GETINGE GROUP

Getinge Group
Q2 report 2012

Reporting period January – June

- **Orders received** rose by 15.7% to SEK 12,025 M (10,395), and grew organically by 4.7%
- **Net sales** increased by 12.7% to SEK 10,858 M (9,634), and grew organically by 1.3%
- **Profit before tax** rose by 5.1% to SEK 1,285 M (1,223)
- **Net profit** increased by 5.1% to SEK 951 M (905)
- **Earnings per share** increased by 5.3% to SEK 3.98 (3.78)
- **EBITA** before restructuring rose by 8.2% to SEK 1,873 M (1,731)

Reporting period April – June

- **Orders received** rose by 20.9% to SEK 6,230 M (5,153), and grew organically by 8.2%
- **Profit before tax** rose by 9.5% to SEK 716 M (654)
- **EBITA** before restructuring rose by 9.7% to SEK 1,019 M (929)
- **Continued favourable earnings outlook for 2012**

Second quarter 2012

Expectations of a significant improvement in earnings growth during the second half of the current year are based on strong orders received during the second quarter.

Orders received
The Group's orders received experienced a strong trend during the quarter and grew organically by a highly favourable 8.2%. Accordingly, the organic increase in orders received for the first six months of the year totalled 4.7%. Orders received for Medical Systems were particularly strong and grew organically by 15.7%. Infection Control's orders received increased organically by slightly less than 1%, compared with strong orders received during the year-earlier period. Extended Care's organic orders received were slightly higher than in the year-earlier period.

Orders received remained very strong in the markets outside Western Europe and North America, which comprise a growing portion of the Group's sales. During the first six months of the year, about one-third of orders received were generated in these markets. The volume trend in the markets in Western Europe continued to outperform expectations, while the trend for medical-technical capital goods in North America has been weak to date in 2012.

Teleconference with CEO Johan Malmquist and CFO Ulf Grunander
11 July 2012 at 10:00am CET
Sweden: +46 8 5352 6408 (always use the area code)
UK: +44 207 784 1036

Results

Consolidated profit before tax rose by 9.5% to SEK 716 M (654). EBITA before restructuring costs increased by 9.7% to SEK 1,019 M (929), corresponding to an EBITA margin of 18.2% (18.7). Organic invoicing growth was highly modest during the period totalling 0.4%. As planned, Atrium contributed to the Group's profit before tax during the period and continued to perform very well.

Medical Systems experienced highly favourable profit growth and its EBITA rose by 20.7% to SEK 600 M (497), corresponding to an EBITA margin of 20.1% (19.9). Extended Care's operating profit increased by 5.8% to SEK 293 M (277) and its operating margin was a slight improvement on the year-earlier period, while Infection Control's EBITA declined.
The Group's operating cash flow from its operating activities was SEK 785 M (750) during the period, which was mainly due to the Group's working capital experiencing a slower trend than in the year-earlier period.

Outlook

The Group anticipates that the organic invoicing volume will improve further in the current year compared with 2011. The markets outside Western Europe and North America, which have grown strongly in importance in recent years, are expected to continue demonstrating a favourable level of demand. The North American market is expected to improve, albeit at a slow pace, while the West European market is expected to remain sluggish. A significant number of products that were recently released continued to contribute to organic growth.

Efficiency enhancements of the Group's supply chain, with such actions as a successive reduction in the number of production units and a growing portion of purchases from low-cost countries, will, combined with an improved volume trend, result in the profit growth remaining favourable.

Business area Medical Systems

Orders received

Orders received per market	**2012 Q 2**	2011 Q 2	*Change adjusted for curr.flucs.&corp.acqs.*	**2012 6 mon**	2011 6 mon	*Change adjusted for curr.flucs.&corp.acqs.*
Western Europe	**977**	878	*3,9%*	**1 920**	1 753	*2,2%*
USA and Canada	**1 137**	746	*6,5%*	**2 143**	1 559	*-2,1%*
Rest of the world	**1 372**	936	*34,2%*	**2 446**	1 826	*22,9%*
Business area total	**3 486**	2 560	*15,7%*	**6 509**	5 138	*8,3%*

Medical Systems' orders received performed very strongly during the period and increased organically by 15.7%. In the Western European markets, orders received grew organically by 3.9% and, with the exception of southern European markets, the volume trend was favourable overall. In North America, orders received increased organically by 6.5%. Order growth in the markets outside Western Europe and North America remained highly favourable.

