

Report for Q3 2006/07 (1 April - 30 June 2007)

Ambu saw a high level of activity in Q3, but the decision not to go ahead with heavily discounted sales to a number of large customers in the USA means that, as announced on 20 August 2007, revenue and earnings for FY 2006/07 will be lower than previously announced. Sales within the other customer segments in the USA developed positively in Q3, while sales in Ambu's other markets developed in line with positive expectations.

- Revenue in Q3 was DKK 177.4m against DKK 173.6m in Q3 2005/06 – corresponding to an increase of 2%, or 4% measured in local currencies. In the period 1 October 2006 - 30 June 2007 revenue rose by 4% (7% measured in local currencies) to DKK 535.8m.
- Revenue within the strategic business areas – Respiratory Care, Cardiology and Neurology – rose by 1% in Q3 (3% measured in local currencies).
- The operating profit (EBIT) before expensing of the non-recurring cost incidental to the introduction of the employee share scheme (DKK 4.7m) was DKK 15.7m in Q3 against DKK 21.0m in the same period last year. In the period 1 October 2006 - 30 June 2007 EBIT was DKK 50.4m against DKK 51.4m in the same period last year.
- The profit before tax was DKK 8.7m in Q3 against DKK 16.4m in the same period last year. In the period 1 October 2006 - 30 June 2007, the profit before tax was DKK 42.0m (before adjustment for the non-recurring cost) against DKK 43.1m last year.
- In the period 1 October 2006 - 30 June 2007, the available cash flow was DKK 6.2m against DKK 35.0m in the same period last year. The primary reason for the lower available cash flow is increased funds tied up in operating activities and increased investments, among other things in the acquisition of distribution activities in the Netherlands.
- Ambu has decided not to go ahead with heavily discounted sales in the USA in Q4, resulting in lower-than-expected revenue and earnings. As announced on 20 August 2007, the outlook for FY 2006/07 is now of revenue of approx. DKK 715m (earlier forecast DKK 750m), while EBIT is expected to be approx. DKK 74m before adjustment for the non-recurring effect of the employee share scheme (earlier forecast DKK 97m).

Ambu A/S
Baltorpbakken 13
DK-2750 Ballerup
CVR: 63 64 49 19

T + 45 72 25 20 00
F + 45 72 25 20 50
www.ambu.com



Contact: K.E. Birk, tel. +45 7225 2000, email: keb@ambu.com

Conference call

Conference call and webcast concerning this release will be held in Danish on 29 August 2007 at 11 am Danish time. To participate, please call tel. +45 3271 4767 five minutes before the start of the conference. You can follow the conference via <http://webcast.zoomvision.se/denmark/clients/ambu/070829/>. The conference will subsequently be made available on the Ambu website.

Ambu develops, produces and markets diagnostic and life-supporting devices to hospitals and rescue services. Ambu has five business areas: Respiratory Care, Cardiology, Neurology, Training and Immobilization. The most important business areas are Respiratory Care, Cardiology and Neurology, and the most important products in these areas are ventilation products for artificial respiration and single-use electrodes for ECG recordings and neurophysiological examinations. Ambu's products are sold worldwide. Exports account for 98% of sales, and sales are handled via Ambu's foreign subsidiaries or via distributors. Ambu has approx. 1,230 employees, of whom approx. 305 work in Denmark and approx. 925 abroad.

DKKm	Q3 2006/07	Q3 2005/06	YTD 2006/07	YTD 2005/06	FY 2005/06
Key figures					
Revenue	177	173	536	513	716
Operating profit (EBIT) - before adjustment for effect of employee share scheme 2007	16	21	50	51	83
Operating profit (EBIT)	11	21	46	51	83
Profit before tax (PBT)	9	16	37	43	70
Consolidated profit	6	12	26	30	48
Total assets at year-end	690	663	690	663	678
Equity at year-end	405	372	405	372	391
Share capital	119	118	119	118	118
Investments in fixed assets and acquisitions	15	5	46	30	47
Depreciation of and impairment losses on fixed assets	11	9	32	28	44
Cash flows from operating activities	28	26	52	66	99
Free cash flow	13	19	6	35	61
Average no. of employees	1,230	1,142	1,230	1,142	1,221
Ratios					
EBITDA margin (%) (before adjustment for employee share scheme)	15.0	17.3	15.4	15.5	17.7
EBIT margin (%) (before adjustment for employee share scheme)	8.8	12.1	9.4	10.0	11.6
Return on assets (%)	6.4	12.8	8.9	10.5	12.2
Return on equity (%)	5.9	13.0	8.6	11.1	12.9
Equity ratio (%)	59	56	59	56	58
Profit per DKK 10 share	1	1	2	3	4
Cash flow per DKK 10 share	2	2	4	6	8
Equity value of shares	34	31	34	31	33
Share price at year-end	105	97	105	97	96
Listed price/equity value	3.1	3.1	3.1	3.1	2.9
P/E ratio	52	24	36	28	33
CAPEX (%)	8.2	2.9	8.5	5.8	6.5
ROIC (%)	5.4	10.4	7.6	8.7	10.4

