

**Q3 REPORT JANUARY - SEPTEMBER 2003**

- ◆ **Orders received totalled SEK 6,473.8 million (6,521.8)**
- ◆ **Net sales increased to SEK 6,231.2 million (6,041.4)**
- ◆ **The profit before tax climbed 41% to SEK 663.9 million (470.6)**
- ◆ **The net profit rose by 43% to SEK 471.4 million (329.4)**
- ◆ **EPS rose 43% to SEK 9.34 (6.53)**
- ◆ **Improved operating margins for all business areas**
- ◆ **Continued positive cash flow**
- ◆ **LSS acquisition completed**

**The quarter****Orders received**

Q3's orders received for the Group rose organically by 4.4%. The Group's volume growth continued to be moderate for Western Europe, while the US market and developing markets saw positive demand. Orders received for Infection Control progressed very well during the quarter. Growth was particularly good on the North American market and from Life Science customers. Orders received for Surgical Systems and Extended Care slipped somewhat over the period.

**Results**

The Group's profit before tax forged ahead by 48% in Q3. Adjusted for capitalized development costs, the profit before tax climbed 41%. The improved results should be seen in relation to the modest sales rise during Q3.

Infection Control's improved profit is an effect of the implemented rationalisation scheme and the hike in sales volumes. Surgical Systems' profit has improved through synergies from the Heraeus integration. Surgical Systems and Infection Control's profits have been positively affected by improved profits from the North American business. Extended Care reported a profit at last year's level and countered a weak volume trend with sound cost controls. Improved operating margins are being seen in all business areas.

The cash flow continues to progress well and stood at SEK 364 million (218 m) measured as cash flow from current activities.

**Outlook**

The Group's assessment of its profit outlook continues to be positive. The profit growth for the year is expected to rise compared with 2002 for the Group as a whole, excluding capitalized development costs and the Jostra acquisition. It is estimated that the Jostra acquisition will have an SEK 10 million impact on profits, and the profit effects for the year from the Siemens Life Support Systems acquisition will be neutral.

## Surgical Systems business area

### Market development

	2003	2002	Change adjusted for currency flucs. & corp.acqs.	2003	2002	Change adjusted for currency flucs. & corp.acqs.
<i>Orders received per market</i>	<b>Q 3</b>	Q 3		<b>9 mon</b>	9 mon	
Western Europe	<b>446.0</b>	386.7	-11.5%	<b>1,233.8</b>	1,053.5	2.9%
USA and Canada	<b>135.4</b>	154.2	-23.0%	<b>366.3</b>	381.0	4.0%
Asia and Australia	<b>122.3</b>	75.3	33.2%	<b>353.5</b>	283.8	14.6%
Rest of the world	<b>66.0</b>	31.9	51.4%	<b>128.1</b>	129.3	-19.9%
Business area total	<b>769.7</b>	648.1	-5.7%	<b>2,081.7</b>	1,847.6	3.3%

Orders received declined organically in Q3. The business area's proportionately major dependence on the lacklustre European healthcare market characterized orders received. Uncertainty, coupled with the introduction of a new reimbursement system in German hospitals, has dampened demand in the short term. Orders received in North America during Q3 was lower and is linked to the robust Q2. In total, orders received for the North American organisation, which is shared with the Infection Control business area, were good in Q3. Demand in Japan and developing markets was also good.

### Results

	2003	2002	Change	2003	2002	Change	2002
	<b>Q 3</b>	Q 3		<b>9 mon</b>	9 mon		FY
Net sales, SEK Million	<b>753.6</b>	659.5	14.3%	<b>2,101.0</b>	1,743.0	20.5%	2,520.8
<i>adjusted for currency flucs. &amp; corp.acqs</i>			-5.1%			8.6%	
Gross profit	<b>374.2</b>	333.2	12.3%	<b>1,022.4</b>	855.8	19.5%	1,200.5
Gross margin %	<b>49.7%</b>	50.5%	-0.8%	<b>48.7%</b>	49.1%	-0.4%	47.6%
Operating cost, SEK Million	<b>-295.9</b>	-282.7	4.7%	<b>-781.9</b>	-694.0	12.7%	-945.6
Operating profit	<b>78.3</b>	50.5	55.0%	<b>240.5</b>	161.8	48.6%	254.9
Operating margin %	<b>10.4%</b>	7.7%	2.7%	<b>11.4%</b>	9.3%	2.1%	10.1%

The operating profit climbed 55% in Q3, an improvement that is mainly on the back of synergy gains from the Heraeus acquisition. The somewhat lower gross margin is due to the Jostra acquisition consolidated from 1 July.

