



INTERIM REPORT Q1 2009/10

By CEO Lars Marcher and CFO Anders Arvai

Ambu 
Ideas that work for life

AGENDA

- Developments in Q1 2009/10
- Strategy GPS Four – follow-up
- Outlook for 2009/10

HIGHLIGHTS (1)

BUSINESS DEVELOPMENT

- Good Q1. Both revenue and EBIT up relative to last year
- Organic growth of 7% – higher than market growth
- Gross profit margin increased to 53.1 from 50.2 in Q1 2008/09
- EBIT improved by 22%
- Transfer of production going according to plan
- Implementation of ERP system in Ambu US going according to plan
- Revenue adversely impacted by developments in exchange rates to the tune of DKK 9m
- GPS Four strategy being implemented according to plan

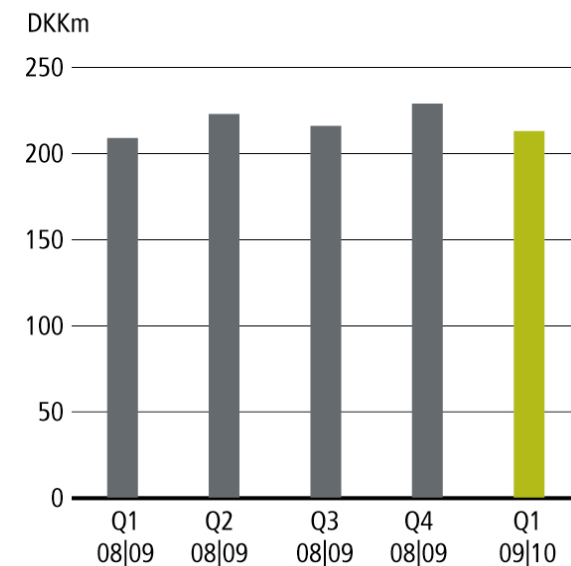


HIGHLIGHTS (2)

FINANCIAL DEVELOPMENT Q1 2009/10

- Revenue increased to DKK 213m – up 7% in local currencies (2% in DKK)
- EBIT amounted to DKK 19m against DKK 15m in Q1 2008/09
- EBIT margin of 9% against 7% in Q1 2008/09
- Profit before tax of DKK 17m, which is on a par with Q1 2008/09
- Free cash flow of DKK -15m against DKK -5m in Q1 2008/09 before acquisitions
- Unutilised credit drawing facilities of approx. DKK 90m

Revenue by quarter



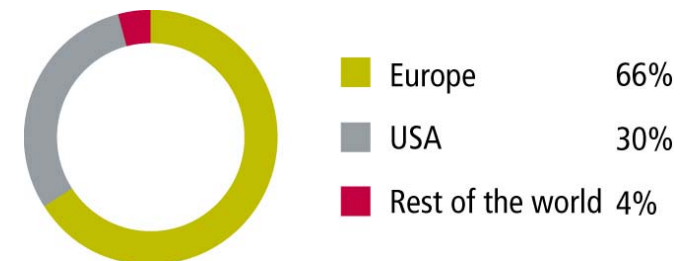
REVENUE

- Increase in revenue in Q1 2009/10 of 7% in local currencies
- Changes in exchange rates had a negative effect corresponding to DKK 9m
- Revenue in Q1 calculated at last year's exchange rates of DKK 222m
- Growth in the USA of 11% and growth in Europe of 9% measured in local currencies

Revenue by business area



Revenue by geographical region



DEVELOPMENTS WITHIN BUSINESS AREAS

Airway Management

- Increase in revenue of 13% in local currencies – 8% measured in DKK
 - Market share is still being won within the laryngeal masks product area
 - Launch of Ambu aScope (new single-use videoscope) has been satisfactory, and sales are developing as expected
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Patient Monitoring & Diagnostics

- Increase in revenue of 13% in local currencies – 9% in DKK
 - Strong growth within Neurology, especially needle electrodes launched in 2008/09 and surface electrodes for sleep studies
 - Sleep product area acquired in 2008/09 developing as expected
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Emergency Care

- Fall in revenue of 4% in local currencies – 9% in DKK
- Growth in portfolio of resuscitation bags
- Fall in sales of manikins for first-aid training and neck collars – the reason being a postponement of orders

DEVELOPMENTS WITHIN GEOGRAPHICAL AREAS

Europe

- Growth in revenue of 9%, or 8% in local currencies
 - Satisfactory growth in core markets
 - Growth in revenue in sales territories UK of 12% and Central (Germany, Austria and Switzerland) of 10%
 - Growth in revenue of approx. 7% in sales territories West (France, the Netherlands and Belgium) and South (Spain, Italy, Portugal and Latin America)
 - Fall of 7% in revenue in sales territory NEM (Scandinavia, Australia and distributor markets) due to a postponement of project sales and sales to humanitarian aid organisations. No loss of important customers or market share
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USA

- Increase in revenue of 11%, -2% in DKK
- Market share still being won
- Strongest growth within Patient Monitoring & Diagnostics with market share being won within Cardiology, Neurology and Sleep

OPERATING PROFIT AND NET FINANCIALS

- EBIT after special items of DKK 19m against DKK 15m in Q1 2008/09
 - Special items of DKK 0.5m in the form of legal fees, lower than in Q1 2008/09
 - Selling costs up due to full effect of expansion of sales force in the USA and the UK in 2008/09
 - EBIT margin after special items of 9% against 7% in Q1 2008/09
 - Net financials constituted expenses of DKK 1.7m against an income of DKK 1.4m in Q1 2008/09
 - Negative foreign currency translation adjustment of DKK 0.3m against a positive foreign currency translation adjustment of DKK 3.2m in Q1 2008/09
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IMPROVED CASH FLOW