From a divisional perspective, Surgical Workplaces and Cardiovascular reported very strong growth, while Critical Care's orders received declined during the period.

Results

	2012 Q 2	2011 Q 2	*Change*	**2012 6 mon**	2011 6 mon	*Change*	2011 FY
Net sales, SEK million	**2 980**	2 495	*19,4%*	**5 669**	4 810	*17,9%*	11 031
adjusted for currency flucs.& corp.acqs			*-0,8%*			*-1,2%*	
Gross profit	**1 784**	1 414	*26,2%*	**3 351**	2 758	*21,5%*	6 365
Gross margin %	***59,9%***	*56,7%*	*3,2%*	***59,1%***	*57,3%*	*1,8%*	*57,7%*
Operating cost, SEK million	**-1 314**	-997	*-31,8%*	**-2 583**	-2 037	*-26,8%*	-4 234
EBITA before restructuring and integration costs	**600**	497	*20,7%*	**1 024**	885	*15,7%*	2 495
EBITA margin %	***20,1%***	*19,9%*	*0,2%*	***18,1%***	*18,4%*	*-0,3%*	22,6%
Acquisition expenses	**-2**	0		**-2**	0		-40
Restructuring and integration costs	**0**	0		**0**	0		-75
EBIT	**468**	417	*12,2%*	**766**	721	*6,2%*	2 016
EBIT margin %	***15,7%***	*16,7%*	*-1,0%*	***13,5%***	*15,0%*	*-1,5%*	*18,3%*

The business area's EBITA rose by 20.7% to SEK 600 M (497), at the same time as the EBITA margin strengthened somewhat to 20.1% (19.9). Despite an organic decline in invoicing volume of slightly less than 1%, earnings improved as a result of expanding gross margins, continued solid cost control and earnings contributions from Atrium. Atrium's EBITA margin was in line with the average for the business area during the period.

Activities

Integration of Atrium Medical
The integration of Atrium into Medical Systems' existing structure continues as planned. Most of the integration cost is related to offering Atrium's strong production program to Medical Systems' existing customers in markets in which Atrium is currently unrepresented or in which Atrium's current sales channels are considered weak. The costs for the integration of Atrium are expected to total about USD 6 M and will primarily be charged to the second half of the current year. Atrium, which has reported very high organic growth in recent years, continued to report strong growth.

Restructuring activities
Two restructuring programs are currently being conducted in Medical Systems with the aim of further strengthening the competitiveness of the Cardiovascular division. As previously announced, costs for the two structural projects were already fully expensed by year-end 2011.

The first restructuring program pertains to enhancing the production efficiency of consumables for perfusion and involves the discontinuation of two units in Germany, and the concentration of most production to the business area's existing plant in Antalya, Turkey. The restructuring program, which was largely completed during the year, will lead to annual savings of about SEK 60 M.

The other restructuring program pertains to enhancing the manufacturing efficiency of vascular implants, which is currently conducted at two plants in the Cardiovascular division. When the programme is completed during the second quarter of 2013, all production of textile-based vascular-implants will be concentrated to the production unit in La Ciotat, France. The discontinuation of vascular-implant manufacturing in Wayne, New Jersey in the US, and the relocation to La Ciotat will make production capacity available in Wayne, which will be used to accommodate balloon catheter production from Fairfield, New Jersey, resulting in the closure of the production unit in Fairfield. The restructuring programme is expected to generate annual savings of about SEK 80 M.

Product launches
During the quarter, two key product launches were initiated. A new and improved version of the business area's successful Servo-i ventilator was launched. The new Servo-i has been adapted to the new and mandatory product standard (IEC 60601, Edition 3), which will shortly become effective for ventilators. The new Servo-i has also been upgraded to include improved performance capabilities and new functionality.

The launch of TEGRIS was also initiated during the period. TEGRIS is a telemedical product aimed at coordinating and simplifying the control of a considerable number of functions in an operating room, including lighting sources, ventilation and climate, video systems, patient journals, image diagnostics and medical-technical equipment to facilitate work for staff and to create a simple, safe and assessable environment. Using TEGRIS, operating-room staff can control a considerable number of functions from a single intuitively designed touch-screen. TEGRIS features an entirely open architecture and can communicate with equipment from most suppliers. Both the interest in and orders received for TEGRIS have been highly favourable during the brief period in which it has been available in the market.

New market companies
During the quarter, two new market companies were established. One company was established in Colombia in Latin America and will represent, in addition to Medical Systems' range, Extended Care and Infection Control. The other market company was established in Serbia and will be in charge of markets in south-eastern Europe.

