



## INTERIM REPORT FOR Q3 AND Q1-Q3 2009/10

1 October 2009 - 30 June 2010

**Company announcement no. 10-2009/10**

## MARKEDLY IMPROVED EARNINGS AND SOLID GROWTH IN REVENUE

**Ambu won market share in Q3 2009/10 and maintained positive developments from 1H. Growth in revenue totalled 9% in Q3, while year-to-date growth stands at 7% when reported in local currencies. In the USA, where market growth is 1-3%, Ambu realised 15% growth in revenue in Q3 and year-to-date growth of 12%. The gross margin has improved to 54.1% year to date, against 52.2% for the same period last year. The operating profit (EBIT) for Q3 was DKK 32.6m against DKK 21.8m for the same period last year. Year-to-date EBIT was improved by 35% at DKK 83.7m against DKK 62.2m for the same period last year. The EBIT margin was 12.2% year to date, against 9.6% for the same period last year. The outlook for 2009/10 is of revenue of just over DKK 925m, an EBIT margin before special items of just over 12.5% and a profit before tax of approx. DKK 110m.**

*"We are very pleased that Ambu has continued the positive trends from H1 2009/10, and that we are continuing to win market share and increase earnings. Our GPS Four strategy is ambitious, and after the first three quarters of 2009/10, we can see that the targets for 2009/10 are expected to be met. The many initiatives launched within production, innovation, sales and administration will lead to the expected improvements. The initiatives will contribute to a continued solid growth in revenue and markedly increased earnings. The USA is still seeing two-digit growth in revenue, and we still see considerable potential for growth in the world's largest market for medico-technical products. We are keeping a close eye on developments in Europe where the economic downturn is leading to calls for cost cuts within the hospital sector. We expect the positive developments to continue," says Lars Marcher, President & CEO of Ambu.*

### Highlights

- Revenue for Q3 totalled DKK 240.3m against DKK 215.9m in Q3 2008/09, corresponding to an increase of 11%, or 9% when measured in local currencies. Year-to-date revenue was DKK 688.0m against DKK 647.3m in the same period last year, corresponding to an increase of 6%, or 7% when measured in local currencies.
- In Europe, growth in revenue in Q3 was 5% when measured in local currencies compared to the same period last year, and year-to-date growth has been 6% when measured in local currencies. In Q3, growth rates of 3-8% were seen in all markets. In the USA, growth stood at 15% in Q3 and 12% year to date relative to the same periods in 2008/09 when measured in the local currency.
- Within Airway Management, revenue grew by 6% in Q3 and by 14% year to date relative to the year before. Within Patient Monitoring & Diagnostics, revenue was up 10% in Q3 and 10% year to date. Within Emergency Care, revenue increased by 9% in Q3 and by 1% year to date when measured in local currencies and relative to the same period last year.
- The operating profit (EBIT) for Q3 was DKK 32.6m against DKK 21.8m for the same period last year. Year-to-date EBIT was DKK 83.7m against DKK 62.2m for the same period last year, up 35%.
- The profit before tax was DKK 32.1m in Q3 against DKK 23.0m for the same period last year. Year-to-date profit before tax was DKK 83.2m against DKK 61.5m in the same period last year, up 35%.
- Year-to-date cash flows from operating activities total DKK 42.6m against DKK 69.7m for the same period last year. The falling cash flow is attributable to increasing inventories due to the build-up of buffer inventories in connection with the transfer of production to Malaysia and to the expiry of the temporary extension granted in respect of the payment of VAT in Denmark.

- The free cash flow year to date was DKK -10.8m after investments of DKK 53.3m. In the same period in 2008/09, the free cash flow was DKK -13.0m after investments of DKK 82.7m.

#### **Outlook 2009/10**

- For FY 2009/10 as a whole (1 October 2009 - 30 September 2010), the outlook is of revenue of just over DKK 925m, while the EBIT margin is still expected to be just over 12.5% before special items relating to the pending patent cases. A profit before tax of approx. DKK 110m is still expected. The outlook is of a free cash flow of approx. DKK 40m.

