



**Information to the Copenhagen Stock Exchange no. 4/2006
Humlebæk, 14 February 2006**

Coloplast divests Sterling Medical Services and signs supply agreement with leading US healthcare distributor

Coloplast has entered a definitive agreement to divest Sterling Medical Services LLC (Sterling), a US based distributor of products and provider of services to the home healthcare and payor segment. McKesson Corporation, a leading US healthcare services company and the largest pharmaceutical distributor in North America, will acquire the company.

The divestment is expected to close around 1 April 2006, subject to customary conditions, and will result in an immediate, non-recurring capital income of approximately DKK 130m. Terms of the agreement are not disclosed.

Based on the current sales estimate for Sterling and closing of the deal 1 April 2006, Group sales are expected to be negatively affected by slightly above DKK 150m in 2005/06. After the divestment of Sterling, Coloplast's expected organic revenue growth for 2005/06 is unchanged at 10%.

The divestment of Sterling will cause a slight, upward adjustment of the profit margin from around 16% to just over 16% before non-recurring income. Our long-term objectives remain 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%.

Coloplast acquired an initial shareholding in Sterling in 1998 and took full control of the company in October 2001. In the period since 2001, Coloplast has primarily strengthened its US market position by building demand through hospitals. Additionally, there is a consolidation taking place in the US distribution and home care market, a development which Coloplast has chosen not to take part in. Apart from a minor distribution activity, Sterling primarily offers formulary and utilisation management to payors. As a consequence, Sterling no longer fits well with Coloplast's business model.

Coloplast and McKesson have signed a long-term supply agreement. Under this agreement, McKesson will distribute Coloplast's ostomy- and continence care products in the USA, which will increase the availability of Coloplast's ostomy- and continence care products in the US market.

As previously stated, it is a high priority for Coloplast to increase its share of the US ostomy- and continence care markets and the supply agreement is thus in line with Coloplast's long-term strategy of becoming the global market leader within its chosen business areas.

In the financial year 2005 McKesson Corporation reported revenue of USD 80.5bn in the market for healthcare products and services, mainly in the USA. The acquisition of Sterling will strengthen McKesson's position in the US homecare market.

Palle Marcus
Chairman of the Board

Sten Scheibye
Chief Executive

This announcement 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 IR manager Jørgen Fischer Ravn, phone + 45 4911 1308