



Interim report Q1 2011/12

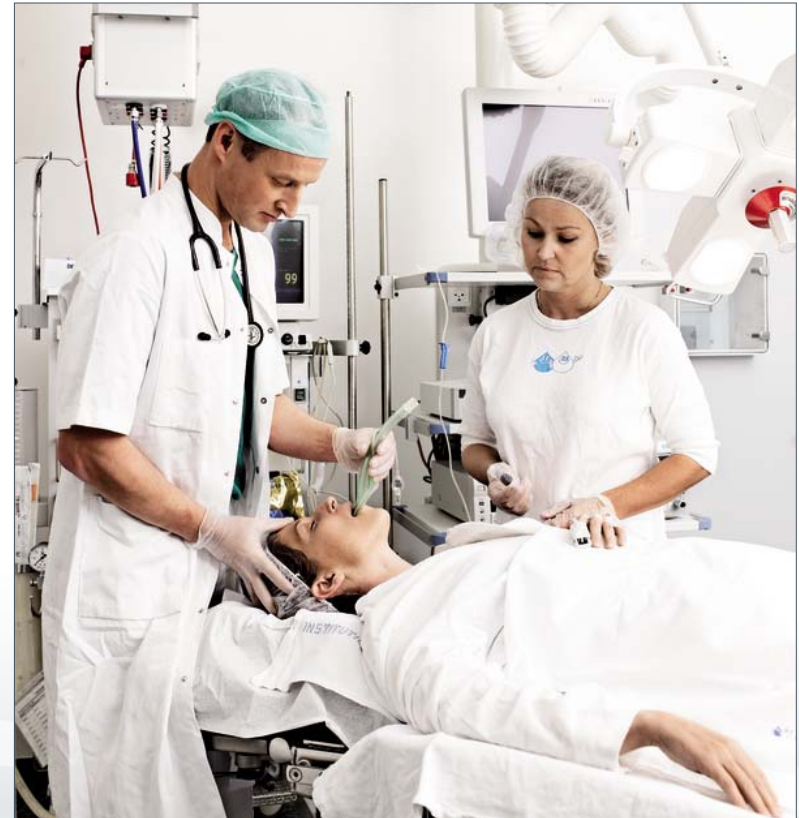
By CEO Lars Marcher and CFO Anders Arvai

Agenda

- Developments in Q1 2011/12
- Status of GPS Four
- Outlook for 2011/12

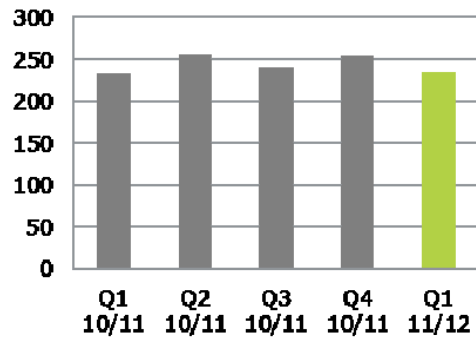
Highlights in Q1 2011/12

- Expected flat development in revenue
- Products launched after start of GPS Four strategy period 1 Oct. 2009 account for 10% of revenue
- Intensified strengthening of sales resources in the US and Asian markets
- Increased gross margin
- Hedging of silver price reduces cash flow periodically
- Outlook for the year is unchanged



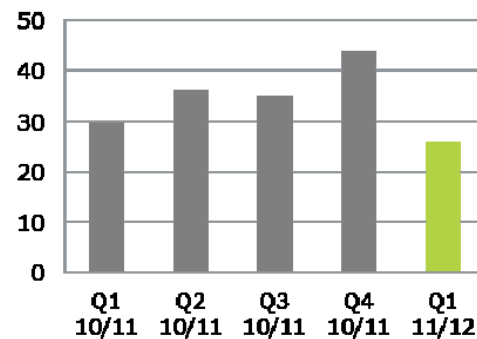
Satisfactory EBIT and net profit

Revenue



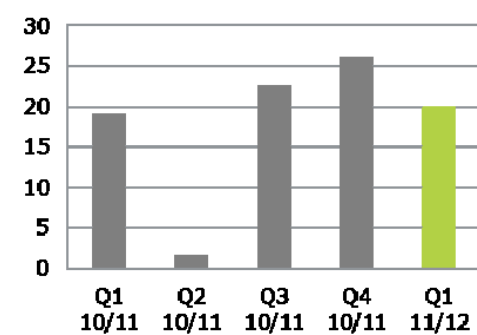
- Revenue for Q1 2011/12 totalled DKK 234m against DKK 233m in Q1 2010/11, up 0.6%, or 0.5% when measured in local currencies
- Lower growth expected after growth of 9% in DKK and 6% in local currencies in Q1 2010/11 – i.a. due to a number of large single orders
- Situation in southern Europe is affecting revenue

