

Announcement No. 12/2010  
3 November, 2010

# Q4 2009/10

## Announcement of full-year financial results 2009/10

(1 October 2009 - 30 September 2010)

### Highlights

- Organic revenue growth was 7%. Revenue in DKK was up by 8% to DKK 9,537m.
- Organic growth rates by business area: Ostomy Care 7%, Urology & Continence Care 9%. Sales in Wound & Skin Care were unchanged from last year.
- Gross profit was up by 15% to DKK 5,844m. Gross margin of 61%, up from 58% last year.
- EBIT was up by 43% to DKK 1,995m. The EBIT margin was 21% against 16% last year. At constant exchange rates, the EBIT margin was 20%. Consequently, the current long-term financial targets were met.
- The free cash flow improved by DKK 48m relative to last year to DKK 1,476m.
- ROIC after tax was 23%, compared with 15% last year.
- The Board of Directors recommends that the Annual General Meeting to be held on 1 December 2010 approve a dividend of DKK 10.00 per share against DKK 7.00 last year, equal to a pay-out ratio of 34%, which is unchanged from last year.
- Coloplast's new long-term financial ambition is to continue to outgrow the market and achieve EBIT margins that are in line with the best performing med-tech companies.

### Financial guidance for 2010/11

- We expect organic revenue growth of 6-8% both at constant exchange rates and in DKK.
- We expect an EBIT margin of 23-25%, both at constant exchange rates and in DKK.
- Capital expenditure is expected to be DKK 300–400m.
- The effective tax rate is expected to be around 26%.

#### Conference call

Coloplast will host a conference call on 3 November 2010 at 15.00 CET. The call is expected to last about one hour. To attend the conference call, please call +45 3271 4607, +44 (0)20 7162 0077 or +1 334 323 6201. A webcast will be posted on [www.coloplast.com](http://www.coloplast.com) shortly after the conclusion of the conference call.

## Financial highlights and key ratios

1 October - 30 September

	Group		Change	Group		Change
	DKK million			DKK million		
	2009/10 12 mth	2008/09 12 mth		2009/10 Q4	2008/09 Q4	
<b>Income statement</b>						
Revenue	9,537	8,820	8%	2,517	2,262	11%
Research and development costs	(409)	(389)	5%	(104)	(90)	16%
Operating profit bef. interest, tax, depreciation & amortisation (EBITDA)	2,584	1,944	33%	740	551	34%
Operating profit before special items	2,078	1,475	41%	591	426	39%
Operating profit (EBIT)	1,995	1,395	43%	570	406	40%
Net financial income and expenses	(321)	(184)	74%	(78)	(44)	77%
Profit before tax	1,674	1,211	38%	492	362	36%
Coloplast's share of profit for the period	1,243	883	41%	368	272	35%
<b>Revenue growth</b>						
Annual growth in revenue, %	8	4		11	5	
Growth break down						
Organic growth, %	7	6		7	7	
Currency effect, %	1	(2)		4	(2)	
<b>Balance sheet</b>						
Total assets	7,771	7,963	(2%)	7,771	7,963	(2%)
Invested capital	6,340	6,442	(2%)	6,340	6,442	(2%)
Net interest-bearing debt	1,593	2,297	(31%)	1,593	2,297	(31%)
Equity at year-end, Coloplast's share	3,452	2,850	21%	3,452	2,850	21%
<b>Cash flow and investments</b>						
Cash flow from operating activities	1,769	1,830	(3%)	596	735	(19%)
Cash flow from investing activities	(293)	(402)	(27%)	(77)	(55)	40%
Investments in property, plant and equipment, gross	(260)	(487)	(47%)	(74)	(78)	(5%)
Free cash flow	1,476	1,428	3%	519	680	(24%)
Cash flow from financing activities	(1,559)	(723)	>100%	(211)	(237)	(11%)
<b>Key figures ratios</b>						
Average number of employees, FTEs	7,207	7,349		-	-	
Operating margin, EBIT, %	21	16		23	18	
Operating margin, EBITDA, %	27	22		29	24	
Return on average invested capital before tax (ROIC), %	31	21		35	24	
Return on average invested capital after tax (ROIC), %	23	15		26	18	
Return on equity, %	39	34		47	42	
Ratio of net debt to EBITDA	0.6	1.2		0.5	1.0	
Interest cover	23	14		28	18	
Equity ratio, %	44	36		44	36	
Rate of debt to enterprise value, %	5	11		5	11	
Net asset value per share, DKK	77	63	22%	77	63	22%
<b>Per share data</b>						
Share price	654	426	54%	654	426	54%
Share price/net asset value per share	8.5	6.7	27%	8.5	6.8	25%
Average number of outstanding shares, millions	42.6	42.9	(1%)	42.2	42.9	(2%)
PE, price/earnings ratio	22.4	20.7	8%	18.7	17.8	5%
Dividend per share, DKK	10.0	7.0	43%	-	-	-
Pay-out ratio, %	34	34	-	-	-	-
Earnings per share (EPS)	29.1	20.7	41%	8.7	6.4	36%
Free cash flow per share	34.7	33.3	4%	12.3	15.9	(22%)

