



Interim report Q1 2012/13

By CEO Lars Marcher and CFO Michael Højgaard

Agenda

- Developments in Q1 2012/13
- Status of the GPS Four strategy
- Outlook for 2012/13

Highlights for Q1 2012/13

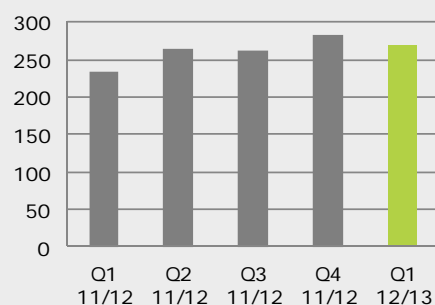
- Solid start to FY 2012/13
- Conclusion of conditional agreement concerning acquisition of King Systems Inc. – important milestone
- Revenue growth of 15% and organic growth of 8%
- Products launched after 1 October 2009 accounted for 11% of revenue
- Gross margin slightly down due to acquisition of electrode business and increased distributor sales
- EBIT before special items slightly higher than last year
- Improved free cash flow
- Outlook for the year before recognition of King Systems unchanged

15%
increase in
revenue

10.3%
EBIT margin

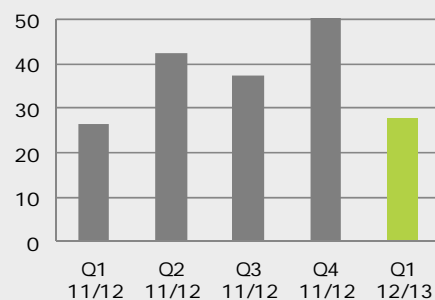
Highlights for Q1 2012/13

Revenue, DKKm



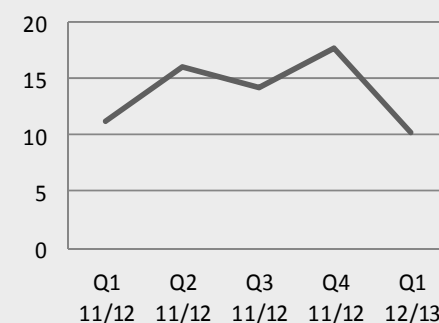
- Revenue of DKK 268.8m – up 15% when reported in Danish kroner, and 13% in local currencies
- Organic growth of 8%
- Effect of changes in exchange rates: DKK +5.1m
- Sales of new products accounting for 11% of revenue – target for 2012/13: 15%

EBIT before special items, DKKm



- EBIT before special items of DKK 27.7m – up DKK 1.2m
- Other operating income of DKK 3.5m
- Impact from exchange rates: approx. DKK -3.3m
- Special items of DKK -6.3m (Q1 11/12: DKK 0m) – associated with acquisition of King Systems

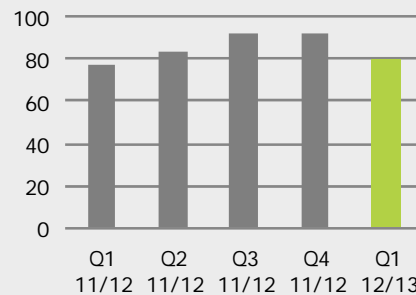
EBIT margin, %



- EBIT margin before special items of 10.3%, down 1.0 percentage point
- Decline reflects lower gross margin reduced by lower rate of costs and proceeds from sale of property

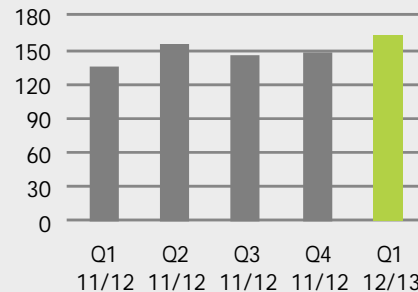
Development in revenue for the quarter, regions

USA, DKKm



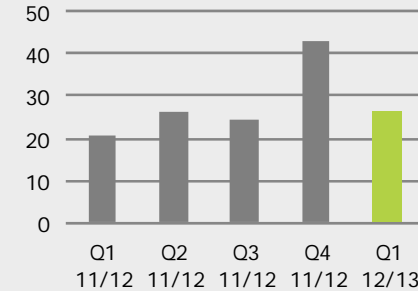
- Revenue growth of 4% when measured in Danish kroner, and -1% in local currencies
- Satisfactory growth within Neurology and Cardiology
- Low growth is primarily due to timing differences – growth target of 7-8% in 2012/13 is maintained

Europe, DKKm



- Growth in revenue of 18% when measured in local currencies
- Project order within EMS of approx. DKK 9m.
- Variation in growth rates – growth in sales region UK of 19%, NEM 63%, Central 2%, West 23% and South 7%.

