

Q1 REPORT JANUARY – MARCH 2001

- ◆ **Orders received climbed 57% to SEK 1,985.9 million (1,266.3)**
- ◆ **Net sales rose by 64% to SEK 1,919.0 million (1,167.9)**
- ◆ **The operating profit rose 50% to SEK 228.2 million (152.0)**
- ◆ **The profit before tax went up 23% amounting to SEK 167.2 million (135.6)**
- ◆ **Strong volumes and earnings trend continues for the Extended Care business area**
- ◆ **Strong introduction for the Surgical Systems business area**

The quarter

The year has started well for the Group as a whole and for the Surgical Systems business area the volume trend during Q1 was exceptional on a number of markets. Integrating the Maquet and ALM acquisitions is going according to plan and has contributed to a reduced cost level and a good operating profit.

The Extended Care business area's performance continues to be very good with volume increases on most markets. The increase in net sales and the synergy gains from last year's acquisitions meant that the operating profit climbed markedly during Q1.

The Infection Control business area has had a flat start to the year volume-wise and the level of demand continues to be hard to judge in Europe. The North American market has started the year more weakly than expected. From the start of the year Maquet's Infection Control activities are included which have not made a positive contribution to the business area's operating profit.

Outlook

Surgical Systems' strong volume and earnings trend at the start of the year, coupled with good progress in the restructuring programme, means that the profit outlook for the year is assessed to be good.

The market's outlook for Extended Care continues to be positive. A number of new products are being launched and have been received very positively by the market. The business area is calculating on the positive earnings trend continuing during the year.

Infection Control has started the year on a weak footing on the back of receding volumes. The long-term work to improve the Group's production structure as well as the integration of Maquet's Infection Control activities will have a positive impact on profits during the second half of the year. The level of demand will continue to be hard to judge.

To sum up, the Group continues to view the earnings trend positively. The strong performances by the Surgical Systems and Extended Care business areas are compensating for Infection Control's weak start.

Surgical Systems business area

Market developments	2001	2000
Orders received per market	Q1	Q1
USA and Canada	99 .5	40 .4
Great Britain	46 .2	
Germany	149 .0	
Other Western Europe	126 .4	
Rest of the world	120 .2	4 .7
Business area total	541 .3	45 .1

Orders received during Q1 were very strong both for the operating tables and surgical lighting systems product lines. On the European markets and developing markets the volume trend has been exceedingly good. On the North American market, where Maquet's, ALM's and Getinge's sales activities were merged during Q1, the volume trend has been somewhat weaker.

Results	2001	2000	2000
	Q1	Q1	FY
Net sales, SEK Million	556 .1	34 .5	146 .6
Gross profit	266 .0	12 .0	44 .3
Gross margin %	47 .8%	34 .8%	30 .2%
Operating cost, SEK Million	-205 .2	-12 .5	-45 .3
Operating profit	60 .8	-0 .5	-1 .0
Operating margin %	10 .9%	-1 .4%	-0 .7%

Surgical Systems showed good results for Q1. The profit improvement is attributable to both the operating tables and surgical lighting systems product lines and is a consequence of a good volume trend and reduced costs resulting from the rationalisation measures taken.

Restructuring programme

During Q1, the business area has already introduced several of the restructuring measures that were announced in connection with the acquisitions:

- A merging of Maquet's, ALM's and Getinge's sales organisations in Germany, France, Italy, England and the US has, to all extents, been carried out
- Closing down production units in Charleston, US, and Oer-Erkenschwick, Germany, is underway
- Adapting Maquet's and ALM's administrative costs in Germany and France respectively, has started
- Closing down OrtoMaquet began at the end of March
- Activities to improve distribution known as cross-selling have started in Germany and North America

To sum up, the business area is in a good position to realize the planned cost synergies of SEK 140 – 150 million annually. For the coming year it is estimated that these will amount to SEK 80 - 100 million. Structural costs in Q1 stood at SEK 34 million.

Activities

During Q1 further reference orders have been secured for the business area's specially-equipped operating tables for image guided surgery - AWIGS (Advanced Workstation for Image Guided Surgery) and VIWAS (Vascular Interventional Workplace for Advanced Surgery).

At the AORN trade fair in Dallas, Texas, two new mobile tables were launched – the C-Max and the Alpha Max plus – which have been specifically developed for the North American market and are a vital step in the business area's aim of significantly strengthening its shares on this important market.

Product development work to design a range of surgical lighting systems for smaller medical practices and for developing markets – a sector that has not been worked with before – is going according to plan and will be launched during Q4.

