- **Orders received** climbed 9% to SEK 2,883.5 million (2,635.2), while orders received climbed organically by 7.5%
- **Net sales** rose by 1% to SEK 2,525.2million (2,491.6)
- **The profit before tax** rose 5% to SEK 312.9 million (298.2)
- **The net profit** rose to SEK 225.3 million (224.8)
- **EPS** was SEK 1.12 (1.11)
- **Medical Systems acquired** their distributors in Spain and Ireland after the period's end
- **The Group** acquired the La Calhène Group after the period's end
- **Profit outlook** remains good

Q1 2005

Orders received

The collective orders received for the Group progressed well during Q1 and grew organically by a healthy 7.5%. Demand remains good on most markets.

Orders received increased organically for Medical Systems by 7.5%, which is a continuation to the improvement seen in Q3 and Q4 last year. Orders received were particularly good in North America.

Orders received for Infection Control were on a par with Q1 last year. Fewer order closures were made on developing markets. Progress was good in Western and Northern Europe.

Orders received for Extended Care grew organically by a healthy 17% as a direct result of major orders from Canada and a good performance in the US.

Results

The Group's profit before tax rose 4.9% in Q1 to SEK 312.9 million (298.2 m). The modest improved profit is an effect of low invoicing during the period and that Q1 2004 reported very strong results with a profit before tax up by almost 40%.

Medical Systems' results were lower than the corresponding period in 2004 due to the reduced invoicing in Surgical Workplaces.

Infection Control’s results were somewhat below last year’s. In this business area too, volume growth has been weaker than at the start of the year, though this was anticipated.

Extended Care bolstered its operating profit significantly during Q1 on the back of major deliveries to Canada.

The operating margin was 14.4% over the quarter, which is an improvement compared with the same period last year, as the operating margin was 14.1%. Negative currency exchange rates have affected the quarter’s results by SEK 33 million.

Outlook

Demand for the Group’s products is expected to remain good on most markets and for all business areas.

Volume growth for Medical Systems over the year is expected to be good. The slow invoice growth at the start of the year will gradually pick up in coming quarters, mainly for Surgical Workplaces. Growth in Surgical Workplaces during the current year will mainly occur on developing markets and in North America, which will lead to a product mix with a lower gross margin. Cardiopulmonary had good invoice growth in Q1 and expects continued good volume growth. The deliveries of heart-lung machines have stabilised and is developing well. Critical Care also performed well during the start of the year and an improved market work up is expected to contribute to continued growth.

Infection Control’s volume growth will strengthen in the second half of this year. Continued activities in production and logistics underpin its competitive strength.

Extended Care is expecting healthy invoice growth in the current year, due to a number of product launches and the acquisition of BHM of Canada and major orders from the province of Ontario in Canada.

The acquisition of the La Calhène Group is expected to contribute to the Group’s profit before tax this year, though to a modest degree. Development during the quarter has not changed the outlook for the results and the Group is still positive in its outlook.

Business area Medical Systems

Market development

Orders received per market	**2005 3 Mon**	2004 3 Mon	*Change adjusted for curr.flucs.&corp.acqs.*
Western Europe	**650,0**	641,5	*2,5%*
USA and Canada	**214,4**	193,5	*15,8%*
Asia and Australia	**198,8**	177,1	*15,5%*
Rest of the world	**67,6**	61,3	*11,0%*
Business area total	**1 130,8**	1 073,4	*7,5%*

The increased amount of orders received reported during the second half of last year ran through to Q1. Orders received grew organically by 7.5% compared to last year.

The rise in orders received in South Western Europe was very good, especially on the Italian market. The markets in Scandinavia, the Benelux region and the UK were on a par with last year, while volumes in German-speaking countries dropped.

Orders received in North America were good in both the US and Canada. In the Far East region China and Japan progressed very well.

Volume growth in Critical Care has remained very good.

Results

	2005 3 Mon	2004 3 Mon	*Change*	2004 FY
Net sales, SEK Million	**1 029,0**	1 120,0	*-8,1%*	4 619,5
adjusted for currency flucs.& corp.acqs			*-6,1%*	
Gross profit	**507,3**	584,8	*-13,3%*	2 244,5
Gross margin %	***49,3%***	*52,2%*	*-2,9%*	*48,6%*
Operating cost, SEK Million	**-393,1**	-412,3	*-4,7%*	-1 549,1
EBIT	**114,2**	172,5	*-33,8%*	695,4
EBIT margin %	***11,1%***	*15,4%*	*-4,3%*	*15,1%*

The profit trend in Q1 was weak compared to the strong Q1 last year. The weaker results are due to organic sales 6% lower than the same period last year. The lower invoicing refers to Surgical Workplaces, which is expected to show improved volume growth in the coming quarter. Critical Care has performed very well both in terms of volumes and results.

The lower gross margin is a result of a change of mix. The gross margin in the quarter exceeded the corresponding figure for 2004.

Activities

Product launches
Many products are in the planning phase for launch this year. Surgical Workplaces will launch a new and innovative operating table system, and a new surgical light, plus a new family of ceiling service units. All Surgical Workplaces' product launches will be carried out in Q4.

Critical Care will launch a new version of the Servo-i ventilator for neonatal care, an area in intensive care where the product range was previously incomplete. The launch will take place in Q3 this year.

