



## Debt capital market transaction

In continuation of company announcement no. 16 2012/13 dated 8 March 2013 concerning a debt capital market transaction with a total issue size of DKK 700.5M, Ambu today announces a quotation prospectus and will be applying for a listing of the notes on NASDAQ OMX Copenhagen A/S. The first trading date is expected to be on 17 December 2013.

### **Disclaimer**

*The distribution of the Ambu prospectus and the offering or sale of the notes in certain jurisdictions may be restricted by law. Persons into whose possession the Ambu prospectus comes are required by Ambu A/S to inform themselves about and to observe any such restriction. The arranger has not authorised the whole or any part of the Ambu prospectus and makes no representation or warranty and accepts no responsibility as the accuracy or completeness of the information contained in the Ambu prospectus.*

*The notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.*

*Neither this company announcement nor the Ambu prospectus constitutes an offer of, or an invitation by or on behalf of Ambu A/S or the arranger to subscribe for or purchase, any notes.*

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### **About Ambu**

Since 1937, breakthrough ideas have driven our work to bring efficient healthcare solutions to life within our fields of excellence: Anaesthesia, Patient Monitoring & Diagnostics and Emergency Care. Millions of patients and healthcare professionals worldwide depend and rely on the functionality and performance of our products. We are dedicated to improving patient safety and determined to advance single-use devices. The manifestations of our efforts range from early inventions like the Ambu bag and the legendary Blue Sensor® electrodes to our latest landmark solutions such as the aScope™ – the world's first single-use videoscope. Our commitment to bringing new ideas and superior service to our customers has made Ambu one of the most recognised medico-technical companies in the world. Our head office is situated in Ballerup near Copenhagen. Ambu has more than 2,200 employees in Europe, North America, Asia and the Pacific region. You can find more information about Ambu on our website: [www.ambu.com](http://www.ambu.com).



## **AMBU A/S**

**3.375% Senior Notes due 15 March 2018**

**Issue price 100.113%**

This prospectus (the "Prospectus") has been prepared by Ambu A/S (the "Issuer") for the admittance to official listing and trading of the 3.375% Senior Notes due 15 March 2018 issued by the Issuer on 15 March 2013 (the "Notes" as further defined in the Terms and Conditions of the Notes) on NASDAQ OMX Copenhagen A/S' regulated market. This Prospectus has been prepared as a prospectus issued in compliance with the Directive 2003/71/EC and amendments thereto (the "Prospectus Directive") and relevant implementing legislation in Denmark for the purpose of giving information with regards to the Issuer and the Notes.

The Notes have not been assigned any credit rating of any credit rating agency.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 5.

This Prospectus has been prepared on the basis that any offer of Notes in any member state of the European Economic Area which has implemented the Prospectus Directive (each such member state, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or the Arranger to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. The Issuer and the Arranger has not authorised, and does not authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer to publish or supplement a prospectus for such offer.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "Documents Incorporated by Reference").

The Issuer has confirmed to the Arranger that this Prospectus contains all information regarding the Issuer and the Notes which is in the context of this Prospectus and the admittance of the Notes to official listing and trading material, such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respects; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

No person has been authorised by the Issuer, the Arranger or any other person to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any other person.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restriction. The Arranger has not authorised the whole or any part of this Prospectus and makes no representation or warranty and accepts no responsibility as the accuracy or completeness of the information contained in this Prospectus.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States or to, or for the

account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Arranger to subscribe for or purchase, any Notes.

**Arranger**

**Danske Bank A/S**

The date of this Prospectus is 16 December 2013.

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## RESPONSIBILITY STATEMENT

The Issuer hereby declares, that having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affects its import.

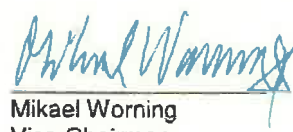
Ballerup, 16 December 2013

Ambu A/S

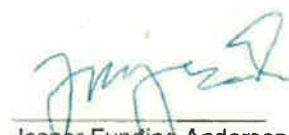
Board of Directors and Management to sign the statement



Jens Bager  
Chairman  
CEO of ALK-Abelló A/S



Mikael Worning  
Vice-Chairman  
Executive Vice-President  
at Oticon A/S




Jesper Funding Andersen  
Member of the Board  
CEO of Origio A/S



Pernille Bartholdy  
Employee Representative



Allan Søgaard Larsen  
Member of the Board  
CEO of Falck A/S



Anita Krarup Rasmussen  
Employee Representative



Christian Sagild  
Member of the Board  
CEO of Topdanmark  
Forsikring A/S



John Stær  
Member of the Board  
CEO of Satair A/S



Jakob Bønnelykke Kristensen  
Employee Representative

Executive Board:



Lars Marcher  
President & CEO



Michael Højgaard  
CFO

## 2. RISK FACTORS

### **Risks related to the Issuer**

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reason and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

The categories and individual risk factors described below are not listed with reference to priority, effect or probability.

### **Operational Risks**

***Any significant damage or disruption to the Issuer's production or distribution capabilities could impair the Issuer's ability to manufacture, distribute or sell its products, may not be manageable and thus may give the competitors an advantage.***

The Issuer's ability to manufacture, distribute and sell products across a wide geographic area and to a large number of its customers is critical to the Issuer's success. Damage or disruption to the Issuer's production or distribution capabilities due to mechanical and technical failures, human error, political climate, weather, natural disaster, fire, war and terrorism, strikes, various contagious diseases or other reasons could impair the Issuer's ability to manufacture, distribute or sell its products. The Issuer may be unable to effectively manage such events if they occur, particularly because any given product is sourced from a single location. Furthermore, damage or disruption to the Issuer's production or distribution capabilities may give the Issuer's competitors an advantage in meeting the demands of existing and potential new customers each of which could have a materially adverse effect on the Issuer's market position and on its business, results of operations and financial results.

***Failure to comply with applicable regulatory requirements, inability to pass inspections of establishments, inability to obtain product approvals and/or any recall of a product may impair the Issuer's ability to manufacture and distribute its products.***

In recent years the regulatory regimes for manufacturing and distributing medical devices have become more stringent. The regulations are constantly changing as new knowledge and production technology are applied. Thus, the Issuer may become subject to increasingly stricter regulation requirements in the future.

A company's ability to manufacture and distribute medical devices in the USA and EU is subject to registration of its establishments with the US FDA and obtaining ISO and CE certifications in the EU. The Issuer and its subsidiaries have obtained registrations and certifications necessary to perform their current operations. To maintain these registrations and certifications the Issuer and its subsidiaries are required to pass inspections performed by the authorities on a regular basis.

The Issuer is also required to obtain product approval before distribution of any medical device. In the EU, the Issuer can release products within the existing product range, without obtaining a new approval. However, a notification to an EU accredited notified body is required. The distribution of improved versions of



(and significant changes to) existing products is subject to a quality system and product audit by a notified body. In the US, market clearance from the FDA is required for most of the Issuer's products.

Many other markets also have country specific establishment and product registration or approval requirements.

In addition, post market surveillance of medical devices is required in most markets. Such surveillance includes but is not limited to identifying, monitoring and reporting to authorities when an adverse event (i.e. death, serious injuries and/or malfunctions) involves a product of the Issuer or any of its subsidiaries. In case of systemic product failures that has affected or may affect the health of patients, the Issuer or its subsidiary is required to make a recall of the products or otherwise instruct all affected customers on specific actions to be taken.

If the Issuer is unable to comply with applicable regulatory requirements, inspections of already registered or certified establishments are not passed, approvals of improved versions of existing products or new product are not obtained and/or the Issuer or any of its subsidiaries is required to make a recall of a product it could have a materially adverse effect on the Issuer's market position and on its business, results of operations and financial results.

***Failure of the hardware or software that supports Issuer's IT systems and procedures may significantly disrupt the Issuer's operations, prevent customers from placing orders, or cause the Issuer to lose orders or customers. Furthermore, the Issuer relies on third party suppliers of technology systems, and these systems may be subject to significant system failures and similar disruptive events.***

The Issuer's ability to efficiently and securely perform business critical operations relies on the seamless and uninterrupted operation of the Issuer's IT systems and procedures. Failure of the hardware or software that supports these systems, the loss of data contained in such systems, or the inability to access or interact with the Issuer's websites or to connect with customers electronically may significantly disrupt the Issuer's operations, prevent customers from placing orders, or cause the Issuer to lose orders or customers. Such systems can be disrupted by, among other things, power outages, deliberate attack or sabotage, computer viruses, hacking, software errors and physical damage each of which could have a materially adverse effect on the Issuer's market position and on its business, results of operations and financial results.

The Issuer's IT systems and procedures furthermore depend on global communication providers, telephone systems, and global and local internet infrastructures that may be subject to significant system failures and similar disruptive events. The Issuer's servers and other hardware are vulnerable to computer viruses, break-ins, and similar disruptions. For the supply of software and the maintenance of software and hardware, the Issuer relies, to a large extent, on outside suppliers. Therefore, the Issuer's IT infrastructure could be adversely affected by failures of such third-party suppliers to comply with their contractual obligations or by third-party suppliers terminating or reducing their business or increasing their prices significantly which could have a materially adverse effect on the Issuer's business, results of operations and financial results.

***The Issuer depends on its ability to globally attract, develop and retain personnel with the relevant and necessary skills.***

The Issuer depends on the continued services of key employees. There can be no assurance that the Issuer globally will be able to attract, develop or retain personnel with the relevant and necessary skills, and the Issuer's ability to meet operational requirements and future growth and profitability may be affected by the scarcity of key employees. The loss of or an extended interruption in the services of a substantial number of key employees, or the inability to attract or develop a new generation of key employees, could have a materially adverse effect on the Issuer's business, financial condition or results of operations.

***The Issuer may not be able to successfully integrate acquisitions, realise the expected benefits from acquisition, and/or the profitability of an acquisition may be lower than expected or even result in a loss.***

Within the last two years the Issuer has acquired three companies/businesses within the business area of Anaesthesia and Patient Monitoring & Diagnostics and may in the future decide to complete further

acquisitions. While the Issuer expects such acquisitions to further strengthen its market proposition and help maintain its competitive advantage, there can be no assurance that this will be the case.

Acquisitions involve a significant number of risks, including, but not limited to, risks arising from local law factors, pending and threatening lawsuits and risks associated with restructuring operations. The integration of acquired companies/businesses may result in unforeseen operational difficulties and costs, and the Issuer may encounter unforeseen difficulty in retaining customers and key personnel of acquired companies/businesses. The Issuer may not be able to realise the expected benefits from an acquisition and/or the profitability of the acquired company/businesses or products may be lower than expected or even result in a loss. Successful integration of acquisitions depend on the Issuer's ability to manage its expanding operations, including its ability to establish and maintain an adequate IT infrastructure, to integrate and retain key employees and any newly acquired companies/businesses on a timely basis, and to maintain robust financial and management control and reporting systems and procedures. The Issuer may not be able to successfully integrate acquired companies/businesses or products which could have a materially adverse effect on the Issuer's business, results of operations and financial results.

