GETINGE GROUP

Getinge Group
Interim report January – September 2014

Reporting period January – September

- **Order intake** increased 3.1% to SEK 19,042 M (18,464), and declined 0.2% organically
- **Net sales** rose 3.7% to SEK 18,184 M (17,530), and grew 0.4% organically
- **Profit before tax** declined 58.3% to SEK 602 M (1,445)
- **Net profit** declined 58.4% to SEK 439 M (1,055)
- **Earnings per share** declined 58.4% to SEK 1.83 (4.40)
- **EBITA** before restructuring declined 7.7% to SEK 2,496 (2,704)

Reporting period July – September

- **Order intake** rose 7.2% to SEK 6,414 M (5,981), and declined 0.2% organically
- **Net sales** rose 6.4% to SEK 6,225 M (5,850), and declined 0.8% organically
- **Profit before tax** declined 11.1% to SEK 505 M (568)
- **EBITA** before restructuring costs increased 1.4% to SEK 920 M (907)

Third quarter of 2014

The demand for capital equipment in emerging markets improved according to plan during the quarter, although not to the anticipated extent. At the same time, growth increased slowly in the mature markets. Given the low level of growth in organic sales during the quarter, operating profit for the Group as a whole developed in a satisfactory manner

Order intake
The trend for the Group's order intake was weak during the quarter and declined organically by 0.2%. As expected, the order intake in emerging markets improved and increased organically by more than 10% during the period. The trend for the order intake in mature markets was weak during the period, particularly with respect to Western Europe and Japan.

Teleconference with CEO Johan Malmquist and CFO Ulf Grunander
October 16, 2014 at 10:00 a.m. Swedish time
Sweden: +46 (0) 8 5033 6538
UK: +44 (0)20 3427 1907
US: +1 646 254 3367
Code: 5020860

Medical Systems' order intake improved organically by 1.6% with a healthy performance in North America and in the emerging markets, while the trend in Western Europe and Japan was weak. Extended Care's organic order intake declined 4.1% compared with the relatively strong year-earlier quarter and reported a weak trend in North America and Western Europe. Infection Control's order intake increased organically by 0.8%, with a healthy performance in Western Europe and in the BRIC countries.

Results

The Group's profit before tax was SEK 505 M (568). The period was charged with restructuring and acquisition expenses amounting to SEK 68 M (40). EBITA improved marginally and amounted to SEK 920 M (907), while the EBITA margin weakened slightly. The lower EBITA margin was due to negative currency transaction effects that amounted to SEK 66 M during the period. The organic invoicing growth declined by 0.8%.

Medical Systems' EBITA rose 14.8% to SEK 589 M (513) and the EBITA margin increased to 18.1% (16.8%), which was satisfactory considering the low organic invoicing growth. Extended Care's EBITA declined to SEK 227 M (280) and the EBITA margin weakened. The lower results were attributable to a continued unfavorable product mix and higher costs in the US operations. Infection Control's EBITA was slightly weaker than the year-earlier period and amounted to SEK 104 M (114). The lower results for the business area were entirely due to negative currency transaction effects that amounted to SEK 22 M during the quarter.

Outlook

Demand for the Group's products remained difficult to assess. The improvement in demand in emerging markets that was announced in the six-month report has materialized but not as expected. There has been some stabilization in demand in the developed markets in North America and Western Europe, but the recovery is slow. Based on this, it is anticipated that the organic invoicing growth will fall somewhat short of the volume forecast stated in the six-month report.

Acquisition and restructuring costs for the current year are expected to amount to approximately SEK 1 billion, in which SEK 820 M pertains to the previously announced costs to strengthen the quality management system in Medical Systems. The increase of SEK 40 M in relation to the forecast provided in conjunction with the six-month report pertains to expenses for acquisitions not completed at the time and exchange-rate translation effects.

Negative currency transaction effects are expected to have a negative impact of about SEK 250 M on earnings for the current year.

The operational impact of the activities currently being conducted to strengthen Medical Systems' quality management system and the outcome of the dialog in progress with the US FDA are creating uncertainty regarding the short-term earnings outlook

The potential for improving the Group's profitability in the medium term remains favorable. Getinge's intention, as soon as there is greater clarity regarding Medical Systems' regulatory status, is to communicate revised financial targets at a future capital markets day for which the date is not yet set.

Medical Systems Business Area

Order intake

Order intake per market	2014 Q 3	2013 Q 3	Change adjusted for curr.flucs.&corp.acqs.	2014 9 mon	2013 9 mon	Change adjusted for curr.flucs.&corp.acqs.
Western Europe	**995**	925	*-5,7%*	**2 971**	2 691	*0,2%*
USA and Canada	**1 167**	1 045	*5,0%*	**3 348**	3 212	*1,9%*
Rest of the world	**1 226**	1 112	*4,4%*	**3 426**	3 659	*-6,0%*
Business area total	**3 388**	3 082	*1,6%*	**9 745**	9 562	*-1,6%*

The organic order intake increased by 1.6% during the quarter. In the Western European market, order intake declined organically by 5.7%, year-on-year, when the order intake increase was slightly more than 10%. The order intake in Western Europe was particularly weak in the German-speaking markets but was otherwise at a satisfactory level. In North America, the order intake increased organically by a solid 5%. In the emerging markets, the order intake improved compared with the weak first six months of the year, particularly in the BRIC countries, where the organic order intake rose 12%. The business area's ongoing work to strengthen the quality management system resulted in continued delivery disruptions for the Cardiovascular division with negative effects on the order intake and invoicing.

