GETINGE GROUP

Getinge Group
Interim report January – March 2013

Reporting period January – March

- **Order intake** rose by 3.0% to SEK 5,968 M (5,795), and grew organically by 1.8%
- **Net sales** increased by 8.0% to SEK 5,664 M (5,246), and grew organically by 6.6%
- **Profit before tax** declined by 55.8% to SEK 252 M (570). Profit was charged with SEK 240 M (0) in restructuring costs.
- **Earnings per share** decreased by 56.8% to SEK 0.76 (1.76)
- **EBITA** before restructuring declined by 7.3% to SEK 792 M (854). Adjusted for currency effects and the Medical Device Tax introduced in the US, EBITA rose by 8%

First quarter 2013

While demand for the Group's medical-technical capital goods continues to experience a challenge in the Western European market, which has yet to hit bottom, volume expectations in the markets outside Western Europe improved during the quarter. Work on strengthening the Group's competitiveness and profitability continue, and a number of efficiency enhancement projects were initiated during the quarter.

Orders received

The Group's order intake increased organically by 1.8% during the quarter. For the Group's largest business area, Medical Systems, order intake grew organically by a highly favourable 7.5%, with strong growth in the Cardiovascular and Critical Care division. For Extended Care, which has considerable exposure to the elderly care sector and the more mature Western European and North American markets, order intake declined organically by 4.2%. In Infection Control, order intake declined organically by 4.6%. While a weaker Life Science market resulted in a volume decline for Infection Control, demand from hospital customers experienced a strong trend.

Demand in the Western European markets remains challenging and difficult to assess, particularly in terms of the southern European markets. The North American market has stabilized and all business areas reported a positive volume trend in the US during the quarter. The demand scenario remains robust in the markets outside Western Europe and North America.

Teleconference with CEO Johan Malmquist & CFO Ulf Grunander
17 April 2013 at 3:00 p.m. Swedish time
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Results

Consolidated profit before tax declined to SEK 252 M (570). The quarter's earnings were charged with planned restructuring costs of SEK 240 M (0). EBITA for the quarter was SEK 792 M (854), down 7.3%. EBITA was charged with SEK 130 M from the effects of the recently introduced Medical Device Tax in the US and the adverse exchange-rate effects in the wake of the SEK's continued rise against most currencies. Excluding the aforementioned tax and negative exchange-rate effects, the Group's EBITA rose by nearly 8%.

Medical Systems' EBITA rose slightly, amounting to SEK 429 M (424). Excluding negative exchange-rate effects and the aforementioned Medical Device Tax in the US, the business area's operating profit rose by nearly 16%. Extended Care's EBITA declined to SEK 295 M (339) due to falling invoicing volumes. Extended Care's adjusted EBITA totalled SEK 326 M. Infection Control's EBITA also declined during the period to SEK 69 M (91). The business area's adjusted earnings totalled SEK 107 M.

Outlook

The growing uncertainty that characterises several of the Group's key markets makes it difficult to assess growth prospects for the current year. Demand in the markets outside North America and Western Europe, which comprise an increasing share of Group sales, is expected to continue to show strong growth in terms of capital goods as well as disposables and services. In the Western European markets, the decline in demand for medical-technical capital goods has yet to hit bottom, while demand for disposables and services is expected to continue to grow. In North America, with an emphasis on the US market, volumes for medical-technical capital goods as well as disposables and services are expected to grow. Overall, organic volume growth is expected to remain in line with that of 2012 or possibly somewhat better. Profit growth, excluding restructuring costs, is expected to be favourable in the current year, even in consideration of the introduction of the Medical Device Tax in the US at year-end 2012 and negative transaction effects, which, when combined, are expected to total SEK 230 M. As a result of the SEK's continued rise against most global currencies, negative currency based translation differences are expected to total about SEK 300 M, based on the current currency scenario.