### **Commercial risks**

***Continued or increased adverse development in the global economic situation may significantly increase financial and political focus on keeping healthcare costs down and affect the customers' ability to perform business contracted for.***

The Issuer's revenues derive from the sales of its products to customers in the healthcare sector including hospitals, clinics, ambulance services, aid organisations and the armed forces. Continued or increased adverse development in the global economic situation may significantly increase financial and political focus on keeping healthcare costs down and may lead to delay, change the scope of, or cancellation of business already contracted for across the Issuer's customer base, which could have a materially adverse effect on the Issuer's market position and on its business, results of operations and financial results.

***Purchases of medical devices by the Issuer's customers are to a large extent made either via group purchasing organisations or public tenders.***

Purchases of medical devices by the Issuer's customers are to a large extent made either via group purchasing organisations (the US market) or via public tenders (the European market). The Issuer's access to its customers is thus to some extent dependent on obtaining and retaining admission to the group purchasing organisations. At the same time the Issuer's end sales are to some extent dependent on winning public tenders. Furthermore, public tenders put pressure on the prices of medical devices. Failure to obtain or retain admission to group purchasing organisations and price pressure due to public tenders could have a materially adverse effect on the Issuer's market position and on its business, results of operations and financial results.

***Increased cost of raw materials and wages may not be effectively managed or passed on to customers.***

The cost of raw materials and wages are the two most significant cost components in the Issuer's products. The costs of raw materials can fluctuate considerably and the costs of wages especially in Asia where the Issuer has significant production units are increasing. If increased costs of raw materials and wages cannot be effectively managed or passed on to customers, it could have a materially adverse effect on the Issuer's business, results of operations and financial results.

***The Issuer depends on successful development of new and innovative single-use products, further development of co-operation with group purchasing organisations, seizing growth opportunities and increasing market penetration in markets with less developed healthcare sectors to maintain its market position.***

To maintain the Issuer's market position, the Issuer has an overall objective to develop new and innovative single-use products and efficiently and successfully launch these products, rather than just launching



improved versions of existing products. The Issuer also continues to seek to strengthen its market position in the US market through further developing its co-operation with group purchasing organisations, to seize its growth opportunities in the European market and to increase its market penetration in markets with less developed healthcare sectors. If however the Issuer is not able to successfully obtain these strategic goals, it could have a materially adverse effect on the Issuer's market position and on its business, results of operations and financial results.

***Investment in research, development and marketing may not commercialise.***

The Issuer invests in the research, development and marketing of new and innovative products and/or improved versions of existing products. If the Issuer is unsuccessful in commercialising its investments in research, development and marketing, it could have a materially adverse effect on the Issuer's market position and on its business, results of operations and financial results.

***The Issuer operates in a highly competitive industry and competes with companies of all sizes.***

The medical device industry is highly competitive and the primary competitive parameters in the Issuer's business tend to be brand value, development of new and existing products, quality and performance of products delivered and price. Competition is being intensified through the current trend towards consolidation of niche players into larger companies and the centralisation of purchasing functions. The Issuer competes with companies of all sizes, including smaller specialised companies and large multinational companies with considerable financial strength. If the Issuer is unable to sustain the highest standards of quality assurance and launch new and innovative products as well as improved versions of existing products, it may face significant competitive pressure from other participants in the market resulting in lower sales and reduced margins, which could have a materially adverse effect on the Issuer's market position and on its business, results of operations and financial results.

***The Issuer is subject to risks associated with doing business globally.***

The Issuer operates its business in more than 14 countries and its products are sold in approx. 110 countries. The Issuer's business is therefore subject to the economic, political, legal and other risks inherent in operating an international business, which could have a materially adverse effect on the Issuer's market position and on its business, results of operations and financial results. The risks associated with the Issuer's international operations, include, but are not limited to:

- multiple regulatory requirements that could change and cause conflicting approval and compliance requirements;
- corporate social responsibility violations stemming from differing labour, health, safety and environmental standards;
- trade protection measures, including increased duties and taxes, and import or export licensing requirements;
- price controls and competition law restrictions;
- differing local product preferences and product requirements, and;
- inability to enforce remedies in various jurisdictions.

***The Issuer's business in certain countries depends on local agents or local partners***

The Issuer conducts its business in some countries using local agents or local partners such as distributors. There is a risk that an agent acting for or on behalf of the Issuer and over which the Issuer has no control could act illegally (including by making illicit payments), fraudulently, or negligently and such action could lead to damage to the Issuer's local or international reputation and liability to pay damages. In addition, the local business might be impaired if local agents or local partners were to terminate their relationship with the Issuer, both of which could have a materially adverse effect on the Issuer's market position and on its business, results of operations and financial results.

***The Issuer's business may be adversely affected by its reliance on local management control in each country.***

The Issuer conducts its business in many countries around the world with local management being responsible for day-to-day operations, profitability and the growth of the business in those countries. There is a risk that local management or employees could act illegally (including by making illicit payments), fraudulently, or negligently in violation of applicable law or group-wide policies. Such action may lead to damage to the Issuer's local or international reputation and/or liability, which could have a materially adverse effect on the Issuer's market position and on its business, results of operations and financial results.

***There are additional risks of doing business in markets where the political, economic and legal systems and conditions are less predictable than in countries with more developed institutional structures.***

The Issuer expects to expand its business in and to markets with less developed healthcare sectors where political, economic and legal systems and conditions generally are less predictable than in countries with more developed institutional structures. This makes the Issuer subject to additional risks of doing business in these markets. Additional risks associated with doing business in these markets include reduced intellectual property protection and enforcement, difficulty in adequately establishing, staffing and managing operations and increased risks associated with inflation, recession and currency and interest rate fluctuations, each of which could have a materially adverse effect on the Issuer's market position and on its business, results of operations and financial results.

***Failure to protect adequately the Issuer's intellectual property could have a materially adverse effect on the Issuer's business, results of operations or financial results.***

The Issuer's market position is built upon comprehensive specialist knowledge in regards to product development, manufacturing and use of its products. The Issuer aims to expand and safeguard its intangible assets by securing key trademarks and patenting key inventions in its most important markets but there can be no assure that issued patents or trademarks owned by or licensed by the Issuer will not be challenged, invalidated or circumvented or that the rights granted thereunder will provide it with a competitive advantage. In addition, the Issuer only protects its intellectual property in a few of the markets where it is present and effective intellectual property protection may be limited or unavailable in some countries where the Issuer operates.

The Issuer also relies on know-how, trade secrets and proprietary knowledge, which it seeks to protect through confidentiality agreements with its employees and third party collaborators. However, no assurance can be given that agreements the Issuer uses to protect know-how, trade secrets and proprietary knowledge will not be breached, that the Issuer has adequate remedies for any such breach or that its know-how, trade secrets and proprietary knowledge will not otherwise become known or be independently developed by third parties.

Failure to protect existing or future intellectual property rights may result in the loss of exclusivity to valuable technologies, and defending or prosecuting claims with respect to intellectual property may take significant time and resources both of which could have a materially adverse effect on the Issuer's market position and on its business, financial condition or results of operations.

***The mere fact that the Issuer's products are used in life critical situations exposes the Issuer to risks.***

The Issuer products are most often used in critical situations where sick or injured individuals need to be diagnosed and/or treated which may not have a lifesaving or otherwise positive outcome. The mere fact that the Issuer's products are being used in such critical situations may expose the Issuer to litigation, claims for compensation and alleged product liability, whether or not such litigation, claims or allegations are justified. In such cases, the brand value of the Issuer may deteriorate which could have a materially adverse effect on the Issuer's market position and on its business, result of operations and financial result.

***The Issuer's insurance coverage may not cover all the potential losses, liabilities and damage related to the Issuer's business and operations.***

The operation of the Issuer's business involves numerous risks that could result in damage to its production sites and warehouses or product liability including personal injury, any of which could lead to liability. The Issuer has risk management policies and procedures in place and maintains standard insurance policies against these risks. However incidents of the type referred to above may nonetheless occur and the costs of such incidents may not be fully covered by insurance policies and may lead to higher insurance premiums in the future. While the Issuer has general and product liability insurance at a level it generally considers to be adequate, there can be no assurance that the insurance coverage the Issuer has obtained will adequately compensate for actual losses, liabilities and damage suffered, nor can there be any assurance that its existing insurance policies will continue to be available on commercially reasonable terms, or at all. In addition, it is not possible to obtain insurance against all risks and the Issuer may decide not to insure against certain risks. For example, it is generally difficult or not economically practicable to obtain insurance against losses resulting from wars or acts of terrorism, and insurers are reluctant to insure against these types of events. The occurrence of a significant event that is uninsured or that result in a loss in excess of insured limits could have a materially adverse effect on the Issuer's business, results of operations and financial results.

***The Issuer may become involved in litigation and arbitration proceedings.***

The Issuer carries out freedom to operate studies prior to and during the development of new products. By nature of the task such studies cannot be covering all possible markets and it cannot be ascertained that all possible relevant intellectual property rights are evaluated with respect to newly developed products, and thus the Issuer may be accused of infringement of intellectual property rights,

The Issuer may become involved in litigation and arbitration proceedings, including regarding infringements of intellectual property rights, which, if determined against it, could have a materially adverse effect on its business, results of operations or financial condition, and the Issuer remains exposed to such liability in the future.

## **Financial risks**

***Given the significant international aspects of the Issuer's business, its results of operations could be materially adversely affected by various governmental authorities questioning its intra-group transfer pricing policies and asserting alternative claims over the taxation of its profits or changing local tax rules and interpretation of tax rules.***

The Issuer conducts its business through legal entities in the USA, France, UK, Germany, Italy, Spain, Malaysia, China, Japan, the Netherlands and Australia. The Issuer seeks to ensure that local tax filings are made in compliance with all relevant local laws and treaties and that its transfer pricing methodology is accurate. Although the Issuer follows commonly known transfer pricing practice and consult with external professionals to assist it with its methodology, the Issuer cannot guarantee that tax authorities around the world will not have different interpretations of its methodology when looking at its business. In the event that the Issuer's interpretation of local laws or its transfer pricing methodology is challenged during a tax audit, there is a risk that the Issuer's effective tax rate could increase, which could have a materially adverse effect on the Issuer's business, results of operations and financial results.

Further, local tax rules and interpretation of tax rules in different jurisdictions regularly change and from time to time these changes may be implemented with retroactive effect. The Issuer regularly evaluates its tax position and tax exposures, particularly where tax rules or interpretation of tax rules have changed. If a change in prior years tax filing or a change in tax provisions becomes more likely than not, the Issuer adjust the provisions made in order to reflect the expected outcome. Irrespective of these adjustments, a change in tax rules or interpretation of tax rules in one jurisdiction may also increase the Issuer's effective tax rate, which could have a materially adverse effect on the Issuer's business, results of operations and financial results.



***The Issuer's estimates and evaluations may not be accurate.***

When preparing the consolidated financial statements of the Issuer, the Issuer makes various accounting estimates and judgements that affect the reported amounts of assets, liabilities, income, expenses, cash flow and related information at the reporting date. The estimates are based on historical experience and other factors deemed reasonable in the circumstances. By their nature, such estimates are subject uncertainty and there is a risk that the actual results may deviate from the estimates.

