

A photograph of a man and a pregnant woman in a wheelchair. The man is on the left, wearing a dark polo shirt and light-colored pants, smiling and holding a small object. The woman is on the right, wearing a light gray t-shirt and white pants, sitting in a wheelchair and smiling back at him. The background shows a bright, indoor setting with a window and some furniture.

# Coloplast in the US

**ABG Sundal Collier  
Conference Call**

**September 9, 2008**

# Agenda

- Introduction
- The Market for Coloplast Products in the US
- Ostomy Update
- Competitive Landscape in W&S Market
- Integration of Mentor Urology
- IC Policy Change
- New Building

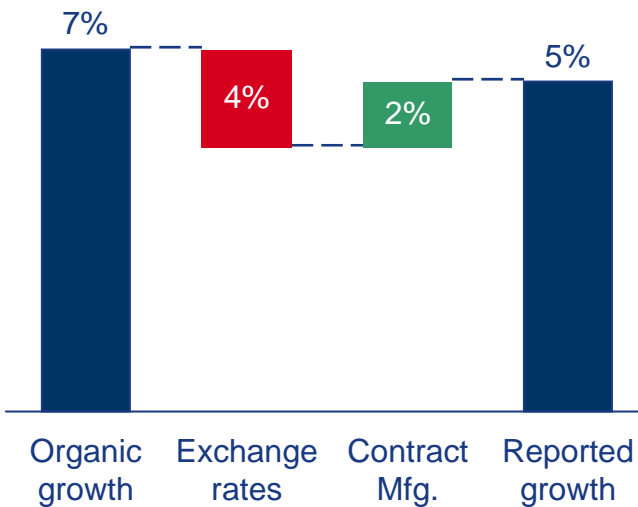
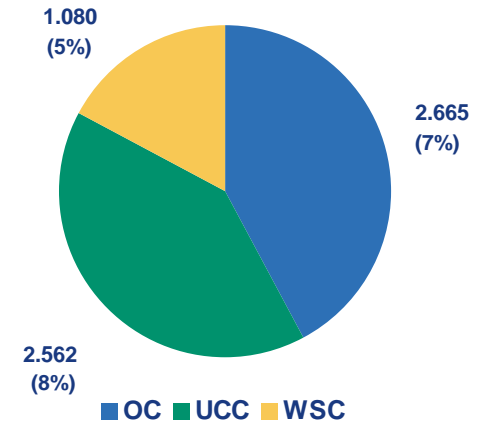
# Sales overview

Organic sales growth of 7% driven by satisfactory performance in Ostomy Care 7% and Urology and Continence Care 8% but less satisfactory growth in Wound and Skin Care of 5%

Growth in Europe of 6% impacted by HSC. Satisfactory sales growth of 10% in Americas from Ostomy and Continence Care. RoW sales were 14% up primary from Asian markets, especially China

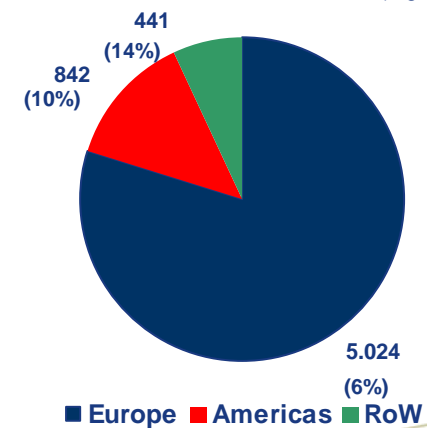
## Sales by business area

DKKm/(organic growth)



## Sales by region

DKKm/(organic growth)



