GETINGE GROUP

Getinge Group
Year-End report 2013

Reporting period January – December

- **Order intake** rose 4.0% to SEK 25,395 M (24,416) and grew organically by 4.0%
- **Net sales** increased 4.3% to SEK 25,287 M (24,248), corresponding to organic growth of 4.2%
- **Profit before tax** declined 8.2% to SEK 3,153 M (3,436)
- **Net profit** decreased 9.3% to SEK 2,295 M (2,531)
- **Earnings per share** declined 9.4% to SEK 9.59 (10.58)
- **EBITA** before restructuring decreased 1.7% to SEK 4,766 M (4,849). Adjusted for exchange-rate effects and the medical device tax introduced in the US, EBITA rose 8.3%
- **A dividend per share** of SEK 4.15 (4.15) is proposed, corresponding to SEK 989 M (989)

Reporting period October – December

- **Order intake** rose 4.2% to SEK 6,931 M (6,648), and grew organically by 5.9%
- **Net sales** declined 0.8% to SEK 7,757 M (7,816), corresponding to organic growth of 1.3%
- **Profit before tax** increased 18.1% to SEK 1,709 M (1,447)
- **EBITA** before restructuring increased 6.1% to SEK 2,062 M (1,943). Adjusted for exchange-rate effects and the medical device tax introduced in the US, EBITA rose 14.0%
- **The acquisition of Pulsion Medical Systems** is expected to be completed in the first quarter of 2014

Order intake

The Group's order intake posted a favorable trend for the quarter and grew organically by 5.9%. Accordingly, for the full-year 2013, order intake increased organically by 4.0%, a figure that compares favorably with other global medical technology companies.

Teleconference with CEO Johan Malmquist and CFO Ulf Grunander
January 28, 2014 at 3:00 p.m. Swedish time

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UK: +44 (0) 20 3427 1906	Code: 8105339

The order intake in Western European markets continued to improve in the fourth quarter, while the order intake in North America, which trended strongly in the first three quarters of 2013, softened slightly but remained positive. The order intake for markets outside Western Europe and North America displayed organic growth of 12.9% with a particularly strong showing from the BRIC markets where order intake grew nearly 24%.

From a business area perspective, the trend in the order intake was mixed. For Medical Systems, order intake grew organically by 9.4%, with a positive trend in emerging markets and Western Europe. For Infection Control, order intake grew organically by 6.2%. The order intake for Extended Care declined organically by 1.2% due to a weaker trend in North America and emerging markets.

Results

The Group's profit before tax for the period was SEK 1,709 M (1,447), up 18.1%. For the full year 2013, the Group's profit before tax was SEK 3,153 M (3,436), which is in line with the previously published forecast of a profit between SEK 3,000 M and SEK 3,200 M. The period has been charged with restructuring and acquisition costs totaling SEK 54 M (192), which is about SEK 40 M less than estimated due to the movement of a restructuring activity, which was previously planned for the quarter, to January 2014. The Group's EBITA for the period was SEK 2,062 M (1,943), up 6.1%. For the full year, EBITA was SEK 4,766 M (4,849). After adjustment for the medical device tax introduced in the US in 2013 and negative exchange-rate effects, the Group's EBITA increased 8.3% to SEK 5,252 M for the fiscal year, which corresponds to an EBITA margin of 20.8% (20.0).

Medical Systems' EBITA rose 7.1% to SEK 1,353 M (1,263) and the EBITA margin for the period amounted to 31.4% (29.4). Extended Care improved its EBITA 21.2% to SEK 452 M (373) while EBITA for Infection Control declined, in line with what has been previously announced, and amounted to SEK 254 M (306).

Consolidated cash flow from operating activities declined 3.9% and totaled SEK 3,544 M (3,687) for the full year, corresponding to a cash conversion of 63.1% (64.1). At year end, the debt/equity ratio was a multiple of 1.10 (1.21).

Outlook

The Group's expectations are that the Western European markets have started to recover but that regaining volumes will be a slow process. In the North American market, demand is expected to remain at current levels. The long-term growth outlook for markets outside Western Europe and North America is positive, even if short-term challenges exist that could negatively impact volumes. The Group expects that the recent product launches and acquisitions will continue to drive growth. Overall, organic volume growth for 2014 is expected to be on a par with the outcome for 2013.

Restructuring costs, which were substantial in 2013, will decrease and are expected to total about SEK 145 M (401) in 2014. The gradual strengthening of the SEK will continue to negatively impact the Group's earnings in 2014 and currency-transaction effects are expected to continue to negatively impact the year's earnings by about SEK 250 M.

The Getinge Group implemented an extensive strategy update in 2013. A result of the update was a decision to coordinate specific processes and functions across the Group's three business areas. The areas primarily affected include financial and administrative services as well as sourcing, where annual costs for Getinge amount to between SEK 10 and 11 billion and potential savings are assessed as substantial. The Group is currently working with preparing a plan that will detail the financial consequences of this new initiative for the 2014-2017 period. Getinge aims to present the results of this work in conjunction with the capital market day to be held in the second quarter of this year.

