



Interim report for Q1 2014/15 (1 October - 31 December)

Ambu continues to consolidate its global market position, posting revenue of DKK 388m and organic growth of 13% in Danish kroner, and 9% in local currencies. As expected, earnings in Q1 stood at DKK 15m. In consequence of the strengthened USD exchange rate, the outlook for the year relating to revenue and EBIT margin has been adjusted to revenue growth of approx. 16% (10%) and an EBIT margin of approx. 12.5% (12.5-13%). Growth in local currencies is maintained as previously announced.

“With organic growth of 9% in Q1, we have made a solid start to the year. We are pleased that aScope 3’s penetration of the North American market is going according to plan and mimics the experience from the introduction of aScope 3 in Europe and the rest of the world. We now have more than 400 hospitals in the USA using aScope, and we are positive about the potential in North America. In Europe and the rest of the world, we are seeing continued strong growth for both core products and new products. Many activities are under way at our factories that will contribute to the continued streamlining of our supply chain and to improved earnings as planned,” says President and CEO Lars Marcher.

- Revenue of DKK 388m was posted in Q1, representing growth of 13% in Danish kroner, and 9% in local currencies.
- All regions contributed to the organic growth, and Ambu is winning market share in several of the most important markets by virtue of the company’s efficient sales organisation and innovative products.
- Growth in Europe was 13% in local currencies, positively affected by continued strong growth in sales of aScope 3 and solid growth in Anaesthesia and Patient Monitoring & Diagnostics. Growth in the ‘rest of the world’ segment was 24%, broadly distributed on all business areas.
- Growth in North America stood at 2% in local currencies, which is slightly lower than planned and due to delays in deliveries to customers arising from the outsourcing of stock handling and distribution in the USA in November 2014. The problem is expected to be solved by the end of Q2 2014/15.

- Total sales of aScope 3 increased markedly relative to Q4 2013/14. The introduction of aScope 3 in North America is progressing well, and the growth contribution from aScope 3 is higher than expected.
- Gross profit was DKK 182m (DKK 175m), with a gross margin of 46.9% (51.2%). Gross profit was negatively impacted by a changed product mix as well as exchange rate effects.
- Capacity costs totalled DKK 167m (DKK 159m), and the reported rate of cost thereby improved by 3 percentage points to 43%.
- EBIT was DKK 15m (DKK 16m), and an EBIT margin of 3.9% (4.7%) was posted. In Q1, EBIT was negatively impacted by exchange rate effects of DKK 3m.
- Free cash flows before company acquisitions were negative at DKK 50m in Q1 (DKK +3m) due to higher working capital and the last payment on the investment in the new factory in Malaysia.
- In local currencies, the outlook for 2014/15 is unchanged relative to the outlook announced in the annual report for 2013/14. Continued organic growth of approx. 7-8% and an EBIT margin of approx. 13.5-14% in local currencies are thus expected.

In Danish kroner, organic growth of approx. 16% (10%) and an EBIT margin of approx. 12.5% (12.5-13%) are expected as a result of the changed exchange rate assumptions (as shown on page 7). The outlook relating to free cash flows and gearing is unaffected by the changed exchange rate assumptions, and free cash flows before payment of earn-out of approx. DKK 130-140m and a gearing of approx. 2.2 are thus still expected.

A **conference call** is being held today, 2 February 2015, at 11.00 am (CET). To participate, please call the following number five minutes before the start of the conference: +45 3544 5579. The conference can be followed via www.ambu.com/webcastQ12015 and is held in English. The presentation can be downloaded directly in the conference call.

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About Ambu

Since 1937, breakthrough ideas have driven our work to bring efficient healthcare solutions to life within our fields of excellence: Anaesthesia, Patient Monitoring & Diagnostics and Emergency Care. Millions of patients and healthcare professionals worldwide depend and rely on the functionality and performance of our products. We are dedicated to improving patient safety and determined to advance single-use devices. The manifestations of our efforts range from early inventions like the Ambu bag and the legendary Blue Sensor® electrodes to our latest landmark solutions such as the aScope™ – the world's first single-use videoscope. Our commitment to bringing new ideas and superior service to our customers has made Ambu one of the most recognised medico-technical companies in the world. Our head office is situated in Ballerup near Copenhagen. Ambu has more than 2,350 employees in Europe, North America, Asia and the Pacific region. You can find more information about Ambu on our website: www.ambu.com.

