

GETINGE INDUSTRIER AB

INTERIM REPORT JUNE 2001

PRESS RELEASE

- ◆ **Orders received increased by 63% to SEK 4,099.5 million (2,518.7)**
- ◆ **Net sales increased by 59% to SEK 3,845.1 million (2,419.5)**
- ◆ **Operating profit increased by 44% to SEK 434.0 million (301.3)**
- ◆ **Profit before tax increased by 20% and amounted to SEK 313.5 million (260.7)**
- ◆ **Good earnings trend for the Extended Care business area**
- ◆ **Continued good development shown by the Surgical Systems business area**

The quarter

Developments during the second quarter of the year have been comprehensively good. Organic growth was strengthened in comparison with Q1 and totalled 11% in the period. Operating profit increased by 44%.

The Surgical Systems business area again had a strong quarter as regards orders received. Satisfactory invoicing and an improved cost structure resulted in a good operating profit for the period.

Developments in Extended Care continue to be extremely good, with improvements in volume and earnings in most markets.

The demand situation for Infection Control improved during the quarter. Weakness in orders received during the beginning of the year has, however, resulted in a fall-off in invoiced sales with a weakened operating profit during the period as a result.

Outlook

The Surgical Systems business area continued to develop according to plan. Good volume growth and an improved cost structure mean that prospects for the year as a whole continue to be very good.

A stable and satisfactory demand situation in the majority of Extended Care's markets have contributed to continued satisfactory development of the earnings trend for the business area.

Deteriorated earnings for Infection Control are the direct result of reduced volumes. The business area expects a gradual improvement in demand during the remainder of the year. The weak start does mean however, that operating profit for the year as a whole is expected to be somewhat less favourable than in the previous year.

The earnings trend within the Infection Control business area is well compensated by strong demand in Surgical Systems and Extended Care. The total assessment is that the group's outlook regarding earnings continues to be positive.

Surgical Systems business area

Market developments	2001	2000	2001	2000
Orders received per market	Q 2	Q 2	H1	H1
USA and Canada	106.9	12.8	206.4	53.2
Great Britain	19.1		65.3	
Germany	166.5		315.5	
Other Western Europe	213.5		339.9	
Rest of the world	134.0	17.5	254.2	22.2
Business area total	640.0	30.3	1,181.3	75.4

Order intake for the business area continues to be very good. Demand was good in most of the business area's markets in Europe and the Far East. Demand in North America improved during the quarter. The combined sales organisation for the Surgical Systems and Infection Control business areas in the USA is now in place and order intake is estimated to get still stronger during the second half of the year.

Results	2001	2000	2001	2000	2000
	Q 2	Q 2	H1	H1	FY
Net sales, SEK Million	533.9	35.6	1,090.0	70.1	146.6
Gross profit	269.7	8.9	535.7	20.9	44.3
Gross margin %	50.5%	25.0%	49.1%	29.8%	30.2%
Operating cost, SEK Million	-207.2	-10.5	-412.4	-23.0	-45.3
Operating profit	62.5	-1.6	123.3	-2.1	-1.0
Operating margin %	11.7%	-4.5%	11.3%	-3.0%	-0.7%

Earnings for the period resulted from a good volume trend and an improved cost structure achieved by the actions taken. Operating tables and lighting systems both showed improved earnings during the period.

Restructuring programme

The restructuring and action programme announced earlier, is continuing to fulfilment as planned. For the present year, synergy improvements are estimated at SEK 80 – 100 million. Synergy benefits for the coming financial year are estimated to be SEK 140 – 150 million. The closure of Orto Maquet was completed during the quarter. Parts of the operation, together with certain key personnel, have been sold. During the first half of the year, restructuring costs totalled SEK 346.9 million, of which 230.6 relates to OrtoMaquet.

Disposal of ALM's table business

Because of the very high market share of the business area in respect of operating tables in the French market (about 90%) an agreement has been reached with the French competition authorities involving parts of ALM's table business being sold within the next 12-month period.

The business involved has an annual turnover of FFR 55 million.

Other activities

Surgical Systems continues to capture important reference orders for its unique table system for image guided surgery, AWIGS (Advanced Workstation for Image Guided Surgery) and VIWAS (Vascular Interventional Workplace for Advanced Surgery). The products will be launched on a further number of selected markets during the second half of the year.

