

Report for Q1 2007/08 (1 October - 31 December 2007)

Ambu is again seeing positive growth after a disappointing closing of FY 2006/07. Revenue in the US market was up 29% in Q1 relative to Q4 2006/07 and up 44% relative to Q1 2006/07. Total revenue increased by 19% in Q1 2007/08 when reported in local currencies, and growth is broadly based. The out look for 2007/08 is unchanged.

"I am extremely happy that after the first quarter of the new financial year, we are again reporting growth in revenue. We have worked hard to get US revenue back on track. Through intense targeting of our US customers, we have ensured continued sales of Ambu products at normal prices. In Q1 we made a number of changes to our organisation which are intended to lead to increases in speed and efficiency, especially within development and marketing. This will contribute to achieving the desired growth," says Kurt Erling Birk, President & CEO.

- Revenue for Q1 amounted to DKK 187.4m against DKK 163.7m in Q1 2006/07 – corresponding to an increase of 14% or 19% when reported in local currencies.
- The highest growth was seen in the USA, where revenue was up 44% relative to Q1 2006/07. As expected, many customers have decided to continue trading with Ambu despite the decision towards FY 2006/07 not to go ahead with sales at special discounts.
- In Q1, revenue within the business areas Respiratory Care, Cardiology and Neurology increased by 17% (21% when reported in local currencies).
- Operating profit (EBIT) for Q1 was DKK 16.4m against DKK 9.3m for the same period last year, up 76%. A substantial improvement has thus been achieved despite the legal costs incidental to the pending patent cases.
- Profit before tax for Q1 was DKK 12.7m against DKK 5.5m for the same period last year.

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- In the period 1 October 2007 - 31 December 2007, free cash flow amounted to DKK 16.1m against DKK -2.3 for the same period last year. The most important reason for the higher free cash flow is the improved operating profit and lower investments than for the same period in 2006/07.
- For FY 2007/08 (01 October 2007 - 30 September 2008) as a whole, revenue is still expected to be in the region of approx. DKK 750m with an EBIT margin of 11.5-12%. A cash flow in the region of DKK 45m is expected.

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Conference call

Conference call and webcast on this release will be held on 29 January 2008, at 11 am Danish time. To participate, please call tel. +45 32 71 47 67 five minutes before the start of the conference. The conference can be followed via the link <http://webcast.zoomvision.se/denmark/clients/ambu/080129/> or on the Ambu website www.ambu.com. The conference will subsequently be made available on the Ambu website.

Ambu develops, produces and markets diagnostic and life-supporting devices to hospitals and rescue services. Ambu has five business areas: Respiratory Care, Cardiology, Neurology, Training and Immobilization. The most important business areas are Respiratory Care, Cardiology and Neurology, and the most important products in these areas are ventilation products for artificial respiration and single-use electrodes for ECG recordings and neurophysiological examinations. Ambu's products are sold worldwide. Exports account for 98% of sales, and sales are handled via Ambu's foreign subsidiaries or via distributors. Ambu has approx. 1,220 employees, of whom approx. 300 work in Denmark and approx. 920 abroad.

Financial highlights

DKKm		Q1 2007/08	Q1 2006/07	FY 2006/07
Key figures	Revenue	187	164	715
	Operating profit (EBIT)	16	9	69
	Profit before tax (PBT)	13	6	54
	Net profit for the period	10	4	43
Total assets at year-end		679	675	681
Equity at year-end		411	378	418
Share capital		119	118	119
Investments in non-current assets and acquisitions		3	12	56
Depreciation of and impairment losses on non-current assets		11	11	41
Cash flows from oper. activities		20	10	90
Free cash flow		16	(2)	33
Average no. of employees		1,219	1,213	1,216
Ratios	EBITDA margin, %	14.4	12.2	15.5
	EBIT margin, %	8.8	5.7	9.7
	Return on assets, %	9.7	5.5	10.2
	Return on equity, %	9.5	4.2	10.6
	Equity ratio, %	61	56	61
	Profit per DKK 10 share	0.83	0.34	3.62
	Cash flow per DKK 10 share	1.70	0.85	7.54
	Equity value of shares	35	32	35
	Share price at year-end	69	109.0	87
	Listed price/equity value	2.0	3.4	2.5
	P/E ratio	21	80	24
	CAPEX, %	1.6	7.4	7.8
	ROIC, %	8.1	4.7	9.1

The figures for Q1 have not been audited.

The report for Q1 2007/08 has been presented in accordance with IAS 34 as well as additional Danish requirements for the interim financial reporting of listed companies. The report has been prepared in accordance with the same accounting policies as the 2006/07 Annual Report.

