

PRESS RELEASE FROM GETINGE INDUSTRIER AB

INTERIM REPORT JANUARY – JUNE 2000

- ◆ **Orders received totalled SEK 2,518.7 million (2,447.5)**
- ◆ **Net sales totalled SEK 2,419.5 million (2,381.0)**
- ◆ **The operating profit was SEK 301.3 million (341.7)**
- ◆ **The profit before tax was SEK 260.7 million (316.7)**
- ◆ **The acquisitions of Techno-Médic in Canada and Lenken in Ireland underpin Getinge's world leading position**

Comments on the quarter and outlook

The Infection Control business area continues to progress well in North America and in the developing markets, though profitability is not at a satisfactory level. The markets for life science products continue to perform well, while customers within the pharmaceutical industry are requesting fewer products, a situation that experience tells us affects the market during a period of major mergers between pharmaceutical companies. The business area's results are somewhat higher than last year's.

The Geriatrics business area has a shorter business cycle and demand continues to be difficult to predict. The lower demand from the health care market in the UK, which was felt in Q1, has remained during Q2. As the business area's gross margins are generally high, the business is volume-sensitive. The pressure sore sector where the gross margins are highest, is the area mainly hit and will not be able to meet expectations. The business area has reason to believe that there is light at the end of the tunnel. The uncertainty that characterised geriatric care activities in the US over the past 18 months as changes to the Medicare system took effect, is now diminishing. Even if it is difficult to see the effects of the promised state aid to the geriatric care sector, customers in this sector have adapted themselves to the new rules. In comparison with last year, 1999's figures for the first six months included a significant one-off order from Beverly Enterprises of the US of around SEK 80 million. This order was concluded during Q2 1999 and will not affect comparisons in Q3 and Q4.

We still expect improved results in the Infection Control business area this year. The Geriatrics business area has had a weak introduction to the year on the US market, and continued flat demand for pressure sore products in the UK will mean that the business area will not meet last year's profit levels.

Infection Control business area

Market developments

	2000	1999	Change	2000	1999	Change
<i>Orders received per market</i>	Q2	Q2		H1	H1	
Western Europe	329,2	356,5	-7,7%	652,7	677,6	-3,7%
USA and Canada	314,7	285,2	10,3%	612,5	558,6	9,6%
Asia/Australia	61,7	56,4	9,4%	122,4	99,6	22,9%
Rest of the world	54,5	17,9	204,5%	108,5	43,0	152,3%
Business area total	760,1	716,0	6,2%	1.496,1	1.378,8	8,5%
<i>adjusted for currency flucs. & corp.acqs</i>			3,0%			6,5%

Demand for the business area's products continued to be generally good during Q2. The number of enquiries in Western Europe remained at a satisfactory level although fewer orders have been completed during the quarter. A number of Western European markets have performed well, such as Sweden, France and the UK. However, orders received in Germany have been unsatisfactory.

The North American market continued to progress well during Q2. Activity levels have been high especially for customers in the life science sector. After the period's end the business area has received a number of important orders in this customer segment.

The developing markets, with Asia and Latin America at the forefront, maintained good growth in Q2.

Results	2000	1999	Change	2000	1999	Change	1999
	Q2	Q2		H1	H1		FY
Net sales, SEK Million	757,4	676,6	11,9%	1.409,9	1.295,9	8,8%	2.811,1
<i>adjusted for currency flucs. & corp.acqs</i>			9,0%			6,9%	
Gross profit	271,2	267,0	1,6%	522,7	504,3	3,6%	1.084,6
Gross margin %	35,8%	39,5%	-3,7%	37,1%	38,9%	-1,8%	38,6%
Operating cost, SEK Million	-182,7	-180,8	1,1%	-365,4	-350,2	4,3%	-719,3
Operating profit	88,5	86,2	2,7%	157,3	154,1	2,1%	365,4
Operating margin %	11,7%	12,7%	-1,0%	11,2%	11,9%	-0,7%	13,0%

The business area reported a smaller improvement in results. The lower gross margin during the quarter is due to sales in North America, where the gross margin is on average lower, making up a larger share of the total. In addition, a number of reference installations for the automatic handling of goods for life science centres were delivered during the quarter and had a negative impact on gross margins. Increased costs in the business have been moderate.

Important activities

Work on a new generation of health care sterilizers, to be launched in the late autumn, is continuing according to plan. Since its inception, the project's costs have been SEK 8.0 million and in total it is estimated that costs will reach around SEK 20 million. The project, when realised, is expected to generate savings of around SEK 50-60 million per year from 2002.

During Q2 the business area completed and installed a system for the automated handling of goods in the life science sector. The system has been well received by the customers in this sector. During Q2 the business area in France also acted as system supplier in the start-up of a sterilization centre. This is a part of an ongoing evaluation of further integration in the customer chain.