Ostomy care  
Urology & Continence care  
Wound & Skin care

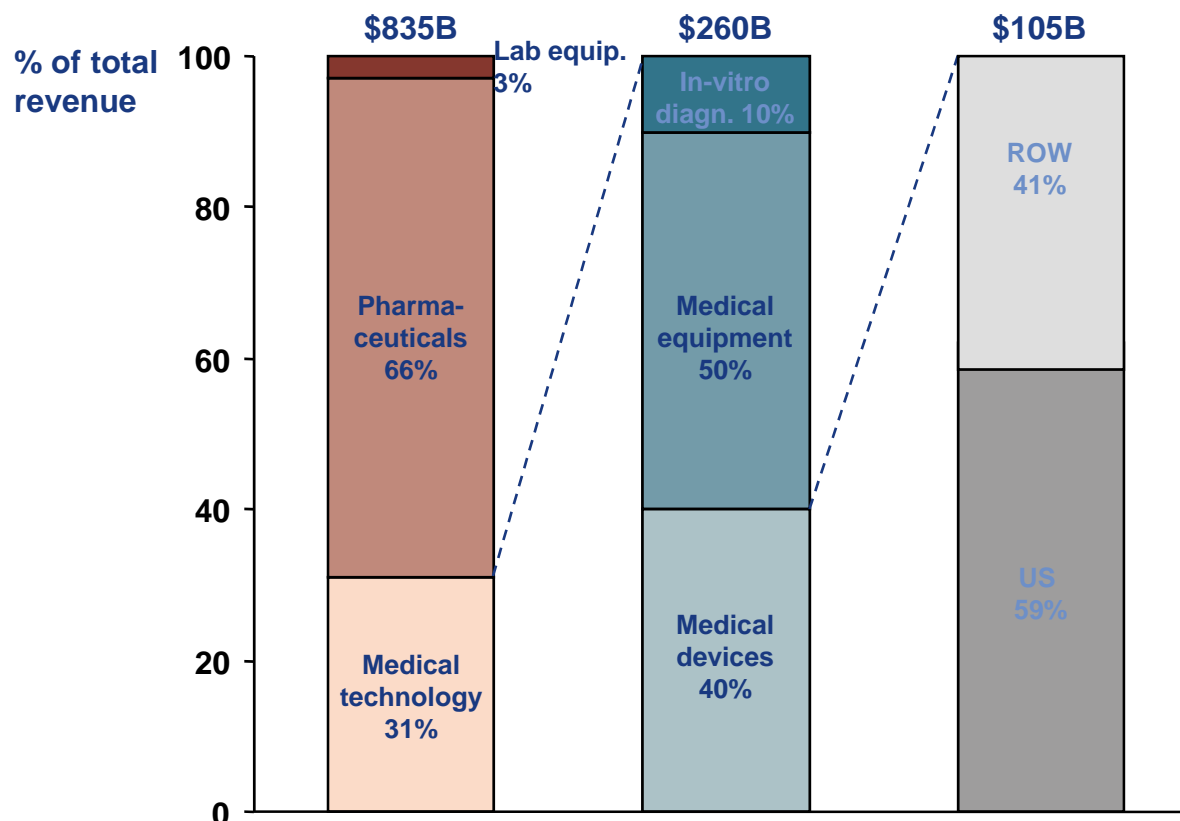
# The market for Coloplast's products in the US

Ostomy care  
Urology & Continence care  
Wound & Skin care



# Medical technology represents 31% of the global healthcare products market

The Global Healthcare Products Market (2004)

