Ostomy Care
Urology & Continence Care
Wound & Skin Care

Coloplast

Announcement no. 09/2012
15 August 2012

Interim financial report, 9M 2011/12

(1 October 2011 - 30 June 2012)

Highlights

- Organic revenue growth was 6%. Revenue in DKK was up by 8% to DKK 8,174m.
- Organic growth rates by business area: Ostomy Care 6%, Continence Care 9% and Urology Care 5%. In Wound & Skin Care, sales fell by 2% relative to 9M 2010/11.
- Gross profit was up by 12% to DKK 5,433m, bringing the gross margin to 66% from 64% in the same period last year.
- EBIT was up by 29% over 9M 2010/11, at DKK 2,364m. The EBIT margin was 29% against 24% in 9M 2010/11. At constant exchange rates, the EBIT margin was 28%.
- The free cash flow increased by 69% over 9M 2010/11 to DKK 1,467m and interest-bearing assets now exceed interest-bearing debt by DKK 142m.
- ROIC after tax was 36%, compared with 28% for 9M 2010/11.
- The first half of the share buy-back programme launched in February 2012 was completed on 29 June 2012 with buy-backs amounting to DKK 500m.

Financial guidance for 2011/12

- We continue to expect organic revenue growth of about 6% and of about 8% in DKK at current exchange rates.
- We raise our EBIT margin guidance from about 28% to about 29% at constant exchange rates, and from about 29% to about 30% in DKK at current exchange rates.
- Capital expenditure is still expected to be about DKK 300m.
- We continue to expect an effective tax rate of 25–26%.

Conference call
Coloplast will host a conference call on 15 August 2012 at 15.00 CEST. The call is expected to last about one hour. To attend the conference call, call +45 3271 4607, +44 (0)20 7162 0077 or +1 334 323 6201. A webcast will be posted on www.coloplast.com shortly after the conclusion of the conference call.

Financial highlights and key ratios

1 October - 30 June

	Group		Change	Group		Change
	DKK million			DKK million		
	2011/12	2010/11		2011/12	2010/11	
	9 mths	9 mths		Q3	Q3	
Income statement						
Revenue	8,174	7,601	8%	2,828	2,597	9%
Research and development costs	(257)	(327)	(21%)	(80)	(104)	(23%)
Operating profit before interest, tax, depreciation and amortisation (EBITDA)	2,740	2,229	23%	1,025	781	31%
Operating profit (EBIT)	2,364	1,839	29%	901	651	38%
Net financial income and expenses	(226)	(99)	>100%	(103)	4	<(100%)
Profit before tax	2,138	1,740	23%	798	655	22%
Profit for the period	1,586	1,288	23%	588	485	21%
Revenue growth						
Period growth in revenue, %	8	8		9	6	
Growth break down:						
Organic growth, %	6	6		5	7	
Currency effect, %	2	2		4	(1)	
Balance sheet						
Total assets	9,980	8,493	18%	9,980	8,493	18%
Invested capital	6,552	6,793	(4%)	6,552	6,793	(4%)
Net interest-bearing debt	(142)	1,510	<(100%)	(142)	1,510	<(100%)
Equity end of period	5,398	3,987	35%	5,398	3,987	35%
Cash flow and investments						
Cash flow from operating activities	1,684	1,203	40%	883	748	18%
Cash flow from investing activities	(217)	(334)	(35%)	(84)	(58)	45%
Investments in property, plant and equipment, gross	(225)	(178)	26%	(88)	(53)	66%
Free cash flow	1,467	869	69%	799	690	16%
Cash flow from financing activities	(937)	(827)	13%	(429)	(896)	(52%)
Key figures ratios						
Operating margin, EBIT, %	29	24		32	25	
Operating margin, EBITDA, %	34	29		36	30	
Return on average invested capital before tax (ROIC), %	49	37		55	38	
Return on average invested capital after tax (ROIC), %	36	28		40	28	
Return on equity, %	43	46		49	53	
Ratio of net debt to EBITDA	-	0.5		-	0.5	
Interest cover	70	31		85	37	
Equity ratio, %	54	47		54	47	
Rate of debt to enterprise value, %	0	4		0	4	
Net asset value per share, DKK	120	89	35%	120	89	35%
Per share data						
Share price, DKK	1,054	781	35%	1,054	781	35%
Share price/net asset value per share	8.8	8.8	0%	8.8	8.8	(0%)
Average number of outstanding shares, millions	42.0	42.0	0%	42.0	41.9	0%
PE, price/earnings ratio	21.0	19.2	9%	18.8	16.8	12%
Earnings per share (EPS), diluted	37.2	30.1	24%	13.8	11.4	21%
Free cash flow per share	34.9	20.7	69%	19.0	16.5	15%

Management's review

Sales performance

Revenue in DKK was up by 8% to DKK 8,174m. The organic growth rate was 6%. The third quarter organic growth was 5%.