Acquisition of the operations of the Japanese company USCI

During the period, an agreement was signed to acquire the business area's Japanese distributor of cardio support products. USCI has long been the leading distributor of intra-aortal balloon catheters and pumps in the Japanese market. The company generates sales of about SEK 150 M and has 40 employees. The business will be integrated into Medical Systems' existing market company in Japan and comprise another step in the business area's aim to increasingly cultivate end customers itself. While about SEK 2 M of the acquisition of USCI will be charged to profit in the current year, it will make a positive contribution to the Group's earnings per share as of 2013.

Acquisition of a product line from the US company, Avalon Laboratories

During the quarter, Medical Systems acquired all of the rights to an innovative catheter (Avalon Elite) that is primarily used in conjunction with ECMO treatments, in which the Cardiovascular division is currently the world leader. The product is what is known as a bi-caval dual lumen catheter, which is placed in the jugular vein and enables the removal of carbon dioxide from a patient's blood and the addition of oxygen to the blood using a single catheter. The product currently generates nearly USD 4 M in sales with highly favourable profitability. Medical Systems expects the product line's growth to total about 15% in the coming years. The Group paid Avalon Laboratories USD 9.5 M for all of the rights and the product will contribute to the Group's profit before tax beginning in the current year. The catheter will also continue to be manufactured by Avalon Laboratories.

Acquisition of Eirus Medical

During the quarter, the Swedish company, Eirus Medical, was acquired from Dipylon Medical AB (owned by Investor Growth Capital and Bure). Eirus Medical developed a unique technology for continuously measuring the blood-sugar level in a patient's blood. The ability to control and maintain a patient's blood-sugar level within certain indicated limits is decisive to a patient's health. Excessive or insufficient blood-sugar levels can potentially be fatal, although this is commonplace among patients who have fallen victim to major traumas. Eirus' technology is based on micro-dialysis, whereby a micro-dialysis membrane is placed directly into the patient's blood circulation through a catheter. The micro-dialysis membrane will have direct contact with a meter that continuously calculates glucose levels. Existing and competing technologies are based on blood samples being taken at various predetermined intervals from a patient, which is labour-intensive, results in blood-loss and does not provide a continuous status of the patient's blood-sugar levels, which can vary rapidly over time.

The acquisition of Eirus Medical is being conducted through what is known as an asset-transfer transaction, whereby Getinge will acquire all of the rights and know-how, as well as certain assets. Eirus' product is expected to be launched in the European market in 2013. Eirus Medical will be integrated into Medical Systems' Critical Care division, which has its registered office in Solna, Sweden. The purchase consideration was SEK 5 M. In conjunction with the takeover of the company, the Group will recruit six former Eirus employees, who primarily worked with the development of the product with the former owner. The acquisition of Eirus will be charged to the current year and next year in amounts of SEK 3 M and SEK 7 M, respectively. The acquisition of Eirus will contribute to the Group's earnings per share as of 2014.

Business area Extended Care

Orders received

Orders received per market	2012 Q 2	2011 Q 2	Change adjusted for curr.flucs.&corp.acqs.	2012 6 mon	2011 6 mon	Change adjusted for curr.flucs.&corp.acqs.
Western Europe	**695**	679	*0,1%*	**1 440**	1 406	*0,9%*
USA and Canada	**432**	410	*-4,1%*	**890**	893	*-6,5%*
Rest of the world	**257**	220	*11,2%*	**484**	410	*12,6%*
Business area total	**1 384**	1 309	*0,7%*	**2 814**	2 709	*0,2%*

The business area's orders received grew organically by 0.7%. In the Western European region, order volumes rose somewhat and the decline in southern Europe was offset by an improvement in orders received in the UK. In the North American market, orders received declined primarily due to weaker demand from public-sector customers in the US. In the regions outside Western Europe and North America, orders received were favourable overall.