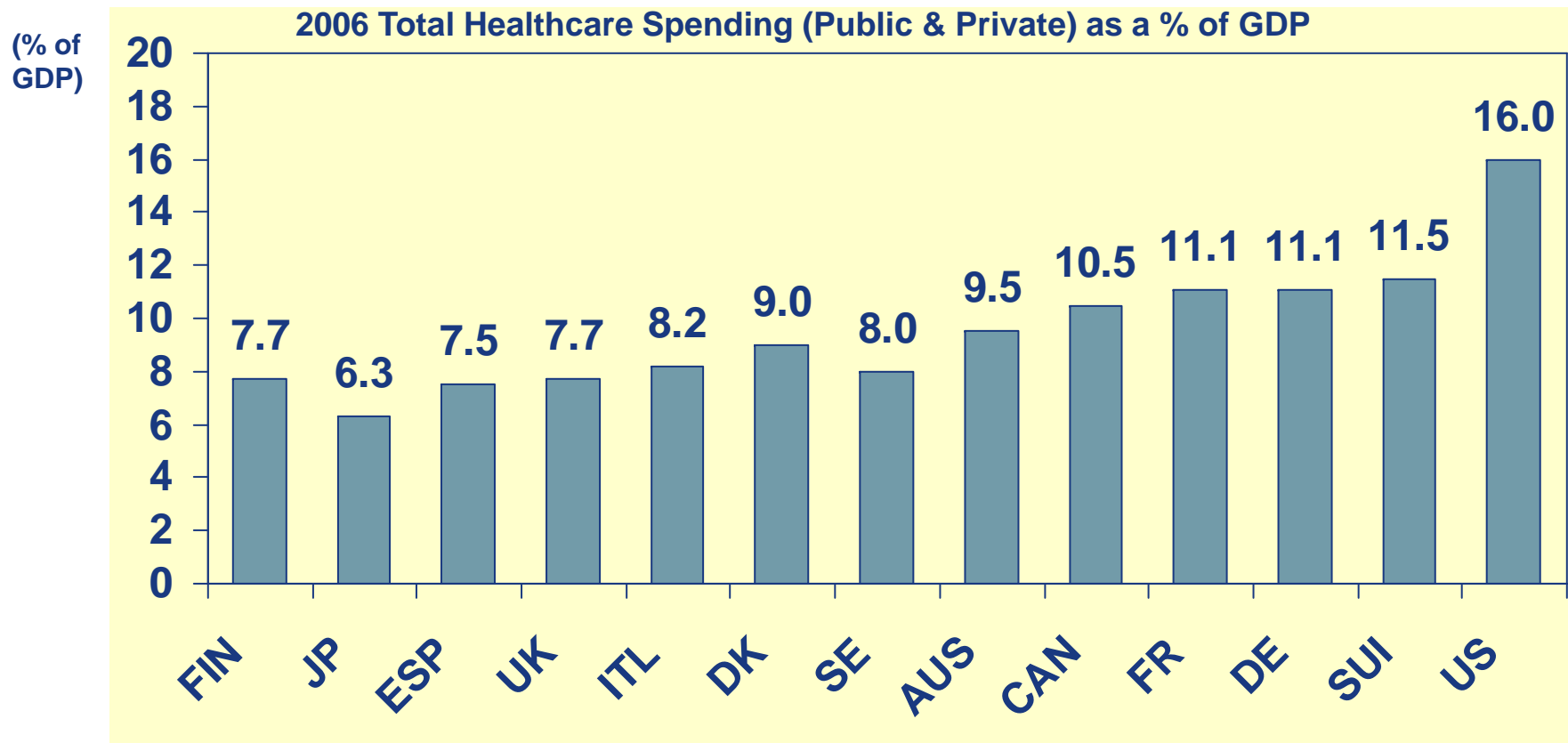


Ostomy care  
 Urology & Continence care  
 Wound & Skin care

Source: Frost & Sullivan; BCG and estimates



# US spends more than 16% of GDP on healthcare



**Total Spend (US\$B)**

FIN	12.4	JP	248.6	ESP	64.9	UK	121.2	ITL	120.1	DK	22.7	SE	22.9	AUS	40.5	CAN	117.2	FR	227.9	DE	270.7	SUI	37.1	US	1,877.6
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**Per Capita Spend (\$US)**

FIN	2,094	JP	1,950	ESP	1,518	UK	2,042	ITL	2,096	DK	4,199	SE	2,565	AUS	2,039	CAN	3,639	FR	3,805	DE	3,281	SUI	4,740	US	6,280
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Ostomy care  
Urology & Continence care  
Wound & Skin care

Source: World Medical Market Factbook, Espicom, 2006.



# US Market size by product segment

## Segments that Coloplast compete in

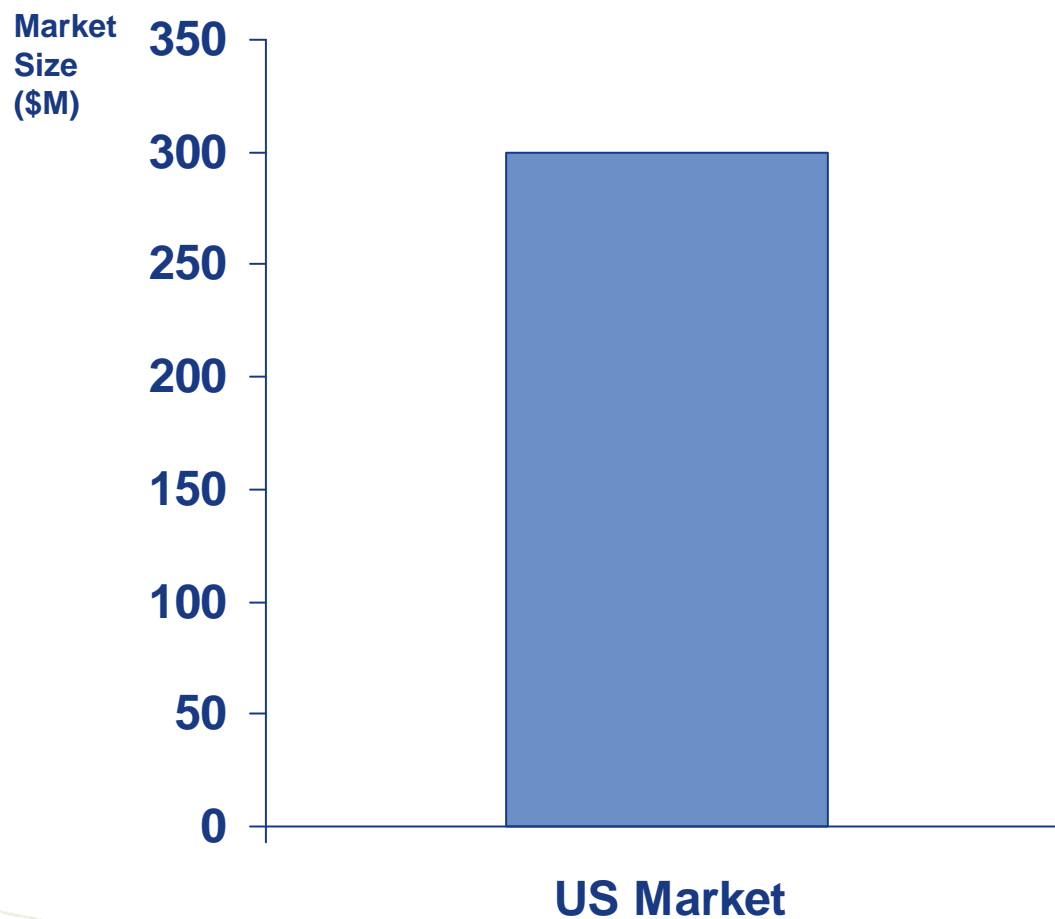
<u>Product Segment</u>	<u>US Market Size (\$M)</u>	<u>US Market 3-year Growth Rate</u>
Continance Care	180	5%
Urology <sup>(1)</sup>	370	15%
Ostomy	300	3-5%
Skin & Wound	960	7-8%
	<u>1,810</u>	