The launch of Medical Systems' monitoring and anaesthesiology OEM products is proceeding according to plan and sales are expected to begin on selected markets in Q2.

New Cardiopulmonary production structure

To strengthen its competitive edge for consumable production for Cardiopulmonary, the business area intends to invest heavily in a new production structure. The aim is to concentrate the capital-intensive part of production to a single unit in Hirrlingen, Germany, from the three today, and build up a new production unit in Turkey for the work-intensive part of consumables production.

Acquisitions

After the end of Q1 the business area has made two acquisitions. The acquired companies are the distributors of Surgical Workplaces in Spain and Ireland. The operations with sales amounting to about SEK 85 million will be integrated into the current market organisation of Medical Systems. By the acquisitions, the business area continues its strategy to penetrate the more important markets.

Business area Infection Control

Market development

	2005	2004	*Change adjusted for*
Orders received per market	**3 Mon**	3 Mon	*curr.flucs.&corp.acqs.*
Western Europe	**399,6**	381,8	*5,6%*
USA and Canada	**266,9**	254,8	*10,2%*
Asia and Australia	**126,6**	127,2	*1,8%*
Rest of the world	**37,5**	84,5	*-57,2%*
Business area total	**830,6**	848,3	*0,2%*

Organic growth in orders received in Q1 was in line with last year. The low volume growth is due to the major orders booked in the same period last year on developing markets, including Iraq, Russia and Senegal.

Volume trends on the developed markets were generally good. In Western Europe healthy orders were reported in Germany and on the other German-speaking markets. Orders received in Scandinavia and the Benelux countries were also better. The UK started the year weaker, but the outlook for the coming quarter is good. On other Western European markets orders received were on a par with last year.

Demand and volume growth continues to be good in North America, mainly in the Life Science segment. The Japanese market performed well over the quarter.

Results

	2005 3 Mon	2004 3 Mon	Change	2004 FY
Net sales, SEK Million	**692,6**	707,7	-2,1%	3 524,6
adjusted for currency flucs.& corp.acqs			*0,3%*	
Gross profit	**268,2**	273,4	-1,9%	1 351,9
Gross margin %	***38,7%***	*38,6%*	*0,1%*	*38,4%*
Operating cost, SEK Million	**-201,2**	-201,3	0,0%	-818,3
EBIT	**67,0**	72,1	-7,1%	533,6
EBIT margin %	***9,7%***	*10,2%*	*-0,5%*	*15,1%*

The operating profit for Q1 is somewhat below Q1 last year and is due to the low invoice volume at the start of the year, and by negative currency exchange effects of SEK 17 million that hit Q1.

The ongoing scheme for streamlining production means that the gross margin is the same as last year, despite weak volume growth and the above mentioned currency exchange effects.

Activities

Product launches

The product launches carried out primarily within Disinfection in Q4 last year developed very well. Infection Control intends to launch a new low-temperature disinfector for "point-of-use" applications in Q4 this year.

Streamlining production of large disinfectors

As previously mentioned there is a scheme that aims at concentrating and making the production of large disinfectors more efficient. The project is expected to be completed during the second half of the year and means that key production and future product development will be concentrated at the Växjö unit in Sweden. The production unit in Rochester, USA, will focus on assembling and adapting disinfectors for customers, while the unit at Peiting, Germany, will stop production of large disinfectors completely.

Logistics project

Infection Control has run a project for some time that streamlines logistics for finished products and spare parts, and simplifies orders and invoicing routines. The project is fully functional and will lead to annual savings of SEK 50 million, and lower tied up capital. The project is expected to be fully implemented by 2007, but positive result effects will be visible by the end of this year.

Acquisition of the La Calhène Group

As mentioned in a separately published press release, Getinge signed a binding agreement at the end of the report period to acquire all of the shares in the La Calhène Group. La Calhène is a world-leading supplier of isolators and electron beam accelerator sterilizers to the pharmaceutical industry. The product range complements Getinge's existing range very well for this customer group. La Calhène had sales in the last financial year, which ended on 31 March, of around EUR 40 million. Getinge expects a small contribution to the profit before tax this year. La Calhène is expected to contribute around SEK 30 million before tax in

2006. Restructuring costs, are expected to burden 2006 by around SEK 25 million.

Establishing in China
Infection Control's establishing of its own production unit in China is running according to plan. The first deliveries are expected around the middle of this year. In parallel with the finalisation of the production unit there will be an increase to the existing sales organisation in China.

Outsourcing of sterilisation units in the UK
The NHS (National Health Service) in the UK currently runs a project aimed at outsourcing a majority of sterile production in public sector hospitals. The NHS has received tenders from a number of service providers, initially for five super centres for the evaluation of potential suppliers. Getinge is currently well positioned for the deliveries of infection control for a number of these centres. Possible orders are expected no sooner than Q2 or Q3 this year.