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

The company's financial year is 1 October - 30 September.

Developments in Q1 2007/08

Ambu has had a good start to FY 2007/08, and considerable focus has gone into bringing developments in the US market back on track following the decision towards the end of 2006/07 not to go ahead with specially discounted sales. Following the continued targeting of customers, most customers have continued trading with Ambu in Q1.

To boost growth in revenue, a number of initiatives were introduced at the end of 2007 which are to contribute to streamlining portfolio management, the development model and a number of internal processes. In Q1 these activities were translated into a number of specific changes.

Change of development department and development model

It is an important aim for Ambu to be able to market more brand new products and also to ensure the speedier development of these products. As a result, a number of important changes are being made to the development department and the product development model.

<p>New Platform Innovation New products within existing business areas</p>	<p>New Product Innovation New family members and new generations of existing products</p>	<p>Local R&D Improvements and variants of existing products</p>
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In the development department in Denmark, a new organisational unit called New Platform Innovation has been established; the new unit is charged with developing brand new products for the existing business areas. The ambition for this group is to launch a brand new product every year from 2008/09. The existing development group in Denmark, New Product Innovation, is maintained, but will in future focus on developing new members for the existing product families and on developing new generations of existing products. These development units are based in Denmark, the common denominator for the activities being that they require close customer contact and close collaboration with the marketing function.

Local development units are also being set up in connection with the production units in Denmark, Malaysia and China. These local units focus on developing product variants, including new sizes of existing products, on improving existing products and on engaging in cost price-reducing activities. Common to these activities is that the product has to a very large extent been specified, while the physical proximity to production enables a fast and efficient development process. In China, the development unit has been established and is up and running. The local units in Malaysia and Denmark will be set up within the coming 6-12 months.

As a result of these changes, the individual development units will be focusing on specific jobs, leading to more and faster and more efficient development processes.

To support the organisational changes and ensure faster development processes, the development model will to a larger extent be tailored to the different types of development activities. At the same time, work is going into ensuring that documentation activities can be undertaken in a more expedient way. These changes will be introduced in Q2 and Q3 2007/08 and will be implemented in the course of H2 2007/08.

Changes within sales and marketing

Q1 saw the continued focusing of sales efforts on individual product groups by the sales organisations in the various countries, and this has resulted in increasing growth within the business activities Neurology and Cardiology.

More focus is also being directed at major customers with a view to strengthening sales to these segments.

Marketing has been reorganised with a view to ensuring a substantial increase in the number of new ideas generated and thereby in the number of products with considerable sales potential being launched.

Product development and new products

Having launched six new products in H2 2006/07, focus in H1 2007/08 will be on initiating new development activities. The remaining part of the 2007/08 financial year will see the launch of 2-3 improved products or new variants within all five business areas.

The products launched in 2006/07 have generally been positively received by the market, and growth in the sales of these products is satisfactory.

Comments on the financial statements for Q1 2007/08

Income statement

Revenue

Revenue for Q1 amounted to DKK 187.4m against DKK 163.7m in Q1 2006/07 – corresponding to an increase of 14% or 19% when reported in local currencies.

Developments in foreign exchange rates year-to-date have resulted in a fall in revenue of DKK 8m relative to the same period last year. The average USD exchange rate year-to-date has been 515 compared with 578 for the same period last year.

Revenue within individual business areas

DKKm	Q1 2007/08	Q1 2006/07	Growth in DKK, %	Growth in local currencies, %
Respiratory Care	75.0	59.6	26	32
Cardiology	64.1	59.4	8	11
Neurology	17.6	15.3	15	20
Training	17.5	17.0	3	4
Immobilization and other products	13.2	12.4	6	16
Total	187.4	163.7	14	19

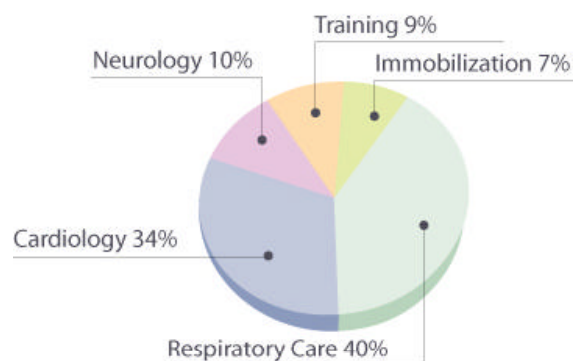
Within Respiratory Care, revenue grew by 32% in Q1 2007/08. Double-digit growth figures have been achieved in all important markets. The US market saw growth of 47%. Growth has been generated by a broad range of the product programme with a continued increase in sales of laryngeal masks, including the newly launched AuraFlex and AuraStraight.

