

- ◆ **Orders received** climbed by 18% to SEK 10,812.4 million (9,153.8)
- ◆ **Net sales** rose by 19% to SEK 10,888.8 million (9,160.2)
- ◆ **Profit before tax** climbed by 20% to SEK 1,308.7 million (1,095.4)
- ◆ **Net profit** went up 18% to SEK 915.3 million (777.7)
- ◆ **EPS** rose by 18% to SEK 4.53 (3.85)
- ◆ **Strong orders received** figure in last quarter
- ◆ **Good profit trend** in all business areas
- ◆ **Dividend** proposed to rise to SEK 1.65 per share (1.35)
- ◆ **Continued** positive demand

Q4 2004

Orders received

The Group's total orders received progressed strongly over Q4 and rose organically by 11.5%. For the full year the organic rise in orders received was a strong 7.2%. Generally demand has been solid and on the Western European markets demand has continued to improve.

Orders received rose 20% for Medical Systems in Q4. All divisions performed well, especially Critical Care.

Orders received by Infection Control continued to progress very well and rose organically by 12% over the quarter. The volume trend is good for both Hospital and Life Science customers.

Extended Care's orders received sank marginally in Q4 which should be compared with a strong Q4 last year. The volume trend in North America is still being affected by the planned changes for the wound care business. The major orders planned for the Canadian market have been postponed until the current year.

Results

The Group's profit before tax rose in Q4 by 33% and stood at SEK 574.1 million (431.5). The figure includes restructuring costs of SEK 5.2 million for the integration of BHM. The improved profit in Q4 is an effect of the very good growth in invoicing. All business areas have improved their profits.

Medical Systems markedly improved both its operating profit and operating margin. The Critical Care division performed particularly well.

Infection Control also reported a particularly good hike in profits. The operating margin was the highest ever during one specific quarter and amounted on an annual basis to 14%.

Extended Care's profit strengthened during the quarter. The gross margin, which was lacklustre at the start of the year, continued to improve.

Q4 was hit by exchange rate effects totalling SEK 32 million, which gave a negative exchange rate effect of SEK 163 million for the year.

The group's operating cash flow for the period was a strong SEK 583.9 million. (556.2). The significant increase in invoicing in the year's final quarter means that an unusually large part of the Group's capital employed is tied up in accounts receivable over the turn of the year.

Outlook 2005

Demand for the Group's products, which strengthened over the year, especially regarding the European market, is expected to continue to be stable.

Medical Systems' volume growth is expected to be good for the current year. Surgical Workplace's growth will largely depend on the developing markets and what happens in North America. Therefore the product mix will be more focused towards mobile surgical tables leading to certain pressure on gross margins. Cardiopulmonary is expected to see improved volume growth, especially from the hardware side. HL-30 deliveries will be fully underway with effect from the start of the year and sales in the US, which have been handled by the company itself since the middle of 2004, are running interference-free. Work at Critical Care will continue to be aimed at strengthening the marketing organization and product range.

The business area intends to launch a number of new products during the year's fourth quarter.

Infection Control also expects to see good volume growth during 2005. Further improvements of the business area's production structure, with fewer yet more specialized production units strengthening the company's competitiveness. In parallel with the business area's factory in China being ready, investments will be made to expand the sales team in this important market.

Extended Care's organic volume growth is expected to be better taking into account the year's organic invoicing growth. The product contribution from the BHM acquisition and a new range of passive lifters to be launched in the first six months provides a very good platform for continued growth in patient handling. The negative volume effects from the changes to the North American wound care business will subside in 2005. At the same time orders announced on the Canadian market are expected to rise.

The continued weakness of the American dollar and strengthening in the Swedish krona means the coming year's results will be hit by around SEK 180 million in negative exchange rate effects.