The figures for Q3 have not been audited.

The quarterly statement has been prepared in accordance with the same accounting principles as the annual report for 2005/06.

The ratios have been calculated in accordance with the Danish Society of Financial Analysts' "Recommendations and Financial Ratios 2005".

The company's financial year is 1 October - 30 September.

Developments in Q3 2006/07

In Q3, Ambu saw a high level of activity. A decision not to go ahead with heavily discounted sales to a number of large customers in the USA means that, as announced on 20 August 2007, revenue and earnings for 2006/07 will be lower than previously announced. Sales within the other customer segments in the USA have developed positively in Q3, while sales in Ambu's other markets have developed in line with positive expectations. A detailed analysis is currently being carried out of the US market with a view to launching initiatives which will contribute to ensuring that growth in revenue in the USA reaches the desired level.

Q3 saw the targeting of sales activities in the USA and the UK, the aim being to increase growth in revenue. The organisation of the sales force in the UK by business area is beginning to lead to positive results in the form of an increase in sales within Respiratory Care and Neurology. In the coming months, Ambu will target the sales forces in Germany and France in the same way.

The increased targeting of sales activities is also resulting in an increase in sales of new products. The launch of Ambu's new laryngeal mask, Auraflex, (a flexible laryngeal mask which optimises the use of the single-use mask for ear, nose and throat operations) is developing in line with positive expectations.

As part of the implementation of the production strategy and the optimisation of the Cardiology business area, Ambu has implemented the planned streamlining of the factory in Ølstykke. The streamlining process has meant that stock levels have been inadequate for a period of time. In Q3 focus was thus on ensuring sufficiently high production and reliability of supply. For this reason, some of the cuts have been postponed temporarily, for which reason the savings realised as a result of the streamlining have been lower than expected. The planned savings are expected to be fully realised in the course of the next six months or so.

Production in China developed more positively than expected in the latest period due to lower levels of materials consumed and pay costs. The positive developments in China are important to maintaining Ambu's competitive edge.

The Movex ERP system has been implemented in the Chinese production unit. The implementation process was satisfactory. The next implementation of the system will take place at the factory in Malaysia, and is expected to be completed by the end of Q2 2007/08. The ERP system will then be implemented in the sales companies. The ERP system is expected to improve control as well as efficiency.

Product development and new products

The flexible laryngeal mask AuraFlex, which was launched at the end of Q2 2006/07, has been positively received by the market. No new products were launched in Q3, but a number of new Respiratory Care products will be launched in Q4 2006/07, while a number of the existing Neurology products will be improved.

The product development department at the Chinese factory has started work on improving several of the existing Respiratory Care and Training products.

Comments on the financial statements for Q3 2006/07 and for the period 1 October 2006 to 30 June 2007

Income statement

Revenue

Revenue in Q3 was DKK 177.4m against DKK 173.6m in Q3 2005/06 – corresponding to an increase of 2% or 4% measured in local currencies. In the period 1 October 2006 - 30 June 2007, revenue rose by 4% (7% measured in local currencies) to DKK 535.8m against DKK 513.1m in the same period last year. The increase in volumes sold is higher than the total increase due to the competitive situation.

Developments in exchange rates year to date reduced revenue by DKK 11.2m relative to the same period in 2005/06. The average USD rate was 566 year to date compared to 614 in the same period last year.

