GETINGE GROUP

Getinge Group
Year-End Report 2014

Reporting period January – December

- **Order intake** rose by 5.6% to SEK 26,817 M (25,395), and grew organically by 0.7%
- **Net sales** increased by 5.5% to SEK 26,669 M (25,287), and grew organically by 0.6%
- **Profit before tax** declined by 37.0% to SEK 1,987 M (3,153)
- **Net profit** fell by 36.9% to SEK 1,448 M (2,295)
- **Earnings per share** declined by 37.3% to SEK 6,01 (9,59)
- **EBITA** before restructuring decreased by 5.6% to SEK 4,501 M (4,766)
- **Cash conversion** from operating activities amounted to 72.9% (63.1%)
- **A dividend per share** of SEK 2.80 (4.15) is proposed, corresponding to SEK 667 M (989)

Reporting period October-December

- **Order intake** rose by 11.8% to SEK 7,747 M (6,931), and grew 3.0% organically
- **Net sales** increased by 9.0% to SEK 8,458 M (7,757), and grew 1.1% organically
- **Profit before tax** declined by 19.8**%** to SEK 1,371 M (1,709)
- **EBITA** before restructuring declined by 3.2% to SEK 1,994 M (2,060)
- **Estimated financial consequences** as a result of the discussions with the FDA are expected to have a negative impact of approximately SEK 500 M on operating profit, the entire amount of which will probably impact earnings for 2015. An additional SEK 175 M was recognized during the quarter for completing the remediation program, in addition to the SEK 820 M that was previously announced.

- **Alex Myers** appointed new President and CEO of Getinge Group
- **Joacim Lindoff** appointed new Executive Vice President of the Infection Control Business Area

Teleconference with CEO Johan Malmquist and CFO Ulf Grunander
January 28, 2015 at 3:00 p.m. Swedish time
Sweden: +46 (0) 8 5051 3793 US: +1 718 354 1357
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Fourth quarter of 2014

2014 was a challenging year for the Group on several levels. Gradually improving demand for capital goods and greater visibility regarding Getinge's regulatory challenges allows for a structural and sustained focus on improving the Group's profitability

Order intake

The Group's order intake grew organically by 3.0% (5.9) for the period, a satisfactory trend taking into account a relatively strong performance in the year-earlier period. Medical Systems and Infection Control displayed a positive trend relative to the year-earlier period, and reported organic increases of 4.2% (9.4) and 7.1% (6.2), respectively. The order intake for Extended Care fell 2.6% (-1.2%). The weak trend in Extended Care was primarily due to the wound care operations, which continued to present significant challenges during the quarter.

The Western European and North American markets performed according to plan in the quarter, while the markets in the rest of the world displayed a weaker trend than expected.

The regions outside Western Europe and North America have evolved into the Group's most important markets for capital goods in the wake of the expansion in healthcare that has taken place in these markets in recent years. Due to the uncertain political situation in some of the Group's key emerging markets in China, Brazil and Russia, construction of new hospitals have been canceled or postponed, which has resulted in lower use of resources in the Group's capital goods plants. However, order levels at the manufacturing units producing consumables were high.

Earnings

The Group's profit before tax for the period was SEK 1,371 M (1,709), while EBITA for the Group amounted to SEK 1,994 M (2,060). When EBITA for the period is adjusted for the capital gain of SEK 92 M attributable to the sale of SAFEGUARD® and AIR-BAND™ in the year-earlier period, EBITA increased 1.3%.

The weak earnings trend was primarily the result of low volume growth in emerging markets and a number of delayed deliveries, mainly in Extended Care and Infection Control. Cost control was good in the quarter, and the lower gross margin for the period was largely due to the lower order levels in the Group's capital goods plants and delivery disruptions in the Cardiovascular division. These delivery disruptions were caused by the remediation program currently being carried out on the division's quality management system.

The period was charged with restructuring, integration and acquisition expenses amounting to a total of SEK 281 M (54), of which SEK 175 M pertains to an expansion of the remediation program to strengthen Medical Systems' quality management system.

Medical Systems' EBITA fell 3.3% to SEK 1,309 M (1,353) and the EBITA margin for the period was 27.8% (31.4). When EBITA is adjusted for the above mentioned capital gain of SEK 92 M, the business area's EBITA increased 3.8%. Infection Control improved its EBITA by 11.4% to SEK 283 M (254), while Extended Care's EBITA declined to SEK 403 M (452).

The Group's cash conversion from operating activities amounted to a solid 72.9% (63.1) for the full-year.

Alex Myers appointed new President and CEO of Getinge

As previously announced, the Board of Getinge AB appointed Alex Myers as the new President and CEO of Getinge. Alex Myers will succeed Johan Malmquist who, after 26 years at Getinge, serving 18 of which as President and CEO, has informed the Board that he wishes to resign from his assignment. Alex Myers will assume his new position as President and CEO of the Getinge Group at the Annual General Meeting on March 25, 2015.

Alex Myers is currently President and CEO of Hilding Anders, a global leader in the bedding industry with sales of about SEK 9 billion and 8,000 employees in 30 countries. Alex Myers has previous experience from the Getinge Group as President of ArjoHuntleigh and Executive Vice President of the Extended Care Business Area between 2009 and 2013. Prior to this, Alex Myers was a member of the Carlsberg Group Executive Management Team for ten years, of which the last five years he held the position as Head of Western European markets.

Johan Malmquist will continue to contribute to the Group as an advisor to the Board of Directors and the new President and CEO, up until the 2016 Annual General Meeting.