Medical Systems Business Area

Order intake

Orders received per market	2013 Q 4	2012 Q 4	Change adjusted for curr.flucs.&corp.acqs.	2013 12 mon	2012 12 mon	Change adjusted for curr.flucs.&corp.acqs.
Western Europe	**1 132**	1 037	*7,7%*	**3 824**	3 785	*2,3%*
USA and Canada	**1 130**	1 140	*1,7%*	**4 342**	4 345	*4,1%*
Rest of the world	**1 515**	1 409	*16,9%*	**5 174**	5 112	*9,9%*
Business area total	**3 777**	3 586	*9,4%*	**13 340**	13 242	*5,8%*

Medical Systems' order intake increased organically by a healthy 9.4% for the period, but must be viewed in relation to the year-earlier period, which was weak in growth terms. For the full year, organic order growth totaled a healthy 5.8%. In Western European markets, demand continued to improve and order intake posted organic growth of 7.7% for the period. Order intake was particularly healthy in the Nordic region, Southern Europe and the UK. In the North American market, order intake increased organically by 1.7%. The moderate growth in North America was attributable to the region's recovery in terms of volume, which started in the corresponding year-earlier period. Order intake increased 16.9% in markets outside North America and Western Europe with robust growth in the BRIC markets, which posted organic growth in order intake of 36.8%. Both Surgical Workplaces and Cardiovascular posted healthy volume growth during the quarter, while Critical Care posted a weaker trend.

Results

	2013 Q 4	2012 Q 4	Change	2013 12 mon	2012 12 mon	Change
Net sales, SEK million	**4 312**	4 295	*0,4%*	**13 322**	13 089	*1,8%*
adjusted for currency flucs.& corp.acqs			*4,3%*			*6,7%*
Gross profit	**2 506**	2 498	*0,3%*	**7 789**	7 668	*1,6%*
Gross margin %	***58,1%***	*58,2%*	*-0,1%*	***58,5%***	*58,6%*	*-0,1%*
Operating cost, SEK million	**-1 266**	-1 362	*-7,0%*	**-5 356**	-5 236	*2,3%*
EBITA before restructuring and integration costs	**1 353**	1 263	*7,1%*	**2 894**	2 945	*-1,7%*
EBITA margin %	***31,4%***	*29,4%*	*2,0%*	***21,7%***	*22,5%*	*-0,8%*
Acquisition expenses	**-9**	3		**-18**	1	
Restructuring and integration costs	**-50**	-20		**-81**	-49	
EBIT	**1 181**	1 119	*5,5%*	**2 334**	2 384	*-2,1%*
EBIT margin %	***27,4%***	*26,1%*	*1,3%*	***17,5%***	*18,2%*	*-0,7%*

Medical Systems' EBITA rose 7.1% to SEK 1,353 M (1,263) and the EBITA margin for the period was 31.4% (29.4). After adjustment for the US medical device tax and negative exchange-rate effects, EBITA increased 13.7% to SEK 1,436 M for the period. The improvement in earnings for the period was attributable to healthy invoicing growth, which grew organically by 4.3% and the capital gain of SEK 92 M from the sale of SAFEGUARD® and AIR-BAND™, which was announced in the interim report for the third quarter. The lower gross margin for the period was attributable to a continued unfavorable product mix in the Critical Care division and the strong volume growth within Surgical Workplaces, which has generally lower margins than the other two divisions.

Activities

Acquisition of hemodynamic monitoring leader – Pulsion Medical Systems
As announced during the quarter, Getinge has issued a public tender offer to acquire all shares in the German company Pulsion Medical Systems SE (“Pulsion”), listed on the German Stock Exchange (Deutsche Börse).

Pulsion is a leading provider of specialty hemodynamic monitoring solutions for critically ill patients. The company is particularly strong in cardiac output measurement through its renowned PiCCO brand. Pulsion had revenues of EUR 34.6 M in 2012, with approximately 130 employees globally.

Getinge is currently a major player in the critical care arena through its ventilation and anesthesia offering with a strong and proprietary global sales network. Through the acquisition, Pulsion, which holds predominantly strong positions in Europe, will gain access to a significantly larger sales footprint. Pulsion has vast expertise in commercializing advanced monitoring solutions and related catheters, which will positively reinforce the launch of Getinge’s recently introduced product for glucose and lactate monitoring, Eirus. Getinge believes substantial market potential exists to develop a broader portfolio of specialized monitoring solutions and the sale of related disposables.

The public tender offer is subject to conditions that include the following: clearance by the German Federal Cartel Office (Bundeskartellamt) and a minimum acceptance threshold of at least 75% of the Pulsion shares. Full conditions and additional information pertaining to the public tender offer are set forth in the offer document, which was published on January 14, 2014. Getinge has already secured 74.9% of the outstanding shares in Pulsion and the transaction is expected to be completed in the first quarter of 2014.

The acquisition is expected to contribute to Getinge’s profit per share in 2014, including restructuring costs, goodwill amortization and financing costs. The transaction will be financed through a new credit facility.

Efficiency enhancement program within the Critical Care division
During the quarter, the Critical Care division initiated an efficiency enhancement program to increase competitiveness and improve profitability.