Business area Medical Systems

Market development

	2004	2003	Change adjusted for	2004	2003	Change adjusted for
<i>Orders received per market</i>	Q 4	Q 4	<i>curr.flucs.&corp.acqs.</i>	12 Mon	12 Mon	<i>curr.flucs.&corp.acqs.</i>
Western Europe	629.5	556.2	13.5%	2,519.2	1,790.0	6.6%
USA and Canada	281.5	196.5	53.4%	894.4	562.8	21.5%
Asia and Australia	250.2	217.2	19.7%	829.9	575.3	7.9%
Rest of the world	68.1	81.7	-16.0%	259.7	209.8	-15.4%
Business area total	1,229.3	1,051.6	19.9%	4,503.2	3,137.9	8.0%

Orders received rose considerably during the quarter with organic growth of 20%. The increase was especially strong in North America, where all divisions performed very well. Progress in Western Europe, where demand has gradually improved also developed very well. Countries and regions that performed especially well include the UK, Scandinavia, France and Italy. Demand stabilized on the German-speaking markets, and orders received in Germany are in line with last year. Orders received were good on the developing markets of the Far East and Middle East. Volume trends for Critical Care have been especially good over the quarter.

Results

	2004	2003	Change	2004	2003	Change
	Q 4	Q 4		12 Mon	12 Mon	
Net sales, SEK Million	1,401.8	1,137.3	23.3%	4,619.5	3,238.3	42.7%
<i>adjusted for currency flucs.& corp.acqs</i>			26.1%			8.8%
Gross profit	621.0	571.2	8.7%	2,253.3	1,593.6	41.4%
Gross margin %	44.3%	50.2%	-5.9%	48.8%	49.2%	-0.4%
Operating cost, SEK Million	-429.4	-436.6	-16%	-1,718.2	-1,218.5	41.0%
EBITA	231.5	180.2	28.5%	710.1	493.1	44.0%
EBITA margin %	16.5%	15.8%	0.7%	15.4%	15.2%	0.2%
EBIT	191.6	134.6	42.3%	535.1	375.1	42.7%
EBIT margin %	13.7%	11.8%	1.9%	11.6%	11.6%	0.0%

The profit rose by 42.3% in Q4 and the operating margin was a good 13.7%. The improved profit is a result of strong volume growth, good cost control and synergy effects, primarily from the LSS acquisition.

The lower gross margin is due to changes to the product mix for Surgical Workplaces, where a number of mobile surgical tables were sold during the quarter. Cardiopulmonary also showed a somewhat lower gross margin in Q4 due to the write-down of stock.

Activities

Critical Care. The possible misgivings that have existed around Critical Care's volume trend were set aside during the quarter. Strengthening the sales- and marketing organization during the year has created stability in sales. Work to strengthen positions in intensive care through acquisitions and partnerships continue.

Cardiopulmonary. The Jostra integration has been successfully completed and business has developed steadily. Sales of hardware will improve in 2005 following some delays that hit supplies during 2004 in the wake of moving production from Lund to Solna.

Other The business area's work during the year of creating an internationally competitive marketing organization will continue. The expansion of organizations in China, Russia and India are priority, as is the construction of the marketing organization for the new European member states.

Business area Infection Control

Market development

Orders received per market	2004	2003	<i>Change adjusted for</i>	2004	2003	<i>Change adjusted for</i>
	Q 4	Q 4	<i>curr.flucs.&corp.acqs.</i>	12 Mon	12 Mon	<i>curr.flucs.&corp.acqs.</i>
Western Europe	524.3	399.0	31.0%	1,728.9	1,533.0	12.6%
USA and Canada	369.0	301.7	27.4%	1,255.0	1,164.4	17.8%
Asia and Australia	58.1	158.1	-62.3%	397.6	450.3	-11.6%
Rest of the world	33.7	31.5	5.2%	188.9	223.2	-15.2%
Business area total	985.1	890.3	12.3%	3,570.4	3,370.9	9.3%

Orders received continue to progress very well in the business area and grew organically by 12.3% in Q4. The business area continues to develop well in the North American market. Improvements were noted almost throughout every market in Western Europe, especially in Germany during the quarter. The lower orders received in the Asia/Australia region are generally attributable to the large UN order to Iraq registered during the same quarter last year. Demand from Latin America and Eastern Europe was weak at the start of the year, but has now improved.