## Management's report

### Sales performance

Revenue in DKK was up by 8% to DKK 9,537m. The organic growth rate was 7%.

#### Sales performance by business area

	DKK million		Growth composition			DKK million	Organic
	2009/10 12 mth	2008/09 12 mth	Organic growth	Exchange rates	Reported growth	2009/10 Q4	growth Q4
Ostomy	3,949	3,621	7%	2%	9%	1,057	7%
Urology and Continence	4,059	3,699	9%	1%	10%	1,067	8%
Wound & Skin Care	1,529	1,500	0%	2%	2%	393	1%
<b>Net revenue</b>	<b>9,537</b>	<b>8,820</b>	<b>7%</b>	<b>1%</b>	<b>8%</b>	<b>2,517</b>	<b>7%</b>

#### Ostomy Care

Sales of ostomy care products amounted to DKK 3,949m, an increase of 9%. Organic growth was 7%. The Q4 organic growth was also 7%, which was consistent with the growth performance of the first nine months of the 2009/10 financial year. The SenSura® product portfolio continues to drive growth.

In the previous quarter, Coloplast launched a new end-user support programme in the USA. Covering both ostomy and continence care, the programme has been developed in collaboration with nurses and is designed to offer optimal support on both product-related and lifestyle issues which end-users may face following discharge from hospital or rehabilitation centre.

Holding 35–40% of the market, Coloplast retains its market-leading position in the global market for ostomy care products. The global ostomy care market size is around DKK 10–11bn and annual market growth is estimated at 4–5%.

#### Urology & Continence Care

Our Urology & Continence Care revenue improved by 10% to DKK 4,059m on 9% organic growth. Growth remains driven by sales of SpeediCath® in the European markets and by sales of SelfCath® catheters in the USA, although sales growth in this market has decreased in recent quarters. Organic growth for the quarter was 8%, as compared with 9% during the first nine months of 2009/10, affected by weaker growth rates in several European markets.

Sales of the Peristeen® anal irrigation system have grown by approx. 50% per year since 2005 and continued to contribute to organic growth in the continence care business in 2009/10. In the fourth quarter of the financial year, we launched Conveen® Active, a new product directed at men with light incontinence, offering a discreet alternative to adult diapers and urine bags. Also during the 2009/10 financial year, we launched the SpeediCath® Compact Plus, an extra-length version of the existing SpeediCath® Compact catheter for women.

In the urology business, sales continue to be driven by penile implants, especially the Titan® product portfolio. In the fourth quarter, we continued to experience negative growth in the sales of Aris® slings for women, as surgeons have increasingly begun to use mini-sling technologies. Coloplast's own mini-sling, Altis®, has now been launched in the Canadian market and work is ongoing to launch it in the US market.

The continence care market size is about DKK 10–11bn and market growth is estimated at 4-6%. Coloplast remains the global market leader, with a market share of 30–35%.

The part of the urology market in which Coloplast operates is about DKK 8bn in total and growth is estimated at 8-10% per year. Coloplast holds about a 10% share of the combined global urology product market.

## Wound & Skin Care

Sales of wound and skin care products amounted to DKK 1,529m, an increase of 2%. At constant exchange rates, sales were unchanged from last year. This year, growth in the wound care business was adversely affected by the initiatives launched to accelerate growth in this business area for the long term. In 2009/10, we built a sales force focusing on the community segment of the main wound care markets. In addition, the Biatain® Silicone product was launched on the German, French and UK markets during the financial year. Q4 organic growth was 1%.

Growth in the global wound care market in which we operate is estimated to 5–7%, and the market is worth about DKK 12–13bn. Coloplast has a market share of 5–10%.

