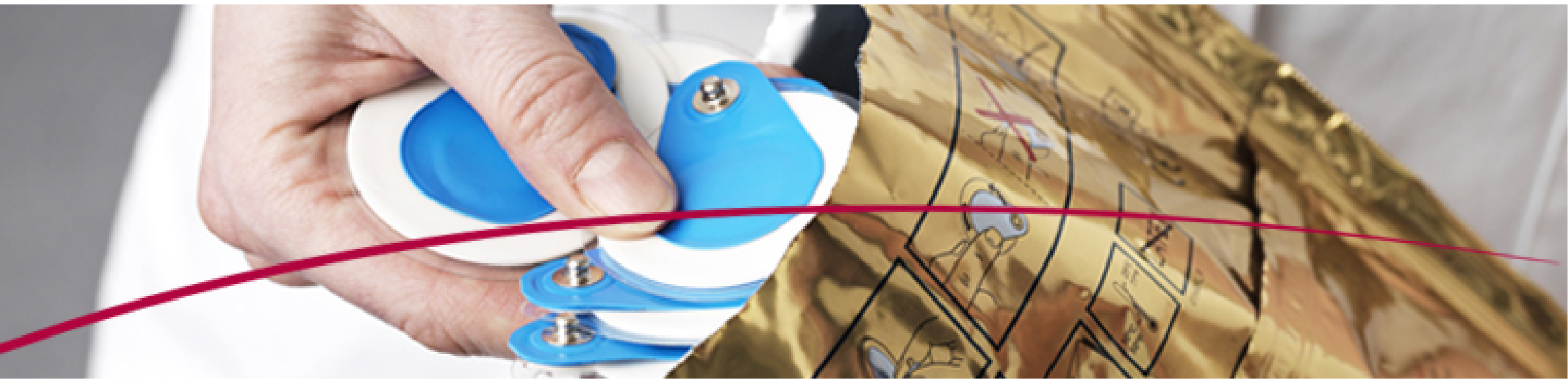

Interim report Q1 2016/17

Ambu raises its outlook for the year after yet another strong Q1 with organic growth of 11%, an EBIT margin of 12.7% and free cash flows of DKK 43m.

"Based on a strong Q1 last year, it is gratifying to see that we are starting the new year with double-digit growth and significantly improved earnings. Growth is driven by sales to hospitals, and sales of our single-use videoscopes continue to develop positively. We raise our expectations for growth and free cash flows and are thus well-positioned for realising our financial targets for 2016/17," says President and CEO Lars Marcher.

Highlights

- Revenue of DKK 512m was posted for Q1, representing growth of 11% both in local currencies and in Danish kroner.
- The Anaesthesia business area grew by 19% and accounts for the group's entire growth. Patient Monitoring & Diagnostics (PMD) contributed growth of 0% (in local currencies).
- Europe contributed growth of 5%, North America 12% and the rest of the world 36% (in local currencies).
- Sales of single-use videoscopes are developing positively with sales of 59,000 units for the quarter. Sales volumes are thus up approx. 85% relative to Q1 last year.
- The gross margin was 53.7% (52.6%), corresponding to an improvement of 1.1 percentage point. The improved gross margin is attributable to a more profitable product mix combined with lower production costs.
- Capacity costs totalled DKK 210m (DKK 197m), equating to a net increase of 7%. The rate of cost was 41% (43%).
- EBIT for the quarter was DKK 65m (DKK 46m) with an EBIT margin of 12.7% (10.0%), equating to a 41% improvement in EBIT.
- Free cash flows before acquisitions of enterprises totalled DKK 43m (DKK 3m) for the quarter.
- The outlook for 2016/17 is raised. The outlook is now of organic growth of approx. 9-11% against the previously announced outlook of 8-10%, an unchanged EBIT margin before special items of approx. 18%, and free cash flows before special items in the region of DKK 200m as opposed to DKK 175m. Net interest-bearing debt is expected to be in the region of 1.6 x EBITDA rather than 1.75. Special items are made up of integration costs in respect of ETView Medical Ltd., and are expected to total approx. DKK 10m rather than the previously announced level of DKK 15-20m.

A **conference call** is being held today, 1 February 2017, at 11.00 (CET). To participate, please call the following number five minutes before the start of the conference: +45 3544 5580. The conference can be followed via www.ambu.com/webcastQ12017 and is held in English. The presentation can be downloaded immediately before the conference call via the same link.

Contact

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About Ambu

Since 1937, breakthrough ideas have driven Ambu's work to bring efficient healthcare solutions to life within our fields of excellence: Anaesthesia, Patient Monitoring & Diagnostics and Emergency Care. Millions of patients and healthcare professionals worldwide depend and rely on the functionality and performance of our products. We are dedicated to improving patient safety and advancing single-use devices. The manifestations of our efforts range from early inventions like the Ambu Bag™ and the legendary Blue Sensor™ electrodes to our latest landmark solutions such as the aScope™ – the world's first flexible single-use videoscope. Our commitment to bringing new ideas and superior service to our customers has made Ambu one of the most recognised medtech companies in the world. Our head office is situated in Ballerup near Copenhagen. Ambu has more than 2,400 employees in Europe, North America, Asia and the Pacific region. You can find more information about Ambu at www.ambu.com.