### Heraeus

The integration of the Heraeus acquisition was completed in Q3. Production of surgical lights and ceiling service units is now based at the business area's production facility in Ardon, France. Improving efficiency at the Ardon factory continues following production being moved there.

### Jostra

Jostra was consolidated in the business area with effect from 1 July and is progressing according to plan. Integration has started and includes coordinating Jostra's and Surgical Systems' existing sales and marketing organisations. In

addition, production of disposable items will be concentrated at Jostra's German facilities, resulting in the closure of Jostra's Danish facility.

In the current year it is estimated that the acquisition will have an SEK 10 million impact on profits. It is also estimated that Jostra will contribute around SEK 50 million to the profit before tax in 2004.

### Siemens LSS

The acquisition of Siemens Life Support Systems was finalised after the end of Q3. Siemens LSS will start to be integrated immediately. Details and schedules of the integration plans will be presented when the financial statement is released for 2003. Siemens LSS was consolidated with effect from 1 October and is not expected to have an impact on profits this year.

### New marketing organisation

A new global marketing organisation will be introduced for Surgical Systems to balance the need for top-quality sales skills and cost-effective distribution. In future, marketing companies on the respective markets will be divided into three focused sales divisions – Surgical Workplaces (tables, lamps, ceiling service units) – Cardiopulmonary (Jostra) and Critical Care (Siemens LSS). The sales divisions will be supported by a single aftermarket organisation with a mutual administration and management. In connection with this new organisation, the brand portfolio will be further concentrated, where Maquet will become brand leader in the long-term.

## Infection Control business area

### Market development

	2003	2002	Change adjusted for currency flucs. & corp.acqs.	2003	2002	Change adjusted for currency flucs. & corp.acqs.
<i>Orders received per market</i>	<b>Q 3</b>	Q 3		<b>9 mon</b>	9 mon	
Western Europe	<b>386.4</b>	357.8	10.9%	<b>1,134.0</b>	1,133.8	1.8%
USA and Canada	<b>330.9</b>	312.4	30.4%	<b>862.7</b>	1,062.5	2.8%
Asia and Australia	<b>107.0</b>	99.2	9.1%	<b>292.2</b>	278.0	9.2%
Rest of the world	<b>65.5</b>	59.3	12.6%	<b>191.7</b>	141.7	37.9%
Business area total	<b>889.8</b>	828.7	18.2%	<b>2,480.6</b>	2,616.0	4.9%

Orders received rose 18% organically during the quarter. Growth was especially good on the North American market, both for hospital products and life science customers. Demand in Western Europe remains subdued, even if the quarter showed good growth. The performance remained positive in developing markets, which are concentrated in the Far East and Eastern Europe.

### Results

	2003	2002	Change	2003	2002	Change	2002
	<b>Q 3</b>	Q 3		<b>9 mon</b>	9 mon		FY
Net sales, SEK Million	<b>745.1</b>	745.2	0.0%	<b>2,301.9</b>	2,287.7	0.6%	3,359.3
<i>adjusted for currency flucs. &amp; corp.acqs</i>			11.1%			12.1%	
Gross profit	<b>281.2</b>	255.3	10.1%	<b>902.5</b>	800.0	12.8%	1,215.8
Gross margin %	<b>37.7%</b>	34.3%	3.4%	<b>39.2%</b>	35.0%	4.2%	36.2%
Operating cost, SEK Million	<b>-199.1</b>	-215.2	-7.5%	<b>-629.7</b>	-678.6	-7.2%	-909.9
Operating profit	<b>82.1</b>	40.1	104.7%	<b>272.8</b>	121.4	124.7%	305.9
Operating margin %	<b>11.0%</b>	5.4%	5.6%	<b>11.9%</b>	5.3%	6.6%	9.1%

The operating profit soared by 105% in Q3. The improvement is an effect of the rationalisation schemes implemented last year and good invoicing volumes. The North American business, which accounts for a considerable part of the improvements, continued to progress well under the new management appointed last year. Considerable potential remains for improving the business area's profitability over the coming year and the target for a stable, sustainable operating margin of 15% remains.

