INTERIM REPORT FOR Q1 2009/10

1 October - 31 December 2009

Company announcement no. 05-2009/10

POSITIVE DEVELOPMENT IN REVENUE AND RESULTS CONTINUES

With growth in revenue of 7% when measured in local currencies in Q1 2009/10, Ambu is winning market share and developments remain positive for the company. The operating profit, EBIT, for Q1 was DKK 18.7m against DKK 15.3m for the same period last year, up 22%. The EBIT margin was 9% against 7% for the same period last year. Ambu achieved significantly higher growth than the estimated general market growth in Europe of 3-5%. In the USA where market growth stood at 1-3%, revenue increased by 11% when measured in the local currency. The outlook for 2009/10 (before special items relating to the pending patent cases) remains of revenue of approx. DKK 900-925m and an EBIT margin of 12-12.5%

"We are very pleased that Ambu is seeing continued growth, winning market share in the current economic climate and increasing earnings. Despite intensifying competition, Ambu has markedly increased its gross margin to 53.1%.
We believe that Ambu has considerable scope for seeing continued growth. The many initiatives springing from our new GPS Four strategy, especially within product development, sales and streamlining, are visibly impacting our revenue and earnings. The relocation of production from Denmark to Malaysia is going according to plan and will further increase Ambu's competitive edge within electrodes," says Lars Marcher, President & CEO of Ambu.

Highlights

- Revenue for Q1 amounted to DKK 213.0m against DKK 208.6m in Q1 2008/09 corresponding to an increase of 2%, or 7% when measured in local currencies.

- In Europe, the highest growth in revenue in Q1 was seen in Region UK where it stood at 12%, and in Region Central, which comprises Germany, Austria and Switzerland, where growth of 10% was achieved. In the USA, growth was 11% when measured in the local currency and relative to Q1 2008/09.

- Both within Airway Management and Patient Monitoring & Diagnostics, revenue was up 13% in Q1 when measured in local currencies. Within Emergency Care, revenue declined by 4% when measured in local currencies relative to Q1 2008/09.

- The operating profit (EBIT) for Q1 was DKK 18.7m against DKK 15.3m for the same period last year.

- The profit before tax was DKK 17.0m in Q1 against DKK 16.7m for the same period last year. The profit before tax for Q1 was impacted by a negative foreign currency translation adjustment of DKK 0.3m against a positive translation adjustment of DKK 3.2m for the same period last year.

- Cash flows from operating activities amounted to DKK -1.1m in Q1 against DKK -1.4m for the same period last year. The available cash flow for Q1 was DKK -14.5m after investments of DKK 13.5m

Outlook for 2009/10

- For FY 2009/10 as a whole (1 October 2009 - 30 September 2010), revenue is still expected to be in the range of DKK 900-925m, while the EBIT margin is expected to be in the range of 12-12.5% before special items relating to the pending patent cases. Moreover, the company still expects a free cash flow in the region of DKK 60m before acquisitions.

Conference call

A conference call and webcast on this announcement will be held in Danish on Tuesday, 9 February 2010, at 11 am Danish time. To participate, please call the following number five minutes before the start of the conference: +45 32 71 47 67. The conference can be seen via link http://webcast.zoomvision.se/denmark/clients/ambu/100209_eng/ or on the Ambu website www.ambu.com. The conference will subsequently be made available on the Ambu website.

Contact

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Ambu develops, produces and markets diagnostic and life-supporting devices to hospitals and rescue services. Ambu has three business areas: Airway Management, Patient Monitoring & Diagnostics and Emergency Care. The primary products are ventilation products for artificial respiration and electrodes for ECG recordings and neurophysiological examinations as well as manikins for first-aid training. Ambu's products are marketed worldwide. Exports account for 98% of revenue, and sales are handled via Ambu's foreign subsidiaries or via distributors. Ambu has approx. 1,600 employees, of whom 300 work in Denmark and 1,300 abroad.

