

Interim report for Q3 and Q1-Q3 2007/08 (1 October 2007 - 30 June 2008)

The positive development continued in Q3 2007/08. Total revenue increased by 17% in Q3 2007/08 when reported in local currencies and by 14% year to date relative to the year before. The growth is generated by a broad range of products and geographical markets. In Q3 2007/08, revenue in the US market was up 23% relative to the year before. Both the operating profit and free cash flow have improved significantly on last year. On account of developments in the first three quarters, the outlook as regards revenue is adjusted upwards to approx. DKK 770m for FY 2007/08, while EBIT is adjusted to approx. DKK 85m after extraordinary legal fees.

"We continue to see that the changes implemented at the beginning of the financial year are bearing fruit. Thanks to the focusing of our sales efforts, we have achieved growth rates in virtually all markets which exceed market growth. Developments in the very important US market are very positive, and we see a lot of potential in this market. So far, we have only been marginally affected by the increasing raw material prices, while the waning economic growth has not affected Ambu either. Developments in exchange rates have reduced the growth in revenue reported in DKK by 6 percentage points, which has, of course, also affected the results for the period. Nevertheless, we are very pleased with these developments," says Kurt Erling Birk, President & CEO.

- Revenue for Q3 was DKK 196.9m against DKK 177.4m in Q3 2006/07, up 11% or 17% when reported in local currencies. In the period 1 October 2007 - 30 June 2008, revenue was up 9% (14% when reported in local currencies) relative to the year before at DKK 582.8m.
- The growth in revenue in Q3 was the strongest in Spain and the USA, which saw increases of 36% and 23%, respectively, relative to Q3 2006/07, when reported in local currencies.
- Revenue within the business areas Respiratory Care, Cardiology and Neurology was up 22% in Q3 when reported in local currencies.

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- Operating profit (EBIT) for Q3 was DKK 28.1m against DKK 11.0m in the same period last year. In the period 1 October 2007 - 30 June 2008, EBIT increased by 51% relative to the year before to DKK 69.1m. Thus, the period 1 October 2007 - 30 June 2008 saw a strong increase in results, despite the legal fees incurred in connection with the pending patent cases.
- The profit before tax for Q3 was DKK 21.3m against DKK 8.7m in the same period last year. In the period 1 October 2007 - 30 June 2008, the profit before tax increased by 48% to DKK 54.8m.
- In the period 1 October 2007 - 30 June 2008, a free cash flow of DKK 37.1m was generated against DKK 6.2m in the same period last year. The most important reason for the higher free cash flow is the improved operating profit and lower investments relative to the same period in 2006/07.
- For FY 2007/08 as a whole (1 October 2007 - 30 September 2008), revenue of approx. DKK 770m is now expected against an earlier outlook of DKK 750m, while EBIT is expected to be approx. DKK 85m after being reduced by approx. DKK 6.5m in the form of extraordinary legal fees in connection with the patent cases. Moreover, a free cash flow in the region of DKK 45m is still expected.

Conference call

Conference call and webcast on this release will be held on 27 August 2008 at 11 am Danish time. To participate, please call tel. +45 32 71 47 67 five minutes before the start of the conference. The conference can be followed via the link <http://webcast.zoomvision.se/denmark/clients/ambu/080827> or on the Ambu website www.ambu.com. The conference will subsequently be made available on the Ambu website.

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Ambu develops, produces and markets diagnostic and life-supporting devices to hospitals and rescue services. Ambu has five business areas: Respiratory Care, Cardiology, Neurology, Training and Immobilization. The most important business areas are Respiratory Care, Cardiology and Neurology, and the most important products in these areas are ventilation products for artificial respiration and single-use electrodes for ECG recordings and neurophysiological examinations. Ambu's products are sold worldwide. Exports account for 98% of sales, and sales are handled via Ambu's foreign subsidiaries or via distributors. Ambu has just under 1,600 employees, of whom approx. 300 work in Denmark and approx. 1,300 abroad.