Financial highlights

DKKm	Q1 2016/17	Q1 2015/16	FY 2015/16
Income statement			
Revenue	512	462	2,084
Gross margin, %	53.7	52.6	53.9
EBITDA	91	70	458
Depreciation	11	11	47
Amortisation	15	13	55
EBIT	65	46	356
Net financials	-3	-2	-30
Profit before tax	62	44	326
Net profit for the period	48	31	250
Balance sheet			
Assets	2,531	2,271	2,366
Working capital	493	550	521
Equity	1,002	940	992
Net interest-bearing debt	1,061	883	955
Cash flows			
Cash flows from operating activities	73	22	369
Cash flows from investing activities before acquisitions of enterprises and technology	-30	-19	-84
Free cash flows before acquisitions of enterprises and technology	43	3	285
Acquisitions of enterprises and technology	0	0	155
Cash flows from operating activities, % of revenue	14	5	18
Investments, % of revenue	6	4	4
Free cash flows before acquisitions of enterprises, % of revenue	8	1	14
Key figures and ratios			
Organic growth, %	11	11	9
Rate of cost, %	41	43	37
EBITDA margin, %	17.8	15.2	22.0
EBIT margin, %	12.7	10.0	17.1
Tax rate, %	23	30	23
Return on equity, %	27	20	25
NIBD/EBITDA	2.2	2.4	2.1
Equity ratio, %	40	41	42
Working capital, % of revenue	23	28	25
Return on invested capital (ROIC), %	20	13	19
Average no. of employees	2,447	2,295	2,337
Share-related ratios			
Market price per share (DKK)	284	210	356
Earnings per share (EPS) (DKK)	0.96	0.65	5.27
Diluted earnings per share (EPS-D) (DKK)	0.93	0.63	5.13

Management's review

for Q1 2016/17

PRODUCT AREAS

(Comparative figures are stated in brackets)

Anaesthesia

Within Anaesthesia, sales increased by 19% (13%), when measured both in local currencies and in Danish kroner, and the business area accounts for 64% (59%) of revenue in Q1. Single-use videoscopes is the product group seeing the highest growth, and sales in Q1 topped 59,000 units, representing an increase of approx. 85% relative to the prior-year period.

Ambu acquired ETView Medical Ltd. at the end of September 2016, and the efforts to take over and integrate the organisation and the product continued in Q1. The acquisition has entailed few changes at ETView's head office in Israel, while ETView's sales organisation has been integrated with Ambu's global sales organisation.

The aScope, ETView and King Vision product groups are referred to collectively as Visualisation, and as can be seen from the chart to the right, these products now account for 21% (15%) of Ambu's total revenue.

Sales of other Anaesthesia products developed positively and are contributing total growth of 8%, which is significantly above market growth. Growth is broadly based, but driven by resuscitation bags, laryngeal masks and breathing circuits, which all show high single or double-digit growth rates.

Patient Monitoring & Diagnostics

In Q1, Patient Monitoring & Diagnostics (PMD) posted growth of 0% in local currencies, and -1% in Danish kroner.

Sales of Cardiology electrodes – PMD's largest product area – grew by 3% in Q1, which is at the high end of market growth rates. However, sales of neurology electrodes generated growth of only 2% in Q1, which is low compared both to Ambu's usual growth rates and market growth. This is due to timing differences for sales in Europe, which after several quarters of strong growth recorded relatively low sales in Q1.

Revenue – business areas

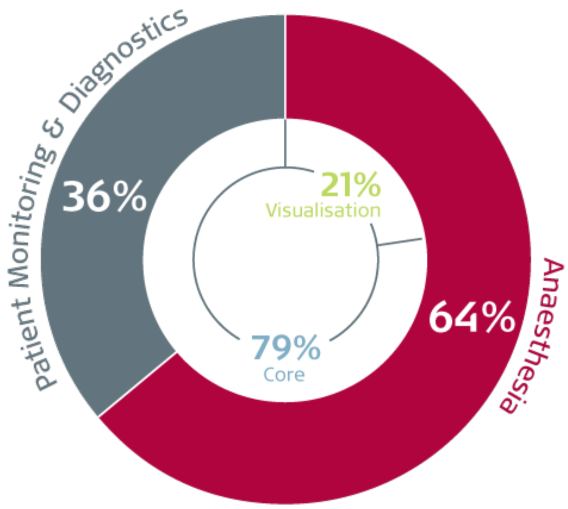
	Q1			Composition of growth		
	16/17	Distribution	15/16	Organic*	Currencies	Reported
Anaesthesia	326	64%	274	19%	0%	19%
PMD	186	36%	188	0%	-1%	-1%
Revenue	**512**	**100%**	**462**	**11%**	**0%**	**11%**

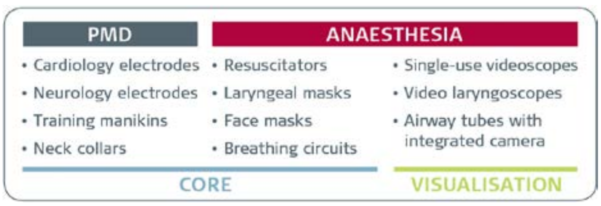
**Local currencies*

In addition, PMD growth was negatively affected to the tune of just under 2% by the divestment of the rights to products which, up until 2015, were produced at Ambu's own factory in the UK. In connection with the divestment of the factory in 2015, it was agreed that as from this quarter, Ambu's sales of these products would be taken over by the new owner. PMD is still expected to generate growth in the region of 3-4% for the year.

Revenue by business areas

The diagram shows the breakdown of Q1 revenue on the two business areas Anaesthesia and Patient Monitoring & Diagnostics, as well as the grouping of products as either Visualisation or Core.





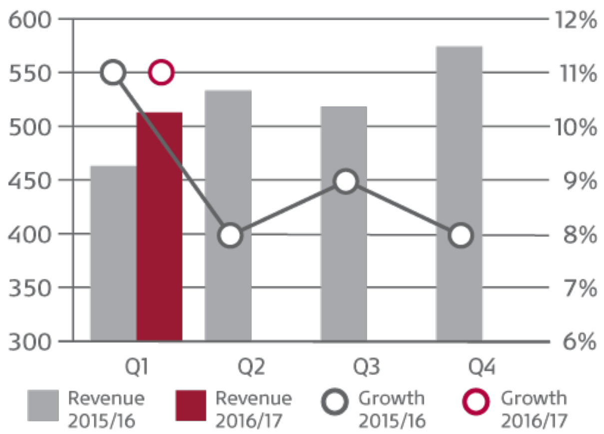
FINANCIAL RESULTS

INCOME STATEMENT

Revenue

Revenue of DKK 512m was posted for Q1, representing growth of 11% both in local currencies and in Danish kroner. The geographical breakdown shows that 5% of growth is generated in Europe, 12% in North America and 36% in the rest of the world.