In recent years, the Critical Care division has invested in major product development projects, resulting in two of the division’s flagship products – Flow-I, a new innovative anesthesia device and Servo-U, the next generation ventilator platform. The organization is now entering a more normalized product development period and consequently, has taken organizational measures. During the quarter, the Critical Care division commenced discussion with trade union representatives to reduce the organization by about 50 jobs. In addition, initiatives have been implemented to streamline the organization and reduce costs.

The restructuring costs related to the program amounted to approximately SEK 45 M and were charged to the quarter. The activities are expected to lead to annual savings of about SEK 60 M.

Divestment of product lines
As communicated earlier, the business area signed an agreement for the sale of two product lines, SAFEGUARD® and AIR-BAND™. These products are used to mechanically obtain hemostasis (causing bleeding to stop by coagulation) following catheter-based procedures. The operation is primarily based in the US and is included in Medical Systems’ Cardiovascular division. The purchaser of both products is

Merit Medical Systems, Inc., based in Utah in the US, which is considered to have greater potential to develop the products and increase sales.

SAFEGUARD® and AIR-BAND™ generate annual sales volumes of approximately SEK 46 M. The purchase consideration amounted to about SEK 180 M and has generated a capital gain of SEK 92 M. The transaction was completed during the fourth quarter.

Restructuring project in the Cardiovascular division

As communicated previously, the business area is currently implementing a restructuring program aimed at enhancing the production of vascular implants. Costs related to the program 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 program is completed, all production of textile-based vascular implants will be concentrated to the production unit in the French city of La Ciotat. The move to La Ciotat is expected to be completed in the first quarter of 2015.

Integration of Atrium Medical

The integration of Atrium was completed during the quarter.

Production of Cardiopulmonary products in Suzhou, China

In the first quarter in 2014, the new 5,000 m² plant in Suzhou starts production of the Cardiopulmonary division’s products. The plant is an expansion of the pre-existing production site in Suzhou and will comprise production of the Cardiopulmonary division’s custom tubing packs for perfusion (used during cardiopulmonary bypass procedures) and covered stents (permanent implant devices used in endovascular interventions). The locally manufactured products will primarily be sold in the Asian markets and, to a lesser extent, in other global markets. The Cardiopulmonary business is one of the fastest growing divisions within Medical Systems, with good growth potential in the Asian region during the coming years.

Medical Systems enhances its quality management systems

As reported during the quarter, a number of Medical Systems manufacturing facilities have been inspected by the U.S. Food and Drug Administration (FDA) over the past year. As a result of the inspections, as well as its own internal evaluations, Medical Systems is in the process of implementing significant improvements to enhance the quality management systems at its manufacturing facilities around the world.

The FDA inspections generated observations related to the Business Area’s quality management systems and these observations are being used to help guide the improvements now underway. Medical Systems is in discussions with the FDA about these observations with the aim of addressing and improving the quality management system.

New products - SERVO-U and SERVO-n

The launch of SERVO-U, the next generation ventilator platform, has received a highly positive response from customers and has already resulted in a number of orders globally.

This completely new modularity platform assists users in working more efficiently. Based on an intuitive user interface, users will be able to more easily and quickly use the ventilation modularities offered by SERVO-U and thus provide better care to intensive-care patients.

Historically, the Critical Care division has had a modest presence within the neonatal market. The brand-new neonatal ventilator, SERVO-n, is expected to contribute to an increased presence in this market segment. SERVO-n, is based on the same platform as SERVO-U and has been developed to help premature babies breathe. SERVO-n will be launched during 2014 but some units have already been pre-ordered.

Launch of OTESUS 1160 operating table system

The new operating table system, OTESUS 1160, was launched during the quarter. OTESUS replaces the current ALPHAMAQUET OR table system, which has been installed successfully around the world with more than 13,000 installations.

The OTESUS operating table system has been developed to meet new clinical needs. The system offers an expanded combination of tilting and inclination options which is of great value in modern minimally invasive procedures. The OTESUS is equipped with a unique four-speed regulator that allows minimal movements in a controlled manner when adjusting a patient's position, which is crucial during spinal surgery, neurosurgery and microsurgery. The OTESUS is also designed to help surgeons practice their job in the most ergonomic position during the procedure and the OTESUS 1160 has received very positive feedback from customers.

Extended Care Business Area

Order intake

Orders received per market	2013 Q 4	2012 Q 4	Change adjusted for curr.flucs.&corp.acqs.	2013 12 mon	2012 12 mon	Change adjusted for curr.flucs.&corp.acqs.
Western Europe	**887**	834	*0,9%*	**3 237**	2 924	*-0,5%*
USA and Canada	**677**	637	*-0,8%*	**2 633**	1 950	*3,0%*
Rest of the world	**257**	303	*-7,9%*	**1 040**	1 091	*-1,2%*
Business area total	**1 821**	1 774	*-1,2%*	**6 910**	5 965	*0,5%*

Extended Care's order intake performed weakly during the quarter, particularly given that the trend for the year-earlier period was also weak. Order intake declined organically by 1.2% in the quarter but posted modest growth for the full year. In Western Europe, the order intake grew organically by 0.9% for the period. Order growth was healthy in Scandinavia and the UK but otherwise weak. In North America, order intake declined organically by 0.8%, primarily attributable to a weak trend at TSS. TSS, which has been consolidated in the business area's figures since November 2012, was thus included in the organic comparative figures for the quarter. Even in the markets outside Western Europe and North America, the organic order trend was negative with a weak trend in Asia and the Middle East.