FINANCIAL HIGHLIGHTS

DKKm		Q1 2009/10	Q1 2008/09	FY 2008/09
Key figures	Revenue	213	209	877
	EBITDA before special items	33	32	167
	Operating profit (EBIT) before special items	19	19	110
	Operating profit (EBIT)	19	15	76
	Net financials	(2)	1	(3)
	Profit before tax (PBT)	17	17	74
	Net profit for the period	13	12	56
	Total assets, end of period	811	782	782
	Equity, end of period	482	453	480
	Share capital	119	119	119
	Investments in non-current assets and acquisitions	13	45	96
	Depreciation, amortisation and impairment losses on non-current assets	14	13	56
	Cash flows from operating activities	(1)	(1)	113
	Free cash flow	(15)	(45)	18
	Average no. of employees	1,635	1,569	1,608
Ratios	EBITDA margin before special items, %	15.4	15.1	19.0
	EBIT margin before special items, %	9.0	8.9	12.6
	Return on assets, %	9.2	7.8	14.1
	Return on equity, %	10.6	10.7	12.0
	Equity ratio, %	59	58	61
	Profit per DKK 10 share	1.08	1.03	4.73
	Cash flow per DKK 10 share	(0.10)	(0.08)	9.51
	Equity value of shares	41	38	40
	Share price at year-end	108	68.0	110
	Listed price/equity value	2.7	1.8	2.7
	P/E ratio	25	17	23
	CAPEX, %	6.3	21.6	10.9
	ROIC, %	8.6	7.3	13.4
	NIBD/EBITDA	1.1	1.6	0.7

The figures for Q1 have not been audited.

The interim report for Q1 2009/10 is presented in accordance with IAS34 and additional Danish disclosure requirements for the interim reporting of listed companies. The accounting principles applied are consistent with the principles applied in the 2008/09 annual report with the exception of the capitalisation of borrowing costs and the changed presentation of segment information.

The capitalisation of borrowing costs is calculated as from 1 October 2009, the effect thereof being DKK 0m in Q1 2009/10. Information about reportable operating segments is provided in accordance with the internal reporting to the Board of Management.

The ratios have been calculated in accordance with The Danish Society of Financial Analysts' "Recommendations and Financial Ratios 2005".

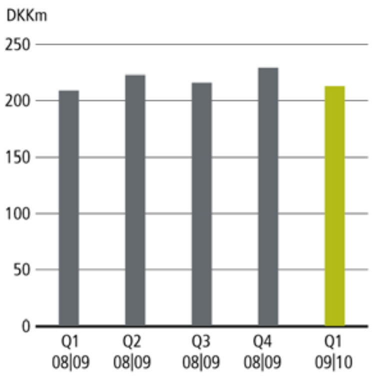
The company's financial year runs from 1 October to 30 September.

MANAGEMENT'S REVIEW FOR Q1 2009/10

DEVELOPMENTS IN Q1 2009/10

Revenue continued to develop positively in Q1. Organic growth was 7% when measured in local currencies, which is satisfactory and exceeds the estimated market growth of 3-5%. The positive development in US activities continues, with growth of 11% being reported, while in Europe growth was 9%.

Revenue by quarter



Revenue in other markets, including Asia, declined by 36% or DKK 5.2m. Sales in these markets are to a large extent based on tenders, and the fall is attributable to lower project sales, especially in the Middle East. The fall does not reflect a general trend.

In Q1, Ambu continued to focus on activities which will strengthen product development, intensify sales and further streamline the company. Moreover, focused efforts have gone into identifying potential candidates for acquisition.

GPS1: Innovation – products and product development

The objective of the innovation strategy is that Ambu can regularly introduce new and exciting products to the market. In Q1, the single-use videoscope aScope was launched in markets outside the USA, and the launch in the USA is expected to take place later in the year. Moreover, a European version of the single-use ventilation bag has been launched as well as a wireless manikin for first-aid training. The work on implementing a global innovation organisation has started, and the development organisation in China has been organised and tailored to handle the development of products which are manufactured in China. The establishment of the development organisation in Malaysia commenced in Q1. Moreover, a strengthening of competencies within Intellectual Properties has been initiated.

