



Interim report for Q2 2013/14 and for the period 1 October 2013 - 31 March 2014

Revenue is up 20% at DKK 403m with organic growth of 8%. Growth in earnings of 30% in Q2

“Ambu is posting impressive double-digit growth rates for Q2 both in Europe and the rest of the world, while organic growth of 4% in the US market is satisfactory and above market growth. Recording absolute growth of 20% and solid earnings growth, we have succeeded in improving our cost-effectiveness and realising an EBIT margin of 11.7% for the quarter. We will continue our efforts to reduce the working capital, which is now approx. 26%, and we are on track to achieving the financial targets announced for the year,” says President & CEO Lars Marcher.

- Revenue was up 20% in Danish kroner at DKK 403m and 22% in local currencies, while organic growth of 8% was realised. Revenue of DKK 745m was posted for the interim period, corresponding to growth of 24%, and 26% when measured in local currencies, including organic growth of 3%.
- In March 2014, Ambu acquired patents and manufacturing rights for mechanical pain pumps from an Israeli manufacturer. So far, Ambu has been the distributor of the pumps in the USA and has entered into contracts with the US general purchasing organisations MedAssets and Premier, which address a market for pain pumps in the USA of approx. USD 80m a year. It is too early to say how large a share of the market for pain pumps Ambu will be able to gain.
- aScope 3 was launched at the end of the last financial year and has been positively received. In Q2, sales of aScope 3 were 40% higher than sales in Q1, and further growth is expected following the launch of the product in the USA and a number of other markets in Q3.
- Total capacity costs were DKK 148m (DKK 127m), and the rate of cost was 37% (38%), representing a considerable improvement relative to the previous quarter. A rate of cost of 41% was recorded for the interim period against 40% last year.
- EBIT before special items was DKK 47m (DKK 36m) for the quarter, with an EBIT margin of 11.7% (10.7%). An EBIT before special items of DKK 63m (DKK 63m) was recorded for the interim period and an EBIT margin of 8.5% (10.4%).
- Free cash flows before acquisitions of companies totalled DKK 26m (DKK 27m) for the quarter and DKK 29m (DKK 14m) for the interim period.

- The outlook for the year is unchanged, corresponding to revenue of approx. DKK 1.6bn, organic growth of approx. 5-7% and an EBIT margin of approx. 12-14%. Free cash flows before acquisitions, milestone payments and earn-outs are expected to be approx. DKK 100-120m, with an NIBD/EBITDA ratio of approx. 2.5.

A **conference call** is being held today, 2 May 2014, at 11.00 am (CET). To participate, please call the following number five minutes before the start of the conference: +45 35 44 55 79. The conference can be followed via www.ambu.com/EN-webcastQ22014 and is held in English. The presentation can be downloaded directly in the conference call.

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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 2,250 employees in Europe, North America, Asia and the Pacific region. You can find more information about Ambu on our website: www.ambu.com.

Financial highlights

DKKm		Q2 2013/14	Q2 2012/13	YTD 2013/14	YTD 2012/13	FY 2012/13
Key figures	Revenue	403	335	745	604	1.383
	Profit before interest, tax, depreciation and amortisation (EBITDA), before special items	68	52	103	92	235
	Operating profit (EBIT) before special items	47	36	63	63	161
	Operating profit (EBIT)	47	9	63	30	100
	Net financials	-6	-5	-18	-8	-30
	Profit before tax	41	4	45	22	70
	Net profit for the period	30	3	33	14	48
	Depreciation	11	11	23	20	43
	Amortisation	10	5	17	9	31
	Assets	1.925	1.986	1.925	1.986	1.875
	Equity	663	652	663	652	651
	Net interest-bearing debt	729	781	729	781	721
	Cash flows from operating activities	37	44	57	38	122
	Cash flows from investing activities before acquisitions	-11	-17	-28	-24	-54
	Free cash flows before acquisitions	26	27	29	14	68
	Acquisitions of companies and technology	22	702	25	702	704
	Average no. of employees	2.364	2.341	2.328	2.055	1.984
Ratios	Gross margin, %	48,4	48,7	49,5	50,2	49,1
	Rate of cost, %	37	38	41	40	37
	EBITDA margin before special items, %	16,9	15,5	13,8	15,2	17,0
	EBIT margin before special items, %	11,7	10,7	8,5	10,4	11,6
	Return on equity, %	10	12	10	12	7
	NIBD/EBITDA before special items	3,0	3,9	3,0	3,9	3,1
	Equity ratio, %	34	33	34	33	35
	Investments, % of revenue	3	5	4	4	4
	Working capital, % of revenue	26	36	26	37	28
	ROIC, % after tax including goodwill	10,1	9,7	10,1	9,7	9,6
Share data	Market price per share, DKK	353	202	353	202	224