Outlook

The Group expects volumes in the Western European market to continue to improve, although at a very slow rate. In the North American market, demand is expected to remain at current levels. The markets outside of Western Europe and North America face challenges that could negatively impact volumes in the short term, but the long-term growth prospects are deemed positive and the Group predicts an improvement on current levels in 2015. The Group expects that the product launches and product acquisitions completed of late will continue to contribute to growth. Overall, volume growth is expected to improve during the current year.

Getinge expects to reach a final agreement with the FDA in the near future regarding the observations received on Medical Systems' quality management system. This agreement is expected to have a negative financial impact of approx. SEK 500 M on operating profit for 2015.

The net effect of exchange rate fluctuations in 2015 is expected to have a positive impact of approximately SEK 40 M on the Group's profit before tax, of which currency transaction effects amount to negative SEK 250 M and exchange rate translation effects to approximately positive SEK 290 M, based on the prevailing exchange rate scenario.

The potential for improving the Group's profitability in the medium term remains favorable. The extensive strategy update that has been made includes initiatives to enhance the efficiency of and streamline the operations and initiatives to ensure long-term organic growth. Getinge's intention is to present, at a future capital markets day, new financial targets based on these new initiatives. The capital markets day will take place during the second quarter of 2015 due to the change in CEO that will take place at the end of the first quarter.

Medical Systems Business Area

Order intake

Order intake per market	2014 Q 4	2013 Q 4	Change adjusted for curr.flucs.&corp.acqs.	2014 12 mon	2013 12 mon	Change adjusted for curr.flucs.&corp.acqs.
Western Europe	**1 265**	1 132	*1,0%*	**4 259**	3 824	*0,4%*
USA and Canada	**1 391**	1 130	*8,6%*	**4 741**	4 342	*3,6%*
Rest of the world	**1 633**	1 515	*3,2%*	**5 061**	5 174	*-3,3%*
Business area total	**4 289**	3 777	*4,2%*	**14 061**	13 340	*0,0%*

Medical Systems' order intake increased organically by 4.2% (9.4) for the period, which should be compared against a strong year-earlier period. The markets in Western Europe posted a weakly positive performance in line with expectations. The order intake was particularly high in the countries in Southern Europe. The order intake in the North American market rose organically by a solid 8.6% (1.7). In the markets outside North America and Western Europe, the order intake rose a modest 3.2% (16.9), which was lower than expected. The Surgical Workplaces division, whose volumes largely comprise sales of capital goods, performed weakly during the period, particularly in emerging markets. Both the Cardiovascular and the Critical Care divisions reported a favorable order intake for the quarter.

Results

	2014 Q 4	2013 Q 4	Change	2014 12 mon	2013 12 mon	Change
Net sales, SEK million	**4 702**	4 312	*9,0%*	**14 105**	13 322	*5,9%*
adjusted for currency flucs.& corp.acqs			*0,8%*			*0,5%*
Gross profit	**2 557**	2 431	*5,2%*	**7 756**	7 482	*3,7%*
Gross margin %	***54,4%***	*56,4%*	*-2,0%*	***55,0%***	*56,2%*	*-1,2%*
Operating cost, SEK million	**-1 386**	-1 191	*16,4%*	**-5 390**	-5 051	*6,7%*
EBITA before restructuring and integration costs	**1 309**	1 353	*-3,3%*	**2 868**	2 894	*-0,9%*
EBITA margin %	***27,8%***	*31,4%*	*-3,6%*	***20,3%***	*21,7%*	*-1,4%*
Acquisition expenses	**-17**	-9		**-31**	-18	
Restructuring and integration costs	**-197**	-50		**-1043**	-81	
EBIT	**957**	1 181	*-19,0%*	**1 292**	2 332	*-44,6%*
EBIT margin %	***20,4%***	*27,4%*	*-7,0%*	***9,2%***	*17,5%*	*-8,3%*

Medical Systems' EBITA fell 3.3% to SEK 1,309 M (1,353) and the EBITA margin for the period was 27.8% (31.4). The decline in earnings was due to the weak volume trend and a strong year-earlier period in 2013 that included a capital gain of SEK 92 M attributable to the sale of SAFEGUARD® and AIR-BAND™. When EBITA is adjusted for this capital gain, EBITA increased 3.8%. The lower gross margin for the period was due to the weaker capacity utilization at the capital goods plants and delivery disruptions in the Cardiovascular division. These delivery disruptions were caused by the remediation program currently being carried out on the division's quality management system.
The period was charged with restructuring costs of SEK 197 M, of which SEK 175 M pertains to additional provisions to strengthen the business area's quality management system.

Activities

Estimated financial consequences as a result of discussions with the FDA

As previously announced, Getinge is making significant investments to strengthen Medical Systems' quality management system. The measures are a result of observations received in connection with several inspections by the FDA in 2013 and internal observations. The continued dialog with the FDA has provided Getinge with a clearer understanding of the FDA's requirements and expectations. In light of this, Getinge reserved an additional SEK 175 M during the period for completing the remediation program, meaning that the total cost of the remediation program will now amount to SEK 995 M. SEK 820 M was already recognized in the first quarter of 2014. In 2014, SEK 470 M was utilized, of which SEK 113 was attributable to the fourth quarter. The total remediation program is expected to be completed by mid-2016.

As previously announced, Getinge has been engaged in discussions with the FDA for a long time. Although a final agreement has not currently been reached, Getinge estimates, given the available information, that a future agreement will have a negative impact of approximately SEK 500 M on operating profit. The entire amount of these financial consequences will probably impact earnings for 2015.

