Interim report for Q3 2012/13 (1 April - 30 June)

Company announcement no. 20-2012/13 **20 August 2013**

Continued solid organic growth in Q3. The integration of King Systems is progressing according to plan and nearing completion. The outlook for revenue and earnings for the year is maintained.

- Revenue for Q3 was up 44% at DKK 378m, with organic growth reported in local currencies of 7%. Year-to-date revenue is DKK 982m, corresponding to growth of 29% and organic growth reported in local currencies of 6%.
- Following the takeover in February 2013, King Systems contributes revenue of DKK 91m for the first whole quarter under Ambu ownership, and DKK 135m YTD. The integration of King Systems is progressing according to plan and nearing completion.
- A gross profit of DKK 182m (DKK 142m) was returned for Q3, representing an increase of 28%. The gross margin was 48.2% (53.9%) and is impacted by the acquired activities in King Systems, Unilect and First Water Heathcote; as expected, margins for these activities are lower than for the original Ambu business. Moreover, the gross margin is negatively impacted by a large contract with the US general purchasing organisation HEALTHTRUST PURCHASING GROUP.
- The HEALTHTRUST PURCHASING GROUP contract has been extended to include a three-year exclusive agreement with potential revenue in excess of USD 63m over three years. This is Ambu's and King Systems' largest contract so far and is expected to contribute both solid organic growth and satisfactory earnings. The additional revenue is expected to total approx. DKK 30m per year.
- Following the acquisition of First Water Heathcote, Ambu is closing the factory in Gloucestershire and moving the production of Unilect electrodes and gels to one factory in the UK supplemented with contract production in India. This will produce the expected improvement in margins for Unilect electrodes.
- EBITDA before special items was up at DKK 62m (DKK 51m), while an EBITDA margin of 16.4% (19.5%) was posted.
- Special items pertaining to the acquisition and integration of King Systems and First Water Heathcote amount to a combined DKK 14m for Q3. Including special items relating to the acquisition of First Water Heathcote, special items of a combined approx. DKK 50m are now expected for the financial year as a whole against earlier expectations of approx. DKK 45m.
- Free cash flow before acquisitions was DKK 10m (DKK 59m) for the quarter and DKK 24m (DKK 53m) YTD.

- The outlook for revenue and earnings for the year is maintained, with expected revenue of approx. DKK 1,400m, an EBITDA margin before special items of approx. 17.5% and an EBIT margin before special items of approx. 12%. Free cash flow before acquisitions, special items and milestone payment is now expected to be approx. DKK 100m against an earlier outlook of DKK 120m.

"We are pleased to report continued growth for Q3 despite all the resources which have gone into the integration of King Systems, Unilect and First Water Heathcote during the past quarter. We feel comfortable with the business platform which, in future, will create an even stronger market position for Ambu," says President & CEO Lars Marcher.

Financial highlights

DKKm		Q3 2012/13	Q3 2011/12	YTD 2012/13	YTD 2011/12	FY 2011/12
Key figures	Revenue	378	263	982	762	1,045
	Profit before interest, tax, depreciation and amortisation (EBITDA), before special items	62	51	154	147	205
	Operating profit (EBIT) before special items	39	37	102	106	151
	Operating profit (EBIT)	25	36	55	102	145
	Net financials	(13)	(3)	(22)	(2)	(1)
	Profit before tax	12	33	34	100	144
	Net profit for the period	7	24	21	74	110
	Total assets	1,949	1,009	1,949	1,009	948
	Equity	667	644	667	644	665
	Net interest-bearing debt	766	113	766	113	57
	Cash flows from operating activities	27	72	65	87	158
	Cash flows from investments before company acquisitions	(17)	(14)	(41)	(34)	(47)
	Free cash flows before company acquisitions	10	59	24	53	111
	Company acquisitions	2	31	703	30	31
	Average no. of employees	2,362	1,735	2,362	1,700	1,683
Ratios	Gross margin, %	48.2	53.9	49.3	55.5	54.5
	Rate of cost, %	37.9	39.7	38.9	41.5	40.1
	EBITDA margin before special items, %	16.4	19.5	15.7	19.3	19.6
	EBIT margin before special items, %	10.3	14.2	10.4	13.9	14.4
	Return on equity, %	1	4	3	11	17
	NIBD/EBITDA before special items	3.6	0.6	3.6	0.6	0.3
	Equity ratio, %	34	64	34	64	70
	Investments, % of revenue	4.5	5.3	4.2	4.5	4.4
	Working capital, % of revenue	33	38	33	38	34
	ROIC, % after tax including goodwill	10	14	10	13	14
Share data	Market price per share, DKK	180	142	180	142	148

The interim report for Q3 2012/13 and for the period 1 October 2012 to 30 June 2013 has not been audited; the accounting policies have been applied consistently with the annual report for 2011/12, see also Note 1. The key figures have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations and Financial Ratios 2010'.

Teleconference

Ambu is holding a teleconference on 20 August 2013 at 11.00 CET. To participate, please call the following number five minutes before the start of the conference: +45 32 71 47 67. The teleconference will be held in Danish and can be followed via www.ambu.com/webcastQ32013, where slides can also be viewed. The conference will be made available subsequently on the Ambu website.

