b>	<b>71</b>	<b>63</b>	<b>67</b>	<b>59</b>
Taxes	-27	-16	-50	-26	-15	-1	-38	-23	-24	-21
<b>Net earnings from continuing operations</b>	<b>57</b>	<b>20</b>	<b>64</b>	<b>34</b>	<b>48</b>	<b>-26</b>	<b>33</b>	<b>40</b>	<b>43</b>	<b>38</b>
Net earnings from discontinued operation	-7	17	30	1	-21	4	-15	0	6	20
<b>Net earnings</b>	<b>50</b>	<b>37</b>	<b>94</b>	<b>35</b>	<b>27</b>	<b>-22</b>	<b>18</b>	<b>40</b>	<b>49</b>	<b>58</b>
Depreciations and amortizations continuing operations	-19	-19	-19	-21	-23	-22	-21	-18	-17	-24
<b>Statement of financial position</b>										
<b>ASSETS</b>										
<b>Fixed assets</b>										
Tangible assets	298	535	569	590	658	688	664	619	592	577
Intangible assets	873	1,010	1,053	1,044	1,114	1,149	1,120	965	911	876
Other fixed assets	142	164	176	181	191	182	149	115	107	107
	<b>1,313</b>	<b>1,709</b>	<b>1,798</b>	<b>1,815</b>	<b>1,963</b>	<b>2,019</b>	<b>1,933</b>	<b>1,699</b>	<b>1,610</b>	<b>1,560</b>
<b>Current assets</b>										
Inventory etc.	462	471	427	518	569	617	589	668	622	577
Accounts receivable	554	939	1,051	1,011	1,080	1,248	1,354	1,174	1,182	1,197
Other receivables	186	221	235	226	255	269	248	231	192	179
Cash and cash equivalent	326	401	458	369	367	352	490	251	242	242
	<b>1,528</b>	<b>2,032</b>	<b>2,171</b>	<b>2,124</b>	<b>2,271</b>	<b>2,486</b>	<b>2,681</b>	<b>2,324</b>	<b>2,238</b>	<b>2,195</b>
Assets held for sale	1,041	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>3,882</b>	<b>3,741</b>	<b>3,969</b>	<b>3,939</b>	<b>4,234</b>	<b>4,505</b>	<b>4,614</b>	<b>4,023</b>	<b>3,848</b>	<b>3,755</b>
<b>EQUITY AND LIABILITIES</b>										
Equity	1,431	1,415	1,407	1,273	1,316	1,317	1,285	1,188	1,076	1,198
Long-term liabilities	217	271	287	293	304	328	308	245	240	239
Interest-bearing liabilities	975	985	1,131	1,262	1,410	1,586	1,694	1,418	1,392	1,214
Accounts payable	375	421	479	408	478	507	537	437	460	414
Other current liabilities	493	649	665	703	726	767	790	735	680	690
	<b>3,491</b>	<b>3,741</b>	<b>3,969</b>	<b>3,939</b>	<b>4,234</b>	<b>4,505</b>	<b>4,614</b>	<b>4,023</b>	<b>3,848</b>	<b>3,755</b>
Liabilities held for sale	391	-	-	-	-	-	-	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,882</b>	<b>3,741</b>	<b>3,969</b>	<b>3,939</b>	<b>4,234</b>	<b>4,505</b>	<b>4,614</b>	<b>4,023</b>	<b>3,848</b>	<b>3,755</b>
<b>Statement of cash flows</b>										
From operating activities	67	77	67	99	164	-25	223	27	17	-10
From investing activities	-7	-7	-8	-8	-9	-19	-69	-19	-26	-36
From financing activities	-17	-72	-86	-2	-104	-155	25	-46	-20	27
<b>Cash flow for the period from continuing operations</b>	<b>43</b>	<b>-2</b>	<b>-27</b>	<b>89</b>	<b>51</b>	<b>-199</b>	<b>179</b>	<b>-38</b>	<b>-29</b>	<b>-19</b>
Cash flow for the period from discontinued operation	-22	-45	77	-88	17	53	32	34	28	-8
<b>Cash flow for the period</b>	<b>21</b>	<b>-47</b>	<b>50</b>	<b>1</b>	<b>68</b>	<b>-146</b>	<b>211</b>	<b>-4</b>	<b>-1</b>	<b>-27</b>
<b>Operating cash flow from continuing operations</b>	<b>60</b>	<b>69</b>	<b>60</b>	<b>91</b>	<b>153</b>	<b>-41</b>	<b>212</b>	<b>14</b>	<b>11</b>	<b>-46</b>

