

# Coloplast

Investor  
presentation



## Coloplast

Coloplast products and services help patients achieve greater independence from medical challenges in 5 areas:

Ostomy care, continence care, wound care, skin care and breast care.



39%\*

24%

12%

5%

7%

\*Percentage of total group sales (2003/04)

## How it all started...

The inventor



Nurse  
Elise Sorensen

The product



The first single use  
ostomy bag

The founders



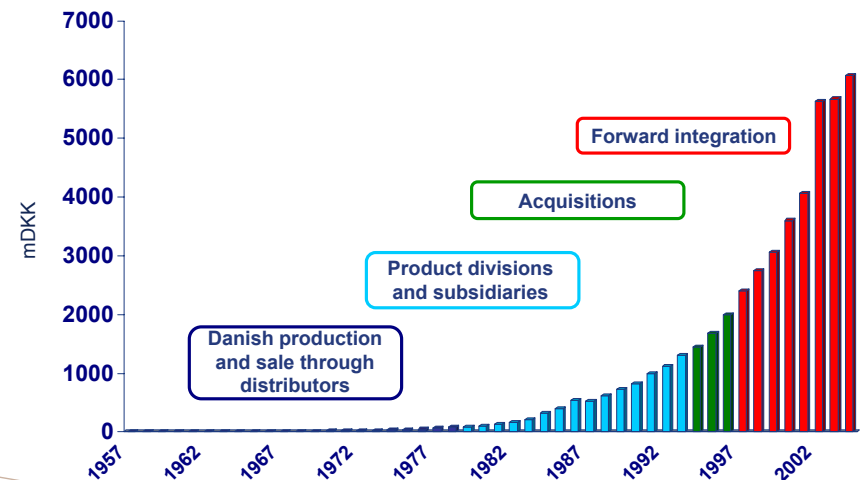
Aage and Johanne  
Louis-Hansen

## History milestones

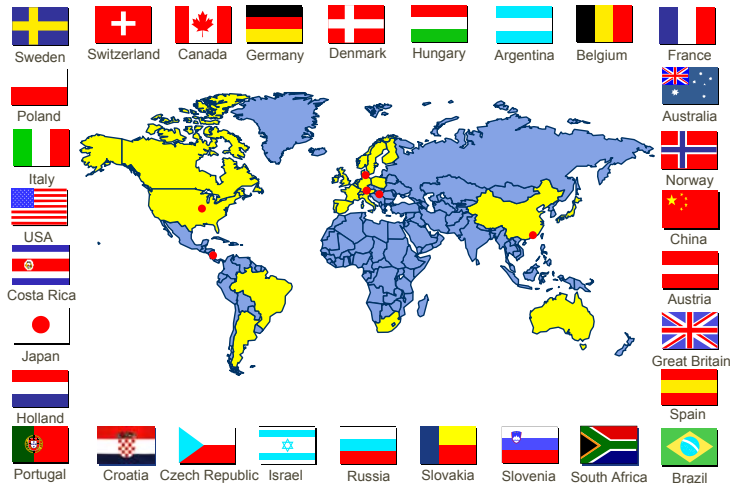
- 1957 Danish Coloplast A/S is founded
- 1978 First non-Danish subsidiary founded in UK
- 1982 Divisions established - CC and WC
- 1983 Stock Exchange listing in Copenhagen
- 1994 Acquisition of Amoena Corp., US
- 1995 Acquisition of Sween Corp., US
- 1996 Acquisition of Amoena GmbH, DE
- 1998 Objectives 2005 established
- 2001 Acquisition of SSL, HSC og Sterling
- 2002 Divestment of Consumer products