The two new mobile operating tables C-MAX and Alpha MAX which were developed specifically for the American market and were launched during the spring, continue to be very well received. Certain delivery interruptions have, however, meant that the effect of earnings from this will first become apparent during the second half of the year.

Infection Control business area

Market developments	2001	2000	Change	2001	2000	Change
<i>Orders received per market</i>	Q 2	Q 2		H1	H1	
Western Europe	374.3	328.9	13.8%	718.6	652.5	10.1%
USA and Canada	344.3	307.7	11.9%	642.8	558.4	15.1%
Asia/Australia	85.5	59.7	43.2%	148.7	120.5	23.4%
Rest of the world	40.7	33.5	21.5%	65.6	89.2	-26.5%
Business area total	844.8	729.8	15.8%	1,575.7	1,420.6	10.9%
<i>adjusted for currency flucs.& corp.acqs</i>			3.6%			-2.4%

During the quarter, demand improved, but continues to be difficult to assess for Europe. Markets which themselves proved to be very positive during the quarter were France, Great Britain and Scandinavia. Demand from hospital customers in the USA was better during the quarter, but important orders to the pharmaceutical industry in the USA were postponed. Developing markets which improved as regards orders received during the quarter are expected to show still improved orders received during the remainder of the year.

Results	2001	2000	Change	2001	2000	Change	2000
	Q 2	Q 2		H1	H1		FY
Net sales, SEK Million	748.5	721.8	3.7%	1,430.8	1,339.8	6.8%	2,934.6
<i>adjusted for currency flucs.& corp.acqs</i>			-9.4%			-6.0%	
Gross profit	273.6	262.5	4.2%	517.0	501.8	3.0%	1,090.7
Gross margin %	36.6%	36.4%	0.2%	36.1%	37.5%	-1.4%	37.2%
Operating cost, SEK Million	-209.7	-172.5	21.6%	-401.9	-342.5	17.3%	-722.2
Operating profit	63.9	90.0	-29.0%	115.1	159.3	-27.7%	368.5
Operating margin %	8.5%	12.5%	-4.0%	8.0%	11.9%	-3.9%	12.6%

The deteriorated operating profit for the period is totally due to lower net turnover adjusted for currency fluctuations and corporate acquisitions. This lower net turnover is a result of a lower level of orders received during the last 9-month period. The deterioration regarding autoclaves to hospital customers was especially noticeable. As regards the Disinfection product line, developments were satisfactory.

SEK 4.3 million has been charged against the quarter for the World Sterilizer Project, and for the year so far the total is SEK 7.0 million.

Activities

The World Sterilizer Project, WSP, which is one of the new generation of standard autoclaves primarily intended for hospital customers, continues as planned although somewhat delayed. The WSP will be fully implemented during

the first half of 2002 and as from 2003 will improve the result of the business area by between SEK 60 – 70 million per year.

New organisation

The executive management of the business area has been strengthened with two important appointments during the quarter. Christophe Hammer, formally head of the Disinfection business unit has been appointed head of Sales and Markets. Mats Ottosson has been engaged as head of the Sterilization business unit as well as a member of the group executive board.

Extended Care business area

Market developments	2001	2000	Change	2001	2000	Change
<i>Orders received per market</i>	Q 2	Q 2		H1	H1	
USA and Canada	237.0	187.4	26.5%	477.0	368.7	29.4%
Great Britain	137.7	104.8	31.4%	344.3	260.5	32.2%
Germany	67.5	58.2	16.0%	136.3	118.0	15.5%
Other Western Europe	151.0	107.7	40.2%	311.5	212.0	46.9%
Rest of the world	21.8	20.9	4.3%	42.2	33.8	24.9%
Business area total	615.0	479.0	28.4%	1,311.3	993.0	32.1%
<i>adjusted for currency flucs.& corp.acqs</i>			15.3%			17.6%

Demand for the business area's products continued to be very good in most markets. Markets which performed especially well during the quarter were Spain, France, Benelux and Great Britain. The North American market continues to develop in a positive direction, both as regards Canada and the USA.