EBIT, DKKm



- Gross margin up at 56.7% from 56.4% in the same period last year
- Planned cost increases within sales and marketing, including effect of additional sales resources employed in the USA in Q1 2010/11
- EBIT of DKK 26m against DKK 29m in Q1 2010/11

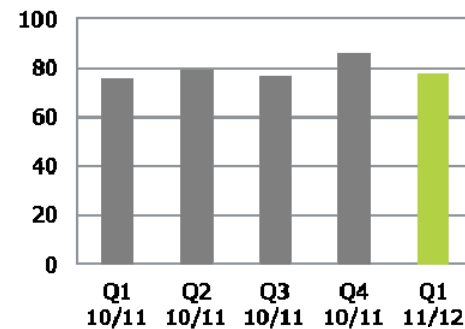
Net profit for the period, DKKm



- Net financials amounted to income of DKK 1m against expenses of DKK 2m last year, the reason being foreign currency translation adjustments of balance sheet items
- Net profit for the period was DKK 20m against DKK 19m for the same period last year

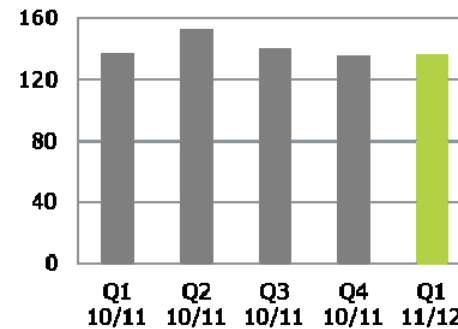
Development – markets

USA, DKKm



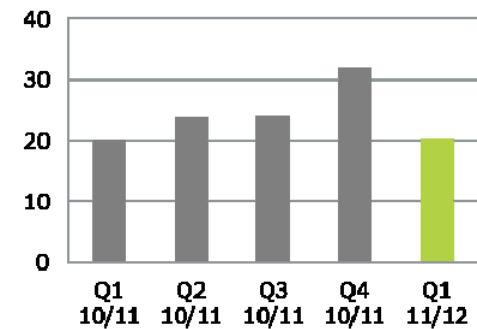
- Revenue growth of 2% in local currencies and 3% in Danish kroner
- Satisfactory growth within ventilation bags and Neurology and Sleep area
- Periodically falling sales of laryngeal masks and cardiological products
- Strengthening of inside sales

Europe, DKKm



- Fall in revenue of 1%
- Varying growth rates - growth in sales regions NEM and Central of 2% and 1% in sales region UK
- Periodical fall in revenue of 13% in sales region South and of 7% in sales region West. Growth is expected for the year as a whole.
- Several markets affected by public debt problems

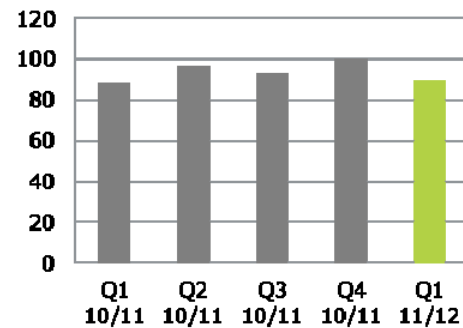
Rest of the world, DKKm



- Combined growth in revenue in the rest of the world of 2%
- Growth in sales region Asia of 38% - but from a low level
- Timing differences in sales to Brazil lead to fall in revenue in Q1, outlook of satisfactory growth for the year unchanged

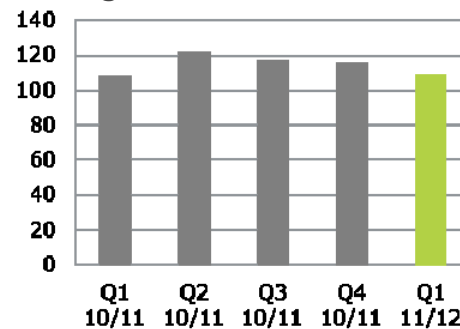
Development – business areas

Anesthesia, DKKm



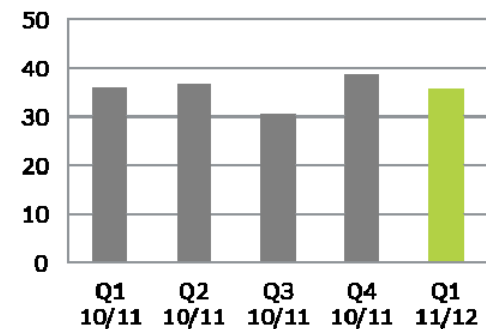
- Anesthesia: the former Airway Management business area plus single-use and multiple-use ventilation bags
- Growth of just under 1% in local currencies
- Satisfactory growth in sales of aScope and ventilation bags
- Falling sales of laryngeal masks. Expected growth for the year as whole.