Results

	2013 Q 4	2012 Q 4	Change	2013 12 mon	2012 12 mon	Change
Net sales, SEK million	**1 840**	1 776	*3,6%*	**6 870**	5 990	*14,7%*
adjusted for currency flucs.& corp.acqs			*-0,4%*			*-0,6%*
Gross profit	**941**	865	*8,8%*	**3 369**	3 052	*10,4%*
Gross margin %	***51,1%***	*48,7%*	*2,4%*	***49,0%***	*51,0%*	*-2,0%*
Operating cost, SEK million	**-520**	-521	*-0,2%*	**-2 202**	-1 871	*17,7%*
EBITA before restructuring and integration costs	**452**	373	*21,2%*	**1 296**	1 274	*1,7%*
EBITA margin %	***24,6%***	*21,0%*	*3,6%*	***18,9%***	*21,3%*	*-2,4%*
Acquisition expenses	**9**	-36		**9**	-41	
Restructuring and integration costs	**5**	-135		**-193**	-135	
EBIT	**435**	173	*151,4%*	**983**	1 005	*-2,2%*
EBIT margin %	***23,6%***	*9,7%*	*13,9%*	***14,3%***	*16,8%*	*-2,5%*

Extended Care's EBITA increased 21.2% to SEK 452 M (373), corresponding to an EBITA margin of 24.6% (21.0) for the period despite the planned dilution effect from the newly acquired TSS on the business area's operating margin. The period's improvement in earnings was mainly attributable to the effects of good cost control and a healthy gross margin trend, the latter due to a favorable product mix and efficiency enhancements in the business area's supply chain. Extended Care's earnings were negatively impacted by the medical device tax introduced in the US and by negative exchange-rate effects. After adjustment for these two factors, EBITA was SEK 482 M (373) and the EBITA margin was 26.2% (21.0).

Activities

New Executive Vice President Extended Care
As communicated previously, Getinge Group has appointed Harald F. Stock as new President and Chief Executive Officer of ArjoHuntleigh, and Executive Vice President Extended Care Business Area as of January 1, 2014.

Harald Stock has nearly twenty years of experience and a successful track record in the healthcare industry. He most recently served as the chief executive officer of the Grünenthal Group, a global, family-owned, research-oriented pharmaceutical company. Previously, he held executive positions with the Roche Group and at DePuy, the Orthopedics Division of Johnson & Johnson.

Harald is part of the Getinge Group Executive Management team and reports to Johan Malmquist, CEO Getinge Group.

Integration of Therapeutic Support Systems (TSS)
As previously communicated, the integration of TSS is proceeding. The cost synergies generated by the acquisition of TSS are anticipated to be greater than assumed at the time of acquisition. However, parts of the integration program have been deferred, which means that the synergy effects for 2013 will be less than anticipated. The restructuring and integration program is anticipated to be fully completed in 2014 and the cost synergies fully reflected in 2015.

Transaction and restructuring costs related to the TSS acquisition are expected to total SEK 240 M, of which SEK 170 M was expensed in the 2012 financial statements. In the 2013 financial statements, SEK 70 M was expensed, of which SEK 21 M in the fourth quarter.

Streamlining the production structure
The discontinuation of the Eslöv production unit in Sweden is proceeding according to plan. Discontinuation of the German facility in Wetzlar was completed during the period and the production was moved to an external supplier in Eastern Europe.

The restructuring costs related to the streamlining of the production structure are expected to total to SEK 96 M, which was fully expensed in the 2013 financial statements. This is SEK 50 M less than originally estimated. The scope thus created has been largely utilized by the Medical Systems business area as part of the streamlining program in the Critical Care division.

The cost synergies generated by the above changes to the business area’s production structure are expected to lead to annual savings of SEK 90-100 M as of 2015.

Restructuring in Continental Europe
The business area has taken measures to optimize its organization within Continental Europe. In Q4, SEK 20 M was charged to profit or loss, mostly related to restructuring operations. These efficiency enhancements are expected to lead to annual savings of about SEK 22 M from 2014.

Supply Chain optimization in Magog, Canada
After the end of the reporting period, the Extended Care business area announced internally its intended measures to drive additional Supply Chain improvements to further strengthen competitiveness by reducing the number of employees within the production support functions at the Magog (Canada) manufacturing site.

In addition, Extended Care has announced plans to further strengthen its global R&D organization by concentrating the operation to the two major Innovation centers in Malmö, Sweden and San Antonio, USA.

Product launch – Maxi Transfer Sheet
During the quarter, the business area launched Maxi Transfer Sheet, an innovative new concept in safe patient handling. The Maxi Transfer Sheet integrates a bed sheet and a sling which can be used to laterally transfer, reposition or turn patients with reduced mobility. The Maxi Transfer Sheet will help care takers to perform their job in a more efficient and ergonomic manner. The Maxi Transfer Sheet will be used in conjunction with the business area's lifting devices Maxi Sky 2, Maxi Sky 600 and Maxi Move. The Maxi Transfer Sheet complies with the International Pressure Ulcer Treatment and Prevention Guidelines.