Revenue (DKKm) and growth (%) per quarter



In Europe, growth of 5% was realised (in local currencies). The underlying growth remains strong, but was negatively affected by a small number of large orders in Q1 2015/16. We see high single and double-digit growth rates in most of our markets in Europe in Q1 2016/17.

Growth in North America of 12% was driven by a solid development in aScope 3 sales, but several important Core products also generated double-digit growth rates in Q1.

For the rest of the world, growth of 36% was reported (in local currencies). Growth is high in all markets in Asia, Oceania, the Middle East and in Latin America. The challenges experienced in connection with regulatory approvals have been resolved, and a large part of the business has been won back. The breakdown of growth shows 52% growth for Anaesthesia, and 8% growth for PMD.

Revenue – markets

	Q1			Composition of growth		
	16/17	Distribution	15/16	Organic*	Currencies	Reported
Europe	218	42%	213	5%	-3%	2%
North America	234	46%	206	12%	2%	14%
Rest of the world	60	12%	43	36%	4%	40%
Revenue	**512**	**100%**	**462**	**11%**	**0%**	**11%**

**Local currencies*

Currency exposure

Ambu is particularly exposed to USD, as approx. 50% of revenue is invoiced in USD, and to a lesser extent to GBP with approx. 5% of revenue. Cost of sales and operating expenses in both in USD and GBP significantly reduce EBIT exposure.

Moreover, EBIT is exposed to developments in CNY and MYR, as a significant share of the value of Ambu's production in the Far East is settled in these currencies.

The foreign currency sensitivity of revenue and EBIT, respectively, can be summarised over a 12-month period as follows, based on a 10% increase in exchange rates against DKK:

DKKm	USD	GBP	MYR	CNY
Revenue	+100	+15	0	0
EBIT	+25	+10	-10	-15
EBIT margin	+0.2%	+0.3%	-0.4%	-0.6%

In Q1, the relevant exchange rates developed as follows:

	Average exchange rates			Change	
	Q1 YTD 15/16	FY 15/16	Q1 YTD 16/17	Q1 YoY	FY 15/16 – Q1 16/17
USD/ DKK	682	671	690	**1%**	3%
GBP/ DKK	1,034	957	857	**-17%**	-10%
MYR/ DKK	159	162	160	**0%**	-2%
CNY/ DKK	107	103	101	**-5%**	-2%

In the quarter, USD/DKK was up 1% relative to the prior-year period, while GBP/DKK was down 17%. The effects roughly cancel out each other in that the revenue gains from the strengthening of USD is offset by the marked fall in GBP.

In terms of EBIT, an improvement is seen by virtue of lower cost of sales from the weakened CNY, which is neutralised by increasing capacity costs incurred in USD and translated into DKK.

Generally speaking, the exchange rate effect on EBIT in Q1 was therefore neutral when compared to the prior-year quarter.

Ambu
Ideas that work for life

Gross profit

The gross profit for Q1 was DKK 275m (DKK 243m), and the gross margin was increased by 1.1 percentage point to 53.7% (52.6%).

The increased gross margin can be attributed to an improved product mix as well as efficiency increases in production.

Costs

Capacity costs for the quarter totalled DKK 210m (DKK 197m), corresponding to an increase of 7%.

The rate of cost for the quarter was 41% (43%).

Selling costs for the quarter were DKK 132m (DKK 123m), corresponding to an increase of 7%. Selling costs include costs for warehouse operations and distribution as well as costs for the sales organisation. Distribution costs have grown at a similar rate to the growth in sales volumes, i.e. 12%, while sales organisation costs are up approx. 6%.

Development costs for the quarter totalled DKK 18m (DKK 16m), corresponding to an increase of 13%.

With effect from Q1, the accounting estimate for amortisation of completed development projects was increased from five years to up to ten years based on the expected commercial life of the products as based on experience.

The correlation between capitalisation of development costs and the recognition of amortisation in the income statement is shown in the table below. In Q1, amortisation of DKK 13m and investments of DKK 17m were recognised, resulting in cash development costs for the quarter of DKK 22m, corresponding to an increase of just under 40%, primarily due to the initiation of a number of activities within Visualisation.

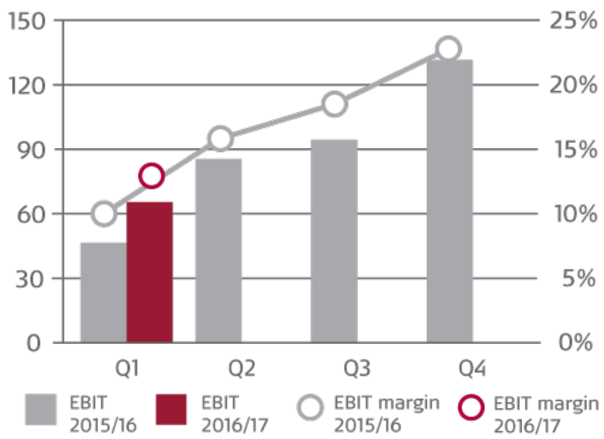
DKKm	YTD	
	16/17	**15/16**
Development costs	18	16
÷ Amortisation	-13	-11
+ Investments	17	11
= Cash flows	**22**	**16**

Management and administrative expenses for the quarter totalled DKK 60m (DKK 58m), corresponding to an increase of 3%.

