



Interim report for Q3 2014/15

Ambu maintains its momentum, posting revenue of DKK 482m and organic growth of 9% in local currencies, and 21% in Danish kroner. The outlook for the year is adjusted.

"Ambu has recorded growth in local currencies of 9% in each of the first three quarters of the year. Growth is driven, in particular, by our Anaesthesia business, which grew by 16% in Q3, significantly exceeding market growth. Ambu keeps strengthening its position in the hospital segment with one of the most complete product portfolios in the market for single-use products. In Q3, sales of aScope passed an important milestone, with accumulated sales in the current financial year in excess of DKK 100m. In the PMD segment, we realised 5% growth in Q3, which is also somewhat higher than market growth. We are positive about the future and believe that we can further strengthen Ambu's global position as a strong, innovative and competitive supplier of single-use products for hospitals. It is therefore a natural step that we make an upward adjustment of our growth outlook for the second time this year," says President and CEO Lars Marcher.

- Revenue of DKK 482m was posted in Q3, representing growth of 9% in local currencies, and 21% in Danish kroner.
- Growth in Q3 was driven, in particular, by the Anaesthesia segment, which recorded 16%, and by the PMD (Patient Monitoring & Diagnostics) business, which realised 5% growth. The development in Emergency Care was as expected, with negative growth of 8% being reported in Q3. All growth is reported in local currencies.
- Gross profit for the quarter was DKK 232m (DKK 205m), and the gross margin came to 48.1% (51.6%). Year to date, the gross margin is 47.7% (50.3%). The gross margin is negatively impacted by the effect of the strengthened USD exchange rate.
- Capacity costs totalled DKK 176m (DKK 150m) and were significantly affected by the stronger USD exchange rate as well as higher selling costs. The rate of cost for the quarter was 37% (38%), and 39% (40%) for the year to date.
- EBIT for the quarter was DKK 56m (DKK 55m), and an EBIT margin of 11.6% (13.9%) was posted. Year to date, EBIT totals DKK 119m (DKK 118m), with an EBIT margin of 8.8% (10.3%).
- Free cash flows before company acquisitions totalled DKK 34m (DKK 28m) for the quarter, and were negative at DKK 12m (DKK 57m) for the year to date. Cash flows are materially affected by increased investments, including the new factory in Malaysia, as well as by funds tied up in working capital.
- Sales of aScope are continuing to develop extremely positively, with revenue for the first three quarters exceeding DKK 100m. In terms of volume, sales of aScope in Q3 as well as year to date more than doubled compared with the same period last year.

- Ambu collaborates with a global medtech company on the development of a new product based on Ambu's aScope technology. The product is in the final stages of development, and is expected to be launched before the end of the calendar year 2015.
- In North America, growth of 5% was posted for the quarter when reported in local currencies, and of 27% in Danish kroner. The Anaesthesia business, including aScope, had a good quarter in the USA, and PMD also developed positively. Emergency Care posted lower revenue than expected and contributed to reducing the overall growth in North America.
- In Europe, growth for the quarter was 10% in local currencies and 14% in Danish kroner, positively affected by consistently strong growth in sales of aScope as well as other Anaesthesia product areas. The PMD segment – both neurophysiology and cardiology – also realised healthy growth rates once again.
- Growth for the rest of the world segment stood at 21% in local currencies, and 27% in Danish kroner, driven by a continued, very solid development in the Asian markets, which saw 27% growth. The markets in Latin America contributed double-digit growth rates in Q3.
- The outlook for FY 2014/15 is adjusted compared to the outlook announced in the interim report for Q2 2014/15. Now, growth in local currencies of approx. 9% is expected as opposed to 8-8.5%. The outlook for the EBIT margin is unchanged at approx. 12%, resulting in an upward adjustment of EBIT in Danish kroner. Free cash flows before earn-out payment of approx. DKK 100m are now expected as opposed to approx. DKK 110-120m. A gearing of approx. 2.2 is still expected.

A **conference call** is being held today, 19 August 2015, at 11.00 am (CET). To participate, please call the following number five minutes before the start of the conference: +45 3544 5579. The conference can be followed via www.ambu.com/webcastQ32015 and is held in English. The presentation can be downloaded when the conference begins.