#### **Conference call**

Conference call and webcast on this announcement will be held in Danish on Wednesday, 25 August 2010, 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 [http://webcast.zoomvision.se/denmark/clients/ambu/10\\_306\\_eng/](http://webcast.zoomvision.se/denmark/clients/ambu/10_306_eng/) or on the Ambu website [www.ambu.com](http://www.ambu.com). Also, the conference will subsequently be made available on the Ambu website.

#### **Contact**

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***Ambu** develops, produces and markets diagnostic and life-supporting devices to hospitals and rescue services. Ambu has three business areas: Airway Management, Patient Monitoring & Diagnostics and Emergency Care. The primary products are ventilation products for artificial respiration and electrodes for ECG recordings and neurophysiological examinations as well as manikins for first-aid training. Ambu's products are marketed worldwide. Exports account for 98% of revenue, and sales are handled via Ambu's foreign subsidiaries or via distributors. Ambu has approx. 1,800 employees, of whom 265 work in Denmark and 1,535 abroad.*

## FINANCIAL HIGHLIGHTS

DKKm	Q3 2009/10	Q3 2008/09	YTD 2009/10	YTD 2008/09	FY 2008/09
<b>Key figures</b>					
Revenue	240	216	688	647	877
EBITDA before special items	49	41	131	116	167
items	33	27	86	75	110
Operating profit (EBIT)	33	22	84	62	76
Net financials	(1)	1	(1)	(1)	(3)
Profit before tax (PBT)	32	23	83	62	74
Net profit for the period	23	16	60	44	56
Total assets, end of period	903	787	903	787	782
Equity, end of period	555	484	555	484	480
Share capital	119	119	119	119	119
Investments in non-current assets and acquisitions	16	8	53	83	96
Depreciation, amortisation and impairment of non-current assets	16	14	45	41	56
Cash flows from operating activities	21	35	43	70	113
Free cash flow	5	27	(11)	(13)	18
Average no. of employees	1,776	1,606	1,776	1,606	1,608
<b>Ratios</b>					
EBITDA margin before special items, %	20.5	18.8	19.0	17.9	19.0
EBIT margin before special items, %	13.7	12.4	12.5	11.7	12.6
Return on assets, %	14.4	11.1	12.4	10.5	14.1
Return on equity, %	16.6	13.5	14.5	12.2	12.0
Equity ratio, %	62	61	62	61	61
Profit per DKK 10 share	1.95	1.00	5.09	4.00	4.73
Cash flow per DKK 10 share	1.76	2.00	3.58	6.00	9.51
Equity value of shares	47	41	47	41	40
Share price, end of period	148	94	148	94	110
Listed price/equity value	3.2	2.3	3.2	2.3	2.7
P/E ratio	19	17	22	19	23
CAPEX, %	6.8	3.5	7.7	12.8	10.9
ROIC, %	14.1	10.4	22.3	9.9	13.4
NIBD/EBITDA	0.9	1.0	1.0	1.0	0.7

The figures for Q3 have not been audited.

The interim report for Q3 2009/10 is presented in accordance with IAS 34 and additional Danish disclosure requirements for the interim reporting of listed companies. The accounting principles applied in the interim report are consistent with the principles applied in the 2008/09 annual report with the exception of the capitalisation of borrowing costs in respect of self-constructed non-current assets and the changed presentation of segment information.

The capitalisation of borrowing costs in respect of self-constructed non-current assets is calculated as from 1 October 2009, the effect thereof being DKK 0m in the period from 1 October 2009 - 30 June 2010. Information about reportable operating segments is provided in accordance with the internal reporting to the Board of Management.

The key figures have been calculated in accordance with The Danish Society of Financial Analysts' "Recommendations and Financial Ratios 2010".

