GETINGE GROUP

# ANNUAL REPORT 2015

# PASSION FOR LIFE

Passion for life is Getinge's brand promise. The company is built on a genuine compassion for people's health and well-being. Based on first-hand experience and close partnerships, Getinge provides innovative healthcare solutions that improve every-day life for people, today and tomorrow.

The Annual General Meeting will be held on March 30, 2016. Information regarding application, the Nomination Committee, dividend and dates for Getinge's financial reports in 2016 is available on pages 98 and 99.

# 2015 IN BRIEF

| Order intake | + 13,5 % |
|---|---|
| SEK 30 431 M (26 817). Organic increase: +1,9 % | |

| Net sales | + 13,4 % |
|---|---|
| SEK 30 235 M (26 669). Organic increase: +1,8 % | |

| Profit before tax | +0,5 % |
|---|---|
| SEK 1 997 M (1 987) | |

| Net profit | +0,6 % |
|---|---|
| SEK 1 457 M (1 448) | |

| Earnings per share | -3,0 % |
|---|---|
| SEK 5,83 (6,01 ) | |

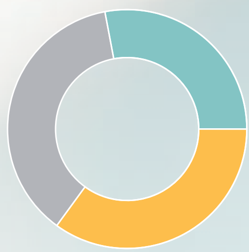
| EBITA before restructuring and acquisition cost | -7,2 % |
|---|---|
| SEK 4 179 M (4 501) | |

| Cash conversion | 66,7 % |
|---|---|
| (72,9 % ) | |

| Dividend per share proposed at | SEK 2,80 |
|---|---|
| Corresponding to SEK 667 M (667) | |

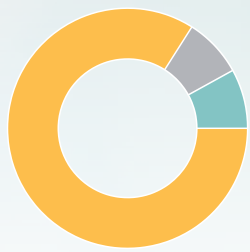
## Key figures

| | 2015 | 2014 |
|---|---|---|
| Order intake, SEK M | 30 431 | 26 817 |
| Order intake, adjusted for exchange-rate effects and acquisitions, % | 1,9 | 0,7 |
| Net sales, SEK M | 30 235 | 26 669 |
| Net sales, adjusted for exchange-rate effects and acquisitions, % | 1,8 | 0,6 |
| Restructuring and integration costs, SEK M | 657 | 1 162 |
| Acquisition expenses, SEK M | 33 | 38 |
| EBITA before restructuring and acquisition cost, SEK M | 4 179 | 4 501 |
| EBITA margin before restructuring and acquisition cost, % | 13,8 | 16,9 |
| Earnings per share after comprehensive tax, SEK | 5,83 | 6,01 |
| No. of shares, thousand | 238 323 | 238 323 |
| Interest-coverage ratio, multiple | 4,6 | 5,70 |
| Working capital, SEK M | 40 771 | 36 529 |
| Return on working capital, % | 8,6 | 8,2 |
| Return on shareholders' equity, % | 8,5 | 10,4 |
| Net debt/equity ratio, multiple | 1,17 | 1,21 |
| Cash conversion, % | 66,7 | 72,9 |
| Equity/assets ratio, % | 36,8 | 35,4 |
| Equity per share, SEK | 82,21 | 78,44 |



**Sales per market area**

- Western Europe 35 % (37 %)
- USA/Canada 37 % (34 %)
- Rest of the World 28 % (29 %)



**Sales per customer segment**

- Hospitals 84 % (84 %)
- Elderly care 8 % (8 %)
- Life Science 8 % (8 %)

# 2015 IN BRIEF

- ## A year of growth

  The Group's order intake increased organically by 1.9% (0.7) during the year. Net sales also grew organically by 1.8% (0.6) compared with the preceding year, meaning that Getinge has now surpassed annual sales of SEK 30 billion.

- ## Alex Myers new President and CEO

  Alex Myers assumed the position as President and CEO of Getinge at the Annual General Meeting on March 25, 2015, succeeding Johan Malmquist. Johan Malmquist acted as an advisor to the Board and CEO for the remainder of the year.

- ## Comprehensive transformation program

  A comprehensive transformation program aimed at reigniting growth and improving profitability was launched during the year. New financial targets for the period 2016-2019 were also presented. Read more about the program and the new financial targets on pages 14-18.

- ## Consent Decree with FDA

  At the beginning of the year, a US federal judge approved a Consent Decree between the Medical Systems business area and the Food and Drug Administration, FDA. A number of measures in the ongoing remediation program were undertaken during the year to improve the business area's quality management system. The total financial consequences related to the Consent Decree, excluding the costs for the remediation program, amounted to approximately SEK 315 M during the year, of which SEK 215 M was charged to the Group's EBITA and SEK 100 M pertains to restructuring costs. Read more about the Group's quality focus on page 3.

- ## Group-wide quality function

  A new Group-wide Quality Regulatory Compliance function was established during the second quarter, for the purpose of developing efficient shared processes for the Group as a whole.

# STRONG FOCUS ON QUALITY

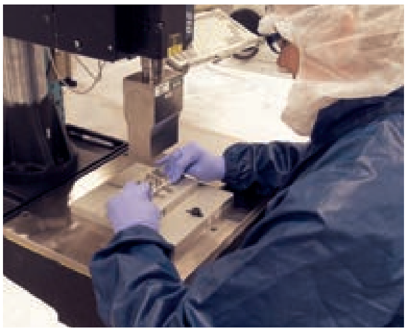
Intense efforts were made to strengthen processes and procedures for the company's quality management system during the year. A major focus continued to be directed to the work on the comprehensive remediation program launched in 2013.

The FDA, Food and Drug Administration, inspected a number of Medical Systems' manufacturing units in 2013, which led to observations about the facilities' quality management system. It is important to emphasize that these observations concerned the procedures and processes of the quality management system, not the products themselves. Extensive internal work was initiated in 2013 to strengthen the quality management system. In parallel with this, Medical Systems entered into a dialog with the FDA.

A formal Consent Decree was approved in February 2015, which clearly outlines the way forward and provides assurances to the FDA that Medical Systems will complete the necessary improvements and establish a global quality management system. Under the terms of the Consent Decree, certain products manufactured at Medical Systems' Atrium Medical Corporation business unit based in Hudson, New Hampshire, were temporarily suspended while corrections are being made. Certain products currently manufactured by Atrium have been deemed medically necessary by the FDA under the Decree and will continue to be made available to customers inside and outside of the US.

The content of the Decree is aimed primarily at raising the level of the quality management system and the FDA will then be shown confirmation that this level has been maintained. The Decree applies to the US manufacturing unit in Hudson (New Hampshire) and Wayne (New Jersey), as well as the facilities in Rastatt and Hechingen in Germany. According to the Decree, the FDA will monitor performance at the units for a certain period of time, for example, by performing third-party inspections of the units covered by the Decree.

There were several positive signs during the year that Medical Systems' quality work is on the right path. During the autumn, full-scale production and sales of the biosurgical meshes product group was resumed at Atrium's new production unit in Merrimack, New Hampshire. A successful FDA inspection was subsequently carried out at the new facility. Third-party inspections were also carried out at all production units encompassed by the Consent Decree. At the end of the year, one such inspection in Hechingen, Germany, resulted in a number of observations indicating that additional improvement measures would need to be implemented at the production unit. Intense focus is now being directed to ensuring that such measures are implemented and that the unit's quality management system meets the Group's global standards and the requirements set on the company as a player in the medical technology industry.

**Getinge's new production unit in Merrimack, New Hampshire.**

# A YEAR OF CHANGE

2015 was an eventful year for the Group as a whole and also for me personally as the new President and CEO of Getinge. In September, we launched a comprehensive transformation program aimed at restoring growth and improving profitability. By interacting with customers as one company, we create a unique offering that helps solve customer challenges throughout the entire continuum of care.

The healthcare sector is experiencing significant change. The industry is under intense financial pressure and our customers are facing new challenges. In Europe, this involves higher demands for caring for more patients while using fewer resources. The same applies to the US, where healthcare is also facing complete change. Focus is on quality, although also on structural changes, with the healthcare sector being consolidated as a result of hospitals, and thus our customers, becoming larger. In emerging markets, it is a matter of increasing access to better healthcare with limited financial resources. Accordingly, products with simpler functionality at a lower price are becoming increasingly important in these markets.

I assumed the role as President and CEO in March and it was particularly important for me to begin by gaining an understanding of the organization, analyzing the operations and comparing both internal and external benchmarks. My conclusion was that we needed a major structural reorganization to enable continued growth and sustainable profitability. Intensifying price pressure, combined with greater consolidation of both private and public sector hospitals, has driven the need for a more efficient and agile organization.

## A FUNCTIONAL ORGANIZATION FOCUSED ON CUSTOMER VALUE

In September, we launched a comprehensive transformation program aimed at enhancing competitiveness. The program will create growth through, among other things, alignment of the product portfolio, and a sales organization that offers Getinge's complete product portfolio and is more clearly tailored to the needs and value chain of the healthcare industry. In addition, the program will lead to significantly improved cost efficiency. In order to ensure a successful implementation of the program we need to organize the company in a new way. During the final quarter of 2015, we focused intensively on preparing for the functional organizational structure under which we are merging the three business areas into one single company – one Getinge. Getinge must reflect the change that the industry and market are experiencing. This new organizational structure will allow us to realize the company's full potential. We are now building a stronger Getinge and the new organization took effect on January 1, 2016.

This will also be a journey of cultural change, during which we will establish a shared approach for Getinge's operations. We have worked a great deal on implementing shared cultural values, and have revised our Code of Conduct and established a Group-wide policy on ethics and anti-corruption. This is a central prerequisite for creating a long-term, sustainable Getinge.

## STRONG FOCUS ON QUALITY

The work on the remediation program to improve the quality management system in the Medical Systems business area remained very important during the year. A Consent Decree with the US FDA was signed at the beginning of the year and we have invested much time and energy in improving and harmonizing our processes at our manufacturing units. These improvement measures are also helping us to enhance efficiency and raise the quality of both product development and manufacturing. Quality is one of the foundations of the industry in which we operate and something that we must never compromise on.

Although work remains to be done in this area, we have made substantial progress. We must constantly strive to further develop and strengthen our approach to quality. For a long time now, Getinge has offered fantastic products that help save lives every day – we will continue to do this and the global quality management system that we are now creating will help us become even better.

## INCREASED ORGANIC GROWTH

At the same time, we continued to work to restore healthy organic growth. Despite intense focus on the Consent Decree with the FDA and the transformation program, we experienced a year of growth and the Group achieved organic growth of almost 2%. It is also gratifying to state that the earnings trend is starting to move in the right direction. After adjustments for non-recurring costs, EBITA for the final quarter of 2015 before restructuring and acquisition costs amounted to SEK 2,138 M, corresponding to an increase of 7.2%.

The performance of the Infection Control business area was very robust, and the structural changes that were carried out in recent years have yielded results. Medical Systems performed in line with our expectations, given the regulatory challenges with the FDA. However, Extended Care experienced a weak year and continued to face challenges. Read more about the performance of the business areas on pages 39-41.

## FOCUS AREAS FOR 2016

The new organization has now been established and we are continuing our work on improving profitability and generating increased growth. Our major focus in 2016 will be the so called Big 5 efficiency initiatives. We also started working on a new


innovation process and plan to launch several new products during the year.

In terms of growth, our focus areas for the future are the US and emerging markets. In addition, we create new growth opportunities by merging the operations and acting as a one company, and by offering Getinge's complete product portfolio.

**EXCITING FIRST FEW MONTHS AS CEO**

It is very exciting to be back with the Group. When I returned to Getinge, I knew that I would encounter a challenging situation. The reality confirmed my expectation but I am convinced that we have the right plan and that we will turn around the negative trend that we have seen in recent years. It has been very motivating to meet an organization that has such a positive attitude to change – the desire to change is far greater than I had anticipated and I see a high level of activity and high engagement in my new management team.

We still have some challenges in certain areas, but I am confident about the prospects for 2016.

In conclusion, I would like to take this opportunity to thank my anchor Ulf Grunander, who has decided to retire after 23 years at Getinge Group. With his many years of experience and extensive knowledge, Ulf has played a key role in the change process that we have embarked on. Nevertheless, I am convinced that we have found the right person to replace him. Pernille Fabricius has an international background and experience from change processes similar to the one that we are now facing.

**Alex Myers**
President & CEO

## Focus areas for 2016

- Improve the Group's profitability by ensuring delivery of the Big 5 efficiency initiatives (read more on page 15).
- Reignite growth through successful launches of new products as well as develop a strategy for a mid-segment product portfolio.
- Focus on continued improvements to the quality management system.
- Continued implementation of the new organization.

# THIS IS GETINGE

SEK **30** billion in revenue
more than **15 000** employees
operations in **40** countries

Getinge is a leading global provider of products and systems that contribute to quality enhancement and cost efficiency within healthcare and life sciences. The aim is to be the most desired medtech company in the world.

Every day, Getinge's products contribute to saving lives and ensuring excellent care. The Group provides products and services for operating rooms, intensive-care units, hospital wards, sterilization departments, elderly care and for life science companies and institutions.

Getinge Group currently generates sales of more than SEK 30 billion and conducts sales via proprietary companies throughout the world. Production is conducted at facilities in Brazil, France, Canada, China, Germany, Poland, Sweden, Turkey, the UK and the US. In total, the Group has more than 15,000 employees in 40 countries.

The US and Canada is the largest region with 37% of sales, closely followed by Western Europe with 35%, and the Rest of the World with 28%. 84% of sales are to hospitals, while elderly care accounts for 8% and the life science industry for 8%.

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To become the world's most desired medtech company

**VISION**

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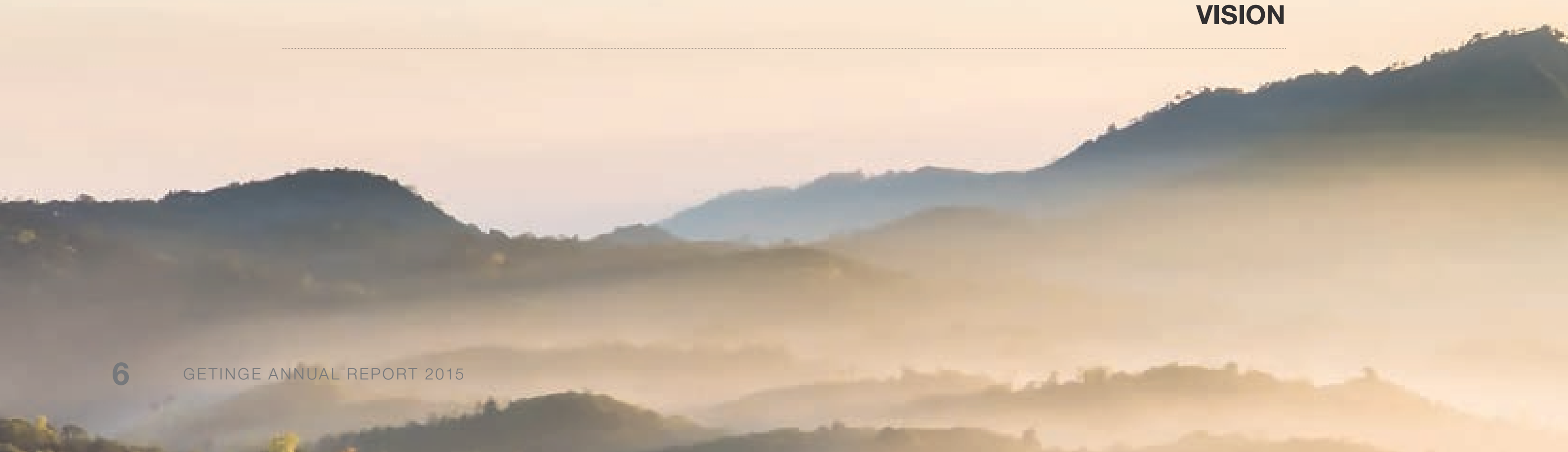


# THE GETINGE OFFERING

Getinge's offering is mainly targeted at care providers, care givers and care receivers. The offering to hospitals is organized in three areas: Enable, Treat and Care. This allows Getinge to identify customer issues at an early stage, promote clinical and economic benefits and follow and support the customer decision process. Getinge's unique offering mirrors the hospital's organization and value chain, and the solutions are used before, during and after the patients' hospital stay.

## **Treat** - Acute Health Conditions

In this area, Getinge offers solutions for life support in acute health conditions. The offering includes solutions for cardiac, pulmonary and vascular therapies and a broad selection of products and therapies for intensive care.

## **Enable** - Surgeries

This area offers solutions for infection control, operating rooms and advanced IT systems for traceability and management of the flow of sterile equipment as well as for optimal use of resources.

## **Care** - During Recovery

This area features solutions which support the daily tasks of lifting and transferring of patients. This includes promotion of early mobility and prevention of pressure ulcers and deep vein thrombosis, as well as patient hygiene.

**LIFE SCIENCE**
In addition to the healthcare offering, Getinge's expertise encompasses the entire span of Life Science research. Getinge's Life Science offering allows it to meet virtually all customer needs in biomedical research and biopharmaceutical production. Getinge offers customized solutions to meet its customers' capacity requirements and specifications.

**ELDERLY CARE**
Getinge also offers solutions designed to meet the growing demands within the elderly care sector including solutions for positioning, mattress systems, hospital beds, hygiene systems and compression therapy.

# GETINGE'S JOURNEY OF CHANGE

Over the past 20 years, Getinge has grown and evolved into a global medical device Group with leading global positions in many areas. As the healthcare industry changes, Getinge must adapt its operations for continued success. A comprehensive transformation program was introduced in 2015 that will make Getinge even more market and customer-centric and also create shareholder value through profitable growth.


Getinge has a fantastic legacy of extraordinary value creation. The Group has grown globally through acquisitions and also through strong organic growth. Getinge has traditionally operated based on a successful decentralized business model comprising three business areas that conduct independent operations, with their own sales companies in the various geographic markets.

The business environment and customers have changed. Getinge's strategy since 2013 has been designed to pursue profitable growth in the new reality that is taking shape. However, results in recent years have shown that this plan was difficult to execute and the intended effects could not be achieved in Getinge's traditional organizational structure of three independent business areas. A comprehensive transformation program was launched in 2015 that includes a new organization that will create better conditions for implementing the Group-wide priorities.

## TOMORROW

Getinge will transform from a group of companies in a so called holding company structure to become one Getinge. This will create the conditions for collaboration and leveraging scale to better capitalize on the opportunities in a changing market. Getinge supports the customer from an overall perspective and delivers superior clinical and economic benefits throughout the entire continuum of care. Getinge is a specialist in the customer and focus is on developing solutions to the challenges faced by customers.

## VISION

**The world's most desired medtech company**
Getinge's genuine compassion for people's health, combined with innovations with purpose and a unique total offering, contributes to improve healthcare. This forms the basis of a sustainable company that is desired by stakeholder groups such as customers, employees and shareholders – today and in the future.

# NEW CONDITIONS IN A CHANGING MARKET

The global healthcare industry has undergone major changes since the financial crisis in 2009, and market conditions have changed due to a range of factors.

## Changing requirements and behaviors

Changing customer behaviors and requirements creates new conditions for healthcare purchasing. The healthcare market is currently undergoing consolidation. This leads to fewer and larger players, which in turn leads to increased pricing pressure and reduced reimbursement levels for the medical device industry. Today, purchasing is increasingly centralized and conducted higher up in the decisionmaking hierarchy. This means that central purchasing departments are usually responsible for purchasing, rather than physicians or healthcare professionals. It must also be possible to demonstrate that products and solutions can provide both documented clinical results and financial benefits.

## Opportunities for Getinge

To become an attractive healthcare partner, size – in terms of product range, service and geographic presence – is becoming increasingly important for Getinge. To meet the challenges faced by the industry, the company is taking action in several areas:

### LEVERAGE THE GROUP'S SIZE

Based on its size and total offering, Getinge can follow customers throughout the entire continuum of care and offer complete solutions tailored to customer needs and challenges. Getinge can leverage the Group's size to efficiently deliver greater clinical and financial benefits through its unique customer offering, thus allowing the Group to help solve the challenges and changes experienced by the healthcare sector.

### CUSTOMER-DRIVEN INNOVATION

Getinge's focus on customer-driven innovation means a productdevelopment process that involves the customer from concept to finished product. The aim is to deliver solutions that meet customers' actual needs, rather than solutions driven solely by technological innovations.

### SOLUTIONS FOR INCREASED EFFICIENCY IN HEALTHCARE

Getinge's offering includes IT systems for real-time resource planning for hospitals, a technology that helps to optimize work processes. This helps ensure maximum utilization of for example operating rooms, and thus more efficient care.

## Demographic changes

Due to demographic changes, primarily in Europe and the US, the need for qualified healthcare and elderly care is continuing to grow. Today, these markets are characterized by an increasing number of older people who need healthcare, and an increased rate of lifestyle-related diseases, particularly various types of cardiovascular diseases. The weak economic trend combined with a population that is living longer and needs more care, means that the care sector is under financial pressure. In these markets, there is a need to provide better care for more people without increasing the cost to society. To meet the demographic changes, the focus of healthcare will mainly be limited to three areas: clinical results, efficiency and cost savings.

## Economic performance in emerging markets

The economic performance of emerging markets is enabling more countries to develop advanced healthcare. Due to greater prosperity and a growing middle class, many of these countries are now investing heavily in the expansion of healthcare in both the private and the public sector, requiring growing demand for products with simpler functionality and lower price that can contribute to the rapid expansion of their healthcare systems. However, the purchasing power in these markets is generally lower than in mature markets.

**SERVICE AND SUPPORT**
Getinge offers professional total solutions for service and support. In addition, training is also offered to support users, which ensures that the products are used properly and effectively. All to ensure optimal results for healthcare.

**SIMPLER FUNCTIONALITY AT A LOWER PRICE**
Getinge is expanding its offering to also include products with simpler functionality at a lower price. The aim is to capitalize on the rapid growth and align with the lower purchasing power of the emerging markets.

# STRATEGY FOR PROFITABLE GROWTH

Getinge's strategic work continued during the year, at the same time as a comprehensive transformation program was launched to continue the journey toward one Getinge. These combined initiatives will create the conditions for increased competitiveness and profitable growth.

A key success factor for Getinge is the company's solid platform: dedicated and passionate employees, values based on entrepreneurship and efficient corporate governance. In all medical device companies, quality is a vital aspect and must permeate the entire operations in order to meet the safety requirements that are a prerequisite for players in the medical device industry.

Getinge's strategy includes initiatives to reposition the Group for higher organic growth, increased competitiveness and efficiency as well as continued focus on acquisitions.

## Reposition for higher organic growth

**DOCUMENTED VALUE CREATION**
Innovation and product renewal at Getinge will result in products, systems and solutions with a documented ability to deliver excellent clinical results and economic benefits. Put simply, it will pay to invest in Getinge's products. By putting their trust in Getinge, customers can improve their financial performance, while optimizing their clinical results.

During the year, Getinge launched a number of new products aimed at contributing to improved healthcare. One such example is INSIGHT, an IT system that helps customers ensure optimal use of resources. Read more about the INSIGHT on page 22.

**STRENGTHEN THE SALES MODEL**
The nature of decision-making in healthcare is changing, and increasingly involves hospital managements and central purchasing departments. As a result, Getinge must demonstrate the economic benefits of the Group's products more clearly, and develop the sales process to also include the new decision-makers. At the same time, the organization's ability to present advanced reasoning based on the financial and economic conditions of healthcare must be strengthened.

During the year, sales models based on so called Commercial Excellence were introduced in several markets. A more efficient organization is achieved by a more customer-centric sales organization, and meanwhile customer contact with Getinge is simplified.

**EXPANSION IN EMERGING MARKETS**
Emerging markets now account for almost 30% of Getinge's total sales. Since this trend is expected to remain favorable in the long term, Getinge intends to further strengthen its position in these countries. However, due to higher demand and increased competition, the Group must be able to offer the right products at the right price. It also means that Getinge will develop a product range that is tailored to the mid-market segment, with products with simpler functionality at a lower price. The Group will thus be well positioned to leverage the next wave of growth in these markets.

During the year, Getinge initiated a pilot project in selected markets, with the three business areas merged to form one single sales organization per country. The aim of the new structure is to boost sales growth for the Group based on commercial collaboration, while economies of scale can be leveraged and create the conditions for a more efficient organization. The new structure was integrated into Getinge's new functional organization on January 1, 2016.

## Increase competitiveness and efficiency

**SUPPLY CHAIN EXCELLENCE**
To further coordinate production and distribution and thus benefit from the Group's infrastructure, size and expertise, Getinge's supply chain will be streamlined. Production will be concentrated to fewer plants with stronger resources, reducing complexity, transferring sourcing to competitive suppliers and optimizing the Group's logistics solutions.

During the year, Getinge made several efficiency enhancements in the supply chain of the Infection Control business area. For example, production was relocated from Rochester, US, and from Växjö, Sweden, to Poznan, Poland.

**LEVERAGE SYNERGIES THROUGH INCREASED COLLABORATION**
Getinge will better leverage its size to lower costs and increase competitiveness by coordinating certain functions at a Group-wide level and by creating a framework of strong processes. It also means that the business areas can focus on customer-centric operations to a greater extent.

The establishment of a Shared Services function for the Group continued according to plan during the year. A Shared Service center for Europe was established in Krakow, Poland, and the establishment also begun of a Shared Service center for North and South America in San José, Costa Rica.

## Continued focus on acquisitions

Acquisitions have been a key element in building Getinge Group. In the wake of continued consolidation among healthcare providers, size is increasingly important for suppliers that want to achieve long-term success. Acquisitions will remain a key strategic element in the future, particularly in order to continue to grow in emerging markets and to further strengthen leadership in certain segments.

In 2015, Getinge's focus has mainly been directed to managing the challenges identified as related to achieving satisfactory profitability and organic growth, and accordingly, the number of acquisitions has not been as high as in previous years. The reorganization and the transformation program launched in 2015 will provide considerably better conditions for succeeding in restoring profit margins and organic growth, and as a result of this, acquisitions will again become a priority. In addition, the new organizational structure will simplify the integration of future acquisitions.

# TOWARD ONE GETINGE

Over the past three years, Getinge has experienced a challenging trend. Organic growth has not reached the desired level and profitability has declined.

Getinge's conclusion is that its established strategy is correct for addressing these challenges, but the company's decentralized organizational structure has made the implementation of Group-wide priorities and initiatives difficult. It has also been difficult to leverage scale to the desired extent in the existing structure.

For this reason, Getinge launched a transformation program in 2015 aimed at enabling the implementation of the strategy and thus realizing its full potential.

## The transformation program comprises three components aimed at:

**Improving profitability** by leveraging the Group's scale to a greater extent by reorganizing the company from three independent business areas to a shared organizational structure. Five focus areas have been identified to effectively drive the cost agenda, for example, direct and indirect spend and shared services.


**Reigniting growth** through alignment of the product portfolio, and a sales organization that offers Getinge's complete product portfolio and is more clearly tailored to healthcare's needs and value chain. The focus is on structuring the organization to deliver increased clinical and economic value through the unique customer offering, thereby responding to the challenges and changes being faced in healthcare.

**Establishing a new functional organizational structure** that will facilitate a timely and smooth implementation of the program.

## Improve profitability - The Big 5

Five strategic initiatives called the Big 5 will increase profitability for Getinge Group by leveraging the scale in the organization. The five focus areas are:

**1. LEAN SUPPORT AND ADMINISTRATION**
Three independent business areas will merge into one Getinge and thereby create a more lean support an administration of the Group as well as reduced management levels. This will be achieved by structure simplification, backbone consolidation, process harmonization and continued development of the shared services functions.

**2. INDIRECT SPEND OPTIMIZATION**
Consolidation and implementation of strategic sourcing of indirect spend, that is purchases of goods and services that are not directly incorporated into the Group's products, will be achieved through consolidation of the supplier base, leveraging spend categories as one company and negotiating centrally.

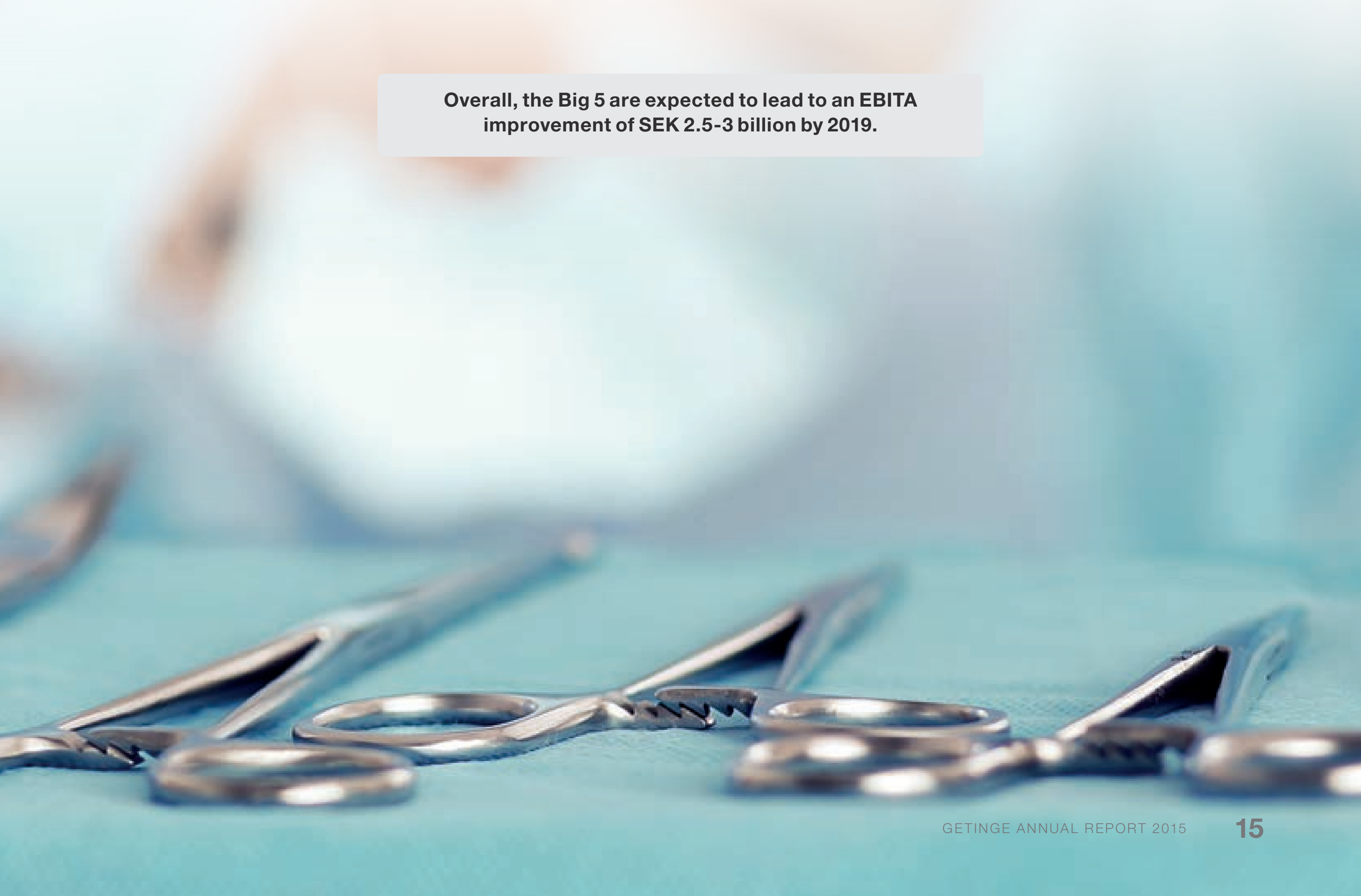
**3. DIRECT SPEND REDUCTION**
A reduction in direct spend, that is purchases of goods and services that are directly incorporated into Getinge's products, will be achieved through more efficient use of resources, consolidation of the supplier base and by reducing the complexity of components in the product development phase.

**4. PORTFOLIO SIMPLIFICATION**
The product portfolio is to be rightsized through clearer profitability transparency and discontinuing the manufacture of unprofitable products and options that do not demonstrate customer value.

**5. COMMERCIAL EXCELLENCE**
A comprehensive set of initiatives are being implemented globally to improve customer segmentation and prioritization, optimize the sales and service mix and improve discount management according to customer classification and performance.

Important plans and targets have been developed for realizing the savings potential of the transformation program. This work is being led by the newly established Program Management Office, which will facilitate the change and follow up on plans and progress.

**Overall, the Big 5 are expected to lead to an EBITA improvement of SEK 2.5-3 billion by 2019.**



## Reignite growth

**CUSTOMER-CENTRIC BUSINESS CATEGORIES**
Getinge has a unique offering that mirrors the healthcare continuum of care. A customer-centric product category structure is created that better mirrors customers' organizations, their needs and value pathways. Focus is directed to identifying customer needs, promoting clinical and economic benefits with the products and services offered, and following and supporting the customer decision process.

**TOTAL PORTFOLIO APPROACH**
A new sales organization is established aimed at creating opportunities in the various geographical markets and offering customers Getinge's entire product range. Substantial progress was made in 2015 in establishing a platform for creating a product and sales organization that mirrors the healthcare value chain.

**INNOVATION BASED ON CUSTOMER VALUE**
To intensify focus on customer-driven innovation, Getinge will ensure that the Group's innovation initiatives are conducted with a focus on clinical and economic benefits.

**INCREASED EXPOSURE IN THE US AND EMERGING MARKETS**
Getinge will improve at matching regional exposure to growth potential and size. The main focus will be on emerging markets and the US.

**CONTINUED FOCUS ON ACQUISITIONS**
Moving forward, acquisitions will remain a key strategic element for continued growth and to further strengthen leadership in certain segments.


# New organization structure

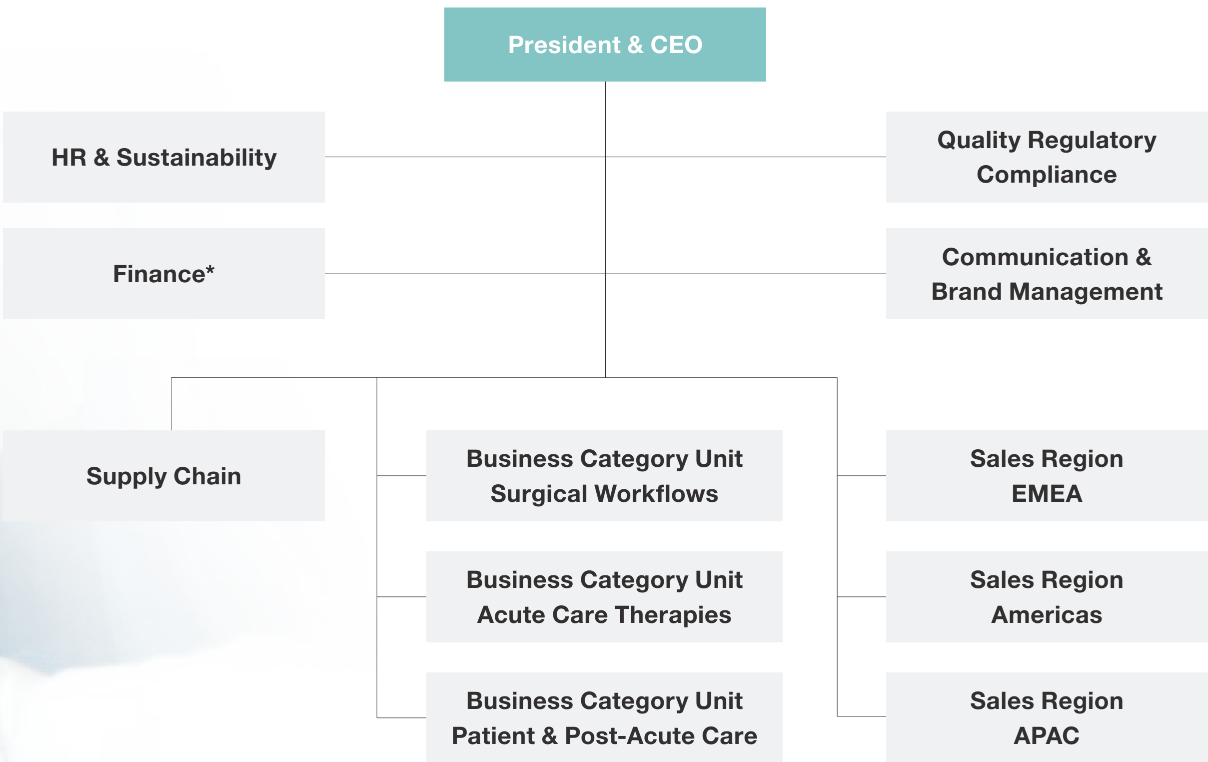
**A FUNCTIONAL ORGANIZATION FOCUSED ON CUSTOMER VALUE**
Getinge Group's organizational structure comprising three independent business areas was replaced with a functional structure on January 1, 2016. This will entail better opportunities for focusing on the specific needs of each customer, the harmonization of processes, and significantly more efficient and focused management of the Group.

The new organization includes a Group-wide Supply Chain function that will deliver a high level of customer service and also drive cost synergies. Three Business Category Units have been established to further develop world-class technologies and products that offer solutions to healthcare challenges throughout the continuum of care. The composition of the new Business Category Units – Surgical Workflows, Acute Care Therapies and Patient & Post Acute Care – will create new, unique and more focused customer offerings.

To strengthen our market positions and better reflect customer needs and requirements, a new sales organization is also established, divided into three regions: EMEA (Europe, Middle East and Africa), Americas (North and South America) and APAC (Asia and the Pacific region). All sales regions will offer the Group's total range and key account teams will also be introduced in each region for strategic selling. With Getinge's complete product portfolio, these teams will target sales to customers in managerial positions and professional purchasers. Regional clusters will be created for training, knowledge sharing and to enhance cooperation.

Four Group-wide support functions will support the Group in its new structure.

The work with the organization change proceeded according to plan during 2015 and the Group has established the management structure that from January 2016 will implement and carry out the changes that will create the conditions for restoring profitability and reigniting growth.




* Finance also includes responsibility for IT and legal.

# NEW FINANCIAL TARGETS

Getinge's financial targets will help to develop the Group's position as a leading global medical device company and generate healthy financial returns for the company's shareholders. Getinge Group's new financial targets for 2016-2019 were established in 2015. The targets are related to the transformation program and the evolution that Getinge will undergo over the next three to four years.

**ANNUAL TOP-LINE GROWTH***

**2-4%**

Organic sales growth will be achieved based on a new sales organization that will meet the needs and requirements of customers by offering Getinge's complete product portfolio. In addition, Getinge's product offering will be organized to mirror the healthcare value chain, which is expected to deliver greater clinical and economic benefits.

**ANNUAL EBITA IMPROVEMENT***

**> 10%**

EBITA before restructuring, acquisition and integration cost will be improved by leveraging the Group's scale to a greater extent by reorganizing the company from three independent business areas to a one company structure. Five focus areas have been identified to effectively drive the cost agenda, for example, direct and indirect spend and shared services.

**RETURN ON SHAREHOLDERS' EQUITY***

**> 15%**

The target for return on shareholders' equity is expected to be achieved as an effect of the improved earnings growth.

**CASH CONVERSION***

**> 70%**

Getinge works in a structured manner to ensure effective capital management. The initiative includes active work with accounts receivable, business inventories and accounts payable. The lower financing cost that these efforts create is used to invest in the Group's future.

(* excluding acquisitions)

## Financial targets until 2015

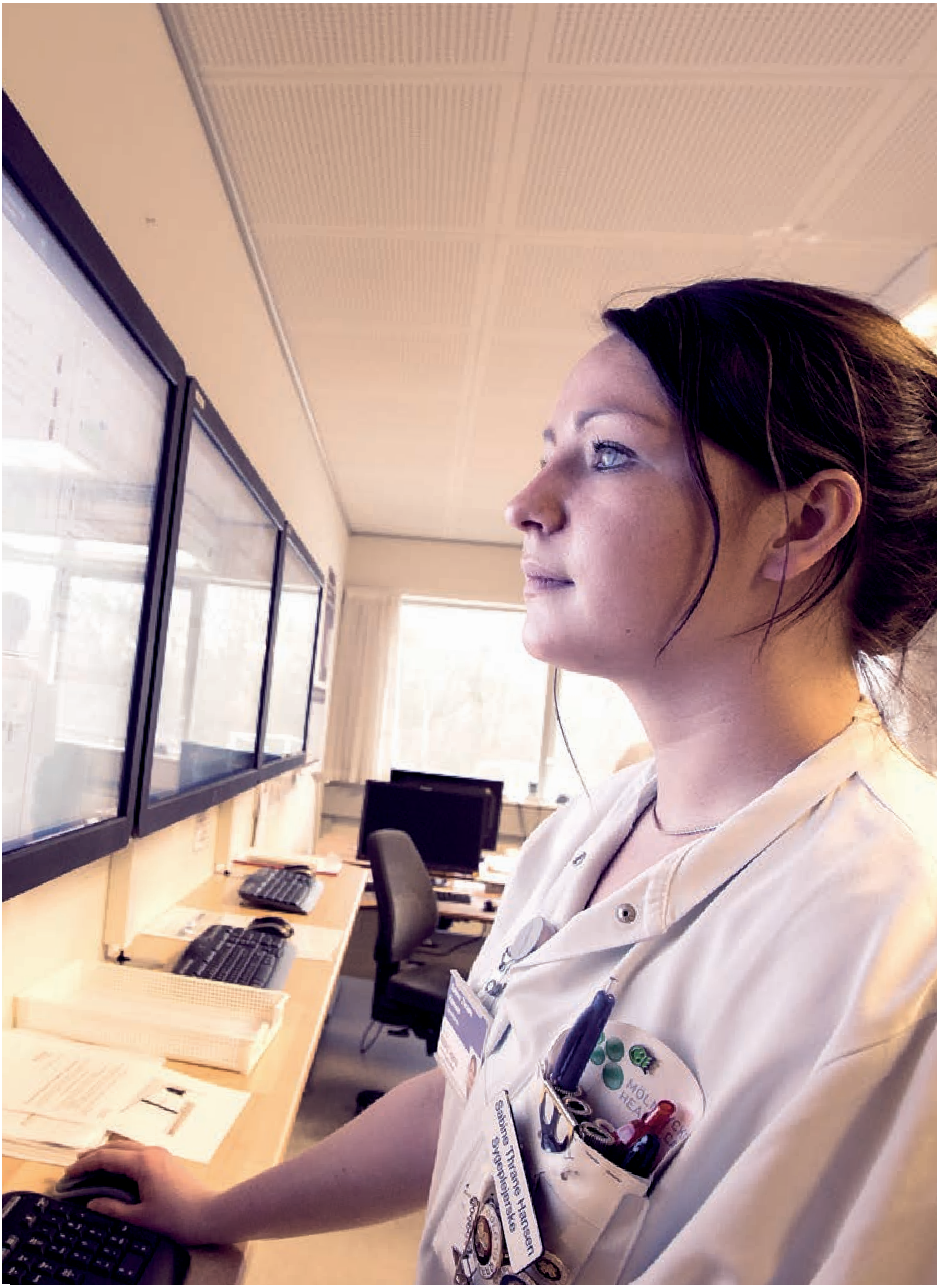
Getinge had the following financial targets for the 2012-2015 period:

**Profit before tax shall grow by an average of 15 % annually.**
Outcome: In 2015, profit before tax increased 0.5% to SEK 1,997 M (1,987).