Medical Systems Business Area

Orders received

Orders received per market	2013 3 mon	2012 3 mon	Change adjusted for curr.flucs.&corp.acqs.
Western Europe	**845**	943	*-6,5%*
USA and Canada	**1 051**	1 006	*9,6%*
Rest of the world	**1 176**	1 074	*17,9%*
Business area total	**3 072**	3 023	*7,5%*

Medical Systems' order intake increased organically by 7.5% during the quarter. In the Western European markets, order intake declined organically by 6.5% and volumes decreased in the various submarkets, with the exception of the Benelux region. Lower order intake in Western Europe only pertained to medical-technical capital goods, while the demand for disposables and services largely experienced a favourable trend. In North America, order intake strengthened as a result of healthy growth in all product areas. In the regions outside Western Europe and North America, order growth remained strong, particularly in Eastern Europe and Latin America.

The Critical Care division, which experienced a weak trend in the preceding year, performed very well in early 2013 and growth remains highly favourable in the Cardiovascular division. While order intake for Surgical Workplaces was weaker early in the year, projects and tendering volumes are at a very robust level.

Results

	2013 3 mon	2012 3 mon	*Change*	2012 FY
Net sales, SEK million	**2 804**	2 689	*4,3%*	13 089
adjusted for currency flucs.& corp.acqs			*10,7%*	
Gross profit	**1 679**	1 567	*7,1%*	7 668
Gross margin %	***59,9%***	*58,3%*	*1,6%*	*58,6%*
Operating cost, SEK million	**-1 367**	-1 269	*7,7%*	-5 236
EBITA before restructuring and integration costs	**429**	424	*1,2%*	2 945
EBITA margin %	***15,3%***	*15,8%*	*-0,5%*	22,5%
Acquisition expenses	**0**	0		1
Restructuring and integration costs	**-30**	0		-49
EBIT	**282**	298	*-5,4%*	2 384
EBIT margin %	***10,1%***	*11,1%*	*-1,0%*	*18,2%*

Medical Systems' EBITA rose marginally during the period to SEK 429 M (424). Invoicing growth was healthy for all divisions and the gross margin strengthened, primarily as a result of efficiency enhancements implemented in the Cardiovascular division. The rise in costs was in part due to the add-on acquisitions that the business area completed in the preceding year, and to increased investments in new markets and products. A less favourable currency scenario and increased costs due to the introduction of the Medical Device Tax in the US had a negative impact of SEK 61 M on earnings in the period. Excluding these effects, the business area's operating profit increased by nearly 16%. The quarter was charged with restructuring costs of SEK 30 M, which largely pertained to efficiency enhancements in the product-development organisation in the Cardiovascular division in the US.

Activities

Integration of Atrium Medical

The integration of Atrium is proceeding as planned. The focus of the integration is on offering Atrium's strong product range to Medical Systems' existing customers in markets in which Atrium is currently unrepresented. The costs for the integration of Atrium are expected to total about SEK 45 M, of which SEK 30 M was expensed in 2012. SEK 4 M was charged to the first quarter of 2013 and the remaining SEK 11 M will be charged to the remaining quarters in 2013. Atrium has reported very high organic growth in recent years and continues to report rapid growth.

Restructuring project in the Cardiovascular division

As previously reported, the business area is currently implementing a restructuring programme with the aim of enhancing the production of vascular implants. Costs related to the programme were expensed as early as year-end 2011. The manufacturing of vascular implants is currently conducted at two plants in the Cardiovascular division. When the programme is completed during the latter half of the current year, all production of textile-based vascular implants will be concentrated to the production unit in the French city of La Ciotat. The discontinuation of vascular-implant manufacturing in Wayne in the US and the relocation to La Ciotat will make production capacity available in Wayne. This capacity will be used to relocate balloon-catheter production from Fairfield, New Jersey, to Wayne, which will result in the closure of the production unit in Fairfield. The restructuring programme is expected to generate annual savings of about SEK 80 M.

During the period, the product-development organisation in San Jose in the US, which is associated with the Cardiac surgery operation, was adapted to future product-development needs and efficiency enhancements were implemented. Restructuring costs amounted to SEK 26 M and were charged to the earnings for the period. The annual savings are expected to amount to slightly more than SEK 20 M.