Financial highlights

DKKm	Q3 2007/08	Q3 2006/07	YTD 2007/08	YTD 2006/07	FY 2006/07
Key figures					
Revenue	197	177	583	536	715
Operating profit (EBIT)	28	11	69	46	69
Profit before tax (PBT)	21	9	55	37	54
Group profit	15	6	40	26	43
Total assets at year-end	696	690	696	690	681
Equity at year-end	430	405	430	405	418
Share capital	119	119	119	119	119
Investments in non-current assets and acquisitions	12	15	29	46	56
Depreciation, amortisation and impairment losses on non-current assets	11	11	32	32	41
Cash flows from operating activities	24	28	66	52	90
Free cash flow	12	13	37	6	33
Average no. of employees	1,586	1,230	1,586	1,230	1,216
Ratios					
EBITDA margin, %	19.8	15.0	17.3	15.4	15.5
EBIT margin, %	14.3	8.8	11.9	9.4	9.7
Return on assets, %	16.1	6.4	13.2	8.9	10.2
Return on equity, %	14.1	5.9	12.4	8.6	10.6
Equity ratio, %	62	59	62	59	61
Profit per DKK 10 share	1	1	3	2	3.62
Cash flow per DKK 10 share	2	2	6	4	7.54
Equity value of shares	36	34	36	34	35
Share price at year-end	73	105	73	105	87
Listed price/equity value	2.0	3.1	2.0	3.1	2.5
P/E ratio	14	52	16	36	24
CAPEX, %	6.1	8.2	5.0	8.5	7.8
ROIC, %	14.6	5.4	12.0	7.6	9.1

The figures for Q3 have not been audited.

The interim report for Q3 2007/08 has been presented in accordance with IAS 34 and additional Danish disclosure requirements for the interim financial reporting of listed companies. The interim report follows the same accounting principles as the 2006/07 annual report.

The key figures have been calculated in accordance with The Danish Society of Investment Professionals' 'Recommendations and Financial Ratios 2005'.

The company's financial year runs from 1 October to 30 September.



Developments in Q3 2007/08

The positive development in revenue continued in Q3 2007/08. Developments in the important US market are positive, while the other markets have as a whole seen satisfactory growth.

The activities introduced at the end of 2007 to boost growth in revenue, which include streamlining portfolio management, the development model and a number of internal processes, are now beginning to bear fruit.

Production and logistics

Activity levels at the factories in China, Malaysia and Denmark were high in Q3, and in addition to the ongoing streamlining of operations, work went into expanding capacity for a number of product categories, including ECG electrodes, neck collars and face masks. Moreover, a number of activities have been launched within the supply chain area to improve the accuracy of forecasts from the sales companies and to ensure an even better match between expected sales and production planning at the individual factories.

Purchasing

The changes currently affecting the world economy have a general impact on developments in the price of raw materials. The price which Ambu pays for virtually all important raw materials is contractually linked to fixed prices.

Q3 saw increasing market prices for several raw materials used by Ambu, primarily metal and plastic granulate. However, Ambu expects the costs of raw materials to remain relatively stable in the near future. So far, the increases in the price of raw materials have only had a slight impact on cost.

Sales and marketing

Higher growth within Cardiology is an important focus area, and Ambu is still working intensively to increase sales of Cardiology product through local sales campaigns targeted at market segments in which Ambu's high-quality electrodes provide most value for customers.

Furthermore, Ambu is focusing on strengthening Ambu's profile within Respiratory Care. For example, Ambu has taken part in two international congresses, European Society of Anaesthesia (ESA) and European Resuscitation Council (ERC). These activities help win market shares, among other things within laryngeal masks.



Product development and new products

Within product development, work is still going into streamlining development processes and also into continuing the development of a number of new and improved products which will be launched in Q4 2007/08 and in 2008/09.

In Q4 2007/08, Ambu will be launching a new ECG electrode with two connection points for combined use in ambulances and at hospitals as well as an improved laryngeal mask for the US market.

The most recently launched new and improved products have generally been welcomed by the market, and sales of these products are seeing satisfactory growth.

Activities in the changed development organisation are developing satisfactorily.

New President & CEO of Ambu

As announced in company announcement no. 08-2007/08 of 11 July 2008, Kurt Erling Birk is resigning as President & CEO to be replaced by Lars Marcher. The changeover is expected to take place in Q1 2008/09.

