

Coloplast's Financial Statement Q1 2006/07

Conference call presentation
8 February 2007



Financial highlights Q1 2006/07

- Coloplast generated revenue of DKK 2,048m compared with DKK 1,646m for the same period last year. This represents an increase of 26% in local currencies, 19% of which derives from the acquired urology business
- Exchange-rate changes reduced the value of Coloplast's revenue measured in DKK by 2%
- Our organic growth rate was 7% measured in local currencies
- Operating profit was DKK 260m and the profit margin came to 13%
- Excluding the costs of integrating our acquired urology business and depreciation of intangible assets relating to that acquisition, totalling DKK 84m, operating profit amounted to DKK 344m, corresponding to a profit margin of approximately 17%
- Economic profit amounted to DKK 46m compared with DKK 98m for the same period last year.
- A share buy-back programme in the order of DKK 1bn will be initiated for exercise in 2007 and part of 2008 with a view to cancelling the shares acquired
- The outlook for 2006/07 remains unchanged.

Income statement Q1 2006/07

DKKm	Q1 06/07	Q1 05/06	Index
Net revenue	2,048	1,646	124
Gross profit	1,220	1,028	119
- Gross profit margin	60%	62%	
EBITDA	405	368	110
- EBITDA margin	20%	22%	
Net operating profit (EBIT)	260	275	95
- Profit margin	13%	17%	
Profit before tax	202	236	86
Tax	-60	-72	83
Group profit	142	164	87

Balance sheet, cash flows and key ratios Q1 2006/07

DKKm	Q1 06/07	Q1 05/06
Invested capital	8,208	5,565
Net interest bearing debt	3,306	1,136
Equity, ultimo	2,777	2,417
Investments in tangible assets	134	97
Free cash flow	-6	-1
- Cash flow from operations	106	104
- Cash flow from investments	-112	-105
ROAIC, %	13	20
Economic profit	46	98
Net debt to EBITDA	2.0	0.8
Price/earnings ratio (PE)	43	29
Earnings per share (EPS)	3	4

Impact from acquisition of urology business

Impacts on profitability in Q1 2006/07 related to acquisition of urology business

DKKm	Q1 06/07
Operating profit, underlying	344
Integration costs	-40
Relocation in the US	-12
Operating profit, excl. integration	292
Depreciations, intangibles	-32
Operating profit, reported	260

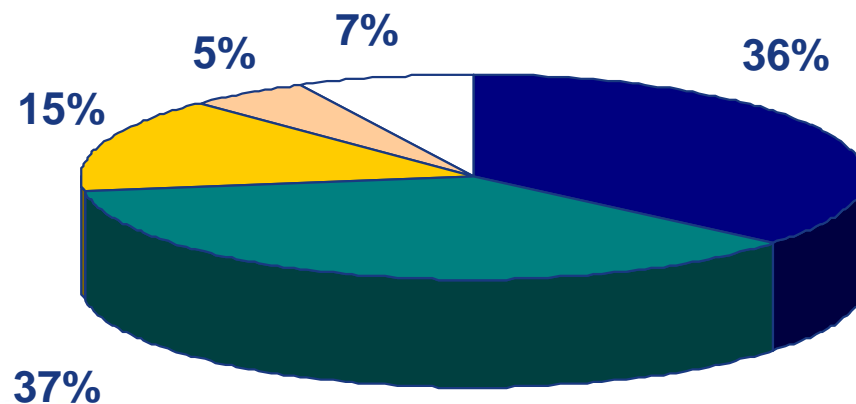
Estimated full year financial impacts from acquisition and restructurings

DKKm	FY 06/07
Integration costs	-130
Relocation in the US	-30
Restructurings	-90
Depreciations, intangibles	-150
Synergies	20
Expected net effect, 2006/07	-380

- Synergies in the first quarter were insignificant. Annual synergies after concluded integration estimated to reach DKK 75m-100m with full effect from 2008/09
- Total integration costs estimated to approximately DKK 230m with DKK 70m in 2005/06, DKK 130m in 2006/07 and DKK 30m in 2007/08.