Results

	2012 Q 2	2011 Q 2	Change	2012 6 mon	2011 6 mon	Change	2011 FY
Net sales, SEK million	**1 409**	1 353	*4,1%*	**2 872**	2 726	*5,4%*	5 751
adjusted for currency flucs.& corp.acqs			*-0,9%*			*1,7%*	
Gross profit	**746**	706	*5,7%*	**1 515**	1 433	*5,7%*	2 981
Gross margin %	***52,9%***	*52,2%*	*0,7%*	***52,8%***	*52,6%*	*0,2%*	*51,8%*
Operating cost, SEK million	**-473**	-453	*-4,4%*	**-924**	-893	*-3,5%*	-1 800
EBITA before restructuring and integration costs	**293**	277	*5,8%*	**632**	588	*7,5%*	1 278
EBITA margin %	***20,8%***	*20,5%*	*0,3%*	***22,0%***	*21,6%*	*0,4%*	*22,2%*
Restructuring and integration costs	**0**	-54		**0**	-54		-60
EBIT	**273**	199	*37,2%*	**591**	486	*21,6%*	1 121
EBIT margin %	***19,4%***	*14,7%*	*4,7%*	***20,6%***	*17,8%*	*2,8%*	*19,5%*

Extended Care's earnings for the quarter rose by 5.8% to SEK 293 M (277) and its EBITA margin improved slightly to 20.8% (20.5). Similar to Medical Systems, its organic invoicing volume declined, while its gross margin increased.

Activities

Acquisition of the Chinese company, Acare

As previously announced, Getinge acquired the Chinese company, Acare, in early July. Acare, which generates about SEK 135 M in sales and has 250 employees, is one of the leading Chinese manufacturers of hospital beds. The acquisition is part of Extended Care's and the Group's aim to strengthen its product range, which is geared toward customer groups that are more price-sensitive than the customers who are currently being cultivated with its existing products. Acare holds a very strong market position in southern China and among customers in the mid-price segment. Extended Care expects to continue Acare's rapid market growth by distributing Acare's products through existing market channels, but also through the sale of the business area's existing products to Acare's customers. The business area aims to offer Acare's products to emerging markets also outside China.

The purchase consideration for Acare was SEK 180 M (Enterprise value, EV) and entails that Getinge has paid an EV/EBITA multiple of 9. Including acquisition-related costs and integration costs of about SEK 6 M, about SEK 5 M of acquisition will be charged to the current year's profit before tax. The company will be included in Getinge's sales and operating profit as of 1 July 2012. As of 2013, Acare will contribute to the Group's earnings per share.

Business area Infection Control

Orders received

Orders received per market	**2012 Q 2**	2011 Q 2	*Change adjusted for curr.flucs.&corp.acqs.*	**2012 6 mon**	2011 6 mon	*Change adjusted for curr.flucs.&corp.acqs.*
Western Europe	**554**	516	*6,5%*	**1 108**	1 132	*-2,9%*
USA and Canada	**390**	368	*-3,6%*	**750**	694	*1,0%*
Rest of the world	**416**	401	*-2,5%*	**845**	721	*11,4%*
Business area total	**1 360**	1 285	*0,8%*	**2 703**	2 547	*2,2%*

Infection Control's orders received grew organically by 0.8% and must be compared with the favourable increase in orders received of 7.7% in the year-earlier period. Similar to Medical Systems, the trend in Western Europe was solid, with growth in all submarkets, albeit weak growth in southern Europe. In the North American market, orders received declined organically by 3.6% primarily as a result of a weak Life Science market. In the markets outside Western Europe and North America, orders received declined somewhat, which was attributable to the Life Science segment in this region as well.

Results

	2012 Q 2	2011 Q 2	*Change*	**2012 6 mon**	2011 6 mon	*Change*	2011 FY
Net sales, SEK million	**1 223**	1 116	*9,6%*	**2 317**	2 099	*10,4%*	5 072
adjusted for currency flucs.& corp.acqs			*4,6%*			*6,5%*	
Gross profit	**478**	464	*3,0%*	**895**	877	*2,1%*	2 056
Gross margin %	***39,1%***	*41,6%*	*-2,5%*	***38,6%***	*41,8%*	*-3,2%*	*40,5%*
Operating cost, SEK million	**-354**	-311	*-13,8%*	**-682**	-625	*-9,1%*	-1 268
EBITA before restructuring and integration costs	**126**	155	*-18,7%*	**217**	257	*-15,6%*	798
EBITA margin %	***10,3%***	*13,9%*	*-3,6%*	***9,4%***	*12,2%*	*-2,8%*	*15,7%*
Restructuring and integration costs	**0**	0		**0**	0		0
EBIT	**124**	153	*-19,0%*	**213**	252	*-15,5%*	788
EBIT margin %	***10,1%***	*13,7%*	*-3,6%*	***9,2%***	*12,0%*	*-2,8%*	*15,5%*

Infection Control's earnings declined by 18.7% to SEK 126 M (155) during the period. Invoicing volume grew organically by 4.6% and the decline in earnings was primarily attributable to changes in the product mix and inconsistent plant activity, which resulted in a weaker gross margin.