DKKm	Q1 2008/09	Q1 2009/10
Cash flow from operating activities	(1.4)	(1.1)
Cash flow from investing activities, including acquisitions	(40.0)	(13.5)
Free cash flow after acquisitions	(45.4)	(14.5)

- Cash flow from operating activities negatively impacted by funds tied in working capital
- Inventories are on a par with levels at the end of the last financial year, before building-up of inventories in connection with the transfer of production and newly launched products
- Trade payables and other payables down, primarily due to expiry of the temporary extension granted in respect of the payment of VAT in Denmark
- Investments of DKK 13.5m – primarily in development projects, machinery, equipment, IT and leasehold improvements in Malaysia

GPS FOUR AMBU'S NEW BUSINESS STRATEGY



GPS1

PRODUCTS AND PRODUCT DEVELOPMENT

- Innovation strategy has been prepared and will ensure the ongoing launch of new and exciting products
- aScope launched in Europe and Asia. To be marketed in the USA later in the year
- European version of single-use ventilation bag launched
- Wireless manikin for first-aid training launched globally
- Establishment of development organisation in Malaysia commenced

Ambu
Real
Innovation



GPS2 MARKETS AND SALES

- Merger of sales areas to form new sales territories completed
- Increase of sales force in 2008/09 in the USA and the UK takes full effect in 2009/10
- Newly established sales company in Australia developing as expected
- Establishment of branch in Poland due to growing East European market



Ambu
Unique Market
Position

Ambu
Truly Global



GPS3 EFFICIENCY

- Logistics forecasting and planning system implemented
- Group ERP system implemented in the USA
- System designed to increase the efficiency of global development function – PLM system – going according to plan
- Phase one of the transfer of electrode production from Denmark to Malay: progressing according to plan
- Expansion of production facilities in China
- Streamlining initiatives at factories China, Malaysia and Denmark being implemented

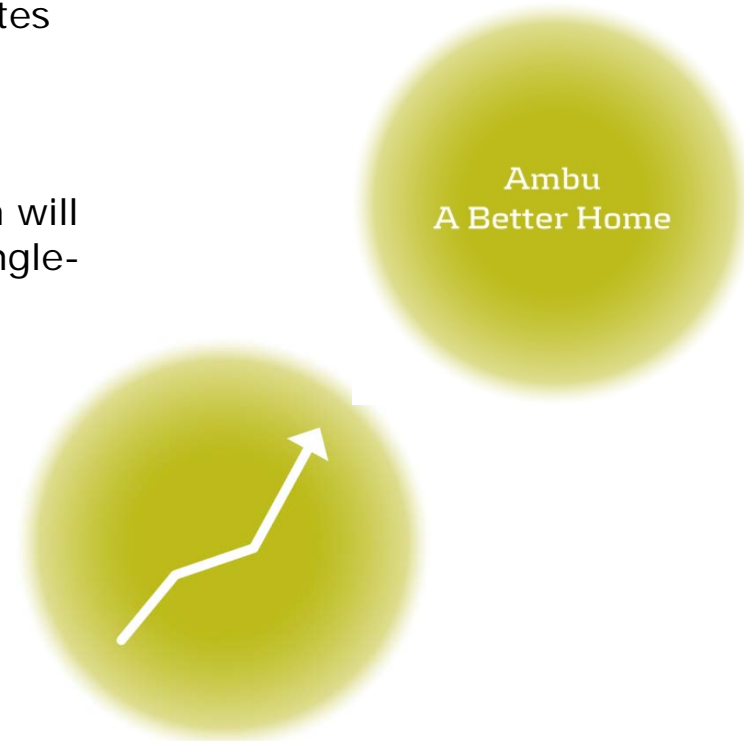


Ambu
Profitable
Growth



GPS4 ACQUISITIONS

- Ongoing dialogue with potential candidates for acquisition
- Focus on acquisition of product areas or entire companies
- Acquisitions primarily within areas which will strengthen company's position within single-use products for the hospital sector



OUTLOOK FOR 2009/10



MARKET CHALLENGES

- Global crisis still having a limited impact
- Despite good growth in the US market, the health care sector remains under pressure
- In some markets in southern Europe, pressure on the health care sector is mounting
- Despite intensifying competition, Ambu is winning market share
- Continued pressure on prices, however limited effect in Q1

OUTLOOK FOR 2009/10 (2)

	2009/10	Assumptions
Revenue, DKKm	900-925	Launch of new products
<i>Growth, %</i>	3-5	Growth exceeding market growth
<i>Growth in local currencies, %</i>	5-6	Intensified sales efforts
		USD exchange rate: 500 GBP exchange rate: 840
EBIT margin before special items 1)	12-12.5	Increase in revenue Streamlining, including moving production abroad Pressure on prices
Profit before tax, DKKm	Approx. 100 (11-11.5% of revenue)	
Investments, % of revenue	7-8	Investments in development, process equipment, expanding production capacity and global IT systems
Free cash flow (exclusive of acquisitions), DKKm	60	Reducing working capital as a percentage of revenue by reducing inventories of raw materials and finished products and trade receivables

QUESTIONS





READ MORE AT
WWW.AMBU.COM

For further information, please contact:

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

Anders Arvai, CFO, aa@ambu.com or +45 7225 2000

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