Results	2001	2000	Change	2001	2000	Change	2000
	Q 2	Q 2		H1	H1		FY
Net sales, SEK Million	629.2	480.5	30.9%	1,292.5	978.7	32.1%	2,110.9
<i>adjusted for currency flucs.& corp.acqs</i>			18.1%			17.7%	
Gross profit	305.9	230.5	32.7%	630.4	487.0	29.4%	1,042.3
Gross margin %	48.6%	48.0%	0.6%	48.8%	49.8%	-1.0%	49.4%
Operating cost, SEK Million	-227.2	-170.8	33.0%	-437.0	-346.3	26.2%	-719.4
Operating profit	78.7	59.7	31.8%	193.4	140.7	37.5%	322.9
Operating margin %	12.5%	12.4%	0.1%	15.0%	14.4%	0.6%	15.3%

The improvement in earnings during the quarter was due to a positive volume trend. The Patient Handling business unit showed an especially good earnings trend, the Wound Care business unit showed a somewhat weaker trend.

Medical

The independent Medical business unit, together with companies LIC Audio and NeuroMédica reported net sales of SEK 31.7 million (30.9). Operating profits totalled SEK 2.2 million (3.3).

Next report

The next report from the Getinge group (Q3 2001) will be issued on 18 October 2001.

Getinge 16 July 2001

Johan Malmquist
President

The tele-conference will be held today at 11 a.m. Swedish time. To take part please phone +44 (0) 20 82 40 8240, codeword: Getinge.

Income Statements	2001	2001	Change	2001	2000	Change	2000
SEK Million	Q 2	Q 2		H1	H1		FY
Net sales ¹⁾	1,926.1	1,251.6	53.9%	3,845.1	2,419.5	58.9%	5,253.5
Cost of goods sold	-1,072.5	-745.7	43.8%	-2,152.5	-1,400.2	53.7%	-3,056.2
Gross profit	853.6	505.9	68.7%	1,692.6	1,019.3	66.1%	2,197.3
Gross margin	44.3%	40.4%	3.9%	44.0%	42.1%	1.9%	41.8%
Selling expenses	-393.6	-227.6	72.9%	-769.6	-449.2	71.3%	-942.0
Administrative expenses	-199.1	-108.0	84.4%	-400.7	-233.2	71.8%	-474.4
Research & development costs	-50.8	-20.3	150.2%	-104.6	-42.4	146.7%	-101.5
Other operating income	1.2	4.0	-70.0%	25.0	6.9	262.3%	26.9
Other operating cost	-5.5	-4.7	17.0%	-8.7	-0.1	8600.0%	-9.3
Items affecting comp. (SPP)	—	—	—	—	—	—	23.2
Operating profit ²⁾	205.8	149.3	37.8%	434.0	301.3	44.0%	720.2
Operating margin	10.7%	11.9%	-1.2%	11.3%	12.5%	-1.2%	13.7%
Interest income	3.4	4.0		8.3	8.4		18.7
Interest expense	-59.8	-25.1		-123.6	-47.5		-108.3
Other financial items	-3.1	-3.1		-5.2	-1.5		-6.4
Ass.companies' loss	—	—		—	—		-0.5
Profit before tax	146.3	125.1	16.9%	313.5	260.7	20.3%	623.7
Taxes	-44.0	-31.3		-94.1	-65.2		-155.9
Net profit	102.3	93.8	9.1%	219.4	195.5	12.2%	467.8
Earnings per share, SEK ³⁾	2.03	2.01		4.51	4.18		10.01
1) Adjusted for currency fluctuations and company acquisitions the net sales' change is 3,6%							
2) Operating profit is charged with							
— amortisation on goodwill	-39,1	-16,0		-76,4	-31,1		-65,6
— depr. on other fixed assets	-52,1	-29,6		-101,6	-62,0		-129,3
	-91,2	-45,6		-178,0	-93,1		-195,1

3) See note below table " Key ratios"

Quarterly results	1999	1999	1999	2000	2000	2000	2000	2001	2001
SEK Million	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2
Net sales	1,197.9	1,074.8	1,428.9	1,167.9	1,251.6	1,200.7	1,633.3	1,919.0	1,926.1
Cost of goods sold	-660.7	-622.2	-799.6	-654.5	-745.7	-721.2	-934.8	-1,080.0	-1,072.5
Gross profit	537.2	452.6	629.3	513.4	505.9	479.5	698.5	839.0	853.6
Operating cost	-372.9	-342.7	-388.7	-361.4	-356.6	-361.5	-420.8	-610.8	-647.8
Items affecting comp.							23.2		
Operating profit	164.3	109.9	240.6	152.0	149.3	118.0	300.9	228.2	205.8
Financial net	-8.4	-17.8	-12.8	-16.4	-24.2	-26.5	-28.9	-61.0	-59.5
Ass.comp.s' profit/loss	-0.3	-0.3	-0.1	0.0	0.0	0.0	-0.5	0.0	0.0
Profit before tax	155.6	91.8	227.7	135.6	125.1	91.5	271.5	167.2	146.3
Taxes	-39.0	-23.0	-56.3	-33.9	-31.3	-22.8	-67.9	-50.1	-44.0
Net profit	116.6	68.8	171.4	101.7	93.8	68.7	203.6	117.1	102.3