Activities

New Executive Vice President
Anders Grahn, 42, was appointed the new Executive Vice President for Infection Control. Anders succeeds Johan Falk, who left the Group.

During a successful career, Anders has worked in a number of international Groups, including Volvo, Trelleborg and Wilson Logistics. In his most recent position, Anders was President and CEO for Tristone Flowtech, which was previously part of the Trelleborg Group. At Tristone Flowtech, Anders successfully lead an extensive turnaround of a corporate group in the automotive industry.

Other information

Accounting

This interim report has been prepared for the Group in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. For the Parent Company, the report has been prepared in accordance with the Swedish Annual Accounts and RFR 2. The accounting policies adopted are consistent with those applied for the 2011 Annual Report and should be read in conjunction with that Annual Report.

This report has not been audited by Getinge's auditors.

New accounting policies for 2012
New or revised International Financial Reporting Standards (IFRS) and statements of interpretation from IFRIC as described in Note 1 of the 2011 Annual Report had no material impact on the position or performance of the Group or Parent Company.

Risk management

Political decisions altering the healthcare reimbursement system represent the single greatest risk to the Getinge Group. The risk to the Group as a whole is limited by the fact that Getinge is active in a large number of countries. The Group's operational risks are limited, since customer operations are generally funded directly or indirectly by public funds. The Group's Risk Management team continuously works to minimise the risk of production disruptions.

Elements of the Getinge Group's product range are subject to legislation stipulating rigorous assessments, quality control and documentation. It cannot be ruled out that the Getinge Group's operations, financial position and earnings may be negatively impacted in the future by difficulties in complying with current regulations and demands of authorities and control bodies or changes to such regulations and demands.

Financial risk management. Getinge is exposed to a number of financial risks in its operations. "Financial risks" refer primarily to risks related to exchange and interest rates as well as credit risks. Risk management is regulated by a financial policy established by the Board of Directors. The ultimate responsibility for managing the Group's financial risks and developing methods and principles of financial risk management lies with Group management and the treasury function. The main financial risks to which the Group is exposed are currency risks, interest-rate risks and credit and counterparty risks.

Forward-looking information

This report contains forward-looking information based on the current expectations of the Getinge Group's management. Although management deems that the expectations presented by such forward-looking information are reasonable, no guarantee can be given that these expectations will prove correct. Accordingly, the actual future outcome could vary considerably compared with what is stated in the forward-looking information, due to such factors as changed conditions regarding finances, market and competition, changes in legal requirements and other political measures, and fluctuations in exchange rates.

Next report

The next report from the Getinge Group (third quarter of 2012) will be published on 17 October 2012.

Teleconference

A teleconference will be held today at 10:00 a.m. (Swedish time) with Johan Malmquist, CEO, and Ulf Grunander, CFO.

To participate, please call:
In Sweden: +46 (0)8 5352 6408 (always use the area code)
UK: +44 207 108 6303

Agenda:
9:45 a.m. Call the conference number
10:00 a.m. Review of the interim report
10:20 a.m. Questions and answers
11:00 a.m. End of the conference

A recorded version of the conference can be accessed for five working days at the following number:
Sweden: +46 (0)8 5051 3897
UK: +44 20 3427 0598
Kod: 4961269

During the telephone conference, a presentation will be held. To access the presentation, please use this link:

http://www.livemeeting.com/cc/premconfeurope/join?id=4961269&role=attend&pw=pw4712

Assurance

The Board of Directors and CEO assure that the interim report provides a true and fair overview of the Parent Company and the Group's operations, position and earnings and describes the material risks and uncertainties faced by the Parent Company and the Group.

Getinge, 11 July 2012

Carl Bennet *Chairman*	Henrik Blomdahl	Johan Bygge
Cecilia Daun Wennborg	Jan Forslund	Carola Lemne
Johan Malmquist *CEO*	Johan Stern	Mats Wahlström

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The information stated herein is such that Getinge AB is obligated to publish under the Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act.