Restructuring project in the Cardiovascular division

As previously reported, the business area is currently implementing a restructuring program with the aim of enhancing the production of vascular implants.

The manufacturing of vascular implants is currently conducted at two plants in the Cardiovascular division. When the restructuring program is completed, all production of textile-based vascular implants will be concentrated to the production unit in the French city of La Ciotat. The move to La Ciotat is expected to be completed in the second quarter of 2015.

Launch of LUCEA DF surgical light

The business area launched a new and improved surgical light under the product name LUCEA DF in October. The new model is an addition to the existing LUCEA product family.

Extended Care Business Area

Orders intake

Order intake per market	**2014 Q 4**	2013 Q 4	*Change adjusted for curr.flucs.&corp.acqs.*	**2014 12 mon**	2013 12 mon	*Change adjusted for curr.flucs.&corp.acqs.*
Western Europe	**912**	887	*-3,7%*	**3 391**	3 237	*-1,9%*
USA and Canada	**739**	677	*-2,3%*	**2 689**	2 633	*-1,6%*
Rest of the world	**282**	257	*0,6%*	**1 137**	1 040	*7,5%*
Business area total	**1 933**	1 821	*-2,6%*	**7 217**	6 910	*-0,4%*

The trend in the order intake for Extended Care was weak for the quarter, particularly considering the weak performance in the year-earlier period. The order intake declined organically by 2.6% (-1.2) during the quarter. In Western Europe, the order intake fell organically by 3.7% (0.9) for the period. Order growth in Sweden and France was favorable, but declined in all other countries. In North America, the order intake fell organically by 2.3% (-0.8), primarily due to the continued weak rental market. In the markets outside Western Europe and North America, the organic trend in order intake was weaker than expected.

Results

	2014 Q 4	2013 Q 4	*Change*	**2014 12 mon**	2013 12 mon	*Change*
Net sales, SEK million	**2 002**	1 840	*8,8%*	**7 164**	6 870	*4,3%*
adjusted for currency flucs.& corp.acqs			*0,3%*			*-0,5%*
Gross profit	**983**	932	*5,5%*	**3 398**	3 328	*2,1%*
Gross margin %	***49,1%***	*50,7%*	*-1,6%*	***47,4%***	*48,4%*	*-1,0%*
Operating cost, SEK million	**-615**	-511	*20,4%*	**-2 494**	-2 161	*15,4%*
EBITA before restructuring and integration costs	**403**	452	*-10,8%*	**1 041**	1 296	*-19,7%*
EBITA margin %	***20,1%***	*24,6%*	*-4,5%*	***14,5%***	*18,9%*	*-4,4%*
Acquisition expenses	**-1**	9		**-1**	9	
Restructuring and integration costs	**-55**	5		**-86**	-193	
EBIT	**312**	435	*-28,3%*	**817**	983	*-16,9%*
EBIT margin %	***15,6%***	*23,6%*	*-8,0%*	***11,4%***	*14,3%*	*-2,9%*

Extended Care's EBITA declined 10.8% to SEK 403 M (452). The EBITA margin amounted to 20.1% (24.6) for the period. Earnings for Extended Care were negatively affected by the weak trend in wound care operations, mainly in the North American market. Sales of capital goods were generally satisfactory.

Activities

Product launches

Every year people suffer from care-related injuries that could have been prevented. Falls are one example of a common occurrence at both hospitals and care facilities that often result in life-threatening injuries, human suffering and also in valuable resources being depleted. This presents a major challenge to the healthcare industry and proactive work is carried out to identify solutions to this problem.

During the quarter, the business area launched SafeSet, a visual alert system developed for medical beds in the Enterprise range. SafeSet monitors important bed configurations and provides healthcare providers with rapid information about risk of injury and can thus help avoid and prevent such care-related injuries as crushes and falls.

Streamlining of organizational structure

During the quarter, the business area took measures to further optimize and enhance the efficiency of its organizational structure. The quarter was charged with restructuring costs of SEK 55 M, which were primarily related to restructuring the organizational structure in mature markets. These efficiency enhancements are expected to generate annual savings of approx. SEK 60 M from 2015.

Activity program for improved rental business

During the quarter, the business area initiated a review of its rental business to analyze and address existing challenges. Based on this review, the business area is expected to implement an activity program during the current year to improve profitability.

Infection Control Business Area

Orders intake

Order intake per market	2014 Q 4	2013 Q 4	Change adjusted for curr.flucs.&corp.acqs.	2014 12 mon	2013 12 mon	Change adjusted for curr.flucs.&corp.acqs.
Western Europe	**604**	527	*9,3%*	**2 291**	2 041	*6,7%*
USA and Canada	**488**	420	*3,7%*	**1 677**	1 547	*3,6%*
Rest of the world	**432**	385	*7,8%*	**1 571**	1 556	*0,4%*
Business area total	**1 524**	1 332	*7,1%*	**5 539**	5 144	*3,9%*

Infection Control's order intake increased organically by solid 7.1% (6.2). In Western Europe, the order intake increased organically by 9.3% (2.2). The trend was particularly high in the UK and in Southern Europe. The trend in the North American market was favorable, with an organic increase in the order intake of 3.7% (3.7) and the US market continuing to perform well. Volume growth for the markets outside Western Europe and North America was slightly weaker than expected, reporting an organic increase of 7.8% (14.9), while growth in Asia was healthy. Growth in capital goods remained weak, while sales of consumables was solid in the period.