Results

	2014 Q 3	2013 Q 3	Change	2014 9 mon	2013 9 mon	Change	2013 FY
Net sales, SEK million	**3 258**	3 053	*6,7%*	**9 376**	9 010	*4,1%*	13 322
adjusted for currency flucs.& corp.acqs			*-1,3%*			*0,4%*	
Gross profit	**1 798**	1 666	*7,9%*	**5 175**	5 051	*2,5%*	7 482
Gross margin %	***55,2%***	*54,6%*	*0,6%*	***55,2%***	*56,1%*	*-0,9%*	*56,2%*
Operating cost, SEK million	**-1 340**	-1 268	*5,7%*	**-3 995**	-3 858	*3,6%*	-5 049
EBITA before restructuring and integration costs	**589**	513	*14,8%*	**1 549**	1 541	*0,5%*	2 894
EBITA margin %	***18,1%***	*16,8%*	*1,3%*	***16,5%***	*17,1%*	*-0,6%*	*21,7%*
Acquisition expenses	**-5**	-7		**-14**	-10		-18
Restructuring and integration costs	**-27**	0		**-846**	-31		-81
EBIT	**426**	391	*9,0%*	**320**	1 152	*-72,2%*	2 334
EBIT margin %	***13,1%***	*12,8%*	*0,3%*	***3,4%***	*12,8%*	*-9,4%*	*17,5%*

EBITA increased 14.8% to SEK 589 M (513). The results were satisfactory considering the decrease in organic invoicing volume for the period. The EBITA margin amounted to 18.1% (16.8) and was due to a slightly improved gross margin and good cost control. Restructuring and acquisition expenses for the quarter amounted to SEK 32 M (7).

Activities

Strengthening of Medical Systems' quality management system

As announced earlier, Medical Systems is making significant investments to strengthen its quality management system. These measures are a result of observations received in connection with several inspections by the US FDA during 2013 and internal observations. The enhancement program has already led to significant improvements and is expected to be concluded during the second half of 2015.

In parallel with the improvement efforts, a dialog is being conducted with the FDA to ensure that the measures conducted meet the FDA's requirements. Getinge intends to provide further information when there is greater clarity regarding the outcome of the discussions.

The costs for the measures are estimated at about SEK 820 M, after negative exchange-rate translation effects of SEK 20 M. During the first nine months of the year, SEK 343 M was utilized, of which SEK 116 M pertained to the third quarter.

Further developments of the FLOW-i anesthesia device

In connection with the annual European Society of Anesthesia (ESA) congress in Stockholm, the AGC system was launched as an extension to the functionality of the FLOW-i. The AGC, Automatic Gas Control, provides controlled anesthetic gas delivery and entails that the machine will automatically adapt the concentration of anesthesia to certain parameters that have been set by the anesthesiologist. The AGC has been well received and more than 10,000 patients in various categories have been anaesthetized using AGC.

An important parameter when purchasing anesthetic devices is the consumption level of the anesthetic agents. In a survey conducted by Technologie Institut Medizin GmbH, it was demonstrated that FLOW-i consumes up to 30% less anesthetic agents compared with competitive products. The test results have been confirmed in a clinical observation survey in the UK.

Restructuring project in the Cardiovascular division

As previously reported, the business area is currently implementing a restructuring program with the aim of enhancing the production of vascular implants.

The manufacturing of vascular implants is currently conducted at two plants in the Cardiovascular division. When the restructuring 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 second quarter of 2015.

Extended Care Business Area

Order intake

Order intake per market	2014 Q 3	2013 Q 3	Change adjusted for curr.flucs.&corp.acqs.	2014 9 mon	2013 9 mon	Change adjusted for curr.flucs.&corp.acqs.
Western Europe	**816**	780	*-3,8%*	**2 479**	2 349	*-1,3%*
USA and Canada	**647**	658	*-6,7%*	**1 950**	1 956	*-1,3%*
Rest of the world	**293**	274	*0,9%*	**854**	783	*9,8%*
Business area total	**1 756**	1 712	*-4,1%*	**5 283**	5 088	*0,4%*

Extended Care's order intake declined organically by 4.1% during the quarter and was particularly weak in the developed markets. In Western Europe, which represents nearly 50% of the business area's sales, the order intake declined organically by 3.8% with a concentration in southern Europe and German-speaking markets. The order intake also declined in the US market, primarily due to the continued weak performance in the rental operations for therapeutic mattresses. In the markets outside North America and Western Europe, the order intake rose marginally compared with the year-earlier period.