Further information

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About Ambu

Since 1937, breakthrough ideas have driven our work to bring efficient healthcare solutions to life within our fields of excellence: Anaesthesia, Patient Monitoring & Diagnostics and Emergency Care. Millions of patients and healthcare professionals worldwide depend and rely on the functionality and performance of our products. We are dedicated to improving patient safety and determined to advance single-use devices. The manifestations of our efforts range from early inventions like the Ambu bag and the legendary Blue Sensor® electrodes to our latest landmark solutions such as the aScope™ – the world's first single-use videoscope. Our commitment to bringing new ideas and superior service to our customers has made Ambu one of the most recognised medico-technical companies in the world. Our head office is situated in Ballerup near Copenhagen. Ambu has 2,360 employees in Europe, North America, Asia and the Pacific region. For further information, visit www.ambu.com.

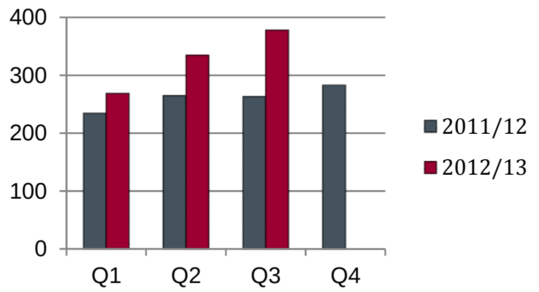
Management's review

for Q3 2012/13 and the period 1 October 2012 - 30 June 2013

DEVELOPMENTS IN Q3

Revenue was up 44%, and organic growth was 7% after continued growth within all product areas.

Revenue – quarters (DKKm)



PRODUCT AREAS

Patient Monitoring & Diagnostics

Sales within Patient Monitoring & Diagnostics were up 13% for the quarter, with organic growth of 8%. Year-to-date growth of 15% and organic growth of 5% are reported.

The Unilect electrode business acquired by Ambu in May 2012 saw continued solid growth in Q3. Ambu is clearly benefiting from being able to offer a full programme of single-use electrodes for diagnostic and monitoring as well as outpatient treatment purposes.

Anaesthesia

Sales within Anaesthesia were up 94% for the quarter following the acquisition of King Systems, while organic growth was 2%. Year-to-date growth of 52% and organic growth of 4% are reported. As expected, sales in the USA were lower due to the considerable efforts going into integrating King Systems. In the next quarters, sales in both Ambu Inc. and King Systems are expected to return to normal levels.

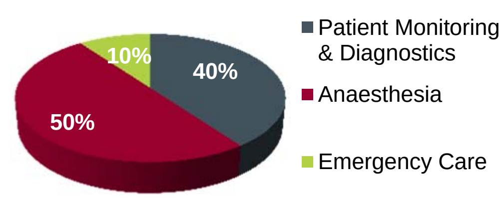
The new version of the sterile single-use videoscope aScope 3 and the newly developed monitor aView have been launched in Scandinavia, Germany, the UK and Australia. The product improves the monitoring of patient airways and lungs and has been very positively received by doctors.

In a new report from July 2013, the independent English National Institute for Health and Clinical Excellence (NICE) concludes that aScope 2 can alleviate life-threatening situations in the case of unexpectedly difficult airways. NICE also observes that aScope 2 can probably improve patient treatment and safety, and that the product is probably also cost-saving.

Emergency Care

Sales within Emergency Care were up 18% in Q3. Year-to-date organic growth of 14% is reported following strong demand for neck collars and manikins. The increase in demand can be ascribed to the introduction of new guidelines for manikins, which has had a positive bearing on sales for the period.

Revenue – product areas (Q3)



MARKETS

USA

The acquisition of King Systems has increased Ambu's exposure to the USA, where revenue has almost doubled, and considerable economies of scale have been realised. In Q3, the USA accounted for 48% of Ambu's revenue against 35% last year, and the full integration of King Systems will provide Ambu with a strong platform for continued growth despite fierce competition.

Sales in the USA increased by 97%, while organic growth of 1% is reported. In Q2, Ambu integrated the

	Q3				YTD			
	Realised			Organic	Realised			Organic
DKKm	2011/12	2012/13	Growth	growth	2011/12	2012/13	Growth	Growth
Patient Monitoring & Diagnostics	133	151	13%	8%	374	430	15%	5%
Anaesthesia	98	189	94%	2%	285	434	52%	4%
Emergency Care	32	38	18%	18%	103	118	14%	14%
Total	**263**	**378**	**44%**	**7%**	**762**	**982**	**29%**	**6%**

Ambu Inc. and King Systems sales forces in the USA and Canada and established dedicated sales forces for Anaesthesia and PMD/Emergency Care counting 50 and 30 salespeople, respectively, as the strategies and customer types for the two product and customer segments are very different. Q3 was thus the first ordinary quarter for the new sales force, and moving forward the improved geographical coverage and the larger product portfolio are expected to generate considerable sales synergies.

Ambu and King Systems have signed and are currently running in a three-year exclusive contract with the general purchasing organisation HEALTHTRUST PURCHASING GROUP. HEALTHTRUST PURCHASING GROUP is one of the largest general purchasing organisations in the USA, acting for more than 1,000 hospitals and 4,000 general members. The contract is expected to contribute significantly to Ambu's future organic growth and potentially to generate revenue of more than USD 63m over the term of the contract, of which approx. USD 15-20m will be revenue over and above the revenue generated under the existing contract.

Europe

Ambu continues to grow in Europe, despite the fact that the market is characterised by the economic crisis and tight public sector budgets. Sales increased considerably, by 13%, while organic growth was 9%. Year-to-date organic growth is 7%.

The organic growth for the quarter was broadly founded in all sales regions.

