

Information to the Copenhagen Stock Exchange No. 3/2006  
 Humlebæk, 10 February 2006

## Financial Statement, Q1 2005/06

(1 October 2005 – 31 December 2005)

- **Sales grew by 10% in Danish kroner and 8% in local currencies**
- **The profit margin was 16% and operating profit increased by 53% to DKK 275m**
- **Profit for the period after tax and minority interests was DKK 164m, an increase of DKK 70m on the same period last year**
- **Expectations for the full year 2005/06 remain unchanged: an organic revenue growth of around 10% in local currencies and a profit margin of approx. 16%**

<b>Key figures and ratios mDKK</b> (unaudited)	<b>Actual</b> <b>2005/06</b> <b>3 months</b>	<b>Actual</b> <b>2004/05</b> <b>3 months</b>	<b>Indexed on</b> <b>2004/05</b> <b>3 months</b>	<b>Actual</b> <b>2004/05</b> <b>Full year</b>
Revenue	1,728	1,565	110	6,528
Operating profit (EBIT)	275	180	153	994
Net financial income and expenses	-39	-34	115	-164
Profit before tax	236	146	162	830
Tax on profit for the period	-72	-51	141	-275
Coloplast's share of profit for the period	164	94	174	553
Profit margin, EBIT, %	16	12		15
Earnings per share of 5 DKK, EPS, DKK	3	2		12
Return on equity, %	27	16		23
Return on average invested capital (ROAIC), %	20	12		18
PE, price/earnings ratio	29	38		33
Equity interest, %	42	41		42
Total assets	5,732	5,546		5,915
Investments in tangible assets	97	107		399

Attached are an income statement, balance sheet, cash flow statement, statement of changes in equity, notes, key figures and ratios.

### **Accounting policies applied**

With effect from the financial year 2005/06 Coloplast implemented IFRS 2, as approved for use in the European Union. In accordance with these accounting standards, share-based compensation is measured at fair value.

In the case of cashsettled, sharebased payment arrangements, the fair value of options earned during the period is recognised as a staff cost, while the adjustment for fair value of options earned in previous periods is recognised as a financial item.

For equitysettled, sharebased payment arrangements, the fair value of options is determined at the time of allocation. The option value is then recognised over the earnings period as a staff cost.

Option schemes allocated before 30 September 2005 are considered cashsettled arrangements.

Attached are income statement and balance sheet by quarter for 2004/05 adjusted according to the new accounting policies.

### **Financial performance**

Revenue increased in the first quarter 2005/06 by 8% in local currencies to DKK 1,728m and the profit margin (EBIT margin) was 16%. Revenue grew in all product areas, with sales of continence care products, in particular, showing good growth.

Coloplast's ostomy care business, which accounts for 40% of total sales, recorded relatively low growth in the first quarter of 2005/06. The growth rate was affected by the fact that reimbursement prices for ostomy care products were reduced in Germany just after the end of Q1 2004/05.

### **Profit margin**

Operating profit increased by 53% to DKK 275m. In Q1 2004/05 operating profit was negatively affected by expensed indirect cost of sales amounting to DKK -29m as a result of substantial stock reductions. The effect of

indirect costs of sales in Q1 of this year has been negligible.

Efficiency drives in manufacturing have kept the rise in total cost of sales, excluding indirect cost of sales charged to the income statement, at DKK 13m, corresponding to 2%. The costs of distribution, sales and marketing increased by DKK 53m or 11% to DKK 536m. Administration costs increased by 10% or DKK 18m to DKK 198m, while the costs for research and development increased by 4% to DKK 58m.

Operating profit was negatively affected with DKK -3m due to the change in accounting policies regarding sharebased compensation.

The 16% profit margin is in line with the expectations for the full year.

### **Profit**

The profit after tax and minority interests came to DKK 164m, which is DKK 70m above the profit for Q1 of 2004/05.

The implementation of IFRS 2 in respect of share-based compensation has affected financial expenses by DKK 8m covering the adjustment of previously allocated options to fair value. Last year the financial impact of such an adjustment was DKK 4m.

Financial income and expenses also include interest payments, exchange-rate adjustments and bank charges. They netted DKK 39m compared with DKK 34m for the comparative period.