Within Cardiology, revenue grew by 11% in Q1 2007/08. Satisfactory growth rates were recorded in all markets with the exception of France and Germany where revenue fell by 20% and 4%, respectively. New customers have been won in Italy and the UK, while sales of electrodes for diagnostic use is seeing substantial growth in Spain and the USA. Ambu has a strong position in the market with its Blue Sensor Brand and with high-quality products within this area.

Within Neurology, growth in revenue amounted to 20% in Q1 2007/08. The new needles launched in 2006/07 have attracted considerable interest. Thanks to focused sales efforts, among other things, all markets have seen double-digit growth rates except Spain and Italy where growth stood at 7% and 6%, respectively.

Revenue within Training was up 4% in Q1 2007/08. The greatest increase in revenue was seen in the well-established markets for Training products, including Germany, and in distributor sales.

Revenue within Immobilization increased by 64% in Q1, while sales of other products fell by 38%.



Revenue by geographical region

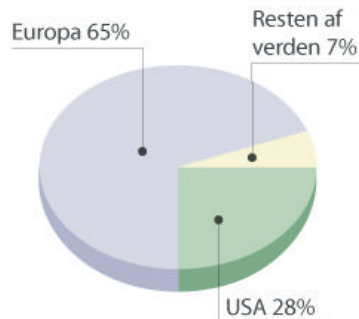
DKKm	Q1 2007/08	Q1 2006/07	Growth in DKK, %	Growth in local currencies, %
USA	52.2	40.9	28	44
Europe	122.9	112.6	9	10
Other	12.3	10.2	21	21
Total	187.4	163.7	14	19

Total revenue in the USA rose by 44% in Q1 2007/08. In line with expectations, many of the customers that Ambu decided not to grant special discounts in Q4 2006/07 continued trading with Ambu in Q1 2007/08. All business areas realised double-digit growth rates. New customers are being won within Neurology, and Cardiology has also seen growth in sales to pre-hospital customers and to some of Ambu's major distributors.

Revenue in Europe rose in Q1 by 10%, which is higher than market growth. Considerable growth has been seen within the focus areas in Spain, Italy and Germany and within direct

sales in the Nordic region. Moreover, developments were satisfactory within the most important markets for Immobilization products.

Revenue in all other markets was up 21% in Q1. Sales within this area are to a large extent



based on tenders, and the timing of calls varies from one year to the next.

Gross profit

Gross profit was DKK 101m for Q1 2007/08 against DKK 87m for Q1 2006/07.

The gross profit ratio was 53.8 for Q1 2007/08 against 53.0 for Q1 2006/07. Sales prices and unit costs are relatively stable, but the product sales mix has improved, resulting in an increase in the gross profit ratio.

Costs

The group's costs in respect of sales, development, management and administration were DKK 85m in Q1 2007/08 against DKK 78m in Q1 2006/07. The most important reason for the increase in costs of DKK 7m is an increase in capacity costs in the subsidiaries of DKK 3m as well as an increase in management and administration costs in the parent company of DKK 4m.

The increase in the subsidiaries' capacity costs is primarily attributable to increased sales costs in Germany due to an increase in the sales force and increased marketing costs in Spain due to the attendance of more major trade shows. Administration costs were also up in Malaysia.

The increase in management and administration costs in the parent company is mainly attributable to legal fees in connection with the pending patent cases as well as non-recurring consultancy fees. Developments in exchange rates have reduced the group's capacity costs for Q1 2007/08 by approx. DKK 2.5m compared to what they would have been at the exchange rates applicable in Q1 2006/07.

EBIT

The operating profit (EBIT) for Q1 2007/08 was DKK 16m against DKK 9m in Q1 2006/07 – up DKK 7m. The improvement is primarily attributable to higher revenue which has resulted in an improved gross profit.

The changes in foreign exchange rates year to date relative to last year only had a modest effect on EBIT year to date. Developments in exchange rates had an adverse effect on the EBIT margin of approx. 0.5 percentage points.

Financial items

Financial expenses for Q1 were DKK 4m, which is on a par with Q1 2006/07. Interest expenses were unchanged relative to Q1 2006/07.

Results for the period

Net profit was DKK 9.8m Q1 2007/08 against DKK 4.0m for Q1 2006/07.

Balance sheet

At the end of Q1 2007/08, the balance sheet total amounted to DKK 679m, corresponding to a fall of DKK 2m relative to the end of FY 2006/07.