Ambu

Financial highlights

DKKm	Q1 2014/15	Q1 2013/14	FY 2013/14
Income statement			
Revenue	388	342	1,584
Gross margin, %	46.9	51.2	50.4
Profit before interest, tax, depreciation and amortisation (EBITDA)	39	35	286
Depreciation	11	12	46
Amortisation	13	7	42
Operating profit (EBIT)	15	16	198
Net financials	-4	-12	10
Profit before tax	11	4	208
Net profit for the period	8	3	151
Balance sheet			
Assets	2,107	1,886	2,047
Working capital	482	377	452
Equity	826	632	854
Net interest-bearing debt	843	732	739
Cash flows			
Cash flows from operating activities	-16	20	183
Cash flows from investing activities before acquisitions	-34	-17	-80
Free cash flows before acquisitions	-50	3	103
Acquisitions of companies and technology	0	3	112
Ratios			
Rate of cost, %	43	46	38
EBITDA margin, %	10.1	10.2	18.1
EBIT margin, %	3.9	4.7	12.5
Return on equity, %	21	6	20
NIBD/EBITDA	2.9	3.2	2.6
Equity ratio, %	39	34	42
Investments, % of revenue	9	5	5
Working capital, % of revenue	30	26	29
ROIC, % after tax including goodwill	13	9	12
Average no. of employees	2,303	2,291	2,333
Share-related ratios			
Market price per share (DKK)	149	74	106
Earnings per share (EPS) (DKK)	0.17	0.06	1.79
Diluted earnings per share (EPS-D) (DKK)	0.17	0.06	1.76

The interim report for Q1 2014/15 and for the period 1 October 2014 to 31 December 2014 has not been audited or reviewed; the accounting policies have been applied consistently with the annual report for 2013/14. The key figures have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations and Financial Ratios 2010'.

Management's review

for Q1 2014/15

PRODUCT AREAS

Anaesthesia

Within Anaesthesia, sales increased by 22% in Q1 in Danish kroner, and 16% in local currencies. New product launches and increasing cross-selling of Ambu's core products contributed to Anaesthesia now growing by double-digit growth rates. The products driving growth include aScope 3, King Vision, AuraGain and SmartIn-fuser.

aScope 3 developed positively relative to Q4 2013/14, with double-digit growth rates in most of the markets on which aScope 3 has been introduced. In the USA, where aScope 3 has now been available for three full quarters, we are seeing a promising trend with growth in excess of 50% relative to Q4 2013/14 and thereby a development comparable to the introduction of aScope 3 on the European market back in Q1 2013/14. We now have more than 400 hospitals in the USA using aScope.

In Q1, we expanded our factory in Malaysia with yet another factory building, the primary objective being to increase aScope capacity. Ambu thus has an annual capacity in respect of aScope of up to 120,000 units. A total of 39,000 aScopes were sold in all of 2013/14, while 16,000 units were sold in Q1 2014/15 alone.

AuraGain was launched back in Q3 2013/14, and sales are developing positively. AuraGain is a second-generation laryngeal mask designed to help anaesthetists improve the maintenance of the airways of patients during surgery. The mask is attractive for Ambu as a ticket to a high-value market offering potential synergies within sales of other types of masks.

King Vision aBlade, the single-use version of the original King Vision video laryngoscope, is also showing positive growth rates.

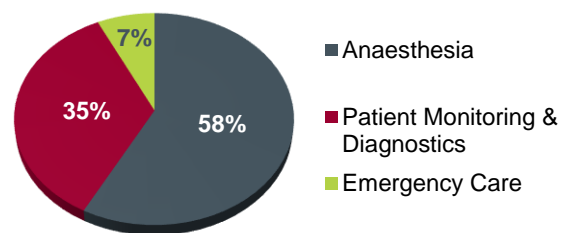
Patient Monitoring & Diagnostics (PMD)

Within PMD, sales increased by 6% in Q1 in Danish kroner, and 4% in local currencies. Growth in the most important product areas, Cardiology and Neurophysiology, significantly exceeded market growth in Q1, and there is a good momentum for these products in Europe and the rest of the world.