The effective tax rate was 31%.

### **Exchange rates**

During Q1 the value in Danish kroner of Coloplast's invoicing currencies was, on average, 2% above the level of last year, mainly as a result of the increase in value of the US dollar and the British pound.

### **Balance sheet**

The balance sheet total was reduced by DKK 183m to DKK 5,732m during the quarter. The

reduction was caused, primarily, by payment of dividends and tax and a lower level of debt to suppliers. Payments made have caused a drain on liquidity, and holdings of cash and marketable securities were therefore reduced by DKK 244m.

Equity declined by DKK 95m during the period to DKK 2,417m at the end of Q1. At 31 December 2005, equity interest was 42% of total assets.

As a consequence of the changes in accounting policies, equity was reduced by DKK 60 m due to option schemes.

### **Investments**

Investments in property, plant and equipment amounted to DKK 97m excluding fixed assets divested. This represents a decrease of DKK 10m compared with the same period last year.

### **Cash flow**

Liquidity was down by DKK 372m during the period and free cash flow was negative DKK 1m. This amounts to a level of liquidity DKK 164m below that of the same period last year.

Cash flow from operations was DKK 104m, which is DKK 126m below the level of last year as a result of tax payments, reduced debts to suppliers and higher trade debtors.

Payment of dividends to shareholders came to DKK 162m, and purchases of own shares netted DKK 105m. Long-term debt was reduced by DKK 103m.

Liquid reserves amounted to DKK 656m at 31 December 2005, which is DKK 89m more than last year.

### **Buyback programme and dividends**

During the period, 288,000 units of Coloplast shares have been purchased, increasing holdings of our own shares to 1,892,249 units by the end of the period. This corresponds to 4.3% of the class B share capital. Including shares bought during the period, Coloplast has completed 80% of the buyback programme initiated in August 2004 and subsequently increased to DKK 450m.

### **Expectations**

We expect revenue for 2005/06 to continue to increase through organic growth by around 10% in local currencies and we expect to achieve a profit margin of approx. 16%.

The British healthcare authorities have proposed changes to the arrangements for the provision of products and services in the markets for ostomy-, continence- and wound care products. It is impossible to assess the effects of the proposal on Coloplast's performance in 2005/06. When we know the outcome of the British healthcare authorities' deliberations, we will assess their likely effect and make an announcement. The authorities' proposal was open for discussion until 23 January 2006, but no information is available on the process from then on.

Following the German healthcare reform, Coloplast would expect the German health insurance funds to settle new reimbursement prices for the continence care area during the financial year 2005/06. The estimated effect of such a move has been included in our expectations for 2005/06.

Gross investments in property, plant and equipment (buildings, machinery and operating equipment) in 2005/06 are expected to be approx. DKK 400m, the same level as in 2004/05. The tax rate for 2005/06 is expected to be approx. 28%.

Coinciding with the annual financial statement for 2004/05, we published Coloplast's new long-term objectives: At least a doubling of economic profit (EP) every five years towards 2012 based on the 2004/05 figures, a revenue of DKK 13bn in 2012 and a profit margin of at least 18%.

These objectives are based on organic growth. Acquisition of business remains part of Coloplast's strategy.

Heavy fluctuations in the exchange rates of important currencies, significant changes in the healthcare sector or major changes in the world economy may impact Coloplast's possibilities for achieving the long-term objectives set and for fulfilling expectations, and may affect the company's financial outcomes.

## Business areas

### New segmentation

Coloplast's primary segmentation is by business area.

In connection with the announcement of Coloplast's strategy for 2012 a new, global matrix organisation was established and the wound care and skin health business areas consolidated into one division. The new wound and skin care division will, in future, like the ostomy care and the continence care divisions, be included in the matrix organisation where sales and marketing are executed through Coloplast's sales subsidiaries.

After the organisational restructuring, the three business areas comprise one business segment under one management team. In future, Coloplast reports on this business segment as one unit, with supplementary information about the revenue and growth rates of each of the three business areas being provided separately. Breast care remains an independent business unit. As it accounts for less than 10% of total revenue, profit and net assets, the financial performance for the breast care business area will be included in the overall reporting.

Reporting of revenue development in the geographical markets will continue unchanged.

