Interim report for Q2 2012/13
and for the half-year period 1 October 2012 to 31 March 2013

Company announcement no. 18-2012/13

2 May 2013

Ambu A/S, Baltorpbakken 13, 2750 Ballerup, CVR no.: 63 64 49 18 www.ambu.com

Interim report for Q2 2012/13

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Increasing revenue with focus on the integration of King Systems, which is progressing according to plan. The EBIT margin for the year is adjusted primarily on account of the recognition of amortisations relating to the purchase. The outlook for the year is maintained.

"In Q2, significant resources have been devoted to implementing the restructuring of Ambu and King Systems, and we are satisfied with the progress. Concurrently with the considerable focus on the integration of King Systems, Ambu is developing as planned, and we are maintaining our outlook for the year in respect of revenue, EBIT and cash flow," says President and CEO Lars Marcher.

- Revenue for Q2 2012/13 totalled DKK 335m against DKK 265m for the prior-year period, corresponding to growth of 26%, of which organic growth accounts for 3%. Year-to-date revenue was DKK 604m against DKK 499m for the prior-year period, corresponding to an increase of 21% and with organic growth accounting for 5%.

- The gross margin in Q2 2012/13 was 48.5% against 56.0% for the prior-year period. Year to date, it was 50.1% against 56.3% for the prior-year period, when the acquisition of King Systems and Unomedical's electrode business (Unilect) were not included. The gross margin is negatively impacted by extraordinary impairments of inventories, costs related to the running-in of the acquired factory in the USA as well as the expected low gross margin on the acquired electrode business.

- An operating profit (EBIT) before special items of DKK 35.7m was realised for Q2 2012/13 against DKK 42.5m in the prior-year period. In comparing the figures, account must be taken of the effect of the purchase price allocation regarding King Systems as well as the above-mentioned impairments of inventories and costs relating to the new incentive programme. Year to date, EBIT before special items was DKK 63.4m against DKK 69.0m, corresponding to a margin of 10.5% against 13.8%.

- Transaction costs and integration costs in relation to King Systems are included under special items. At the end of Q2 2012/13, these costs total DKK 32.9m.

- A profit before tax of DKK 3.5m was returned for Q2 against DKK 39.7m for the prior-year period. Year to date, the profit before tax was DKK 22.0m against DKK 66.9m for the prior-year period including provisions for special items in connection with the acquisition of King Systems.

- Free cash flows before acquisitions totalled DKK 13.9m for the half-year period against DKK -5.4m for the prior-year period. In H1, free cash flows were burdened with payments of special items totalling DKK 1.7m against DKK 3.2m in the prior-year period.

- The purchase sum for King Systems was paid on 15 February 2013 with DKK 701.5m, and on 8 March 2013 corporate bonds were issued with total net proceeds of DKK 697.1m.

Outlook for 2012/13

For FY 2012/13 (1 October 2012 - 30 September 2013) as a whole, the outlook for revenue is maintained. As a result of amortisations from the purchase price allocation of King Systems as well as the established option scheme, the EBITDA margin before special items is reduced from a previous level of 18.5% to a current level of 17.5%, and the EBIT margin before special items is reduced from a previous level of 14% to now being at a level of 12%. Apart from this, the outlook is unchanged relative to what has previously been announced.

Financial highlights

DKKm		Q2 2012/13	Q2 2011/12	YTD 2012/13	YTD 2011/12	FY 2011/12
Key figures	Revenue	335	265	604	499	1,045
	Operating profit (EBIT) before special items	36	43	63	69	151
	Operating profit (EBIT)	9	40	31	66	145
	Net financials	(6)	(0)	(9)	1	(1)
	Profit before tax	4	40	22	67	144
	Net profit for the period	2	30	14	50	110
	Total assets, end of period	2,002	948	2,002	948	948
	Equity, end of period	667	609	667	609	665
	Net interest-bearing debt	783	141	783	141	57
	Cash flows from operating activities	44	33	38	14	158
	Acquisition of non-current assets	23	11	30	20	47
	Free cash flows before company acquisitions	27	(23)	14	(5)	111
	Company acquisitions	702	-	702	-	31
	Average no. of employees	2,341	1,710	2,341	1,683	1,683
Ratios	Gross margin, %	48.5	56.0	50.1	56.3	54.5
	SG&A, %	38	40	40	43	40
	EBITDA before special items, DKKm	52	56	93	96	205
	EBITDA margin before special items, %	15.6	21.3	15.4	19.2	19.6
	EBIT margin before special items, %	10.7	16.1	10.5	13.8	14.4
	Equity ratio, %	33	64	33	64	70
	Share price, end of period	202	150	202	150	148
	Investments, % of revenue	6.9	4.2	5.0	4.0	4.4
	Working capital, % of revenue	37	39	37	39	34
	ROIC, % after tax including goodwill	6	16	6	13	14
	NIBD/EBITDA before special items	3.9	0.6	3.9	0.7	0.3