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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 2,350 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	Q3 2014/15	Q3 2013/14	YTD 2014/15	YTD 2013/14	FY 2013/14
Income statement					
Revenue	482	397	1,353	1,142	1,584
Gross margin, %	48.1	51.6	47.7	50.3	50.4
Profit before interest, tax, depreciation and amortisation (EBITDA)	81	78	192	181	286
Depreciation	12	11	36	34	46
Amortisation	13	12	37	29	42
Operating profit (EBIT)	56	55	119	118	198
Net financials	-29	-10	-4	-28	10
Profit before tax	27	45	115	90	208
Net profit for the period	20	33	86	66	151
Balance sheet					
Assets	2,288	1,974	2,288	1,974	2,047
Working capital	565	410	565	410	452
Equity	978	701	978	701	854
Net interest-bearing debt.	804	784	804	784	739
Cash flows					
Cash flows from operating activities	57	53	68	110	183
Cash flows from investing activities before company acquisitions	-23	-25	-80	-53	-80
Free cash flows before company acquisitions	34	28	-12	57	103
Acquisitions of companies and technology	18	83	18	108	112
Key figures and ratios					
Rate of cost, %	37	38	39	40	38
EBITDA margin, %	16.8	19.6	14.2	15.8	18.1
EBIT margin, %	11.6	13.9	8.8	10.3	12.5
Return on equity, %	20	14	20	14	20
NIBD/EBITDA	2.7	3.0	2.7	3.0	2.6
Equity ratio, %	43	36	43	36	42
Investments, % of revenue	5	6	6	5	5
Working capital, % of revenue	31	27	31	27	29
ROIC, % after tax including goodwill	11	11	11	11	12
Average no. of employees	2,264	2,386	2,281	2,347	2,333
Share-related ratios					
Market price per share (DKK)	175	99	175	99	106
Earnings per share (EPS) (DKK)	0.41	0.70	1.80	1.40	3.19
Diluted earnings per share (EPS-D) (DKK)	0.40	0.68	1.75	1.36	3.12

The interim report for Q3 2014/15 and for the period 1 October 2014 - 30 June 2015 has not been audited or reviewed; the accounting policies have been applied consistently with the annual report for 2014/15. The key figures have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations and Financial Ratios 2015'.



Management's review

for Q3 2014/15

PRODUCT AREAS

Anaesthesia

Sales in the Anaesthesia segment increased by 16% in Q3 in local currencies, and by 31% in Danish kroner.

The double-digit growth rates are driven, in particular, by sales of aScope 3, but the 'Masks' product area – including Ambu's third-generation laryngeal mask 'AuraGain' – and circuits also contribute positively to the growth. With the sales of aScope achieved in Q3, accumulated sales in the current financial year passed the DKK 100m mark, and the number of units sold has more than doubled compared with last year.

Anaesthesia accounted for 57% of revenue in Q3 against 53% in the prior-year period.

Patient Monitoring & Diagnostics (PMD)

Within PMD, sales increased by 5% in Q3 in local currencies, and 12% in Danish kroner.

In Q2, the growth in PMD was affected by timing differences in respect of contracts in a number of sales territories, but with 5% growth being posted in Q3, driven by neurophysiology and to some extent cardiology, growth is now back at the expected level for the PMD area as a whole.

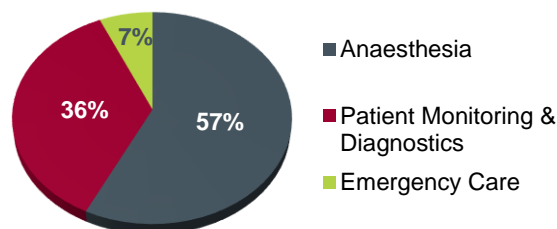
PMD accounted for 36% of revenue in Q3 against 39% in the prior-year period.

Emergency Care

Within Emergency Care, sales declined by 8% in Q3 in local currencies, but calculated in Danish kroner, revenue was unchanged relative to last year. The area is generally under pressure and is also affected by project sales, resulting in fluctuations in revenue.

Emergency Care accounted for 7% of revenue in Q3 against 8% in the prior-year period.

Breakdown of revenue on product areas



	Q3		Composition of growth			YTD		Composition of growth		
	2014/15	2013/14	Organic*	Currency	Reported	2014/15	2013/14	Organic*	Currency	Reported
Anaesthesia	276	210	16%	15%	31%	784	604	17%	13%	30%
PMD	174	155	5%	7%	12%	476	443	3%	4%	7%
Emergency Care	32	32	-8%	8%	0%	93	95	-8%	6%	-2%
Revenue	482	397	9%	12%	21%	1,353	1,142	9%	9%	18%

*Local currencies

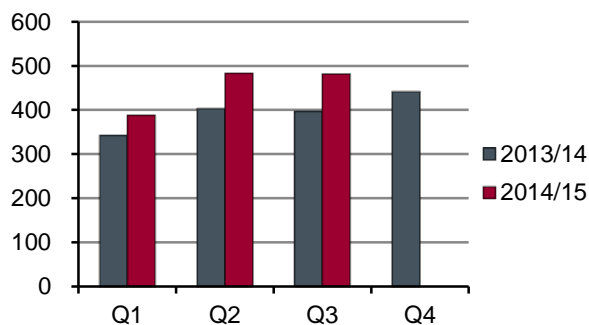
FINANCIAL RESULTS

(Comparative figures are stated in brackets)

Revenue

Revenue of DKK 482m was posted in Q3, representing growth of 9% in local currencies, and 21% in Danish kroner. Growth was reported by all regions, with continued strong growth in the North American market. The growth in revenue is all organic.