Total revenue for the product areas was DKK 1,728m, corresponding to a growth rate of 8% in local currencies on the same period the year before.

### Ostomy care

Gross revenue for Coloplast's ostomy products was DKK 704m, representing 7% growth in local currencies.

The revenue development should be seen in the light of reduced reimbursement prices for ostomy products in Germany from 1 January 2005. The price reduction has affected revenue growth by approx. 5%.

Ostomy care saw good growth both in Europe, the USA and the rest of the world and continued to win market shares in most

markets. An analysis of the global ostomy market carried out in Q1 indicates that the value of the market is now above DKK 9bn. This means that Coloplast has an estimated global market share of approx. 27%.

New products continue to be launched in the national markets, especially in the **Easiflex** product series, which grew satisfactorily. Sales of ostomy bags in the **Assura** line grew as expected, and the open ostomy bag with **Hide-away** closure and bags with convex adhesive continued to drive growth.

The German market for ostomy products has now stabilised following the implementation of the healthcare reform decided in 2003. Coloplast's sales in the market developed favourably in spite of declining sales through HSC, where the healthcare reform clearly had an impact. An additional impact on HSC sales was caused by the hiring by a competitor of sales representatives from HSC. We have initiated activities to generate fresh growth in HSC.

### Continence care

Gross revenue of Coloplast's continence care products grew in Q1 by 15% to DKK 454m. This fine performance is a result, among other things, of better prioritisation and adjustment of the sales effort both in the product division and the sales subsidiaries.

The growth in sales reflects a handsome development in most markets. Our **EasiCath** and **SpeediCath** catheters for regular evacuation of the bladder are the Continence Care Division's key products, and sales of these products continued to grow satisfactorily. Sales of our **SpeediCath** Compact female catheter again exceeded expectations. Sales of urine bags also increased, while sales of urisheath/liners remained at last year's level.

### Wound and skin care

Gross revenue of Coloplast's wound and skin care products grew by 8% in local currencies to DKK 295m. Sales of silver dressings increased more than the underlying market growth for silver dressings, but overall sales of wound dressings were not up to expectations. The reason for this is a general curbing

of growth in the major European wound care markets.

Sales of skin care products increased, the trend being particularly positive in the hospital market.

In Q4 2004/05 **Biatain** Soft-hold was launched. This is a wound dressing with a skin-friendly adhesive mesh ensuring that the dressing remains in place while the nurse is applying a compression dressing. The product was well received by customers, but the sales volume is, as yet, limited.

The recent launch of **Biatain** Soft-hold and dressings with silver, mainly sold under the **Contreet** product name, are expected to have a positive effect on sales in the coming quarters.

#### **Breast care**

Coloplast's gross revenue from breast care products was DKK 108m, an increase of 8% in local currencies. Sales of breast forms as well as special textiles grew, particularly in Europe, but growth was also achieved in the US market. The new generation of breast forms with improved temperature and weight features is being launched successively in new markets. We expect a positive sales development throughout the financial year 2005/06.

#### **Geographical markets**

Revenue in Europe grew by 7% in local currencies and Danish kroner to DKK 1,368m. Coloplast's revenue growth was stronger than the market growth in the European market,

but was affected by lower than expected wound care sales and by the cut in ostomy product prices in the German market on 1 January 2005. Coloplast is launching new products on an on-going basis and therefore continues to win market share.

#### **North and South America**

In North and South America revenue was DKK 244m, representing a growth rate of 8% in local currencies. Sales in the USA accounted for the major part of sales, with skin care and breast care driving sales. Ostomy and continence care products performed well and Coloplast is gaining market share in these areas.

#### **Rest of the world**

Revenue for this region was DKK 116m, an increase of 15% in local currencies. Japan and Australia are the largest markets outside Europe and the Americas. Growth was reported both for sales through Coloplast's own sales companies and for sales through independent distributors.

#### **Organisation**

On 1 February Coloplast announced a restructuring of manufacturing operations, establishing Global Operations.

The new organisation will play a vital role in achieving the company's longterm objectives. It will enable us to accelerate the rate of launching new products. As a consequence of the organisational changes 90 jobs will be shed over the coming 24 months.

The board of directors and Group Management have considered and agree on the contents of Coloplast's interim financial statement for Q1 of 2005/06.