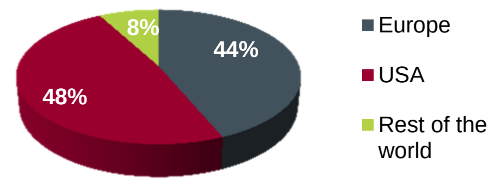
In Q3, Europe accounted for 44% of Ambu's revenue against 55% for the prior-year period. Ambu still expects above-market growth for FY 2012/13.

Rest of the world

The acquisition of King Systems has also strengthened Ambu's position for example in the growth markets in South America, complementing Ambu's focus on Asia.

Reported growth in the rest of the world was up 24% for the quarter, with organic growth of 21%.

Revenue – geography (Q3)



INTEGRATING KING SYSTEMS

In June, Ambu completed the 100-day plan for the integration of King Systems which was initiated in connection with the acquisition on 15 February 2013. At the end of Q3, the organisational integration has been completed within all key areas.

As mentioned above, the sales forces in the USA and Canada have been integrated, and a joint finance function has been established in Indianapolis. The King Systems sales organisation has been transferred to Ambu's IT platform, while the factory in Indianapolis will transfer to Ambu's ERP system before summer 2014.

The integration of King Systems' international sales organisation has commenced, and in future the distribution of King Systems' products outside the USA and Canada will be handled directly by Ambu's sales organisation rather than by external distributors. The transition will be fully implemented in Q1 2013/14 and is expected to increase the profitability of international sales.

Synergies

In connection with the integration of King Systems and the combination with Ambu Inc., a total of approx. 40 jobs have been cut. The trimming of the cost base will strengthen Ambu in 2013/14, when the optimisation of the logistics and purchasing functions will also be fully implemented. Moreover, considerable sales synergies will be created by the launch of King Systems' products in Europe and Asia. In FY 2013/14, Ambu expects combined synergies of DKK 40m.

	Q3				YTD			
	Realised			Organic	Realised			Organic
	2011/12	2012/13	Growth	growth	2011/12	2012/13	Growth	growth
USA	93	183	97%	1%	254	399	57%	1%
Europe	145	165	13%	9%	437	495	13%	7%
Rest of the world	25	30	24%	21%	71	88	23%	17%
Total	**263**	**378**	**44%**	**7%**	**762**	**982**	**29%**	**6%**

UK PRODUCTION ALL IN ONE LOCATION

On 8 May 2013, Ambu acquired First Water Heathcote, a UK-based manufacturer of hydrogels, for GBP 1.2m in cash plus an earn-out of GBP 0.6m. With the acquisition, Ambu increases its expertise within adhesive gels, a key component in the production of Unilect electrodes. Ambu was the company's largest customer.

The acquisition will lead to a restructuring of Ambu's production in the UK, and in September 2013, the Gloucestershire factory will be closed down, and the production of Unilect electrodes will be transferred partly to First Water Heathcote's plant in Warwick and partly to a long-standing partner in India. Most of the 57 staff in Gloucestershire will be made redundant, but a few will be transferred to First Water Heathcote. The step will enable Ambu to increase margins on Unilect electrodes to the average level for Ambu's electrodes.

Transaction and integration costs relating to the acquisition of First Water Heathcote and the restructuring of the UK production will be recognised under special items.

INCOME STATEMENT

Comparative figures are stated in brackets.

Revenue

Revenue of DKK 378m (DKK 263m) was posted for Q3, representing growth of 44%. Reported in local currencies, organic growth of 7% was posted, with organic growth of 6% when reported in Danish kroner. Year-to-date revenue of DKK 982 was reported, representing growth of 29%. Organic growth was 6% when reported both in local currencies and in Danish kroner.

Gross profit

Gross profit for the quarter was DKK 182m (DKK 142m), up 28%. The gross margin fell from 53.9% to 48.2% and was significantly impacted by the following factors:

- Lower margins on the acquired Unilect and First Water Heathcote activities. As mentioned above, following the restructuring of production in the UK, margins on a par with the average margin for Patient Monitoring & Diagnostics are expected to be realised for these activities.
- Effect of purchase price adjustment of King Systems, with the margin for the quarter being reduced by the profit on finished goods produced prior to the takeover date. The inventories of finished products will be sold by the end of the current financial year.
- The running-in of the HEALTHTRUST PURCHASING GROUP contract, which involves lower gross margins on the products offered. Total earnings from the contract, calculated at EBITDA level, will improve in the next quarters in step with the economies of scale realised by Ambu in both production and sales due to the increasing volumes and exclusivity entailed by the contract.

Year to date, the gross profit is DKK 485m (DKK 423m), corresponding to growth of 15%, with a margin of 49.3% (55.5%). As mentioned earlier, the margin for Q2 was also affected by inventory impairments and the effects of the purchase price adjustment of inventories in King Systems.

Costs

Ambu remains focused on strict capacity cost control and on realising the economies of scale made possible by the acquisitions in recent years. In Q3, the rate of cost fell to 38% compared to 40% for the prior-year period, and for the first nine months, the rate of cost has fallen to 39% compared with 42% for the prior-year period.

Costs in respect of sales, development, management and administration amounted to DKK 143m (DKK 103m) for the quarter, representing a 37% increase compared with revenue growth of 44%.

In Q3, the average USD/DKK exchange rate was 570 (579). Changes in foreign exchange rates have no significant bearing on total cost levels, either for the quarter or for the year to date.

On 1 January 2013, a Medical Device Tax of 2.3% of revenue was introduced in the USA. Measured on Ambu's original business in the USA, the new tax equates to costs of DKK 4m, which has been recognised under selling costs.