Results

	2014 Q 3	2013 Q 3	Change	2014 9 mon	2013 9 mon	Change	2013 FY
Net sales, SEK million	**1 758**	1 650	*6,5%*	**5 162**	5 031	*2,6%*	6 870
adjusted for currency flucs.& corp.acqs			*-0,5%*			*-0,8%*	
Gross profit	**809**	777	*4,1%*	**2 415**	2 396	*0,8%*	3 328
Gross margin %	***46,0%***	*47,1%*	*-1,1%*	***46,8%***	*47,6%*	*-0,8%*	*48,4%*
Operating cost, SEK million	**-622**	-529	*17,6%*	**-1 878**	-1 649	*13,9%*	-2 161
EBITA before restructuring and integration costs	**227**	280	*-18,9%*	**638**	844	*-24,4%*	1 296
EBITA margin %	***12,9%***	*17,0%*	*-4,1%*	***12,4%***	*16,8%*	*-4,4%*	*18,9%*
Acquisition expenses	**0**	0		**0**	0		9
Restructuring and integration costs	**-25**	-16		**-31**	-198		-193
EBIT	**162**	232	*-30,2%*	**506**	549	*-7,8%*	983
EBIT margin %	***9,2%***	*14,1%*	*-4,9%*	***9,8%***	*10,9%*	*-1,1%*	*14,3%*

The business area's EBITA declined to SEK 227 M (280) for the period. Measured in organic terms, invoicing declined slightly. The lower gross margin was attributable to a weaker product mix where the sale of medical beds to customers in emerging markets is a key reason combined with the weak rental market in the US. The higher cost level for the period pertains to continued additional expenses in the US operations in the wake of the TSS integration.

Activities

Product launches

During the quarter, the business area launched two new compression systems for the prevention of deep vein thrombosis, under the product name Flowtron. The compression system comprises a pump console and a sleeve. The sleeve is placed around the calf to stimulate the blood flow through the so-called deep veins where thrombosis can easily form in patients with reduced mobility.

One of these new compression systems is intended to meet the increasing demand to treat obese patients. The other system facilitates sequential compression* treatment that is primarily requested by clinics in the US.

The addition to the product portfolio will supplement the existing offering from the business area and enable customers to treat more patients, and to provide for the customers that promote sequential treatment.

*= an advanced compression treatment, in which segments of the pressure sleeve are filled with air one-by-one to generate maximum effect

Infection Control Business Area

Order intake

Order intake per market	**2014 Q 3**	2013 Q 3	*Change adjusted for curr.flucs.&corp.acqs.*	**2014 9 mon**	2013 9 mon	*Change adjusted for curr.flucs.&corp.acqs.*
Western Europe	**522**	470	*3,3%*	**1 687**	1 514	*5,8%*
USA and Canada	**398**	378	*-0,6%*	**1 189**	1 127	*3,6%*
Rest of the world	**350**	337	*-1,2%*	**1 138**	1 171	*-2,0%*
Business area total	**1 270**	1 185	*0,8%*	**4 014**	3 812	*2,7%*

Infection Control's order intake increased organically by 0.8%. In the Western European markets, the region continues to develop in a positive direction, despite favorable order intake during the year-earlier quarter. The order intake in Western Europe was particularly good in Southern Europe and in the UK. In the North American market, the order intake declined slightly, primarily due to a weak Life Science market. In markets outside Western Europe and North America, performance in the BRIC countries was strong with an organic growth of nearly 20%, while volumes declined considerably in the Japanese market.

Results

	2014 Q 3	2013 Q 3	*Change*	**2014 9 mon**	2013 9 mon	*Change*	2013 FY
Net sales, SEK million	**1 209**	1 147	*5,4%*	**3 646**	3 489	*4,5%*	5 095
adjusted for currency flucs.& corp.acqs			*0,0%*			*2,0%*	
Gross profit	**439**	421	*4,3%*	**1 317**	1 307	*0,8%*	1 938
Gross margin %	***36,3%***	*36,7%*	*-0,4%*	***36,1%***	*37,5%*	*-1,4%*	*38,0%*
Operating cost, SEK million	**-339**	-310	*9,4%*	**-1 019**	-995	*2,4%*	-1 377
EBITA before restructuring and integration costs	**104**	114	*-8,8%*	**309**	321	*-3,7%*	575
EBITA margin %	***8,6%***	*9,9%*	*-1,3%*	***8,5%***	*9,2%*	*-0,7%*	*11,3%*
Acquisition expenses	**-1**	0		**-2**	-3		*-3*
Restructuring and integration costs	**-10**	-18		**-27**	-119		-127
EBIT	**89**	93	*-4,3%*	**269**	190	*41,6%*	431
EBIT margin %	***7,4%***	*8,1%*	*-0,7%*	***7,4%***	*5,4%*	*2,0%*	*8,5%*

The business area's EBITA amounted to SEK 104 M (114). The organic invoicing was on par with the year-earlier period and the weaker earnings were attributable to the negative currency-transaction effects totaling SEK 22 M during the quarter. Expenditure developed according to plan during the quarter. The period was charged with restructuring and acquisition expenses amounting to SEK 11 M (18), pertaining to the previously announced activities within the framework of the ongoing efficiency-enhancement program.