The financial statement, which is unaudited, has been prepared in accordance with IFRS and additional Danish requirements on disclosure and on the presentation of interim financial statements by exchange-listed companies.

We believe that the interim financial statement gives a true and fair view of the Group's assets, liabilities, financial position and profit for the period.

## **Group Management**

Sten Scheibye  
CEO

Lene Skole  
Group director, CFO

Carsten Lønfeldt  
Group director

Lars Rasmussen  
Group director

Christian Jørgensen  
Group director

## **Board of directors**

Palle Marcus, Director  
Chairman

Niels Peter Louis-Hansen, BCom  
Deputy Chairman

Erik Andersen  
Supply Chain Operations Manager

Per Magid  
Attorney

Michael Pram Rasmussen  
Director

Torsten Erik Rasmussen  
Director

Lise Schachtschabel  
Production worker

Knud Øllgaard  
Electrician

Ingrid Wiik  
CEO

This announcement includes information about Management's expectations for future developments. Being based on assumptions that embody uncertainty and risks including – but not restricted to – changes in relevant legislation and treatment methods as well as the financial markets, actual results may turn out to differ from those expected.

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

For further information: Group director, CFO Lene Skole, phone. +45 4911 1665, or Investor Relations manager Jørgen Fischer Ravn, phone +45 4911 1308

**Key figures and ratios (unaudited)**

1 October 2005 - 31 December 2005

	<b>Group</b>		<b>Group</b>
	<i>mDKK</i>		<i>mDKK</i>
	<i>2005/06</i>	<i>2004/05</i>	<i>2004/05</i>
	<i>3 months</i>	<i>3 months</i>	<i>Year</i>
<b>Income statement</b>			
Revenue	1.728	1.565	6.528
Research & development costs	58	56	215
Operating profit before amortisation and depreciation (EBITDA)	368	264	1.342
Operating profit (EBIT)	275	180	994
Net financial income and expenses	-39	-34	-164
Profit before tax	236	146	830
Coloplast's share of profit for the period	164	94	553
<b>Revenue growth</b>			
Annual growth in revenue, %	10	3	8
Increase consists of:			
Organic growth, %	8	5	8
Currency effect, %	2	-2	0
Acquired business, %	0	0	0
Divested business, %	0	0	0
<b>Balance sheet</b>			
Total assets	5.732	5.546	5.915
Invested capital	5.565	5.722	5.391
Net interest-bearing debt	1.136	1.450	867
Equity	2.417	2.257	2.512
<b>Cash flow and investments</b>			
Cash flow from operations	104	230	1.353
Cash flow from investments	-105	-67	-434
Acquisition of tangible assets, gross	97	107	399
Cash flow from financing	-371	-147	-446
Free cash flow	-1	163	919
<b>Key figures</b>			
Profit margin, EBIT, %	16	12	15
Return on average invested capital (ROAIC), %	20	12	18
Return on equity, %	27	16	23
Ratio of net debt to EBITDA	0,77	1,37	0,65
Interest cover	13	10	11
Equity interest, %	42	41	42
Rate of debt to enterprise value, %	6	9	5
Book value per share, DKK	50	47	52
<b>Share data</b>			
Share price	391	300	378
Share price/Book value per share	8	6	7
PE, price/earnings ratio	29	38	33
Dividend per share, DKK	-	-	3,50
Pay-out ratio, %	-	-	29
Earnings per share, EPS, DKK	3	2	12
Free cash flow per share	0	3	19