Sales performance by business area

	DKK million		Growth composition				DKK million	Organic growth
	2011/12 9 mth	*2010/11 9 mth*	*Organic growth*	*Acquired operations*	*Exchange rates*	*Reported growth*	*2011/12 Q3*	*Q3*
Ostomy	3,416	3,170	6%		2%	8%	1,174	6%
Continence	2,852	2,576	9%		2%	11%	1,000	9%
Urology	771	711	5%	1%	2%	8%	264	4%
Wound & Skin Care	1,135	1,144	(2%)		1%	(1%)	390	(5%)
Net revenue	**8,174**	**7,601**	**6%**	**0%**	**2%**	**8%**	**2,828**	**5%**

Ostomy Care

Sales of ostomy care products amounted to DKK 3,416m, an increase of 8%. The 6% organic growth was driven by growth especially in the established European markets, in particular the UK. The third quarter organic growth was also 6%. The UK, Spain and Italy all reported increasing growth rates, while the sales performance in France was not satisfactory. Growth in emerging markets slowed compared to the first six months of the financial year, in part because, as expected, we generated considerably weaker growth in Russia compared to the first two quarters of the year.

Continence Care

Continence Care revenue was DKK 2,852m, an 11% improvement in DKK and 9% organically. Q3 organic growth was also satisfactory at 9%. All regions contributed to growth in intermittent catheters. The UK contributed about half of the revenue growth in the Continence Care business, as consolidation in the number of UK distributors triggered stockbuilding by the selected distributors. The sales growth in France fell after the strong second quarter.
Sales of urisheaths, urine bags and Peristeen® for anal irrigation remained satisfactory.

Urology Care

Urology Care revenue increased by 8% to DKK 771m on 5% organic growth. Acquired growth accounted for 1%, while the appreciation of USD against DKK added 2%. Q3 organic growth was 4%. We recorded good growth in sales of penile implants, while sales of slings for treating female stress urine incontinence fell. The satisfactory growth in sales of Restorelle® for pelvic organ prolapse repair continued. The weaker growth rate in the third quarter was due in particular to the weaker growth performance in the European Urology business.

Wound & Skin Care

Sales of wound and skin care products amounted to DKK 1,135m, equal to a decline of 1% in DKK and of 2% organically for the nine-month period. During the period, the Wound Care business reported 4% negative growth due to the challenging conditions in the established European markets. Sales in the Chinese market were satisfactory. The overall Q3 organic growth rate was negative at 5% with the Wound Care business reporting 2% negative growth. The weaker overall growth in the quarter was due to a significant drop in contract production of Compeed®[1]. The North American Skin Care business continued to generate very satisfactory growth.

[1] Compeed is a registered trademark of Johnson & Johnson

Sales performance by region

	DKK million		Growth composition				DKK million	Organic
	2011/12	2010/11	Organic	Acquired	Exchange	Reported	2011/12	growth
	9 mth	9 mth	growth	operations	rates	growth	Q3	Q3
Europe	5,919	5,593	5%		1%	6%	2,063	5%
Americas	1,439	1,286	8%	0%	4%	12%	482	4%
Rest of the world	816	722	6%		7%	13%	283	5%
Net revenue	**8,174**	**7,601**	**6%**	**0%**	**2%**	**8%**	**2,828**	**5%**

Europe
Revenue amounted to DKK 5,919m, which translated into reported growth of 6%. Organic growth in the European business was 5%. Growth in the Chronic Care business was satisfactory in most of the established European markets and in Russia, whereas the Wound Care business had a negative impact on growth. Organic growth in the third quarter was also 5%, supported by distributor stockbuilding in connection with the consolidation of the number of distributors in the UK, but partly offset by a drop in contract production of Compeed.

