

# Interim Financial Statement 9M 2006/07

Conference call presentation  
16 August 2007

# Financial highlights 9M 2006/07

- Group revenue increased 27% in local currencies and 25% in Danish kroner
- Organic sales growth was 10% and the acquired urology business contributed 17%. Exchange rate changes reduced growth by 2%-point
- Operating profit was DKK 786m, which translates into an EBIT margin of 13%
- Economic profit was DKK 270m compared with DKK 331m for the same period of last year
- Expressed less impacts from acquisitions totalling DKK 219m, operating profit was DKK 1,005m, equal to an EBIT margin of 17%
- The full-year 2006/07 forecast for organic revenue growth is raised from around 9% to around 10%
- The EBIT margin forecast remains at 12-13%. Long-term targets are unchanged
- The DKK 1bn share buy-back programme will now be fully utilised during the current financial year.

## Income statement 9M 2006/07

DKKm	9M 06/07	9M 05/06	Index
Net revenue	<b>5,982</b>	4,776	125
Gross profit	<b>3,561</b>	2,955	121
- Gross profit margin	<b>60%</b>	62%	
EBITDA	<b>1,202</b>	1,042	115
- EBITDA margin	<b>20%</b>	22%	
Net operating profit (EBIT)	<b>786</b>	755	104
- EBIT margin	<b>13%</b>	16%	
Profit before tax	<b>689</b>	593	116
Tax	<b>-176</b>	-176	100
Profit, continuing operations	<b>513</b>	417	123
Net profit, discontinuing operations	<b>483</b>	131	
Group profit	<b>996</b>	548	182

## Balance sheet, cash flows and key ratios 9M 2006/07

DKKm	9M 06/07	FY 05/06
Invested capital	<b>7,729</b>	7,996
Net interest bearing debt	<b>2,759</b>	3,069
Equity, ultimo	<b>3,310</b>	2,804
Investments in property, plant and equipment	<b>438</b>	415
Cash flow from operations	<b>513</b>	991
Cash flow from investments	<b>374</b>	-3,018
Cash flow from financing	<b>-774</b>	-782
Free cash flow	<b>887</b>	-2,027
ROAIC, %	<b>13</b>	14
Economic profit	<b>270</b>	295
Net debt to EBITDA	<b>1.7</b>	2.4
Price/earnings ratio (PE) (continued operations)	<b>32</b>	49
Earnings per share (EPS)	<b>11</b>	10

# Impacts from acquisitions and restructurings

## Impacts on profitability in 9M 2006/07

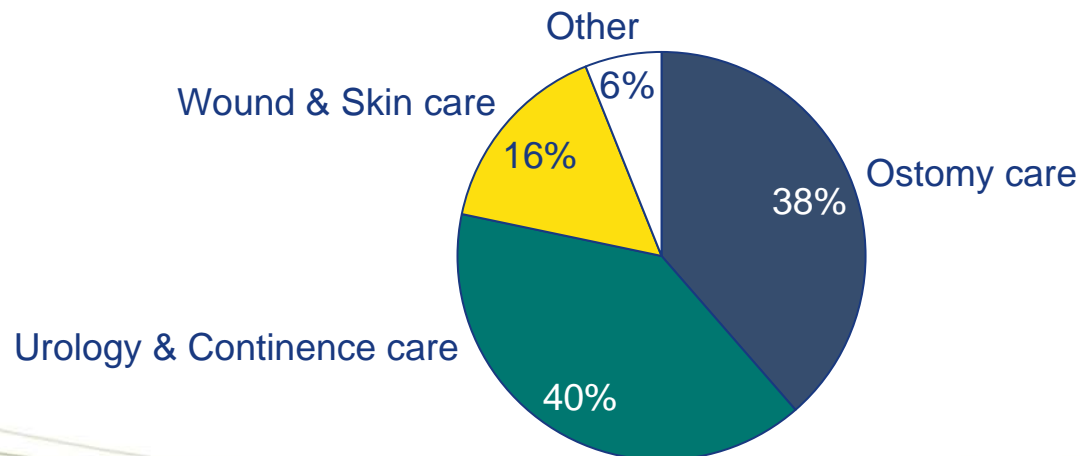
DKKm	9M 06/07
<b>Operating profit, underlying</b>	<b>1,064</b>
Restructurings	-59
<b>Operating profit, incl. acquisition</b>	<b>1,005</b>
Depreciations, intangibles	-96
Relocation in the US	-22
Integration costs	-101
<b>Operating profit, reported</b>	<b>786</b>

