

- ◆ **Orders received** climbed 22% to SEK 2,635.2 million (2.165.4)
- ◆ **Net sales** climbed 24% to SEK 2,491.6 million (2.003.0)
- ◆ **Profit before tax** rose 38% to SEK 240.7 million (174,0)
- ◆ **Net profit** rose 36% to SEK 168.5 million (123.5)
- ◆ **EPS** rose 36% to SEK 0.83 (0.61)
- ◆ **Organic orders received** increased 6.7%
- ◆ **All business areas** are performing well
- ◆ **Profit outlook remains good**

Q1 2004

Orders received

Orders received for the Group came in with a solid organic growth by 6.7%. Good market coverage in Western Europe has compensated for weaker demand. Demand remains good on the North American and developing markets.

Orders received continued to be good for Infection Control and Extended Care, with the latter noting an upturn in volumes in the final quarter of 2003.

Medical Systems, with its strong dependence on the European healthcare market, performed according to plan with a small growth in volumes.

Results

The Group's profit before tax soared 38% in Q1 to SEK 240.7 million (174.0 m). The improved profit is an effect of good volume growth and earnings from the new acquisitions, Jostra and Siemens LSS. Exchange rate effects had an impact of around SEK 50 million on earnings.

Infection Control's earnings, which were affected by most of the Group's exchange rate effects, are at the same level as the previous quarter last year. Extended Care improved earnings significantly on the back of volume increases and good cost control. Within Medical Systems, weak volume growth for Surgical Workplaces were offset by lower costs, which combined with an earnings contribution from the acquisition of Jostra and Siemens LSS, have led to an impressive growth in earnings.

Outlook

The Group performed well in the first quarter of the year, in terms of both earnings and volumes, which forms a strong base for progress during the year.

Extended Care is benefiting from a better cost structure, which was established during 2003. Demand remains good and several product launches in the coming quarter are expected to boost volume growth.

The positive development of Infection Control that started in 2003 continues. Structural measures will lead to a continued rise in operating margins, while improved market coverage will mean good volume growth. Of the Group's negative exchange rate effects, estimated at around SEK 135 million for the year, around SEK 80 million will impact on Infection Control, of which most will occur in Q1 and Q2. The expected earnings growth will thus be concentrated in the second half of the year.

Medical Systems is also advancing positively. The lower volume growth announced for Surgical Workplaces is being compensated by good cost control and pricing discipline, which means that earnings are expected to rise. The earnings contribution from the Jostra and Siemens acquisitions are expected to boost Group earnings by around SEK 150 million annually.

As with the situation at the start of the year, the earnings outlook after the first quarter remains good.

Business area Medical Systems

Market development

	2004	2003	Change adjusted for
Orders received per market	3 mon	3 mon	<i>curr.flucs.&corp.acqs.</i>
Western Europe	641.5	436.9	0.2%
USA and Canada	193.5	98.8	22.5%
Asia and Australia	177.1	103.7	-4.5%
Rest of the world	61.3	23.7	-17.5%
Business area total	1,073.4	663.1	2.3%

Orders received increased organically by 2.3% in Q1, which is an improvement on the weak volume growth during the second half of last year. In Western Europe, overall demand was weak with declining orders received in Germany, France and Italy, while the UK, Benelux countries and Scandinavia reported good growth.

Volume growth in North America was very good in both the US and Canada. Lower orders received in Asia are mainly due to the weak Japanese market during the start of the year.

The business area expects to see improved market conditions in Western Europe during the second half of the year.

Results

	2004	2003	Change	2003
	3 mon	3 mon		FY
Net sales, SEK Million	1,120.0	701.3	59.7%	3,238.3
<i>adjusted for currency flucs. & corp.acqs</i>			-0.5%	
Gross profit	587.3	325.7	80.3%	1,593.6
Gross margin %	52.4%	46.4%	6.0%	49.2%
Operating cost, SEK Million	-454.9	-250.0	82.0%	-1,218.5
EBITA	176.4	98.8	78.5%	493.1
EBITA margin %	15.8%	14.1%	1.7%	15.2%
EBIT	132.4	75.7	74.9%	375.1
EBIT margin %	11.8%	10.8%	1.0%	11.6%

Despite poor volume growth for Surgical Workplaces, earnings improved considerably due to good cost control and good pricing discipline. Earnings contributions and realised synergies from Jostra and Siemens LSS also helped achieve excellent results.

The improvement in the gross profit is explained by a good pricing structure within Surgical Workplaces and the higher gross margin at Siemens LSS.

Activities

Critical Care (Siemens LSS). The structural and integration activities that were previously announced and that will secure good, sustainable profitability, are proceeding according to plan. The Critical Care market organisation is now fully integrated in the business area's sales organisation and more aggressive market penetration can now begin primarily in European markets.