The Americas
Revenue in the Americas increased by 12% to DKK 1,439m. The appreciation of USD against DKK accounted for 4%. Organic growth for the 9M period was 8%, driven by satisfactory sales in the USA, mainly of intermittent catheters, but sales of penile implants and synthetic mesh for pelvic organ prolapse repair also contributed to overall growth in the region. Organic growth was 4% in the third quarter and below the rate for the first two quarters of 2011/12. The drop was mainly due to larger distributor orders in the US Chronic Care business being placed in Q2 instead of Q3. In addition, growth in Brazil continued to fall, and net growth in that business was negative in the third quarter.

Rest of the World
In the Rest of the World, revenue increased by 13% to DKK 816m on 6% organic growth. In particular, the appreciation of JPY and AUD against DKK lifted the reported growth by 7%. At 5%, organic growth for the quarter was not satisfactory. However, net of the Compeed contract manufacturing business, the growth rate was at the level of the first six months. China continued the satisfactory revenue performance, and both Japan and Australia reported higher sales growth compared to the first six months of 2011/12.

Gross profit

Gross profit was up by 12% to DKK 5,433m from DKK 4,860m in 9M 2010/11. The gross margin was 66%, against 64% in 9M 2010/11. In addition to the higher revenue, the increase was due to improvements in production efficiency. The Q3 gross margin was 68% in DKK and 67% at constant exchange rates. The higher revenue in Q3 was a key driver of the improvement over the first two quarters of the year.

Capacity costs

Distribution costs amounted to DKK 2,333m, equal to 29% of 9M revenue, which was in line with last year. Disregarding the non-recurring items of the first quarter totalling DKK 50m, distribution costs accounted for 28% of 9M revenue. The Q3 distribution costs also equalled 28% of revenue.

The 9M 2011/12 administrative expenses amounted to DKK 484m and accounted for 6% of revenue, which was in line with the same period last year. The administrative expenses include provisions for losses on trade receivables in southern Europe for a total of DKK 66m for 9M 2011/12, of which DKK 34m relate to the third quarter.

R&D costs were DKK 257m and accounted for 3% of revenue, which was less than the level of the same period of last year. In addition to the lower level of activity in the first nine months of the current financial year, the lower level of R&D costs was due to the changes in the R&D organisation implemented towards the end of the 2010/11 financial year.

Other operating income and other operating expenses net amounted to an income of DKK 5m, against an income of DKK 14m in the same period of last year.

Operating profit (EBIT)

EBIT was up by 29% to DKK 2,364m, against DKK 1,839m in the same period of last year. The EBIT margin was 29%, against 24% in the same period of last year. Non-recurring costs of DKK 65m incurred in the first quarter impacted the 9M EBIT margin. The Q3 EBIT margin was 32% in DKK and 31% at constant exchange rates. The improvement in the EBIT margin in the third quarter was due in particular to the revenue improvements in the European markets.

Financial items and tax

Financial items amounted to a net expense of DKK 226m against DKK 99m in 9M 2010/11. Realised losses on currency forward contracts, which were mainly due to the depreciation of HUF against DKK and the appreciation of USD and GBP against DKK, were partly offset by reduced net interest expenses.

Financial items

	DKK million		*DKK million*	
	2011/12	*2010/11*	*2011/12*	*2010/11*
	9 mths	*9 mths*	*Q3*	*Q3*
Interest, net	(39)	(72)	(12)	(21)
Fair value adjustment of options	(27)	(32)	(8)	(2)
Exchange rate adjustments	(144)	20	(80)	33
Other financial items	(16)	(15)	(3)	(6)
Total financial items	**(226)**	**(99)**	**(103)**	**4**

The effective tax rate of 26% was unchanged relative to 9M 2010/11, for a tax expense of DKK 552m, as compared with DKK 452m in the same period of last year.

Net profit for the period

The net profit for the reporting period was up by 23% to DKK 1,586m, while earnings per share diluted (EPS) were DKK 37.2 compared with DKK 30.1 in the 9M 2010/11 period.

Cash flows and investments

Cash flow from operating activities
The cash flow from operating activities was DKK 1,684m, against DKK 1,203m in 9M 2010/11. Increased earnings, less increase in working capital than for the same period of last year and lower tax payments were the reasons for the improvement. These items were partly offset by an increased loss on forward contracts.