## Extended Care business area

### Market development

	2003	2002	Change adjusted for currency flucs. & corp.acqs.	2003	2002	Change adjusted for currency flucs. & corp.acqs.
<b>Orders received per market</b>	<b>Q 3</b>	<b>Q 3</b>		<b>9 mon</b>	<b>9 mon</b>	
Western Europe	379.6	405.8	-0.9%	1,235.3	1,218.2	6.1%
USA and Canada	198.5	248.2	-6.7%	576.9	734.1	-5.1%
Asia and Australia	19.4	20.1	-0.8%	56.1	56.0	7.1%
Rest of the world	5.1	5.5	-2.2%	12.9	20.2	-33.5%
Business area total	602.6	679.6	-3.0%	1,881.2	2,028.5	1.6%

Orders received during the quarter were weak and fell organically by 3%. The downturn is due to only a few markets. Orders received in Germany dropped in Q3, due to customers' unwillingness to invest. Orders received in the UK were organically in line with last year, while growth on other West European markets was generally good. Demand for Patient Handling and Hygiene Systems equipment in the US was in line with last year, while demand for Wound Care products fell somewhat.

### Results

	2003	2002	Change	2003	2002	Change	2002
	<b>Q 3</b>	<b>Q 3</b>		<b>9 mon</b>	<b>9 mon</b>		<b>FY</b>
Net sales, SEK Million	582.7	640.2	-9.0%	1,797.6	1,981.0	-9.3%	2,720.0
<i>adjusted for currency flucs. &amp; corp.acqs</i>			-0.4%			-0.5%	
Gross profit	275.0	320.2	-14.1%	859.9	998.6	-13.9%	1,387.9
Gross margin %	47.2%	50.0%	-2.8%	47.8%	50.4%	-2.6%	51.0%
Operating cost, SEK Million	-180.5	-222.5	-18.9%	-595.2	-681.9	-12.7%	-900.3
Operating profit	94.5	97.7	-3.3%	264.7	316.7	-16.4%	487.6
Operating margin %	16.2%	15.3%	0.9%	14.7%	16.0%	-1.3%	17.9%

The business area's profits for the quarter are at a somewhat lower level than last year. The operating margin has strengthened and amounts to the sound level of 16.2% for the seasonally weak Q3. The lower gross margin is a result of exchange rate fluctuations and product mix.

### Activities

Extended Care, which has had new business area management under Albrecht Knauf since Q2, devoted a lot of effort in positioning the business area for future growth. Two patient handling products and two new hygiene systems products will be launched over the next two quarters. A review of the business area's structure has been

carried out in parallel with the product range being extended. This will involve savings from 2004 of around SEK 20 million in addition to the SEK 25 million that the closure of Parker Bath entails. Southern Europe and the US remain prioritised growth markets.

## **Senior management's benefits**

During the quarter the CEO's pension provisions changed so that his pension at 65 will represent 50% of his basic salary at 60 as opposed to a previous amount of 32.5 %. The change, applicable from 1 July 2003, means the monthly premium payable by the company rises by SEK 44,000.

## **Nominating committee**

The Chairman has invited the following persons pending the next AGM to form a nominating committee under his leadership:

Marianne Nilsson of Robur's equity funds, Gustaf Douglas of Investment AB Latour, Joachim Spetz of SHB funds/life, Björn Franzon of 4:th AP-funds, Thomas Nicolin of 3:rd AP-funds and Olle Törnblom of Sveriges Aktiesparares Riksförbund (Association of Swedish Shareholders).