The interim report for Q2 2012/13 and for the half-year period 1 October 2012 to 31 March 2013 has not been audited, but the accounting policies have been applied consistently with the annual report for 2011/12. The key figures have been calculated in accordance with the Danish Society of Financial Analysts' "Recommendations and Financial Ratios 2010".

Conference call

The conference call is being held on 2 May 2013 at 11 am CET. To participate, please call the following number five minutes before the start of the conference: +45 32 71 47 67. The conference can be seen via a link at www.ambu.com/webcastQ22013. The conference will subsequently be made available on the Ambu website.

Contact

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About Ambu

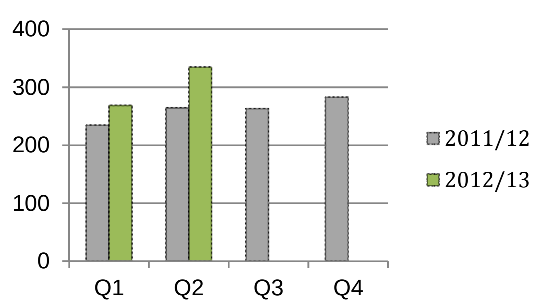
Since 1937, breakthrough ideas have driven our work to bring efficient healthcare solutions to life within our fields of excellence: Anaesthesia, Patient Monitoring & Diagnostics and Emergency Care. Millions of patients and healthcare professionals worldwide depend and rely on the functionality and performance 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 more than 2,300 employees in Europe, North America, Asia and the Pacific region. You can find more information about Ambu on our website: www.ambu.com.

Management's review
for Q2 2012/13

DEVELOPMENTS IN Q2 2012/13

The total growth in revenue in Q2 2012/13 was 26%, including organic growth of 3%. The organic growth covers 4% growth in the USA, 1% in Europe and 10% in the rest of the world. Investments in building up sales resources on the Asian markets are paying off, resulting in continued double-digit growth. The reported growth for the USA is 63%, for Europe 9% and for the other parts of the world 17%.

Revenue by quarters (DKKm)



MARKET CONDITIONS

Despite intensive competition, attractive growth opportunities exist for Ambu. The purchase of King Systems in February 2013 has created a platform for growth in the American market, and thus a strengthened market position with the potential for doubling revenue and realising considerable economies of scale.

INTEGRATING KING SYSTEMS

Since the acquisition of King Systems on 15 February 2013, Ambu has, as planned, integrated the sales organisations in Ambu Inc. and King Systems and extensively restructured the entire business. Two sales forces have been established with 50 salespeople within Anaesthesia and 30 salespeople within Cardiology, Neurology and Emergency.

At the same time, Ambu has reorganised its executive management in the USA and has appointed Steven Block to the post of new CEO of Ambu in North America.

Also, several initiatives are under way at the King Systems factory in Indianapolis with a view to fully implementing fully automatic production for several product groups as well as optimising logistics and purchasing.

Concurrently with the organisational changes, work is being carried out to implement Ambu's existing ERP system in the King organisation. The implementation is following two tracks, which means that the combined sales organisation will, during Q3, be working in a single joint system, while the factory in Indianapolis will not be able to transfer to Ambu's system until after the end of the current financial year.

The launch of a new generation of the King Vision product is going according to plan and is expected to take place in the current financial year. As previously announced, this will result in a milestone payment to Consort Medical of USD 10m.

For the coming financial year 2013/14, a target has been set for synergies totalling DKK 40m, to be achieved through the organisational changes which have been implemented, cost cuts and general economies of scale from the purchase of King Systems.