***The Issuer's operations face significant foreign currency rate exposure that could materially impact the Issuer's results.***

The Issuer's reporting currency is Danish kroner, but most of its revenues and costs as well as its assets and liabilities are derived or denominated in other currencies, including US dollars, euros, Australian dollars, pounds sterling, Malaysian ringgit and Chinese Yuan, which may expose the Issuer to adverse movements in foreign currency exchange rates. Exchange rate fluctuations affect the translated value of the Issuer's results of operations associated with non-Danish operations, as well as the translation of asset or liability positions that are denominated in foreign currencies.

While the Issuer may seek to mitigate its exposure to fluctuations in currencies through hedging arrangements, there can be no assurance that its hedging strategy, if applied, can adequately protect its results of operations from the effects of future exchange rate fluctuations.

***An impairment charge to goodwill and other intangible assets could have a materially adverse effect on the Issuer's financial condition and results of operations.***

Pursuant to the Issuer's consolidated financial statements for the fiscal year 2012/13 as of 30 September 2013, the value of the Issuer's goodwill was DKK 730 million, the value of, other intangibles in progress was DKK 39 million and the value of finite-lived intangible assets comprised of trademarks, patents, development projects and software was DKK 177 million. These assets collectively represented 50 % of the Issuer's total fixed assets of DKK 1.885 billion as of 30 September 2013.

Under IAS 36, the Issuer is required to test goodwill and other intangible assets with indefinite useful lives for impairment on an annual basis based upon a fair value approach. Goodwill represents the excess of the consideration paid in business combinations over the fair value of the acquired identifiable net assets at the date of the acquisition. The Issuer has chosen to perform its annual impairment reviews of goodwill at the end of each fiscal year. The Issuer is also required to test for impairment between annual tests if there is any indication that the asset may be impaired. In addition, the Issuer is required to test other intangible assets for impairment if events occur or circumstances change that would indicate the remaining carrying amount of the finite-lived intangible assets might not be recoverable. These events or circumstances could include a significant change in the business climate, including a significant sustained decline in an entity's market value, legal factors, the US FDA approval and the CE certification process, operating performance indicators, competition, sale or disposal of a significant portion of its business and other factors. If the fair value or the value in use of the Issuer's reporting units is less than their carrying amount, the Issuer could be required to record an impairment charge. The valuation of reporting units requires judgment in estimating future cash flows, discount rates and other factors. In making these judgments, the Issuer evaluates the financial health of its business, including such factors as industry performance, changes in technology and operating cash flows. The amount of any impairment could be significant and could have a materially adverse effect on the Issuer's reported financial results for the period in which the impairment loss is recognised.

***The Issuer is exposed to counterparty risks on its customers, distributors, financial institutions and others.***

The Issuer is exposed to counterparty risks on its customers, distributors, financial institutions and others. The Issuer's counter party risk is primarily related to its trade receivables and receivables on financial institutions when dealing with them, either by placing deposits, entering into derivative financial instruments transactions or otherwise. Counterparties may default on their obligations towards the Issuer, which could

have an adverse effect on the Issuer's market position and on its business, results of operations or financial results.

***The Issuer is exposed to liquidity risks.***

The Issuer's ability to make payments on and to refinance its debt, and to fund planned capital expenditures and other strategic investments will depend on its ability to generate cash in the future.

This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the Issuer's control.

***Default under the Issuer's existing debt financing would trigger a cross-acceleration under the Notes and in those circumstances the Issuer may not be able to make payments on the Notes***

In the event that a breach of any of the provisions of the Issuer's financing agreements triggers cross-acceleration provisions in the Issuer's financing agreements, the Issuer's lenders would have the right to cancel their commitments to provide financing to the Issuer and to require the amount of any outstanding indebtedness to be immediately repaid by the Issuer. In addition, such event may constitute an Event of Default under the Notes. In such circumstances, all, or substantially all of the Issuer's long-term debt could be accelerated at the same time and, should the Issuer not be able to arrange adequate refinancing, the Issuer may not have the funds necessary to pay all of its debt, including amounts outstanding under the Notes, when due.

**Risks related to Investment in the Notes**

***The Notes are unsecured and therefore effectively subordinated to any secured debt.***

The Notes are not secured and are effectively subordinated to any secured debt the Issuer have outstanding or may incur. In any liquidation, dissolution, bankruptcy or other similar proceeding relating to the Issuer, the holders of the Issuer's secured debt would be able to assert rights against the secured assets in order to receive full payment of their debt before the assets may be used to pay the holders of the Notes.

***The Issuer may not be able to finance a change of control put option required by the Terms and Conditions of the Notes.***

The Conditions contain provisions relating to a "Change of Control Event". Upon the occurrence of such a Change of Control Event, as further described in Condition 6.4, each Noteholder will have the option to put its Notes to the Issuer who will be required to redeem or purchase of such Notes. If a Change of Control Event were to occur, the Issuer may not have sufficient funds available, or may not be able to obtain the funds needed, to redeem or pay the purchase price for all of the Notes put to it by Noteholders. Failure to redeem or purchase the Notes would be an event of default under the Conditions.

An investor may not be able to reinvest the redemption proceeds received after the exercise of such put option at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

***The Issuer cannot assure that an active trading market will develop for the Notes.***

Although the Issuer will apply for listing of the Notes on NASDAQ OMX Copenhagen A/S, the Issuer cannot assure that the Notes will be or will remain listed on that stock exchange or that an active trading market will develop for the Notes. The price at which the Notes may trade will depend on many factors, including, but not limited to, prevailing interest rates, general economic conditions, the Issuer's and the Group's (as defined below under "Description of the Issuer – Description of the Group") performance and financial results and markets for similar securities. Historically, the markets for debt such as the Notes have been subject to disruptions that have caused substantial volatility in their prices. The market, if any, for the Notes may be subject to similar disruptions which may have an adverse effect on the holders of the Notes.



There may not be a liquid trading market for the Notes. The Notes may have no established trading market, and one may never develop, though the Issuer will apply for listing of the Notes on NASDAQ OMX Copenhagen A/S. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

***The Notes may not be a suitable investment for all investors.***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where DKK is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

***Payments on the Notes could be subject to withholding under the European Savings Directive.***

Pursuant to Directive 2003/48/EC on the taxation of savings income, if a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any VP Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

***A change in the governing law of the Notes may adversely affect Noteholders.***

The conditions of the Notes are based on Danish law. No assurance can be given as to the impact of any possible judicial decision or change to Danish law or administrative practice after the date of this Prospectus.

***The value of an investment in the Notes may be subject to exchange rate fluctuations.***

The Issuer will pay principal and interest on the Notes in DKK. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than DKK. These include the risk that exchange rates may significantly change (including changes due to devaluation of the DKK or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to DKK would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***The value of an investment in the Notes may be subject to interest rate fluctuations.***

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

***Legal investment considerations may restrict certain investments.***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

***Noteholder Meetings.***

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. A Noteholder may be adversely affected by such decisions.

***European Monetary Union.***

It is possible that prior to the maturity of Notes the euro may become the lawful currency of Denmark. In that event (i) all amounts payable in respect of any Notes denominated in DKK may become payable in euro; and (ii) the law may allow or require such Notes to be re-denominated into *euro* and additional measures to be taken in respect of such Notes. The introduction of the euro in any jurisdiction could also be accompanied by a volatile interest rate environment, which could adversely affect investors in the relevant Notes.

***The Notes may be redeemed prior to maturity if certain tax events happen.***

In the event that the Issuer would be obliged to increase the amounts payable in respect of any *Notes* due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Denmark or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

***The Notes are dematerialised securities.***

Because the Notes are dematerialised securities held in VP's system, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer. The Notes will not be evidenced by any physical note or document of title other than statements of account made by VP. Legal title to the Notes will be recorded and transfer effected only through electronic registration in the book entry system and register maintained by VP.

### 3. OVERVIEW OF THE NOTES

*The following description of key features of the Notes does not purport to be complete and is qualified in its entirety by the remainder of this Prospectus. Words and expressions defined in "Terms and Conditions of the Notes" below or elsewhere in this Prospectus shall have the same meanings in this description of key features of the Notes. References to a numbered "Condition" shall be to the relevant Condition in the Terms and Conditions of the Notes.*

<b>Issuer</b>	Ambu A/S
<b>Description</b>	DKK 700,500,000 3.375% Senior Notes due 15 March 2018
<b>Arranger</b>	Danske Bank A/S
<b>Issuing, Fiscal and Paying Agent</b>	Danske Bank A/S
<b>Issue Date</b>	15 March 2013
<b>Issue Price:</b>	100.113%
<b>Denomination</b>	DKK
<b>Maturity date</b>	15 March 2018
<b>Form of Notes</b>	The Notes are issued in uncertificated and dematerialised book-entry form in the electronic register of VP Securities A/S.
<b>Status of the Notes</b>	The Notes are direct, unconditional (subject to Condition 4) unsecured and unsubordinated obligations of the Issuer and rank and will at all times rank without preference among themselves and <i>pari passu</i> with the Issuer's other unsecured (subject to the aforesaid) and unsubordinated obligations, present and future, except those which are preferred by provisions of law.
<b>Interest and Interest Payment Dates</b>	The Notes will bear interest, payable annually in arrears on 15 March in each year, from (and including) the Issue Date to (but excluding) 15 March 2018 at the rate of 3.375 per cent. per annum. The first payment of interest will be made on 15 March 2014 in respect of the period from (and including) the Issue Date to (but excluding) 15 March 2014.
<b>Redemption at Maturity</b>	Unless previously redeemed, or purchased and cancelled, the Issuer will redeem the Notes at their outstanding principal amount on the Maturity Date.
<b>Optional redemption for tax reasons</b>	Subject as provided in the Terms and Conditions of the Notes, in particular to the provisions of Condition 6.2, upon the occurrence of any change in the laws, regulations or rulings of Denmark or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings on or after the Issue Date, the Issuer may, at its option, at any time and having given no less than 30 days nor more than 60 days' notice to the Noteholders, redeem all (but not some only) of the outstanding Notes at their outstanding principal amount, together with accrued interest thereon.
<b>Noteholders' put option upon the occurrence of a Change of Control Event</b>	Upon the occurrence of a Change of Control Event, as further described in Condition 6.4, each Noteholder will have the option to put its Notes to the Issuer who will be required to redeem or purchase of such Notes at the Redemption Amount together with interest accrued thereon.
<b>Negative pledge</b>	The terms of the Notes contain a negative pledge provision as

	described in Condition 4
<b>Cross Default</b>	The terms of the Notes contain a cross default provision relating to indebtedness as further described in Condition 10(c).
<b>Enforcement Events</b>	Following an Event of Default, any Note may be declared immediately due and payable in accordance with Condition 10.
<b>Restrictions on transferability</b>	There are no restrictions on the free transferability of the Notes.
<b>Meetings of Holders and Modifications</b>	<p>The Notes contain provisions for calling meetings of the Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.</p> <p>The Issuer and the Fiscal Agent may also, subject to the provision of Conditions 14, make any modification to the Notes which is not prejudicial to the interests of the Noteholders without the consent of the Noteholders. Any such modification shall be binding on the Noteholders.</p>
<b>Taxation</b>	<p>All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Denmark or any political subdivision therein or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall, save in certain limited circumstances provided in Condition 9, be required to pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required.</p>
<b>Governing Law</b>	The Terms and Conditions of the Notes shall be governed by Danish law.
<b>Listing</b>	Application has been made to NASDAQ OMX Copenhagen A/S for the Notes issued under the Prospectus to be listed on the official list of NASDAQ OMX Copenhagen A/S and to be admitted to trading on NASDAQ OMX Copenhagen A/S' regulated market.