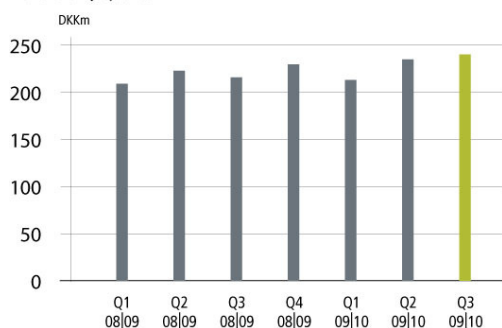
The company's financial year runs from 1 October to 30 September.

## MANAGEMENT'S REVIEW FOR Q3 2009/10

### DEVELOPMENTS IN Q3 2009/10

Revenue continued to develop positively in Q3. Organic growth was 9% when measured in local currencies, which is satisfactory and exceeds the estimated average market growth of 3-5%. The positive development in US activities continues, with growth of 15% being reported, while in Europe growth was 5%.

Revenue by quarter



Revenue in other markets, including Asia, was up 10% when measured in local currencies.

Ambu's focus in Q3 remained on achieving a high level of productivity in the production of the products which have been transferred from Denmark to Malaysia. Moreover, the company continues to focus on activities which are intended to strengthen product development and ensure intensified sales efforts and greater efficiency.

### GPS1 Innovation

#### - products and product development

The implementation of a global innovation organisation has continued, and the recruitment of more project managers and engineers for the development organisation in Malaysia and China has commenced. Moreover, development activities in Denmark have been strengthened.

The single-use videoscope, aScope, has been launched in the US market, it has been registered in Japan, and initial experience has been gained in Europe where the product was launched in Q1 2009/10. As expected, feedback from doctors is positive, both due to the

functionality of the product and as the aScope is contributing to improving work routines at hospitals. aScope is now fully integrated into Ambu's sales organisations, and revenue is being generated in the markets where the product was first introduced. aScope is seen by doctors as a good back-up solution for the costly multiple-use scopes, and in the long term, the market for multiple-use products is expected to be taken over by single-use products.

In 2009/10, a number of new needle products have been launched within Patient Monitoring & Diagnostics as well as a new member of the laryngeal mask family within Airway Management.

A number of exciting development projects are under way within Airway Management aimed at complementing and expanding the product portfolio.

### GPS2 Markets and sales

The project in progress, which is to ensure increasing earnings margins through focusing on sales prices within Patient Monitoring & Diagnostics, is progressing according to plan, and has resulted in increasing margins for selected products in the USA, the UK and Sales Region West, which comprises France and the Benelux countries.

The expansion of the sales force in the USA which took place in 2008/09 and the strengthened focus has contributed to winning market share. Both the sales organisation and the marketing organisation have been tailored to supporting the new regional structure.

Budgets in the health care sector are under mounting pressure, especially in Sales Region South, which covers Spain, Italy and Portugal. This is impacting sales, not in the form of lost customers, but with reduced order volumes from individual customers. This situation is being monitored closely.

### GPS3: Efficiency

The next phase of the transfer of production, which relates to 10% of the annual revenue and affects approx. 80 employees, is being planned and is expected to be implemented in September/October 2010.

The production premises in Ølstykke have been put on the market, and all the group's activities in Denmark will be moved to Ambu's site in Ballerup in the course of 2011. Productivity at the Danish factory remains high.

In connection with the transfer of production to Malaysia, more employees have been taken on there, and Ambu now has just under 600 employees in Malaysia.

Streamlining measures are continuing at the factories in China, Malaysia and Denmark with a view to increasing profitability. Work has also gone into increasing capacity within ventilation bags and laryngeal masks due to an increase in demand.

The first phase of the group's Product Life Cycle Management (PLM) System has been implemented according to plan in Denmark and at Ambu's factories in China and Malaysia in June 2010. The system will increase efficiency and the documentation of product development as well as providing global access to these data.