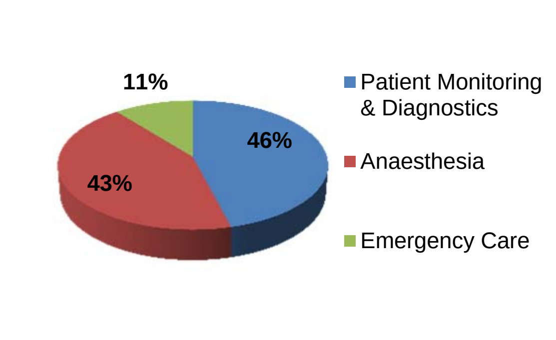
INCOME STATEMENT

Revenue

Revenue for Q2 totalled DKK 335m against DKK 265m in Q2 2011/12, corresponding to an increase of 26% and organic growth of 3%. Year-to-date revenue was DKK 604m against DKK 499m for the prior-year period, corresponding to an increase of 21% and organic growth of more than 5%.

The development in exchange rates is not materially significant for the development in revenue for either Q2 or H1.

Revenue by product area



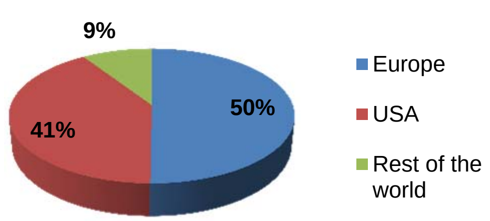
	Q2				YTD			
	Realised			Organic	Realised			Organic
	11/12	12/13	Growth	Growth	11/12	12/13	Growth	Growth
Patient Monitoring & Diagnostics	131	154	18%	4%	240	279	16%	4%
Anaesthesia	98	145	48%	2%	187	244	30%	6%
Emergency Care	36	36	-1%	-1%	72	80	12%	11%
Total	**265**	**335**	**26%**	**3%**	**499**	**604**	**21%**	**5%**

Anaesthesia shows a growth in revenue of 48% in Q2 as this is King's most important business area. Organic growth is 2%. Year to date, organic growth is 6%. Double-digit growth rates were realised in sales of laryngeal masks, whereas a fall was seen in sales of ventilation bags relative to the prior-year period.
The fall in sales of ventilation bags is due to timing differences, and satisfactory growth is expected for FY 2012/13 as a whole for this product area. In Q2 2012/13, a new version of aScope was launched, aScope3, as well as a newly developed monitor, aView, which offers doctors completely new features and functions in relation to previous versions of aScope.

In Q2 2012/13, revenue within **Emergency Care** fell by 1%, but shows an increase of 11% year-to-date as a result of a big one-off order to Turkey in Q1.

Within **Patient Monitoring & Diagnostics (PMD)**, growth in Q2 totalled 18% with 4% organic growth.

Revenue by geographical region



USA
Ambu's situation in the USA has changed decisively following the purchase of King Systems. Thus, growth of 63% was realised in Q2, with organic growth of 4% compared to the prior-year period.

Year to date, organic growth is 1%. Major organisational changes have been made to the American sales organisation, which obviously impacted our revenue in the quarter temporarily.

Activities in Q2 centred on integrating Ambu's and King Systems' sales organisations. At the end of March, the combined American sales organisation was thus fully integrated while sales territories have been changed accordingly. This represents a marked strengthening of the sales organisation and gives Ambu the possibility of achieving a far better geographical and concentrated coverage of our customers. Focused sales organisations have been established for Anaesthesia and PMD/Emergency, as the strategy and customer types for these two product and customer segments are crucially different.

Europe
Q2 saw an increase in revenue of 9% with organic growth of 1%. Year to date, organic growth is 6%.

In sales region UK, organic growth of 10% was realised in Q2, while Scandinavia saw growth of 2% relative to the prior-year period. Sales regions South and West both posted negative organic growth of about 6%, while the Central region had flat organic growth in relation to the prior-year period.
Ambu still expects above-market growth in all European markets for FY 2012/13. The growth initiatives in

	Q2				YTD			
	Realised			Organic	Realised			Organic
	11/12	12/13	Growth	Growth	11/12	12/13	Growth	Growth
USA	84	136	63%	4%	161	216	34%	1%
Europe	155	168	9%	1%	291	330	13%	6%
Rest of the world	26	31	17%	10%	47	57	22%	15%
Total	**265**	**335**	**26%**	**3%**	**499**	**604**	**21%**	**5%**

Europe are primarily directed at winning market share and the continued cultivation of the market for anaesthesia products as well as strengthening Ambu's position as the leading supplier of electrodes. Satisfactory revenue growth was realised in sales of the acquired Unilect electrodes. With the exception of King Vision, King Systems' product portfolio is not expected to be launched outside the USA in the current financial year.