Activities

Shared Services pilot project in Getinge, Sweden

In line with strengthening the Group's competitiveness and free up resources to invest in the Getinge Group's future, Getinge initiated a pilot project during the quarter for Shared Services in the entities that are located at Getinge, Sweden. The focus is primarily on financial and administrative support functions. By concentrating personnel, processes and systems to a common Group function in Krakow, Poland, synergies and benefits that could not have been achieved in the existing structure will be utilized. Some 20 employees at Getinge will be affected by this change.

The pilot project is a first step in the establishment of Shared Services in the Getinge Group. Experiences and lessons from the pilot will contribute to the Group's continued implementation of the Shared Services functions in other units. The Getinge Group intends to communicate a more complete overview of the project and its financial impact on the Group at a future but not yet scheduled Capital Markets Day.

Acquisition of Austmel Pty Ltd

During the quarter, the business area concluded the acquisition of the Australian company, Austmel Pty Ltd. The company specializes in products and services for quality assurance in the handling of sterile goods primarily within the healthcare industry. Austmel is a market leader in Australia and already represents the business area's range.

Infection Control has a market-leading position as the supplier of equipment for infection control. The acquisition of Austmel will also make the business area the largest supplier of products for the quality assurance of sterile goods in Australia. In addition, Austmel's established sales network will facilitate higher sales of the business area's existing range of detergents.

During the past 12-month period, Austmel's sales amounted to SEK 80 M. The operation is based in Queensland and has about 25 employees. The acquisition price amounted to SEK 144 M on a debt-free basis (enterprise value), which corresponds to an EV/EBITDA multiple of 5.5. Austmel was consolidated from September 1 and is expected to contribute to Getinge's earnings per share in 2014.

Infection Control receives Red Dot Design Award for new innovative user interface

The business area has been awarded the prestigious Red Dot Design Award for its new innovative user interface, CENTRIC, which was recently launched. The Red Dot Design Award is one of the world's largest design competitions and is internationally recognized as one of the most appreciated quality seals for outstanding design.

CENTRIC offers a unique user interface that only shows the information the user needs in each individual situation. The interface will be introduced into all of the business area's products in the future, within sterilization and disinfection areas and will thus provide a uniform user interface that will facilitate and enhance the efficiency of work for personnel at, for example, sterilization departments.

Restructuring activities

Within the framework of the ongoing efficiency-enhancement program, restructuring costs amounting to SEK 10 M have been recognized in the quarter.

Restructuring costs to implement the total efficiency-enhancement program are expected to amount to approximately SEK 440 M over a four-year period, of which SEK 123 M was recognized in 2013. During 2014, restructuring costs are expected to amount to SEK 60 M, of which SEK 27 M was charged against the first three quarters. The aim of the program is to improve the business area's EBITA margin from the current level of about 12% to 17% within three to five years.

Other information

Accounting

This interim report has been prepared for the Group in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. For the Parent Company, the report has been prepared in accordance with the Swedish Annual Accounts and RFR 2. The accounting policies adopted are consistent with those applied for the 2013 Annual Report and should be read in conjunction with that Annual Report.

This report has been audited.

Since the Group's subsidiary, Pulsion Medical Systems SE, is a listed company and taking into account the regulations pertaining to public information for listed companies, earnings and balance sheets are included based on the most recently published public information for the subsidiary. This means that earnings and other comprehensive income, as well as the balance sheets are included in the consolidated financial statements with a delay of one quarter.

Nomination Committee ahead of 2015 Annual General Meeting

Pursuant to a resolution by Getinge AB's 2005 General Meeting, the Nomination Committee comprises Getinge's Chairman and representatives for the five largest shareholders at 31 August 2014, as well as a representative for minority shareholders. Ahead of the 2015 Annual General Meeting, this means that Getinge's Nomination Committee comprises: Carl Bennet of Carl Bennet AB, Marianne Nilsson of Swedbank Robur AB, Per Colleen of Fjärde AP-fonden, John Hernander of Nordea fonder, Adam Nyström of Didner & Gerge and a representative for minority shareholders.

Shareholders who would like to submit proposals to Getinge's 2015 Nomination Committee, can contact the Nomination Committee by e-mail at valberedningen@getinge.com or by traditional mail at Getinge AB, Att: Valberedningen, Box 8861, 402 72 GÖTEBORG.

Annual General Meeting

Getinge AB's Annual General Meeting will be held on 25 March 2015, at 14:00 in Kongresshallen, Hotell Tylösand, Halmstad. Shareholders who would like issues addressed at the Annual General Meeting on 25 March 2015 must submit proposals to Getinge's Chairman of the Board by e-mail at: arenden.bolagsstamma@getinge.com or postal address Getinge AB Att: Bolagsstämmoärenden, Box 8861, 402 72 GÖTEBORG. To ensure inclusion in the Notification of the Annual General Meeting and the Agenda for the AGM, proposals must reach the company not later than 23 January 2015.