Revenue within individual business areas

DKKm	Q3 2006/07	Q3 2005/06	Growth in DKK (%)	Growth in local currency (%)	YTD 2006/07	YTD 2005/06	Growth in %	Growth in local currency (%)
Respiratory Care	67.6	66.9	1	4	202.2	195.2	4	7
Cardiology	66.9	67.4	(1)	-	199.8	194.6	3	3
Neurology	17.7	16.2	9	12	51.2	48.5	6	8
Training	12.8	12.5	2	3	45.8	40.2	14	15
Immobilization and other products	12.4	10.6	17	22	36.8	34.6	6	11
Total	177.4	173.6	2	4	535.8	513.1	4	7

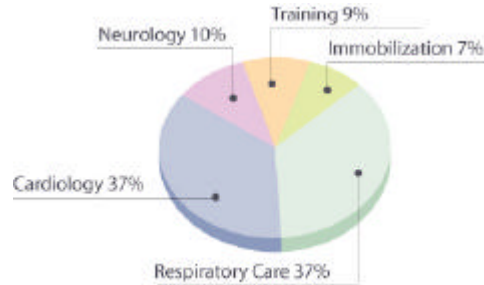
Within Respiratory Care, growth in revenue in Q3 2006/07 was 4%, and year-to-date growth was 7%. Double-digit growth rates have been realised in all markets, except the US market. Growth was seen throughout the entire product range, and there has been a continued increase in sales of laryngeal masks. The lower-than-expected growth in the US market is primarily attributable to lower-than-expected sales to a number of large customers and the military services.

Within Cardiology, growth in revenue in Q3 2006/07 was 0%, and year-to-date growth was 3%. There has been a satisfactory increase in revenue in all markets with the exception of France and the UK, where growth was negative at -15% and 0%, respectively. The fall in revenue in France is attributable to the loss of a single large order, while the UK market is characterised by intensifying competition, which Ambu has become better at handling.

Within Neurology, growth in revenue in Q3 2006/07 was 12%, and year-to-date growth was 8%. Ambu has seen double-digit growth rates in Spain, France, Italy and the USA. For FY 2006/07 as a whole, Neurology is expected to return double-digit growth rates.

Within Training, growth in revenue in Q3 2006/07 was 3%, while year-to-date growth was 15%. The highest growth in revenue year to date was realised in France where Ambu won two major tenders as well as making a large delivery to the Red Cross.

Within Immobilization, revenue increased by 21% in Q3, while sales of other products fell by 36%. Year-to-date revenue rose by 9% and 18% within Immobilization and other products, respectively.



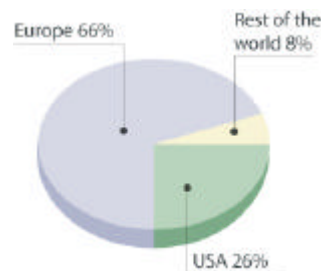
Revenue by geographical region

DKKm	Q3 2006/07	Q3 2005/06	Growth in DKK (%)	Growth in local currency (%)	YTD 2006/07	YTD 2005/06	Growth in %	Growth in local currency (%)
The USA	47.1	49.3	(4)	3	140.1	149.5	(6)	2
Europe	116.6	108.7	7	7	353.8	323.9	9	9
Other	13.7	15.6	(12)	(12)	41.9	39.7	6	6
Total	177.4	173.6	2	4	535.8	513.1	4	7

Total US revenue rose by 3% in Q3 and by 2% year to date, which is lower than expected. The lower growth is attributable to a lack of growth in the OEM business and in sales to the military services, while sales to the hospital segment are developing positively. Sales in the USA are being strengthened, among other things through the focusing of sales efforts targeted at larger hospitals and at selected key products. The first results have been achieved in the past quarter in the form of increased growth within the Neurology product area.

Revenue in Europe rose by 7% in Q3 as a result of considerable growth within the focus areas in Spain, Italy, the UK and Germany as well as considerable growth in direct sales in the Nordic region. Moreover, Ambu has seen a satisfactory development in the most important markets within Immobilization and in the newly acquired subsidiary in the Netherlands. Year-to-date revenue rose by 9%.

Revenue in other markets fell by 12% in Q3. Sales within this area are often based on tenders, and calls are not announced at the same time each year. Growth year to date has been 6%.



Gross profit

Gross profit was DKK 91m for Q3 against DKK 90m for Q3 2005/06.

Gross profit margin was DKK 51.4m for Q3 against DKK 51.9m for Q3 2005/06. Sales prices and unit costs are relatively stable, but the calendar quarter was negatively affected by higher freight costs, among other things due to extraordinary costs in connection with the successful relocation of production from Denmark to China.

