

- ◆ **Orders received** rose by 13% to SEK 12,225.0 million (10,812.4)
- ◆ **Net sales** rose by 9% to SEK 11,880.4 million (10,888.8)
- ◆ **Profit before tax** increased by 4% to SEK 1,601.4 million (1,545.7)
- ◆ **Net profit** amounted to SEK 1,149.7 million (1,148.8)
- ◆ **EPS** amounted to SEK 5.64 (5.69)
- ◆ **Strong order intake** in the fourth quarter
- ◆ **Continued favourable** cash flow
- ◆ **Dividend per share:** proposed increase to SEK 2.00 (1.65)

Fourth quarter 2005

Orders received

Orders received by the Group continue to develop well and grew organically by 8.5% during the fourth quarter of the year. Accordingly, orders received organically for full-year 2005 amounted to a full 7.2%. All of the business areas performed favourably during the quarter.

Orders received for Medical Systems rose organically by 12.9%, with particularly positive development in Western Europe.

In Infection Control, orders received increased organically by 4.4%, compared with the strong fourth quarter in 2004. The trend in the US and in developing markets was highly favourable, while the European market was characterised by continued project delays.

Extended Care also improved its orders received, which grew organically by 6.8% during the period. Orders received in Western Europe had been weak during the year, but improved significantly during the quarter.

Results

Consolidated profit before tax increased by 9.4% for the quarter, amounting to SEK 693 million (634). The improvement in profits is mainly attributable to rising invoice volumes and a favourable product mix.

In Medical Systems, both operating profit and the operating margin improved significantly during the quarter. This trend was particularly strong in Critical Care and Surgical Workplaces.

Infection Control's operating profit improved somewhat for the quarter, compared with the year-earlier period. Adjusted for exchange-rate effects and company

acquisitions, the operating margin was at the same level as 2004 for the quarter and full-year.

Operating profit for Extended Care declined considerably. The lower operating profit is an effect of low invoicing that resulted from a weak volume trend in Western Europe and the import embargo imposed by the FDA on the business area's production facility in Gloucester.

The Group's operational cash flow continued to develop well and amounted to SEK 512 million (485).

Outlook 2006

It is assessed that demand for the Group's products will remain favourable. In North America and in developing markets, demand is expected to remain at the current level, while there will be some improvement in Western Europe. The Group's order backlog at year-end is at a favourable level compared with the corresponding year-earlier period.

It is expected that Medical Systems' volume growth during the year will remain positive as a result of favourable demand, an expanded market organisation and several product launches. Cardiopulmonary, which had a poor trend in 2005 due to nonrecurring costs relating to quality and delivery problems in 2004, is expected to perform considerably better this year. The business area will undertake several future-oriented investments in terms of the continued expansion of the market organisation in North America and in developing markets. Investments in product development will grow primarily for Critical Care, which is facing several major launches during the later part of the year and in 2007. Furthermore, the transformation and efficiency improvement of Cardiopulmonary's production structure will commence, as announced earlier. Surgical Workplaces will initiate the establishment of its own manufacturing for the important Chinese market during the year.

Infection Control also anticipates favourable volume development during the year. It is expected that it will be possible to convert the project delays that characterised the Western European market during the year into orders and deliveries to a larger degree. The measures taken to strengthen and improve the business in North America are expected to result in increased volumes and improved profitability. Similar to Medical Systems, the business area will continue to invest in an expanded market organisation outside Western Europe, with emphasis on the US, China and Japan. Investments to build out production in China are continuing and, in addition to sterilisation equipment, disinfectors will also be included in the locally produced product range during the year. The integration of the La Calhène acquisition will be completed during the year. As announced earlier, La Calhène is estimated to contribute to the Group's profit before tax in an amount of around SEK 30 million (excluding restructuring costs) in 2006. Restructuring costs relating to the integration of La Calhène will be charged to the business area's profits in an amount of approximately SEK 20 million in 2006.

Extended Care also anticipates favourable volume growth during the year, particularly in Western Europe, which had weak performance in 2005. The major deliveries made to the Canadian healthcare authorities in the province of Ontario totalling about SEK 200 million in 2005, will be compensated during the year by delivery of the order backlog accumulated as a result of the FDA embargo on patient-handling equipment, and a new and smaller investment program for the Canadian healthcare authorities in Ontario. A new and improved range of passive mobile hoists and ceiling hoists is expected to contribute to volume growth during

the year. The decision made to coordinate the business area's production of patient-handling equipment, which will also lead to closure of the Gloucester unit, is expected to be charged to the year's profits in an amount of about SEK 35 million. Coordination is expected to be completed during the third quarter of the year and will result in annual cost savings of about SEK 50 million from 2007.

In summary, the Group expects favourable volume growth for all business areas in 2006, with currency situation that is anticipated to be more positive. The Group's tax rate is improving and is expected to amount to approximately 27%.

To strengthen the Group's competitiveness and growth for the future, increased investments are being made in market build-out, product development and efficiency enhancement of the Group's production structure.