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.

Parts of the Getinge Group's product range are covered by 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 claims 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 principally pertain to risks related to currency and interest risks, as well as credit risks. Risk management is regulated by the finance policy adopted by the Board. 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 Getinge's Group 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 (fourth quarter of 2014) will be published on January 28, 2015.

Teleconference

A teleconference will be held today, October 16, at 10:00 a.m. (Swedish time) with Johan Malmquist, CEO, and Ulf Grunander, CFO.

To participate, please call:
Sweden: +46 (0) 8 5033 6538
UK: +44 (0)20 3427 1907
US: +1 646 254 3367
Code: 5020860

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

A taped version of the conference will be available from 2:00 p.m. and for the following five workdays at the following numbers:

Sweden: +46 (0) 8 5051 3897
UK: +44 (0)20 3427 0598
US: +1 347 366 9565
Code: 5020860

During the telephone conference, a presentation will be held. To access the presentation, please use this link: http://www.livemeeting.com/cc/premconfeurope/join?id=5020860&role=attend&pw=pw3686

Assurance

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

Gothenburg, October 15, 2014

Carl Bennet *Chairman*	Johan Bygge	Cecilia Daun Wennborg
Peter Jörmalm	Rickard Karlsson	Carola Lemne
Johan Malmquist *CEO*	Malin Persson	Johan Stern
Maths Wahlström		

Getinge AB
Box 8861, SE-402 72 Gothenburg
Tel: +46 (0) 10-335 00 00. Fax: +46 (0) 35-549 52
E-mail: info@getinge.com
Corporate registration number 556408-5032
www.getingegroup.com

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.

Auditor's review report

Introduction

We have reviewed this report for the period 1 of January 2013 to 30 September 2014 for Getinge AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, 15 October 2014

Öhrling PricewaterhouseCoopers AB

Magnus Willfors
Authorized Public Accountant

Eric Salander
Authorized Public Accountant

Auditor in charge

Consolidated income statement

SEK million	2014 Q 3	2013 Q 3	Change	2014 9 mon	2013 9 mon	Change	2013 FY
Net sales	**6 225**	5 850	6,4%	**18 184**	17 530	3,7%	25 287
Cost of goods sold	**-3 179**	-2 986	6,5%	**-9 277**	-8 775	5,7%	-12 540
Gross profit [1]	**3 046**	2 864	6,4%	**8 907**	8 755	1,7%	12 747
Gross margin	*48,9%*	*49,0%*	*-0,1%*	*49,0%*	*49,9%*	*-0,9%*	*50,4%*
Selling expenses	**-1 470**	-1 287	14,2%	**-4 303**	-4 014	7,2%	-5 363
Administrative expenses	**-699**	-659	6,1%	**-2 084**	-1 932	7,9%	-2 599
Research & development costs [2]	**-138**	-138	0,0%	**-461**	-460	0,2%	-619
Acquisition expenses	**-6**	-7		**-16**	-12		-13
Restructuring and integration costs [3]	**-62**	-33		**-903**	-347		-401
Other operating income and expenses [1]	**4**	-25		**-46**	-100		-4
Operating profit[4]	**675**	715	-5,6%	**1 094**	1 890	-42,1%	3 748
Operating margin	*10,8%*	*12,2%*	*-1,4%*	*6,0%*	*10,8%*	*-4,8%*	*14,8%*
Financial Net, SEK	**-170**	-147		**-492**	-445		-595
Profit before tax	**505**	568	-11,1%	**602**	1 445	-58,3%	3 153
Taxes	**-137**	-153		**-163**	-390		-858
Net profit	**368**	415	-11,3%	**439**	1 055	-58,4%	2 295
Attributable to:							
Parent company's shareholders	**366**	413		**436**	1 049		2 285
Non-controlling interest	**2**	2		**3**	6		10
Net profit	**368**	415		**439**	1 055		2 295
Earnings per share, SEK [5]	**1,54**	1,73	-11,0%	**1,83**	4,40	-58,4%	9,59
Adjusted Earnings per share, SEK	**2,29**	2,33	-1,7%	**6,13**	6,89	-11,0%	12,74

	2014 Q 3	2013 Q 3	2014 9 mon	2013 9 mon	2013 FY
1 The US imposed tax on medical devices have affected the gross profit by:	**-22**	-24	**-67**	-69	-98

2 Development costs totalling SEK million 473 (499) have been capitalised during the year, of which SEK million 163 (161) in the quarter.