Results

	2014 Q 4	2013 Q 4	Change	2014 12 mon	2013 12 mon	Change
Net sales, SEK million	**1 754**	1 606	*9,2%*	**5 400**	5 095	*6,0%*
adjusted for currency flucs.& corp.acqs			*2,9%*			*2,3%*
Gross profit	**639**	630	*1,4%*	**1 956**	1 938	*0,9%*
Gross margin %	***36,4%***	*39,2%*	*-2,8%*	***36,2%***	*38,0%*	*-1,8%*
Operating cost, SEK million	**-361**	-380	*-5,0%*	**-1 380**	-1 377	*0,2%*
EBITA before restructuring and integration costs	**283**	254	*11,4%*	**592**	575	*3,0%*
EBITA margin %	***16,1%***	*15,8%*	*0,3%*	***11,0%***	*11,3%*	*-0,3%*
Acquisition expenses	**-4**	0		**-6**	-3	
Restructuring and integration costs	**-7**	-8		**-34**	-127	
EBIT	**267**	242	*10,3%*	**536**	431	*24,4%*
EBIT margin %	***15,2%***	*15,1%*	*0,1%*	***9,9%***	*8,5%*	*1,4%*

Infection Control's EBITA performed positively during the period and amounted to SEK 283 M (254). The EBITA margin improved slightly at 16.1% (15.8). Invoicing rose organically by 2.9% for the period and cost control was also favorable. The weaker gross margin was due to the low capacity utilization in the capital goods plants.

Activities

New business area Executive Vice President

Joacim Lindoff, 41, was appointed new Executive Vice President of the Infection Control Business Area. Joacim Lindoff will succeed Anders Grahn who has left the Group. Joacim Lindoff has been employed at the Getinge Group since 1999 and has held a number of senior positions in Infection Control, both in Sweden and internationally. He has extensive experience in the industry and most recently served as the President Sales & Service Europe/International at Infection Control.

Restructuring activities

Within the framework of the ongoing efficiency-enhancement program, restructuring costs amounting to SEK 7 M were recognized in the quarter.

The business area completed the transfer of the manufacturing of Life Science sterilizers from Mansfield, UK, to Getinge, Sweden, during the quarter. The manufacturing unit in Mansfield was discontinued in December 2014.
After the end of the period, the business area resumed negotiations with trade-union representatives with the aim of relocating Getinge's production of flusher-disinfectors from Växjö, Sweden, to the business area's manufacturing unit in Poznan, Poland. Approximately 40-50 employees in Växjö will be affected by the proposed relocation.

Restructuring costs to implement the total efficiency-enhancement program are expected to amount to SEK 440 M over a four-year period. SEK 123 M was expensed in 2013 and restructuring costs for 2014 amounted to SEK 34 M. The aim of the program is to improve the business area's EBITA margin from the current level of about 11% to 17% within two to four years.

Other information

Accounting

This year-end report has been prepared for the Group in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. For the Parent Company, the report has been prepared in accordance with the Swedish Annual Accounts and RFR 2. The accounting policies adopted are consistent with those applied for the 2013 Annual Report and should be read in conjunction with that Annual Report.

During the fourth quarter of 2014, the acquisition of Pulsion AG was completed. In connection with the company being delisted from the German stock exchange, Getinge has now been given full access to the financial information for this year. In the year-end report, all quarterly information for the group is presented as if the consolidation of Pulsion occurred at the date of acquisition. This compared with previous quarterly reports in 2014 where earnings and balance sheet of Pulsion AG was presented based on the last published public information for the subsidiary with regard to the rules surrounding public information for listed companies. The effect of change in accounting of Pulsion has not had a material impact on the Group's results.

This report has not been subject to an audit.

Dividend

The Board and the CEO propose a dividend for 2014 of SEK 2.80 per share (4.15), a combined total of SEK 667 M (989). The proposed record date is March 27, 2015. Euroclear expects to distribute the dividend to shareholders on April 1, 2015

Annual General Meeting

Getinge AB’s Annual General Meeting will be held at 2:00 p.m. on March 25, 2015 in Kongresshallen, at the Hotell Tylösand, in Halmstad, Sweden. Shareholders who would like issues addressed at the Annual General Meeting on 25 March 2015 must submit proposals to Getinge’s Chairman of the Board by e-mail at: arenden.bolagsstamma@getinge.com or postal address Getinge AB Att: Bolagsstämmoärenden, Box 8861, 402 72 GÖTEBORG. To ensure inclusion in the Notification of the Annual General Meeting and the Agenda for the AGM, proposals must reach the company not later than February 4, 2015.

Risk management

Political decisions altering the healthcare reimbursement system represent the single greatest risk to the Getinge Group. The risk to the Group as a whole is limited by the fact that Getinge is active in a large number of countries. The Group’s operational risks are limited, since customer operations are generally funded directly or indirectly by public funds. The Group’s Risk Management team continuously works to minimize the risk of production disruptions.

Parts of the Getinge Group’s product range are covered by legislation stipulating rigorous assessments, quality control and documentation. It cannot be ruled out that the Getinge Group’s operations, financial position and earnings may be negatively impacted in the future by difficulties in complying with current regulations and demands of authorities and control bodies or changes to such regulations and demands.

Healthcare suppliers run a risk, like other players in the healthcare industry, of being subject to claims relating to product liability and other legal claims. Such claims can involve large amounts and significant legal expenses. A comprehensive insurance program is in place to cover any property or liability risks (e.g. product liability) to which the Group is exposed.