Investments
The cash flow from operating activities was DKK 217m, against DKK 334m in 9M 2010/11. Last year's larger amount was due to the DKK 160m acquisition of Mpathy. Investments accounted for 3% of revenue, against 4% last year. Gross investments in property, plant and equipment amounted to DKK 225m, against DKK 178m in 9M 2010/11.

Free cash flow
The free cash flow was DKK 1,467m, a 69% improvement from DKK 869m in 9M 2010/11.

Capital reserves
We have confirmed long-term credit facilities of DKK 1bn, which are fully utilised. In addition, we have confirmed credit facilities of just over DKK 4bn expiring in the third quarter of 2012/13.

Balance sheet and equity

Balance sheet
At DKK 9,980m, total assets increased by DKK 762m relative to 30 September 2011. Non-current assets were up by DKK 7m to DKK 4,260m, while current assets were up by DKK 755m, mainly due to a continued increase in cash and bank balances.

Trade receivables were up by DKK 75m relative to 30 September 2011, an increase of 4%, i.e. at a lower rate than the sales growth in DKK. The share of trade receivables more than 90 days overdue fell, because part of the overdue receivables in Spain was settled in the third quarter. That does not change the overall risk exposure, however, and we increased our provisions for losses on trade receivables in southern Europe during the third quarter.

Trade payables amounted to DKK 368m, against DKK 420m at 30 September 2011, whereas inventories were unchanged.

Working capital made up 23% of revenue, unchanged from 30 September 2011.

Equity
Equity increased by DKK 920m relative to 30 September 2011 to stand at DKK 5,398m. Payment of dividends of DKK 587m and share buy-backs of DKK 500m were more than offset by the comprehensive income for the period of DKK 1,586m and by employees' exercise of share options and the sale of employee shares for a total of DKK 314m.

Net interest-bearing debt and capital structure
Net interest-bearing assets exceeded net interest-bearing debt by DKK 142m at 30 June 2012, an increase of DKK 681m compared to 30 September 2011.

At 30 June 2012, we had mortgage loans totalling DKK 352m, which was DKK 113m less than at 30 September 2011.

Share buy-backs and dividends
In December 2011, the shareholders in general meeting authorised Coloplast to establish a share buy-back programme totalling up to DKK 1bn until the end of the 2012/13 financial year. The first half of the buy-back programme, for DKK 500m, was completed on 29 June 2012.

Treasury shares
At 30 June 2012, Coloplast's holding of treasury shares consisted of 3,023,086 B shares, which was DKK 165,781 more than at 30 September 2011.

Financial guidance for 2011/12

- We continue to expect organic revenue growth of about 6% and of about 8% in DKK at current exchange rates.
- We raise our EBIT margin guidance from about 28% to about 29% at constant exchange rates, and from about 29% to about 30% in DKK at current exchange rates.
- Capital expenditure is still expected to be about DKK 300m.
- We continue to expect an effective tax rate of 25–26%.

Achieving the financial guidance will still depend on our ability to execute the business plan devised for the US business, including both the Chronic Care and the Urology businesses. Revenue growth will continue to be affected by the performance of the Wound Care business, as the effects of the changes implemented in the business have yet to materialise.

Our financial guidance is inherently subject to some degree of uncertainty. Significant changes in currency, business or macroeconomic conditions, including changes within healthcare, are examples of factors that may impact the company's financial condition.

Other matters

Settlement in patent case
Coloplast has settled a patent dispute and this will produce an extra income of DKK 30m in the fourth quarter.

Safety Update from the FDA
In July 2011, the US Food and Drug Administration (FDA) issued a Safety Update regarding the use of transvaginal mesh for pelvic organ prolapsed and stress urinary incontinence. Several med-tech companies, including Coloplast, have since become involved in a number of product liability actions on the use of transvaginal mesh for pelvic organ prolapsed and stress urinary incontinence. At the present time, the number of actions potentially involving Coloplast represents a minor share of the total number of actions raised.

Exchange rate exposure
Our financial guidance for the 2011/12 financial year has been prepared on the basis of the following assumptions for the company's main currencies:

DKK	*GBP*	*USD*	*HUF*	*EUR*
Average exchange rate 2010/11*	858	535	2.74	745
Spot rate at August 6 2012	936	599	2.70	744
Estimated average exchange rate 2011/2012	903	574	2.55	744
Change in estimated average exchange rates compared with last year**	5%	7%	-7%	0%

*) Average exchange rates from 1 October 2010 to 30 September 2011.

