



Coloplast A/S
Investor Presentation
2005/06

Highlights 2005/06

- Coloplast generated revenue of DKK 7,227m in its continuing business, equal to a 15% growth measured in local currencies.
- The acquisition of Mentor's urology business was concluded in June 2006 and contributed revenue of DKK 440m in 2005/06
- Organic revenue growth was 8% measured in local currencies and EBIT margin was just over 13%, thus in line with expectations
- The EBIT margin in the underlying business was 17%. The acquisition of Mentor's urology business lowered the company's operating profit by about DKK 280m.
- Economic profit was DKK 349m compared with DKK 279m last year
- Coloplast raises its target for the EBIT margin in 2012 from at least 17% to at least 18%.
- The total synergies related to the acquired urology business are raised to DKK 75-100m annually. Total integration costs for the entire integration period is now expected to amount to approximately DKK 230m.

Income statement 2005/06

DKKm	2005/06	2004/05	Index
Net revenue	7,227	6,232	116
Gross profit	4,343	3,789	115
- Gross profit margin	60%	61%	
EBITDA	1,392	1,348	103
- EBITDA margin	19%	22%	
Net operating profit (EBIT)	955	1,000	96
- Profit margin	13%	16%	
Profit before tax	726	837	87
Tax	-213	-272	78
Discontinued activity, Sterling	102	-10	
Group profit	614	553	111

Impact from acquisition of urology business

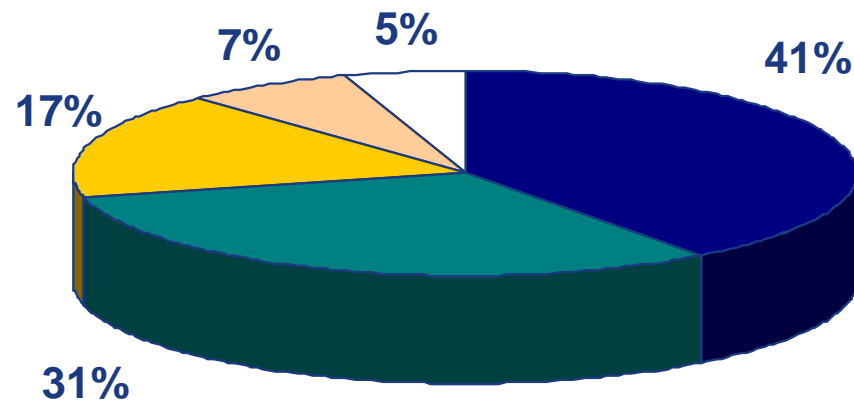
DKKm	2005/06	2006/07	2007/08
Integration costs	70	130	30
US relocation costs	60	30	0
Stock of finished goods	100	0	0
Depreciation of assets	50	150	150
Total impact from acquisition	280	310	180

- Synergies in 2005/06 were insignificant
- In 2006/07, expected synergies amount to DKK 20m.
- Annual synergies after concluded integration estimated to reach DKK 75m-100m with full effect from 2008/09



Revenue development 2005/06 - business areas

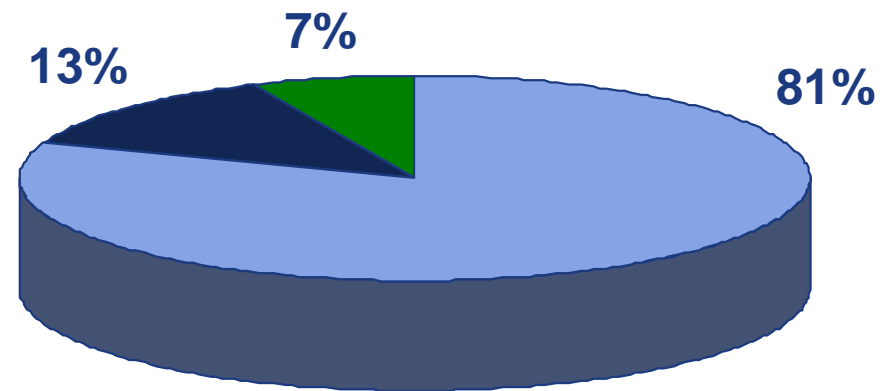
Growth in local currencies	Growth 2005/06	Growth 2004/05	Revenue 2005/06	Market growth
■ Ostomy Care	7%	9%	2,867	1-3%
■ Urology & Continence Care	39%	-	2,265	7%
- <i>Excl. urology business</i>	14%	11%	1,835	-
■ Wound & Skin Care	6%	12%	1,223	6-7%
■ Breast Care	5%	6%	508	2%
□ Other	-	-	364	-
Group net revenue	15%		7,227	4-6%
- <i>Excl. urology business</i>	8%	8%	6,787	-