3 Restructuring and integration costs	2014 9 mon	2013 9 mon	2013 FY
Consultancy Quality management systems	**-820**	0	0
Other	**-83**	-347	-401
	-903	-347	-401

4 Operating profit is charged with:	2014 Q 3	2013 Q 3	2014 9 mon	2013 9 mon	2013 FY
— amort. Intangibles on acquired companies	**-177**	-152	**-483**	-455	-604
— amort. intangibles	**-150**	-121	**-431**	-352	-476
— depr. on other fixed assets	**-221**	-192	**-642**	-584	-786
	-548	-465	**-1 556**	-1 391	-1 866

5 There are no dilutions

Comprehensive earnings statement

SEK million	2014 Q 3	2013 Q 3	2014 9 mon	2013 9 mon
Profit for the period	**368**	415	**439**	1 055
Items that later can be reversed in profit				
Translation differences	**475**	-158	**1 186**	-296
Cash-flow hedges	**-455**	307	**-932**	478
Income tax related to other partial result items	**123**	**-83**	**252**	-129
Other comprehensive earnings for the period, net after tax	**143**	66	**506**	53
Total comprehensive earnings for the period	**511**	481	**945**	1 108
Comprehensive earnings attributable to:				
Parent Company shareholders	**509**	479	**942**	1 104
Non-controlling interest	**2**	2	**3**	4

Quarterly results

SEK million	2012 Q 3	2012 Q 4	2013 Q 1	2013 Q 2	2013 Q 3	2013 Q 4	2014 Q 1	2014 Q 2	2014 Q 3
Net sales	5 574	7 816	5 664	6 016	5 850	7 757	5 632	6 327	6 225
Cost of goods sold	-2 654	-3 792	-2 813	-2 976	-2 986	-3 764	-2 854	-3 244	-3 179
Gross profit	2 920	4 024	2 851	3 040	2 864	3 993	2 778	3 083	3 046
Operating cost	-2 073	-2 433	-2 451	-2 265	-2 149	-2 134	-3 072	-2 370	-2 371
Operating profit	847	1 591	400	775	715	1 859	-294	713	675
Financial net	-143	-144	-148	-149	-147	-150	-158	-164	-170
Profit before tax	704	1 447	252	626	568	1 709	-452	549	505
Taxes	-183	-388	-68	-169	-153	-468	122	-148	-137
Profit after tax	521	1 059	184	457	415	1 241	-330	401	368

Consolidated balance sheet

Assets SEK million	**2014 30 Sep**	2013 30 Sep	2013 31 dec
Intangible assets	**25 019**	22 070	22 118
Capitalised Development Projects	**3 352**	2 896	3 008
Tangible fixed assets	**4 737**	4 115	4 341
Financial fixed assets	**927**	854	667
Stock-in-trade	**5 449**	4 566	4 254
Accounts receivable	**5 727**	5 297	6 630
Other current receivables	**2 419**	2 172	2 137
Cash and cash equivalents	**1 064**	1 237	1 148
Total assets	**48 694**	43 207	44 303

Shareholders' equity & Liabilities			
Shareholders' equity	**16 787**	15 314	16 560
Pension Provision	**2 427**	2 091	2 298
Other interest bearing liabilities	**19 997**	17 786	17 169
Other Provisions	**2 547**	2 184	2 154
Accounts Payable - trade	**1 851**	1 731	1 882
Other non interets-bearing liabilities	**5 085**	4 101	4 240
Total Equity & Liabilities	**48 694**	43 207	44 303

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 30 September 2014, the Group held derivatives for hedging purposes at level 2 in which the assets totalled SEK 336 M and liabilities SEK 1 028 M. The corresponding figures at 31 December 2013 were SEK 755 M and SEK 660 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

	2014 30-sep	2013 31 Dec
Long-term liabilities	**12 773**	13 707
Current liabilities	**7 045**	3 603
	19 818	17 310

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		-19 818	-19 818
Interest-rate derivatives	42	-526	-484
Fx-derivatives	294	-502	-208
Total	336	-20 846	-20 510

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 negative SEK -179 M at 30 September 2014 (pos: SEK 141 M at 31 Dec. 2013).

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

Consolidated cash-flow statement

SEK million	**2014 Q 3**	2013 Q 3	**2014 9 mon**	2013 9 mon	2013 FY
Current activities					
EBITDA	**1 223**	1 180	**2 650**	3 281	5 614
Restructuring Cost expenses	**62**	33	**903**	347	401
Restructuring costs paid	**-196**	-76	**-604**	-230	-352
Adjustment for items not included in cash flow	**2**	13	**35**	34	153
Financial items	**-170**	-147	**-492**	-445	-595
Taxes paid	**-141**	-147	**-599**	-641	-859
Cash flow before changes in working capital	**780**	856	**1 893**	2 346	4 362
Changes in working capital					
Stock-in-trade	**-248**	-173	**-797**	-601	-233
Current receivables	**299**	36	**945**	371	-812
Current operating liabilities	**-89**	204	**40**	18	227
Cash flow from operations	**742**	923	**2 081**	2 134	3 544
Investments					
Acquisition of subsidiaries	**-213**	0	**-1 236**	-248	-248
Capitalized development costs	**-205**	-161	**-515**	-499	-679
Rental equipment	**-59**	-58	**-169**	-237	-299
Investments in tangible fixed assets	**-250**	-247	**-737**	-703	-1 004
Cash flow from investments	**-727**	-466	**-2 657**	-1 687	-2 230
Financial activities					
Change in interest-bearing debt	**945**	-894	**2 957**	241	-277
Change in long-term receivables	**-131**	-12	**-83**	210	303
Dividend paid	**0**	0	**-989**	-989	-989
Cash flow from financial activities	**814**	-906	**1 885**	-538	-963
Cash flow for the period	**829**	-449	**1 309**	-91	351
Cash and cash equivalents at begin of the year	**1 064**	1 080	**1 148**	1 254	1 254
Translation differences	**-829**	606	**-1 393**	74	-457
Cash and cash equivalents at end of the period	**1 064**	1 237	**1 064**	1 237	1 148