Results

	2004	2003	<i>Change</i>	2004	2003	<i>Change</i>
	Q 4	Q 4		12 Mon	12 Mon	
Net sales, SEK Million	1,244.9	1,041.8	19.5%	3,524.6	3,343.7	5.4%
<i>adjusted for currency flucs.& corp.acqs</i>			21.4%			8.7%
Gross profit	464.6	384.2	20.9%	1,353.7	1,286.7	5.2%
<i>Gross margin %</i>	37.3%	36.9%	0.4%	38.4%	38.5%	-0.1%
Operating cost, SEK Million	-219.7	-209.8	4.7%	-860.1	-839.5	2.5%
EBITA	254.1	186.2	36.5%	534.9	490.5	9.1%
<i>EBITA margin %</i>	20.4%	17.9%	2.5%	15.2%	14.7%	0.5%
EBIT	244.9	174.4	40.4%	493.6	447.2	10.4%
<i>EBIT margin %</i>	19.7%	16.7%	3.0%	14.0%	13.4%	0.6%

The profit was up by 40.4% and the operating margin was 19.7% for the quarter. Infection Control's operating margin for the year improved to 14%. The better profit is attributable to an increase in invoicing and good utilization of production resources.

Activities

The business area's ongoing administration and logistics project is proceeding according to plan. The project aims to centralize distribution of spare parts and deliver finished products straight from the factory to the customer. When fully implemented, the project is expected to boost earnings by around SEK 50 million a year with a considerable reduction to tied-up stock also expected.

The business area's production unit for sterilizers in Australia was closed during the quarter. All structural costs burden the results of 2004. Deliveries of sterilizers to the Australian market will be from the main factory in Getinge in future.

The construction of a production unit for the important Chinese market is proceeding according to plan. As the production unit is completed considerable investments will be made to increase the sales and service organization in China.

Plans to create a number of super centres to service the NHS in the UK, serving the public hospitals with sterile instruments on an outsourcing basis, is proceeding slowly. A number of service providers have been chosen for final negotiations with the NHS. Infection Control is generally well-positioned to be part of this potential business, but it is not expected that deliveries will occur in great numbers this year.

The product launches for business unit Disinfection in Q4 were very successful.

Business area Extended Care

Market development

	2004	2003	Change adjusted for	2004	2003	Change adjusted for
<i>Orders received per market</i>	Q 4	Q 4	<i>curr.flucs.&corp.acqs.</i>	12 Mon	12 Mon	<i>curr.flucs.&corp.acqs.</i>
Western Europe	469.2	449.2	1.3%	1,797.8	1,684.5	5.3%
USA and Canada	255.9	244.9	-7.2%	797.1	821.8	0.1%
Asia and Australia	22.0	21.0	1.5%	79.0	77.1	0.6%
Rest of the world	6.3	5.5	11.1%	19.5	18.4	5.8%
Business area total	753.4	720.6	-1.5%	2,693.4	2,601.8	3.5%

Orders received fell organically by 1.5% in Q4 compared to the same period last year, when orders rose organically by around 12%. Orders in North America fell by 7%, which is attributable to the reshuffle of the American wound care business meaning planned volume cuts. Demand from the province of Ontario in Canada remained weak in Q4. Orders received in Western Europe in Q4 remained good in the UK, Italy and France. Volume growth in Germany and the Benelux countries was somewhat weaker.

Results

	2004	2003	Change	2004	2003	Change
	Q 4	Q 4		12 Mon	12 Mon	
Net sales, SEK Million	817.8	737.5	10.9%	2,700.7	2,535.1	6.5%
<i>adjusted for currency flucs.& corp.acqs</i>			5.6%			6.7%
Gross profit	406.5	363.8	11.7%	1,272.6	1,223.7	4.0%
<i>Gross margin %</i>	49.7%	49.3%	0.4%	47.1%	48.3%	-1.2%
Operating cost, SEK Million	-222.8	-193.3	15.3%	-798.4	-788.5	1.3%
EBITA	195.8	178.3	9.8%	509.5	466.4	9.2%
<i>EBITA margin %</i>	23.9%	24.2%	-0.3%	18.9%	18.4%	0.5%
EBIT	183.7	170.5	7.7%	474.2	435.2	9.0%
<i>EBIT margin %</i>	22.5%	23.1%	-0.6%	17.6%	17.2%	0.4%

The profit rose by 7.7% in Q4, while the operating margin was somewhat below last year's. Good invoicing volumes have compensated for extra costs. All product areas performed well over the quarter. The gross margin, which was weak at the start of the year, has continued to improve. The business area's profit has been charged with restructuring costs of SEK 5.2 million for the BHM integration in Q4.