## **Next report**

The next report from the Getinge Group (Q4 2003) will be published on 26 January 2004.

Johan Malmquist  
President and CEO

A telephone conference will be held today at 3 p.m. Swedish time. To take part please ring +44 (0)20 7162 0188, Password: Getinge

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<b>Income Statements</b>	<b>2003</b>	2003	Change	<b>2003</b>	2002	Change	2002
SEK Million	Q 3	Q 3		9 mon	9 mon		FY
Net sales	<b>2,090.6</b>	2,054.0	1.8%	<b>6,231.2</b>	6,041.4	3.1%	8,640.1
Cost of goods sold	<b>-1,158.0</b>	-1,142.7	1.3%	<b>-3,439.1</b>	-3,379.1	1.8%	-4,825.0
<b>Gross profit</b>	<b>932.6</b>	911.3	2.3%	<b>2,792.1</b>	2,662.3	4.9%	3,815.1
Gross margin	44.6%	44.4%	0.2%	44.8%	44.1%	0.7%	44.2%
Selling expenses	<b>-447.3</b>	-447.8	-0.1%	<b>-1,289.5</b>	-1,279.8	0.8%	-1,731.5
Administrative expenses	<b>-195.9</b>	-189.8	3.2%	<b>-588.4</b>	-578.4	1.7%	-774.3
Research & development costs <sup>1)</sup>	<b>-47.7</b>	-54.1	-11.8%	<b>-146.9</b>	-174.8	-16.0%	-248.2
Other operating income and expenses	<b>13.6</b>	-31.2	-143.6%	<b>11.9</b>	-28.6	-141.6%	-11.6
<b>Operating profit <sup>2)</sup></b>	<b>255.3</b>	188.4	35.5%	<b>779.2</b>	600.7	29.7%	1,049.5
Operating margin	12.2%	9.2%	3.0%	12.5%	9.9%	2.6%	12.1%
Financial net	<b>-39.1</b>	-42.4		<b>-115.3</b>	-130.1		-173.9
<b>Profit before tax</b>	<b>216.2</b>	146.0	48.1%	<b>663.9</b>	470.6	41.1%	875.6
Taxes <sup>3)</sup>	<b>-62.7</b>	-40.6		<b>-192.5</b>	-141.2		-253.9
<b>Net profit</b>	<b>153.5</b>	105.4	45.6%	<b>471.4</b>	329.4	43.1%	621.7
Earnings per share, SEK	<b>3.04</b>	2.09	45.5%	<b>9.34</b>	6.53	43.0%	12.32

1) Development costs totalling SEK 26.2 million have been capitalised, of which SEK 10.6 million during the quarter.

2) Operating profit is charged with

— amortisation on goodwill	<b>-43.3</b>	-44.4		<b>-125.7</b>	-124.1		-165.6
— depr. on other fixed assets	<b>-62.6</b>	-56.3		<b>-174.8</b>	-168.7		-222.6
	<b>-105.9</b>	-100.7		<b>-300.5</b>	-292.8		-388.2

3) The effective tax rate for 2003 is estimated to be 29%.

<b>Quarterly results</b>	2001	2001	2002	2002	2002	2002	2003	2003	2003
SEK Million	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3
Net sales	1,846.6	2,456.5	1,909.2	2,078.2	2,054.0	2,598.7	2,003.0	2,137.6	2,090.6
Cost of goods sold	-1,071.7	-1,340.9	-1,052.1	-1,184.3	-1,142.7	-1,445.9	-1,119.8	-1,161.3	-1,158.0
Gross profit	774.9	1,115.6	857.1	893.9	911.3	1,152.8	883.2	976.3	932.6
Operating cost	-608.5	-742.0	-667.4	-671.3	-722.9	-704.0	-669.9	-665.7	-677.3
Operating profit	166.4	373.6	189.7	222.6	188.4	448.8	213.3	310.6	255.3
Financial net	-54.1	-49.0	-43.9	-43.8	-42.4	-43.8	-39.3	-36.9	-39.1
Profit before tax	112.3	324.6	145.8	178.8	146.0	405.0	174.0	273.7	216.2
Taxes	-33.7	-97.3	-45.8	-54.8	-40.6	-112.7	-50.5	-79.3	-62.7
Net profit	78.6	227.3	100.0	124.0	105.4	292.3	123.5	194.4	153.5