Acquisition of US company LAAx Inc.

Some 90% of the thrombi that cause strokes among patients who suffer from Atrial Fibrillation are formed in the Left Atrial Appendage. Blocking the connection to the atrial appendage can effectively prevent the release of thrombi. During the period, Medical Systems acquired the US company LAAx Inc., which has developed a unique implant to effectively and definitely block the connection to the atrial appendage in a minimally invasive procedure. The implant is attached using a proprietarily developed disposable instrument. The product is entitled TigerPaw, has been approved by the FDA, secured CE labelling and will be available for global sale as of April of the current year. Medical Systems' Cardiovascular division is one of the leading companies for devices used in cardiac surgery and the product will be sold by the business area's existing sales representatives. The acquisition price for LAAx Inc., including all product rights, totalled SEK 182 M. Sales of the product are ultimately expected to total between SEK 300-500 M with strong profitability.

Launch of MIRA-i

During conventional open-heart surgery, the thoracic cage is opened and kept open using a retractor. The Cardiovascular division is already a leader in this product area through its ACROBAT-i product. During the period, MIRA-i was launched, which is a retractor for less invasive surgical procedures. MIRA-i is a key supplement to the business area's existing customer offering for cardiac surgery and will contribute to a quicker recovery for patients while also offering physicians another alternative for performing high-quality, minimally invasive treatments.

Extended Care Business Area

Order received

Orders received per market	2013 3 mon	2012 3 mon	Change adjusted for curr.flucs.&corp.acqs.
Western Europe	**802**	745	*-3,9%*
USA and Canada	**646**	458	*-5,8%*
Rest of the world	**231**	227	*-1,9%*
Business area total	**1 679**	1 430	*-4,2%*

The business area's major exposure to the mature markets in Western Europe and North America remain challenging from a growth perspective. In the Western European markets, order intake declined organically by slightly less than 4%. Similar to Medical Systems, the decline in volume in Western Europe was evenly distributed among the submarkets. In the North American market, volumes increased organically in the US, while growth was weak in Canada. With the exception of Australia and the Middle East, the trend in the markets outside of Western Europe and North America was strong.

Results

	2013 3 mon	2012 3 mon	Change	2012 FY
Net sales, SEK million	**1 721**	1 463	*17,6%*	5 990
adjusted for currency flucs.& corp.acqs			*-3,5%*	
Gross profit	**839**	769	*9,1%*	3 052
Gross margin %	***48,8%***	*52,6%*	*-3,8%*	*51,0%*
Operating cost, SEK million	**-576**	-451	*27,7%*	-1 871
EBITA before restructuring and integration costs	**295**	339	*-13,0%*	1 274
EBITA margin %	***17,1%***	*23,2%*	*-6,1%*	*21,3%*
Acquisition expenses	**0**	0		-41
Restructuring and integration costs	**-166**	0		-135
EBIT	**97**	318	*-69,5%*	1 005
EBIT margin %	***5,6%***	*21,7%*	*-16,1%*	*16,8%*

Extended Care's earnings declined to SEK 295 M (339) primarily due to weak organic invoicing growth and to negative exchange-rate effects. Adjusted for exchange-rate fluctuations and for the aforementioned Medical Device Tax in the US, earnings for the period totalled SEK 326 M. Reported figures and key ratios for the period were strongly impacted by the recently acquired TSS, which has been consolidated in the Group's financial statements since 1 November 2012. TSS's contribution to earnings was weak during the first quarter of the year according to plan and amounted to SEK 24 M. The lower gross margin for the period was the result of the TSS acquisition and the gross margin for the underlying operation was comparable with the preceding year. The period was charged with restructuring costs of SEK 166 M, which were primarily attributable to the closure of the manufacturing units in the Swedish city of Eslöv and the German city of Wetzlar.

