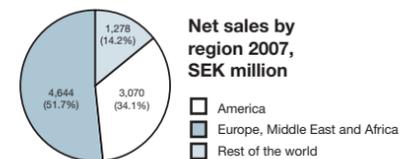
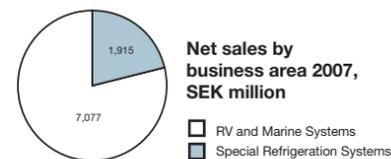


Important events 2007

- 2007 was a year of integration. In connection with the acquisition of WAECO, we have identified savings in the range of SEK 100 million through synergies, improved sourcing, market consolidations and technical coordination.
- Although much integration work still remains, the Group has reported continued growth and profitability. Net sales rose by 20.2 percent to SEK 8,992 million.
- A new sourcing organization in China has significantly improved opportunities for competitive sourcing.
- At the end of the year, Dometic acquired the Italian company SMEV, strengthening its position as a global supplier of products for recreation vehicles and pleasure boats.
- Dometic's sales of RV products in Europe remained good, with a sales increase of 26.5 percent. A jittery financial market contributed to slightly weaker sales in the US. In total, Dometic's sales in the RV area increased by 5.8 percent.
- The European market for marine products developed well, with growth of 39.7 percent from the previous year. Despite tough conditions in the North American market, the year as a whole was satisfactory and included a number of successful product launches. The new Turbo air conditioning system for boats won the Innovation Award 2007 at the International Boating Expo in the US.
- The hotel market was favourable during the year. Many new hotels were built in new markets, at the same time that existing properties in many locations were renovated. Sales for Medical Systems also developed well in all product areas.

Key figures 2007

	2007	2006	2005
Net sales (SEK million)	8,992	7,483	7,322
Average number of employees	6,161	4,068	4,201
Production facilities	27	22	22



All figures for 2007 include WAECO as of March 1, 2007 and SMEV as of November 1, 2007.



Dometic is a customer-driven, world-leading provider of innovative leisure products for the caravan, motorhome and marine markets. We offer a complete range of air conditioners, refrigerators, awnings, cookers, sanitation systems, lighting, windows, doors and other equipment that makes the mobile outdoors more comfortable. Dometic also manufactures specially designed refrigerators for hotel rooms and offices, for transport and storage of medical products and for storing wine. Our products are sold in almost 100 countries and are produced mainly at our production facilities around the world.

After several years of steady growth, we began to see signs in the mid 2007 of a market slowdown, this made us cautious in our full-year forecasts. Oil, copper, zinc and aluminum prices rose substantially, because of which we expected higher material costs. Another uncertainty affecting our projections was how the RV market would react to higher fuel prices. In other words, we prepared for a tough year.

Looking back now, our misgivings were largely justified, but we underestimated the strength of the market for the mobile outdoor life. Despite that the US market for RVs declined by nearly 11 percent in 2007, Dometic's global sales for the full



Interest in an active, mobile lifestyle is growing around the world. We are especially pleased that recreational vehicles and boating are attracting younger age groups.

Overnight, Dometic's sales increased by nearly SEK 2 billion, at the same time that we added over 1,800 new colleague-

Bassano del Grappa in Italy and Filakovo in Slovakia.

We're becoming more mobile

A mobile outdoor life appears to be attracting more people. As they raise their standard of living, people tend to spend more on recreation and leisure. This is evident in the way we travel and our search for new experiences. The RV and marine life is attracting a growing number of baby boomers who are nearing the end of their working careers but still have strong purchasing power and lead an active lifestyle. Another observation is that customers generally are prepared to pay more for comfort and convenience. The RV and marine lifestyle seems to be

“By streamlining our shared production resources and sales offices and improving logistics, we managed to save around SEK 100 million in 2007.”

year exceeded expectations. The European market as a whole outperformed what we had expected. We had a record year in Australia, with growth of 93 percent including the effects of the acquisition of WAECO. During the second half year, raw material prices slowed somewhat.

The acquisition of WAECO, with its extensive production in China and the large part of its sales in Europe, helped to reduce the impact of a declining dollar. High fuel prices, which we thought would greatly impact the RV and marine market, had considerably less effect than anticipated. This demonstrates the strong attraction of the mobile outdoors. The acquisition and integration of WAECO was our highest priority in 2007.

es. Industry experts have called the acquisition a perfect fit, and after just about a year together we couldn't help but agree. WAECO gave us a well-oiled aftermarket organization and efficient logistics. Since the acquisition, we have devoted great energy to improving efficiency and coordinating the Group in order to maximize our resources. In ten months, we were able to improve efficiency in logistics, inventory, sales and marketing, and material handling, with identified savings in the range of SEK 100 million.

The acquisition of SMEV strengthens Dometic's position as a leading supplier of cookers, ovens and sinks. Production of these products will now be coordinated between manufacturing units in

on the upswing in all developed countries.

We are also happy to see a growing interest in a mobile outdoor life among the younger age groups. One example can be seen in North America, where RV manufacturers have introduced a new generation of vehicles called Sport Utility Trailers. These RVs are designed for "weekend cruisers" or "daycruisers," a target group that likes to take the comforts of home with them when they go cycling, diving, mountain climbing or even tailgating at sporting events.

Larger boats, greater comfort

Despite a slower market in the US, Dometic's marine operations have developed well, thanks in no small part to the

acquisition of WAECO, which added a number of important product areas. In Europe, market growth exceeded expectations, especially for superyachts. Boat owners generally have more money and place higher demands on onboard comfort. Demand for air conditioning on large boats has increased significantly, and in total the European marine market grew by 18 percent for Dometic.

A new generation of marine sanitation products launched during the year has been well received, especially thanks to new European legislation that prohibits dumping at sea. Turbo, an air conditioning system launched in the US, won the Innovation Award 2007 at the Internatio-



Dometic develops products that make the outdoors more comfortable. Examples include new skylight roofs for caravans and motorhomes. They are always developed in cooperation with vehicle manufacturers.

nal Boating Expo. The process to adapt our RV products for marine use continued during the year.