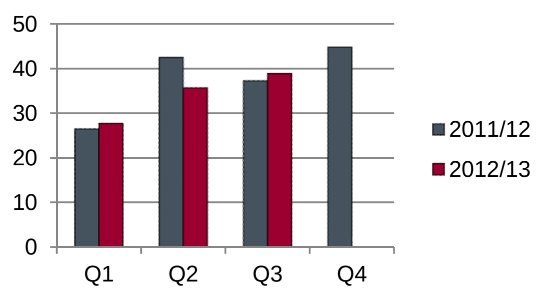
Other operating expenses totalled DKK 1m in Q3 in respect of option and warrant schemes. In February 2013, Ambu established a new option scheme for the Executive Management under which a total of 86,546 options may be allocated in the 2012/13 financial year. The scheme may affect the financial statements for FY 2012/13 by maximally DKK 1m.

EBITDA before special items
A profit before interest, tax, depreciation and amortisation (EBITDA), before special items, of DKK 62m (DKK 51m) was posted for the quarter. Due to the lower gross profit, the EBITDA margin fell from 19.5% to 16.4%. Year to date, EBITDA before special items totals DKK 154m (DKK 147m).

EBIT before special items
After amortisation/depreciation of DKK 23m (DKK 14m), an operating profit (EBIT) before special items of DKK 39m (DKK 37m) was posted. The EBIT margin thus fell to 10.3% (14.2%).

Year to date, EBIT before special items totals DKK 102m (DKK 106m). As mentioned earlier, EBIT is negatively affected by the allocation of the purchase price for King Systems, impairment of inventories in Q2 and costs incidental to the new incentive programme of DKK 14m in total.

EBIT before special items – quarters (DKKm)



Special items
Special items include costs associated with the obligations undertaken by Ambu in connection with the integration of acquired businesses. After costs of DKK 14m in Q3, Ambu has to date this year expensed total transaction and integration costs of DKK 47m.

In an earlier estimate, Ambu expected special items of up to DKK 45m to be expensed as a result of the acquisition of King Systems. Following the acquisition of First Water Heathcote, special items are now expected to total DKK 50m.

Net financials
Net financials amounted to expenses of DKK -13m (DKK -3m) for the quarter and DKK -22m (DKK -2m) year to date. The increase is attributable to debt to finance the acquisition of King Systems.

In March 2013, Ambu issued corporate bonds which generated proceeds of DKK 701m and with a nominal interest rate of 3.375%. At the end of Q3, total interest of DKK 7m has accrued.

Foreign currency translation adjustments of working capital and USD loans to a subsidiary and market value adjustment of interest and foreign currency swaps result in combined foreign currency translation adjustments of DKK 5m.

Year to date, the interest element in the earn-out provision for King Systems is expensed in the amount of DKK 4m.

Other financial expenses to banks total DKK 6m for the first three quarters.

Tax
A provision has been made for tax of 42% on the profit before tax adjusted for non-deductible items. The tax rate is affected by non-deductible costs incidental to the acquisition of King Systems and to a lesser extent by a reduction in the Danish corporate tax rate.

Net profit
The net profit was DKK 7m for Q3 (DKK 24m) and DKK 21m year to date (DKK 74m).

BALANCE SHEET

At the end of Q3, the balance sheet total amounted to DKK 1,949m, corresponding to an increase of DKK 940m relative to the same time last year. The increase is primarily attributable to the acquisition of King Systems. The acquired companies are included with recognised and identified assets of DKK 343m and remaining goodwill of DKK 508m. The identified non-recognised assets are technology, trademarks and customer relations, which will be amortised over the expected useful lives of the assets.

The allocation of the King Systems purchase price includes expected milestone and earn-out payments, and the total purchase price is calculated as being USD 150m, of which USD 125m was paid in cash on 15 February 2013.

At the end of June, Ambu's total net working capital amounted to DKK 417m, corresponding to 33% of revenue on a 12-month basis against 38% last year. As part of the integration of King Systems, focused efforts are being made to adapt the working capital.

Trade receivables increased to DKK 311m in the quarter. This represents an increase of 28% on the same quarter last year, which must be seen in the light of a

44% increase in revenue for the same period. Receivables remain high in southern Europe, but as the vast majority of customers are from the public sector, Ambu still regards the associated risk of bad debts as being limited. Ambu has not had significant bad debts this year.

Reference is made to Note 2, which is unchanged compared with Q2 and which describes the errors detected in the calculation of inventories in previous years.

At the end of June, cash had been increased to DKK 77m (DKK 62m). Moreover, Ambu had unutilised credit facilities of DKK 181m.

At the end of June 2013, the total financial net debt was DKK 766m, of which DKK 701m is financed via corporate bonds. Net interest-bearing debt totalled 3.6 x EBITDA before special items calculated on a 12-month basis.

CASH FLOWS

For the first three quarters, cash flows from operating activities totalled DKK 65m (DKK 87m). Cash flows from operating activities were negatively impacted by a change in working capital of DKK 21m.

Cash flows for investments before acquisitions totalled DKK 41m for the first three quarters, corresponding to 4% of revenue (5%). Investments in non-current assets totalled DKK 47m, while the divestment of a property in France contributed DKK 6m.

Free cash flows before acquisitions, but inclusive of special items of DKK 30m, thereafter totalled DKK 24m for the first three quarters (DKK 53m).

Cash flows for acquisitions were DKK 703m, with the acquisition of King Systems being recognised at the purchase price of DKK 702m paid less the subsequent purchase price adjustments.

Net proceeds from the issue of corporate bonds of DKK 697m are included in the cash flows from financing activities which totalled DKK 709m.