#### 4. DOCUMENTS INCORPORATED BY REFERENCE

The audited consolidated financial information for Ambu A/S for the years ended 30 September 2013 and 2012 is included in this Prospectus by reference to the audited consolidated financial statements for Ambu A/S, submitted to NASDAQ OMX Copenhagen A/S. Such published consolidation financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and additional Danish disclosure requirements for annual reports of listed companies.

The consolidated financial statements for 2012/13 and 2011/12 have been audited by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab. No qualifications or disclaimers have been included in the Independent Auditor's Report included in the annual reports for 2012/13 and 2011/12.



## 5. USE OF PROCEEDS

The proceeds of the Notes have been used to repay certain financial indebtedness incurred in connection with the acquisition of King Systems in February 2013.

## 6. TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the Terms and Conditions of the Notes issued on 15 March 2013.*

The DKK 700,500,000 3.375 % Senior Notes due 15 March 2018 (the "**Notes**", which expression shall in these Terms and Conditions of the Notes (the "**Conditions**"), unless the context otherwise requires, include any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Notes) are issued by Ambu A/S (the "**Issuer**").

The Notes will be issued on 15 March 2013 (the "**Issue Date**").

The Issuer is a public limited liability company incorporated under Danish law under CVR-no. 63 64 49 19. Its registered office is located at Baltorpbakken 13, DK-2750 Ballerup, Denmark and its telephone number is +45 72 25 20 00. The issue of the Notes was authorised and approved by the Issuer's Board of Directors at a meeting held on 11 March 2013.

Danske Bank A/S, Holmens Kanal 2-12, DK-1092 Copenhagen K will perform the tasks of the issuing agent, fiscal agent and paying agent, which, as applicable, shall be defined and construed as follows:

- a. **Issuing Agent:** The task of registering the Notes in the book entry system of VP Securities A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark ("**VP**") in accordance with an agreement between the Issuer, the Issuing Agent and VP dated on or about the date hereof.
- b. **Fiscal Agent:** The tasks of the Fiscal Agent are as described in these Conditions.
- c. **Paying Agent:** The task of paying any amount due under the Notes in accordance with these Conditions.

## 2 **Form, Denomination and Title**

### 2.1 Form of notes and denomination

The Notes are issued in uncertificated and dematerialised book-entry form through VP, in denominations of DKK 750,000 in the ISIN code DK0030319850.

### 2.2 Title

Legal title to the Notes will pass by electronic registration in the book entry system and register maintained by VP in accordance with the rules and procedures of VP from time to time. Each holder of Notes (a "**Noteholder**") shall (except as otherwise required by law) be treated as absolute owner for all purposes and no person shall be liable for so treating such Noteholder.

## 3 **Status of the Notes**

The Notes are direct, unconditional, (subject to Condition 4 (*Negative Pledge*)) unsecured and unsubordinated obligations of the Issuer and rank and will at all times rank without preference among themselves and *pari passu* with the Issuer's other unsecured (subject to the aforesaid) and unsubordinated obligations, present and future, except those which are preferred by provisions of law.

## 4 **Negative Pledge**

So long as any Note remains outstanding, the Issuer will not, and will ensure that none of its Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure (i) any Relevant Indebtedness, or (ii) any guarantee or indemnity in respect of any Relevant Indebtedness without at the same time or prior thereto according to the Notes the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by a Noteholders' resolution in accordance with Condition 13 (*Meeting of Noteholders*) hereof.

In these Conditions:

**"Relevant Indebtedness"** means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, or any other kind of debt securities.

**"Subsidiary"** means a company in which a person directly or indirectly:

- a. holds or controls the majority of the shares and/or the voting rights; or
- b. has the right to appoint or remove the majority of the board of directors or the management board (or a similar institution); or
- c. otherwise has the right to exercise a controlling influence.

## **5 Interest**

### **5.1 Interest rate**

The Notes bear interest at the rate of 3.375 per cent. per annum from (and including) the Issue Date to (but excluding) 15 March 2018 (the **"Maturity Date"**). Interest shall be payable annually in arrears on each 15 March (each an **"Interest Payment Date"**) in accordance with Condition 8 (*Payments*).

### **5.2 Interest accrual**

The first interest period will run from (and including) the Issue Date to (but excluding) the first Interest Payment Date. The following interest periods will run from (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date. Interest accrues from day to day and is calculated on the basis of the actual number of days elapsed divided by the actual number of days in a year (Actual/Actual (ICMA)).

### **5.3 Indication of yields**

The yield of the Notes is 3.350 per cent. The yield is calculated at the Issue Date on the basis of 100.113 % (being the issue price). It is not an indication of future yield.

## **6 Redemption and Purchase**

### **6.1 Scheduled redemption**

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date in accordance with Condition 8 (*Payments*). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

### **6.2 Early redemption for tax reasons**

If, in relation to the Notes, as a result of any change in the laws, regulations or rulings of Denmark or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings on or after the Issue Date, the Issuer receives an opinion of external legal counsel of recognised standing in Denmark that it would be required to pay additional amounts as provided in Condition 9 (*Taxation*) and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may, at its option, at any time and having given no less than thirty (30) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their principal amount (together with interest accrued to (but excluding) the date fixed for redemption), provided, however, that no such notice of redemption may be given earlier than ninety (90) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions to the right of the Issuer to so redeem have occurred, as well as

(ii) the opinion from the external legal counsel to the effect that the Issuer has or will become obliged to pay additional amounts as a result of such change or amendment.

### 6.3 Purchase

The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Such Notes may be held, resold or cancelled. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorum at meetings of the Noteholders or for the purposes of Condition 13 (*Meetings of Noteholders*).

### 6.4 Noteholders' put option upon the occurrence of a Change of Control Event

If a Change of Control Event occurs at any time when any Note is outstanding, then each Noteholder will have the option to require the Issuer to redeem or, at the Issuer's option, purchase that Note on the Change of Control Redemption Date at the Change of Control Redemption Amount together with interest accrued to (but excluding) the Change of Control Redemption Date.

The Issuer shall promptly upon becoming aware of the Change of Control Event give the Noteholders notice of the occurrence of a Change of Control Event in accordance with Condition 16 (*Notices*) hereof, specifying the nature of the Change of Control Event (the "**Change of Control Notice**").

In these Conditions:

**"Change of Control Event"** means an event whereby a single person (or a group acting in concert) other than the Owners holds directly or indirectly (i) more than 50% of the issued share capital of the Issuer, or (ii) more than 50% of the voting rights in the Issuer (whether by way of ownership, proxy, the articles of association of the Issuer, contract with other shareholders or otherwise (or a combination of them)).

**"Change of Control Redemption Amount"** means 101.00 per cent. of the principal amount of each Note.

**"Change of Control Redemption Date"** means the Business Day falling thirty (30) days after the date on which the Change of Control Notice was given.

**"Owners"** means Inga Kovstrup, Dorrit Ragle, Tove Hesse, Hannah Hesse, Simon Hesse and/or any successor in title by way of inheritance, family gifts and/or assignment to one or more family funds.

## 7 Listing

The Issuer shall use all reasonable endeavours to apply for admission of the Notes to trading at NASDAQ OMX Copenhagen A/S, prepare necessary documentation required in such connection, including a prospectus, and complete such admission before 31 December 2013.

## 8 Payments

### 8.1 Payments of principal and interest

Payments of principal and interest in respect of the Notes shall be made to the Noteholders shown in the relevant records of VP in accordance with and subject to the rules and regulations from time to time governing VP.

### 8.2 Payments subject to fiscal laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

8.3 Payments on Business Days

If the due date for payment of any amount in respect of any Note is not a Business Day, the Noteholders shall not be entitled to payment of the amount due until the next succeeding Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

In these Conditions:

**"Business Day"** means a day on which banks and VP are open for general business (including dealing in foreign exchange and foreign currency deposits) in Copenhagen.

9 **Taxation**

9.1 Gross up

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Denmark or any political subdivision therein or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders, after such withholding or deduction, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in relation to any payment in respect of any Note:

- a. to, or to a third party on behalf of, a Noteholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of it having some connection with Denmark other than

the mere holding of the Note; or

the receipt of principal, interest or other amount in respect of such Note; or

- b. where a claim for payment is made by the Noteholder more than thirty (30) days after the Relevant Date, except to the extent that the relevant Noteholder would have been entitled to such additional amounts on claiming payment on or before the expiry of such period of thirty (30) days.

In these Conditions:

**"Relevant Date"** means, in relation to any payment, whichever is the later of (i) the date on which the payment in question first becomes due and (ii) if the full amount payable has not been received by the Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with Condition 16 (*Notices*).

9.2 Taxing jurisdiction

If the Issuer becomes subject at any time to any taxing jurisdiction other than Denmark, references in these Conditions to Denmark shall be construed as references to Denmark and/or such other jurisdiction.

10 **Events of Default**

If one of the following events or circumstances (each an **"Event of Default"**) shall occur, then any Note may, by notice in writing given to Issuer with a copy to the Fiscal Agent by the Noteholder, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further formality:

- a. the Issuer fails to meet its payment obligations under the Notes and such default continues for a period of 7 days;



- b. the Issuer does not comply with its other obligations under these Conditions, unless such breach of obligations is capable of remedy and is remedied within 30 days after written notice has been given to the Issuer with a copy to the Fiscal Agent by one or more of the Noteholders requiring the same to be remedied;
- c. subject to an aggregate threshold of DKK 10,000,000,
  - i. any present or future indebtedness for borrowed money of the Issuer and/or any of its Subsidiaries is not paid when due or (as the case may be) within any applicable grace period;
  - ii. any indebtedness for borrowed money becomes (or is capable of becoming) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such indebtedness; or
  - iii. the Issuer and/or a Subsidiary fails to pay when due any amount payable under any present or future guarantee or indemnity for any indebtedness for borrowed money of any person;

Any indebtedness denominated in a currency other than Danish kroner shall for the purpose of the threshold of DKK 10,000,000 above be converted into Danish kroner at the exchange rate for that currency published by Danmarks Nationalbank on the date the notice of acceleration has been delivered by or on behalf of a Noteholder.