Rest of the world
In Q2, revenue in the rest of the world increased by 17%, with organic growth of 10%.

Organic revenue grew by 16% in sales region Asia (Australia and Asia excluding Japan). Ongoing investments are being made in building up the sales organisation in Asia, including China, India, Malaysia and Australia. In the past year, a solid organisation has been established with several direct salespeople as well as a number of local distributors. A good starting point for further growth has thereby been created.

Gross profit
For Q2 2012/13, a gross profit of DKK 162.4m was returned against DKK 148.2m for the prior-year period. Year to date 2012/13, the gross profit was DKK 302.5m against DKK 281.2m in 2011/12.

The gross margin was 48.5% against 56.0% in Q2 2011/12. The lower margin can be attributed to inventory write-downs and lower profit margins in King Systems as well as the effect of the purchase price adjustment of inventories of finished products in King Systems.

In addition, the Unilect electrodes are contributing gross margins which are lower than Ambu's average gross margins, which has negatively impacted the quarter. Both King Systems and the electrode business are expected to contribute improved margins over the coming quarters once the integration and running-in of the factories is complete.

Year to date, the gross margin was 50.1% against 56.3% for the prior-year period for the reasons explained above.

Costs
The group's costs in respect of sales, development, management and administration were DKK 125.3m in Q2 against DKK 104.7m in the same quarter last year. Of this increase, the acquired activities have contributed DKK 16.0m , meaning that the organic business has seen an overall increase in costs of 4% or DKK 4.6m. Year to date, the corresponding increase in costs in respect of sales, development, management and administration is 6% relative to the prior-year period.

The rate of costs is 40% for H1 2012/13 relative to 43% for the prior-year period.

Other operating expenses totalled DKK 1.3m in Q2 in respect of option and warrant schemes. Year to date, the expenses were DKK 2.1m. In connection with the purchase of King Systems, an option programme was established for the Executive Management Team. The allocation for 2012/13 can amount to up to 86,546 share options. This programme may impact the results for the current financial year by up to DKK 2m.

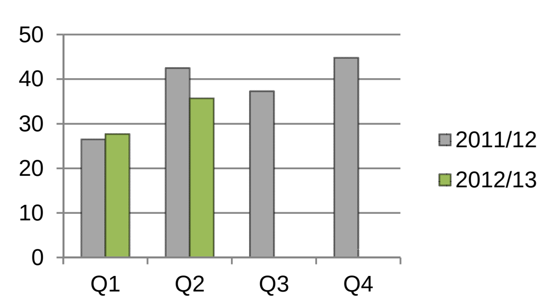
The effect of exchange rate fluctuations compared to the group's capacity costs is marginal.

EBIT before special items
The operating profit (EBIT) before special items amounted to DKK 35.7m in Q2 against DKK 42.5m for the prior-year period, corresponding to an EBIT margin of 10.7%. The falling margin is a direct result of the lower gross margin.

This includes non-cash items totalling DKK 2.7m, which have been expensed in Q2 2012/13 and which relate to the purchase price adjustment of King Systems. For FY 2012/13 as a whole, the purchase price adjustment is expected to total DKK 18m.

Year to date 2012/13, the operating profit (EBIT) before special items was DKK 63.4m against DKK 69.0m for the prior-year period, corresponding to a margin of 10.5% against 13.8%.

EBIT before special items by quarter (DKKm)



Special items

Special items include costs associated with the integration of the acquired businesses. At the end of Q2 2012/13, a total of DKK 32.9m had been expensed. This figure is made up of (DKKm):

• Transaction costs to advisers etc. in connection with the purchase of King Systems	12.2
• Liabilities in respect of redundancies throughout the entire Ambu group	14.0
• Planned integration costs including an ERP system	6.7
Total	**32.9**

In connection with the acquisition of King Systems, it was estimated that transaction and integration costs would amount to DKK 45m. The total costs are still expected to fall within this estimate.