Revenue – quarters (DKKm)



Revenue of DKK 1,353m was posted for the year to date, representing growth of 9% in local currencies, and 18% in Danish kroner.

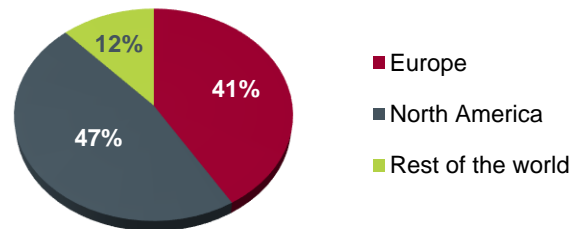
Growth of 5% was posted for North America when reported in local currencies, and of 27% in Danish kroner. Ambu is seeing extremely positive growth in the US market, and in spite of the fact that aScope 3 was launched in the USA 12 months later than in the European markets, sales in North America now make up close to 30% of total aScope sales.

In Europe, growth of 10% was posted for the quarter when reported in local currencies, and of 14% in Danish kroner. There is a good momentum in the important European markets, driven by the recently introduced products as well as the traditional Ambu products, including PMD.

The rest of the world segment consists of three markets: Asia and Australia, Latin America, and the Middle East. As a whole, this segment accounted for 12% of Ambu's revenue in Q3, posting growth in local currencies of 21%, and 27% in Danish kroner. The markets in Asia are still

experiencing high growth rates, with growth in Q3 reaching 27%. After problems with regulatory approvals, the Latin American markets have now stabilised, contributing double-digit growth rates in Q3. Sales in the Middle East are characterised by project sales and are unchanged compared with the same period last year.

Geographical breakdown of revenue



The high growth in the rest of the world segment combined with the stronger USD exchange rate means that Ambu's relative business volume in Europe is reduced in favour of especially North America. While Europe's relative share thus declined from 43% in Q3 last year to 41% in the current quarter, North America's share increased correspondingly from 46% to 47%, while the rest of the world segment increased from 11% to 12%.

The development in sales in North America spells good opportunities for Ambu going forward, given the strong product portfolio, the sales organisation and the relations with GPOs (group purchasing organisations) and other partners that have been forged in the North American market.

Currency exposure

Ambu's revenue was significantly impacted by developments in USD/DKK, as almost 50% of the company's revenue is invoiced in USD. Moreover, EBIT is influenced by developments in the exchange rates for CNY/DKK and MYR/DKK, as a significant share of Ambu's production in the Far East is settled in CNY and MYR.

In Q3, the USD/DKK exchange rate increased by 24% relative to Q3 last year, while increases of 25% and 10% were seen for CNY/DKK and MYR/DKK, respectively.

	Q3		Composition of growth			YTD		Composition of growth		
	2014/15	2013/14	Organic*	Currency	Reported	2014/15	2013/14	Organic*	Currency	Reported
Europe	199	174	10%	4%	14%	578	521	9%	2%	11%
North America	226	178	5%	22%	27%	629	501	7%	19%	26%
Rest of the world	57	45	21%	6%	27%	146	120	19%	3%	22%
Revenue	482	397	9%	12%	21%	1,353	1,142	9%	9%	18%

*Local currencies

Year to date, the increases in the three above-mentioned currencies correspond to an increase in revenue of approx. DKK 100m and a similar increase in production and capacity costs, the exchange rate effect being almost neutral on EBIT when calculated in Danish kroner for the year to date as well as for the quarter. The resulting scaling effect thus dilutes both the gross margin and the EBIT margin despite the fact that Ambu is increasing nominal EBIT earnings calculated in Danish kroner.

Gross profit

Gross profit was DKK 232m (DKK 205m), with a gross margin of 48.1% (51.6%). The gross profit is positively affected by the scaling effects of the strengthened USD whereas the gross margin is negatively affected.

Costs

Capacity costs for the quarter totalled DKK 176m (DKK 150m). Any comparisons with the previous quarter should take account of the effect of the strengthened USD, MYR and CNY exchange rates relative to DKK, the effect for the quarter being approx. DKK 15m, resulting in an increase in the underlying cost base in the order of 6-7%.