## History of revenue growth 1957-2004

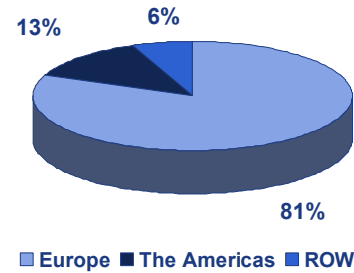


## Sales and production world wide



## Geographical distribution

Revenue 2003/04

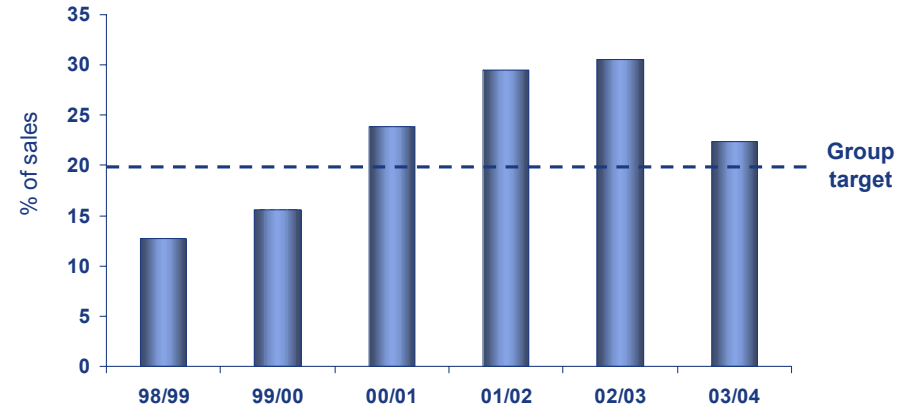


## Macro trends

Trend	Demographics	Health care reforms	Power to distribution
Description	Population aged 60 or older is growing steadily in Europe, Asia and North America...  ... and with higher demands for health care  Changing lifestyles triggered by improved wealth	Health care budget constraints...  ... lead to the need for cost containment programmes...  ... through co-payment and consumption capitation	The major distributors grow their share...  ...through both retail pharmacy, home care and parallel importing...  ...changing them to competitors, not customers

All issues have been on the agenda for years

## Innovation rate\*



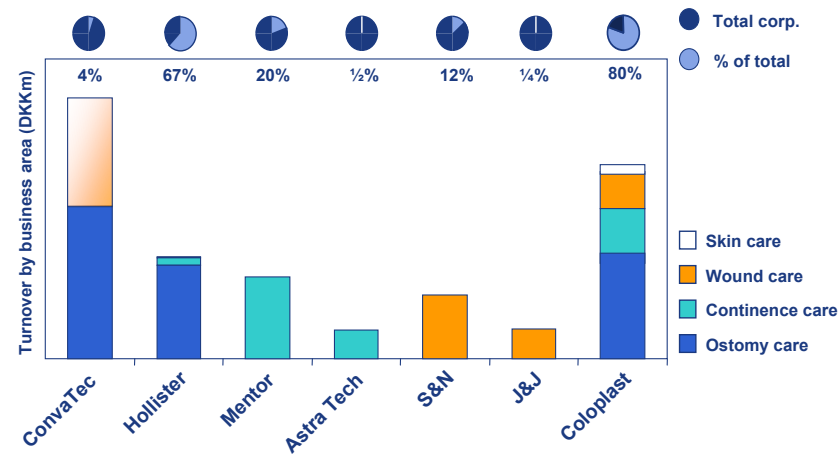
\* Share of products in sales with less than 4 years of age

### Three key customers

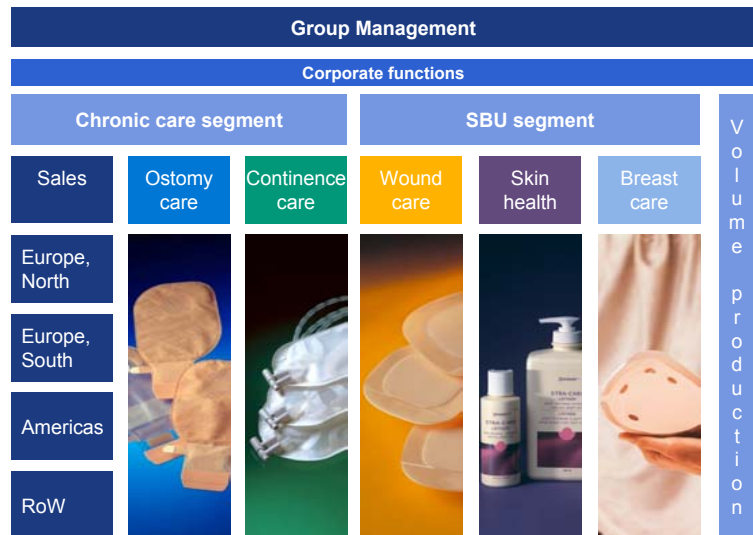
- The end customer
  - The user, primary concern is quality of life
- The health care professional
  - The advisor, primary concerns are user quality of life and handling
- The payer
  - Concern is primarily product pricing