EBIT

EBIT for Q1 was DKK 65m (DKK 46m) with an EBIT margin of 12.7% (10.0%),

EBIT (DKKm) and EBIT margin (%) per quarter



Net financials

Net financials amounted to net expenses of DKK 3m (DKK 2m), composed as follows:

- Net foreign exchange gains totalled DKK 20m (DKK 13m)
- Interest expenses for bank and bond debt amounted to DKK 8m (DKK 8m)
- Fair-value adjustment of currency swaps constituted an expense of DKK 17m (DKK 6m)
- The interest element from liabilities stated at present discounted value is recognised at a net income of DKK 2m (net cost of DKK 1m).

Tax

The profit for the period adjusted for non-deductible and non-taxable items is taxed at a rate of 23% (30%). The substantial reduction in the effective tax rate is due to a different distribution of profit between territories compared to 12 months ago, resulting in increased tax efficiency.

Net profit

A net profit of DKK 48m (DKK 31m) was posted for the quarter.

Balance sheet

At the end of the quarter, the value of total assets was DKK 2,531m (DKK 2,271m).

Working capital has been reduced to DKK 493m (DKK 550m), corresponding to 23% (28%) of 12 months of revenue. The reduction follows in the wake of the reduction in relative working capital achieved in previous quarters as a result of a general streamlining of the processes relating to the handling of invoicing and the collection of trade receivables. In addition, the inventory turnover ratio has been increased.

Trade receivables totalled DKK 359m at the end of the quarter against DKK 399m at the same time last year. This corresponds to a reduction in the average number of credit days by 11 to 56 days at the end of the quarter.

The credit risk attaching to outstanding debtors is deemed to be unchanged, and the quarter was not affected by bad debts to any significant extent.

At the end of the quarter, net interest-bearing debt amounted to DKK 1,061m (DKK 883m), of which DKK 701m is financed via corporate bonds. In the quarter, Ambu has taken over the domicile property in Ballerup on a 15-year finance lease, assuming net interest-bearing debt of DKK 86m. This debt is included in the total net interest-bearing debt and specified in note 11.

Net interest-bearing debt totalled 2.2 (2.4) x rolling 12-month EBITDA.

At the end of the quarter, Ambu had unutilised credit facilities of DKK 153m (DKK 143m).

Cash flows

In Q1, cash flows from operating activities amounted to DKK 73m (DKK 22m), and are particularly impacted by the reduction in trade receivables.

Investments in non-current assets totalled DKK 30m (DKK 19m) in Q1, which is in line with expectations.

In Q1, the construction of the new factory for the production of scopes was initiated. Located on Penang in Malaysia, the factory will have a total capacity of up to 3.5 million units and is expected to be completed in Q1 2017/18. In 2017/18, capacity for production of single-use videoscopes will be approx. 1 million units.

In addition, in Q1, an agreement was made on the purchase of a factory on Penang which Ambu had leased for the past many years under an operating lease. Ambu is due to take over the factory at the end of Q4 2016/17.

The total investment in these two buildings is expected to be in the region of DKK 100m, most of which will be paid in the current financial year.

Free cash flows before acquisitions of enterprises totalled DKK 43m (DKK 3m).

Equity

In December, a dividend of DKK 75m was declared, of which DKK 62m has been paid out to the company's shareholders. The remaining DKK 13m is dividend tax falling due in Q2 2016/17.

In addition, equity is significantly affected by foreign currency translation adjustments arising from the translation of foreign subsidiaries in the amount of DKK 46m as a result of the strengthened USD/DKK.

At the end of Q1, Ambu had a portfolio of treasury shares of 1,365,472 Class B shares, corresponding to 2.82% (1.57%) of the total share capital.

The equity ratio at the end of Q1 was 40% (41%). The financial lease on the domicile property has resulted in an increase in the balance sheet total by DKK 88m, which, in isolation, has reduced the equity ratio by 1 percentage point.

Outlook 2016/17

The outlook for 2016/17 is raised. The outlook is now of organic growth of approx. 9-11% against the previously announced outlook of 8-10%, an unchanged EBIT margin before special items of approx. 18%, and free cash flows before special items in the region of DKK 200m as opposed to DKK 175m. Net interest-bearing debt is expected to be in the region of 1.6 x EBITDA rather than 1.75. Special items are made up of integration costs in respect of ETView Medical Ltd., and are expected to total approx. DKK 10m rather than the previously announced level of DKK 15-20m.

	Local currencies	
	1 February 2017	**8 November 2016**
Organic growth	9-11%	8-10%

	Danish kroner	
	1 February 2017	**8 November 2016**
EBIT margin*	Approx. 18%	Approx. 18%
Free cash flows*	Approx. DKK 200m	Approx. DKK 175m
Gearing	Approx. 1.6	Approx. 1.75

* Before special items

The outlook for 2016/17 is based on the following exchange rate assumptions:

	Expected exchange rates for 2016/17	
	1 February 2017	**8 November 2016**
USD/DKK	700	665
CNY/DKK	100	100
MYR/DKK	160	165
GBP/DKK	865	865

Forward-looking statements

Forward-looking statements, especially such as relate to future sales and operating profit, are subject to risks and uncertainties. Various factors, many of which are outside Ambu's control, may cause the actual development to differ materially from the expectations contained in this report. Factors that might affect such expectations include, among others, changes in health care, in the world economy, in interest rate levels and in exchange rates.

