

- ◆ **Orders received** climbed 25% to SEK 5,260.6 million (4,202.2)
- ◆ **Net sales** rose 23% to SEK 5,079.7 million (4,140.6)
- ◆ **Profit before tax** climbed 21% to SEK 540.4 million (447.7)
- ◆ **Net profit** went up 19% to SEK 378.3 million (317.9)
- ◆ **EPS** rose 19% to SEK 1.87 (1.57)
- ◆ **The growth in organic orders received** rose 7.8% over the quarter
- ◆ **Positive operating cash flow in the quarter**
- ◆ **Profit outlook** remains good

Q2 2004

Orders received

The Group's total orders received rose organically by a good 7.8% over the quarter. A certain improvement in demand in Western Europe can be seen coupled with demand remaining good on the North American and developing markets.

Organic orders received rose 19% for Infection Control with good increases in most geographic regions.

Medical Systems' orders received fell somewhat, mainly on the back of quotations not being finalized on the developing markets. On the business area's important Western European market orders received climbed organically by 6%.

Extended Care's orders received rose organically in Q2 by 3.4%. Western Europe performed well while North America was weaker, which was expected.

Results

The Group's profit before tax rose by 9.5%, which should be compared with a strong Q2 last year when profit growth was 53%. The improvement in Q2 is primarily an effect of good cost controls and earnings from the Jostra and Siemens LSS acquisitions. Exchange rate effects had an impact of around SEK 40 million on Q2's profits.

Infection Control's profit is somewhat lower than last year's figure due to low invoicing volumes and negative exchange rate effects.

Continued good pricing discipline and cost controls, coupled with the earnings from the new acquisitions have meant good profit growth for Medical Systems.

Extended Care's profit improvement is an effect of good cost control and some volume growth.

The Group's operating cash flow continued to develop well and stood at SEK 502 million in Q2 (406 m).

Outlook

Demand on the North American market and developing markets is expected to continue to be positive while demand in Western Europe should improve gradually.

Extended Care's demand and growth in both Western Europe and North America is expected to be good. The cost structure established in 2003 and several product launches in the coming year are expected to boost profit growth.

Infection Control is expected to underpin its operating profit and operating margin in the current year. Exchange rate effects will diminish in the second half of the year at the same time as invoicing volumes are expected to climb.

Medical Systems' volume growth in Surgical Workplaces is expected to be lacklustre in the coming year, which will be compensated by a better cost structure and synergy effects. Earnings from Jostra and Siemens LSS are expected to boost the Group's profit before tax by around SEK 150 million.

In summary and similar to the position at the end of Q1, the profit outlook after the second quarter remains good.

Business area Medical Systems

Market development

	2004	2003	Change adjusted for	2004	2003	Change adjusted for
Orders received per market	Q 2	Q 2	<i>curr.flucs.&corp.acqs.</i>	H1	H1	<i>curr.flucs.&corp.acqs.</i>
Western Europe	649.9	350.9	6.2%	1,291.4	787.8	3.0%
USA and Canada	207.5	132.1	-6.3%	401.0	230.9	6.0%
Asia and Australia	181.7	127.5	-17.2%	358.8	231.2	-11.5%
Rest of the world	62.7	38.4	-3.0%	124.0	62.1	-8.5%
Business area total	1,101.8	648.9	-1.6%	2,175.2	1,312.0	0.4%

The volume trend in Q2 was bleak compared with Q2 last year when orders received rose organically by 19%.

Orders received have improved on the important Western European market, with good advances in Germany and other German-speaking markets, Benelux and Italy. Orders received sank in the UK.

Growth was lacklustre in Q2 on the North American market. However, growth is expected to continue to be good for the full year

On the developing markets in South-East Asia and Central Europe a lower number of quotations were finalized in Q2, but the activity level is good.

Results

	2004	2003	Change	2004	2003	Change	2003
	Q 2	Q 2		H1	H1		FY
Net sales, SEK Million	1,104.2	646.1	70.9%	2,224.2	1,347.4	65.1%	3,238.3
<i>adjusted for currency flucs.& corp.acqs</i>			-0.6%			-0.6%	
Gross profit	543.7	322.5	68.6%	1,131.0	648.2	74.5%	1,593.6
Gross margin %	49.2%	49.9%	-0.7%	50.8%	48.1%	2.7%	49.2%
Operating cost, SEK Million	-417.3	-236.0	76.8%	-872.2	-486.0	79.5%	-1,218.5
EBITA	170.8	108.6	57.3%	347.2	207.4	67.4%	493.1
EBITA margin %	15.5%	16.8%	-1.3%	15.6%	15.4%	0.2%	15.2%
EBIT	126.4	86.5	46.1%	258.8	162.2	59.6%	375.1
EBIT margin %	11.4%	13.4%	-2.0%	11.6%	12.0%	-0.4%	11.6%

The operating profit climbed 46% in Q2. Lower organic growth has been compensated by continued good pricing discipline and cost controls. The Jostra and Siemens LSS acquisitions contributed to the profit trend in Q2.