### Competitor overview



### Business Structure



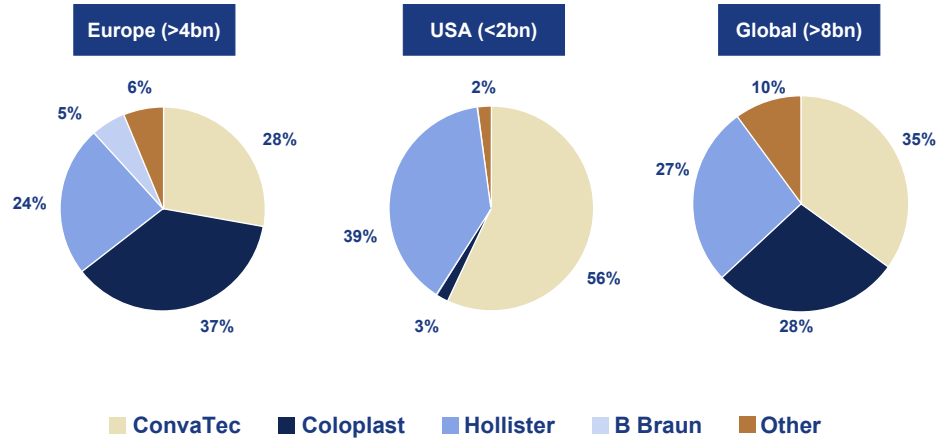
### Ostomy care - for discreet protection

- Normal function of bowel or bladder lost
- Almost 80% related to cancer
- Designed for security, skin-friendliness, discretion, ease of use and comfort
- Wide variety of bags, plugs and accessories



## Ostomy care - competitors

Global market value DKK 8-8½bn

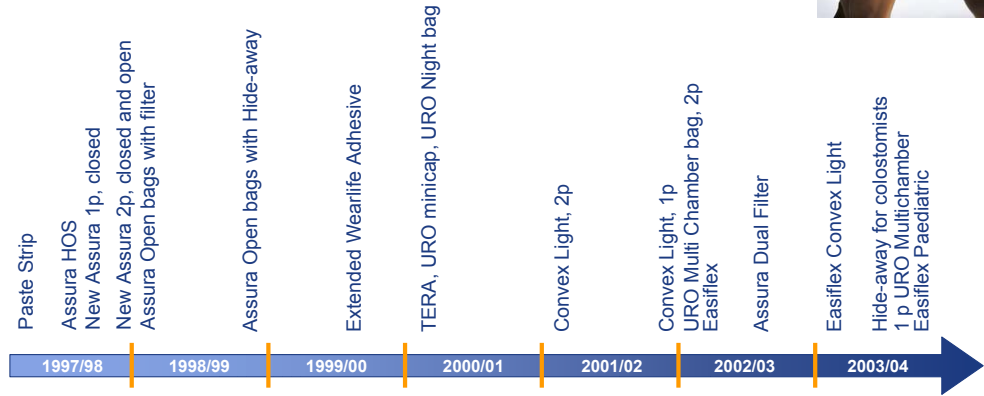


Note: Only markets where Coloplast is present are included

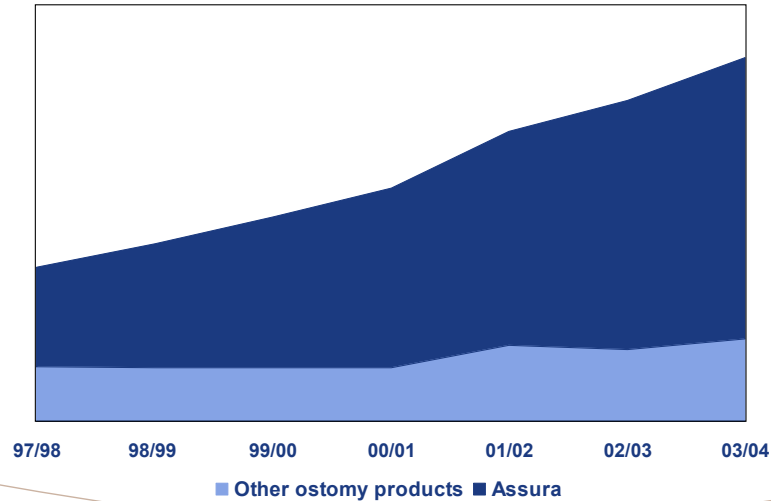


## Ostomy care - innovation

Product launches



## Ostomy care - sales development







## Continece care - for independent living

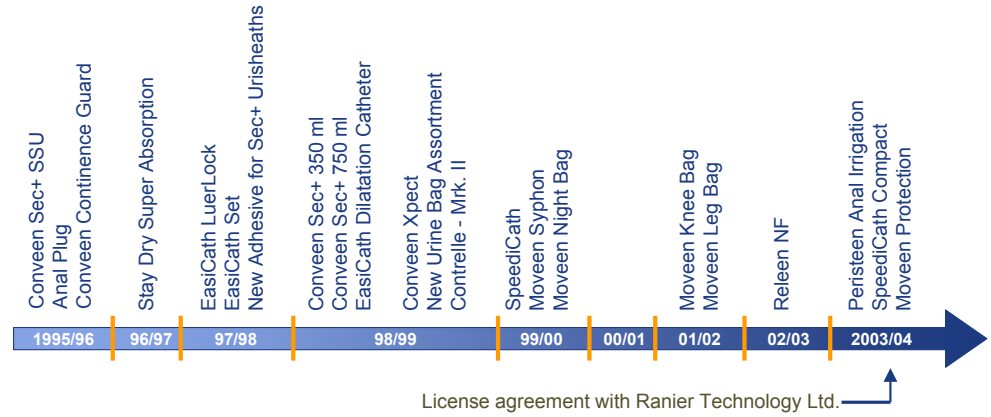
- Spinal cord injured, multiple sclerosis, spina bifida
- Discreet and easy-to-use solutions
- Catheters, urine bags, urisheaths, bowel management, absorbent products