Intangible assets were reduced by DKK 2m relative to the end of the last financial year due to the fact that the amortisation of development projects exceeded the investments made in Q1 2007/08.

Receivables are DKK 2m lower than at the end of 2006/07, while inventories fell by DKK 1m to DKK 128m at the end of FY 2006/07. The fall in receivables is attributable to lower revenue in December 2007/08 compared with September 2006/07.

Cash flows

Cash flows from operating activities amounted to DKK 20m in Q1 2007/08 against DKK 10m in Q1 2006/07. There was no net change in working capital compared with Q1 2006/07. The improved cash flows from operating activities are attributable to the improved results.

In Q1 2007/08 the group realised a positive free cash flow of DKK 16m against a negative free cash flow of DKK -2m in Q1 2006/07. Apart from the positive impact from the operating profit, the improvement is also due to the fact that investments totalled DKK 4m against DKK 12m in Q1 2006/07.

Court case concerning patent infringement

Since autumn 2005, Ambu has been party to a case concerning the alleged infringement of a patent.

In autumn 2005, legal proceedings were thus instituted against Ambu by the company LMA (listed on the Singapore Stock Exchange and registered on the Dutch Antilles) in Germany, the claim set up being that Ambu's laryngeal mask constitutes an infringement of a German patent for the reinforcement of the tip of the laryngeal mask. The patent is not used in LMA's own products.

Judgement in the case was passed in August 2006, and according to this, Ambu's laryngeal mask does infringe LMA's patent on the German market. Ambu has lodged an appeal against the judgement, and at the beginning of 2006 Ambu submitted an objection to the validity of LMA's patent to the European Patent Office in Munich. At the end of 2007, the court in Düsseldorf, which is handling the appeal, decided to postpone the decision in the case until the European Patent Office has made a decision on the validity of the LMA patent. The European Patent Office is expected to announce its decision in Q1 2008, while judgement in the appeal case in Germany is expected in Q2 2008.

LMA has instituted similar patent infringement cases in the Netherlands, France and the USA.

Judgement in the case in the Netherlands is expected to be passed in Q2 2008. The court in France has postponed the patent infringement case and is awaiting the decision by the European Patent Office. No time schedule has yet been planned for the case in the USA.

Ambu is contesting the claims in all the cases that the company's products constitute an infringement of LMA's patents and is contesting the scope of these.

Ambu has not lost any customers because of the court cases. As mentioned above, the court cases have, however, resulted in additional costs for patent and legal assistance in the period.

Outlook

For the remainder of 2007/08, Ambu will focus on optimising its sales and product portfolio and on improving its product development model to ensure new innovative products and faster product development.

In addition, production will be further streamlined, while the full effect of the optimisation project within purchasing is expected to be felt.

Based on the activities already launched, total revenue for FY 2007/08 is expected to increase by approx. 8% measured in local currencies and by 5% when reported in Danish kroner, corresponding to approx. DKK 750m.

Revenue for Q1 2007/08 amounted to approx. 25% of expected revenue for the year, while EBIT amounted to 18-19% of the expected EBIT for the year. The most important reason for the expected EBIT in Q1 not amounting to approx. 25% of the expected EBIT for the year as a whole is that Q1 is generally cost-consuming. Furthermore, Q1 was affected by extraordinary costs in relation to the pending patent cases as well as non-recurring consultancy fees. The gross profit ratio is expected to increase during the remainder of the year due to a better product mix and improved production efficiency.

Targeted efforts are going into evening out the quarterly fluctuations in earnings, and Q1 is showing a good trend; however, the highest revenue and earnings are still expected to be seen in the second half of the year.

Against the background of the expected increase in revenue, continued streamlining of production and focus on costs, the EBIT margin is still expected to increase further to approx. 11.5-12% in 2007/08 from approx. 9.7% in 2006/07. Profit before tax is still expected to be in the region of 10.5-11% of revenue, corresponding to approx. DKK 80m.

The outlook for revenue and earnings is based on an average USD exchange rate of 500. A change in the USD exchange rate of 50 will result in a change in revenue of approx. DKK 20m and a change in EBIT of approx. DKK 3-4m. In 2006/07, the average exchange rate was USD 560 against DKK.

In 2007/08, investments are expected to be on a par with investments in 2006/07 of DKK 56m. Investments will primarily be in the development of new products, the acquisition of process equipment and the continued implementation of the ERP system.

In 2007/08, Ambu will continue to focus on cash flow and on the company's strategic

development. In 2007/08, a free cash flow of approx. DKK 45m is expected, with investments expecting to correspond to approx. 7% of revenue.