**Organic growth shall outperform market growth by 2 percentage points.**
Outcome: In 2015, organic sales growth was 1.8% (0,6), a slight improvement on the preceding year.

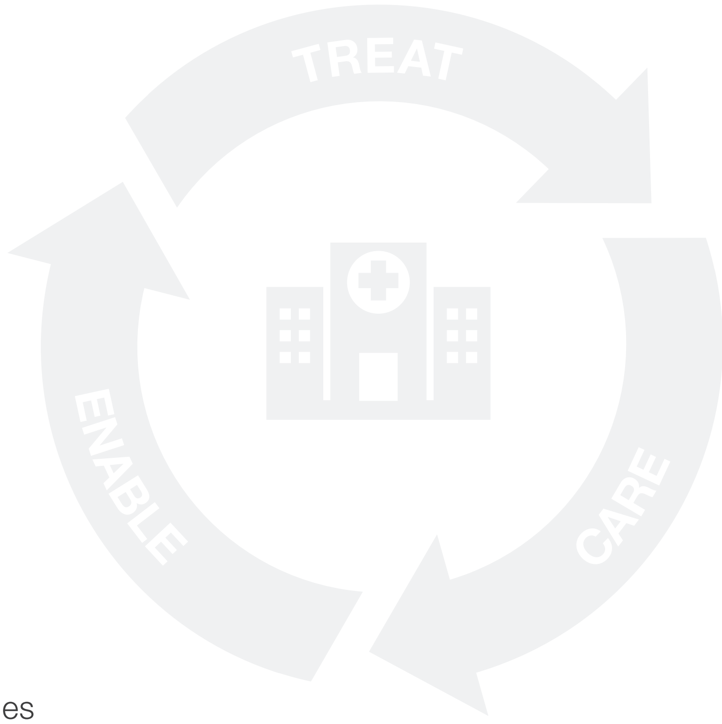
**The EBITA margin shall be about 22 %.**
Outcome: In 2015, the EBITA margin was 11.5%. Adjusted for restructuring, integration and acquisition expenses, the EBITA margin was 13.8%.

**Cash conversion – 60 to 70 % of EBITDA shall be converted to operating cash flow.**
Outcome: In 2015, cash conversion was 66.7%, which is in line with the Group's target.


Sabine Thrane Hansen
Sygeplejerske

# A UNIQUE CUSTOMER OFFERING

Getinge's unique offering mirrors the hospital's organization and value chain. Getinge is there before, during and after the patients' hospital stay.




## ENABLE - surgeries

The Surgical Workflows business category unit develops solutions for infection control, equipment for surgical workplaces and advanced IT systems for hospitals.

The offering includes equipment, consumables and services for cleaning, disinfection and sterilization of instruments, as well as equipment for complete surgical workplaces and expanded treatment options. The products promote efficient and secure hospital workflows.

The IT solutions contribute to optimized patient and workflows, minimized risks and create better compliance. In turn, this offers greater patient safety and efficient utilization of resources, staff and equipment.

In addition, the offering includes products and solutions for the Life Science segment. A comprehensive range of products and full project planning is offered in this segment through customized solutions for contamination prevention operations.

MAQUET GETINGE GROUP GETINGE GETINGE GROUP

The products and solutions in this business category unit are sold under the Getinge and Maquet product brands.

## TREAT - acute health conditions

The Acute Care Therapies business category unit develops pioneering technologies and solutions for intensive-care units, operating rooms and cardiology departments. The offering also includes equipment for treating patients while in transport.

ICU products and solutions, together with equipment for cardiac, pulmonary and vascular therapies, create a broader selection for patient care in acute health conditions. Furthermore, revolutionary solutions are offered for mobile ventilation, portable heart-lung products and radiology-adapted transfer solutions to make transport to or from hospital as smooth and safe as possible.

By focusing on future-oriented technology that makes daily operations easier and improves patient care, the Acute Care Therapies business category unit follows the patient throughout the continuum of care for surgeries and cardiac, pulmonary and vascular therapies.

MAQUET
GETINGE GROUP

The products and solutions in this business category unit are sold under the Maquet product brand.




## CARE - during recovery

The aim of the Patient and Post-Acute Care business category unit is to improve the lives of people affected by reduced mobility. This is done by providing integrated solutions that address the accidents, near accidents, and the healthcare burden caused by reduced mobility in both acute and post-acute healthcare settings.

The solutions help improve care results and increase safety and productivity, thus aiding healthcare providers and hospital staff to be more efficient in their work. The offering encompasses a broad number of products and solutions for Safe Patient Handling, Prevention of Venous Thromboembolisms, Medical Beds, Intensive Care Units, Early Mobility, Hygiene Systems, Bariatric Care, and Pressure Ulcer Prevention.

ARJOHUNTLEIGH
GETINGE GROUP

The products and solutions in this business category unit are sold under the ArjoHuntleigh product brand.




# INNOVATION FOR THE FUTURE

The aim of Getinge's innovation and product renewal is to develop products, systems and solutions with a documented ability to deliver excellent clinical results and economic benefits.

The foundation of all research and development at Getinge is an in-depth understanding of the customer and the customer needs.

This customer-focused innovation process helps allocate resources to develop solutions that genuinely contribute to enhancing the efficiency of customers' work and solving the challenges that they face.

Getinge's three new product category units Surgical Workflows, Acute Care Therapies and Patient & Post-Acute Care will create new, unique and more focused customer offerings. Through close collaboration with customers, Getinge strengthens the ability to continue developing world leading technologies and products that solves healthcare challenges throughout the continuum of care.

## ENABLE - surgeries

**IT SYSTEM FOR REAL-TIME RESOURCE PLANNING**

INSIGHT, an IT system for real-time resource planning at hospitals, was launched during the year. INSIGHT is a software solution that ensures optimal use of resources and offers relevant information to effectively manage flows of patients. With INSIGHT now being part of an integrated workflow solutions offering, it has the potential to be integrated with other IT systems offered by Getinge Group.

**NEW SOLUTION FOR LOW TEMPERATURE STERILIZATION**

During the year, Getinge expanded its product offering in sterilization and the Group has now entered the low temperature market, an area that is deemed to have great growth potential. This step was taken with the acquisition of Stericool, a Turkish company specializing in low temperature sterilization, and also signing an exclusive global distribution agreement with Canadian company $TSO_3$ Inc., an innovator in sterilization technology for medical devices. With these new solutions, Getinge can now offer sterilization of instruments used in minimally invasive surgery (MIS), a type of instrument that is extremely sensitive to the high temperatures and pressure of a steam sterilization process.

The new IT system INSIGHT contributes to optimal use of resources at hospitals.

# TREAT - acute health conditions

**LAUNCH OF SERVO-AIR™* TURBINE VENTILATOR**
The first turbine ventilator, SERVO-air™, was launched during the year. The ventilator was launched at the Africa Health medical congress held in Johannesburg, South Africa, and can be used at hospitals in parts of the world that do not always have access to air from wall outlets. The new ventilator is of the same high quality as the other products in the SERVO series. The product has a CE marking and has been developed in close cooperation with physicians and nurses in India, South Africa, Japan and the US.

* Not available in the US.

**CONTINUED FURTHER DEVELOPMENT OF FLOW-i® ANESTHESIA DEVICE**
Predicted Body Weight (PBW*) was launched during the year as expanded functionality for FLOW-i®. PBW supports lung-protective ventilation by identifying patient needs and acting accordingly. When caregivers enter the patient's age, weight, height and gender, PBW and the suggested parameters are then proposed on screen and can be easily followed and trended.

* Not available in the US.

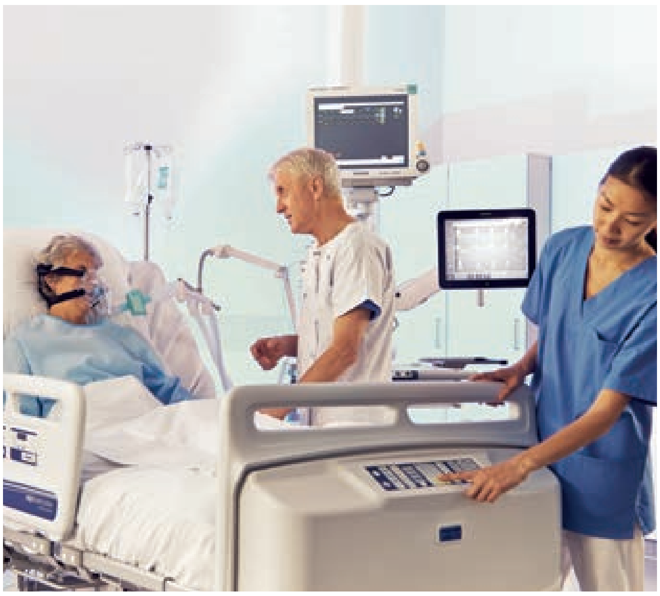
# CARE - during recovery

**AWARD WINNING POSITIONING SOLUTION**
In 2015, Getinge Group won the Red Dot Design Award for SEBA, a solution which allows caregivers to safely get patients from a supine position to seated at the edge of the bed. The Red Dot Design Award is one of the world's largest design competitions and is an internationally recognized quality seal in outstanding design.

**LAUNCH OF CITADEL PATIENT CARE SYSTEM**
The Citadel Patient Care System was launched during 2015. Citadel, which is part of Getinge Group's range of hospital beds, is an integrated system that provides flexible patient care for hospitals that demand safety, security and efficiency from their bed frames and therapeutic mattresses in a number of care environments from Critical Care to medicine and surgery.

**LAUNCH OF FLOWTRON® ACS900 ACTIVE COMPRESSION SYSTEM**
A new compression system was launched during 2015 in the product portfolio for the prevention of deep vein thrombosis, Flowtron® ACS900. The new Active Compression System delivers a simple, easy-to-use method of enhancing the circulation of blood in the deep veins of the legs, reducing venous stasis and helping to prevent the formation of deep vein thrombosis (DVT). The system delivers both uniform and sequential compression therapy from a single pump, which in turn aids asset management by reducing the need for multiple pumps in the healthcare facility.

**MEDICAL BEDS FOR EMERGING MARKETS**
Getinge Group have begun launching a new platform for medical beds named Essence. Essence beds have been specifically developed to meet emerging markets' needs for products with simpler functionality at a lower price.



# CUSTOMER-CENTRIC OFFERING

Getinge offers products that support the entire continuum of care, and are part of the offering for the construction of New Karolinska Solna, Sweden, which will open in 2016.

New Karolinska Solna, NKS, is being built directly adjacent to the current Karolinska hospital in Solna, Sweden, and Karolinska Institute. The concept is to create a highly cohesive area where healthcare, research and education can jointly help produce and spread new knowledge.

Getinge has participated in the procurement process prior to activities commencing, and has worked intensively together with NKS to analyze needs and be receptive to the requirements imposed. This ensures a sound understanding of how Getinge can best meet, and also exceed, customer expectations.

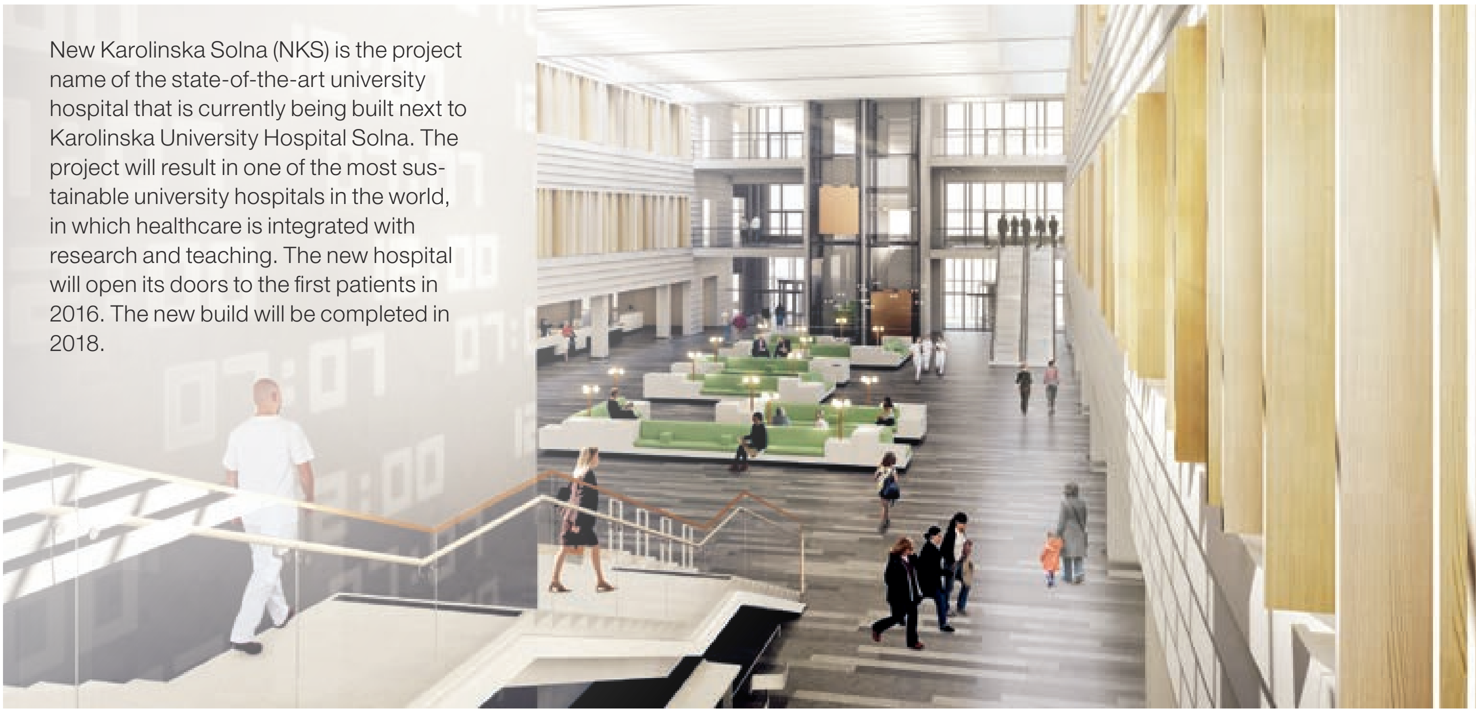
Getinge Group delivers several different types of products and services to NKS. Medical Systems delivers surgical lights, anesthesia machines and ventilators, Infection Control supplies infection equipment for the sterilization center and Extended Care delivers therapeutic mattresses on the basis of a contract with Stockholm County Council (SLL).

The entire hospital is scheduled for completion in 2018, although the first stage will be finished in autumn 2016 so that operations can start. The new sterilization center will be opened at the same time and will provide sterile instruments to the entire hospital. The center is also responsible for the flow of sterile disposables to the surgical operations.

For Getinge, it is important to be involved as early as possible in a construction project, particularly when it concerns establishing new sterilization departments. Architects, project managers and consultants need information at an early stage about, for example, access to space, water and drains requirements and ventilation needs in order to design the facilities correctly.

Getinge's drawing and design department put forward several proposals in collaboration with NKS for how space could be optimally used to ensure good flows in the sterilization center.

Getinge has a long tradition of partnerships with Karolinska University Hospital in a variety of innovation projects. A more extensive innovation collaboration was started at the beginning of 2016 with the aim of focusing on how the total value in the clinical workflows can be maximized and how Getinge's products can



New Karolinska Solna (NKS) is the project name of the state-of-the-art university hospital that is currently being built next to Karolinska University Hospital Solna. The project will result in one of the most sustainable university hospitals in the world, in which healthcare is integrated with research and teaching. The new hospital will open its doors to the first patients in 2016. The new build will be completed in 2018.

Getinge is delivering several different types of products to the operations being established at NKS, for example, the FLOW-i anesthesia device and the SERVO-U intensive care ventilator platform. The latter will also be supplied in a customized format that will enable critically ill patients to be transported by air.

optimally support NKS in these flows. It ultimately involves helping our customers to delivery according to their strategic targets.

The idea behind the innovation collaboration is that the hospital, together with relevant suppliers and academia, will establish a process for the continuous development of the operations. The challenges faced by healthcare, academia and the medical device industry are largely the same. The priorities of the operations are similar, and a mutual exchange of knowledge benefits the development of all parties.

Examples of potential improvement projects are optimization of equipment flows, automation of stock supplies, reviews of service and maintenance intervals for machinery as well as ergonomics, information management and improved clinical functions.

# WITH PEOPLE IN MIND

Getinge has a culture characterized by professionalism and entrepreneurship. The Group-wide cultural values are based on a strong sense of a shared commitment with people in mind.

It is important that shared values that are well-anchored throughout the organization permeate the operations in order to realize the Group's strategy and achieve the set targets. Work on implementing the new Group-wide cultural values was carried out during the year.

Getinge's cultural values combine Passion with Collaboration, Openness, Excellence and Ownership. These values are needed to meet future challenges and requirements and to grow in new markets, among new customer groups and through new business models. Possibly the strongest feedback from employees in the organization was the passion for their work and the company. For this reason, passion is at the very core of the Group-wide values.

A commitment to people is central to all Getinge's operations and also to the values. Getinge is an authority in the specialist field of medical devices and is committed to helping its customers save lives and guarantee excellent care.

The strong culture, values with people in mind, and the Group's operational results attract employees and contribute to the Group retaining the best talent in all specialist areas.


**PASSION IS THE WILLINGNESS TO IMPROVE RESULTS FOR OTHERS.**
Passion is central to Getinge's core values. Employees of Getinge Group truly care for customers and the patients that they serve. Our passion is rooted in a desire to improve the health and wellbeing of others. Getinge makes a natural contribution by offering products and services that save lives, and also through its commitment to sustainability.

**COLLABORATION IS ABOUT WORKING TOGETHER TO ENCOURAGE POSITIVE RESULTS.**
Open communication and shared best practices enhance collaboration. By sharing successful models, bridges are created between departments that unify internal work flows and reduce the number of times that the wheel has to be reinvented. Collaboration-oriented and considerate feedback from colleagues helps remove obstacles, enhances the efficiency of work and improves the outcome for customers and their patients.

**OPENNESS IS THE FOUNDATION OF A FEEDBACK CULTURE IN WHICH WE LISTEN TO AND RESPECT EACH OTHER'S CONTRIBUTIONS.**
Getinge strives to establish a culture of openness and feedback in which we listen to and respect each other's contributions. The Group supports transparent and honest communication from everyone, from new employees to the very highest management level. Confidence is created throughout the organization by being open to and providing feedback, thus fostering an environment of collaboration.

**EXCELLENCE IS AN UNDERTAKING TO ENSURE THE BEST PRODUCTS, EMPLOYEES AND PROCESSES.**
Excellence is a cultural phenomenon based on leadership, mentorship, teamwork and processes that set the foundation for high quality, best-in-class products and services. It is based on a joint effort that cannot be achieved individually. Getinge welcomes new ideas and encourages mentoring and coaching for new employees. The Group is investing in innovation, clinical evidence and strong relationships with key opinion-makers to identify as yet unsatisfied clinical requirements. To earn customer confidence as a market leader, Getinge must continuously strive to identify and invest in best practice in these areas.

**OWNERSHIP IS A PROACTIVE EFFORT FOR MAKING IMPORTANT DECISIONS.**
A chain is only as strong as its weakest link. Getinge nurtures a culture based on collaboration and openness. To succeed, every individual must take ownership of important decisions. Personal integrity, ethics and morale are important factors in all decisions that we make. Assuming responsibility ensures the best results for our customers and builds a strong culture.

# FOR LONG-TERM SUSTAINABLE DEVELOPMENT

Getinge feels a considerable sense of responsibility to contribute to sustainable development in terms of both lower environmental impact from production and finished products and social responsibility in the markets in which the company operates.

As a global manufacturer of medical devices and services, Getinge has operations in many locations across the world, and its employees represent a variety of cultures and backgrounds. With this comes responsibility – both locally and globally.

The Getinge Group's sustainability efforts also aim to ensure the Group's long-term earnings capacity and strengthen the company's competitiveness. The sustainability efforts have a favorable impact on the Group's ability to attract and retain both customers and employees, which is crucial for the continued development of Getinge.

Environmentally compatible product development, EcoDesign, is also part of Getinge's development activities. Quarterly environmental reporting from all of the Group's production units provides excellent opportunities for follow-ups and comprises the basis for decisions concerning environmental goals and activities in the environmental area.

Getinge Group strives to make positive contributions to the countries in which the company is active. While employees are encouraged to actively participate in social issues, the company does not make any contributions to political parties and makes no political donations.

Getinge has signed the UN Global Compact and supports the ten principles on human rights, labor, environment and anti-corruption. In addition, Getinge's sustainability work is governed by the Group's Code of Conduct and a number of policies on, for example, environment and anti-corruption.

### A sustainable and profitable Getinge

**Financial** **Social** **Environmental** **Employees**

## Getinge's Code of Conduct

Getinge's Code of Conduct stipulates how the company does business and describes the company's and employees' responsibilities to stakeholders. The Code of Conduct expresses how the company and its employees must conduct operations in a sustainable manner pursuant to ethical principles and in accordance with the applicable laws and regulations. All employees are to follow the values and principles set out in the Code of Conduct, and everyone is responsible for personifying Getinge's responsibilities in the day-to-day operations.

The Code of Conduct is based on the following international principles:

- The UN Universal Declaration of Human Rights
- UN Global Compact
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD's guidelines for multinational companies

The Group has also begun the process of implementing a global whistleblowing system under which employees have the opportunity to report any improprieties or deviations from the Code of Conduct.

The Code of Conduct was reviewed in 2015 to update it in accordance with the Group's values and updated policies. The new Code of Conduct will be launched in 2016.

## Value creation for stakeholders

The Getinge Group's sustainability efforts also aim to ensure the Group's long-term earnings capacity and strengthen the company's competitiveness. The sustainability efforts have a favorable impact on the Group's ability to attract and retain customers and employees.

### SHAREHOLDER VALUE

Getinge creates value for its shareholders through annual dividend payments and the share's long-term development. The dividend policy states that future dividends will be adjusted in line with Getinge's profit level, financial position and future development opportunities. The aim is for the dividend to the company's shareholders as a return on capital invested to correspond to 30-50% of net profit. The remaining portion is reinvested in the company.

For 2015, the proposed dividend is SEK 2.80 per share (2.80), which is unchanged compared with the preceding year.

### EMPLOYEES

Over the past 20 years, Getinge has grown from approximately 900 employees to more than 15,000 employees. The Group values healthy relationships with trade unions throughout the world and aims at paying market salaries and remuneration according to practice in all countries. According to the Group's policy, no minors are employed.

In 2015, salary costs and other remuneration amounted to SEK 7,188 M (6,480). In many countries, the Group's employees are covered by defined-contribution pension plans, primarily retirement pensions. The premiums are paid continuously throughout the year by each Group company to separate legal entities, such as insurance companies. Certain employees pay a portion of the premium themselves. The size of the premium paid by the employees and Group companies is normally based on a set proportion of the employee's salary. In 2015, the total net cost for pensions amounted to SEK 446 M (399). For further information regarding the Group's pension commitments, see Note 22 of the consolidated financial statements.

GETINGE GROUP

### CUSTOMERS

The Getinge Group's customers are found in the healthcare sector. Through its operations, the Getinge Group contributes to enhancing care and making it more efficient, which ultimately leads to the release of resources for additional care production. The Group has long been a major player in the European healthcare market. The expansion of recent years means that Getinge's customers are currently found in all corners of the world.

### INVESTMENTS IN EMERGING MARKETS

In recent years, Getinge Group has completed a number of investments in production facilities and sales companies in several emerging markets. New plants have been opened in for example China and Poland thus creating new employment opportunities, and Getinge endeavors to ensure adjustments to favorable working conditions for employees in these countries.

# Business ethics and social responsibility

Getinge places high demands on all its operations in terms of health, safety, discrimination and ethics – regardless of where in the world operations are conducted.

In many of the countries where Getinge is active, health and safety in the workplace is regulated by stringent national legislation. However, the Getinge Group is also active in countries where this legislation is significantly weaker. Nonetheless, the Group places the same demands on all its operations in terms of health, safety, discrimination and ethics regardless of where in the world operations are conducted.

Getinge's Code of Conduct is the foundation for all operations and it describes how the company and employees are to act in relation to each other and other stakeholders. A number of global policies support the Code and are supplemented with local policies where necessary.

To ensure that the Group's Code of Conduct is also upheld even in the supply chain, in 2012, the Group decided that all supplier agreements must be supplemented with an agreement under which the supplier pledges to comply with the requirements in Getinge's Code of Conduct, which is an ongoing process. In addition, a process is also underway to prepare a separate Code of Conduct for suppliers.

For operations in countries with weaker legislation, the company's Code of Conduct and policies are of the utmost importance and govern activities in the absence of legislation. In recent years, Getinge has worked on extended risk analysis of high-risk countries, which has resulted in more extensive efforts, for example in the form of training, in identified high-risk countries.

Getinge strives to make a positive and sustainable contribution to the communities in which the Group is active. Such efforts primarily take the form of projects linked to the company's operations.

### ANTI-CORRUPTION

Ethics and moral are the basis of all of the company's operations and are reflected in all relationships, both internally and externally. A global anti-corruption policy was adopted during the year to group together the company's shared values in this area. The policy is based on Getinge's shared values and aims to ensure ethical behavior in all business.

Gifts, corporate representation, compensation and personal benefits may only be offered to outside parties if they are of minor value and associated with the prevailing norms. No gifts, corporate representation or personal benefits may be given if they contravene the applicable legislation or prevailing norms. When Getinge's policy contains stricter requirements than current practice or applicable legislation, then the Group's policy takes precedence.

Gifts that do not meet these requirements must be reported to management, which will determine what action is to be taken. Getinge's employees are not permitted to strive for or accept gifts or benefits that can be presumed to impact their business decisions. Gifts that can be presumed to impact business decisions must be reported to the company's management, which will decide how the matter is to be handled.

Combating corruption is highly important to Getinge. During the year, work on implementing an updated global anti-corruption and whistle-blowing policy commenced in Brazil, China and the United Arab Emirates through a comprehensive training program, and local additions (appendices) were added for specific legislation in a country where appropriate. Information material was produced to communicate how to use the Getinge Ethics Line (Getinge's whistleblowing hotline, a phone line where employees can call around the clock to report any events that for some reason cannot be reported according to internal routines), and the roll-out began during the final quarter of 2015 and will continue in 2016. Work will also be carried out in other markets in the Group in 2016 to ensure understanding of the significance of these policies and compliance with the regulations.

# Lower environmental impact of manufacturing and products

Getinge contributes to a sustainable society through active work in the environment. The aim is to reduce the environmental impact of products over their entire life cycle.

All manufacturing units will implement and certify management systems that meet the ISO 14001 standard. New operations must have certified management systems in place within two years of being acquired or established. This ensures structured environmental efforts through requirements for follow-up of the environmental impact of own operations and the preparation of goals, actions and procedures for significant areas.

Goals and actions are focused on the elements that comprise the most significant environmental impact for each facility. Regular external and internal audits ensure that the management system develops continuously and contributes to an effective environmental effort.

A summary of the Group's certifications can be found on page 91.

The follow-up of Getinge's environmental goals 2010-2015 was completed and new environmental goals for the Group were established. These goals include greater responsibility in the areas of energy, climate and waste and are based on the analysis of the most important environmental aspects that is carried out at each production facility.

## QUARTERLY ENVIRONMENTAL REPORTING

All production facilities prepare quarterly reports on their environmental performance regarding consumption of fuel and electricity, quantities of waste and recycling as well as emissions of solvents. The reporting is integrated with the Group's financial reporting and enables excellent opportunities to follow up the progress of the work with the Group's environmental goals. The information is regularly updated on the Group's intranet. Getinge also reports annually to the Carbon Disclosure Project (CDP), for which continuous improvements have been made in recent years.

## ENERGY AND CLIMATE

Reducing the climate impact of the operations constitutes a key element of environmental efforts. The Group's goals were a 10% reduction of $CO_2$ emissions from production between 2010 and 2015 and a 22% reduction in emissions from the Group's vehicle fleet by 2015. Total $CO_2$ emissions from production fell 3%, meaning that the Group did not quite achieve the target of a 10% reduction between 2010 and 2015. The main reason for this was that a large portion of production was relocated to low cost countries where indirect emissions from electricity production are higher. However, direct emissions from production significantly reduced during the period.

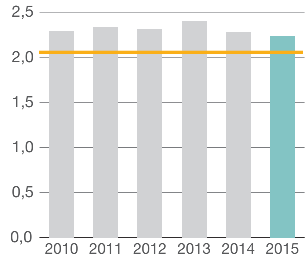
### Energy-efficiency enhancements

Efforts to enhance energy efficiency continued during the year, for example, by continuing to upgrade lighting and heating in manufacturing and warehouse premises.

### Indirect emissions from electricity use

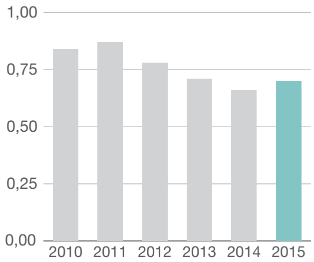
As part of further reducing the Group's climate impact, more of the production facilities are using only green electricity. Other facilities have actively chosen suppliers with a favorable electricity production mix. Accordingly, it was possible to decrease indirect emissions in a number of countries.

**Total production-related $CO_2$ emissions**
Target: 10% reduction



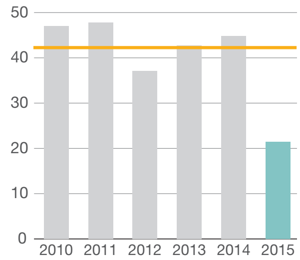

■ Direct and indirect emissions, tons per SEK M of internal sales
■ Target by 2015 with 2010 as base year

**Direct production-related $CO_2$ emissions**




■ Direct emissions, tons per SEK M of internal sales

**Hazardous waste** [1]
Target: 5% reduction




■ Quantity of hazardous waste, kg per SEK M of internal sales
■ Target by 2015 with 2010 as a base year

A challenge for Getinge Group is that in many cases the production facilities are in countries in which is it difficult to find suitable electricity suppliers. Traditionally, emerging markets have higher emissions from electricity generation, which means that emissions in these markets rise with increased production.

This was the primary reason why the Group's total $CO_2$ emissions have not declined more significantly. To improve this situation, Getinge is striving as far as possible to identify other ways of reducing emissions, for example by installing solar panels or encouraging local electricity suppliers to reduce emissions from their electricity production.

### Freight transportation

A key component of Getinge's climate endeavors relates to emissions from freight transportation. This applies to transportation with the Group's own vehicles, such as service visits, and to freight transportation.

Getinge's car policy imposes far-reaching demands on $CO_2$ emissions. Group-wide reports are prepared for the majority of the vehicle fleet. The reports are mainly based on actual fuel consumption and actual mileage.

Proactive selection of carriers and efficient logistics operations will enable a reduction in the environmental impact from freight transportation in the coming years.

### WASTE AND RECYCLING

One of the Group's environmental goals applies to increased recycling of waste from the production facilities. Reaching the vision of recycling all production waste requires investments in efficient waste handling equipment, changed attitudes and behavior as well as environmentally compatible product development. Methodical work has resulted in the proportion of waste being sent to recycling gradually increasing year-by-year, and new goals have been established in this area.

## New environmental goals from 2016

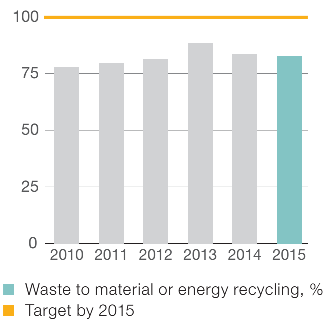
**Energy and climate**

- Reduce $CO_2$ emissions from production by 5% by 2018, with 2015 as the base year.
- Reduce energy consumption of production by 10% by 2018, with 2015 as the base year.
- Reduce $CO_2$ emissions from company vehicles by 10% by 2020, with 2016 as the base year.
- Prepare environmental reporting for Getinge's vehicle fleet in 2016.
- Prepare environmental reporting for freight transportation in 2016.

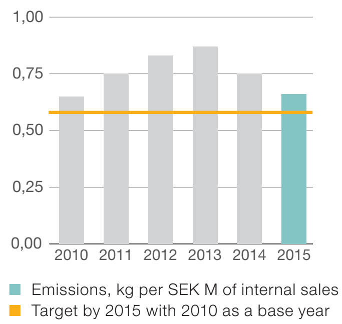
**Waste**

- Reduce the amount of hazardous waste in production by 10% by 2018, with 2015 as the base year.
- All non-hazardous waste from production is to be recycled.
- Identify opportunities to optimize the use of raw materials in the manufacturing of disposables in 2016.

**Recycling** [2]
Target: all other waste should be recycled




**Emissions of VOC** [3]
Target: 5% reduction




1. **Hazardous waste:** The amount of hazardous waste has fallen considerably. The higher levels in 2013 and 2014 were due to the closure of a number of production units and larger amounts of hazardous waste being transported away.
2. **Recycling:** The percentage of waste that is recycled increased from 78% to 82% during the period.
3. **Volatile organic compounds:** The emissions are mainly attributable to the painting of certain products, which will be phased out.

The graphs are based on reporting from all of the Group's production facilities.

# Focus on employees and values

As Getinge Group expands its operations through corporate acquisitions and by establishing new operations in various regions of the world, work with the company's fundamental values becomes increasingly important.

Getinge aims to be an attractive employer and offer a work environment that is based on cooperation, responsibility and transparency. All employees are to be treated equally and Getinge does not accept any form of discrimination due to, for example, religion, age, ethnicity, national identity, gender, sexual orientation or political view.

### VALUES

It is important that shared values anchored throughout the organization permeate the operations in order to realize the Group's strategy and achieve the set targets. Getinge's values are based on a sense of a shared commitment with people in mind. These values combine Passion with Collaboration, Openness, Excellence and Ownership.

Work on implementing the Getinge's shared values was carried out throughout the Group in 2015. Read more about these values on pages 26-27.

### A SAFE WORK ENVIRONMENT

Employee health and safety is of the utmost importance, and a safe and secure work environment is a priority. Considerable emphasis is placed on the employees' well-being and Getinge must provide safe and sound work environments in line with best practices.

The Group's work on health and safety matters is based on national legislation, international regulations and own requirements and policies. Getinge strives to offer a safe and nondiscriminatory work environment for the company's employees worldwide and conducts a continuous, long-term health and safety effort at all facilities.

Sickness absence for 2015 totaled 2.9% (2.7) for the Group as a whole. The number of accidents per 100 employees decreased during the year and amounted to 2.5 (2.9). No serious accidents were reported during the year.

### RECRUITMENT AND TRAINING

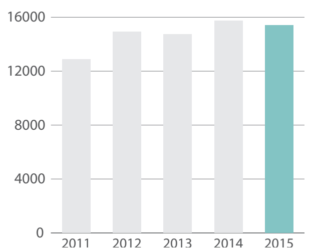
To continue to expand Getinge's business at a fast pace, the Group must attract, recruit, develop and retain employees with the appropriate expertise and right values. The Group has thus pursued a long-term HR effort that supports the company's strategic and financial targets, which includes structured succession planning that is reviewed annually.

During the year, focus was primarily directed to establishing the new organization presented during the second half of the year and which was put into effect on January 1, 2016. The positions in the new organization were largely filled by recruiting internally, which was facilitated by the Group's succession planning structure.

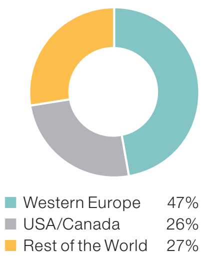
Every year, a number of training courses are held for the Group's executives, and customized training programs are offered at university level for future leadership talents. These programs are organized in close cooperation with some of the most distinguished universities in the world.

Furthermore, managers are continuously trained in managing change work and in the implementation of Getinge's strategy, such as in the form of challenges and opportunities associated with the prioritized activities established for achieving the targets.

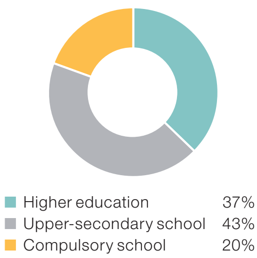
**Number of employees**



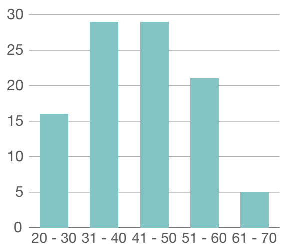

**Number of employees per region, %**




**Level of education, %**




**Age structure**
Distribution per age group, %



## EQUALITY AND DIVERSITY

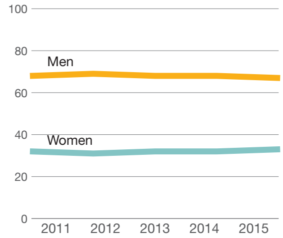
Getinge Group endeavors to create a business with extensive overall expertise and a wide range of experience to create a dynamic organization that can continue to advance the company in line with its strategic objectives. Accordingly, Getinge actively works on diversity issues, which are a key element of the Group's Code of Conduct.

Getinge has also had a policy for a number of years to ensure that all employees – regardless of gender, race, religion and other irrelevant contextual factors – are given equal opportunity to develop and receive equal wages for equal work in due consideration of local conditions.

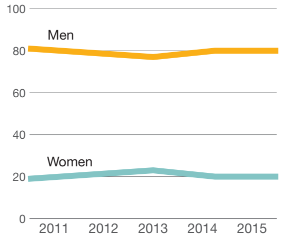
Diversity is a key competitive advantage and the new management team will continue to pursue this work in their respective functions. Diversity is becoming increasingly important to success in a global environment in which customers represent diversified groups from different cultures and ages, a factor that must be reflected in our own management structures.

Getinge works actively on increasing diversity within the Group. With the new Group management that was presented during the year, Getinge takes an important step towards a more diverse management team in terms of gender, ethnicity, age and background.

**Gender distribution, general, %**

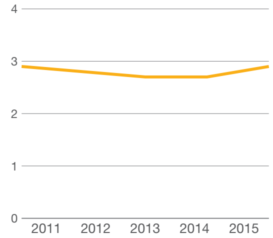



**Gender distribution, management*, %**

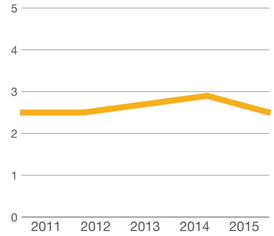



*management positions in the Group's legal entities.

**Sickness absence in the Group, %**




**Accidents**
# of accidents per 100 employees



# THE GETINGE SHARE

Getinge's Class B share has been listed on Nasdaq Stockholm AB since 1993. The share is included in the Nasdaq Nordic Large Cap segment and the OMXS30 index. At December 31, 2015, the number of shareholders was 36,846 and the percentage of foreign-owned shares amounted to 48.8% (44.8). Swedish institutional ownership was 24.3% (15.2), of which equity funds constituted 8.1% (9.5).

### SHARE TREND AND LIQUIDITY

At year-end, Getinge's share was listed at SEK 222.50, which was an increase of 25.1% during the year. The highest price paid in 2015 was SEK 236.20 (April 16) and the lowest was SEK 163.50 (January 12). At year-end, market capitalization amounted to SEK 53.0 billion, compared with SEK 42.3 billion at the end of the preceding year. The turnover of shares in 2015 totaled 211,007,531 (247,223,849).

### SHARE CAPITAL AND OWNERSHIP STRUCTURE

At year-end 2015, share capital in Getinge totaled SEK 119,161,689 distributed among 238,323,377 shares.
All shares carry the same dividend entitlement. One Class A share carries ten votes and one Class B share carries one vote.

### DIVIDEND POLICY

The Board of Directors of Getinge has adopted a dividend policy entailing that future dividends will be adjusted in line with Getinge's profit level, financial position and future development potential. The aim is for the dividend to correspond to 30-50% of net income.

### SHAREHOLDER INFORMATION

Financial information about Getinge is available on the Group's website. Questions can also be put directly to the company. Annual reports, interim reports and other information can be requested from the Group's head office by telephone, from the website or by e-mail.

| | |
|---|---|
| Website: | getingegroup.com |
| E-mail: | info@getinge.com |
| Telephone: | +46 (0)10-335 00 00 |

### SHAREHOLDER VALUE

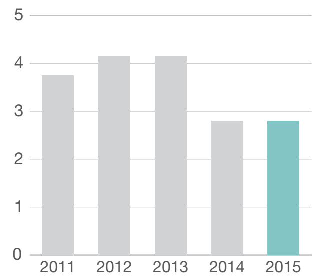
Getinge Group's management works continuously to develop and improve the financial information relating to Getinge to provide current and future shareholders with favorable conditions to evaluate the company in as fair a manner as possible. This includes active participation at meetings with analysts, shareholders and the media.

### ANALYSTS THAT MONITOR GETINGE

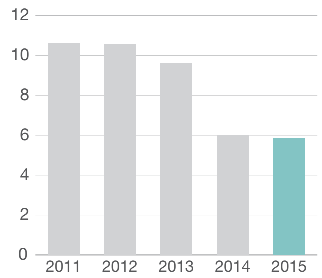
ABG Sundal Collier, Bank of America Merrill Lynch, Berenberg Bank, Carnegie, Cheuvreux Nordic, Commerzbank, Danske Bank, DNB Markets, Handelsbanken, HSBC, Jefferies International Ltd, J.P. Morgan, Morgan Stanley, Nordea, Pareto Securities, SEB Enskilda, Société Générale, Swedbank and S&P Capital IQ.