Financial calendar 2016/17

2017	
5 April	Quiet period ending 2 May 2017
2 May	Interim report Q2 2016/17
27 July	Quiet period ending 23 August 2017
23 August	Interim report Q3 2016/17
30 September	End of FY 2016/17

Financial calendar 2017/18

2017	
13 October	Quiet period ending 9 November 2017
9 November	Annual report 2016/17
13 December	Annual general meeting

Quarterly results

DKKm	Q1 2016/17	Q4 2015/16	Q3 2015/16	Q2 2015/16	Q1 2015/16
Revenue	512	573	517	532	462
Composition of reported growth:					
Organic growth in local currencies, %	11	8	9	8	11
Exchange rate effects on reported growth, %	0	-1	-2	2	8
Reported revenue growth	**11**	**7**	**7**	**10**	**19**
Organic growth, products:					
Anaesthesia, %	19	9	18	13	13
PMD, %	0	5	-2	1	8
Organic growth in local currencies	**11**	**8**	**9**	**8**	**11**
Organic growth, markets:					
Europe, %	5	5	12	12	16
North America, %	12	7	9	4	8
Rest of the world, %	36	18	2	12	-1
Organic growth in local currencies	**11**	**8**	**9**	**8**	**11**
Gross profit	**275**	**318**	**284**	**279**	**243**
Gross margin, %	*53.7*	*55.5*	*54.9*	*52.4*	*52.6*
Selling and distribution costs	-132	-121	-116	-121	-123
Development costs	-18	-15	-18	-17	-16
Management and administration	-60	-51	-56	-56	-58
Total capacity costs	*-210*	*-187*	*-190*	*-194*	*-197*
Operating profit (EBIT)	**65**	**131**	**94**	**85**	**46**
EBIT margin, %	*12.7*	*22.9*	*18.2*	*16.0*	*10.0*
Financial income	23	-2	8	-13	13
Financial expenses	-26	-9	-14	2	-15
Profit before tax (PBT)	**62**	**120**	**88**	**74**	**44**
Tax on profit for the period	-14	-28	-13	-22	-13
Net profit for the period	**48**	**92**	**75**	**52**	**31**

Quarterly results (continued)

DKKm	Q1 2016/17	Q4 2015/16	Q3 2015/16	Q2 2015/16	Q1 2015/16
Balance sheet:					
Assets	2,531	2,366	2,250	2,301	2,271
Working capital	493	521	494	572	550
Equity	1,002	992	972	860	940
Net interest-bearing debt	1,061	955	853	958	883
Cash flows:					
Cash flows from operating activities	73	101	196	50	22
Cash flows from investing activities before acquisitions of enterprises and technology etc.	-30	-22	-24	-19	-19
Free cash flows before acquisitions of enterprises and technology etc.	43	79	172	31	3
Cash flows from operating activities, % of revenue	14	18	38	9	5
Investments, % of revenue	6	4	5	5	4
Free cash flows before acquisitions of enterprises, % of revenue	8	14	33	6	1
Key figures and ratios:					
Capacity costs	210	187	190	194	197
Rate of cost, %	41	33	37	36	43
EBITDA	91	154	121	113	70
EBITDA margin, %	17.8	26.9	23.4	21.2	15.2
Depreciation	11	12	12	12	11
Amortisation	15	11	15	16	13
EBIT	65	131	94	85	46
EBIT margin, %	12.7	22.9	18.2	16.0	10.0
NIBD/EBITDA	2.2	2.1	1.9	2.4	2.4
Working capital, % of revenue	23	25	24	28	28
Share-related ratios:					
Market price per share (DKK)	284	356	276	232	210
Earnings per share (EPS) (DKK)	0.96	1.94	1.58	1.09	0.65
Diluted earnings per share (EPS-D) (DKK)	0.93	1.88	1.53	1.06	0.63

Management's statement

On this day, the Board of Directors and the Executive Board have considered and approved the interim report of Ambu A/S for the period 1 October 2016 to 31 December 2016. The interim report has not been audited or reviewed by the company's independent auditors.

The interim report is presented in accordance with IAS 34 – Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for the interim reporting of listed companies.

We consider the accounting policies applied to be expedient, the group's internal controls relevant to preparing and presenting the interim report to be adequate and the interim report to give a true and fair view of the group's assets, liabilities, results and financial position as at 31 December 2016 and of the results of the group's operations and cash flows for the period 1 October 2016 to 31 December 2016.

We further consider that the management's review gives a true and fair view of the development in the group's activities and financial affairs, the profit for the period and the group's financial position as a whole as well as a description of the most significant risks and uncertainties to which the group is subject.

Ballerup, 1 February 2017

Executive Board

Lars Marcher	Michael Højgaard
CEO	CFO

Board of Directors

Jens Bager Chairman	Mikael Worning Vice-Chairman	Pernille Bartholdy
Oliver Johansen	Jakob Bønnelykke Kristensen	Allan Søgaard Larsen
Anita Krarup Frederiksen	Christian Sagild	Henrik Ehlers Wulff