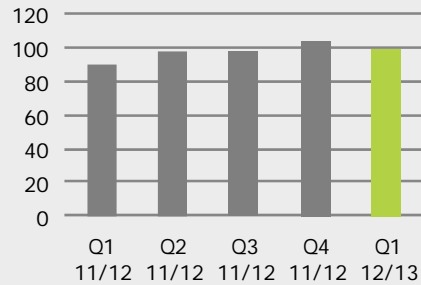
Rest of the world, DKKm



- Increase in revenue of 27% in local currencies driven by double-digit growth rates in Asia
- Ongoing strengthening of efforts in emerging markets – increased sales and marketing efforts and employment of more salespeople

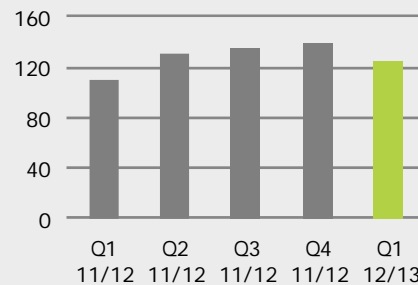
Development in revenue for the quarter by business area

Anaesthesia, DKKm



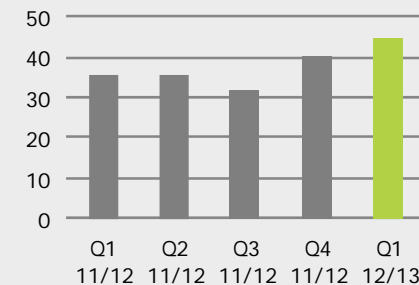
- Growth in revenue of 9% when measured in local currencies
- General market growth of 1-3%
- Double-digit growth rates for aScope, ventilation bags and pain pump
- Stable market situation for laryngeal masks

Patient Monitoring & Diagnostics, DKKm



- Growth in revenue of 12% in local currencies.
- Acquired electrode business: 10 percentage point contribution to growth
- General market growth for ECG electrodes of approx. 3% and approx. 5-8% for neurological electrodes
- Good growth rates within Neurology/Sleep

Emergency Care, DKKm



- Growth in revenue of 23% when measured in local currencies
- Higher project sales of single-use neck collars of approx. DKK 9m

Improved cash flow

DKKm	Q1 2011/12	Q1 2012/13
Cash flow from operating activities	-19.2	-6.3
Cash flow from investing activities, before acquisitions	-8.8	-6.8
Free cash flow	-28.0	-13.1
Cash flow from financing activities	35.3	22.9

- Cash flow from operating activities improved significantly in Q1 2012/13 due to the lower level of working capital compared with the prior-year period
- At the end of the quarter, investments in inventories are lower, when factoring in the acquisition of Unomedical in Q3 2011/12
- Cash flow from financing activities includes dividend of DKK 35.7m

GPS Four

Status of Ambu's business strategy



GPS Four – overview



1

BUILDING A PLATFORM

2009/10

- Establishment of sales regions
- Establishment of global innovation organisation
- Implementation of global IT systems
- Transfer of remaining Danish production to Asia commenced
- Expansion of factory in China

2

COST OPTIMISATION

2010/11

- Transfer of production to Asia completed
- Expansion of product portfolio
- One head office
- Development of new branding concept
- Establishment of new global management training programme

3

FOCUS ON GROWTH

2011/12

- Revenue in excess of DKK 1bn, which constitutes an improvement in revenue growth
- Improved EBIT margin relative to 2010/11
- Sales of new products in excess of DKK 100m
- Cost reductions at the factories in Asia
- Formation of new partnerships
- Establishment of new European distribution centre

4

THE DESTINATION

2012/13

- Growth in revenue of approx. 7-8%
- Sales of new products accounting for approx. 15% of revenue
- EBIT margin of approx. 15%
- Cash flow of approx. DKK 100m before acquisitions
- Making at least one acquisition
- Continued development of the partnership strategy

Strategic activities

GPS 1: Innovation

- Satisfactory growth rates for aScope, SmartInfuser Pain Pump and other product launches
- New products account for 11% of revenue in Q1 2012/13
- Further development of existing product portfolio and development of 'green' versions of products
- Integration of Unomedical is progressing according to plan

GPS 2: Markets and sales

- Further development of both internal and external sales team in the USA
- Increased efforts in emerging markets – marketing unit in India and strengthening of Chinese sales company
- Optimisation of efforts in Europe, including integration of Unomedical

