

Annual report 2007/08 – solid growth in revenue and earnings

2007/08 was a satisfactory year for Ambu. Growth was at a higher level, and earnings improved. Revenue was up 10% at DKK 784.4m, while EBIT increased by 25% to DKK 86.4m. Ambu is now honing its strategy, and the company is geared for further growth and improved earnings. In the next couple of years, keywords will be a further intensification of sales efforts, innovation and 'operational excellence'. These three elements will lead to increased growth, improved competitiveness and greater market share.

"In the past year, Ambu has shown that it is possible to take growth to a higher level, and we are now very focused on creating even further growth in the whole company. What we can see is that attractive growth opportunities exist for companies which succeed in launching new and innovative single-use products within our business areas – and we want to make the most of this potential. I believe that we have a good starting point, and we will now take an even more ambitious approach to product development, while at the same time planning to acquire new activities and playing a more active role in the new growth markets. It is our belief that the demand for Ambu's products will only to a limited extent be affected by the lower growth in the world economy seen at present, but we are monitoring developments very closely," says Lars Marcher, President and CEO.

- Revenue for 2007/08 totalled DKK 784.4m, corresponding to a 10% increase relative to the previous financial year. In local currencies, growth totalled 15%.
- Growth in both Europe and the USA was satisfactory and significantly exceeded market growth.
- Revenue increased within all business areas. The highest growth was seen in Respiratory Care and Neurology.
- EBIT increased by 25% to DKK 86.4m against DKK 69.2m in 2006/07. The improvement is primarily attributable to the higher revenue and improved gross profit margin.
- Profit for the year was DKK 50.0m against DKK 42.8m in 2006/07.
- Both revenue and EBIT are higher than expected at the beginning of the financial year and also exceed the most recently announced outlook for 2007/08 (27 August 2008).

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- Free cash flow amounted to DKK 35.6m against DKK 33.4m the year before.
- The Board of Directors proposes that a dividend be declared of DKK 1.5 per share for FY 2007/08, amounting to 36% of the profit for the year.

Outlook for 2008/09

In FY 2008/09, consolidated revenue is expected to increase to about DKK 850m, corresponding to a growth rate of approx. 8%. These expectations are based on an average USD exchange rate of 550.

In 2008/09, the EBIT margin is expected to be in the region of 11-11.5%, corresponding to approx. DKK 97m. Profit before tax is expected to be in the region of 10-10.5% of revenue, corresponding to approx. DKK 87m.

In 2008/09, a free cash flow in the region of DKK 50m is expected, with investments before acquisitions amounting to approx. 7% of revenue.

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The annual report 2007/08 is attached to the present release to NASDAQ Copenhagen. The annual report can also be downloaded from the Ambu website www.ambu.com.

Conference call and webcast on this announcement will be held in Danish on Wednesday, 26 November 2008, at 11 am Danish time. 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/081126/> or on the Ambu website www.ambu.com. The conference will subsequently be made available on the Ambu website.

Ambu's **ordinary general meeting** will be held on 16 December 2008 at 4 pm at The Black Diamond, Søren Kierkegaards Plads 1, 1016 Copenhagen K, Denmark.

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Financial highlights

DKK m		2003/04	2004/05	2005/06	2006/07	2007/08
Key figures	Revenue	608	654	716	715	784
	Operating profit before ordinary depreciation and amortisation (EBITDA)	95	106	126	111	131
	Operating profit (EBIT)	52	68	83	69	86
	Net financials	(6)	(8)	(12)	(15)	(18)
	Profit before tax (PBT)	46	61	70	54	68
	Net profit for the year	33	45	48	43	50
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	Total assets at year-end	591	670	678	681	732
	Equity at year-end	320	358	391	418	452
	Share capital	59	118	118	119	119
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	Investments in non-current assets and acquisitions	73	55	47	56	49
	Depreciation, amortisation and impairment losses on non-current assets	42	37	44	41	45
	Cash flows from operating activities	55	40	99	90	84
	Free cash flow	(14)	(15)	61	33	36
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	Average no. of employees	1,024	1,280	1,221	1,216	1,397
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Ratios	EBITDA margin, %	15.5	16.2	17.7	15.5	16.7
	EBIT margin, %	8.6	10.4	11.5	9.7	11.0
	Return on assets, %	8.8	10.2	12.2	10.2	11.8
	Return on equity, %	10.8	13.4	12.9	10.6	11.5
	Equity ratio, %	54	53	58	61	62
	Profit per DKK 10 share	2.86	3.87	4.12	3.62	4.23
	Equity value per share	27	30	33	35	38
	Share price at year-end	54	106	96	87	73
	CAPEX, %	12.0	8.4	6.5	7.8	6.2
ROIC, %	7.6	9.2	10.4	9.1	11.0	

Ambu develops, produces and markets diagnostic and life-supporting devices to hospitals and rescue services. Ambu has five business areas: Respiratory Care, Cardiology, Neurology, Training and Immobilization. The most important business areas are Respiratory Care, Cardiology and Neurology, and the most important products in these areas are ventilation products for artificial respiration and single-use electrodes for ECG recordings and neurophysiological examinations. 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 just over 1,400 employees, of whom approx. 300 work in Denmark and approx. 1,100 abroad.

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