Emergency Care

Sales within Emergency Care fell in Q1. The fall constituted 6% in Danish kroner, and 9% in local currencies. Sales in the Emergency Care segment are largely based on project sales, resulting in fluctuating growth due to the size of single orders.

Breakdown of revenue on product areas



	Q1		Composition of growth		
	14/15	13/14	Organic*	Local currencies	Reported
Anaesthesia	224	184	16%	5%	22%
PMD	136	129	4%	2%	6%
Emergency Care	28	30	-9%	3%	-6%
Revenue	388	342	9%	4%	13%

*Local currencies

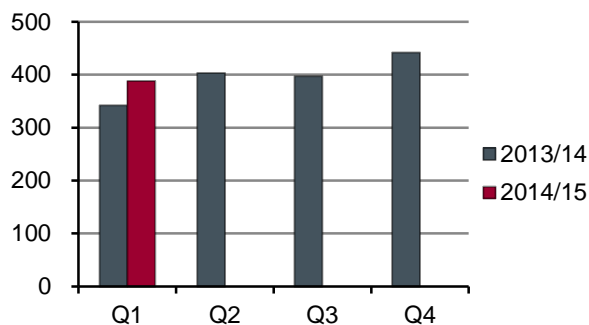
FINANCIAL RESULTS

(Comparative figures are stated in brackets)

Revenue

Revenue of DKK 388m was posted in Q1, corresponding to growth of 13% in Danish kroner, and 9% in local currencies. Growth was reported by all regions, with particularly strong growth within Anaesthesia. The growth in revenue is all organic.

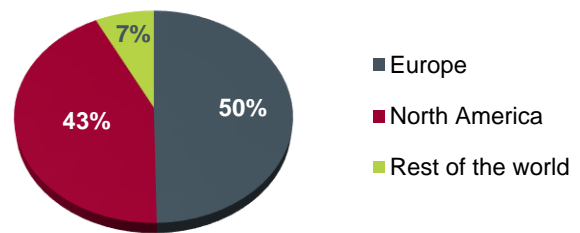
Revenue – quarters (DKKm)



In Europe, growth stood at 14% in Danish kroner, and 13% in local currencies. There is a good momentum in all important European markets, driven by the traditional Ambu products as well as the recently introduced products.

Growth of 10% was posted for North America when reported in Danish kroner, and 2% in local currencies. Stock handling and distribution were outsourced in November, and as a consequence, a number of orders could not be delivered as planned. Growth in North America was therefore lower than expected. If all orders had been delivered, growth of approx. 7% would have been posted in local currencies. The development can be ascribed to a postponement of orders, and the outsourcing project will be fully implemented by the end of Q2.

The rest of the world accounted for 7% of Ambu's revenue in Q1, but contributed growth of 25% in Danish kroner, and 24% in local currencies. In the markets in the Far East and Australia, growth of close to 50% was posted, with South America becoming an increasingly important market for Ambu.



Currency exposure

Ambu's revenue was significantly impacted by developments in USD/DKK, as approx. 45% of the company's revenue was invoiced in USD. Moreover, EBIT was impacted by developments in CNY/DKK and MYR/DKK, as a significant share of Ambu's production was settled in CNY and MYR.

The weighted average of developments in these three exchange rates increased by approx. 6% against DKK in Q1 2014/15 relative to the same quarter last year, with USD/DKK increasing by 8.7% in the period. The value of this increase in the three currencies mentioned above corresponds to an increase in revenue of DKK 13m as well as an increase in production costs of DKK 8m and other capacity costs of DKK 8m, respectively.

The exchange rate effects resulted in a combined reduction in EBIT of DKK 3m for the quarter.

Gross profit

Gross profit was DKK 182m (DKK 175m), and the gross margin came to 46.9% (51.2%). The effects of exchange rates in combination with changes to the product mix and other changes resulted in a reduction of the gross margin relative to Q1 2013/14.

Costs

Capacity costs totalled DKK 167m (DKK 159m), and the rate of cost improved by 3 percentage points to 43%, measured at current exchange rates.