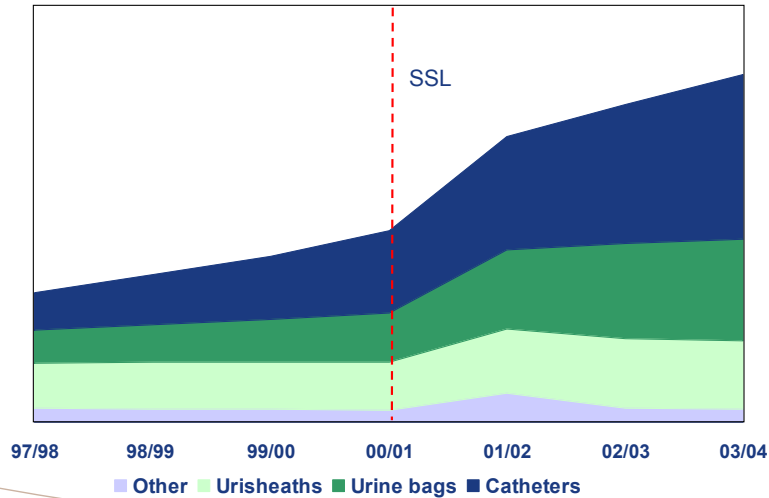
## Contenance care - market data

Product area	Market size	Coloplast market share (EU15)	Coloplast growth	Main competitors
	1.5bn DKK 15%	43%	15%	Astra Tech, Rüsich
	1.2bn DKK 0-5%	30% (value)	0-5%	Bard, Hollister, Mentor, B Braun, Manfred Sauer, Unomedical
	0.5bn DKK 0-3%	>60%	0-3%	Mentor, Hollister, Rochester, Manfred Sauer
	1.0bn DKK 2%	-	-	No direct competitors