## Estimated full year financial impacts

DKKm	2006/07
Integration costs	-130
Relocation in the US	-30
Depreciations, intangibles	-130
Restructurings	-90
Synergies	20
<b>Expected net effect, 2006/07</b>	<b>-360</b>

## Revenue development - business areas

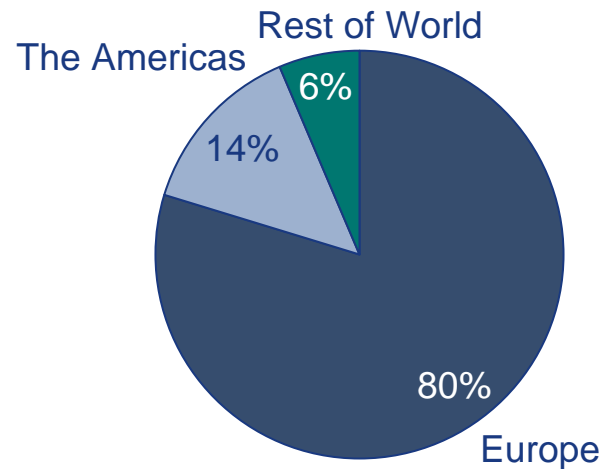
Growth in local currencies	Revenue 9M 06/07	Growth 9M 06/07	Growth 9M 05/06	Market growth
■ Ostomy care	2,303	10%	8%	1-3%
■ Urology & Continence care - Organic growth	2,376 -	63% 11%	25% 16%	7% -
■ Wound & Skin care	939	6%	7%	6-7%
□ Other	364	31%	-	-
Group net revenue	5,982	27%	12%	4-6%
- Organic growth	10%	10%	9%	-



Ostomy care  
Urology & Continence care  
Wound & Skin care

## Revenue development - geography

Growth in local currencies	Revenue 9M 06/07	Growth 9M 06/07	Organic 9M 06/07	Growth 9M 05/06
■ Europe	4,777	18%	9%	8%
■ The Americas	831	111%	16%	18%
■ Rest of World	374	21%	16%	14%
Group net revenue	5,982	27%	10%	12%



# Ostomy care

Revenue (DKKm)	2006/07	2005/06	Organic growth
9M	2,303	2,114	10%
Q3	804	730	12%

- **SenSura** is launched in 17 countries and sales continue to exceed estimates
- 12% organic growth in Q3 driven by satisfactory growth in US and main European markets
- HSC is strengthening market position through deployment of the 'Managed Care' strategy



## Urology & Contenance care

Revenue (DKKm)	2006/07	2005/06	Organic growth	Total growth
9M	2,376	1,479	11%	63%
Q3	813	579	12%	43%

- Integration process to be completed within 3-6 months. Relocation in the US completed
- Acquired urology business shows organic growth on par with market growth
- Sales growth driven by intermittent catheters and urine bags



## Wound & Skin care

Revenue (DKKm)	2006/07	2005/06	Organic growth
9M	939	905	6%
Q3	323	318	4%

- Sales growth driven by **Biatain** foam dressings
- The concept of **Biatain - Ibu** well received by customers, but sales performance still below estimates
- New strategy under implementation, which is expected to deliver double-digit growth within 1-2 years



# Reimbursement

- In the UK, a new consultation process is expected in September 2007
  - Coloplast expects no changes to reimbursement of ostomy- and continence care products and services before 2008
- The German organisation is being strengthened ahead of potential effects from the health care regulation adopted 1 April 2007.
  - Coloplast is strengthening the key account function and changes the sales force structure



# On track for 2012 strategy targets

- Lean organisation with focus on customers, innovation and time to market
  - ✓ New commercial organisation completed
  - ✓ Strong growth momentum
- Acquisitions and divestments
  - ✓ Integration of urology business completed within 3-6 months
  - ✓ Brachytherapy divested (Q3)
  - ✓ Breast Care divested (Q2)
- Implementation of global manufacturing strategy
  - ✓ Relocation of production lines to Hungary progress according to plan
  - ✓ New factories in Hungary and China completed
  - ✓ Underlying production costs increased by 23%, sales increased by 25%

# Expectations and long-term targets

## 2006/07

- Sales growth of 22-23% in local currencies of which around 10%-points will be organic growth - **UPGRADED**
- EBITDA margin of 18-19% and EBIT margin of 12-13%
- Investments in tangible assets of DKK 600m
- Corporate tax rate of 26% - **CHANGED**
- Net costs of integration and restructuring of around DKK 360m

## 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 at least DKK 14 billion
- Operating margin (EBIT) to exceed 18%