**) Estimated average exchange rate is calculated as the average exchange rate year to date combined with the spot rate for the remainder of the year.

As the bulk of our revenue is in EUR, changes in the EUR/DKK exchange rate will also affect revenue. Considering Denmark's fixed-rate policy against EUR, however, such risk is considered to be minimal. In addition to EUR, our revenue and EBIT are also exposed to developments in USD and GBP against DKK. Fluctuations in HUF against DKK also affect EBIT, because a substantial part of our production, and thus of our costs, are in Hungary, whereas our sales there are moderate.

In DKKms over 12 months on a 10% initial drop in exchange rates (Average exchange rates 2010/11)	**Revenue**	**EBIT**
USD	-140	-35
GBP	-160	-100
HUF	0	40

Forward-looking statements
The forward-looking statements in this announcement, including revenue and earnings guidance, do not constitute a guarantee of future results and are subject to risk, uncertainty and assumptions, the consequences of which are difficult to predict. The forward-looking statements are based on our current expectations, estimates and assumptions and are provided on the basis of information available to us at the present time.
Major fluctuations in the exchange rates of key currencies, significant changes in the healthcare sector or major developments in the global economy may impact our ability to achieve the defined long-term targets and meet our guidance. This may impact our company's financial results.

Statement by the Board of Directors and Executive Management

The Board of Directors and the Executive Management today considered and approved the interim report of Coloplast A/S for the period 1 October 2011 – 30 June 2012. The interim report, which is unaudited, is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets, equity, liabilities and financial position at 30 June 2012 and of the results of the Group's operations and cash flows for the period 1 October 2011 – 30 June 2012.

Also, in our opinion, the management's review includes a fair account of the development and performance of the Group, the results for the period and of the financial position of the Group, together with a description of the principal risks and uncertainties that the Group faces.

Humlebæk, 15 August 2012

Executive Management:

Lars Rasmussen President, CEO	Lene Skole Executive Vice President, CFO

Board of Directors:

Michael Pram Rasmussen	Niels Peter Louis-Hansen		
Per Magid	Brian Petersen	Jørgen Tang-Jensen	Sven Håkan Björklund
Thomas Barfod Controller	Jane Lichtenberg Senior Category Manager	Torben Julle Rasmussen Worker	

Tables

Unaudited

Coloplast

Statement of comprehensive income

1 October - 30 June

(Unaudited)

		Group		Index	Group		Index
		DKK million			DKK million		
		2011/12	2010/11		2011/12	2010/11	
Note		9 mths	9 mths		Q3	Q3	
1	Revenue	8,174	7,601	108	2,828	2,597	109
	Cost of sales	(2,741)	(2,741)	100	(908)	(926)	98
	Gross profit	**5,433**	**4,860**	**112**	**1,920**	**1,671**	**115**
	Distribution costs	(2,333)	(2,264)	103	(780)	(756)	103
	Administrative expenses	(484)	(444)	109	(163)	(159)	103
	Research and development costs	(257)	(327)	79	(80)	(104)	77
	Other operating income	26	27	96	7	7	100
	Other operating expenses	(21)	(13)	162	(3)	(8)	38
1	**Operating profit (EBIT)**	**2,364**	**1,839**	**129**	**901**	**651**	**138**
2	Financial income	47	38	124	17	22	77
3	Financial expenses	(273)	(137)	199	(120)	(18)	667
	Profit before tax	**2,138**	**1,740**	**123**	**798**	**655**	**122**
	Tax on profit for the period	(552)	(452)	122	(210)	(170)	124
	Net profit for the period	**1,586**	**1,288**	**123**	**588**	**485**	**121**
	Other comprehensive income						
	Value adjustment of currency and interest hedging	(148)	77		(56)	26	
	Of which transferred to financial items	94	5		44	(17)	
	Tax effect of hedging	14	(21)		3	(3)	
	Exchange rate adjustment, assets in foreign currency	83	(60)		70	(21)	
	Exchange rate adjustment of opening balances and other adjustments relating to subsidiaries	68	27		52	2	
	Total other comprehensive income	**111**	**28**		**113**	**(13)**	
	Total comprehensive income	**1,697**	**1,316**		**701**	**472**	
	Earnings per Share (EPS)	37.8	30.6		14.0	11.6	
	Earnings per Share (EPS), diluted	37.2	30.1		13.8	11.4	
	Profit distribution:						
	Retained earnings	1,586	1,288		588	485	
	Total	**1,586**	**1,288**		**588**	**485**	