The disposal of the unprofitable anaesthesiology activities was completed during the quarter. Volume growth in Q1 has followed established plans and a gradual reinforcement and stabilisation of the market organisation will lead to extended and improved market penetration in the future.

Jostra (Cardio-Pulmonary) The integration of the Jostra acquisition is proceeding according to plan. Jostra's sales organisation is already integrated with the business area's existing sales organisation and the production move of the Danish manufacturing plant to Germany was completed during Q1.

Production of heart-lung machines, currently based in Lund, will be moved to Solna during Q2.

Surgical Workplaces started a venture with General Electric during the quarter that will focus on the development of a solution combining AWIGS with a magnet-resonance scanner (MRT). AWIGS (Advanced Workplace for Image Guided Surgery) was previously only sold as a solution for CT applications (Computer tomography), in which application the business area previously co-operated with Siemens.

During the quarter **Critical Care** launched a new ventilator, ServoS, which is replacing Servo900 and is targeted at developing markets. Orders received for ServoS have been initially strong.

Business area Infection Control

Market development

	2004	2003	Change adjusted for
Orders received per market	3 mon	3 mon	<i>curr.flucs.&corp.acqs.</i>
Western Europe	381.8	357.1	7.7%
USA and Canada	254.8	276.5	6.7%
Asia and Australia	127.2	132.1	-3.8%
Rest of the world	84.5	65.4	30.6%
Business area total	848.3	831.1	7.3%

Orders received rose 7.3% organically during the quarter, with strong increases in several markets. Growth in Western Europe was generally good in comparison with Medical Systems, which can be explained by the fact that dependence on the French and German markets is smaller and by the fact that customers in the

research sector and pharmaceutical industry account for a large part of growth in the region.

Demand in North America remains good in both the healthcare and research sectors and the pharmaceutical market. Orders received in Japan were lower in the quarter than the much stronger Q1 in 2003, while demand in developing markets remains generally good.

Results

	2004	2003	Change	2003
	3 mon	3 mon		FY
Net sales, SEK Million	707.7	695.7	1.7%	3,343.7
<i>adjusted for currency flucs. & corp. acqs</i>			7.8%	
Gross profit	273.7	271.3	0.9%	1,286.7
<i>Gross margin %</i>	38.7%	39.0%	-0.3%	38.5%
Operating cost, SEK Million	-211.5	-208.9	1.2%	-839.5
EBITA	73.9	73.6	0.4%	490.5
<i>EBITA margin %</i>	10.4%	10.6%	-0.2%	14.7%
EBIT	62.2	62.4	-0.3%	447.2
<i>EBIT margin %</i>	8.8%	9.0%	-0.2%	13.4%

The operating profit in the period was in line with last year. The weak earnings trend in relation to the stronger volumes trend is explained by the impact of around SEK 30 million in exchange rate effects. The SEK 80 million negative exchange rate effect for the full year that has been announced will occur in the first half of the year. The North American production unit, which underwent extensive restructuring last year, is reporting significantly improved earnings.

Activities

The improvement in efficiency of the business area's production structures is proceeding according to plan. The focus this year is on concentrating production of the large washer disinfectors to fewer units. The assembly plant in Peiting, Germany, is carrying out a cost-reduction program, which should be completed this year.

An extensive logistics project has been started that will reduce administration costs and tied-up capital. The effect on earnings is estimated at around SEK 50 million per year, starting at the end of 2005.

The project to establish local production in China is moving ahead according to plan and the first deliveries should be made during Q3 2005.

Business area Extended Care

Market development

	2004	2003	Change adjusted for
<i>Orders received per market</i>	3 mon	3 mon	<i>curr.flucs.&corp.acqs.</i>
Western Europe	492.1	466.1	6.5%
USA and Canada	187.5	175.0	19.8%
Asia and Australia	16.9	15.1	9.2%
Rest of the world	4.8	4.3	18.5%
Business area total	701.3	660.5	10.2%

Organic growth in orders received improved by 10% in the quarter and is a continuation of the strong performance noted towards the end of last year. With the exception of countries in South Europe, volume trends in Western Europe were good. The order situation in North America continues to be very good with strong trends in both the US and Canada.

Growth for patient handling equipment and wound care products have been especially good, while volumes for hygiene products fell back somewhat. The latter is explained by lower new construction of elderly care facilities, primarily in Western Europe.