### GPS4: Acquisitions

There is considerable focus on the potential for making acquisitions both in the USA and in Europe, and both product areas and companies are being assessed. Ambu's focus is primarily on activities which can strengthen the company's position within single-use products for the hospital sector. Moreover, a dialogue is currently taking place with a view to insourcing products which fall within the company's current areas of activity.

## COMMENTS ON THE FINANCIAL STATEMENTS FOR Q3 AND YEAR TO DATE

### Income statement

#### Revenue

Total revenue for Q3 was DKK 240.3m against DKK 215.9m in Q3 2008/09 – corresponding to an increase of 11% (9% when measured in local currencies). Year-to-date revenue was DKK 688.0m against DKK 647.3m in the same period last year, corresponding to an increase of 6% (7% when measured in local currencies).

The development in exchange rates year to date has had a negative effect on revenue of DKK 7m relative to last year. The effect of exchange rate fluctuations is due to the fall in USD and GBP exchange rates.

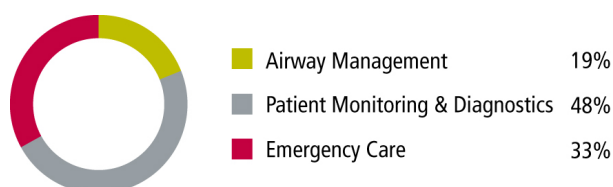
Revenue by business area:

DKKmn	Q3 2009/10	Q3 2008/09	Growth in DKK %	Growth in local currencies %	YTD 2009/10	YTD 2008/09	Growth in DKK %	Growth in local currencies %
Airway Management	42.0	38.5	9	6	128.8	113.8	13	14
Patient Monitoring & Diagnostics	81.5	72.0	13	10	295.1	270.0	9	10
Emergency Care	116.8	105.4	11	9	264.1	263.5	0	1
<b>Total</b>	<b>240.3</b>	<b>215.9</b>	<b>11</b>	<b>9</b>	<b>688.0</b>	<b>647.3</b>	<b>6</b>	<b>7</b>

Within Airway Management, growth in revenue of 6% was recorded in Q3 when measured in local currencies and of 9% when measured in DKK. Year-to-date growth is 14% when measured in local currencies, and 13% when measured in DKK. The high growth rates within single-use face masks in Europe continued in Q3, with continued growth within laryngeal masks in Europe, while sales of the newly launched aScope have been in line with expectations. The launch of the product in the USA has also started.

Within Patient Monitoring & Diagnostics, growth in revenue of 10% was recorded in Q3 when measured in local currencies and of 13% when measured in DKK. Year-to-date growth is 10% when measured in local currencies, and 9% when measured in DKK. Strong growth is still being recorded within Neurology/sleep in all sales regions. Cardiology has seen growth in the UK, Sales Region West and in the USA due to the intensified focus on sales.

In Q3 2009/10, revenue within Emergency Care increased by 9% when measured in local currencies and by 11% when measured in DKK. Year-to-date revenue growth is 1% when measured in local currencies, and 0% when measured in DKK. Growth was seen in sales of single-use ventilation bags in the USA and immobilisation products in general. Sales of first-aid training manikins and multiple-use ventilation bags are still negatively impacted by the economic situation in the market for multiple-use products.



#### Geographical breakdown of revenue:

DKKm	Q3 2009/10	Q3 2008/09	Growth in DKK %	Growth in local currencies %	YTD 2009/10	YTD 2008/09	Growth in DKK %	Growth in local currencies %
USA	81.4	66.9	22	15	214.1	197.9	8	12
Europe	141.7	133.9	6	5	423.3	404.3	6	6
Rest of the world	17.2	15.1	14	10	44.6	45.1	(1)	(4)
<b>Total</b>	<b>240.3</b>	<b>215.9</b>	<b>11</b>	<b>9</b>	<b>688.0</b>	<b>647.3</b>	<b>6</b>	<b>7</b>

#### USA

Total US revenue rose by 15% in Q3 and by 12% year to date. This significantly exceeds market growth, and thus market share has been won, which is, among other things, attributable to the expansion of the sales force in 2008/09. Market share is being won on GPO contracts within ventilation bags, and sales of laryngeal masks are seeing satisfactory growth, while double-digit growth is recorded within needles and electrodes for neurological examinations and sleep studies.