New construction in hotel industry

A growing number of hotels are being built, as the same time that older ones are being renovated. This contributed to a good year for sales of minibars. HiPro-matic, an automatic minibar system with sensing technology, was launched. During the year, we started production of minibars in China, primarily to serve an expansive domestic market. And we launched a new wine cellar for the hotel and restaurant industry. Hotel products generally have performed very well, driven by global economic growth. Dometic Medical Systems had a very

successful year, with large deliveries of cold-chain vaccine transport systems to developing countries. A number of products have been launched in Medical Systems as well, including TCW2000, a transport box for vaccines, among other things.

Our commitment to sustainable development continued during the year. This was evident in a reduction in emissions, as well as in research and development. We devote significant resources to creating energy-efficient products with minimal impact on the communities we work in. Development is often done together with universities and institutes of technology. The aim is not only to create sustainable products, but also to develop environmentally friendly manufacturing processes and next-generation energy technology.

Dometic Group - a sign of quality

During the year, we continued to reassess how to manage our brands and the acquisitions we have made. We have also begun a review of our current product design in order to produce a group-wide updated design handbook in 2008.

Outlook for 2008

2008 will offer a number of exciting challenges. Since acquiring WAECO, the aftermarket has become increasingly important to us, and we anticipate future growth in this area. As an innovation company, we have to rely on our ability to challenge ourselves to think innovatively in design, technology, manufacturing and marketing. Our strong market position and technological expertise are driving us to find new areas of application and new markets.

2008 is not without its concerns, of course. We face an uncertain dollar, rising raw material prices and higher fuel costs, which makes our continued integration work and efficiency improvements even

more important. Regardless of what the market has to offer, I am convinced we can handle any fluctuations, as we always have – with humility and a passion for the mobile lifestyle.

Stockholm, April 2008

Lars Johansson
President and CEO



We are becoming more mobile

Mobile phones, laptop computers, MP3 players and GPS. Just a few years ago, they were four different products, sometimes big and clumsy. Today they are one and the same, light and compact. Product development has been strongly driven by the mobile consumer. The mobile trend is having an impact everywhere, especially for those of us who create comfort for the mobile outdoors. For us, it means a constant focus on developing and produce leisure products that are lighter, more energy efficient and convenient in an increasingly mobile world.

If you have been lucky enough to spend a vacation in an RV or a good-sized boat, you have probably come into contact with one of Dometic's products. Recreation Vehicles (RV) and Marine Systems is the Dometic Group's largest business area, with sales of SEK 7,077 million, or 78.7 percent of total sales. The products offered here create comfort in motorhomes, caravans and pleasure boats.

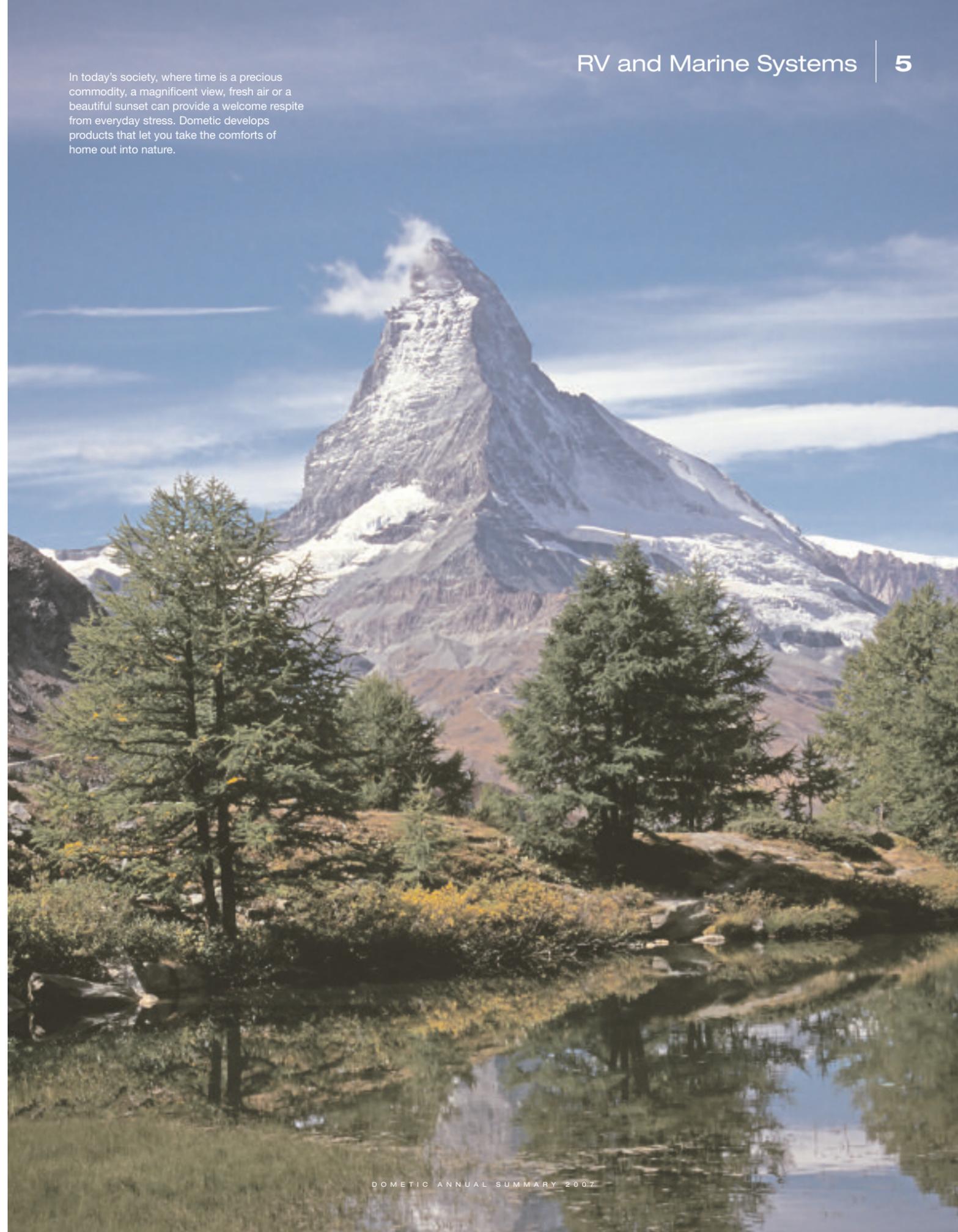
The product lines in this business area provide practically everything you need to make your outdoor experience comfortable, such as refrigerators, stove tops, ovens, microwaves and other kitchen equipment, air conditioning, sanitation systems, electrical equipment, vacuum cleaners, windows, roof lights, blinds, doors, lighting and ventilation systems. For the marine market, Dometic mainly offers air conditioning and sanitation systems, as well as galley equipment.