Activities

Work to strengthen the product range for patient handling is going well. A new product family of passive lifters will be launched in the first half of 2005. The product range is platform-based and covers needs such as basic patient lifters with high standards set for functionality and performance.

The integration of the recently acquired BHM is proceeding according to plan. Production at the business area's Gestion Techno-Médic unit in St. Hyacinthe, Canada, was closed down and integrated into BHM's existing production structure. BHM's range of ceiling hoists has been introduced by all the business area's sales companies. The BHM acquisition is expected to contribute around SEK 35-40 million to this year's results excluding remaining restructuring costs of around SEK 10 million.

Other information

- Auditing** This report has been drawn up in accordance with recommendation RR 20, Interim Reports, of the Swedish Financial Accounting Standards Council. The same accounting principles and calculation methods have been used in the financial statements as in the latest Annual Report. In addition, the company applies the 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.
- Dividend** The Board and CEO propose that a dividend of SEK 1.65 (1.35) per share be paid, amounting to SEK 333.1 million (272.5). The proposed record day will be 22 April 2005. The Swedish Central Securities Depository (VPC) expects to pay the dividend to shareholders on 27 April 2005. The Board and CEO have decided to maintain the current dividend policy, also after the implementation of the IFRS rules.
- AGM** Getinge AB's Annual General Meeting will be held on 19 April at 4 p.m. in the Congress Hall, Hotel Tylösand, Halmstad. The annual report will be sent to shareholders no later than two weeks before the AGM. Shareholders wishing to participate at the AGM must be registered at VPC AB no later than 8 April 2005 and register their participation to Getinge's head office no later than 13 April 2005.
- Next report** The next report from the Getinge Group (Q1 2005) will be published on 19 April 2005.
- Tele-conference** A tele-conference will be held today at 3 p.m. Swedish time. To take part, please ring:
From Sweden 08-505 20114, code-word: Getinge
Outside Sweden +44 (0)20 7162 0184, code-word: Getinge

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Income statement

	2004	2003	Change	2004	2003	Change
SEK M illion	Q 4	Q 4		12 Mon	12 Mon	
Net sales	3,476.6	2,929.0	18.7%	10,888.8	9,160.2	18.9%
Cost of goods sold	-1,980.7	-1,606.0	23.3%	-5,997.2	-5,045.1	18.9%
Gross profit	1,495.9	1,323.0	13.1%	4,891.6	4,115.1	18.9%
Gross margin	43.0%	45.2%	-2.2%	44.9%	44.9%	0.0%
Selling expenses	-577.4	-562.3	2.7%	-2,207.3	-1,851.8	19.2%
Administrative expenses	-232.5	-220.2	5.6%	-896.5	-808.6	10.9%
Research & development costs 1)	-64.8	-62.6	3.5%	-277.9	-209.5	32.6%
Other operating income and expenses	-0.2	-0.6	-66.7%	-4.5	11.3	-139.8%
Operating profit 2)	621.0	477.3	30.1%	1,505.4	1,256.5	19.8%
Operating margin	17.9%	16.3%	16%	13.8%	13.7%	0.1%
Financial net	-46.9	-45.8		-196.7	-161.1	
Profit before tax	574.1	431.5	33.0%	1,308.7	1,095.4	19.5%
Taxes	-172.2	-125.2		-392.6	-317.7	
Minority interest	-0.8	-		-0.8	-	
Net profit	401.1	306.3	31.0%	915.3	777.7	17.7%
Earnings per share, SEK	1.99	1.52	30.9%	4.53	3.85	17.7%

1) Development costs totalling SEK 118.9 (48.1) million have been capitalised during the year, of which SEK 35.3 (21.9) million during the quarter.