Comments on the financial statements for Q3 and Q1-Q3 2007/08

Income statement

Revenue

Revenue totalled DKK 196.9m in Q3 against DKK 177.4m in Q3 2006/07, up 11% (17% when reported in local currencies). Year to date, revenue was DKK 582.8m against DKK 535.8m for the same period in 2006/07, up 9% (14% when reported in local currencies).

Developments in foreign exchange rates year to date have reduced revenue by DKK 28m, primarily due to developments in USD and GBP. Year to date, the average USD and GBP exchange rates were 494 and 987, respectively, compared to 566 and 1,106, respectively, in the same period last year.



Revenue generated by the individual business areas

DKKm	Q3 2007/08	Q3 2006/07	Growth in DKK %	Growth in local currencies %	YTD 2007/08	YTD 2006/07	Growth in %	Growth in local currencies %
Respiratory Care	81.0	67.5	20	28	233.0	202.4	15	22
Cardiology	73.4	66.7	10	15	207.8	199.8	4	8
Neurology	21.5	17.6	22	28	58.6	51.2	14	20
Training	14.1	12.8	10	12	48.7	45.8	6	8
Immobilization and other products	6.9	12.8	(46)	(38)	34.7	36.6	(5)	4
Total	196.9	177.4	11	17	582.8	535.8	9	14

Within Respiratory Care, revenue grew by 28% in Q3 2007/08 and by 22% year to date. Year to date, double-digit growth rates have been achieved in all important markets with the exception of France and Danish Sales. The reason for the low growth in these markets is primarily the intensified pressure on prices seen in France, while Danish Sales realised a major project sale to the Middle East last year. Growth topped 20% in the UK, Spanish, US and German markets. Growth was realised by all products in the product programme, but with the highest growth rates seen within laryngeal masks and ventilation bags. Within the laryngeal masks category, the newly introduced AuraFlex and AuraStraight masks generated the strongest growth, while sales of the multiple-use Aura40 mask also grew.

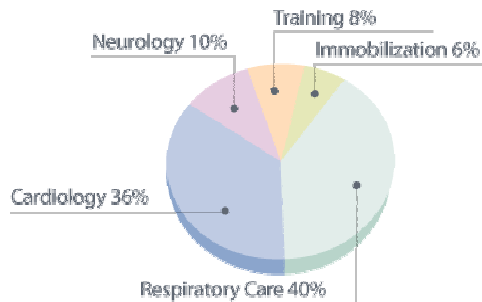
Within Cardiology, growth in revenue for Q3 2007/08 stood at 15% relative to the same period last year, and 8% year to date. Growth in Q3 is broadly founded and is primarily attributable to the refocusing of sales efforts and an increase in direct sales by Danish Sales. Year to date, Ambu has seen double-digit growth rates in Spain, Italy and the USA, whereas France has seen a decline in revenue. The lower revenue in France is attributable to the effect of the loss of a tender last year.

Within Neurology, revenue grew by 28% in Q3 2007/08 and by 20% year to date. New and improved needles were introduced in both 2006/07 and 2007/08, and these needles have attracted considerable interest. Year to date, double-digit growth rates have been seen in all markets, with the exception of Spain where growth was lower.

Revenue within Training rose by 12% in Q3 2007/08 and by 8% year to date. Year to date, the highest growth in revenue was recorded in the well-established German market for training products, but high growth rates were also recorded in Spain and Italy.



Revenue within Immobilization rose by 23% year to date, while sales of other products declined by 40% or DKK 4.4m.



Geographical breakdown of revenue

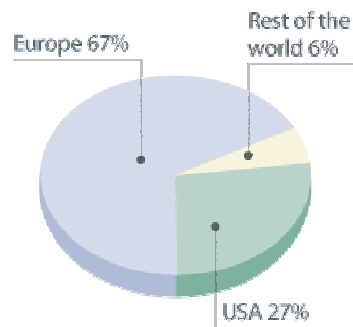
DKKm	Q3 2007/08	Q3 2006/07	Growth in DKK %	Growth in local currencies %	YTD 2007/08	YTD 2006/07	Growth in DKK %	Growth in local currencies %
USA	50.0	47.1	6	23	156.1	140.1	11	27
Europe	133.0	116.5	14	17	388.6	353.8	10	12
Other	13.9	13.8	1	1	38.1	41.9	(9)	(9)
Total	196.9	177.4	11	17	582.8	535.8	9	14

Total US revenue rose by 23% in Q3 and 27% year to date. Double-digit growth rates were recorded in all product categories except for Training, which saw a decline in sales. The growth is primarily attributable to the focused efforts of the US sales organisation for all key products and targeting a broad group of customers, including General Purchasing Organisations (GPOs), OEM customers and the armed forces.