## Sales performance by region

	DKK million		Growth composition			DKK million	Organic
	2009/10	2008/09	Organic	Exchange	Reported	2009/10	growth
	12 mth	12 mth	growth	rates	growth	Q4	Q4
Europe	7,108	6,746	5%	0%	5%	1,832	5%
Americas	1,587	1,380	12%	3%	15%	439	11%
Rest of the world	842	694	12%	9%	21%	246	19%
<b>Net revenue</b>	<b>9,537</b>	<b>8,820</b>	<b>7%</b>	<b>1%</b>	<b>8%</b>	<b>2,517</b>	<b>7%</b>

## Europe

Revenue amounted to DKK 7,108m, which translated into a reported growth of 5%. The organic growth rate was also 5%. The Ostomy Care business area in particular generated satisfactory growth, whereas the wound care business and the development in the German market continue to have a negative impact on European revenue growth. Organic growth for the quarter was 5%, a 2 percentage point improvement from the previous quarter and in line with the FY 2009/10 growth rate.

## The Americas

Revenue in the Americas increased by 15% to 1,587m. Appreciation of Canadian Dollar and Brazilian Real against Danish Kroner improved growth by 3 percentage points. The remaining 12% organic growth was supported by strong sales in Argentina and Brazil. Sales in the USA accounted for more than 75% of the revenue in this region, and growth was satisfactory in all business areas during the financial year. Organic growth for the quarter was 11% and in line with the previous quarter. Growth in the Continence Care business area was in line with the previous quarters of the financial year, while Ostomy Care generated much stronger growth than in Q3 due to shifts in major distributor orders from quarter to quarter.

## Rest of the World

In the Rest of the World, revenue increased by 21% to DKK 842m on 12% organic growth. In particular, the appreciation of Australian Dollar relative to Danish Kroner helped to improve the reported growth. Organic growth for the quarter was 19%, mainly driven by the growing sales in China.

## Gross profit

Gross profit rose by 15% to DKK 5,844m from DKK 5,103m last year.

The gross margin was 61%, against 58% last year. The improvement was due in particular to enhanced production efficiency and lower salary costs resulting from the relocation of production to Hungary and China. The relocation of production of Sensura® and Biatain® is almost complete and the improved production economy is the main reason for the higher gross margin. Changes in exchange rates lifted the gross margin by 0.5 percentage point.

The Q4 gross margin was 63%, adversely affected by the DKK 27m impact from the closure of the factory at Vadnais Heights, Minnesota, USA. Accordingly, total costs for the year in relation to closing Vadnais Heights amounted to DKK 60m. Relative to the previous quarters, the Q4 gross margin was supported by higher sales and increased production efficiency. In addition, changes in exchange rates lifted the Q4 gross margin by almost 1 % point.

## Capacity costs

Distribution costs amounted to DKK 2,817m, equal to 30% of revenue, which was in line with last year. The Q4 distribution costs, which also made up 30% of revenue, included about DKK 25m in costs of restructuring the group's subsidiaries. The purpose of restructuring the sales subsidiaries is to create a less complex organisation that will have a greater focus on customers, sales and marketing, while the administrative functions will be gathered under one manager.

Administrative expenses amounted to DKK 557m, which equals 6% of revenue compared with 7% in FY 2008/09. The improvements were mainly driven by cost savings and efficiency-improving measures. The Q4 administrative expenses accounted for 5% of revenue.

R&D costs were DKK 409m and accounted for 4% of revenue, which was in line with last year. Q4 R&D costs also made up 4% of revenue.

Other net operating income was DKK 43m lower than last year. The decrease was due to a DKK 47m gain recognised from the sale of a property in Kokkedal, Denmark in Q2 2008/09.

## Operating profit (EBIT)

EBIT was up by 43% to DKK 1,995m against DKK 1,395m last year. EBIT before special items increased by 41% to DKK 2,078m. EBIT was highly satisfactory, as the EBIT margin improved by 5 percentage points relative to last year while also making substantial investments in production, administration and sales efficiency.

The EBIT margin was 21% against 16% in 2008/09, while at constant exchange rates the EBIT margin was 20%.

Special items amounted to DKK 83m and were attributable to severance payments to employees laid off in Denmark and the USA in connection with the relocation of production to Hungary and China.

## Financial items and tax

Financial items amounted to a net expense of DKK 321m, an increase of DKK 137m relative to last year. The increase in financial expenses was a result of adjustment of cash-based option programmes for a total of DKK 74m triggered by the appreciation of the shares. Cash-based option programmes expire during the period until 2013. Financial items for the year also include a DKK 94m net loss on realised forward currency contracts, compared with an income last year of DKK 40m, which was partly offset by a DKK 56m expense for hedging balance sheet items denominated in foreign currency. Net interest expenses fell by DKK 34m relative to last year due to the reduced net debt.