Balance sheet

At 30 June

Note		Group DKK million 30.06.12	30.06.11	30.09.11
	Assets			
	Acquired patents and trademarks	888	930	941
	Goodwill	783	736	737
	Software	84	105	115
	Prepayments and assets under development	17	29	9
	Intangible assets	**1,772**	**1,800**	**1,802**
	Land and buildings	1,116	1,171	1,133
	Plant and machinery	852	906	886
	Other fixtures and fittings, tools and equipment	124	164	154
	Prepayments and assets under construction	190	108	93
	Property, plant and equipment	**2,282**	**2,349**	**2,266**
	Investment in associates	6	2	6
	Other investments	0	2	0
	Deferred tax asset	183	180	163
	Other receivables	17	15	16
	Investments	**206**	**199**	**185**
	Non-current assets	**4,260**	**4,348**	**4,253**
	Inventories	**962**	**1,000**	**946**
	Trade receivables	1,895	1,927	1,820
	Income tax	12	19	11
	Other receivables	262	206	231
	Prepayments	67	68	71
	Receivables	**2,236**	**2,220**	**2,133**
	Marketable securities	**608**	**471**	**568**
	Cash and bank balances	**1,914**	**454**	**1,318**
	Current assets	**5,720**	**4,145**	**4,965**
	Assets	**9,980**	**8,493**	**9,218**

Balance sheet

At 30 June

Note		Group DKK million 30.06.12	30.06.11	30.09.11
	Equity and liabilities			
	Share capital	225	225	225
	Reserve for currency and interest rate hedging	(72)	40	(32)
	Proposed dividend for the year	0	0	585
	Retained earnings	5,245	3,722	3,700
	Total equity	**5,398**	**3,987**	**4,478**
	Provision for pensions and similar liabilities	81	84	75
	Provision for deferred tax	193	231	167
	Other provisions	5	7	4
	Mortgage debt	352	464	459
	Other credit institutions	440	1,467	1,537
	Other payables	18	420	334
	Deferred income	78	119	77
	Non-current liabilities	**1,167**	**2,792**	**2,653**
	Provision for pensions and similar liabilities	6	7	8
	Other provisions	16	12	35
	Mortgage debt	0	0	6
	Other credit institutions	1,343	113	92
	Trade payables	368	368	420
	Income tax	512	356	516
	Other payables	1,144	856	983
	Deferred income	26	2	27
	Current liabilities	**3,415**	**1,714**	**2,087**
	Current and non-current liabilities	**4,582**	**4,506**	**4,740**
	Equity and liabilities	**9,980**	**8,493**	**9,218**

7 Contingent items
8 Acquired operations

Statement of changes in equity

Group DKK million	Share capital A shares	 B shares	Reserve for currency and interest rate hedging	Proposed dividend	Retained earnings	Total equity
2010/11						
Balance at 1.10 as reported in annual report	18	207	(21)	422	2,826	3,452
Comprehensive income:						
Result for the period					1,288	1,288
Other comprehensive income			61		(33)	28
Total comprehensive income for the period	*0*	*0*	*61*	*0*	*1,255*	*1,316*
Transactions with owners:						
Treasury shares purchased					(500)	(500)
Treasury shares sold					120	120
Share-based payments					21	21
Dividend paid out in respect of 2009/10				(422)		(422)
Total transactions with owners	*0*	*0*	*0*	*(422)*	*(359)*	*(781)*
Balance at 30.06	**18**	**207**	**40**	**0**	**3,722**	**3,987**
2011/12						
Balance at 1.10 as reported in annual report	18	207	(32)	585	3,700	4,478
Comprehensive income:						
Result for the period					1,586	1,586
Other comprehensive income			(40)		151	111
Total comprehensive income for the period	*0*	*0*	*(40)*	*0*	*1,737*	*1,697*
Transactions with owners:						
Transfers				2	(2)	0
Treasury shares purchased					(500)	(500)
Treasury shares sold					293	293
Share-based payments					21	21
Tax on equity entries					(4)	(4)
Dividend paid out in respect of 2010/11				(587)		(587)
Total transactions with owners	*0*	*0*	*0*	*(585)*	*(192)*	*(777)*
Balance at 30.06	**18**	**207**	**(72)**	**0**	**5,245**	**5,398**

