



Ambu finalises acquisition of King Systems Inc.

In company announcement no. 7 published on 20 December 2012, Ambu announced that the company had signed a conditional agreement with Consort Medical PLC to acquire its wholly owned subsidiary King Systems Inc.

The final approval of the agreement has awaited regulatory approvals as well as the approval of Consort Medical's shareholders at an extraordinary general meeting, which took place today, 15 February 2013.

The agreement was approved at the extraordinary general meeting, and as the remaining regulatory conditions for the agreement have also been met, Ambu's acquisition of King Systems has now been finalised. King Systems is recognised in the Ambu group's financial statements as of today, 15 February 2013, and King Systems will thus contribute six weeks of operations to Ambu's interim report for Q2 2012/13.

The purchase price agreed for the shares in King Systems is USD 120 million plus a potential milestone payment of USD 10 million contingent on the commercialisation of a new single-use blade for a recently launched videolaryngoscope, 'King Vision', as well as a three-year potential earn-out of up to USD 40 million for the King Vision product.

The integration between Ambu and King Systems will be set in motion immediately with a view to achieving the expected market position and realising the identified synergies.

Ambu's President and CEO, Lars Marcher, says: *"With this acquisition, Ambu has achieved an important strategic objective of becoming a leading supplier of single-use anaesthesia products. The acquired production facility supports our global manufacturing setup, in terms of both technology and logistics. King Systems' product range, organisation and technology are a strong match for Ambu and will contribute to underpinning our ambitious growth targets."*

Changed outlook for FY 2012/13

For the current financial year 2012/13, the acquisition of King Systems will affect Ambu's financial outlook as follows:

- Revenue for the year in the region of DKK 1,400 million is expected as opposed to approx. DKK 1,125 million before, corresponding to a total growth of approx. 35% relative to FY 2011/12.

A purchase price allocation is to be determined in connection with the acquisition of King Systems. As the allocation between goodwill and other non-current assets cannot be determined with reasonable accuracy at present, it is not possible to state the adjusted outlook for the EBIT margin for FY 2012/13. A preliminary purchase price allocation is expected to be ready at the publication of the interim report for Q2 2012/13 on 2 May 2013, at which time the outlook for this year's EBIT margin will be announced.

- Before recognition of the effect of the purchase price allocation, an EBIT margin excluding special items of approx. 15% is expected as a consequence of a lower EBIT margin in King Systems in this fiscal year
- An EBITDA margin excluding special items of approx. 18.5% is expected.

Transaction costs for implementing the acquisition as well as expected integration costs are recognised under special items. The total costs of this are expected to be approx. DKK 45 million and will be expensed in the income statement in FY 2012/13.

The integration of King Systems and Ambu will be set in motion immediately. Very limited synergies will be realised in the current financial year, while synergies with a total EBIT impact of DKK 40 million are expected in FY 2013/14.

Free cash flows calculated before payments to Consort Medical and before special items are expected to be in the region of DKK 120 million compared with the previously expected level of DKK 100 million and with an investment level before acquisitions of approx. 7% of revenue relative to a previously expected 5% of revenue.

The acquisition of King Systems is fully financed through bank loans. At the end of the financial year, Ambu expects a gearing measured as net interest-bearing debt relative to EBITDA excluding special items of approx. 3.

The above financial outlook is based on a USD/DKK exchange rate of 575 and a GBP/DKK exchange rate of 900. The exchange rate assumptions are unchanged in relation to the most recently announced outlook. The finance costs are based on current loan commitments at the current interest rate level.

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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 medical companies in the world. Our head office is situated in Ballerup near Copenhagen. Ambu has more than 1,700 employees in Europe, North America, Asia and the Pacific region. You can find more information about Ambu on our website: www.ambu.com.

About King Systems

Founded in 1977, King is a leading US supplier of disposable airway management products, based in Indianapolis, Indiana. The business has a wide range of disposable face masks, breathing circuits and laryngeal tubes used to maintain the patient's airway in critical care settings, such as during general anaesthesia or in intensive care units. King receives approximately 87% of its revenue from the US market, where it sells through a sales force of approximately 40 persons calling on anaesthetists, hospitals and hospital purchasing networks. It also has distributors in Canada, Mexico, South America, Europe and the Asia Pacific region. For more information, please visit www.kingsystems.com.