Ostomy care  
Urology & Continance care  
Wound & Skin care

(1) Includes both Men's and Women's Health  
Source: Coloplast financial reporting, BCG analysis.



# Ostomy presents significant growth opportunity



**Competition**

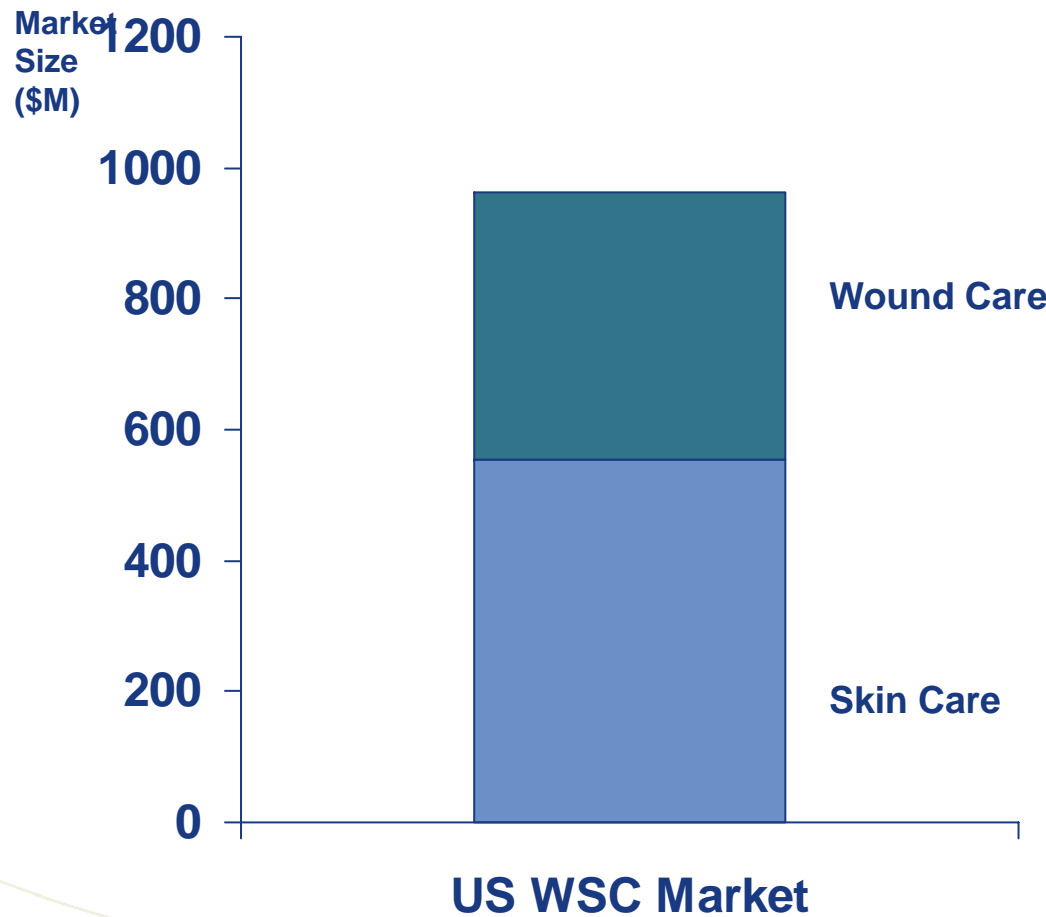
The 'Competition' box contains two logos. At the top is the Convatec logo, featuring a blue circle with three vertical bars and the word 'Convatec' in blue. Below it is the Hollister logo, featuring a red cross-like symbol and the word 'Hollister' in grey.