- d. the Issuer or any Subsidiary ceases to carry on the whole or substantially the whole of its business, except for the purposes of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Noteholders where such cessation has or may have a material adverse effect on the condition (financial or otherwise), results of operations or business of the Issuer and its Subsidiaries (taken as a whole) or the Issuer's ability to make any payments under the Notes ;
- e. the Issuer or any Subsidiary is unable to, or admits inability to, pay its debts as they fall due, or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally; or
- f. any corporate action, legal proceedings or other procedure or step is taken in relation to:
  - i. the suspension of payments, a moratorium of any indebtedness, winding up, dissolution, administration, reconstruction (rekonstruktion) or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer or any Subsidiary, where in relation to a Subsidiary such action or proceeding has or may have a material adverse effect on the condition (financial or otherwise), results of operations or business of the Issuer and its Subsidiaries (taken as a whole) or the Issuer's ability to make any payments under the Notes; or
  - ii. the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, reconstruction administrator (rekonstruktør) or similar in respect of the Issuer or any Subsidiary or any of its material assets to the extent that such proceedings are not discharged, stayed or dismissed within fifteen (15) Business Days of commencement; or
  - iii. enforcement of any security over any material assets of the Issuer or any Subsidiary, or any analogous procedure or step is taken in any jurisdiction.

Notice of any Event of Default shall promptly be given to the Noteholders by the Issuer.

**11 Prescription**

Claims against the Issuer for payment in respect of the Notes shall be subject to limitation under the Danish Limitation Act (in Danish: "*lov om forældelse af fordringer*") and shall become void unless proceedings have been commenced or the limitation period has otherwise been suspended or interrupted pursuant to the rules of the Danish Limitation Act within 10 years (in the case of principal) or three years (in the case of interest) from the date when the creditor was entitled to claim payment within the meaning of section 2 of the Danish Limitation Act.

**12 Replacement of Agents**

The Issuer reserves the right to appoint a successor fiscal agent or paying agent in accordance with the rules and procedures of VP from time to time; provided, however, that:

- a. the Issuer shall at all times maintain a Fiscal Agent; and
- b. the Issuer shall at all times maintain a Paying Agent (which may be the Fiscal Agent) which is authorized to act as an account holding institution with VP.

**13 Meetings of Noteholders**

**13.1 Powers of meetings**

A meeting shall, subject to the Conditions, have power by Extraordinary Resolution:

- a. to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer, whether or not those rights arise under the Notes;
- b. to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, Notes or other obligations or securities of the Issuer or any other entity;
- c. to assent to any modification of the Notes or the Conditions proposed by the Issuer;
- d. to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- e. to give any authority, direction or sanction required to be given by Extraordinary Resolution;
- f. to appoint any persons (whether Noteholders or not) as a committee or committees to represent the Noteholders' interests and to confer on them any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution; and
- g. to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Notes or the Conditions.

**13.2 Convening Meetings of Noteholders**

The Issuer may at any time convene a meeting of the Noteholders and shall convene such a meeting if required in writing by Noteholders holding at least 10 per cent. in principal amount of the Notes for the time being outstanding.

The meeting shall be called by the Issuer in accordance with Condition 16 (*Notices*) giving at least 8 days' but not more than 30 days' notice to the Noteholders.

The Issuer shall call the meeting no later than 14 days after having received request to convene a meeting from the Noteholders containing the subject of such meeting. If the Issuer does not call the meeting within the deadline, the Noteholders shall be entitled to call the meeting.

The notice of a Noteholders' meeting shall specify the day, time and place of meeting and the nature of the resolutions to be proposed and shall explain how Noteholders may appoint proxies.

All meetings shall be held in the Copenhagen area.

### 13.3 Attendance

At the meeting, each Noteholder must document its holdings of Notes by presenting a custody account statement from VP or an authorised institution that is not more than three (3) Business Days old. The following may attend and speak at a meeting:

- a. Noteholders and proxies;
- b. the chairman; and
- c. the Issuer and the Fiscal Agent (through their respective representatives) and their respective financial and legal advisers.

No one else may attend or speak.

### 13.4 Chairman

The chairman of the meeting shall be such person as the Issuer may nominate or, if no nomination is made, the person elected by the Noteholders present at such meeting.

### 13.5 Quorum

No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Noteholders, be dissolved. In any other case it shall be adjourned until such date, not less than 8 nor more than 30 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, unless the business of such meeting includes consideration of proposals (i) to modify the date of maturity of the Notes or any date of payment of interest thereon, (ii) to reduce or cancel the amount of principal of, or the rate of interest payable on, the Notes, (iii) to change the currency of payment of the Notes, or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the quorum shall be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third of the principal amount of the Notes for the time being outstanding.

No resolution may be passed if it is clear that that resolution is likely to give certain Noteholders or others an undue advantage over other Noteholders.

In these Conditions:

**"Extraordinary Resolution"** means a resolution passed at a meeting of Noteholders (whether originally convened or resumed following an adjournment) duly convened and held in accordance with this Condition 13 by a majority of at least 66.67 per cent. of the votes cast.

### 13.6 Voting

Each Noteholder holds one vote for each Note of DKK 750,000. The Issuer has no voting rights in respect of Notes held by the Issuer.

13.7 **Effect and publication of an Extraordinary Resolution**  
An Extraordinary Resolution shall be binding on all the Noteholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Extraordinary Resolution to the Noteholders in accordance with Condition 16 (*Notices*) within 14 days but failure to do so shall not invalidate the resolution. For the avoidance of doubt, an Extraordinary Resolution passed by the Noteholders shall only be binding on the Issuer where the Issuer has consented to the relevant resolution.

13.8 **Minutes**  
Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved, every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

13.9 **Written resolutions**  
In addition, a resolution in writing signed by or on behalf of 90 per cent. of the Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

#### **14 Modification of Notes**

The Issuer and the Fiscal Agent may, without the consent of the Noteholders, agree to:

- i. any modification to the Notes or these Conditions to correct a manifest error; or
- ii. any modification to the Notes or these Conditions which is not prejudicial to the interests of the Noteholders.

Subject as provided in these Conditions, no other modification may be made to the Notes or these Conditions except with the sanction of an Extraordinary Resolution.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 16 (*Notices*) as soon as practicable thereafter.

#### **15 Further Issues**

The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes having the same Conditions as the Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the issue date or the issue price thereof) so as to form a single series with the Notes.

#### **16 Notices**

Notices to the Noteholders shall be given in accordance with the procedures of VP in force from time to time or in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes may later be listed or admitted to trading.

#### **17 Waiver and Remedies**

No failure to exercise, and no delay in exercising, on the part of the Noteholder, any right in these Conditions shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

**18 Credit Rating**

The Notes will not be assigned any credit rating of any credit rating agency.

**19 Governing Law and Jurisdiction**

**19.1 Governing Law**

These Conditions and the Notes shall be governed by, and construed in accordance with, Danish law.

**19.2 Jurisdiction**

The City Court of Copenhagen (in Danish: "*Københavns Byret*") shall have exclusive jurisdiction to settle any dispute arising from or connected with these Conditions and the Notes.

**19.3 Protection of rights etc.**

Sections 66-75 of the Danish securities trading act (in Danish: "*Lov om værdipapirhandel etc.*") (*Legal consequences of book-entry, etc.*) and Sections 15-18 of the Danish act on promissory notes (in Danish: "*Gældsbrevsloven*") shall be applicable in relation to protections of rights and forfeiture of objections.



## 7. DESCRIPTION OF THE ISSUER

The Issuer's legal name and commercial name is Ambu A/S. The Issuer also has the following secondary names: Ambu International A/S, Medicom A/S, Mediotest A/S, Mediplan A/S, Testa-Laboratorium A/S and Vivo Scientific A/S.

The Issuer is registered in Denmark with the Danish Business Authority with the registration number (CVR number) 63 64 49 19.

The Issuer was incorporated on 7 October 1937 and the life of the Issuer is indefinite. The Issuer and its subsidiaries from time to time constitute a group of which the Issuer is the parent company (the "Group").

The Issuer is a public limited liability company incorporated in Denmark and subject to the Danish Companies Act and other relevant Danish legislation. The Issuer has its registered office and address at Baltorpbakken 13, DK-2750 Ballerup, telephone number: +45 72 25 20 00.

There is no recent event particular to the Issuer which is to a material extent relevant to the evaluation of the Issuer's solvency.

### The Issuer in brief

The Issuer develops, produces and markets diagnostic and life-supporting devices for hospitals, clinics, rescue services, the armed forces and aid organisations in several countries. Focus is on single-use medical devices.

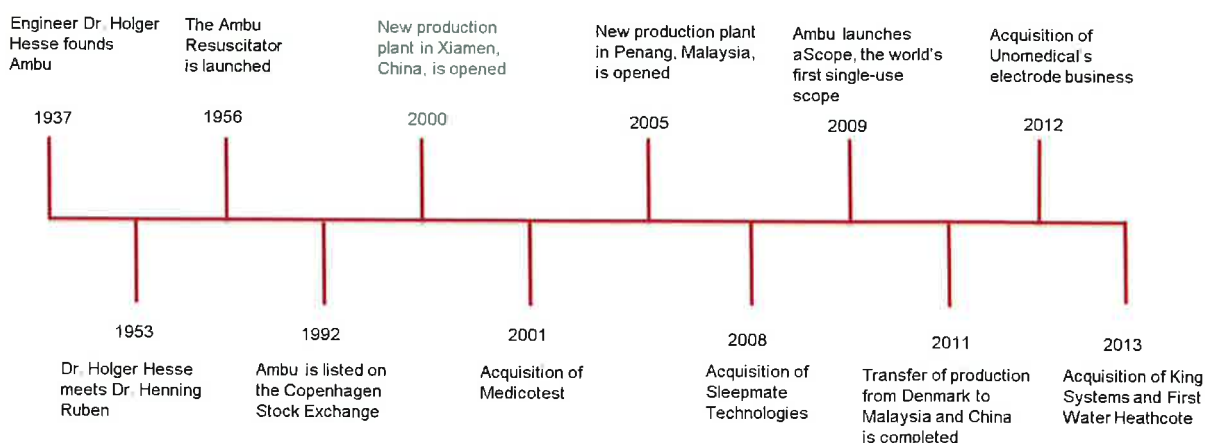
The Issuer operates within three business areas: Anaesthesia, Patient Monitoring & Diagnostics and Emergency Care.

The Issuer has production facilities in China, Malaysia, USA, and on a smaller scale, in the UK.

Sales are handled by the Issuer and via its foreign subsidiaries and distributors. The Issuer and its foreign subsidiaries have direct sales in the USA, Germany, France, UK, Spain, the Netherlands, Denmark, Sweden, Finland, India, China and Australia and distributors in approx. 80 countries.

Globally the Issuer has more than 2,300 employees.

### Historical overview



## Business areas

The Issuer has an overall objective to become a global leader within selected single-use medical devices for hospitals, clinics and rescue services by developing new and innovative products and by improving existing products as well as through acquisition of companies or businesses and the formation of partnerships.

The Issuer's product portfolio is well diversified, with a product catalogue of approximately 5.000 active products spread over its three business areas.

A wide range of the Issuer's products needs official approval, including CE (Conformité Européenne) certification and US FDA (Food and Drug Administration) approval, to be marketed and sold. In the most important countries the approvals are held by the Issuer whereas in a series of other countries they are held by distributors appointed by the Issuer.