T-Doc, the Group's IT-based system for monitoring and documenting sterile processors, added one new product during Q2 — T-Doc Label & Lot. The product is a smaller system for a PC environment mainly aimed at small sterilization centres. The launch of T-Doc on new markets has been received very well.

Outlook

Market conditions for the business area continue to be positive. The order book is looking healthy compared to this time last year. Taken as a whole we estimate the year's operating profit will exceed last year's.

Geriatrics business area

Market developments

	2000	1999	Change	2000	1999	Change
<i>Orders received per market</i>	Q2	Q2		H1	H1	
USA and Canada	187,4	177,0	5,9%	368,7	406,9	-9,4%
Great Britain	104,8	104,3	0,4%	260,5	269,9	-3,5%
Germany	58,2	61,2	-4,9%	118,1	118,6	-0,4%
Other Western Europe	107,6	98,1	9,7%	211,9	200,2	5,8%
Rest of the world	20,8	24,8	-16,1%	33,8	40,9	-17,4%
Business area total	478,8	465,4	2,9%	993,0	1.036,5	-4,2%
<i>adjusted for currency flucs.& corp.acqs</i>			0,6%			-6,4%

Demand stabilised during Q2 except for the pressure sore business in the UK. Systematic and consistent focusing on the US market led to growth for the quarter progressing well. Developments within the Hygiene system and Patient Handling product lines on the UK market have been good and market share has strengthened. The pressure sore business in the UK continued to record weak volumes during Q2.

Demand on the German market for Hygiene Systems' and Patient Handling's products has risen while volumes in the pressure sore business have fallen. Markets in southern Europe and the Benelux countries have continued to perform well over the period..

Results	2000	1999	Change	2000	1999	Change	1999
	Q2	Q2		H1	H1		FY
Net sales, SEK Million	480,5	505,0	-4,9%	978,7	1.052,0	-7,0%	2.007,7
<i>adjusted for currency flucs.& corp.acqs</i>			-7,3%			-9,3%	
Gross profit	230,5	265,0	-13,0%	487,0	560,7	-13,1%	1.051,6
Gross margin %	48,0%	52,5%	-4,5%	49,8%	53,3%	-3,5%	52,4%
Operating cost, SEK Million	-170,8	-188,6	-9,4%	-346,3	-376,5	-8,0%	-731,2
Operating profit	59,7	76,4	-21,9%	140,7	184,2	-23,6%	320,4
Operating margin %	12,4%	15,1%	-2,7%	14,4%	17,5%	-3,1%	16,0%

The decline in profits for the quarter is mainly due to the lower volumes in the pressure sore business, which, linked with a reduction in large-scale production for the Patient Handling product line, explains the gross margin's decline. The Hygiene Systems product line's gross margin is continuing to progress well. The lower cost levels are a result of the cost rationalisation program carried out in the US and at the pressure sore business in the UK.

Important activities

During Q2 the business area carried out two important acquisitions; Gestion Techno-Médic in Canada and Lenken Healthcare Ltd in Ireland.

Techno-Médic's main product is a unique ceiling-mounted hoist. Coupled with Arjo's sales organisation the products will contribute to a global expansion in the ceiling-mounted hoist sector. It is calculated that the new product range will be launched in the Group's sales organisation at the beginning of next year. The acquisition will have a positive impact on the Group's profit from 2001.

Lenken has been the Group's distributor for over 20 years in Ireland. The company is the leading supplier of products for geriatric care and care of the disabled. Through this acquisition the Group aims to increase its sales and market share in Ireland. The acquisition will have a positive impact on the Group's profit from 2001.

Production of a new series of lifts for institutional use has advanced according to plan and the launch is expected to be at the beginning of next year.

Outlook

After Q2 the business area has made a more positive assessment of developments on the North American markets.

The business area expects to see stable demand on the UK market for lifting aids during the remainder of the year. The pressure sore business, which unaltered constitutes one of the Group's strategic growth areas, will focus on improvements and cost control. However demand within the Antidecubitus product line will also not match last year's results in the second half of the year.

Taking into consideration the pressure sore business in the UK, coupled with the flat start to the year, the business area's results are expected to be lower than last year's.

Medical

The independent Medical product line that includes the companies LIC Audio and NeuroMédica reported invoiced sales of SEK 30.8 million (33.1 m). The operating profit was SEK 3.3 million (3.3 m).

Surplus funds from SPP

SEK 38.9 million of SPP's surplus funds is available for future allocation in the Group and has not been taken up as revenue.

Next report

The next report from the Getinge Group (Q3) will be published on 19 October 2000.