Business area Extended Care

Market development

Orders received per market	**2005 3 Mon**	2004 3 Mon	*Change adjusted for curr.flucs.&corp.acqs.*
Western Europe	**442,3**	492,1	*-9,6%*
USA and Canada	**442,4**	187,5	*85,3%*
Asia and Australia	**21,9**	16,9	*28,4%*
Rest of the world	**4,4**	4,8	*-17,6%*
Business area total	**911,0**	701,3	*16,7%*

Orders received progressed strongly, organically, in Q1 by 17% compared to the same period last year. The good growth is attributable to very strong orders received on the Canadian market from the province of Ontario, which invested heavily in Patient Handling. A significant part of these orders from Ontario are for the acquisition of BHM's product range and are therefore part of the organic growth. Orders received from the US were also good in Q1.

Orders received in Western Europe have declined. A significant part of the decline is attributable to the UK, where Extended Care expects an order pattern with improved orders received during the remaining quarters. The Southern European markets have progressed well, while other regions are on a par, or slightly below, last year.

Results

	2005 3 Mon	2004 3 Mon	Change	2004 FY
Net sales, SEK Million	**792,4**	652,7	*21,4%*	2 700,7
adjusted for currency flucs.& corp.acqs			*11,8%*	
Gross profit	**379,3**	294,8	*28,7%*	1 273,8
Gross margin %	***47,9%***	*45,2%*	*2,7%*	*47,2%*
Operating cost, SEK Million	**-199,1**	-189,4	*5,1%*	-763,0
EBIT	**180,2**	105,4	*71,0%*	510,8
EBIT margin %	***22,7%***	*16,1%*	*6,6%*	*18,9%*

Extended Care's operating profit increased by 70% over the period. The improvement is attributable to strong volume growth on the back of patient handling supplies to the province of Ontario in Canada, and to profit contributions from the BHM acquisition that was also favoured by the Ontario orders. Sound production utilization strengthened gross margins in the quarter. Greater overheads in Q1 are attributable to BHM.

Activities

BHM integration
The integration of BHM that was acquired in the beginning of Q4 2004 is nearly complete. Restructuring costs amounted to SEK 2 million for the quarter. Work to introduce BHM's ceiling hoist range to Extended Care's global marketing organisation is currently underway and is expected to lead to good volume increases in the current and subsequent years.

Product launches
The launch of Tenor – a patient hoist specially developed for handling extremely obese patients, with a lifting capacity of 350 kg and which is extremely important for expanding the hospital market – has been launched to a large number of European markets during the quarter. Tenor was first launched in the US.

A new family of passive hoists will be introduced during Q2 this year. The new range, which is modular, will cover all functions and price segments.

FDA embargo
As previously mentioned, Extended Care's patient handling facility in Gloucester has been banned from supplying its products to the US by the FDA. The flaws in the quality management system that caused the embargo has now been corrected. Two full, independent audits have been carried out.

The FDA has statet that a written reply is adequate. They have promised an answer very soon for a new date for a physical inspection of the quality management system at the facility in question. Deliveries to the US will be reinstated after an approved inspection.

Deliveries to other markets from the Gloucester facility are not affected by the FDA embargo and neither does it affect other production facilities that supply the US.

Other information

Accounting

This report has been drawn up in accordance with the International Financial Reporting Standards – IFRS.
This is Getinge's first external report drawn up in accordance with IFRS. See page 14 for a description of the amendments to the accounting principles and their effect on the results and position.
The cash flow analysis has been adopted to the requirements in IAS 7 Cash flow statement concerning translation of cash flow from foreign operations
This report has also been drawn up in accordance with IAS 34 Interim Financial Reporting. The report has not been subject to an audit by the company's auditors.

Next report

The next report from the Getinge Group (Q2 2005) will be published on 15 July 2005.

Tele-conference

A tele-conference will be held today at 2.30 p.m. Swedish time. To take part, please ring:
From Sweden 08-505 20114, code-word: Getinge
Outside Sweden +44 (0)20 7162 0182, code-word: Getinge

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Income statement

SEK Million	**2005 3 Mon**	2004 3 Mon	*Change*	2004 FY
Net sales	**2 525,2**	2 491,6	*1,3%*	10 888,8
Cost of goods sold	**-1 367,5**	-1 335,7	*2,4%*	-6 006,8
Gross profit	**1 157,7**	1 155,9	*0,2%*	4 882,0
Gross margin	*45,8%*	*46,4%*	*-0,6%*	*44,8%*
Selling expenses	**-500,3**	-484,5	*3,3%*	-1 960,4
Administrative expenses	**-227,7**	-238,3	*-4,4%*	-896,7
Research & development costs 1)	**-68,0**	-81,4	*-16,5%*	-278,1
Other operating income and expenses	**0,7**	-1,5	*-146,7%*	-4,4
Operating profit 2)	**362,4**	350,2	*3,5%*	1 742,4
Operating margin	*14,4%*	*14,1%*	*0,3%*	*16,0%*
Financial net	**-49,5**	-52,0		-196,7
Profit before tax	**312,9**	298,2	*4,9%*	1 545,7
Taxes	**-87,6**	-73,4		-396,9
Net profit	**225,3**	224,8	*0,2%*	1 148,8
Earnings per share, SEK	**1,12**	1,11	*0,2%*	5,69
Attributable to:				
Parent company's shareholders	**219,5**	**224,8**		**1 147,8**
Minority interest	**5,8**	**–**		**1,0**
Net profit	**225,3**	**224,8**		**1 148,8**

1) Development costs totalling SEK 26.6 (18.5) million have been capitalised during the quarter