Infection Control business area

Order intake

Orders received per market	2013 Q 4	2012 Q 4	Change adjusted for curr.flucs.&corp.acqs.	2013 12 mon	2012 12 mon	Change adjusted for curr.flucs.&corp.acqs.
Western Europe	**527**	512	*2,2%*	**2 041**	2 053	*1,9%*
USA and Canada	**420**	417	*3,7%*	**1 547**	1 527	*5,7%*
Rest of the world	**385**	359	*14,9%*	**1 556**	1 629	*3,0%*
Business area total	**1 332**	1 288	*6,2%*	**5 144**	5 209	*3,4%*

Infection Control's order intake increased a good 6.2% during the period. In the Western European markets, order intake increased organically by 2.2%. The trend was favorable in most of the markets, except for the UK, where order intake declined. The trend in the North American market was favorable, with an organic order intake of 3.7% and continued excellent performance by the US market. In markets outside Western Europe and North America, order intake increased organically by 14.9%, with good levels of growth in Asia, Latin America and Africa.

Results

	2013 Q 4	2012 Q 4	Change	2013 12 mon	2012 12 mon	Change
Net sales, SEK million	**1 606**	1 745	*-8,0%*	**5 095**	5 170	*-1,5%*
adjusted for currency flucs.& corp.acqs			*-4,5%*			*3,7%*
Gross profit	**638**	661	*-3,5%*	**1 966**	1 984	*-0,9%*
Gross margin %	***39,7%***	*37,9%*	*1,8%*	***38,6%***	*38,4%*	*0,2%*
Operating cost, SEK million	**-387**	-358	*8,1%*	**-1 405**	-1 363	*3,1%*
EBITA before restructuring and integration costs	**254**	306	*-17,0%*	**575**	631	*-8,9%*
EBITA margin %	***15,8%***	*17,5%*	*-1,7%*	***11,3%***	*12,2%*	*-0,9%*
Acquisition expenses	**-1**	-3		**-3**	-3	
Restructuring and integration costs	**-8**	0		**-127**	0	
EBIT	**242**	300	*-19,3%*	**431**	618	*-30,3%*
EBIT margin %	***15,1%***	*17,2%*	*-2,1%*	***8,5%***	*12,0%*	*-3,5%*

Infection Control's EBITA decreased, as previously announced, and amounted to SEK 254 M (306). The EBITA margin declined somewhat, amounting to 15.8% (17.5). Invoicing declined organically by 4.5% during the period, while cost control was excellent. Earnings for the period were charged with about SEK 30 M relating to an agreement with a customer in the Life Science segment. Similar to the Group's two other business areas, earnings were also negatively impacted as a result of the US medical device tax and adverse exchange-rate effects. The adjusted EBITA, taking into consideration the latter two effects amounted to SEK 295 M (306).

Activities

Efficiency enhancements for improved profitability
As previously communicated, Infection Control is implementing an extensive efficiency enhancement program to improve profitability. Restructuring costs of completing the program are expected to amount to about SEK 440 M over a four-year period.

The fourth quarter was charged with SEK 8 M and a total of SEK 123 M was expensed in 2013. Restructuring costs for 2014 is expected to amount to approximately SEK 60 M.

One restructuring activity that was scheduled for the fourth quarter of 2013 was postponed until the first quarter of 2014. The activity mainly comprises component manufacturing that is being outsourced to external suppliers and a reorganization of Research and Development and Project Management to a more function-based, global organization. In mid-January 2014, employees in the business area were informed that about 100 positions in Getinge and Växjö will be affected by the change. Of these, an as yet unspecified number of employees will be offered positions within the new global functions.

Product launches – a new generation of sterilizers
The first model in the business area's new generation of sterilizers, the GSS67, was launched in November at MEDICA, the world's largest fair for the hospital industry. The GSS67 received excellent reviews from customers and industry experts alike. It is the first sterilizer based on the modularized platform, which will comprise the base for the business area's future sterilization offering and will thus replace the existing product range. The platform can be tailored to the customer's requirements and preferences while retaining effective production and quality control.

During the quarter, the business area also introduced a new patent-pending user interface, Centric. Centric will be applied in several of the business area's product lines in the future and will provide the maximum user-friendliness, including effective control, guidance for the user and enhanced safety.

Sales of the new GSS67 sterilizer and Centric are scheduled to commence in the second half of 2014.

Other information

Getinge's head office relocated to Gothenburg
As earlier communicated, Getinge Group will relocate its head office to Gothenburg. The new head office will be located at Lindholmen.The office building is next door to the Lindholmen Science Park, which is an international meeting place for researchers, students, and industry and government organisations. The location offers great opportunity for Getinge to expand in line with the vision and the new strategy

The relocation will take place in early April and affect about 20 employees.

Accounting

This year-end 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 in 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 performance of the Group or Parent Company. More extensive disclosure requirements for financial instruments were included in this report under a special header on page 9.