Activities

Integration of Therapeutic Support Systems (TSS)

The integration of TSS, which was acquired during the fourth quarter of 2012, is proceeding as planned. Transaction and restructuring costs are expected to total SEK 240 M, of which SEK 170 M was expensed in the 2012 financial statements. The remaining SEK 70 M will be charged to the current year, of which SEK 16 M was charged to the first quarter. The integration of TSS, which was staged on a broad front includes: the closure and relocation of TSS's production unit in San Antonio in the US, the merger of TSS's marketing company with the business area's existing sales organisation and the coordination and consolidation of the service and leasing depots between TSS and Extended Care. TSS is expected to contribute to the Group's earnings per share in the current year, including the depreciation of acquisition-related surplus values, financing expenses and the restructuring costs of SEK 70 M, which are expected to be charged to the current year.

Consolidation of production structure

During the quarter, the business area initiated negotiations to discontinue the operations in Eslöv, Sweden and Wetzlar, Germany, both of which manufacture hygiene products. The discontinuation of the German facility is expected to be completed by the fourth quarter of the year and the discontinuation of the Swedish operation is expected to be completed during the second quarter of 2014. The manufacturing of the shower system and patient lifts will be concentrated to the business area's existing production unit in Poland, while the production of bathing systems will be outsourced to an external supplier in Eastern Europe. Restructuring costs amounted to SEK 146 M and were charged to earnings for the period. The aforementioned changes to the business area's production structure are expected to lead to annual savings of SEK 90-100 M as of 2015.

Product launches

During the quarter, the business area launched two new products, Carevo and Evolve.
Carevo is a new generation of shower trolleys with significantly improved functionality and profitability. The business area is already the leader for products in the shower segment and Carevo will contribute to further strengthening this position. The shower segment is the fastest growing segment in the hygiene market.

Evolve is a pressure relieving mattress for the prevention and treatment of pressure ulcers. Evolve is geared for the acute care and long term care segments and offers a method for effectively distributing pressure over the patient's entire body area and thus preventing pressure ulcers.

Infection Control Business area

Orders received

Orders received per market	**2013 3 mon**	2012 3 mon	*Change adjusted for curr.flucs.&corp.acqs.*
Western Europe	**476**	554	*-10,7%*
USA and Canada	**362**	360	*5,5%*
Rest of the world	**379**	429	*-5,2%*
Business area total	**1 217**	1 343	*-4,6%*

Infection Control's order intake declined organically by 4.6% during the period, primarily due to weak global demand from customers in the Life Science market. Demand from customers in the hospital market was generally favourable. In Western Europe, order intake decreased, primarily in southern Europe. Order intake improved significantly in North America, particularly in terms of hospital customers. In the markets outside of Western Europe and North America, order intake declined compared with the strong year-earlier period, during which order intake rose by nearly 30%.

Results

	2013 3 mon	2012 3 mon	*Change*	2012 FY
Net sales, SEK million	**1 139**	1 094	*4,1%*	5 170
adjusted for currency flucs.& corp.acqs			*10,3%*	
Gross profit	**430**	417	*3,1%*	1 984
Gross margin %	***37,8%***	*38,1%*	*-0,3%*	*38,4%*
Operating cost, SEK million	**-365**	-328	*11,3%*	-1 363
EBITA before restructuring and integration costs	**69**	91	*-24,2%*	631
EBITA margin %	***6,1%***	*8,3%*	*-2,2%*	*12,2%*
Acquisition expenses	**-1**	0		*-3*
Restructuring and integration costs	**-44**	0		0
EBIT	**20**	89	*-77,5%*	618
EBIT margin %	***1,8%***	*8,1%*	*-6,3%*	*12,0%*

EBITA for the period weakened, amounting to SEK 69 M (91). Exchange-rate fluctuations and the US Medical Device tax had an adverse impact of about SEK 38 M on earnings for the quarter. Invoicing growth was healthy during the period. The increase in overhead costs during the period was due in part to the add-on acquisitions that were completed during the latter half of the preceding year, and to increased investments in new emerging markets. The period was charged with restructuring costs of SEK 44 M, which primarily pertains to the closure of the business area's Swedish plant in Skärhamn and its relocation to China.

Activities

Acquisition of the Turkish company Trans Medikal Devices Inc.