In Q2 2011/12, special items covered activities in respect of acquisitions.

Net financials

In Q2, net financials amounted to expenses of DKK 5.6m against expenses of DKK 0.1m in the prior-year period. The corresponding items year-to-date are expenses of DKK 8.5m against income of DKK1.1m in the prior-year period.

At the end of Q2, the corporate bonds issued have incurred interest of DKK 1.0m. Other financial expenses for banks of DKK 4.1m are included in the half year.

The market value adjustment of interest and currency swaps are included with a cost of DKK 4.8m.

The foreign currency translation adjustment of e.g. USD loans to subsidiaries has resulted in a positive foreign currency translation adjustment of DKK 6.8m.

Other foreign currency translation adjustments of working capital are included in the half year with a cost of DKK 5.4m.

Tax

A provision has been made for tax of 28% on the profit before tax adjusted for non-deductible items.

Net profit for the period

For Q2 2012/13, the net profit totalled DKK 2.2m against DKK 29.6m for the same quarter last year.

Year-to-date, the net profit totalled DKK 14.1m against DKK 49.6m.

BALANCE SHEET

At the end of Q2, the balance sheet total amounted to DKK 2,002m. A provisional purchase price adjustment of King Systems has been recognised where non-recognised assets are calculated as being DKK 130.9m and the remaining goodwill is calculated as being DKK 493.6m.

The purchase price allocation includes expected milestone payments and earn-outs so that the total purchase price is calculated as being USD 149.6m, of which USD 125.0m was paid in cash on 15 February 2013.

The calculated non-recognised assets are technology, trademarks and customer relations, which will be amortised over the expected useful lives of the assets.

At the end of March 2013, the net working capital totals DKK 430.8m, corresponding to 37% of revenue on a 12-month basis. As part of the integration process, focused efforts are being made to adapt the working capital.

Consistent focus is on the development of debtors, especially in southern Europe. The increasing receivables are primarily from public-sector customers in these countries, and the risk of loss is still deemed to be limited. There were no losses on debtors in H1 2012/13.

On 8 March 2013, 934 corporate bonds were issued with a nominal value of DKK 750,000 and a nominal interest rate of 3.375% p.a. The first annual due dates fall on 15 March 2014, with the maturity date on 15 March 2018.

Please refer to Note 2, which explains that in Q2 2012/13 it was realised that the valuation of inventories at the end of FY 2011/12 was DKK 17.3m too high. Of this, an amount of DKK 11.6m before tax can be attributed to financial years before 2011/12, while the remaining DKK 5.7m before tax can be attributed to FY 2011/12. The total correction of DKK 13.0m after tax is recognised in equity, and EBIT in 2011/12 is corrected by DKK 5.7m.

At the end of March 2013, the total financial net debt was DKK 783m, of which DKK 700.5m is financed via corporate bonds.

CASH FLOWS

Year-to-date, cash flows from operating activities total DKK 38.1m against DKK 14.2m for the prior-year period.

Cash flows from operating activities were positively impacted by a change in working capital of DKK 5.4m.

Investments in non-current assets totalled DKK 30.1m and are made up of intangible assets totalling DKK 13.5m and property, plant and equipment totalling DKK 16.6m. Sales of non-current assets have contributed DKK 5.8m and relate to the sale of property in France.

Free cash flows before acquisitions thereafter amount to DKK 13.9m for H1 2012/13 against a negative cash flow of DKK 5.4m for the prior-year period.

The acquisition of King Systems has been recognised at the paid purchase sum of DKK 701.5m. Subsequently, USD 1.6m has been received as an adjustment of the purchase price.

Net proceeds of DKK 697.1m from the issue of corporate bonds are recognised.

OUTLOOK FOR 2012/13

For FY 2012/13 (1 October 2012 - 30 September 2013) as a whole, the outlook for revenue is maintained. As a result of amortisations from the purchase price allocation of King Systems as well as the established option scheme, the EBITDA margin before special items is reduced from a previous level of 18.5% to a current level of 17.5%, and the EBIT margin before special items is reduced from a previous level of 14% to now being at a level of 12%. Apart from this, the outlook is unchanged relative to what has previously been announced.