The operating margin excluding goodwill amortization, EBITA, stood at a healthy 15.5% in Q2.

Activities

Critical Care (Siemens LSS). The previously announced structural and integration activities were largely completed in Q2. Consequently, the focus will

now be on developing the business activities and the market. Sales volumes basically developed according to plan. There is still significant room for improvement on the European and developing markets. The Servo-S launch that started in Q1, and is primarily produced for applications with lesser functionality demands, is going very well.

Cardio-Pulmonary (Jostra) The Jostra integration is also going according to plan. Moving production of heart-lung machines from Lund to Solna was completed during Q2. A pilot study has started to coordinate the production and distribution of disposable items, which is currently carried out at three units in Germany. The aim is to create one establishment from the current three by the turn of 2005/2006.

The agreement with Jostra's heart-lung machine distributor in the US was terminated in Q2. The company will manage distribution by itself in future.

Business area Infection Control

Market development

<i>Orders received per market</i>	2004	2003	<i>Change adjusted for curr.flucs.&corp.acqs.</i>	2004	2003	<i>Change adjusted for curr.flucs.&corp.acqs.</i>
	Q 2	Q 2		H1	H1	
Western Europe	423.1	390.5	7.9%	804.9	747.6	7.8%
USA and Canada	318.9	255.3	36.4%	573.7	531.8	21.0%
Asia and Australia	113.7	53.1	110.4%	240.9	185.2	28.9%
Rest of the world	24.1	60.8	-60.9%	108.6	126.2	-13.4%
Business area total	879.8	759.7	19.1%	1,728.1	1,590.8	13.0%

Orders received progressed strongly during Q2 and the organic increase was 19%. As for Medical Systems, volume development was buoyant in Western Europe, with good growth in Germany, Scandinavia and France. Orders received fell in the UK as decisions are put on hold before planned investments in the National Health Service (NHS) are finalised. The NHS has plans at an advanced stage to create around 50 sterilization centres that will supply hospitals with sterile instruments as an outsourcing business. Customers are therefore postponing investments in existing facilities.

The volume trend in North America remained very good with significant demand from customers in both the hospital and Life Science segments.

Demand from developing markets, especially South East Asia and Africa, was good, but was weaker in Eastern Europe.

Results

	2004	2003	Change	2004	2003	Change	2003
	Q 2	Q 2		H1	H1		FY
Net sales, SEK Million	845.8	861.1	-1.8%	1,553.5	1,556.8	-0.2%	3,343.7
<i>adjusted for currency flucs. & corp.acqs</i>			0.9%			3.9%	
Gross profit	342.3	350.0	-2.2%	616.0	621.3	-0.9%	1,286.7
<i>Gross margin %</i>	40.5%	40.6%	-0.1%	39.7%	39.9%	-0.2%	38.5%
Operating cost, SEK Million	-223.4	-221.7	0.8%	-434.9	-430.6	1.0%	-839.5
EBITA	128.2	138.7	-7.6%	202.1	212.3	-4.8%	490.5
<i>EBITA margin %</i>	15.2%	16.1%	-0.9%	13.0%	13.6%	-0.6%	14.7%
EBIT	118.9	128.3	-7.3%	181.1	190.7	-5.0%	447.2
<i>EBIT margin %</i>	14.1%	14.9%	-0.8%	11.7%	12.2%	-0.5%	13.4%

The operating profit in Q2 was slightly weaker than the same period last year due to low volume growth. Negative currency effects of around SEK 20 million hit profits, although this was offset by continued improvements to the production structure.

Activities

Work aimed at improving the business area's production structure continues according to plan. The programme aims to reduce the number of production units and achieve a higher level of specialisation.

The development work required before production of large washer disinfectors can be coordinated was completed during the quarter. Production will be fully rationalised during 2005.

The previously announced logistics project is proceeding according to plan and will generate cost reductions of around SEK 50 million per year and more efficient use of capital by the end of 2005.

The plan to start up production in China is being implemented and deliveries of sterilizers are expected to start in mid 2005.