Getinge 10 August 2000

Johan Malmquist
President and CEO

Tel.no. +46 (0) 3515 55 00

The Group: Income Statements	2000	1999	<i>Change</i>	2000	1999	<i>Change</i>	1999
SEK Million	Q2	Q2		H1	H1		FY
Net sales ¹⁾	1.251,6	1.197,9	4,5%	2.419,5	2.381,0	1,6%	4.884,7
Cost of goods sold ²⁾	-745,7	-660,7	12,9%	-1.400,2	-1.305,2	7,3%	-2.727,0
Gross profit	505,9	537,2	-5,8%	1.019,3	1.075,8	-5,3%	2.157,7
<i>Gross margin</i>	<i>40,4%</i>	<i>44,8%</i>	<i>-4,4%</i>	<i>42,1%</i>	<i>45,2%</i>	<i>-3,1%</i>	<i>44,2%</i>
Operating cost ²⁾	-356,6	-372,9	-4,4%	-718,0	-734,1	-2,2%	-1.465,5
Operating profit ³⁾	149,3	164,3	-9,1%	301,3	341,7	-11,8%	692,2
<i>Operating margin</i>	<i>11,9%</i>	<i>13,7%</i>	<i>-1,8%</i>	<i>12,5%</i>	<i>14,4%</i>	<i>-1,9%</i>	<i>14,2%</i>
Interest income	4,0	12,5		8,4	17,1		25,9
Interest expense	-25,1	-19,8		-47,5	-39,9		-77,6
Other financial items	-3,1	-1,1		-1,5	-1,6		-3,3
Ass.companies' profit/loss	0,0	-0,3		0,0	-0,6		-1,0
Profit before tax	125,1	155,6	-19,6%	260,7	316,7	-17,7%	636,2
Tax ⁴⁾	-31,3	-39,0		-65,2	-79,2		-158,5
Net profit	93,8	116,6	-19,6%	195,5	237,5	-17,7%	477,7

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

1,9%

-0,4%

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

-16,0 -15,8

-31,1 -30,5

-60,7

— depr. on other fixed assets

-29,6 -35,1

-62,0 -66,4

-127,5

-45,6 -50,9

-93,1 -96,9

-188,2

4) For fiscal 2000, tax is estimated at 25% of the profit before tax. For 1999 the Group's full tax cost was 24.9% of the profit before tax.

Quarterly results	1998	1998	1998	1999	1999	1999	1999	2000	2000
SEK Million	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net sales	1.001,9	978,3	1.427,6	1.183,1	1.197,9	1.074,8	1.428,9	1.167,9	1.251,6
Cost of goods sold	-537,1	-542,2	-807,2	-644,5	-660,7	-622,2	-799,4	-654,5	-745,7
Gross profit	464,8	436,1	620,4	538,6	537,2	452,6	629,5	513,4	505,9
Operating cost	-303,8	-314,5	-401,5	-361,2	-372,9	-342,7	-388,9	-361,4	-356,6
Operations divested	3,4								
Operating profit	164,4	121,6	218,9	177,4	164,3	109,9	240,6	152,0	149,3
Financial net	-16,2	-17,4	-18,5	-16,0	-8,4	-17,8	-12,8	-16,4	-24,2
Ass.comp.s' profit/loss	-0,3	-0,1	-0,5	-0,3	-0,3	-0,3	-0,1	0,0	0,0
Profit before tax	147,9	104,1	199,9	161,1	155,6	91,8	227,7	135,6	125,1
Tax	-30,8	-22,6	-40,7	-40,2	-39,0	-23,0	-56,3	-33,9	-31,3
Net profit	117,1	81,5	159,2	120,9	116,6	68,8	171,4	101,7	93,8

The Group: Balance Sheets

Assets SEK Million	30 June 2000	30 June 1999	31 Dec 1999
Goodwill	1.002,7	1.027,8	1.012,7
Fixed assets	881,1	728,8	815,6
Stock-in-trade	891,8	826,5	765,3
Receivables	1.625,4	1.578,4	1.625,1
Liquid assets	225,9	221,3	158,8
Total assets	4.626,9	4.382,8	4.377,5
Shareholders' equity & Liabilities			
Shareholders' equity	1.604,5	1.320,2	1.560,8
Interest bearing liabilities	2.017,3	1.894,9	1.673,7
Non-interest bearing liabilities	1.005,1	1.167,7	1.143,0
Total Equity & Liabilities	4.626,9	4.382,8	4.377,5