2) Operating profit is charged with			
— depr. on other intangibles	***-10,2***	*-3,1*	*-21,6*
— depr. on other assets	***-63,0***	*-64,9*	*-262,4*
	-73,2	*-68,0*	*-284,0*

Quarterly results

SEK Million	2003 Q 1	2003 Q 2	2003 Q 3	2003 Q 4	2004 Q 1	2004 Q 2	2004 Q 3	2004 Q 4	2005 Q 1
Net sales	2 003,0	2 137,6	2 090,6	2 929,0	2 491,6	2 588,1	2 332,5	3 476,6	2 525,2
Cost of goods sold	-1 119,8	-1 161,3	-1 158,0	-1 606,0	-1 335,7	-1 411,4	-1 277,1	-1 982,6	-1 367,5
Gross profit	883,2	976,3	932,6	1 323,0	1 155,9	1 176,7	1 055,4	1 494,0	1 157,7
Operating cost	-669,9	-665,7	-677,3	-845,7	-805,6	-769,9	-750,6	-813,5	-795,3
Operating profit	213,3	310,6	255,3	477,3	350,3	406,8	304,8	680,5	362,4
Financial net	-39,3	-36,9	-39,1	-45,8	-52,0	-48,8	-49,0	-46,9	-49,5
Profit before tax	174,0	273,7	216,2	431,5	298,3	358,0	255,8	633,6	312,9
Taxes	-50,5	-79,3	-62,7	-125,2	-73,5	-92,0	-61,0	-170,4	-87,6
Profit after tax	123,5	194,4	153,5	306,3	224,8	266,0	194,8	463,2	225,3

Results for quarters prior to 2004 quarter 1 have not been revised in accordance with IFRS

Balance sheet

Assets SEKMillion	**2005 31 March**	2004 31 March	2004 31 Dec
Intangible fixed assets	**4 829,0**	4 410,8	4 705,1
Tangible fixed assets	**1 399,7**	1 381,3	1 402,9
Financial assets	**645,6**	781,0	605,4
Stock-in-trade	**2 042,8**	1 927,0	1 729,4
Current receivables	**3 311,9**	3 148,4	3 529,7
Liquid funds	**714,6**	644,7	484,9
Total assets	**12 943,6**	12 293,2	12 457,4

Shareholders' equity & Liabilities			
Shareholders' equity	**4 640,8**	3 751,4	4 269,6
Provisions for pensions, interest-bearing	**1 521,5**	1 533,1	1 491,3
Restructuring reserves	**13,9**	114,5	33,4
Other provisions	**532,3**	664,1	520,2
Long-term liabilities	**3 913,2**	3 986,2	3 766,1
Current liabilities	**2 321,9**	2 243,9	2 376,8
Total Equity & Liabilities	**12 943,6**	12 293,2	12 457,4

Cash flow statement

SEK Million	**2005 3 Mon**	2004 3 Mon	2004 FY
Current activities			
Operating profit	**362,4**	350,2	1 742,4
Adjustment for items not included in cash flow	**74,9**	69,0	284,0
Financial items	**-49,5**	-52,0	-191,5
Taxes paid	**-104,9**	-52,9	-360,7
Cash flow before changes in working capital	**282,9**	314,3	1 474,2
Changes in working capital			
Stock-in-trade	**-246,2**	-107,1	64,9
Rental equipment	**-5,4**	-6,8	-44,5
Current receivables	**262,1**	302,2	-301,6
Current operating liabilities	**-137,8**	-93,1	40,9
Restructuring reserves, utilised	**-19,8**	-80,8	-141,7
Cash flow from operations	**135,8**	328,7	1 092,2
Investments			
Acquisition of subsidiaries	**-0,7**	-22,0	-393,4
Net investments in intangible fixed assets	**-28,9**	-18,5	-125,2
Net investments in tangible fixed assets	**-48,3**	-48,0	-270,0
Cash flow from investments	**-77,9**	-88,5	-788,6
Financial activities			
Change in interest-bearing debt	**145,0**	10,9	-261,6
Change in long-term receivables	**118,7**	-24,7	76,4
Dividend paid	**-**	-	-272,5
Cash flow from financial activities	**263,7**	-13,8	-457,7
Cash flow for the period	**321,6**	226,4	-154,1
Liquid funds at begin of the year	**484,9**	504,2	504,2
Translation differences	**-91,9**	-86,0	134,8
Liquid funds at end of the period	**714,6**	644,6	484,9

Operating cash flow statement

Mkr	**2005 3 Mon**	2004 3 Mon	2004 FY
Business activities			
Operating profit	**362,4**	350,2	1 742,4
Adjustment for items not included in cash flow	**74,9**	69,0	284,0
	437,3	419,2	2 026,4
Changes in operating capital			
Stock-in-trade	**-246,2**	-107,1	64,9
Rental equipment	**-5,4**	-6,8	-44,5
Current receivables	**262,1**	302,2	-301,6
Current liabilities	**-137,8**	-93,1	40,9
Operating cash flow	**310,0**	514,4	1 786,1