Acquisition of Alfa AG Schweiz

After the end of the quarter Getinge has acquired Infection Control's distributor for Life Science products in Switzerland. Alfa has sales of around CHF 15 million per year and has 30 employees. The acquisition will enhance Life Science sales throughout the German-speaking region, which is not yet fully covered. The acquisition will also enable better coverage for disinfection and water treatment equipment, which are not yet represented in this region. The acquisition will contribute on Group profit before tax starting in 2005.

Business area Extended Care

Market development

<i>Orders received per market</i>	2004	2003	<i>Change adjusted for curr.flucs.&corp.acqs.</i>	2004	2003	<i>Change adjusted for curr.flucs.&corp.acqs.</i>
	Q 2	Q 2		H1	H1	
Western Europe	421.4	389.6	6.1%	913.5	855.7	6.3%
USA and Canada	186.1	203.4	-0.9%	373.6	378.4	8.8%
Asia and Australia	20.4	21.6	-8.4%	37.3	36.7	-1.1%
Rest of the world	4.8	3.5	36.7%	9.6	7.8	26.9%
Business area total	632.7	618.1	3.4%	1,334.0	1,278.6	6.9%

Organic growth in Q2 was 3.4%. Demand in Western Europe is stable at a generally good level. Volume growth in the UK, Benelux countries and southern Europe was good, but volumes declined in Germany.

In North America growth was good in the US for transfer equipment with organic growth at 11%. The change in the US wound care business, with special mattresses now being sold instead of rented, will result in a planned volume decline of around 15% this year, and some of the impact was felt in Q2. In Canada the authorities have announced major investments in the geriatric care sector for the second half of the year, which has meant that buying decisions have been postponed until Q3 and Q4.

Results

	2004	2003	<i>Change</i>	2004	2003	<i>Change</i>	2003 FY
	Q 2	Q 2		H1	H1		
Net sales, SEK Million <i>adjusted for currency flucs. & corp. acqs</i>	626.9	620.1	1.1%	1,279.6	1,214.9	5.3%	2,535.1
Gross profit	290.3	301.5	-3.7%	584.9	584.9	0.0%	1,223.7
Gross margin %	46.3%	48.6%	-2.3%	45.7%	48.1%	-2.4%	48.3%
Operating cost, SEK Million	-187.9	-205.9	-8.7%	-384.9	-414.7	-7.2%	-788.5
EBITA	109.5	102.8	6.5%	215.3	185.9	15.8%	466.4
EBITA margin %	17.5%	16.6%	0.9%	16.8%	15.3%	1.5%	18.4%
EBIT	102.4	95.6	7.1%	200.0	170.2	17.5%	435.2
EBIT margin %	16.3%	15.4%	0.9%	15.6%	14.0%	1.6%	17.2%

The improvement in profits during Q2 is mainly due to the better cost structure achieved in 2003. The lower gross margin reported for the quarter was due to reduced capacity utilisation of production resources for hygiene products and to currency effects. Demand for hygiene products is expected to improve during the second half of the year and lead to a better gross margin.

Activities

The product launches completed so far this year are proving very successful, especially the Sara 3000 and the Carino shower hygiene chair. Work aimed at developing a new range of passive lifts that is better suited to the high volume segment is proceeding according to plan and a launch is timetabled for the first half of 2005.

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, concerning remuneration to employees, which entailed a change in accounting principles. This report has not been subject to an audit by the company's accountants.
- Next report** The next report from the Getinge Group (Q3 2004) will be published on 18 October 2004.
- Tele-conference** A tele-conference will be held today at 10 a.m. Swedish time. To take part, please ring
From Sweden 08-5052 0114, code-word: Getinge
Outside Sweden +44 (0)20 7162 0186, code-word: Getinge

Johan Malmquist
President

Getinge AB
Box 69, 310 44 Getinge
Telephone +46 (0)35 15 55 00. Fax +46 (0)35 549 52
email info@getinge.com
Company reg. No. 556408-5032
www.getinge.com