Infection Control business area

Market developments	2001	2000	Change
Orders received per market	Q1	Q1	
Western Europe	344 .3	323 .6	6 .4%
USA and Canada	298 .5	250 .7	19 .1%
Asia/Australia	63 .2	60 .8	3 .9%
Rest of the world	24 .9	55 .7	-55 .3%
Business area total	730 .9	690 .8	5 .8%
<i>adjusted for currency flucs.& corp.acqs</i>			-8 .7%

The level of demand is hard to judge on the developed markets. The allocation of budgeted funds for capital investments in the health care sector of the important European markets had not finished during Q1. The effects of the worsening American economic position regarding demand for privately-financed health care services, such as cosmetic surgery, are also hard to judge. The business area estimates that a better level of demand will be seen in Q2.

Results	2001	2000	Change	2000
	Q1	Q1		FY
Net sales, SEK Million	682 .3	618 .0	10 .4%	2,934.6
<i>adjusted for currency flucs.& corp.acqs</i>			-2 .1%	
Gross profit	243 .4	239 .3	1 .7%	1,090 .7
Gross margin %	35 .7%	38 .7%	-3 .0%	37.2%
Operating cost, SEK Million	-192 .2	-170 .0	13 .1%	-722 .2
Operating profit	51 .2	69 .3	-26 .1%	368 .5
Operating margin %	7 .5%	11 .2%	-3 .7%	12.6%

The lower operating profit is an effect of the deteriorating factory utilization during Q1 and a somewhat worse gross margin in the North American activities. From the start of the year Maquet's Infection Control activities are included, which showed a lower operating loss over Q1.

Activities

The work to improve the business area's cost structure concerning the manufacture of sterilization equipment, (World Sterilizer Project) continued with some delays. The effects of the rationalisation programme will be noticeable first during the second part of the year, and it is thought that it will be fully completed during 2002.

Extended Care business area

Market developments	2001	2000	<i>Change</i>
Orders received per market	Q1	Q1	
USA and Canada	240.0	181.3	32.4%
Great Britain	206.6	155.7	32.7%
Germany	68.8	59.8	15.1%
Other Western Europe	160.5	104.3	53.9%
Rest of the world	20.4	12.9	58.1%
Business area total	696.3	514.0	35.5%
<i>adjusted for currency flucs.& corp.acqs</i>			19.8%

Orders received continued to progress well on a broad front. The performance has been particularly strong in Western Europe where the markets in the UK and Benelux distinguished themselves.

Results	2001	2000	<i>Change</i>	2000
	Q1	Q1		FY
Net sales, SEK Million	663.3	498.2	33.1%	2,110.9
<i>adjusted for currency flucs.& corp.acqs</i>			17.4%	
Gross profit	324.5	256.5	26.5%	1,042.3
Gross margin %	48.9%	51.5%	-2.6%	49.4%
Operating cost, SEK Million	-209.8	-175.5	19.5%	-719.4
Operating profit	114.7	81.0	41.6%	322.9
Operating margin %	17.3%	16.3%	1.0%	15.3%

The strong volume trend coupled with the synergy benefits from last year's acquisitions, have contributed to the operating profit in Q1 climbing by 41.6%. The lower gross margin is mainly attributable to lower margins within the wound care sector.

Activities

The integration of Parker Bath in the business area's structure is complete and the business is contributing positively to results.

The business area's new hoists for institutional use – Opera and Tempo – were successfully launched during Q1.

Bravo, the new ceiling hoist, was introduced to customers in North America during Q1. Bravo will be available for European customers during Q4.

Medical

The independent Medical product line that includes the companies LIC Audio and NeuroMédica reported net sales of SEK 17.3 million (17.2). The operating profit was SEK 1.5 million (2.2).

Getinge's new issue fully subscribed

By utilizing primary preferential rights, 99.7% of the shares were subscribed for in Getinge's new issue in 2001. Because the application for secondary preferential rights over-exceeded the number of remaining shares, the new issue will be fully subscribed.

Next report

The next report from the Getinge Group (Q2 2001) will be published on 16 July 2001.

Getinge 23 April 2001

Johan Malmquist
President

A tele-conference will be held today at 6 p.m. Swedish time.
To take part please ring +44 (0) 20 82 40 8241, codeword: Getinge.