## US Ostomy Update

- Dedicated sales force with national coverage with emphasis on
  - new patient discharge
  - competitor conversions
  - distribution
- Market believed to be growing 3-5%
- Coloplast is outpacing the market, growing in excess of 20% on an annual basis
- Policy landscape remains stable
- Dutch pharma wholesaler OPG acquired US medical supplies distributor Byram in spring of 2008

# Small presence in large US Wound & Skin Market

Fragmented market with many players



### Competition

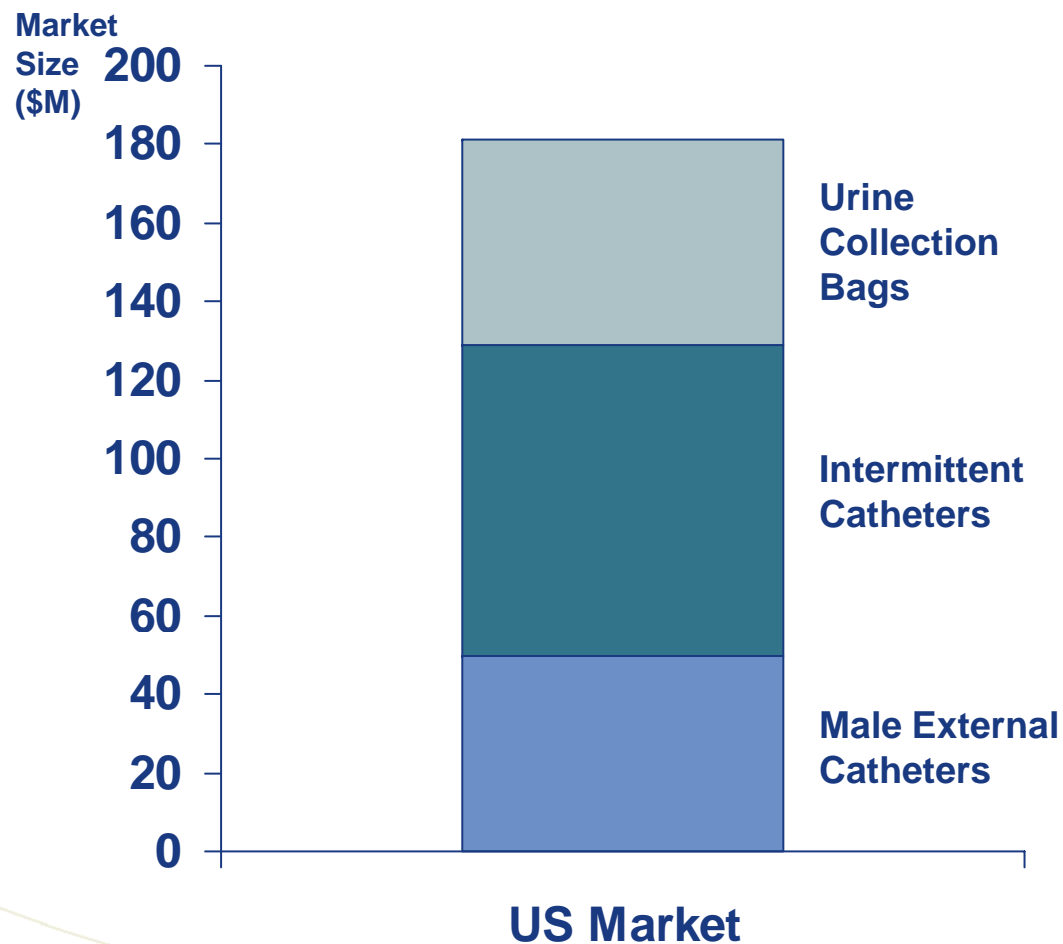
A collection of logos for major competitors in the market, including ConvaTec, Smith & Nephew, MÖLNLYCKE HEALTH CARE, STERIS, MEDLINE, and 3M.

Ostomy care  
Urology & Continence care  
Wound & Skin care

## Competitive landscape in Wound & Skin Care

- Very fragmented and competitive market place
- Large market, valued at approx. \$ 1 billion
- Market growth of 7-8% annually
- Strong growth opportunity for Coloplast with broad and competitive product platform
- Substantial private equity interest in wound care players
  - One Equity Partner acquired J&J's skin care division
  - Nordic Capital acquired ConvaTec, original buyer of Mölnlycke
- Home Health Care increasing in importance

# Strong position in Continence to lead expansion of market



**Competition**

Ostomy care  
 Urology & Continence care  
 Wound & Skin care

# Medicare has good news for intermittent catheter users

*A recent change in Medicare reimbursement is good news for people who depend on intermittent catheters.*



### No More Cleaning & Reusing based on your physician's prescription.

Medicare coverage has been increased from four catheters per month to a new catheter for each episode of covered catheterization. This policy change means you no longer need to clean and reuse your single-use catheters—you can replace the old catheter with a new one each time.

### Reducing the Risk of Infection

Many doctors believe using a new catheter each time may help reduce the risk of urinary tract infection (UTI). Because urinary tract infections can be painful, debilitating, and costly to treat, helping to minimize the risk is good for both patients and health care providers.

