Coloplast

Financial results

H1 2004/05

Coloplast

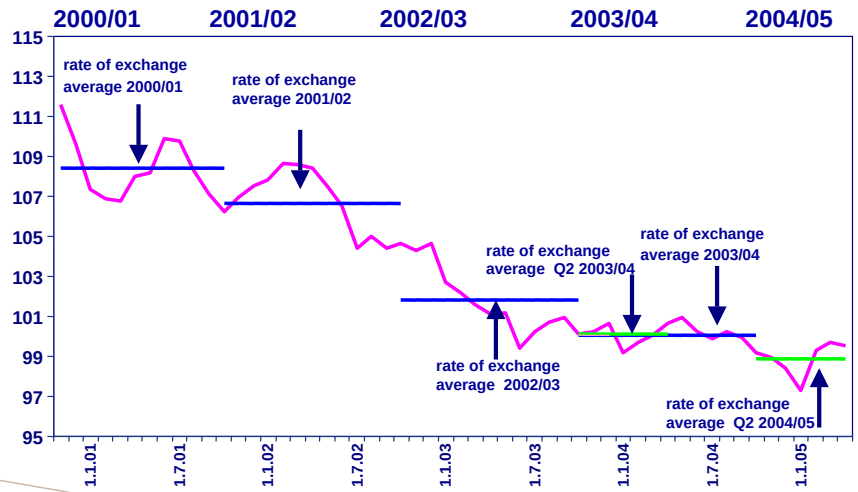
Highlights H1 2004/05

- During the first six months, sales grew by 7% in local currencies, 6% in Danish kroner, as the second quarter saw the expected positive development of revenue and profit
- The profit margin was 14% and operating profit came to DKK 430m
- Inventories were reduced by DKK 106m
- Free cash flow was DKK 366m compared with a negative balance of DKK 115m last year
- Sales of ostomy products increased by 12%, making this business area the strongest performer
- Expectations for the full year 2004/05 remain an organic revenue growth of 8-9% and a profit margin of 15-16%

Key figures H1 2004/05

mDKK	6 months 2004/05	6 months 2003/04	Index vs 2003/04
Revenue	**3,099**	2,924	106
EBIT	**430**	477	90
Special items	**-17**	0	-
Financial items	**-52**	-48	108
Profit before tax	**361**	429	84
Tax	**-119**	-152	78
Minority interests	**-2**	-2	100
Group profit	**240**	275	87
Profit margin	**14%**	16%	-

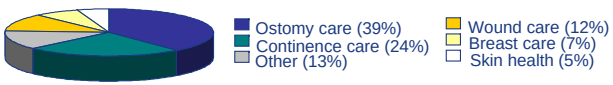
Exchange rate development 2000-2005



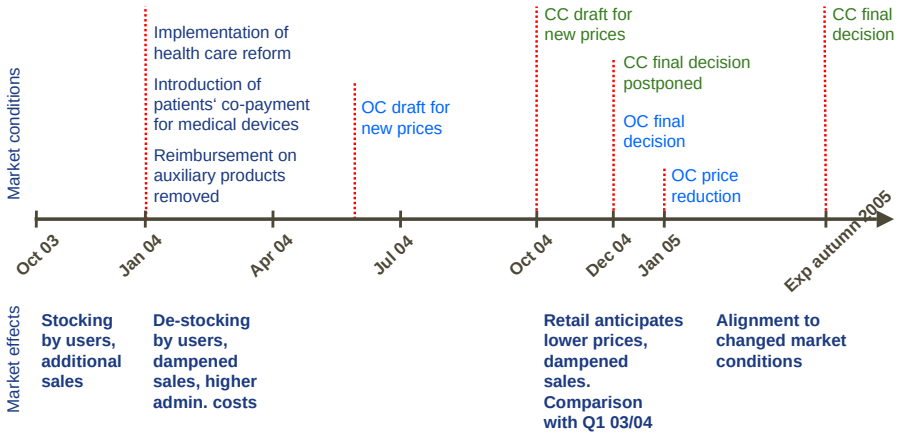
Growth H1 2004/05
- local currencies

	Growth H1 2004/05	Growth Q1 2004/05	Growth FY 2003/04	Est. market growth
Ostomy care	12%	13%	14%	2-6%
Continence care	9%	8%	10%	5-8%
Chronic care segment*	**8%**	**6%**	**10%**	
Wound care	8%	4%	12%	9-11%
Skin health	7%	12%	21%	9-12%
Breast care	(1)%	(3)%	0%	(3)-(1)%
SBU segment	**5%**	**4%**	**10%**	
Coloplast total	**7%**	**5%**	**10%**	
Europe	5%	4%	10%	
Americas	10%	8%	9%	
ROW	23%	18%	13%	

*Includes homecare



Effects of changing market conditions in Germany



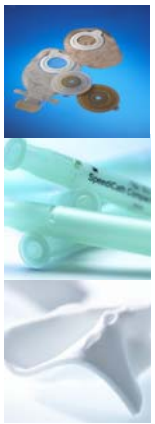
Effects of reduced inventories

- Inventories built up during 2003/04
  - Relocation to Hungary
  - ERP system rollout in manufacturing
- Inventories reduced faster than expected in H1 2004/05 and Q4 2003/04
- Low revenue growth compared with last year

⇨ Financial effects on profit margin
  - Stock reduction ⇨ -3 percentage point on EBIT
  - Low revenue growth ⇨ -½ percentage point on EBIT

⇨ Financial effects on cash flow
  - Free cash flow was DKK 366m, up DKK 481m on last year's figure

Highlights markets



Continuous market share gains within **ostomy care**
- Sustainable US and RoW growth, restructuring in Germany
- **Corsinel** well accepted, introduced in Denmark, Australia

Continence care growth by 9%
- **SpeediCath Compact** exceeding expectations
- New reimbursement prices in Germany expected by the end of 2004/05

Wound care sales increase of 8%
- **Contreet**, **Biatain**, **Alione** performing well
- Silver dressing showing strong growth, introduced in France

Breast care sales stabilised at -1% compared to strong H1 03/04
- Growth in US/Europe, Germany affected by healthcare reform

Expectations and targets

MAINTAINED

2004/05
- Sales growth of 8-9% in local currencies
- Profit margin 15-16%

2008
- Sales exceeding DKK 9 billion through organic growth
- Profit margin (EBIT) reaching 18%
- ROAIC of 20%
- Acquisitions and divestments

Analysts' estimates
H1 2004/05

MDKK	Net sales	Operating profit	Profit margin	PBT
High	3,185	464	14.8%	425
Mean	**3,113**	**429**	**13.8%**	**379**
Low	3,072	385	12.5%	327
Coloplast actual	**3,099**	**430**	**13.9%**	**361**
Index to mean	100%	100%	101%	95%

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