## Quarterly overview - Divisions continuing operations

Amounts in SEK M	2010		2009				2008			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Order intake</b>										
Dehumidification division	603	542	499	503	636	596	608	511	528	487
HumiCool division	430	333	278	278	401	413	314	369	525	436
Eliminations	-4	-14	-2	-4	-8	-7	-6	-7	-10	-9
<b>Order intake</b>	<b>1,029</b>	<b>861</b>	<b>775</b>	<b>777</b>	<b>1,029</b>	<b>1,002</b>	<b>916</b>	<b>873</b>	<b>1,043</b>	<b>914</b>
<b>Net sales</b>										
Dehumidification division	556	452	558	556	598	588	645	495	478	433
HumiCool division	368	323	349	324	421	389	435	425	433	451
Eliminations	-14	-3	-5	-3	-6	-10	-7	-9	-8	-8
<b>Net sales</b>	<b>910</b>	<b>772</b>	<b>902</b>	<b>877</b>	<b>1,013</b>	<b>967</b>	<b>1,073</b>	<b>911</b>	<b>903</b>	<b>876</b>
<b>Operating earnings</b>										
Dehumidification division	68	32	106	65	66	14	75	48	45	33
operating margin	12.2%	7.1%	19.0%	11.7%	11.0%	2.4%	11.7%	9.6%	9.5%	7.6%
HumiCool division	35	22	31	20	31	-11	23	36	44	51
operating margin	9.5%	6.9%	8.6%	6.3%	7.3%	-2.8%	5.5%	8.5%	10.2%	11.4%
Group overheads, eliminations etc.	-16	-14	-19	-12	-18	-11	-14	-9	-9	-12
<b>Earnings before interest and tax</b>	<b>87</b>	<b>40</b>	<b>118</b>	<b>73</b>	<b>79</b>	<b>-8</b>	<b>84</b>	<b>75</b>	<b>80</b>	<b>72</b>
EBIT margin	9.6%	5.2%	13.1%	8.3%	7.8%	-0.8%	4.0%	8.2%	8.9%	8.2%
<b>Operating capital</b>										
Dehumidification division - Assets	736	672	716	721	798	883	855	703	675	649
Dehumidification division - Liabilities	-263	-222	-213	-225	-260	-267	-265	-179	-195	-173
HumiCool division - Assets	628	575	606	627	691	759	787	821	818	767
HumiCool division - Liabilities	-186	-146	-180	-157	-179	-178	-206	-239	-251	-225
Central, eliminations	76	71	79	73	80	82	79	59	52	65
<b>Operating capital</b>	<b>991</b>	<b>950</b>	<b>1,008</b>	<b>1,039</b>	<b>1,130</b>	<b>1,279</b>	<b>1,250</b>	<b>1,165</b>	<b>1,099</b>	<b>1,083</b>
<b>Permanent employees</b>										
Dehumidification division	1,199	1,197	1,198	1,214	1,238	1,293	1,301	1,173	1,196	1,184
HumiCool division	859	783	797	788	805	795	866	908	914	959
Central	24	25	22	23	23	25	24	24	24	21
<b>Number of permanent employees</b>	<b>2,082</b>	<b>2,005</b>	<b>2,017</b>	<b>2,025</b>	<b>2,066</b>	<b>2,113</b>	<b>2,191</b>	<b>2,105</b>	<b>2,134</b>	<b>2,164</b>

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

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**Key figures and financial overview**