### The Coloplast Commitment

Coloplast has actively supported the efforts of intermittent catheter users, clinical experts, advocacy organizations and members of Congress to initiate this policy change. We are committed to continuing these advocacy efforts to improve the quality of life of patients throughout the United States.

*“This policy change is an important step towards eliminating the debilitating and costly consequences of urinary tract infections and will greatly improve the quality of life for patients using intermittent catheters.”*

**Bruce Green, MD**  
Director of Urology and Urodynamics  
The Shepherd Center, Atlanta

**MEDICARE REIMBURSEMENT GUIDE**  
*Know Your Options*



**FAX BLAST**



**DEALER BOX STUFFER**



**FREE COLOPLAST CATHETER SAMPLE**  
*Order Yours Today*



**COLOPLAST CONTINENCE CARE PRODUCT INFORMATION**



# Intermittent Catheter Market expansion

## Pre-policy to post-policy change

Coloplast

### Pre-Policy Change

25% use	155.6
75% use	4
<b>Weighted Avg</b>	<b>41.9</b>

### Post-Policy Change

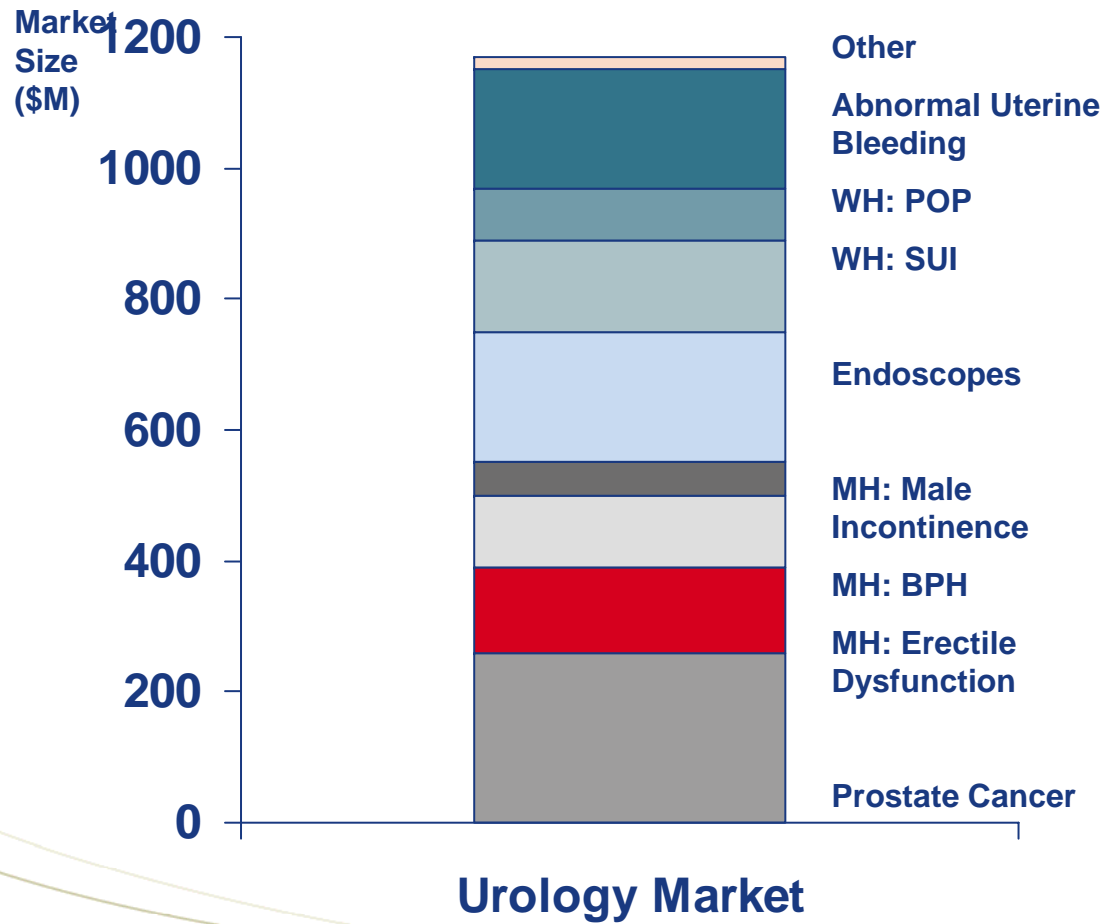
100% use	155.6
<b>Weighted Avg</b>	<b>155.6</b>