**Income statement (unaudited)**

1 October 2005 - 31 December 2005

<i>Notes</i>		<b>Group</b>		<b>Indeks</b>
		<i>mDKK</i>		
		<i>2005/06</i>	<i>2004/05</i>	
		<i>3 months</i>	<i>3 months</i>	
1	Revenue	1.728	1.565	110
	Cost of sales	-664	-677	98
	<b>Gross profit</b>	<b>1.064</b>	<b>888</b>	120
	Distribution, sales and marketing costs	-536	-483	111
	Administrative expenses	-198	-180	110
	Research and development costs	-58	-56	104
	Other operating income	6	13	46
	Other operating expenses	-3	-2	150
	Separate items	0	0	
1	<b>Operating profit</b>	<b>275</b>	<b>180</b>	153
2	Financial income	8	32	25
3	Financial expenses	-47	-66	71
	<b>Profit before tax</b>	<b>236</b>	<b>146</b>	162
	Tax on profit for the period	-72	-51	141
	<b>Net profit for the period</b>	<b>164</b>	<b>95</b>	173
4	Minority interests	0	-1	0
	<b>Coloplast's share of profit for the period</b>	<b>164</b>	<b>94</b>	<b>174</b>
	Earnings per Share (EPS)	3	2	
	Earnings per Share (EPS), not adjusted for own shares	3	2	

**Balance sheet (unaudited)**

At 31 December 2005

<i>Notes</i>	<b>Group</b>		
	<i>mDKK</i>		
	<i>At 31 dec 05</i>	<i>At 30 Sep 05</i>	<i>At 31 Dec 04</i>
<b>Assets</b>			
Acquired patents and trademarks	15	17	13
Goodwill	327	327	298
Software	147	147	112
Prepayment for intangible assets and intangible assets in progress	8	5	8
<b>Intangible assets</b>	<b>497</b>	<b>496</b>	<b>431</b>
Land and buildings	1.105	1.127	1.128
Plant and machinery	534	569	409
Other fixtures and fittings, tools and equipment	209	211	217
Property, plant and equipment in progress and prepayments for property, plant and equipment	248	181	311
<b>Property, plant and equipment</b>	<b>2.096</b>	<b>2.088</b>	<b>2.065</b>
Investment in associates	2	2	2
Other investments	6	6	0
Deferred tax asset	159	160	107
<b>Investments</b>	<b>167</b>	<b>168</b>	<b>109</b>
<b>Fixed assets</b>	<b>2.760</b>	<b>2.752</b>	<b>2.605</b>
<b>Inventories</b>	<b>707</b>	<b>698</b>	<b>825</b>
Trade receivables	1.267	1.224	1.139
Receivables from associates	6	6	6
Other receivables	98	99	113
Prepayments	39	37	58
<b>Receivables</b>	<b>1.410</b>	<b>1.366</b>	<b>1.316</b>
<b>Marketable and securities</b>	<b>294</b>	<b>334</b>	<b>77</b>
<b>Cash and bank balances</b>	<b>561</b>	<b>765</b>	<b>723</b>
<b>Current assets</b>	<b>2.972</b>	<b>3.163</b>	<b>2.941</b>
<b>Assets</b>	<b>5.732</b>	<b>5.915</b>	<b>5.546</b>

**Balance sheet (unaudited)**

At 31 December 2005

<i>Notes</i>	<b>Group</b>		
	<i>mDKK</i>		
	<i>At 31 dec 05</i>	<i>At 30 Sep 05</i>	<i>At 31 Dec 04</i>
<b>Liabilities</b>			
Contributed capital	240	240	240
Reserve for exchange rate adjustments	0	3	0
Fair value reserve	-96	-109	-58
Proposed dividend for the year	0	162	0
Retained earnings	2.273	2.216	2.075
<b>Equity</b>	<b>2.417</b>	<b>2.512</b>	<b>2.257</b>
4 <b>Minority interests</b>	<b>1</b>	<b>2</b>	<b>4</b>
Provision for pensions and similar liabilities	80	80	83
Provision for deferred tax	58	61	17
Other provisions	14	14	11
<b>Provisions</b>	<b>152</b>	<b>155</b>	<b>111</b>
Mortgage debt	388	489	523
Other credit institutions	1.262	1.237	1.188
Other payables	65	57	26
Deferred income	141	167	305
<b>Long-term liabilities</b>	<b>1.856</b>	<b>1.950</b>	<b>2.042</b>
Mortgage debt	4	5	5
Other credit institutions	195	67	228
Trade payables	243	300	248
Income taxes	82	127	91
Other payables	643	633	552
Deferred income	139	164	8
<b>Short-term liabilities</b>	<b>1.306</b>	<b>1.296</b>	<b>1.132</b>
<b>Short-term and long-term liabilities</b>	<b>3.162</b>	<b>3.246</b>	<b>3.174</b>
<b>Liabilities</b>	<b>5.732</b>	<b>5.915</b>	<b>5.546</b>
8 Contingent items			