## Financial items

	<i>DKK million</i>		<i>DKK million</i>	
	<i>2009/10</i>	<i>2008/09</i>	<i>2009/10</i>	<i>2008/09</i>
	<i>12 mth</i>	<i>12 mth</i>	<i>Q4</i>	<i>Q4</i>
Interest, net	(110)	(144)	(26)	(31)
Fair value adjustment of options	(83)	(9)	(6)	(20)
Exchange rate adjustments	(88)	(16)	(35)	13
Other financial items	(40)	(15)	(11)	(6)
<b>Total financial items</b>	<b>(321)</b>	<b>(184)</b>	<b>(78)</b>	<b>(44)</b>

The effective tax rate was 26%, against 27% last year, or a tax expense of DKK 431m, as compared with DKK 328m last year. The main reason for the lower tax rate was the increased earnings generating a proportionately larger share of earnings for taxation in Denmark. The corporate tax rate in Denmark is lower than the average tax rate of the countries the Coloplast Group operates in.

### **Net profit for the period**

The net profit for the financial year was up by 41% to DKK 1,243m. Earnings per share (EPS) improved by 41% to DKK 29.1 from DKK 20.7 last year.

### **Cash flows and investments**

#### **Cash flow from operating activities**

The cash flow from operating activities was DKK 1,769m against DKK 1,830m last year. The improved earnings were offset by more cash tied up in the working capital as well as by net losses on realised forward currency contracts and share options exercised. Inventories fell sharply in the fourth quarter of 2008/09, as cost price improvements had a positive effect on the working capital.

#### **Investments (CAPEX)**

Coloplast invested a gross amount of DKK 309m in fixed assets during 2009/10, compared with DKK 571m in 2008/09, when the US head office was still under construction. Investments accounted for 3% of revenue against 6% last year. Gross investments in property, plant and equipment amounted to DKK 260m.

#### **Free cash flow**

The free cash flow was DKK 1,476m, against DKK 1,428m in 2008/09.

#### **Capital reserves**

Coloplast has confirmed long-term credit facilities of approximately DKK 5bn, of which DKK 3bn is unutilised.

### **Statement of financial position and equity**

#### **Balance sheet**

Total assets of DKK 7,771m were DKK 192m lower than beginning of the year. Property, plant and equipment amounted to DKK 2,448m, which was DKK 187m less than the beginning of the year. The reduction was mainly due to investments in property, plant and equipment being lower than the depreciation charge for the year, while particularly the appreciation of the US Dollar increased the Danish Kroner-value of the assets.

Current assets were DKK 16m lower at DKK 3,353m.

Trade receivables increased by DKK 166m, or 11%, relative to 30 September 2009, partly due to US Dollar and British Pound appreciating against Danish Kroner, and partly due to revenue growth. Trade payables amounted to DKK 455m, against DKK 428m at 30 September 2009, whereas inventories fell by DKK 27m. Working capital made up 23% of revenue, which was 1 percentage point lower than at the beginning of the year.

#### **Equity**

Equity increased by DKK 602m to DKK 3,452m. The profit for the year of DKK 1,243m was partly offset by dividend payments of DKK 300m and by share buy-backs of DKK 500m. Other comprehensive income of DKK 93m and share-based remuneration, employees' exercise of share options and sale of employee shares for a total of DKK 63m increased equity. The equity ratio increased to 44% from 36% at 30 September 2009.

#### **Net interest-bearing debt and capital structure**

Net interest-bearing debt amounted to DKK 1,593m, which was DKK 704m less than the beginning of the year. The ratio of net interest-bearing debt to EBITDA was 0.6. 85% of total debt carries a fixed interest rate, and no significant loans are due for refinancing until 2013.

Coloplast generally prefers to return excess cash to the shareholders. Excess cash is cash in excess of what is required for the Group to achieve profitable growth, including potential acquisitions.

Coloplast is currently reducing debt financing and thus strengthening capital resources. In the event of a possible acquisition, Coloplast will be prepared to accept a substantially higher gearing.

### Share buy-backs and dividends

The Board of Directors recommends that the shareholders attending the general meeting to be held on 1 December 2010 approve a dividend of DKK 10.00 per share, equal to a 43% increase. This equals a pay-out ratio of 34%, or total dividend payments of DKK 422m.

In December 2009, the shareholders in general meeting authorised Coloplast to establish a share buy-back programme totalling up to DKK 1bn until the end of the 2010/11 financial year. The share buy-back programme was launched in February 2010 (see Announcement No. 2/2010), and the DKK 500m of buy-backs under the first half of the programme were completed in June 2010. The second part of the buy-back programme for the remaining DKK 500m is expected to commence in early 2011.