OUTLOOK FOR 2012/13

Ambu expects a strong Q4 characterised by growth within all product areas and all markets as well as the realisation of economies of scale, increasing sales of the high-margin product aScope 3 and improved margins from the sale of Unilect electrodes. Moreover, the profitability of the contract with the US general purchasing organisation HEALTHTRUST PURCHASING GROUP is expected to improve.

The outlook for the year (1 October 2012 - 30 September 2013) is specified as follows:

- The outlook of revenue of approx. DKK 1,400 is maintained. The outlook is based on an average USD exchange rate of 575 and a GBP exchange rate of 900.
- The outlook of an EBITDA margin before special items of approx. 17.5% is maintained.
- The outlook of an EBIT margin before special items of approx. 12% is maintained.
- Special items relating to the integration of King Systems and also First Water Heathcote are expected to total a combined approx. DKK 50m against a previously expected approx. DKK 45m.
- Investments before acquisitions are expected to correspond to approx. 4% of revenue against a previously expected approx. 7% of revenue.
- The expected free cash flow before acquisitions, special items and milestone payment is reduced to approx. DKK 100m from approx. DKK 120m due to increased investments in working capital.
- The expected gearing measured as net interest-bearing debt relative to EBITDA before special items is still approx. 3.

STRATEGY

In 2009, Ambu adopted the GPS Four strategy with a view to creating a more global, innovative, modern and efficient company. The overall object was for Ambu to

- become a global leader within single-use products for hospitals and rescue services
- achieve significantly higher revenue
- obtain an EBIT margin of about 15%
- ensure leaner operations and thereby a reduction in working capital
- make acquisitions and enter into partnerships.

Ambu will update the strategy at the end of the current financial year, and in connection with the publication of the annual report 2012/13, the updated strategy and the new targets for the 2013-17 period will be presented.

FORWARD-LOOKING STATEMENTS

Forward-looking statements, especially such as relate to future sales and operating profit, are subject to risks and uncertainties. Various factors, many of which are outside Ambu's control, may cause the actual development to differ materially from the expectations contained in this report. Factors that might affect such expectations include, among others, changes in health care, in the world economy, in interest rate levels and in exchange rates.

Financial calendar

30 September 2013	End of FY 2012/13

Management's statement

On this day, the Board of Directors and the Executive Board have considered and approved the interim report of Ambu A/S for the period 1 October 2012 to 30 June 2013.

The interim report is presented in accordance with IAS 34 – Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for the interim reporting of listed companies.

We consider the accounting policies applied to be appropriate, and in our opinion the interim report provides a true and fair view of the group's assets, liabilities and financial standing as at 30 June 2013 as well as of the results of the group's activities and cash flows in the period 1 October 2012 - 30 June 2013.

We further consider that the management's review gives a true and fair view of the development in the group's activities and financial affairs, the profit for the period and the group's financial position as a whole as well as a description of the most significant risks and uncertainties to which the group is subject.

Ballerup, 20 August 2013

Executive Board

Lars Marcher CEO	Michael Højgaard CFO

Board of Directors

Jens Bager, Chairman	Mikael Worning	Jesper Funding Andersen
Anne-Marie Jensen	Ingeborg Høier Riis	Allan Søgaard Larsen
John Stær	Christian Sagild	

Income statement

DKKm	Q3 2012/13	Q3 2011/12	YTD 2012/13	YTD 2011/12	FY 2011/12
Revenue	378.0	263.2	981.6	762.4	1,045.5
Production costs	(195.9)	(121.4)	(497.0)	(339.4)	(475.5)
Gross profit	**182.1**	**141.8**	**484.6**	**423.0**	**570.0**
Gross margin	*48.2*	*53.9*	*49.3*	*55.5*	*54.5*
Selling costs	(83.4)	(60.2)	(219.1)	(180.0)	(238.0)
Development costs	(9.0)	(5.8)	(22.7)	(18.7)	(22.9)
Management and administration	(50.2)	(37.4)	(141.2)	(115.0)	(154.6)
Other operating income	-	-	3.5	-	-
Other operating expenses	(0.6)	(1.2)	(2.7)	(3.0)	(3.5)
Operating profit (EBIT) before special items	**38.9**	**37.2**	**102.4**	**106.3**	**151.0**
EBIT margin before special items	*10.3*	*14.2*	*10.4*	*13.9*	*14.4*
Special items	(14.1)	(1.1)	(47.0)	(4.2)	(6.1)
Operating profit (EBIT)	**24.8**	**36.1**	**55.4**	**102.1**	**144.9**
Financial income	0.2	-	3.8	3.4	6.6
Financial expenses	(13.5)	(3.1)	(25.6)	(5.4)	(7.5)
Profit before tax	**11.5**	**33.0**	**33.6**	**100.1**	**144.0**
Income tax	(4.9)	(9.2)	(12.8)	(26.5)	(33.6)
Net profit for the period	**6.6**	**23.8**	**20.8**	**73.6**	**110.4**
Earnings per share					
Earnings per share (DKK)	0.56	2.06	1.77	6.32	9.48
Diluted earnings per share (DKK)	0.56	2.00	1.76	6.15	9.22

Statement of comprehensive income

DKKm	YTD 2012/13	YTD 2011/12	FY 2011/12
Net profit for the period	**20.8**	**73.6**	**110.4**
Other comprehensive income:			
Translation adjustment in foreign enterprises	5.5	21.2	15.7
Translation adjustment of subsidiary financing	-	-	-
Adjustment to fair value for the period			
Disposals included in net financials	0.5	(3.2)	0.6
Additions concerning hedging instruments	1.8	-	(4.3)
Tax on hedging transactions	(0.6)	0.8	0.9
Other comprehensive income after tax for the period	**7.2**	**18.8**	**12.9**
Total comprehensive income for the period	**28.0**	**92.4**	**123.3**