	Q1		Composition of growth		
	14/15	13/14	Organic*	Local currencies	Reported
Europe	193	168	13%	1%	14%
North America	166	151	2%	8%	10%
Rest of the world	29	23	24%	1%	25%
Revenue	388	342	9%	4%	13%

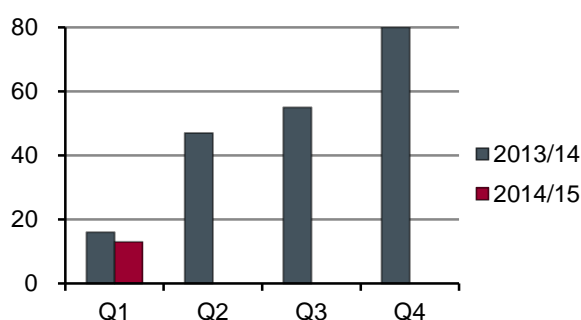
*Local currencies

As mentioned above, the exchange rate effects had a total negative impact on capacity costs corresponding to approx. DKK 8m, which has been recognised in the specified improvement of the rate of cost.

EBIT

The effect of a reduced gross margin was partially offset by improved cost-effectiveness. EBIT in Q1 was DKK 15m (DKK 16m), and an EBIT margin of 3.9% (4.7%) was posted. The reduced EBIT margin relative to the same quarter last year is attributable to the product mix and exchange rate effects.

EBIT before special items – quarters (DKKm)



Net financials

Net financials in Q1 amounted to net expenses of DKK 4m (DKK 12m) and were significantly impacted by unrealised exchange gains from intercompany loans due to the strengthened USD/DKK exchange rate. Net financials are composed as follows:

- Foreign currency translation adjustments of USD loans to a subsidiary and market value adjustments of interest and foreign currency swaps resulted in net income of DKK 4m (DKK -2m)
- Interest expenses for bank and bond debt totalled DKK 7m (DKK 7m)
- The interest element from liabilities stated at present discounted value is included with a cost of DKK 1m (DKK 3m).

Tax

A provision has been made for tax of 25% on the profit before tax adjusted for non-deductible items.

Net profit

A net profit of DKK 8m (DKK 3m) was posted for Q1.

BALANCE SHEET

At the end of the quarter, the value of the total assets was DKK 2,107m (DKK 1,886m).

Working capital amounted to DKK 482m (DKK 377m), corresponding to 30% (26%) of revenue on a 12-month basis. Of the 4 percentage point increase, almost 3 percentage points can be attributed to exchange rate effects, while the rest of the increase is due to the increased stocks of recently introduced products and the delays in deliveries in North America.

Trade receivables were DKK 371m at the end of the quarter against DKK 303m for the same quarter last year. The average number of credit days ended at 83 and is unchanged relative to the same period last year. The credit risk attaching to outstanding debtors is deemed to be unchanged, and the quarter was not affected by bad debts to any significant extent.

At the end of December, cash totalled DKK 74m (DKK 117m), in addition to which Ambu had unutilised credit facilities of DKK 57m.

Total financial net debt at the end of December was DKK 843m (DKK 732m), of which DKK 700.5m is financed via corporate bonds. Net interest-bearing debt totalled 2.9 (3.2) x EBITDA.

CASH FLOWS

Cash flows from operating activities for the first three months of the year were negative at DKK 16m (DKK +20m).

In Q1, investments in non-current assets came to DKK 34m (DKK 17m), consisting of ordinary development projects, production equipment as well as the last instalment in respect of the new factory in Malaysia.

Free cash flows before company acquisitions in Q1 then totalled DKK -50m (DKK +3m).

OUTLOOK FOR 2014/15

In local currencies, the outlook for 2014/15 is unchanged relative to the outlook announced in the annual report for 2013/14. Continued organic growth of approx. 7-8% and an EBIT margin of approx. 13.5-14% in local currencies are thus expected.