The rate of cost for the quarter was 37% (38%), and 39% (40%) for the first nine months of the year.

Selling costs of DKK 99m (DKK 90m) were posted for Q3. Compared to the previous quarter, sales costs are reduced by DKK 5m due to lower stock handling and freight costs in North America.

Development costs of DKK 14m (DKK 11m) were recorded for Q3, and DKK 41m (DKK 32m) for the first nine months of the year. The increase is primarily attributable to increased amortisation in respect of development projects and rights. The correlation between capitalisation of costs and the recognition of amortisation in the income statement is shown in the table below. Year to date, amortisation of DKK 33m has been expensed, and investments of DKK 29m have been made, with the actual activities in the first nine months of the year thus impacting cash flows by DKK 37m.

DKKm	YTD	
	2014/15	2013/14
Development costs	41	32
÷ Amortisation	-33	-22
+ Investments	29	18
= Cash flows	37	28

Management and administration costs for the quarter totalled DKK 57m (DKK 48m). The cost was reduced by

DKK 6m relative to Q2, among other things as a result of the restructurings implemented in this area.

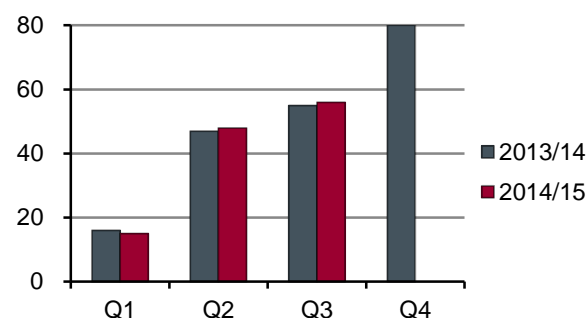
Other operating expenses of DKK 6m (DKK 1m) were reported for Q3. Normally, other operating expenses come to approx. DKK 1m, and the increase is the result of impairment of production facilities in the UK, following the outsourcing of production to a long-standing Indian partner in Q3.

EBIT

As mentioned above, the effect on EBIT of the strengthened USD exchange rate is almost neutral, while the EBIT margin is negatively impacted by the scaling effect.

EBIT in Q3 was DKK 56m (DKK 55m), with an EBIT margin of 11.6% (13.9%) being posted. Year to date, EBIT totals DKK 119m (DKK 118m), with an EBIT margin of 8.8% (10.3%).

EBIT before special items – quarters (DKKm)



Net financials

Net financials amounted to net expenses of DKK 29m (DKK -10m) in Q3, and to net expenses of DKK 4m (DKK -28m) year to date. The item is materially affected by unrealised foreign exchange gains on intercompany loans.

Net financials for the year to date are composed as follows:

- Interest expenses for bank and bond debt totalled DKK 21m (DKK 22m).
- Foreign currency translation adjustments of intercompany balances in USD and market value adjustments of interest and foreign currency swaps resulted in net income of DKK 22m (income of DKK 2m).
- The interest element from liabilities stated at present discounted value is included with a cost of DKK 5m (DKK 8m).

Year to date, total cash flows from net financials were negative in the amount of DKK 28m, as interest of DKK 24m is payable on the bond loan once a year in March.

Tax

A provision has been made for tax of 25% on the profit before tax adjusted for non-deductible items.

Net profit

A net profit of DKK 20m (DKK 33m) was posted for Q3, and DKK 86m (DKK 66m) for the year to date.

BALANCE SHEET

At the end of the quarter, the value of the total assets was DKK 2,288m (DKK 1,974m). Total assets are materially impacted by increasing exchange rates relative to the Danish krone, and the statement of comprehensive income includes net income of DKK 63m (DKK -8m) from the translation of balance sheet items in foreign currencies.

Working capital amounted to DKK 565m (DKK 410m), corresponding to 31% (27%) of revenue on a 12-month basis. Of the 4 percentage point increase, just over 2 percentage points can be ascribed to exchange rate effects, while the rest of the increase is attributable to increased investments in inventories due to new products and increasing trade receivables.

Trade receivables totalled DKK 439m at the end of the quarter against DKK 328m for the same quarter last year.

Receivables are also materially affected by exchange rates, but also by slightly slower payment patterns in certain regions. 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 the quarter, cash totalled DKK 80m (DKK 105m), in addition to which Ambu had unutilised credit facilities of DKK 91m.

Total financial net debt at the end of the quarter was DKK 804m (DKK 784m), of which DKK 700.5m is financed via corporate bonds. Net interest-bearing debt totalled 2.7 (3.0) x rolling 12-month EBITDA.