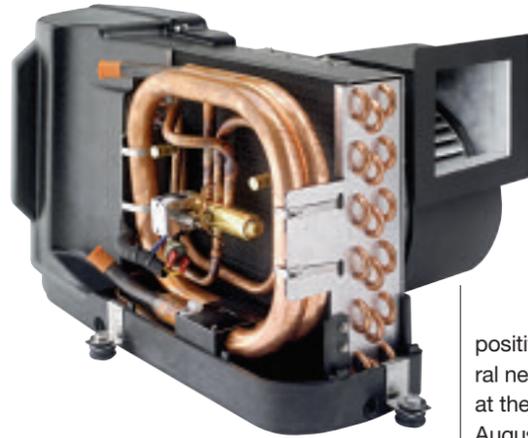
2007 in brief

- Dometic's largest business area, RV and Marine Systems, developed well during the year, reporting sales of SEK 7,077 million. With sales of SEK 6,034 million, RV Systems accounted for the majority, with Marine Systems contributing the remaining SEK 1,043 million.
- In 2007, RV sales in the US decreased by a total of 9.5 percent, partly due to higher gasoline prices and the economic concerns of American consumers. In Europe, motorhome registrations increased by 0.7 percent, while caravan registrations dropped 2.6 percent. As a whole, European RV registrations decreased by 1.2 percent in 2007.
- Dometic's sales of RV products increased by 26.5 percent in Europe. Other markets that developed well included Australia, where sales rose by 93 percent. This is largely an effect of the acquisitions of WAECO and SMEV.
- Sales of marine products developed well in Europe. In the US, Dometic's sales in the marine market rose by 9.8 percent in 2007.
- During the year, RV and Marine Systems launched a number of products, including a new sanitation system for caravans and new air conditioning for boats.



In today's society, where time is a precious commodity, a magnificent view, fresh air or a beautiful sunset can provide a welcome respite from everyday stress. Dometic develops products that let you take the comforts of home out into nature.





A new, compact generation of air conditioning for leisure boats was launched during the year. Quiet and compact, Turbo Vector AC was developed in cooperation with boat manufacturers. Suitable for small or large boats.

Smart technology - essential to comfort

The key to Dometic's success in the mobile outdoor market is its ability to develop light, compact and technically advanced products for mobile environments. A refrigerator in a motorhome must be able to withstand bumps, fluctuations in temperature and infrequent use without breaking down. Based on many years of experience, Dometic's product development team has become a reference of sorts for RV and boat manufacturers when they create new generations of recreational vehicles and pleasure boats.

In 2007, Dometic launched a number of RV and marine products that were very



positively received by the market. Several new sanitation products were shown at the Caravan Salon in Düsseldorf in August, including a toilet with a ceramic shell designed for the RV market. Ceramic parts make the systems much easier to clean, and they have received a very positive response from RV manufacturers. Deliveries have already begun, so these products will be available in RV models. Turbo, a compact air conditioning system introduced for pleasure boats, won the Innovation Award of the Year at the International Boating Expo in the US.

Expansive market

Traditionally, Dometic's sales have targeted RV and boat manufacturers. The acquisition of WAECO, however, has broadened the offering for consumers. The Dometic Group now offers a broad line of products over the counter. As a result, sales are better balanced, with approximately 75 percent in the B2B market and the remaining 25 percent from aftermarket products, whereas RV and boat manufacturers previously accounted for 85 percent. Expanding the product range has also increased the number of Dometic products in each vehicle.

Simpler cleaning and greater comfort are two of the features of the CT3000, Dometic's new sanitation system for caravans and motorhomes. The toilet has a ceramic shell, which is more hygienic and comfortable than conventional plastic models.

Since its products are strongly tied to leisure activities, Dometic's global sales are something of a gauge of the global economy. In Europe, this can be seen in the growing number of people who upgrade their motorhomes and boats to new, better equipped models. At the same time, travel and experiences remain popular, particularly among younger target groups. The number of new RV registrations in Europe in 2007 decreased by 1.2 percent from the previous year.

The mobile outdoor life is still very attractive in North America, Europe and



The right temperature improves the taste of fine wine. WAECO's wine coolers keep wine at exactly the right temperature, which it digitally displays. Can easily be installed at home or on a boat or RV. It offers variable temperature settings and can operate up to three hours on rechargeable batteries.

Australia. A wealthier, growing middle class will make new markets in former Eastern Europe and Asia to exciting challenges for the Dometic Group in the future.

Despite good RV sales, the economy is slowing down, especially in the US. We can therefore expect RV and boat owners to keep their vehicles longer and instead upgrade their current equipment. Aftermarket sales of freezers and coolers and small, portable refrigerators have increased which can be seen in

WAECO's strong sales figures in 2007. In 2008, however, the Dometic Group expects demand in the RV and marine market to slow temporarily.

Increase in travel

Traditionally, RV and boat owners are financially stable middle-aged households with free time on their hands. Thanks to the baby boomer generation born after World War II, this target group is growing around the world. Because they live longer, are more financially stable and stay healthier, this target

group has become one of the wealthiest in the world. They want memorable experiences, but refuse to give up on luxury or convenience. In the US, another million baby boomers began winding down their careers last year to spend more time on leisure activities. They are healthier, travel more, are less afraid of technology and place higher demands on comfort.