Balance Sheets	2001	2000	2000
Assets SEK Million	30 June	30 June	31 dec
Intangible fixed assets	2,769.9	1,002.7	2,450.9
Tangible fixed assets	1,325.7	756.2	1,228.1
Financial assets	413.6	124.9	391.4
Stock-in-trade	1,769.8	891.8	1,268.7
Current receivables	2,645.4	1,625.4	2,456.9
Liquid funds	441.7	225.9	235.4
Total assets	9,366.1	4,626.9	8,031.4
Shareholders' equity & Liabilities			
Shareholders' equity	2,642.8	1,604.5	1,931.0
Minority interests	–	–	8.8
Provisions	1,826.4	85.4	1,928.5
Long-term liabilities	68.2	54.2	67.0
Current liabilities	4,828.7	2,882.8	4,096.1
Total Equity & Liabilities	9,366.1	4,626.9	8,031.4

Funds Statements	2001	2000	2001	2000	2000
SEK Million	Q 2	Q 2	H1	H1	FY
Operations					
Profit before tax	146.3	125.1	313.5	260.7	623.7
Depreciations & amortizations	91.2	45.6	178.0	93.1	195.1
	237.5	170.7	491.5	353.8	818.8
Taxes paid	-21.6	-27.7	-79.9	-57.7	-120.8
Cash flow before changes in working capital	215.9	143.0	411.6	296.1	698.0
Changes in working capital					
Stock-in-trade	-97.6	-23.8	-343.4	-126.1	-106.4
Rental equipment	-7.5	-3.6	-13.5	-7.9	-25.6
Current receivables	40.1	-79.5	14.0	0.2	-263.3
Current operating liabilities	74.7	-62.0	56.0	-107.9	-48.4
Restructuring reserves, utilised	-317.3	-17.0	-360.4	-32.5	-55.1
Cash flow from operations	-91.7	-42.9	-235.7	21.9	199.2
Investments					
Acquisition of subsidiaries	-12.8	–	-316.6	-2.6	-760.7
Investments in tangible fixed assets	-36.6	-38.5	-75.4	-60.9	-110.3
Cash flow from investments	-49.4	-38.5	-392.0	-63.5	-871.0
Financial activities					
New share issue	489.9	–	490.1	–	–
Change in interest-bearing debt	-111.9	313.0	553.8	343.1	1,027.7
Change in long-term receivables	-66.7	-53.8	-68.1	-64.7	-63.0
Dividend paid	-159.0	-159.0	-159.0	-159.0	-159.0
Translation differences	53.6	-4.3	17.2	-10.7	-57.3
Cash flow from financial activities	205.9	95.9	834.0	108.7	748.4
Cash flow for the period	64.8	14.5	206.3	67.1	76.6
Liquid funds at begin of the year	376.9	211.4	235.4	158.8	158.8
Liquid funds at end of the period	441.7	225.9	441.7	225.9	235.4

Net interest-bearing debt	2001	2000	2000
SEK Million	30 June	30 June	31 dec
Debt to credit institutions	3,565.5	1,989.7	2,933.5
Pension provisions	1,175.2	27.6	1,121.7
Less liquid funds	-441.7	-225.9	-235.4
Net interest-bearing debt	4,299.0	1,791.4	3,819.8

Changes to shareholders' equity	2001	2000	2000
SEK million	30 June	30 June	31 dec
Shareholders' equity – opening balance	1,931.0	1,560.8	1,560.8
New share issue	490.1	–	–
Dividend distributed	-159.0	-159.0	-159.0
Translation differences	161.3	7.2	61.4
Net profit for the period	219.4	195.5	467.8
Shareholders' equity – closing balance	2,642.8	1,604.5	1,931.0