Rate **3 – 4 times ?**

we expect to at least double our sales

# Urology Business Offers Large Growth Opportunity

## Coloplast Only Active in a Portion of the Market



### Competition

Ostomy care  
 Urology & Continence care  
 Wound & Skin care

# Acquisition of Mentor Urology

## Strategic rationale for move into Urology

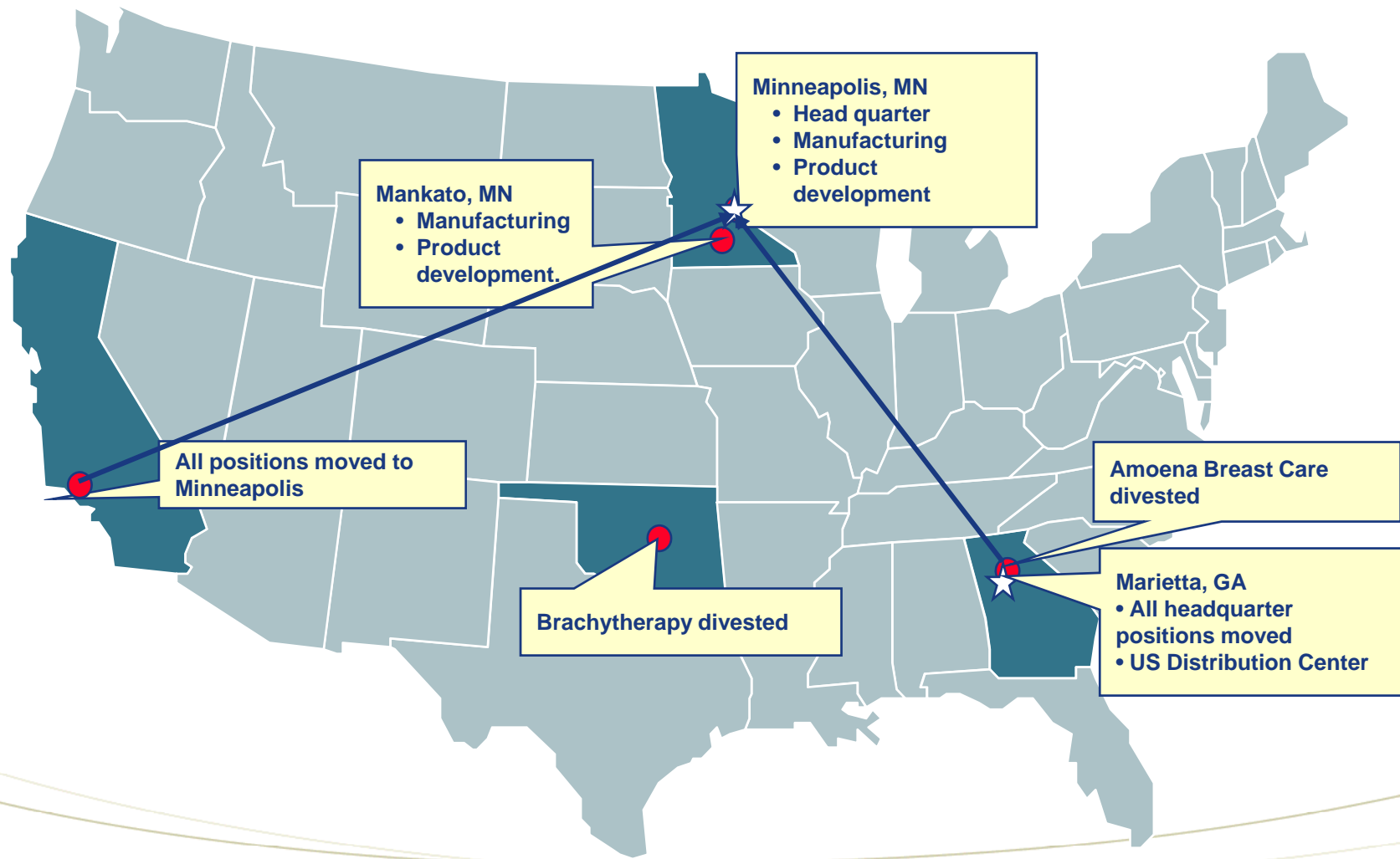
- Enlarging the scope of our continence care business into urology
- A solid position in the US urology and continence markets
- Strengthening of our European market position
- Targeting all key decision-makers within urology, i.e. hospitals, urology wards and primary care providers

- Coloplast becomes a leading global supplier of urology and continence care products.
- Stronger platform for further business development and penetration of the growing urology market.