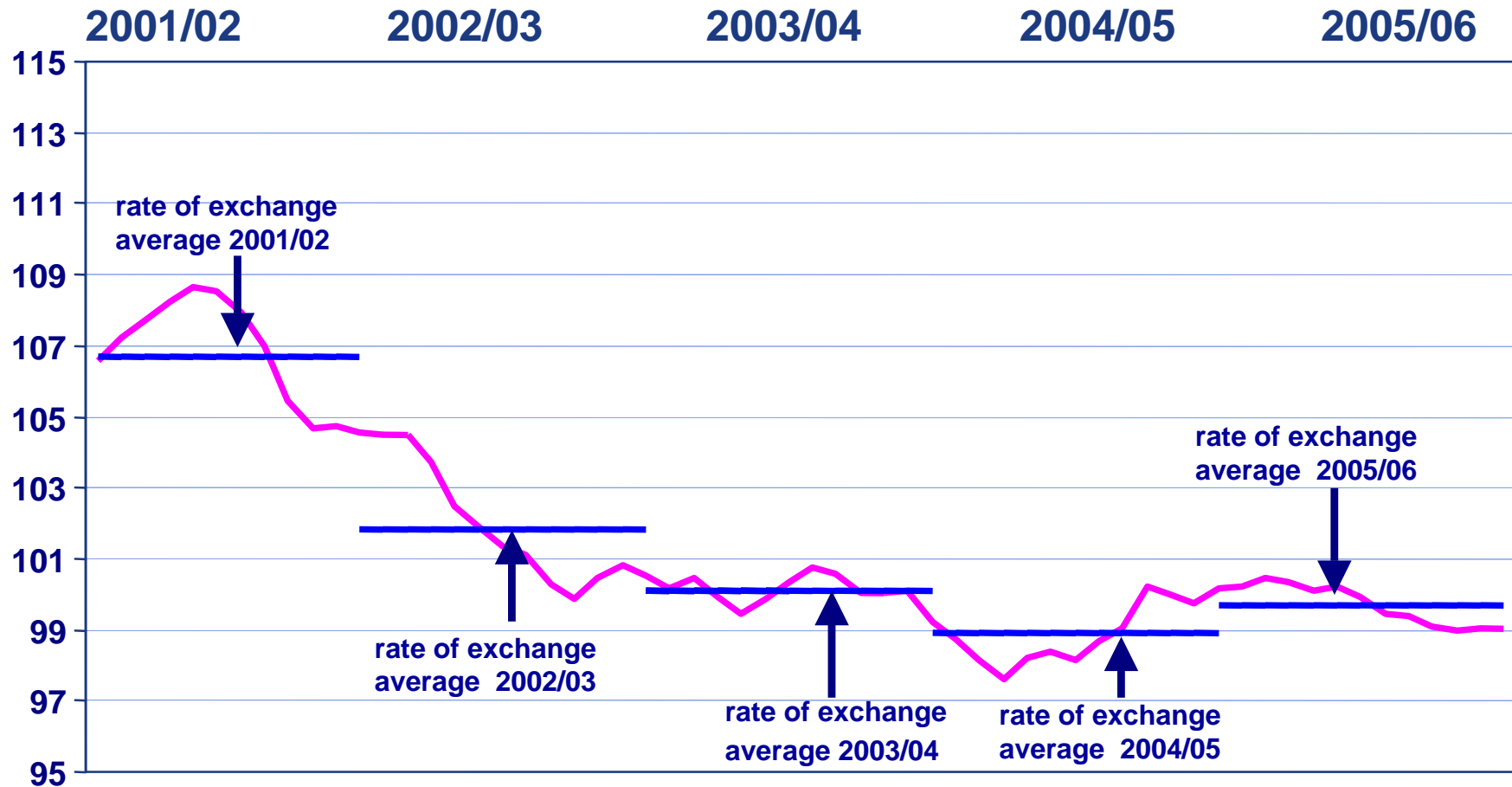
Revenue development 2005/06 - geography

Growth in local currencies	Growth 2005/06	Organic 2005/06	Growth 2004/05	Revenue 2005/06
■ Europe	11%	7%	7%	5,835
■ The Americas	50%	12%	13%	916
■ Rest of World	16%	12%	12%	476
Group net revenue	15%	8%	8%	7,227

- The divestment of Sterling Medical Services affects geographical revenue split in 2005/06
- Acquisition of Mentor's urology business doubles Coloplast's revenue in the US from 2006/07