#### Europe

European revenue rose by 5% in Q3 and by 6% year to date. In Q3, growth rates of 3-8% were seen in all markets. Growth in Europe exceeded market growth. Sales Region West, which posted low growth in Q2, saw growth of 3% in Q3. Revenue in Sales Region NEM, which comprises the Nordic countries and distributor sales, was up 7% in Q3 and is thus sticking to the growth track from Q2.

#### Rest of the world

Revenue in the rest of the world is up 10%, representing an increase of approx. DKK 1.5m. The growth in revenue stems primarily from the Middle East and from areas where sales are primarily based on tenders.



#### Gross profit

For Q3 2009/10, a gross profit of DKK 131.3m was returned against DKK 114.3m in Q3 2008/09.

Year to date 2009/10, the gross profit was DKK 372.3m against DKK 337.8m year to date 2008/09.

The gross profit ratio was 54.6 against 52.9 in Q3 2008/09. Year to date, the gross profit ratio was 54.1 against 52.2 year to date 2008/09. The primary reasons for the gross profit ratio increase were the focus on upping sales prices and increasing levels of productivity, among other things thanks to the ongoing transfer of the remaining production to Asia. Moreover, freight costs have been reduced.

#### Costs

The group's selling, development and management costs and administrative expenses were DKK 97.1m in Q3 against DKK 86.4m in Q3 2008/09. The primary reason for the increase in the group's costs and expenses in Q3 relative to the same period in 2008/09 is increasing selling and marketing costs. The primary explanations are the expansion of the sales force in the US market and the establishment of a subsidiary with direct sales in Australia. Selling costs in Sales Region West have also been increased in step with the intensified sales efforts in this region. Moreover, sales freight in respect of Sales Region NEM has been reclassified as production costs. Adjusted for the above factors, the increase in selling and marketing costs is very modest. Management costs and administrative expenses include non-recurring

costs relating to the transfer of the remaining production to Asia as well as increased costs in connection with the newly established subsidiary in Australia.

Year to date, costs and expenses amounted to DKK 283.2m against DKK 259.4m year to date in 2008/09. The year-to-date increase is primarily attributable to the above factors and to costs incidental to the launch of the new aScope product.

### Special items

In Q3, special items include non-recurring items of DKK 0.4m in the form of legal fees in connection with the pending patent cases against special items of DKK 4.9m during the same period last year. Of this, costs incidental to the pending patent cases totalled DKK 1.1m, while the remaining amount of DKK 3.8m covered costs relating to special organisational changes.

Year to date 2009/10, special items amount to DKK 2.0m in the form of legal fees in connection with pending patent cases. Year to date 2008/09, special items totalled DKK 13.2m in the form of costs incidental to pending patent cases of DKK 9.2m and costs in connection with special organisational changes of DKK 4.0m.

### EBIT

The operating profit (EBIT) before special items amounted to DKK 33.0m in Q3 against DKK 26.7m for the same period last year, corresponding to an EBIT margin of 13.7%, up 1.3%. Year to date, EBIT was DKK 85.7m against DKK 75.4m year to date 2008/09, corresponding to an EBIT margin of 12.5 against 11.7 year to date last year.

The operating profit (EBIT) was DKK 32.6m for Q3 against DKK 21.8m for the same period last year. Year to date, EBIT was DKK 83.7m against DKK 62.2m year to date 2008/09, up 35%.

### Net financials

Net financials for Q3 took the form of financial expenses of DKK 0.5m against financial income of DKK 1.2m in Q3 2008/09. The reason for the change in financial expenses was a positive

foreign exchange translation adjustment of DKK 0.9m in Q3 2009/10 against a positive translation adjustment of DKK 2.9m for the same period last year.