In Danish kroner, organic growth of approx. 16% (10%) and an EBIT margin of approx. 12.5% (12.5-13%) are expected as a result of the changed exchange rate assumptions (see the table below). The outlook relating to free cash flows and gearing is unaffected by the changed exchange rate assumptions, and free cash flows before payment of earn-out of approx. DKK 130-140m and a gearing of approx. 2.2 are thus still expected.

Overview of outlook announced for 2014/15:

	Local currencies	Danish kroner	
		2 February 2015	13 November 2014
Revenue	7-8%	Approx. 16%	Approx. 10%
EBIT margin	13.5-14%	Approx. 12.5%	12.5-13%
Free cash flows	-	Approx. DKK 130-140m	Approx. DKK 130-140m
Gearing	-	Approx. 2.2	Approx. 2.2

Exchange rate assumptions based on the expected average exchange rate for the year:

	Realised 2013/14	2 February 2015	13 November 2014
USD/DKK	550	645	575
CNY/DKK	89	104	92
MYR/DKK	170	182	179

FORWARD-LOOKING STATEMENTS

Forward-looking statements, especially such as relate to future revenue 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, in interest rate levels and in exchange rates.

FINANCIAL CALENDAR

6 May 2015	Interim report Q2 2014/15
19 August 2015	Interim report Q3 2014/15
30 September 2015	End of FY 2014/15

Quarterly results

DKKm	Q1 2014/15	Q4 2013/14	Q3 2013/14	Q2 2013/14	Q1 2013/14
Income statement					
Revenue	388	442	397	403	342
<i>Organic growth in local currencies</i>	9%	11%	8%	8%	-4%
<i>Exchange rate effects on reported growth</i>	4%	-1%	-3%	-2%	-3%
<i>Reported growth</i>	13%	10%	5%	20%	27%
Production costs	-206	-218	-192	-209	-167
Gross profit	182	224	205	194	175
<i>Gross margin, %</i>	46.9	50.7	51.6	48.1	51.2
Selling costs	-95	-86	-90	-82	-89
Development costs	-10	-12	-11	-9	-12
Management and administration	-61	-46	-48	-54	-57
Other operating expenses	-1	0	-1	-2	-1
Operating profit (EBIT)	15	80	55	47	16
<i>EBIT margin, %</i>	3.9	18.1	13.9	11.7	4.7
Financial income	15	56	0	8	0
Financial expenses	-19	-18	-10	-14	-12
Profit before tax (PBT)	11	118	45	41	4
Tax on profit for the period	-3	-33	-12	-11	-1
Net profit for the period	8	85	33	30	3
Balance sheet					
Assets	2,107	2,047	1,974	1,925	1,886
Working capital	482	452	415	400	377
Equity	827	854	701	663	632
Net interest-bearing debt.	843	739	784	729	732
Cash flows					
Cash flows from operating activities	-16	73	53	37	20
Cash flows from investing activities before company acquisitions	-34	-27	-25	-11	-17
Free cash flows before company acquisitions	-50	46	28	26	3
Of which payment of special items	0	-1	-2	-4	-4
Key figures and ratios					
Rate of cost, %	43	33	38	37	46
EBITDA	39	105	78	68	35
EBITDA margin, %	10.1	23.8	19.6	16.9	10.2
Depreciation	11	12	11	11	12
Amortisation	13	13	12	10	7
EBIT	15	80	55	47	16
EBIT margin, %	3.9	18.1	13.9	11.7	4.7
NIBD/EBITDA	2.9	2.6	3.0	3.0	3.2
Working capital, % of revenue	30	29	27	26	26
Share-related ratios					
Market price per share (DKK)	149	106	99	88	74
Earnings per share (EPS) (DKK)	0.17	1.79	0.70	0.64	0.06
Diluted earnings per share (EPS-D) (DKK)	0.17	1.76	0.68	0.62	0.06

Management's statement

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 2014 to 31 December 2014.

The interim report is presented in accordance with IAS 34 – Interim Financial Reporting 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 31 December 2014 as well as of the results of the group's activities and cash flows in the period 1 October 2014 - 31 December 2014.