	2,010		2,009				2,008			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Equity ratio, %	36.9	37.8	35.4	32.3	31.1	29.2	27.8	29.5	28.0	31.8
Net debt, SEK M	734	761	849	1,080	1,231	1,423	1,390	1,311	1,292	1,119
Net debt ratio, times	0.5	0.5	0.6	0.9	0.9	1.1	1.1	1.1	1.2	0.9
Interest coverage ratio, times	10.9	9.5	12.9	9.9	3.6	0.2	3.1	3.6	5.5	6.3
Interest coverage ratio, times (4 quarters)	10.9	8.3	5.3	3.3	2.7	3.1	4.4	6.0	7.5	8.6
Capital turnover rate, times (4 quarters)	2.8	2.2	2.2	2.3	2.4	2.4	2.4	2.5	2.5	2.6
Investments in tangible assets continuing operations, SEK M	10	8	8	10	11	15	13	13	7	36
<b>Profitability ratios</b>										
Return on equity, %	6.2	2.6	2.9	2.7	2.0	-1.7	1.5	3.5	4.3	4.8
Return on equity, % (4 quarters)	14.5	10.2	6.0	4.6	5.1	7.0	13.8	21.4	26.1	25.4
Return on capital employed, %	6.2	2.7	5.3	3.6	2.0	0.1	2.6	3.1	3.6	4.2
Return on capital employed, % (4 quarters)	17.4	13.1	10.4	8.2	7.9	9.4	13.6	17.8	20.8	22.8
Return on total capital, % (4 quarters)	11.9	9.0	7.1	5.6	5.4	6.4	9.2	12.1	14.1	15.3
<b>Share data</b>										
Earnings per share continuing operations, SEK	0.77	0.28	0.87	0.46	0.64	-0.34	0.45	0.54	0.57	0.51
Earnings per share after dilution cont. operations, SEK	0.77	0.28	0.87	0.46	0.64	-0.34	0.45	0.54	0.57	0.51
Earnings per share, SEK	0.67	0.50	1.27	0.47	0.36	-0.29	0.24	0.53	0.66	0.78
Earnings per share after dilution, SEK	0.67	0.50	1.27	0.47	0.36	-0.29	0.24	0.53	0.66	0.78
Equity per share, SEK	19.28	19.06	18.94	17.13	17.71	17.72	17.28	15.99	14.48	16.11
Equity per share after dilution, SEK	19.28	19.06	18.94	17.13	17.71	17.72	17.28	15.99	14.48	16.11
Average no of shares outstanding, thousand	73,933	73,933	73,933	73,933	73,933	73,933	73,933	73,933	73,933	73,933
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
Stock price at period-end, SEK	47.70	52.00	46.60	50.00	37.20	23.50	38.40	48.50	57.25	68.50
Market cap at period-end, SEK M1	3,578	3,900	3,495	3,750	2,790	1,763	2,880	3,638	4,294	5,138

No of outstanding shares as per closing day amounts to 73 933 050

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

**Personnel**

	2,010	2,009	2,009	2,009	2,009	2,009	2,008	2,008	2,008	2,008
Number of permanent employees at period-end, remaining business	2,082	2,005	2,017	2,025	2,066	2,113	2,191	2,105	2,134	2,164
Number of permanent employees at period-end, including discontinued operations	3,832	3,778	3,822	3,879	3,955	4,072	4,135	4,047	4,086	4,102

**Financial overview Group - 5 years**

	2,010	2009	2008	2007	2006
	Q2	Q2	Q2	Q2	Q2
<b>Continuing operations</b>					
<b>Sales and earnings</b>					
Net sales, SEK M	910	1,013	903	919	821
EBIT, SEK M	87	79	80	109	100
EBIT margin, %	9.6	7.8	8.9	11.9	12.2
Net earnings, SEK M	66	30	70	67	64
Earnings per share, SEK	0.67	0.36	0.51	0.90	0.93
<b>Total, including discontinued operation</b>					
<b>Business and financial ratios</b>					
Return on equity, %	6.2	2.0	4.3	5.2	5.5
Return on capital employed, %	6.2	2.0	3.6	4.8	7.1

Definitions of the financial key figures can be found on page 73 in the Annual Report 2009.