**Information regarding Getinge's major shareholders, Ownership by country, Share capital distribution and Ownership structure was prepared on December 31st, 2015. Source: Modular Finance.**

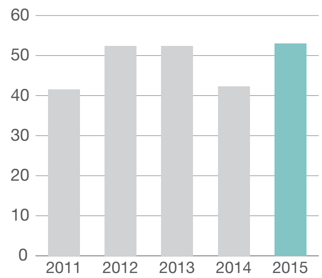
**Dividend per share, SEK**



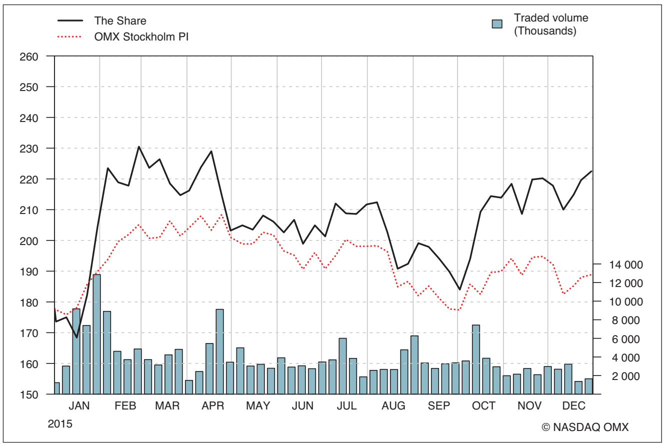

**Earnings per share, SEK**



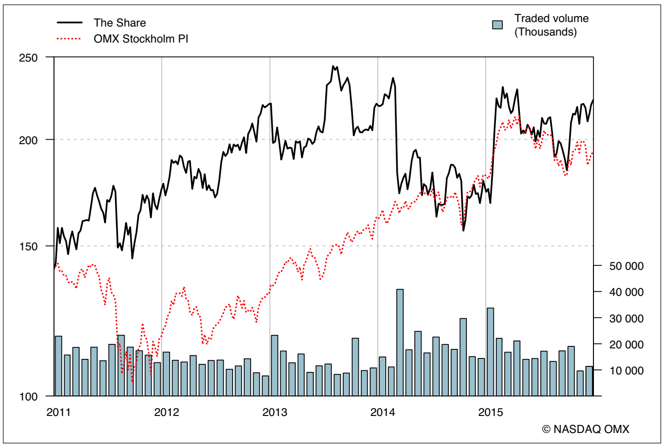

**Market Capitalization, SEK billion**



## Price and volume trend 2015




## Price and volume trend 2011 – 2015




## Share data

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| *Amounts in SEK per share unless otherwise stated* | | | | | |
| Earnings per share after tax | 10,61 | 10,58 | 9,59 | 6,01 | 5,83 |
| Market price at December 31 | 174,40 | 220,00 | 220,00 | 177,80 | 222,50 |
| Cash flow | 11,78 | 11,45 | 10,66 | 10,61 | 10,12 |
| Dividend | 3,75 | 4,15 | 4,15 | 2,80 | 2,80 |
| Dividend growth, % | 15,40 | 10,57 | 0,00 | -32,50 | 0,00 |
| Dividend yield, % | 2,15 | 1,89 | 1,89 | 1,57 | 1,26 |
| Price/earnings ratio | 16,44 | 20,79 | 22,94 | 29,58 | 38,16 |
| Dividend as profit percentage, % | 35,34 | 39,22 | 43,27 | 46,59 | 48,03 |
| Shareholders' equity | 61,30 | 63,66 | 69,58 | 76,96 | 82,22 |
| Average number of shares (million) | 238,3 | 238,3 | 238,3 | 238,3 | 238,3 |
| Number of shares, December 31, (million) | 238,3 | 238,3 | 238,3 | 238,3 | 238,3 |

## Getinge's major shareholders at December 31 2015

| | Class A shares | Class B shares | % of capital | % of votes |
|---|---|---|---|---|
| Carl Bennet companies | 15 940 050 | 27 153 848 | 18,1 | 48,9 |
| Franklin Templeton Investments | | 19 290 257 | 8,1 | 5,1 |
| Första AP-fonden | | 6 390 331 | 2,7 | 1,7 |
| Swedbank Robur funds | | 4 999 926 | 2,1 | 1,3 |
| Fjärde AP-fonden | | 4 699 783 | 2,0 | 1,2 |
| Fidelity funds | | 4 205 555 | 1,8 | 1,1 |
| Nordea funds | | 4 113 238 | 1,7 | 1,1 |
| Folksam | | 3 886 832 | 1,6 | 1,0 |
| Norges Bank | | 3 606 637 | 1,5 | 0,9 |
| AMF Insurance & Funds | | 2 200 000 | 0,9 | 0,8 |
| Other | | 141 836 920 | 59,5 | 36,9 |
| **TOTAL** | **15 940 050** | **222 383 327** | **100,0** | **100,0** |

The table shows the largest identified shareholders in terms of capital ranked by number of votes. There may be major individual shareholders who are listed in the share registry and included among other shareholders.

## Development of share capital

| Transaction | | Number of shares after transaction | Share capital after transaction, SEK |
|---|---|---|---|
| 1990 | Formation | 500 | 50 000 |
| 1992 | Split 50:1, nom 100 kr till 2 kr | 25 000 | 50 000 |
| 1992 | Private placement | 5 088 400 | 10 176 800 |
| 1993 | Private placement | 6 928 400 | 13 856 800 |
| 1995 | Non-cash issue | 15 140 544 | 30 281 088 |
| 1996 | Bonus issue 2:1 | 45 421 632 | 90 843 264 |
| 2001 | New issue 1:9 at SEK 100 | 50 468 480 | 100 936 960 |
| 2003 | Split 4:1, par value SEK 2 to SEK 0.50 | 201 873 920 | 100 936 960 |
| 2008 | New issue 1:16 at SEK 120 | 214 491 040 | 107 245 520 |
| 2009 | New issue 1:9 at SEK 83.5 | 238 323 377 | 119 161 689 |

## Share capital distribution

| | Class A | Class B | Total |
|---|---|---|---|
| No. of shares | 15 940 050 | 222 383 327 | **238 323 377** |
| No. of votes | 159 400 500 | 222 383 327 | **381 783 827** |
| % of capital | 7 | 93 | **100** |
| % of votes | 42 | 58 | **100** |

## Five largest countries – capital, %

| | |
|---|---|
| Sweden | 51,2 |
| USA | 22,7 |
| UK | 14,7 |
| Luxembourg | 2,5 |
| Norway | 2,1 |

## Ownership structure 2015

| From | To | Ownership, % | Shareholding, % |
|---|---|---|---|
| 1 | 100 | 33,9 | 0,3 |
| 101 | 200 | 14,7 | 0,4 |
| 201 | 300 | 9,7 | 0,4 |
| 301 | 400 | 4,8 | 0,3 |
| 401 | 500 | 7,1 | 0,5 |
| 501 | 1 000 | 13,4 | 1,6 |
| 1 001 | 2 000 | 8,0 | 1,8 |
| 2 001 | 5 000 | 5,2 | 2,5 |
| 5 001 | 10 000 | 1,5 | 1,7 |
| 10 001 | 20 000 | 0,7 | 1,5 |
| 20 001 | 50 000 | 0,4 | 2,1 |
| 50 001 | 100 000 | 0,2 | 2,1 |
| 100 001 | 500 000 | 0,2 | 9,0 |
| 500 001 | 1 000 000 | >0,1 | 8,5 |
| 1 000 001 | 5 000 000 | >0,1 | 35,0 |
| 5 000 001 | 10 000 000 | <0,1 | 9,4 |
| 10 000 001 | 50 000 000 | <0,1 | 23,1 |
| **Total** | | **100,0** | **100,0** |

## Ownership by category – capital, %

| | |
|---|---|
| Swedish individuals | 27,0 % |
| Swedish institutions | 16,2 % |
| Swedish mutual funds | 8,1 % |
| Foreign owners | 48,7 % |

# ADMINISTRATION REPORT

## Operation and structure

Getinge is a global company with operations in 40 countries and proprietary production in ten countries. The pace of change and growth since the stock-market listing has been high. Every day, Getinge's products contribute to saving lives and ensuring excellent care. The Group operates in the areas of surgery, intensive care, infection control, care ergonomics and wound care.

**Organization.** Until the end of 2015 Getinge Group comprised three business areas: Medical Systems, Extended Care and Infection Control. Approximately 82 per cent of sales are conducted through the Group's proprietary sales companies and the remaining 18 per cent are sold by agents and distributors in markets for which the Getinge Group lacks proprietary representation. Production is conducted at a total of 27 facilities in Brazil, Canada, China, France, Germany, Poland, Sweden, Turkey, the UK and the US.
USA.

## Financial overview

**Revenues.** Consolidated net sales increased 13.4 per cent to SEK 30,235 M (26,669). Adjusted for corporate acquisitions and exchange-rate fluctuations, net sales rose 1.8 per cent.

**Operating profit.** The Group's operating profit increased 3.1 per cent to SEK 2,729 M (2,646), which corresponds to 9.0 per cent (9.9) of net sales.

**Net financial items.** Net financial items amounted to an expense of SEK 732 M (expense: 659), of which net interest items comprised an expense of SEK 696 M (expense: 632).

**Profit before tax.** The Group's profit before tax increased 0.5 per cent to SEK 1,997 M (1,987), which corresponds to 6.6 per cent (7.5) of net sales.

**Taxes.** The Group's total taxes amounted to SEK 540 M (539), corresponding to 27.0 per cent (27.1) of profit before tax (see Note 9). Taxes paid amounted to SEK 858 M (790), corresponding to 43.0 per cent (39.8) of profit before tax.

**Tied-up capital.** Inventories amounted to SEK 5,409 M (5,245) and accounts receivable to SEK 7,470 M (7,362). The average consolidated working capital was SEK 40,771 M (36,529). Return on working capital was 8.6 per cent (8.2). Goodwill totaled SEK 21,798 M (21,118) at the end of the fiscal year.

**Investments.** Net investments in non-current assets amounted to SEK 1,046 M (945). Investments primarily pertained to production facilities, production tools and IT projects.

**Financial position and equity/assets ratio.** The Group's net debt totaled SEK 22,867 M (22,541), corresponding to a net debt/equity ratio of 1.17 (1.21). Shareholders' equity at year-end amounted to SEK 19,593 M (18,694), corresponding to an equity/assets ratio of 36.8 per cent (35.4).

**Cash flow.** Operating cash flow amounted to SEK 3,458 M (3,473). The cash conversion was 66.7 per cent (72.9).

**Shareholders' equity.** For information regarding trading of shares in the company, the number of shares, the classes of shares and the rights associated with these in the company, see the Getinge Share section on pages 36-37.

## Sales trend

During the year, net sales increased 13.4 per cent to SEK 30,235 M (26,669). Net sales rose organically by 1.8 per cent (0.6). In 2015, Medical Systems' sales amounted to SEK 16,078 M (14,105). Sales grew organically by 1.8 per cent (0.5). In Extended Care, sales totaled SEK 7,767 M (7,164), corresponding to negative organic growth of 2.2 per cent (neg: 0.5). In Infection Control, sales amounted to SEK 6,390 M (5,400), corresponding to organic growth of 7.0 per cent (2.3). The USA and Canada represents the Group's largest market, accounting for 37 per cent (34) of sales, followed by Western Europe at 35 per cent (37). Other countries account for 28 per cent (29) of sales. The hospital segment accounts for 84 per cent (84) of sales, elderly care for 8 per cent (8) and the life science industry for 8 per cent (8).

## Group-wide events during the year

**Alex Myers new President and CEO of Getinge.** Alex Myers took office as the President and CEO of Getinge at the Annual General Meeting on March 25, 2015 when Johan Malmquist, at his own request, stepped down after having served for President for 18 years. Johan Malmquist acted as an advisor to the Board and CEO for the remainder of the year.

**New structure in emerging markets.** During the year, Getinge initiated restructuring in selected markets, with the three business areas merged to form a single Group-wide unit per country. The aim of the new structure is to contribute to higher sales growth for the Group based on commercial collaboration, while economies of scale can be leveraged and create conditions for a more efficient organization. As of January 1, 2016, the new structure was implemented into Getinge's new functional organization.

**Continued establishment of Shared Services.** Getinge commenced the establishment of Shared Services with a focus on financial and administrative support functions in 2014. The establishment process continued in the EMEA region during the year and encompassed a total of 41 of the Group's units in a total of 11 countries by year-end 2015. In addition, the establishement of a new Shared Services center to support North and South America was initiated in San Jose, Costa Rica.

**Group-wide Quality Regulatory Compliance function.** The Group established a new Group-wide Quality Regulatory Compliance function during the year, for the purpose of developing efficient shared processes for the Group as a whole. The new function became effective on June 1, 2015.

**Pernille Fabricius new CFO of Getinge Group.** Getinge appointed Pernille Fabricius as new Chief Financial Officer of the Group at the end of the year. Pernille Fabricius is part of Getinge Group management and succeeded Ulf Grunander, who has decided to retire after 23 years as CFO of Getinge. Pernille assumed her new position as CFO of Getinge Group on February 22, 2016. Ulf Grunander will continue to contribute to the Group as a senior advisor up until the 2016 Annual General Meeting.

## Medical Systems Business Area

*The Medical Systems business area's product range includes solutions for operating rooms, intensive care units and cath labs, such as surgical tables and lights, instruments and implants for cardiovascular surgery, anesthesia equipment and ventilators, as well as advanced products for the minimally invasive treatment of cardiovascular diseases.*

Medical Systems accounted for 53% of Getinge's sales and 63% of EBITA in 2015. The number of employees amounted to 6 761, corresponding to 44% of the Group's total employees.

Medical Systems experienced a challenging year, but continued to perform well despite intense activities associated with the quality management system and the Consent Decree with the FDA.

The business area's net sales totaled SEK 16,078 M in 2015. The order intake grew organically by 1.9% during the year, with a positive performance in the North American market and in Western Europe. The markets outside North America and Western Europe performed in line with the preceding year. The business area continued to face challenges in terms of achieving satisfactory profit margins, although this was a trend that was largely due to a number of non-recurring costs related to matters such as the Consent Decree with the FDA.

### EVENTS DURING THE YEAR

**Consent Decree with US FDA**

At the beginning of the year, a US federal judge signed a Consent Decree between Medical Systems and the FDA. Under the terms of the Consent Decree, certain products manufactured at Medical Systems' Atrium Medical Corporation business unit based in Hudson, New Hampshire, were temporarily suspended while corrections were being made. Certain products currently manufactured by Atrium have been deemed medically necessary under the Consent Decree with the FDA and will continue to be made available to customers within and outside of the US.

A number of measures were taken during the year, including the resumption of full-scale production and sales of the biosurgical meshes product group at Atrium's new production unit in Merrimack, New Hampshire.

Under the terms of the Consent Decree, ongoing third-party inspections are carried out at the production units encompassed by the Decree, and such an inspection was performed in Hechingen, Germany, during the last quarter of 2015. This inspection resulted in a number of observations indicating that additional measures would need to be implemented at the production unit. A more detailed analysis is being performed to determine the financial consequences that this may entail.

**Ongoing litigation case in the US**

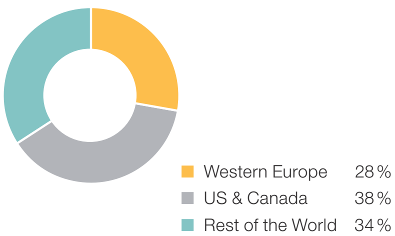
Medical Systems' subsidiary Atrium Medical Corporation is involved in litigation regarding the sale and marketing of certain products. A former employee of Atrium filed a complaint in a US federal court under seal. The complaint concerns alleged violations of the federal False Claims Act and similar state statutes.

In August 2015, the court dismissed relator's claim of fraud on the FDA. During the fourth quarter, the magistrate judge recommended dismissal of relator's remaining claims pertaining to Atrium's alleged off-label marketing. The parties participated in a mediation and have agreed to a settlement in principle of the remaining claims. Based on this settlement in principle, Getinge Group was charged with about SEK 110 M for the fourth quarter. The terms of the settlement remain confidential until a definitive agreement is executed. A settlement is expected to be finalized by the end of first quarter 2016.

**Product launches**

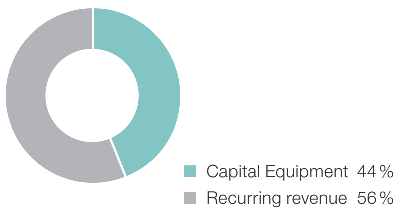
The SERVO-air ™ turbine ventilator was launched during the year, which can be used at hospitals in parts of the world lacking reliable access to air from wall outlets. In addition, expanded functionality for FLOW-i® was launched that supports lung-protective ventilation by identifying patient needs and acting accordingly. Several IT solutions were also launched during the year, including INSIGHT, a new IT system for real-time resource planning at hospitals.

**Sales per market area**



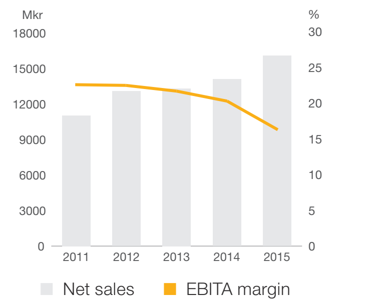

Over the past five years, Medical Systems' sales have grown from SEK 11 031 M to SEK 16 078 M.

**Sales per revenue type**




The share of recurring revenue has increased slightly in recent years and now amounts to 56%.

**Net sales and EBITA margin**




In 2015, Medical Systems' net sales amounted to SEK 16 078 M (14 105), and the EBITA margin to 16,3% (20,3).

**Products, market size and competition**

| | Surgical Workplaces | Cardiovascular | Critical Care |
|---|---|---|---|
| Products | Surgical tables, surgical lights, ceiling supply units, clinical logistics, OR integration, modular operating rooms | Perfusion products and products for cardio and vascular surgery, heart support and interventional cardiology | Ventilators, anesthesia systems, and advanced monitoring |
| Market size | SEK 12 billion | SEK 13 billion | SEK 13 billion |
| Competition | Berchtold (DE); Dräger (DE); Stryker (US); Steris (US); Hill-Rom (US) | Arrow (US); Bard (US); Gore (US); Medtronic (US); Sorin (IT); Terumo (JP) | Dräger (DE); GE (US); BD (US); Medtronic (US); Edwards Lifesciences (US), Hamilton (CH) |

## Extended Care Business Area

*The Extended Care business area offers products and services geared toward the hospital and elderly care markets. The product range includes solutions for preventing the risk of pressure ulcers and deep-vein thrombosis. The business area also features a vast selection of ergonomically designed products to solve daily work in lifting, transferring and patient hygiene.*

Extended Care accounted for 26% of Getinge's sales and 20% of EBITA in 2015. The number of employees amounted to 4 460, corresponding to 29% of the Group's total employees.

Extended Care did not perform in line with expectations, and did not generate the desired turnaround. The year was characterized by challenges including the rental market in the US which, as a result, led to extensive restructuring measures being implemented to better adapt the operations to the prevailing market situation.

The business area's net sales totaled SEK 7,767 M in 2015. The order intake declined during the year and the organic change was a negative 2.7%. This negative trend was related to challenges in North America and Western Europe, where the business area saw a decline during the year. However, the markets outside Western Europe and North America performed well.

Extended Care also experienced challenges in achieving satisfactory profit margins, which was primarily due to lower sales volumes and greater price pressure in the rental segment and the DVT segment.

### EVENTS DURING THE YEAR

#### Restructuring to meet changes in demand

The weak performance of the rental market led to the business area extensively restructuring its rental operations in the US during the year. The number of rental depots was reduced from 86 to 58 and the number of employees in the sales organization was reduced by about 85 individuals. The restructuring of the sales organization resulted in more efficient processes that are better adapted to the competitive market.

#### Activities for a more efficient organization

Activities also commenced during the year as part of the establishment of Getinge's new functional organizational structure. These activities related mainly to organizational changes at management levels and in the marketing and R&D organizations.

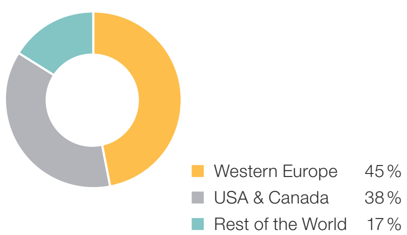
#### Product launches

The Citadel Patient Care System was launched during the year, which is a system that provides flexible patient care for hospitals that demand safety, security and efficiency from their bed frames and therapeutic mattresses in a number of care environments from critical care to medicine and surgery.

A new platform for medical beds named Essence was also launched. The platform has been specifically developed to meet emerging markets' needs for products with simpler functionality at a lower price.

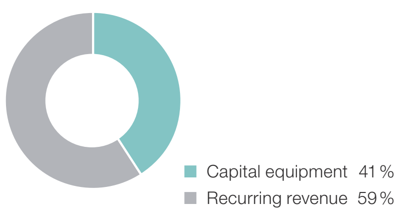
Furthermore, a new active compression system called Flowtron® ACS900 was launched in the product portfolio for the prevention of deep vein thrombosis.

**Sales per market area**



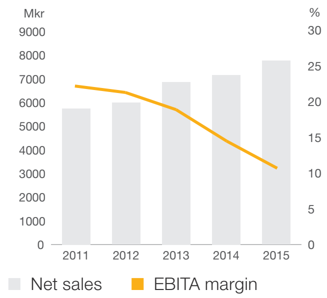

Extended Care's sales over the past five years grew from SEK 5 751 M to SEK 7 767 M.

**Sales per revenue type**




In the past few years, Extended Care has implemented a successful initiative to increase recurring revenue as a proportion of total sales to even out earnings over the year and reduce sensitivity to fluctuations in the economy.

**Net sales and EBITA margin**




In 2015, Extended Care's net sales amounted to SEK 7 767 M (7 164), and the EBITA margin to 10,7% (14,5).

### Products, market size and competition

| | Patient Handling | Therapy & Prevention | Medical Beds | Diagnostics |
|---|---|---|---|---|
| Products | Products for lifting and transferring, and for showering and bathing systems | Products for the prevention and treatment of pressure ulcers | Hospital beds, stretchers and couches | Dopplers and products for fetal monitoring |
| Market size | SEK 6 billion | SEK 22 billion | SEK 14 billion | SEK 1 billion |
| Competition | Liko (Hill-Rom) (US), Sakai/OG Giken/Amano (JP), Waverly Glen/Westholme (CA), Sunrise/Joerns (US), Guldmann (DK) | Covidien (US), Hill-Rom (US), Apex Medical (US) | Hill-Rom (US), Stryker (US), Paramount Beds (JP), Linet (CZ) | Nicolet (US), Hadeko (US), Philips (NL), GE (US) |

## Infection Control Business Area

*The Infection Control business area offers an expansive range of disinfection and sterilization equipment, designed to suit the needs of hospitals, clinics, and within the life science industry. The business area also features a full range of accessories to ensure a consistent, secure, ergonomic and economic flow and storage of sterile goods.*

Infection Control accounted for 21% of Getinge's sales and 17% of EBITA in 2015. The number of employees amounted to 4 203, corresponding to 27% of the Group's total employees.

Following a couple of years of challenges, Infection Control reported a favorable year with a very strong end. Efficiency enhancements have continued to be made to the operations in recent years, and these generated solid results and growing margins in 2015. The order intake was also very high during the year.

The business area's net sales totaled SEK 6,390 M in 2015. The order intake grew organically by 7.9% during the year, with a positive performance in all geographic regions. The trend in the life science segment was very strong during the year, and the hospital segment also performed well. In addition, the business area improved its profit margins during the year, largely due to the structural changes implemented in the supply chain.

### EVENTS DURING THE YEAR

#### Getinge Infection Control enters low temperature market

During the year, the business area acquired Stericool, a Turkish company specializing in low temperature sterilization, and also signed an exclusive global distribution agreement with Canadian company $TSO_3$ Inc., an innovator in sterilization technology for medical devices. This means that the business area is now entering the low temperature sterilization market, an area which is deemed to have great potential for accelerated business growth.

#### Infection Control wins iF Design and Red Dot Design Awards

The business area won three awards for innovative design during the year. Two of these were iF Design Awards - the first in Communication Design for the Getinge CENTRIC user interface and the second iF award in product design for Getinge ProSeal.

Infection Control's latest sterilizer, the GSS67H, also won the prestigious Red Dot Design Award in product design. The Red Dot Award is an internationally recognized quality seal in outstanding design. This is the business area's third Red Dot Design Award.

#### Extensive restructuring measures for a more efficient organization

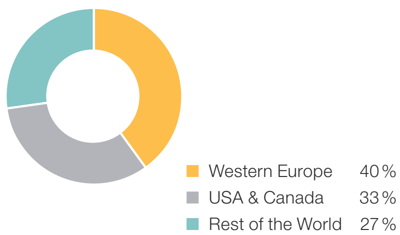
The business area carried out extensive restructuring activities during the year to create a more efficient supply chain.

These efficiency enhancements have already generated results and contributed to the business area's positive performance for the year.

#### Product launches

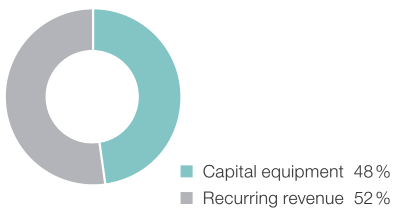
Infection Control entered the low temperature market during the year with its acquisition of Stericool. In addition to the acquisition, an exclusive global distribution agreement was signed with Canadian company TSO3 Inc., an innovator in sterilization technology for medical devices. The acquisition will be included under the Group's new business category unit Surgical Workflows and will increase potential for growth in price-sensitive markets.

**Sales per market area**



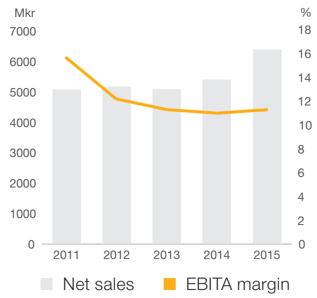

Over the past five years, Infection Control's sales have grown from SEK 5 072 M to SEK 6 390 M.

**Sales per revenue type**




Infection Control endeavors to increase recurring revenue (e.g. detergents and sterilization monitoring) as a proportion of total sales to, thereby, even out earnings over the year and reduce sensitivity to fluctuations in the economy.

**Net sales and EBITA margin**




In 2015, Infection Control's net sales amounted to SEK 6 390 M (5 400), and the EBITA margin to 11,3% (11,0).

**Products, market size and competition**

| | Disinfection | Sterilization |
|---|---|---|
| Products | Washer-disinfectors and flusher-disinfectors | Sterilizers, loading equipment and IT-systems |
| Market size | SEK 5 billion | SEK 8 billion |
| Competition | Steris (US), Miele (DE), Belimed (CH) | Steris (US), Belimed (CH) |

## Acquired and divested operations

**GOA TEKNONOLOJI. (STERICOOL)**
Infection Control acquired the shares in the Turkish company GOA Teknoloji (Stericool) in December 2015. The company, which specializes in low temperature sterilization technology, generates sales of approximately SEK 20 M and has about 20 employees. The total purchase consideration amounted to SEK 56 M. The operation will be included in Getinge's sales and operating profit from January 1, 2016.

**PERFUSION** Medical Systems divested all assets in the perfusion operations of Pulsion Medical Systems SE during the first quarter. The purchase consideration amounted to SEK 297 M and generated a capital gain of SEK 76 M.

**MK METALLKOMPONENTEN GMBH**
During the fourth quarter, Medical Systems divested the loss-making manufacturing subsidiary MK Metallkomponenten GmbH, which specializes in metal processing. The purchase consideration amounted to SEK 5 M and generated a capital loss of SEK 108 M.

## Innovation and product development

Innovation and product development are a cornerstone of the Group's strategy to strengthen the customer offering and thereby ensure future organic growth.

Innovation and product renewal will result in products, systems and solutions with a documented ability to deliver excellent clinical results and economic benefits.

In 2015, research and development costs amounted to SEK 1,300 M (1,270). Of this amount, SEK 702 M (673) was capitalized as intangible assets, as it was deemed that these will generate future financial benefits. In 2015, the Getinge Group introduced a number of new and updated products. More information about these can be found on pages 22-23.

## Personnel

At December 31, 2015, there were 15,424 (15,747) employees, of whom 1,271 (1,278) were employed in Sweden. In 2015, Getinge continued its extensive efforts to strengthen the Group's personnel and management development. The work is based on an analysis of the company's needs for specialist and management competence and the company's demographic structure. In 2015, Getinge has also continued long-term efforts to increase diversity. Getinge has a previously implemented policy to ensure that all employees – regardless of gender, race, creed and other irrelevant factors – are given equal opportunity to develop and receive equal pay for equal work. For information about the guidelines for remuneration to senior executives adopted by the 2015 Annual General Meeting, refer to the Corporate Governance Report on page 44. In regard to remuneration to senior executives in 2015, refer to Note 27.

## Environmental impact

The company's environmental policy, the established environmental goals and the international environmental standard ISO 14001 form the basis of Getinge's environmental work. All manufacturing units will implement and certify environmental-management systems that meet the ISO 14001 standard. For acquisitions, the management system is to be introduced and certified within 24 months. The management system ensures structured environmental work and provides a basis for the reporting of environmental performance that manufacturing units submit every month.

The targeted activities on environmentally compatible product development, EcoDesign, aim to reduce the environmental impact of both manufacturing and the product usage. Recycling of input substances and components is also facilitated.

Three facilities in Sweden conduct operations requiring permits or declaration under the Swedish Environmental Code. These facilities hold the necessary permits. Most of the impact on the environment comprises emissions to water and air, and the environmental effects from energy consumption and waste production. The operations were conducted in accordance with applicable permits and conditions during the year.

Further information concerning Getinge's environmental work is presented in the Sustainability Report on pages 28-35.

## Risk management

**Healthcare reimbursement system.** Political decisions represent the single greatest market risk to Getinge. Changes to the healthcare reimbursement system can have a major impact on individual markets by reducing or deferring grants. Since Getinge is active in a large number of geographical markets, the risk for the Group as a whole is limited.

**Customers.** Activities conducted by Getinge's customers are generally financed directly or indirectly by public funds and ability to pay is usually very solid, although payment behavior can vary between different countries. All transactions outside the OECD area are covered by payment guarantees, unless the customer's ability to pay is well documented.

**Authorities and control bodies.** Parts of Getinge's product range are covered by legislation stipulating rigorous assessments, quality control and documentation. It cannot be ruled out that Getinge's operations, financial position and earnings may be negatively impacted in the future by difficulties in complying with current regulations and requirements of authorities and control bodies or changes to such regulations and requirements. To limit these risks to the greatest possible extent, Getinge conducts extensive work focused on quality and regulatory issues. Each business area has an appointed person with overall responsibility for quality and regulatory matters (QRM). The majority of the Group's production facilities are certified according to the medical device quality standard ISO 13485 and/or the general quality standard ISO 9001.

**Research and development.** To a certain extent, Getinge's future growth depends on the company's ability to develop new and successful products. Research and development efforts are costly and it is impossible to guarantee that developed products will be commercially successful. As a means of maximizing the return on research and development efforts, the Group has a very structured selection and planning process to ensure that the company prioritizes correctly when choosing which potential projects to pursue. This process comprises thorough analysis of the market, technical development and choice of production method and subcontractors. The actual development work is also conducted in a structured manner and each project undergoes a number of fixed control points.

**Product liability and damage claims.** 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. Getinge cannot provide any guarantees that its operations will not be subject to compensation claims. A comprehensive insurance program is in place to cover any property or liability risks (e.g. product liability) to which the Group is exposed.

**Protection of intellectual property.** Getinge is a market leader in the areas in which it operates and invests significant amounts in product development. To secure returns on these investments, the Group actively upholds its rights and monitors competitors' activities closely. If required, the company will protect its intellectual property rights through legal processes

## 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-rate 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. For further information concerning these risks, see Note 26 "Financial risk management and financial derivative instruments". The Group has a number of participations in foreign operations whose net assets are exposed to currency risks. Currency exposure that arises from net assets in the Group's foreign operations is primarily managed by borrowing in said foreign currency.

**Currency.** The effect of exchange-rate movements on earnings and shareholders' equity is calculated using forecast volumes and earnings in foreign currency, taking into consideration currency hedging that has been conducted. In addition, there is the exchange-rate impact on net financial items related to interest expenses in foreign currencies. Currency-transaction effects are expected to have a positive impact of approximately SEK 150 M on the Group's 2016 earnings. For a rate movement of 5 per cent, the impact on shareholders' equity of a remeasurement of the Group's portfolio of currency derivatives held for hedging purposes is about SEK 130 M. At a 5 per cent rate movement, the impact of other translation effects on shareholders' equity is approximately SEK 847 M. Sensitivity to exchange-rate fluctuations on earnings is detailed in the table below, based on the exchange rates specified in the table.

| Currency: estimated rate in 2016 | Estimated net volume in 2016, millions | Impact in SEK M of 5% rate movement |
|---|---|---|
| JPY: 7,00 | 2 500 | +/- 10 |
| EUR: 9,40 | 85 | +/- 40 |
| GBP: 12,75 | 40 | +/- 25 |
| USD: 8,40 | 165 | +/- 70 |

**Sensitivity analysis.** Getinge's earnings are affected by a series of external factors. The table below shows how changes to some of the key factors that are important to Getinge could have affected the Group's profit before tax in 2015.

| Change in profit before tax | | SEK M |
|---|---|---|
| Price change | +/- 1 % | +/- 302 |
| Cost of goods sold | +/- 1 % | +/- 161 |
| Salary costs | +/- 1 % | +/- 88 |
| Interest rates | +/- 1 percentage point | +/- 59 |

The effect of a +/- 1 percentage point change in interest rates on the Group's profit before tax was calculated based on the Group's interest-bearing liabilities, excluding pension liabilities, at year-end 2015. The impact of a +/- 1 percentage point change in interest rates on shareholders' equity is about SEK 460 M. Consideration was given to the effect of the various risk-management measures that Getinge applies in accordance with its approved policy.

## Outlook

In the EMEA region, the Group expects slightly positive growth, which is also our assessment of the Western European market.

In the Americas region, the Group also expects slightly positive growth, with demand in the North American market deemed to increase slightly, while challenges in Latin America remain.

In the Asia/Pacific region, growth prospects are expected to be favorable, with a particularly positive outlook for South-East Asia and India, although China remains difficult to assess.

All in all, volume growth is deemed to be positive in 2016.

The financial consequences of the Consent Decree with the FDA, excluding the costs for the remediation program, are deemed to decline in 2016 compared with 2015 and are expected to have a negative impact of approximately SEK 130 M on the Group's 2016 operating profit.

Currency-transaction effects are expected to have a positive impact of approximately SEK 150 M (- 273) on the Group's 2016 earnings.

Restructuring costs for the full-year 2016 are expected to amount to approximately SEK 800 M (657).

# CORPORATE GOVERNANCE REPORT

## Introduction

Getinge is a global company with operations in 40 countries and proprietary production in 10 countries. The pace of change and growth since the stock-market listing has been high. The Group's customer offering has been continuously expanded with new products and operational areas. The Group's customers are found in the healthcare, elderly care and life science area, and the Group's products are often pivotal to the quality and efficiency of customers' businesses. Accordingly, confidence in Getinge and its products is entirely decisive for continued sales successes. Corporate governance at Getinge is aimed at ensuring the continued strong development of the company and, consequently, that the Group fulfills its obligations to shareholders, customers, employees, suppliers, creditors and society. Getinge's corporate governance and internal regulations are consistently geared toward business objectives and strategies. The Group's risks are well-analyzed and risk management is integrated in the work of the Board and in operational activities. Gearing corporate governance so clearly toward the Group's business objectives creates the speed and flexibility in the decision-making process that can so often be decisive to success. Getinge's organization is designed to be able to react promptly to market changes. Accordingly, operational decisions are taken at the company or business area level, while overriding decisions concerning strategy and direction are made by Getinge's Board and Group management.

## External and internal regulations

Getinge's corporate governance is based on Swedish legislation, primarily the Swedish Companies Act, the company's Articles of Association, Nasdaq Stockholm's Rulebook for Issuers and the rules and recommendations issued by the relevant organizations. Getinge applies the Swedish Corporate governance Code ("the Code"). The Code is based on the "comply or explain" principle, meaning that a company that applies the Code may deviate from regulations under the Code, but must provide explanations for each deviation. Getinge complies with the Code's regulations and presents an explanation below for any deviation from the Code's regulations in 2015. The Code is available at: www.corporategovernanceboard.se Internal regulations that affect Getinge's corporate governance include the company's Articles of Association, the Board's formal work plan, the CEO's instructions, policy documents and the Group's Code of Conduct. The company's Articles of Association are available on the Group's website: www.getingegroup.com.

## Shareholders

At year-end 2015, Getinge had nearly 36,846 shareholders according to the share register maintained by Modular Finance. The share capital of Getinge at year-end comprised 238,323,377 shares, of which 15,940,050 shares were Class A and 222,383,327 shares were Class B. One Class A share carries ten votes and one Class B share carries one vote. Getinge's shares are traded on the Nasdaq Stockholm. Getinge's market capitalization amounted to SEK 53.0 billion at December 31, 2015. The company's largest shareholder is Carl Bennet AB, which represents 48.9 per cent of the total number of votes in the company. Further information concerning such factors as Getinge's ownership structure and share performance is presented on pages 36-37.

## 2015 Annual General Meeting (AGM)

A total of 985 shareholders, representing 55.4 per cent of the number of shares and 72.1 per cent of the total number of votes in the company, attended Getinge's AGM on March 25, 2015, in Halmstad, Sweden. The Board of Directors, CEO, CFO and the company's auditor were present at the Meeting. The AGM re-elected Board members Carl Bennet, Johan Bygge, Cecilia Daun Wennborg, Carola Lemne, Malin Persson, Johan Stern and Maths Wahlström. The AGM elected Alex Myers as a new Board member. Carl Bennet was elected Chairman of the Board. It was noted that the employee-representative organizations appointed Peter Jörmalm and Rickard Karlsson as Board members, and Åke Larsson and Maria Grehagen Hedberg as deputy members. The minutes from the Annual General Meeting are available at: www.getingegroup.com.

**The Meeting's resolutions:**

- Adoption of the income statements and balance sheets presented for the Parent Company and the Group.
- Dividend. The AGM approved the Board's proposal of a dividend of SEK 2.80 per share.
- Discharge from liability. The Meeting resolved to discharge the members of the Board and the CEO from liability for the 2014 fiscal year.
- Board fees. It was resolved that the Board be paid fees totaling SEK 4,400,000 excluding committee fees. More detailed information is available on page 48.
- Guidelines for the remuneration to senior executives. The AGM approved the Board's proposal for guidelines for the remuneration to senior executives. More detailed information is available on page 48.

# Overview of corporate governance at the Getinge Group 2015

### Nomination Committee

The Nomination Committee's task is to put forward proposals regarding the election of the Chairman of the AGM, the Chairman of the Board and other members of the Board, election of auditors, as well as fees for Board members and auditors. The 2005 AGM resolved that a Nomination Committee shall comprise the Chairman of the Board and members representing each of the company's five largest shareholders as per 31 August each year and a representative of the minority shareholders. If any of the five largest shareholders should waive their right to appoint a representative to the Nomination Committee, or if a member leaves the Nomination Committee before his/her work is completed, that right shall be transferred to the shareholder who, after these shareholders, has the largest shareholding in the company. The Nomination Committee's composition shall be announced to the company in such time that it can be made public, not later than six months prior to the AGM.

### General Meeting of Shareholders

The General Meeting of Shareholders is the highest decision-making body. At the General Meeting, shareholders exercise their voting rights in accordance with Swedish corporate legislation and Getinge's Articles of Association. The General Meeting elects the Board of Directors and auditors.

The other tasks of the General Meeting include adopting the company's balance sheets and income statements, deciding on the allocation of earnings in the operation and deciding on discharging the members of the Board and the CEO from liability. The General Meeting also decides on remuneration to the Board of Directors, auditors' fees and guidelines for remuneration to senior executives.

### External auditors

The company has either one or two auditors, with not more than two deputy auditors or one registered accounting firm. The assignment as auditor applies until the end of the AGM held during the fourth fiscal year following which the auditor was appointed.

At the 2012 AGM, the accounting firm Öhrlings PricewaterhouseCoopers AB was elected as auditor for Getinge until the conclusion of the 2016 AGM.

### Remuneration Committee

The Board annually appoints Getinge's Remuneration Committee. The Committee is a body within the company's Board, tasked with preparing and evaluating questions related to remuneration and other employment terms and conditions for executive management and for preparing guidelines for remuneration to senior executives for the Board to propose to the AGM for resolution.

### Board of Directors

The Board is the company's highest administrative body under the General Meeting. The Board is responsible for the organization of the company and the management of its affairs. It is also the Board's duty to ensure that the organizations in charge of accounting and the management of assets are subject to satisfactory controls.

According to the Articles of Association, Getinge's Board of Directors is to comprise not fewer than three and not more than eight elected members. The Board members are elected annually at the AGM to serve for the period up to and including the next AGM. The AGM also appoints the Chairman of the Board. The Chairman's role is to head the Board's work and ensure the Board completes its mandate.

The Board's work follows an annual agenda program, dedicated to securing the Board's information needs, and is otherwise determined by the formal work plan approved each year by the Board concerning the distribution of assignments between the Board and the CEO, including issues requiring a Board decision. The content and presentation of the information provided to the Board by management is strictly regulated and the formal work plan ensures that the Board reviews its own procedures.

### Auditing Committee

The Board annually appoints Getinge's Auditing Committee. The Committee is a body within the company's Board, tasked with preparing questions for the Board related to the quality assurance of the company's financial reporting and maintaining ongoing contact with the auditors to keep informed of the focus and scope of the audit. The Committee assists the Board in these matters and reports its observations, recommendations and proposed measures and decisions to the Board. In addition, the Auditing Committee establishes guidelines for services other than auditing for which the company may engage its auditors. The Committee's tasks also include assessing the auditing activities and passing this information on to the Nomination Committee and assisting the Nomination Committee in producing proposals for auditors and fees for auditing services.

### Human Resources

### President and CEO

The CEO is responsible for ensuring that the ongoing management of the company is pursued in accordance with the guidelines and instructions provided by the Board. The CEO obtains assurance that, on the basis of a satisfactory control system, the company complies with legislation and ordinances, Nasdaq Stockholm's Rulebook for Issuers and the Swedish Corporate governance Code. The CEO must also ensure that the Board receives the necessary factual, detailed and relevant information it requires to make well-founded decisions. In addition, the CEO is to maintain a continuous dialog with the Chairman of the Board and keep him informed of the progress and financial position of the company and the Group.

### CFO

### Business area Executive Vice Presidents

### Medical Systems Business Area

### Extended Care Business Area

### Infection Control Business Area

## Nomination Committee

The composition of the Nomination Committee ahead of the 2016 AGM was published on October 15, 2015 and all shareholders have had the opportunity to submit nomination proposals to the Committee. The Nomination Committee conducts an evaluation of the Board and its work. A proposal for the new Board is subsequently drawn up and submitted with the notice of the forthcoming AGM. Ahead of the 2016 AGM, the Nomination Committee convened on two occasions. For the 2016 AGM, the Nomination Committee comprises the following representatives of the largest shareholders:

- Carl Bennet, Carl Bennet AB
- Ossian Ekdahl, First Swedish National Pension Fund
- Marianne Nilsson, Swedbank Robur AB
- Anders Oscarsson, AMF Försäkring & Fonder
- Per Colleen, Fourth Swedish National Pension Fund
- Viveka Ekberg, representing minority shareholders

Chairman of the Board Carl Bennet was appointed Chairman of the Nomination Committee ahead of the 2016 AGM, which deviates from the rules of the Code. The company's largest shareholders have explained that this is because the Chairman of the Board is very well suited to lead the Nomination Committee in an effective manner to achieve the best results for the company's shareholders.

**Evaluation.** As a basis for its proposal to the 2016 AGM, the Nomination Committee has made an assessment as to whether the current Board of Directors is suitably composed and meets the demands that are placed on the Board in view of the company's position and future focus. The Nomination Committee's proposal will be published not later than in conjunction with the notice of the AGM.

## Board of Directors

The Board held its statutory meeting on March 25, 2015 and convened 12 times during the year, with an average attendance rate of 96%. The Board also convened a meeting in January 2016, at which the results for 2015 were addressed and subsequently published. With the exception of the CEO, no member of Getinge Group's Board holds an operational position in the company. A more detailed description of the Board of Directors and CEO is presented on pages 50-51.

**Independence.** Getinge fulfills the requirements for independent Board members as stipulated in the Code. It is the opinion of the Nomination Committee that Alex Myers, in his capacity as CEO, is not to be regarded as independent in relation to the company and executive management, and that Carl Bennet and Johan Stern, as representatives and Board members of Getinge's principal owner Carl Bennet AB, are not to be regarded as independent in relation to the largest shareholders. The Nomination Committee deems the other Board members elected by the General Meeting – Johan Bygge, Cecilia Daun Wennborg, Carola Lemne, Malin Persson and Maths Wahlström – to be independent in relation to the company, executive management and the largest shareholders. The Secretary of the Board meetings has been Ulf Grunander, Chief Financial Officer. At its scheduled meetings, the Board addresses fixed items in compliance with the Board's formal work plan, including the business situation, budget, year-end financial statements and interim reports, as well as comprehensive issues related to the economy and associated cost issues, corporate acquisitions and other investments, long-term strategies, financial matters, and structural and organizational changes. To increase efficiency and broaden the Board's work on certain issues, two committees have been established: the Auditing Committee and the Remuneration Committee. The delegation of responsibilities and rights of decision held by these committees are stipulated in the Board's formal work plan. Minutes are prepared to record the issues addressed and the decisions made at these committee meetings and these are presented at the subsequent Board meeting.