GPS 3: Efficiency

- Implementation of group ERP system in France
- Transfer of French inventories to central warehouse in Germany
- Implementation of central HR system in Denmark

GPS 4: Acquisitions and partnerships

- Conditional agreement on acquisition of King Systems
- Integration of Unomedical is progressing according to plan
- Sales of vScope and analysis of potential new partnerships are progressing according to plan

Agreement concerning acquisition of King Systems

- Perfectly in line with strategy
- King Systems' products very complementary of Ambu's products
- Increasing Ambu's volume and strengthening market position
- Equates to more than doubling of sales within Anaesthesia
- Strengthens Ambu's pipeline, especially within visualisation
- Significant synergies expected within both sales and operations

Next step

- General meeting in Consort Medical on 15 February 2013
- Quantification of synergies and outlook for 2012/13 on closing
- Commencement of integration process

First-class products

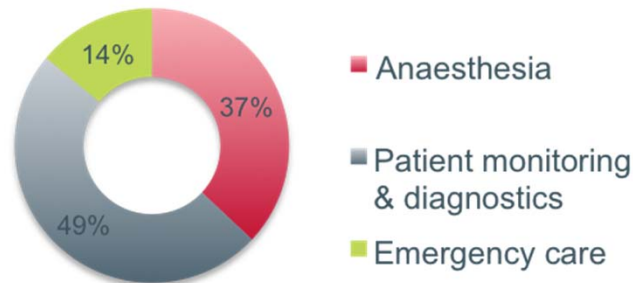
Strong brand

Attractive pipeline

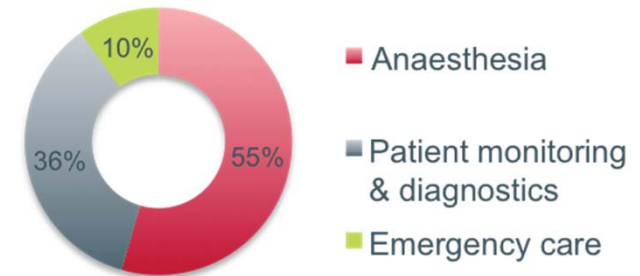
Modern production facilities

Acquisition strengthens Ambu significantly

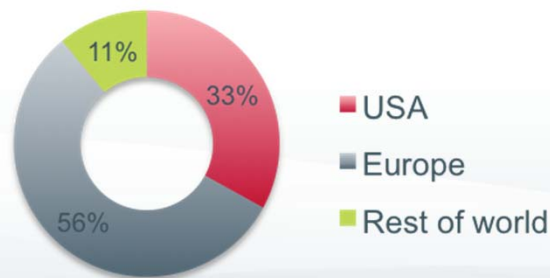
**Revenue by division*
Ambu stand alone**



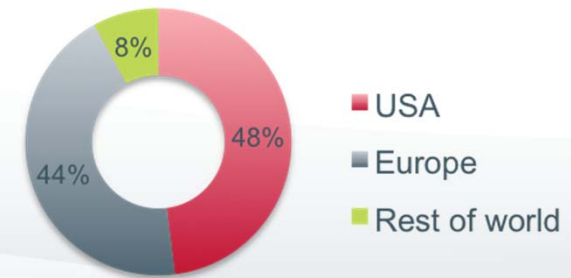
Pro-forma revenue by division
Ambu+King systems**



**Revenue by geography*
Ambu stand alone**



Pro-forma revenue by geography
Ambu+King Systems**



* As reported, Ambu FY 2011/12A

** Pro-forma data based on Ambu FY 2011/12A September and King Systems FY 2011/12A April

Outlook 2012/13



The outlook for 2012/13 is unchanged

	2012/13	Assumptions
Revenue	In the region of DKK 1,125m	Increased revenue in emerging markets. Full-year effect of acquired electrode business and success with new products
Growth in DKK and local currencies	7-8%	Including full-year effect of acquired electrode business
Organic growth	3-4%	Excluding acquired electrode business
		USD exchange rate: 575 GBP exchange rate: 900
EBIT margin, %	Approx. 15%	Increased revenue Reduced cost prices Streamlining Price pressure
Profit before tax in % of revenue	Approx. 14.5%	
Expected tax rate	Approx. 27%	
Investments in % of revenue	Approx. 5%	Investment in product development, process equipment, expansion of production capacity and IT
Free cash flow	In the region of DKK 100m	Continued focus on reducing working capital



Questions



Ambu
Ideas that work for life

READ MORE AT WWW.AMBU.COM

For further information, please contact:

CEO Lars Marcher, lm@ambu.com or +45 5136 2490

CFO Michael Højgaard, miho@ambu.com or +45 4030 4349