The interim report for Q2 2013/14 and for the period 1 October 2013 to 31 March 2014 has not been audited or reviewed; the accounting policies have been applied consistently with the annual report for 2012/13. The key figures have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations and Financial Ratios 2010'.

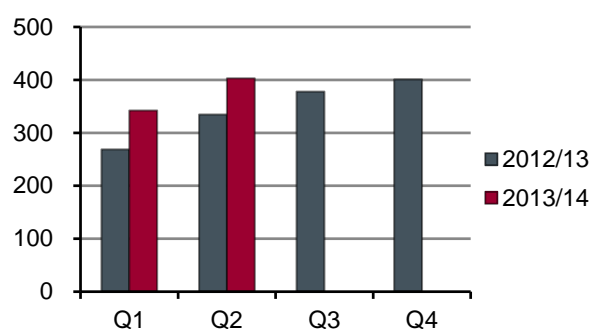
Management's review

for Q2 2013/14 and the period 1 October 2013 - 31 March 2014.

DEVELOPMENTS IN Q2

Revenue for the quarter was up 20%, and 22% when measured in local currencies. Organic growth measured in local currencies totalled 8%, including King Systems since 15 February 2014. At DKK 403m, revenue for the quarter was the highest ever in Ambu's history.

Revenue – quarters (DKKm)



DEVELOPMENTS IN THE INTERIM PERIOD

Revenue of DKK 745m was posted for the interim period, corresponding to growth of 24%, and 26% when measured in local currencies. Organic growth was 3% for the interim period.

PRODUCT AREAS

Anaesthesia

Anaesthesia grew by 46% in the quarter, including organic growth of 16%, and accounted for 52% of revenue against 43% for the prior-year period. King Systems is included in this segment.

aScope 3 continues to generate positive growth in the countries in which the product has been launched (the UK, France, Germany, Denmark, Sweden, Finland and Australia), and compared with Q1, aScope 3 sales are up 40%. Consequently, the launch of the product in the other markets has been postponed to Q3, when it will be launched in the USA as well as a number of distributor markets.

aScope 3 production capacity will be increased gradually in the period leading up to the next financial year. By then the new factory in Malaysia will be ready, resulting in a doubling of capacity.

In Q2, Ambu acquired patent and manufacturing rights to the pain pump technology which Ambu has distributed in the USA since 2010. Under the agreement with Medical Flow Systems Ltd., Ambu will pay USD 2m upon the signing of the agreement and an additional USD 8m in royalties and milestone payments over a period of up to seven years. The pain pump is a groundbreaking single-use product for outpatient medication and will further strengthen the portfolio of single-use products for US hospitals.

Patient Monitoring & Diagnostics

Q2 saw a 2% increase in Patient Monitoring & Diagnostics sales. Organic growth was 3%, which is on a par with market growth. PMD accounted for 40% of revenue in Q2 compared with 46% in the prior-year period.

Revenue – product areas

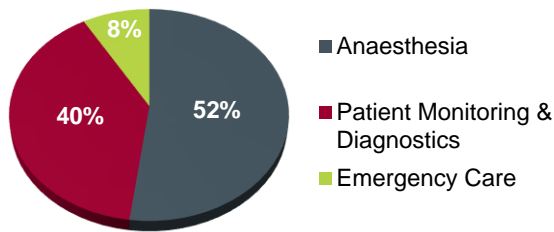
(DKKm)	Q2 13/14		Q2 12/13			H1 13/14		H1 12/13		Reported
	Q2 13/14	Q2 12/13	Organic*	Currency	Reported	H1 13/14	H1 12/13	Organic*	Currency	
Anaesthesia	210	145	16%	-3%	46%	394	245	8%	-3%	61%
PMD	160	157	3%	-1%	2%	288	282	4%	-1%	3%
Emergency Care	34	34	0%	-2%	-2%	64	78	-17%	-1%	-18%
Revenue	403	335	8%	-2%	20%	745	604	3%	-2%	24%

* Local currencies

Emergency Care

Emergency Care generated revenue of DKK 34m in Q2, which is unchanged compared with the prior-year period. Emergency Care sales are largely based on project sales, resulting in fluctuating growth due to sizeable single orders.