Results

	2004	2003	Change	2003
	3 mon	3 mon		FY
Net sales, SEK Million	652.7	594.8	9.7%	2,535.1
<i>adjusted for currency flucs.& corp.acqs</i>			14.0%	
Gross profit	294.6	283.4	4.0%	1,223.7
<i>Gross margin %</i>	45.1%	47.6%	-2.5%	48.3%
Operating cost, SEK Million	-197.0	-208.8	-5.7%	-788.5
EBITA	105.8	83.1	27.3%	466.4
<i>EBITA margin %</i>	16.2%	14.0%	2.2%	18.4%
EBIT	97.6	74.6	30.8%	435.2
<i>EBIT margin %</i>	15.0%	12.5%	2.5%	17.2%

The operating profit and operating margin improved significantly compared with last year. A strong rise in invoicing coupled with falling costs have compensated for a lower gross margin. The lower gross margin is explained by a weaker volume trend for hygiene products, which resulted in lower factory utilisation at the Eslöv plant.

Activities

A large part of the volume growth expected this year is expected to come from the launch of new products. Sara 3000, which was launched in the final quarter of last year and competes in the mid-price segment, has performed excellently.

Towards the end of the second quarter the business area will launch new products such as Carino, a new shower hygiene chair, Malibu, a new bath system for patients with limited assistance needs, and Tenor, a patient lift for obese people, which has a lifting capacity of 300 kg.

Other information

- Auditing** The same accounting principles and calculation methods have been used in the financial statement as in the latest Annual Report. In addition, the company applies the Swedish Financial Accounting Standards Council's new recommendation RR29 Employed Benefits, with the consequence that this accounting principle has been changed accordingly.
This report has not been subject to an audit by the company's accountants.
- Next report** The next report from the Getinge Group (Q2 2004) will be published on 15 July 2004.
- Tele-conference** A tele-conference will be held today at 2.30 p.m. Swedish time. To take part, please ring
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Income statement

	2004	2003	Change	2003
SEK Million	3 mon	3 mon		FY
Net sales	2 491,6	2 003,0	24,4%	9 160,2
Cost of goods sold	-1 333,1	-1 119,8	19,0%	-5 045,1
Gross profit	1 158,5	883,2	31,2%	4 115,1
Gross margin	46,5%	44,1%	2,4%	44,9%
Selling expenses	-545,2	-421,4	29,4%	-1 851,8
Administrative expenses	-238,2	-195,5	21,8%	-808,6
Research & development costs ¹⁾	-81,0	-56,9	42,4%	-209,5
Other operating income and expenses	-1,4	3,9	-135,9%	11,3
Operating profit ²⁾	292,7	213,3	37,2%	1 256,5
Operating margin	11,7%	10,6%	1,1%	13,7%
Financial net	-52,0	-39,3		-161,1
Profit before tax	240,7	174,0	38,3%	1 095,4
Taxes	-72,2	-50,5		-317,7
Net profit	168,5	123,5	36,4%	777,7
Earnings per share, SEK	0,83	0,61	36,1%	3,85

1) Development costs totalling SEK 18.5 (6.8) million have been capitalised in the quart

2) Operating profit is charged with

— amortisation on goodwill	-63,9	-42,8	-192,6
— depr. on other assets	-61,6	-56,4	-238,2
	-125,5	-99,2	-430,8

Quarterly results

	2002	2002	2002	2002	2003	2003	2003	2003	2004
SEK Million	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1
Net sales	1,909.2	2,078.2	2,054.0	2,598.7	2,003.0	2,137.6	2,090.6	2,929.0	2,491.6
Cost of goods sold	-1,052.1	-1,184.3	-1,142.7	-1,445.9	-1,119.8	-1,161.3	-1,158.0	-1,606.0	-1,333.1
Gross profit	857.1	893.9	911.3	1,152.8	883.2	976.3	932.6	1,323.0	1,158.5
Operating cost	-667.4	-671.3	-722.9	-704.0	-669.9	-665.7	-677.3	-845.7	-865.8
Operating profit	189.7	222.6	188.4	448.8	213.3	310.6	255.3	477.3	292.7
Financial net	-43.9	-43.8	-42.4	-43.8	-39.3	-36.9	-39.1	-45.8	-52.0
Profit before tax	145.8	178.8	146.0	405.0	174.0	273.7	216.2	431.5	240.7
Taxes	-45.8	-54.8	-40.6	-112.7	-50.5	-79.3	-62.7	-125.2	-72.2
Net profit	100.0	124.0	105.4	292.3	123.5	194.4	153.5	306.3	168.5

Balance sheet

Assets SEKMillion	2004	2003	2003
	31 March	31 March	31 Dec
Intangible fixed assets ¹⁾	4 352,1	2 749,0	4 310,3
Tangible fixed assets	1 386,7	1 214,1	1 367,4
Financial assets	792,4	549,0	750,5
Stock-in-trade	1 927,0	1 675,1	1 763,6
Current receivables	3 148,4	2 439,3	3 336,3
Liquid funds	644,7	513,3	504,2
Total assets	12 251,3	9 139,8	12 032,3
Shareholders' equity & Liabilities			
Shareholders' equity	3 709,5	3 225,5	3 530,4
Provisions for pensions, interest-bearing	1 533,1	1 209,1	1 388,7
Restructuring reserves	114,5	232,3	193,1
Other provisions	664,1	509,7	709,7
Long-term liabilities	3 986,2	2 231,2	3 264,8
Current liabilities	2 243,9	1 732,0	2 945,6
Total Equity & Liabilities	12 251,3	9 139,8	12 032,3

1) This item includes capitalised development costs of SEK 18.5 million, (6.8).