## Contenance care - innovation Product launches



## Contenance care - sales development



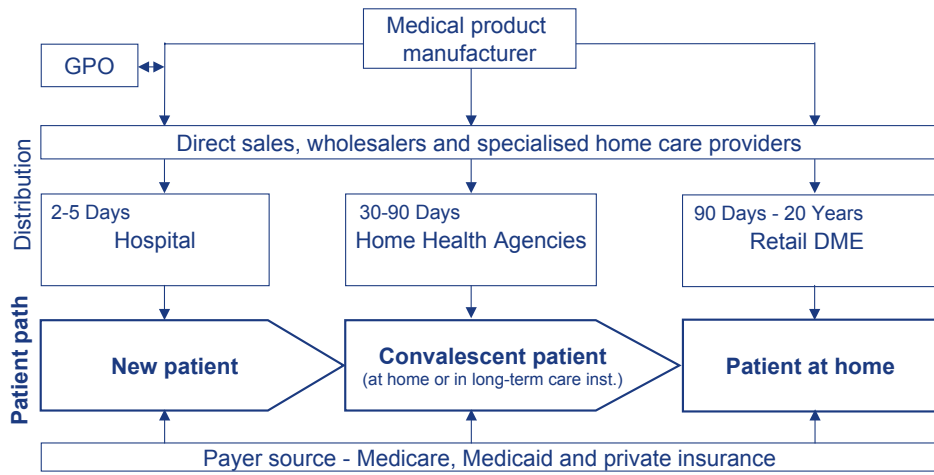
## Chronic care - US marketing

US growth >20%

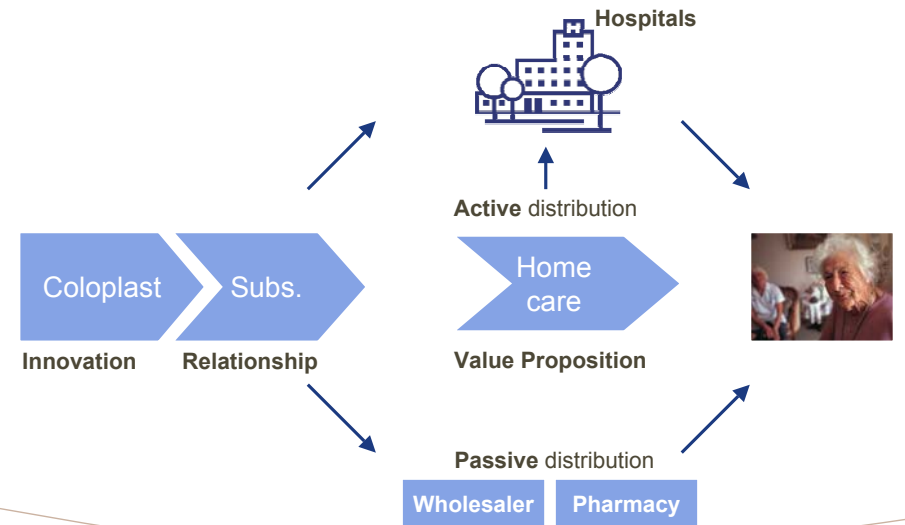
- Strong product portfolio
  - Convex baseplate, EasiClose
- Market access through GPO/IDN
  - Large number of IDN contracts
- Active distribution
  - Sterling Medical Services
- Regional sales force presence
  - >50 people
  - Trained ET nurses
  - Medical device sales professionals



### Chronic care - US patient path



### Home care value chain



### Coloplast home care activities



German market leader in active distribution. Distributing 1/3 of all ostomy bags in Germany. Ownership majority since 2001.



Distribution of ostomy, continence care and wound care products in the UK. Cutting service for ostomists. Internal merger of Coloplast Direct (1996) and ThackrayCare (2001). Established 2004.

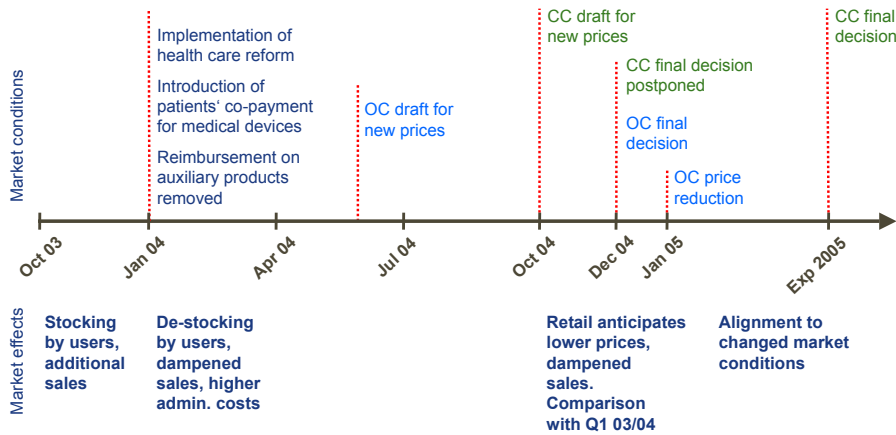


Leading provider in the US of ostomy, wound care, urological, and diabetic products and cost management services. Ownership since 2001.

### The HSC Group



## Changing market conditions in Germany



## German market impact on Coloplast

- Reform impacts 1-1.2bn DKK turnover (ostomy and continence care)
- Coloplast is German market leader in ostomy
- HSC is German market leader in distribution - distributing 1/3 of all ostomy products
- Activities will be aligned to changed market conditions from 2005
- Expectations for 2004/05 affected by 1-2 percentage points on top line and profit margin
- Objectives for 2008 are maintained



## Wound care - providing better outcomes

- For difficult to heal wounds
  - leg ulcers, pressure sores, diabetic ulcers
- Primarily affects the elderly
- Portfolio of advanced, active dressings
- Education, information and service



## Wound care - market definition

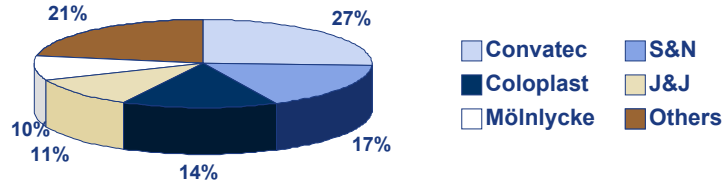
		Wound type	
		Acute	Chronic
Product technology	Dry wound healing	€ 1.5 billion	€ 1.0 billion
	Moist wound healing	€ 0.5 billion	€ 1.0 billion
	Pharma and biotech	€ 0.1 billion	€ 0.4 billion
	VAC	€ 0.4 billion	€ 0.1 billion
Compression			