In general, RV owners are traveling more. New owners no longer have a campground as the ultimate destination of



Dometic's marine operations developed well during the year. In Europe, sales of large boats rose, creating good demand for Dometic's air conditioning and sanitation systems.

What is unique about RVs and boating is that they allow you to explore nature without having to sacrifice comfort and convenience.



their vacation. They travel to cities, historical sites and even concerts. Motorhomes and caravans have become a tool to make a trip as comfortable as possible. Without access to an RV park's facilities such as showers, toilets and electricity, more comfort is expected onboard. Larger refrigerators, better showers, nicer toilets, better electric systems and a suitable eating area have all become more important considerations as the vehicles become more self-sufficient.

Another exciting leisure trend is that the RV and boating life is attracting more young people. Surveys in Germany show that around 20 percent of all young people dream of an RV vacation. This is reflected in the daycruiser and weekend cruiser segment, where RVs are used, for example, for mountain climbing, off-roading or sport fishing trips. It is also reflected in a new type of vehicle, Sport Utility Trailers, which RV manufacturers in the US have designed with extra cargo space for bicycles, ATVs or motorcycles.



These consumer trends are driving Dometic's research and development team to adapt products for the future mobile outdoors.



Boat interiors have started looking a lot more like the inside of our houses. We expect the same comfort on the water as we do at home. Wine coolers, air conditioning and a pantry with the right kitchen equipment have practically become standard on most large boats.



Dometic offers a line of roof-mounted air conditioning systems for all sizes of caravans and motorhomes. The advantage of roof-mounted equipment is it more efficiently distributes cool air.



Dometic's RV generators give you power anywhere in the great outdoors. This makes your RV more self-sufficient and frees you up to camp far from electrical hook-ups.



During the year, Dometic introduced a new generation of RV refrigerators whose freezer compartment can be removed to increase refrigeration space. The new 8-series is also 10 percent lighter and consumes less energy than older models.



Network Elite is a control unit for air conditioning on large boats. Network Elite is compatible with other onboard control systems.



A growing number of features on boats and RVs are now remotely controlled, including sunroofs, air conditioning and lighting.

Refreshing cooling for a range of environments

Only a century ago, practically all refrigeration was done naturally with ice and snow. Today we expect artificial refrigeration in even the most extreme locations. Our society and lifestyle demand it. Whether a small refrigerator in a teenager's bedroom to keep sodas cold or a transport box for blood plasma, we take it for granted that a source of refrigeration will be there. Dometic's job is to make refrigeration more accessible and reliable for everyone, in any application.

The Dometic Group's Special Refrigeration Systems business area offers a range of specialty refrigeration equipment that utilizes absorption technology. This includes minibars for hotels and cruise ships, compact refrigerators for tight living spaces and rooms outside the kitchen, wine cellars, large dual energy refrigerators for areas with uneven electricity, and portable and stationary refrigeration systems for medical appli-



cations. The products meet demanding refrigeration needs in varying environments. Dometic also offers other hotel products such as small safes, which are increasingly becoming standard equipment in most hotel rooms.

These products primarily target customer groups such as hotels, healthcare providers and the pharmaceutical industry. In recent years, however, comfort products for consumers have grown significantly.

Dometic's success in this business area is due in no small part to its unique absorption technology, which is noiseless, vibration-free and flexible in terms of energy supply. This technology is well-suited to the hotel industry, for example, where a refrigerator can disturb a guest's sleep, or wine storage at home, because of its lack of vibration

2007 in brief

- Sales for the business area amounted to SEK 1,917 million.
- New construction and renovation in the hotel industry led to good sales in the US and Europe during the year. Better market conditions and construction for the Olympic Games has made China a very important market.
- Sales in Medical Refrigeration Systems exceeded expectations. In 2007, a new refrigerated transport box for healthcare providers was launched with good results.
- As a result of the consolidation of production resources following the acquisition of WAECO, minibars are now being produced in China, as well as Hungary and Germany.

New hotels built

In late 2006 and throughout 2007, we saw an increase in new construction and renovation among customers in the hotel industry following a number of years of underinvestment. At the same time, a consolidation is under way in the hotel market, which is creating fewer but larger chains. For the Dometic Group, this

Cruise ships are an important market for Dometic's hotel products. Cabins aboard these floating hotels are increasingly being equipped with safes and minibars. This is a typical niche market where Dometic's products fit well and have raised the standard of comfort.





Dometic's line of wine cellars is well known for reliability. These products are based on absorption technology, which provides vibration-free storage for fine wines – as close as you can get to a natural wine cellar.

meant a good year for our minibar line and other hotel products.

The acquisition of WAECO significantly strengthened our position in China, where we have now started manufacturing minibars in one of our factories. This gives us better access to the highly attractive Chinese hotel market, while reducing production costs. New construction in connection with the Olympic Games in Beijing has substantially increased demand. The hotel markets in the US and a number of European countries also contributed to a positive sales trend.

Reliable refrigeration for life-saving transports

The successful launch of TCW2000, a portable transport box for vaccines, contributed to the very good results for Medical Refrigeration Systems. In this area, Dometic offers portable boxes and stationary refrigerators and freezers to store vaccines, blood, medicines and



An important product area for Dometic is Medical Systems, which specializes in products to transport and store vaccines and blood. In addition, Dometic Medical Systems offers refrigerators, freezers and deep freezers for hospitals, the pharmaceutical industry and laboratories.

samples. This is an area where absorption technology really stands out for its reliability and flexibility in terms of energy sources, which is especially important in developing countries, where access to electricity can be uncertain or nonex-



After a long refreshing day by the pool there is nothing like a cold drink in your room. Dometic's world-leading minibars are equipped with lighting, adjustable shelves and fully automatic defrosting. Refrigeration is provided by quiet and reliable absorption technology.

istent. In addition to products to transport vaccines and blood, Dometic offers an extensive range of refrigerators and freezers for the pharmaceutical industry, laboratories and blood centers.

which is especially appreciated by this target group. The technology is also used in a line of exclusive wine cellars, which require a vibration-free storage environment.