Cash flow statement

SEK M illion	2004 3 mon	2003 3 mon	2003 FY
Operations			
Operating profit	292.7	213.3	1,256.5
Adjustment for items not included in cash flow	125.5	99.2	430.8
Financial items	-52.0	-39.3	-167.5
Taxes paid	-47.0	-65.8	-236.4
Cash flow before changes in working capital	319.2	207.4	1,283.4
Changes in working capital			
Stock-in-trade	-156.2	-36.5	186.9
Rental equipment	-8.0	-5.8	-21.8
Current receivables	217.8	361.4	207.0
Current operating liabilities	-40.1	-109.4	-79.4
Restructuring reserves, utilised	-81.3	-20.8	-190.0
Cash flow from operations	251.4	396.3	1,386.1
<i>Investments</i>			
Acquisition of subsidiaries	-64.5	-	-2,190.7
Net investments in intangible fixed assets	-18.5	-7.7	-51.8
Net investments in tangible fixed assets	-46.8	-24.0	-215.6
Cash flow from investments	-129.8	-31.7	-2,458.1
<i>Financial activities</i>			
Change in interest-bearing debt	44.7	-205.8	1,015.0
Interest-bearing loan in acquired subsidiaries	42.5	-	552.5
Change in long-term receivables	-43.4	-33.0	-185.3
Dividend paid	-	-	-214.5
Cash flow from financial activities	43.8	-238.8	1,167.7
Cash flow for the period	165.4	125.8	95.7
Liquid funds at begin of the year	504.2	412.8	412.8
Translation differences	-24.9	-25.3	-4.3
Liquid funds at end of the period	644.7	513.3	504.2

Net interest-bearing debt

SEK Million	2004	2003	2003
	31 March	31 March	31 Dec
Debt to credit institutions	4,020.2	2,374.0	3,967.6
Pension provisions ¹⁾	1,533.1	1,209.1	1,388.7
Less liquid funds	-644.7	-513.3	-504.2
Net interest-bearing debt	4,908.6	3,069.8	4,852.1

1) Provision for pensions has increased with 109.3 MSEK after adopting new accounting standards, IAS19 Employed Benefits

Changes to shareholder's equity

SEK million	2004	2003	2003
	31 March	31 March	31 Dec
Shareholders' equity – opening balance	3,530.4	3,158.2	3,158.2
Effect of adopting the accounting principle IAS 19 Employed Benefits	-76.8	-	-
Dividend distributed	-	-	-214.5
Translation differences	87.4	-56.2	-191.0
Net profit	168.5	123.5	777.7
Shareholders' equity – closing balance	3,709.5	3,225.5	3,530.4

Key figures

	2004	2003	Change	2003
	3 mon	3 mon		FY
Orders received, SEK Million	2,635.2	2,165.4	21.7%	9,153.8
adjusted for currency flucs.& corp.acqs			6.7%	
Net sales, SEK Million	2,491.6	2,003.0	24.4%	9,160.2
adjusted for currency flucs.& corp.acqs			6.8%	
Earnings per share after full tax, SEK	0.83	0.61	36.1%	3.85
Earnings per share before goodwill amortiz. after full tax, SEK	1.15	0.82	40.2%	4.79
Nmb of shares, thousands	201,874	201,874		201,874
Operating capital, SEK Million	6,508.0	6,359.6	2.3%	6,430.4
Return on operating capital, per cent	20.3%	16.8%	3.5%	18.6%
Return on equity, per cent	24.4%	21.5%	2.9%	23.9%
Net debt/equity ratio, multiple	1.32	0.95	0.37	1.37
Interest cover, multiple	7.2	6.2	1.0	7.3
Equity/assets ratio, per cent	30.3%	35.3%	-5.0%	29.4%
Equity per share, SEK	18.38	15.98	15.0%	17.49
Net investments in tangible fixed assets, SEK Million	46.8	24.0		221.0
Number of employees at the period's end	6,718	5,558		6,598

Definitions

EBITA Operating profit before goodwill amortisation

EBIT Operating profit