Consolidated income statement

SEK million	2012 Q 2	2011 Q 2	Change	2012 6 mon	2011 6 mon	Change	2011 FY
Net sales	**5 612**	4 963	13,1%	**10 858**	9 634	12,7%	21 854
Cost of goods sold	**-2 606**	-2 379	-9,5%	**-5 098**	-4 566	-11,7%	-10 452
Gross profit	**3 006**	2 584	16,3%	**5 760**	5 068	13,7%	11 402
Gross margin	*53,6%*	*52,1%*	*1,5%*	*53,0%*	*52,6%*	*0,4%*	*52,2%*
Selling expenses	**-1 359**	-1 112	-22,2%	**-2 688**	-2 211	-21,6%	-4 584
Administrative expenses	**-606**	-526	-15,2%	**-1 151**	-1 071	-7,5%	-2 198
Research & development costs [1]	**-154**	-133	-15,8%	**-327**	-271	-20,7%	-540
Acquisition expenses	**-2**	0		**-2**	0		-40
Restructuring and integration costs	**0**	-54	-100,0%	**0**	-54		-136
Other operating income and expenses	**-20**	9		**-24**	-2	-1100,0%	20
Operating profit [2]	**865**	768	12,6%	**1 568**	1 459	7,5%	3 924
Operating margin	*15,4%*	*15,5%*	*-0,1%*	*14,4%*	*15,1%*	*-0,7%*	*18,0%*
Financial Net, SEK	**-149**	-114		**-283**	-236		-480
Profit before tax	**716**	654	9,5%	**1 285**	1 223	5,1%	3 444
Taxes	**-186**	-170		**-334**	-318		-907
Net profit	**530**	484	9,5%	**951**	905	5,1%	2 537
Attributable to:							
Parent company's shareholders	**529**	483		**948**	900		2 529
Non-controlling interest	**1**	1		**3**	5		8
Net profit	**530**	484		**951**	905		2 537
Earnings per share, SEK [3]	**2,22**	2,03	9,5%	**3,98**	3,78	5,3%	10,61

1 Development costs totalling SEK million 196 (127) have been capitalized during the quarter.

2 Operating profit is charged with

— amort. Intangibles on acquired companies	***-152***	*-107*	***-303***	*-218*	*-471*
— amort. intangibles	***-101***	*-84*	***-201***	*-164*	*-350*
— depr. on other fixed assets	***-170***	*-157*	***-339***	*-306*	*-630*
	-423	*-348*	***-843***	*-688*	*-1 451*

3 There are no dilutions

Comprehensive earnings statement

SEK million	2012 Q 2	2011 Q 2	2012 6 mon	2011 6 mon
Profit for the period	**530**	484	**951**	905
Other comprehensive earnings				
Translation differences	**339**	65	**8**	-588
Cash-flow hedges	**-273**	-239	**-75**	85
Income tax related to other partial result items	**72**	62	**20**	-22
Other comprehensive earnings for the period, net after tax	**138**	-112	**-47**	-525
Total comprehensive earnings for the period	**668**	372	**904**	380
Comprehensive earnings attributable to:				
Parent Company shareholders	**667**	371	**901**	375
Non-controlling interest	**1**	1	**3**	5

Quarterly results

SEK million	2010 Q 2	2010 Q 3	2010 Q 4	2011 Q 1	2011 Q 2	2011 Q 3	2011 Q 4	2012 Q 1	2012 Q 2
Net sales	5 649	5 019	6 641	4 671	4 963	4 866	7 354	5 246	5 612
Cost of goods sold	-2 840	-2 392	-3 216	-2 187	-2 379	-2 336	-3 550	-2 492	-2 606
Gross profit	2 809	2 627	3 425	2 484	2 584	2 530	3 804	2 754	3 006
Operating cost	-1 989	-1 802	-2 081	-1 795	-1 815	-1 725	-2 144	-2 050	-2 141
Operating profit	820	825	1 343	690	768	804	1 661	704	865
Financial net	-145	-140	-138	-122	-114	-114	-130	-134	-149
Profit before tax	675	685	1 205	568	654	690	1 531	570	716
Taxes	-185	-190	-310	-148	-170	-180	-409	-148	-186
Profit after tax	490	495	895	420	484	509	1 122	422	530

Consolidated balance sheet

Assets SEK million	**2012 30 jun**	2011 30 jun	2011 31 dec
Intangible assets	**24 539**	18 344	24 498
Tangible fixed assets	**3 713**	3 125	3 452
Financial assets	**798**	536	750
Stock-in-trade	**4 298**	3 987	3 837
Current receivables	**6 612**	6 317	7 725
Cash and cash equivalents	**1 219**	1 030	1 207
Total assets	**41 179**	33 339	41 469