Exchange rate development 2001-2006



Balance sheet, cash flows and key ratios 2005/06

DKKm	2005/06	2004/05
Invested capital	7,996	5,386
Net interest bearing debt	3,069	867
Equity, ultimo	2,804	2,512
Investments in tangible assets	415	399
Free cash flow, reported	-2,027	919
- Free cash flow, organic business	604	919
- Free cash flow, acquisitions and divestments	-2,631	0
ROAIC, %	15	18
Economic profit	349	279
Net debt to EBITDA	2.20	0.64
Price/earnings ratio (PE)	37	33
Earnings per share (EPS)	11	12

Expectations and long-term targets

2006/07

- Sales growth of around 22% in local currencies of which around 9%-points will be organic growth
- EBITDA margin of 18-19% and profit margin (EBIT) of 12-13%
- Investments in tangible assets of DKK 700m
- Corporate tax rate of 30%
- Net costs of integration and restructuring of around DKK 380m

2012

- At least a doubling of economic profit (EP) every five years, based on the 2004/05 figures
- Organic growth of Coloplast's revenue to DKK 15 billion
- A profit margin (EBIT margin) to exceed 18% ← **Profit margin upgraded from at least 17%**

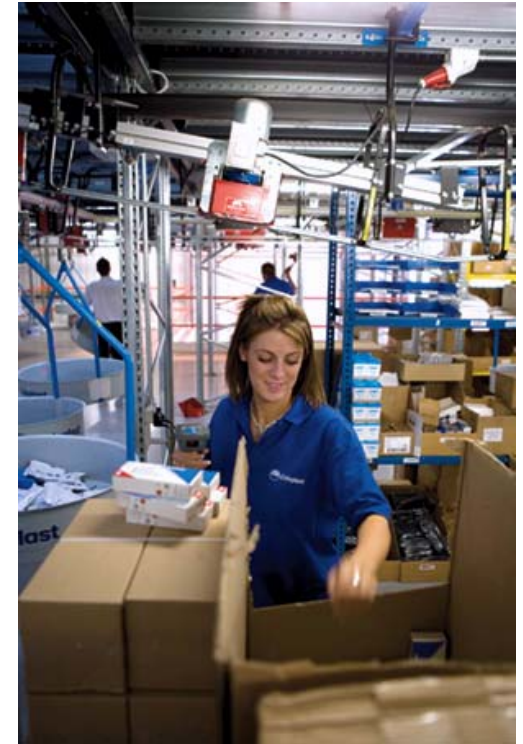
Strategy 2012 - update

Revenue growth levers

- Faster market roll-out of new products
- Investing in new geographical markets
- Up-scaling investments in research and development
- Investing in new technology and product areas
- Establishing specialised sales forces

Margin expansion drivers

- Global Operations
 - *LEAN* production flow
 - Relocation to Hungary and China
 - Scalability
- Corporate procurement
- Productivity improvements in all parts of the organisation through abc/Lean



Ostomy Care

	2005/06	2004/05	Q4 05/06	Q4 04/05
Revenue (DKKm)	2,867	2,657	754	711
Growth in local currencies	7%	9%	6%	-

- Revenue growth affected by situation in HSC - excluding sales from HSC, sales growth was approximately 12%
- US revenue growth exceeded 20%
- International launch of **SenSura** in October 2006
- Growth expected to pick-up in 2006/07



Urology & Continenence Care

	2005/06	2004/05	Q4 05/06	Q4 04/05
Revenue (DKKm)	2,265	1,615	779	434
- Organic	1,835	1,615	463	434
- Acquired	430	0	316	0
Growth in local currencies	39%	11%	75%	-
- Organic	14%	11%	6%	-
- Acquired	25%	0%	69%	-

- Continued high organic growth
 - Catheters still growing with more than 20%
 - Urine bags growing to expectations
- Global market leader in continence care and among the leaders in urology
- International launch of **Conveen** Optima



Urology & Continence Care - integration

Strategic rationale reconfirmed

- Enlarging the scope of our continence care business into urology
- A solid position in the US urology market
- Strengthening of our European market position

Status on key integration activities

- Establish a new headquarter in the US
- Integrate sales organisations in all countries
- Optimise procurement
- Combine and expand R&D
- Reach one IT platform and reporting system
- Create one company and one culture



*Prof. Daniel Raudrant
Hôtel Dieu, Lyon*

Wound & Skin Care

	2005/06	2004/05	Q4 05/06	Q4 04/05
Revenue (DKKm)	1,223	1,137	316	308
Growth in local currencies	6%	12%	3%	-