CASH FLOWS

Year to date, cash flows from operating activities total DKK 68m (DKK 110m).

Investments in non-current assets came to DKK 80m (DKK 53m) for the year to date, consisting of ordinary development projects, production equipment as well as the last instalment in respect of the new factory in Malaysia.

Year to date, free cash flows before company acquisitions then totalled DKK -12m (DKK 57m).

OUTLOOK FOR 2014/15

The outlook for FY 2014/15 is adjusted compared to the outlook announced in the interim report for Q2 2014/15. The adjustments and the underlying causes can be summarised as follows:

	Adjusted outlook based on current exchange rates	Underlying causes
Growth	Growth in local currencies is adjusted, and growth of approx. 9% is now expected as opposed to 8-8.5%.	The current momentum with 9% growth in the first three quarters of the year justifies an adjustment of the outlook for the year as a whole.
EBIT margin	EBIT margin of approx. 12%.	-
Free cash flows	Free cash flows before earn-out payment of approx. DKK 100m as opposed to DKK 110-120m.	There is still a need to increase inventories of a number of products. In addition, receivables from sales are settled a bit more slowly than expected.
Gearing	A gearing of approx. 2.2 is still expected.	-

The outlook for FY 2014/15 is detailed in the table below.

Overview of outlook announced for 2014/15

	Local currencies				Danish kroner			
	19 August 2015	6 May 2015	2 February 2015	13 November 2014	19 August 2015	6 May 2015	2 February 2015	13 November 2014
Revenue	Approx. 9%	8-8.5%	7-8%	7-8%	Approx. 19%	Approx. 19%	Approx. 16%	Approx. 10%
EBIT margin	12.5-13% (fixed rate)	12.5-13% (fixed rate)	12.5-13% (fixed rate)	12.5-13% (fixed rate)	Approx. 12%	Approx. 12%	Approx. 12.5%	12.5-13%
Free cash flows	-	-	-	-	Approx. DKK 100m	Approx. DKK 110-120m	Approx. DKK 130-140m	Approx. DKK 130-140m
Gearing	-	-	-	-	Approx. 2.2	Approx. 2.2	Approx. 2.2	Approx. 2.2

Exchange rate assumptions based on the expected average exchange rate for the year

	Realised 2013/14	19 August 2015	6 May 2015	2 February 2015	13 November 2014
USD/DKK	550	655	660	645	575
CNY/DKK	89	105	105	104	92
MYR/DKK	170	180	185	182	179

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

30 September 2015	End of FY 2014/15
11 November 2015	Annual report 2014/15
10 December 2015	Annual general meeting 2014/15

Quarterly results

DKKm	Q3 2014/15	Q2 2014/15	Q1 2014/15	Q4 2013/14	Q3 2013/14	Q2 2013/14	Q1 2013/14
Revenue	482	483	388	442	397	403	342
Composition of reported growth:							
Organic growth in local currencies	9%	9%	9%	11%	8%	8%	-4%
Acquisition-related growth	0%	0%	0%	0%	0%	14%	34%
Exchange rate effects on reported growth	12%	11%	4%	-1%	-3%	-2%	-3%
Reported revenue growth	21%	20%	13%	10%	5%	20%	27%
Organic growth, products:							
Anaesthesia	16%	19%	16%	26%	14%	16%	-4%
PMD	5%	-2%	4%	0%	2%	3%	5%
Emergency Care	-8%	-8%	-9%	-6%	-5%	0%	-30%
Organic growth in local currencies	9%	9%	9%	11%	8%	8%	-4%
Organic growth, markets:							
Europe	10%	5%	13%	2%	4%	11%	-2%
North America	5%	13%	2%	9%	5%	4%	-9%
Rest of the world	21%	6%	24%	55%	40%	14%	0%
Organic growth in local currencies	9%	9%	9%	11%	8%	8%	-4%
Gross profit	232	231	182	224	205	194	175
<i>Gross margin, %</i>	<i>48.1</i>	<i>47.8</i>	<i>46.9</i>	<i>50.7</i>	<i>51.6</i>	<i>48.1</i>	<i>51.2</i>
Selling costs	-99	-104	-95	-86	-90	-82	-89
Development costs	-14	-14	-13	-12	-11	-9	-12
Management and administration	-57	-63	-58	-46	-48	-54	-57
Other operating expenses	-6	-2	-1	0	-1	-2	-1
Operating profit (EBIT) before special items	56	48	15	80	55	47	16
<i>EBIT margin before special items</i>	<i>11.6</i>	<i>9.9</i>	<i>3.9</i>	<i>18.1</i>	<i>13.9</i>	<i>11.7</i>	<i>4.7</i>
Special items	0	0	0	0	0	0	0
Operating profit (EBIT)	56	48	15	80	55	47	16
<i>EBIT margin, %</i>	<i>11.6</i>	<i>9.9</i>	<i>3.9</i>	<i>18.1</i>	<i>13.9</i>	<i>11.7</i>	<i>4.7</i>
Financial income	-30	72	15	56	0	8	0
Financial expenses	1	-43	-19	-18	-10	-14	-12
Profit before tax (PBT)	27	77	11	118	45	41	4
Tax on profit for the period	-7	-19	-3	-33	-12	-11	-1
Net profit for the period	20	58	8	85	33	30	3