### Treasury shares

At 30 September 2010, Coloplast's holding of treasury shares consisted of 2,831,071 B shares, which was an increase of 716,268 shares relative to 30 September 2009.

### Financial guidance

Financial guidance for the 2010/11 financial year:

- We expect organic revenue growth of 6-8% both at constant exchange rates and in DKK.
- We expect an EBIT margin of 23-25%, both at constant exchange rates and in DKK.
- Capital expenditure is expected to be DKK 300–400m.
- The effective tax rate is expected to be around 26%.

In the fiscal year 2009/10 Coloplast met the long-term financial targets of outgrowing the market and of achieving an EBIT margin of at least 20%.

Over the last couple of years, earnings have been improved, while outgrowing the market in terms of revenue. In the past financial year, the EBIT margin improved by 5 percentage points to 21% and is expected to increase to 23-25% in 2010/11. After the planned relocation of production from Denmark early in the 2010/11 financial year, 85% of our production will be in Hungary and China. A simplified organisational structure has been implemented in the sales units, bringing customers and sales more into focus. Administrative functions have become more efficient and the related costs now make up about 6% of revenue. At the same time, a number of initiatives have been launched to lift average sales per salesperson.

Accordingly Coloplast has established a solid foundation for future improvements. Based on this foundation, Coloplast's long-term financial ambition is to continue to outgrow the market and achieve earnings margins that are in line with the best performing med-tech companies.<sup>1</sup>

The overall weighted market growth in Coloplast's current markets is expected to be about 5% in the 2010/11 financial year.

Our financial guidance is inherently subject to some degree of uncertainty. Significant changes in currency, business or macroeconomic conditions, including changes within healthcare, may impact the company's financial conditions.

---

<sup>1</sup> Coloplast's current peer group consists of the following listed med-tech companies: Medtronic Inc., Baxter International Inc., Covidien PLC, Stryker Corp., St. Jude Medical Inc., Boston Scientific Corp., Sonova Holding AG, Smith&Nephew PLC, CR Bard Inc., Getinge AB, WDH A/S, American Medical systems Inc.



## Other information

### Exchange rate exposure

Our financial guidance for the 2010/11 financial year has been prepared on the basis of the following assumptions for the Groups main currencies:

DKK	GBP	USD	HUF	EUR
Average exchange rate 2009/10*	857	551	2.72	744
Spot rate, 25 October 2010	836	532	2.73	746
Change in estimated average exchange rate compared with last year	-3%	-4%	0%	0%

\*) Average exchange rates 2009/10 used to calculate organic revenue growth rate and EBIT margin at constant exchange rates.

Revenue is particularly exposed to fluctuations in USD and GBP relative to DKK. As we have production and sales activities in the USA and make procurement in USD, fluctuations in the USD/DKK exchange rate only have a slight effect on our operating profit. On the other hand, fluctuations in HUF against DKK affect the operating profit, because a substantial part of our production, and thus of our costs, are in Hungary, whereas our sales in Hungary are moderate.

In DKK millions over 12 months on a 10% initial drop in DKK exchange rates (Exchange rate at 30 September 2009)	Revenue	EBIT
USD	-120	0
GBP	-140	-80
HUF	0	40

### Acquisition of Mpathy Medical Devices

After the end of the financial year, Coloplast signed an agreement to acquire Mpathy Medical Devices (see Announcement No. 11/2010) at a price of USD 30m in cash (approximately DKK 162m) with an earn-out option to increase the price to USD 35m (approximately DKK 189m). The company operates on the US market and generated sales of about DKK 14m in 2009. Backed by a strong product portfolio in uro-gynaecology, a strong brand name portfolio and a specialist sales force in uro-gynaecology with broad geographical coverage of the US market, Mpathy Medical Devices will strengthen Coloplast's market position in clinical urology and uro-gynaecology.

### Wound & Skin Care

The restructuring of the wound and skin care business has now been almost completed. Substantial amounts were invested during the financial year to increase the sales pressure in the community segment of Coloplast's largest markets, the UK, Germany and France. Sales in this business area are expected to start growing gradually in 2010/11.

### Global Operations (GO)

The relocation of production from Denmark to Hungary and China is almost complete, and the number of job positions at the Danish factories was reduced by 320 during the financial year. The relocation process is still expected to be completed by the end of March 2011. The closure of the factory at Vadnais Heights, Minnesota, USA has been completed and 120 positions in total have been discontinued in the USA.