## Urology Continence Care update

- Integration of Mentor Urology into Coloplast completed
- All back office positions moved to Minneapolis from Marietta, GA and Santa Barbara, CA
- Dedicated sales forces with national coverage in place – limited or no turnover in sales force as result of acquisition
- Sales momentum increased
- Strong and expanding surgical urology product portfolio.
  - Titan OTR inflatable penile prosthesis approved by FDA in June 2008
  - Levera male incontinence technology acquired from Caldera Medical in November 2007
  - Durasphere bulking agent distribution rights obtained in June 2007
- Intermittent catheter reimbursement policy change will expand market for intermittent catheters over time

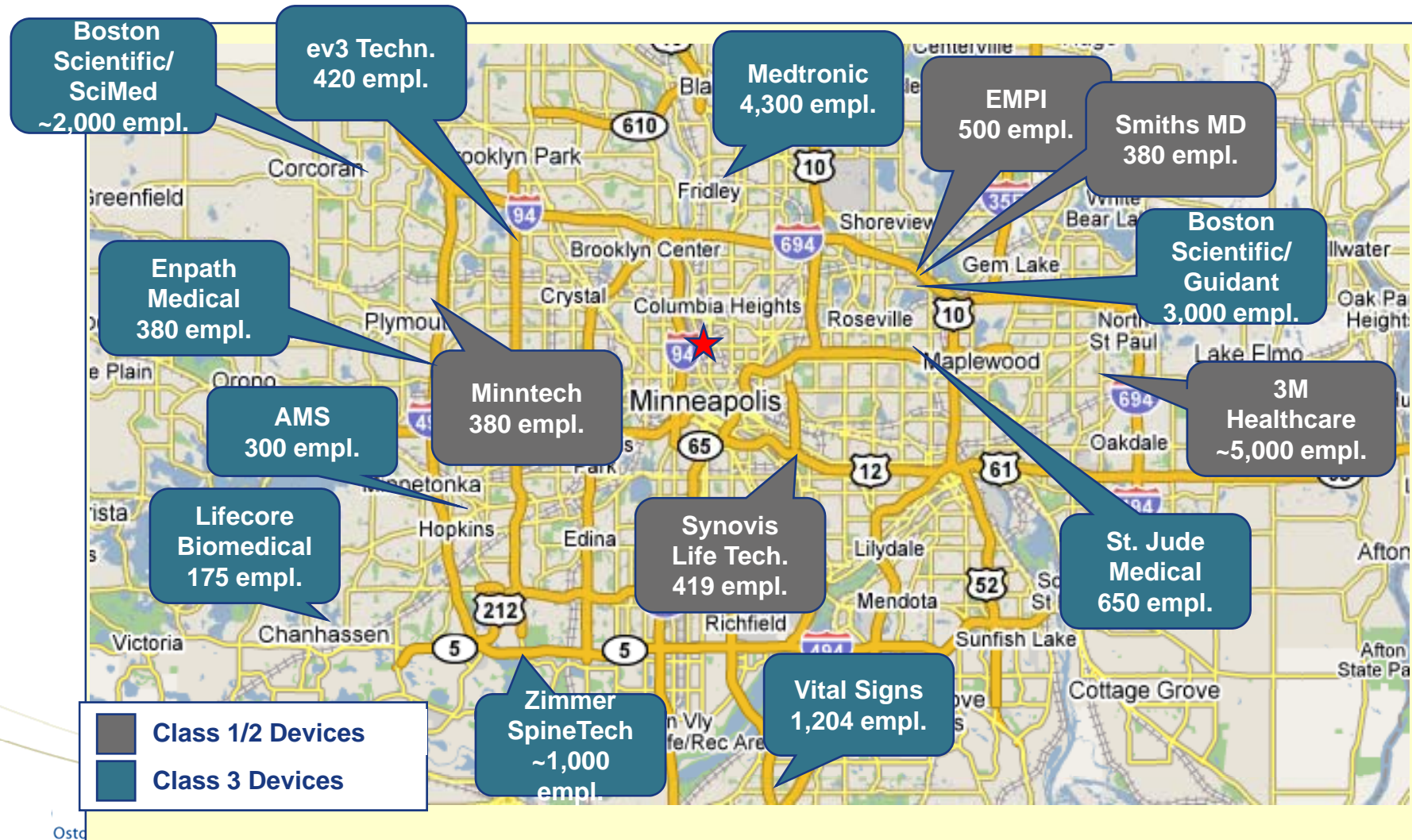
# After Urology acquisition, operations in 4 states, 7 sites



Ostomy care  
Urology & Continence care  
Wound & Skin care

# Twin Cities Surrounded by Medical Device Manufacturers

## Large, Experienced Workforce Provides Exceptional Talent Pool



Osteo  
Urology & Continence care  
Wound & Skin care



Source: Google Maps; Dun & Bradstreet; Minnesota LifeScience Alley data, web searches, BCG estimates.

# New North American headquarters under construction

## On target to be completed in Spring 2009



Ostomy care  
Urology & Continence care  
Wound & Skin care

## Conclusion

- Large market opportunities in the US
- Favorable market conditions
- Organization in place and sales momentum is increasing
- Organic growth rates exceeding market
- Integration of Mentor Urology finalized and catheter reimbursement change a significant upside
- Strong position in Continence to lead expansion of market
- Ostomy presents significant growth opportunity using global product technology advantage and end user knowledge
- Wound and skin care is as fragmented as in Europe, and remains both an opportunity and challenge



**Coloplast**