Net interest-bearing debt

SEK Million	**2005 31 March**	2004 31 March	2004 31 Dec
Debt to credit institutions	**3 839,2**	4 020,2	3 698,3
Pension provisions [1)]	**1 521,5**	1 533,1	1 491,3
Less liquid funds	**-714,6**	-644,7	-484,9
Net interest-bearing debt	**4 646,1**	4 908,6	4 704,7

1) Provision for pensions did increase 2004 with 109.7 MSEK after adopting new accounting standards, IAS19 Employed Benefits

Changes to shareholder´s equity

SEK million	**2005 31 March**	2004 31 March	2004 31 Dec
Shareholders' equity – opening balance	**4 269,6**	3 530,4	3 530,4
Effect of adopting the accounting principle IAS 19 Employed Benefits	**–**	-76,8	-76,8
Effect of adopting to IFRS	**97,0**	-11,2	37,0
Shareholders' equity - opening balance according to new principle	**4 366,6**	3 442,4	3 490,6
Dividend distributed	**–**	–	-272,5
Change of reserve hedge accounting	**-73,9**	–	–
Translation differences	**122,8**	84,2	-97,3
Net profit	**225,3**	224,8	1 148,8
Shareholders' equity – closing balance	**4 640,8**	3 751,4	4 269,6

Key figures

	2005 3 Mon	2004 3 Mon	Change	2004 FY
Orders received, SEK Million	**2 883,5**	2 635,2	*9,4%*	10 812,4
adjusted for currency flucs.& corp.acqs			*7,5%*	
Net sales, SEK Million	**2 525,2**	2 491,6	*1,3%*	10 888,8
adjusted for currency flucs.& corp.acqs			*0,5%*	
Earnings per share after full tax, SEK	**1,12**	1,11	*0,2%*	5,69
Nmb of shares, thousands	**201 874**	201 874		201 874
Operating capital, SEK Million	**8 703,7**	6 508,0	*33,7%*	8 546,6
Return on operating capital, per cent	**19,7%**	23,3%	*-3,6%*	20,4%
Return on equity, per cent	**28,4%**	29,7%	*-1,3%*	29,4%
Net debt/equity ratio, multiple	**1,00**	1,31	*-0,31*	1,10
Interest cover, multiple	**8,3**	8,3	*0,0*	8,2
Equity/assets ratio, per cent	**35,9%**	30,5%	*5,4%*	34,3%
Equity per share, SEK	**22,99**	18,58	*23,7%*	21,15
Net investments in tangible fixed assets, SEK Million	**48,3**	48,0		270,0
Number of employees at the period's end	**6 882**	6 718		6 845

Definitions

EBIT Operating profit

International Financial Reporting Standards (IFRS)

Conversion to International Financial Reporting Standards (IFRS)

As of 1 January 2005, Getinge will apply the EU-approved International Financial Reporting Standards (IFRS). Comparative figures have been converted as of 1 January 2004 since the Getinge Group publishes financial information with a comparative year in the annual report. The Q1 report is the first financial report presented in accordance with the IFRS.

Below is an account of the most important differences in the accounting principles, the impact they have on the Getinge Group's IFRS opening balance as per 1 January 2004 and the effect on earnings when the Group's profit/loss is calculated based on the IFRS instead of Swedish accounting standards in Sweden.

IFRS 1 First-time adoption of International Financial Reporting Standard
The standard contains transition rules for introducing IFRS. The principal rule is that IFRS standards in effect and approved by the EU as per 31 December 2005 are to apply retroactively.
There are however certain exemptions to this rule of which Getinge has opted for the following:

- To adopt IFRS 3, *Business combinations*, as of transition date 1 January 2004. Items classified as goodwill but that meet the IAS 38 booking criteria for intangible assets are to be reclassified as per date of acquisition and written off in accordance with the depreciation rules for intangible fixed assets with a pre-determined utilisation period. Of Getinge's goodwill on 1 January 2004, SEK 31.0 million net after accumulated depreciation has been reclassified under other intangible assets. In accordance with the transition rules, impairment criteria for goodwill is tested both per 1 January 2004 and 31 December 2004.
- Accumulated translation differences in line with the IAS 21 *Effects of changes in foreign exchange rates* is to show translation differences classified as a separate component in shareholders' equity and consideration given to the translation differences in the income statement in connection with sales of foreign operations. The company will adopt the exemption which means that the accumulated translation differences are booked at zero on 1 January 2004.
- To not convert comparable financial information 2004 in accordance with the EU-adopted IAS 39, *Financial instruments, Recognition and Measurements* criteria. However, the effect is translated as per 1 January 2005 as described below.

IFRS 3 Business Combination
The rules for booking business acquisitions and mergers entail major changes in how acquisitions are booked. For instance, a more detailed acquisition analysis must be carried out in which significantly more types of acquired intangible assets are included in the value. The expected utilisation period of these assets is to be predetermined and assets written off during this economic lifespan. In accordance with IFRS, goodwill is not to be written off. However, an impairment test is to be carried out each quarter and if the test shows the booked value is greater than the recovery value, goodwill is to be written down to the recovery value. In accordance with IAS 36 Impairment of Assets, impairment criteria testing should be carried out more frequently if a value reduction is indicated.

As a consequence of the conversion to IFRS, depreciations totalling SEK 248 million according to the current accounting principles will be coupled with a deferred tax expense of SEK 10 million.