Year-to-date gross profit was DKK 280m against 265m in 2005/06, corresponding to an increase of DKK 15m or 6%. The increase is primarily attributable to the higher revenue. Year-to-date gross profit margin was DKK 52.2m against DKK 51.7m in 2005/06.

Costs

In Q3 2006/07 the group's sales, development, management and administration costs totalled DKK 75m against DKK 69m in Q3 2005/06. The most important reason for the increase is rising sales costs in the subsidiaries and an increase in management and administration costs in the parent company and in some subsidiaries.

The increase in sales costs is attributable to the acquisition of the subsidiary in the Netherlands and an increase of the sales force in Germany. Increases in the subsidiaries' management and administration costs are also due to the acquisition in the Netherlands, and primarily to increasing administration costs in the production units in China and Malaysia and in the sales company in Spain. The increase in management and administration costs in the parent company is primarily attributable to legal fees in connection with the pending patent case and general increases. Changes in foreign exchange rates have had a positive impact on capacity costs in Q3 2006/07 to the order of DKK 1.3m.

Year-to-date costs are DKK 229m against 214m in 2005/06, corresponding to an increase of DKK 15m or 7.2%.

Sales costs of DKK 6m are attributable to the operation of the subsidiary in the Netherlands. Moreover, costs of freight to end-customers have increased due to the growth in sales by approx. DKK 1m. An increase in the sales force in Germany and increasing costs in the form of sales commission in Italy are also factors which result in increasing sales costs.

The increase in management and administration costs of DKK 8m year to date is primarily attributable to the extraordinary legal fees of approx. DKK 3m and the acquired sales subsidiary in the Netherlands. Moreover, costs have increased in the subsidiary in Spain as a result of the move to new office facilities. Year-to-date capacity costs are impacted positively by changing foreign exchange rates to the order of approx. DKK 4m.

In Q3 2006/07 and year to date, an amount of DKK 4.7m has been expensed to cover the costs incidental to the employee share scheme established in Q3 2007.

EBIT

The operating profit (EBIT) for Q3 2006/07 – before costs of employee shares – was DKK 16m against DKK 21m in Q3 2005/06 – down DKK 5m. As described above, the fall is attributable to increasing costs as the gross profit is unchanged in Q3.

Year-to-date EBIT – before costs of employee shares – is DKK 50.4m against DKK 51.4m in 2005/06 – down DKK 1m. The EBIT margin was 9.4% against 10.0% in 2005/06.

The changes in foreign exchange rates year to date and relative to last year only had a modest effect on EBIT year to date. The changes in foreign exchange rates affected the EBIT margin negatively by approx. 0.4 percentage point.

Financial items

Financial items were DKK 2.3m in Q3 against DKK 4.6m in the same period in 2005/06. The fall is caused by negative foreign currency translation adjustments. Interest expenses on loans are unchanged relative to Q3 2005/06.

Year-to-date net financials were DKK 8.7m against DKK 8.3m in 2005/06, up DKK 0.4m. Year-to-date foreign currency translation adjustments are thus on a par with last year.

Results for the period

The net profit was DKK 6.1m for Q3 against DKK 11.9m for Q3 2005/06.

Year-to-date net profit was DKK 26.1m against DKK 30.4m in 2005/06.

Balance sheet

At the end of Q3 2006/07, the balance sheet total was DKK 690m, up DKK 13m relative to the end of 2005/06.

Intangible assets rose by DKK 7m relative to the end of 2005/06 as a result of the takeover of the distribution activities in the Netherlands as well as the capitalisation of development projects.

Receivables are DKK 1m lower than at the end of 2005/06, while inventories are up DKK 5m from DKK 124m to DKK 129m relative to the end of 2005/06. The increase in inventories is largely attributable to an increase in inventories of finished goods, which have been boosted with a view to being able to meet the expected higher demand in Q4. Targeted efforts are going into keeping inventories down, but the decision not to go ahead with discounted sales in the USA means that inventories at the end of FY 2006/07 will be higher than at the end of FY 2005/06.

Year to date 2006/07, investments in non-current assets were DKK 46m, while depreciation of non-current assets was DKK 32m year to date 2006/07. The most significant investments in property, plant and equipment were made in development projects, machinery and equipment, while Ambu has also established its own sales subsidiary in the Netherlands following the acquisition of Ambu's former distributor in the Dutch market.