An exciting trend in the market for specialty refrigeration is the growing interest in comfort cooling. From teenagers' bedrooms to confined living spaces in a student dorm or senior living facility, more places are being equipped with compact refrigerators to keep drinks or food cold. Absorption technology operates noiselessly and without vibration,



Tactical acquisition creates new opportunities

On December 28, 2006, Dometic signed an agreement to acquire all the shares in WAECO Group. After the deal was finalized in March 2007, Dometic's annual sales had increased by nearly SEK 2 billion, at the same time that the number of employees rose by around 1,800. This is the largest acquisition in Dometic's history. Integration between the two companies has already produced positive efficiency gains.

WAECO's products are sold through an extensive catalog business and a large network of retailers. Thanks to a well-oiled marketing organization and efficient logistics, WAECO has built a strong position in the expanding aftermarket for automotive and marine comfort products. WAECO also develops and sells specialized refrigeration equipment for car, truck and boat manufacturers. For them, WAECO is a competent partner for customized design and production.



Stronger presence

When announced in March 2007, the acquisition of WAECO was described by industry analysts as a perfect fit. The largest in Dometic's history, it will have a major impact on the company's growth opportunities. Through the acquisition, Dometic's range of comfort products for the global leisure market became more complete. Nearly 85 percent of WAECO's sales have been in the important aftermarket segment, considerably strengthening Dometic's position in the global market for the mobile outdoors.

In addition to a broader product range and stronger grip on the aftermarket, Dometic now has a better opportunity to improve efficiencies in distribution and logistics, particularly in Europe. Furthermore, WAECO was quick to begin production in China, which provides the group with excellent production resources.

The large part of WAECO's sales is in Europe (83 percent in 2007). This reduces Dometic's dependence on the US market, which had previously represented more than half of its total sales. Following

WAECO - History

WAECO was founded in 1974 by two brothers, Theodor and Peter Wähning, based in Emsdetten, Germany.

Back in the early seventies, it was virtually impossible for boat owners to keep food and beverages fresh for any length of time. The brothers therefore decided to develop the first battery powered refrigerator – and so WAECO was born.

Following the success of the refrigerator, the product range has gradually grown. Today WAECO sells portable refrigeration equipment, built-in refrigerators for a variety of vehicles, refrigerators for pleasure boats, RV air conditioning and a wide range of electronic accessories.

In 2006, a year before the merger with Dometic, WAECO had its largest production facilities in China, in addition to plants in Germany, Italy and Poland. Sales amounted to nearly SEK 2 billion with 1,800 employees.

the acquisition, the US accounts for 34.1 percent of Dometic's global sales, against 50.1 percent earlier. The impact of the weaker dollar has been offset by higher sales in Europe and Australia.

Dometic has a long history of successful acquisitions. Until WAECO, they had always added a new business or product area. This was the first time Dometic acquired a company that in many ways had a similar structure. Both had efficient but overlapping functions for administration, marketing and sales. Following the acquisition, Dometic's management has devoted great effort to efficiencies and

coordinating the group in order to maximize its shared strengths. In ten months, efficiency gains in logistics, inventory management, sales and marketing, and materials handling have saved about SEK 100 million on an annual basis.

Two profitable and successful companies with distinct corporate cultures and business processes have now become one. Though we have quickly realized synergies, the integration work has been demanding for the organization. In 2007 we consolidated eight sales companies, shifted production between factories and eliminated redundancies. The new sales

companies that have been organized in Europe and Australia have been staffed for both the business-to-business and aftermarket sectors.

Through WAECO's well-established catalogue distribution, we will be able to offer our customers catalogues displaying the entire group's products.

By late 2007 we had completed a large part of the overall integration. After a number of major changes, the organization has renewed its optimism, and we feel we are well prepared to build on further efficiency gains.



Innovation is our guiding philosophy

Our success is based in large part on an ability to develop the right products at the right time adapted to the current and future needs of our customers. Attractive design and technological breakthroughs, combined with efficient production, have been and will remain one of Dometic's defining qualities.

2007 was an intensive year for Dometic's development team. In addition to around 30 product launches, it included a restructuring of the development organization as part of the merger with WAECO. We have also developed a model for Group-wide product development that incorporates the best from Dometic's and WAECO's previous development processes.



Because of a diverse product range, Dometic's development work is generally handled by small units at individual factories. The exception is technical development, which is done centrally in Solna, Sweden. No finished products are developed there; the development team instead develops and tests new technologies and processes, which can be incorporated into commercial product ideas.

Alone is not strong

With over 80 years of experience in product development, we know that many product ideas can be found outside our company. To avoid becoming insular in our thinking, we frequently develop ideas

together with customers. These collaborations have helped to build long-term relationships. Many times these product development cooperations begin at the design level.

In technical research and development, we cooperate with institutes of technology and colleges. Long-term development projects are also carried out with various technical alliances and individual inventors. More efficient energy supplies, new cooling technologies and alternative energy sources are among the areas that have been a focus in recent years.

In 2007, investment costs for the Group's research and development corresponded to approximately 2 percent of total

sales. Following is a sampling of Dometic's innovations in 2007:

- A new toilet with a ceramic shell was developed for the RV market in 2007. The product, which was shown at the Caravan Salon in Düsseldorf in August 2007. Deliveries have already begun and several RV customers will have this product in their vehicles in 2008.
- In 2007, we introduced a number of new doors for motorhomes and caravans that are the result of a development project from a major RV customer. These agreements have made Dometic a market leader in RV doors in Europe.
- By designing an in-door ice maker for an absorption refrigerator, we consolidated our world-leading position in absorption refrigeration. Technically, it is very difficult to deliver this function in this type of refrigerator.
- A new generation of minibars was launched during the year. HiPromatic offers unique, sensor-controlled surveillance to automatically track purchases.
- CK2000 is a compact, new kitchen fan designed for RV and marine markets.