IAS 16 Property, plant and equipment

IAS 16 requires a more detail breakdown of fixed assets into their separate components each with their own usefully economic life. This means that the components may have different depreciation times compared with the principal asset. A review of the Group's fixed assets has been carried out and the estimated net effect as of 1 January 2004 was SEK -1 million and SEK -6 million for the whole year 2004. The differences are primarily attributed to construction components.

IAS 39 Financial instruments; recognition and measurement

Market-based valuation of commercial forward exchange contracts – In accordance with previous accounting principles, there was no market-based valuation of derivatives secured for hedging purposes and owned until maturity. After the introduction of IFRS, all derivatives have been continuously revalued. Hedging of commercial flow – Getinge applies hedging accounting for derivatives, primarily forward change contracts, that are secured with the intent of guaranteeing the value of the forecasted currency flow. At the start of 2005, the market-based value of these derivatives was SEK 173 million, of which SEK 126 million (SEK 94 million after tax effect) was booked against shareholders' equity and the remaining SEK 47 million net booked against the translation effect on accounts receivable.

Other financial instruments – Changes in market-based value concerning other financial instruments for which accounting was regulated in IAS 39, including interest derivatives and loans that guarantee the value of net assets in foreign currencies, have been booked under shareholder's equity since estimates indicate there is a hedging efficiency.

The following section describes and quantifies the areas that have affected Getinge's income statement, balance sheet and shareholders' equity in the conversion to IFRS. The information below has been prepared in accordance with the IFRS's recommendations expected to apply on 31 December 2005. IFRS is constantly subject to review and approval by the EU, which means that changes may still be made. Since the regulatory framework has only recently been implemented, the standard-setting body may issue further directions and, as common practice evolves, new explanations and clarifications may come to have an impact on the below information.

Balance Sheet 2004-01-01

Note		According to Swedish accounting standards 2004-01-01	Effect of adoption of IFRS	According to IFRS 2004-01-01
	ASSETS			
	Intangible fixed assets	4.310,3		4.310,3
1	Tangible fixed assets	1.367,4	-1,2	1.366,2
2	Financial assets	750,5	-10,0	740,5
	Stock-in-trade	1.763,6		1.763,6
	Current receivables	3.336,3		3.336,3
	Liquid funds	504,2		504,2
	Total assets	**12.032,3**	**-11,2**	**12.021,1**
	SHAREHOLDERS' EQUITY & LIABILITIES			
3	Shareholders' equity	3.530,4	-11,2	3.519,2
	Provisions for pensions, interest-bearing	1.388,7		1.388,7
	Restructuring reserves	193,1		193,1
	Other provisions	709,7		709,7
	Long-term liabilities	3.264,8		3.264,8
	Current liabilities	2.945,6		2.945,6
	Total Equity & Liabilities	**12.032,3**	**-11,2**	**12.021,1**

Notes to balance sheet adjustments

Note 1 IAS 16 requires a more detailed breakdown of fixed assets into their separate components each with their own useful economic life. The adjustment for tangible fixed assets amounts to -1,2 Mkr.

Note 2 A portion of goodwill, amounting to 31,0 Mkr, has been reclassified to intangible fixed assets in accordance with IFRS 1 and IAS 38. The resulting deferred tax liability from this reclassification totals 10,0 Mkr.

Note 3

Component depreciation, IAS 16 Property, Plant and Equipment (see note 1)	-1,2
Reclassification of goodwill according to IFRS 1 and IAS 38 (see note 2)	-10,0
Net effect on shareholders' equity	-11,2

Change in shareholders' equity – Reconciliation between Swedish accounting standards and IFRS 2004-01-01

	Share capital	**Other restricted and non-restricted shareholders' equity**	**Total shareholders' equity**
Shareholders' equity 2004-01-01 according to Swedish accounting standards	100,9	3. 429,5	3.530,4
Component depreciation, IAS 16 Property, Plant and Equipment (see note 1 above)	-	-1,2	-1,2
Reclassification of goodwill according to IFRS 1 and IAS 38 (see note 2 above)	-	-10,0	-10,0
Shareholders' equity 2004-01-01 according to IFRS	100,9	3.418,3	3.519,2

Income Statement 2004 Jan-Mar

Note		**According to Swedish accounting standards 2004 Jan-Mar**	**Effect of adoption of IFRS**	**According to IFRS 2004 Jan-Mar**
	Net sales	2.491,6		2.491,6
1	Cost of goods sold	-1.333,1	-2,6	-1.335,7
	Gross profit	1.158,5	-2,6	1.155,9
1,2	Selling expenses	-545,2	60,7	-484,5
1	Administrative expenses	-238,2	-0,1	-238,3
1	Research & development costs	-81,0	-0,4	-81,4
	Other operating income and expenses	-1,4		-1,4
	Operating profit	292,7	57,6	350,3
	Financial net	-52,0		-52
	Profit before tax	240,7	57,6	298,3
1,2,3	Taxes	-72,2	-1,3	-73,5
	Minority interest[2)]			
	Net profit	168,5	56,3	224,8
	Attributable to:			
	Parent company's shareholders	168,5	56,3	224,8
	Minority interest[1)]	-	-	-

[1)] Minority interest according to IFRS
[2)] Minority interest according to Swedish accounting standards