Revenue – product areas



MARKETS

North America

North America accounted for 43% of Ambu's revenue in Q2 against 41% last year.

Sales in North America were up 28%, while organic growth was 4%, which is above market growth.

Moving forward, the launch of aScope 3, aBlade and the pain pump will be significant growth drivers in North America.

Ambu's growth in the USA and the strengthened product portfolio have increased the company's relevance to the GPOs. In Q2, this resulted in Ambu signing GPO agreements with both Premier and MedAssets on the possible supply of pain pumps for a very large number of US hospitals, which means that Ambu is now looking at potential sales of pain pumps of up to USD 80m a year.

As mentioned earlier, the FDA has wanted a speedier validation of the manufacturing processes for a number of legacy products in the King Systems portfolio. The validation process is progressing according to plan; as expected, it has not impacted sales. The validation work is in progress and expected to be completed in the course of Q3.

Europe

Ambu posted solid growth in Europe in Q2, regardless of the fact that these markets are still impacted by tight public budgets. Revenue was up 12%, while organic growth stood at 11%. The growth is broadly based in a number of markets, and aScope sales are contributing about half of the organic growth for the quarter in Europe.

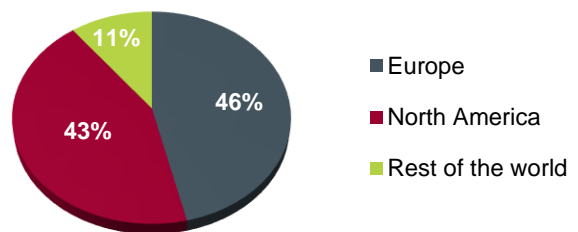
In Q2, Europe accounted for 46% of Ambu's revenue against 50% for the prior-year period.

Rest of the world

For the rest of the world, reported revenue was up 29% for the quarter. Measured in local currencies, organic growth totalled 14%, driven by favourable developments in both Asia and South America.

The rest of the world accounts for 11% of revenue against 9% for the prior-year period.

Revenue – geographical areas



Revenue – geographical areas

(DKKm)	Q2 13/14		Composition of growth			H1 13/14		Composition of growth		
	Q2 12/13		Organic*	Currency	Reported	H1 12/13		Organic*	Currency	Reported
Europe	187	167	11%	0%	12%	346	327	4%	0%	6%
North America	175	136	4%	-4%	28%	324	216	-1%	-5%	50%
Rest of the world	42	33	14%	-3%	29%	75	60	8%	-3%	25%
Revenue	403	335	8%	-2%	20%	745	604	3%	-2%	24%

* Local currencies

INCOME STATEMENT

(Comparative figures are stated in brackets)

Gross profit

Gross profit for the quarter was DKK 195m (DKK 163m), while a gross margin of 48.4% (48.7%) was posted.

A gross profit of DKK 369m (DKK 303m) was posted for the interim period, corresponding to a gross margin of 49.5% (50.2%). Natural fluctuations will be seen in the gross margin from one quarter to the next, primarily due to the product mix and production efficiency. These are evened out over time.

Costs

Total capacity costs were DKK 148m (DKK 127m) for the quarter, influenced mainly by the acquisition of King Systems, which was only recognised in the second half of Q2 last year. Compared with Q1 2013/14, capacity costs have been reduced by 7%, while the rate of cost has been reduced by 9 percentage points to 37%.

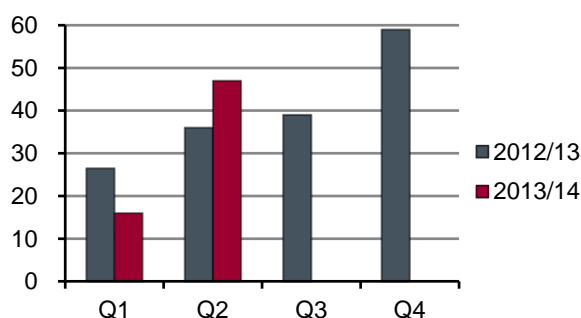
The rate of cost was 41% for the interim period against 40% for the prior-year period.