### BOARD OF DIRECTORS AND COMMITTEES IN 2015

| | | | Committees | | Attendance | | |
|---|---|---|---|---|---|---|---|
| Board members elected by the AGM | Year elected | Dependent[1] | Auditing Committee | Remuneration Committee | Board meetings | Auditing Committee | Remuneration Committee |
| Carl Bennet, Chairman | 1989 | ■ | | Chairman | 12/12 | | 2/2 |
| Johan Bygge | 2007 | | Chairman | | 12/12 | 5/5 | |
| Cecilia Daun Wennborg | 2010 | | Member | | 12/12 | 4/5 | |
| Carola Lemne | 2003 | | Member | | 12/12 | 3/5 | |
| Johan Malmquist* | 1997 | ▲ | | | 2/12 | | |
| Alex Myers** | 2015 | ▲ | | | 12/12 | | |
| Malin Persson | 2014 | | | Member | 12/12 | | 2/2 |
| Johan Stern | 2004 | ● | Member | Member | 12/12 | 4/5 | 2/2 |
| Maths Wahlström | 2012 | | | Member | 6/12 | | 2/2 |
| **Board members appointed by employees** | | | | | | | |
| Peter Jörmalm | 2012 | | | | 12/12 | | |
| Rickard Karlsson | 2013 | | | | 12/12 | | |
| Åke Larsson (deputy member) | 2014 | | | | 12/12 | | |
| Maria Grehagen-Hedberg (deputy member) | 2014 | | | | 12/12 | | |

1. As defined by the Swedish Corporate governance Code
■ = Representing Getinge's principal owner Carl Bennet AB
▲ = President and CEO
● = Board member of Getinge's principal owner Carl Bennet AB

* Johan Malmquist attended 2 board meetings as CEO before he resigned in conjunction with the Annual General Meeting on March 25.
**Alex Myers attended 10 board meetings as CEO, and attended an additional 2 meetings as adjunct board member.

## Remuneration Committee

During 2015, Getinge's Remuneration Committee comprised Board members Carl Bennet (Chairman), Johan Stern, Maths Wahlström and Malin Persson. The Committee held two minuted meetings in 2015, including informal contact when necessary. All members were present at all meetings during the year.

## Auditing Committee

During 2015, Getinge's Auditing Committee comprised Board members Johan Bygge (Chairman), Cecilia Daun Wennborg, Carola Lemne and Johan Stern. The Committee held five minuted meetings in 2015, including informal contact when necessary. The average attendance rate was 80%. The Auditing Committee also held one meeting in January 2016, at which the 2015 audit was addressed. The company's auditors participated in all meetings convened by the Auditing Committee. Jointly with the auditors, the Committee discussed and established the scope of the audit.

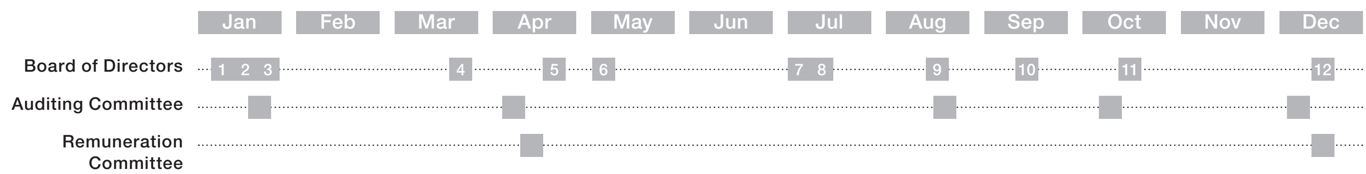
## Financial reporting

The Board of Directors monitors the quality of the company's financial reporting by issuing instructions to the CEO and the Auditing Committee and by establishing requirements concerning the content in the reports relating to financial conditions. These are regularly submitted to the Board through the instructions issued for financial reporting. The Board considers and quality assures financial reporting, such as the interim reports, year-end reports and annual accounts, and has delegated to the executive management the task of ensuring the quality of press releases containing financial information and presentation material in conjunction with meetings with the media, owners and financial institutions.

## External auditors

The auditor in charge from Öhrlings PricewaterhouseCoopers AB is the authorized public accountant Johan Rippe and the co-auditor is the authorized public accountant Eric Salander. Neither Johan Rippe nor Eric Salander hold any shares in the company. When Öhrlings PricewaterhouseCoopers AB is engaged to provide services other than auditing services, such assignments take place in accordance with the regulations determined by the Auditing Committee for approval of the nature and scope of the services and the fees for such services. It is Getinge's assessment that the performance of these services has not jeopardized Öhrlings PricewaterhouseCoopers AB's independence. Such services have primarily concerned in-depth reviews and special review assignments. The full amounts of remuneration paid to auditors over the past three years are presented on page 48 and in Note 5 of the consolidated financial statements. The company's auditor in charge participated in all of the Auditing Committee's meetings and one Board meeting. In conjunction with the Board meeting, the auditors held a meeting with the Board in which no members of executive management participated.

**BOARD AND COMMITTEE MEETINGS IN 2015**




**Board meetings**

| | |
|---|---|
| 1 Acquisition discussion | 7 Information |
| 2 Acquisition discussion | 8 Interim report |
| 3 Annual accounts | 9 Information |
| 4 Annual General Meeting | 10 Company visit, Review of operations |
| 5 Interim report | 11 Interim report |
| 6 Acquisition discussion | 12 Budget |

## Operational business

During 2015 the CEO and other members of Group management continuously held meetings to review monthly results, update forecasts and plans and to discuss strategic matters. Group management dealt with Group-wide issues in addition to operative matters related to each business area. During 2015, Group management consisted of the CEO and the business area Executive Vice Presidents as well as the Chief Financial Officer and the Executive Vice President Human Resources & Sustainability. The Board is responsible for ensuring that an effective system for internal control and risk management is in place. The CEO has been delegated the responsibility of creating the necessary prerequisites to work with these issues. Both Group management and managers at various levels in the company have this responsibility in their respective areas. Authorities and responsibilities are defined in policies, guidelines and descriptions of duties.

## Board fees

The 2015 AGM decided that fees would be paid to the Board in the total amount of SEK 4,400,000, of which SEK 1,100,000 to the Chairman and SEK 550,000 to each of the other Board members who are elected by the AGM and are not employed by the Group. Furthermore, the AGM decided that fees for the work of the Auditing Committee were to be paid in the amount of SEK 240,000 to the Chairman and SEK 120,000 to each of the other members, and that fees for the work of the Remuneration Committee were to be paid in the amount of SEK 125,000 to the Chairman and SEK 92,000 to each of the other members.

## Share and share-based incentive program

There are no outstanding shares or share-based incentive programs for Board members, the CEO or other senior executives.

## Remuneration to senior executives

The 2015 AGM established guidelines for remuneration to senior executives, primarily entailing the following: Remuneration and other employment terms and conditions for senior executives is to be market-based and competitive in every market where Getinge is active so as to attract, motivate and retain skilled and competent employees. The total remuneration package to senior executives is to comprise basic pay, variable remuneration, pension and other benefits. The allocation between basic pay and variable remuneration should be proportionate to the executive's responsibility and authority. Variable remuneration is limited to a maximum amount and linked to predetermined and measurable criteria, designed with the aim of promoting the company's long-term value creation. No variable remuneration will be paid if profit before tax is negative. For the CEO, variable remuneration is limited to a maximum of 80 per cent of basic pay. Variable remuneration is based on the individual goals set by the Board. Examples of such goals include earnings, volume growth, working capital and cash flow. For other senior executives, variable remuneration is based on the outcome in the executive's personal area of responsibility and individually set targets. In addition to the aforementioned variable remuneration, adopted share or share-related incentive programs may be included. The Board is entitled to deviate from these guidelines if warranted in individual cases.

Total remuneration to senior executives amounted to about SEK 82 M (69) in 2015. Refer to Note 27 for further information.

The Board proposes unchanged guidelines for remuneration to senior executives to the 2016 AGM.

**FEES FOR BOARD AND COMMITTEE WORK 2015**

| Name | Board fee | Committee fee | Total |
|---|---|---|---|
| Carl Bennet | 1 100 000 | 125 000 | **1 225 000** |
| Johan Bygge | 550 000 | 240 000 | **790 000** |
| Cecilia Daun Wennborg | 550 000 | 120 000 | **670 000** |
| Carola Lemne | 550 000 | 120 000 | **670 000** |
| Malin Persson | 550 000 | 92 000 | **642 000** |
| Johan Stern | 550 000 | 212 000 | **762 000** |
| Maths Wahlström | 550 000 | 92 000 | **642 000** |
| **Total** | **4 400 000** | **1 001 000** | **5 401 000** |

## Fees to auditors

Öhrlings PricewaterhouseCoopers AB has the auditing assignment for the company. Auditing assignments refer to the auditing of the annual accounts and financial statements, including the Board's and the CEO's administration, other assignments that the company's auditors are required to perform and advice or other support brought about by observations from auditing or conducting similar tasks. Other assignments refer mainly to consultancy services related to auditing and taxation issues as well as assistance in connection with company acquisitions. Fees for auditing assignments in 2015 amounted to SEK 26 M (22) and fees for other assignments totaled SEK 14 M (10).

## Internal control and risk management of financial reporting

**Description.** At Getinge Group, internal control over the financial reporting is an integral part of corporate governance. It comprises processes and methods to safeguard the Group's assets and accuracy in the financial reporting, and in this manner, protects the shareholders' investment in the company.

**Control environment.** Getinge Group's organization is designed to quickly respond to changes in the market. Operational decisions are thus made at the company or business area level, while decisions on strategy, focus, acquisitions and overall financial issues are made by Getinge Group's Board and Group management. The internal control over the financial reporting at Getinge is designed to manage these conditions. The basis of the internal control over the financial reporting comprises the control environment, including the organization, decision-making channels, authorities and the responsibilities that are documented and communicated in steering documents.
Each year, the Board adopts a formal work plan that regulates the duties of the Chairman and the CEO. The Board has established an Auditing Committee to increase knowledge of the level of transparency and control of the company's accounts, financial reporting and risk management, and a Remuneration Committee to manage remuneration to company management. Each business area has one or more administrative centers that are responsible for the day-to-day handling of transactions and accounting. Each business area has a financial manager, who is responsible for the financial control of the business unit and for ensuring that the financial statements are accurate, complete and submitted in good time prior to consolidated reporting.

**Risk assessment.** Risk assessment is based on the Group's financial targets. The overall financial risks have been defined and are mostly industry specific. By conducting quantitative and qualitative risk analyses based on the consolidated balance sheet and income statement, Getinge can identify the key risks that could threaten the achievement of business and financial targets. In addition, several units in each business area are analyzed to gain a more detailed understanding of the actual application of the existing rules and regulations. Accordingly, measures to minimize identified risks are formulated centrally within the Group.

**Control activities.** The identified risks related to financial reporting are handled by the company's control activities. For example, there are automated controls in IT-based systems that manage authority levels and rights to authorization, as well as manual controls, such as duality in the day-to-day recording of transactions and closing entries. Detailed financial analyses of results and follow-ups against budgets and forecasts supplement the operation-specific controls and provide overall confirmation of the quality of the financial reporting. The Group follows standardized templates and models to identify and document processes and controls.

**Information and communication.** The Group has information and communication procedures to promote completeness and accuracy in the financial reporting. Policies, manuals and work descriptions are available on the company's intranet and/or in printed form. Information channels were established to monitor how efficiently the internal controls in the Group function and data is regularly presented through the relevant parties within the organization via implemented reporting tools.

**Follow-up and monitoring.** The finance department and management perform monthly analyses of the financial reporting at a detailed level. The Auditing Committee follows up the financial reporting at its meetings and the company's auditors report on their observations and provide recommendations. The Board receives financial reports on a monthly basis and the company's financial position is discussed at every Board meeting. The efficiency of the internal control activities is regularly followed up at different levels in the Group and comprises an assessment of the formulation and operative function of key control elements that have been identified and documented.

**Self-assessment and validation.** Since 2006, Getinge Group works with a formalized process for the follow-up and evaluation of the effectiveness of documentation and control activities. The control consists of both a Group-wide IT-based tool for self-assessment and validation of the self-assessments. The validations are carried out by controllers from another business category unit.
During 2015, self-assessments were conducted at all of the most important operating units within the Group. In conjunction with the standard audits, the auditors conducted a validation of the internal control. The self-assessment and validation function encompass the processes relating to financial reporting, production, inventories, sourcing and revenues from products and services.
The system of self-assessment and validation provides the Board with a proper overview of how the Group manages different flows of information, how the Group reacts to new information and how the various control systems function.

**Outcome 2015.** The follow-up of the internal control in 2015 indicated that documentation and control activities were, in all material respects, established at the validated companies. Based on the internal control that was conducted, the Board has decided that there is no need to introduce a separate audit function (internal audit function).

**Follow-on work.** Over the next year, the continuing work related to internal control in Getinge Group will principally focus on risk assessment, control activities and follow-up/monitoring. An update of the risk analysis as regards relevant control processes and risk areas is conducted as a recurring annual activity. In the Control activities area, resources will be used to document additional processes resulting from the annual risk analysis. Depending on the outcome of the implemented self-assessment, it may be necessary to address reported shortcomings.

# GETINGE BOARD OF DIRECTORS

**Carl Bennet** (1951)
Chairman of the Board
M.Sc. (Economics), Dr. Tech. h.c.
Assignments on Getinge's Board: Chairman of the Board since 1997. Chairman of the Nomination Committee. Chairman of the Remuneration Committee. Board member since 1989.
Current assignments: CEO of Carl Bennet AB, Chairman of the Board of Elanders and Lifco. Board member of Holmen and L E Lundbergsföretagen.
Previous assignments: President and CEO of Getinge
Shareholding: Holds 15,940,050 Class A shares and 27,153,848 Class B shares through companies.

**Johan Bygge** (1956)
Board member elected by AGM
M.Sc. (Economics)
Assignments on Getinge's Board: Chairman of the Auditing Committee. Board member since 2007.
Current assignments: Chief Operating Officer EQT Partners AB, Chairman of Novare Human Capital AB and Samsari AB, Vice Chairman of the Board of Swiss Smile AG, Board member of Anticimex International AB.
Previous assignments: CFO of Investor AB, Executive Vice President of Electrolux and CFO of Electrolux.
Shareholding: Holds 5,000 Class B shares

**Cecilia Daun Wennborg** (1963)
Board member elected by AGM
M.Sc. (Economics)
Assignments on Getinge's Board: Member of the Auditing Committee. Board member since 2010.
Current assignments: Chairman of the Board at Proffice AB, Board member of companies including ICA Gruppen AB, Loomis AB, Hotell Diplomat AB, Atvexa AB, Sophiahemmet and Stiftelsen Oxpham Sverige.
Previous assignments: Vice President of Ambea AB, President of Carema Vård och Omsorg AB, acting President of Skandiabanken, Head of Swedish Operations at Skandia and President of Skandia Link.
Shareholding: Holds 750 Class B shares

**Maria Grehagen Hedberg** (1958)
Deputy representative of the Swedish Metalworkers' Union
Assembly
Assignments on Getinge's Board: Deputy representative since 2014. Employed by Maquet Critical Care AB
Shareholding: Holds no shares

**Peter Jörmalm** (1959)
Board member, representative of Unionen
Parts Management/Parts Specialist
Assignments on Getinge's Board: Board member since 2014. Deputy from 2012 to 2014. Employed by Getinge Infection Control AB.
Shareholding: Holds no shares

**Rickard Karlsson** (1970)
Board member, representative of the Swedish Metalworkers' Union
Assembly
Assignments on Getinge's Board: Board member since 2014. Deputy from 2013 to 2014. Employed by Getinge Sterilization AB.
Shareholding: Holds no shares

**Remuneration Committee**
Carl Bennet, Chairman
Johan Stern
Maths Wahlström
Malin Persson

**Auditing Committee**
Johan Bygge, Chairman
Cecilia Daun Wennborg
Carola Lemne
Johan Stern

**Auditors**
Öhrlings PricewaterhouseCoopers AB
Johan Rippe, Chief Auditor
Authorized Public Accountant
Eric Salander, Co-Auditor
Authorized Public Accountant

**Åke Larsson** (1966)
Deputy representative of the Swedish Association of Graduate Engineers
Engineer, Research & Development
Assignments on Getinge's Board: Deputy representative since 2014. Employed by Maquet Critical Care AB
Shareholding: Holds no shares

**Carola Lemne** (1958)
Board member elected by AGM
M.D, Ph.D., associate professor
Assignments on Getinge's Board: Member of the Auditing Committee. Board member since 2003.
Current assignments: CEO of the Confederation of Swedish Enterprise. Associate professor at Karolinska Institute. Chairman of Uppsala University. Board member of AFA Försäkringar AB. Co-owner of CALGO holding company.
Previous assignments: President and CEO of Praktikertjänst AB, Board member of the Confederation of Swedish Enterprise, Investor AB, MEDA AB, the Swedish Foundation for Strategic Research and Apoteket AB. CEO of Danderyds Sjukhus AB. Clinical Research Manager at Pharmacia & Upjohn AB.
Shareholding: Holds 2,300 Class B shares

**Alex Myers** (1963)
Board member elected by AGM, President and CEO
B.A. Organizational Behaviour
Assignments on Getinge's Board: Board member since 2015.
Current assignments: Board member of Duni.
Previous assignments: Group CEO and President of Hilding Anders AB, Executive Vice President of Extended Care business area at Getinge Group, Senior Vice President at Carlsberg Breweries.
Shareholding: Holds 21,850 Class B shares

**Malin Persson** (1968)
Board member elected by AGM
M.Sc. in Industrial Engineering & Management
Assignments on Getinge's Board: Board member elected by AGM since 2014. Member of the Remuneration Committee.
Current assignments: CEO and owner of Accuracy AB, Board member of companies including Mekonomen, Hexatronic, Hexpol AB, Konecranes Plc and Kongsberg Automotive.
Previous assignments: CEO of the Chalmers University of Technology Foundation, many years' experience in major Swedish industrial enterprises such as the Volvo Group.
Shareholding: Holds 2,000 Class B shares

**Johan Stern** (1951)
Board member elected by AGM, Vice Chairman of the Board
M.Sc. (Economics)
Assignments on Getinge's Board: Member of the Auditing Committee. Member of the Remuneration Committee. Board member since 2004.
Current assignments: Chairman of Healthinvest Partners AB, Fädriften Invest AB, Skanör Falsterbo Kallbadhus AB and Harry Cullberg's Fund Foundation. Board member of Carl Bennet AB, Elanders AB, Lifco AB, Rolling Optics AB, RP Ventures AB, Swedish-American Chamber of Commerce, Inc and Estea AB.
Previous assignments: Active within SEB's operations in Sweden and the US.
Shareholding: Holds 30,104 Class B shares

**Maths Wahlström** (1954)
Board member elected by AGM
M.Sc. (Economics)
Assignments on Getinge's Board: Member of the Remuneration Committee. Board member since 2012.
Current assignments: Chairman of KMG Capital Partners, LLC, Chairman of PCI HealthDev, LLC, and Board member and independent lead director of Coherus Biosciences INC, Board member of Alteco Medical AB and I Triomed AB.
Previous assignments: More than 30 years' international experience in preventive care and healthcare from such positions as CFO of the Gambro Group and as CEO of Gambro Healthcare INC. He has also served as CEO of Fresenius Medical Services and was a member of the Group management for Fresenius Medical Care AG & Co KGaA.
Shareholding: Holds 9,000 Class B shares

# GETINGE EXECUTIVE TEAM 2016

On January 1, 2016, Getinge Group's organizational structure, comprising three independent business areas, was replaced with a functional structure. As a result of this new organizational structure, a new Group management team was established, which is presented below.

**Alex Myers** (1963)
CEO & President
- B.A. Organizational Behaviour
- Swedish citizen.
- Employed since 2015.
- Shareholding: Holds 21,850 Class B shares.

Previous experience: Alex Myers took office as President and CEO of Getinge Group in March 2015. He most recently served as the President and CEO of Hilding Anders AB, but he has previous experience in Getinge Group as Executive Vice President of the Extended Care business area. 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.

**Carsten Blecker** (1966)
President EMEA
- PhD in Dentistry, Doctorate in Business Administration
- German citizen.
- Employed since 2014
- Shareholding: Holds no shares.

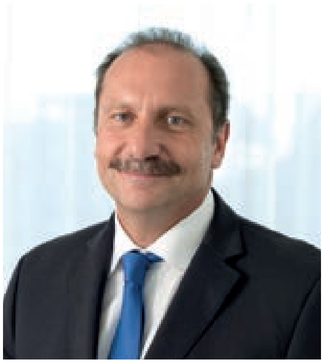
Previous experience: Until year-end 2015, Carsten Blecker was President WEMEA Medical Systems and President Middle East & Africa for Getinge Group. Carsten's previous experience includes positions at Biomet, McKinsey & Company, Kimberly-Clark, Medtronic and Palex Medical.

**Pernille Fabricius** (1966)
Chief Financial Officer
- M.Sc. in Auditing and Accounting, M.Sc. in Finance, MBA and LLM in European Union Law
- Danish citizen
- Employed since 2016
- Shareholding: Holds no shares.

Previous experience:
Prior to joining Getinge Group, Pernille Fabricius servied as independent advisor to Silverfleet Capital among others. Previously, she served as Global CFO of Damco International (part of AP Møller Maersk), Group CFO and Partner of TMF Group and Senior Vice President of ISS World Services A/S.

**Lena Hagman** (1965)
Executive Vice President Quality Regulatory Compliance
- B.Sc. Chemistry and Textile Engineering
- Swedish citizen.
- Employed since 2010.
- Shareholding: Holds no shares.

Previous experience: Until year-end 2015, Lena Hagman was Senior Vice President, Group Quality & Regulatory Compliance for Getinge Group. Lena has a broad background from the field of quality and her experience includes working at companies including Capio, Neoventa Medical AB and Mölnlycke Healthcare.



**Heinz Jacqui** (1961)
President Acute Care Therapies
- Diploma in mechanical and process engineering
- German citizen.
- Employed since 2012.
- Shareholding: Holds no shares.

Previous experience: Until year-end 2015, Heinz Jacqui was Executive Vice President Medical Systems. He has had an extensive international career in the medical technology industry and has held executive positions at such companies as Olympus Medical and Draeger Medical.

**Felix Lara** (1969)
President Patient & Post-Acute Care
- B.Sc. in Mechanical Engineering and MBA.
- American citizen
- Employed since 2014
- Shareholding: Holds no shares.

Previous experience: Until year-end 2015, Felix Lara was Senior Vice President Global Marketing and New Business Development at the Extended Care business area. He has more than 15 years of experience from the healthcare industry and has held senior positions in marketing and business development at companies including Grünenthal Group and Bristol-Myers Squibb.

**Joacim Lindoff** (1973)
President Surgical Workflows
- B.Sc. (Economics)
- Swedish citizen.
- Employed since 1999
- Shareholding: Holds no shares.

Previous experience: Until year-end 2015, Joacim Lindoff was Executive Vice President Infection Control, although he began his career at Getinge in 1999. He has previously held senior positions at NIBE and was Chairman of the medical technology industry organization, Swedish Medtech, from 2010 to 2014.

**Paul Lyon** (1962)
President Asia/Pacific
- B.Sc. Engineering, degree in Business Administration.
- Australian citizen
- Employed since 2007
- Shareholding: Holds no shares.

Previous experience: Until year-end 2015, Paul Lyon was acting Executive Vice President Extended Care. He has more than 20 years of international experience from many different markets and has previously held senior positions at listed companies in both South-East Asia and Australia.

**Reinhard Mayer** (1967)
President Supply Chain
- Diploma in Business Engineering and Economics
- German citizen.
- Employed since 2002
- Shareholding: Holds no shares.

Previous experience: Until year-end 2015, Reinhard Mayer was CFO of the Medical Systems business area. He has previously held several senior finance positions in companies such as Lexware GmbH & Co. and Dow Chemical.

**Raoul Quintero** (Född 1956)
President Americas
- B.A. Political Science
- American citizen
- Employed since 2008
- Shareholding: Holds no shares.

Previous experience: Until year-end 2015, Raoul Quintero was President of Maquet North America. Raoul's previous experience from the medical technology industry includes leading positions within Boston Scientific and the Guidant Corporation.

**Andreas Quist** (1974)
Executive Vice President Human Resources & Sustainability
- Master of Social Sciences, Major in Business Administration
- Swedish citizen.
- Employed since 2010.
- Shareholding: Holds no shares.

Previous experience: Andreas Quist started his career at Getinge Group in 2010 as Vice President Human Resources for the Extended Care Business Area. He has previously held a number of senior international HR positions at major international corporations, including Nokia.

**Kornelia Rasmussen** (1977)
Executive Vice President Communications & Brand Management
- International Business School, IHM Business School and Communications at Jönköping University.
- Swedish citizen.
- Employed since 2012
- Shareholding: Holds no shares.

Previous experience: Until year-end 2015, Kornelia Rasmussen served as the Head of Group Communications for Getinge Group. Prior to joining Getinge Group in 2012, Kornelia held several senior positions in communications at Volvo Car Corporation, including responsibility for global internal and external communication.

## Changes to Group management 2015

As a result of the reorganization of Getinge Group, whereby the three formerly independent business areas were merged to form a functional organizational structure aimed at creating better opportunities for focusing on the specific needs of each customer, the harmonization of processes, and significantly more efficient and focused management of the Group, the number of members of Group management was increased from 6 to 12 on January 1, 2016.

**The following changes were made:**
- Merger of the three business areas Medical Systems, Extended Care and Infection Control to form a single functional structure entails that the Executive Vice Presidents of these business areas are no longer members of Group management.
- The Executive Vice Presidents of two support functions are now members of Group management: Quality Regulatory Compliance and Communications & Brand Management.
- President Supply Chain is now a member of Group management.
- The three Presidents of the new Business Category Units are now members of Group management.
- The Presidents of the three sales regions EMEA, Americas and APAC are now members of Group management.

Following the organizational changes above, Group management now comprises: the President and CEO, the CFO, Executive Vice President Human Resources & Sustainability, Executive Vice President Quality Regulatory Compliance, Executive Vice President Communication & Brand Management, President Supply Chain, the three Presidents of the Business Category Units and the three Presidents of the three sales regions.
Johan Malmquist stepped down as President and CEO during the year after 18 years as the CEO of Getinge, and was succeed by Alex Myers at the Annual General Meeting on March 25, 2015. CFO Ulf Grunander also announced during the year that he would retire at the start of 2016. Ulf Grunander was succeeded by Pernille Fabricius, who took office as CFO of Getinge on February 22, 2016. Harald Stock, former Executive Vice President of Extended Care, decided to leave the Group in connection with the announcement of the organizational change and was succeeded by Paul Lyon, who served as interim Executive Vice President Extended Care for the remainder of 2015. Heinz Jacqui, former Executive Vice President of Medical Systems, and Joacim Lindoff, former Executive Vice President of Infection Control, headed their respective business areas until the end of 2015.

# PROPOSED ALLOCATION OF PROFITS

Getinge AB (publ), org.nr 556408-5032

| The following profits in the Parent Company are at the disposal of the Annual General Meeting: | |
|---|---|
| Share premium reserve | 3 435 |
| Retained earnings | 1 836 |
| Net profit for the year | 2 085 |
| **Total** | **7 356** |

| | |
|---|---|
| The Board and Chief Executive Officer propose that a dividend of SEK 2.80 per share shall be distributed to shareholders | 667 |
| to be carried forward | 6 689 |
| **Total** | **7 356** |

The Board of Directors deems the proposed dividend to be justified in relation to requirements that the Group's nature of business, scope and risks impose on consolidated shareholders' equity and the Group's consolidation requirements, liquidity and financial position.

For information regarding the results and financial position of the Group and the Parent Company, refer to the following financial statements. The income statements and balance sheets will be presented for approval to the Annual General Meeting on March 30, 2016.

The Board of Directors and CEO affirm that the consolidated financial statements have been prepared in accordance with international financial reporting standards IFRS, which have been adopted by the EU, and provide a fair and accurate account of the Group's financial position and profit. This Annual Report was prepared in accordance with generally accepted accounting policies and provides a fair and accurate account of the Parent Company's financial position and profit.

The Administration Report for the Group and Parent Company provides a fair and accurate overview of the performance of the Parent Company and the Group's operations, financial position and earnings and describes the material risks and uncertainties faced by the Parent Company and companies belonging to the Group.

**Göteborg, February 26, 2016**

**Carl Bennet**
Chairman

**Johan Bygge**
AGM-elected Board member

**Cecilia Daun Wennborg**
AGM-elected Board member

**Carola Lemne**
AGM-elected Board member

**Malin Persson**
AGM-elected Board member

**Johan Stern**
AGM-elected Board member
Vice Chairman

**Maths Wahlström**
AGM-elected Board member

**Peter Jörmalm**
Board member, Representative of the Swedish white-collar trade union, Unionen

**Rickard Karlsson**
Board member, Representative of the Metalworkers' Union, IF Metall

**Alex Myers**
AGM-elected Board member
CEO

**Our auditor's report was submitted on February 26, 2016**
**Öhrlings PricewaterhouseCoopers AB**

**Johan Rippe**
Authorized Public Accountant
Chief Auditor

**Eric Salander**
Authorized Public Accountant

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

| SEK M | Note | 2015 | 2014 | 2013 |
|---|---|---|---|---|
| Net sales | 2, 3 | 30 235 | 26 669 | 25 287 |
| Cost of goods sold | 33 | -16 072 | -13 559 | -12 540 |
| **Gross profit** | | **14 163** | **13 110** | **12 747** |
| Selling expenses | 33 | -6 605 | -5 772 | -5 363 |
| Administrative expenses | 33 | -3 300 | -2 824 | -2 599 |
| Research and development costs | 32, 33 | -598 | -597 | -619 |
| Acquisition costs | 33 | -33 | -38 | -13 |
| Restructuring and integration costs | 20, 33 | -657 | -1 162 | -401 |
| Other operating income | | 222 | 90 | 124 |
| Other operating expenses | | -463 | -161 | -128 |
| **Operating profit** | 3, 4, 5, 6 | **2 729** | **2 646** | **3 748** |
| | | | | |
| Interest income and similar profit items | 7 | 26 | 23 | 24 |
| Interest expenses and similar loss items | 8 | -758 | -682 | -619 |
| **Profit after financial items** | | **1 997** | **1 987** | **3 153** |
| Tax on profit for the year | 9 | -540 | -539 | -858 |
| **Net profit for the year** | | **1 457** | **1 448** | **2 295** |
| | | | | |
| *Attributable to:* | | | | |
| Parent Company's shareholders | | 1 390 | 1 433 | 2 285 |
| Non-controlling interests | | 67 | 15 | 10 |
| | | **1 457** | **1 448** | **2 295** |
| | | | | |
| Earnings per share | 11 | 5,83 | 6,01 | 9,59 |
| – weighted average number of shares for calculation of earnings per share | 11 | 238 323 | 238 323 | 238 323 |

## STATEMENT OF COMPREHENSIVE INCOME

| SEK M | Note | 2015 | 2014 | 2013 |
|---|---|---|---|---|
| **Net profit for the year** | | **1 457** | **1 448** | **2 295** |
| | | | | |
| **Other comprehensive income** | | | | |
| **Items that cannot be restated in profit for the period** | | | | |
| Actuarial gains/losses pertaining to defined-benefit pension plans | | -23 | -666 | -148 |
| Income tax attributable to actuarial gains/losses | | 6 | 193 | 39 |
| | | | | |
| **Items that can later be restated in profit for the period** | | | | |
| Translation differences | | -115 | 1 930 | -58 |
| Cash-flow hedges | 26 | 340 | -112 | 290 |
| Income tax attributable to cash-flow hedges | | -75 | 30 | -64 |
| **Other comprehensive income for the period, net after tax** | | **133** | **1 375** | **59** |
| **Total comprehensive income for the period** | | **1 590** | **2 823** | **2 354** |
| | | | | |
| **Comprehensive income attributable to** | | | | |
| Parent Company's shareholders | | 1 528 | 2 800 | 2 350 |
| Non-controlling interests | | 62 | 23 | 4 |

## CONSOLIDATED BALANCE SHEET

| SEK M | Note | 2015 | 2014 | 2013 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Intangible assets | 3, 4, 12 | 30 543 | 30 064 | 25 126 |
| Tangible assets | 3, 4, 12, 19 | 4 699 | 4 971 | 4 341 |
| Financial instruments, long-term | 26 | 80 | 40 | 138 |
| Financial receivables, long-term | | 69 | 83 | 122 |
| Deferred tax assets | 9 | 1 225 | 1 287 | 407 |
| **Total non-current assets** | | **36 616** | **36 445** | **30 134** |
| **Current assets** | | | | |
| Inventories | 13 | 5 409 | 5 245 | 4 254 |
| Accounts receivable | 14 | 7 470 | 7 362 | 6 630 |
| Current tax assets | | 604 | 523 | 169 |
| Financial instruments, current | 26 | 158 | 264 | 480 |
| Other receivables | | 716 | 705 | 843 |
| Prepaid expenses and accrued income | 15 | 794 | 792 | 645 |
| Cash and cash equivalents | 17 | 1 468 | 1 482 | 1 148 |
| **Total current assets** | | **16 619** | **16 373** | **14 169** |
| **TOTAL ASSETS** | | **53 235** | **52 818** | **44 303** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | |
| **Shareholders' equity** | | | | |
| Share capital | 16 | 119 | 119 | 119 |
| Other capital provided | | 5 960 | 5 960 | 5 960 |
| Other reserves | | 3 | -153 | -1 993 |
| Retained earnings | 10 | 13 121 | 12 416 | 12 445 |
| **Shareholders' equity attributable to the Parent Company's shareholders** | | 19 203 | 18 342 | 16 531 |
| Non-controlling interests | | 390 | 352 | 29 |
| **Total shareholders' equity** | | **19 593** | **18 694** | **16 560** |
| **Long-term liabilities** | | | | |
| Interest-bearing long-term loans | 18, 19 | 16 006 | 14 378 | 13 566 |
| Other long-term liabilities | | 170 | 26 | 20 |
| Provisions for pensions, interest-bearing | 18, 22 | 3 052 | 3 271 | 2 298 |
| Provisions for pensions, non-interest-bearing | 22 | 65 | 62 | 51 |
| Deferred tax liabilities | 9 | 1 074 | 1 317 | 1 410 |
| Other provisions, long-term | 21 | 377 | 326 | 258 |
| **Total long-term liabilities** | | **20 744** | **19 380** | **17 603** |
| **Current liabilities** | | | | |
| Restructuring reserves | 20 | 389 | 649 | 238 |
| Other provisions, current | 21 | 338 | 223 | 197 |
| Interest-bearing current loans | 18, 19 | 5 277 | 6 373 | 3 603 |
| Advance payments from customers | | 475 | 556 | 467 |
| Accounts payable | | 1 986 | 2 083 | 1 882 |
| Current tax liabilities | | 63 | 94 | 211 |
| Financial instruments, current | 26 | 931 | 1 338 | 660 |
| Other liabilities | | 552 | 599 | 524 |
| Accrued expenses and deferred income | 23 | 2 887 | 2 828 | 2 358 |
| **Total current liabilities** | | **12 898** | **14 744** | **10 140** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | | **53 235** | **52 818** | **44 303** |

Refer to Note 24 for information concerning Getinge Group's pledged assets.

## CHANGES IN SHAREHOLDERS' EQUITY FOR THE GROUP

| SEK M | Share capital | Other capital provided | Reserves[1] | Retained earnings | Total | Non-controlling interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|
| **Opening balance at January 1, 2013** | **119** | **5 960** | **-2 160** | **11 251** | **15 170** | **30** | **15 200** |
| Total comprehensive income for the period | | | 167 | 2 183 | 2 350 | 4 | 2 354 |
| Dividend | | | | -989 | -989 | -5 | -994 |
| **Closing balance at December 31, 2013** | **119** | **5 960** | **-1 993** | **12 445** | **16 531** | **29** | **16 560** |
| | | | | | | | |
| **Opening balance at January 1, 2014** | **119** | **5 960** | **-1 993** | **12 445** | **16 531** | **29** | **16 560** |
| Total comprehensive income for the period | | | 1 840 | 960 | 2 800 | 23 | 2 823 |
| Arising in connection with acquisitions | | | | | | 304 | 304 |
| Dividend | | | | -989 | -989 | -4 | -993 |
| **Closing balance at December 31, 2014** | **119** | **5 960** | **-153** | **12 416** | **18 342** | **352** | **18 694** |
| | | | | | | | |
| **Opening balance at January 1, 2015** | **119** | **5 960** | **-153** | **12 416** | **18 342** | **352** | **18 694** |
| Total comprehensive income for the period | | | 156 | 1 372 | 1 528 | 62 | 1 590 |
| Dividend | | | | -667 | -667 | -24 | -691 |
| **Closing balance at December 31, 2015** | **119** | **5 960** | **3** | **13 121** | **19 203** | **390** | **19 593** |

1) Reserves comprise reserves for cash-flow hedges, hedges of net investments and exchange-rate differences.

## CONSOLIDATED CASH-FLOW STATEMENT

| SEK M | Note | 2015 | 2014 | 2013 |
|---|---|---|---|---|
| **Operating activities** | | | | |
| EBITDA | | 5 187 | 4 765 | 5 614 |
| Expensed restructuring costs | 20 | 657 | 1 162 | 401 |
| Paid restructuring costs | 20 | -918 | -751 | -352 |
| Other non-cash items | 31 | 230 | 47 | 153 |
| Interest expenses | | -719 | -649 | -580 |
| Other financial items | | -13 | -10 | -15 |
| Taxes paid | | -858 | -790 | -859 |
| **Cash flow before changes to working capital** | | **3 566** | **3 774** | **4 362** |
| | | | | |
| **Changes in working capital** | | | | |
| Inventories | | -171 | -421 | -233 |
| Current receivables | | -30 | -42 | -812 |
| Current liabilities | | 93 | 162 | 227 |
| **Cash flow from operating activities** | | **3 458** | **3 473** | **3 544** |
| | | | | |
| **Investing activities** | | | | |
| Acquired operations | 25, 31 | -41 | -1 236 | -248 |
| Divested operations | | 302 | – | – |
| Capitalized development costs | | -702 | -673 | -679 |
| Equipment for lease | | -306 | -221 | -299 |
| Acquisitions and divestment of non-current assets | | -1 046 | -945 | -1 004 |
| **Cash flow from investing activities** | | **-1 793** | **-3 075** | **-2 230** |
| | | | | |
| **Financing activities** | | | | |
| Raising of loans | | 1 907 | 4 849 | 4 887 |
| Repayment of loans | | -1 612 | -766 | -5 164 |
| Change in long-term receivables | | -26 | -79 | 303 |
| Dividend paid | | -691 | -993 | -989 |
| **Cash flow from financing activities** | | **-422** | **3 011** | **-963** |
| | | | | |
| **Cash flow for the year** | | **1 243** | **3 409** | **351** |
| | | | | |
| Cash and cash equivalents at the beginning of the period | | 1 482 | 1 148 | 1 254 |
| Cash flow for the year | | 1 243 | 3 409 | 351 |
| Translation differences | | -1 257 | -3 075 | -457 |
| **Cash and cash equivalents at year-end** | 31 | **1 468** | **1 482** | **1 148** |

## 1 Accounting policies

**GENERAL INFORMATION**
Getinge AB, which is the Parent Company of Getinge Group, is a limited liability company with its registered offices in Gothenburg, Sweden. A description of the company's operations is included in the Administration Report on page 38.

**ACCOUNTING AND MEASUREMENT POLICIES**
Getinge's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), including interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 has been applied. The consolidated financial statements include the financial statements for Getinge AB and its subsidiaries and were prepared in accordance with the cost method. The Parent Company applies the same accounting policies as the Group, except in the instances stated below in the section "Parent Company's accounting policies." The differences that arise between the Parent Company and the Group's accounting policies are attributable to the limited opportunities for the application of IFRS in the Parent Company, as a result of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act. The Parent Company's functional currency is Swedish kronor (SEK), which is also the Parent Company's and Group's presentation currency. This means that the financial statements are presented in Swedish kronor (SEK). Unless otherwise stated, all amounts are given in millions of Swedish kronor (SEK M).

**NEW ACCOUNTING POLICIES APPLIED BY THE GROUP IN 2015**
No standards, amendments or interpretations effective from fiscal years beginning on or after January 1, 2015 had a material impact on the consolidated financial statements.

**SIGNIFICANT ESTIMATES AND ASSESSMENTS**
To prepare the financial statements in accordance with IFRS, the company management is required to make assessments and assumptions that affect the recognized amounts of assets and liabilities and other information, such as contingent liabilities and so forth, in the financial statements and for revenues and expenses recognized during the period. Assumptions, assessments and estimates are reviewed on a regular basis. The actual outcome may diverge from these assumptions, assessments and estimates. The Board of Directors and Group management have deemed that the following areas may have a significant impact on Getinge's earnings and financial position:

**Measurement of identifiable assets and liabilities in connection with acquisitions.** In conjunction with acquisitions, all identifiable assets and liabilities in the acquired company are identified and measured at fair value, including the value of assets and liabilities in the previously owned share as well as the share attributable to non-controlling interests.

**Goodwill and intangible assets with an indefinite useful life.** The impairment requirement for goodwill and other intangible assets with an indefinite useful life is tested annually by Getinge in accordance with the accounting policy described here in Note 1. The recoverable amount for cash-generating units (CGUs) has been established through the measurement of value in use. For these calculations, certain estimations must be made (see Note 12).

**Pension commitments.** Recognition of the costs of defined-benefit pensions and other applicable retirement benefits is based on actuarial valuations, relying on key assumptions for discount rates, future salary increases, personnel-turnover rates and mortality tables. In turn, the discount rate assumptions are based on rates for high-quality fixed-interest investments with durations similar to the pension plans (see Note 22).

**Obsolescence reserve.** Inventories are recognized at the lower of cost according to the first in/first out principle, and net realizable value. The value of inventories is adjusted for the estimated decrease in value attributable to products no longer sold, surplus inventories, physical damage, lead times for inventories, and handling and sales overheads. If the net realizable value is lower than the cost, a valuation reserve is established for inventory obsolescence (see Note 13).

**Deferred tax.** The measurement of loss carryforwards and the company's ability to utilize unutilized loss carryforwards is based on the company's assessments of future taxable income in various tax jurisdictions and includes assumptions regarding whether expenses that have not yet been subject to taxation are tax deductible. Deferred tax is recognized in profit and loss unless the deferred tax is attributable to items recognized in other comprehensive income, in which case the deferred tax is recognized together with the underlying transaction in other comprehensive income (refer to Note 9).