The acquisition of the Turkish company Trans Medikal Devices Inc. was completed during the first quarter of the year. Trans's range of autoclaves will represent Getinge's product offering in the growing mid-segment and contribute to increased exposure to the emerging markets. The company is the market leader in Turkey and commands a market share of about 35%. Trans has about 70 employees and generated sales of SEK 55 M in 2011. Trans has been included in the consolidated financial statements since 1 April 2013.

Efficiency enhancements for improved profitability

During the Capital Markets Day on 8 February, an efficiency enhancement programme aimed at improved profitability was announced. The aim of the programme is to improve the business area's EBITA margin from the current level of about 12% to 15-16% by 2014-2015, and ultimately to more than 17%. A key phase of the efficiency enhancement programme is to concentrate the business area's production to fewer plants with greater resources and to gear manufacturing toward assembly, thus resulting in the outsourcing of component manufacturing to external suppliers. The efficiency enhancement programme encompasses the monitoring of distribution, logistics and administrative processes, and the discontinuation of unprofitable product lines. Restructuring costs for completing the program are expected to amount to about SEK 440 M over a four-year period. The first quarter of 2013 was charged with SEK 44 M, which was primarily related to relocating the manufacturing of table-top autoclaves from Skärhamn, Sweden, to the business area's existing plant in Suzhou, China, the closure of the development centre in Rochester in the US, and the discontinuation and outsourcing of mechanical production in Getinge and Växjö, Sweden.

Other information

Accounting

This interim report for the Group has been prepared 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 2012 Annual Report and should be read in conjunction with that Annual Report.

New accounting policies for 2013
New or revised International Financial Reporting Standards (IFRS) and statements of interpretation from IFRIC as described in Note 1 of the 2012 Annual Report had no material impact on the position or earnings of the Group or Parent Company. More extensive disclosure requirements for financial instruments were included in this report under a special header on page 13.

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 requirements of authorities and control bodies or changes to such regulations and requirements.

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 policies 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 (second quarter of 2013) will be published on 11 July 2013.

Teleconference

A teleconference will be held today at 3:00 p.m. (Swedish time) with Johan Malmquist, CEO, and Ulf Grunander, CFO.

To participate, please call:
Sweden: +46 (0) 8 5853 6965
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Code: 224195

Agenda:
2:45 p.m. Call the conference number
3:00 p.m. Review of the interim report
3:20 p.m. Questions and answers
4:00 p.m. End of the conference

A recorded version of the conference will be available for five working days at the following numbers:
Sweden: +46 (0) 8 5051 3897
UK: +44 (0) 20 3427 0598
US: +1 347 366 9565
Code: 2241959

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=2241959&role=attend&pw=pw7034

Assurance

The Board of Directors and CEO assure that the year-end 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, 17 April 2013

Carl Bennet *Chairman*	Henrik Blomdahl	Johan Bygge
Cecilia Daun Wennborg	Thomas Funk	Carola Lemne
Johan Malmquist *CEO*	Johan Stern	Maths 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	2013 3 mon	2012 3 mon	Change	2012 FY
Net sales	**5 664**	5 246	8,0%	24 248
Cost of goods sold	**-2 717**	-2 492	9,0%	-11 544
Gross profit	**2 947**	2 754	7,0%	12 704
Gross margin	*52,0%*	*52,5%*	*-0,5%*	*52,4%*
Selling expenses	**-1 417**	-1 329	6,6%	-5 452
Administrative expenses	**-641**	-545	17,6%	-2 405
Research & development costs [1]	**-171**	-173	-1,2%	-598
Acquisition expenses	**-1**	0		-44
Restructuring and integration costs	**-240**	0		-184
Other operating income and expenses	**-77**	-3		-15
Operating profit [2]	**400**	704	-43,2%	4 006
Operating margin	*7,1%*	*13,4%*	*-6,3%*	*16,5%*
Financial Net, SEK	**-148**	-134		-570
Profit before tax	**252**	570	-55,8%	3 436
Taxes	**-68**	-148		-905
Net profit	**184**	422	-56,4%	2 531
Attributable to:				
Parent company's shareholders	**182**	420		2 521
Non-controlling interest	**2**	2		10
Net profit	**184**	422		2 531
Earnings per share, SEK [3]	**0,76**	1,76	-56,8%	10,58