Consolidated financial statements

Interim report Q1 2016/17

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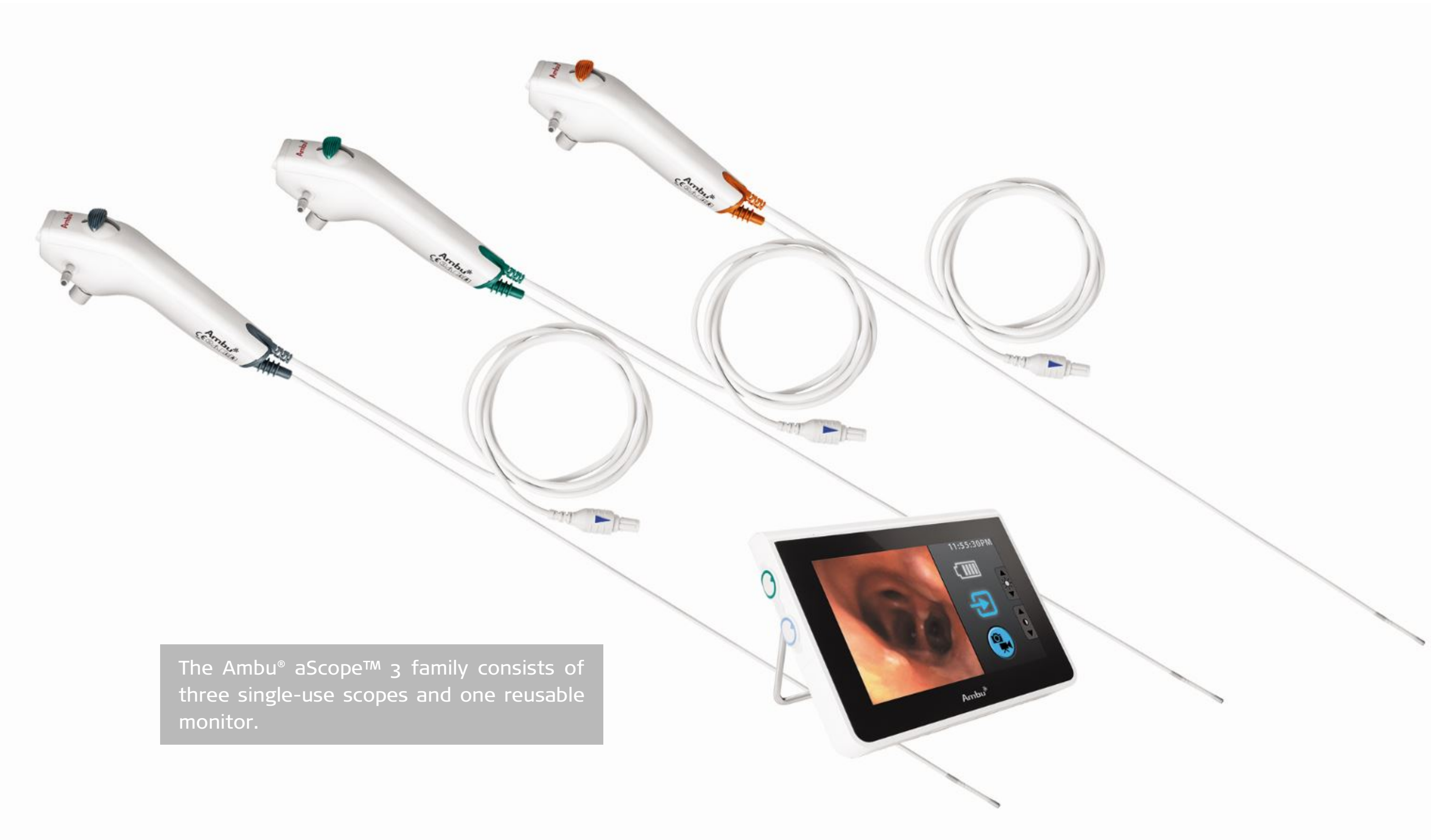

The Ambu® aScope™ 3 family consists of three single-use scopes and one reusable monitor.

Income statement and statement of comprehensive income – Group

Interim report Q1 2016/17

DKKm

Income statement	Note	Q1 2016/17	Q1 2015/16	FY 2015/16
Revenue		512	462	2,084
Production costs		-237	-219	-960
Gross profit		**275**	**243**	**1,124**
Selling and distribution costs		-132	-123	-481
Development costs		-18	-16	-66
Management and administration		-60	-58	-221
Operating profit (EBIT)		**65**	**46**	**356**
Financial income	10	23	13	6
Financial expenses	10	-26	-15	-36
Profit before tax		**62**	**44**	**326**
Tax on profit for the period		-14	-13	-76
Net profit for the period		**48**	**31**	**250**
Earnings per share in DKK				
Earnings per share (EPS)		0.96	0.65	5.27
Diluted earnings per share (EPS-D)		0.93	0.63	5.13

Statement of comprehensive income	Q1 2016/17	Q1 2015/16	FY 2015/16
Net profit for the period	48	31	250
Other comprehensive income:			
Items which are moved to the income statement under certain conditions:			
Translation adjustment in foreign subsidiaries	46	26	-4
Tax on translation adjustments in foreign subsidiaries	0	0	0
Adjustment to fair value for the period:			
Cash flow hedging, realisation of deferred gains/losses	-1	0	3
Cash flow hedging, realisation of deferred gains/losses for the period	0	0	3
Tax on hedging transactions	0	0	-1
Other comprehensive income after tax	**45**	**26**	**1**
Comprehensive income for the period	**93**	**57**	**251**

Balance sheet – Group

Interim report Q1 2016/17

DKKm

Assets	Note	31.12.16	31.12.15	30.09.16
Acquired technologies, trademarks and customer relations		187	101	185
Completed development projects		98	54	101
Rights		89	53	92
Goodwill		856	826	819
Development projects in progress		58	71	41
Intangible assets		**1,288**	**1,105**	**1,238**
Land and buildings		210	131	122
Plant and machinery		97	104	99
Other plant, fixtures and fittings, tools and equipment		30	35	27
Prepayments and plant under construction		29	14	23
Property, plant and equipment		**366**	**284**	**271**
Deferred tax asset		49	25	61
Other receivables		6	6	6
Other non-current assets		**55**	**31**	**67**
Total non-current assets		**1,709**	**1,420**	**1,576**
Inventories		339	328	287
Trade receivables		359	399	418
Other receivables		16	13	22
Income tax receivable		2	5	2
Prepayments		29	37	26
Cash		77	69	35
Total current assets		**822**	**851**	**790**
Total assets		**2,531**	**2,271**	**2,366**