**CONSOLIDATED FINANCIAL STATEMENTS**
Subsidiaries are all companies (including structured entities) over which the Group exercises a controlling influence. The Group controls a company when it is exposed to or has the right to variability of returns from its holding in the company and can affect these returns through its influence over the company. The controlling influence is usually transferred at the acquisition date. Acquired companies are consolidated into the consolidated financial statements in accordance with the purchase method, which means that the cost of the shares in subsidiaries is eliminated against their shareholders' equity at the acquisition date. Accordingly, only the portion of the subsidiary's shareholders' equity that has arisen after the acquisition is included in consolidated shareholders' equity. Getinge applies IFRS 3 Business Combinations for acquisitions after January 1, 2004, in accordance with the interim regulations in IFRS 1. Getinge has chosen not to restate earlier acquisitions. Shareholders' equity in the subsidiaries is thus determined on a market-based value of identifiable assets, liabilities, provisions and contingent liabilities on the date of the acquisition. If the cost of the shares in the subsidiaries exceeds the value of the acquired net assets, calculated as described above, the difference is assigned to goodwill. If the acquisition cost falls below the fair value of the acquired subsidiary's net assets, the negative goodwill is recognized directly in profit and loss as other operating income. If assets are included in the subsidiary at the time of acquisition – for example, property, participations or other operations – that will not be retained but sold in the near future, these assets are recognized in the acquisition analysis at the amount expected to be received. Deferred tax is calculated on the difference between the calculated market values of assets and liabilities and the fiscal residual values. Intra-Group transactions and unrealized inter-company profits are eliminated in the consolidated financial statements, except with respect of shares in non-controlling interests. The fiscal effect is also calculated when eliminating internal transactions, based on the nominal tax rate. In profit and loss, net profit/loss is recognized without deductions for non-controlling interests in net profit/loss for the year. Non-controlling interests are recognized as a separate item in consolidated shareholders' equity in the balance sheet. The Group applies IFRS 3 Business Combinations to all acquisitions made after January 1, 2010, whereby the most significant change entails expensing transaction costs in conjunction with an acquisition.

**FOREIGN CURRENCIES**
**Functional currency.** Transactions in foreign currencies are translated to the functional currency of the financial statements according to the exchange rate on the date of the transaction. Receivables and liabilities in foreign currencies are measured at the closing day rate, and unrealized currency gains and losses are included in profit and loss. Exchange-rate differences attributable to operating receivables and liabilities are recognized as other operating income (operating expenses). Exchange-rate differences regarding financial assets and liabilities are recognized under "Other financial items." When preparing the consolidated financial statements, the balance sheets of the Group's foreign operations are translated from their functional currency to SEK, based on the closing day rate.

**Translation of foreign operations.** Getinge applies the current method for translation of foreign subsidiaries' balance sheets and income statements. This means that all assets and liabilities in subsidiaries are translated at the closing day rate, and all income statement items are translated at average annual exchange rates. Translation differences arising in this context are due to the difference between the income statement's average exchange rates and closing day rates, and to the net assets being translated at a different exchange rate at year-end than at the beginning of the year. Translation differences are recognized under other comprehensive income. The total translation differences in conjunction with divestments are recognized together with the gains/losses arising from the transaction. Hedge accounting is applied to external loans raised in order to reduce translation effects in exposed currencies to match the net assets in foreign subsidiaries. Exchange-rate differences for these loans are recognized directly in other comprehensive income for the Group.

**REVENUE RECOGNITION**
Sales include products, services and rents, excluding indirect sales tax and discounts provided. Income is recognized when, essentially, all risks and rights connected with ownership have been transferred to the buyer. This usually occurs in connection with delivery, after the price has been determined and collection of the receivable is appropriately secured. If delivery of finished products is postponed at the buyer's request, but the buyer assumes the proprietary rights and accepts the invoice (a "bill and hold" sale), income is recognized when the proprietary rights are transferred. Income is normally recognized once the buyer has accepted delivery and after installation and final inspection. However, income is recognized immediately after delivery if the installation and final inspection are of a simple nature, and after establishing provisions for estimated residual expenses. Income recognition for services takes place as and when the services are performed. Income from rental is allocated to a particular period over the term of the rental agreement. Interest income is recognized continuously and dividends received are recognized after the right to the dividend is deemed secure. In the consolidated financial statements, intra-Group sales are eliminated. For larger assignments extending over more than one accounting period, where outcome can be measured in a reliable manner, income and expenses are recognized in relation to the degree of completion of the assignment on the closing date. The degree of completion of an assignment is established in a ratio between accrued assignment costs for work completed on the closing date and the calculated total assignment costs, except in those instances this does not correspond to the degree of completion. Changes in the scope and claims of the assignment are included only if there is an agreement with the customer. When the outcome of an assignment cannot be calculated in a reliable manner, only the amount corresponding to the accrued assignment costs that will probably be paid by the client is recognized as revenue. Other accrued assignment costs are recognized as costs in the period in which they occur. If it is probable that the total amount of accrued assignment costs will exceed total revenue from the assignment, the expected loss is promptly recognized as a cost in its entirety.

**GOVERNMENT GRANTS**
Government grants are measured at fair value when it is probable that the terms associated with the grants will be met and that the grants will be received. Government grants relating to costs are recognized in profit and loss. The income is recognized in the same period as the cost that grants are intended to compensate. Government grants relating to the acquisition of assets reduce the assets' carrying amounts. Grants affect recognized earnings over the assets' useful life by reducing depreciation.

**FINANCIAL INCOME AND EXPENSES**
Financial income and expenses include interest income on bank deposits and receivables, interest expenses on loans, income from dividends, unrealized and realized profits and losses on financial investments, exchange-rate differences, and the change in value of derivative instruments used in financial activities. Borrowing costs in conjunction with the raising of loans are recognized as part of the loan to which they pertain and are charged to profit during the term of the loan.

**INTANGIBLE ASSETS**
**Goodwill.** Goodwill comprises the portion of a purchase price for an acquisition that exceeds the market value of the identifiable assets, with deductions for liabilities and contingent liabilities, calculated on the acquisition date, on the share of the acquired company's assets acquired by the Group. In a business acquisition whereby the acquisition costs are less than the net value of acquired assets, assumed liabilities and contingent liabilities, the difference is recognized directly in profit and loss. Goodwill arising in conjunction with the acquisition of a foreign entity is treated as an asset in the foreign entity and translated at the exchange rate on the closing date. Goodwill arising from the acquisition of associated companies is included in the value of the holdings in the associated company. An impairment test of goodwill is conducted once per year or more often if there is an indication that there could have been a decrease in value. Impairment of goodwill is recognized in profit and loss. The gain or loss in connection with the divestment of an entity includes the residual carrying amount of goodwill that pertains to the divested unit.

**Other intangible assets.** Other intangible assets comprise capitalized development costs, customer relations, technical knowhow, trademarks, agreements and other assets. Intangible assets are recognized at cost with deductions for accumulated amortization and any impairment losses. Amortization is applied proportionally over the asset's anticipated useful life, which usually varies between three and 15 years. Acquired intangible assets are recognized separately from goodwill if they fulfill the criteria for qualifying as an asset, implying they can be separated or they are based on contractual or other legal rights and that their market value can be established in a reliable manner. Intangible assets that are recognized separately from goodwill in acquisitions of operations include customer relations, technical knowhow, trademarks, agreements, etc. Acquired intangible assets are measured at market value and amortized on a straight-line basis over their anticipated useful life. The useful life can, in certain cases, be indefinite. These intangible assets are not amortized, instead they are subject to an impairment test every year or more often if there is an indication that there could have been a decrease in value. Costs for development, whereby research results or other knowledge is applied to produce new products, are recognized as an asset in the balance sheet to the extent that these products are expected to generate future financial benefits. These costs are capitalised when management deems that the product is technically and financially viable, which is usually when a product development project has reached a defined milestone in accordance with an established project model. The capitalised value includes expenses for material, direct expenses for salaries and indirect expenses that can be assigned to the asset in a reasonable and consistent manner. In other cases, development costs are expensed as they arise. Research costs are charged to earnings as they arise. Capitalized expenses are amortized on a straight-line basis from the point in time at which the asset is put into commercial operation and during the asset's estimated useful life. The amortization period is between three and 15 years.

**TANGIBLE ASSETS**
Properties, machinery, equipment and other tangible assets are recognized at cost, with deductions for accumulated depreciation and any impairment losses. The cost includes the purchase price and expenses directly attributable to the asset to bring the asset to the site and in the working condition for its intended use. Examples of directly attributable expenses included in the cost are delivery and handling costs, installation, legal services and consultancy services. Assets provided to the company in conjunction with the acquisition of new subsidiaries are recognized at market value on the acquisition date. Depreciation is conducted straight line. The value in the balance sheet represents acquisition costs with deduction for accumulated depreciation and any impairment losses. Land is not depreciated since it is deemed to have an infinite economic life, however, the depreciation of other assets is based on the following anticipated useful lives:

| Class of assets | Depreciation, number of years |
|---|---|
| Land | 40 – 50 |
| Buildings | 10 – 50 |
| Machinery | 5 – 25 |
| Equipment | 10 |
| Production tools | 5 |
| Equipment for rental | 5 |
| Cars | 4 |
| Computer equipment | 3 |

Tangible assets comprising parts with different useful lives are treated as separate components of tangible assets. Standard maintenance and repair costs are expensed during the periods in which they arise. More extensive repair and upgrading costs are capitalized and depreciated over the item's remaining anticipated useful life. Capital gains/losses are recognized under "Other operating income/ expenses."

**LEASING. GETINGE AS A LESSEE**
**Financial leasing.** Leasing of properties, machines and equipment, whereby the Group essentially assumes the same rights as for direct ownership of the asset, is classified as financial leasing. Financial leasing is capitalized from the date on which the lease agreement is entered into, at the lower amount of the assets' market value or the calculated present value of the underlying leasing payments. Each leasing payment is divided between liabilities and financial expenses so that interest payments on outstanding liabilities are proportional. The corresponding rental liability, after deduction for financing costs, is attributed to interest-bearing liabilities, while the interest portion of leasing costs is recognized in revenue during the lease period. Properties, machines and equipment acquired by leasing are depreciated over their anticipated useful lives.

**Operational leasing.** Leasing of assets whereby the lessor essentially remains the owner of the asset is classified as operational leasing, and payments made according to operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period, respectively. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

**GETINGE AS A LESSOR**
Leasing agreements are defined in two categories, operational and financial, depending on the financial significance of the agreement. Operational leasing agreements are recognized as non-current assets. Revenues from operational leasing are recognized evenly over the lease period. Straight-line depreciation is applied to these assets in accordance with the undertakings and the depreciation amount is adjusted to correspond with the estimated realizable value when the undertaking expires. The estimated impairment requirement is immediately charged to profit and loss. The products' estimated realizable value at the expiration of the undertaking is continuously followed up on an individual basis. Financial leasing agreements are recognized as long-term and current receivables. Payments received from financial leasing agreements are divided between interest income and depreciation of receivables.

**IMPAIRMENT**
At the end of each accounting period, the carrying amount of the assets is assessed to determine whether there is any indication that impairment is required. If there is such an indication, the asset's recoverable amount is established. The recoverable amount is deemed to be the higher of the asset's net realizable value and its value in use, for which the impairment loss is recognized as soon as the carrying amount exceeds the recoverable amount. Earlier recognized impairment losses on machines and equipment are reversed if the recoverable amount is deemed to have increased, although the impairment losses are not reversed to an amount greater than what the carrying amount would have been if no impairment losses had been recognized in earlier years. Recognized impairments of goodwill are not reversed.

**INVENTORIES**
Inventories are measured at the lower of cost and production value, according to the first in/first out (FIFO) principle, and net realizable value. Inventories include a share of indirect costs related to this. The value of finished products includes raw materials, direct work, other direct costs and production-related expenses including depreciation. The net realizable value is calculated as the estimated sales price less estimated completion and selling expenses. An assessment of obsolescence in inventories is conducted on an ongoing basis during the year. The value of inventories is adjusted for the estimated decrease in value attributable to products no longer sold, surplus inventories, physical damage, lead times for inventories, and handling and sales overheads. If the net realizable value is lower than the cost, a valuation reserve is established for inventory obsolescence.

**FINANCIAL INSTRUMENTS**
A financial asset or financial liability is recognized in the balance sheet when the company is party to the contractual conditions of the instrument. A financial asset is derecognized from the balance sheet when the contractual rights to the asset are realized, extinguished or the company loses control over them. A financial liability is derecognized from the balance sheet when the contractual obligation has been fulfilled or in some other manner extinguished. Acquisitions and sales of financial assets are recognized on the transaction date, which is the date on which the company commits to acquire or sell the assets, apart from cases in which the company acquires or sells listed securities, when liquidity-date reporting is applied.

Financial instruments are recognized at amortized cost or fair value, depending on the initial classification according to IAS 39 (see below). At the end of each accounting period, the company assesses whether there are objective indications that a financial asset or group of financial assets requires impairment.

Further information about financial instruments can be found in Note 14 Accounts receivable, Note 18 The Group's interest-bearing net debt and Note 26 Financial risk management .

**Financial assets measured at fair value in profit and loss.** Financial assets in this category comprise derivatives. They are included in current assets if they are expected to be settled within 12 months of the end of the reporting period, otherwise, they are classified as non-current assets. All derivatives are measured at fair value in the balance sheet. Changes in fair value are recognized as a component of other comprehensive income insofar as they are part of a hedging relationship that qualifies as hedge accounting. They are reversed to profit and loss when the hedged transaction occurs at which point they are recognized as part of gross profit.

**Loan receivables and accounts receivable.** Assets in this category comprise long-term financial receivables, accounts receivable and other current receivables. They are included in current assets with the exception of items that fall due more than 12 months after the end of the reporting period, which are classified as non-current assets. Assets in this category are initially measured at fair value including transaction costs. After the acquisition date, they are recognized at amortized cost using the effective interest method. Accounts receivable are recognized in the amounts that are expected to be received after deductions for doubtful receivables, which are assessed on a case-by-case basis. The expected term of accounts receivable is short, which is why amounts are recognized at nominal values without discounting. Any impairment of accounts receivable is recognized in operating expenses.

**Cash and cash equivalents.** The major portion of cash and cash equivalents comprises cash funds held at financial institutions, and only a minor portion comprises current liquid investments with a term from the acquisition date of less than three months, which are exposed to only an insignificant risk of value fluctuations. Cash and cash equivalents are recognized at nominal amounts, which are equivalent to fair value.

**Other financial liabilities.** This category includes liabilities to credit institutions, issued bonds, accounts payable and other current liabilities. Long-term liabilities have an expected term longer than one year while current liabilities have a term of less than one year. Items in this category are initially measured at fair value and in the subsequent periods at amortized cost using the effective interest method.

**Hedge accounting.** For derivative instruments or other financial instruments that meet hedge-accounting requirements under the cash-flow hedging method or hedging of net investments in foreign operations method, the effective component of the value change is recognized in other comprehensive income. Accumulated value changes from cash-flow hedges are reversed from shareholders' equity to profit and loss at the same time as the hedged item impacts profit and loss. Accumulated value changes from the hedging of net investments in foreign operations are reversed from shareholders' equity to profit and loss when the foreign operation is divested in full or in part. Interest-bearing liabilities to which hedge accounting has been applied in accordance with the method for fair-value hedging are measured at fair value regarding the hedged risk. The effect of the hedge is recognized on the same line as the hedged item.

**Fair value.** The fair value of derivative instruments was calculated using the most reliable market prices available. This requires all instruments that are traded in an effective market, such as forward currency forward contracts, to be measured at marked-to-market. In terms of instruments for which no reliable prices were available, such as interest-rate swaps, cash flows were discounted using deposit and interest-rate swaps for the currency in question. Translation to SEK is conducted at the closing day rate.

### REMUNERATION OF EMPLOYEES

**Recognition of pensions.** Getinge has both defined-contribution and defined-benefit pension plans, of which some have assets in special funds or similar securities. The plans are usually financed by payments from the respective Group companies and the employees. The Group's Swedish companies are generally covered by the ITP plan, which does not require any payments from employees.

**Defined-benefit plans.** Pension expenses for defined-benefit plans are calculated using the Projected Unit Credit Method in a manner that distributes expenses over the employee's working life. The calculation is performed annually by independent actuaries. These commitments are measured at the present value of expected future payments, with consideration for calculated future salary increases, utilizing a discount rate corresponding to the interest rate of first-class company or government bonds with a remaining term that is almost equivalent to the actual commitments. The Group's net liabilities for each defined-benefit plan (which is also recognized in the balance sheet), comprises the present value of the obligation less the fair value of the plan assets. If the value of the plan assets exceeds the value of the obligation, a surplus arises, which is recognized as an asset in other long-term receivables. The recognized asset value is limited to the total of costs related to services rendered during previous periods and the present value of future repayments from the plan, or reductions in future contributions to the plan. The actuarial assumptions constitute the company's best assessment of the different variables that determine the costs of providing the benefits. When actuarial assumptions are used, the actual results could differ from the estimated results, and actuarial assumptions change from one period to another. These differences are recognized as actuarial gains and losses. Actuarial gains and losses are recognized in other comprehensive income for the period in which they are incurred.

Costs for defined-benefit pension plans in profit and loss comprise the total costs for service during the current and earlier years, interest on commitments and the expected return on plan assets. Costs for service during the current period and previous periods are recognized as employee costs. The interest component of pension expenses is recognized under financial expenses.

**Defined-contribution plans.** These are plans in which the company pays fixed fees to a separate legal entity and does not have any legal or informal obligation to pay additional fees. The Group's payments for defined-contribution plans are recognized as expenses during the period in which the employees perform the services that the fee covers. The part of the Swedish ITP plan concerning family pension, disability pension, and employment group life insurance financed by insurance with Alecta is a defined-benefit pension multi-employer plan. For this pension scheme, according to IAS 19, a company is primarily to recognize its proportionate share of the defined-benefit pension commitment and the plan assets and expenses associated with the pension plan. The financial statements are also to include disclosure required for defined-benefit pension plans. Alecta is currently unable to provide the necessary information and therefore the above pension plans are recognized as defined-contribution plans in accordance with item 30 of IAS 19. This means that premiums paid to Alecta will also be recognized on an ongoing basis as expenses in the period to which they pertain.

### PROVISIONS

Provisions are recognized when the Group has a legal or informal obligation as a result of past events and it is probable that payment will be required to fulfill the commitment and if a reliable estimation can be made of the amount to be paid. Pensions, deferred tax liabilities, restructuring measures, guarantee commitments and similar items are recognized as provisions in the balance sheet. Provisions are reviewed at the end of each accounting period.

### CONTINGENT LIABILITIES

Contingent liabilities are commitments not recognized as liabilities/provisions either because it is not certain that an outflow of resources will be required to regulate the commitment or because it is not possible to make a reliable estimate of the amount.

### INCOME TAXES

Getinge's income taxes include taxes on Group companies' profits recognized during the accounting period and tax adjustments attributable to earlier periods and changes in deferred taxes. Measurement of all tax liabilities/receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or those that have been announced and will almost certainly be adopted. Tax is recognized directly in shareholders' equity if the tax is attributable to items that are recognized directly in shareholders' equity. Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all existing differences between fiscal and carrying amounts of assets and liabilities by applying applicable tax rates. Temporary differences primarily arise from the depreciation of properties, machines and equipment, the market valuations of identifiable assets, liabilities and contingent liabilities in acquired companies, the market valuation of investments classified as available-for-sale and financial derivatives, gains from intra-Group inventory transactions, untaxed reserves and tax loss carryforwards, of which the latter is recognized as an asset only to the extent that it is probable that these loss carryforwards will be matched by future taxable profits. Deferred tax liabilities pertaining to temporary differences that are attributable to investments in subsidiaries and affiliates are not recognized, since the Parent Company, in each instance, can control the point in time of reversal of the temporary differences and a reversal in the foreseeable future has been deemed improbable.

### SEGMENT REPORTING

Getinge's operations are controlled and reported primarily by business area. Each segment is consolidated according to the same policies as for the Group in its entirety. The earnings of the segments represent their contribution to the Group's earnings and include distributed central head office expenses. Assets in a segment include all operating assets used by the segment and primarily comprise intangible assets, tangible assets, inventories, external accounts receivable, other receivables and prepaid expenses and accrued income. Liabilities in a segment include all operating liabilities utilized by the segment and primarily comprise provisions excluding interest-bearing pension provisions and deferred tax liabilities, external accounts payable, other current liabilities, accrued expenses and deferred income. Non-distributed assets and liabilities include all tax items and all items of a financial, interest-bearing nature.

### CASH-FLOW STATEMENTS

Cash-flow statements are prepared in accordance with IAS 7 Statement of Cash Flows, indirect method. The cash flows of foreign Group companies are translated at average exchange rates. Changes in the Group structure, acquisitions and divestments, are recognized net, excluding cash and cash equivalents, under "Acquisitions and divestments of subsidiaries" and are included in cash flow from investing activities.

### EARNINGS PER SHARE

Earnings per share before dilution are calculated by dividing net profit for the year attributable to the Parent Company's shareholders by the weighted average number of shares outstanding during the period.

### DIVIDEND

Dividends proposed by the Board of Directors are not deducted from distributable earnings until the dividend has been approved by the General Meeting of Shareholders.

### NEW AND REVISED STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET COME INTO EFFECT BUT WILL BE APPLIED IN FORTHCOMING PERIODS

A number of new standards and interpretations will come into effect for fiscal years beginning on or after January 1, 2015 and were not applied when preparing these financial statements. None of these are expected to have any material impact on the consolidated financial statements with the exception of the following:

**IFRS 9 Financial Instruments** addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of IFRS 9 was issued in June 2014. It replaces the elements of IAS 39 related to the classification and measurement of financial instruments. IFRS 9 retains a mix valuation approach but simplifies the approach in certain respects. There will be three measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. The classification of an instrument is to be based on the company's business model and the characteristics of the instrument. Investments in equity instruments are to be measured at fair value through profit and loss, although there is also the option of measuring the instrument at fair value through other comprehensive income at initial recognition. The instrument will then not be reclassified to profit and loss when divested. IFRS 9 also introduced a new model for calculating a reserve based on expected credit losses. Classification and measurement are not changed for financial liabilities except in cases when a liability is measured at fair value through profit and loss based on the fair value option. Changes in value attributable to changes in own risk are then to be recognized through other comprehensive income. IFRS 9 reduces requirements for applying hedge accounting by replacing 80-125 criteria with requirements for an economic relationship between the hedging instrument and the hedged item, and that the hedge ratio is the same as that actually used in risk management. Hedging documentation requirements have been changed to a minor extent compared with the documentation required under IAS 39. The standard is to be applied to fiscal years beginning on or after January 1, 2018. Early adoption is permitted. The standard has not yet been adopted by the EU. The Group has not yet evaluated the effect of introducing the standard.

**IFRS 15 Revenue from Contracts with Customers** regulates recognition of revenue. The principles on which IFRS 15 is based provide users of financial statements with more informative information about a company's revenue. The expanded disclosure requirements entail that information is to be provided on the nature, timing and uncertainty of revenue, and cash flows arising from a contract with a customer. Under IFRS 15, revenue is to be recognized when the customer passes control of the sold good of service and is able to use or benefit from the good or service. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts and associated SIC and IFRIC. IFRS 15 comes into effect on January 1, 2018. Early adoption is permitted. The standard has not yet been adopted by the EU. The Group has not yet evaluated the effect of introducing the standard.

**IFRS 16 "Leases"** were published by the IASB in January 2016. The standard regulates recognition of leasing and will replace the IAS 17 Leasing agreements along with the accompanying interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires assets and liabilities attributable to all leasing agreements, with a few exceptions, to be recognized in the balance sheet. This recognition is based on the view that the lessee is entitled to use an asset over a specific time period, while also having a duty to pay for this entitlement. Recognition for the lessor will for the most part be unchanged. The standard is applicable to fiscal years beginning on or after January 1, 2019. Early adoption is permitted. The EU has not yet adopted the standard. The Group is yet to assess IFRS 16's full impact.

None of the IFRS or IFRIC interpretations that have yet to come into legal effect are expected to have any significant impact on the Group.

## 2 Net sales per revenue classification

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| **Product sales, capital goods** | 13 229 | 12 023 | 11 885 |
| **Recurring revenue** | | | |
| Product sales | 9 398 | 7 779 | 7 043 |
| Spare parts | 2 234 | 2 067 | 1 909 |
| Service assignments | 3 361 | 2 835 | 2 616 |
| Leasing | 2 013 | 1 965 | 1 834 |
| **Total recurring revenue** | 17 006 | 14 646 | 13 402 |
| **Total** | **30 235** | **26 669** | **25 287** |

## 3 Segment reporting

Segment reporting is prepared in accordance with the same policies as described in the section concerning consolidated financial statements. Throughout the world, Getinge's operations are organized into three business areas: Infection Control, Extended Care and Medical Systems. These business areas form the basis for the Group's segment information. Business terms and conditions as well as market-regulated pricing apply for delivery of products and services between Group companies. No sales take place between the various business areas in the Group. The Group has no single customer that accounts for 10 per cent or more of the Group's sales.

**THE REPORTING SEGMENTS ARE ACTIVE IN THE FOLLOWING OPERATIONS**

**Medical Systems:** Offers comprehensive surgical workstation systems and products for cardiac surgery and intensive care. The product range encompasses surgical workstations, respirators and heart-lung machines, including consumables, as well as service and consulting. Production is conducted at 15 plants in seven countries. Sales are conducted through 47 proprietary sales companies and through distributors in markets where the business area has no proprietary representation.

**Extended Care:** Provides systems for hygiene and the transfer of elderly and disabled persons, as well as products that prevent and treat pressure ulcers. The product range encompasses bathing and shower solutions, lifting equipment and mattresses for the treatment and prevention of pressure ulcers, as well as service and consulting. Production is conducted at five plants in four countries. Sales are conducted through 33 proprietary sales companies and through distributors in markets where the business area has no proprietary representation.

**Infection Control:** Features comprehensive systems for preventing the occurrence and spread of infection. The product range comprises disinfectors, sterilizers, documentation systems and related equipment, as well as service and consulting. Production is conducted at 10 plants in six countries. Sales are conducted through 36 proprietary sales companies and through distributors in markets where the business area has no proprietary representation.

| | Net sales | | | Operating profit | | | Depreciation/Amortization | | |
|---|---|---|---|---|---|---|---|---|---|
| SEK M | 2015 | 2014 | 2013 | 2015 | 2014 | 2013 | 2015 | 2014 | 2013 |
| Medical Systems | 16 078 | 14 105 | 13 322 | 1 628 | 1 293 | 2 334 | 1 475 | 1 284 | 1 113 |
| Extended Care | 7 767 | 7 164 | 6 870 | 509 | 817 | 983 | 721 | 638 | 569 |
| Infection Control | 6 390 | 5 400 | 5 095 | 592 | 536 | 431 | 257 | 197 | 183 |
| **Total** | **30 235** | **26 669** | **25 287** | **2 729** | **2 646** | **3 748** | **2 453** | **2 119** | **1 865** |
| Interest income and similar profit items | | | | 26 | 23 | 24 | | | |
| Interest expenses and similar loss items | | | | -758 | -682 | -619 | | | |
| Tax on profit for the year | | | | -540 | -539 | -858 | | | |
| **Net profit for the year** | | | | **1 457** | **1 448** | **2 295** | | | |

| | Assets | | | Liabilities | | | Investments | | |
|---|---|---|---|---|---|---|---|---|---|
| SEK M | 2015 | 2014 | 2013 | 2015 | 2014 | 2013 | 2015 | 2014 | 2013 |
| Medical Systems | 32 788 | 32 370 | 27 123 | 4 155 | 4 098 | 3 312 | 1 150 | 2 054 | 1 192 |
| Extended Care | 10 982 | 11 343 | 10 250 | 1 747 | 1 822 | 1 486 | 556 | 937 | 774 |
| Infection Control | 6 020 | 5 690 | 4 946 | 2 084 | 2 237 | 1 857 | 335 | 583 | 286 |
| **Total per segment** | **49 790** | **49 403** | **42 319** | **7 986** | **8 157** | **6 655** | **2 041** | **3 574** | **2 252** |
| Undistributed | 3 445 | 3 415 | 1 984 | 25 656 | 25 967 | 21 088 | 122 | 116 | 71 |
| **Total** | 53 235 | 52 818 | 44 303 | 33 642 | 34 124 | 27 743 | 2 163 | 3 690 | 2 323 |

## 3 Segment reporting, continued from preceding page

| Geographic area, SEK M | Net sales 2015 | Net sales 2014 | Net sales 2013 | Tangible and intangible assets 2015 | Tangible and intangible assets 2014 | Tangible and intangible assets 2013 |
|---|---|---|---|---|---|---|
| Western Europe | 10 577 | 9 833 | 9 160 | 15 198 | 15 422 | 12 745 |
| *Of which, Sweden* | *595* | *494* | *464* | *3 025* | *2 966* | *2 862* |
| USA and Canada | 11 132 | 9 030 | 8 575 | 18 467 | 18 062 | 15 515 |
| Rest of the world | 8 526 | 7 806 | 7 552 | 1 577 | 1 551 | 1 207 |
| **Total** | **30 235** | **26 669** | **25 287** | **35 242** | **35 035** | **29 467** |

Getinge's operations are secondarily reported by geographic area. Refer also to page 107 for a list of the Group's 20 largest markets. The geographic areas' consolidation is conducted in accordance with the same policies as for the Group in its entirety.

## 4 Depreciation/amortization according to plan

| Summary, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Buildings and land improvements | -117 | -95 | -101 |
| Plant and machinery | -111 | -111 | -110 |
| Equipment, tools, fixtures and fittings | -413 | -349 | -268 |
| Equipment for lease | -345 | -317 | -307 |
| **Total depreciation, tangible assets** | **-986** | **-872** | **-786** |
| Capitalized development costs | -521 | -415 | -330 |
| Patents | -69 | -72 | -71 |
| Customer relations | -256 | -210 | -195 |
| Technical knowhow | -139 | -118 | -112 |
| Trademarks | -103 | -85 | -78 |
| Agreements | -5 | -12 | -5 |
| Other | -374 | -335 | -288 |
| **Total amortization of intangible assets** | **-1 467** | **-1 247** | **-1 079** |
| **Total depreciation/amortization of non-current assets** | **-2 453** | **-2 119** | **-1 865** |
| | | | |
| Cost of goods sold | -1 089 | -959 | -855 |
| Selling expenses | -808 | -724 | -650 |
| Administrative expenses | -465 | -376 | -292 |
| Research and development costs | -91 | -60 | -68 |
| **Total** | **-2 453** | **-2 119** | **-1 865** |

## 5 Auditing

| Fee to PwC, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| *Fee and expense reimbursement:* | | | |
| Auditing assignments | 25 | 21 | 20 |
| Auditing activities other than auditing assignments | 1 | 1 | 1 |
| Tax consultancy services | 5 | 2 | 2 |
| Other services | 9 | 8 | 6 |
| **Total** | **40** | **32** | **29** |

PwC is the entire Group's auditor. Auditing assignments refer to statutory auditing, meaning assignments required to issue the auditor's report. Auditing activities other than auditing assignments include the review of interim reports and services in conjunction with the issuance of certificates and audit certificates. Tax consultancy services primarily pertain to general tax matters concerning corporate tax. Other services pertain to consultancy regarding financial accounting, internal control and services in conjunction with acquisitions.

## 6 Exchange-rate gains and losses, net

| Exchange-rate differences were recognized in profit and loss as follows, SEK M: | 2015 | 2014 | 2013 |
|---|---|---|---|
| Other operating income and expenses | -21 | -35 | -80 |
| Interest income and similar profit items (Note 7) | – | 1 | 4 |
| Interest expenses and similar loss items (Note 8) | -3 | – | – |
| **Total** | **-24** | **-34** | **-76** |

## 7 Interest income and similar profit items

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Interest income | 23 | 17 | 19 |
| Currency gains | – | 1 | 4 |
| Other | 3 | 5 | 1 |
| **Total** | **26** | **23** | **24** |

## 8 Interest expenses and similar loss items

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Interest expenses | -719 | -649 | -580 |
| Currency losses | -3 | – | – |
| Other | -36 | -33 | -39 |
| **Total** | **-758** | **-682** | **-619** |

## 9 Taxes

| Tax expense, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Current tax expense | -793 | -535 | -822 |
| Deferred tax | 253 | -4 | -36 |
| **Total** | **-540** | **-539** | **-858** |

| The relationship between the year's tax expense and the recognized profit before tax, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Recognized profit before tax | 1 997 | 1 987 | 3 153 |
| Tax according to current tax rate in Sweden | -439 | -437 | -694 |
| Adjustment of tax expenses from earlier years | 73 | -4 | 30 |
| Tax effect of non-deductible costs | -254 | -78 | -16 |
| Tax effect of non-taxable income | 384 | 341 | 172 |
| Utilized loss carryforwards not previously capitalized | 10 | 7 | 2 |
| Changed value of temporary differences | 1 | 32 | 104 |
| Adjustment for tax rates in foreign subsidiaries | -315 | -400 | -456 |
| **Recognized tax expense** | **-540** | **-539** | **-858** |

| Deferred tax assets relate to the following temporary differences and loss carryforwards, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| *Deferred tax assets relating to:* | | | |
| non-current assets | 135 | 70 | 66 |
| long-term financial receivables | 123 | 268 | 143 |
| current assets | 143 | 169 | 35 |
| provisions | 342 | 318 | 76 |
| loss carryforwards | 309 | 328 | 83 |
| others | 173 | 134 | 4 |
| **Deferred tax assets** | **1 225** | **1 287** | **407** |

| Deferred tax liabilities relate to the following temporary differences, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| *Deferred tax liabilities relating to:* | | | |
| non-current assets | -919 | -1 159 | -1 171 |
| current assets | -59 | -63 | -167 |
| provisions | -81 | -157 | -148 |
| others | -15 | 62 | 76 |
| **Deferred tax liabilities** | **-1 074** | **-1 317** | **-1 410** |

| Maturity structure for loss carryforwards, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Due within 1 year | – | – | 6 |
| Due within 2 years | – | 4 | 2 |
| Due within 3 years | – | – | 4 |
| Due within 4 years | – | 1 | 3 |
| Due within 5 years | 5 | 1 | 47 |
| Due in more than 5 years | 175 | 204 | 3 |
| No due date | 129 | 118 | 18 |
| **Total** | **309** | **328** | **83** |

| Unrecognized tax assets, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Temporary differences | 45 | 56 | 12 |
| Loss carryforwards | 1 | 2 | 12 |
| **Total** | **46** | **58** | **24** |

In the company's assessment, it will not be able to utilize unrecognized tax assets in the foreseeable future.

## 10 Dividend

On April 1, 2015, shareholders were paid a dividend of SEK 2.80 per share (SEK 667 M in total) relating to 2014. On March 28, 2014, shareholders were paid a dividend of SEK 4.15 per share (SEK 989 M in total) relating to 2013.

The Board and the CEO propose to the Annual General Meeting that a dividend of SEK 2.80 per share be paid to shareholders, which amounts to SEK 667 M. The Board's proposed record date is April 1, 2016. Euroclear anticipates being able to forward the dividend to shareholders on April 6, 2016.

## 11 Earnings per share

The calculation of earnings per share relating to the Parent Company's shareholders is based on the following information:

| **Earnings (numerator)** | **2015** | **2014** | **2013** |
|---|---|---|---|
| Earnings relating to the Parent Company's shareholders, which form the basis for calculation of earnings per share | 1 390 | 1 433 | 2 285 |

| **Number of shares (denominator)** | **2015** | **2014** | **2013** |
|---|---|---|---|
| Weighted average number of ordinary shares for calculation of earnings per share | 238 323 377 | 238 323 377 | 238 323 377 |

## 12 Non-current assets' cost, etc.

| | Non-amortizable | | Amortizable | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **INTANGIBLE ASSETS** | **Goodwill** | **Trademarks** | **Capitalised development costs** | **Intangible assets, other** | **Patents** | **Customer relations** | **Technical knowhow** | **Trademarks** | **Agreements** |
| COST | | | | | | | | | |
| **At January 1, 2014** | **18 046** | **40** | **4 351** | **2 904** | **695** | **2 623** | **1 070** | **1 112** | **50** |
| Investments | 1 049 | – | 741 | 244 | – | 214 | 98 | 36 | 151 |
| Sales/Disposals | – | – | -59 | -37 | – | – | – | – | – |
| Reclassifications | -2 | – | 3 | 125 | – | -8 | – | – | – |
| Translation differences | 2 743 | 5 | 322 | 423 | 119 | 462 | 202 | 167 | 13 |
| **At 1 January 2015** | **21 836** | **45** | **5 358** | **3 659** | **814** | **3 291** | **1 370** | **1 315** | **214** |
| Investments | 38 | – | 702 | 278 | 30 | 29 | – | 1 | – |
| Sales/Disposals | -66 | – | -81 | -57 | – | – | -11 | – | -141 |
| Reclassifications | – | – | 163 | 80 | -127 | -94 | – | -22 | – |
| Translation differences | 754 | -5 | 40 | 167 | 45 | 204 | 59 | 45 | -3 |
| **At December 31, 2015** | **22 562** | **40** | **6 182** | **4 127** | **762** | **3 430** | **1 418** | **1 339** | **70** |
| | | | | | | | | | |
| ACCUMULATED AMORTIZATION | | | | | | | | | |
| **At January 1, 2014** | **-654** | **–** | **-1 343** | **-1 013** | **-399** | **-1 235** | **-603** | **-477** | **-40** |
| Depreciation for the year | – | – | -415 | -335 | -72 | -210 | -118 | -85 | -12 |
| Investments | – | – | -29 | -23 | – | – | – | – | – |
| Sales/Disposals | – | – | 29 | 32 | – | – | – | – | – |
| Reclassifications | – | – | – | -3 | – | 4 | – | – | – |
| Translation differences | -64 | – | -97 | -155 | -76 | -240 | -118 | -82 | -5 |
| **At 1 January 2015** | **-718** | **–** | **-1 855** | **-1 497** | **-547** | **-1 681** | **-839** | **-644** | **-57** |
| Depreciation for the year | – | – | -521 | -405 | -69 | -250 | -117 | -100 | -5 |
| Investments | – | – | – | – | – | – | – | – | – |
| Sales/Disposals | – | – | 22 | 51 | – | -2 | – | – | – |
| Reclassifications | – | – | 5 | -27 | 39 | -39 | – | 22 | – |
| Translation differences | -46 | – | 6 | 7 | -27 | -39 | -30 | -24 | – |
| **At December 31, 2015** | **-764** | **–** | **-2 343** | **-1 871** | **-604** | **-2 011** | **-986** | **-746** | **-62** |
| | | | | | | | | | |
| **Carrying amount December 31, 2014** | **21 118** | **45** | **3 503** | **2 162** | **267** | **1 610** | **531** | **671** | **157** |
| **Carrying amount December 31, 2015** | **21 798** | **40** | **3 839** | **2 256** | **158** | **1 419** | **432** | **593** | **8** |

| **TANGIBLE ASSETS** | **Value according to balance sheet 2014** | **Investments** | **Sales/Disposals** | **Acquired and divested operations** | **Reclassifications** | **Translation differences** | **Value according to balance sheet 2015** |
|---|---|---|---|---|---|---|---|
| COST | | | | | | | |
| Buildings and land [1] | 2 958 | 89 | -94 | -6 | 122 | 33 | 3 102 |
| Plant and machinery | 1 894 | 48 | -398 | – | 46 | 4 | 1 594 |
| Equipment, tools, fixtures and fittings | 3 604 | 369 | -172 | -76 | 114 | 8 | 3 847 |
| Equipment for lease | 4 564 | 306 | -693 | 1 | 11 | 66 | 4 255 |
| Construction in progress | 407 | 130 | – | – | -296 | 17 | 258 |
| Advance payments for tangible assets | 261 | 143 | – | – | -193 | -5 | 206 |
| **Total** | **13 688** | **1 085** | **-1 357** | **-81** | **-196** | **123** | **13 262** |

1) Of which, land amounted to SEK 191 M (212) in 2015.

## 12 Non-current assets' cost, etc., continued from preceding page

| ACCUMULATED DEPRECIATION | Value according to balance sheet 2014 | Depreciation for the year | Sales/Disposals | Acquired and divested operations | Reclassifications | Translation differences | Value according to balance sheet 2015 |
|---|---|---|---|---|---|---|---|
| Buildings and land | -1 316 | -117 | 50 | – | 5 | -11 | -1 389 |
| Plant and machinery | -1 443 | -111 | 324 | – | 1 | -5 | -1 234 |
| Equipment, tools, fixtures and fittings | -2 103 | -413 | 205 | -3 | -3 | 3 | -2 314 |
| Equipment for lease | -3 855 | -345 | 560 | -4 | 46 | -28 | -3 626 |
| **Total** | **-8 717** | **-986** | **1 139** | **-7** | **49** | **-41** | **-8 563** |

| Carrying amount December 31 | 2015 | 2014 | 2013 |
|---|---|---|---|
| Buildings and land | 1 713 | 1 642 | 1 472 |
| Plant and machinery | 360 | 451 | 467 |
| Equipment, tools, fixtures and fittings | 1 533 | 1 501 | 1 256 |
| Equipment for lease | 629 | 709 | 648 |
| Construction in progress | 258 | 407 | 337 |
| Advance payments for tangible assets | 206 | 261 | 161 |
| **Total** | **4 699** | **4 971** | **4 341** |

Pledged non-current assets used as security for financial obligations are presented in Note 24.

| Goodwill and intangible assets | 2015 | 2014 | 2013 |
|---|---|---|---|
| Infection Control | 1 195 | 1 167 | 930 |
| Extended Care | 5 023 | 4 976 | 4 397 |
| Medical Systems | 15 620 | 15 020 | 12 105 |
| | **21 838** | **21 163** | **17 432** |

Goodwill and intangible assets with an indeterminate useful life are distributed among the Group's cash generating units (CGUs), which are identified per business area.

Impairment testing of goodwill is conducted annually and whenever conditions indicate that impairment may be necessary. The recoverable amount for CGUs is based on the calculated value in use. For impairment-testing purposes, goodwill relating to acquisitions is allocated to the various business areas that are defined as separate cash-generating units.

**Assumptions**

The value in use of goodwill and other intangible fixed assets attributable to Infection Control, Extended Care and Medical Systems was calculated based on discounted cash flows. For the first year, the cash flow is based on the budget determined by the Board, or in certain instances, a forecast, if the budget is out of date. For subsequent periods, cash flow is estimated to have a growth corresponding to 2 per cent. This growth is based on reasonable prudence and does not exceed long-term growth for the industry as a whole. A discount rate of 9.6 per cent (9.9) before tax was applied when calculating the value in use for all business areas.

**Sensitivity analysis**

| Assumptions for the impairment needs that are the most sensitive: | Infection Control | Extended Care | Medical Systems |
|---|---|---|---|
| Carrying amount* | 3 936 | 9 538 | 28 450 |
| Recoverable amount exceeding the carrying amount | 7 174 | 4 882 | 5 867 |

| Significant assumptions: | Infection Control | Extended Care | Medical Systems |
|---|---|---|---|
| Growth rate between year two and year five decreases to 1%. | The value in use decreases by SEK 271 M, but despite this, exceeds the carrying amount. | The value in use decreases by SEK 540 M, but despite this, exceeds the carrying amount. | The value in use decreases by SEK 843 M, but despite this, exceeds the carrying amount. |
| Growth rate after year five decreases to 1%. | The value in use decreases by SEK 988 M, but despite this, exceeds the carrying amount. | The value in use decreases by SEK 1 287 M, but despite this, exceeds the carrying amount. | The value in use decreases by SEK 3 054 M, but despite this, exceeds the carrying amount. |
| Discount rate before tax increases by 1% to 10,6 %. | The value in use decreases by SEK 1 270 M, but despite this, exceeds the carrying amount. | The value in use decreases by SEK 1 655 M, but despite this, exceeds the carrying amount. | The value in use decreases by SEK 3 927 M, but despite this, exceeds the carrying amount. |

*The carrying amount corresponds with the business areas' net assets.