Cash flows

Cash flows from operating activities were DKK 28m in Q3 2006/07. Focus is on reducing the funds tied up in trade receivables. Year to date 2006/07 cash flows from operating activities are DKK 52m. Cash flows from operating activities year to date were negatively affected by an increase in the working capital of DKK 20m. The reason for the increase is a drop in trade payables as well as an increase in inventories. Trade receivables are down slightly, which is positive.

In Q3 2006/07, the group realised a positive available cash flow of DKK 13m against a positive available cash flow of DKK 19m in Q3 2005/06. The difference is caused by the

negative effect of the working capital. At the end of Q3 2006/07, the group realised a positive available cash flow of DKK 6m year to date against a positive available cash flow of DKK 35m in the same period in 2005/06.

Employee share scheme and incentive programme

In May 2007 Ambu closed the subscription of employee shares, and a total of 89,916 class B shares were subscribed. The effect of the scheme on the financial statements is a cost of DKK 4.7m.

In June 2007, Ambu's Board of Directors decided to set up a share option scheme for executive employees in Ambu and in its subsidiaries. The purpose of the incentive programme is to promote value creation in Ambu by fulfilling the company's strategic goals and ensuring that Ambu's executive employees and the company's shareholders share the same interests. The share option programme covers 23 employees in the Ambu group. The Board of Directors does not participate in the programme. Share options are granted in four rounds – the first time in connection with the establishment of the programme in June 2007, and it is estimated that the maximum number of share options to be granted over the entire period will be approx. 500,000, corresponding to approx. 4% of Ambu's share capital. The total market value of the share option grants is approx. DKK 14m calculated according to the Black-Scholes model. The entire share option programme will be accrued and expensed over a period of seven years. The effect of the scheme on the financial statements for FY 2006/07 is costs of approx. DKK 0.3m, which will be expensed in Q4 2006/07.

Court case concerning patent infringement

Ambu has, since autumn 2005, been involved in a pending case concerning the possible infringement of a patent.

In autumn 2005, legal proceedings were instituted against Ambu by the company LMA (listed on the Singapore Stock Exchange and registered on the Dutch Antilles) in Germany, the claim set up being that Ambu's laryngeal mask constitutes an infringement of a German patent for the reinforcement of the tip of the laryngeal mask. The patent is not used in LMA's own products.

In August 2006 judgment was passed in the case, and according to the judgment Ambu's laryngeal mask constitutes an infringement of LMA's patent in the German market. Ambu has lodged an appeal against the judgment, and a decision is expected in December 2007. LMA has instituted similar proceedings for infringement of its patents in the Netherlands and France. Ambu is contesting the claims in all three cases that the company's products constitute an infringement of LMA's patent and is contesting the validity of it.

Ambu has not lost any customers because of the court cases. As mentioned above, the court cases have, however, resulted in additional costs for patent and legal assistance in the period.

Outlook

In Q4 Ambu will focus on realising the expected revenue and earnings. Focus will, in particular, be on the launch of new products within Respiratory Care and Neurology.

As mentioned above, Ambu's management – in connection with a review of Ambu's US subsidiary, Ambu Inc. in August 2007 – realised that the expected sales in the USA in August and September 2007 (the last two months of the financial year) were based on heavy discounts for a number of large customers. As announced on 20 August 2007, Ambu decided not to go ahead with these sales. The consequence of this decision is lower-than-expected revenue and earnings for FY 2006/07. The outlook for FY 2006/07 is now of revenue of approx. DKK 715m (earlier forecast DKK 750m), while EBIT is expected to be approx. DKK 74m before adjustment for the non-recurring effect of the employee share scheme (earlier forecast DKK 97m).

The markets in Europe are expected to see continued growth in revenue in Q4 2006/07. In the USA, revenue for Q4 2006/07 will be lower than in the previous year.

The current outlook is based on an average USD exchange rate of 550 in the rest of FY 2006/07.

Forward-looking statements

The above forward-looking statements, especially those related to future sales and operating profit, are subject to risks and uncertainties, as various factors, many of which are beyond Ambu's control, may cause the actual development to differ materially from the expectations contained in this report. Such factors include changes in health care, in the world economy and in foreign exchange rates.

Financial calendar

30 September 2007	End of FY 2006/07
28 November 2007	Annual report 2006/07
19 December 2007	General meeting

Statement by the Board of Directors and the Executive Board on the interim financial report

Today, the Board of Directors and the Executive Board of Ambu A/S discussed and approved the interim financial report for the period 1 October 2006 - 30 June 2007.