Dividend

The Board and the CEO propose a dividend for 2013 of SEK 4.15 per share (4.15), a combined total of SEK 989 M (989). The proposed record date is March 25, 2014. Euroclear expects to distribute the dividend to shareholders on March 28, 2014.

Annual General Meeting

Getinge AB's Annual General Meeting will be held at 2:00 p.m. on March 20, 2014 in Kongresshallen, at the Hotell Tylösand, in Halmstad, Sweden.

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 minimize 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.

Healthcare suppliers run a risk, like other players in the healthcare industry, of being subject to claims relating to product liability and other legal claims. Such claim can involve large amounts and significant legal expenses. A comprehensive insurance program is in place to cover any property or liability risks (e.g. product liability) to which the Group is exposed.

Financial risk management. Getinge is exposed to a number of financial risks in its operations. “Financial risks” refers 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 (first quarter of 2014) will be published on April 16, 2014.

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 5065 3936
UK: +44 (0) 20 3427 1906
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Code: 8105339

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 telephone conference can be accessed for five working days at the following number:
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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, January 28, 2014

Carl Bennet *Chairman*	Henrik Blomdahl	Johan Bygge
Cecilia Daun Wennborg	Tomas 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. This report has not been audited by Getinge's auditors.

Consolidated income statement

SEK million	2013 Q 4	2012 Q 4	Change	2013 12 mon	2012 12 mon	Change
Net sales	**7 757**	7 816	-0,8%	**25 287**	24 248	4,3%
Cost of goods sold	**-3 656**	-3 792	-3,6%	**-12 163**	-11 544	5,4%
Gross profit	**4 101**	4 024	1,9%	**13 124**	12 704	3,3%
Gross margin	*52,9%*	*51,5%*	*1,4%*	*51,9%*	*52,4%*	*-0,5%*
Selling expenses	**-1 428**	-1 449	-1,4%	**-5 642**	-5 452	3,5%
Administrative expenses	**-667**	-666	0,2%	**-2 599**	-2 405	8,1%
Research & development costs [1]	**-160**	-142	12,7%	**-619**	-598	3,5%
Acquisition expenses	**-1**	-36		**-13**	-44	
Restructuring and integration costs	**-53**	-156		**-401**	-184	
Other operating income and expenses	**67**	16		**-102**	-15	
Operating profit [2]	**1 859**	1 591	16,8%	**3 748**	4 006	-6,4%
Operating margin	*24,0%*	*20,4%*	*3,6%*	*14,8%*	*16,5%*	*-1,7%*
Financial Net, SEK	**-150**	-144		**-595**	-570	
Profit before tax	**1 709**	1 447	18,1%	**3 153**	3 436	-8,2%
Taxes	**-468**	-388		**-858**	-905	
Net profit	**1 241**	1 059	17,2%	**2 295**	2 531	-9,3%
Attributable to:						
Parent company's shareholders	**1 237**	1 055		**2 285**	2 521	
Non-controlling interest	**4**	4		**10**	10	
Net profit	**1 241**	1 059		**2 295**	2 531	
Earnings per share, SEK [3]	**5,19**	4,43	17,2%	**9,59**	10,58	-9,4%
Adjusted earnings per share	**5,83**	5,52	5,6%	**12,74**	13,23	-3,7%

1 Development costs totalling SEK million 679 (745) have been capitalised during the year, of which SEK million 180 (212) in the quarter.

2 Operating profit is charged with

— amort. Intangibles on acquired companies	***-149***	*-160*	***-604***	*-615*
— amort. intangibles	***-124***	*-110*	***-476***	*-415*
— depr. on other fixed assets	***-202***	*-200*	***-786***	*-712*
	-475	*-470*	***-1 866***	*-1 742*

3 There are no dilutions

Comprehensive earnings statement

SEK million	2013 Q 4	2012 Q 4	2013 12 mon	2012 12 mon
Net profit	**1 241**	1059	**2 295**	2 531
Items that later can be reversed in profit				
Translation differences	**288**	-136	**-8**	-759
Cash-flow hedges	**-169**	59	**309**	-36
Actuarial gains/losses pension liability	**-148**	-412	**-148**	-412
Income tax related to other partial result items	**85**	117	**-44**	142
Other comprehensive earnings for the period, net after tax	**56**	-372	**109**	-1 065
Total comprehensive earnings for the period	**1 297**	687	**2 404**	1 466
Comprehensive earnings attributable to:				
Parent Company shareholders	**1 295**	683	**2 400**	1 456
Non-controlling interest	**2**	4	**4**	10

Quarterly results

SEK million	2011 Q 4	2012 Q 1	2012 Q 2	2012 Q 3	2012 Q 4	2013 Q 1	2013 Q 2	2013 Q 3	2013 Q 4
Net sales	7 354	5 246	5 612	5 574	7 816	5 664	6 015	5 850	7 757
Cost of goods sold	-3 550	-2 492	-2 606	-2 654	-3 792	-2 717	-2 893	-2 896	-3 656
Gross profit	3 804	2 754	3 006	2 920	4 024	2 947	3 122	2 954	4 101
Operating cost	-2 144	-2 050	-2 141	-2 073	-2 433	-2 547	-2 347	-2 239	-2 242
Operating profit	1 660	704	865	847	1 591	400	775	715	1 859
Financial net	-129	-134	-149	-143	-144	-148	-149	-147	-150
Profit before tax	1 531	570	716	704	1 447	252	626	568	1 709
Taxes	-410	-148	-186	-183	-388	-68	-169	-153	-468
Profit after tax	1 121	422	530	521	1 059	184	457	415	1 241