Year to date 2009/10, net financials amounted to expenses of DKK 0.5m against expenses of DKK 0.7m year to date 2008/09.

### Net profit for the period

The net profit for Q3 was DKK 23.1m against DKK 16.3m in Q3 2008/09. Year to date, a net profit of DKK 60.4m was generated against DKK 44.1m in 2008/09, up 37%.

### Balance sheet

At the end of Q3, the balance sheet total amounted to DKK 903m, corresponding to an increase of DKK 121m relative to the end of 2008/09.

Non-current assets rose by DKK 27m compared to the end of 2008/09. The increase is attributable to investments in property, plant and equipment.

Current assets rose by DKK 94m compared to the end of the last financial year. Of this, inventories increased by DKK 61m, with DKK 26m being attributable to increasing exchange rates. Adjusted for the effects of exchange rates, the increase in inventories is DKK 35m. This is primarily attributable to the establishment of buffer inventories in connection with the transfer of production (approx. DKK 11m), the building-up of inventories of the new aScope product and insourced products (approx. DKK 9m) as well as the increased value of raw materials for future production.

Receivables were DKK 22m higher than at the end of 2008/09. Receivables are generally up as a result of increasing sales. Specifically, receivables in the southern European markets are up as a result of the financial crisis. However, as the receivables are from public hospitals, they are not deemed to entail any risk of bad debts. Moreover, deposits have grown by DKK 3m, primarily following the expansion of production in Malaysia. Moreover, cash and cash equivalents increased by DKK 10m.



The cash situation, including credit facilities, remains satisfactory.

Non-current liabilities were reduced by DKK 6m compared to the end of the last financial year.

All in all, current liabilities were up DKK 51m compared to the end of the last financial year.

Unutilised credit facilities amounted to approx. DKK 85m at the end of Q3.

### **Cash flows**

Year-to-date cash flows from operating activities total DKK 42.5m against DKK 67.9m for the same period last year.

Cash flows from operating activities were negatively impacted by a change in working capital of DKK 82m.

Inventories are up DKK 61m relative to the end of 2008/09, the reasons having been described above.

Receivables are up DKK 22m, primarily as a result of increasing receivables from southern Europe and increasing deposits following the expansion of production in Asia.

Net trade payables and other payables are down DKK 1m, with other payables having been reduced by DKK 9m following the expiry of the temporary extension granted in respect of the payment of VAT in Denmark.

In the period 1 October 2009 to 30 June 2010, Ambu recorded a free cash flow of DKK -11m against a positive cash flow of DKK 28m before acquisitions during the same period last year. The negative free cash flow is attributable to Q1 as the free cash flow for Q2 2009/10 was 0, and for Q3 2009/10 a positive cash flow of DKK 5m was realised. The primary reasons for the negative free cash flow are the impact of a negative cash flow from operating activities of DKK 82m and net investments of DKK 53m. Focus is on reducing funds tied up in inventories as well as receivables.

### **Patent cases**

#### **Patent case in the USA**

When the United States District Court Southern District of California invalidated LMA's patent, LMA was at the same time allowed to lodge an appeal against the decision and an earlier decision that Ambu is not violating LMA's patent to the court of appeal in Washington D.C. The appeal case brought by LMA has been heard, and a decision is expected towards the end of 2010.

#### **Patent cases in Europe**

In February 2008, the European Patent Office (EPO) decided to invalidate LMA's patent in Europe. LMA has lodged an appeal against this decision, and the appeal is expected to be decided at the end of 2010.

As announced earlier, the case concerning the possible violation of LMA's German utility model patent was won by Ambu. LMA has asked the German Supreme Court to consider the case, and a decision as to whether this request will be granted is now not expected until the end of 2010/early 2011.

### **OUTLOOK**

For FY 2009/10 (1 October 2009 - 30 September 2010), the outlook is of revenue of just over DKK 925m.