1 Development costs totalling SEK million 155 (161) have been capitalised in the quarter.

2 Operating profit is charged with

— amort. Intangibles on acquired companies	***-151***	*-150*		*-615*
— amort. intangibles	***-112***	*-100*		*-415*
— depr. on other fixed assets	***-199***	*-169*		*-712*
	-462	*-419*		*-1 742*

3 There are no dilutions

Comprehensive earnings statement

SEK million	2013 3 mon	2012 3 mon
Profit for the period	**184**	422
Items that later can be reversed in profit		
Translation differences	**-468**	-332
Cash-flow hedges	**186**	198
Income tax related to other partial result items	**-50**	-52
Other comprehensive earnings for the period, net after tax	**-332**	-186
Total comprehensive earnings for the period	**-148**	236
Comprehensive earnings attributable to:		
Parent Company shareholders	**-150**	234
Non-controlling interest	**2**	2

Quarterly results

SEK million	2011 Q 1	2011 Q 2	2011 Q 3	2011 Q 4	2012 Q 1	2012 Q 2	2012 Q 3	2012 Q 4	2013 Q 1
Net sales	4 671	4 963	4 865	7 354	5 246	5 612	5 574	7 816	5 664
Cost of goods sold	-2 187	-2 379	-2 335	-3 550	-2 492	-2 606	-2 654	-3 792	-2 717
Gross profit	2 484	2 584	2 530	3 804	2 754	3 006	2 920	4 024	2 947
Operating cost	-1 795	-1 815	-1 725	-2 144	-2 050	-2 141	-2 073	-2 433	-2 547
Operating profit	690	768	805	1 660	704	865	847	1 591	400
Financial net	-122	-114	-115	-129	-134	-149	-143	-144	-148
Profit before tax	568	654	690	1 531	570	716	704	1 447	252
Taxes	-148	-170	-179	-410	-148	-186	-183	-388	-68
Profit after tax	420	484	511	1 121	422	530	521	1 059	184

Consolidated balance sheet

Assets SEK million	**2013 31 mar**	2012 31 mar	2012 31 dec
Intangible assets	**24 894**	23 717	24 895
Tangible fixed assets	**3 890**	3 457	4 066
Financial assets	**677**	709	887
Stock-in-trade	**4 313**	4 027	4 060
Current receivables	**8 012**	6 811	7 759
Cash and cash equivalents	**1 075**	1 131	1 254
Total assets	**42 861**	39 852	42 921

Shareholders' equity & Liabilities			
Shareholders' equity	**15 052**	14 872	15 200
Long-term liabilities	**16 839**	16 463	17 718
Current liabilities	**10 970**	8 517	10 003
Total Equity & Liabilities	**42 861**	39 852	42 921

Financial assets and liabilities measured at fair value

Measurement methods used to calculate fair values in Level 2.
Derivatives at level 2, which are used for hedging purposes, comprise currency futures and interest rate swaps.

Fair-value measurements for currency swaps are based on published futures rates in an active market. The measurement of interest-rate swaps is based on interest-rate futures calculated on the basis of observable yield curves.

Fair value hierarchy
At 31 March 2013, the Group held derivatives for hedging purposes at level 2 in which the assets totalled SEK 605 M and liabilities SEK 899 M. The corresponding figures at 31 December 2012 were SEK 528 M and SEK 852 M, respectively. Since the Group only holds financial derivative instruments that are measured at level 2, there were no transfers among the measurement categories between the quarters.