### Proposal for changes to the number of members and the composition of the Board of Directors

In connection with the upcoming annual general meeting, Torsten Erik Rasmussen, who has served on the Board since 1992, and Ingrid Wilk, who has served since 2003, will both resign from the Board of Directors. The Board of Directors intends to recommend to the shareholders in general meeting on 1 December 2010 that Brian Petersen be elected as a new member of the Board of Directors. (For more information, see Announcement No. 7/2010).



### **Forward-looking statements**

The forward-looking statements in this announcement, including revenue and earnings guidance, do not constitute a guarantee of future results and are subject to risk, uncertainty and assumptions, the consequences of which are difficult to predict. The forward-looking statements are based on our current expectations, estimates and assumptions and are provided on the basis of information available to us at the present time.

Major fluctuations in the exchange rates of key currencies, significant changes in the healthcare sector or major developments in the global economy may impact our ability to achieve the defined long-term targets and meet our guidance. This may impact our company's financial results.

## Management statement

The Board of Directors and the Executive Management today considered and approved the Annual Report of Coloplast A/S for the financial year 1 October 2009 – 30 September 2010.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU.

In addition, the consolidated financial statements are presented in accordance with additional Danish disclosure requirements for listed companies. The Management's report is also presented in accordance with Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements give a true and fair view of the Group's assets, equity, liabilities and financial position at 30 September 2010 and of the results of the Group's operations and cash flows for the financial year 1 October 2009 – 30 September 2010.

Also, in our opinion, the management's review includes a fair account of the development and performance of the Group, the results for the year and of the financial position of the Group, together with a description of the principal risks and uncertainties that the Group faces.

Humblebæk, 3 November 2010

### Executive Management:

Lars Rasmussen  
President, CEO

Lene Skole  
Executive Vice President, CFO

### Board of Directors:

Michael Pram Rasmussen

Niels Peter Louis-Hansen

Thomas Barfod  
Controller

Sven Håkan Björklund

Mads Boritz Grøn  
Senior SQA Engineer

Per Magid

Torsten Erik Rasmussen

Jørgen Tang-Jensen

Ingrid Wiik

Knud Øllgaard  
Project Manager

## List of tables

Unaudited

Statement of comprehensive income.....	12
Statement of financial position.....	13
Statement of changes in equity.....	15
Cash flow statement.....	16
Notes to financial statements.....	17
Five years financial- and key figures .....	20
Quarterly income statement.....	21

## Statement of comprehensive income

1 October - 30 September

Note	Group			Index			Group			Index		
	DKK million						DKK million					
	2009/10 12 mth	2008/09 12 mth		2009/10 Q4	2008/09 Q4							
1	Revenue	9,537	8,820	108	2,517	2,262	111					
	Cost of sales	(3,693)	(3,717)	99	(936)	(983)	95					
	<b>Gross profit</b>	<b>5,844</b>	<b>5,103</b>	<b>115</b>	<b>1,581</b>	<b>1,279</b>	<b>124</b>					
	Distribution costs	(2,817)	(2,685)	105	(762)	(665)	115					
	Administrative expenses	(557)	(614)	91	(121)	(107)	113					
	Research and development costs	(409)	(389)	105	(104)	(90)	116					
	Other operating income	47	89	53	4	14	29					
	Other operating expenses	(30)	(29)	103	(7)	(5)	140					
	<b>Operating profit before special items</b>	<b>2,078</b>	<b>1,475</b>	<b>141</b>	<b>591</b>	<b>426</b>	<b>139</b>					
	Special items	(83)	(80)	104	(21)	(20)	105					
1	<b>Operating profit (EBIT)</b>	<b>1,995</b>	<b>1,395</b>	<b>143</b>	<b>570</b>	<b>406</b>	<b>140</b>					
2	Financial income	18	61	30	8	11	73					
3	Financial expenses	(339)	(245)	138	(86)	(55)	156					
	<b>Profit before tax</b>	<b>1,674</b>	<b>1,211</b>	<b>138</b>	<b>492</b>	<b>362</b>	<b>136</b>					
	Tax on profit for the period	(431)	(328)	131	(124)	(90)	138					
	<b>Net profit for the period</b>	<b>1,243</b>	<b>883</b>	<b>141</b>	<b>368</b>	<b>272</b>	<b>135</b>					
	<b>Other comprehensive income</b>											
	Value adjustment for the year	(57)	(37)	154	98	43	-					
	Transferred to financial items	94	(40)	-	40	(77)	(52)					
	Tax effect of hedging	(9)	20	(45)	(31)	9	-					
	Exchange rate adjustment, assets in foreign currency	83	(22)	-	(132)	(39)	-					
	Tax effect of exchange adjustment, assets in foreign currency	(21)	6	-	(21)	6	-					
	Exchange adjustment of opening balances and other adjustments relating to subsidiaries	3	(38)	(8)	(7)	3	-					
	<b>Comprehensive income</b>	<b>1,336</b>	<b>772</b>	<b>173</b>	<b>315</b>	<b>217</b>	<b>145</b>					
	Nett profit for the year allocated as follows:											
	Shareholders in Coloplast A/S	1,243	883	141	368	272	135					
4	Minority interests	0	0		0	0						
	<b>Total</b>	<b>1,243</b>	<b>883</b>	<b>141</b>	<b>368</b>	<b>272</b>	<b>135</b>					
	Comprehensive income allocated as follows:											
	Shareholders in Coloplast A/S	1,336	772	173	315	217	145					
	Minority interests	0	0		0	0						
	<b>Total</b>	<b>1,336</b>	<b>772</b>	<b>173</b>	<b>315</b>	<b>217</b>	<b>145</b>					
	Earnings per Share (EPS)	29.1	20.7		8.7	6.4						
	Earnings per Share (EPS), diluted	29.0	20.7		8.6	6.4						