Income statement

	2004	2003	Change	2004	2003	Change	2003
SEK M illion	Q 2	Q 2		H1	H1		FY
Net sales	2,588.1	2,137.6	21.1%	5,079.7	4,140.6	22.7%	9,160.2
Cost of goods sold	-1,408.8	-1,161.3	21.3%	-2,741.9	-2,281.1	20.2%	-5,045.1
Gross profit	1,179.3	976.3	20.8%	2,337.8	1,859.5	25.7%	4,115.1
Gross margin	45.6%	45.7%	-0.1%	46.0%	44.9%	1.1%	44.9%
Selling expenses	-541.1	-420.8	28.6%	-1,086.3	-842.2	29.0%	-1,851.8
Administrative expenses	-215.9	-197.0	9.6%	-454.1	-392.5	15.7%	-808.6
Research & development costs 1)	-71.7	-42.3	69.5%	-152.7	-99.2	53.9%	-209.5
Other operating income and expenses	-2.1	-5.6	-62.5%	-3.5	-1.7	105.9%	11.3
Operating profit 2)	348.5	310.6	12.2%	641.2	523.9	22.4%	1,256.5
Operating margin	13.5%	14.5%	-1.0%	12.6%	12.7%	-0.1%	13.7%
Financial net	-48.8	-36.9		-100.8	-76.2		-161.1
Profit before tax	299.7	273.7	9.5%	540.4	447.7	20.7%	1,095.4
Taxes	-89.9	-79.3		-162.1	-129.8		-317.7
Net profit	209.8	194.4	7.9%	378.3	317.9	19.0%	777.7
Earnings per share, SEK	1.04	0.96	7.9%	1.87	1.57	19.0%	3.85

1) Development costs totalling SEK 44.9 (15.6) million have been capitalised during first half-year, of which SEK 26.4 (8.8) million during the quarter.

2) Operating profit is charged with

— amortisation on goodwill	-60.8	-39.6		-124.7	-82.4		-192.6
— depr. on other assets	-69.0	-55.8		-130.6	-112.2		-238.2
	-129.8	-95.4		-255.3	-194.6		-430.8

Quarterly results

	2002	2002	2002	2003	2003	2003	2003	2004	2004
SEK M illion	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2
Net sales	2,078.2	2,054.0	2,598.7	2,003.0	2,137.6	2,090.6	2,929.0	2,491.6	2,588.1
Cost of goods sold	-1,184.3	-1,142.7	-1,445.9	-1,119.8	-1,161.3	-1,158.0	-1,606.0	-1,333.1	-1,408.8
Gross profit	893.9	911.3	1,152.8	883.2	976.3	932.6	1,323.0	1,158.5	1,179.3
Operating cost	-671.3	-722.9	-704.0	-669.9	-665.7	-677.3	-845.7	-865.8	-830.8
Operating profit	222.6	188.4	448.8	213.3	310.6	255.3	477.3	292.7	348.5
Financial net	-43.8	-42.4	-43.8	-39.3	-36.9	-39.1	-45.8	-52.0	-48.8
Profit before tax	178.8	146.0	405.0	174.0	273.7	216.2	431.5	240.7	299.7
Taxes	-54.8	-40.6	-112.7	-50.5	-79.3	-62.7	-125.2	-72.2	-89.9
Net profit	124.0	105.4	292.3	123.5	194.4	153.5	306.3	168.5	209.8

Balance sheet

Assets SEK Million	2004 30 June	2003 30 June	2003 31 Dec
Intangible fixed assets	4,292.9	2,700.7	4,310.3
Tangible fixed assets	1,399.2	1,202.0	1,367.4
Financial assets	756.3	563.9	750.5
Stock-in-trade	1,945.3	1,654.0	1,763.6
Current receivables	3,218.3	2,427.0	3,336.3
Liquid funds	519.8	385.1	504.2
Total assets	12,131.8	8,932.7	12,032.3
Shareholders' equity & Liabilities			
Shareholders' equity	3,620.1	3,135.1	3,530.4
Provisions for pensions, interest-bearing	1,518.5	1,208.8	1,388.7
Restructuring reserves	96.1	203.3	193.1
Other provisions	625.3	503.2	709.7
Long-term liabilities	4,048.3	1,409.1	3,264.8
Current liabilities	2,223.5	2,473.2	2,945.6
Total Equity & Liabilities	12,131.8	8,932.7	12,032.3