<b>Balance Sheets</b>	2003	2002	2002
Assets SEK Million	30 September	30 September	31 Dec
Intangible fixed assets <sup>1)</sup>	2,885.5	2,887.0	2,803.6
Tangible fixed assets	1,309.0	1,242.2	1,252.5
Financial assets	556.3	448.1	507.8
Stock-in-trade	1,749.5	1,884.5	1,638.6
Current receivables	2,484.9	2,555.4	2,800.7
Liquid funds	500.5	381.8	412.8
<b>Total assets</b>	<b>9,485.7</b>	<b>9,399.0</b>	<b>9,416.0</b>
<b>Shareholders' equity &amp; Liabilities</b>			
Shareholders' equity	3,229.8	2,893.2	3,158.2
Provisions for pensions, interest-bearing	1,189.1	1,203.1	1,211.0
Restructuring reserves	262.9	376.0	253.5
Other provisions	502.8	504.7	478.2
Long-term liabilities	1,383.4	2,834.9	2,441.5
Current liabilities	2,917.7	1,587.1	1,873.6
<b>Total Equity &amp; Liabilities</b>	<b>9,485.7</b>	<b>9,399.0</b>	<b>9,416.0</b>

1) This item includes capitalised development costs of SEK 26.2 million.

<b>Cash flow statements</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2002</b>
SEK Million	<b>Q 3</b>	<b>Q 3</b>	<b>9 mon</b>	<b>9 mon</b>	<b>FY</b>
<b>Operations</b>					
Operating profit	<b>255.2</b>	188.4	<b>779.1</b>	600.7	1,049.5
Adjustment for items not included in cash flow	<b>105.9</b>	100.7	<b>300.5</b>	292.8	385.8
Financial items	<b>-39.1</b>	-42.4	<b>-115.3</b>	-130.1	-180.2
Taxes paid	<b>-54.1</b>	-85.4	<b>-140.5</b>	-172.5	-232.2
<b>Cash flow before changes in working capital</b>	<b>267.9</b>	161.3	<b>823.8</b>	590.9	1,022.9
Changes in working capital					
Stock-in-trade	<b>65.4</b>	-56.4	<b>62.4</b>	-81.5	164.4
Rental equipment	<b>-4.1</b>	-0.1	<b>-13.9</b>	-13.0	-32.6
Current receivables	<b>147.1</b>	146.9	<b>507.2</b>	572.8	328.3
Current operating liabilities	<b>-74.3</b>	-14.0	<b>-211.5</b>	-265.3	-113.5
Restructuring reserves, utilised	<b>-38.0</b>	-19.8	<b>-90.1</b>	-47.6	-158.1
<b>Cash flow from operations</b>	<b>364.0</b>	217.9	<b>1,077.9</b>	756.3	1,211.4
<b>Investments</b>					
Acquisition of subsidiaries	<b>-568.9</b>	-300.1	<b>-602.7</b>	-316.0	-313.3
Net investments in intangible fixed assets	<b>-12.0</b>	—	<b>-30.0</b>	—	—
Net investments in tangible fixed assets	<b>-46.7</b>	-29.8	<b>-127.9</b>	-97.4	-149.6
<b>Cash flow from investments</b>	<b>-627.6</b>	-329.9	<b>-760.6</b>	-413.4	-462.9
<b>Financial activities</b>					
Change in interest-bearing debt	<b>-47.3</b>	-212.3	<b>-378.3</b>	-339.4	-748.8
Interest-bearing loan in acquired subsidiaries	<b>346.5</b>	143.2	<b>349.3</b>	143.2	143.2
Change in long-term receivables	<b>35.0</b>	152.3	<b>0.8</b>	48.5	65.7
Dividend paid	—	—	<b>-214.5</b>	-189.3	-189.3
Translation differences	<b>44.8</b>	-22.4	<b>13.1</b>	11.5	29.1
<b>Cash flow from financial activities</b>	<b>379.0</b>	60.8	<b>-229.6</b>	-325.5	-700.1
<b>Cash flow for the period</b>	<b>115.4</b>	-51.2	<b>87.7</b>	17.4	48.4
Liquid funds at begin of the year	<b>385.1</b>	433.0	<b>412.8</b>	364.4	364.4
Liquid funds at end of the period	<b>500.5</b>	381.8	<b>500.5</b>	381.8	412.8