The outlook is still of an EBIT margin of just over 12.5% before special items relating to the patent cases.

The profit before tax is still expected to be in the region of DKK 110m.

A free cash flow of approx. DKK 40m before acquisitions is expected.

### **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 and in exchange rates.*

## Financial calendar

Financial calendar 2009/10:

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30 September 2010 End of FY 2009/10

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24 November 2010 Annual Report 2009/10

## STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD ON THE INTERIM REPORT

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 2009 to 30 June 2010.

The interim report is presented in accordance with IAS 134 on 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 2010 as well as of the results of the group's activities and cash flows in the period 1 October 2009 - 30 June 2010.

We further consider that the management's review (pp. 1-10) 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, 25 August 2010

### Executive Board

Lars Marcher  
President & CEO

### Board of Directors

N. E. Nielsen  
Chairman

Bjørn Ragle

Jørgen Hartzberg

Anne-Marie Jensen

Torben Ladegaard

Steen Henriksen

Anne Blanksø-Pedersen

John Stær

Anders Williamsson

## Income statement

DKKkm	Q3 2009/10	Q3 2008/09	YTD 2009/10	YTD 2008/09	FY 2008/09
Revenue	240.3	215.9	688.0	647.3	876.9
Production costs	(109.0)	(101.6)	(315.6)	(309.5)	(416.3)
<b>Gross profit</b>	<b>131.3</b>	<b>114.3</b>	<b>372.3</b>	<b>337.8</b>	<b>460.6</b>
%	54.6	52.9	54.1	52.2	52.5
Selling costs	(53.6)	(47.7)	(150.5)	(138.5)	(184.3)
Development costs	(7.9)	(7.1)	(23.7)	(22.6)	(29.3)
Management and administration	(35.6)	(31.6)	(109.0)	(98.3)	(133.0)
Other operating expenses	(1.1)	(1.1)	(3.4)	(2.9)	(3.7)
<b>Operating profit (EBIT) before special items</b>	<b>33.0</b>	<b>26.7</b>	<b>85.7</b>	<b>75.4</b>	<b>110.4</b>
%	13.7	12.4	12.5	11.7	12.6
Special items	(0.4)	(4.9)	(2.0)	(13.2)	(34.0)
<b>Operating profit (EBIT)</b>	<b>32.6</b>	<b>21.8</b>	<b>83.7</b>	<b>62.2</b>	<b>76.4</b>
Net financials	(0.5)	1.2	(0.5)	(0.7)	(2.7)
<b>Profit before tax (PBT)</b>	<b>32.1</b>	<b>23.0</b>	<b>83.2</b>	<b>61.5</b>	<b>73.7</b>
Tax	(9.0)	(6.7)	(22.8)	(17.4)	(17.9)
<b>Net profit for the period</b>	<b>23.1</b>	<b>16.3</b>	<b>60.4</b>	<b>44.1</b>	<b>55.8</b>
<b>Profit per share in DKK</b>					
Earnings per share (EPS)	1.95	1.37	5.08	3.71	4.73
Diluted earnings per share (EPS-D)	1.82	1.37	4.76	3.71	4.73

Statement of comprehensive income					
Net profit for the period			60.4	44.1	55.8
Translation adjustment in foreign enterprises			33.9	1.1	(11.2)
Tax on translation adjustments in foreign enterprises					1.3
Adjustment to fair value for the period					
Disposal included in net financials					0.3
Addition concerning hedging instruments			0.2	1.4	(6.0)
Tax on hedging transactions					1.4
<b>Comprehensive income</b>			<b>94.6</b>	<b>46.6</b>	<b>41.7</b>