The outlook is as follows::

- Revenue of approx. DKK 1,400m, based on an average USD exchange rate of 575 and a GBP exchange rate of 900
- Transaction and integration costs are still expected to be unchanged at DKK 45m
- An EBITDA margin before special items in the region of 17.5%.
- An EBIT margin before special items in the region of 12%.
- Investments before acquisitions of approx. 7% of revenue
- A free cash flow before acquisitions, before special items and before milestone payments in the region of DKK 120m.
- At the end of the financial year, a gearing measured as net interest-bearing debt relative to EBITDA before special items of approx. 3.

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 of the company 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 and in exchange rates.

Financial calendar

20 August 2013	Interim report for Q3 2012/13
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 31 March 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 31 March 2013 as well as of the results of the group's activities and cash flows in the period 1 October 2012 - 31 March 2013.

We further consider that the management's review (pp. 1-8) 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, 2 May 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	Q2 2012/13	Q2 2011/12	YTD 2012/13	YTD 2011/12	FY 2011/12
Revenue	334.8	264.7	603.6	499.2	1,045.5
Production costs	(172.4)	(116.6)	(301.1)	(218.0)	(475.5)
Gross profit	**162.4**	**148.2**	**302.5**	**281.2**	**570.0**
Gross margin	*48.5*	*56.0*	*50.1*	*56.3*	*54.5*
Selling costs	(71.6)	(60.5)	(135.7)	(119.8)	(238.0)
Development costs	(7.9)	(6.7)	(13.7)	(12.9)	(22.9)
Management and administration	(45.8)	(37.5)	(91.0)	(77.6)	(154.6)
Other operating income	-	-	3.5	-	-
Other operating expenses	(1.3)	(0.9)	(2.1)	(1.8)	(3.5)
Operating profit (EBIT) before special items	**35.7**	**42.5**	**63.4**	**69.0**	**151.0**
EBIT margin before special items	*10.7*	*16.1*	*10.5*	*13.8*	*14.4*
Special items	(26.6)	(2.7)	(32.9)	(3.2)	(6.1)
Operating profit (EBIT)	**9.1**	**39.9**	**30.5**	**65.8**	**144.9**
Net financials	(5.6)	(0.1)	(8.5)	1.1	(0.9)
Profit before tax (PBT)	**3.5**	**39.7**	**22.0**	**66.9**	**144.0**
Tax	(1.3)	(10.2)	(7.9)	(17.3)	(33.6)
Net profit for the period	**2.2**	**29.6**	**14.1**	**49.6**	**110.4**
Earnings per share in DKK					
Earnings per share	0.19	2.53	1.20	4.25	9.45
Diluted earnings per share	0.19	2.58	1.19	4.32	9.29

Statement of comprehensive income

	YTD 2012/13	YTD 2011/12	FY 2011/12
Net profit for the period	**14.1**	**49.6**	**110.4**
Other comprehensive income:			
Translation adjustment in foreign enterprises	23.3	9.9	15.7
Adjustment to fair value for the period			
Disposals included in net financials			0.6
Additions concerning hedging instruments	0.7	(1.5)	(4.3)
Tax on hedging transactions			0.9
Total other comprehensive income	**23.9**	**8.4**	**12.9**

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Balance sheet

DKKm	31.03.13	31.03.12	30.09.12
Intangible assets	901.0	220.5	228.2
Property, plant and equipment	357.1	178.0	176.3
Other non-current assets	19.6	5.3	3.2
Total non-current assets	**1,277.7**	**403.8**	**407.7**
Inventories	283.2	223.1	233.2
Trade receivables	319.2	260.7	251.4
Other receivables	48.0	30.3	21.0
Income tax receivable	5.9	-	-
Cash and cash equivalents	67.8	30.2	34.9
Total current assets	**724.1**	**544.3**	**540.5**
Total assets	**2,001.8**	**948.2**	**948.2**
Share capital	119.1	119.1	119.1
Reserves and retained earnings	548.4	489.4	546.0
Total equity	**667.5**	**608.5**	**665.1**
Long-term bank debt	757.5	23.7	17.3
Other non-current liabilities	264.3	20.5	25.8
Current portion of non-current liabilities	13.3	13.3	13.3
Short-term bank debt	79.6	134.0	61.1
Trade payables	68.8	45.1	57.3
Income tax	-	17.4	16.3
Other current liabilities	150.9	85.6	92.0
Total liabilities	**1,334.3**	**339.7**	**283.1**
Total equity and liabilities	**2,001.8**	**948.2**	**948.2**