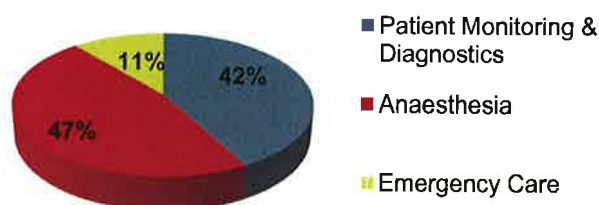
## Revenue – business areas

FY

DKKm	2011/12	2012/13	Growth*	Organic Growth*
Patient Monitoring & Diagnostics	513	579	13%	6%
Anaesthesia	389	648	66%	5%
Emergency Care	143	156	9%	9%
<b>Total</b>	<b>1,045</b>	<b>1,383</b>	<b>32%</b>	<b>6%</b>

\* Growth is calculated in DKK, while organic growth is calculated in local currencies.

## Revenue – FY



Source: 2012/13 Annual Report of Ambu A/S

### *Anaesthesia*

The Issuer's product portfolio within Anaesthesia primarily consists of laryngeal masks and tubes, ventilation bags and face masks for artificial ventilation, breathing circuits, flexible videoscopes and video laryngoscopes.

The main customers for these products are hospitals and ambulance services.

In recent years the Issuer has focused on developing new and innovative single-use products within Anaesthesia. The Issuer sees a potential for further growth within this area, not least after the acquisition of the US based company King Systems Inc. (King Systems) in February 2013 (for more information see, Markets, USA, page 32-33) and via launch of new visualisation products, such as the Ambu<sup>™</sup> aScope<sup>™</sup>, the King Vision<sup>™</sup> video laryngoscope, and the upgrading of existing products. The acquisition of King Systems is expected to more than double the Issuer's global sales within Anaesthesia.

In 2012/13, Anaesthesia generated revenue of DKK 648 million.

### *Patient Monitoring & Diagnostics*

The Patient Monitoring & Diagnostics products comprise mainly single-use electrodes for cardiological examinations and needles and surface electrodes for neurological examinations. Other products are sensors for sleep studies, and products for inter-operative monitoring and electrosurgical procedures.

The main customers for these products are hospitals, clinics and ambulance services.

Market growth is highest within needles and electrodes for neurological examinations.

In June 2012, the Issuer acquired Unomedical's electrode business. The combination of the Issuer's and Unomedical's electrode businesses has created a portfolio of electrodes for both diagnostics and monitoring.

In May 2013, the Issuer acquired First Water Heathcote Ltd., a UK based manufacturer of hydrogel, to further strengthen the electrode business.

Based on internal market studies the Issuer has a strong position in Europe within premium electrodes for cardiological examinations, while in the USA the Issuer primarily sells electrodes for diagnostic examinations and emergency services.

In 2012/13, Patient Monitoring & Diagnostics generated revenue of DKK 579 million.

### *Emergency Care*

Emergency Care products comprise ventilation bags, neck collars and manikins for first-aid training.

The main customers for these products are hospitals, ambulance services, aid organisations and the armed forces.

In this business area, the Issuer regularly participates in calls for tender from aid organisations and the armed forces.

In 2012/13, Emergency Care generated revenue of DKK 156 million.

### *New activities*

The Issuer has launched no material new products or commenced other types of business activities since the release of the Annual Report 2012/13 on 14 November 2013.

## **Markets**

### *The medical device market*

The Issuer has strong and longstanding relations with most EU and US hospitals, emergency centers and group purchasing organisations.

The Issuer's addressable market for single-use medical device is valued at a significant amount in USD billion. The market is fragmented, both as regards geography and products, and is made up by suppliers of different sizes. Among the large suppliers are Covidien, GE Medical, Olympus and 3M and among the relatively smaller suppliers are Teleflex and ConMed. The Issuer is by far the smallest among this peer group, but within each relevant product area the Issuer holds substantial market shares.

Medical device products are of mixed complexity, with both commodity-type products (cast, splints, stretchers, etc.) and high-tech equipment (heart monitoring, respiratory aids, CT scanners, video laryngoscopes etc.).

Growth in the medical device market is supported by demographic trends:

- Ageing populations and population growth
- Increase in lifestyle diseases and
- Development of healthcare infrastructure in emerging economies

On the other hand, some of the current market trends are dampening the underlying growth within the Issuer's business areas. These trends are, among others, focus on cost-efficiency, stricter regulatory requirements and centralised purchasing.

The demand for the Issuer's products is only to a limited extent affected by the global economic situation.

### *The Issuer's markets*

Europe and the USA are the Issuer's most important markets, and the Issuer is continuously working to strengthen its position, including optimisation of sales and sales channels, positioning of the Issuer's products, efficient launch of new products, developing its co-operation with group purchasing organisations, especially in the USA, and seizing growth opportunities in the European markets.

At the same time the Issuer is also targeting new markets and markets with less developed healthcare sectors. Many of these markets are generally characterised by high market growth within the Issuer's business areas and the gradual development of healthcare systems.

## Revenue – geographical areas

	Realised		Organic	
	2011/12	2012/13	Growth*	Growth*
USA	347	587	69%	3%
Europe	585	664	13%	8%
Rest of the world	113	132	16%	11%
<b>Total</b>	<b>1,045</b>	<b>1,383</b>	<b>32%</b>	<b>6%</b>

\* Growth is calculated in DKK, while organic growth is calculated in local currencies.

Source: 2012/13 Annual Report of Ambu A/S

### *Europe*

Europe is historically the market where the Issuer's position has been strongest, and until the acquisition of King Systems in February 2013 about half of the Issuer's revenue derived from sales in Europe.

The direct European sales are organized into five sales territories:

- UK – Great Britain and Ireland
- NEM – The Nordic countries
- Central – Germany, Austria and Switzerland
- West – France and Benelux
- South – Spain, Portugal and Italy.

Market conditions vary from territory to territory, and the individual territories are organised to cater for the local conditions.

The focus of the sales organisation is on forging and strengthening relations with existing and potential customers and on launching and positioning new products. With a view to further strengthening the foundation for growth, direct sales have been supplemented by telesales and e-trading in several sales territories.

Following the acquisition of Unomedical's electrode business in June 2012, the Issuer is the largest supplier of electrodes in Europe based on internal market studies.

However, the economic situations in some of the European countries are expected to put a dampener on revenue growth or, possibly, reduce revenues.

### *USA*

In the USA, which is the Issuer's largest single market, a number of steps have been taken in the past years to strengthen growth and pave the way for future product launches.



The direct sales team primarily handles sales to hospitals, including the group purchasing organisations.

In recent years the sales organisation has been strengthened and, among other things, an internal sales team has been established, and more salespeople and affiliated clinical specialists have been hired.

An important step to increase the Issuer's scale and visibility in the USA was taken in February 2013 when the Issuer acquired King Systems. King Systems is a US supplier of anaesthesia products with a wide range of single-use face masks, breathing circuits, ventilation bags and video laryngoscopes. The products are highly complementary to the Issuer's existing single-use products and address the same call points.

King Systems has launched the King Vision™ video laryngoscope which complements the Ambu™ aScope™.

The combination of the two businesses has led to a broader product offering to group purchasing organisations, distributors and healthcare institutions.

Following the acquisition of King Systems the Issuer is supplier to a large number of hospitals, clinics, ambulance services, aid organisations and the armed forces in the USA.

#### *Rest of the World*

The Issuer is also targeting new markets, including Australia and the Middle East as well as markets with less developed healthcare sectors, including selected Asian countries, Brasil and India. Many of these markets are generally characterised by higher market growth than in Europe and the USA and the gradual development of healthcare systems.

The Issuer has both direct sales and distributor sales in these markets and more specifically the Issuer has established sales units in China and Australia as well as marketing units in India and Brazil.

These markets are at different stages of development and are structured differently. The Issuer therefore takes a differentiated approach to the individual markets, and evaluates the experience gained and adapts the strategy accordingly.

Ensuring that the product portfolio matches the customer preferences and demands in less developed markets is a special challenge as these preferences and demands are not necessarily the same as in the more mature markets. The Issuer is therefore working to tailor its products to these preferences and demands. Moreover, an important and ongoing task is having products approved for sale in the individual markets.

#### **Registration of Establishments, Product Approvals and Post Market Surveillance**

As manufacturers and distributors of medical devices the Issuer and some of its subsidiaries are required to have the establishments registered with the FDA in the USA and be ISO and CE certified in EU. To obtain and maintain these registrations or certifications the Issuer and the subsidiaries in question are required to pass inspections performed by the authorities on a regular basis.

Product approval is to be obtained before distribution of a medical device. In the USA a market clearance issued by the FDA is required. Most of the revenue comes from Class II products under the FDA regulation. For Class II products the clearance process typically takes approximately 9 months.

In the EU the Issuer may release products within the existing product range, without a separate or renewed certification process. However, a notification to an EU accredited notified body is required. The distribution of new products and significant changes to existing products are subject to a quality system and product audit by a notified body. In addition, regular audits are conducted by a notified body to review the technical product documentation.

Many other markets have country specific establishment and product registration requirements, whereby access to market can take up to 18-24 months.

Post market surveillance of medical devices is required in most markets, including identifying, monitoring and reporting to authorities when an adverse event (death, serious injuries and/or malfunctions) involves a product of the Issuer. In case of systematic product failures that has affected or may affect the health of patients, the Issuer or its subsidiary is required to make a recall of the products or otherwise instruct all affected customers on specific actions to be taken.

## **Strategy**

In the annual report 2012/13 the Issuer presented an updated four year strategy, "Climbing new heights", and new targets for the period from 2013 to 2017.

The Issuer's overall objective during the strategy period is to:

- Drive expansion of single-use visualization and optimise Anaesthesia range of products
- Establish a competitive pipeline and expand PMD (Patient Monitoring & Diagnostics) markets
- Expand current market segments through new product offerings
- Establish world-class working environment to attract best talents
- Acquisitions if right fit can be identified

For further information about the strategy "Climbing new heights", see the Annual Report 2012/13 of Ambu A/S, page 13-14.

The updated strategy replaces the GPS Four strategy covering the period from 2009 to 2013. The strategy resulted in a significant growth in revenue and profitability, and the Issuer achieved most of the targets defined in the GPS Four strategy.

## **Production**

The Issuer has production facilities in China, Malaysia, USA and, on a smaller scale, in the UK. The production facilities in the USA and the UK were taken over in connection with the acquisition of King Systems, Unomedical's electrode business and First Water Heathcote's hydrogel manufacturing, respectively. Prior to these acquisitions the Issuer's production was centralised in China and Malaysia.

Over the past few years the Issuer's production facilities have been modernised including among other things the implementation of global technology systems, the building of competences throughout the organisation and the optimisation of logistics.

China is a competence centre for injection moulding and assembly, Malaysia is a competence centre for electrodes and products based on electronics, and USA is a competence centre for face masks, breathing circuits and ventilation bags. In the UK, only electrodes from the acquired electrode business are produced.

Within production the number of employees in China is approx. 750, in the USA approx. 450, in Malaysia approx. 570 and in the UK approx. 25.

## **IPR**

### *Patents and design*

It is important to the Issuer to protect relevant intellectual property rights for the Issuer's products.