GPS2: Markets and sales

The merger of the former sales areas to form new and larger sales territories as part of a streamlining process has been completed. Territory Americas comprises the USA, territory UK comprises England, Scotland and Ireland, territory Central comprises Germany, Austria and Switzerland, territory West comprises France, the Netherlands and Belgium, territory South comprises Spain, Italy and Portugal, and territory NEM comprises Scandinavia, Australia and the distributor markets.

An expansion of the sales force in the USA and the UK in 2008/09 is producing the expected results.

A decision has been made to expand sales activities through the establishment of a branch in Poland in Q2 2009/10 as Poland is one of the growing East European markets.

GPS3: Efficiency

The new forecasting and planning system within logistics, which is designed to improve sales forecasting and streamline production and inventory planning, is working as expected and is helping to increase efficiency.

Roll-out of the group's ERP system in Ambu USA is progressing according to plan and will be completed in February 2010. The group's ERP system will then be implemented in the other sales regions.

The implementation of a PLM (Product Lifecycle Management) system, which will help increase efficiency in the global development function and ensure easy access to product documentation, is progressing according to plan, and phase one of the project is expected to be completed in summer 2010.

Phase one of the transfer of electrode production from Denmark to Malaysia is progressing according to plan. The product areas being transferred during this phase account for 6% of Ambu's annual revenue. Phase one of the transfer is expected to be completed in Q2 2009/10. The remaining Danish production will be transferred in 2011.

Ongoing streamlining is taking place at the factories in China, Malaysia and Denmark with a view to increasing profitability.

GPS4: Acquisitions

Ambu is engaging in an ongoing dialogue with potential candidates for acquisition, as regards both the acquisition of product areas and the acquisition of entire companies. Ambu's focus is primarily on activities which can strengthen its position within single-use products for the hospital sector.

COMMENTS ON THE FINANCIAL STATEMENTS FOR Q1

Income statement

Revenue

Total revenue for Q1 was DKK 213.0m against DKK 208.6m in Q1 2008/09 – corresponding to an increase of 2% (7% when measured in local currencies).

The development in exchange rates in Q1 has had a negative impact on revenue of DKK 9m relative to last year. The effect of exchange rate fluctuations is due to the fall in USD and GBP exchange rates.

Revenue by business area:

DKKm	Q1 2009/10	Q1 2008/09	Growth in DKK, %	Growth in local currencies, %
Airway Management	40.5	37.5	8	13
Patient Monitoring & Diagnostics	100.5	92.3	9	13
Emergency Care	72.0	78.8	(9)	(4)
Total	**213.0**	**208.6**	**2**	**7**

Within Airway Management, growth in revenue of 13% was recorded in Q1 when measured in local currencies and of 8% when measured in DKK. Market share is still being won within the product area of laryngeal masks.

Within Patient Monitoring & Diagnostics, growth in revenue of 13% was recorded in Q1 when measured in local currencies and of 9% when measured in DKK. Neurology has seen strong growth – among other things thanks to strong growth within sales of the needle electrodes which were launched in 2008/09 and within sales of surface electrodes which are used for sleep studies. The product areas within Sleep, which were acquired in 2008/09, are developing satisfactorily, even though they have been affected by a decline in the number of examinations due to the economic situation in the USA.

In Q1 2009/10, revenue within Emergency Care fell by 4% when measured in local currencies and by 9% when measured in DKK. Sales of the portfolio of resuscitation bags have grown, while sales of manikins for first-aid training and neck collars have fallen. The reasons for this are the postponement of project sales, especially in the Middle East, and also a postponement of sales of neck collars in the USA. Ambu has launched a new wireless training manikin, which has within a very short time taken over some of the sales within this product area.