Shareholders' equity & Liabilities			
Shareholders' equity	**14 638**	12 853	14 636
Long-term liabilities	**17 874**	13 649	18 678
Current liabilities	**8 667**	6 837	8 155
Total Equity & Liabilities	**41 179**	33 339	41 469

Consolidated cash-flow statement

SEK million	2012 Q 2	2011 Q 2	2012 6 mon	2011 6 mon	2011 FY
Current activities					
EBITDA	**1 289**	1 116	**2 411**	2 146	5 375
Restructuring Cost expenses	**0**	54	**0**	54	136
Restructuring costs paid	**-21**	-13	**-49**	-99	-183
Adjustment for items not included in cash flow	**13**	14	**18**	25	67
Financial items	**-149**	-114	**-283**	-236	-480
Taxes paid	**-254**	-141	**-473**	-392	-826
Cash flow before changes in working capital	**878**	916	**1 624**	1 498	4 089
Changes in working capital					
Stock-in-trade	**-178**	-146	**-458**	-451	-43
Current receivables	**108**	130	**856**	604	-742
Current operating liabilities	**-23**	-150	**-516**	-273	192
Cash flow from operations	**785**	750	**1 506**	1 378	3 496
Investments					
Acquisition of subsidiaries	**-73**	0	**-73**	-49	-4 649
Capitalized development costs	**-196**	-127	**-358**	-268	-571
Rental equipment	**-99**	-56	**-156**	-111	-247
Investments in tangible fixed assets	**-294**	-171	**-460**	-247	-688
Cash flow from investments	**-662**	-354	**-1 047**	-675	-6 155
Financial activities					
Change in interest-bearing debt	**1 313**	434	**453**	-447	3 958
Change in long-term receivables	**11**	-4	**12**	8	22
Dividend paid	**-894**	-775	**-894**	-775	-775
Cash flow from financial activities	**430**	-345	**-429**	-1 214	3 205
Cash flow for the period	**553**	51	**30**	-511	546
Cash and cash equivalents at begin of the year	**1 131**	1 026	**1 207**	1 093	1 093
Translation differences	**-465**	-47	**-18**	448	-432
Cash and cash equivalents at end of the period	**1 219**	1 030	**1 219**	1 030	1 207

Consolidated net interest-bearing debt

SEK million	**2012** **30 jun**	2011 30 jun	2011 31 dec
Debt to credit institutions	**17 168**	12 195	16 689
Provisions for pensions, interest-bearing	**1 601**	1 827	1 627
Less liquid funds	**-1 219**	-1 030	-1 207
Net interest-bearing debt	**17 550**	12 992	17 109

Changes to shareholders' equity

SEK million	Share capital	Other contributed capital	Reserves	Profit brought forward	Total	Non controlling interest	Total equity
Opening balance on 1 January 2011	119	5 960	-895	8 039	**13 223**	25	**13 248**
Dividend				-775	**-775**	0	**-775**
Total comprehensive earnings for the period			-525	900	**375**	5	**380**
Closing balance on 30 June 2011	**119**	**5 960**	**-1 420**	**8 164**	**12 823**	**30**	**12 853**
Opening balance on 1 January 2012	119	5 960	-1 375	9 904	**14 608**	28	**14 636**
Dividend				-894	**-894**	-8	**-902**
Total comprehensive earnings for the period			-47	948	**901**	3	**904**
Closing balance on 30 June 2012	**119**	**5 960**	**-1 422**	**9 958**	**14 615**	**23**	**14 638**