Revenue in Europe was up in Q3 and year to date by 17% and 12%, respectively, significantly outperforming market growth. Year to date, double-digit growth rates have been recorded in Spain, Germany, Italy and the UK, while revenue grew by 4% in the Netherlands. Within Danish Sales, direct sales in the Nordic region were on a par with last year. In France, revenue grew by 7% in Q3 and 4% year to date. Growth can be attributed to the focused sales efforts of the individual sales companies.



Year to date, revenue in the other markets fell by 9%. Sales within this area, which is not a focus area, are to a large extent based on tenders, and the timing of calls varies from one year to the next.



Gross profit

In Q3 2007/08, the gross profit was DKK 108m against DKK 91m in Q3 2006/07. Year to date 2007/08, the gross profit was DKK 313m against DKK 280m year to date 2006/07.

The gross profit ratio was 54.6 in Q3 2007/08 against 51.4 in Q3 2006/07. Year to date, the gross profit ratio was 53.7 against 52.2 year to date 2006/07. Sales prices and unit costs are relatively stable, but the product mix has changed with more sales of products with a higher contribution ratio, which has led to an increase in the gross profit ratio.

Costs

The group's costs in respect of sales, development, management and administration were DKK 79m in Q3 2007/08 against DKK 76m in Q3 2006/07. Year to date 2007/08, the group's costs were DKK 244m against DKK 234m year to date 2006/07. Total costs of DKK 234m year to date in 2006/07 comprised non-recurring costs of DKK 4.7m in respect of the company's employee share scheme.

The main reason for the increase in costs of DKK 14.7m year to date is rising capacity costs in Ambu A/S, which have increased by DKK 5m with DKK 4.2m being attributable to special items in the form of additional legal fees of DKK 2.8m in connection with the patent cases and DKK 1.4m resulting from the accounting effect of the share option scheme for executive employees. The remaining increase in costs of DKK 0.8m is attributable primarily to general increases in costs resulting from increasing levels of activity.

Capacity costs in the subsidiaries were up DKK 5m due to increased selling costs.



Developments in exchange rates have reduced the group's capacity costs year to date 2007/08 by approx. DKK 9.3m compared to what they would have been at the exchange rates applicable in the same period in 2006/07, of which an amount of DKK 6m relates to the US subsidiary and DKK 2m to the UK subsidiary.

EBIT

The operating profit (EBIT) for Q3 2007/08 was DKK 28.1m against DKK 15.7m in Q3 2006/07 before other operating expenses incidental to the company's employee share scheme. Year to date 2007/08, the operating profit (EBIT) was DKK 69.1m against DKK 45.7m in 2006/07. The improvement in results year to date is primarily attributable to higher revenue and the improved gross profit margin.

The changes in foreign exchange rates year to date relative to last year only had a modest effect on EBIT year to date. Changes in exchange rates had an adverse effect on the EBIT margin of approx. 1 percentage point.

Net financials

Financial expenses increased in Q3 to DKK 6.8m, which is DKK 4.5m higher than for the same period in 2006/07. Year to date 2007/08, financial expenses amounted to DKK 14.3m, which is DKK 5.6m higher than for the same period in 2006/07. The increase is primarily attributable to translation adjustments, which year to date amounted to DKK 9m (against DKK 1.5m last year), of which an amount of DKK 4m stems from translation adjustments in the Asian production units.

Profit for the period

In Q3 2007/08, the net profit was DKK 15.2m against DKK 6.1m in Q3 2006/07. Year to date 2007/08, the net profit was DKK 40.0m against DKK 26.1m in the same period in 2006/07.

Balance sheet

At the end of Q3 2007/08, the balance sheet total amounted to DKK 696m, corresponding to an increase of DKK 15m relative to the end of 2006/07.