Balance sheet

DKKm	30.06.2013	30.06.2012	30.09.2012
Intangible assets			
Completed development projects	45.1	29.2	26.3
Rights	130.5	15.9	20.4
Goodwill	687.3	146.3	147.1
Development projects in progress	45.6	29.8	34.4
	908.5	**221.2**	**228.2**
Property, plant and equipment			
Land and buildings	93.7	62.4	64.9
Plant and machinery	65.9	58.8	77.9
Other plant, fixtures and fittings, tools and equipment	55.1	52.8	28.0
Prepayments and plant under construction	111.9	10.1	5.6
	326.6	**184.1**	**176.4**
Other non-current assets			
Deferred tax asset	21.2	5.5	3.2
	21.2	**5.5**	**3.2**
Total non-current assets	**1,256.3**	**410.8**	**407.8**
Inventories			
Inventories	270.0	268.5	233.2
Receivables			
Trade receivables	310.6	243.3	251.4
Other receivables	24.1	19.6	18.1
Income tax receivable	10.7	4.7	2.9
	345.4	**267.6**	**272.4**
Cash	76.9	62.0	34.9
Total current assets	**692.3**	**598.1**	**540.5**
TOTAL ASSETS	**1,948.6**	**1,008.9**	**948.3**

Balance sheet

DKKm	30.06.2013	30.06.2012	30.09.2012
Share capital	119.1	119.1	119.1
Reserves and retained earnings	547.9	524.7	546.0
Total equity	**667.0**	**643.8**	**665.1**
Liabilities			
Non-current liabilities			
Corporate bonds	700.5	-	-
Credit institutions	55.1	21.2	17.3
Provision for deferred tax	90.3	20.3	25.8
Other provisions	85.3	-	-
Current liabilities			
Current portion of non-current liabilities	12.6	13.3	13.3
Other provisions	73.0	-	-
Bank debt	74.7	140.6	61.1
Trade payables	66.2	54.4	57.3
Income tax	2.5	23.9	16.3
Other payables	121.4	91.4	92.1
Total liabilities	**1,281.6**	**365.1**	**283.2**
TOTAL EQUITY AND LIABILITIES	**1,948.6**	**1,008.9**	**948.3**

Statement of changes in equity

DKKm	30.06.13	30.06.12	30.09.12
Equity as at 1 October	665.1	579.9	579.9
Prior-year errors, see Note 2	-	-	(8.7)
Other comprehensive income	28.0	92.4	123.3
Purchase of treasury shares	(21.8)	(31.7)	(34.9)
Employee option scheme	30.7	26.5	28.8
Distributed dividend	(35.0)	(23.3)	(23.3)
Equity	**667.0**	**643.8**	**665.1**

Cash flow statement

DKKm	30.06.13	30.06.12	30.09.12
Net profit for the period	20.8	73.6	110.4
Adjustment of items with no cash flow effect	99.5	72.3	93.0
Income tax paid	(29.0)	(21.8)	(20.0)
Interest income and similar items	0.2	0.6	1.3
Interest expenses and similar items	(5.6)	(2.6)	(2.2)
Changes in working capital	(21.4)	(35.5)	(24.9)
Cash flows from operating activities	**64.5**	**86.6**	**157.6**
Acquisition of non-current assets	(46.5)	(33.9)	(46.5)
Sale of non-current assets	5.8	-	-
Cash flows from investments before company acquisitions	**(40.7)**	**(33.9)**	**(46.5)**
Free cash flows before company acquisitions	**23.8**	**52.7**	**111.1**
Company acquisitions	(703.4)	(30.0)	(31.0)
Free cash flows	**(679.6)**	**22.7**	**80.1**
Corporate bond issue, net	697.1	0	0
Changes in other non-current liabilities, net	40.5	(9.5)	(13.3)
Purchase of treasury shares	6.2	(7.8)	(9.5)
Dividend paid	(35.0)	(23.3)	(23.2)
Cash flows from financing activities	**708.8**	**(40.6)**	**(46.0)**
Changes in cash and cash equivalents	**29.2**	**(17.9)**	**34.1**
Cash and cash equivalents, beginning of period	(26.2)	(60.9)	(60.9)
Translation adjustment of cash and cash equivalents	(0.8)	0.2	0.6
Cash and cash equivalents, end of period	**2.2**	**(78.6)**	**(26.2)**

Note 1 – Changes to accounting policies

Accounting policies have been changed so that operating credits are included in the group's cash and cash equivalents, whereas they were previously recognised under financing activities. This reflects the fact that operating credits are part of the group's ongoing cash management. The change affects past results of cash flows from financing activities as well as the group's cash and cash equivalents.