Business area Medical Systems

Market development

	2005	2004	Change adjusted for	2005	2004	Change adjusted for
<i>Orders received per market</i>	<i>Q 4</i>	<i>Q 4</i>	<i>curr.flucs.&corp.acqs.</i>	<i>12 Mon</i>	<i>12 Mon</i>	<i>curr.flucs.&corp.acqs.</i>
Western Europe	746.1	629.5	14.0%	2,680.6	2,519.2	4.8%
USA and Canada	289.3	281.5	-6.1%	1,033.6	894.4	12.5%
Asia and Australia	257.6	250.2	-3.0%	942.8	829.9	12.2%
Rest of the world	173.3	68.1	140.6%	495.7	259.7	85.6%
Business area total	1,466.3	1,229.3	12.9%	5,152.7	4,503.2	12.4%

Orders received during the quarter remained favourable and increased organically by 12.9%, compared with the strong fourth quarter in 2004, when orders received rose organically by 20%.

The trend was particularly positive in the Western European market, which is important in terms of volume. This market had organic development of as much as 4.8% for the full year. All regions in Western Europe had favourable growth, but the German-speaking markets were particularly positive.

Orders received in North America were somewhat weaker than in the preceding year, but must be regarded relative to the extremely strong fourth quarter in 2004.

In the developing markets, the volume trend was generally favourable, especially for India, Russia and Latin America, where investments were made to increase market presence.

Results

MEDICAL SYSTEMS

	2005	2004	Change	2005	2004	Change
	<i>Q 4</i>	<i>Q 4</i>		<i>12 Mon</i>	<i>12 Mon</i>	
Net sales, SEK Million	1,638.7	1,401.8	16.9%	5,109.2	4,619.5	10.6%
<i>adjusted for currency flucs. & corp. acqs</i>			11.6%			8.8%
Gross profit	798.2	619.5	28.8%	2,486.3	2,244.5	10.8%
Gross margin %	48.7%	44.2%	4.5%	48.7%	48.6%	0.1%
Operating cost, SEK Million	-468.9	-391.0	19.9%	-1,704.9	-1,549.1	10.1%
EBITA	331.2	229.4	44.4%	787.3	699.2	12.6%
EBITA margin %	20.2%	16.4%	3.8%	15.4%	15.1%	0.3%
EBIT	329.3	228.5	44.1%	781.4	695.4	12.4%
EBIT margin %	20.1%	16.3%	3.8%	15.3%	15.1%	0.2%

Operating profit grew by 44% for the quarter, amounting to SEK 329 million (229). The operating margin amounted to 20.1% during the quarter and to 15.3% for the full year, which is an improvement compared with 2004. The improved result is an effect of the positive growth in invoicing – 12% organically – as well as good price control and a favourable product mix. The earnings trend was particularly positive for the Critical Care and Surgical Workplaces divisions.

Activities

Product launches

During the quarter, the business area launched a number of new products within the Surgical Workplaces division. "Magnus" is a new surgical table system that has been developed to provide customers with improved performance in terms of articulation (that is, positioning on all levels) than any other table in the market. Magnus also includes a unique transport system that enables simple and ergonomic transport of the patient from the ward to the operating theatre, without unnecessary and labour-intensive patient transfers.

Medical Systems has also launched a new surgical light based on LED technology, which combines high light intensity with a very low level of heat output. Product launches during the quarter also included a completely new, modular ceiling service unit that replaces the two ceiling service units marketed earlier.

Within Critical Care, the business area continues to make strong investments in preparation for significant future launches at the end of 2006 and in 2007.

New production structure within Cardiopulmonary

As announced earlier, Medical Systems intends to implement a thorough change in the production structure for Cardiopulmonary's consumables items. The capital intensive production will be concentrated to the unit in Hechingen, Germany, which will be enlarged for this purpose. The other two production units in Hirrlingen, in Germany, will be closed during the coming year. The labour-intensive production of customer tubing sets and catheters will be relocated to Turkey, where production is expected to commence at the year-end 2006/2007.

Production in China

Medical Systems has decided to initiate the establishment of its own, local production in China. The project will involve ceiling service units during the initial phase, but will eventually include lights and surgical tables, in that order. Production will be coordinated with Infection Control's production in Suzhou (Shanghai) and is expected to commence during the latter part of 2006 for ceiling service units.

New market company in Poland

In accordance with the business area's ambition to increase its own market representation in developing markets, a sales company was established in Poland.

Business area Infection Control

Market development

	2005	2004	Change adjusted for	2005	2004	Change adjusted for
<i>Orders received per market</i>	<i>Q 4</i>	<i>Q 4</i>	<i>curr.flucs.&corp.acqs.</i>	<i>12 Mon</i>	<i>12 Mon</i>	<i>curr.flucs.&corp.acqs.</i>
Western Europe	544.3	524.3	-17.3%	1,832.8	1,728.9	-3.6%
USA and Canada	484.7	369.0	13.7%	1,436.1	1,255.0	6.4%
Asia and Australia	120.3	58.1	90.7%	412.8	397.6	0.0%
Rest of the world	67.1	33.7	88.7%	214.2	188.9	9.2%
Business area total	1,216.4	985.1	4.4%	3,895.9	3,570.4	1.0%

Orders received were somewhat stronger during the quarter and increased organically by 4.4%. There was a strong increase in orders received during the corresponding quarter in 2004.

The quarterly trend in the Western European market was particularly weak, which was attributable to the continued delays in orders and deliveries. The UK and the Benelux countries developed at the same level as the year-earlier period, while other regions were generally weaker.

In North America, the order trend was favourable, especially in the US market, both for life science and the healthcare segment.

There was a strong recovery in orders received in the developing markets compared with the beginning of the year and all major regions noted increases for the full year. The trend was particularly positive in China, Latin America and Eastern and Central Europe.