Income Statements	2001	2000	Change	2000
SEK Million	Q1	Q1		FY
Net sales ¹⁾	1,919.0	1,167.9	64.3%	5,253.5
Cost of goods sold ²⁾	-1,080.0	-654.5	65.0%	-3,056.2
Gross profit	839.0	513.4	63.4%	2,197.3
<i>Gross margin</i>	<i>43.7%</i>	<i>44.0%</i>	<i>-0.3%</i>	<i>41.8%</i>
Selling expenses ²⁾	-376.0	-221.6	69.7%	-942.0
Administrative expenses ²⁾	-201.6	-125.2	61.0%	-474.4
Research & development costs ²⁾	-53.8	-22.1	143.4%	-101.5
Other operating income ²⁾	23.8	11.6	105.2%	26.9
Other operating cost ²⁾	-3.2	-4.1	-22.0%	-9.3
Items affecting comp. (SPP)	—	—	—	23.2
Operating profit ³⁾	228.2	152.0	50.1%	720.2
<i>Operating margin</i>	<i>11.9%</i>	<i>13.0%</i>	<i>-1.1%</i>	<i>13.7%</i>
Interest income	4.9	4.4		18.7
Interest expense	-63.8	-22.4		-108.3
Other financial items	-2.1	1.6		-6.4
Ass.companies' loss	—	—		-0.5
Profit before tax	167.2	135.6	23.3%	623.7
Taxes	-50.1	-33.9		-155.9
Net profit	117.1	101.7	15.1%	467.8

1) Adjusted for currency fluctuations and company acquisitions
the net sales' change is 5%.

2) Due to the reclassification of certain costs, some minor transfers
have been made in the comparison from operating cost to cost of goods sold.

3) Operating profit is charged with

— amortisation on goodwill	-37.3	-15.1	-65.8
— depr. on other fixed assets	-49.5	-32.4	-129.3
	-86.8	-47.5	-195.1

Quarterly results	1999	1999	1999	1999	2000	2000	2000	2000	2001
SEK Million	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	1,183.1	1,197.9	1,074.8	1,428.9	1,167.9	1,251.6	1,200.7	1,633.3	1,919.0
Cost of goods sold	-644.5	-660.7	-622.2	-799.6	-654.5	-745.7	-721.2	-934.8	-1,080.0
Gross profit	538.6	537.2	452.6	629.3	513.4	505.9	479.5	698.5	839.0
Operating cost	-361.2	-372.9	-342.7	-388.7	-361.4	-356.6	-361.5	-420.8	-610.8
Items affecting comp.								23.2	
Operating profit	177.4	164.3	109.9	240.6	152.0	149.3	118.0	300.9	228.2
Financial net	-16.0	-8.4	-17.8	-12.8	-16.4	-24.2	-26.5	-28.9	-61.0
Ass.comp.s' profit/loss	-0.3	-0.3	-0.3	-0.1	0.0	0.0	0.0	-0.5	0.0
Profit before tax	161.1	155.6	91.8	227.7	135.6	125.1	91.5	271.5	167.2
Tax	-40.2	-39.0	-23.0	-56.3	-33.9	-31.3	-22.8	-67.9	-50.1
Net profit	120.9	116.6	68.8	171.4	101.7	93.8	68.7	203.6	117.1

Balance Sheets

	2001	2000	2000
Assets SEK Million	31 March	31 March	31 Dec
Subscribed capital unpaid	489.5	–	–
Intangible fixed assets	2,762.0	1,001.4	2,450.9
Tangible fixed assets	1,335.8	742.6	1,228.1
Financial assets	415.3	73.4	391.4
Stock-in-trade	1,672.2	868.1	1,268.7
Current receivables	2,688.0	1,546.0	2,456.9
Liquid funds	376.9	211.4	235.4
Total assets	9,739.7	4,442.9	8,031.4
Shareholders' equity & Liabilities			
Shareholders' equity	2,652.7	1,656.9	1,931.0
Minority interests	8.8	–	8.8
Provisions	2,077.3	103.3	1,928.5
Long-term liabilities	73.6	53.5	67.0
Current liabilities	4,927.3	2,629.2	4,096.1
Total Equity & Liabilities	9,739.7	4,442.9	8,031.4

Funds Statements

	2001	2000	2000
SEK Million	Q1	Q1	FY
Operations			
Profit before tax	167.2	135.6	623.7
Depreciations & amortizations	86.8	47.5	195.1
	254.0	183.1	818.8
Taxes paid	-58.3	-30.0	-120.8
Cash flow before changes in working capital	195.7	153.1	698.0
Changes in working capital			
Stock-in-trade	-245.8	-102.3	-106.4
Rental equipment	-6.0	-4.3	-25.6
Current receivables	-26.1	79.7	-263.3
Current operating liabilities	-18.7	-45.9	-48.4
Restructuring reserves, utilised	-43.1	-15.5	-55.1
Cash flow from operations	-144.0	64.8	199.2
<i>Investments</i>			
Acquisition of subsidiaries	-303.8	-2.6	-760.7
Investments in tangible fixed assets	-38.8	-22.4	-110.3
Cash flow from investments	-342.6	-25.0	-871.0
<i>Financial activities</i>			
New share issue	0.2	–	–
Change in interest-bearing debt	665.7	30.1	1,027.7
Change in long-term receivables	-1.4	-10.9	-63.0
Dividend paid	–	–	-159.0
Translation differences	-36.4	-6.4	-57.3
Cash flow from financial activities	628.1	12.8	748.4
Cash flow for the period	141.5	52.6	76.6
Liquid funds at begin of the year	235.4	158.8	158.8
Liquid funds at end of the period	376.9	211.4	235.4