## Statement of financial position

At 30 September

Note	Group	
	DKK million	
	30.09.10	30.09.09
<b>Assets</b>		
Acquired patents and trademarks	939	1,012
Goodwill	670	629
Software	123	133
Prepayments and assets under development	35	34
<b>Intangible assets</b>	<b>1,767</b>	<b>1,808</b>
Land and buildings	1,194	1,251
Plant and machinery	937	1,004
Other fixtures and fittings, tools and equipment	176	207
Prepayments and assets under construction	141	173
<b>Property, plant and equipment</b>	<b>2,448</b>	<b>2,635</b>
Investment in associates	2	0
Other investments	4	4
Deferred tax asset	178	147
Other receivables	19	0
<b>Investments</b>	<b>203</b>	<b>151</b>
<b>Non-current assets</b>	<b>4,418</b>	<b>4,594</b>
<b>Inventories</b>	<b>959</b>	<b>986</b>
Trade receivables	1,696	1,530
Income tax	23	31
Other receivables	109	114
Prepayments	90	78
<b>Receivables</b>	<b>1,918</b>	<b>1,753</b>
<b>Marketable securities</b>	<b>1</b>	<b>1</b>
<b>Cash and bank balances</b>	<b>475</b>	<b>629</b>
<b>Current assets</b>	<b>3,353</b>	<b>3,369</b>
<b>Assets</b>	<b>7,771</b>	<b>7,963</b>

## Statement of financial position

At 30 September

Note	Group	
	DKK million	
	30.09.10	30.09.09
<b>Equity and liabilities</b>		
Share capital	225	225
Hedge reserve	(21)	(49)
Proposed dividend for the year	422	300
Retained earnings and other reserves	2,826	2,374
<b>Equity before minority interests</b>	<b>3,452</b>	<b>2,850</b>
4 <b>Minority interests</b>	<b>0</b>	<b>0</b>
<b>Equity</b>	<b>3,452</b>	<b>2,850</b>
Provision for pensions and similar liabilities	80	75
Provision for deferred tax	186	225
Other provisions	11	23
Mortgage debt	460	459
Other credit institutions	1,091	1,797
Other payables	359	447
Deferred income	74	100
<b>Non-current liabilities</b>	<b>2,261</b>	<b>3,126</b>
Provision for pensions and similar liabilities	10	14
Other provisions	18	12
Mortgage debt	7	14
Other credit institutions	165	219
Trade payables	455	428
Income tax	490	242
Other payables	882	1,054
Deferred income	31	4
<b>Current liabilities</b>	<b>2,058</b>	<b>1,987</b>
<b>Current and non-current liabilities</b>	<b>4,319</b>	<b>5,113</b>
<b>Equity and liabilities</b>	<b>7,771</b>	<b>7,963</b>
8 Contingent items		
9 Acquired operations		

## Statement of changes in equity

Group	Share capital					Total equity
	A shares	B shares	Hedging reserve	Proposed dividend	Retained earnings	
DKK million						
<b>2008/09</b>						
Balance at 1.10 as reported in annual report	18	212	8	257	1,795	2,290
Comprehensive income for the period			(57)	300	529	772
Treasury shares purchased and realised gain/loss from exercise options					(5)	(5)
Treasury shares sold					24	24
Share-based payments					26	26
Capital reduction		(5)			5	0
Dividend paid out in respect of 2007/08				(257)		(257)
<b>Balance at 30.09</b>	<b>18</b>	<b>207</b>	<b>(49)</b>	<b>300</b>	<b>2,374</b>	<b>2,850</b>
<b>2009/10</b>						
Balance at 1.10 as reported in annual report	18	207	(49)	300	2,374	2,850
Comprehensive income for the period			28	422	886	1,336
Treasury shares purchased and realised gain/loss from exercise options					(500)	(500)
Treasury shares sold					29	29
Share-based payments					34	34
Tax on equity entries					3	3
Dividend paid out in respect of 2008/09				(300)		(300)
<b>Balance at 30.09</b>	<b>18</b>	<b>207</b>	<b>(21)</b>	<b>422</b>	<b>2,826</b>	<b>3,452</b>