Results

INFECTION CONTROL

	2005	2004	Change	2005	2004	Change
	Q 4	Q 4		12 Mon	12 Mon	
Net sales, SEK Million	1,392.7	1,244.9	11.9%	3,745.1	3,524.6	6.3%
<i>adjusted for currency flucs.& corp.acqs</i>			-1.4%			-0.7%
Gross profit	529.3	463.9	14.1%	1,406.5	1,351.9	4.0%
Gross margin %	38.0%	37.3%	0.7%	37.6%	38.4%	-0.8%
Operating cost, SEK Million	-257.5	-208.9	23.3%	-895.1	-818.3	9.4%
EBITA	275.7	254.9	8.2%	517.9	533.6	-2.9%
EBITA margin %	19.8%	20.5%	-0.7%	13.8%	15.1%	-1.3%
EBIT	271.8	255.0	6.6%	511.4	533.6	-4.2%
EBIT margin %	19.5%	20.5%	-1.0%	13.7%	15.1%	-1.4%

Infection Control's operating profit rose by 6.6% for the quarter, amounting to SEK 272 million (255). The operating margin declined somewhat and amounted to 13.7% (15.1%) on a full-year basis. Adjusted for the La Calhène acquisition, which is making a positive contribution to results, but a lower contribution to operating margins, and adjusted for negative exchange-rate effects, the operating margin was at the same level as a year earlier. The increased costs during the period are attributable to the La Calhène acquisition.

Activities

Improved production of large washer disinfectors

The project aimed at streamlining and concentrating the production of large washer disinfectors, which was historically distributed among several production units, was largely completed during the quarter.

Logistics project

Infection Control's logistics project, with simplified orders and delivery management as its main objective, developed according to plan. The business area's Central European distribution centre for spare parts was operational during the quarter. The roll-out of the joint IT platform that will enable continued efficiency measures will commence in 2006 and is expected to be largely completed in 2007.

La Calhène

Details relating to the integration of La Calhène into the business area organisation have now been mostly established. In future, the sale of La Calhène's product range will be conducted through Infection Control's existing life science organisation. A number of regional centres will be formed with responsibility for sales of the business area's entire life science segment product range. France will become the customer and competence centre for Southern Europe. Switzerland will be responsible for the German-speaking countries, Sweden for Scandinavia and the Benelux countries, and England for the UK. In addition, Japan and the US will be individual regions. As a result of the integration measures, the business area will, for the first time, have a dedicated, competent and focused organisation for the expanding life science market. The Life Science division is expected to have sales of about SEK 1.5 billion in 2006.

The restructuring described above is expected to lead to nonrecurring costs of about SEK 20 million that will be charged to the first six months of 2006. La Calhène is expected to contribute SEK 30 million to the Group's pre-tax profits, excluding integration costs.

Establishing in China

Infection Control's local production unit in China developed according to plan during the quarter. A decision was made to increase local production in 2006 to include disinfectors. The build-out of the local market organisation was intensified and will lead to further investments in 2006.

Outsourcing of sterilisation centres in the UK

As reported earlier, the UK National Health Service (NHS) has major ambitions to outsource production of sterile instruments from public-sector hospitals to a number of independent super centres. Currently, some 20 projects are being processed for implementation until 2008/2009. Infection Control is assessed as having extremely favourable opportunities for supplying equipment to several of these centres.

An initial pilot project, the Pathfinder, has already been assigned to a competitor. The business area does not regard this as decisive for Infection Control's participation in future orders and deliveries.

Acquisition of Lancer UK

As announced earlier, Infection Control acquired its distributor in the UK, Lancer UK, during the period. Lancer UK has annual sales of approximately SEK 100 million. Profitability is good and the company is expected to contribute to consolidated profit before tax from 2006.

Business area Extended Care

Market development

	2005	2004	Change adjusted for	2005	2004	Change adjusted for
Orders received per market	Q 4	Q 4	curr.flucs.&corp.acqs.	12 Mon	12 Mon	curr.flucs.&corp.acqs.
Western Europe	518.1	469.2	6.2%	1,802.9	1,797.8	-2.2%
USA and Canada	309.3	255.9	7.3%	1,203.1	797.1	26.1%
Asia and Australia	27.9	22.0	14.1%	105.2	79.0	22.9%
Rest of the world	7.6	6.3	8.5%	20.2	19.5	-6.3%
Business area total	862.9	753.4	6.8%	3,131.4	2,693.4	6.9%

There was an improvement in orders received compared with the earlier quarters of the year and compared with the year-earlier period. Organically, orders received increased by 6.8%. In the West European market, which had weak performance during the year, orders received improved. The increases were favourable in Southern Europe, the UK and the Benelux countries. In the German-speaking countries, the volume trend was on the same level as the year earlier.

In North America, the volume trend remained positive in Canada and the US. The FDA's import embargo did not affect the influx of new orders in the US to any significant extent.