Financial risk management. Getinge is exposed to a number of financial risks in its operations. Financial risks principally pertain to risks related to currency and interest risks, as well as credit risks. Risk management is regulated by the finance policy adopted by the Board. The ultimate responsibility for managing the Group’s financial risks and developing methods and principles of financial risk management lies with Group management and the treasury function. The main financial risks to which the Group is exposed are currency risks, interest-rate risks and credit and counterparty risks.

Forward-looking information

This report contains forward-looking information based on the current expectations of the Getinge Group's management. Although management deems that the expectations presented by such forward-looking information are reasonable, no guarantee can be given that these expectations will prove correct. Accordingly, the actual future outcome could vary considerably compared with what is stated in the forward-looking information, due to such factors as changed conditions regarding finances, market and competition, changes in legal requirements and other political measures, and fluctuations in exchange rates.

Next report

The next report from the Getinge Group (first quarter of 2015) will be published on April 20 2015.

Teleconference

A teleconference will be held today, January 28, at 3:00 p.m. (Swedish time) with Johan Malmquist, CEO, and Ulf Grunander, CFO.

To participate, please call:
Sweden: +46 (0) 8 5051 3793
UK: +44 (0) 20 3427 1912
US: +1 718 354 1357
Code: 3593129

2:45 p.m. Call the conference number
3:00 p.m. Review of the interim report
3.20 p.m. Questions and answers
4.00 p.m. End of the conference

A taped version of the conference will be available from 6:00 p.m. on January 28 until midnight on February 2 at the following numbers:
Sweden: +46 (0) 8 5051 3897
UK: +44 (0) 20 3427 0598
US: +1 347 366 9565
Code: 3593129

During the telephone conference, a presentation will be held. To access the presentation, please use this link:
http://www.livemeeting.com/cc/premconfeurope/join?id=3593129&role=attend&pw=pw7735

Assurance

The Board of Directors and CEO assure that the year-end report provides a true and fair overview of the Parent Company and the Group's operations, position and earnings and describes the material risks and uncertainties faced by the Parent Company and the Group.

Gothenburg, January 28 2015

Carl Bennet
Chairman

Johan Bygge

Cecilia Daun Wennborg

Peter Jörmalm

Rickard Karlsson

Carola Lemne

Johan Malmquist
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Malin Persson

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The information stated herein is such that Getinge AB is obligated to publish under the Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act.

Consolidated income statement

SEK million	2014 Q 4	2013 Q 4	Change	2014 12 mon	2013 12 mon	Change
Net sales	**8 458**	7 757	9,0%	**26 669**	25 287	5,5%
Cost of goods sold	**-4 279**	-3 764	13,7%	**-13 559**	-12 540	8,1%
Gross profit [1]	**4 179**	3 993	4,7%	**13 110**	12 747	2,8%
Gross margin	*49,4%*	*51,5%*	*-2,1%*	*49,2%*	*50,4%*	*-1,2%*
Selling expenses	**-1 465**	-1 349	8,6%	**-5 772**	-5 363	7,6%
Administrative expenses	**-735**	-667	10,2%	**-2 824**	-2 599	8,7%
Research & development costs [2]	**-133**	-160	-16,9%	**-597**	-619	-3,6%
Acquisition expenses	**-22**	-1		**-38**	-13	
Restructuring and integration costs [3]	**-259**	-53		**-1 162**	-401	
Other operating income and expenses [1]	**-27**	96		**-71**	-4	
Operating profit [4]	**1 538**	1 859	-17,3%	**2 646**	3 748	-29,4%
Operating margin	*18,2%*	*24,0%*	*-5,8%*	*9,9%*	*14,8%*	*-4,9%*
Financial Net, SEK	**-167**	-150		**-659**	-595	
Profit before tax	**1 371**	1 709	-19,8%	**1 987**	3 153	-37,0%
Taxes	**-376**	-468		**-539**	-858	
Net profit	**995**	1 241	-19,8%	**1 448**	2 295	-36,9%
Attributable to:						
Parent company's shareholders	**989**	1 237		**1 433**	2 285	
Non-controlling interest	**6**	4		**15**	10	
Net profit	**995**	1 241		**1 448**	2 295	
Earnings per share, SEK [5]	**4,15**	5,19	-20,0%	**6,01**	9,59	-37,3%
Adjusted Earnings per share, SEK	**5,56**	5,82	-4,5%	**11,75**	12,74	-7,8%

	2014 Q 4	2013 Q 4	2014 12 mon	2013 12 mon
1 The US imposed tax on medical devices have affected the gross profit by:	**-33**	-29	**-100**	-98

2 Development costs totalling SEK million 673 (679) have been capitalised during the year, of which SEK million 202 (180) in the quarter.

3 Restructuring and integration costs	2014 Q 4	2013 Q 4	2014 12 mon	2013 12 mon
Consultancy Quality management systems	**-175**	0	**-995**	0
Other	**-84**	-53	**-167**	-401
	-259	-53	**-1 162**	-401

4 Operating profit is charged with:	2014 Q 4	2013 Q 4	2014 12 mon	2013 12 mon
— amort. Intangibles on acquired companies	**-175**	-147	**-655**	-604
— amort. intangibles	**-155**	-124	**-592**	-476
— depr. on other fixed assets	**-230**	-203	**-872**	-786
	-560	-474	**-2 119**	-1 866