Intangible assets are unchanged relative to the end of the last financial year.

Property, plant and equipment and other non-current assets fell by DKK 7m, as ordinary depreciation exceeds investments year to date.

Receivables were DKK 7m higher than at the end of 2006/07. The increase in receivables is, among other things, attributable to an increase in prepayments primarily as a result of increased prepayments to suppliers in China and Malaysia.



Cash flows

Cash flows from operating activities amounted to DKK 12m in Q3 2007/08 against DKK 13m in Q3 2006/07. Year to date 2007/08, cash flows from operating activities were DKK 66.0m against DKK 51.7m in 2006/07. The improved cash flows from operating activities are attributable primarily to a higher operating profit.

In Q3 2007/08, the group realised a positive free cash flow of DKK 12m, which is on a par with the figure for Q3 last year. Year to date 2007/08, the free cash flow was DKK 37.1m against DKK 6.2m in 2006/07. In addition to the positive impact from the operating profit, the improvement is due to investments amounting to DKK 29m year to date 2007/08 against DKK 46m year to date 2006/07.

Patent infringement case

Since autumn 2005, Ambu has been party to a case brought by the company LMA concerning the alleged infringement of a patent. Latest developments:

In Europe, the European Patent Office (EPO) decided in February 2008 to invalidate LMA's patent in Europe. LMA has lodged an appeal against this decision, and the appeal is expected to be decided within 2-3 years.

Against the background of the EPO's decision, the infringement cases in the Netherlands and France have been put on hold. The case in Germany is expected to be put on hold at a later date in 2008.

In the USA, the case is progressing according to the schedule laid down by the court in San Diego, and a decision is expected to be made at the end of 2009 or at the beginning of 2010.

Although the court cases have not resulted in any loss of customers, they have resulted in considerable costs in the form of fees for patent experts and lawyers.

Outlook

Due to the positive development in revenue in the first three quarters of 2007/08, revenue for FY 2007/08 as a whole is now expected to be approx. DKK 770m against an earlier outlook of DKK 750m or slightly more.

The period 1 October 2007 - 30 June 2008 was affected by extraordinary costs relating to pending patent cases, and these costs are expected to be at a lower level in Q4 2007/08. Also, a number of non-recurring expenses in the form of recruitment and consultancy fees will be incurred in Q4 2007/08.

Against the background of the development in revenue and the other activities which have been initiated, EBIT is expected to be in the range of DKK 85m after



being reduced by approx. DKK 6.5m in the form of extraordinary legal fees incurred in connection with the patent cases. The EBIT margin is thus still expected to be in the range of 11.5-12% exclusive of the extraordinary legal fees in connection with the patent cases. The lower USD and GBP exchange rates result in a technical foreign currency translation adjustment of approx. DKK 11m, which is recognised under net financials.

In 2007/08, investments are expected to be lower than in 2006/07, where they amounted to DKK 56m. Investments will primarily be made in the development of new products, the acquisition of process equipment and the continued implementation of the ERP system.

In 2007/08, Ambu will continue to focus on cash flow with due regard being had to the continued strategic development of the company. A free cash flow of approx. DKK 45m is expected in 2007/08.

In 2007/08, the return on invested capital (ROIC) is expected to be approx. 12%.

Forward-looking statements

Forward-looking statements, especially such as relate to future sales and operating profit, are subject to risks and uncertainties. Various factors, many of which are outside Ambu's control, may cause the actual development to differ materially from the expectations contained in this report. Factors that might affect such expectations include, among others, changes in health care, in the world economy and in exchange rates.

Financial calendar

26 November 2008	Annual report 2007/08
16 December 2008	Annual General Meeting



**Statement by the Board of Directors and the Executive Board
on the interim report**

On this day, the Board of Directors and the Executive Board have considered and approved the interim report of Ambu A/S for the period 1 October 2007 - 30 June 2008.

The interim report is presented in accordance with the International Financial Reporting Standards (IAS 34) as adopted by the EU and additional Danish disclosure requirements for the interim reporting of listed companies.

We consider the accounting policies applied to be appropriate, and in our opinion the interim report provides a true and fair view of the group's assets, liabilities and financial standing as at 30 June 2008 as well as of the results of the group's activities and cash flows in the period 1 October - 30 June 2008.