Consolidated balance sheet

Assets SEK million	2013 31-dec	2012 31-dec
Intangible assets	**25 176**	24 895
Tangible fixed assets	**4 341**	4 066
Financial assets	**667**	887
Stock-in-trade	**4 254**	4 060
Current receivables	**8 767**	7 759
Cash and cash equivalents	**1 148**	1 254
Total assets	**44 353**	42 921

Shareholders' equity & Liabilities		
Shareholders' equity	**16 610**	15 200
Long-term liabilities	**17 603**	17 718
Current liabilities	**10 140**	10 003
Total Equity & Liabilities	**44 353**	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 December 2013, the Group held derivatives for hedging purposes at level 2 in which the assets totalled SEK 755 M and liabilities SEK 660 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	2012
	31 Dec	31 Dec
Long-term liabilities	13 707	13 311
Current liabilities	3 603	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	0	-17 310	-17 310
Interest-rate derivatives	193	-461	-268
Fx-derivatives	562	-199	363
Total	755	-17 970	-17 215

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 +141 M at 31 December 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 Q 4	2012 Q 4	2013 12 mon	2012 12 mon
Current activities				
EBITDA	**2 333**	2 061	**5 614**	5 748
Restructuring Cost expenses	**54**	156	**401**	184
Restructuring costs paid	**-122**	-57	**-352**	-128
Adjustment for items not included in cash flow	**119**	21	**153**	43
Financial items	**-150**	-144	**-595**	-570
Taxes paid	**-218**	-286	**-859**	-966
Cash flow before changes in working capital	**2 016**	1 751	**4 362**	4 311
Changes in working capital				
Stock-in-trade	**368**	555	**-233**	-126
Current receivables	**-1 183**	-938	**-812**	-201
Current operating liabilities	**209**	89	**227**	-297
Cash flow from operations	**1 410**	1 457	**3 544**	3 687
Investments				
Acquisition of subsidiaries	**0**	-1 852	**-248**	-2 226
Capitalized development costs	**-180**	-212	**-679**	-745
Rental equipment	**-62**	-64	**-299**	-296
Investments in tangible fixed assets	**-301**	-304	**-1 004**	-959
Cash flow from investments	**-543**	-2 432	**-2 230**	-4 226
Financial activities				
Change in interest-bearing debt	**-518**	1 150	**-277**	1 040
Change in long-term receivables	**93**	103	**303**	99
Dividend paid	**0**	0	**-989**	-894
Cash flow from financial activities	**-425**	1 253	**-963**	245
Cash flow for the period	**442**	278	**351**	-294
Cash and cash equivalents at begin of the year	**1 237**	1 393	**1 254**	1 207
Translation differences	**-531**	-417	**-457**	341
Cash and cash equivalents at end of the period	**1 148**	1 254	**1 148**	1 254

Consolidated net interest-bearing debt

SEK million	2013 31-dec	2012 31-dec
Debt to credit institutions	**17 169**	17 525
Provisions for pensions, interest-bearing	**2 298**	2 111
Less liquid funds	**-1 148**	-1 254
Net interest-bearing debt	**18 319**	18 382

Changes in 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**
Dividend				-894	**-894**	-8	**-902**
Total comprehensive earnings for the period			-785	2 241	**1 456**	10	**1 466**
Closing balance on 31 December 2012	**119**	**5 960**	**-2 160**	**11 251**	**15 170**	**30**	**15 200**
Opening balance on 1 January 2013	119	5 960	-2 160	11 251	**15 170**	30	**15 200**
Dividend				-989	**-989**	-5	**-994**
Total comprehensive earnings for the period			217	2 183	**2 400**	4	**2 404**
Closing balance on 31 December 2013	**119**	**5 960**	**-1 943**	**12 445**	**16 581**	**29**	**16 610**