<b>Net interest-bearing debt</b>	<b>2003</b>	<b>2002</b>	<b>2002</b>
SEK Million	<b>30 September</b>	<b>30 September</b>	<b>31 Dec</b>
Debt to credit institutions	<b>2,570.7</b>	2,995.2	2,577.9
Pension provisions	<b>1,189.1</b>	1,203.1	1,211.0
Less liquid funds	<b>-500.5</b>	-381.8	-412.8
<b>Net interest-bearing debt</b>	<b>3,259.3</b>	3,816.5	3,376.1

<b>Changes to shareholders' equity</b>	<b>2003</b>	<b>2002</b>	<b>2002</b>
SEK million	<b>30 September</b>	<b>30 September</b>	<b>31 Dec</b>
Shareholders' equity – opening balance	<b>3,158.2</b>	2,952.9	2,952.9
Dividend distributed	<b>-214.5</b>	-189.3	-189.3
Translation differences	<b>-185.3</b>	-199.8	-227.1
Net profit	<b>471.4</b>	329.4	621.7
Shareholders' equity – closing balance	<b>3,229.8</b>	2,893.2	3,158.2



<b>Key figures</b>	<b>2003</b>	<b>2002</b>	<b>Change</b>	<b>2003</b>	<b>2002</b>	<b>Change</b>	<b>2002</b>
	<b>Q 3</b>	<b>Q 3</b>		<b>9 mon</b>	<b>9 mon</b>		<b>FY</b>
Orders received, SEK Million	<b>2,271.7</b>	2,165.9	4.9%	<b>6,473.8</b>	6,521.8	-0.7%	8,772.9
adjusted for currency flucs.& corp.acqs			4.4%			3.4%	
Net sales, SEK Million	<b>2,090.6</b>	2,054.0	1.8%	<b>6,231.2</b>	6,041.4	3.1%	8,640.1
adjusted for currency flucs.& corp.acqs			2.4%			6.9%	
Earnings per share after full tax, SEK	<b>3.04</b>	2.09	45.5%	<b>9.34</b>	6.53	43.0%	12.32
Earnings per share before goodwill amortiz. after full tax, SEK	<b>3.90</b>	2.97	31.3%	<b>11.83</b>	8.99	31.6%	15.60
Nmb of shares	<b>50,468,480</b>	50,468,480		<b>50,468,480</b>	50,468,480		50,468,480
Operating capital, SEK Million				<b>6,211.7</b>	6,709.0	-7.4%	6,528.7
Return on operating capital, per cent				<b>19.5%</b>	14.4%	5.1%	15.9%
Return on equity, per cent				<b>24.4%</b>	19.4%	5.0%	21.1%
Net debt/equity ratio, multiple				<b>1.01</b>	1.32	-0.31	1.07
Interest cover, multiple				<b>7.7</b>	5.3	2.4	5.9
Equity/assets ratio, per cent				<b>34.0%</b>	30.8%	3.2%	33.5%
Equity per share, SEK				<b>64.00</b>	57.33	11.6%	62.58
Net investments in tangible fixed assets, SEK Million				<b>127.9</b>	97.4		149.9
Number of employees at the period's end				<b>6,113</b>	5,551		5,556

The same accounting principles and methods of calculation have been used in this interim report as in the last annual report. In addition, the company applies the new recommendations from the Swedish Financial Accounting Standards Council that came into effect on 1 January 2003. These new recommendations have not, however, had any effect on the Group's accounting.

This report has not been subject to audit by the Group's accountants.