2) Operating profit is charged with

— amortisation on goodwill	-61.2	-66.5		-251.6	-192.2	
— depr. on other intangibles	-17.5	-0.4		-17.5	-0.4	
— depr. on other assets	-56.5	-63.4		-251.9	-238.2	
	-135.2	-130.3		-521.0	-430.8	

Quarterly results

	2002	2003	2003	2003	2003	2004	2004	2004	2004
SEK M illion	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Net sales	2,598.7	2,003.0	2,137.6	2,090.6	2,929.0	2,491.6	2,588.1	2,332.5	3,476.6
Cost of goods sold	-1,445.9	-1,119.8	-1,161.3	-1,158.0	-1,606.0	-1,333.1	-1,408.8	-1,274.6	-1,980.7
Gross profit	1,152.8	883.2	976.3	932.6	1,323.0	1,158.5	1,179.3	1,057.9	1,495.9
Operating cost	-704.0	-669.9	-665.7	-677.3	-845.7	-865.8	-830.8	-814.7	-874.9
Operating profit	448.8	213.3	310.6	255.3	477.3	292.7	348.5	243.2	621.0
Financial net	-43.8	-39.3	-36.9	-39.1	-45.8	-52.0	-48.8	-49.0	-46.9
Profit before tax	405.0	174.0	273.7	216.2	431.5	240.7	299.7	194.2	574.1
Taxes	-112.7	-50.5	-79.3	-62.7	-125.2	-72.2	-89.9	-58.3	-172.2
Minority interest	-	-	-	-	-	-	-	-	-0.8
Net profit	292.3	123.5	194.4	153.5	306.3	168.5	209.8	135.9	401.1

Balance sheet

Assets SEK million	2004 31 December	2003 31 December
Intangible fixed assets	4,457.9	4,310.3
Tangible fixed assets	1,414.3	1,367.4
Financial assets	619.7	750.5
Stock-in-trade	1,729.4	1,763.6
Current receivables	3,513.6	3,336.3
Liquid funds	484.9	504.2
Total assets	12,219.8	12,032.3
Shareholders' equity & Liabilities		
Shareholders' equity	3,999.1	3,530.4
Minority interests	49.0	
Provisions for pensions, interest-bearing	1,491.3	1,388.7
Restructuring reserves	33.4	193.1
Other provisions	504.1	709.7
Long-term liabilities	3,766.1	3,264.8
Current liabilities	2,376.8	2,945.6
Total Equity & Liabilities	12,219.8	12,032.3

Cash flow statement

SEK Million	2004 Q 4	2003 Q 4	2004 12 Mon	2003 12 Mon
<i>Current activities</i>				
Operating profit	621.0	477.4	1,505.4	1,256.5
Adjustment for items not included in cash flow	134.0	130.3	519.8	430.8
Financial items	-41.7	-52.2	-191.5	-167.5
Taxes paid	-91.2	-95.9	-364.9	-236.4
Cash flow before changes in working capital	622.1	459.6	1,468.8	1,283.4
Changes in working capital				
Stock-in-trade	344.0	124.5	126.9	186.9
Rental equipment	-25.7	-7.9	-45.6	-21.8
Current receivables	-530.9	-300.2	-195.2	207.0
Current operating liabilities	40.3	132.1	-34.7	-79.4
Restructuring reserves, utilised	-16.6	-99.9	-141.5	-190.0
Cash flow from operations	433.2	308.2	1,178.7	1,386.1
<i>Investments</i>				
Acquisition of subsidiaries	-350.4	-1,384.8	-393.4	-1,638.2
Net investments in intangible fixed assets	-43.3	-21.8	-126.9	-51.8
Net investments in tangible fixed assets	-88.9	-87.7	-276.7	-215.6
Cash flow from investments	-482.6	-1,494.3	-797.0	-1,905.6
<i>Financial activities</i>				
Change in interest-bearing debt	-147.2	1,393.3	-284.9	1,015.0
Change in long-term receivables	81.5	-186.1	126.4	-185.3
Dividend paid			-272.5	-214.5
Cash flow from financial activities	-65.7	1,207.2	-431.0	615.2
Cash flow for the period	-115.1	21.1	-49.3	95.7
Liquid funds at begin of the year	590.2	500.5	504.2	412.8
Translation differences	9.8	-17.4	30.0	-4.3
Liquid funds at end of the period	484.9	504.2	484.9	504.2