Key figures

	2013 Q 4	2012 Q 4	Change	2011 Q 4	2013 12 mon	2012 12 mon	Change	2011 12 mon
Orders received, SEK million	**6 931**	6 648	4,3%	6 433	**25 395**	24 416	4,0%	22 012
adjusted for currency flucs.& corp.acqs			5,9%				4,0%	
Net sales, SEK million	**7 757**	7 816	-0,8%	7 354	**25 287**	24 248	4,3%	21 854
adjusted for currency flucs.& corp.acqs			1,3%				4,2%	
EBITA before restructuring-, integration- and acquisition costs	**2 062**	1 943	6,1%	1 921	**4 766**	4 849	-1,7%	4 571
EBITA margin before restructuring-, integration and acquisition costs	**26,6%**	24,9%	1,7%	26,1%	**18,8%**	20,0%	-1,2%	20,9%
Restructuring and integration costs	**-53**	-156		-82	**-401**	-184		-136
Acquisition costs	**-1**	-36		-40	**-13**	-44		-40
EBITA	**2 008**	1 751	14,7%	1 799	**4 352**	4 621	-5,8%	4 395
EBITA margin	**25,9%**	22,4%	3,5%	24,5%	**17,2%**	19,1%	-1,9%	20,1%
Earnings per share after full tax, SEK	**5,19**	4,43	17,2%	4,69	**9,59**	10,58	-9,4%	10,61
Adjusted earnings per share	**5,83**	5,52	5,6%		**12,74**	13,23	-3,7%	
Number of shares, thousands	**238 323**	238 323		238 323	**238 323**	238 323		238 323
Interest cover, multiple					**6,9**	7,3	-0,4	8,4
Operating capital, SEK million					**32 526**	31 920	1,9%	26 453
Return on operating capital, per cent					**12,8%**	13,1%	-0,3%	15,3%
Return on equity, per cent					**14,4%**	17,0%	-2,6%	18,2%
Net debt/equity ratio, multiple					**1,10**	1,21	-0,11	1,17
Cash Conversion	**60,4%**	70,8%	-10,4%	59,6%	**63,1%**	64,1%	-1,0%	65,1%
Equity/assets ratio, per cent					**37,4%**	35,4%	2,0%	35,3%
Equity per share, SEK					**69,60**	63,70	9,3%	61,30

Five-year review

SEK million	2013 31-dec	2012 31-dec	2011 31-dec	2010 31-dec	2009 31-dec
Net Sales	25 287	24 248	21 854	22 172	22 816
Profit before tax	2 295	2 531	2 537	2 280	1 914
Earnings per share	9,59	10,58	10,61	9,55	8,02

Income statement for the Parent Company

SEK million	2013 Q 4	2012 Q 4	2013 12 mon	2012 12 mon
Administrative expenses	**-37**	-15	**-150**	-114
Operating profit	**-37**	-15	**-150**	-114
Financial net	**440**	1 214	**791**	2 281
Profit after financial items	**403**	1 199	**641**	2 167
Profit before tax	**403**	1 199	**641**	2 167
Taxes	**-110**	282	**-119**	-6
Net profit	**293**	1 481	**522**	2 161

Balance sheet for the Parent Company

Assets SEK million	2013 31-dec	2012 31-dec
Tangible fixed assets	**36**	38
Shares in group companies	**22 410**	7 605
Deferred tax assets	**32**	23
Receivable from group companies	**10 518**	30 929
Short-term receivables	**39**	32
Liquid funds	**0**	32
Total assets	**33 035**	38 659

Shareholders' equity & Liabilities		
Shareholders' equity	**9 068**	9 570
Long-term liabilities	**13 347**	13 059
Liabilities to group companies	**6 934**	11 728
Current liabilities	**3 686**	4 302
Total Equity & Liabilities	**33 035**	38 659

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

Income statement

At the end of the period, receivables and liabilities in foreign currencies were measured at the closing date exchange rate and an exchange-rate gain of SEK 1,294 M (579) was included in net financial income for the period.

Acquisitions in 2013

STS East LLC
During the first quarter of 2013, Infection Control acquired the US company STS East LCC which generates sales of SEK 25 M and has 17 employees. The total purchase consideration was about SEK 29 M.

Acquired net assets

SEK M	Net assets	Assets and liabilities at the time of acquisition	Adjustment to fair value	Fair value
	Intangible fixed assets	0	3	3
	Inventories	2	0	2
		2	**3**	**5**
	Goodwill			24
	Total acquisition including cash and cash equivalents			**29**
	Net outflow of cash and cash equivalents due to the acquisition			**29**

The operation is included in Getinge´s sales and income statement as of 1 January 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 93 M, of which SEK 63 M was paid upon acquisition.

Acquired net assets

SEK M	Net assets	Assets and liabilities at the time of acquisition	Adjustment to fair value	Fair value
	Intangible fixed assets	0	20	20
	Tangible fixed assets	4		4
	Inventories	4		4
	Other current assets	10		10
	Provisions	0	-3	-3
	Current liabilities	-10	-30	-40
		8	**-13**	**-5**
	Goodwill			68
	Total acquisition including cash and cash equivalents			**63**
	Net outflow of cash and cash equivalents due to the acquisition			**63**

The operation is included in Getinge´s sales and income statement as of 1 April 2013

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	Adjustment to fair value	Fair value
	Intangible fixed assets	0	32	32
	Financial assets	26		26
	Tangible fixed assets	1		1
	Inventories	1		1
	Provisions	0	-13	-13
	Current liabilities	-1	-26	-27
		27	**-7**	**20**
	Goodwill			136
	Total acquisition including cash and cash equivalents			**156**
	Net outflow of cash and cash equivalents due to the acquisition			**156**

The operation is included in Getinge´s sales and income statement as of 1 April 2013

Definitions

Adjusted profit	Net profit adjusted for acquisition expense, restructuring and integration cost and amortization of intangibles on acquired companies with consideration of the tax effect on all items.
Cash conversion	Cash flow from operating activities as a percentage of EBITDA.
EBIT	Operating profit.
EBITA	Operating profit before amortization of intangible assets identified in conjunction with corporate acquisitions.
EBITDA	Operating profit before depreciation and amortization.