5 There are no dilutions

Comprehensive earnings statement

SEK million	2014 Q 4	2013 Q 4	2014 12 mon	2013 12 mon
Profit for the period	**995**	1 241	**1 448**	2 295
Items that later can be reversed in profit				
Translation differences	**744**	238	**1 930**	-58
Cash-flow hedges	**820**	-188	**-112**	290
Actuarial gains/losses pension liability	**-666**	-148	**-666**	-148
Income tax related to other partial result items	**-29**	104	**223**	-25
Other comprehensive earnings for the period, net after tax	**869**	6	**1 375**	59
Total comprehensive earnings for the period	**1 864**	1 247	**2 823**	2 354
Comprehensive earnings attributable to:				
Parent Company shareholders	**1 844**	1 243	**2 800**	2 350
Non-controlling interest	**20**	4	**23**	4

Quarterly results

SEK million	2013 Q 1	2013 Q 2	2013 Q 3	2013 Q 4	2014 Q 1	2014 Q 2	2014 Q 3	2014 Q 4
Net sales	5 664	6 016	5 850	7 757	5 659	6 329	6 224	8 458
Cost of goods sold	-2 813	-2 976	-2 986	-3 764	-2 862	-3 243	-3 176	-4 279
Gross profit	2 851	3 040	2 864	3 993	2 797	3 086	3 048	4 179
Operating cost	-2 451	-2 265	-2 149	-2 134	-3 088	-2 366	-2 369	-2 641
Operating profit	400	775	715	1 859	-291	720	679	1 538
Financial net	-148	-149	-147	-150	-158	-164	-170	-167
Profit before tax	252	626	568	1 709	-449	556	509	1 371
Taxes	-68	-169	-153	-468	124	-143	-140	-376
Profit after tax	184	457	415	1 241	-325	413	369	995

Consolidated balance sheet

Assets SEK million	**2014 31 Dec**	2013 31 Dec
Intangible assets	**26 561**	22 118
Capitalised Development Projects	**3 503**	3 008
Tangible fixed assets	**4 971**	4 341
Financial fixed assets	**1 410**	667
Stock-in-trade	**5 245**	4 254
Accounts receivable	**7 362**	6 630
Other current receivables	**2 284**	2 137
Cash and cash equivalents	**1 482**	1 148
Total assets	**52 818**	44 303

Shareholders' equity & Liabilities		
Shareholders' equity	**18 694**	16 560
Pension Provision	**3 271**	2 298
Other interest bearing liabilities	**20 752**	17 169
Other Provisions	**2 578**	2 154
Accounts Payable - trade	**2 083**	1 882
Other non interets-bearing liabilities	**5 440**	4 240
Total Equity & Liabilities	**52 818**	44 303

Financial assets and liabilities measured at fair value

Measurement methods used to calculate fair values in Level 2

Derivatives at Level 2 comprise currency futures and interest rate swaps, and are used for hedging purposes. Fair value measurements for currency futures are based on published futures rates in an active market. The measurement of interest rate swaps is based on interest rate futures calculated on the basis of observable yield curves.
The discount does not have any material impact on the measurement of derivatives in Level 2.

Fair value hierarchy

At December 31, 2014, the Group held derivatives for hedging purposes at Level 2 in which the assets totaled SEK 304 M and liabilities SEK 1,338 M. The corresponding figures at December 31, 2013 amounted to SEK 755 M and SEK 660 M, respectively. Since the Group only holds financial derivatives measured at Level 2, there were no transfers among the measurement categories between the quarters.

Fair value of plan assets

	2014	2013
	Dec 31	Dec 31
Long-term loans	**14,036**	13,707
Current loans	**6,284**	3,603
	20,320	17,310

Other financial assets and liabilities

The fair value of the financial assets and liabilities listed below is estimated to be equivalent to their carrying amount in all material respects:

- Accounts receivable and other receivables
- Other current receivables
- Bank balances and other cash and cash equivalents
- Accounts payable and other liabilities
- Other assets and liabilities

Disclosures regarding net recognition of financial assets and liabilities

Loans and financial instruments in the Group, recognized gross

	Assets	**Liabilities**	**Net**
Loans		-20,320	-20,320
Interest rate derivatives	11	-570	-559
Fx derivatives	293	-768	-475
Total	304	-21,658	-21,354

The Group has ISDA agreements for all of its significant counterparties for raising funds and trading in financial instruments. For the financial assets and liabilities that are subject to legally binding offset agreements or similar, each agreement between the company and its counterparties permits the relevant financial assets and liabilities to be offset. The Group has netted the value of the Group's basis swaps against loans in the balance sheet. The value of the netted basis swaps for the fourth quarter of 2014 was a negative SEK 432 M (pos: 142 for the fourth quarter of 2013).

The Group does not apply net recognition for any of its other significant assets and liabilities.

Consolidated cash-flow statement

SEK million	**2014 Q 4**	2013 Q 4	**2014 12 mon**	2013 12 mon
Current activities				
EBITDA	**2 098**	2 333	**4 765**	5 614
Restructuring Cost expenses	**259**	54	**1 162**	401
Restructuring costs paid	**-147**	-122	**-751**	-352
Adjustment for items not included in cash flow	**12**	119	**47**	153
Financial items	**-167**	-150	**-659**	-595
Taxes paid	**-191**	-218	**-790**	-859
Cash flow before changes in working capital	**1 864**	2 016	**3 774**	4 362
Changes in working capital				
Stock-in-trade	**376**	368	**-421**	-233
Current receivables	**-987**	-1 183	**-42**	-812
Current operating liabilities	**123**	209	**162**	227
Cash flow from operations	**1 376**	1 410	**3 473**	3 544
Investments				
Acquisition of subsidiaries	**0**	0	**-1 236**	-248
Capitalized development costs	**-202**	-180	**-673**	-679
Rental equipment	**-52**	-62	**-221**	-299
Investments in tangible fixed assets	**-208**	-301	**-945**	-1 004
Cash flow from investments	**-462**	-543	**-3 075**	-2 230
Financial activities				
Change in interest-bearing debt	**1 126**	-518	**4 083**	-277
Change in long-term receivables	**4**	93	**-79**	303
Dividend paid	**-4**	0	**-993**	-989
Cash flow from financial activities	**1 126**	-425	**3 011**	-963
Cash flow for the period	**2 040**	442	**3 409**	351
Cash and cash equivalents at begin of the year	**1 064**	1 237	**1 148**	1 254
Translation differences	**-1 622**	-531	**-3 075**	-457
Cash and cash equivalents at end of the period	**1 482**	1 148	**1 482**	1 148

