

## Annual report 2009/10 – GPS Four strategy creating results

**Revenue was DKK 940m, up 7%. EBIT after special items was up 53% at DKK 118m. Net profit for the year was up 50% at DKK 84m.**

**Ambu has concluded the first year of the GPS Four strategy period which runs until 2013. Our targets for the year were ambitious and have generally been achieved. Several new products have been launched, sales efforts have been intensified, production has been streamlined, and investments have been made in developing our IT systems. Both revenue and earnings have developed positively relative to 2008/09, with growth within all business areas and in all markets. Growth has been higher than market growth, and Ambu has thus gained market share.**

“With its GPS Four strategy Ambu has achieved greater focus, direction and momentum, which is clear from this year’s results. We have invested considerably in developing both the infrastructure and organisation in the course of the year. A number of new and exciting products have been launched, which will contribute to strengthening our current and future position with customers. We have further strengthened our sales organisations both in the USA and Europe, and this is a major reason why we have won market share and bolstered our market position in the main markets. We have decided to transfer all electrode production from Ølstykke to new production facilities in Malaysia, and phase one has been completed with the expected results. As well-functioning, global IT systems are a prerequisite for the efficient management of Ambu and for providing a solid basis for further growth, we have invested further in this area. We are now ready for year two of GPS Four. The starting point will be a number of targets known internally as High Five. With High Five, we aim to post revenue of approx. DKK 1bn, increase sales of newly launched products and strengthen earnings further,” says President & CEO Lars Marcher.

- Revenue for 2009/10 totalled DKK 940m, representing a 7% increase relative to the previous financial year. In local currencies, growth also totalled 7%.
- The EBIT margin was 12.6% or DKK 118m before special items, up 7% relative to 2008/09. The improved EBIT margin is primarily attributable to higher revenue and improved cost-effectiveness.
- EBIT after special items – in the form of legal fees of DKK 2m – was DKK 116m against DKK 76m in 2008/09, when EBIT was negatively affected by extraordinary circumstances. The development in exchange rates has had a negative effect on EBIT of approx. DKK 5m.
- The net profit for the year totalled DKK 84m against DKK 56m in 2008/09, corresponding to a 50% increase.
- Free cash flow before acquisitions amounted to DKK 31m against DKK 58m the year before, and is lower than expected. The lower cash flow is attributable partly to the building-up of inventories in connection with the transfer of electrode production to Malaysia and to support the launch of aScope, and partly to changed terms of VAT payment in Denmark.

- The Board of Directors proposes that a dividend be declared of DKK 2.50 per share for FY 2009/10, amounting to 35% of the profit for the year.

## Outlook 2010/11

The positive development in sales within Ambu's business areas is expected to continue despite lower market growth. Ambu is seeing intensifying price competition in the individual markets, and this trend is expected to continue in the coming financial years.

- In FY 2010/11, consolidated revenue is expected to increase to about DKK 1,000m, corresponding to an increase of approx. 6% in local currencies. The outlook is based on an average USD exchange rate of 540 and a GBP exchange rate of 875.
- The outlook for 2010/11 is of an EBIT margin of just above 13.5% (before special items). Profit before tax is expected to be in the region of 13% of revenue, corresponding to DKK 130m (before special items).
- In 2010/11, a free cash flow of DKK 60-70m is expected, with investments before acquisitions amounting to approx. 7% of revenue.

*The annual report 2009/10 is attached to the present announcement to NASDAQ Copenhagen. The annual report can also be downloaded from the Ambu website [www.ambu.com](http://www.ambu.com).*

**A conference call and webcast** on this announcement will be held in Danish on Wednesday, 24 November 2010, at 11 am (CET). To participate, please call +45 3271 4767 five minutes before the start of the conference. The conference can be followed via the link [http://webcast.zoomvision.se/denmark/clients/ambu/10\\_307\\_eng/](http://webcast.zoomvision.se/denmark/clients/ambu/10_307_eng/) or on the Ambu website [www.ambu.com](http://www.ambu.com). The conference will subsequently be made available on the Ambu website.

Ambu's **annual general meeting** will be held on 16 December 2010 at 4 pm at The Black Diamond, Søren Kierkegaards Plads 1, 1016 Copenhagen K, Denmark.

Further information:

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## Financial highlights

DKKm	2005/06	2006/07	2007/08	2008/09	2009/10
<b>Key figures</b>					
Revenue	716	715	784	877	940
EBITDA before special items	126	115	138	167	179
Operating profit (EBIT) before special items	83	74	94	110	118
Operating profit (EBIT)	83	69	86	76	116
Net financials	(12)	(15)	(18)	(3)	0
Profit before tax (PBT)	70	54	76	74	116
Net profit for the year	48	43	50	56	84
Total assets, end of period	678	681	732	782	876
Equity, end of period	391	418	452	480	562
Share capital	118	119	119	119	119
Investments in non-current assets and acquisitions	47	56	49	96	68
Depreciation, amortisation and impairment losses on non-current assets	44	41	45	56	61
Cash flows from operating activities	99	90	84	113	99
Free cash flow	61	33	36	18	31
Average no. of employees	1,221	1,216	1,397	1,608	1,728
<b>Ratios</b>					
EBITDA margin before special items, %	17.7	16.1	17.6	19.0	19.0
EBIT margin before special items, %	11.5	10.3	12.0	12.6	12.6
Return on assets, %	12.2	10.8	12.8	14.1	13.5
Return on equity, %	12.9	10.6	11.5	12.0	16.1
Equity ratio, %	58	61	62	61	64
Profit per DKK 10 share	4.12	3.62	4.24	4.73	7.16
Equity value per share	33	35	38	40	47
Share price, end of period	96	87	73	110	136
CAPEX, %	6.5	7.8	6.2	10.9	7.2
ROIC, %	10.4	9.1	11.4	13.4	13.2
NIBD/EBITDA	1.2	1.2	0.9	0.7	0.6

**Ambu** develops, produces and markets diagnostic and life-supporting devices to hospitals and rescue services. Ambu has three business areas: Airway Management, Patient Monitoring & Diagnostics and Emergency Care.

Ambu's high-quality products are innovative and unique. Ambu has a favourable market position in its chosen focus areas.

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. 1,700 employees, of whom 300 work in Denmark and 1,400 abroad.