Revenue development - business areas

Growth in local currencies	Growth Q1 06/07	Growth Q4 05/06	Growth Q1 05/06	Revenue Q1 06/07
■ Ostomy Care	6%	6%	7%	738
■ Urology & Continence Care	68%	75%	-	754
- <i>Excl. urology business</i>	12%	6%	15%	-
■ Wound & Skin Care	6%	3%	8%	303
■ Breast Care	-1%	7%	8%	104
□ Other	-	-	-	149
Group net revenue	26%			2,048
- <i>Organic</i>	7%	5%	8%	-

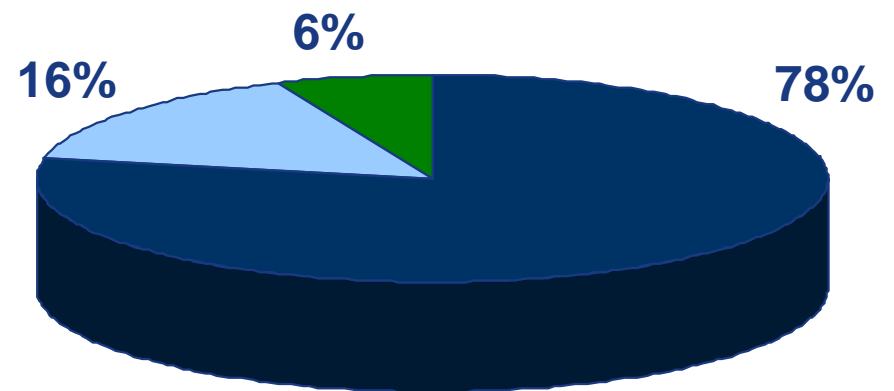


Ostomy care
 Urology & Continence care
 Wound & Skin care
 Breast care

Revenue development - geography

Growth in local currencies	Growth Q1 06/07	Organic Q1 06/07	Growth Q1 05/06	Revenue Q1 06/07
■ Europe	17%	6%	7%	1,601
■ The Americas	106%	6%	8%	317
■ Rest of World	28%	13%	15%	130
Group net revenue	26%	7%	8%	2,048

- Revenue in the US doubled due to the acquisition of the urology business
- Organic growth in the US impacted by delayed accounting of orders received in December 2006



Highlights from business areas

- **Ostomy Care - SenSura** is being launched in new markets. **HSC** established as independent business unit.
- **Urology & Continence Care** - Main growth contribution from sale of urological disposables and intermittent catheters. Integration progressing as planned.
- **Wound & Skin Care** - Double-digit growth expected for the full year. Foam dressings performing well compared to last year. **Biatain - Ibu** now launched in 14 markets.



Urology & Continence Care - integration

Integration process on track

- Establish new headquarters in the US
- Discontinue manufacturing in Lancing, UK
- 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
- Align legal structures



Management issues

- **Share buyback programme** initiated worth around DKK 1 billion
- Updated **Global Operations strategy** launched in October 2006
- In November 2006, the British health authorities issued two consultation papers addressing **reimbursement pricing of stoma and incontinence appliances** as well as remuneration of services
- The German health insurance funds have introduced **new reimbursement prices** for continence care products with effect from 1 January 2007. Estimated effect on Coloplasts revenue in 2006/07 is DKK 20-25m.

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 at least DKK 15 billion
- A profit margin (EBIT margin) to exceed 18%

Analysts' estimates Q1 2006/07

DKKm	Net revenue	EBIT	EBIT margin	PBT
High	2,193	363	12.0%	208
Mean	2,108	227	10.8%	178
Low	2,063	191	9.0%	133
Coloplast actual	2,048	260*	12.7%	202
Index to mean	97	115	118	113

** As reported, includes integration costs and depreciations of acquired intangible assets*

Based on estimates collected from 9 financial analysts



Coloplast