## Balance sheet

DKKm	30.06.10	30.06.09	30.09.09
Intangible assets	219.7	222.1	220.3
Property, plant and equipment	204.8	178.4	177.6
Other non-current assets	3.4	3.5	3.0
<b>Total non-current assets</b>	<b>427.9</b>	<b>404.0</b>	<b>400.8</b>
Inventories	217.3	163.9	156.0
Trade receivables	211.3	178.1	193.0
Other receivables	18.5	21.7	14.6
Cash and cash equivalents	27.6	19.1	17.3
<b>Total current assets</b>	<b>474.7</b>	<b>382.8</b>	<b>380.9</b>
<b>Total assets</b>	<b>902.6</b>	<b>786.8</b>	<b>781.7</b>
Share capital	118.8	118.8	118.8
Reserves and retained earnings	436.3	365.0	360.9
<b>Total equity</b>	<b>555.1</b>	<b>483.8</b>	<b>479.6</b>
Non-current liabilities	67.6	74.2	73.5
Short-term bank debt	129.0	100.2	81.2
Trade payables	45.4	26.9	44.6
Corporate income tax	15.8	13.2	4.4
Other current liabilities	89.7	88.5	98.4
<b>Total liabilities</b>	<b>347.5</b>	<b>303.0</b>	<b>302.1</b>
<b>Total equity and liabilities</b>	<b>902.6</b>	<b>786.8</b>	<b>781.7</b>

## Statement of changes in equity

DKKm	30.06.10	30.06.09	30.09.09
Equity as at 1 October	479.6	452.0	452.0
Cf. Statement of comprehensive income	94.6	46.6	41.7
Purchase of treasury shares	(4.7)	-	-
Employee option scheme	3.4	2.9	3.7
Distributed dividend	(17.7)	(17.7)	(17.7)
<b>Equity</b>	<b>555.1</b>	<b>483.8</b>	<b>479.6</b>

## Cash flow statement

DKKm	30.06.10	30.06.09	30.09.09
Net profit for the period	60.4	44.1	55.8
Adjustments for depreciation, amortisation etc.	64.3	47.0	62.7
Changes in working capital	(82.2)	(21.4)	(5.5)
<b>Cash flows from operating activities</b>	<b>42.5</b>	<b>69.7</b>	<b>113.0</b>
Investments, net	(53.3)	(41.6)	(55.0)
Acquisitions	-	(41.1)	(40.5)
<b>Free cash flow</b>	<b>(10.8)</b>	<b>(13.0)</b>	<b>17.5</b>
<b>Cash flows from financing activities</b>	<b>20.2</b>	<b>15.8</b>	<b>(16.3)</b>
<b>Changes in cash and cash equivalents</b>	<b>9.4</b>	<b>2.8</b>	<b>1.3</b>
Cash and cash equivalents, beginning of period	18.2	16.3	16.1
<b>Cash and cash equivalents, end of period</b>	<b>27.6</b>	<b>19.1</b>	<b>17.3</b>

## Note 1- Segment information

Management has defined the operating segments with reference to the internal reporting to the Board of Management. Revenue is the primary parameter used by the Board of Management to assess segment performance. The structural and organisational circumstances do not allow a distribution of costs between the operating segments as sales channels, customer types and the sales organisations are identical. Moreover, production processes are controlled at a general level, and production costs are therefore reported as a total figure in the internal reporting to the Board of Management.

Sales between segments are conducted at arm's length.

The Airway Management segment comprises primarily laryngeal masks, face masks for artificial ventilation and scopes.

The Monitoring & Diagnostics segment comprises single-use electrodes for cardiological and neurological examinations.

The Emergency Care segment comprises ventilation bags, neck collars and manikins for first-aid training.

## Revenue

DKKm	Q3 2009/10	Q3 2008/09	YTD 2009/10	YTD 2008/09	FY 2008/09
Airway Management	42.0	38.5	128.8	113.8	150.0
Patient Monitoring & Diagnostics	81.5	72.0	295.1	270.0	402.6
Emergency Care	116.8	105.4	264.1	263.5	324.3
<b>Total revenue</b>	<b>240.3</b>	<b>215.9</b>	<b>688.0</b>	<b>647.3</b>	<b>876.9</b>