However, only a minor part of the Issuer's product portfolio is protected by patents or design. This is partly because some products have been on the market for more than the lifetime of a patent, and accordingly, previously issued patents have expired. Moreover, it is not always possible to protect new products by patents, due to lack of novelty and inventive steps or for other reasons. In addition, the Issuer has chosen only to seek patent protection in certain countries which the Issuer deems to be the most important markets.

For new products patent filings will as a main rule be made in the USA and Europe together with China, if possible. Additionally, in each case other important markets such as Australia, Russia and Brazil are considered when patent filings are made in respect of new products.

When conducting freedom to operate studies in relation to development of new products not all markets in which the Issuer operates are evaluated; the focus is on the most important markets, i.e. the USA and Europe.

The Issuer has approx. 35 patent families, covering approx. 121 patents and 38 patent applications. These rights are primarily registered in the USA and the largest countries in Europe. Additionally, the Issuer's products are to a limited extent protected in a number of important markets in which the Issuer operates, such as China, Russia and Brazil.

The patent portfolio is strongest within Anaesthesia, particularly within visualisation products.

The Patient Monitoring & Diagnostics business is protected by a few patents on certain newly developed products.

The number of patents within Emergency Care is decreasing, as a number of patents, e.g. patents covering neck collars, are expiring in the USA and Europe these years.

The Issuer has approx. 12 design registrations, mainly covering USA, Europe and China.

#### *Brand*

The Issuer's company logo and name create coherence between the Issuer and its products and make the Issuer easily recognisable to customers and stakeholders. The Issuer's name is included in the majority of all product names, and the active branding of products is intended to help preventing plagiarism. However, this strategy of branding primarily with the company name is not yet fully implemented to the products of King Systems.

A branding strategy and a branding manual have been prepared to ensure the updating of the Issuer's brand and uniform branding by all group companies.

#### *Trademarks*

Historically, plagiarism of the company name or product names has been very limited and therefore the numbers of trademark registrations have been kept at a minimum and only cover a minority of the markets in which the Issuer is present.

The Issuer has 42 registered trademarks, covering primarily USA, secondly specific European countries and a few EU registrations. Furthermore, the Issuer has protected a few trademarks in China, Russia, Australia and Japan.

#### *Use of third party technology*

The majority of the Issuer's products are developed and manufactured by the Issuer. However, a minor part of the Issuer's products or parts of products are manufactured by the Issuer under license from third parties to use their technologies.

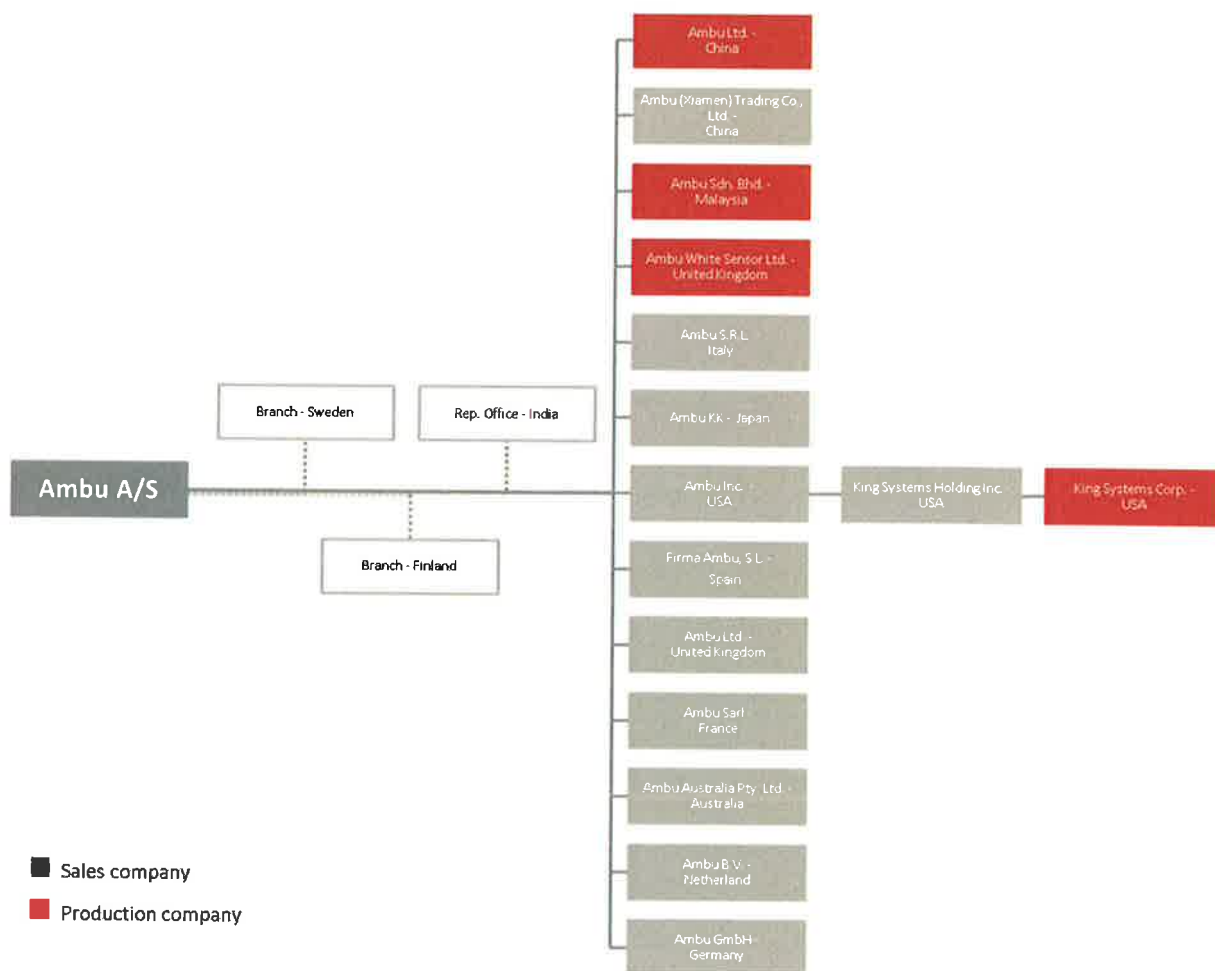
### **Description of the Group**

The Issuer is the parent company of the Group.

The Issuer's share capital is divided into Class A shares and Class B shares (1,716,000 Class A shares and 10,192,080 Class B shares). Class A shares are non-negotiable instruments and Class B shares are

negotiable instruments. At general meetings, each Class A share of DKK 10 carries ten votes, and each Class B share of DKK 10 listed at NASDAQ OMX Copenhagen A/S carries one vote.

The main principles of the Issuer's legal structure are illustrated below.



For an overview of the Issuer's active subsidiaries and associates, see the 2012/13 Annual Report of Ambu A/S, page 51.

#### *Dependencies on other entities of the Group*

The Issuer is the ultimate owner of all the companies in the Group. As each of the Issuer's products is manufactured in only one of the four production subsidiaries, Ambu Ltd. – China, Ambu Sdn. Bnd. – Malaysia, King Systems Corp – USA and Ambu White Sensor Limited – United Kingdom, the Issuer is dependent upon the operation of each of these subsidiaries.

#### **Trend Information**

The financial performance of the Issuer depends to a large extent on the development in the medical device market. Such development varies across geographical regions and product segments.

There has been no material adverse change in the prospects of the Issuer since 30 September 2013.

## **Profit Forecasts or Estimates**

The Issuer has not prepared any specific profit forecast for the purposes of this Prospectus.

## **Administrative, Management, and Supervisory Bodies**

Set out below are the names of the current members of the Board of Directors and the Executive Board of the Issuer, their positions and the principal activities performed by them outside the Issuer. The business address of each of the directors and members of the Executive Board is Baltorpbakken 13, DK-2750 Ballerup, Denmark:

### Board of directors

#### **Jens Bager, born 1959:**

Member of the Board of Directors since 2010 and Chairman of the Board of Directors since 2012.

#### *Other principal activities:*

President and Chief Executive Officer of ALK-Albelló A/S  
Executive Officer of J. Bager Holding ApS  
Member of the Board of Directors of Odin Equity Partners K/S

#### *Other principal activities within the last five years (resigned):*

Member of the Board of Directors of ALK-Albelló Nordic A/S  
Member of the Board of Directors of NGH Invest ApS

#### **Mikael Worning, born 1962**

Member of the Board of Directors since 2010 and Vice-Chairman of the Board of Directors since 2012.

#### *Other principal activities:*

Executive vice president at Oticon A/S

#### **Jesper Funding Andersen, born 1966**

Member of the Board of Directors since 2011.

#### *Other principal activities:*

Chief Executive Officer of Origio A/S  
Chairman of the Board of Directors of Ellipse A/S  
Member of the Board of Directors of DDD Holding A/S  
Member of the Board of Directors and Executive Officer of Aktieselskabet af 20. November 2003

#### *Other principal activities within the last five years (resigned):*

Chairman of the Board of Directors of DDD Holding A/S  
Chairman of the Board of Directors of Drift Holding ApS (dissolved by merger)  
Chairman of the Board of Directors of Derma Holding ApS (dissolved by merger)  
Chairman of the Board of Directors of 2D Holding A/S (dissolved by merger)  
Chairman of the Board of Directors of Diagnostic Holding ApS (dissolved by merger)



Member of the Board of Directors of Pharmadanica A/S  
Member of the Board of Directors of Origio Scanlab Equipment A/S (dissolved by merger)  
Member of the Board of Directors of Missionpharma A/S

**Pernille Bartholdy, born 1972**

Member of the Board of Directors since 2013.

Elected by the employees

**Jakob Bønnelykke Kristensen, born 1972**

Member of the Board of Directors since 2013.

Elected by the employees

**Allan Søgaard Larsen, born 1956**

Member of the Board of Directors since 2011.

*Other principal activities:*

Chief Executive Officer of Falck A/S  
Executive Officer of Falck Danmark A/S  
Executive Officer of Falck Holding A/S  
Chairman of the Board of Directors of Falck Health Care Holding A/S  
Chairman of the Board of Directors of Falck Assistance A/S  
Chairman of the Board of Directors of Falck Safety Services Holding A/S  
Chairman of the Board of Directors of Falck Treasury A/S  
Chairman of the Board of Directors of Falck Nutec Management A/S  
Chairman of the Board of Directors of Falck Jobservice A/S  
Chairman of the Board of Directors of S Reg Holding A/S  
Chairman of the Board of Directors of Liberatio A/S  
Member of the Board of Directors of Pension Danmark Holding A/S  
Member of the Board of Directors of Pensiondanmark, Pensionsforsikringsaktieselskab  
Member of the Board of Directors and Chief Executive Officer of Toft-Larsen Holding A/S  
Member of the Central Board of The Confederation of Danish Industry

*Other principal activities within the last five years (resigned):*

Member of the Board of Directors of Falck Health Care AM A/S (dissolved by merger)  
Chairman of the Board of Directors of Falck Hjemmepleje A/S (dissolved by merger)  
Chairman of the Board of Directors of Falck Health Care A/S  
Vice-Chairman of the Board of Directors of Falck Safety Services A/S  
Chairman of the Board of Directors of Activcare A/S  
Chairman of the Board of Directors of Activcare Privat A/S  
Chairman of the Board of Directors of Pleje & Omsorg A/S (dissolved by merger)  
Chairman of the Board of Directors of Lone Hovmand Sundhedsafdeling A/S (dissolved by merger)  
Chairman of the Board of Directors and Chief Executive Officer of Liberatio ApS (converted)  
Member of the Board of Directors of AHTS ApS  
Executive Officer of Søgaard – Larsen Holding ApS (dissolved by merger)  
Executive Officer of Toft-Larsen Holding ApS (converted)  
Executive Officer of Anders Toft Larsen Holding ApS (dissolved by merger)  
Executive Officer of LTL Holding ApS (dissolved by merger)

**Anita Krarup Rasmussen, born 1975**

Member of the Board of Directors since 2013.