Geographical breakdown of revenue:

DKKm	Q1 2009/10	Q1 2008/09	Growth in DKK, %	Growth in local currencies, %
USA	62.8	64.1	(2)	11
Europe	140.8	129.9	8	9
Rest of the world	9.4	14.6	(36)	(36)
Total	**213.0**	**208.6**	**2**	**7**

USA
Total revenue in the USA rose by 11% in Q1. This significantly exceeds market growth, and means that market share is being won. The highest growth has been seen within Patient Monitoring & Diagnostics, with market share being won within both Cardiology and Neurology as well as Sleep.

Europe
Revenue in Europe was up 9% in Q1. Double-digit growth rates were seen in Regions UK and Central of 12% and 10%, respectively. In Regions West and South, growth of 7% was recorded. Revenue in Region NEM fell by 7%, primarily as a result of project sales and sales to humanitarian aid organisations being lower this year than last year. However, no key customers or market shares have been lost.

Rest of the world
Revenue in the rest of the world fell by DKK 5.2m or 36%. Sales in this area are to a very large extent based on tenders, and the fall in revenue is attributable to lower project sales, especially in the Middle East.

Gross profit
For Q1 2009/10, a gross profit of DKK 113.1m was returned against DKK 104.8m in Q1 2008/09.
The gross profit margin was 53.1 against 50.2 in Q1 2008/09. The primary reasons for the increase in gross profit margin are an increase in productivity, a fall in logistics costs and the fact that last year's gross profit was impacted by an order with a low contribution margin.

Costs
The group's selling, development and management costs and administrative expenses were DKK 93.9m in Q1 against DKK 86.0m in Q1 2008/09. The primary reasons for the increase in the group's costs and expenses are an expansion of the sales force in 2008/09, the commencement of direct sales in Australia and costs incidental to the launch of the new product aScope.

Special items
In Q1, special items include non-recurring items of DKK 0.5m in the form of legal fees in connection with the pending patent cases. In Q1 2008/09, the item included non-recurring items incidental to organisational streamlining of DKK 2m and legal fess of DKK 1.5m

EBIT
The operating profit (EBIT) before special items amounted to DKK 19.2m in Q1 against DKK 18.8m for the same period last year, corresponding to an EBIT margin of 9%.

The operating profit (EBIT) was DKK 18.7m against DKK 15.3m for the same period last year.

Net financials
Net financials for Q1 took the form of financial expenses of DKK 1.7m against financial income of DKK 1.4m in Q1 2008/09. The reason for the increased financial expenses was a negative foreign exchange translation adjustment of DKK 0.3m in Q1 2009/10 against a positive translation adjustment of DKK 3.2m for the same period last year. Interest expenses have been reduced.

Net profit for the period
The net profit for Q1 totalled DKK 12.8m against DKK 12.1m in Q1 2008/09.

Balance sheet

At the end of Q1, the balance sheet total amounted to DKK 811m, corresponding to an increase of DKK 29m relative to the end of 2008/09.

Non-current assets are unchanged, as depreciation and amortisation have been on a par with investments.

Current assets rose by DKK 32m compared to the end of the last financial year. Inventories increased by DKK 13m, primarily due to the building-up of buffer inventories in connection with the transfer of production – accounting for approx. DKK 10m – and the building-up of inventories of the new product aScope to the tune of approx. DKK 3m. Receivables are up DKK 7m compared with the end of 2008/09, which is due exclusively to a postponement of orders. Moreover, cash and cash equivalents increased by DKK 12m.

The cash situation, including credit facilities, remains satisfactory.

Non-current liabilities remain largely unchanged compared to the end of the last financial year.

All in all, current liabilities were up DKK 28m compared to the end of the last financial year.

Unutilised credit facilities amounted to approx. DKK 90m at the end of Q1.

Cash flows

Cash flows from operating activities amounted to DKK -1.1m in Q1 against DKK -1.4m in Q1 2008/09.

Cash flows from operating activities are negatively affected by a change in working capital of DKK 32m. Inventories are up DKK 13m due to the building-up of inventories in connection with the transfer of production and the building of inventories of aScope. Trade receivables are up DKK 3m. Trade payables and other payables fell by DKK 12m, of which an amount of DKK 9m is attributable to the expiry of the temporary extension granted in respect of the payment of VAT in Denmark.