In 2007/08, the return on invested capital (ROIC) is expected to be approx. 12%.

Forward-looking statements

The above forward-looking statements, especially those related to future sales and operating profit, are subject to uncertainties and risks. 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. Such factors include changes in health care, in the world economy and in foreign exchange rates.

Financial calendar

8 May 2008	Report for Q2 2007/08
27 August 2008	Report for Q3 2007/08
26 November 2008	Annual report 2007/08

Statement by the Board of Directors and the Executive Board on the interim financial report

Today, the Board of Directors and the Executive Board of Ambu A/S discussed and approved the report for the period 1 October 2007 - 31 December 2007.

The annual report is presented in accordance with the International Financial Reporting Standards (IAS 34) as adopted by the EU and additional Danish disclosure requirements for the interim financial reports of listed companies.

We consider the accounting policies applied to be appropriate, and in our opinion the interim financial report provides a true and fair view of the group's assets and liabilities, financial standing as well as of its results and cash flows in the period 1 October - 31 December 2007.

Ballerup, 29 January 2008

Executive Board

K. E. Birk
President and CEO

Board of Directors

N. E. Nielsen, (chair-
man)

Bjørn Ragle

Jørgen Hartzberg

Anne-Marie Jensen

Torben Ladegaard

Hanne-Merete Lassen

Kirsten Therkildsen
Søndersted-Olsen

John Stær

Anders Williamsson

Income statement

DKKm	Q1 2007/08	Q1 2006/07	FY 2006/07
Revenue	187.4	163.7	715.0
Production costs	(86.5)	(76.9)	(340.9)
Gross profit	100.9	86.8	374.1
%	53.8	53.0	52.3
Cost of sales	(40.8)	(38.2)	(152.0)
Development costs	(7.9)	(8.1)	(26.9)
Management and administration	(35.8)	(31.2)	(121.1)
Other operating expenses	-	-	(4.9)
Operating profit (EBIT)	16.4	9.3	69.2
%	8.7	5.7	9.7
Net financials	(3.7)	(3.9)	(14.8)
Profit before tax (PBT)	12.7	5.5	54.4
Tax	(2.9)	(1.5)	(11.6)
Net profit for the period	9.8	4.0	42.8
Profit per share in DKK			
Earnings per share (EPS)	0.83	0.34	3.62
Diluted earnings per share (EPS-D)	0.83	0.34	3.62

Balance sheet

DKKm	31.12.07	31.12.06	30.09.07
Intangible assets	172.3	170.6	174.2
Property, plant and equipment	176.5	173.0	182.0
Other non-current assets	-	-	3.9
Total non-current assets	348.8	343.5	360.2
Inventories	127.5	137.3	128.3
Receivables	179.6	175.0	181.7
Cash and cash equivalents	23.2	19.4	10.6
Total current assets	330.3	331.7	320.6
Total assets	679.0	675.3	680.8
Share capital	118.8	117.9	118.8
Reserves and retained earnings	292.3	259.7	299.4
Total equity	411.1	377.6	418.2
Non-current liabilities	58.4	81.7	65.1
Current liabilities	209.5	216.0	197.5
Total liabilities	267.9	297.7	262.6
Total equity and liabilities	679.0	675.3	680.8

Statement of changes in equity

DKKm	31.12.07	31.12.06	30.09.07
Equity as at 1 October	418.2	391.1	391.1
Capital increase		-	4.9
Employee option scheme	0.5	-	4.9
Foreign currency translation adjustment, foreign subsidiaries	(3.2)	(3.2)	(9.8)
Value adjustments, forward exchange contracts	0.2	(0.2)	1.9
Distributed dividend	(14.3)	(14.1)	(17.6)
Profit for the period	9.8	4.0	42.8
Equity	411.1	377.6	418.2

Cash flow statement

DKKm	31.12.07	31.12.06	30.09.07
Net profit for the year	9.8	3.0	42.8
Adjustments of depreciation and amortisation etc.	9.8	10.1	38.1
Changes in working capital	0.1	(3.3)	8.5
Cash flows from operating activities	19.7	9.8	89.4
Investments, net	(3.6)	(12.1)	(56.0)
Free cash flow	16.1	(2.3)	33.4
Cash flows from financing activities	(3.5)	6.6	(37.9)
Changes in cash and cash equivalents	12.6	4.3	(4.5)
Cash and cash equivalents, beginning of year	10.6	15.1	15.1
Cash and cash equivalents, end of year	23.2	19.4	10.6