PARENT COMPANY  
**MUNTERS AB**

**Income statement**

	2010	2009	2,010	2,009	2009/2010	2009
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Amounts in SEK M	3 months	3 months	6 months	6 months	12 months	12 months
Net sales	15	14	30	27	65	62
<b>Gross earnings</b>	<b>15</b>	<b>14</b>	<b>30</b>	<b>27</b>	<b>65</b>	<b>62</b>
Other operating income	0	1	0	1	1	2
Selling expenses	0	0	0	0	0	0
Administrative expenses	-30	-34	-61	-55	-139	-133
Other operating expenses	0	0	0	0	1	1
<b>EBIT - Earnings before interest and tax</b>	<b>-15</b>	<b>-19</b>	<b>-31</b>	<b>-27</b>	<b>-72</b>	<b>-68</b>
Financial income and expenses	116	19	154	25	155	26
<b>Earnings after financial items</b>	<b>101</b>	<b>0</b>	<b>123</b>	<b>-2</b>	<b>83</b>	<b>-42</b>
Transfer to tax allocation reserve	-	-	-	-	-3	-3
Income taxes	1	4	2	4	11	13
<b>Net earnings</b>	<b>102</b>	<b>4</b>	<b>125</b>	<b>2</b>	<b>91</b>	<b>-32</b>

**Balance sheet**

	2010	2,010	2,009	2009
Amounts in SEK M	30 Jun	31 Mar	31 Dec	30 Jun
<b>ASSETS</b>				
<b>Fixed assets</b>				
Equipment, tools, fixtures and fittings	6	5	6	6
Patent, licenses and similar rights	15	17	18	18
Participations in subsidiaries	985	904	904	800
Receivables from subsidiaries	1,021	1,120	1,247	1,576
	<b>2,027</b>	<b>2,046</b>	<b>2,175</b>	<b>2,400</b>
<b>Current assets</b>				
Receivables from subsidiaries	55	52	57	44
Other receivables	43	33	34	41
Cash and cash equivalents	87	104	148	61
	<b>185</b>	<b>189</b>	<b>239</b>	<b>146</b>
<b>TOTAL ASSETS</b>	<b>2,212</b>	<b>2,235</b>	<b>2,414</b>	<b>2,546</b>
<b>EQUITY AND LIABILITIES</b>				
Equity	1,074	1,047	1,024	1,008
<b>Untaxed reserves</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>19</b>
<b>Long-term liabilities</b>				
Interest-bearing liabilities	938	946	1,091	1,359
Provisions	39	39	39	39
	<b>977</b>	<b>985</b>	<b>1,130</b>	<b>1,398</b>
<b>Current liabilities</b>				
Liabilities to subsidiaries	114	159	213	100
Accounts payable	3	3	2	5
Other liabilities	22	19	23	16
	<b>139</b>	<b>181</b>	<b>238</b>	<b>121</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,212</b>	<b>2,235</b>	<b>2,414</b>	<b>2,546</b>

# Notes

## Note 1. Accounting policies

Like the annual accounts for 2009, the consolidated financial statements for the second quarter of 2010 were prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU and with the Swedish Annual Accounts Act. The Parent Company's financial statements were prepared in compliance with the Swedish Annual Accounts Act and with 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 policies as described in its 2009 Annual Report. New and revised IFRSs that became effective after January 1, 2010 did not affect Munters' financial position or earnings.

## Note 2. Divestment of MCS division

Munters signed an agreement to divest its MCS division during the second quarter of 2010. Since the transaction is expected to be completed in the third quarter, the figures referring to the divestment in this interim report are preliminary.

In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, net earnings from MCS are recognized under the item "Net earnings from discontinued operations" in the "Consolidated statement of comprehensive income." This entails that income and expense for MCS have been excluded from other profit/loss items for the current period and all earlier periods. In the "Statement of cash flows," MCS is recognized under the heading "Cash flow from discontinued operations." Comparisons are based on the segment reporting for MCS. Adjustments have also been made to allocate historical financing and tax expenses to MCS.

Assets and liabilities attributable to MCS are recognized on separate lines in the "Statement of financial position" as of June 30, 2010, under the respective items "Assets held for sale" and "Liabilities held for sale." In the "Statement of financial position" for earlier periods, the MCS division's assets and liabilities have not been separated from the other areas of the Group, but rather correspond with the previously published "Statement of financial position."

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