DKKm	30.06.12	30.09.12
Previous accounting policies		
Cash flows from financing activities	**13.6**	**(72.0)**
Changes in cash and cash equivalents	**35.4**	**8.2**
Cash and cash equivalents, beginning of period	25.7	25.7
Translation adjustment of cash and cash equivalents	0.9	1.0
Cash and cash equivalents, end of period	**62.0**	**34.9**
Effect of new accounting policies		
Cash flows from financing activities	**(40.7)**	**(46.0)**
Changes in cash and cash equivalents	**(17.9)**	**34.1**
Cash and cash equivalents, beginning of period	(60.9)	(60.9)
Translation adjustment of cash and cash equivalents	0.2	0.6
Cash and cash equivalents, end of period	**(78.6)**	**(26.2)**

Note 2 – Prior-period errors

	Before tax	After tax
Equity as reported at 30 September 2012		**678.1**
Error intra-group mark-up on inventories. Corrected in equity as at 1 October 2011	(11.6)	(8.7)
Error intra-group mark-up on inventories. Expensed 2011/12	(5.7)	(4.3)
Adjusted equity as at 30 September 2012		**665.1**

In connection with the closing of the interim report for Q2 2012/13, an error was detected in the valuation of inventories as at 30 September 2012; the intra-group mark-up and indirect production costs had been calculated wrongly, meaning that inventories had been valued too highly by DKK 17.3m. The error amounts to a total of DKK 17.3m before tax and DKK 13.0m after tax, of which an amount of DKK 5.7m before tax pertains to FY 2011/12. The correction in 2011/12 reduced EBIT from DKK 151.1m to DKK 144.9m, corresponding to an EBIT margin of 14.4% against 15.0% reported in 2011/12.

The remaining DKK 11.6m before tax and DKK 8.7m after tax concern previous financial years, thereby reducing equity as at 30 September 2011, in that inventories are reduced by DKK 11.6m, while deferred tax liabilities are reduced by DKK 2.9m. The comparative figures have been restated in the interim report. The profit per share for 2011/12 is 9.48, and the diluted profit per share is 9.22. The error does not impact 2012/13.

Note 3 – Segment information

Ambu is a supplier of medico-technical products for the global market. Except for the sales of the different products, no structural or organisational aspects allow for a division of earnings from individual products as sales channels, customer types and sales organisations are identical for all important markets. Furthermore, production processes and internal controls and reporting are identical, which means that with the exception of revenue, everything else is unsegmented.

Ambu has thus only identified one operating segment and has therefore only shown the activities' geographical distribution.

Note 4 – Company acquisitions

Ambu has obtained a controlling influence over King Systems Inc. and First Water Heathcote Ltd.

(DKKm)	Previous ownership interest	Acquired ownership interest	Takeover date	Type	Cost
King Systems Inc.	0%	100%	15 February 2013	Share purchase	835.8
First Water Heathcote Ltd.	0%	100%	8 May 2013	Share purchase	15.2

	Preliminary fair value on takeover date		
(DKKm)	King Systems Inc.	First Water Heathcote Ltd.	Total company acquisitions
Technologies	125.4	0.0	125.4
Trademarks	18.1	0.0	18.1
Customer relations	2.2	0.0	2.2
Order book	0.8	0.0	0.8
Total intangible assets	146.5	0.0	146.5
Property, plant and equipment	182.1	0.2	182.3
Inventories	57.5	1.2	58.7
Trade receivables	44.2	2.2	46.4
Other current assets	6.9	0.2	7.1
Tax receivable	10.3	0.1	10.4
Cash	6.4	0.4	6.8
Payables	-46.5	-3.4	-49.9
Deferred tax	-65.2	-0.1	-65.3
Identifiable net assets	342.2	0.8	343.0
Goodwill	493.6	14.4	508.0
Total purchase sum	835.8	15.2	851.0
The purchase sum comprises:			
Cash and cash equivalents	689.1	10.8	699.9
Contingent consideration	146.7	4.4	151.1
	835.8	15.2	851.0
Purchase costs included in special items	9.6	0.6	10.2
Cash flows for acquisition of companies as at 30 June 2013	692.3	11.1	703.4

King Systems Inc.

Description of the activities acquired

King Systems Inc. is based in Indiana, USA, where a staff of approx. 400 produce and sell anaesthesia products in the US market. Around 13% of total revenue is generated outside the USA. With the acquisition, the King Vision videolaryngoscope complements Ambu's aScope™ to give a strong product offering in the market for single-use visualisation devices.

The most important assets are state-of-the-art production facilities manufacturing a wide range of medical devices used to establish and maintain patient airways in both hospital and pre-hospital settings as well as the intangible assets described below.

The technologies acquired comprise platforms within the Airway Management area of activity, including the King Vision laryngoscope. The fair value measurement is based on future sales budgets, and estimates are thus associated with some uncertainty. The technologies acquired have been valued according to the relief from royalty method and are amortised over their estimated useful lives of five-ten years.

The trademarks taken over relate to the King brand and are amortised over their estimated useful lives of five years. Trademarks include rights and image relating to King Systems products. The trademarks acquired have been valued according to the relief from royalty method and are amortised over their estimated useful lives of five years. Identifiable customer relations have been valued according to the multi-period excess earnings model and are amortised over their estimated useful lives of five years.

Identifiable net assets include trade receivables with a fair value of DKK 44.2m. Nominal receivables total DKK 44.9m, of which an amount of DKK 0.7m is deemed uncollectible.

Goodwill

Goodwill is recognised at the amount with which the purchase sum exceeds the identifiable net assets. The calculated goodwill can be attributed to expected revenue and cost synergies, including synergies relating to King Vision. The recognised goodwill is not amortisable for tax purposes.

Contingent consideration

The total purchase sum includes contingent consideration of up to USD 50m. This obligation pertains to the commercial development of King Vision. Ambu's obligation to pay the contingent consideration is treated as a provision. The expected future payments are discounted at a rate of 8.2%. The difference between the discounted value and the future earn-out payments will be expensed under net financials.