Fair value of loans

	2013 31 Mar	2012 31 Dec
Long-term liabilities	13 230	13 311
Current liabilities	4 293	4 362

Other financial assets and liabilities
The fair value of the financial assets and liabilities listed below is estimated to be equivalent to their carrying amount in all material respects:

- Accounts receivable and other receivables
- Other current receivables
- Bank balances and other cash and cash equivalents
- Accounts payable and other liabilities
- Other assets and liabilities

Disclosures regarding the net recognition of financial assets and liabilities
Loans and financial instruments in the Group, recognised gross

	Assets	Liabilities	Net
Loans		-17 431	-17 431
Interest-rate derivatives	92	-677	-585
Fx-derivatives	513	-222	291
Total	605	-18 330	-17 725

The Group employs ISDA agreements for all of its significant counterparties for raising funds and trading in financial instruments. Accordingly, all receivables and liabilities that are held by the Group can be fully offset by one another. The Group has netted the value of the Group's basis swaps against loans in the balance sheet. The value of the netted basis swaps was a positive SEK 92 M at 31 March 2013 (pos: SEK 148 M at 31 Dec. 2012).

The Group does not apply net recognition for any of its other significant assets and liabilities.

Consolidated cash-flow statement

SEK million	**2013 3 mon**	2012 3 mon	2012 FY
Current activities			
EBITDA	**862**	1 123	5 748
Restructuring Cost expenses	**240**	0	184
Restructuring costs paid	**-68**	-28	-128
Adjustment for items not included in cash flow	**13**	5	43
Financial items	**-148**	-134	-570
Taxes paid	**-267**	-219	-966
Cash flow before changes in working capital	**632**	747	4 311
Changes in working capital			
Stock-in-trade	**-342**	-280	-126
Current receivables	**307**	748	-201
Current operating liabilities	**-231**	-493	-297
Cash flow from operations	**366**	722	3 687
Investments			
Acquisition of subsidiaries	**-219**	0	-2 226
Capitalized development costs	**-155**	-161	-745
Rental equipment	**-110**	-57	-296
Investments in tangible fixed assets	**-200**	-166	-959
Cash flow from investments	**-684**	-384	-4 226
Financial activities			
Change in interest-bearing debt	**-166**	-860	1 040
Change in long-term receivables	**212**	0	99
Dividend paid	**0**	0	-894
Cash flow from financial activities	**46**	-860	245
Cash flow for the period	**-272**	-522	-294
Cash and cash equivalents at begin of the year	**1 254**	1 207	1 207
Translation differences	**93**	446	341
Cash and cash equivalents at end of the period	**1 075**	1 131	1 254

Consolidated net interest-bearing debt

SEK million	**2013 31 mar**	2012 31 mar	2012 31 dec
Debt to credit institutions	**17 431**	15 881	17 525
Provisions for pensions, interest-bearing	**2 039**	1 575	2 111
Less liquid funds	**-1 075**	-1 131	-1 254
Net interest-bearing debt	**18 395**	16 325	18 382

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 2012	119	5 960	-1 375	9 904	**14 608**	28	**14 636**
Total comprehensive earnings for the period			-186	420	**234**	2	**236**
Closing balance on 31 March 2012	**119**	**5 960**	**-1 561**	**10 324**	**14 842**	**30**	**14 872**
Opening balance on 1 January 2013	119	5 960	-2 160	11 251	**15 170**	30	**15 200**
Total comprehensive earnings for the period			-332	182	**-150**	2	**-148**
Closing balance on 31 March 2013	**119**	**5 960**	**-2 492**	**11 433**	**15 020**	**32**	**15 052**