The average USD/DKK exchange rate for the quarter was 545 (565), down just under 4%, which has a positive impact on capacity costs corresponding to DKK 3m for the quarter and DKK 7m for the interim period and equating to just under 1 percentage point on the rate of cost.

EBIT

In Q2, EBIT before special items was DKK 47m (DKK 36m), while an EBIT margin of 11.7% (10.7%) was posted.

EBIT before special items – quarters (DKK m)



An EBIT before special items of DKK 63m (DKK 63m) was recorded for the interim period and an EBIT margin of 8.5% (10.4%).

Net financials

Net financials amounted to expenses of DKK 6m (DKK 5m) for the quarter, consisting of:

- Interest expenses for bank and bond debt total DKK 9m (DKK 5m).
- Foreign currency translation adjustments of working capital and USD loans to a subsidiary and market value adjustment of interest and foreign currency swaps result in combined positive foreign currency translation adjustments of DKK 5m (DKK 1m).
- In the quarter, the interest element in the earn-out provision for King Systems is expensed in the amount of DKK 2m (DKK 1m).

Tax

A provision has been made for tax of 26% on the profit before tax adjusted for non-deductible items.

Net profit

A net profit of DKK 30m (DKK 3m) was posted for the quarter, and DKK 33m (DKK 14m) for the interim period.

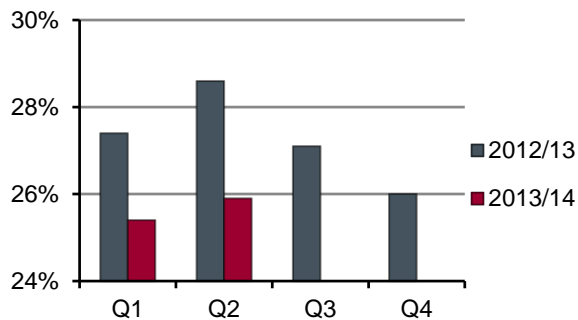
BALANCE SHEET

At the end of Q2, the balance sheet total amounted to DKK 1,925m (DKK 1,986m). At the end of Q1, the balance sheet total amounted to DKK 1,886m.

In connection with a review of Ambu's business intelligence system in Q2, it was realised that the model used to calculate intercompany profits in the financial statements for 2011/12 and earlier was erroneous. In this quarter, the error has been corrected through a write-down of equity as at 30 September 2012 by DKK 16m after provisions for deferred tax. The issue is described in detail in note 3.

At the end of Q2, total working capital was DKK 394m, corresponding to 26% of revenue on a 12-month basis against 25% at the end of Q1. The increase relative to Q1 is due to changes to creditors.

Working capital relative to revenue* – quarters



* *Pro forma adjusted for King Systems*

Trade receivables were DKK 312m at the end of the quarter against DKK 319m for the same quarter last year. Debtors have thus been reduced by 2%, despite a 20% increase in revenue. The credit risk attaching to outstanding debtors is deemed to be unchanged, and the quarter was not affected by bad debts to any significant extent.

At the end of March, cash totalled DKK 97m (DKK 68m), in addition to which Ambu had unutilised credit facilities of DKK 35m.

At the end of the quarter, the total financial net debt was DKK 729m, of which DKK 700.5m is financed via corporate bonds. Net interest-bearing debt amounted to 3.0 x EBITDA before special items, representing an expected fall relative to Q1 (3.1 x).

CASH FLOWS

Cash flows from operating activities totalled DKK 37m (DKK 44m) for the quarter, and DKK 57m (DKK 38m) for the interim period.

Cash flows for investing activities, before acquisitions of companies, totalled DKK -11m (DKK -17m) for the quarter, and for the interim period DKK -28m (DKK -24m) and mainly took the form of investments in production plant and development projects.

Free cash flows before acquisitions of companies totalled DKK 26m (DKK 27m) for the quarter and DKK 29m (DKK 14m) for the interim period. In the interim period, special items of DKK 8m have gone to the integration of companies, and at the end of Q2, provisions of DKK 7m for special items remain.