Contingent payment	Due	Undiscounted payment	Fair value on takeover date
Milestone payment	Expected 2013	USD 0-10.0m	DKK 54.6m
Earn-out 2014	May 2014	USD 0-6.67m	DKK 14.3m
Earn-out 2015 and catch-up	May 2015	USD 0-6.67m	DKK 43.5m
Earn-out 2016 and catch-up	May 2016	USD 0-6.67m	DKK 34.3m
Cumulative earn-out	May 2016	USD 0-20.0m	DKK 0.0m
			DKK 146.7m

Earn-out payments are based on the annual sales of King Vision during the May-April period. A catch-up provision in the agreement means that earn-out payments in 2015 and 2016 will trigger payment of previously unearned earn-out payments.

Given the current sales forecasts, the cumulative earn-out is unlikely to materialise.

Information about acquired business

From the takeover date until 30 June 2013, King Systems Inc. contributed DKK 134.8m to the consolidated revenue, which is estimated to impact the operating profit for the year (EBIT) by DKK -0.7m. If King Systems had been consolidated from 1 October 2012, the contribution to revenue would have been DKK 282.9m and the impact on the operating profit for the year (EBIT) would have been an estimated DKK 21.5m.

First Water Heathcote Ltd.

Description of the activities acquired

First Water Heathcote Ltd. is based in the UK. The factory manufactures a range of conductive adhesive gels for use in the production of skin-contacting biomedical electrodes, such as Ambu's ECG electrodes, and in connection with electro surgery and defibrillation. With the acquisition, Ambu strengthens its PMD business by having in-house hydrogel competencies.

Identifiable net assets include trade receivables with a fair value of DKK 2.2m. None of the acquired receivables are deemed to be uncollectible on the takeover date.

Goodwill

The calculated goodwill can be attributed to the existing staff and know-how as well as production synergies. The recognised goodwill is not amortisable for tax purposes.

Contingent consideration

The total purchase sum includes contingent consideration of up to GBP 0.6m. This obligation pertains to the future production volume of hydrogel. The expected future payments are discounted at a rate of 8.2%. Based on future sales budgets, the management estimates that the full earn-out will be paid.

Information about acquired business

From the takeover date until 30 June 2013, First Water Heathcote Ltd. contributed DKK 1.0m to the consolidated revenue, which is estimated to impact the operating profit for the year (EBIT) by DKK -0.8m. If First Water Heathcote Ltd. had been consolidated from 1 October 2012, the contribution to revenue would have been DKK 6.2m and the impact on the operating profit for the year (EBIT) would have been an estimated DKK -0.5m.

Quarterly results

DKKm	Q3 2012/13	Q2 2012/13	Q1 2012/13	Q4 2011/12	Q3 2011/12	Q2 2011/12	Q1 2011/12
Revenue	378.0	334.8	268.8	283.1	263.2	264.7	234.4
Production costs	(195.9)	(172.4)	(128.7)	(136.1)	(121.4)	(116.6)	(101.4)
Gross profit	**182.1**	**162.4**	**140.1**	**147.0**	**141.8**	**148.1**	**133.0**
Gross margin	*48.2*	*48.5*	*52.1*	*51.9*	*53.9*	*56.0*	*56.7*
Selling costs	(83.4)	(71.6)	(64.1)	(58.0)	(60.2)	(60.5)	(59.2)
Development costs	(9.0)	(7.9)	(5.8)	(4.2)	(5.8)	(6.7)	(6.3)
Management and administration	(50.2)	(45.8)	(45.2)	(39.6)	(37.4)	(37.5)	(40.1)
Other operating income	-	-	3.5	-	-	-	-
Other operating expenses	(0.6)	(1.3)	(0.8)	(0.4)	(1.2)	(0.9)	(0.9)
Operating profit (EBIT) before special items	**38.9**	**35.8**	**27.7**	**44.8**	**37.2**	**42.5**	**26.5**
EBIT margin before special items	*10.3*	*10.7*	*10.3*	*15.8*	*14.1*	*16.1*	*11.3*
Special items	(14.1)	(26.6)	(6.3)	(1.9)	(1.0)	(2.7)	(0.5)
Operating profit (EBIT)	**24.8**	**9.2**	**21.4**	**42.9**	**36.2**	**39.8**	**26.0**
Financial income	0.2	3.6	-	3.2	-	1.1	2.3
Financial expenses	(13.5)	(9.2)	(2.9)	(2.1)	(3.1)	(1.2)	(1.1)
Profit before tax	**11.5**	**3.6**	**18.5**	**44.0**	**33.1**	**39.7**	**27.2**
Income tax	(4.9)	(1.3)	(6.6)	(7.1)	(9.2)	(10.2)	(7.1)
Net profit for the period	**6.6**	**2.3**	**11.9**	**36.9**	**23.9**	**29.5**	**20.1**
Earnings per share							
Earnings per share (DKK)	0.56	0.19	1.02	3.15	2.06	2.53	1.72
Diluted earnings per share (DKK)	0.56	0.19	1.01	3.10	2.00	2.58	1.70
Key figures							
Profit before interest, tax, depreciation and amortisation (EBITDA), before special items	62	52	41	58	51	57	40
EBITDA margin before special items, %	*16.4*	*15.5*	*15.3*	*20.5*	*19.4*	*21.5*	*17.1*
Investments in non-current assets	22	18	7	14	44	11	9
Cash flows from operating activities	27	44	(6)	71	72	33	(19)
Free cash flows before company acquisitions	10	27	(13)	57	59	23	(28)
Total assets	1,949	2,002	979	948	1,009	948	942
Net interest-bearing debt	766	783	97	57	113	141	156
Average no. of employees	2,362	2,341	1,768	1,683	1,735	1,710	1,655