Notes to income statement adjustments

Note 1

IAS 16, requires a more detailed breakdown of fixed assets into their separate components each with their own depreciation period. A review of the group's fixed assets has been carried out and the calculated net reduction in operating profit due to increased depreciation is 2,3 Mkr and can be split as follows (Mkr):

Cost of goods sold	-2,6
Selling expenses	-0,2
Administrative expenses	-0,1
Research & development costs	-0,4
Deferred tax	1,0
Net adjustment	-2,3

Note 2

According to IFRS, goodwill should not be amortised, rather an impairment test should be carried out each quarter. Impairment tests should be carried out more often if there are indications that a write down in value may be required.
The adjustment for goodwill amortisation for the first quarter of 2004 amounts to 60,8 Mkr. The adjustment for deferred tax attributable to this elimination of goodwill amortisation is -2,5 Mkr.

Note 3

A portion of goodwill, amounting to 31,0 Mkr, has been reclassified to other intangible fixed assets in accordance with IFRS 1 and IAS 38. The deferred tax effect arising from this reclassification increases operating profit for the period Jan-Mar 2004 by 0,2 Mkr.

Balance Sheet 2004-03-31

Note		According to Swedish accounting standards 2004-03-31	Effect of adoption of IFRS	According to IFRS 2004-03-31
	ASSETS			
1	Intangible fixed assets	4.352,1	58,7	4.410,8
2	Tangible fixed assets	1.386,7	-5,4	1.381,3
1,2,3	Financial assets	792,4	-11,4	781,0
	Stock-in-trade	1.927,0		1.927,0
	Current receivables	3.148,4		3.148,4
	Liquid funds	644,7		644,7
	Total assets	**12.251,3**	**41,9**	**12.293,2**
	SHAREHOLDERS' EQUITY & LIABILITIES			
4	Shareholders' equity	3.709,5	41,9	3.751,4
	Provisions for pensions, interest-bearing	1.533,1		1.533,1
	Restructuring reserves	114,5		114,5
	Other provisions	664,1		664,1
	Long-term liabilities	3.986,2		3.986,2
	Current liabilities	2.243,9		2.243,9
	Total Equity & Liabilities	**12.251,3**	**41,9**	**12.293,2**

Notes to balance sheet adjustments

Note 1 According to IFRS, goodwill should not be amortised, rather an impairment test should be carried out each quarter. Impairment tests should be carried out more often if there are indications that a write down in value may be required.
The adjustment to intangible fixed assets for the write-back of goodwill amortisation for the first quarter of 2004 amounts to 58,7 Mkr. The adjustment for deferred tax attributable to this write-back of goodwill amortisation is -2,6 Mkr.

Note 2 IAS 16 requires a more detailed breakdown of fixed assets into their separate components each with their own depreciation period. The adjustment for tangible fixed assets for the first quarter of 2004 is -5,4 Mkr. The increase in financial assets being the deferred tax effect of the component depreciation is 1,2 Mkr.

Note 3 A portion of goodwill, amounting to 31,0 Mkr, has been reclassified to intangible fixed assets in accordance with IFRS 1 and IAS 38. The resulting deferred tax liability from this reclassification totals 9,9 Mkr.

Note 4

Write-back of goodwill amortisation (see note 1)	56,1
Component depreciation, IAS 16 Property, Plant and Equipment (see note 2)	-4,3
Reclassification of goodwill according to IFRS 1 and IAS 38 (see note 3)	-9,9
Net effect on shareholders' equity	41,9

Change in shareholders' equity – Reconciliation between Swedish accounting standards and IFRS 2004-03-31

	Share capital	**Other restricted and non-restricted shareholders' equity**	**Total shareholders' equity**
Shareholders' equity 2004-03-31 according to Swedish accounting standards	100,9	3.608,6	3.709,5
Write-back of goodwill amortisation (see note 1 above)	-	56,1	56,1
Component depreciation, IAS 16 Property, Plant and Equipment (see note 2 above)	-	-4,3	-4,3
Reclassification of goodwill according to IFRS 1 and IAS 38 (see note 3)	-	-9,9	-9,9
Shareholders' equity 2004-03-31 according to IFRS	100,9	3.650,5	3.751,4

Income Statement 2004 Jan-Dec

Note		According to Swedish accounting standards 2004 Jan-Dec	Effect of adoption of IFRS	According to IFRS 2004 Jan-Dec
	Net sales	10.888,8		10.888,8
1	Cost of goods sold	-5.997,2	-9,6	-6.006,8
	Gross profit	4.891,6	-9,6	4.882,0
1,2	Selling expenses	-2.207,3	247,0	-1.960,3
1	Administrative expenses	-896,5	-0,2	-896,7
1	Research & development costs	-277,9	-0,2	-278,1
	Other operating income and expenses	-4,5		-4,5
	Operating profit	1.505,4	237,0	1.742,4
	Financial net	-196,7		-196,7
	Profit before tax	1.308,7	237,0	1.545,7
1,2,3	Taxes	-392,6	-4,3	-396,9
4	Minority interest[2)]	-0,8	0,8	0,0
	Net profit	915,3	233,5	1.148,8
	Attributable to:			
	Parent company's shareholders	915,3	232,4	1 147,7
	Minority interest[1)]	-	1,1	1 ,1