Elected by the employees

**Christian Sagild, born 1959**

Member of the Board of Directors since 2012

Other principal activities:

Chairman of the Board of Directors and Chief Executive Officer of Topdanmark A/S  
Chief Executive Officer of Topdanmark Forsikring A/S  
Chief Executive Officer of ZULU ApS  
Chairman of the Board of Directors of Topdanmark EDB A/S  
Chairman of the Board of Directors of Topdanmark EDB II ApS  
Chairman of the Board of Directors of Topdanmark Invest A/S  
Chairman of the Board of Directors of Topdanmark Liv Holding A/S  
Chairman of the Board of Directors of Topdanmark Livsforsikring A/S  
Chairman of the Board of Directors of Topdanmark Kapitalforvaltning A/S  
Chairman of the Board of Directors of Topdanmark Ejendomsadministration A/S  
Chairman of the Board of Directors of Nykredit Livsforsikring A/S  
Chairman of the Board of Directors of TDLII.0087 A/S  
Chairman of the Board of Directors of E. & G. Business Holding A/S  
Chairman of the Board of Directors of Hotel Kongens Ege ApS  
Vice-Chairman of the Board of Directors of Bruhn Holding ApS  
Vice-Chairman of the Board of Directors of Gobike A/S  
Vice-Chairman of the Board of Directors of Gobike International A/S  
Executive Officer of Danske Forsikring A/S  
Member of the Board of Directors of Bruhn Holding ApS  
Member of the Board of Directors of Forsikring & Pension  
Member of the Board of Directors of Finanssektorens Arbejdsgiverforening

*Other principal activities within the last five years (resigned):*

Executive Officer of Topdanmark Livsforsikring A/S  
Executive Officer of Topdanmark Liv Holding A/S  
Chairman of the Board of Directors and Executive Officer of Topdanmark Link Livsforsikring A/S (dissolved by merger)  
Chairman of the Board of Directors and Executive Officer of Topdanmark Livsforsikring II A/S (dissolved by merger)  
Chairman of the Board of Directors and Executive Officer of Topdanmark Livsforsikring V A/S (dissolved by merger)  
Chairman of the Board of Directors and Executive Officer of Topdanmark Livsforsikring III A/S (dissolved by merger)  
Chairman of the Board of Directors of Topdanmark EDB III ApS (dissolved)  
Chairman of the Board of Directors of Web-postkassen.dk ApS (dissolved)  
Chairman of the Board of Directors of Industriens Arbejdsskade Forsikring A/S (dissolved by merger)  
Chairman of the Board of Directors of Danske Forsikring A/S  
Chairman of the Board of Directors of TDF.0141 ApS (dissolved)  
Chairman of the Board of Directors of TDL.0139 ApS (dissolved)  
Chairman of the Board of Directors of TDLII.0018 ApS (dissolved by merger)  
Chairman of the Board of Directors of TDLII.0132 ApS (dissolved)  
Chairman of the Board of Directors of TD.0151 ApS (dissolved)  
Vice-Chairman of the Board of Directors of Gobike ApS (converted)

Member of the Board of Directors of Danske Forsikring Skade, Forsikringsaktieselskab (dissolved by merger)  
Member of the Board of Directors of Bornholms Brandforsikring A/S

**John Stær, born 1951**

Member of the Board of Directors since 1998

Other principal activities:

Member of the Board of Directors, President and Chief Executive Officer of Satair A/S  
Member of the Board of Directors of Dalhoff Larsen & Horneman A/S

*Other principal activities within the last five years (resigned):*

Member of the Board of Directors and Executive Officer of Satair Service A/S (dissolved)

Executive Board

**Lars Marcher, born 1962**

President and Chief Executive Officer since 2008.

*Other principal activities:*

Executive Officer of LM5 Holding ApS  
Executive Officer of LM5 Invest ApS

**Michael Højgaard, born 1964**

Executive Vice President and Chief Financial Officer since January 2013.

*Other principal activities within the last five years (resigned):*

Executive Vice President and Chief Financial Officer of Satair A/S

**Statement on conflicts of interest**

No potential conflicts of interest exists between any duties to the Issuer by the individuals listed in the previous section and their private interests or other duties they perform outside the Issuer.

**Major Shareholders**

As of the date of this Prospectus, the following shareholders of the Issuer have informed the Issuer that they own or control more than 5% of the Issuer's share capital or voting rights.

	Share capital %	Share votes %
Inga Kovstrup, Fredericia	6.4	18.7
Tove Hesse, Virum	4.8	11.5
N.P. Louis Hansen ApS, Nivå	15.8	6.9
Hannah Hesse, Frederiksberg	1.3	5.3
Simon Hesse, Virum	1.3	5.3
Chr. Augustinus Fabrikker A/S, Copenhagen	10.3	4.5

The Issuer has no knowledge of any person owning or controlling, directly or indirectly, the Issuer.

The Issuer is not aware of any arrangements the operations of which may result in a change of control of the Issuer subsequent to the date of this Prospectus.

#### **Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) that during the last 12 months preceding the date of this Prospectus which may have or have in such period had a significant effect on the Issuer's and/or the Group's financial position or profitability.

There has been no significant change in the financial or trading position of the Group since 30 September 2013.

#### **Material Contracts**

There are no material contracts that are entered into outside the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Noteholders in respect of the Notes.

## 8. TAXATION

### **Taxation in Denmark**

The following is a summary description of the taxation in Denmark of the Notes according to Danish tax laws in force as of the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as professional dealers in securities) may be subject to special rules. Potential investors are under all circumstances strongly recommended to contact their own tax advisor to clarify the individual consequences of their investment, holding and disposal of the Notes. The Issuer makes no representations regarding the tax consequences of investment, holding or disposal of the Notes.

### **Taxation at source**

Under existing Danish tax laws, no general withholding tax or coupon tax will apply to payments of interest or principal or other amounts due on the Notes, other than in certain cases on payments in respect of controlled debt in relation to the Issuer as referred to in The Danish Corporation Tax Act (in Danish "Selskabsskatteloven") of 14 November 2012 (as amended). This will not have any impact on Noteholders who are not in a relationship whereby they control or are controlled by the Issuer or where the holders of the Notes and the Issuer are not controlled by the same group of shareholders.

### **Resident Noteholders**

Private individuals, including individuals who are engaged in financial trade, companies and similar enterprises resident in Denmark for tax purposes or receiving interest on the Notes through their permanent establishment in Denmark are liable to pay tax on such interest.

Capital gains and losses are taxable to individuals and corporate entities in accordance with the Danish Capital and Exchange Gains Act (in Danish "Kursgevinstloven") of 18 September 2013 (as amended) (the "Act"). Gains and losses on Notes issued to corporate entities are generally included in the taxable income in accordance with a mark-to-market principle (in Danish "lagerprincippet"), i.e. on an unrealised basis.

Gains and losses on Notes issued to individuals are generally included in the taxable income on a realised basis. The net gain is taxed as capital income at a rate of up to 43.5% in 2013 and 42% in 2014. However, the gain or loss will only be included in the taxable income when the net gain or loss for the year on debt claims, on debt denominated in foreign currency and on investment certificates in bond-based investment funds subject to minimum taxation in total exceeds DKK 2,000.

Gains and losses on Notes issued to corporate entities are taxed at the ordinary corporate income tax rate.

### *Pension funds etc.*

Pension funds and other entities governed by the Danish Act on Taxation of Pension Investments Returns (in Danish "Pensionsafkastbeskatningsloven") of 22 February 2011 (as amended) are, irrespective of realisation, taxed on the annual increase or decrease in the fair market value of the Notes according to a mark-to-market principle (in Danish "lagerprincippet") as specifically laid down in the act. The net return is generally taxed at a flat rate of 15.3%.

### **Non-resident Noteholders**

Under existing Danish tax laws, payments of interest or principal amounts to any non-resident Noteholder are not subject to taxation in Denmark. No withholding tax is payable with respect to such payments and any capital gain realised upon the sale, exchange or retirement of a Note is not subject to taxation in Denmark other than in certain cases on payments in respect of controlled debt as referred to under "Taxation at source" above.

This tax treatment applies solely to Noteholders who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry on business in Denmark through a permanent establishment.



## 9. GENERAL INFORMATION

The auditors of the Issuer is PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, Strandvejen 44, DK-2900 Hellerup, authorized by the Danish Business Authority and regulated by the Danish Act on State Authorised Public Accountants and otherwise by the laws of Denmark), who has audited the Issuer's consolidated financial statements in accordance with International Standards on Auditing for the financial years ended 30 September 2012 and 30 September 2013 and issued an auditor's report on such consolidated financial reports without any qualifications.

The audited consolidated financial information for the Issuer for the year ended 30 September 2013 and 2012 is included in this Prospectus by reference to the audited consolidated financial statements for the Issuer, submitted to NASDAQ OMX Copenhagen A/S. Such published consolidation financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and additional Danish disclosure requirements for annual reports of listed companies.

The Issuer's audited consolidated financial statements for the years ended 30 September 2012 and 2013 have been audited by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, Strandvejen 44, DK-2900 Hellerup, Denmark, represented by State Authorized Public Accountants Torben Jensen and Martin Lunden, who are members of FSR – Danish Auditors (The Institute of State Authorised Public Accountants in Denmark).

The published Annual Reports for 2011/12 and 2012/13 comprise a Directors' Report, the management's and the Board of Directors' statement on the Annual Report, and the consolidated financial statements, including notes, etc. forming a whole. In addition, the published Annual Reports for 2011/12 and 2012/13 include separate financial statements for the Issuer. Such separate financial statements for the parent company shall not be regarded as included in this Prospectus.

This Prospectus does not include any statement or report from any experts.

During the term of the Notes the copies of the following documents may be inspected on the Issuer's website, [www.ambu.com](http://www.ambu.com):

- a) The articles of association of the Issuer, and
- b) the historical financial information of the Issuer and the Group for the financial years ended 30 September 2012 and 30 September 2013.

This Prospectus is prepared for purposes of listing the Notes only. The Notes were issued 15 March 2013.

The Notes will be admitted to trading and official listing on the regulated market of NASDAQ OMX Copenhagen A/S with effect from 17 December 2013.

The Issuer estimates that the total expenses related to the admission to trading and official listing on NASDAQ OMX Copenhagen A/S amounts to DKK 20,000.