Net interest-bearing debt

	2001	2000	2000
SEK Million	31 March	31 March	31 Dec
Debt to credit institutions	3,680.3	1,677.4	2,933.5
Pension provisions	1,174.3	26.9	1,121.7
Less liquid funds	-376.9	-211.4	-235.4
Net interest-bearing debt	4,477.7	1,492.9	3,819.8

Changes to shareholders' equity

	2001	2000	2000
SEK million	31 March	31 March	31 Dec
Shareholders' equity – opening balance	1,931.0	1,560.8	1,560.8
New share issue in progress	489.7	–	–
Dividend distributed	–	–	-159.0
Translation differences	114.9	-5.6	61.4
Net profit for the period	117.1	101.7	467.8
Shareholders' equity – closing balance	2,652.7	1,656.9	1,931.0

**Orders received
per business unit**

	2001	2000	Change	Adj f acq's & curr.fluct' s	2000
	Q1	Q1			FY
Sterilization	499.5	479.4	4.2%	-9.1%	1,930.9
Disinfection	231.4	211.4	9.5%	-7.9%	956.1
<i>Infection Control total</i>	730.9	690.8	5.8%	-8.7%	2,887.0
Surgical Systems	541.3	45.1			157.8
Hygiene Systems	297.8	208.0	43.2%	29.7%	899.7
Patient Handling	258.4	191.2	35.1%	19.6%	797.0
Wound Care	140.1	114.8	22.0%	2.2%	441.0
<i>Extended Care total</i>	696.3	514.0	35.5%	19.8%	2,137.7
Medical	17.4	16.4	6.1%	3.5%	60.8
Total orders received	1,985.9	1,266.3	56.8%	1.6%	5,243.3

**Net sales
per business unit**

	2001	2000	Change	Adj f acq's & curr.fluct' s	2000
	Q1	Q1			FY
Sterilization	454.3	404.0	12.5%	-0.6%	1,964.7
Disinfection	228.0	214.0	6.5%	-4.8%	969.9
<i>Infection Control total</i>	682.3	618.0	10.4%	-2.1%	2,934.6
Surgical Systems	556.1	34.5			146.6
Hygiene Systems	265.1	188.7	40.5%	27.1%	904.8
Patient Handling	255.7	193.8	31.9%	16.1%	772.3
Wound Care	142.5	115.7	23.2%	3.5%	433.8
<i>Extended Care total</i>	663.3	498.2	33.1%	17.4%	2,110.9
Medical	17.3	17.2	0.6%	-1.6%	61.4
Total net sales	1,919.0	1,167.9	64.3%	5.0%	5,253.5

Key figures	2001	2000	Change	2000
	Q1	Q1		FY
Orders received, SEK Million	1,985.9	1,266.3	56.8%	5,243.3
adjusted for currency flucs.& corp.acqs			1.6%	
Net sales, SEK Million	1,919.0	1,167.9	64.3%	5,253.5
adjusted for currency flucs.& corp.acqs			5.0%	
Financial net	-61.0	-16.4	272.0%	-96.0
Profit before tax, SEK Million	167.2	135.6	23.3%	623.7
Net profit, SEK Million	117.1	101.7	15.1%	467.8
Nmb of shares before 2001 issue	45,421,632	45,421,632	0.0%	45,421,632
Nmb of shares after 2001 issue ¹⁾	50,468,480		0.0%	
Earnings per share after full tax, SEK ¹⁾	2.58	2.24	15.1%	10.3
Operating capital, SEK Million	3,845.9	3,029.5	26.9%	3,356.8
Return on operating capital, per cent	20.1%	22.0%	-1.9%	20.8%
Net debt/equity ratio, multiple	1.69	0.90	0.79	1.98
Equity/assets ratio, per cent	27.2%	37.3%	-10.1%	24.0%
Equity per share, SEK ¹⁾	58.40	36.48	60.1%	42.51
Cash flow from operations, SEK Million	-144.0	64.8		199.2
Investments, tangible fixed assets, SEK million	38.8	22.4		-110.3
Number of employees at the period's end	5,443	3,800		5,298

1) At the end of March 2001, only an insignificant part (SEK 0.2 m) of the estimated total liquidity (SEK 489.7 m) from the current new issue had been received by the company. For calculating the EPS and equity per share, the number of shares before the new issue has been used. After the new issue has been finalized in April, the translation factor for historical per-share data, taking into account the bonus issue element in the new share issue, will be 0.9717.

The accounting principles applied in this report are the same as in Getinge Industrier's for 2000.