Cash flow statement

SEK M million	2004 Q 2	2003 Q 2	2004 H1	2003 H1	2003 FY
<i>Current activities</i>					
Operating profit	348.5	310.6	641.2	523.9	1,256.5
Adjustment for items not included in cash flow	129.8	95.4	255.3	194.6	430.8
Financial items	-48.8	-36.9	-100.8	-76.2	-167.5
Taxes paid	-138.5	-20.6	-185.5	-86.4	-236.4
Cash flow before changes in working capital	291.0	348.5	610.2	555.9	1,283.4
<i>Changes in working capital</i>					
Stock-in-trade	-18.3	33.5	-174.5	-3.0	186.9
Rental equipment	-8.3	-4.0	-16.3	-9.8	-21.8
Current receivables	2.9	-1.3	220.7	360.1	207.0
Current operating liabilities	47.8	-27.8	7.7	-137.2	-79.4
Restructuring reserves, utilised	-17.4	-31.3	-98.7	-52.1	-190.0
Cash flow from operations	297.7	317.6	549.1	713.9	1,386.1
<i>Investments</i>					
Acquisition of subsidiaries	-30.0	-33.8	-94.5	-33.8	-2,190.7
Net investments in intangible fixed assets	-26.3	-10.3	-44.8	-18.0	-51.8
Net investments in tangible fixed assets	-75.7	-57.2	-122.5	-81.2	-215.6
Cash flow from investments	-132.0	-101.3	-261.8	-133.0	-2,458.1
<i>Financial activities</i>					
Change in interest-bearing debt	0.5	-125.2	45.2	-331.0	1,015.0
Interest-bearing loan in acquired subsidiaries	14.6	2.8	57.1	2.8	552.5
Change in long-term receivables	-52.3	-1.2	-95.7	-34.2	-185.3
Dividend paid	-272.5	-214.5	-272.5	-214.5	-214.5
Cash flow from financial activities	-309.7	-338.1	-265.9	-576.9	1,167.7
Cash flow for the period	-144.0	-121.8	21.4	4.0	95.7
Liquid funds at begin of the year	644.7	513.3	504.2	412.8	412.8
Translation differences	19.1	-6.4	-5.8	-31.7	-4.3
Liquid funds at end of the period	519.8	385.1	519.8	385.1	504.2

Operating cash flow statement

M kr	2004 Q 2	2003 Q 2	2004 H1	2003 H1	2003 FY
<i>Business activities</i>					
Operating profit	348.5	310.6	641.2	523.9	1,256.5
Adjustment for items not included in cash flow	129.8	95.4	255.3	194.6	430.8
	478.3	406.0	896.5	718.5	1,687.3
Changes in operating capital					
Stock-in-trade	-18.3	33.5	-174.5	-3.0	186.9
Rental equipment	-8.3	-4.0	-16.3	-9.8	-21.8
Current receivables	2.9	-1.3	220.7	360.1	207.0
Current liabilities	47.8	-27.8	7.7	-137.2	-79.4
Operating cash flow	502.4	406.4	934.1	928.6	1,980.0

Net interest-bearing debt

SEK Million	2004	2003	2003
	30 June	30 June	31 Dec
Debt to credit institutions	4,049.9	2,251.9	3,967.6
Pension provisions ¹⁾	1,518.5	1,208.8	1,388.7
Less liquid funds	-519.8	-385.1	-504.2
Net interest-bearing debt	5,048.6	3,075.6	4,852.1

1) Provision for pensions has increased with 109.7 MSEK after adopting new accounting standards, IAS19 Employed Benefits

Changes to shareholder's equity

SEK million	2004	2003	2003
	30 June	30 June	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	-272.5	-214.5	-214.5
Translation differences	60.7	-126.5	-191.0
Net profit	378.3	317.9	777.7
Shareholders' equity – closing balance	3,620.1	3,135.1	3,530.4

Key figures

	2004	2003	<i>Change</i>	2004	2003	<i>Change</i>	2003
	Q 2	Q 2		H1	H1		FY
Orders received, SEK Million	2,625.4	2,036.7	28.9%	5,260.6	4,202.1	25.2%	9,153.8
adjusted for currency flucs.& corp.acqs			7.8%			7.2%	
Net sales, SEK Million	2,588.1	2,137.6	21.1%	5,079.7	4,140.6	22.7%	9,160.2
adjusted for currency flucs.& corp.acqs			0.8%			3.7%	
Earnings per share after full tax, SEK	1.04	0.96	7.9%	1.87	1.57	19.0%	3.85
Earnings per share before goodwill amortiz. after full tax, SEK	1.34	1.16	15.5%	2.49	1.98	25.8%	4.79
Nmb of shares, thousands	201,874	201,874		201,874	201,874		201,874
Operating capital, SEK Million				6,664.4	6,423.1	3.8%	6,430.4
Return on operating capital, per cent				19.9%	18.0%	19%	18.6%
Return on equity, per cent				24.3%	23.6%	0.7%	23.9%
Net debt/equity ratio, multiple				1.39	0.98	0.41	1.37
Interest cover, multiple				6.9	7.1	-0.2	7.3
Equity/assets ratio, per cent				29.8%	35.1%	-5.3%	29.4%
Equity per share, SEK				17.93	15.53	15.5%	17.49
Net investments in tangible fixed assets, SEK Million				122.5	81.2		221.0
Number of employees at the period's end				6,690	5,623		6,657

Definitions

EBITA	Operating profit before goodwill amortization
EBIT	Operating profit