In Q1, Ambu recorded a free cash flow of DKK-14.5m against DKK -4.9m before acquisitions for the same period last year. As mentioned above, the primary reasons for the negative free cash flow are negative cash flows from operating activities of DKK -32m, and net investments of DKK 13.5m.

Net investments primarily comprise investments in development projects, investments in the furnishing of premises in Malaysia, in machinery and equipment and investments in IT.

Patent cases

Patent case in the USA

The appeal case brought by LMA has commenced and is expected to be decided at the end of 2010.

Patent cases in Europe

In February 2008, the European Patent Office (EPO) decided to invalidate LMA's patent in Europe. LMA has lodged an appeal against this decision, and the appeal is not expected to be decided until mid-2010.

As announced earlier, the case concerning the possible violation of LMA's German utility model patent was won by Ambu. LMA has asked the German Supreme Court to consider the case, and a decision as to whether this request will be granted is expected in the course of 2010.

OUTLOOK

Ambu still expects revenue in the region of DKK 900-925m in FY 2009/10.

The EBIT margin for the year is still expected to be 12-12.5% before special items in connection with the pending patent cases.

The outlook for revenue and earnings is based on an average USD exchange rate of 500 and an average GBP exchange rate of 840. In Q1, the average exchange rates were 503 and 823, respectively. The impact of the exchange rate fluctuations on EBIT is marginal. Ambu is continuing to focus on its cash flow in 2009/10. In 2009/10, a free cash flow in the region of DKK 60m before acquisitions is expected.

Forward-looking statements

Forward-looking statements, especially such as relate to future sales and operating profit, are subject to risks and uncertainties. Various factors, many of which are outside Ambu's control, may cause the actual development to differ materially from the expectations contained in this report. Factors that might affect such expectations include, among others, changes in health care, in the world economy and in exchange rates.

Financial calendar

Financial calendar 2009/10:

5 May	2010	Interim report Q2 2009/10
25 August	2010	Interim report Q3 2009/10
30 September	2010	End of FY 2009/10
24 November	2010	Annual Report 2009/10

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD ON THE INTERIM REPORT

On this day, the Board of Directors and the Executive Board have considered and approved the interim report of Ambu A/S for the period 1 October 2009 to 31 December 2009.

The interim report is presented in accordance with IAS 134 on Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for the interim reporting of listed companies.

We consider the accounting policies applied to be appropriate, and in our opinion the interim report provides a true and fair view of the group's assets, liabilities and financial standing as at 31 December 2009 as well as of the results of the group's activities and cash flows in the period 1 October 2009 - 31 December 2009.

We further consider that the management's review (pp. 1-9) gives a true and fair view of the development in the group's activities and financial affairs, the profit for the period and the group's financial position as a whole as well as a description of the most significant risks and uncertainties to which the group is subject.

Ballerup, 9 February 2010

Executive Board

Lars Marcher
President & CEO

Board of Directors

N. E. Nielsen Chairman	Bjørn Ragle	Jørgen Hartzberg
Anne-Marie Jensen	Torben Ladegaard	Hanne-Merete Lassen
Anne Blanksø-Pedersen	John Stær	Anders Williamsson

Income statement

DKKm	Q1 2009/10	Q1 2008/09	FY 2008/09
Revenue	213.0	208.6	876.9
Production costs	(99.9)	(103.8)	(416.3)
Gross profit	**113.1**	**104.8**	**460.6**
%	*53.1*	*50.2*	*52.5*
Cost of sales	(49.1)	(43.8)	(184.3)
Development costs	(7.8)	(7.7)	(29.3)
Management and administration	(35.9)	(33.7)	(133.0)
Other operating expenses	(1.1)	(0.8)	(3.7)
Operating profit (EBIT) before special items	**19.2**	**18.8**	**110.4**
%	*9.0*	*9.0*	*12.6*
Special items	(0.5)	(3.5)	(34.0)
Operating profit (EBIT)	**18.7**	**15.3**	**76.4**
Net financials	(1.7)	1.4	(2.7)
Profit before tax (PBT)	**17.0**	**16.7**	**73.7**
Tax	(4.2)	(4.6)	(17.9)
Net profit for the period	**12.8**	**12.1**	**55.8**
Profit per share in DKK			
Earnings per share (EPS)	1.08	1.02	4.73
Diluted earnings per share (EPS-D)	1.08	1.02	4.73