Country	Location	Main products	RV and Marine Systems	Special Refrigeration Systems and Automotive
Sweden	Motala Tidaholm	Large absorption refrigerators Window components	• •	•
China	Pinghu Zhongshan Zhuhai (2 factories)	Thermoelectric or compressor-driven refrigerated boxes and cabinets Air conditioning systems for recreational vehicles Compressor refrigerators and thermoelectrics	• • •	• • •
Germany	Emsdetten Siegen Krautheim	Air conditioning systems for trucks and recreational vehicles Compressor refrigerators Medium-sized absorption refrigerators Windows Roof lights Blinds/insect screens Doors	• • • • • • •	• • • • • • •
Hungary	Dillenburg Rudersdorf	Lighting systems Specialty products	• •	
Italy	Jászberény Bassano del Grappa Forli Milan	Small absorption refrigerators and portable boxes Stoves, ovens and kitchen counters Air conditioning/generators for recreational vehicles Air conditioning systems for pleasure boats	• • • •	• • • •
Luxembourg	Novafeltria	Compressor refrigerators	•	•
Mexico	Hosingen Ciudad Juárez	Medical refrigeration systems Compressor refrigerators Awning components Air conditioning systems for recreational vehicles	• • • •	• • • •
Poland	Ostroda	Glass fiber components	•	
Slovakia	Filakovo	Stoves, ovens and kitchen counters	•	
South Africa	Bronkhorstspuit	Multi Energy refrigerators	•	•
Spain	Girona	Safes	•	•
USA	Pompano Beach, Florida La Grange, Indiana Ontario, California Big Prairie, Ohio Richmond, Virginia	Air conditioning systems for pleasure boats Awnings Awnings Sanitation systems Air conditioning systems	• • • • •	



In many respects, Dometic lives in symbiosis with its customers. They often expect us to adapt to their needs, and our development work is done in close cooperation with them. Dometic is characterized by its innovative strength and each year launches a number of new products and product modifications.

- TCW2000, a new storage box for vaccines, was launched during the year. The box has a unique refrigeration system that keeps the temperature at the right level even during extended electrical outages.
- In 2007, Turbo, a compact air conditioning system for small pleasure boats, was launched. It won the Innovation Award of the Year at the International Boating Expo in the US.

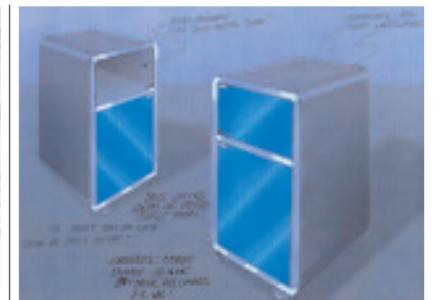
Smarter production and sourcing
Dometic's goal is to increase purchases and production in low-cost countries. Through the acquisition of WAECO, the Group added a well-established production and sourcing organization in China. This sourcing organization buys finished

products and components for Dometic's global sales and production. Logistics have also been improved significantly through this reorganization. Technical coordination and better sourcing processes directly reduced costs by SEK 10-20 million in 2007 and are expected to have further positive effects in 2008.

Service is our competitive advantage

To assist customers, Dometic has an extensive service organization that can quickly resolve any problems with our products. As end-users place higher demands on suppliers, our customers are also placing higher demands on the availability of product information and spare parts. To meet this demand,

Dometic has three parts warehouses in Europe to serve customers. We have also developed a support system, Pro-Corner, that service technicians can use to directly order parts and obtain technical information online. Dometic also works actively with product training for customers' service organizations.



Dometic - a brand facing change

For many years, the Dometic brand has stood for innovation, product quality and an active lifestyle. Since our customers are mainly manufacturers, our marketing has primarily targeted them, not consumers. Even if an RV or boat owner recognizes Dometic's logo or name, they know little about what we stand for. Our challenge is to more closely tie Dometic to the positive values associated with the mobile outdoors.

2007 was a year of integration for Dometic. The acquisition of WAECO has changed our operations and offering to the core, and thus our brand as well. Dometic and WAECO are both strong brands, but with different target audiences. To take advantage of all the years of branding work by WAECO, a decision was made to retain the WAECO name as a trademark during a transitional period. In 2007, the Dometic Group was created

to serve as an umbrella name encompassing both brands. The long-term strategy, however, is that Dometic will serve as the principal brand for the Group. We have also begun a gradual transition in which Dometic's and WAECO's sales companies and factories are being integrated and changing their names to Dometic.

An awareness survey conducted in Germany and Sweden in 2007 showed that recognition of the brand had increased from 6 percent 2003, when we just had been separated from Electrolux, to 41 percent 2007. This is a fantastic result, according to many branding experts. Our focus moving forward will be to more strongly link the brand to the values associated with an active lifestyle.

The identity manual produced in 2006, which describes the qualities, visual expressions and values Dometic stands for, is undergoing a review that will be completed in 2008. The manual is a tool that shows correct applications of the trademark and will guide the Group's efforts to make the company better known to its target audiences. In the long

run, it will serve as a useful resource for continued growth. Our employees should feel secure in our values and strategic direction.

Dometic is a strong brand with high penetration in the geographical markets where we are active. The brand is supported by a longstanding presence in the global market, proven innovation and high product quality. At the same time, we realize that our technologies have many other areas of application. We have therefore begun an analysis to look at new ways to use Dometic's products and innovations. Our ambitious growth objectives in the years ahead will require new products as well as new markets. The mobile lifestyle contains many exciting areas for Dometic.

The goal of our branding work is to coordinate all expressions of our brand – in advertising, sales, trade shows and public relations – around the world. We know that a strong brand is a springboard for future growth. Our goal is therefore to be recognized around the world and stand for mobile convenience and a comfortable outdoor lifestyle.



Two cultures become one

In March 2007, Dometic began to integrate its largest acquisition ever, WAECO. In a multinational group with over 6,000 employees and 27 factories in 12 countries, creating a single corporate culture is a big challenge. We are convinced, however, that strong leadership, a sound work environment and a workplace where individuals have the opportunity to develop will benefit this work. In essence, we realize that the commitment of our employees is the basis of our success in the market

2007 was a tough but exciting year for Dometic's employees. In March 2007, 1,800 new colleagues were added when the integration of WAECO began. The integration will reshape the Group, including the corporate culture. Although the merger has been described as a perfect fit by industry experts, it is still a question of melding two very different corporate cultures and organizations.