Operating cash flow statement

M kr	2004 Q 4	2003 Q 4	2004 12 Mon	2003 12 Mon
<i>Business activities</i>				
Operating profit	621.0	477.3	1,505.4	1,256.5
Adjustment for items not included in cash flow	135.2	130.3	521.0	430.8
	756.2	607.6	2,026.4	1,687.3
Changes in operating capital				
Stock-in-trade	344.0	124.5	126.9	186.9
Rental equipment	-25.7	-7.9	-45.6	-21.8
Current receivables	-530.9	-300.1	-195.2	207.0
Current liabilities	40.3	132.1	-34.7	-79.4
Operating cash flow	583.9	556.2	1,877.8	1,980.0

Net interest-bearing debt

SEK Million	2004	2003
	31 December	31 December
Debt to credit institutions	3,698.3	3,967.6
Pension provisions ¹⁾	1,491.3	1,388.7
Less liquid funds	-484.9	-504.2
Net interest-bearing debt	4,704.7	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
	31 December	31 December
Shareholders' equity – opening balance	3,530.4	3,158.2
Effect of adopting the accounting principle IAS 19 Employed Benefits	-76.8	-
Dividend distributed	-272.5	-214.5
Translation differences	-97.3	-191.0
Net profit	915.3	777.7
Shareholders' equity – closing balance	3,999.1	3,530.4

Key figures

	2004	2003	Change	2004	2003	Change
	Q 4	Q 4		12 Mon	12 Mon	
Orders received, SEK Million	2,980.8	2,675.4	11.4%	10,812.4	9,153.8	18.1%
adjusted for currency flucs.& corp.acqs			11.5%			7.2%
Net sales, SEK Million	3,476.6	2,929.0	18.7%	10,888.8	9,160.2	18.9%
adjusted for currency flucs.& corp.acqs			19.1%			8.1%
Earnings per share after full tax, SEK	1.99	1.52	30.9%	4.53	3.85	17.7%
Earnings per share before goodwill amortiz. after full tax, SEK	2.29	1.85	23.8%	5.78	4.81	20.2%
Nmb of shares, thousands	201,874	201,874		201,874	201,874	
Operating capital, SEK Million				8,546.6	6,430.4	32.9%
Return on operating capital, per cent				17.6%	18.6%	-1.0%
Return on equity, per cent				24.6%	23.9%	0.7%
Net debt/equity ratio, multiple				1.18	1.37	-0.19
Interest cover, multiple				7.1	7.3	-0.2
Equity/assets ratio, per cent				33.1%	29.3%	3.8%
Equity per share, SEK				19.81	17.49	13.3%
Net investments in tangible fixed assets, SEK Million				276.7	215.6	
Number of employees at the period's end				6,845	6,635	

Definitions

EBITA	Operating profit before goodwill amortization
EBIT	Operating profit

Transition to International Financial Reporting Standards (IFRS)

As of 1 January 2005 Getinge is implementing the EU-approved Financial Reporting Standards (IFRS). Because the financial information published in Getinge's annual report includes comparative figures going back one year, comparatives have been calculated from 1 January 2004. The Q1 2005 interim report will be the first financial report produced by Getinge in accordance with IFRS.

Reporting of Company acquisitions (IFRS 3) and Financial instruments (IAS 39) are areas where there are significant differences for Getinge between IFRS and current methods of reporting.

An investigation of the impact of the changeover to IFRS is to a large extent complete. The areas that are expected to have a material effect on Getinge's 2004 profits and shareholders' equity are described and quantified below.

The compiled information concerning the IFRS transition is based on the principles that are expected to apply at 31 December 2005. The IFRS standards are subject to continuous review and approval by the EU and therefore changes to them could still occur. Any such changes could affect the information below.

Re-calculated shareholders' equity and net profit for the Group

Summarized reconciliation of Group's shareholders' equity

SEK million	Note	Amount
Shareholders' equity according to Swedish accounting principles, 1 January 2004		3 530
Reclassification of goodwill as other intangible assets, tax effect	B	-10
Depreciation of components	E	-1
Total change due to IFRS		-11
Shareholders' equity according to IFRS, 1 January 2004		3 519