Statement of changes in equity

DKKm	31.03.13	31.03.12	30.09.12
Equity as at 1 October	665.1	579.9	579.9
Net profit for the period	14.1	49.6	110.4
Prior-year errors Note 2)	-	-	(8.7)
Other comprehensive income	23.9	8.4	12.9
Purchase of treasury shares	(21.8)	(28.1)	(34.9)
Employee option scheme	21.2	22.1	28.8
Distributed dividend	(35.0)	(23.3)	(23.3)
Equity	**667.5**	**608.5**	**665.1**

Cash flow statement

DKKm	31.03.13	31.03.12	30.09.12
Net profit for the period	14.1	49.6	110.4
Adjustment of items with no cash flow effect	58.0	45.0	93.0
Income tax paid	(25.6)	(21.1)	(20.0)
Interest income and similar items	0.1	0.5	1.3
Interest expenses and similar items	(13.8)	0.6	(2.2)
Changes in working capital	5.4	(60.3)	(24.9)
Cash flows from operating activities	**38.1**	**14.2**	**157.6**
Purchase of non-current assets	(30.1)	(19.7)	(46.5)
Sale of non-current assets	5.8	-	-
Cash flows from investing activities exclusive of acquisitions	**(24.3)**	**(19.7)**	**(46.5)**
Free cash flows before company acquisitions	**13.9**	**(5.4)**	**111.1**
Company acquisitions	(701.5)	-	(31.0)
Free cash flows after company acquisitions	**(687.7)**	**(5.4)**	**80.1**
Corporate bond issue, net	697.1	0	0
Changes in other non-current liabilities, net	43.1	(6.7)	(13.2)
Purchase of treasury shares	(2.8)	(7.8)	(9.5)
Dividend paid	(35.0)	(23.3)	(23.2)
Cash flows from financing activities	**702.4**	**(37.8)**	**(46.0)**
Changes in cash and cash equivalents	**14.7**	**(43.3)**	**34.1**
Cash and cash equivalents, beginning of period	(26.2)	(60.9)	(60.9)
Translation adjustment of cash and cash equivalents	(0.3)	0.4	0.6
Cash and cash equivalents, end of period	**(11.8)**	**(103.8)**	**(26.2)**

Note 1 – Changes to accounting policies

Ambu is changing its accounting policies from having classified overdraft facilities in the cash flow statement as financing activities to classifying these as cash and cash equivalents. This reflects the fact that overdraft facilities are part of the group's ongoing cash management. The change affects past results of cash flows from financing activities as well as the

DKKm	31.03.12	30.09.12
Previous accounting policies		
Cash flows from financing activities	**9.4**	**-72.0**
Changes in cash and cash equivalents	**4.0**	**8.2**
Cash and cash equivalents, beginning of period	25.7	25.7
Translation adjustment of cash and cash equivalents	0.5	1.0
Cash and cash equivalents, end of period	**30.2**	**34.9**
Effect of new accounting policies		
Cash flows from financing activities	**-37.8**	**-46.0**
Changes in cash and cash equivalents	**-43.3**	**34.1**
Cash and cash equivalents, beginning of period	-60.9	-60.9
Translation adjustment of cash and cash equivalents	0.4	0.6
Cash and cash equivalents, end of period	**-103.8**	**-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[1)]	(11.6)	(8.7)
Error intra-group mark-up on inventories. Expensed 2011/12 [1)]	(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, and deferred tax liabilities are reduced by DKK 4.3m. The error amounts to 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, while the remaining DKK 11.6m before tax and DKK 8.7m after tax concern previous financial years and consequently have reduced 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 as at 30 September 2011. 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

The company 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.

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

Note 4 – Company acquisitions

Ambu has acquired all the shares in King Systems Inc. from Medical Consort PLC. The takeover date is 15 February 2013.

Description of the activities acquired

Net assets in King Systems Inc. are recognised at their fair value. The calculation of fair values is currently in progress and is expected to be completed in the present financial year.

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.

The most important assets are intangible assets and high-tech production facilities in Indiana, USA.

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 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 ten 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.

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%. As the time of payment approaches, the present value is expected to increase. Changes to the earn-out obligation will be recognised under financial items.