Results

EXTENDED CARE

	2005 Q 4	2004 Q 4	Change	2005 12 Mon	2004 12 Mon	Change
Net sales, SEK Million	845.5	817.8	3.4%	2,982.1	2,700.7	10.4%
<i>adjusted for currency flucs. & corp. acqs</i>			-3.5%			12%
Gross profit	381.8	408.6	-6.6%	1,367.9	1,286.1	6.4%
Gross margin %	45.2%	50.0%	-4.8%	45.9%	47.6%	-1.7%
Operating cost, SEK Million	-244.0	-212.5	14.8%	-862.1	-775.3	11.2%
EBITA	142.2	199.4	-28.7%	521.6	514.2	1.4%
EBITA margin %	16.8%	24.4%	-7.6%	17.5%	19.0%	-1.5%
EBIT	137.8	196.1	-29.7%	505.8	510.8	-1.0%
EBIT margin %	16.3%	24.0%	-7.7%	17.0%	18.9%	-1.9%

Operating profit for the period declined substantially and amounted to SEK 138 million (196). For the full year, operating profit was on the same level as the preceding year. The lower result for the period is an effect of falling invoicing volumes attributable to a weak European market and the FDA's ongoing import embargo. The effects of the FDA embargo are expected to total about SEK 40 million during the quarter. The lower gross margins are also the effect of the lower volume trend, since use of plant capacity was weak.

Activities

Coordination of the business area's production of patient-handling equipment

After the end of the reporting period, Extended Care initiated negotiations with trade union representatives regarding the closure of the business area's production unit for patient-handling equipment in Gloucester, in the UK. Production in Gloucester will be partly transferred to Hamont-Achel in Belgium and Magog in Canada. The business area's unit in Hamont-Achel will focus its production on active hoists, while in Canada will be the business area's centre for passive hoists, both ceiling hoists and mobile hoists.

The cost of the restructuring program is expected to amount to about SEK 35 million, which will be charged to the first quarter of 2006. It is expected that it will be possible to complete the program in the third quarter of 2006 and it is expected to lead to annual cost-savings of SEK 50 million from 2007.

FDA's import embargo

As announced earlier, the FDA has placed an import embargo on sales to the US by Extended Care's production unit in Gloucester since the end of February 2005. The embargo was imposed because the FDA did not consider that the existing quality-assurance system met its requirements. As a result of the termination of production in Gloucester, described earlier in this report, the US market will be supplied with patient-handling products from Canada and Belgium.

In conjunction with the transfer of production from Gloucester, the Opera, Tempo and Marisa patient hoists will be replaced by the newly launched products MaxiMove and MaxiTwin.

The business unit anticipates achieving a normalised situation for deliveries to the US towards the end of the first quarter in 2006.

New investment in Ontario, Canada

The healthcare authorities in Ontario have announced their intention to conduct further procurement of patient-handling equipment similar to the major orders placed during the first quarter of 2005. The new procurement program has an investment framework of CAD 30 million, compared with the earlier program that was conducted, which amounted to CAD 60 million. The business area is well-positioned to participate in some of these new investment programs.

Other information

Accounting	<p>This report was prepared in accordance with the International Financial Reporting Standards – IFRS (the accounting principles applied are those described on pages 63-65 in the Annual Report for 2004 and on pages 17-22 in this report). This interim report was prepared in accordance with IAS 34 Interim Financial Reporting.</p> <p>This report is unaudited.</p>
Dividend	<p>The Board and the President propose the payment of a dividend of SEK 2.00 (1.65) per share for 2005, amounting to SEK 403.7 million (333.1). The proposed record date will be 25 April 2006. VPC expects to pay the dividend to shareholders on 28 April 2006.</p>
AGM	<p>Getinge AB's Annual General Meeting will be held on 20 April 2006, at 4:00 p.m., in Kongresshallen, Hotel Tylösand, Halmstad, Sweden. The Annual Report will be distributed to shareholders not later than two weeks prior to the AGM. Shareholders who intend to participate at the AGM must be included in the shareholders' register maintained by VPC AB not later than 12 April 2006 and register their intention to participate with Getinge's head office not later than 13 April 2006.</p>
Next report	<p>The next report from the Getinge Group (first quarter of 2006) will be published on 20 April 2005.</p>
Tele-conference	<p>A tele-conference will be held today at 3:00 p.m. Swedish time. To participate, please call: from Sweden 08-505 20110, password: Getinge from outside Sweden +44 (0)20 7162 0082, password: Getinge</p>

Getinge, 25 January 2006

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Income statement

	2005	2004	Change	2005	2004	Change
SEK M million	Q 4	Q 4		12 Mon	12 Mon	
Net sales	3,888.8	3,476.6	11.9%	11,880.4	10,888.8	9.1%
Cost of goods sold	-2,175.8	-1,981.1	9.8%	-6,606.7	-5,994.5	10.2%
Gross profit	1,713.0	1,495.5	14.5%	5,273.7	4,894.3	7.8%
Gross margin	44.0%	43.0%	10%	44.4%	44.9%	-0.5%
Selling expenses	-641.3	-517.5	23.9%	-2,199.7	-1,972.7	11.5%
Administrative expenses	-268.3	-232.5	15.4%	-1,009.4	-896.7	12.6%
Research & development costs ¹⁾	-63.7	-64.9	-1.8%	-257.1	-278.1	-7.6%
Other operating income and expenses	0.5	-0.1	-600.0%	-4.7	-4.4	6.8%
Operating profit²⁾	740.2	680.5	8.8%	1,802.8	1,742.4	3.5%
Operating margin	19.0%	19.6%	-0.6%	15.2%	16.0%	-0.8%
Financial net	-47.1	-46.9		-201.4	-196.7	
Profit before tax	693.1	633.6	9.4%	1,601.4	1,545.7	3.6%
Taxes	-197.4	-170.4		-451.7	-396.9	
Net profit	495.7	463.2	7.0%	1,149.7	1,148.8	0.1%
Attributable to:						
Parent company's shareholders	493.9	462.2		1,138.4	1,147.8	
Minority interest	1.8	1.0		11.3	1.0	
Net profit	495.7	463.2		1,149.7	1,148.8	
Earnings per share, SEK ³⁾	2.45	2.29	7.0%	5.64	5.69	-0.8%
1) Development costs totalling SEK 154.8 (118.9) million have been capitalised during the year, of which SEK 45.0 (35.3) million were capitalised during the quarter.						
2) Operating profit is charged with						
— depr. intangibles	-16.9	-7.0		-54.1	-21.6	
— depr. on other fixed assets	-70.4	-68.6		-274.6	-262.4	
	-87.3	-75.6		-328.7	-284.0	