Consolidated net interest-bearing debt

SEK million	**2014 30 Sep**	2013 30 Sep	2013 31 dec
Debt to credit institutions	**19 997**	17 786	17 169
Provisions for pensions, interest-bearing	**2 427**	2 091	2 298
Interest bearing liabilities	**22 424**	19 877	19 467
Less liquid funds	**-1 064**	-1 237	-1 148
Net interest-bearing debt	**21 360**	18 640	18 319

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 2013	119	5 960	-2 160	11 251	**15 170**	30	**15 200**
Dividend				-989	**-989**	-5	**-994**
Total comprehensive earnings for the period			53	1 051	**1 104**	4	**1 108**
Closing balance on 30 September 2013	**119**	**5 960**	**-2 107**	**11 313**	**15 285**	**29**	**15 314**
Opening balance on 1 January 2014	119	5 960	-1 993	12 445	**16 531**	29	**16 560**
Minority interest						279	**279**
Dividend				-989	**-989**	-8	**-997**
Total comprehensive earnings for the period			506	436	**942**	3	**945**
Closing balance on 30 September 2014	**119**	**5 960**	**-1 487**	**11 892**	**16 484**	**303**	**16 787**

Key figures

	2014 Q 3	2013 Q 3	Change	**2014 9 mon**	2013 9 mon	Change	2012 9 mon	2013 FY
Order intake, SEK million	**6 414**	5 981	7,2%	**19 042**	18 464	3,1%	17 767	25 395
adjusted for currency flucs.& corp.acqs			-0,2%			-0,2%		
Net sales, SEK million	**6 225**	5 850	6,4%	**18 184**	17 530	3,7%	16 433	25 287
adjusted for currency flucs.& corp.acqs			-0,8%			0,4%		
EBITA before restructuring-, integration- and acquisition costs	**920**	907	1,4%	**2 496**	2 704	-7,7%	2 906	4 766
EBITA margin before restructuring-, integration and acquisition costs	**14,8%**	15,5%	-0,7%	**13,7%**	15,4%	-1,7%	17,7%	18,8%
Restructuring and integration costs	**-62**	-33		**-903**	-347		-28	-401
Acquisition costs	**-6**	-7		**-16**	-12		-8	-13
EBITA	**852**	867	-1,7%	**1 577**	2 345	-32,8%	2 870	4 352
EBITA margin	**13,7%**	14,8%	-1,1%	**8,7%**	13,4%	-4,7%	17,5%	17,2%
Earnings per share after full tax, SEK	**1,53**	1,73	-11,6%	**1,83**	4,40	-58,4%	6,15	9,59
Adjusted earnings per share, SEK	**2,29**	2,33	-1,7%	**6,13**	6,89	-11,0%	7,67	12,73
Number of shares, thousands	**238 323**	238 323		**238 323**	238 323		238 323	238 323
Interest cover, multiple				**6,0**	6,7	-0,7	7,4	6,9
Operating capital, SEK million				**35 025**	31 695	10,5%	27 544	32 526
Return on operating capital, per cent				**11,2%**	12,6%	-1,4%	14,7%	12,8%
Return on equity, per cent				**10,1%**	13,9%	-3,8%	17,8%	14,4%
Net debt/equity ratio, multiple				**1,27**	1,22	0,05	1,16	1,10
Cash Conversion	**60,7%**	78,4%	*-17,7%*	**78,5%**	65,0%	13,5%	60,4%	63,1%
Equity/assets ratio, per cent				**34,5%**	35,4%	-0,9%	35,8%	37,4%
Equity per share, SEK				**70,30**	64,20	9,5%	60,80	69,60

Five-year review

SEK million	**2014 30 Sep**	**2013 30 Sep**	**2012 30 Sep**	**2011 30 Sep**	**2010 30 Sep**
Net Sales	18 184	17 530	16 433	14 500	15 531
Profit before tax	439	1 055	1 472	1 416	1 386
Earnings per share	1,83	4,40	6,15	5,92	5,80

Income statement for the Parent Company

SEK Million	2014 Q3	2013 Q3	2014 9 mon	2013 9 mon	2013 FY
Administrative expenses	**-34**	-43	**-120**	-113	-150
Operating profit	**-34**	-43	**-120**	-113	-150
Financial net	**-984**	-467	**-1 399**	351	791
Profit after financial items	**-1 018**	-510	**-1 519**	238	641
Profit before tax	**-1 018**	-510	**-1 519**	238	641
Taxes		-3	**-2**	-9	-119
Net profit	**-1 018**	-513	**-1 521**	229	522