Quarterly results

DKKm	Q3 2014/15	Q2 2014/15	Q1 2014/15	Q4 2013/14	Q3 2013/14	Q2 2013/14	Q1 2013/14
Balance sheet:							
Assets	2,288	2,371	2,107	2,047	1,974	1,925	1,886
Working capital	565	556	482	452	410	394	381
Equity	978	978	827	854	701	663	632
Net interest-bearing debt.	804	832	843	739	784	729	732
Cash flows:							
Cash flows from operating activities	57	27	-16	73	53	37	20
Cash flows from investing activities before company acquisitions	-23	-23	-34	-27	-25	-11	-17
Free cash flows before company acquisitions	34	4	-50	46	28	26	3
Of which payment of special items	0	-1	0	-1	-2	-4	-4
Key figures and ratios:							
Rate of cost, %	37	38	43	33	38	37	46
EBITDA	81	72	39	105	78	68	35
EBITDA margin, %	16.8	14.9	10.1	23.8	19.6	16.9	10.2
Depreciation	12	13	11	12	11	11	12
Amortisation	13	11	13	13	12	10	7
EBIT	56	48	15	80	55	47	16
EBIT margin, %	11.6	9.9	3.9	18.1	13.9	11.7	4.7
NIBD/EBITDA	2.7	2.8	2.9	2.6	3.0	3.0	3.2
Working capital, % of revenue	31	33	30	29	27	26	26
Share-related ratios:							
Market price per share (DKK)	175	161	149	106	99	88	74
Earnings per share (EPS) (DKK)	0.41	1.22	0.17	1.79	0.70	0.64	0.06
Diluted earnings per share (EPS-D) (DKK)	0.40	1.18	0.17	1.76	0.68	0.62	0.06

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 2014 to 30 June 2015.

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 30 June 2015 as well as of the results of the group's activities and cash flows in the period 1 October 2014 - 30 June 2015.

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, 19 August 2015

Executive Board

Lars Marcher

CEO

Michael Højgaard

CFO

Board of Directors

Jens Bager
Chairman

Mikael Worning
Vice-Chairman

Jesper Funding Andersen

Pernille Bartholdy

Jakob Bønnelykke Kristensen

Allan Søgaard Larsen

Anita Krarup Rasmussen

Christian Sagild

John Stær

Income statement

DKKm	Note	Q3 2014/15	Q3 2013/14	YTD 2014/15	YTD 2013/14	FY 2013/14
Revenue		482	397	1,353	1,142	1,584
Production costs		-250	-192	-708	-568	-786
Gross profit		232	205	645	574	798
Selling costs		-99	-90	-298	-261	-347
Development costs		-14	-11	-41	-32	-44
Management and administration		-57	-48	-178	-159	-205
Other operating expenses		-6	-1	-9	-4	-4
Operating profit (EBIT)		56	55	119	118	198
Financial income	2	-30	0	57	8	64
Financial expenses	2	1	-10	-61	-36	-54
Profit before tax (PBT)		27	45	115	90	208
Tax on profit for the period		-7	-12	-29	-24	-57
Net profit for the period		20	33	86	66	151
Earnings per share in DKK						
Earnings per share (EPS)		0.41	0.70	1.80	1.40	3.19
Diluted earnings per share (EPS-D)		0.40	0.68	1.75	1.36	3.12

Statement of comprehensive income

DKKm	Q3 2014/15	Q3 2013/14	YTD 2014/15	YTD 2013/14	FY 2013/14
Net profit for the period	20	33	86	66	151
<i>Items which are moved to the income statement under certain conditions:</i>					
Translation adjustment in foreign subsidiaries	-39	4	74	-9	53
Tax on translation adjustments in foreign subsidiaries	3	-1	-11	1	-6
Adjustment to fair value for the period:					
-Disposals included in net financials	0	0	0	0	1
-Additions concerning hedging instruments	0	2	2	2	0
Tax on hedging transactions	0	-1	-1	-1	0
Comprehensive income for the period	-16	37	150	59	199