**Intangible assets**

There are a limited number of intangible assets, including trademarks valued at SEK 40 M (45), for which the useful life has been designated as indeterminable.
For these trademarks, there is no foreseeable limit for the time period during which the trademarks are expected to generate net revenues for Getinge.
The useful life for other intangible assets is three to 15 years. For strategic acquisitions, the useful life exceeds five years.

## 13 Inventories

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Raw materials | 1 999 | 1 869 | 1 654 |
| Work in progress | 406 | 432 | 340 |
| Finished products | 3 004 | 2 944 | 2 260 |
| **Total** | **5 409** | **5 245** | **4 254** |

| | | | |
|---|---|---|---|
| Part of inventories measured at fair value less realizable value. | 83 | 147 | 64 |
| Impairment of inventories recognized as an expense in profit and loss. | -69 | -63 | -47 |

## 14 Accounts receivable

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Accounts receivable before provisions | 7 711 | 7 603 | 6 845 |
| Provisions for doubtful receivables | -241 | -241 | -215 |
| **Total** | **7 470** | **7 362** | **6 630** |

Accounts receivable net, after provisions for doubtful receivables, theoretically constitutes maximum exposure for the calculated risk of losses. Accordingly, the carrying amount of accounts receivable represents the fair value. It is the Group's opinion that there is no significant concentration of accounts receivable to any single client. Letters of credit or the equivalent normally cover sales to countries outside the OECD.

At December 31, 2015, accounts receivable amounting to SEK 2,826 M (2,883) had fallen due without the need to recognize any impairment loss. These relate to a number of independent customers that have previously not had any payment difficulties. A maturity analysis of these accounts receivable is presented below:

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Fallen due 1-5 days | 418 | 377 | 437 |
| Fallen due 6-30 days | 643 | 615 | 544 |
| Fallen due 31-60 days | 400 | 363 | 433 |
| Fallen due 61-90 days | 210 | 227 | 251 |
| Fallen due, more than 90 days | 1 155 | 1 301 | 1 070 |
| **Total** | **2 826** | **2 883** | **2 735** |

At December 31, 2015, the Group recognized accounts receivable for which an impairment loss of SEK 241 M (241) must be recognized. A provision has been made for all of these accounts receivable. A maturity analysis of these is presented below:

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Not fallen due | 8 | 15 | 13 |
| Fallen due 1-5 days | – | 1 | 1 |
| Fallen due 6-30 days | 1 | 1 | 1 |
| Fallen due 31-60 days | 3 | 1 | 3 |
| Fallen due 61-90 days | 5 | 2 | 2 |
| Fallen due, more than 90 days | 224 | 221 | 195 |
| **Total** | **241** | **241** | **215** |

Recognized amounts, by currency, for the Group's accounts receivable are as follows:

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| EUR | 2 241 | 2 302 | 2 210 |
| USD | 2 724 | 2 654 | 2 326 |
| GBP | 464 | 535 | 514 |
| CAD | 207 | 279 | 224 |
| SEK | 170 | 135 | 161 |
| Other currencies | 1 905 | 1 698 | 1 410 |
| **Total** | **7 711** | **7 603** | **6 845** |

Changes in provisions for doubtful receivables are as follows:

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| **At January 1** | -241 | -215 | -197 |
| In new companies at acquisition date | -1 | -5 | -5 |
| Change for the year recognized in profit and loss | -45 | -50 | -44 |
| Receivables written off during the year that cannot be recovered | 11 | 58 | 26 |
| Reclassifications | 30 | -16 | 8 |
| Exchange-rate gains/losses on receivables in foreign currencies | 5 | -13 | -3 |
| **At December 31** | **-241** | **-241** | **-215** |

## 15 Prepaid expenses and accrued income

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Accrued income | 421 | 312 | 249 |
| Prepaid rental expenses | 28 | 33 | 41 |
| Prepaid insurance expenses | 51 | 41 | 26 |
| Prepaid commissions | 7 | 8 | 9 |
| Other prepaid expenses | 287 | 398 | 320 |
| **Total** | **794** | **792** | **645** |

## 16 Share capital

| Class of shares | A | B | Total |
|---|---|---|---|
| Quotient value per share | 0,50 | 0,50 | |
| **Number of shares outstanding:** | | | |
| December 31, 2013 | 15 940 050 | 222 383 327 | 238 323 377 |
| December 31, 2014 | 15 940 050 | 222 383 327 | 238 323 377 |
| December 31, 2015 | 15 940 050 | 222 383 327 | 238 323 377 |
| Share's voting rights in % | 41,8 | 58,2 | 100,0 |

In accordance with the Articles of Association, the company's share capital amounts to not less than SEK 75 M and not more than SEK 300 M. Within these limits, the share capital can be raised or lowered without requiring an amendment to the Articles of Association. The maximum number of shares is 600 million. One Class A share carries ten votes and one Class B share carries one vote. Both classes of share have the same quotient value, which is SEK 0.50. At December 31, 2015, the company's share capital totaled SEK 119 M (119).

## 17 Unutilized overdraft facilities and credit facilities

At December 31, 2015, the total granted, unutilized overdraft facilities were SEK 801 M (761). In addition, there were unutilized short-term credit facilities of SEK 1,655 M (1,384) and committed, unutilized facilities for medium and long-term credit of SEK 3,837 M (4,011), which may be utilized without qualification.

## 18 The Group's interest-bearing net debt

| SEK M | 2015 | Change | 2014 | Change | 2013 |
|---|---|---|---|---|---|
| Current liabilities to credit institutions | 5 277 | -1 096 | 6 373 | 2 770 | 3 603 |
| Long-term liabilities to credit institutions | 16 006 | 1 627 | 14 378 | 812 | 13 566 |
| Pension provisions – interest-bearing | 3 052 | -219 | 3 271 | 973 | 2 298 |
| Less, cash and cash equivalents | -1 468 | 14 | -1 482 | -334 | -1 148 |
| **Total** | **22 867** | **326** | **22 541** | **4 221** | **18 319** |

**Liquidity risk.** At December 31, 2015, the Group's long-term interest-bearing liabilities amounted to SEK 16,006 M. Net debt is recognized with basis adjustments of negative SEK 504 M (neg: 432). The Group's current interest-bearing liabilities totaled SEK 5,277 M and are covered by unutilized committed credit facilities of SEK 5,837 M. The average interest rate in terms of the Group's liabilities to credit institutions amounts to approximately 2.8 per cent.

The table below analyzes the Group's financial liabilities and net-settled derivative instruments that comprise financial liabilities, subdivided into the periods remaining on the closing date until the agreed date of maturity. The amounts stated in the table comprise contractual, undiscounted cash flows.

| At December 31, 2015, SEK M | < 1 year | 1 – 2 years | 2 – 5 years | > 5 years |
|---|---|---|---|---|
| Bank loans and bond loans (including interest) | -6 662 | -1 918 | -13 053 | -574 |
| Derivative instruments (net flows) | -204 | -165 | -203 | – |
| Accounts payable | -1 986 | – | – | – |
| **Total** | **-8 852** | **-2 083** | **-13 256** | **-574** |

## 19 Leasing

| Financial leasing, SEK M | Leasing fees, minimum | | | Present value of financial leasing | | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2015 | 2014 | 2013 |
| *Future payments:* | | | | | | |
| Due within 1 year | – | 1 | 7 | – | 1 | 7 |
| Due within 2 to 5 years | – | 3 | 4 | – | 3 | 4 |
| Due in more than 5 years | – | 7 | 7 | – | 7 | 7 |
| **Total** | – | **11** | **18** | – | **11** | **18** |
| Less interest charges | – | – | – | – | n/a | n/a |
| Present value of future minimum leasing fees | – | 11 | 18 | – | 11 | 18 |
| Less short-term portion | – | – | – | – | -1 | -8 |
| Payments due after more than one year | – | – | – | – | 10 | 10 |

The interest rate is determined when the contract is entered into. All leasing agreements have fixed repayments and no agreement exists with variable fees. The fair value of Getinge's leasing obligations corresponds to their carrying amount. Leased assets under financial leasing are burdened with ownership restrictions to the lessor.

| Operational leasing, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Costs relating to operating leases. | 497 | 400 | 298 |

Leasing costs for assets held via operating leases, such as leased premises, machinery, mainframe computers and office equipment, are recognized among operating expenses.

| On the closing date, future leasing fees for non-cancellable leasing agreements amounted to the following: | 2015 | 2014 | 2013 |
|---|---|---|---|
| Due within 1 year | 426 | 385 | 263 |
| Due within 2 to 5 years | 602 | 428 | 326 |
| Due in more than 5 years | 109 | 68 | 44 |
| **Total** | **1 137** | **881** | **633** |

| Getinge as a lessor under operating leases: | 2015 | 2014 | 2013 |
|---|---|---|---|
| Due within 1 year | 11 | 8 | 7 |
| Due within 2 to 5 years | 11 | 8 | 9 |
| **Total** | **22** | **16** | **16** |

## 20 Restructuring reserves

| SEK M | Medical Systems | Extended Care | Infection Control | Total |
|---|---|---|---|---|
| **Value according to balance sheet 2013** | **101** | **125** | **13** | **239** |
| Provisions | 1 042 | 86 | 33 | 1 162 |
| Utilized funds | -545 | -172 | -34 | -751 |
| **Value according to balance sheet 2014** | **598** | **39** | **12** | **649** |
| Provisions | 365 | 193 | 99 | 657 |
| Utilized funds | -666 | -179 | -72 | -917 |
| **Value according to balance sheet 2015** | **297** | **53** | **39** | **389** |

Provisions and utilized funds recognized for Medical Systems pertain to costs for the remediation program regarding the FDA (Food and Drug Administration) and restructuring costs in the Cardiovascular division aimed at enhancing the efficiency of the manufacture of vascular implants. Restructuring activities recognized for Extended Care pertain to costs for the closure of the rental operations in the US. Restructuring activities at Infection Control pertain to an ongoing efficiency-enhancement program with the aim of relocating Getinge's production of sterilizers from Rochester, US, to the business area's manufacturing unit in Poznan, Poland. All business areas recognized provisions in 2015 and utilized funds pertain to costs for the new, functional organizational structure.

## 21 Other provisions

| SEK M | Value according to opening balance | Provisions | Utilized funds | Unutilized funds restored | Reclassifications | Translation differences | Value according to closing balance |
|---|---|---|---|---|---|---|---|
| Guarantee reserve | 180 | 109 | -74 | -28 | – | -2 | 185 |
| Part-time retirement, German company | 35 | 7 | -16 | – | – | -1 | 25 |
| Severance pay and other employee-related provisions | 26 | 15 | -5 | -4 | -4 | -1 | 27 |
| Other provisions | 308 | 208 | -39 | -6 | 1 | 6 | 478 |
| **Total** | **549** | **339** | **-135** | **-38** | **-3** | **2** | **715** |

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| **Value according to opening balance** | **549** | **455** | **398** |
| Provisions | 339 | 197 | 186 |
| Utilized funds | -135 | -125 | -114 |
| Unutilized funds restored | -38 | -19 | -18 |
| Reclassifications | -3 | -4 | – |
| Translation differences | 2 | 45 | 3 |
| **Value according to closing balance** | **715** | **549** | **455** |

**The closing carrying amount is divided as follows:** | **Expected timing of outflow**

| SEK M | 2015 | 2014 | 2013 | Within 1 year | Within 3 years | Within 5 years | > 5 years | Value according to closing balance |
|---|---|---|---|---|---|---|---|---|
| Guarantee reserve | 185 | 180 | 159 | 125 | 49 | 11 | – | 185 |
| Part-time retirement, German company | 25 | 35 | 22 | 12 | 12 | – | – | 25 |
| Severance pay and other employee-related provisions | 27 | 26 | 29 | 21 | 5 | 1 | – | 27 |
| Other provisions | 478 | 308 | 245 | 179 | 262 | 19 | 19 | 478 |
| **Total** | **715** | **549** | **455** | **338** | **328** | **30** | **19** | **715** |

In addition, guarantees have been provided for SEK 255 M (229) and other contingent liabilities for SEK 5 M (6). Since it has been deemed that these obligations will not give rise to any outflow, no provisions have been made. The guarantee reserve is based on commitments that were not completed at the closing date. The calculation is based on earlier experiences. Provisions for part-time retirement in the German companies are determined using actuarial assumptions. The dates for the utilization of provisions in accordance with the above are based on the company's best forecast using the information that was available at the closing date.

## 22 Provisions for pensions and similar obligations

**Defined-contribution plans.** In many countries, the Group's employees are covered by defined-contribution pension plans. The pension plans primarily include retirement pensions. The premiums are paid continuously during the year by the respective Group companies to separate legal entities, such as insurance companies. The size of the premium paid by the Group companies is normally based on a set proportion of the employee's salary.

**Defined-benefit plans.** Getinge has defined-benefit pension plans in a number of countries, such as Sweden, the USA, Germany and the UK. The pension plans primarily comprise retirement pensions. Each employer normally has an obligation to pay a lifelong pension, earned according to the number of employment years. The employee must be affiliated with the plan for a certain number of years to achieve full retirement pension entitlement. The pension is financed through payments from each Group company and, in some cases, the employees. Pension commitments are usually calculated at year-end after actuarial assumptions. New calculations are made if substantial changes occur during the year. Gains and losses of changed actuarial assumptions are recognized as part of comprehensive income.

## 22 Provisions for pensions and similar obligations, continued from preceding page

| December 31, 2015 | Funded pension plans | Unfunded pension plans | Total |
|---|---|---|---|
| Present value of commitments | -1 748 | -3 029 | -4 777 |
| Fair value of plan assets | 1 660 | – | 1 660 |
| **Net liability in the balance sheet** | **-88** | **-3 029** | **-3 117** |

| December 31, 2014 | Funded pension plans | Unfunded pension plans | Total |
|---|---|---|---|
| Present value of commitments | -1 878 | -3 006 | -4 884 |
| Fair value of plan assets | 1 551 | – | 1 551 |
| **Net liability in the balance sheet** | **-327** | **-3 006** | **-3 333** |

| December 31, 2013 | Funded pension plans | Unfunded pension plans | Total |
|---|---|---|---|
| Present value of commitments | -660 | -2 815 | -3 475 |
| Fair value of plan assets | 1 126 | – | 1 126 |
| **Net liability in the balance sheet** | **466** | **-2 815** | **-2 349** |

| Group, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Pension commitments | | | |
| **Opening balance** | **-3 333** | **-2 349** | **-2 158** |
| Costs for service in the current year | -61 | -46 | -48 |
| Net interest expenses | -102 | -111 | -164 |
| Costs for service in previous years | – | – | – |
| Gains and losses from adjustments | 167 | -22 | – |
| Return on plan assets | 13 | 204 | 71 |
| Gain/(loss) attributable to changed demographic assumptions | 160 | -97 | -1 |
| Gain/(loss) attributable to changed financial assumptions | -222 | -777 | -106 |
| Experience-based gains/(losses) | 26 | -5 | -11 |
| Exchange-rate differences | 17 | -277 | -81 |
| Fees paid by employer | 160 | 173 | 180 |
| Fees paid by employees covered under the plan | -6 | -4 | – |
| Paid benefits | 64 | -23 | -31 |
| Adjustments | – | 1 | – |
| **Closing balance** | **-3 117** | **-3 333** | **-2 349** |

| The defined-benefit pension commitment and composition of plan assets | Present value of commitments | Fair value of plan assets | Net pension liability |
|---|---|---|---|
| Sweden | -413 | – | -413 |
| Germany | -1 815 | 5 | -1 810 |
| UK | -1 727 | 1 655 | -72 |
| USA | -727 | – | -727 |
| Other countries | -95 | – | -95 |
| **Total** | **-4 777** | **1 660** | **-3 117** |

| Key actuarial assumptions | 2015 | 2014 | 2013 |
|---|---|---|---|
| Weighted average, % | | | |
| Discount rate | 3,1 | 3,4 | 4,1 |
| Expected salary increase rate | 2,8 | 3,1 | 2,9 |
| Expected return on plan assets | 2,9 | 2,9 | 4,1 |
| Expected inflation | 2,2 | 1,8 | 2,1 |

| Key actuarial assumptions 2015 | Germany | England | Other countries |
|---|---|---|---|
| Weighted average, % | | | |
| Discount rate | 2,3 | 3,8 | 3,4 |
| Expected salary increase rate | 2,5 | 3,2 | 2,8 |
| Expected return on plan assets | 3,0 | 2,9 | – |
| Expected inflation | 1,3 | 3,4 | 1,9 |

| Sensitivity of defined-benefit commitments to changes in the significant weighted assumptions for 2015 | |
|---|---|
| Discount rate +1% | 820 |
| Inflation +1% | -805 |
| Salary increases +1% | -482 |

The sensitivity analyses above are based on a change in one assumption, while all other assumptions remain constant. It is unlikely that this will happen in practice, and changes in some of the assumptions may correlate. The calculation of sensitivity in the defined-benefit commitments for material actuarial assumptions uses the same method (the present value of defined-benefit commitments by applying the Projected Unit Credit Method at the end of the reporting period) as that used in the calculation of pension liabilities.

## 22 Provisions for pensions and similar obligations, continued from preceding page

| Composition of plan assets | 2015 | 2014 | 2013 |
|---|---|---|---|
| Equities | 1 495 | 965 | 877 |
| Other | 165 | 586 | 249 |
| **Total** | **1 660** | **1 551** | **1 126** |

All plan assets are listed. The weighted average term of the pension commitments is 19 years.

**Information regarding recognition of multi-employer defined-benefit pension plans, Alecta**
The commitment for retirement pensions and family pensions for salaried employees in Sweden is safeguarded through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, this is a multi-employer defined-benefit plan. For the 2015 fiscal year, the company did not have access to such information that makes it possible to recognize this plan as a defined-benefit plan. The pension plan in accordance with ITP, which is safeguarded through insurance with Alecta, is thus recognized as a defined-contribution plan. In 2015, fees for pension insurance covered by Alecta amounted to SEK 21 M (24). Alecta's surplus can be distributed to the insurers and/or the insured. At year-end 2015, Alecta's surplus in the form of the collective consolidation level was approximately 153 per cent (143). The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance commitment calculated in accordance with Alecta's actuarial calculation assumption, which does not correspond with IAS 19.

## 23 Accrued expenses and deferred income

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Salaries | 1 157 | 1 070 | 965 |
| Social security expenses | 289 | 266 | 246 |
| Commissions | 139 | 151 | 124 |
| Interest expenses | 61 | 66 | 49 |
| Consultancy fees | 31 | 38 | 23 |
| Other accrued expenses | 876 | 949 | 736 |
| Other deferred income | 334 | 288 | 215 |
| **Total** | **2 887** | **2 828** | **2 358** |

## 24 Pledged assets

| Pledge assets, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Assets burdened with ownership restrictions | – | 21 | 19 |
| **Total** | **–** | **21** | **19** |

## 25 Acquired and divested operations in 2015

**GOA TEKNOLOJI. (STERICOOL)**
Infection Control acquired the shares in the Turkish company GOA Teknoloji (Stericool) during the fourth quarter of 2015. The company, which specializes in low temperature sterilization technology, generates sales of approximately SEK 20 M and has about 20 employees. The total purchase consideration amounted to SEK 56 M, of which SEK 12 M comprised additional purchase consideration. Acquisition cost amounted to SEK 2 M. Goodwill arising in connection with the transaction is attributable to expected additional sales of Infection Control's products. The resulting goodwill is not tax deductible.

| Acquired net assets, SEK M | Assets and liabilities at the time of acquisition | Adjustment to fair value | Fair value |
|---|---|---|---|
| Intangible assets | – | 9 | 9 |
| Inventories | 2 | – | 2 |
| Other current assets | 7 | – | 7 |
| Cash and cash equivalents | 3 | – | 3 |
| Provisions | – | -9 | -9 |
| Other current liabilities | -3 | -3 | -6 |
| **Total net assets** | **9** | **-3** | **6** |
| Goodwill | | | 38 |
| **Total acquisition including cash and cash equivalents** | | | **44** |

| | |
|---|---|
| **Cash and cash equivalents paid for the acquisition** | **44** |
| Cash and cash equivalents in the acquired company at the time of acquisition | -3 |
| **Impact on the Group's cash and cash equivalents** | **41** |

**PERFUSION OPERATIONS OF PULSION**
Medical Systems divested all assets in the perfusion operations of Pulsion Medical Systems SE during the first quarter. The purchase consideration amounted to about SEK 297 M and generated a capital gain of SEK 76 M, recorded as other operating income. Pulsion's perfusion operations generated annual sales volumes of approximately SEK 60 M.

| Divested net assets, SEK M | |
|---|---|
| Intangible assets | 212 |
| Inventories | 9 |
| **Total net assets** | **221** |
| Gain from divestment of operations | 76 |
| **Purchase consideration received after divestment costs** | **297** |

## 25 Acquired and divested operations in 2015, continued from preceding page

**MK METALLKOMPONENTEN GMBH**
During the fourth quarter, Medical Systems divested all of the assets in the subsidiary MK Metallkomponenten GmbH. The purchase consideration amounted to SEK 5 M and generated a capital loss of SEK 108 M, recorded as other operating expense.

| Divested net assets, SEK M | |
|---|---|
| Intangible assets | 12 |
| Tangible assets | 82 |
| Inventories | 96 |
| Other current assets | 39 |
| Other current liabilities | -116 |
| **Total net assets** | **113** |
| Gain from divestment of operations | -108 |
| **Purchase consideration received after divestment costs** | **5** |

## 26 Financial risk management

Most of Getinge's operations are located outside Sweden. This situation entails exposure to different types of financial risks that may cause fluctuations in net profit for the year, cash flow and shareholders' equity due to changes in exchange rates and interest rates. In addition, the Group is exposed to refinancing and counterparty risks. The primary role of the Parent Company's treasury function is to support business activities and to identify and in the best way manage the Group's financial risks in line with the Board's established finance policy. Getinge's financial activities are centralized to benefit from economies of scale, to ensure good internal control and to facilitate monitoring of risk.

**CURRENCY RISKS**
Currency risks comprise exchange-rate fluctuations, which have an impact on the Group's earnings and shareholders' equity. Currency exposure occurs in connection with payments in foreign currency (transaction exposure) and when translating foreign subsidiaries' balance sheets and income statements into SEK (translation exposure). For a sensitivity analysis, see page 43 in the Administration Report. The effect of exchange-rate fluctuations on earnings calculated using forecast volumes and earnings in foreign currencies is presented on page 43 of the Administration Report.

**Transaction exposure.** Payment flows as a result of sales income and cost of goods sold in foreign currencies cause currency exposure that affects Group earnings in the event of exchange-rate fluctuations. The Group's payment flows in foreign currencies mainly comprise the income generated by export sales. The most important currencies are USD, EUR, GBP, PLN and JPY. In line with Getinge's finance policy, the forecast flows in foreign currency are hedged to 90 per cent for the next fiscal year. Getinge has the right to hedge for up to 42 months. Hedging is conducted using currency forward contracts, currency swaps and currency options. The market value of financial currency derivatives that meet cash-flow hedging requirements, which are recognized in other comprehensive income, amounted to a negative SEK 206 M (neg: 475) at December 31, 2015.

**Translation exposure – income statement.** When translating the results of foreign subsidiaries into SEK, currency exposure occurs, which affects the Group's earnings when exchange rates fluctuate.

**Translation exposure – balance sheet.** Currency exposure occurs when translating net assets of foreign subsidiaries into SEK, which can affect the consolidated shareholders' equity. In accordance with the Group's finance policy, to minimize the effects of this translation, the exposure arising is hedged using loans or currency derivatives in the subsidiary's local currency. The market value of financial derivatives that meet hedge-accounting requirements, which are recognized in shareholders' equity, amounted to a negative SEK 504 M (neg: 432) at December 31, 2015.

**INTEREST-RATE RISKS**
Interest-rate risks are the changes in market interest rates that affect the Group's net interest. How quickly interest-rate changes impact net interest depends on the fixed-interest term of the loans. At December 31, 2015, the average fixed-interest term for Group borrowings was about 27 months. Interest-rate derivatives, such as interest-swap agreements, are used to achieve the desired fixed-interest term for borrowings. If the average interest rate for currencies represented in the Group's borrowings at the end of the year changed instantaneously by 1 percentage point, this would affect profits by +/ SEK 59 M on an annual basis for 2015. The market value of financial interest-rate derivative instruments that meet cash-flow hedging requirements, which are recognized in shareholders' equity, amounted to a negative SEK 487 M (neg: 559) at December 31, 2015. For further information on liquidity flows attributable to interest-bearing liabilities, refer to Note 18.

**FINANCING AND LIQUIDITY RISK**
Financing risk is defined as the risk of the cost being higher and financing opportunities limited as the loan is renegotiated and that the ability to pay cannot be met as a result of insufficient liquidity or difficulties in securing funding. The Group's cash and cash equivalents are invested short-term with the aim that any excess cash balances are to be used for amortizing loans. The finance policy of the Group states that refinancing risks are managed by signing long-term committed credit agreements. The single largest loan is a syndicated loan agreement of EUR 1,200 M with ten banks. A minor portion of this loan agreement falls due in July 2016, and the major portion in July 2018. In 2012, the Group established an MTN program with the aim of issuing bonds in the Swedish market. At year-end 2015, SEK 2,000 M was outstanding under this loan program. The Group signed a bilateral loan agreement with KfW-IPEX Bank during the year. The loan volume is EUR 80 M and the loan expires in 2021. The Group also refinanced and extended a loan of EUR 160 M with the European Investment Bank. This loan falls due in 2020. Furthermore, Getinge refinanced a loan of EUR 125 M from Mediobanca. This loan also falls due in 2020.

In addition to these credit facilities, the Group uses short-term uncommitted credit lines. For further information on credit lines, refer to Note 17.

At December 31, 2015, the Group's borrowings were well in line with the requirements under Getinge's finance policy pertaining to diversification of lenders and maturity dates.

**CREDIT AND COUNTERPARTY RISKS**
The Group's financial transactions cause credit risks with regard to financial counterparties. Credit risks or counterparty risks constitute the risk of losses if the counterparties do not fully meet their commitments. Getinge's finance policy states that the credit risk must be limited through accepting only creditworthy counterparties and fixed limits. At December 31, 2015, the total counterparty exposure in derivative instruments was SEK 2 M (26). Credit risks in outstanding derivatives are limited by the offset rules agreed with the respective counterparty. The Group's liquidity is placed in bank accounts with negligible credit risks. Commercial credit risks are limited by a diverse customer base with a high credit rating. A provision was made for the part of accounts receivable considered to be of risk and this affected the operating profit.

**Financial derivatives.** Getinge uses financial derivatives to manage interest and currency exposure arising in its business. At December 31, 2015, all financial instruments outstanding were held for hedging purposes and were deemed to be efficient. Consequently, hedge accounting was applied for these. All recognized derivatives, consisting of currency forward contracts and interest rate swaps, are classified under level 2 of the value hierarchy. The revaluation of the currency forward contracts to fair value is based on published forward rates in an active market. The revaluation of the interest rate swaps is based on forward rates as expressed in yield curves in the market.

**Fair value disclosures pertaining to borrowing and other financial instruments.** Essentially, all loans have floating interest rates and, accordingly, the fair value is assessed as corresponding to the carrying amount. For other financial assets and liabilities, fair value is assessed as corresponding to the carrying amount.

**Offsetting of financial derivatives.** 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.

## 26 Financial risk management, continued from preceding page

| Outstanding derivative instruments | 2015 | | 2014 | |
|---|---|---|---|---|
| SEK M | Principal | Fair value | Principal | Fair value |
| Interest/currency derivatives* | 2 000 | -504 | 3 005 | -432 |
| Interest-rate derivatives | 15 730 | -487 | 15 688 | -559 |
| Currency derivatives | 7 901 | -206 | 8 770 | -475 |
| **Total** | **25 631** | **-1 197** | **27 463** | **-1 466** |

*Combined instruments

| | 2015 | | 2014 | |
|---|---|---|---|---|
| SEK M | Asset | Liability | Asset | Liability |
| Interest-rate derivatives – cash-flow hedges | – | 487 | 11 | 570 |
| Interest-rate derivatives – hedges of net investments* | – | 504 | – | 432 |
| Currency derivatives – cash-flow hedges | 238 | 444 | 293 | 768 |
| **Total** | **238** | **1 435** | **304** | **1 770** |
| Of which, short-term | 158 | 931 | 264 | 1 427 |
| Of which, long-term | 80 | 504 | 40 | 343 |

* Combined instruments are recognized in the company's net liabilities.

Principal refers to the nominal value in foreign currencies measured at the closing-date rates. The carrying amount of the interest-rate derivatives and combined instruments comprises accrued interest. The fair value of derivative instruments is established using valuation techniques. For this purpose, observable market information is used.

**Financial instruments by category**

| | Loan and accounts receivable | | Assets at fair value through profit and loss | | Derivatives used for hedging purposes | | Available-for-sale financial assets | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assets in the balance sheet** | **2015** | **2014** | **2015** | **2014** | **2015** | **2014** | **2015** | **2014** | **2015** | **2014** |
| Available-for-sale financial assets | – | – | – | – | – | – | – | – | – | – |
| Derivative instruments | – | – | – | – | 238 | 304 | – | – | 238 | 304 |
| Accounts receivable and other receivables, excluding interim receivables | 7 470 | 7 362 | – | – | – | – | – | – | 7 470 | 7 362 |
| Financial assets at fair value through profit and loss | – | – | – | – | – | – | – | – | – | – |
| Cash and cash equivalents | 1 468 | 1 482 | – | – | – | – | – | – | 1 468 | 1 482 |
| **Total** | **8 938** | **8 844** | – | **–** | **238** | **304** | – | **–** | **9 176** | **9 148** |

| | Liabilities at fair value through profit and loss | | Derivatives used for hedging purposes | | Other financial liabilities | | Total | |
|---|---|---|---|---|---|---|---|---|
| **Liabilities in the balance sheet** | **2015** | **2014** | **2015** | **2014** | **2015** | **2014** | **2015** | **2014** |
| Borrowing (excluding liabilities pertaining to financial leasing) | – | – | 504 | 432 | 20 779 | 20 320 | 21 283 | 20 752 |
| Liabilities pertaining to financial leasing | – | – | – | – | – | 11 | – | 11 |
| Derivative instruments | – | – | 931 | 1 338 | – | – | 931 | 1 338 |
| Accounts payable and other liabilities excluding non-financial liabilities | – | – | – | – | 1 986 | 2 083 | 1 986 | 2 083 |
| **Total** | **–** | **–** | **1 435** | **1 770** | **22 765** | **22 414** | **24 200** | **24 184** |

**Distribution of currency for outstanding derivative instruments in 2015**

| | | | | | |
|---|---|---|---|---|---|
| AUD | 862 | GBP | 1 184 | SEK | 3 500 |
| CAD | 669 | HKD | 8 | SGD | – |
| CHF | 139 | JPY | 450 | THB | – |
| CZK | – | NOK | – | TRY | – |
| DKK | – | NZD | – | USD | 13 282 |
| EUR | 4 001 | PLN | 1 536 | ZAR | – |
| **Total, SEK M** | | | | | **25 631** |

**Distribution of currency for outstanding derivative instruments in 2014**

| | | | | | |
|---|---|---|---|---|---|
| AUD | 456 | GBP | 1 627 | SEK | 4 755 |
| CAD | 659 | HKD | 55 | SGD | – |
| CHF | 239 | JPY | 345 | THB | – |
| CZK | – | NOK | – | TRY | 2 |
| DKK | – | NZD | – | USD | 13 729 |
| EUR | 4 622 | PLN | 975 | ZAR | – |
| **Total, SEK M** | | | | | **27 463** |

**Maturity structure of outstanding derivative instruments (SEK M) in 2015**

| | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|---|---|---|---|---|---|---|
| Interest/currency derivatives* | – | – | 2 000 | – | – | 2 000 |
| Interest-rate derivatives | 124 | 371 | 11 270 | 3 965 | – | 15 730 |
| Currency derivatives | 5 118 | 2 643 | 140 | – | – | 7 901 |
| **Total** | **5 242** | **3 014** | **13 410** | **3 965** | **–** | **25 631** |

The table refers to net flows
*Combined instruments

**Maturity structure of outstanding derivative instruments (SEK M) in 2014**

| | 2015 | 2016 | 2017 | 2018 | 2019** | Total |
|---|---|---|---|---|---|---|
| Interest/currency derivatives* | 1 005 | – | – | 2 000 | – | 3 005 |
| Interest-rate derivatives | 484 | 121 | – | 781 | 14 302 | 15 688 |
| Currency derivatives | 4 543 | 3 940 | 287 | – | – | 8 770 |
| **Total** | **6 032** | **4 061** | **287** | **2 781** | **14 302** | **27 463** |

The table refers to net flows
*Combined instruments
** Or later

## 27 Employee costs

| | 2015 | | | 2014 | | | 2013 | | |
|---|---|---|---|---|---|---|---|---|---|
| Group, SEK M | Board and CEO | Other | Total | Board and CEO | Other | Total | Board and CEO | Other | Total |
| Salaries and remunerations | 394 | 6 794 | 7 188 | 409 | 6 071 | 6 480 | 399 | 5 737 | 6 136 |
| Social security expenses | 58 | 1 133 | 1 191 | 70 | 1 445 | 1 515 | 67 | 1 312 | 1 379 |
| Pension expenses | 32 | 414 | 446 | 42 | 357 | 399 | 40 | 333 | 373 |
| **Total** | **484** | **8 341** | **8 825** | **521** | **7 873** | **8 394** | **506** | **7 382** | **7 888** |

**Salaries and remuneration per country**

| | 2015 | | | | 2014 | | | | 2013 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Group, SEK M | Board and CEO | of which, bonus | Other | Total | Board and CEO | of which, bonus | Other | Total | Board and CEO | of which, bonus | Other | Total |
| Australia | 11 | 2 | 231 | 242 | 12 | 1 | 199 | 211 | 7 | 1 | 184 | 191 |
| Belgium | 3 | 1 | 75 | 78 | 3 | 1 | 69 | 72 | 4 | 2 | 60 | 64 |
| Brazil | 14 | 5 | 29 | 43 | 16 | 5 | 32 | 48 | 13 | 4 | 30 | 43 |
| Colombia | 4 | 1 | 5 | 9 | 3 | 1 | 4 | 7 | 1 | 1 | 3 | 4 |
| Denmark | 13 | 1 | 103 | 116 | 12 | 2 | 86 | 98 | 8 | – | 68 | 76 |
| Finland | 1 | – | 17 | 18 | 1 | – | 17 | 18 | 1 | – | 15 | 16 |
| France | 37 | 7 | 397 | 434 | 39 | 10 | 437 | 476 | 48 | 7 | 382 | 430 |
| United Arab Emirates | 7 | 1 | 39 | 46 | 4 | 1 | 37 | 41 | 3 | 2 | 30 | 33 |
| Netherlands | 9 | 1 | 117 | 126 | 10 | 1 | 127 | 137 | 10 | 2 | 118 | 128 |
| Hong Kong | 11 | 5 | 24 | 35 | 10 | 6 | 19 | 29 | 8 | 3 | 18 | 26 |
| India | 6 | 2 | 32 | 38 | 4 | 1 | 21 | 25 | 4 | 1 | 19 | 23 |
| Ireland | – | – | 37 | 37 | – | – | 29 | 29 | – | – | 26 | 26 |
| Italy | 4 | 1 | 121 | 125 | 5 | 1 | 109 | 114 | 5 | 1 | 102 | 107 |
| Japan | 13 | 5 | 119 | 132 | 9 | 4 | 105 | 114 | 9 | 4 | 103 | 112 |
| Canada | 17 | 4 | 171 | 188 | 25 | 7 | 160 | 185 | 16 | 4 | 202 | 218 |
| China | 9 | 1 | 158 | 167 | 10 | 1 | 133 | 143 | 6 | 1 | 109 | 115 |
| Mexico | – | – | 10 | 10 | 2 | 1 | 9 | 11 | 2 | 1 | 6 | 8 |
| Norway | 1 | – | 23 | 24 | 1 | – | 21 | 22 | 1 | – | 20 | 21 |
| New Zealand | 1 | – | 16 | 17 | 1 | – | 13 | 14 | 1 | – | 10 | 11 |
| Poland | 8 | 1 | 119 | 127 | 4 | 1 | 79 | 83 | 3 | 1 | 57 | 60 |
| Portugal | 1 | – | 9 | 10 | 1 | 1 | 9 | 10 | 2 | 1 | 7 | 9 |
| Russia | 1 | – | 12 | 13 | 1 | – | 18 | 19 | 1 | – | 19 | 20 |
| Switzerland | – | – | 36 | 36 | 2 | – | 59 | 61 | 3 | – | 42 | 45 |
| Serbia | 3 | – | 3 | 6 | 3 | 1 | 3 | 6 | 2 | 1 | 2 | 4 |
| Singapore | 7 | 2 | 35 | 42 | 4 | 1 | 30 | 34 | 5 | 1 | 24 | 29 |
| Slovakia | 1 | – | – | 1 | – | – | 1 | 1 | – | – | 1 | 1 |
| Spain | 3 | 1 | 42 | 45 | 4 | 2 | 48 | 52 | 3 | 1 | 38 | 41 |
| UK | 40 | 8 | 520 | 560 | 27 | 7 | 374 | 401 | 22 | 5 | 410 | 432 |
| Sweden | 63 | 6 | 708 | 771 | 53 | 7 | 742 | 795 | 52 | 10 | 744 | 796 |
| South Africa | 2 | 1 | 4 | 6 | 3 | 1 | 16 | 19 | 3 | 1 | 12 | 15 |
| South Korea | – | – | 8 | 8 | – | – | 8 | 8 | – | – | 6 | 6 |
| Taiwan | 1 | – | 7 | 8 | – | – | – | – | – | – | – | – |
| Thailand | 1 | – | 15 | 16 | 1 | – | 10 | 11 | 1 | – | 8 | 9 |
| Czech Republic | 2 | – | 8 | 10 | 2 | – | 6 | 8 | 1 | – | 6 | 7 |
| Turkey | 7 | 2 | 62 | 69 | 4 | 1 | 46 | 50 | 5 | 3 | 50 | 55 |
| Germany | 32 | 8 | 1 285 | 1 317 | 40 | 14 | 1 149 | 1 189 | 60 | 28 | 1 028 | 1 088 |
| USA | 53 | 16 | 2 130 | 2 183 | 91 | 25 | 1 787 | 1 878 | 84 | 24 | 1 710 | 1 794 |
| Austria | 8 | 2 | 67 | 75 | 2 | 1 | 59 | 61 | 5 | 1 | 68 | 73 |
| **Total** | **394** | **84** | **6 794** | **7 188** | **409** | **105** | **6 071** | **6 480** | **399** | **111** | **5 737** | **6 136** |

**Remuneration and other benefits during the year, SEK 000s**

| | Basic pay | Board fee* | Variable remuneration | Other benefits | Pension expenses | Total |
|---|---|---|---|---|---|---|
| Chairman of the Board | – | 1 225 | – | – | – | 1 225 |
| Board members | – | 4 176 | – | – | – | 4 176 |
| Johan Malmquist, CEO (until March 25, 2015) | 5 500 | – | – | 25 | 8 230 | 13 755 |
| Alex Myers, CEO (from March 25, 2015) | 15 493 | – | – | 88 | 6 194 | 21 775 |
| Other senior executives** | 18 868 | – | 17 961 | 838 | 8 490 | 46 157 |
| **Total** | **39 861** | **5 401** | **17 961** | **951** | **22 914** | **87 088** |

* Also includes fees for work on Board Committees
** Five individuals

**Comments on the table**

- Variable remuneration refers to the 2015 fiscal year's expensed bonus, which will be paid in 2016.
- Other benefits refer to company car, accommodation benefits, etc.
- The Chairman of the Board has not received any remuneration other than Board fees and remuneration for committee work.
- For information on Board fees for each member, refer to page 48.

## 27 Employee costs, continued from preceding page

**REMUNERATION TO SENIOR EXECUTIVES**

**Principles:** The Annual General Meeting decides on remuneration to the Chairman of the Board and Board members. Employee representatives do not receive Board remuneration. Remuneration to the CEO and other senior executives comprises basic pay, variable remuneration, other benefits as well as pensions. Other senior executives comprise the individuals, who together with the CEO, comprise Group management. For the Group management structure, see pages 52-53. The allocation between basic pay and variable remuneration should be proportionate to the executive's responsibility and authority. The CEO's variable remuneration is a maximum of 80 per cent of the basic pay. Other senior executives' variable remuneration is based on the result in relation to individually set targets.

The CEO has health insurance totaling a maximum of 40 per cent of the basic pay.

**Bonus:** The current and previous CEO's bonuses for 2015 were based on the individual goals set by the Board. For other senior executives, bonuses for 2015 were based on a combination of results for the individual's area of responsibility and individual goals.

**Pensions:** The CEO is entitled to a pension from the age of 62. The pension is premium based and amounts to 40 per cent of the basic pay. For other senior executives, pension ages vary between the ages of 60 and 65. Pension agreements have been signed in accordance with local legislation in the country where the executive resides. Subsequently, pension levels vary from 3 to 62 per cent of the pensionable pay. All pension benefits are transferable, i.e. not conditional on future employment.

**Severance pay:** The period of notice for the CEO is a minimum of six months. If termination of employment is initiated by the company then severance pay of 12 months' pay will be awarded. Severance pay is not offset against any other income. Upon termination of employment of any other senior executives, they have the right to severance pay of a minimum of six months and a maximum of one year.

**Drafting and decision-making process:** During the year, the Remuneration Committee gave the Board its recommendations concerning policies for the remuneration to senior executives. The recommendations included the proportion between fixed and variable remuneration and the size of possible pay increases. The Remuneration Committee also proposed criteria for determining bonuses, allotment and the size of the pension conditions and severance pay. The Board discussed the Remuneration Committee's proposals and decided in line with the Remuneration Committee's recommendations.

Remuneration to the CEO for the 2015 fiscal year was decided by the Board taking into account the Remuneration Committee's recommendations.

Remuneration to other senior executives was decided by the CEO in consultation with the Chairman of the Board. During 2015, the Remuneration Committee was convened on two occasions. The committee's work was conducted with the support of external experts in issues concerning remuneration levels and structures.