Contingent payment	**Due**	**Undiscounted payment**
Milestone payment	Expected 2013	USD 0-10m
Earn-out 2014	May 2014	USD 0-6.67m
Earn-out 2015 and catch-up	May 2015	USD 0-6.67m
Earn-out 2016 and catch-up	May 2016	USD 0-6.67m
Cumulative earn-out	May 2016	USD 0-20m

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 31 March 2013, King Systems Inc. contributed DKK 44.8m to the consolidated revenue and DKK -1.5m to the operating profit for the year (EBIT). Consolidation of King Systems from 1 October 2012 would have contributed revenue of DKK 204.5m and an operating profit (EBIT) of DKK 22.3m.

(DKKm)	Carrying amount before takeover	Preliminary fair value at time of takeover
Technologies	14.7	125.4
Trademarks	0.0	18.1
Customer relations	0.0	2.2
Order book	0.0	0.8
Total intangible assets	14.7	146.4
Property, plant and equipment	182.1	182.1
Inventories	51.9	57.5
Trade receivables	44.2	44.2
Other current assets	8.1	7.0
Tax receivable	10.3	10.3
Cash	6.4	6.4
Payables	-46.5	-46.5
Deferred tax	-10.7	-65.2
Identifiable net assets	260.5	342.3
Goodwill		493.6
Total purchase sum		835.8
The purchase sum comprises:		
Cash and cash equivalents		689.1
Contingent consideration		146.7
		835.8
Transaction-related costs included in special items		9.6
Cash flows for acquisition of King Systems as at 31 March 2013		701.5

Quarterly results

DKKm	Q2 2012/13	Q1 2012/13	Q4 2011/12	Q3 2011/12	Q2 2011/12	Q1 2011/12
Revenue	334.8	268.8	283.1	263.2	264.7	234.4
Production costs	(172.4)	(128.7)	(136.1)	(121.4)	(116.6)	(101.4)
Gross profit	**162.4**	**140.1**	**147.0**	**141.8**	**148.1**	**133.0**
Gross margin	*48.5*	*52.1*	*51.9*	*53.9*	*56.0*	*56.7*
Selling costs	(71.6)	(64.1)	(58.0)	(60.2)	(60.5)	(59.2)
Development costs	(7.9)	(5.8)	(4.2)	(5.8)	(6.7)	(6.3)
Management and administration	(45.8)	(45.2)	(39.6)	(37.4)	(37.5)	(40.1)
Other operating income	-	3.5	-	-	-	-
Other operating expenses	(1.3)	(0.8)	(0.4)	(1.2)	(0.9)	(0.9)
Operating profit (EBIT) before special items	**35.7**	**27.7**	**44.8**	**37.3**	**42.5**	**26.5**
EBIT margin before special items	*10.7*	*10.3*	*15.8*	*14.2*	*16.1*	*11.3*
Special items	(26.6)	(6.3)	(1.9)	(1.0)	(2.7)	(0.5)
Profit after special items (EBIT)	**9.1**	**21.4**	**42.9**	**36.3**	**39.8**	**26.0**
Net financials	(5.6)	(2.9)	1.1	(3.1)	(0.1)	1.2
Profit before tax	**3.5**	**18.5**	**44.0**	**33.2**	**39.7**	**27.2**
Tax	(1.3)	(6.6)	(7.1)	(9.2)	(10.2)	(7.1)
Net profit for the period	**2.2**	**11.9**	**36.8**	**24.0**	**29.6**	**20.0**
Earnings per share in DKK						
Earnings per share	0.19	1.02	3.15	2.06	2.53	1.72
Diluted earnings per share	0.19	1.01	3.10	2.00	2.58	1.70
Key figures						
EBITDA before special items	52	41	58	51	57	40
Investments in non-current assets	18	7	14	44	11	9
Depreciation and impairment, fixed assets	16	13	13	14	14	13
Cash flows from operating activities	44	(6)	71	72	33	(19)
Free cash flow before acquisitions	27	(13)	57	28	23	(28)
Free cash flow after acquisitions	(675)	(13)	58	58	23	(28)
Total assets, end of period	2,002	979	948	1,009	948	942
Equity, end of period	668	658	665	644	608	592
Interest-bearing debt	783	97	57	113	141	156
Average no. of employees	2,341	1,768	1,683	1,735	1,710	1,655