Statement of cash flows

1 October - 30 June

Note		Group DKK million 2011/12 9 mths	2010/11 9 mths
	Operating profit	2,364	1,839
	Depreciation and amortisation	376	390
4	Adjustment for other non-cash operating items	(13)	0
5	Changes in working capital	(196)	(385)
	Ingoing interest payments, etc.	47	56
	Outgoing interest payments, etc.	(354)	(102)
	Income tax paid	(540)	(595)
	Cash flow from operating activities	**1,684**	**1,203**
	Investments in intangible assets	(11)	(16)
	Investments in land and buildings	(3)	(20)
	Investments in plant and machinery	(73)	(61)
	Investments in non-current assets under constructions	(149)	(97)
	Property, plant and equipment sold	19	20
	Acquired operations	0	(160)
	Cash flow from investing activities	**(217)**	**(334)**
	Free cash flow	**1,467**	**869**
	Dividend to shareholders	(587)	(422)
	Net investment in treasury shares	(206)	(380)
	Financing from shareholders	**(793)**	**(802)**
	Acquisition of mortgage bonds	(40)	(470)
	Financing through long-term borrowing, debt funding	0	445
	Financing through long-term borrowing, instalments	(104)	0
	Cash flow from financing activities	**(937)**	**(827)**
	Net cash flow for the period	**530**	**42**
	Cash, cash equivalents and short term debt at 1.10.	1,220	303
	Value adjustments of cash and balances	2	(4)
	Transfered from long-term borrowing	(1,181)	0
	Net cash flow for the period	530	42
6	**Cash, cash equivalents and short term debt at 30.06**	**571**	**341**

The cash flow statement cannot be extracted directly from the financial statements.

Notes

1. Segment information

Group, 2011/12

Operating segments

The operating segments are defined on the basis of the monthly reporting to the Executive Management, which is considered to be the senior operational management. Reporting to management is based on two global operating segments: Sales Regions and Production Units as well as three small operating segments; Wound and Skin Care; Disposable Surgical Urology (DSU) and Surgical Urology (SU). The segments Global Marketing, Global R&D and Staff are not operating segments, as they do not aim to generate revenue. This breakdown also reflects our global organisational structure.

The operating segments Sales Regions and Production Units segments comprise sales and/or production from each of our three business areas, Ostomy Care, Urology and Continence Care and Wound and Skin Care. Inter-segment trading consists of the Sales Regions procuring goods from the Production Units. Inter-segment trading is made on an arm's length basis.

The operating segment Wound and Skin Care exclusively covers the sale of wound and skin care products in selected European markets, where the Wound and Skin Care segment is separated from the other business areas. In this way, the segmentation reflects the structure of reporting to Executive Management. The sale of wound and skin care products in other markets is included in the Wound and Skin Care business area. DSU covers the production and sale of disposable urology products, while SU covers the sale of urology products.

The operating segments Wound and Skin Care, DSU, SU, Global Marketing, Global Research and Development and Staff are non-reporting segments. The Wound and Skin Care, DSU and SU segments are included in the operating segment Sales Regions as they meet the criteria for combination. The Shared/Non-allocated segment includes support functions and eliminations, as these segments do not generate revenue. The segments listed (with the exception of SU) each represent less than 10% of total segment revenue, segment profit/loss and segment assets. The SU operating segment represents more than 10% of total assets, but as the assets are exclusively allocated to the segments in connection with impairment tests and are not reported by segment to management, the segment is not considered a reporting segment.
Financial items and income tax are not allocated to the operating segments.

Management reviews each operating segment separately based on EBIT and allocates resources on that background. The performance targets are calculated the same way as in the consolidated financial statements.
Costs are allocated directly to segments. Certain indirect costs are allocated systematically to the Shared/Non-allocated segment and the reporting segments Sales Regions and Production Units.