## 28 Average number of employees

| | 2015 | | | 2014 | | | 2013 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Men | Women | Total | Men | Women | Total | Men | Women | Total |
| Australia | 275 | 122 | 397 | 252 | 110 | 362 | 236 | 111 | 347 |
| Belgium | 105 | 32 | 137 | 102 | 33 | 135 | 98 | 30 | 128 |
| Brazil | 83 | 41 | 124 | 83 | 39 | 122 | 88 | 34 | 122 |
| Colombia | 17 | 9 | 26 | 16 | 8 | 24 | 16 | 7 | 23 |
| Denmark | 121 | 56 | 177 | 124 | 44 | 168 | 92 | 35 | 127 |
| Finland | 23 | 10 | 33 | 23 | 9 | 32 | 24 | 10 | 34 |
| France | 856 | 434 | 1 290 | 847 | 410 | 1 257 | 858 | 409 | 1 267 |
| United Arab Emirates | 43 | 18 | 61 | 41 | 20 | 61 | 34 | 22 | 56 |
| Netherlands | 174 | 77 | 251 | 174 | 82 | 256 | 187 | 93 | 280 |
| Hong Kong | 37 | 23 | 60 | 28 | 32 | 60 | 41 | 29 | 70 |
| India | 358 | 57 | 415 | 198 | 53 | 251 | 161 | 45 | 206 |
| Ireland | 76 | 20 | 96 | 80 | 22 | 102 | 72 | 24 | 96 |
| Italy | 189 | 85 | 274 | 187 | 84 | 271 | 181 | 86 | 267 |
| Japan | 209 | 55 | 264 | 188 | 43 | 231 | 183 | 39 | 222 |
| Canada | 307 | 164 | 471 | 321 | 157 | 478 | 335 | 183 | 518 |
| China | 666 | 300 | 966 | 676 | 289 | 965 | 658 | 265 | 923 |
| Mexico | 23 | 10 | 33 | 17 | 9 | 26 | 15 | 8 | 23 |
| Norway | 30 | 8 | 38 | 29 | 8 | 37 | 25 | 6 | 31 |
| New Zealand | 25 | 7 | 32 | 22 | 7 | 29 | 19 | 6 | 25 |
| Poland | 416 | 581 | 997 | 313 | 413 | 726 | 259 | 360 | 619 |
| Portugal | 16 | 6 | 22 | 15 | 7 | 22 | 15 | 7 | 22 |
| Russia | 29 | 16 | 45 | 38 | 19 | 57 | 37 | 20 | 57 |
| Switzerland | 71 | 21 | 92 | 66 | 21 | 87 | 62 | 18 | 80 |
| Serbia | 8 | 6 | 14 | 8 | 6 | 14 | 7 | 5 | 12 |
| Singapore | 50 | 28 | 78 | 38 | 26 | 64 | 37 | 24 | 61 |
| Slovakia | 2 | 1 | 3 | 2 | 1 | 3 | 2 | 3 | 5 |
| Spain | 51 | 32 | 83 | 59 | 31 | 90 | 51 | 24 | 75 |
| UK | 910 | 362 | 1 272 | 979 | 331 | 1 310 | 908 | 339 | 1 247 |
| Sweden | 973 | 367 | 1 340 | 996 | 353 | 1 349 | 1 119 | 376 | 1 495 |
| South Africa | 79 | 43 | 122 | 41 | 38 | 79 | 37 | 32 | 69 |
| South Korea | 9 | 7 | 16 | 8 | 8 | 16 | 8 | 6 | 14 |
| Taiwan | 19 | 10 | 29 | – | – | – | – | – | – |
| Thailand | 40 | 36 | 76 | 35 | 35 | 70 | 33 | 33 | 66 |
| Czech Republic | 28 | 9 | 37 | 26 | 9 | 35 | 26 | 9 | 35 |
| Turkey | 213 | 239 | 452 | 180 | 227 | 407 | 139 | 255 | 394 |
| Germany | 1 529 | 726 | 2 255 | 1 568 | 675 | 2 243 | 1 474 | 633 | 2 107 |
| Ukraine | – | – | – | – | 1 | 1 | – | 2 | 2 |
| USA | 2 269 | 1 079 | 3 348 | 2 236 | 1 040 | 3 276 | 2 297 | 1 173 | 3 470 |
| Austria | 114 | 25 | 139 | 87 | 55 | 142 | 110 | 18 | 128 |
| **Total** | **10 443** | **5 122** | **15 565** | **10 103** | **4 755** | **14 858** | **9 944** | **4 779** | **14 723** |

## 28 Average number of employees, continued from preceding page

**Distribution of senior executives at the closing date, %**

| | 2015 | 2014 | 2013 |
|---|---|---|---|
| **Women:** | | | |
| Board members of the Parent Company | 38% | 38% | 29% |
| Other members of the company's management, incl. CEO | 25% | 25% | 23% |
| **Men:** | | | |
| Board members of the Parent Company | 62% | 62% | 71% |
| Other members of the company's management, incl. CEO | 75% | 75% | 77% |

## 29 Transactions with related parties

Transactions between Getinge AB and its subsidiaries, which are related companies to Getinge AB, were eliminated in the consolidated financial statements.

**TRANSACTIONS WITH RELATED PARTIES**
Business terms and conditions as well as market-regulated pricing apply for delivery of products and services between Group companies.

In 2015, intra-Group sales amounted to SEK 19,554 M (17,746). No Board member or senior executive has, or has had, any direct or indirect participation in any business transactions, between themselves and the company, that are or were unusual in character, regarding terms or conditions. In addition, no other transactions with related parties occurred. For remuneration and benefits to individuals in management positions and board of directors, see Note 27.

## 30 Events after the end of the fiscal year

No significant events occurred after the end of the fiscal year.

## 31 Supplementary disclosure to cash-flow statement

| Acquisition of operations, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Intangible assets | 47 | 1 623 | 283 |
| Tangible assets | – | 32 | 4 |
| Inventories | 2 | 59 | 9 |
| Receivables | 7 | 93 | 10 |
| Non-controlling interests | – | -270 | – |
| Deferred tax | – | -148 | 10 |
| Non-interest-bearing liabilities | -15 | -153 | -68 |
| **Net cash outflow** | **41** | **1 236** | **248** |

| Divestment of operations, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Intangible assets | 223 | – | – |
| Tangible assets | 83 | – | – |
| Inventories | 105 | – | – |
| Receivables | 39 | – | – |
| Non-interest-bearing liabilities | -116 | – | – |
| Loss from sale | -32 | – | – |
| **Net cash inflow** | **302** | **–** | **–** |

| Cash and cash equivalents, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Investments | 10 | 7 | 13 |
| Cash and bank | 1 458 | 1 475 | 1 135 |
| **Cash and cash equivalents** | **1 468** | **1 482** | **1 148** |

| Adjustments for items not included in cash flow, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Gain from divestment/disposal of non-current assets | 198 | 47 | 153 |
| Gain from divestment of operations | 32 | – | – |
| **Total** | **230** | **47** | **153** |

## 32 Capitalized development costs

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Development costs, gross | -1 300 | -1 270 | -1 298 |
| Capitalized development costs | 702 | 673 | 679 |
| **Development costs, net** | **-598** | **-597** | **-619** |

## 33 Costs by cost category

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Salaries and remuneration | 7 188 | 6 480 | 6 136 |
| Social security expenses | 1 191 | 1 515 | 1 379 |
| Pension expenses | 446 | 399 | 373 |
| Amortization of intangible assets | 1 467 | 1 247 | 1 079 |
| Depreciation of tangible assets | 986 | 872 | 786 |
| Goods and services | 15 987 | 13 439 | 11 786 |
| **Total costs** | **27 265** | **23 952** | **21 535** |

# PARENT COMPANY FINANCIAL STATEMENTS

## PARENT COMPANY'S INCOME STATEMENT

| SEK M | Note | 2015 | 2014 | 2013 |
|---|---|---|---|---|
| Administrative expenses | 2 | - 261 | -164 | -150 |
| **Operating loss** | 15, 16 | -261 | -164 | -150 |
| Income from participations in Group companies | 4 | 3 459 | 4 113 | 983 |
| Interest income and other similar profit items | 5 | 248 | 306 | 658 |
| Interest expenses and other similar loss items | 6 | -1 287 | -3 740 | -850 |
| **Profit after financial items** | | 2 159 | 515 | 641 |
| Tax on profit for the year | 7 | -74 | -12 | -119 |
| **Net profit for the year** | | **2 085** | **503** | **522** |

## PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

| SEK M | Note | 2015 | 2014 | 2013 |
|---|---|---|---|---|
| **Net profit for the year** | | **2 085** | **503** | **522** |
| | | | | |
| **Other comprehensive income** | | | | |
| Cash-flow hedges interest-rate risk | | – | – | -45 |
| Income tax related to other comprehensive income items | | – | – | 10 |
| **Other comprehensive loss for the period, net after tax** | | – | – | -35 |
| **Total comprehensive income for the period** | | **2 085** | **503** | **487** |

## PARENT COMPANY'S BALANCE SHEET

| SEK M | Note | 2015 | 2014 | 2013 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Tangible assets | 2, 3 | 104 | 45 | 36 |
| Participations in Group companies | 8 | 25 112 | 24 869 | 22 410 |
| Deferred tax assets | 7 | 54 | 43 | 32 |
| **Total non-current assets** | | **25 270** | **24 957** | **22 478** |
| **Current assets** | | | | |
| Receivables from Group companies | | 8 333 | 5 715 | 6 552 |
| Tax assets | | 22 | 13 | – |
| Other receivables | | – | – | 6 |
| Prepaid expenses and accrued income | 11 | 48 | 50 | 32 |
| Cash and cash equivalents | | – | 801 | 567 |
| **Total current assets** | | **8 403** | **6 579** | **7 157** |
| **TOTAL ASSETS** | | **33 673** | **31 536** | **29 635** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | | |
| **Shareholders' equity** | | | | |
| *Restricted shareholders' equity* | | | | |
| Share capital | | 119 | 119 | 119 |
| Statutory reserve | | 2 525 | 2 525 | 2 525 |
| Share premium reserve | | 3 435 | 3 435 | 3 435 |
| Retained earnings | | 1 836 | 2 000 | 2 467 |
| Net profit for the year | | 2 085 | 503 | 522 |
| **Total shareholders' equity** | | **10 000** | **8 582** | **9 068** |
| **Long-term liabilities** | | | | |
| Interest-bearing long-term loans | 9 | 15 929 | 14 282 | 13 347 |
| **Total long-term liabilities** | | **15 929** | **14 282** | **13 347** |
| **Current liabilities** | | | | |
| Interest-bearing current loans (external) | 10 | 5 147 | 6 081 | 3 458 |
| Interest-bearing current loans (subsidiaries) | | 2 375 | 2 308 | 3 535 |
| Accounts payable (external) | | 30 | 73 | 3 |
| Accounts payable (subsidiaries) | | 21 | 44 | – |
| Current tax liabilities | | – | – | 71 |
| Other liabilities | | 3 | 5 | 2 |
| Accrued expenses and deferred income | 12 | 168 | 161 | 151 |
| **Total current liabilities** | | **7 744** | **8 672** | **7 220** |
| **TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES** | | **33 673** | **31 536** | **29 635** |
| Pledged assets | | – | – | – |
| Contingent liabilities | 13 | 477 | 496 | 305 |

## CHANGES IN PARENT COMPANY SHAREHOLDERS' EQUITY

| SEK M | Share capital | Statutory reserve | Share premium reserve | Unrestricted reserves | Total |
|---|---|---|---|---|---|
| **Closing balance at December 31, 2012** | **119** | **2 525** | **3 435** | **3 491** | **9 570** |
| Total comprehensive income for the period | | | | 487 | 487 |
| Dividend | | | | -989 | -989 |
| **Closing balance at December 31, 2013** | **119** | **2 525** | **3 435** | **2 989** | **9 068** |
| Total comprehensive income for the period | | | | 503 | 503 |
| Dividend | | | | -989 | -989 |
| **Closing balance at December 31, 2014** | **119** | **2 525** | **3 435** | **2 503** | **8 582** |
| Total comprehensive income for the period | | | | 2 085 | 2 085 |
| Dividend | | | | -667 | -667 |
| **Closing balance at December 31, 2015** | **119** | **2 525** | **3 435** | **3 921** | **10 000** |

Each share's quotient value is SEK 0.50. The share capital consists of 15,940,050 Class A shares carrying ten voting rights per share and 222,383,327 Class B shares carrying one voting right per share, totaling 238,323,377 shares.

## PARENT COMPANY CASH-FLOW STATEMENT

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| **Operating activities** | | | |
| Operating loss | -261 | -164 | -150 |
| Adjustments for items not included in cash flow | 19 | 26 | -19 |
| Payments from participations in Group companies | 1 890 | 488 | 175 |
| Interest received and similar items | 248 | 306 | 658 |
| Interest paid and similar items | -1 293 | -3 740 | -850 |
| Taxes paid | -94 | -98 | -51 |
| **Cash flow before changes to working capital** | **509** | **-3 182** | **-237** |
| | | | |
| **Changes in working capital** | | | |
| Current receivables | -2 616 | 824 | 24 371 |
| Current liabilities | -54 | 127 | -16 |
| **Cash flow from operating activities** | **-2 161** | **-2 231** | **24 118** |
| | | | |
| **Investing activities** | | | |
| Shareholders' contributions paid | -243 | -2 459 | -14 805 |
| Acquisition of tangible fixed assets | -78 | -35 | -17 |
| **Cash flow from investing activities** | **-321** | **-2 494** | **-14 822** |
| | | | |
| **Financing activities** | | | |
| Change in interest-bearing loans | 779 | 2 334 | -8 571 |
| Change in long-term receivables | – | -11 | -9 |
| Dividend paid | -667 | -989 | -989 |
| Group contributions received from subsidiaries | 1 569 | 3 625 | 808 |
| **Cash flow from financing activities** | **1 681** | **4 959** | **-8 761** |
| | | | |
| **Cash flow for the period** | **-801** | **234** | **535** |
| Cash and cash equivalents at the beginning of the year | 801 | 567 | 32 |
| Cash flow for the year | -801 | 234 | 535 |
| **Cash and cash equivalents at year-end** | **0** | **801** | **567** |

## 1 Accounting policies

The financial statements of the Parent Company were prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Reporting of Legal Entities, as well as statements from the Emerging Issues Task Force of the Swedish Financial Accounting Standards Council. In accordance with the regulations stipulated in RFR 2, in the annual financial statements for a legal entity, the Parent Company is to apply all of the IFRS/IAS regulations and statements that have been endorsed by the EU where possible within the framework of the Swedish Annual Accounts Act and with consideration of the link between accounting and taxation. The recommendation specifies which exceptions and additions are to be made from IFRS/IAS. Provisions conforming to IFRS/IAS are stated in Note 1 Accounting policies, for the consolidated financial statements. The Parent Company applies the accounting policies detailed for the Group with the exception of the following:

**Remuneration to employees.** The Parent Company complies with the Swedish Pension Obligations Vesting Act and directives from the Swedish Financial Supervisory Authority when calculating defined-benefit pension plans.

**Financial derivatives.** Getinge AB applies the exemption in RFR 2 pertaining to IAS 39, meaning that measurement and recognition of financial instruments is based on cost pursuant to the Swedish Annual Accounts Act. The Parent Company applies hedge accounting for its derivatives (interest-rate swaps and currency interest-rate swaps), which means that derivatives are not measured at fair value on an ongoing basis. Any interest-rate difference to be received or paid that arises on an interest-rate swap is recognized in profit and loss on an ongoing basis.

**Shares and participations.** Subsidiaries are recognized in accordance with the acquisition method, implying that holdings are recognized at cost in the balance sheet less any impairment. Dividends from subsidiaries are recognized as dividend income.

## 2 Depreciation according to plan

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Equipment, tools, fixtures and fittings | -19 | -26 | -19 |
| **Total** | **-19** | **-26** | **-19** |
| | | | |
| Depreciation is recognized as administrative expenses | -19 | -26 | -19 |

## 3 Tangible assets

| Equipment, tools, fixtures and fittings, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Opening cost | 156 | 121 | 104 |
| Investments | 78 | 35 | 17 |
| **Closing accumulated cost** | **234** | **156** | **121** |
| Opening depreciation | -111 | -85 | -66 |
| Depreciation for the year | -19 | -26 | -19 |
| **Closing accumulated depreciation** | **-130** | **-111** | **-85** |
| **Closing planned residual value** | **104** | **45** | **36** |

## 4 Income from participations in Group companies

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Dividends from Group companies | 1 890 | 488 | 175 |
| Group contributions | 1 569 | 3 625 | 808 |
| **Total** | **3 459** | **4 113** | **983** |

## 5 Interest income and similar profit items

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Interest income from Group companies | 242 | 304 | 657 |
| Interest income | 6 | 2 | 1 |
| **Total** | **248** | **306** | **658** |

## 6 Interest expenses and similar loss items

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Interest expenses to Group companies | -7 | -10 | -232 |
| Interest expenses | -627 | -542 | -482 |
| Currency losses | -631 | -3 166 | -110 |
| Other | -22 | -22 | -26 |
| **Total** | **-1 287** | **-3 740** | **-850** |

## 7 Taxes

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| *Tax expense:* | | | |
| Current tax | -85 | -25 | -117 |
| Deferred tax | 11 | 13 | -2 |
| **Tax on profit for the year** | **-74** | **-12** | **-119** |
| **Relationship between the year's tax expenses and the recognized profit before tax:** | | | |
| Recognized profit before tax | 2 159 | 515 | 641 |
| Tax according to current tax rate | -475 | -113 | -141 |
| Tax effect of non-deductible costs | -16 | -9 | -8 |
| Tax effect of non-taxable income | 417 | 110 | 30 |
| **Recognized tax expense** | **-74** | **-12** | **-119** |

Calculation of the current tax rate for the current tax is based on the tax rate of 22% that applies to the Parent Company.

| **Deferred tax assets attributable to temporary differences:** | | | |
|---|---|---|---|
| Temporary differences | 54 | 43 | 32 |
| **Total** | **54** | **43** | **32** |

## 8 Shares in subsidiaries

| Parent Company's holdings | Reg. office | Swedish Corp. Reg. No. | No. of shares | Percentage holding | Carrying amount, SEK M, 2015 | Carrying amount, SEK M 2014 | Carrying amount, SEK M 2013 |
|---|---|---|---|---|---|---|---|
| Arjo Finance Holding AB | Gothenburg | 556473-1700 | 23 062 334 | 100 | 5 716 | 5 716 | 3 296 |
| Getinge Sterilization AB | Halmstad | 556031-2687 | 50 000 | 100 | 452 | 452 | 452 |
| Maquet Holding AB | Gothenburg | 556535-6317 | 100 | 100 | 1 481 | 1 481 | 1 481 |
| Getinge Disinfection AB | Växjö | 556042-3393 | 25 000 | 100 | 118 | 118 | 118 |
| Getinge Letting AB | Gothenburg | 556495-6976 | 1 000 | 100 | – | – | – |
| Getinge Skärhamn AB | Skärhamn | 556412-3569 | 1 000 | 100 | 6 | 6 | 6 |
| Getinge Australia Pty Ltd | Australia | | 39 500 | 100 | 9 | 9 | 9 |
| Getinge NV | Belgium | | 600 | 100 | 2 | 2 | 2 |
| Getinge Danmark A/S | Denmark | | 525 | 100 | 3 | 3 | 3 |
| Getinge IT-Solution Aps | Denmark | | 533 000 | 100 | 27 | 27 | 27 |
| Getinge Finland AB | Finland | | 15 | 100 | – | – | – |
| Getinge Arjo France SAS | France | | 289 932 | 85 | 236 | 236 | 236 |
| Getinge/Castle Inernational Ltd | Greece | | 100 | 100 | 2 | 2 | 2 |
| Getinge Treasury Ireland Ltd | Ireland | | 1 | 100 | 984 | 772 | 740 |
| Getinge Japan KK | Japan | | 10 000 | 100 | 16 | 16 | 16 |
| Getinge Sterilizing Equipment Inc | Canada | | 1 230 100 | 100 | – | – | – |
| Getinge (Suzhou) Co. Ltd | China | | 1 | 100 | 111 | 111 | 111 |
| Getinge Holding Luxembourg Sarl | Luxembourg | | 163 972 | 100 | 10 887 | 10 887 | 10 887 |
| Arjo International Sarl | Luxembourg | | 10 000 | 100 | – | – | – |
| Getinge Norge AS | Norway | | 4 500 | 100 | 4 | 4 | 4 |
| Getinge Poland Sp Zoo | Poland | | 500 | 100 | 13 | 13 | 13 |
| NeuroMédica SA | Spain | | 40 000 | 100 | 16 | 16 | 16 |
| ArjoHuntleigh GmbH | Austria | | 1 273 | 100 | 7 | 7 | 7 |
| Getinge Shared Services | Poland | | 10 000 | 100 | 33 | 7 | – |
| Getinge Holding USA Inc | USA | | | 100 | 4 977 | 4 977 | 4 977 |
| Getinge Shared Services | Costa Rica | | | 100 | 5 | – | – |
| Maquet Medizintechnik | Austria | | | 100 | 7 | 7 | 7 |
| **Total carrying amount** | | | | | **25 112** | **24 869** | **22 410** |

The Parent Company's holding of shares in the subsidiaries constitutes the entire capital of the respective company, which also corresponds to 100% of the voting rights, unless otherwise stated.

## 8 Shares in subsidiaries, continued from preceding page

**Subsidiaries of sub-groups**
The Getinge Group, with operations in many countries, is organized into sub-groups in several categories, and accordingly, the legal structure cannot be reflected in a simpler manner in a tabular presentation. The following is a list of the companies that were a part of Getinge's sub-groups as of December 31, 2015. Except for the following, the ownership interest is 100%.

- Maquet Thailand Co. Ltd Thailand, 49 %
- ArjoHuntleigh (Thailand) Co. Ltd Thailand, 49 %
- PULSION Medical Systems SE Germany, 78,2%

**Sweden**
- ArjoHuntleigh AB 556304-2026, Malmö
- Arjo Finance Holding AB 556473-1700, Gothenburg
- Arjo Hospital Equipment AB 556247-0145, Eslöv
- Arjo Ltd Med. AB 556473-1718, Gothenburg
- Arjo Scandinavia AB 556528-4600, Eslöv
- ArjoHuntleigh International AB 556528-1440, Eslöv
- CombiMobil AB 556475-7242, Eslöv
- Getinge Disinfection AB 556042-3393, Växjö
- Getinge Infection Control AB 556547-8798, Halmstad
- Getinge International AB 556547-8780, Halmstad
- Getinge Letting AB 556495-6976, Gothenburg
- Getinge Sterilization AB 556031-2687, Getinge
- Getinge Sverige AB 556509-9511, Gothenburg
- Getinge Skärhamn AB 556412-3569, Skärhamn
- Getinge Treasury AB 556535-6309, Gothenburg
- Maquet Critical Care AB 556604-8731, Solna
- Maquet Holding AB 556535-6317, Gothenburg
- Maquet Nordic AB 556648-1163, Solna

**Australia**
- Getinge Australia Pty Ltd
- Huntleigh Healthcare Pty Ltd
- Maquet Australia Pty Ltd
- Pulsion Pacific Pty Ltd

**Austria**
- ArjoHuntleigh GmbH
- Maquet Medizintechnik Vertrieb und Service GmbH

**Belgium**
- ArjoHuntleigh NV
- Getinge NV
- Maquet Belgium NV
- Medibol Holding NV
- Medibol NV
- Pulsion Benelux NV/SA

**Brazil**
- Maquet do Brasil Equipamentos Medicos Ltda
- Maquet Cardiopulmonary do Brasil Ind. e Com S.A.

**Colombia**
- Maquet Colombia S.A.S

**Canada**
- ArjoHuntleigh Canada Inc
- ArjoHuntleigh Magog Inc
- Getinge Canada Ltd
- Maquet-Dynamed Inc

**China**
- Acare Medical Science Co. Ltd
- ArjoHuntleigh (Shanghai) Medical Equipment Co Ltd
- Getinge (Shanghai) Trading Co.Ltd
- Getinge (Suzhou) Co. Ltd
- Maquet (Shanghai) Medical Equipment Co., Ltd.
- Maquet (SuZhou) Co Ltd
- Maquet (SuZhou) Medical Engineering Co., Ltd.

**Costa Rica**
- Getinge Group Shared Serv CR Soc

**Czech Republic**
- Arjo Huntleigh sro
- Getinge Czech Republic, s.r.o.
- Maquet Czeck Republic s.r.o.

**Denmark**
- ArjoHuntleigh A/S
- Cetrea A/S
- Getinge Danmark A/S
- Getinge IT Solutions ApS
- Getinge Water Systems A/S
- Maquet Denmark A/S
- Polystan A/S

**Finland**
- Getinge Finland Oy AB
- Maquet Finland Oy

**France**
- Arjo Huntleigh SAS
- Filance SA
- Getinge France SAS
- Getinge Infection Control SAS
- Getinge La Calhéne France SA
- Getinge Lancer SA
- Intervascular SAS
- Maquet SAS

**Germany**
- ArjoHuntleigh GmbH
- Getinge Holding GmbH
- Getinge-Maquet Germany Holding GmbH
- Getinge Vertrieb und Service GmbH
- HCS Homecare Service GmbH
- HNE Huntleigh Nesbit Evans Health-care GmbH
- Maquet Cardiopulmonary AG
- Maquet Financial Services GmbH
- Maquet GmbH
- Maquet Holding BV&Co KG
- Maquet Hospital Solutions GmbH
- Maquet Vertrieb und Service Deutsch-land GmbH
- MediKomp GmbH
- Maquet Medical Systems AG

**Greece**
- Getinge/Castle International Ltd

**Hong Kong**
- ArjoHuntleigh (Hong Kong) Ltd
- Getinge Hong Kong Company Ltd
- Maquet Hong Kong Ltd

**India**
- ArjoHuntleigh Healthcare India Pvt Ltd
- Atrium Medical India Pvt Ltd
- Getinge India Pvt Ltd
- Maquet Medical India Pvt Ltd

**Ireland**
- ArjoHuntleigh Ireland Ltd
- Getinge Treasury Ireland Ltd
- Maquet Ireland Ltd

**Italy**
- ArjoHuntleigh Spa
- Getinge Service Italia S.p.A.
- Getinge S.p.A.
- Getinge Surgical Systems Holding Srl
- Maquet Italia Spa

**Japan**
- Arjo Japan KK
- Getinge Japan KK
- Maquet Japan KK

**Luxembourg**
- Getinge Holding Luxembourg S.a.r.l.

**Mexico**
- Maquet Mexicana, S. de R.L. de CV
- Pulsion Medical System S. de R.L. de C.V

**Netherlands**
- ArjoHuntleigh Nederland B.V.
- Atrium Europe BV
- Datascope BV
- Getinge Arjo Holding Netherlands B.V.
- Getinge B.V.
- Huntleigh Holdings BV
- Maquet Netherlands B.V.
- Maquet Verwaltungs B.V.

**Norway**
- ArjoHuntleigh Norway A/S
- Getinge Norge A/S

**New Zealand**
- ArjoHuntleigh Ltd
- Maquet New Zealand Pty Ltd

**Poland**
- ArjoHuntleigh Polska Sp. z.o.o.
- Maquet Poland Sp.z.o.o.
- Pulsion Poland Sp.z.o.o.
- Getinge IC Production Poland Sp.z.o.o.
- Getinge Poland Sp.z.o.o.
- Getinge Shared Services Sp.z.o.o.

**Portugal**
- Maquet Portugal Lda

**Russia**
- Maquet LLC

**Serbia**
- Getinge Group South East Europe

**Singapore**
- ArjoHuntleigh Singapore Pte Ltd
- Boxuan Medical Equipment Pte Ltd
- Getinge Singapore Pte. Ltd.
- Maquet South East Asia Ltd Singapore

**Slovakia**
- Maquet Slovakia s.r.o.

**South Africa**
- ArjoHuntleigh South Africa (Pty) Ltd
- Huntleigh Africa Provincial Sales (Pty) Ltd
- Huntleigh Africa (Pty) Ltd
- Maquet South Africa

**South Korea**
- ArjoHuntleigh Korea Co. Ltd
- Getinge Korea Co Ltd
- Maquet Medical Korea Co. Ltd

**Spain**
- Getinge Group Spain SL
- Neuromedica SA

**Switzerland**
- ArjoHuntleigh AG
- Getinge AG
- Getinge Schweiz AG
- Maquet AG

**Taiwan**
- Getinge Group Taiwan Co., Ltd

**Thailand**
- Maquet Thailand Co. Ltd
- ArjoHuntleigh (Thailand) Co. Ltd

**Turkey**
- Getinge Saglik Urunleri Ithalat Ihracat Ticaret Ve Sanayi Limited Sirketi
- GOA Tekn Danis Elektr Emalat Ticare
- Trans Medikal Aletler San.ve Tic A.S
- Maquet Cardiopulmonary Ltd Sti
- Maquet Tibbi Sistemler San Ve Tk AS
- Pulsion Medical Systems Mes. Ürün. Tic. Ltd. Sti.

**UK**
- Arjo Ltd
- ArjoHuntleigh International Ltd
- Altrax Group Ltd
- Datascope Medical Co. Ltd
- Getinge Extended Care UK Limited
- Getinge Holding Ltd
- Getinge Production Ltd
- Getinge UK Ltd
- James Ind Ltd UK
- Jostra Ltd
- Huntleigh Akron Limited
- Huntleigh Diagnostics Limited
- Huntleigh Healthcare Ltd
- Huntleigh International Holdings Ltd
- Huntleigh Luton Ltd
- Huntleigh Properties Ltd
- Huntleigh (SST) Ltd
- Huntleigh Technology Ltd
- Maquet Ltd
- Parker Bath Ltd
- Pegasus Ltd
- Pulsion Medical UK Ltd
- Scantrack Healthcare Ltd

**Ukraine**
- Maquet Ukraine LLC

**United Arab Emirates**
- ArjoHuntleigh Middle East FZ-LLC
- Maquet Middle East FZ-LLC

**USA**
- ArjoHuntleigh Inc
- Atrium Medical Corp
- Datascope Trademark Corp
- Genisphere Inc
- Getinge USA Inc
- Getinge Holding USA, Inc
- Getinge Holding USA II, Inc
- Getinge Sourcing LLC
- InterVascular Inc
- InterVascular C Inc
- InterVascular V Inc
- La Calhéne Inc.
- Lancer Inc
- Laax Inc
- Maquet Cardiovascular LLC
- Maquet Cardiovascular US Sales LLC
- Maquet Datascope Inc
- SteriTec Products Mfg Inc

## 9 Interest-bearing long-term loans

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Liabilities to credit institutions | 15 929 | 14 282 | 13 347 |
| **Total** | **15 929** | **14 282** | **13 347** |

All loans fall due for payment within five years.

## 10 Interest-bearing current loans

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Liabilities to credit institutions | 5 147 | 6 081 | 3 458 |
| **Total** | **5 147** | **6 081** | **3 458** |

## 11 Prepaid expenses and accrued income

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Prepaid financial expenses | 9 | 28 | 16 |
| Other prepaid expenses and accrued income | 39 | 22 | 16 |
| **Total** | **48** | **50** | **32** |

## 12 Accrued expenses and deferred income

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Salaries | 27 | 12 | 17 |
| Social security expenses | 66 | 50 | 42 |
| Interest expenses | 53 | 59 | 49 |
| Other accrued expenses and deferred income | 19 | 41 | 43 |
| **Total** | **168** | **161** | **151** |

## 13 Contingent liabilities

| SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| Guarantees FPG/PRI | 440 | 433 | 224 |
| Other guarantees | 37 | 63 | 81 |
| **Total** | **477** | **496** | **305** |
| Valuation adjustment | -477 | -496 | -305 |
| Carrying amount | – | – | – |

## 14 Average number of employees

| Sweden | 2015 | 2014 | 2013 |
|---|---|---|---|
| Men | 36 | 27 | 21 |
| Women | 19 | 13 | 9 |
| **Total** | **55** | **40** | **30** |

| Distribution of senior executives at year-end | | | |
|---|---|---|---|
| *Women* | | | |
| Board members | 3 | 3 | 2 |
| Other members of senior management, including the CEO | – | – | – |
| *Men* | | | |
| Board members | 8 | 8 | 7 |
| Other members of senior management, including the CEO | 3 | 3 | 3 |

## 15 Employee costs

| 2015, SEK M | Board and CEO | Other | Total |
|---|---|---|---|
| Salaries and remuneration | 43 | 50 | 93 |
| Social security expenses | 12 | 9 | 21 |
| Pension expenses | 36 | 5 | 41 |
| **Total** | **91** | **64** | **155** |

| 2014, SEK M | Board and CEO | Other | Total |
|---|---|---|---|
| Salaries and remuneration | 31 | 39 | 70 |
| Social security expenses | 23 | 13 | 36 |
| Pension expenses | 29 | 13 | 42 |
| **Total** | **83** | **65** | **148** |

| 2013, SEK M | Board and CEO | Other | Total |
|---|---|---|---|
| Salaries and remuneration | 27 | 37 | 64 |
| Social security expenses | 7 | 9 | 16 |
| Pension expenses | 19 | 7 | 26 |
| **Total** | **53** | **53** | **106** |

## 16 Auditing

| Fee to PwC, SEK M | 2015 | 2014 | 2013 |
|---|---|---|---|
| *Fee and expense reimbursement:* | | | |
| Auditing assignments | 5 | 3 | 3 |
| Auditing activities other than auditing assignments | 1 | 1 | 1 |
| Tax consultancy services | – | – | – |
| Other services | 4 | 2 | 1 |
| **Total** | **10** | **6** | **5** |

Auditing assignments refer to statutory auditing, meaning assignments required to issue the auditor's report. Auditing activities other than auditing assignments include the review of interim reports and services in conjunction with the issuance of certificates and audit certificates. Tax consultancy services primarily pertain to general tax matters concerning corporate tax. Other services pertain to consultancy regarding financial accounting, internal control and services in conjunction with acquisition.

# AUDITOR'S REPORT

## To the annual meeting of the shareholders of Getinge AB, corporate identity number 556408-5032

### REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Getinge AB for the year 2015, except for the corporate governance statement on pages 44-53. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 38-85.

**Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts**

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards , as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility.**

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 44-53. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Getinge AB for the year 2015. We have also conducted a statutory examination of the corporate governance statement.

**Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement, on pages 44-53, has been prepared in accordance with the Annual Accounts Act.

**Auditor's responsibility.**

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

**Opinions**

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Gothenburg, 26 February 2016
Öhrlings PricewaterhouseCoopers AB

**Johan Rippe**
Authorized Public Accountant
Lead Auditor

**Eric Salander**
Authorized Public Accountant

# GETINGE INFORMATION

## MULTI-YEAR OVERVIEW: GROUP

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Order situation.** SEK M | | | | | | | | | | |
| Order intake | 13 316 | 16 497 | 19 447 | 23 036 | 22 406 | 22 012 | 24 416 | 25 395 | 26 817 | 30 431 |
| **Income statement.** Amounts in SEK M unless otherwise stated. | | | | | | | | | | |
| Net sales | 13 001 | 16 445 | 19 272 | 22 816 | 22 172 | 21 854 | 24 248 | 25 287 | 26 669 | 30 235 |
| of which, overseas sales, % | 97,6 | 97,8 | 98,0 | 98,2 | 98,4 | 98,0 | 98,2 | 98,2 | 98,1 | 98,0 |
| Operating profit before depreciation and amortization | 2 270 | 2 938 | 3 846 | 4 446 | 5 111 | 5 376 | 5 748 | 5 614 | 4 765 | 5 187 |
| EBITA - before restructuring and acquisition costs | 2 018 | 2 651 | 3 428 | 3 933 | 4 371 | 4 571 | 4 849 | 4 766 | 4 501 | 4 179 |
| Operating profit | 1 936 | 2 255 | 2 877 | 3 070 | 3 689 | 3 924 | 4 006 | 3 748 | 2 646 | 2 729 |
| Net financial items | -208 | -507 | -751 | -436 | -573 | -480 | -570 | -595 | -659 | -732 |
| Profit before tax | 1 728 | 1 748 | 2 126 | 2 634 | 3 116 | 3 444 | 3 436 | 3 153 | 1 987 | 1 997 |
| Taxes | -469 | -515 | -603 | -720 | -836 | -907 | -905 | -858 | -539 | -540 |
| **Net profit for the year** | **1 259** | **1 233** | **1 523** | **1 914** | **2 280** | **2 537** | **2 531** | **2 295** | **1 448** | **1 457** |
| **Balance sheet.** SEK M | | | | | | | | | | |
| Intangible assets | 5 516 | 10 524 | 15 879 | 20 353 | 19 224 | 24 498 | 24 895 | 25 126 | 30 064 | 30 543 |
| Tangible assets | 1 397 | 2 327 | 3 257 | 3 674 | 3 192 | 3 452 | 4 066 | 4 341 | 4 971 | 4 699 |
| Financial assets | 1 876 | 755 | 1 250 | 1 135 | 761 | 750 | 887 | 667 | 1 410 | 1 374 |
| Inventories | 2 083 | 2 913 | 4 015 | 4 156 | 3 619 | 3 837 | 4 060 | 4 254 | 5 245 | 5 409 |
| Other receivables | 4 332 | 5 557 | 7 125 | 6 791 | 6 696 | 7 725 | 7 759 | 8 767 | 9 646 | 9 742 |
| Cash and bank balances | 673 | 894 | 1 506 | 1 389 | 1 093 | 1 207 | 1 254 | 1 148 | 1 482 | 1 468 |
| **Total assets** | **15 877** | **22 970** | **33 032** | **37 498** | **34 585** | **41 469** | **42 921** | **44 303** | **52 818** | **53 235** |
| Shareholders' equity | 6 005 | 6 805 | 10 890 | 12 726 | 13 248 | 14 636 | 15 200 | 16 560 | 18 694 | 19 593 |
| Provisions for pensions, interest-bearing | 1 639 | 1 510 | 1 435 | 1 409 | 1 813 | 1 627 | 2 111 | 2 298 | 3 271 | 3 052 |
| Restructuring reserve | 9 | 71 | 68 | 202 | 219 | 172 | 201 | 238 | 649 | 389 |
| Provisions | 535 | 980 | 1 285 | 2 116 | 1 499 | 2 087 | 1 823 | 1 916 | 1 929 | 1 854 |
| Loans, interest-bearing | 4 609 | 9 455 | 13 244 | 16 052 | 12 656 | 16 689 | 17 525 | 17 169 | 20 752 | 21 283 |
| Other liabilities, non-interest bearing | 3 080 | 4 149 | 6 110 | 4 993 | 5 150 | 6 258 | 6 061 | 6 122 | 7 523 | 7 064 |
| **Total shareholders' equity and liabilities** | **15 877** | **22 970** | **33 032** | **37 498** | **34 585** | **41 469** | **42 921** | **44 303** | **52 818** | **53 235** |
| Net debt, including pension liabilities | 5 575 | 10 071 | 13 173 | 16 072 | 13 376 | 17 109 | 18 382 | 18 318 | 22 541 | 22 867 |
| Net debt, excluding pension liabilities | 3 936 | 8 561 | 11 738 | 14 663 | 11 563 | 15 482 | 16 271 | 16 020 | 19 270 | 19 815 |
| **Cash flow.** Amounts in SEK M unless otherwise stated. | | | | | | | | | | |
| Cash flow from operating activities | 1 515 | 1 496 | 1 774 | 4 000 | 4 124 | 3 496 | 3 687 | 3 544 | 3 473 | 3 458 |
| - per average number of shares | 7,5 | 7,4 | 8,4 | 16,8 | 17,3 | 14,7 | 15,5 | 14,9 | 14,6 | 14,5 |
| Acquisition values | 272 | 6 106 | 5 008 | 5 072 | 10 | 4 649 | 2 226 | 248 | 1 236 | 44 |
| Net investments in non-current assets | 165 | 468 | 642 | 907 | 588 | 688 | 959 | 1 004 | 945 | 1 046 |
| Cash conversion, % | 67 | 51 | 46 | 90 | 81 | 65 | 64 | 63 | 73 | 67 |
| **Return indicators** | | | | | | | | | | |
| Return on working capital, % | 19,2 | 19,4 | 14,0 | 13,3 | 14,2 | 15,3 | 13,1 | 12,8 | 8,2 | 8,6 |
| Return on shareholders' equity, % | 22,6 | 20,0 | 17,2 | 16,2 | 17,6 | 18,2 | 17,0 | 14,4 | 10,4 | 8,5 |
| EBITA margin before restructuring and acquisition costs, % | 15,5 | 16,1 | 17,8 | 17,2 | 19,7 | 20,9 | 20,0 | 18,8 | 16,9 | 13,8 |
| Operating margin, % | 14,9 | 13,7 | 14,9 | 13,5 | 16,6 | 18,0 | 16,5 | 14,8 | 9,9 | 9,0 |
| Operating profit before depreciation margin, % | 17,5 | 17,9 | 20,0 | 19,5 | 23,1 | 24,6 | 23,7 | 22,2 | 17,9 | 17,1 |
| **Financial indicators** | | | | | | | | | | |
| Interest-coverage ratio, multiple | 9,0 | 4,7 | 4,002 | 5,5 | 6,7 | 8,4 | 7,3 | 6,9 | 5,7 | 4,6 |
| Equity/assets ratio, % | 37,8 | 29,6 | 33,0 | 33,9 | 38,3 | 35,3 | 35,4 | 37,4 | 35,4 | 36,8 |
| Net debt/equity ratio, multiple | 0,93 | 1,48 | 1,21 | 1,26 | 1,01 | 1,17 | 1,21 | 1,10 | 1,21 | 1,17 |
| Working capital | 10 217 | 10 555 | 22 051 | 23 771 | 27 247 | 26 453 | 31 920 | 32 526 | 36 529 | 40 771 |
| Shareholders' equity, December 31, SEK M | 6 005 | 6 805 | 10 890 | 12 726 | 13 248 | 14 636 | 15 200 | 16 560 | 18 694 | 19 593 |
| **Personnel** | | | | | | | | | | |
| No. of employees, December 31 | 7 531 | 10 358 | 11 604 | 12 135 | 12 208 | 13 111 | 14 919 | 15 183 | 15 747 | 15 424 |
| Salaries and other remuneration | 3 051 | 5 190 | 5 838 | 7 113 | 6 938 | 7 155 | 7 479 | 7 888 | 8 394 | 8 825 |
| **Share data.** Amounts in SEK per share unless otherwise stated. | | | | | | | | | | |
| Earnings per share after tax | 6,21 | 6,10 | 7,23 | 8,02 | 9,55 | 10,61 | 10,58 | 9,59 | 6,01 | 5,83 |
| Adjusted earnings per share after tax 1) | 5,28 | 5,17 | 6,39 | 8,02 | 9,55 | 10,61 | 10,58 | 9,59 | 6,01 | 5,83 |
| Market price, December 31 | 153,50 | 173,50 | 93,50 | 136,30 | 140,90 | 174,40 | 220,00 | 220,00 | 177,80 | 222,50 |
| Cash flow | 6,69 | 5,09 | 5,37 | 12,98 | 14,84 | 11,78 | 11,45 | 10,66 | 10,61 | 10,12 |
| Dividend | 2,20 | 2,40 | 2,40 | 2,75 | 3,25 | 3,75 | 4,15 | 4,15 | 2,80 | 2,80 |
| Dividend growth, % | 10,00 | 9,09 | 0,00 | 14,58 | 18,18 | 15,40 | 10,67 | 0,00 | -32,53 | 0,00 |
| Dividend yield, % | 1,43 | 1,38 | 2,57 | 2,02 | 2,31 | 2,15 | 1,89 | 1,89 | 1,57 | 1,26 |
| Price/earnings ratio | 24,72 | 28,44 | 12,93 | 17,00 | 14,75 | 16,44 | 20,79 | 22,94 | 29,58 | 38,16 |
| Dividend as profit percentage, % | 35,43 | 39,34 | 33,20 | 34,29 | 34,03 | 35,34 | 39,22 | 43,27 | 46,59 | 48,03 |
| Shareholders' equity | 29,64 | 32,54 | 50,66 | 53,30 | 55,49 | 61,30 | 63,66 | 69,58 | 78,45 | 82,22 |
| Average number of shares (million) | 201,9 | 201,9 | 210,8 | 238,3 | 238,3 | 238,3 | 238,3 | 238,3 | 238,3 | 238,3 |
| Number of shares, December 31 (million) | 201,9 | 201,9 | 214,5 | 238,3 | 238,3 | 238,3 | 238,3 | 238,3 | 238,3 | 238,3 |

1) Adjusted earnings per share were recalculated in accordance with the number of shares after the new share issues in 2008 and 2009 to achieve comparability between the accounting periods.