Statement of total income			
Net profit for the period	12.8	12.1	55.8
Translation adjustments in foreign enterprises	3.3	(1.3)	(11.2)
Tax on translation adjustments in foreign enterprises			1.3
Adjustment to fair value for the period			
Disposal included in net financials			0.3
Addition concerning hedging instruments	(0.5)	4.0	(6.0)
Tax on hedging transactions			1.4
Total income	15.6	14.8	41.7

Balance sheet

DKKm	31.12.09	31.12.08	30.09.09
Intangible assets	221.1	211.6	220.3
Property, plant and equipment	176.6	182.5	177.6
Other non-current assets	-	5.4	3.0
Total non-current assets	**397.7**	**399.5**	**400.8**
Inventories	169.5	162.8	156.0
Receivables	214.3	197.7	207.5
Cash and cash equivalents	29.1	21.5	17.3
Total current assets	**412.9**	**382.0**	**380.8**
Total assets	**810.6**	**781.5**	**781.7**
Share capital	118.8	118.8	118.8
Reserves and retained earnings	363.2	334.5	360.9
Total equity	**482.0**	**453.3**	**479.6**
Non-current liabilities	72.0	80.1	73.5
Current liabilities	256.7	248.1	228.5
Total liabilities	**328.6**	**328.2**	**302.0**
Total equity and liabilities	**810.6**	**781.5**	**781.7**

Statement of changes in equity

DKKm	31.12.09	31.12.08	30.09.09
Equity as at 1 October	479.6	452.0	452.0
Cf. Statement of total income	15.6	14.8	41.7
Purchase of treasury shares	-	-	-
Employee option scheme	1.1	0.8	3.7
Distributed dividend	(14.3)	(14.4)	(17.7)
Equity	**482.0**	**453.3**	**479.6**

Cash flow statement

DKKm	31.12.09	31.12.08	30.09.09
Net profit for the period	12.8	12.1	55.8
Adjustments for depreciation, amortisation etc.	17.9	13.7	62.7
Changes in working capital	(31.8)	(27.2)	(5.5)
Cash flows from operating activities	**(1.1)**	**(1.4)**	**113.0**
Investments, net	(13.5)	(3.5)	(55.0)
Acquisitions	-	(40.5)	(40.5)
Free cash flow	**(14.5)**	**(45.4)**	**17.5**
Cash flows from financing activities	**26.4**	**50.6**	**(16.3)**
Changes in cash and cash equivalents	**11.8**	**5.2**	**1.3**
Cash and cash equivalents, beginning of period	17.3	16.3	16.1
Cash and cash equivalents, end of period	**29.1**	**21.5**	**17.3**

Note 1- Segment information

Management has defined the operating segments with reference to the internal reporting to the Board of Management. Revenue is the primary parameter used by the Board of Management to assess segment performance. The structural and organisational circumstances do not allow a distribution of costs between the operating segments as sales channels, customer types and the sales organisations are identical. Moreover, production processes are controlled at a general level, and production costs are therefore reported as a total figure in the internal reporting to the Board of Management.

Sales between segments are conducted at arm's length.

The Airway Management segment comprises primarily laryngeal masks, face masks for artificial ventilation and scopes.

The Monitoring & Diagnostics segment comprises single-use electrodes for cardiological and neurological examinations.

The Emergency Care segment comprises ventilation bags, neck collars and manikins for first-aid training.

Revenue

DKKm	Q1 2009/10	Q1 2008/09
Airway Management	40.5	37.5
Patient Monitoring & Diagnostics	100.5	92.3
Emergency Care	71.9	78.8
Total revenue	**213.0**	**208.6**