Quarterly results

SEK M million	2003 Q 4	2004 Q 1	2004 Q 2	2004 Q 3	2004 Q 4	2005 Q 1	2005 Q 2	2005 Q 3	2005 Q 4
Net sales	2,929.0	2,491.6	2,588.1	2,332.5	3,476.6	2,525.2	2,739.0	2,727.4	3,888.8
Cost of goods sold	-1,606.0	-1,329.9	-1,409.5	-1,274.0	-1,981.1	-1,362.7	-1,530.8	-1,537.4	-2,175.8
Gross profit	1,323.0	1,161.7	1,178.6	1,058.5	1,495.5	1,162.5	1,208.2	1,190.0	1,713.0
Operating cost	-845.7	-811.4	-771.8	-753.7	-815.0	-800.1	-854.6	-843.4	-972.8
Operating profit	477.3	350.3	406.8	304.8	680.5	362.4	353.6	346.6	740.2
Financial net	-45.8	-52.0	-48.8	-49.0	-46.9	-49.5	-49.4	-55.4	-47.1
Profit before tax	431.5	298.3	358.0	255.8	633.6	312.9	304.2	291.2	693.1
Taxes	-125.2	-73.5	-92.0	-61.0	-170.4	-87.6	-85.2	-81.5	-197.4
Profit after tax	306.3	224.8	266.0	194.8	463.2	225.3	219.0	209.7	495.7

Results for quarters prior to 2004 quarter 1 have not been revised in accordance with IFRS

Balance sheet

Assets SEK M million	2005 31 December	2004 31 December
Intangible fixed assets	5,530.3	4,705.1
Tangible fixed assets	1,497.8	1,402.9
Financial assets	621.7	605.4
Stock-in-trade	2,156.6	1,729.4
Current receivables	4,022.9	3,529.7
Liquid funds	683.7	484.9
Total assets	14,513.0	12,457.4
Shareholders' equity & Liabilities		
Shareholders' equity	5,381.3	4,269.6
Provisions for pensions, interest-bearing	1,690.4	1,491.3
Restructuring reserves	10.5	33.4
Other provisions	483.7	520.2
Long-term liabilities	4,185.8	3,766.1
Current liabilities	2,761.3	2,376.8
Total Equity & Liabilities	14,513.0	12,457.4

Cash flow statement

SEK M million	2005 Q 4	2004 Q 4	2005 12 Mon	2004 12 Mon
<i>Current activities</i>				
Operating profit	740.2	680.5	1,802.8	1,742.4
Adjustment for items not included in cash flow	81.0	80.1	329.1	284.0
Financial items	-42.3	-41.7	-196.6	-191.5
Taxes paid	-120.0	-87.0	-480.1	-360.7
Cash flow before changes in working capital	658.9	631.9	1,455.2	1,474.2
Changes in working capital				
Stock-in-trade	334.2	279.1	-130.4	64.9
Rental equipment	4.1	-24.6	-13.7	-44.5
Current receivables	-668.4	-648.9	-125.7	-301.6
Current operating liabilities	20.4	118.4	5.5	40.9
Restructuring reserves, utilised	-2.6	-17.5	-24.1	-141.7
Cash flow from operations	346.6	338.4	1,166.8	1,092.2
<i>Investments</i>				
Acquisition of subsidiaries	-138.2	-351.1	-265.4	-393.4
Net investments in intangible fixed assets	-49.0	-41.6	-167.0	-125.2
Net investments in tangible fixed assets	-60.3	-82.2	-224.9	-270.0
Cash flow from investments	-247.5	-474.9	-657.3	-788.6
<i>Financial activities</i>				
Change in interest-bearing debt	-261.0	-130.2	142.6	-261.6
Change in long-term receivables	-8.0	31.5	108.1	76.4
Dividend paid			-333.1	-272.5
Cash flow from financial activities	-269.0	-98.7	-82.4	-457.7
Cash flow for the period	-169.9	-235.2	427.1	-154.1
Liquid funds at begin of the year	849.7	590.2	484.9	504.2
Translation differences	3.9	129.9	-228.3	134.8
Liquid funds at end of the period	683.7	484.9	683.7	484.9

Operating cash flow statement

M kr	2005 Q 4	2004 Q 4	2005 12 Mon	2004 12 Mon
Business activities				
Operating profit	740.2	680.5	1,802.8	1,742.4
Adjustment for items not included in cash flow	81.2	80.1	329.3	284.0
	821.4	760.6	2,132.1	2,026.4
Changes in operating capital				
Stock-in-trade	334.2	279.1	-130.4	64.9
Rental equipment	4.1	-24.6	-13.7	-44.5
Current receivables	-668.4	-648.9	-125.7	-301.6
Current liabilities	20.4	118.4	5.5	40.9
Operating cash flow	511.7	484.6	1,867.8	1,786.1