Balance sheet

DKKm	30.06.15	30.06.14	30.09.14
Acquired technologies, trademarks and customer relations	107	103	107
Completed development projects	59	56	69
Rights	55	54	53
Goodwill	808	724	748
Development projects in progress	48	30	24
Intangible assets	1,077	967	1,001
Land and buildings	138	110	121
Plant and machinery	94	103	110
Other plant, fixtures and fittings, tools and equipment	35	21	22
Prepayments and plant under construction	33	17	18
Property, plant and equipment	300	251	271
Deferred tax asset	32	32	21
Other receivables	6	0	0
Other non-current assets	38	32	21
Total non-current assets	1,415	1,250	1,293
Inventories	300	240	253
Trade receivables	439	328	380
Other receivables	16	10	11
Income tax receivable	2	6	6
Prepayments	36	17	18
Derivative financial instruments	0	18	0
Cash	80	105	86
Total current assets	873	724	754
Total assets	2,288	1,974	2,047

Balance sheet

DKKm	30.06.15	30.06.14	30.09.14
Share capital	121	119	119
Other reserves	857	582	735
Equity	978	701	854
Credit institutions	2	5	4
Provision for deferred tax	44	35	33
Corporate bonds	698	697	698
Other provisions	52	69	55
Non-current liabilities	796	806	790
Current portion of non-current liabilities	2	4	4
Other provisions	28	60	18
Bank debt	182	183	119
Trade payables	97	73	88
Income tax	32	28	45
Other payables	135	112	122
Derivative financial instruments	38	7	7
Current liabilities	514	467	403
Total liabilities	1,310	1,273	1,193
Total equity and liabilities	2,288	1,974	2,047

Statement of changes in equity

DKKm	Note	30.06.15	30.06.14	30.09.14
Equity, beginning of period		854	651	651
Capital increase	4	19	4	6
Comprehensive income for the period		150	59	199
Exercise of options		11	15	17
Share-based payment		4	2	4
Tax deduction related to share-based payment		13	0	7
Purchase of treasury shares		-28	-15	-15
Distributed dividend		-45	-15	-15
Equity, end of period		978	701	854

Cash flow statement

DKKm	Note	30.06.15	30.06.14	30.09.14
Net profit for the period		86	66	151
Adjustment of items with no cash flow effect	5	115	118	137
Income tax paid		-35	-28	-33
Interest income and similar items		0	8	8
Interest expenses and similar items		-28	-36	-37
Change in working capital	6	-70	-18	-49
Cash flows from provisions		0	0	6
Cash flows from operating activities		68	110	183
Purchase of non-current assets		-80	-53	-80
Sale of non-current assets		0	0	0
Cash flows from investing activities before company acquisitions		-80	-53	-80
Free cash flows before company acquisitions		-12	57	103
Acquisition of technology		0	-11	-11
Company acquisitions		-18	-97	-101
Cash flows from company acquisitions		-18	-108	-112
Cash flows from investing activities		-98	-161	-192
Free cash flows after company acquisitions		-30	-51	-9
Changes in other non-current liabilities		-2	-58	-59
Capital increase		19	4	6
Exercise of options		11	15	17
Purchase of Ambu A/S shares		-28	-15	-15
Dividend paid		-45	-15	-15
Cash flows from financing activities		-45	-69	-66
Changes in cash and cash equivalents		-75	-120	-75
Cash and cash equivalents, beginning of period		-33	42	42
Translation adjustment of cash and cash equivalents		6	0	0
Cash and cash equivalents, end of period		-102	-78	-33
Cash and cash equivalents, end of period, are composed as follows:				
Cash		80	105	86
Bank debt		-182	-183	-119
		-102	-78	-33

Note 1 – Segment information

Ambu 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.

Ambu has thus only identified one operating segment and has therefore only shown the activities' geographical distribution.