Equity and liabilities	Note	31.12.16	31.12.15	30.09.16
Share capital		121	121	121
Other reserves		881	819	871
Equity		**1,002**	**940**	**992**
Provision for deferred tax		4	4	5
Other provisions		40	47	37
Interest-bearing debt	11	1,084	700	925
Non-current liabilities		**1,128**	**751**	**967**
Other provisions		2	9	4
Interest-bearing debt	11	54	252	65
Trade payables		117	114	104
Income tax		25	39	66
Other payables		152	119	134
Derivative financial instruments		51	47	34
Current liabilities		**401**	**580**	**407**
Total liabilities		**1,529**	**1,331**	**1,374**
Total equity and liabilities		**2,531**	**2,271**	**2,366**

Cash flow statement – Group

Interim report Q1 2016/17

DKKm

	Note	31.12.16	31.12.15	30.09.16
Net profit for the period		48	31	250
Adjustment of items with no cash flow effect	6	46	41	215
Income tax paid		-55	-46	-75
Interest expenses and similar items		-2	-2	-29
Changes in working capital	7	36	-2	8
Cash flows from operating activities		**73**	**22**	**369**
Purchase of non-current assets		-30	-19	-84
Cash flows from investing activities before acquisitions of enterprises and technology		-30	-19	-84
Free cash flows before acquisitions of enterprises and technology		**43**	**3**	**285**
Acquisition of technology		0	0	-59
Acquisitions of enterprises	8	0	0	-96
Cash flows from acquisitions of enterprises and technology		0	0	-155
Cash flows from investing activities		**-30**	**-19**	**-239**
Free cash flows after acquisitions of enterprises and technology		**43**	**3**	**130**
Raising of long-term debt		74	-1	273
Repayment in respect of finance leases		-2	0	0
Capital increase, Class B share capital		0	3	5
Exercise of options		1	3	3
Cash settlement, options		0	0	-32
Purchase of Ambu A/S shares, treasury shares		0	-124	-283
Dividend paid		-62	-38	-46
Dividend, treasury shares		2	1	1
Cash flows from financing activity		**13**	**-156**	**-80**
Changes in cash and cash equivalents		**56**	**-153**	**50**
Cash and cash equivalents, beginning of period		21	-29	-29
Translation adjustment of cash and cash equivalents		0	0	0
Cash and cash equivalents, end of period		**77**	**-182**	**21**
Cash and cash equivalents, end of period, are composed as follows:				
Cash		77	69	35
Bank debt		0	-251	-14
		77	**-182**	**21**

Statement of changes in equity – Group

DKKm

	Share capital	Share premium	Reserve for hedging transactions	Reserve for foreign currency translation adjustment	Retained earnings	Proposed dividend	Total
Equity as at 1 October 2016	**121**	**37**	**2**	**124**	**633**	**75**	**992**
Net profit for the period					48		48
Other comprehensive income for the period			-1	46			45
Total comprehensive income	**0**	**0**	**-1**	**46**	**48**	**0**	**93**
Transactions with the owners:							
Exercise of options					0		0
Share-based payment					3		3
Tax deduction relating to share options					-13		-13
Purchase of treasury shares					0		0
Distributed dividend						-73	-73
Dividend, treasury shares					2	-2	0
Capital increase, Class B share capital	0	0					0
Equity as at 31 December 2016	**121**	**37**	**1**	**170**	**673**	**0**	**1,002**

	Share capital	Share premium	Reserve for hedging transactions	Reserve for foreign currency translation adjustment	Retained earnings	Proposed dividend	Total
Equity as at 1 October 2015	**121**	**32**	**-3**	**128**	**712**	**46**	**1,036**
Net profit for the period					31		31
Other comprehensive income for the period			0	26			26
Total comprehensive income	**0**	**0**	**0**	**26**	**31**	**0**	**57**
Transactions with the owners:							
Exercise of options					3		3
Share-based payment					2		2
Tax deduction relating to share options					8		8
Purchase of treasury shares					-124		-124
Distributed dividend						-45	-45
Dividend, treasury shares					1	-1	0
Capital increase, Class B share capital	0	3					3
Equity as at 31 December 2015	**121**	**35**	**-3**	**154**	**633**	**0**	**940**

Other reserves consist of share premium, reserve for hedging transactions, reserve for foreign currency translation adjustments, retained earnings and proposed dividend, totalling DKK 881m (31 December 2015: DKK 819m).

Notes to the interim report

Interim report Q1 2016/17

Notes to the interim report

Note 1 – Basis of preparation of the interim report

The interim report for the period 1 October 2016 to 31 December 2016 is presented in accordance with IAS 34 – Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for the interim reporting of listed companies. The accounting principles applied are consistent with the principles applied in the annual report for 2015/16. The ratios have been calculated in accordance with The Danish Finance Society's 'Recommendations and Financial Ratios 2015'. For definitions, reference is made to note 5.10 in the annual report for 2015/16.

Note 2 – Material accounting estimates

In connection with the preparation of the interim report, the management makes material accounting estimates, assessments and assumptions which form the basis of the presentation, recognition and measurement of the group's assets and liabilities for accounting purposes. There are no significant changes in the material estimates or assessments presented in note 1.1 to the annual report for 2015/16 in addition to the changes described below.

With effect from Q1 2016/17, the management has changed its estimate of the useful lives of completed development projects from 5 years to up to 10 years. With this change, the management believes that the useful lives of completed development projects to a greater extent correspond to the period in which Ambu obtains a financial advantage of these development projects. The effect of this change on operating profit (EBIT) amounted to DKK 3m in Q1 2016/17.

Note 3 – Seasonal fluctuations

Gross margin
Historically, the gross margin is lower in H1 than in H2 due to higher activity levels in H2. The lowest gross margin is seen in Q1, where revenue relative to other quarters is the lowest.

Cash flows from operating activities
Cash flows from operating activities have historically been lower in Q1 as a result of bonuses paid, income tax as well as a lower earnings level and increased working capital. Cash flows from operating activities tend to increase gradually in Q2 and Q3, peaking in Q4. The increased level of cash flows from operating activities in Q4 is due to the collection of revenue from Q3 and partially Q2 as well as a reduction of working capital.