Key figures

	2012	2011	Change	2010	**2012**	2011	Change	2010	2011
	Q 2	Q 2		Q 2	**6 mon**	6 mon		6 mon	FY
Orders received, SEK million	**6 230**	5 153	20,9%	5 628	**12 025**	10 395	15,7%	11 204	22 012
adjusted for currency flucs.& corp.acqs			8,2%				4,7%		
Net sales, SEK million	**5 612**	4 963	13,1%	5 649	**10 858**	9 634	12,7%	10 512	21 854
adjusted for currency flucs.& corp.acqs			0,4%				1,3%		
EBITA before restructuring-, integration- and acquisition costs	**1 019**	929	9,7%	982	**1 873**	1 731	8,2%	1 819	4 571
EBITA margin before restructuring-, integration and acquisition costs	**18,2%**	18,7%	-0,5%	17,4%	**17,2%**	18,0%	-0,8%	17,3%	20,9%
Restructuring and integration costs	**0**	54		30	**0**	54		41	136
Acquisition costs	**2**	0		0	**2**	0		0	40
EBITA	**1 017**	875	16,2%	952	**1 871**	1 677	11,6%	1 778	4 395
EBITA margin	**18,1%**	17,6%	0,5%	16,9%	**17,2%**	17,4%	-0,2%	16,9%	20,1%
Earnings per share after full tax, SEK	**2,22**	2,03	9,5%	2,04	**3,98**	3,78	5,3%	3,72	10,61
Number of shares, thousands	**238 323**	238 323		238 323	**238 323**	238 323		238 323	238 323
Interest cover, multiple					**7,7**	7,5	0,2	6,2	8,4
Operating capital, SEK million					**27 541**	26 096	5,5%	28 444	26 453
Return on operating capital, per cent					**14,7%**	14,6%	0,1%	13,3%	15,3%
Return on equity, per cent					**17,7%**	17,6%	0,1%	16,6%	18,2%
Net debt/equity ratio, multiple					**1,20**	1,01	0,19	1,20	1,17
Cash Conversion					**62,5%**	64,2%	-1,7%	104,5%	65,1%
Equity/assets ratio, per cent					**35,5%**	38,6%	-3,1%	34,3%	35,3%
Equity per share, SEK					**61,30**	53,80	13,9%	53,70	61,30

Five-year review

SEK million	**2012 30 jun**	**2011 30 jun**	**2010 30 jun**	**2009 30 jun**	**2008 30 jun**
Net Sales	10 858	9 634	10 512	10 677	8 558
Profit before tax	951	905	890	715	531
Earnings per share	3,98	3,78	3,72	2,99	2,56

Income statement for the Parent Company

M kr	**2012 Q 2**	2011 Q 2	**2012 6 mon**	2011 6 mon	2011 FY
Administrative expenses	**-27**	-28	**-53**	-62	-122
Operating profit	**-27**	-28	**-53**	-62	-122
Financial net	**62**	-123	**343**	59	702
Profit after financial items	**35**	-151	**290**	-3	580
Profit before tax	**35**	-151	**290**	-3	580
Taxes	**-12**	39	**-82**	-2	-9
Net profit	**23**	-112	**208**	-5	571

Balance sheet for the Parent Company

Assets SEK million	**2012 30 jun**	2011 30 jun	2011 31 Dec
Tangible fixed assets	**23**	16	13
Shares in group companies	**11 469**	6 781	6 911
Deferred tax assets	**0**	5	0
Receivable from group companies	**34 680**	28 940	30 042
Short-term receivables	**70**	52	14
Total assets	**46 242**	35 794	36 980
Shareholders' equity & Liabilities			
Shareholders' equity	**7 206**	7 785	8 345
Long-term liabilities	**14 248**	10 528	14 960
Deffered tax liabilities	**0**	34	0
Liabilities to group companies	**21 914**	15 903	10 517
Current liabilities	**2 874**	1 544	3 158
Total Equity & Liabilities	**46 242**	35 794	36 980

Information pertaining to the Parent Company's performance during the reporting period January – June 2012

Income statement

At the end of the period, receivables and liabilities in foreign currencies were measured at the closing date exchange rate, and an unrealised gain of SEK 372 (loss 134) M was included in net financial income for the quarter.

Companies acquired in 2012

Product rights from Avalon Laboratories

During the second quarter of 2012, Medical Systems acquired the product rights within the Cardiopulmonary area. The total purchase consideration amounted to about SEK 68 M.

Acquired net assets and goodwill in conjunction with the acquisition

SEK M	Net assets	Assets and liabilities at the time of acquisition	Adjustment to fair value	Fair value
	Intangible assets	0	68	68
	Total acquisition including cash and cash equivalents			**68**
Net outflow of cash and cash equivalents due to the acquisition				**68**

Eirus Medical

In the Critical Care area, Medical Systems acquired the operations of Eirus Medical from Dipylon Medical AB during the second quarter of 2012.

Acquired net assets and goodwill in conjunction with the acquisition

SEK M	Net assets	Assets and liabilities at the time of acquisition	Adjustment to fair value	Fair value
	Intangible assets	0	5	5
	Total acquisition including cash and cash equivalents			**5**
Net outflow of cash and cash equivalents due to the acquisition				**5**

Definitions

EBIT	Operating profit
EBITA	Operating profit before amortisation of intangible assets identified in conjunction with corporate acquisitions
EBITDA	Operating profit before depreciation and amortization
Cash conversion	Cash flow from operating activities as a percentage of EBITDA