Management does not receive reporting on asset and liabilities by the reporting segments Sales Regions and Production Units. Accordingly, the reporting segments are not measured in this respect, nor do we allocate resources on this background. No single customer accounts for more than 10% of revenue.

Operating segments	**Sales Regions**		**Production units**		**Shared/ Not allocated**		**Total**	
DKK million	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11
External revenue	8,021	7,437	153	164	0	0	8,174	7,601
Operating profit (EBIT) by segment	467	224	3,156	2,932	(1,259)	(1,317)	2,364	1,839
Financial items	0	0	0	0	(226)	(99)	(226)	(99)

Notes

	Group DKK million	
	2011/12	2010/11
2. Financial income		
Interest income	45	13
Exchange rate adjustments	0	25
Other financial income and fees	2	0
Total	**47**	**38**
3. Financial expenses		
Interest expense	84	85
Fair value adjustments, share options	27	32
Fair value adjustments on forward contracts transferred from equity	94	5
Exchange rate adjustments	50	0
Other financial expenses and fees	18	15
Total	**273**	**137**
4. Adjustment for other non-cash operating items		
Net gain/loss on non-current assets	3	9
Change in other provisions	(16)	(9)
Total	**(13)**	**0**
5. Changes in working capital		
Inventories	18	(45)
Trade receivables	(24)	(251)
Other receivables	(23)	(71)
Trade and other payables etc.	(167)	(18)
Total	**(196)**	**(385)**
6. Liquid resources and short term debt		
Cash	1	1
Bank balances	1,913	453
Liquid resources	1,914	454
Short-term debt	(1,343)	(113)
Total	**571**	**341**

7. Contingent items

Contingent liabilities

The Coloplast Group is a party to a number of legal proceedings, which are not expected to influence material the Group's future earnings.

Notes

8. Acquired operations

On 29 October 2010, Coloplast signed an agreement to acquire 100% of the shares and voting rights of Mpathy Medical Devices Limited (UK) and Gyne Ideas Limited (UK). Mpathy Medical Devices Limited developed products within the Urology Care business area which are sold in the US market, whilst Gyne Ideas Limited owned intellectual property rights also within the Urology Care business area. Detailed information about the acquisition is set out in the Annual Report 2010/11.

Income statement, quarterly

(Unaudited)

		Group						
DKK million								
		2010/11				2011/12		
Note		Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	Revenue	2,541	2,463	2,597	2,571	2,654	2,692	2,828
	Cost of sales	(929)	(886)	(926)	(863)	(916)	(917)	(908)
	Gross profit	**1,612**	**1,577**	**1,671**	**1,708**	**1,738**	**1,775**	**1,920**
	Distribution costs	(760)	(748)	(756)	(724)	(782)	(771)	(780)
	Administrative expenses	(136)	(149)	(159)	(160)	(163)	(158)	(163)
	Research and development costs	(112)	(111)	(104)	(88)	(95)	(82)	(80)
	Other operating income	10	10	7	25	8	11	7
	Other operating expenses	(1)	(4)	(8)	(19)	(13)	(5)	(3)
1	**Operating profit (EBIT)**	**613**	**575**	**651**	**742**	**693**	**770**	**901**
	Profit/loss after tax on investment in associates	0	0	0	(1)	0	0	0
2	Financial income	13	3	22	9	16	14	17
3	Financial expenses	(76)	(43)	(18)	(34)	(59)	(94)	(120)
	Profit before tax	**550**	**535**	**655**	**716**	**650**	**690**	**798**
	Tax on profit for the period	(143)	(139)	(170)	(185)	(166)	(176)	(210)
	Profit for the period	**407**	**396**	**485**	**531**	**484**	**514**	**588**
	Earnings per Share (EPS)	9.6	9.4	11.6	12.7	11.6	12.2	14.0
	Earnings per Share (EPS), diluted	9.5	9.2	11.4	12.5	11.4	12.0	13.8

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This announcement is available in a Danish and an English-language version.
In the event of discrepancies, the Danish version shall prevail.

Coloplast develops products and services that make life easier for people with very personal and private medical conditions. Working closely with the people who use our products, we create solutions that are sensitive to their special needs. We call this intimate healthcare.

Our business includes Ostomy Care, Urology Care, Continence Care and Wound and Skin Care. We operate globally and employ around 7,500 people.