**€ 1.1 billion segment, growth 9-11%** (referring to the Dry and Moist wound healing segments)

**Active** (referring to the Moist wound healing segment)

## Wound care - market shares in Europe

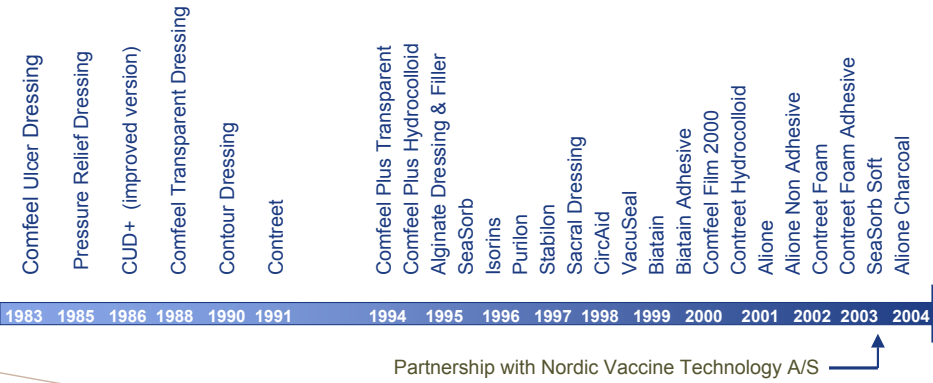
MWH and active products



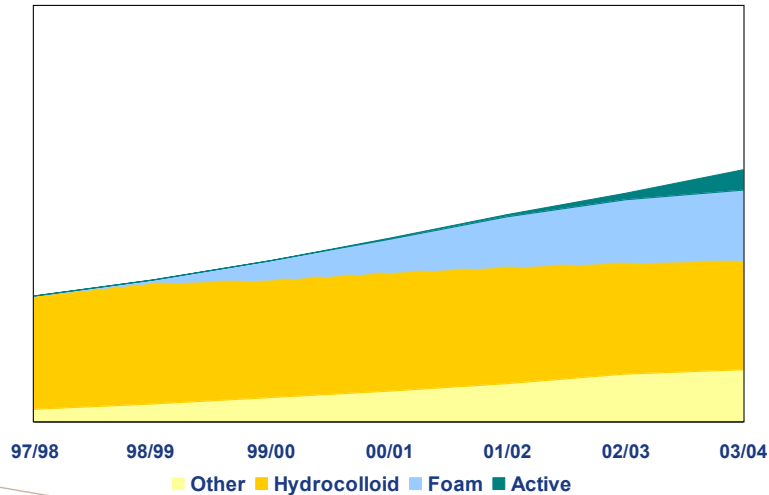
Technology	Traditional	Advanced	Active
ConvaTec		X	X
S&N		X	X
Coloplast		X	X
J&J	X	X	X
Mölnlycke	X	X	

## Wound care - innovation

Product launches



## Wound care - sales development

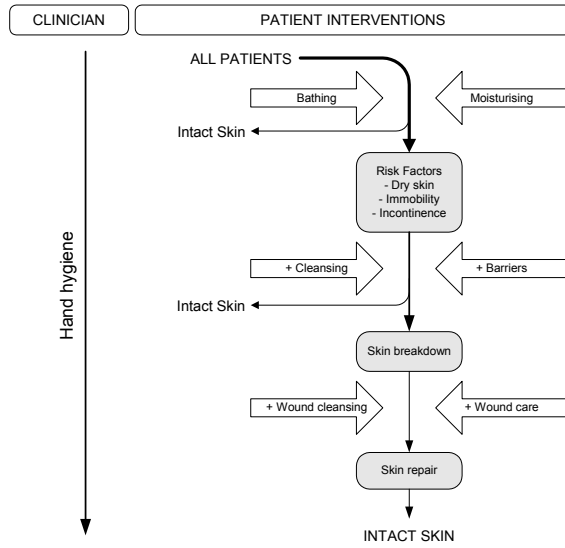


## Skin health - for medical and personal use

- To treat skin problems arising from medical conditions or related to frequent hand washings
- Designed for cleansing, moisturising, protection and treatment
- Skin health includes US wound care sales
- 3/4 of SBU turnover generated in the US