We further consider that the management's review 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, 2 February 2015

Executive Board

Lars Marcher
CEO

Michael Højgaard
CFO

Board of Directors

Jens Bager
Chairman

Mikael Worning
Vice-Chairman

Jesper Funding Andersen

Pernille Bartholdy

Jakob Bønnelykke Kristensen

Allan Søgaard Larsen

Anita Krarup Rasmussen

Christian Sagild

John Stær

Income statement

DKKm	Q1 2014/15	Q1 2013/14	FY 2013/14
Revenue	388	342	1,584
Production costs	-206	-167	-786
Gross profit	182	175	798
Selling costs	-95	-89	-347
Development costs	-10	-12	-44
Management and administration	-61	-57	-205
Other operating expenses	-1	-1	-4
Operating profit (EBIT)	15	16	198
Financial income	15	0	64
Financial expenses	-19	-12	-54
Profit before tax (PBT)	11	4	208
Tax on profit for the period	-3	-1	-57
Net profit for the period	8	3	151
Earnings per share in DKK			
Earnings per share (EPS)	0.17	0.06	3.19
Diluted earnings per share (EPS-D)	0.17	0.06	3.12

Statement of comprehensive income

DKKm	Q1 2014/15	Q1 2013/14	FY 2013/14
Net profit for the period	8	3	151
<i>Items which are moved to the income statement under certain conditions:</i>			
Translation adjustment in foreign subsidiaries	17	-12	53
Tax on translation adjustments in foreign subsidiaries	-3	1	-6
Adjustment to fair value for the period			
Disposals included in net financials	0	0	1
Additions concerning hedging instruments	0	-1	0
Tax on hedging transactions	0	0	0
Comprehensive income for the period	22	-9	199

Balance sheet

DKKm	31.12.14	31.12.13	30.09.14
Acquired technologies, trademarks and customer relations	106	110	107
Completed development projects	64	42	69
Rights	50	17	53
Goodwill	768	719	748
Development projects in progress	30	44	24
Intangible assets	1,018	932	1,001
Land and buildings	134	97	121
Plant and machinery	94	111	110
Other plant, fixtures and fittings, tools and equipment	34	28	22
Prepayments and plant under construction	27	5	18
Property, plant and equipment	289	241	271
Deferred tax asset	26	23	21
Other non-current assets	26	23	21
Total non-current assets	1,333	1,196	1,293
Inventories	290	229	253
Trade receivables	371	303	380
Other receivables	9	7	11
Income tax receivable	6	0	6
Prepayments	24	19	18
Derivative financial instruments	0	15	0
Cash	74	117	86
Total current assets	774	690	754
TOTAL ASSETS	2,107	1,886	2,047

Balance sheet

DKKm	31.12.14	31.12.13	30.09.14
Share capital	120	119	119
Share premium	19	9	15
Reserves and retained earnings	687	504	720
Equity	826	632	854
Credit institutions	3	7	4
Provision for deferred tax	35	24	33
Corporate bonds	698	697	698
Other provisions	58	83	55
Non-current liabilities	794	811	790
Current portion of non-current liabilities	3	57	4
Other provisions	19	104	18
Bank debt	213	88	119
Trade payables	97	72	88
Income tax	22	7	45
Other payables	115	107	122
Derivative financial instruments	18	8	7
Current liabilities	487	443	403
Total liabilities	1,281	1,254	1,193
TOTAL EQUITY AND LIABILITIES	2,107	1,886	2,047

Statement of changes in equity

DKKm	31.12.14	31.12.13	30.09.14
Equity as at 1 October	854	667	651
Prior-year errors	0	-16	0
Capital increase, see note 3	4	0	6
Comprehensive income for the period	22	-9	199
Exercise of options	11	12	17
Share options	1	1	4
Tax deduction relating to share options	7	0	7
Purchase of treasury shares	-28	-11	-15
Distributed dividend	-45	-12	-15
Equity	826	632	854