Acquisitions of companies and technology totalled DKK 22m (DKK 702m) for the quarter in the form of the acquisition of patents and production rights from Medical Flow System Ltd. and the payment of provisions in respect of King Systems. For the interim period, the same items amount to DKK 25m (DKK 702m). In respect of King Systems, investment commitments of about DKK 15m are outstanding, which are expected to be paid in Q3. To this should be added milestone and earn-out payments as described in note 27 in the annual report for 2012/13.

OUTLOOK FOR 2013/14

The outlook for 2013/14 is unchanged compared to the outlook announced in the annual report for 2012/13 on 14 November 2013.

	Outlook	Assumptions
Revenue	In the region of DKK 1.6bn	<ul style="list-style-type: none"> • Relatively low market growth in North America and Europe. • Further streamlining of sales in Europe. • Increased market penetration in Asia and South America. • Cross-selling of King Systems and Ambu products. • Increasing contributions from products with higher margins.
Organic growth	Approx. 5-7%	
EBIT margin	Approx. 12-14%	<ul style="list-style-type: none"> • Increased margins. • Economies of scale. • Cost control. • Lower gross margins in King Systems, which is now included with 12 months.
Free cash flows	Approx. DKK 100-120m	
Leverage (NIBD/EBITDA)	In the region of 2.5	

FORWARD-LOOKING STATEMENTS

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

FINANCIAL CALENDAR

20 August 2014	Interim report Q3 2013/14
30 September 2014	End of FY 2013/14
13 November 2014	Financial statements for FY 2013/14
17 December 2014	General Meeting

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 2013 to 31 March 2014.

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 2014 as well as of the results of the group's activities and cash flows in the period 1 October 2013 - 31 March 2014.

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

Ballerup, 2 May 2014

Executive Board

Lars Marcher
CEO

Michael Højgaard
CFO

Board of Directors

Jens Bager
Chairman

Mikael Worning
Vice-Chairman

Jesper Funding Andersen

Allan Søgaard Larsen

Christian Sagild

John Stær

Pernille Bartholdy
Elected by the employees.

Anita Krarup
Elected by the employees.

Jakob Bønnelykke Kristensen
Elected by the employees.

Income statement

DKKm	Q2 2013/14	Q2 2012/13	YTD 2013/14	YTD 2012/13	FY 2012/13
Revenue	403	335	745	604	1,383
Production costs	-208	-172	-376	-301	-704
Gross profit	195	163	369	303	679
Selling costs	-77	-72	-160	-136	-292
Development costs	-16	-8	-32	-14	-33
Management and administration	-54	-46	-111	-91	-192
Other operating income	0	0	0	3	3
Other operating expenses	-1	-1	-3	-2	-4
Operating profit (EBIT) before special items	47	36	63	63	161
Special items	0	-27	0	-33	-61
Operating profit (EBIT)	47	9	63	30	100
Financial income	8	4	8	4	0
Financial expenses	-14	-9	-26	-12	-30
Profit before tax (PBT)	41	4	45	22	70
Tax on profit for the period	-11	-1	-12	-8	-22
Net profit for the period	30	3	33	14	48
Earnings per share in DKK					
Earnings per share (EPS)	2.54	0.19	2.79	1.21	4.05
Diluted earnings per share (EPS-D)	2.49	0.19	2.74	1.20	4.03

Statement of comprehensive income

DKKm	YTD 2013/14	YTD 2012/13	FY 2012/13
Net profit for the period	33	14	48
<i>Items which are moved to the income statement under certain conditions:</i>			
Translation adjustment in foreign subsidiaries	-13	23	-25
Tax on translation adjustments in foreign subsidiaries	2	0	1
Adjustment to fair value for the period			
Disposals included in net financials	0	0	1
Additions concerning hedging instruments	0	1	1
Tax on hedging transactions	0	0	0
Comprehensive income for the period	22	38	26