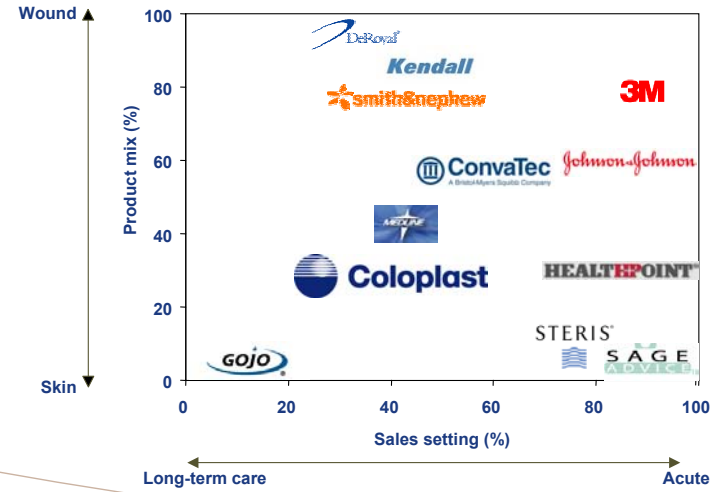


## Skin health - product positioning



## Skin health - competitors

4bn DKK US market



## Breast care - for peace of mind

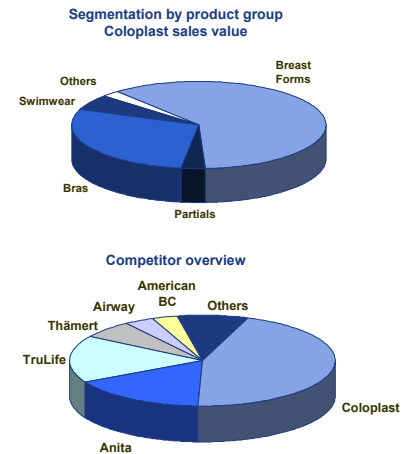
- Attached, lightweight and soft breast forms, partial breast shapers, lingerie and swimwear
- Breast cancer affect approx. 10% of women



## Breast care business case

1bn DKK global market

- 45% total market share (breastforms, partials, textiles)
- >50% market share for breast forms
- 50/50 sales value split between US and Europe
- Incidence of cancer in women is increasing
- Number of breast-saving surgeries increasing
- US market hit by low demand



## Growth first quarter 2004/05

- local currencies

	Growth Q1 2004/05	Growth Q1 2003/04	Est. market growth
Ostomy care	13%	19%	2-6%
Continence care	8%	11%	5-8%
<b>Chronic care segment*</b>	<b>6%</b>	<b>14%</b>	
Wound care	4%	17%	9-11%
Skin health	12%	29%	9-12%
Breast care	(3)%	4%	(3)-(1)%
<b>SBU segment</b>	<b>4%</b>	<b>15%</b>	
<b>Coloplast total</b>	<b>5%</b>	<b>14%</b>	
Europe	4%	15%	
Americas	8%	11%	
ROW	18%	20%	

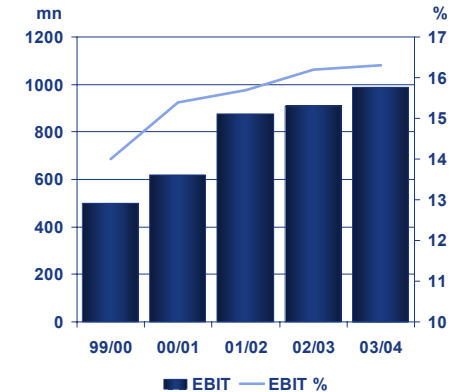
\*Includes  
homecare



■ Ostomy care (39%)    ■ Wound care (12%)  
 ■ Continence care (24%)    ■ Breast care (7%)  
 ■ Other (13%)    ■ Skin health (5%)

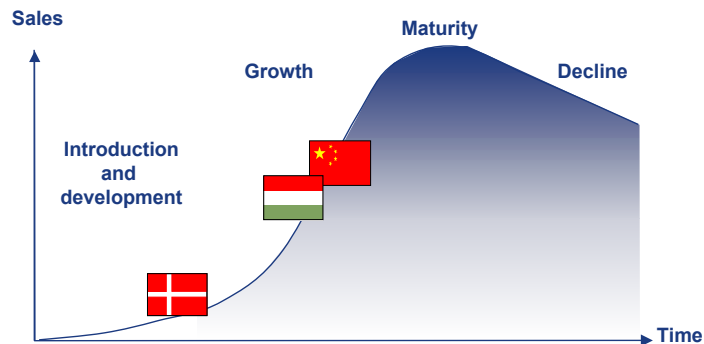
## Profit and margins - how to reach 18%...

- Relocation  
- Hungary and China
- Efficiency projects / abc
- SBU margin improvement
- Economies of scale



## Volume production

Product life cycle stages



## Tatabanya, Hungary

- 550 headcounts by Sept. 2004
- Construction completed
- DKK 1.5bn sales value in 2005/06
- Corporate tax rate 16%
- Tax investment incentive  
DKK 150mn



Coloplast, Phase I-III, Tatabanya, Hungary

- Phase I - finalised: ostomy bags, urisheaths
- Phase II - finalised: ostomy bags, dressings, catheters
- Phase III - finalised 2005: Assura ostomy bags, baseplates, adhesives