Key figures

	2013	2012	Change	2011	2012
	3 mon	3 mon		3 mon	FY
Orders received, SEK million	**5 968**	5 795	3,0%	5 241	24 416
adjusted for currency flucs.& corp.acqs			1,8%		
Net sales, SEK million	**5 664**	5 246	8,0%	4 671	24 248
adjusted for currency flucs.& corp.acqs			6,6%		
EBITA before restructuring-, integration- and acquisition costs	**792**	854	-7,3%	801	4 849
EBITA margin before restructuring-, integration and acquisition costs	**14,0%**	16,3%	-2,3%	17,1%	20,0%
Restructuring and integration costs	**-240**	0		0	-184
Acquisition costs	**-1**	0		0	-44
EBITA	**551**	854	-35,5%	801	4 621
EBITA margin	**9,7%**	16,3%	-6,6%	17,1%	19,1%
Earnings per share after full tax, SEK	**0,76**	1,76	-56,8%	1,75	10,58
Number of shares, thousands	**238 323**	238 323		238 323	238 323
Interest cover, multiple	**7,0**	8,1	-1,1	7,0	7,3
Operating capital, SEK million	**31 537**	26 686	18,2%	26 718	31 920
Return on operating capital, per cent	**13,2%**	15,2%	-2,0%	14,4%	13,1%
Return on equity, per cent	**15,2%**	17,2%	-2,0%	17,4%	17,0%
Net debt/equity ratio, multiple	**1,22**	1,10	0,12	0,95	1,21
Cash Conversion	**42,5%**	64,2%	-21,7%	60,9%	64,1%
Equity/assets ratio, per cent	**35,1%**	37,3%	-2,2%	39,8%	35,4%
Equity per share, SEK	**63,10**	62,40	1,1%	55,50	63,70

Five-year review

SEK million	**2013 31 mar**	**2012 31 mar**	**2011 31 mar**	**2010 31 mar**	**2009 31 mar**
Net Sales	5 664	5 246	4 671	4 863	5 153
Profit before tax	184	422	420	400	382
Earnings per share	0,76	1,76	1,75	1,68	1,60

Income statement for the Parent Company

Mkr	**2013** **3 mon**	2012 3 mon	2012 FY
Administrative expenses	**-33**	-26	-114
Operating profit	**-33**	-26	-114
Financial net	**113**	281	2 281
Profit after financial items	**80**	255	2 167
Profit before tax	**80**	255	2 167
Taxes	**-3**	-70	-6
Net profit	**77**	185	2 161

Balance sheet for the Parent Company

Assets SEK million	**2013** **31 mar**	2012 31 mar	2012 31 Dec
Tangible fixed assets	**25**	21	38
Shares in group companies	**7 605**	6 911	7 605
Deferred tax assets	**6**	2	23
Receivable from group companies	**34 201**	34 527	30 929
Short-term receivables	**93**	0	32
Liquid funds	**0**	0	32
Total assets	**41 930**	41 461	38 659
Shareholders' equity & Liabilities			
Shareholders' equity	**9 215**	8 509	9 570
Long-term liabilities	**12 887**	12 923	13 059
Liabilities to group companies	**15 582**	17 201	11 728
Current liabilities	**4 246**	2 828	4 302
Total Equity & Liabilities	**41 930**	41 461	38 659

Information pertaining to the Parent Company's performance during the reporting period January - March 2013

Income Statement

At the end of the period, claims and liabilities in foreign currencies were measured at the closing date exchange rate, and an unrealised gain of SEK 93 (204) was included in net financial income for the period.

Companies acquired in 2013

Trans Medikal Devices Inc.

During the first quarter of 2013, Infection Control acquired the Turkish company Trans Medikal Devices Inc.. The Company, engaged in the manufacture of autoclaves and distribution of disinfectors, generates sales of SEK 55 M and has about 70 employees. The total purchase consideration was about SEK 63 M.

Acquired net assets

SEK M	Net assets	Assets and liabilities at the time of acquisition
	Tangible fixed assets	3
	Inventories	4
	Other current assets	10
	Current liabilities	-10
	Acquired net assets	**7**

The opening balance of assets and liabilities acquired is preliminary and will, together with an allocation of surplus value, to be finalized in the second quarter.

LAAx Inc.

During the first quarter of 2013, Medical Systems acquired the US company LAAx Inc.. The company,which is active in cardiac and vascular surgery, generates sales of about SEK 8 M and has about 5 employees. The total purchase consideration was about SEK 182 M, of which 156 million was paid upon acquisition.

Acquired net assets

SEK M	Net assets	Assets and liabilities at the time of acquisition
	Tangible fixed assets	1
	Inventories	1
	Current liabilities	-1
	Acquired net assets	**1**

The opening balance of assets and liabilities acquired is preliminary and will, together with an allocation of surplus value, to be finalized in the second quarter.

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.