Balance sheet

DKKm	31/03/2014	31/03/2013	30/09/2013
Acquired technologies, trademarks and customer relations	106	137	116
Completed development projects	38	24	43
Rights	56	19	18
Goodwill	719	663	730
Development projects in progress	50	58	39
Intangible assets	969	901	946
Land and buildings	99	96	102
Plant and machinery	103	110	113
Other plant, fixtures and fittings, tools and equipment	24	37	29
Prepayments and plant under construction	13	114	8
Property, plant and equipment	239	357	252
Deferred tax asset	32	26	21
Other non-current assets	32	26	21
Total non-current assets	1,240	1,284	1,219
Inventories	222	261	211
Trade receivables	312	319	356
Other receivables	8	26	2
Income tax receivable	6	6	1
Prepayments	23	22	23
Derivative financial instruments	17	0	9
Cash	97	68	54
Total current assets	685	702	656
TOTAL ASSETS	1,925	1,986	1,875

Balance sheet

DKKm	31/03/2014	31/03/2013	30/09/2013
Share capital	119	119	119
Share premium	9	9	9
Reserves and retained earnings	535	524	523
Equity	663	652	651
Credit institutions	6	60	56
Provision for deferred tax	32	109	30
Corporate bonds	697	697	697
Other provisions	114	157	83
Non-current liabilities	849	1,023	866
Current portion of non-current liabilities	5	13	10
Other provisions	93	0	108
Bank debt	118	79	12
Trade payables	71	68	75
Income tax	18	0	22
Other payables	100	138	129
Derivative financial instruments	8	13	2
Current liabilities	413	311	358
Total liabilities	1,262	1,334	1,224
TOTAL EQUITY AND LIABILITIES	1,925	1,986	1,875

Statement of changes in equity

DKKm	31/03/2014	31/03/2013	30/09/2013
Equity as at 1 October	651	665	665
Prior-year errors, see note 3	0	-16	-16
Comprehensive income for the period	22	38	26
Exercise of options	14	21	29
Share options	2	1	4
Purchase of treasury shares	-11	-22	-22
Distributed dividend	-15	-35	-35
Equity	663	652	651

Cash flow statement

DKKm	Note	31/03/2014	31/03/2013	30/09/2013
Net profit for the period		33	14	48
Adjustment of items with no cash flow effect	A	72	58	138
Income tax paid		-23	-26	-29
Interest income and similar items		8	0	0
Interest expenses and similar items		-36	-14	-7
Change in working capital	B	5	8	-22
Cash flows from provisions		-2	-2	-6
Cash flows from operating activities		57	38	122
Purchase of non-current assets		-28	-30	-60
Sale of non-current assets		0	6	6
Cash flows from investing activities before acquisitions	C	-28	-24	-54
Free cash flows before acquisitions		29	14	68
Acquisition of technology	C	-11	0	0
Company acquisitions	C	-14	-702	-704
Free cash flows after acquisitions		4	-688	-636
Corporate bond issue		0	697	697
Changes in other non-current liabilities		-55	44	36
Exercise of options		14	20	29
Purchase of Ambu A/S shares		-11	-23	-22
Dividend paid		-15	-35	-35
Cash flows from financing activities		-67	703	705
Changes in cash and cash equivalents		-63	15	69
Cash and cash equivalents, beginning of year		42	-26	-26
Translation adjustment of cash and cash equivalents		0	0	-1
Cash and cash equivalents at year-end		-21	-11	42
Note A: Adjustment of items with no cash flow effect				
Depreciation and amortisation		40	30	74
Accounting gain from sale of non-current assets		0	0	-3
Transaction costs in connection with company acquisitions		0	10	11
Share-based remuneration		2	2	4
Financial expenses etc.		18	8	30
Tax on profit for the period		12	8	22
		72	58	138
Note B: Change in working capital				
Changes in inventories		-12	11	48
Changes in receivables		37	-26	-72
Changes in trade payables etc.		-20	23	2
		5	8	-22
Note C: Cash flows from investing activities		-53	-726	-758

Note 1 – 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 2 – Development in balance sheet since 30 September 2013

Since the beginning of the financial year, non-current assets have been increased by a net amount of DKK 21m to DKK 1,240m. This includes acquired patent and production rights from Medical Flow Systems Ltd. in the amount of DKK 40m, further investments of DKK 28m and depreciation and amortisation of DKK 40m.

At the end of Q2, the activities taken over from Medical Flow Systems Ltd. are financed partly via an interest-free loan from the seller in the amount of DKK 29m, and partly via a cash payment of DKK 11m.