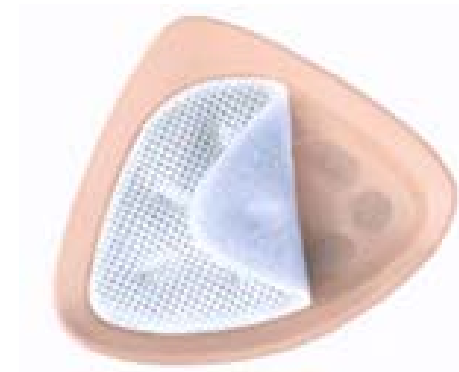
- Revenue performance expected to return to double-digit growth in 2006/07
- Successful launch of **Biatain - Ibu**
- Declining revenue performance primarily related to moist wound healing market developments
- Sale of skin care products developed according to estimates



Breast Care

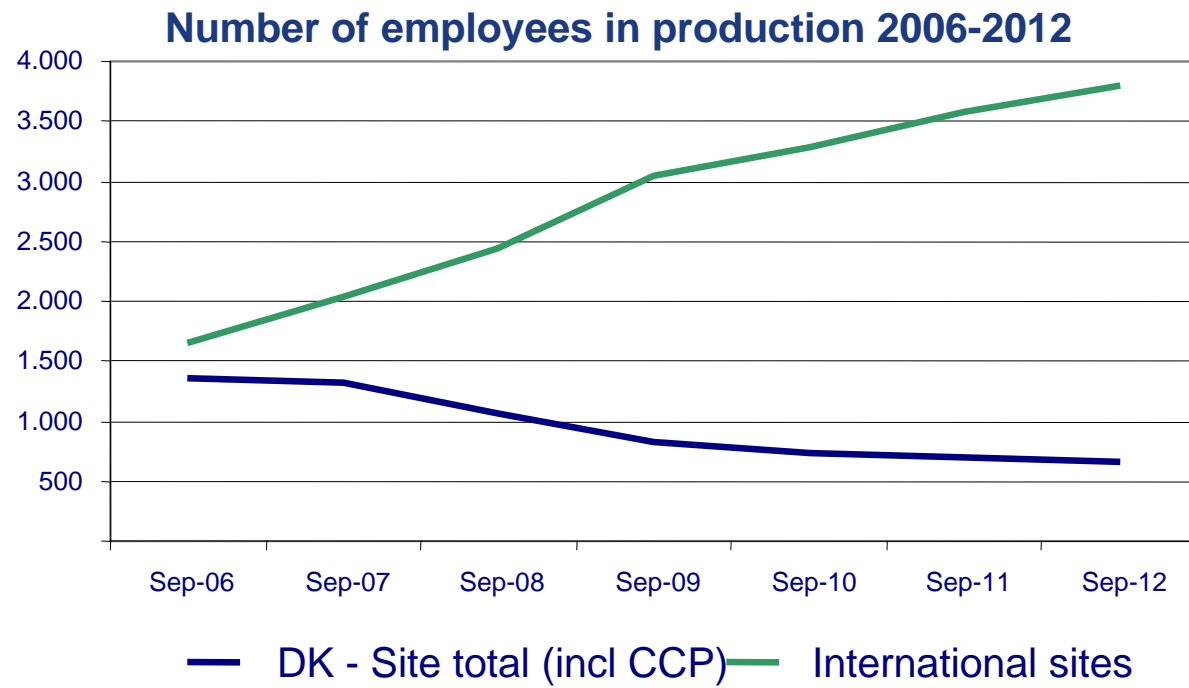
	2005/06	2004/05	Q4 05/06	Q4 04/05
Revenue (DKKm)	508	474	131	124
Growth in local currencies	5%	6%	7%	-

- Sales growth according to expectations, driven by new products
- Growth in sales of all main product areas, i.e. breast forms, partials, and textiles
- Revaluation of the DKK 1 billion market, now estimated to grow approximately 2%



Global Operations

- Coloplast aims at achieving world-class manufacturing within the next three years
- New factories located in China and Hungary
- Production facilities in Denmark will be consolidated from six to three sites



Summary

- Full year 2005/06 earnings results in line with expectations
- Strong underlying business performance
- Revenue growth affected by situation in HSC and sale of wound care products
- Earnings in 2005/06 and 2006/07 affected by acquisition of urology business and restructuring
- Integration process on-track
- Long-term earnings target increased from at least 17% to at least 18%



Analysts' estimates 2005/06

DKKm	Net revenue	EBIT	EBIT margin	PBT
High	7,374	998	13.8%	764
Mean	7,282	937	12.9%	731
Low	7,232	895	12.3%	689
Coloplast actual	7,227	955	13.2%	726
Index to mean	99	102	103	99

Based on estimates collected from 11 financial analysts



Coloplast