To facilitate the integration, a number of efficiency improvement projects have been launched. Naturally, employees were concerned about redundancies when the work began, but we have found out just how right these industry experts were when they said we and WAECO were a perfect fit.

After duplicate offices were consolidated, production resources were shifted, administration reduced and warehousing coordinated, redundancies were limited to around 80 employees. Despite that integration work has just begun, the results are apparent in the form of positive sales results and cost savings. We have also realized that there are more aspects of our cultures that unite us rather than

set us apart. For this reason, we are greatly confident in our future together.

We want all employees to have the opportunity to reach higher positions in the Group. This is critical if we want to be an attractive employer regardless of the market. A good relationship with local unions is also an important priority for Dometic's management. In 2005, a cooperation was established with the unions within the framework of a European Workers' Council (EWC). EWC is a union cooperative across national borders on a Group level. In 2007, one EWC meeting was held.

The average number of employees at Dometic during the year was 6,161, of whom 64 percent were men and 36 percent were women. Geographically, 3,556 employees were located in Europe, the Middle East & Africa, 1,071 in America and 1,534 in the rest of the world.



Dometic's employees make our success possible. We feel it is an honour to have people from different cultures and nationalities in our group. During the year, we adopted a code of conduct that will apply to the entire group.

Our presence in China has increased dramatically following the acquisition of WAECO. To ensure a good work environment for our employees, Dometic is one of the few foreign companies to have decided to certify these factories according to ISO 14001 and SA8000 standards.

Major growth requires environmental work

Work with environmental issues and the importance of sustainable development are a priority for Dometic. With environmental work designed to promote sustainability, we try to make it easier for customers to make the right environmental choice.

Dometic continuously strives to improve the environmental aspects of its operations and products, as well as prevent any adverse impact on the environment. All operations and products must comply with the rules and requirements set by authorities as well as customers. We are committed in all our business processes to efficiently consume materials and energy.

During the year, Dometic adopted a code of conduct partly based on the code of the European Committee of Domestic Equipment Manufacturers (CECED). Initially, we will communicate the code internally and ensure that our operations as a whole live up to the requirements. One of the long-term goals, in accordance with the code, is to place the same requirements on suppliers and other stakeholders.

Environmental policy

Dometic's environmental policy adopted in 2001 was updated in 2006. The new version reflects our view of the environment and fulfils the requirements of the ISO 14001:2004 environmental management system. Our aim is to work according to the following principles:

Location	Number of factories		ISO 14001 certified		Fulfils internal environmental system, MER	
	2007	2006	2007	2006	2007	2006
Europe	16	12	9	8	0	0
North America	8	8	0	0	1	1
China	4	1	1	0	0	0
Rest of the world	1	1	0	0	0	0



Continuous improvements

Our goal is to continuously improve the environmental performance of our products and their production.

Optimal usage and minimal release of hazardous substances

All our factories try to optimize the use of materials in their production. An impor-

tant aspect is to monitor the chemicals being used in order to manage them efficiently.

Fulfilling legal requirements

All plants and companies in the Dometic Group are responsible for complying with all applicable legal requirements.

Life cycle approach

Dometic's environmental policy is based on an analysis of every phase of a product lifecycle. We previously developed equipment to process end-of-life absorption refrigerators in an environmentally safe manner.

Customer-oriented

Our environmental work is guided in many cases by customer demands, public awareness and national traditions.



Open communication

Information on our environmental work is easily accessible to employees, customers and other stakeholders. We put the environmental policy into practice through our environmental program, established objectives and an effective environmental management system.

Environmental program

The basis for the environmental program is national and international legislation, future legislation and not least the Group's own aims. One example of legislation is the EU's new chemicals regulation, REACH, which entered into force in 2007. REACH gives companies clearer responsibility to register and evaluate the health and environmental risks of the chemicals they use and to describe how they can be safely managed. Other examples include the EU's directive on End-of-Life Vehicles (ELV),

the Directive on the Restriction of certain Hazardous Substances (RoHS) and producer responsibility for Waste Electrical and Electronic Equipment (WEEE).

Environmental Management System

Local environmental work is based on the central environmental program and is carried out within the framework of an Environmental Management System (EMS). All production facilities must have such a system, which initially requires that they meet internal Minimum Environmental Requirements (MER). The goal is for all factories to use the international EMS standard, ISO 14001.

Status

The acquisitions in 2007 have impacted environmental work. In Europe, four factories were added. At year-end, nine of 16 European factories were certified in accor-

dance with ISO 14001. EMS work at our factories in North America is progressing, though at a slightly slower rate largely due to differences in customer demands and national traditions. In 2007, one factory was MER approved and another two are expected to be approved in 2008.

Key figures for a better environment

Dometic currently has 27 production facilities around the world after two North American facilities were merged at year-end 2007. The main processes at these plants are metal working, welding, molding of plastic, vacuum forming, foaming and painting. The main environmental aspects of production are energy and chemical use, waste, noise and air emissions. Since 2001, Dometic has been collecting data to measure energy and water consumption, waste generation and material input and out-

put at all production facilities. The information is saved in a database and the findings are presented in an annual factory report that serves as a platform for setting environmental targets each year.

Results 2007 - Environment

- Our environmental policy was communicated to the majority of factories and companies.
- The translation of the environmental section on Dometic's website was completed and a new environmental brochure was produced and printed.
- A tenth European factory is working on ISO14001 certification. In addition, a number of US and European factories are introducing the internal MER system.
- An environmental handbook was produced for the development depart-

ments to measure the environmental aspects of the company's products and has been launched to date in the four largest factories. In 2008, the environmental handbook will be integrated in a quality handbook.

