



**Information to the Copenhagen Stock Exchange no. 8/2005
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**The Department of Health in the UK issues Consulta-
tion document**

**The Department of Health in the UK issues Consultation document
about changes to arrangements for the provision of certain health
care appliances**

The Department of Health (DH) has published a consultation document discussing arrangements for the provision of wound care dressings, incontinence appliances, ostomy appliances, and other appliances to primary care (community) and secondary care (hospitals). The arrangements for the payments of these items and services have remained largely unchanged for 20 years and need review, says the DH. The DH also states that a key objective is to maintain, and where applicable improve, the current quality of care to patients. The document is part of a consultation process in which the DH consults with, among others, the companies in the affected industries.

Coloplast sells ostomy, continence and wound care products in England through its subsidiary Coloplast Ltd. The company sells to wholesalers and retailers, i.e. home care companies, pharmacies, etc. Part of Coloplast's business takes place through our home care activities under the Charter Healthcare brand. Charter Healthcare provides patients with a wide range of services and products including delivery to their homes and appropriate care and advice.

The DH proposes to lower reimbursement prices (payment for items) by 5-15% for wound care dressings, ostomy appliances and incontinence appliances together with proposed changes to remuneration (payment for services). Furthermore the DH proposes to change how reimbursement prices in primary care and prices in secondary care are established. Additionally, patient servicing, direct patient marketing and sponsoring of nursing posts are to be addressed in the consultation process.

The proposed changes, if implemented, may impact Coloplast's activities, where margins would be reduced and Coloplast may have to consider its services to patients. These considerations will now be part of the consultation process and no decision will be made until after the consultation process. In 2004/05 Coloplast's revenue in England in Ostomy Care, Continence Care and Wound Care amounted to GBP 80-90m.

As an important player in the English medical device industry Coloplast intends to take part in the consultation process through the relevant industry associations in order to advise the authorities and comment on the effects on the patients in need for medical devices, on the industry and on the nurses providing the care for the patients.

Comments from the industry must reach the DH 23 January 2006. The document is available for the public on the homepage of the DH, <http://www.dh.gov.uk> under the Consultation section.

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Chief Executive

This information is available in a Danish and an English version. In case of doubt, the Danish version shall prevail.

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