Consolidated net interest-bearing debt

SEK million	**2014 31 Dec**	2013 31 Dec
Debt to credit institutions	**20 752**	17 169
Provisions for pensions, interest-bearing	**3 271**	2 298
Interest bearing liabilities	**24 023**	19 467
Less liquid funds	**-1 482**	-1 148
Net interest-bearing debt	**22 541**	18 319

Changes to shareholders' equity

SEK million	Share capital	Other contributed capital	Reserves	Profit brought forward	Total	Non controlling interest	Total equity
Opening balance on 1 January 2013	119	5 960	-2 160	11 251	**15 170**	30	**15 200**
Dividend				-989	**-989**	-5	**-994**
Total comprehensive earnings for the period			167	2 183	**2 350**	4	**2 354**
Closing balance on 31 December 2013	**119**	**5 960**	**-1 993**	**12 445**	**16 531**	**29**	**16 560**
Opening balance on 1 January 2014	119	5 960	-1 993	12 445	**16 531**	29	**16 560**
Minority interest						304	**304**
Dividend				-989	**-989**	-4	**-993**
Total comprehensive earnings for the period			1 840	960	**2 800**	23	**2 823**
Closing balance on 31 December 2014	**119**	**5 960**	**-153**	**12 416**	**18 342**	**352**	**18 694**

Key figures

	2014	2013	Change	2012	**2014**	2013	Change	2012
	Q 4	Q 4		Q 4	**12 mon**	12 mon		12 mon
Order intake, SEK million	**7 747**	6 931	*11,8%*	6 648	**26 817**	25 395	*5,6%*	24 416
adjusted for currency flucs.& corp.acqs			*3,0%*				*0,7%*	
Net sales, SEK million	**8 458**	7 757	*9,0%*	7 816	**26 669**	25 287	*5,5%*	24 248
adjusted for currency flucs.& corp.acqs			*1,1%*				*0,6%*	
EBITA before restructuring-, integration- and acquisition costs	**1 994**	2 060	*-3,2%*	1 943	**4 501**	4 766	*-5,6%*	4 849
EBITA margin before restructuring-, integration and acquisition costs	**23,6%**	26,6%	*-3,0%*	24,9%	**16,9%**	18,8%	*-1,9%*	20,0%
Restructuring and integration costs	**-259**	-53		-156	**-1 162**	-401		-184
Acquisition costs	**-22**	-1		-36	**-38**	-13		-44
EBITA	**1 713**	2 006	*-14,6%*	1 751	**3 301**	4 352	*-24,1%*	4 621
EBITA margin	**20,3%**	25,9%	*-5,6%*	22,4%	**12,4%**	17,2%	*-4,8%*	19,1%
Earnings per share after full tax, SEK	**4,15**	5,19	*-20,0%*	4,43	**6,01**	9,59	*-37,3%*	10,58
Adjusted earnings per share, SEK	**5,56**	5,82	*-4,5%*	5,52	**11,75**	12,74	*-7,8%*	13,23
Number of shares, thousands	**238 323**	238 323		238 323	**238 323**	238 323		238 323
Interest cover, multiple					**5,7**	6,9	*-1,2*	7,3
Operating capital, SEK million					**36 529**	32 526	*12,3%*	31 920
Return on operating capital, per cent					**8,2%**	12,8%	*-4,6%*	13,1%
Return on equity, per cent					**10,4%**	14,4%	*-4,0%*	17,0%
Net debt/equity ratio, multiple					**1,21**	1,10	*0,11*	1,21
Cash Conversion	**65,6%**	60,4%	*5,2%*	70,8%	**72,9%**	63,1%	*9,8%*	64,1%
Equity/assets ratio, per cent					**35,4%**	37,4%	*-2,0%*	35,4%
Equity per share, SEK					**78,44**	69,60	*12,7%*	63,70

Five-year review

SEK million	**2014 31 Dec**	**2013 31 Dec**	**2012 31 Dec**	**2011 31 Dec**	**2010 31 Dec**
Net Sales	26 669	25 287	24 248	21 584	22 172
Profit before tax	1 448	2 295	2 531	2 537	2 280
Earnings per share	6,01	9,59	10,58	10,61	9,55

Income statement for the Parent Company

SEK Million	2014 Q 4	2013 Q 4	2014 12 mon	2013 12 mon
Administrative expenses	**-44**	-37	**-164**	-150
Operating profit	**-44**	-37	**-164**	-150
Financial net	**2 078**	440	**679**	791
Profit after financial items	**2 034**	403	**515**	641
Profit before tax	**2 034**	403	**515**	641
Taxes	**-10**	-110	**-12**	-119
Net profit	**2 024**	293	**503**	522

Balance sheet for the Parent Company

Assets SEK million	2014 31 Dec	2013 31 Dec
Tangible fixed assets	**45**	36
Shares in group companies	**24 869**	22 410
Deferred tax assets	**43**	32
Receivable from group companies	**5 716**	6 552
Short-term receivables	**49**	38
Liquid funds	**801**	567
Total assets	**31 523**	29 635