European environmental legislation

- In 2007, greater focus was placed on energy legislation.
- A large part of the work has involved a number of important energy laws, including the directive on Energy-Using Products (EUP) and the directive on energy labelling and energy efficiency.
- Within the framework of the EUP directive, requirements are being defined for our products in terms of energy consumption, and the directive for

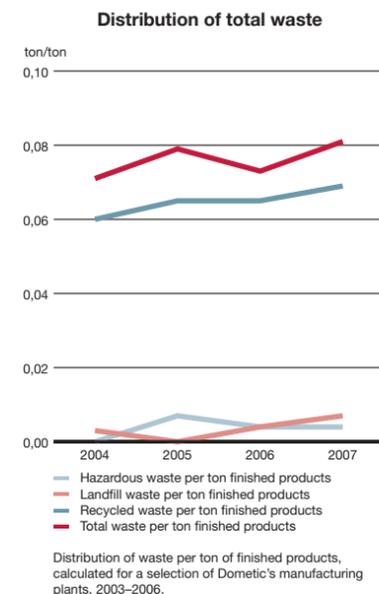
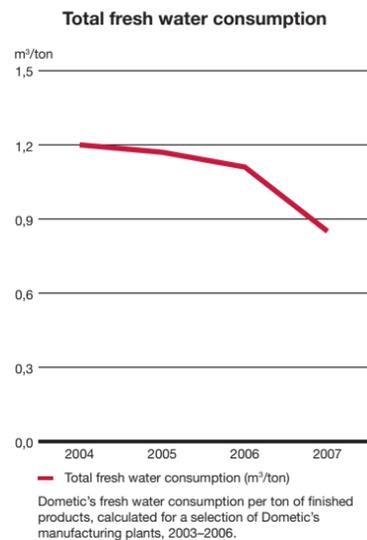
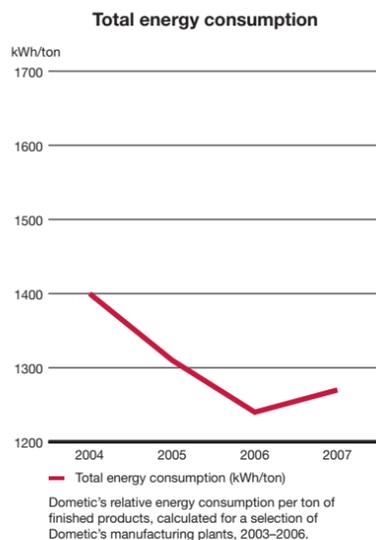
energy labelling and efficiency is being updated. These directives could impact a larger share of our products than before.

Environmental goals 2008

The priority in 2008 will be to continue to introduce Dometic's internal Environmental Management System, MER, and to integrate the new plants into existing operations and ensure that they meet the requirements of the environmental policy.

European environmental legislation

Dometic stays informed on how current and new legislation could impact the company and its products. After the new REACH regulation takes effect, the revision and update of RoHS and ELV will continue, as will development of new energy legislation for products.



1922

Baltzar von Platen and Carl Munters invent the first absorption refrigerator. A patent is granted on March 8, 1923.

1925

Electrolux acquires the von Platen-Munters patent and introduces the world's first absorption refrigerator for households. A patent is granted in the US in 1926.

1927

Servel Inc., an Electrolux company in the US, begins manufacturing refrigerators on license for the American market.

1930s

Refrigerators are accepted as a standard item in modern middle-class households. The "people's refrigerator," in various sizes and models, is a success and sales volumes set new records every year.

1936

The one millionth absorption refrigerator is sold.

1950s

Refrigerators are greatly improved and consume 30% less energy. Competition from compressor refrigeration technology gets tougher. The first refrigerator for caravans is introduced.

1960s

Absorption refrigeration sees a renaissance thanks to strong demand for caravan refrigerators. AB Electrolux establishes a US subsidiary called Dometic Sales Corporation to market refrigerators for caravans and other recreation equipment under the Dometic brand.

1970s

The product line for caravans and boats is expanded. Piezo-electrical ignition is introduced on most refrigerator models.

1973

The acquisition of Siegen Metallwarenfabrik in Siegen, Germany adds a complementary model, primarily for the German market.

1980s

Very strong demand for RV refrigerators following the first oil crisis. An electronic refrigerator that automatically selects the optimal method of operation breaks new ground globally.

1985

Acquisition of Duo-Therm Corporation, which produces air conditioning and heating equipment for RVs. Origoverken, which produces cookers and ovens for pleasure boats, is acquired in 1986.

1988

Acquisition of A&E Systems Inc., the largest US manufacturer of awnings for recreation vehicles.

1990s

Medical refrigeration is developed from concept to full-scale business. W.T.A. of Italy, which manufactures air conditioning equipment and generators, is acquired. The first water purification system is developed.

2000

Acquisition of Seitz of Germany, which manufactures windows and doors for recreation vehicles.

2001

As of July 31, Electrolux sells most of its Leisure Products line to the venture capital firm EQT. The Dometic Group is created.

2002

Dometic acquires Electrolux's Leisure Product operations in Germany and Slovakia as of January 31. The Dometic Group thereby becomes a complete legal group. Acquisition of SeaLand, the leading US manufacturer of sanitation systems for the pleasure boat industry.

2003

Dometic's product range is expanded through the addition of lighting systems. The acquisition of the US company Taylor Made Environmental strengthens Dometic's position as a system supplier to the marine industry.

2004

Additional acquisition in medical refrigeration.

2005

Per June 3, the Dometic Group is acquired by funds advised by the European private equity firm BC Partners.

2006

The ten millionth refrigerator rolls out of Dometic's factory in Motala. Acquisition of Eskimo Ice.

2007

Acquisitions of WAECO and SMEV.

Group Management

Lars Johansson
(born 1948)
President and
Chief Executive Officer.
Employed since 1972.

Jan Lindstedt
(born 1956)
Chief Financial Officer.
Employed since 2004.

Rutger Wachtmeister
(born 1954)
Executive Vice President –
Marketing and Sales.
Employed since 1991.

Anders Almqvist
(born 1949)
Executive Vice President
of Technology and
Production (CTO).
Employed since 1979.

Roger Maurer
(born 1959)
Director,
Group Business Control.
Employed since 2000.

John Waters
(born 1946)
Executive Vice President –
North America.
Employed since 1991.

Joachim Kinscher
(born 1957)
Executive Vice President –
Sales Europe.
Employed since 1978.

Reimund Spies
(born 1951)
Director, Group Mergers
& Acquisitions.
Employed since 1978.