Net interest-bearing debt

SEK M million	2005 31 December	2004 31 December
Debt to credit institutions	4,097.4	3,698.3
Provisions for pensions, interest-bearing	1,690.4	1,491.3
Less liquid funds	-683.7	-484.9
Net interest-bearing debt	5,104.1	4,704.7

Changes to shareholders' equity

SEK million	2005 31 December	2004 31 December
Shareholders' equity – opening balance	4,269.6	3,530.4
Effect of adopting the accounting principle IAS 19 Employed Benefits	–	-76.8
Effect of adopting to IFRS on opening balance	97.0	37.0
Shareholders' equity - opening balance according to new principle	4,366.6	3,490.6
Dividend distributed	-333.1	-272.5
Change of reserve hedge accounting	-184.5	–
Translation differences	382.6	-97.3
Net profit according to IFRS	1,149.7	1,148.8
Shareholders' equity – closing balance according to IFRS	5,381.3	4,269.6
Attributable to:		
Parent company's shareholders	5,320.0	4,220.6
Minority interest	61.3	49.0
Total shareholders' equity	5,381.3	4,269.6

Key figures

	2005	2004	Change	2005	2004	Change
	Q 4	Q 4		12 Mon	12 Mon	
Orders received, SEK Million	3,557.3	2,980.8	19.3%	12,225.0	10,812.4	13.1%
adjusted for currency flucs.& corp.acqs			8.5%			7.2%
Net sales, SEK Million	3,888.8	3,476.6	11.9%	11,880.4	10,888.8	9.1%
adjusted for currency flucs.& corp.acqs			3.3%			3.8%
Earnings per share after full tax, SEK	2.45	2.29	7.0%	5.64	5.69	-0.8%
Nmb of shares, thousands	201,874	201,874		201,874	201,874	
Operating capital, SEK Million				9,571.0	8,546.6	12.0%
Return on operating capital, per cent				18.5%	20.4%	-1.9%
Return on equity, per cent				24.3%	29.4%	-5.1%
Net debt/equity ratio, multiple				0.95	1.10	-0.15
Interest cover, multiple				8.3	8.2	0.1
Equity/assets ratio, per cent				37.1%	34.3%	2.8%
Net investments in tangible fixed assets, SEK Million				224.9	270.0	
Number of employees at the period's end				7,362	6,845	

Definitions

EBIT
EBITA

Operating profit
Operating profit before amortisation of intangible fixed assets identified upon business acquisitions.

Companies acquired in 2005

La Calhène

The Getinge Group acquired all of the shares in the French La Calhène Group in June 2005. La Calhène is a world-leading supplier of isolators and accompanying consumable items, which account for most of the company's sales. La Calhène also develops and supplies technology for electron-beam sterilisation. The company's main customer group is in the life science industry and coincides well with the corresponding customer group in the Infection Control business area. A small portion of La Calhène's business comprises equipment for handling radioactive material.

The buyer and seller have agreed not to disclose the acquisition price, which represents an EV/EBITDA multiple of 7 in terms of anticipated profit for the current year.

La Calhène has annual sales of slightly more than SEK 380 million. Getinge expects La Calhène to contribute profit before tax, excluding integration costs, of about SEK 30 million in 2006 following full integration.

The restructuring costs in connection with the integration of La Calhène will have an impact of approximately SEK 20 million on the business area's profit during 2006.

Distributors in Spain and Ireland

During the second quarter of 2005, the Getinge Group acquired Medical Systems' distributors in Spain and Ireland. As a result of these acquisitions, the business area has secured ownership of the distribution channels in two important markets to achieve optimal representation of its product range and access to the key aftermarket.

Lancer UK Ltd

The Getinge Group acquired all of the shares in Lancer UK Ltd on 4 October 2005. For the past two decades, the company has been Infection Control's distributor of disinfection equipment in the UK. Its customers are within the healthcare and life science sectors.

During the fiscal year (August 2004 – July 2005), the company's sales amounted to SEK 104 million and profit before tax was SEK 21 million. At the acquisition date, the company's assets amounted to SEK 79 million and liabilities were SEK 27 million.

The acquisition price of approximately SEK 120 million corresponds to an EV/EBITDA multiple of about 5, based on the fiscal year that ended on 31 July 2005.

Lancer UK was consolidated into the Getinge Group from October 2005. Lancer UK is expected to contribute to the Group's earnings per share from 2006 onwards.

International Financial Reporting Standards (IFRS)

Conversion to International Financial Reporting Standards (IFRS)

As of 1 January 2005, Getinge will apply the EU-approved International Financial Reporting Standards (IFRS). Because the Getinge Group publishes financial information with a comparative year in the annual report, comparative figures have been converted as of 1 January 2004.

Below is an account of the material differences between IFRS and the accounting principles previously applied and the effect of these differences on the comparative figures for the 2004 period.

IFRS 1 First-time adoption of International Financial Reporting Standard

The standard contains transition rules for the introduction of IFRS. The principal rule is that IFRS rules in effect and approved by the EU as per 31 December 2005 are to apply retrospectively.