Orders received per business unit	2001 Q 2	2000 Q 2	Change	Adj f acq's & curr.fluct's	2001 H1	2000 H1	Change	Adj f acq's & curr.fluct's	2000 FY
Sterilization	568.0	484.4	17.3%	5.0%	1,067.5	963.8	10.8%	-2.0%	1,930.9
Disinfection	276.8	245.4	12.8%	1.0%	508.2	456.8	11.3%	-3.1%	956.1
Infection Control total	844.8	729.8	15.8%	3.6%	1,575.7	1,420.6	10.9%	-2.4%	2,887.0
Surgical Systems	640.0	30.3		110.7%	1,181.3	75.4		16.2%	157.8
Hygiene Systems	277.6	208.7	33.0%	20.2%	575.4	416.7	38.1%	24.9%	899.7
Patient Handling	228.7	174.7	30.9%	14.1%	487.1	365.9	33.1%	17.0%	797.0
Wound Care	108.7	95.6	13.7%	6.7%	248.8	210.4	18.3%	4.2%	441.0
Extended Care total	615.0	479.0	28.4%	15.3%	1,311.3	993.0	32.1%	17.6%	2,137.7
Medical	13.8	13.3	3.8%	0.5%	31.2	29.7	5.1%	2.1%	60.8
Total orders received	2,113.6	1,252.4	68.8%	10.6%	4,099.5	2,518.7	62.8%	6.1%	5,243.3

Net sales per business unit	2001 Q 2	2000 Q 2	Change	Adj f acq's & curr.fluct's	2001 H1	2000 H1	Change	Adj f acq's & curr.fluct's	2000 FY
Sterilization	477.5	486.7	-1.9%	-14.5%	931.8	890.7	4.6%	-8.2%	1,964.7
Disinfection	271.0	235.1	15.3%	1.1%	499.0	449.1	11.1%	-1.8%	969.9
Infection Control total	748.5	721.8	3.7%	-9.4%	1,430.8	1,339.8	6.8%	-6.0%	2,934.6
Surgical Systems	533.9	35.6		28.9%	1,090.0	70.1		-6.6%	146.6
Hygiene Systems	283.0	212.1	33.4%	20.5%	548.1	400.8	36.8%	23.6%	904.8
Patient Handling	228.4	169.6	34.7%	18.5%	484.1	363.4	33.2%	17.2%	772.3
Wound Care	117.8	98.8	19.2%	12.2%	260.3	214.5	21.4%	7.5%	433.8
Extended Care total	629.2	480.5	30.9%	18.1%	1,292.5	978.7	32.1%	17.7%	2,110.5
Medical	14.4	13.7	5.1%	1.0%	31.7	30.9	2.6%	-0.5%	61.4
Total net sales	1,926.0	1,251.6	53.9%	2.4%	3,845.0	2,419.5	58.9%	3.6%	5,253.5

Key figures	2001	2000	Change	2000
	H1	H1		FY
Orders received, SEK Million	4,099.5	2,518.7	62.8%	5,243.3
adjusted for currency flucs.& corp.acqs			6.1%	
Net sales, SEK Million	3,845.0	2,419.5	58.9%	5,253.5
adjusted for currency flucs.& corp.acqs			3.6%	
Financial net	-120.5	-40.6	196.8%	-96.0
Profit before tax, SEK Million	313.5	260.7	20.3%	623.7
Net profit, SEK Million	219.4	195.5	12.2%	467.8
Nmb of shares before 2001 issue ¹⁾	45,421,632	45,421,632		45,421,632
Nmb of shares after 2001 issue ¹⁾	50,468,480			
Earnings per share after full tax, SEK ¹⁾	4.51	4.18	12.2%	10.0
Operating capital, SEK Million	4,369.7	3,118.2	40.1%	3,356.8
Return on operating capital, per cent	19.0%	20.9%	-1.9%	20.8%
Net debt/equity ratio, multiple	1.63	1.12	0.51	1.98
Equity/assets ratio, per cent	28.2%	34.7%	-6.5%	24.0%
Equity per share, SEK ¹⁾	52.37	34.32	52.6%	41.31
Cash flow from operations, SEK Million	-235.7	21.9		199.2
Investments in tangible fixed assets, SEK Million	75.4	60.9		-110.3
Number of employees at the period's end	5,369	3,770		5,298

1) The new share issue was completed at the beginning of April. Figures for earnings and equity per share relating to prior periods have been adjusted to reflect the bonus issue element of the new issue by a correction factor of 0.9717 (corresponding to 46,745,243 shares instead of 45,421,632).

The accounting principles applied in this report are the same as in Geringe Industrier's annual report for 2000. The report has not been subject to audit.