We further consider that the management's review (pp. 1-12) gives a true and fair view of the development in the group's activities and financial affairs, the profit for the period and the group's financial position as a whole as well as a description of the most significant risks and uncertainties to which the group is subject.

Ballerup, 27 August 2008

Executive Board

K. E. Birk
President & CEO

Board of Directors

N. E. Nielsen,
(Chairman)

Bjørn Ragle

Jørgen Hartzberg

Anne-Marie Jensen

Torben Ladegaard

Hanne-Merete Lassen

Kirsten Therkildsen
Søndersted-Olsen

John Stær

Anders Williamsson



Income statement

DKKm	Q3 2007/08	Q3 2006/07	YTD 2007/08	YTD 2006/07	FY 2006/07
Revenue	196.9	177.4	582.8	535.8	715.0
Production costs	(89.4)	(86.3)	(269.6)	(256.0)	(340.9)
Gross profit	107.5	91.1	313.2	279.7	374.1
%	54.6	51.4	53.7	52.2	52.3
Cost of sales	(42.6)	(38.3)	(124.2)	(115.1)	(152.0)
Development costs	(5.4)	(7.0)	(19.9)	(20.3)	(26.9)
Management and administration	(31.4)	(30.2)	(100.0)	(93.9)	(121.1)
Other operating expenses	-	(4.7)	-	(4.7)	(4.9)
Operating profit (EBIT)	28.1	11.0	69.1	45.7	69.2
%	14.3	6.2	11.9	8.5	9.7
Net financials	(6.8)	(2.3)	(14.3)	(8.7)	(14.8)
Profit before tax (PBT)	21.3	8.7	54.8	37.0	54.4
Tax	(6.1)	(2.6)	(14.8)	(10.9)	(11.6)
Profit for the period	15.2	6.1	40.0	26.1	42.8
Profit per share in DKK					
Earnings per share (EPS)	1.28	0.51	3.37	2.20	3.60
Diluted earnings per share (EPS-D)	1.28	0.51	3.37	2.20	3.60

Balance sheet

DKKm	30.06.08	30.06.07	30.09.07
Intangible assets	174.6	174.1	174.2
Property, plant and equipment	178.6	183.3	182.0
Other non-current assets	-	-	3.9
Total non-current assets	353.2	357.5	360.2
Inventories	134.3	129.5	128.3
Receivables	188.8	189.9	181.7
Cash and cash equivalents	20.0	13.3	10.6
Total current assets	343.1	332.7	320.6
Total assets	696.3	690.2	680.8
Share capital	118.8	118.8	118.8
Reserves and retained earnings	311.0	286.2	299.4
Total equity	429.8	404.9	418.2
Non-current liabilities	49.0	65.6	65.1
Current liabilities	217.5	219.6	197.5
Total liabilities	266.5	285.2	262.6
Total equity and liabilities	696.3	690.2	680.8

Statement of changes in equity

DKKm	30.06.08	30.06.07	30.09.07
Equity as at 1 October	418.2	391.1	391.1
Capital increase	-	4.9	4.9
Purchase of treasury shares	(3.2)	-	-
Employee option scheme	1.4	4.7	4.9
Foreign currency translation adjustment, foreign subsidiaries	(8.9)	(5.2)	(9.8)
Value adjustment, forward contracts	0	0.9	1.9
Distributed dividend	(17.7)	(17.6)	(17.6)
Profit for the period	40.0	26.1	42.8
Equity	429.8	404.9	418.2

Cash flow statement

DKKm	30.06.08	30.06.07	30.09.07
Net profit for the year	40.0	26.1	42.8
Adjustments for depreciation, amortisation etc.	44.3	45.2	38.1
Changes in working capital	(18.3)	(19.6)	8.5
Cash flows from operating activities	66.0	51.7	89.4
Investments, net	(28.9)	45.5	(56.0)
Free cash flow	37.1	6.2	33.4
Cash flows from financing activities	(27.7)	(8.0)	(37.9)
Changes in cash and cash equivalents	9.4	(1.8)	(4.5)
Cash and cash equivalents, beginning of year	10.6	15.1	15.1
Cash and cash equivalents, end of year	20.0	13.3	10.6