Note 4 – Segment information

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

Ambu has thus identified one segment only.

Note 5 – Development in balance sheet since 30 September 2016

Since the beginning of the financial year, non-current assets have increased by a net amount of DKK 133m to DKK 1,709m.The increase was driven by the recognition of a domicile property held under a finance lease of DKK 88m, investments of DKK 30m, translation adjustments of DKK 52m and depreciation and amortisation of DKK 26m.

Since the start of the period, inventories have increased by DKK 52m, while trade receivables have been reduced by DKK 59m.This can be attributed to the lower activity level from Q4 2015/16 to Q1 2016/17 as well as the improved collection of trade receivables.

Since the beginning of the financial year, non-current liabilities have increased by a net amount of DKK 161m, amounting to DKK 1,128m.The increase is attributable to the recognition of finance lease debt of DKK 86m and utilisation of credit facilities of DKK 75m, primarily for distribution of dividend.

Other provisions under current and non-current liabilities totalled DKK 42m at the end of Q1 and have increased by a net amount of DKK 1m since the beginning of the financial year.

From the beginning of the financial year until the end of Q1, other debt has been increased by DKK 18m to DKK 152m, which is as expected.

Note 6 – Adjustment of items with no cash flow effect

	YTD 2016/17	YTD 2015/16	30.09.16
Depreciation, amortisation and impairment losses	26	24	102
Share-based payment	3	2	7
Net financials and similar items	3	2	30
Tax on profit for the period	14	13	76
	46	**41**	**215**

Note 7 – Changes in working capital

	YTD 2016/17	YTD 2015/16	30.09.16
Changes in inventories	-43	-43	-6
Changes in receivables	74	81	57
Changes in trade payables etc.	5	-40	-43
	36	**-2**	**8**

DKKm

Note 8 – Business combinations

On 28 September 2016, Ambu acquired the Israeli company ETView Medical Ltd. with subsidiaries in Israel and the USA. The pre-acquisition balance sheet remained to be completed at the time of the publication of Ambu's annual report for 2015/16.

The pre-acquisition balance sheet presented in note 3.8 of the annual report has not changed significantly; however, the work on completing the balance sheet is still ongoing.

	Previous ownership interest	Acquired ownership interest	Acquisition date	Type	Area	Cost
ETView Medical Ltd.	0%	100%	28 Sept. 2016	Share purchase	Anaesthesia	90

	YTD 2016/17	FY 2015/16
Technologies	0	99
Total intangible assets	0	99
Inventories	0	3
Trade receivables	0	1
Cash	0	1
Bank debt	0	-3
Payables	0	-18
Identifiable net assets	0	83
Goodwill	0	7
Total purchase price	**0**	**90**
The purchase price comprises:		
Cash and cash equivalents	0	90
	0	**90**
Transaction-related costs included in management and administrative expenses	0	2
Cash flows for the acquisition of enterprises	0	93

Note 9 – Risks

For a description of Ambu's risks, see the 'Risk management' section in the annual report for 2015/16, pages 23-24.

DKKm

Note 10 – Net financials

	YTD 2016/17	YTD 2015/16	FY 2015/16
Other financial income:			
Foreign exchange gains, net	20	13	6
Fair value adjustment, earn-out	3	0	0
Financial income	**23**	**13**	**6**

	YTD 2016/17	YTD 2015/16	FY 2015/16
Interest expenses:			
Interest expenses, banks	2	2	6
Interest expenses, bonds	6	6	24
Other financial expenses:			
Effect of shorter discount period, acquisition of technology	1	1	4
Fair value adjustment, swap	17	6	2
Financial expenses	**26**	**15**	**36**

Note 11 – Interest-bearing debt

	31.12.16	31.12.15	30.09.16
Corporate bonds	699	698	699
Credit institutions	300	0	225
Finance leases	85	2	1
Long-term interest-bearing debt	**1,084**	**700**	**925**

	31.12.16	31.12.15	30.09.16
Credit institutions	50	0	50
Bank debt	0	251	14
Finance leases	4	1	1
Short-term interest-bearing debt	**54**	**252**	**65**

Note 12 – Capital increase, treasury shares and dividend paid

Capital increase
A capital increase was implemented in November 2016 in connection with the exercise by employees of warrants issued in 2012. In consequence hereof, Ambu's share capital was increased by a nominal amount of DKK 41,000 through the issue of 16,400 Class B shares at a price of 39.50.

Ambu's shares have a nominal value of DKK 2.50 per share.

Changes in number of shares and share capital for the period:

	30.09.16	YTD 2016/17	31.12.16
No. of Class A shares	6,864,000	0	6,864,000
No. of Class B shares	41,506,720	16,400	41,523,120
	48,370,720	**16,400**	**48,387,120**
Share capital	120,926,800	41,000	120,967,800

Treasury shares
As at 30 September 2016, Ambu's holding of treasury shares totalled 1,365,472 Class B shares, the same as at 31 December 2016.

Dividend paid
The Board of Directors' proposal on the distribution of dividend of DKK 1.55 per share was adopted at the company's annual general meeting on 12 December 2016. As at 31 December 2016, DKK 62m has been distributed to the company's shareholders. The related withholding taxes will be paid to the Danish tax authorities in January 2017. The declared dividend amounts to a total of DKK 75m.

Note 13 – Contingent liabilities

Ambu's ongoing operations and the use of Ambu's products in hospitals and clinics etc. involve the general risk of claims for damages and sanctions against Ambu. The risk is deemed to be customary.

Note 14 – Subsequent events

In addition to the matters described in this interim report, the management is not aware of any events subsequent to 31 December 2016 which could be expected to have a significant impact on the group's financial position.