The Group: Cash flow SEK Million	2000 Q2	1999 Q2	2000 H1	1999 H1	1999 FY
Operations					
Operating profit	149,3	164,3	301,3	341,7	692,2
Depreciation	45,6	50,9	93,1	96,9	188,2
Financial items	-24,2	-8,4	-40,6	-24,4	-55,0
Share in ass. companies' profit/loss	0,0	-0,3	0,0	-0,6	-1,0
Taxes paid	-27,7	-14,0	-57,7	-51,2	-100,3
Cash flow before changes in working capital	143,0	192,5	296,1	362,4	724,1
Changes in working capital					
Stock-in-trade	-23,8	11,0	-126,1	-55,8	7,8
Rental equipment	-3,6	-17,0	-7,9	-9,0	-15,7
Current receivables	-79,5	-10,5	0,2	127,3	40,7
Current operating liabilities	-62,0	-36,6	-107,9	-75,7	-33,6
Restructuring reserves, utilised	-17,0	-30,2	-32,5	-39,9	-118,8
Cash flow before investments	-42,9	109,2	21,9	309,3	604,5
Direct net investments in machinery, equipment and buildings	-38,5	-30,1	-60,9	-81,6	-167,4
Operating cash flow	-81,4	79,1	-39,0	227,7	437,1
Net impact of company acquisitions and disposal of operations	-10,0	0,4	-15,6	-18,3	-35,4
Change in long-term receivables	-55,7	0,1	-57,4	1,1	15,8
Change in deferred tax	1,9	-3,3	-7,3	-7,5	-43,2
Dividend paid	-159,0	-147,6	-159,0	-147,6	-147,6
Translation differences	5,7	17,4	1,8	-6,6	-19,2

Decrease +/-Increase - in net debt	-298,5	-53,9	-276,5	48,8	207,5
---	---------------	--------------	---------------	-------------	--------------

Orders received	2000	1999	Change	Adj f acq's	2000	1999	Change	Adj f acq's	1999
per product line	Q2	Q2		& curr.fluct's	H1	H1		& curr.fluct's	FY
Sterilization	514,7	494,3	4,1%	-0,2%	1.039,2	937,6	10,8%	7,7%	1.942,6
Disinfection	245,4	221,7	10,7%	10,2%	456,8	441,2	3,5%	3,9%	941,9
Hygiene Systems	208,7	190,7	9,4%	8,8%	416,7	393,7	5,8%	5,2%	790,3
Patient Handling	174,7	160,3	9,0%	7,2%	365,9	401,0	-8,8%	-10,6%	745,1
Antidecubitus	95,5	114,2	-16,4%	-22,5%	210,3	241,6	-13,0%	-18,3%	446,2
Medical	13,3	15,7	-15,3%	-15,3%	29,7	32,2	-7,8%	-7,8%	66,1
	1.252,3	1.196,9	4,6%	1,9%	2.518,7	2.447,5	2,9%	0,8%	4.932,2

Net sales	2000	1999	Change	Adj f acq's	2000	1999	Change	Adj f acq's	1999
per product line	Q 2	Q 2		& curr.fluct's	HY 1	HY 1		& curr.fluct's	FY
Sterilization	522,3	463,4	12,7%	8,8%	960,8	881,6	9,0%	6,2%	1.902,7
Disinfection	235,1	213,2	10,3%	9,4%	449,1	414,2	8,4%	8,3%	908,4
Hygiene Systems	212,2	208,0	2,0%	0,9%	400,9	404,6	-0,9%	-1,9%	814,4
Patient Handling	169,6	187,2	-9,4%	-10,8%	363,4	412,0	-11,8%	-13,7%	749,1
Antidecubitus	98,8	110,0	-10,2%	-16,8%	214,5	235,4	-8,9%	-14,4%	444,2
Medical	13,6	16,1	-15,5%	-15,5%	30,8	33,1	-6,9%	-6,9%	65,9
	1.251,6	1.197,9	4,5%	1,9%	2.419,5	2.381,0	1,6%	-0,4%	4.884,7

Key figures	2000 H1	1999 H1	Change	1999
Orders received, SEK Million	2.518,7	2.447,5	2,9%	4.932,2
<i>adjusted for currency flucs.& corp.acqs</i>			0,8%	
Net sales, SEK Million	2.419,5	2.381,0	1,6%	4.884,7
<i>adjusted for currency flucs.& corp.acqs</i>			-0,4%	
Financial net	-40,6	-24,4	66,4%	-55,0
Profit before tax, SEK Million	260,7	316,7	-17,7%	636,2
Net profit, SEK Million	195,5	237,5	-17,6%	477,7
Earnings per share after full tax, SEK	4,30	5,23	-17,6%	10,52
Capital employed, SEK Million	3.118,2	2.782,7	12,2%	2.988,2
Return on capital employed, per cent	20,9%	24,5%	-3,6%	23,2%
Net debt/equity ratio, multiple	1,12	1,27	-0,15	0,97
Equity/assets ratio, per cent	34,7%	30,1%	4,6%	35,7%
Equity per share, SEK	35,32	29,07	21,5%	34,36
Cash flow before investments, SEK Million	21,9	309,3		604,5
Net investments in fixed assets, SEK Million	60,9	81,6		167,4
Number of employees at the period's end	3.770	3.766		3.812

This report has not been subject to an official audit.