**Cash flow statement (unaudited)**

1 October 2005 - 31 December 2005

<i>Notes</i>	<b>Group</b>	
	<i>mDKK</i>	
	<i>3 months</i>	<i>3 months</i>
Operating profit	275	180
5 Adjustment for non-cash operating items	94	69
6 Changes in working capital	-104	15
Ingoing interest payments, etc.	10	50
Outgoing interest payments, etc.	-47	-62
Company tax paid	-124	-22
<b>Cash flow from operations</b>	<b>104</b>	<b>230</b>
Investments in intangible assets	-13	-17
Investments in land and buildings	-1	-8
Investments in plant and machinery	-29	-72
Adjustments of tangible assets under construction	-67	-27
Fixed assets sold	5	57
Investments in other investments	0	0
<b>Cash flow from investments</b>	<b>-105</b>	<b>-67</b>
<b>Free cash flow</b>	<b>-1</b>	<b>163</b>
Dividend to shareholders	-162	-140
Dividend to minority interests	-1	-2
Investment in own shares	-105	-3
<b>Financing from shareholders</b>	<b>-268</b>	<b>-145</b>
Financing through long-term loans	-103	-2
<b>Cash flow from financing</b>	<b>-371</b>	<b>-147</b>
<b>Net cash flow for the period</b>	<b>-372</b>	<b>16</b>
Liquidity at 1 October 2005	1.028	555
Adjustment, exchange rate	0	-4
Change in liquidity for the period	-372	16
7 <b>Liquidity at 31 December 2005</b>	<b>656</b>	<b>567</b>

The consolidated cash flow statement cannot be extracted directly from the published financial statements.

**Statement of changes in equity (unaudited)**

Group	Contributed capital		Reserve for exchange rate adjustments	Reserve for fair value	Proposed dividend	Retained earnings	Equity total
	A shares	B shares					
<b>1.10.2004 - 31.12.2004</b>							
Balance at 1.10.2004 as reported in annual report	18	222	0	-39	140	2.016	2.357
Effect of changes in accounting policies						-30	
Restated value at 1.10.2004	18	222	0	-39	140	1.986	2.327
Hedging against interest risks				-32			-32
Effect of hedging on deferred tax				10			10
Hedging against exchange rate risks				4			4
Effect of hedging on deferred tax				-1			-1
Net gain/loss not recognised in income statement	0	0	0	-19	0	0	-19
Dividend paid out for 2003/04					-140		-140
Tax value of loss on employee shares							0
Profit for the period						94	94
Own shares purchased						-1	-1
Own shares sold							0
Dividend on own shares							0
Adjustment of opening balances and other adjustments relating to subsidiaries						-4	-4
<b>Balance at 31.12.2004</b>	<b>18</b>	<b>222</b>	<b>0</b>	<b>-58</b>	<b>0</b>	<b>2.075</b>	<b>2.257</b>
<b>1.10.2005 - 31.12.2005</b>							
Balance at 1.10.2005 as reported in annual report	18	222	3	-109	162	2.276	2.572
Effect of changes in accounting policies						-60	-60
Restated value at 1.10.2005	18	222	3	-109	162	2.216	2.512
Hedging against interest risks				16			16
Effect of hedging on deferred tax				2			2
Hedging against exchange rate risks				0			0
Effect of hedging on deferred tax				-5			-5
Net gain/loss not recognised in income statement	0	0	0	13	0	0	13
Dividend paid out for 2004/05					-162		-162
Tax value of loss on employee shares							0
Profit for the period					0	164	164
Own shares purchased and loss from exercised options						-105	-105
Own shares sold						0	0
Dividend on own shares							0
Adjustment of opening balances and other adjustments relating to subsidiaries				-3		-2	-5
<b>Balance at 31.12.2005</b>	<b>18</b>	<b>222</b>	<b>0</b>	<b>-96</b>	<b>0</b>	<b>2.273</b>	<b>2.417</b>