SEK million	Note	Amount
Shareholders' equity according to Swedish accounting principles, 31 December 2004		3 999
Allocation of acquisition amounts, 2004	A	Marginal effect
Reclassification of goodwill as other intangible assets, tax effect	B	-9
Goodwill depreciation of 248 with 10 deduction for tax	C	+238
Depreciation of components	E	-7
Minority interests	F	+49
Total change due to IFRS		271
Shareholders' equity according to IFRS, 31 December 2004		4 270
Market valuation of commercial foreign exchange forward contracts of 111 with 32 deduction for tax	D	+79
Market valuation of interest rate derivatives of 4 with 1 deduction for tax	D	+3
Shareholders' equity according to IFRS, 1 January 2005		4 352

Summarized reconciliation of Group's net profit

SEK million	Note	Amount
Net profit according to Swedish accounting principles, 2004		915
Allocation of acquisition amounts, 2004	A	Marginal effect
Reclassification of goodwill as other intangible assets, tax effect	B	+1
Goodwill depreciation of 248 with 10 deduction for tax	C	+238
Depreciation of components	E	-6
Minority interests	F	+1
Total change due to IFRS		234
Net profit 2004, according to IFRS		1 149

Notes

A. Allocation of acquisitions made in 2004

Accounting rules governing company acquisitions involve relatively large changes in the way company acquisitions are reported. Changes include a more detailed allocation of acquisition amounts whereby values shall be given for several intangible assets that are acquired such as customer relations, brands, patents, etc. In addition, the life-length of these assets shall be assessed and depreciated according to plan. Acquisition analysis concerning acquisitions during 2004 will be finally determined during the first quarter of 2005.

B. Reclassification of goodwill as other intangible assets

SEK 31 million of the goodwill balance as at 1 January 2004 will be reclassified as other intangible fixed assets in accordance with transition rules in IFRS 1 and IAS 38. The tax effect of this reclassification is SEK 10 million.

C. Goodwill depreciation

According to IFRS goodwill shall not be depreciated. Instead an impairment test shall be performed annually. Getinge performed such tests at 1 January 2004 and 31 December 2004 and no impairments were found. Goodwill depreciations for the full year 2004 will be SEK 248 million lower according to IFRS.

D. Market value of commercial foreign currency forward contracts

According to current accounting principles, derivatives for hedging purposes held until maturity are not given a market value. On the introduction of IFRS, all derivatives will be given a market value. The company will apply hedge accounting.

Currency hedging of commercial flows

Getinge has used the hedge accounting method for derivatives, primarily foreign currency forward contracts that are held in order to secure the value of forecast currency flows. The company will continue to use the hedge accounting method for these instruments, and changes in market value, therefore, will be reported on the balance sheet. At the start of 2005 the market value of these derivatives was SEK 158 million, of which SEK 111 million, 79 SEK million after tax, have been reported as shareholders' equity and the remaining SEK 47 million have been reported net as translation effects of accounts receivable as of January 1 2005.

Other financial instruments

Changes in the market value of other financial instruments, the reporting of which is regulated by IAS 39, as well as interest rate derivatives and loans that secure the value of net assets in foreign currencies, will be reported within shareholders' equity as these are expected to be efficient in all cases.

So-called embedded derivatives are expected to be insignificant that a market valuation of them would not have a material impact on the income statement.

E. Depreciation of components

IAS 16 requires a more detailed allocation of fixed assets as components with separate utilisation periods. A review has been made of the Group's fixed assets and the estimated gross effect as of 1 January 2004 amounts to SEK -1 million.

F. Minority interests

According to IAS 1, minority interests are a separate component of shareholders' equity on the balance sheet. In the income statement it is part of the net profit.

The transfer to IFRS is reported in accordance with IFRS 1, "First time adoption of International Financial Reporting Standards". In general it is required that a company establishes its accounting principles and then applies them retroactively to establish its opening balance in accordance with IFRS. Certain exceptions from retroactive application are permitted, however, and Getinge has chosen the following:

- To apply IFRS 3, "Business combinations", going forward from the transfer date of 1 January 2004.
- To set translation differences to zero on the transfer date in accordance with IAS21, "Effects of changes in foreign exchange rates".
- To not recalculate comparable financial information in 2004 in accordance with IAS 39, "Financial Instruments, Recognition and Measurement", which has been adopted by the EU. Figures have been recalculated with effect from 1 January 2005 and the effect of this is shown above.