Cash flow statement

DKKm	Note	31.12.14	31.12.13	30.09.14
Net profit for the period		8	3	151
Adjustment of items with no cash flow effect	A	32	33	137
Income tax paid		-25	-17	-33
Interest income and similar items		0	0	8
Interest expenses and similar items		-1	-1	-37
Change in working capital	B	-30	2	-49
Cash flows from provisions		0	0	6
Cash flows from operating activities		-16	20	183
Purchase of non-current assets		-34	-17	-80
Sale of non-current assets		0	0	0
Cash flows from investing activities before company acquisitions	C	-34	-17	-80
Free cash flows before company acquisitions		-50	3	103
Acquisition of technology		0	0	-11
Company acquisitions		0	-3	-101
Cash flows from company acquisitions	C	0	-3	-112
Free cash flows after company acquisitions		-50	0	-9
Changes in other non-current liabilities		-3	-3	-59
Capital increase		5	0	6
Exercise of options		11	12	17
Purchase of Ambu A/S shares		-28	-10	-15
Dividend paid		-37	-12	-15
Cash flows from financing activities		-52	-13	-66
Changes in cash and cash equivalents		-102	-13	-75
Cash and cash equivalents, beginning of period		-33	42	42
Translation adjustment of cash and cash equivalents		-4	0	0
Cash and cash equivalents, end of period		-139	29	-33
Note A: Adjustment of items with no cash flow effect				
Depreciation and amortisation		24	19	88
Share-based remuneration		1	1	4
Value adjustment of other provisions		0	0	-2
Financial expenses etc.		4	12	-10
Tax on profit for the period		3	1	57
		32	33	137
Note B: Changes in working capital				
Changes in inventories		-36	-18	-42
Changes in receivables		5	43	-30
Changes in trade payables etc.		1	-23	23
		-30	2	-49
Note C: Cash flows from investing activities		-34	-20	-192

Note 1 – Segment information

Ambu is a supplier of medico-technical products for the global market. Except for the sales of the different products, no structural or organisational aspects allow for a division of earnings from individual products, as sales channels, customer types and sales organisations are identical for all important markets. Furthermore, production processes and internal controls and reporting are identical, which means that with the exception of revenue, everything else is unsegmented.

Ambu has thus only identified one operating segment and has therefore only shown the activities' geographical distribution.

Note 2 – Development in balance sheet since 30 September 2014

Since the beginning of the financial year, non-current assets have been increased by a net amount of DKK 40m to DKK 1,333m. The increase has been driven by investments of DKK 34m, depreciation and amortisation of DKK 24m and translation adjustments of DKK 25m.

Other provisions under current and non-current liabilities totalled DKK 77m at the end of Q1 and have been increased by a net amount of DKK 4m since the beginning of the financial year. The increase is due primarily to translation adjustments.

From the beginning of the financial year until the end of Q1, other payables were reduced by DKK 7m to DKK 115m. The reduction is primarily attributable to payment of wages and salaries payable as well as an increase in interest expenses payable of DKK 6m.

Note 3 – Capital increase and share split

Ambu has carried out a capital increase in connection with the exercise by employees of warrants issued in 2011. Consequently, Ambu's share capital has been increased by a nominal amount of DKK 285,000 from DKK 119,435,800 to DKK 119,720,800 through the issue of 114,000 Class B shares at a price of 40.125. The share capital is now divided into 41,024,320 Class B shares of DKK 2.50 each and 6,864,000 Class A shares of DKK 2.50 each. Following the capital increase and taking account of employees having left the company, 90,000 remaining warrants relating to the 2011 programme are now held by eight individuals.

The Board of Directors' proposal for a 1:4 share split was approved by Ambu's shareholders on 17 December 2014. The share split results in a proportionate reduction of the previously reported earnings per share (EPS) and diluted earnings per share (EPS-D). All key ratios and nominal share values in this quarterly report have been restated accordingly.

Note 4 – Contingent liabilities

In October 2014, Ambu was contacted by the owner of rights to certain patents which Ambu has been utilising for a number of years upon agreement with the owner. Based on a royalty audit conducted, the owner has presented a claim for additional payments alleging underpayment of royalties for the period since 2008. Ambu is engaged in a dialogue with the other party.

Based on the information available at the present time, Ambu is unable to reliably predict the duration of this process or the final outcome of this claim, and it is therefore not possible for Ambu to estimate its financial effect.

However, on the basis of the knowledge currently available, Ambu is convinced that the claim will not materially affect the group's financial position.

Note 5 – Risks

For a description of Ambu's risks, see the 'Risk management' section in the annual report for 2013/14 on pages 15-16.