Patient Monitoring & Diagnostics, DKKm



- Revenue growth of 1% in local currencies and in Danish kroner
- Continued high growth rates within Neurology/Sleep of 5-8%

Emergency Care, DKKm



- Fall in revenue of just over 1% in local currencies and in Danish kroner
- Fall in sales of manikins for first-aid training, primarily due to large single order in the French market last year
- Double-digit growth rate within immobilisation products

Cash flow

DKKm	Q1 2010/11	Q1 2011/12
Cash flow from operating activities	(3)	(19)
Cash flow from investing activities, incl. acquisitions	(6)	(9)
Free cash flow	(9)	(28)
Cash flow from financing activities	15	35

- Cash flow from operating activities reduced due to more funds being tied up in working capital, primarily due to prepayments of approx. DKK 15m to hedge silver price
- Investments in development projects and tools and equipment
- Higher negative free cash flow, primarily due to development in working capital
- Outlook of free cash flow of at least DKK 100m is maintained

GPS Four

Status of Ambu's business strategy



GPS Four – overview



Update on activities relating to the GPS Four strategy

- The products SmartInfuser™ Pain Pump and SmartBlock™ were launched in the US market at the end of Q1 2011/12.
- Strengthening of sales organisation in the USA, including establishment of internal sales team with a view to increasing sales of Ambu's products via telesales.
- Further investments in the sales organisation in Asia.
- Establishment of European distribution centre in Germany.
- The third phase of Ambu's Product Life Cycle System (PLM) has been implemented and encompasses some of the important global quality procedures, increasing efficiency among Ambu's global locations.
- Targeted efforts are still going into identifying potential acquisitions for Ambu with a view to strengthening one or more of Ambu's core business areas.

Market situation

Market situation

- Favourable outlook and attractive growth opportunities
 - Variation from market to market – strongest growth in emerging markets and the USA
 - Europe affected by public debt problems
- General focus on treatment economies
- Intensive competition

Ambu's position and strategy

- Ambu's products contribute to enhanced efficiency, lower healthcare costs and improved patient treatment
- Focus on innovation
- Ambu's platform in place and sales organisation optimised
- Attractive position in the USA and increased efforts in emerging markets
- Focus on business acquisitions and forming partnerships

Growth areas

- **Organic growth from the USA and EMEA**, among other things driven by the earlier increase in the number of both external and internal salespeople in the USA and much more targeted sales efforts in EMEA.
- **New growth markets in Asia and Brazil.** The markets are characterised by strong growth, and efforts have been intensified in China and India via direct sales and increases in activity levels in the other Asian markets and in Brazil.
- **Sales of new products, including aScope and SmartInfuser.** Penetration time for aScope has been longer than expected, but sales are developing positively, while sales of the newly introduced product SmartInfuser are satisfactory. All in all, new products generated 10% of revenue in Q1 2011/12.
- **New products** are expected to be introduced within visualisation in 2011/12, but their effect on revenue is expected to be modest in 2011/12.
- **Forming of partnerships**, where products such as aScope are sold to customer groups other than Ambu's primary segments. A number of interesting possible partnerships have been identified and are being explored.
- **Possible acquisitions** are being identified all the time, and an ongoing dialogue is maintained with possible candidates.

Outlook 2011/12



Outlook for 2011/12

	2011/12	Comments
Revenue	In the region of DKK 1,025 - 1,035m	Increased revenue in emerging markets and success with new products
Growth	Approx. 5%	When measured in DKK and local currencies Increased market share Formation of partnerships USD exchange rate: 540 GBP exchange rate: 850
EBIT margin, %	In the region of 15-15.5%	Increased revenue Reduced cost prices Streamlining Price pressure
Profit before tax in % of revenue	In the region of 14.5%	
Investments in % of revenue	Approx. 5%	Investments in product development, process equipment, expansion of production capacity and IT
Free cash flow	Minimum DKK 100m	Continued focus on reducing working capital



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Questions



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