Note 2 – Net financials

DKKm	Q3 2014/15	Q3 2013/14	YTD 2014/15	YTD 2013/14	FY 2013/14
<i>Other financial income:</i>					
Interest income, swap	0	0	0	8	8
<i>Other financial income:</i>					
Foreign exchange gains, net	-30	0	57	0	25
Fair value adjustment, earn-out	0	0	0	0	31
Financial income	-30	0	57	8	64

	Q3 2014/15	Q3 2013/14	YTD 2014/15	YTD 2013/14	FY 2013/14
<i>Interest expenses:</i>					
Interest expenses, banks	1	0	3	4	5
Interest expenses, swap	0	0	0	9	9
Interest expenses, bonds	6	6	18	18	24
<i>Other financial expenses:</i>					
Effect of shorter discounting period, earn-out	1	2	2	7	5
Effect of shorter discounting period, acquisition of technology	1	1	3	1	2
Fair value adjustment, swap	-10	0	35	-7	9
Foreign exchange losses, net	0	1	0	4	0
Financial expenses	-1	10	61	36	54

Note 3 – Development in balance sheet since 30 September 2014

Since the beginning of the financial year, non-current assets have increased by a net amount of DKK 122m to DKK 1,415m. The increase was driven by investments of DKK 89m, depreciation and amortisation of DKK 73m and translation adjustments of DKK 108m.

Other provisions under current and non-current liabilities totalled DKK 80m at the end of Q3 and have been increased by a net amount of DKK 7m since the beginning of the financial year. The increase is primarily attributable to the stronger USD/DKK exchange rate and the financed acquisition of patents. Conversely, the second earn-out payment of DKK 17m for the acquisition of King Systems reduced the provision.

From the beginning of the financial year until the end of Q3, other payables increased by DKK 13m to DKK 135m. Underlying this development, the payment of due bond interest of DKK 24m in March 2015 reduced the payables, whereas translation adjustments and other payables led to an increase.

Note 4 – Capital increase and share split

Capital increase, November 2014

A capital increase was implemented in November 2014 in connection with the exercise by employees of warrants issued in 2011. In consequence hereof, Ambu's share capital was increased by a nominal amount of DKK 285,000 through the issue of 28,500 Class B shares of DKK 10 each at a price of 160.1.

Share split, December 2014

The Board of Directors' proposal for a 1:4 share split was approved by Ambu's shareholders on 17 December 2014. The share split results in a proportionate reduction of the previously reported earnings per share (EPS) and diluted earnings per share (EPS-D). All key ratios and nominal share values in this quarterly report have been restated accordingly.

Capital increase, May 2015

A capital increase was implemented in May 2015 in connection with the exercise by employees of warrants issued in 2011 and 2012. In consequence hereof, Ambu's share capital is increased by a nominal amount of DKK 894,000 through the issue of 357,600 Class B shares at a weighted price of 39.6.

The share capital is now divided into 6,864,000 Class A shares of DKK 2.50 each and 41,381,920 Class B shares of DKK 2.50 each. Following the capital increase and taking account of employees having left the company, 32,000 warrants relating to the 2011 programme and 146,000 warrants relating to the 2012 programme now remain outstanding.

Changes in number of shares and share capital year to date:

	Oct 2014	Nov 2014	Dec 2015	May 2015	Jun 2015
	Beginning of period	Warrants	Share split	Warrants	End of period
Number of Class A shares	1,716,000	0	5,148,000	0	6,864,000
Number of Class B shares	10,227,580	28,500	30,768,240	357,600	41,381,920
	11,943,580	28,500	35,916,240	357,600	48,245,920
Nominal value	DKK 10/share	DKK 10/share	1:4	DKK 2.5/share	DKK 2.5/share
Share capital	119,435,800	285,000	-	894,000	120,614,800

Note 5 – Adjustment of items with no cash flow effect

	30.06.15	30.06.14	30.09.14
Depreciation and amortisation	73	63	88
Share-based payment	4	3	4
Accounting loss on sale of subsidiary	5	0	0
Value adjustment of other provisions	0	0	-2
Financial expenses etc.	4	28	-10
Tax on profit for the period	29	24	57
	115	118	137

Note 6 – Changes in working capital

	30.06.15	30.06.14	30.09.14
Changes in inventories	-31	-29	-42
Changes in receivables	-63	23	-30
Changes in trade payables etc.	24	-12	23
	-70	-18	-49

Note 7 – Contingent liabilities

In October 2014, Ambu was contacted by the owner of rights to certain patents which Ambu has been utilising for a number of years upon agreement with the owner. Based on a royalty audit conducted, the owner has presented a claim for additional payments alleging underpayment of royalties for the period since 2008. Ambu is engaged in a dialogue with the other party.

Based on the information available at the present time, Ambu is unable to reliably predict the duration of this process or the final outcome of this claim, and it is therefore not possible for Ambu to estimate its financial effect.

However, on the basis of the knowledge currently available, Ambu is convinced that the claim will not materially affect the group's financial position.

Ambu's regular operations and the use of Ambu's products at hospitals and clinics etc. entail a risk that claims for damages may be made against Ambu. The risk is deemed to be customary.

Note 8 – Risks

For a description of Ambu's risks, see the 'Risk management' section in the annual report for 2013/14 on pages 15-16.