Shareholders' equity & Liabilities		
Shareholders' equity	**8 582**	9 068
Long-term liabilities	**14 282**	13 347
Liabilities to group companies	**2 309**	3 534
Current liabilities	**6 350**	3 686
Total Equity & Liabilities	**31 523**	29 635

Information regarding the parent company’s development in the reporting period of January to December 2014

Income statement

At the end of the period, receivables and liabilities in foreign currencies were measured at the closing rate, and an exchange rate loss of SEK 2 967 M (69) was included in the period’s net financial items for the period. The financial net includes group contributions of SEK 3 625 M (808)

Companies acquired in 2014

Pulsion AG

During the first quarter of 2014, Medical Systems acquired over 78% of the shares in the German company, Pulsion AG. The company, which supplies systems for hemodynamic monitoring, generates sales of more than SEK 300 M and has about 130 employees. Goodwill arising from the transaction is attributable to additional sales of Medical System's products. It is not feasible to estimate profits for the acquired business since the acquisition date because of the extensive integration process that has been carried out. The resulting goodwill is not tax deductible.

Acquired net assets

SEK M Net assets	Assets and liabilities at the time of acquisition	Adjustment to fair value	Fair value
Intangible assets	0	473	473
Tangible fixed assets	30		30
Stock-in-trade	46		46
Other current assets	83		83
Provisions	0	-140	-140
Other current liabilities	-89		-89
Total net assets	**70**	**333**	**403**
Goodwill			838
Total acquisition including cash and cash equivalents, holdings attributable to Parent Company shareholders			**971**
Net outflow of cash and cash equivalents due to the acquisition			**971**
Non-controlling interests			**270**

The company is included in Getinge's sales and operating profit from March 1, 2014.

Altrax Group Ltd

During the second quarter of 2014, Infection Control acquired the shares in the British company, Altrax Group Ltd for the total amount of approximately SEK 51 M. The company, which provides systems for traceability and quality assurance in the sterilization segment, generates sales of about SEK 35 M and has about 30 employees. Goodwill arising in connection with the transaction is attributable to expected additional sales of Infection Control's products. It is not feasible to estimate profits for the acquired business since the acquisition date because of the extensive integration process that has been carried out. The resulting goodwill is not tax deductible.

Acquired net assets

SEK M Net assets	Assets and liabilities at the time of acquisition	Adjustment to fair value	Fair value
Intangible assets	0	13	13
Tangible fixed assets	1		1
Stock-in-trade	5		5
Other current assets	8		8
Cash and cash equivalents	8		8
Provisions	0	-3	-3
Other current liabilities	-7		-7
Total net assets	**15**	**10**	**25**
Goodwill			34
Total acquisition including cash and cash equivalents			**59**
Net outflow of cash and cash equivalents due to the acquisition			
Cash and cash equivalents paid for the acquisition			**59**
Cash and cash equivalents in the acquired company at the time of acquisition			**-8**
			51

The company is included in Getinge's sales and operating profit from June 1, 2014.

Cetrea A/S

Medical Systems acquired the shares in the Danish company Cetrea A/S during the third quarter of 2014 for the total amount of approximately SEK 110 M. The company, which develops and markets IT systems that are used for resource planning in real time at hospitals, has annual sales of approximately SEK 30 M and has 30 employees. Goodwill arising from the transaction is attributable to additional sales of Medical Systems' products. It is not feasible to estimate profits for the acquired business since the acquisition date because of the extensive integration process that has been carried out. The resulting goodwill is not tax deductible.

Acquired net assets

SEK M Net assets	Assets and liabilities at the time of acquisition	Adjustment to fair value	Fair value
Intangible assets	35	21	56
Stock-in-trade	4		4
Other current assets	2		2
Provisions	0	-5	-5
Other current liabilities	-30	-25	-55
Total net assets	**11**	**-9**	**2**
Goodwill			68
Total acquisition including cash and cash equivalents			**70**

The company is included in Getinge's sales and operating profit from July 1, 2014.

Austmel Pty Ltd

Infection Control acquired the operations of the Australian company, Austmel Pty Ltd during the third quarter of 2014, for the amount of approximately SEK 144 M. The company, which specializes in products and services for quality assurance of sterilization and thermal processes, has annual sales of about SEK 80 M and has about 25 employees. A preliminary purchase price allocation is provided below. Goodwill arising in connection with the transaction is attributable to expected additional sales of Infection Control's products. It is not feasible to estimate profits for the acquired business since the acquisition date because of the extensive integration process that has been carried out. The resulting goodwill is tax deductible.

Acquired net assets

SEK M Net assets	Assets and liabilities at the time of acquisition	Adjustment to fair value	Fair value
Intangible assets	0	48	48
Tangible fixed assets	1		
Stock-in-trade	4		4
Other current assets	0		0
Other current liabilities	-2		-2
Total net assets	**3**	**48**	**50**
Goodwill			94
Total acquisition including cash and cash equivalents			**144**

The company is included in Getinge's sales and operating profit from September 1, 2014.

Definitions

EBIT	Operating profit
EBITA	Operating profit before amortisation of intangible assets identified in conjunction with corporate acquisitions
EBITDA	Operating profit before depreciation and amortization
Cash conversion	Cash flow from operating activities as a percentage of EBITDA.
Adjusted earnings	Net profit adjusted for acquisition expense, restructuring and integration costs and amortization of intangibles on acquired companies with consideration of the tax effects on all items