Balance sheet for the Parent Company

Assets SEK million	2014 30 Sep	2013 30 Sep	2013 31 Dec
Tangible fixed assets	**50**	28	36
Shares in group companies	**24 830**	21 689	22 410
Deferred tax assets	**28**	14	32
Receivable from group companies	**3 471**	14 837	6 552
Short-term receivables	**111**	107	38
Liquid funds	**0**	0	567
Total assets	**28 490**	36 675	29 635
Shareholders' equity & Liabilities			
Shareholders' equity	**6 565**	8 765	9 068
Long-term liabilities	**13 003**	14 286	13 347
Liabilities to group companies	**2 172**	10 360	3 534
Current liabilities	**6 750**	3 264	3 686
Total Equity & Liabilities	**28 490**	36 675	29 635

Information pertaining to the Parent Company's performance during the reporting period January – September 2014

Income Statement
Receivables and liabilities in foreign currencies are valued at the closing rate and a loss of SEK 1,643 M (profit: 238) is included in the net financial items for the period of January-September.

Acquisitions during 2014

Pulsion AG

During the first quarter of 2014, Medical Systems acquired over 78% of the shares in the German company Pulsion AG. The company which is a supplier of systems for hemodynamic monitoring, has sales of more than SEK 300 M and employs approximately 130 people. Below shows preliminary purchase price allocation.

Acquired net assets

SEK M	Net assets	Assets and Liabilities at the time of acquisition	Adjustment to fair value	Fair value
	Intangible assets	35		35
	Tangible assets	44		44
	Long-term receivables	15		15
	Inventories	55		55
	Other current assets	83		83
	Provisions	-10		-10
	Other current liabilities	-67		-67
	Net assets	**155**	**0**	**155**
	Goodwill			1 086
	Total acquisition with liquid assets, holdings attributable to parent company shareholders			**971**
	Net outflow of liquid assets due to the acquisition			**971**
	Non-controlling interests			**270**

Altrax Group Ltd

During the second quarter of 2014, Infection Control acquired the British company Altrax Group Ltd for the total amount of SEK 51 M. The company, which is a supplier of systems for traceability and quality assurance, has annual sales of more than SEK 35 M and employs approximately 30 people. Goodwill arising in connection with the transaction is attributable to expected additional sales of Infection Control products. It is not feasible to estimate profits for the acquired business since the acquisition date as a consequence of the integration that has been carried out. The resulting goodwill is tax deductible.

Acquired net assets

SEK M	Net assets	Assets and Liabilities at the time of acquisition	Adjustment to fair value	Fair value
	Intangible assets	0	13	13
	Tangible assets	1		1
	Inventories	5		5
	Other current assets	8		8
	Liquid funds	8		8
	Provisions	0	-3	-3
	Other current liabilities	-7		-7
	Net assets	**15**	**10**	**25**
	Goodwill			34
	Total acquisition with liquid assets, holdings attributable to parent company shareholders			**59**
	Net outflow of liquid assets due to the acquisition			
	Paid liquid assets due to the acquisition			**59**
	Liquid funds in the acquired company at the acquisition date			**-8**
				51

The company is part of Getinge's sales and gross profit from 1 June 2014.

Cetrea A/S

Medical Systems acquired the Danish company Cetrea A/S during the third quarter of 2014 for the total amount of SEK 110 M. The company, which develops and markets IT-systems for resource planning in real time for hospitals, has annual sales of approximately SEK 30 M and employs approximately 30 people.

Acquired net assets

SEK M	Net assets	Assets and Liabilities at the time of acquisition	Adjustment to fair value	Fair value
	Intangible assets	35		35
	Inventories	4		4
	Other current assets	2		2
	Other current liabilities	-14		-14
	Net assets	**27**	**0**	**27**
	Goodwill			43
	Total acquisition with liquid assets, holdings attributable to parent company shareholders			**70**

The company is part of Getinge's sales and gross profit from July 1st 2014.

Austmel Pty Ltd

Infection Control acquired the Australian company Austmel Pty Ltd during the third quarter of 2014 for the mount of SEK 144 M. The company, which specializes in products and services for quality assurance of sterilization and thermal processes, has annual sales of SEK 80 M and employs approximately 25 people. Below is the preliminary purchase price allocation. Goodwill arising in connection with the transaction was attributable to expected ancillary sales of Infection Control products. It is not feasible to specify the gain for acquisition since the acquisition as a comprehensive integration has been implemented. The resulting goodwill is deductible for tax purposes.

Acquired net assets

SEK M	Net assets	Assets and Liabilities at the time of acquisition	Adjustment to fair value	Fair value
	Intangible assets	0	48	48
	Tangible assets	1		
	Inventories	4		4
	Other current assets	0		0
	Other current liabilities	-2		-2
	Net assets	**3**	**48**	**50**
	Goodwill			94
	Total acquisition with liquid assets, holdings attributable to parent company shareholders			**144**

The company is part of Getinge's sales and gross profit from September 1st 2014.

Definitions

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