## Expectations and targets



### 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



## Coloplast consolidated figures

mDKK	As per 30 September 2004				
	99/00	00/01	01/02	02/03	03/04
Net turnover	3,556	4,018	5,567	5,610	6,069
EBITDA <sup>1</sup>	720	878	1,157	1,206	1,295
Operating profit	498	618	875	909	988
Net financial expenses <sup>2</sup>	48	31	60	21	89
Coloplast's share of profit for the year	292	405	768	567	577
Total debt <sup>3</sup>	509	1,395	1,791	2,301	2,206
Net debt <sup>4</sup>	334	1,121	1,471	1,473	1,465
Total equity capital	1,637	1,213	1,562	2,002	2,357

<sup>1</sup> EBITDA defined as Profit before depreciation as stated in the Accounts

<sup>2</sup> Net Interest Expense defined as Interest Expense less Interest Income

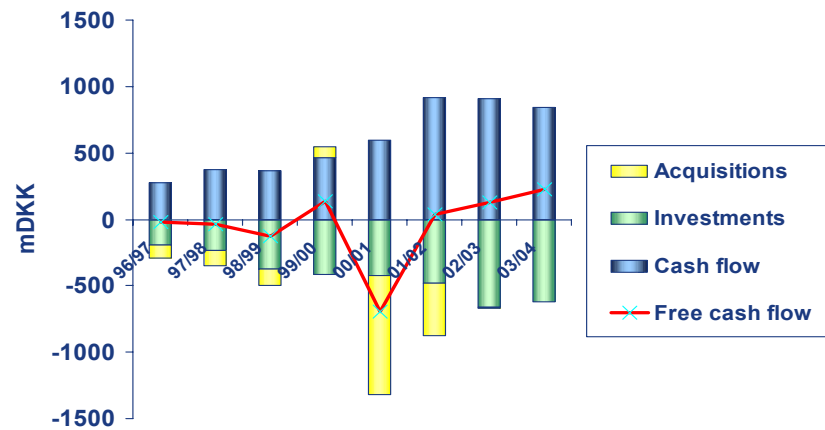
<sup>3</sup> Total Debt defined as Short Term Bank Loans and Mortgages plus Long Term Bank Loans and Mortgages

<sup>4</sup> Net Debt defined as Total Debt less Cash and cash equivalents

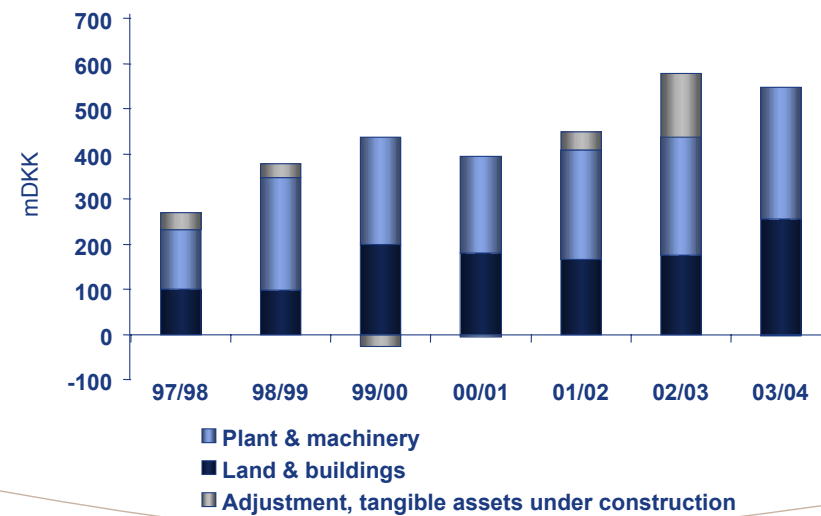
## Coloplast key financial ratios

As per 30 September 2004	99/00	00/01	01/02	02/03	03/04
<b>Profitability</b>					
Operating profit margin	14	15	16	16	16
EBITDA margin	20	22	21	21	21
<b>Coverage</b>					
EBITDA/Net interest, ratio	48	44	14	17	13
<b>Leverage</b>					
Net debt/EBITDA, ratio	46	128	127	122	113
Total debt/total capitalisation, %	4	8	10	10	10

## Cash flow



## Investments - tangible assets



## Shareholders as per 30 September 2004

	A-shares 1,000 units	B-shares 1,000 units	Owner- ship, %	Voting rights, %
Holders of A-shares	1,800	8,839	44.3	66.8
Danish instit. investors		4,390	18.3	10.9
Foreign instit. investors		5,960	24.8	14.8
Coloplast A/S*		592	2.5	-
Other shareholders		2,014	8.4	5.0
Non-registered shareholders*		405	1.7	-
<b>Total</b>	<b>1,800</b>	<b>22,200</b>	<b>100.0</b>	<b>97.5</b>

\*No voting rights