The interim financial report, which is unaudited, has been presented in accordance with the provisions of IFRS concerning measurement and recognition as well as additional Danish requirements for the financial reporting of listed companies.

We consider the accounting policies applied to be appropriate, and in our opinion the interim financial report provides a true and fair view of the group's assets and liabilities, financial standing as well as of its results and cash flows.

Ballerup, 29 August 2007

Executive Board

K. E. Birk
President & CEO

Board of Directors

N. E. Nielsen
(Chairman)

Bjørn Ragle

Jørgen Hartzberg

Anne-Marie Jensen

Torben Ladegaard

Hanne-Merete Lassen

Kirsten Therkildsen
Søndersted-Olsen

John Stær

Anders Williamsson

Income statement

DKKm	Q3 2006/07	Q3 2005/06	YTD 2006/07	YTD 2005/06	FY 2005/06
Revenue	177.4	173.6	535.8	513.1	715.9
Production costs	(86.3)	(83.5)	(256.0)	(247.8)	(348.5)
Gross profit	91.1	90.1	279.7	265.3	367.4
Cost of sales	(38.3)	(35.3)	(115.1)	(108.9)	(147.4)
Development costs	(7.0)	(6.9)	(20.3)	(19.0)	(27.2)
Management and administration	(30.2)	(26.9)	(93.9)	(86.0)	(110.1)
Operating profit (EBIT) before adjustment for employee share scheme	15.7	21.0	50.4	51.4	82.7
%	8.8	12.1	9.4	10.0	11.6
Costs of employee share scheme, Note A	(4.7)	-	(4.7)	-	-
Operating profit (EBIT)	11.0	21.0	45.7	51.4	82.7
%	6.2	12.1	8.5	10.0	11.6
Net financials	(2.3)	(4.6)	(8.7)	(8.3)	(12.4)
Profit before tax (PBT)	8.7	16.4	37.0	43.1	70.3
Tax	(2.6)	(4.5)	(10.9)	(12.7)	(21.9)
Net profit for the period	6.1	11.9	26.1	30.4	48.4
Profit per share in DKK					
Earnings per share (EPS)	0.52	1.01	2.20	2.58	4.12
Diluted earnings per share (EPS-D)	0.52	1.01	2.20	2.58	4.12

Note A

The costs will be divided between production, sales, development, management and administration costs in the annual report for 2006/07.

Balance sheet

DKKm	30.06.07	30.06.06	30.09.06
Intangible assets	174.1	166.7	167.2
Property, plant and equipment	183.3	173.0	177.6
Other non-current assets	-	-	2.6
Total non-current assets	357.5	339.7	347.4
Inventories	129.5	133.0	124.4
Receivables	189.9	169.0	190.8
Cash and cash equivalents	13.3	21.0	15.1
Total current assets	332.7	323.0	330.3
Total assets	690.2	662.7	677.7
Share capital	118.8	117.9	117.9
Reserves and retained earnings	286.2	254.3	273.2
Total equity	404.9	372.2	391.1
Non-current liabilities	65.6	79.0	85.9
Current liabilities	219.6	211.5	200.7
Total liabilities	285.2	290.5	286.6
Total equity and liabilities	690.2	662.7	677.7

Statement of changes in equity

DKKm	30.06.07	30.06.06	30.09.06
Equity as at 1 October	391.1	357.5	357.5
Capital increase	0.9	-	-
Share premium	8.7	-	-
Translation adjustments, foreign subsidiaries	(5.2)	(5.7)	(4.3)
Value adjustments, forward foreign exchange contracts	0.9	1.7	1.2
Distributed dividend	(17.6)	(11.7)	(11.7)
Net profit for the period	26.1	30.4	48.4
Equity	404.9	372.2	391.1

Cash flow statement

DKKm	YTD 2006/07	YTD 2005/06	FY 2005/06
Net profit for the period	26.1	30.0	48.4
Adjustments for depreciation, amortisation etc.	45.2	40.0	57.8
Changes in working capital	(19.6)	(5.0)	(7.5)
Cash flows from operating activities	51.7	65.0	98.7
Investments, net	45.5	30.0	37.9
Free cash flow	6.2	35.0	60.8
Cash flows from financing activities	(8.0)	(24.0)	(55.5)
Changes in cash and cash equivalents	(1.8)	11.0	5.3
Cash and cash equivalents, beginning of year	15.1	10.0	9.8
Cash and cash equivalents, end of year	13.3	21.0	15.1