Other provisions under current and non-current liabilities total DKK 207m at the end of Q2 and have been increased by a net amount of DKK 16m since the beginning of the financial year, primarily as a result of Ambu's obligation to effect the conditional payments provided for in respect of King Systems.

Since the beginning of the financial year, other payables have been reduced by DKK 29m to DKK 100m at the end of Q2. The reduction is primarily attributable to a change in interest expenses payable in respect of corporate bond financing of DKK 13m.

Note 3 – Prior-period errors

In connection with the preparation of the interim report for Q2 2013/14, a review of Ambu's business intelligence system revealed an error in the calculations on which the valuation of inventories of finished goods is based. The error relates to 2011/12 and has meant that the intercompany profits calculated across several accounting periods have been too low. This means that the valuation of the inventories of finished goods has been too high. At the end of FY 2011/12, the error constituted DKK 22m, corresponding to DKK 16m after tax, which affects the balance sheet as at 30 September 2013.

The error affects equity as at 30 September 2013 as follows:

	Before tax	After tax
Equity as reported at 30 September 2013		667
Correction in respect of 2011/12 and previous years is accounted for in equity	-22	-16
Corrected equity as at 30 September 2013		651

In the balance sheet, the value of inventories is reduced by DKK 22m as at 30 September 2013, with an adjustment in this respect of the deferred tax asset of DKK 6m. Key ratios have been restated accordingly.

Note 4 – Company acquisitions

The opening balance sheet for the acquisition of King Systems Corp. has now been completed, which has not given rise to any changes to the opening balance sheet reported in the annual report for 2012/13.

Quarterly results

DKKm	Q2 2013/14	Q1 2013/14	Q4 2012/13	Q3 2012/13	Q2 2012/13	Q1 2012/13
Revenue	403	342	401	378	335	269
Production costs	-208	-167	-207	-196	-172	-129
Gross profit	195	175	194	182	163	140
<i>Gross margin</i>	<i>48.4</i>	<i>51.2</i>	<i>48.4</i>	<i>48.1</i>	<i>48.7</i>	<i>52.0</i>
Selling costs	-77	-89	-73	-83	-72	-64
Development costs	-16	-12	-10	-9	-8	-6
Management and administration	-54	-57	-51	-50	-46	-45
Other operating income	0	0	0	0	0	3
Other operating expenses	-1	-1	-1	-1	-1	-1
Operating profit (EBIT) before special items	47	16	59	39	36	27
<i>EBIT margin before special items</i>	<i>11.7</i>	<i>4.7</i>	<i>14.7</i>	<i>10.3</i>	<i>10.7</i>	<i>10.0</i>
Special items	0	0	-14	-14	-27	-6
Operating profit (EBIT)	47	16	45	25	9	21
Financial income	8	0	0	0	4	0
Financial expenses	-14	-12	-8	-14	-9	-3
Profit before tax (PBT)	41	4	37	11	4	18
Tax on profit for the period	-11	-1	-9	-5	-1	-7
Net profit for the period	30	3	28	6	3	11
Earnings per share						
Earnings per share (DKK)	2.54	0.25	2.28	0.56	0.19	1.02
Diluted earnings per share (DKK)	2.49	0.25	2.27	0.56	0.19	1.01
Key figures						
Rate of cost, %	37	46	34	38	38	42
EBITDA before special items	68	35	81	62	52	40
EBITDA margin before special items, %	16.9	10.2	20.2	16.4	15.5	14.9
Depreciation	11	12	11	12	11	9
Amortisation	10	7	11	11	5	4
EBIT before special items	47	16	59	39	36	27
EBIT margin before special items, %	11.7	4.7	14.7	10.3	10.7	10.0
Working capital relative to revenue, %	26	26	28	32	36	35
Assets	1,925	1,886	1,875	1,933	1,986	963
Equity	663	632	651	651	652	642
Cash flows from operating activities	37	20	57	27	44	-6
Cash flows from investing activities before acquisitions	-11	-17	-13	-17	-17	-7
Free cash flows before acquisitions	26	3	44	10	27	-13
Net interest-bearing debt	729	732	721	766	781	97
NIBD/EBITDA before special items	3.0	3.2	3.1	3.6	3.9	0.5