There are however certain exemptions to this rule and Getinge has opted to do the following:

- To adopt IFRS 3, *Business combinations*, as of transition date 1 January 2004. Items classified as goodwill but that meet the IAS 38 booking criteria for intangible assets are to be reclassified as per the date of acquisition and written off in accordance with the depreciation rules for intangible fixed assets with a pre-determined utilisation period. Of Getinge's goodwill on 1 January 2004, SEK 31.0 million net after accumulated depreciation have been reclassified to other intangible assets. In accordance with the transition rules, impairment tests for goodwill were carried out both at 1 January 2004 and 31 December 2004.
- According to IAS 21 *Effects of changes in foreign exchange rates*, accumulated translation differences are classified as a separate component in shareholders' equity. Consideration is given in the income statement to translation differences in connection with sales of foreign operations. The company has adopted the exemption which means that the accumulated translation differences are booked at zero on 1 January 2004.
- To not convert comparable financial information 2004 in accordance with the EU-adopted IAS 39, *Financial instruments, Recognition and Measurements* criteria. However, the effect on shareholders' equity at 1 January 2005 is disclosed below.

IFRS 3 Business Combination

The rules for booking business acquisitions and mergers entail major changes in how acquisitions are booked. For instance, a detailed acquisition analysis is carried out in which significantly more categories of acquired intangible assets are included in the valuation. The expected utilisation period of these assets is then predetermined and the assets are written off over this utilisation period. In accordance with the transition rules, Getinge has not adjusted for any acquisitions that took place before the change to IFRS (1 Jan 2004). With the introduction of IFRS 3, goodwill is no longer amortised and the goodwill amortisation cost that affected the result for 2004 has been written back in accordance with IFRS. Instead of goodwill amortisation, an annual impairment test will be carried out. If the test shows that the booked value is greater than the recovery value, goodwill is to be written down to the recovery value. In accordance with IAS 36 *Impairment of Assets*, if indications that an impairment may be necessary do exist, impairment testing will be carried out more frequently.

IAS 16 Property, plant and equipment

The application of component depreciation for tangible fixed assets means that the acquisition cost is divided between the separate components making up the asset. The components are then depreciated over their respective useful economic lives.

IAS 39 Financial instruments; recognition and measurement***Market-based valuation of commercial forward exchange contracts***

In accordance with previous accounting principles, there was no market-based valuation of derivatives secured for hedging purposes and owned until maturity. Following the adoption of IFRS, all derivatives are now continuously revalued to the market value.

Hedging of commercial flow

Getinge applies hedge accounting for derivatives, primarily forward exchange contracts that are secured with the intent of guaranteeing the value of the forecasted currency flow. At the start of 2005, the market-based value of these derivatives was SEK 173 million, of which SEK 126 million (SEK 94 million after tax effect) was booked against shareholders' equity since the contracts were attributable to un-invoiced, forecast, flows. The remaining SEK 47 million was netted against the receivables accounts to which the contracts were attributable.

Other financial instruments

Changes in market-based value concerning other financial instruments for which accounting was regulated in IAS 39, including interest derivatives and loans that guarantee the value of net assets in foreign currencies, are accounted for within shareholder's equity since estimates indicate there is a hedging efficiency.

The following section describes and quantifies the areas that have affected Getinge's income statement, balance sheet and shareholders' equity in the conversion to IFRS. The information below has been prepared in accordance with the IFRS's recommendations expected to apply on 31 December 2005. IFRS is constantly subject to review and approval by the EU, which means that changes may still be made. Since the regulatory framework has only recently been implemented, further directives may be issued and, as common practice evolves, new explanations and clarifications may come to have an impact on the information below.

Income Statement 2004 Jan-Dec

Note		According to Swedish accounting standards 2004 Jan-Dec	Effect of adoption of IFRS	According to IFRS 2004 Jan-Dec
	Net sales	10,888.8		10,888.8
1	Cost of goods sold	-5,984.8	-9.6	-5,994.4
	Gross profit	4,904.0	-9.6	4,894.4
1,2	Selling expenses	-2,219.7	247.0	-1,972.7
1	Administrative expenses	-896.5	-0.2	-896.7
1	Research & development costs	-277.9	-0.2	-278.1
	Other operating income and expenses	-4.5		-4.5
	Operating profit	1,505.4	237.0	1,742.4
	Financial net	-196.7		-196.7
	Profit before tax	1,308.7	237.0	1,545.7
1,2,3	Taxes	-392.6	-4.3	-396.9
	Minority interest ²⁾	-0.8	0.8	0.0
	Net profit	915.3	233.5	1,148.8
	Attributable to:			
	Parent company's shareholders	915.3	233.5	1,147.8
	Minority interest ¹⁾	-	1.0	1.0

¹⁾ Minority interest according to IFRS

²⁾ Minority interest according to Swedish accounting standards

Notes to income statement adjustments

Note 1 The net effect of IAS 16, Component depreciation is SEK -6.3 million and can be split as follows (SEK million):

Cost of goods sold	-9.6
Selling expenses	-1.0
Administrative expenses	-0.2
Research & development costs	-0.2
Deferred tax	4.7
Net adjustment	-6.3

Note 2 The adjustment for goodwill amortisation for Jan-Dec 2004 amounts to SEK 248.0 million. The adjustment for deferred tax attributable to this elimination of goodwill amortisation is SEK -10.0 million.

Note 3 A portion of goodwill, amounting to SEK 31.0 million, has been reclassified to other intangible fixed assets in accordance with IFRS 1 and IAS 38. The deferred tax effect arising from this reclassification increases operating profit for the period Jan-Dec 2004 by SEK 1.0 million.