## MULTI-YEAR OVERVIEW: BUSINESS AREAS

| MEDICAL SYSTEMS | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Order intake, SEK M | 5 835 | 5 879 | 8 560 | 11 488 | 11 179 | 11 214 | 13 242 | 13 340 | 14 061 | 16 035 |
| **Net sales** | **5 542** | **6 079** | **8 416** | **11 255** | **11 195** | **11 031** | **13 089** | **13 322** | **14 105** | **16 078** |
| Share of Group's net sales, % | 42,6 | 37,0 | 43,7 | 49,3 | 50,5 | 50,5 | 54,0 | 52,7 | 52,9 | 53,0 |
| Gross profit | 2 784 | 3 112 | 4 723 | 6 343 | 6 492 | 6 365 | 7 668 | 7 789 | 7 756 | 8 348 |
| Gross margin, % | 50,2 | 51,2 | 56,1 | 56,4 | 58,0 | 57,7 | 58,6 | 58,5 | 55,0 | 51,9 |
| Operating expenses, SEK M | -1 895 | -2 079 | -3 140 | -4 510 | -4 372 | -4 234 | -5 236 | -5 356 | -5 390 | -6 326 |
| **EBITA - before restructuring and acquisition costs** | **896** | **1 040** | **1 784** | **2 231** | **2 502** | **2 495** | **2 945** | **2 894** | **2 868** | **2 628** |
| Share of Group's EBITA, % | 44,4 | 39,2 | 52,0 | 56,7 | 57,2 | 54,6 | 60,7 | 60,7 | 63,7 | 62,9 |
| **EBITA margin, %** | **16,2** | **17,1** | **21,2** | **19,8** | **22,3** | **22,6** | **22,5** | **21,7** | **20,3** | **16,3** |
| Operating profit | 889 | 1 033 | 1 511 | 1 636 | 1 990 | 2 016 | 2 384 | 2 334 | 1 292 | 1 628 |
| Share of Group's operating profit, % | 45,9 | 45,8 | 52,5 | 53,3 | 53,9 | 51,4 | 59,5 | 62,3 | 48,8 | 59,6 |
| Operating margin, % | 16,0 | 17,0 | 18,0 | 14,5 | 17,8 | 18,3 | 18,2 | 17,5 | 9,2 | 10,1 |
| No. of employees at December 31 | 2 986 | 3 264 | 4 295 | 5 028 | 5 202 | 6 011 | 6 344 | 6 572 | 7 045 | 6 761 |

| EXTENDED CARE | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Order intake, SEK M | 3 181 | 6 124 | 6 223 | 6 406 | 6 033 | 5 711 | 5 965 | 6 910 | 7 217 | 7 781 |
| **Net sales** | **3 183** | **6 009** | **6 174** | **6 467** | **6 033** | **5 751** | **5 990** | **6 870** | **7 164** | **7 767** |
| Share of Group's net sales, % | 23,3 | 36,5 | 27,9 | 28,4 | 27,2 | 26,3 | 24,7 | 27,2 | 26,9 | 25,7 |
| Gross profit | 1 500 | 2 750 | 2 847 | 2 964 | 2 977 | 2 981 | 3 052 | 3 369 | 3 398 | 3 505 |
| Gross margin, % | 47,1 | 45,8 | 46,1 | 45,8 | 49,3 | 51,8 | 51,0 | 49,0 | 47,4 | 45,1 |
| Operating expenses, SEK M | -977 | -1 895 | -1 969 | -2 074 | -1 904 | -1 800 | -1 871 | -2 202 | -2 494 | -2 806 |
| **EBITA - before restructuring and acquisition costs** | **538** | **971** | **992** | **1 002** | **1 178** | **1 278** | **1 274** | **1 296** | **1 041** | **831** |
| Share of Group's EBITA, % | 24,9 | 28,6 | 25,6 | 23,8 | 27,0 | 28,0 | 26,3 | 27,2 | 23,1 | 19,9 |
| **EBITA margin, %** | **16,9** | **16,2** | **16,1** | **15,5** | **19,5** | **22,2** | **21,3** | **18,9** | **14,5** | **10,7** |
| Operating profit | 488 | 597 | 732 | 835 | 1 048 | 1 121 | 1 005 | 983 | 817 | 509 |
| Share of Group's operating profit, % | 23,5 | 21,8 | 24,4 | 24,4 | 28,4 | 28,6 | 25,1 | 26,2 | 30,9 | 18,7 |
| Operating margin, % | 15,3 | 9,9 | 11,9 | 12,9 | 17,4 | 19,5 | 16,8 | 14,3 | 11,4 | 6,5 |
| No. of employees at December 31 | 1 754 | 4 228 | 4 314 | 4 111 | 3 958 | 5 092 | 5 457 | 5 479 | 5 499 | 4 460 |

| INFECTION CONTROL | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Order intake, SEK M | 4 286 | 4 494 | 4 665 | 5 142 | 5 192 | 5 086 | 5 209 | 5 144 | 5 539 | 6 615 |
| **Net sales** | **4 262** | **4 357** | **4 682** | **5 094** | **4 944** | **5 072** | **5 170** | **5 095** | **5 400** | **6 390** |
| Share of Group's net sales, % | 32,8 | 26,5 | 24,3 | 22,3 | 22,3 | 23,2 | 21,3 | 20,1 | 20,2 | 21,1 |
| Gross profit | 1 605 | 1 659 | 1 763 | 1 945 | 1 902 | 2 056 | 1 984 | 1 966 | 1 956 | 2 309 |
| Gross margin, % | 37,7 | 38,1 | 37,7 | 38,2 | 38,5 | 40,5 | 38,4 | 38,6 | 36,2 | 36,1 |
| Operating expenses, SEK M | -1 044 | -1 034 | -1 126 | -1 261 | -1 225 | -1 268 | -1 363 | -1 405 | -1 380 | -1 611 |
| **EBITA - before restructuring and acquisition costs** | **577** | **640** | **652** | **700** | **691** | **798** | **631** | **575** | **592** | **720** |
| Share of Group's EBITA, % | 28,6 | 24,1 | 19,0 | 17,8 | 15,8 | 17,5 | 13,0 | 12,1 | 13,2 | 17,2 |
| **EBITA margin, %** | **13,5** | **14,7** | **13,9** | **13,7** | **14,0** | **15,7** | **12,2** | **11,3** | **11,0** | **11,3** |
| Operating profit | 552 | 625 | 634 | 599 | 652 | 788 | 618 | 431 | 536 | 592 |
| Share of Group's operating profit, % | 28,5 | 27,7 | 22,0 | 19,5 | 17,7 | 20,1 | 15,4 | 11,5 | 20,3 | 21,7 |
| Operating margin, % | 13,0 | 14,3 | 13,5 | 11,8 | 13,2 | 15,5 | 12,0 | 8,5 | 9,9 | 9,3 |
| No. of employees at December 31 | 2 791 | 2 866 | 2 995 | 2 996 | 3 048 | 2 008 | 3 118 | 3 132 | 3 203 | 4 203 |

Getinge Group has performed extremely well over the past ten years. Sales grew from SEK 13.0 billion to SEK 30.2 billion during the period, corresponding to an average growth of 10.1 per cent. Profit before tax increased from SEK 1,728 M in 2006 to SEK 1,997 M in 2015. The increase in profit corresponds to an average growth of 3.8 per cent. The strong growth was achieved through a combination of acquisitions of leading businesses and organic growth. Major acquisitions include Huntleigh (wound care, healthcare beds, etc.) two divisions of Boston Scientific (cardiac and vascular surgery), Datascope (heart-support products), Atrium Medical (products for the cardiovascular market) and the TSS division of the US company KCI. The total acquisition value amounts to SEK 24.9 billion for the period. Organic growth primarily derives from the development and launch of new products and geographic expansion. Product-development investments amounted to a total of SEK 10.6 billion for the period.

## THE GROUP'S 20 LARGEST MARKETS

| | 2015 | | | 2014 | | | 2013 | | | 2012 | | | 2011 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | SEK M | % | # | SEK M | % | # | SEK M | % | # | SEK M | % | # | SEK M | % | # |
| USA | 10 098 | 33.4% | 1 | 8 045 | 30.2% | 1 | 7 567 | 29.9% | 1 | 6 778 | 28.0% | 1 | 5 829 | 26.7% | 1 |
| UK | 2 256 | 7.5% | 2 | 1 998 | 7.5% | 2 | 1 755 | 6.9% | 3 | 1 746 | 7.2% | 3 | 1 680 | 7.7% | 3 |
| Germany | 2 081 | 6.9% | 3 | 1 963 | 7.4% | 3 | 1 899 | 7.5% | 2 | 1 758 | 7.2% | 2 | 1 746 | 8.0% | 2 |
| France | 1 685 | 5.6% | 4 | 1 716 | 6.4% | 4 | 1 578 | 6.2% | 4 | 1 607 | 6.6% | 4 | 1 598 | 7.3% | 4 |
| Japan | 1 250 | 4.1% | 5 | 1 166 | 4.4% | 5 | 1 158 | 4.6% | 5 | 1 344 | 5.5% | 5 | 1 149 | 5.3% | 5 |
| China | 1 243 | 4.1% | 6 | 982 | 3.7% | 7 | 964 | 3.8% | 7 | 970 | 4.0% | 6 | 719 | 3.3% | 8 |
| Australia | 1 117 | 3.7% | 7 | 897 | 3.4% | 8 | 786 | 3.1% | 8 | 867 | 3.6% | 8 | 698 | 3.2% | 9 |
| Canada | 1 035 | 3.4% | 8 | 985 | 3.7% | 6 | 1 008 | 4.0% | 6 | 946 | 3.9% | 7 | 882 | 4.0% | 6 |
| Italy | 852 | 2.8% | 9 | 777 | 2.9% | 9 | 743 | 2.9% | 9 | 753 | 3.1% | 9 | 818 | 3.7% | 7 |
| Netherlands | 605 | 2.0% | 10 | 586 | 2.2% | 10 | 562 | 2.2% | 11 | 614 | 2.5% | 11 | 627 | 2.9% | 10 |
| Sweden | 595 | 2.0% | 11 | 494 | 1.9% | 12 | 464 | 1.8% | 13 | 429 | 1.8% | 13 | 442 | 2.0% | 11 |
| India | 526 | 1.7% | 12 | 407 | 1.5% | 15 | 384 | 1.5% | 15 | 335 | 1.4% | 16 | 308 | 1.4% | 15 |
| Belgium | 482 | 1.6% | 13 | 465 | 1.7% | 13 | 459 | 1.8% | 14 | 422 | 1.7% | 14 | 410 | 1.9% | 14 |
| Switzerland | 418 | 1.4% | 14 | 321 | 1.2% | 19 | 339 | 1.3% | 16 | 308 | 1.3% | 17 | 282 | 1.3% | 18 |
| Austria | 386 | 1.3% | 15 | 345 | 1.3% | 16 | 306 | 1.2% | 18 | 227 | 0.9% | 20 | 181 | 0.8% | 20 |
| Saudi Arabia | 380 | 1.3% | 16 | 341 | 1.3% | 17 | 332 | 1.3% | 17 | 375 | 1.5% | 15 | 293 | 1.3% | 17 |
| Brazil | 355 | 1.2% | 17 | 569 | 2.1% | 11 | 641 | 2.5% | 10 | 509 | 2.1% | 12 | 432 | 2.0% | 12 |
| Spain | 341 | 1.1% | 18 | 337 | 1.3% | 18 | 252 | 1.0% | 20 | 259 | 1.1% | 18 | 306 | 1.4% | 16 |
| Turkey | 282 | 0.9% | 19 | 245 | 0.9% | 20 | 174 | 0.7% | 22 | 147 | 0.6% | 26 | 144 | 0.7% | 24 |
| Denmark | 263 | 0.9% | 20 | 237 | 0.9% | 21 | 260 | 1.0% | 19 | 236 | 1.0% | 19 | 225 | 1.0% | 19 |

## THE TEN LARGEST MARKETS BY BUSINESS AREA

| | 2015 | | | 2014 | | | 2013 | | | 2012 | | | 2011 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | SEK M | % | # | SEK M | % | # | SEK M | % | # | SEK M | % | # | SEK M | % | # |
| **MEDICAL SYSTEMS BUSINESS AREA** | | | | | | | | | | | | | | | |
| USA | 5 768 | 35.9% | 1 | 4 431 | 31.4% | 1 | 4 139 | 31.1% | 1 | 3 965 | 30.3% | 1 | 2 962 | 26.9% | 1 |
| Germany | 1 300 | 8.1% | 2 | 1 216 | 8.6% | 2 | 1 135 | 8.5% | 2 | 1 168 | 8.9% | 2 | 1 159 | 10.5% | 2 |
| Japan | 974 | 6.1% | 3 | 887 | 6.3% | 3 | 853 | 6.4% | 3 | 984 | 7.5% | 3 | 840 | 7.6% | 3 |
| China | 860 | 5.4% | 4 | 700 | 5.0% | 4 | 662 | 5.0% | 4 | 626 | 4.8% | 4 | 478 | 4.3% | 6 |
| France | 630 | 3.9% | 5 | 641 | 4.5% | 5 | 553 | 4.1% | 6 | 589 | 4.5% | 6 | 496 | 4.5% | 5 |
| UK | 496 | 3.1% | 6 | 441 | 3.1% | 7 | 345 | 2.6% | 9 | 317 | 2.4% | 9 | 270 | 2.4% | 10 |
| Italy | 461 | 2.9% | 7 | 433 | 3.1% | 8 | 430 | 3.2% | 7 | 459 | 3.5% | 8 | 516 | 4.7% | 4 |
| India | 355 | 2.2% | 8 | 290 | 2.1% | 12 | 287 | 2.2% | 11 | 229 | 1.7% | 13 | 225 | 2.0% | 12 |
| Australia | 332 | 2.1% | 9 | 308 | 2.2% | 10 | 271 | 2.0% | 12 | 291 | 2.2% | 10 | 157 | 1.4% | 16 |
| Saudi Arabia | 322 | 2.0% | 10 | 240 | 1.7% | 14 | 237 | 1.8% | 13 | 258 | 2.0% | 12 | 216 | 2.0% | 14 |
| **EXTENDED CARE BUSINESS AREA** | | | | | | | | | | | | | | | |
| USA | 2 376 | 30.6% | 1 | 2 115 | 29.5% | 1 | 2 031 | 29.6% | 1 | 1 485 | 24.8% | 1 | 1 468 | 25.5% | 1 |
| UK | 1 253 | 16.1% | 2 | 1 137 | 15.9% | 2 | 1 091 | 15.9% | 2 | 1 105 | 18.4% | 2 | 1 101 | 19.1% | 2 |
| Canada | 564 | 7.3% | 3 | 549 | 7.7% | 4 | 568 | 8.3% | 3 | 490 | 8.2% | 4 | 435 | 7.6% | 4 |
| France | 550 | 7.1% | 4 | 550 | 7.7% | 3 | 525 | 7.6% | 4 | 521 | 8.7% | 3 | 555 | 9.6% | 3 |
| Germany | 497 | 6.4% | 5 | 478 | 6.7% | 5 | 486 | 7.1% | 5 | 329 | 5.5% | 6 | 321 | 5.6% | 6 |
| Australia | 436 | 5.6% | 6 | 378 | 5.3% | 6 | 355 | 5.2% | 6 | 407 | 6.8% | 5 | 386 | 6.7% | 5 |
| Netherlands | 249 | 3.2% | 7 | 255 | 3.6% | 7 | 251 | 3.7% | 7 | 269 | 4.5% | 7 | 289 | 5.0% | 7 |
| Italy | 208 | 2.7% | 8 | 187 | 2.6% | 8 | 182 | 2.7% | 8 | 146 | 2.4% | 9 | 156 | 2.7% | 8 |
| Belgium | 173 | 2.2% | 9 | 154 | 2.1% | 11 | 147 | 2.1% | 10 | 148 | 2.5% | 8 | 146 | 2.5% | 9 |
| Austria | 168 | 2.2% | 10 | 165 | 2.3% | 9 | 161 | 2.3% | 9 | 58 | 1.0% | 15 | 40 | 0.7% | 17 |
| **INFECTION CONTROL BUSINESS AREA** | | | | | | | | | | | | | | | |
| USA | 1 953 | 30.6% | 1 | 1 500 | 27.8% | 1 | 1 398 | 27.4% | 1 | 1 328 | 25.7% | 1 | 1 398 | 27.6% | 1 |
| UK | 507 | 7.9% | 2 | 420 | 7.8% | 3 | 319 | 6.3% | 3 | 324 | 6.3% | 4 | 309 | 6.1% | 3 |
| France | 504 | 7.9% | 3 | 525 | 9.7% | 2 | 501 | 9.8% | 2 | 496 | 9.6% | 2 | 548 | 10.8% | 2 |
| Australia | 350 | 5.5% | 4 | 211 | 3.9% | 7 | 160 | 3.1% | 8 | 170 | 3.3% | 9 | 155 | 3.1% | 9 |
| Sweden | 333 | 5.2% | 5 | 273 | 5.1% | 4 | 263 | 5.2% | 6 | 264 | 5.1% | 5 | 283 | 5.6% | 5 |
| Germany | 284 | 4.5% | 6 | 269 | 5.0% | 5 | 277 | 5.4% | 5 | 260 | 5.0% | 6 | 265 | 5.2% | 6 |
| China | 250 | 3.9% | 7 | 186 | 3.4% | 8 | 194 | 3.8% | 7 | 219 | 4.2% | 7 | 205 | 4.0% | 7 |
| Japan | 244 | 3.8% | 8 | 261 | 4.8% | 6 | 279 | 5.5% | 4 | 329 | 6.4% | 3 | 285 | 5.6% | 4 |
| Italy | 183 | 2.9% | 9 | 158 | 2.9% | 9 | 131 | 2.6% | 10 | 148 | 2.9% | 10 | 146 | 2.9% | 10 |
| Canada | 169 | 2.6% | 10 | 153 | 2.8% | 10 | 149 | 2.9% | 9 | 193 | 3.7% | 8 | 174 | 3.4% | 8 |

## ACQUISITION HISTORY, 1993-2015

| Year | Company | Business | Country | Business area | Sales |
|---|---|---|---|---|---|
| 2015 | GOA Teknoloji Danismanlik Elektronik | Low temperature sterilization technology | TR | Infection Control | SEK 20 m |
| 2014 | Pulsion AG | Systems for hemodynamic monitoring | DE | Medical Systems | SEK 300 m |
| 2014 | Altrax Group Ltd | Systems for traceability and quality assurance for sterilization | GB | Infection Control | SEK 35 m |
| 2014 | Cetrea A/S | Systems for resource planning | DK | Medical Systems | SEK 30 m |
| 2014 | Austmel Pty Ltd | Sterilization and thermal processes | AU | Infection Control | SEK 80 m |
| 2013 | LAAx Inc. | Cardiac and vascular surgery | US | Medical Systems | SEK 8 m |
| 2013 | Trans Medikal Devices Inc. | Manufacture of sterilizers and distribution of disinfectors | TR | Infection Control | SEK 55 m |
| 2013 | STS East LLC | Service | US | Infection Control | SEK 25 m |
| 2012 | Product rights from Avalon Laboratories | Cardiopulmonary | US | Medical Systems | – – |
| 2012 | Eirus Medical | Critical Care | SE | Medical Systems | – – |
| 2012 | Acare Medical Science Ltd | Healthcare beds | CH | Extended Care | SEK 135 m |
| 2012 | USCI | Distributor | JP | Medical Systems | SEK 150 m |
| 2012 | Tecno Hospitalia | Distributor | CO | Medical Systems | SEK 4 m |
| 2012 | Therapeutic Support Systems (TSS) | Wound care | US | Extended Care | SEK 1 600 m |
| 2012 | Steritec Products Mfg Inc. | Consumables | US | Infection Control | SEK 70 m |
| 2011 | Blanchet Medical Service | Service | FR | Infection Control | SEK 3 m |
| 2011 | Atrium Medical Inc | Products for the cardiovascular market | US | Medical Systems | USD 200 m |
| 2011 | Combimobil AB | Rehabilitation aids | SE | Extended Care | SEK 2 m |
| 2011 | Fumedica | Distributor | CH | Medical Systems | SEK 70 m |
| 2011 | IDS Medical Equipment | Distributor | SG | Infection Control | SEK 25 m |
| 2011 | Mak Saglik | Distributor | TR | Infection Control | SEK 20 m |
| 2011 | STS Holding West | Service | US | Infection Control | SEK 20 m |
| 2010 | Odelga | Service | AT | Infection Control | SEK 25 m |
| 2008 | Datascope | Cardiac assist and vascular surgery | US | Medical Systems | USD 231 m |
| 2008 | Cardio Research Pty Ltd. | Distributor | AU | Medical Systems | AUD 5,1 m |
| 2008 | Subtil Crepieux | Service | FR | Infection Control | EUR 8 m |
| 2008 | Getus Services Ltd | Service | NZ | Infection Control | NZD 1,1 m |
| 2008 | Olmed AB | Distributor | SE | Medical Systems | SEK 70 m |
| 2008 | Boston Scientific's Cardiac and Vascular surgery divisions | Endoscopic vessel harvesting (EVH), anastomosis, stabilizers and instruments for surgery on beating hearts and vascular implants | US | Medical Systems | SEK 1 733 m |
| 2007 | NS Nielsen Equipment A/S | Distributor | DK | Medical Systems | – – |
| 2006 | Huntleigh Technology | Special mattresses for pressure-ulcer treatment, beds for intensive, specialist and elderly care vein thrombosis prophylaxis and equipment for fetal and vascular diagnostics. | UK | Extended Care | SEK 2 675 m |
| 2006 | Comercio E Industria Medicia | Consumables for open-heart surgery | BR | Medical Systems | SEK 25 m |
| 2006 | OTY GmbH | Telemedicine specializing in products and solutions for hospitals' IT infrastructure focused on the operating room. | DE | Medical Systems | SEK 20 m |
| 2006 | Getinge Czech Republic | Distributor | CZ | Infection Control | SEK 10 m |
| 2005 | Lancer UK | Distributor | UK | Infection Control | SEK 104 m |
| 2005 | La Cahlené | Isolator technology and electron sterilisation technology | FR | Infection Control | EUR 40 m |
| 2004 | Dynamed | Distributor | CA | Medical Systems | SEK 85m |
| 2004 | BHM Medical Inc. | Patient management products for the care and elderly care segments | CA | Extended Care | SEK 206 m |
| 2003 | MAQUET AG, Swiss dealer | Distributor | CH | Medical Systems | CHF 4,9 m |
| 2003 | Siemens LSS | Ventilators and anesthesia equipment for the hospital market | SE | Medical Systems | EUR 230 m |
| 2003 | Jostra GmbH | Equipment and consumables for cardiac surgery | DE | Medical Systems | EUR 90 m |
| 2003 | Copharm B.V. | Distributor | NL | Medical Systems | EUR 10 m |
| 2002 | Heraeus Medical | Surgical lamps, ceiling service units and therapy accessories and gas distribution for operating rooms | DE | Medical Systems | EUR 52 m |
| 2001 | ALM | Surgical lamps | FR | Medical Systems | FRF 490 m |
| 2000 | Maquet | Surgical tables | DE | Medical Systems | EUR 155 m |
| 2000 | Parker Bath | Bathing systems for the semi-institutional care market | UK | Extended Care | SEK 150 m |
| 2000 | Lenken Healthcare | Distributor | IE | Extended Care | SEK 65 m |
| 2000 | Gestion Techno-Medic | Patient lifting systems | CA | Extended Care | SEK 22 m |
| 1999 | Lunatronic Aps | Comprehensive IT solutions for the maintenance of sterilization departments | DK | Infection Control | DKK 15 m |
| 1999 | MPT Corp. | Washer disinfectors for the Life Science market | US | Infection Control | SEK 35 m |
| 1998 | Egerton Hospital Equipment | Specialist beds and anti-decubitus mattresses for hospitals and care facilities | UK | Extended Care | SEK 45 m |
| 1998 | Royal Linden B.V. | Infection control | NL | Infection Control | SEK 60 m |
| 1998 | Medibo | Patient lifting and pressure-ulcer treatments | BE | Extended Care | SEK 28 m |
| 1998 | OMASA | Infection control | IT | Infection Control | SEK 100 m |
| 1998 | SMI/BBC | Infection control | FR | Infection Control | SEK 75 m |
| 1998 | Kemiterm | Water distillers pure-steam generators for pharmaceutical industry | DK | Infection Control | DKK 25 m |
| 1998 | Pegasus | Anti-decubitus products for hospitals and elderly care | UK | Extended Care | SEK 350 m |
| 1996 | MDT/Castle | Infection control | US | Infection Control | – |
| 1996 | Van Dijk Medizintechnik GmbH | Infection control | DE | Infection Control | SEK 30 m |
| 1995 | Arjo | Products for aging care related to hygiene and patient management | SE | Extended Care | SEK 1 538 m |
| 1994 | Lancer | Disinfection products | FR | Infection Control | FRF 70 m |
| 1993 | British Sterilizer | Sterilizers | UK | Infection Control | SEK 15 m |
| 1993 | Stirn | Disinfection | FR | Infection Control | – |

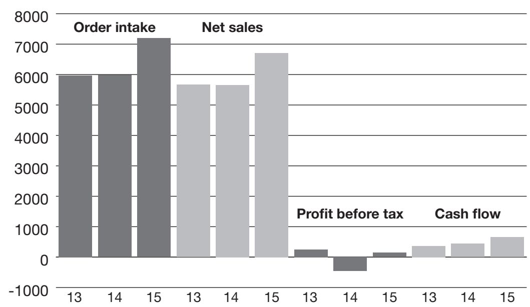
## DISTRIBUTION OF SALES AND EARNINGS BY QUARTER

| | Percentage distribution of sales for the year | | | | Percentage distribution of operating profit for the year | | | |
|---|---|---|---|---|---|---|---|---|
| | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
| **2011 total** | **21,4** | **22,7** | **22,3** | **33,7** | **17,6** | **19,6** | **20,5** | **42,3** |
| Medical Systems | 21,0 | 22,6 | 21,5 | 34,9 | 15,1 | 20,7 | 17,3 | 46,9 |
| Extended Care | 23,9 | 23,5 | 24,0 | 28,6 | 25,6 | 17,8 | 27,8 | 28,8 |
| Infection Control | 19,4 | 22,0 | 21,9 | 36,7 | 12,6 | 19,4 | 18,1 | 49,9 |
| **2012 total** | **21,6** | **23,1** | **23,0** | **32,2** | **17,6** | **21,6** | **21,1** | **39,7** |
| Medical Systems | 20,5 | 22,8 | 23,9 | 32,8 | 12,5 | 19,6 | 21,0 | 46,9 |
| Extended Care | 24,4 | 23,5 | 22,4 | 29,7 | 31,7 | 27,2 | 24,0 | 17,1 |
| Infection Control | 21,2 | 23,7 | 21,4 | 33,8 | 14,4 | 20,0 | 17,1 | 48,5 |
| **2013 total** | **22,4** | **23,8** | **23,1** | **30,7** | **10,7** | **20,7** | **19,1** | **49,6** |
| Medical Systems | 21,0 | 23,7 | 22,9 | 32,4 | 12,1 | 20,5 | 16,7 | 50,7 |
| Extended Care | 25,0 | 24,2 | 24,0 | 26,8 | 9,9 | 22,4 | 23,6 | 44,2 |
| Infection Control | 22,4 | 23,6 | 22,5 | 31,5 | 4,6 | 17,6 | 21,6 | 56,1 |
| **2014 total** | **21,2** | **23,7** | **23,3** | **31,7** | **-11,0** | **27,3** | **25,6** | **58,2** |
| Medical Systems | 20,2 | 23,4 | 23,1 | 33,3 | -43,3 | 35,9 | 33,1 | 74,3 |
| Extended Care | 23,7 | 23,8 | 24,5 | 27,9 | 25,7 | 16,4 | 19,7 | 38,2 |
| Infection Control | 20,7 | 24,4 | 22,4 | 32,5 | 10,6 | 22,9 | 16,6 | 49,8 |
| **2015 total** | **22,2** | **23,8** | **22,9** | **31,1** | **12,3** | **15,7** | **15,4** | **56,6** |
| Medical Systems | 21,3 | 23,5 | 22,9 | 32,3 | 12,3 | 19,0 | 14,3 | 54,4 |
| Extended Care | 25,4 | 24,7 | 23,7 | 26,2 | 20,4 | 13,0 | 15,3 | 51,3 |
| Infection Control | 20,5 | 23,2 | 22,1 | 34,3 | 5,1 | 9,0 | 18,6 | 67,4 |

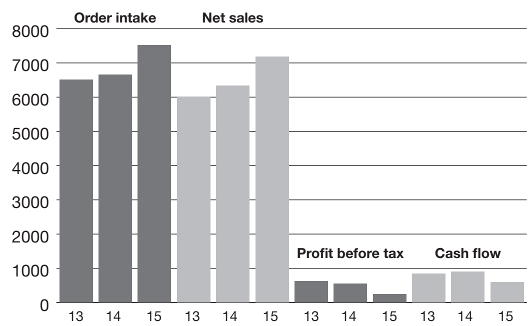
Historically, most of Getinge's sales are conducted in the fourth quarter of the year. A significant reason behind this pattern is that portions of customers' investment budgets are released late in the year. The high capacity utilization in the fourth quarter also results in a considerable portion of the net profit for the year being generated during the final quarter.

## QUARTERLY PERFORMANCE IN 2015

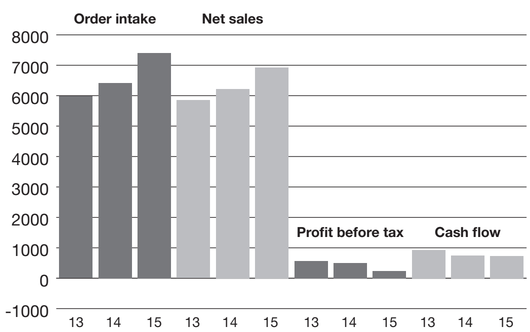
Quarter 1



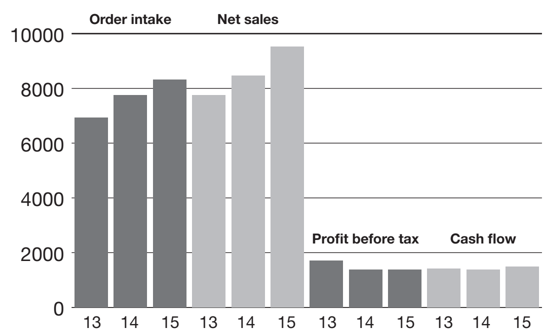

Quarter 2




Quarter 3




Quarter 4



## QUALITY & ENVIRONMENTAL CERTIFICATIONS

| Medical Systems | | Production | ISO 9001 | ISO 13485 | ISO 14001 |
|---|---|---|---|---|---|
| Antalya | Turkey | Consumables for perfusion products | – | ■ | ■ |
| Ardon | France | Surgical lamps | ■ | ■ | ■ |
| Fairfield/Mahwah | USA | Cardiac assist | – | ■ | ■ |
| Hechingen | Germany | Consumables for perfusion products | ■ | ■ | – |
| Hudson | USA | Products for the cardiovascular market | – | ■ | – |
| La Ciotat | France | Vascular implants | – | ■ | ■ |
| Rastatt | Germany | Surgical tables, other surgical equipment and cardiopulmonary machines | ■ | ■ | ■ |
| Solna | Sweden | Ventilators and anesthesia machines | – | ■ | ■ |
| Suzhou | China | Ceiling service units, surgical tables and cardiovascular products | ■ | ■ | ■ |
| Wayne | USA | Instruments for vascular surgery and vascular implants | – | ■ | ■ |
| **Extended Care** | | | | | |
| Cardiff | UK | Diagnostics | ■ | ■ | ■ |
| Magog | Canada | Passive patient lifts | ■ | ■ | ■ |
| Poznan | Poland | Therapeutic Surfaces, Medical Beds and DVT cuffs | ■ | ■ | ■ |
| Zhuhai | China | Medical Beds | ■ | ■ | ■ |
| Suzhou | China | Pump consoles for DVT products and therapeutic surfaces | ■ | ■ | ■ |
| **Infection Control** | | | | | |
| Ankara | Turkey | Sterilization equipment | ■ | ■ | ■ |
| Denver | USA | Chemical indicators | ■ | ■ | ■ |
| Getinge | Sweden | Sterilization equipment | ■ | ■ | ■ |
| Rochester | USA | Disinfection and sterilization equipment | ■ | ■ | ■ |
| Rush City | USA | Isolators and sterile packaging | ■ | – | ■ |
| Skärhamn | Sweden | Table-top autoclaves | ■ | ■ | ■ |
| Suzhou | China | Disinfection and sterilization equipment | ■ | ■ | ■ |
| Toulouse (Tournefeuille) | France | Disinfection equipment | ■ | ■ | ■ |
| Vendôme | France | Isolators | ■ | – | ■ |
| Växjö | Sweden | Disinfection equipment | ■ | ■ | ■ |

■ Certified plant.

## ENVIRONMENTAL DATA

| | CO2/Internal sales* | Recycled waste, % | Hazardous waste, tons | Solvent emissions, kilograms |
|---|---|---|---|---|
| Medical Systems | 2,2 | 87 | 222 | 8 724 |
| Extended Care | 2,0 | 71 | 7 | 132 |
| Infection Control | 2,6 | 85 | 60 | 13 |
| **Getinge Group** | 2,2 | 82 | 289 | 8 869 |

* Direct and indirect carbon emissions deriving from production. Tons/SEK 1 M of internal sales.

## SOCIAL DATA

| | | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|---|
| **Number of employees, December 31** | Total | 15 424 | 15 747 | 15 183 | 14 919 | 13 111 |
| | Of whom women, % | 33 | 32 | 32 | 31 | 32 |
| **Age distribution** | 20-30, % | 16 | 16 | 16 | 17 | 17 |
| | 31-40, % | 29 | 30 | 30 | 29 | 29 |
| | 41-50, % | 29 | 29 | 30 | 30 | 30 |
| | 51-60, % | 21 | 21 | 20 | 20 | 20 |
| | 61-70, % | 5 | 4 | 4 | 4 | 4 |
| **Academic degree or equivalent, %** | | 37 | 38 | 36 | 36 | 35 |
| **Health and safety** | Number of accidents per 100 employees | 2,5 | 2,9 | 2,7 | 2,5 | 2,5 |
| | *Sickness absence, (entire Group)* | | | | | |
| | Total sickness absence in regular working hours, % | 2,9 | 2,7 | 2,7 | 2,8 | 2,8 |
| | Men, % | 2,4 | 2,3 | 2,4 | 2,5 | 2,5 |
| | Women, % | 3,9 | 3,5 | 3,3 | 3,6 | 3,5 |

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# DEFINITIONS

## FINANCIAL TERMS

**Cash conversion.** Cash flow from operating activities in relation to EBITDA.

**Cash flow per share.** Cash flow after investments in tangible assets divided by the number of shares.

**Dividend yield.** Dividend in relation to the market share price on December 31.

**Earnings per share.** Net profit for the year divided by the number of shares (the average number).

**EBIT.** Operating profit before interest and taxes.

**EBITA.** Earnings before interest, taxes and the amortization of acquisition-related intangible assets.

**EBITA margin.** EBITA in relation to net sales.

**EBITDA.** Earnings before interest, taxes and the amortization and depreciation of tangible and intangible assets.

**EBITDA margin.** EBITDA in relation to net sales.

**Equity/assets ratio.** Shareholders' equity plus non-controlling interests in relation to total assets.

**Interest-coverage ratio.** Profit after net financial items plus interest expenses and reversal of restructuring costs, as a percentage of interest expenses.

**Net debt/equity ratio.** Interest-bearing liabilities, including pension liabilities, less cash and cash equivalents in relation to shareholders' equity.

**Operating margin.** Operating profit in relation to net sales.

**P/E ratio.** Share price (final price) divided by earnings per share.

**Recurring revenue.** Revenues from consumables, service, spare parts and similar items.

**Return on shareholders' equity.** Net profit for the year in relation to average shareholders' equity.

**Return on working capital.** Operating profit in relation to working capital.

**Working capital.** Total assets, less cash and cash equivalents and non-interest-bearing liabilities. Based on the average and calculated over the year.

## MEDICAL TERMS

**Anesthesia.** Narcosis.

**Biosurgical mesh.** Tissue-friendly products used for surgical treatment of hernias.

**Cardiac output.** The volume of blood pumped by the heart per minute.

**Cardiopulmonary.** Pertaining or belonging to both heart and lung.

**Cardiovascular.** Pertaining or belonging to both heart and blood vessels.

**Cardiovascular surgery.** Surgical treatment of cardiovascular diseases.

**Cardiovascular diseases.** Cardiovascular diseases.

**Cath lab.** Short for "catheterization laboratory" – a laboratory or smaller operating room that is equipped for interventional cardiology/minimally invasive cardiovascular procedures.

**Deep-vein thrombosis (DVT).** Formation of a blood clot in a deep leg vein.

**Endoscope.** Equipment for visual examination of the body's cavities, such as the stomach.

**Endovascular intervention.** Operation on the cardiac and vascular system conducted without invasive surgery. Through small holes in the skin and selected blood vessels, instruments are inserted into the vessel where the surgery takes place.

**Healthcare reimbursement system.** The system that defines how the healthcare sector receives reimbursement for various services.

**Hemodynamics.** Change in pressure and flow of blood in the cardiovascular system.

**Interventional cardiology.** A subcategory of the medical speciality cardiology (cardio and vascular diseases), which involves active operations in addition to medication.

**Low temperature sterilization.** Low temperature sterilization is used for instruments used in minimally invasive surgery. These instruments are extremely sensitive to high temperatures and the high pressure of a steam sterilization process. In the low temperature sterilization process, gases such as vaporized hydgrogen peroxide (H202) is used to achieve lethality to harmful micro-organisms.

**Mechanical ventilation.** Maintaining a patient's ability to breathe through a ventilator (respirator).

**Microorganisms.** Bacteria, viruses, fungus and similar organisms that can only be observed through a microscope.

**Minimally invasive surgery.** Surgical procedure where a specialized technique and special equipment enables surgery while still limiting the size of incisions needed.

**Minimally invasive instruments.** Various types of instruments that make it possible to conduct treatment and other measures through very small operations without the need for major surgery. The benefits of minimally invasive operations include less pain for the patient, shorter rehabilitation periods and lower costs.

**Neonatal.** Newborn infant during the first month.

**Perfusion.** Artificial circulation of body fluids, such as blood.

**Perfusion products.** Products that handle blood circulation and oxygenation during cardio surgery, often referred to as heart-lung machines.

**Prevention/prophylaxis.** Preventive activity/treatment.

**Resistance problems.** Problems with bacteria that have become resistant to penicillin or other antibiotics.

**Sterilizer.** A type of pressure-cooker for sterilization.

**Telemedicine.** Providing remote medical care by real time video conference within a hospital or using external specialists.

**Terminal sterilization.**Sterilization at the end of the production process in the pharmaceuticals industry.

**Thrombosis.** Blood clot.

**Pressure ulcers.** Ulcers that arise as a result of blood flow to the skin being limited by external pressure. Most often affects patients with limited mobility.

**Vein.** Blood vessel that carries blood to the heart.

# READING GUIDE AND DISTRIBUTION POLICY

## READING GUIDE

- Getinge Group is referred to as Getinge in the Annual Report.
- Figures in parentheses pertain to operations in 2014, unless otherwise specified.
- Swedish kronor (SEK) is used throughout.
- Millions of kronor are abbreviated SEK M.
- All figures pertain to SEK M, unless otherwise specified.
- The term EBITA is defined as "Earnings before interest, taxes and amortization of acquisition-related intangible assets."
- The term EBITDA is defined as "Earnings before interest, taxes and the amortization and depreciation of tangible and intangible assets."

Information provided in the Annual Report concerning markets, competition and future growth constitutes Getinge Group's assessment based mainly on material compiled within the Group.

## DISTRIBUTION POLICY

The printed version of Getinge AB's Annual Report is only distributed to shareholders who expressly request a copy. The Annual Report is also available in its entirety at the Group's website: www.getingegroup.com

## ANNUAL GENERAL MEETING AND NOMINATION COMMITTEE

### Annual General Meeting

The Annual General Meeting will be held on March 30, 2016, at 2:00 p.m. in Kongresshallen at Hotel Tylösand, Halmstad, Sweden.

### Application

Shareholders wishing to participate at the Annual General Meeting should:

- Be registered in the shareholders' register kept by Euroclear, not later than March 22, 2016
- Inform the company of their intention to participate not later than March 22, 2016

*Applications can be submitted in the following ways:*

- Getinge's website: www.getingegroup.com
- By conventional mail to: Getinge AB, Att: "AGM", P.O. Box 7841, SE-103 98 Stockholm, Sweden
- By telephone: +46 10 335 0818

### Nominee-registered shares

Shareholders whose shares are registered in the name of a nominee must have temporarily registered their shares in their own name, well in advance of March 22, 2016, to be able to participate at the Annual General Meeting. Shareholders represented by proxy must submit a power of attorney to the company prior to the meeting. Anyone representing a legal entity must have a copy of the registration certificate or a corresponding authorization document that indicates the proper authorized signatory.

### Nomination Committee

Getinge AB's interim report for the third quarter of 2015 contained instructions for shareholders on how to proceed to submit proposals to Getinge's Nomination Committee and how to propose motions to be addressed at the Annual General Meeting.

### Dividend

The Board of Directors and CEO propose that a dividend for 2015 of SEK 2.80 (2.80) per share be paid, totaling SEK 667 M (667). The Board's proposed record date is April 1, 2016. Euroclear anticipates being able to forward the dividend to shareholders on April 6, 2016.

## FINANCIAL INFORMATION

Updated information on, for example, the Getinge share and corporate governance is available on Getinge's website www.getingegroup.com.

The Annual Report, year-end report and interim reports are published in Swedish and English and are available for download at www.getingegroup.com.

The Annual Report can also be ordered from:
Getinge AB
Att: Group Communications
P.O. Box 8861
SE-402 72, Gothenburg, Sweden
Tel: +46 (0)10-335 00 00

### Financial information

The following information will be published for the 2016 fiscal year:

| | |
|---|---|
| • April 22, 2016: | Interim report January – March |
| • July 14, 2016: | Interim report January – June |
| • October 18, 2016: | Interim report January – September |
| • January 2017: | Year-End Report 2016 |
| • March 2017 | Annual Report for 2016 |


GETINGE GROUP
Passion for life

GETINGE GROUP

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Getinge Group is a leading global provider of innovative solutions for operating rooms, intensive-care units, hospital wards, sterilization departments, elderly care and for life science companies and institutions. Getinge's unique customer offering mirrors the hospital's organization and value chain, and the solutions are used before, during and after the patients' hospital stay. Based on first-hand experience and close partnerships, Getinge provides innovative healthcare solutions that improve every-day life for people, today and tomorrow.