[1)] Minority interest according to IFRS

[2)] Minority interest according to Swedish accounting standards

Notes to income statement adjustments

Note 1

IAS 16, requires a more detailed breakdown of fixed assets into their separate components each with their own useful economic life. A review of the group's fixed assets has been carried out and the calculated net reduction in operating profit due to increased depreciation is 6,3 Mkr and can be split as follows (Mkr):

Cost of goods sold	-9,6
Selling expenses	-1,0
Administrative expenses	-0,2
Research & development costs	-0,2
Deferred tax	4,7
Net adjustment	-6,3

Note 2

According to IFRS, goodwill should not be amortised, rather an impairment test should be carried out each quarter. Impairment tests should be carried out more often if there are indications that a write down in value may be required.
The adjustment for goodwill amortisation for the year 2004 amounts to 248 Mkr and 238 Mkr after the deferred tax effect is taken into account.

Note 3 A portion of goodwill, amounting to 31,0 Mkr, has been reclassified to other intangible fixed assets in accordance with IFRS 1 and IAS 38. The deferred tax effect arising from this reclassification increases operating profit for the period Jan-Dec 2004 by 1,0 Mkr.

Note 4 In line with IAS 1, minority interest is disclosed as a separate component within shareholders' equity on the balance sheet. This results in an increase in net profit of 0,8 Mkr.

Balance Sheet 2004-12-31

Note		According to Swedish accounting standards 2004-12-31	Effect of adoption of IFRS	According to IFRS 2004-12-31
	ASSETS			
1	Intangible fixed assets	4.457,9	247,2	4.705,1
2	Tangible fixed assets	1.414,3	-11,4	1.402,9
1,2,3	Financial assets	619,7	-14,3	605,4
	Stock-in-trade	1.729,4		1.729,4
	Current receivables	3.529,7		3.529,7
	Liquid funds	484,9		484,9
	Total assets	**12.235,9**	**221,5**	**12.457,4**
	SHAREHOLDERS' EQUITY & LIABILITIES			
5	Shareholders' equity	3.999,1	270,5	4.269,6
4	Minority interest[1)]	49,0	-49,0	0,0
	Provisions for pensions, interest-bearing	1.491,3		1.491,3
	Restructuring reserves	33,4		33,4
	Other provisions	520,2		520,2
	Long-term liabilities	3.766,1		3.766,1
	Current liabilities	2.376,8		2.376,8
	Total Equity & Liabilities	**12.235,9**	**221,5**	**12.457,4**

[1)] Minority interest according to Swedish accounting standards

Notes to balance sheet adjustments

Note 1 According to IFRS, goodwill should not be amortised, rather an impairment test should be carried out each quarter. Impairment tests should be carried out more often if there are indications that a write down in value may be required.
The adjustment to intangible fixed assets for the write-back of goodwill amortisation for the 2004 year amounts to 247,2 Mkr. The adjustment for deferred tax attributable to this write-back of goodwill amortisation is -10,0 Mkr.

Note 2 IAS 16 requires a more detailed breakdown of fixed assets into their separate components each with their own depreciation period. The adjustment for tangible fixed assets for the 2004 year is -11,4 Mkr. The increase in financial assets being the deferred tax effect of the component depreciation is 4,7 Mkr.

Note 3 A portion of goodwill, amounting to 31,0 Mkr, has been reclassified to intangible fixed assets in accordance with IFRS 1 and IAS 38. The resulting deferred tax liability from this reclassification totals 9,0 Mkr.

Note 4 In line with IAS 1, minority interest is disclosed as a separate component within shareholders' equity on the balance sheet. This amounts to -49,0 Mkr.

Note 5

Write-back of goodwill amortisation (see note 1)	237,2
Component depreciation, IAS 16 Property, Plant and Equipment (see note 2)	-6,7
Reclassification of goodwill according to IFRS 1 and IAS 38 (see note 3)	-9,0
Minority interest (see note 4)	49,0
Net effect on shareholders' equity	270,5

Change in shareholders' equity – Reconciliation between Swedish accounting standards and IFRS 2004-12-31 – 2005-01-01

	Share capital	**Other restricted and non-restricted shareholders' equity**	**Total shareholders' equity**
Shareholders' equity 2004-12-31 according to Swedish accounting standards	100,9	3.898,2	3.999,1
Write-back of goodwill amortisation (see note 1 above)	-	237,2	237,2
Component depreciation, IAS 16 Property, Plant and Equipment (see note 2 above)	-	-6,7	-6,7
Reclassification of goodwill according to IFRS 1 and IAS 38 (see note 3 above)	-	-9,0	-9,0
Minority interest (see note 4 above)	-	49,0	49,0
Shareholders' equity 2004-12-31 according to IFRS	100,9	4.168,7	4.269,6
Market valuation of commercial currency forward contracts 126,0 with deduction for tax 32,0. Arising from retrospective application of IAS 39 according to IFRS 1		94,0	94,0
Market valuation of interest rate derivatives , 4,0 with deduction for tax of 1,0. Arising from retrospective application of IAS 39 according to IFRS 1		3,0	3,0
Shareholders' equity 2005-01-01 according to IFRS	100,9	4.265,7	4.366,6