**Notes (unaudited)****1. Segment information****Primary segment - business activities  
Group, 2005/06**

<i>mDKK</i>	<b>Chronic Care + Breast Care</b>		<b>Not Allocated costs and eliminations</b>		<b>Total</b>	
	<i>2005/06</i>	<i>2004/05</i>	<i>2005/06</i>	<i>2004/05</i>	<i>2005/06</i>	<i>2004/05</i>
<b>Revenue</b>	1.728	1.565	0	0	1.728	1.565
<b>Operating profit for segment</b>	348	244	-73	-64	275	180

**Notes (unaudited)**

	<b>Group</b>	
	<i>mDKK</i>	
	2005/06	2004/05
<b>2. Financial income</b>		
Interest income	7	6
Exchange-rate adjustments	1	26
<b>Total</b>	<b>8</b>	<b>32</b>
<b>3. Financial expenses</b>		
Interest expense	37	33
Fair-value adjustments from share options	8	4
Fair-value adjustments transferred from equity	1	28
Other financial expenses	1	1
<b>Total</b>	<b>47</b>	<b>66</b>
<b>4. Minority interests</b>		
Minority interests at 1.10.2005	2	5
Acquisitions	0	0
Share of net profit from subsidiaries	0	1
Dividend paid	-1	-2
<b>Minority interests at 31.12.2005</b>	<b>1</b>	<b>4</b>
<b>5. Adjustment for non-cash operating items</b>		
Depreciation	93	84
Gain on sale of fixed assets	0	0
Change in provisions	1	-15
<b>Total</b>	<b>94</b>	<b>69</b>
<b>6. Changes in working capital</b>		
Inventories	-7	77
Trade receivables	-40	41
Other receivables	-1	-7
Trade and other payables	-56	-96
<b>Total</b>	<b>-104</b>	<b>15</b>

**Notes (unaudited)**

	<b>Group</b>	
	<i>mDKK</i>	
	<i>2005/06</i>	<i>2004/05</i>
<b>7. Liquidity</b>		
Marketable securities	294	77
Cash	1	1
Bank balances	560	722
	855	800
Utilised credit facilities, short term	-199	-233
<b>Total</b>	<b>656</b>	<b>567</b>

**8. Contingent items****Contingent liabilities**

At 31 December 2005 the parent company had guaranteed loans raised by Group enterprises and associates of mDKK 396 (2003/04 mDKK 425).

Minor lawsuits are pending against the Group. These are not expected to influence the company's future earnings.

**Income statement, quarterly (unaudited)**

Notes		Group									
		mDKK		mDKK		mDKK		mDKK		mDKK	
		2005/06	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05
		Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4	Year	Year
1	Revenue	1.728	1.565		1.534		1.687		1.742		6.528
	Cost of sales	-664	-677		-598		-673		-655		-2.603
	<b>Gross profit</b>	<b>1.064</b>	<b>888</b>		<b>936</b>		<b>1.014</b>		<b>1.087</b>		<b>3.925</b>
	Distribution, sales and marketing costs	-536	-483		-465		-487		-510		-1.945
	Administrative expenses	-198	-180		-174		-210		-180		-744
	Research and development costs	-58	-56		-50		-55		-54		-215
	Other operating income	6	13		2		4		-4		15
	Other operating expenses	-3	-2		-3		0		-11		-16
	Separate items	0	0		-17		-2		-7		-26
1	<b>Operating profit</b>	<b>275</b>	<b>180</b>		<b>229</b>		<b>264</b>		<b>321</b>		<b>994</b>
2	Financial income	8	32		-13		11		18		48
3	Financial expenses	-47	-66		-7		-63		-76		-212
	<b>Profit before tax</b>	<b>236</b>	<b>146</b>		<b>209</b>		<b>212</b>		<b>263</b>		<b>830</b>
	Tax on profit for the period	-72	-51		-66		-64		-94		-275
	<b>Net profit for the period</b>	<b>164</b>	<b>95</b>		<b>143</b>		<b>148</b>		<b>169</b>		<b>555</b>
4	Minority interests	0	-1		-1		1		-1		-2
	<b>Coloplast's share of profit for the period</b>	<b>164</b>	<b>94</b>		<b>142</b>		<b>149</b>		<b>168</b>		<b>553</b>
	Earnings per Share (EPS)	3	2		3		3		4		12
	Earnings per Share (EPS), not adjusted for own shares	3	2		3		3		4		12