Income Statement 2004 Sep-Dec

Note		According to Swedish accounting standards 2004 Sep-Dec	Effect of adoption of IFRS	According to IFRS 2004 Sep-Dec
	Net sales	3,476.6		3,476.6
1	Cost of goods sold	-1,979.1	-1.9	-1,981.0
	Gross profit	1,497.5	-1.9	1,495.6
1,2	Selling expenses	-579.0	61.4	-517.6
1	Administrative expenses	-232.5		-232.5
1	Research & development costs	-64.8		-64.8
	Other operating income and expenses	-0.2		-0.2
	Operating profit	621.0	59.5	680.5
	Financial net	-46.9		-46.9
	Profit before tax	574.1	59.5	633.6
1,2,3	Taxes	-172.2	1.8	-170.4
	Minority interest ²⁾	-0.8	0.8	0.0
	Net profit	401.1	62.1	463.2
	Attributable to:			
	Parent company's shareholders	401.1	61.1	462.2
	Minority interest ¹⁾	-	1.0	1.0

¹⁾ Minority interest according to IFRS

²⁾ Minority interest according to Swedish accounting standards

Notes to income statement adjustments

Note 1 The net effect of IAS 16, Component depreciation is SEK -0,5 million and can be split as follows (SEK million):

Cost of goods sold	-1.9
Selling expenses	-0.2
Deferred tax	1.6
Net adjustment	-0.5

Note 2 The adjustment for goodwill amortisation for the fourth quarter of 2004 amounts to SEK 61.7 million. The adjustment for deferred tax attributable to this elimination of goodwill amortisation is SEK -0.1 million.

Note 3 A portion of goodwill, amounting to SEK 31,0 million, has been reclassified to other intangible fixed assets in accordance with IFRS 1 and IAS 38. The deferred tax effect arising from this reclassification increases operating profit for the period Sep-Dec 2004 by SEK 0,3 million.

Balance Sheet 2004-12-31

Note		According to Swedish accounting standards 2004-12-31	Effect of adoption of IFRS	According to IFRS 2004-12-31
ASSETS				
1	Intangible fixed assets	4,457.9	247.3	4,705.2
2	Tangible fixed assets	1,414.3	-11.4	1,402.9
1,2,3	Financial assets	619.7	-14.3	605.4
	Stock-in-trade	1,729.4		1,729.4
	Current receivables	3,529.7		3,529.7
	Liquid funds	484.9		484.9
Total assets		12,235.9	221.6	12,457.5
SHAREHOLDERS' EQUITY & LIABILITIES				
4	Shareholders' equity	3,999.1	270.6	4,269.7
	Minority interest ¹⁾	49.0	-49.0	0.0
	Provisions for pensions, interest-bearing	1,491.3		1,491.3
	Restructuring reserves	33.4		33.4
	Other provisions	550.2		550.2
	Long-term liabilities	3,766.1		3,766.1
	Current liabilities	2,376.8		2,376.8
Total Equity & Liabilities		12,235.9	221.6	12,457.5

¹⁾ Minority interest according to IFRS

Notes to balance sheet adjustments

Note 1	The adjustment to intangible fixed assets for the write-back of goodwill amortisation at 2004-12-31 amounts to SEK 247.3 million. The adjustment for deferred tax attributable to this write-back of goodwill amortisation is SEK -10.0 million.	
Note 2	The IAS 16 component depreciation adjustment for tangible fixed assets at 2004-12-31 is SEK -11.4 million. The increase in financial assets being the deferred tax effect of the component depreciation is SEK 4.7 million.	
Note 3	A portion of goodwill, amounting to SEK 31.0 million, has been reclassified to intangible fixed assets in accordance with IFRS 1 and IAS 38. The resulting deferred tax liability from this reclassification totals SEK 9.0 million.	
Note 4	Write-back of goodwill amortisation (see note 1)	237.3
	Component depreciation, IAS 16 Property, Plant and Equipment (see note 2)	-6.7
	Reclassification of goodwill according to IFRS 1 and IAS 38 (see note 3)	-9.0
	Minority interest	49.0
	Net effect on shareholders' equity	270.6

Change in shareholders' equity – Reconciliation between Swedish accounting standards and IFRS 2004-12-31 – 2005-01-01

	Share capital	Other restricted and non-restricted shareholders' equity	Total shareholders' equity
Shareholders' equity 2004-12-31 according to Swedish accounting standards	100.9	3,898.2	3,999.1
Write-back of goodwill amortisation (see note 1 above)	-	237.3	237.3
Component depreciation, IAS 16 Property, Plant and Equipment (see note 2 above)	-	-6.7	-6.7
Reclassification of goodwill according to IFRS 1 and IAS 38 (see note 3)	-	-9.0	-9.0
Minority interest	-	49.0	49.0
Shareholders' equity 2004-12-31 according to IFRS	100.9	4,168.8	4,269.7
Market valuation of commercial currency contracts 126.0 with deduction for tax of 32.0. Exemption for retrospective application of IAS 39 according to IFRS1	-	94.0	94.0
Market valuation of interest derivatives 4.0 with deduction for tax 1.0. Exemption for retrospective application of IAS 39 according to IFRS1	-	3.0	3.0
Shareholders' equity 2005-01-01 according to IFRS	100.9	4,265.8	4,366.7