## Statement of cash flows

1 October - 30 September

Note	Group	
	DKK million	
	2009/10 12 mth	2008/09 12 mth
Operating profit	1,995	1,395
Depreciation and amortisation	589	549
5 Adjustment for other non-cash operating items	50	(40)
6 Changes in working capital	(250)	320
Ingoing interest payments, etc.	12	32
Outgoing interest payments, etc.	(362)	(156)
Income tax paid	(265)	(270)
<b>Cash flow from operating activities</b>	<b>1,769</b>	<b>1,830</b>
Investments in intangible assets	(46)	(84)
Investments in land and buildings	(16)	(132)
Investments in plant and machinery	(72)	(201)
Investments in non-current assets under constructions	(172)	(154)
Property, plant and equipment sold	16	169
Purchase of other investments	(3)	0
<b>Cash flow from investing activities</b>	<b>(293)</b>	<b>(402)</b>
<b>Free cash flow</b>	<b>1,476</b>	<b>1,428</b>
Dividend to shareholders	(300)	(257)
Net investment in treasury shares	(471)	19
<b>Financing from shareholders</b>	<b>(771)</b>	<b>(238)</b>
Financing through long-term borrowing, instalments	(788)	(485)
<b>Cash flow from financing activities</b>	<b>(1,559)</b>	<b>(723)</b>
<b>Net cash flow for the period</b>	<b>(83)</b>	<b>705</b>
Cash, cash equivalents and short term debt at 1.10.	397	(293)
Value adjustments of cash and balances	(10)	(15)
Net cash flow for the period	(83)	705
7 <b>Cash, cash equivalents and short term debt at 30.09</b>	<b>304</b>	<b>397</b>

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

## Notes

### 1. Segment information

#### Group, 2009/10

##### Operating segments

The operating segments are defined on the basis of the monthly reporting to the Executive Management. Reporting to management is based on two global operating segments: sales regions and production units as well as two smaller segments. Wound Care and Disposable Surgical Urology (DSU), each of which represents less than 10% of revenue. This breakdown also reflects our global organisational structure.

The sales regions and production units segments comprise sales and/or production from each of our three business areas, Ostomy Care, Urology and Continence Care and Wound and Skin Care. Inter-segment trading consists of the sales regions procuring goods from the production units. Inter-segment trading is made on an arm's length basis.

Management reviews each operating segment separately based on EBIT and allocates resources on that background. The performance targets are calculated the same way as in the consolidated financial statements.

Wound Care covers exclusively the sale of wound care products in selected geographical markets. The sale of wound care products in other markets is included in the Wound and Skin Care segment. DSU covers the production and sale of disposable urology products. Wound Care and DSU are included in the Shared/Non-allocated segment.

Global marketing and global R&D costs are included in the Shared/Non-allocated segment and, like financial items and corporate income tax, are not allocated to operating segments.

Costs are allocated directly to operating segments. Certain indirect costs are allocated systematically to the Shared/Non-allocated segment and the operating segments.

Management does not receive reporting on asset and liabilities by operating segment. Accordingly, the operating segments are not measured in this respect, nor do we allocate resources on this background.

No single customer accounts for more than 10% of revenue.

Operating segments	Sales Regions		Production units		Shared/ Not allocated		Total	
	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
DKK million								
<b>External revenue</b>	8,357	7,668	184	182	996	970	9,537	8,820
<b>Operating profit (EBIT) by segment</b>	761	586	3,305	2,408	(2,071)	(1,599)	1,995	1,395
<b>Financial items</b>	0	0	0	0	(321)	(184)	(321)	(184)

## Notes

	<b>Group</b>	
	DKK million	
	2009/10	2008/09
<b>2. Financial income</b>		
Interest income	10	16
Fair value adjustments, share options	0	0
Fair value adjustments on forward contracts transferred from equity	0	40
Exchange rate adjustments	6	0
Other financial income and fees	2	5
<b>Total</b>	<b>18</b>	<b>61</b>
<b>3. Financial expenses</b>		
Interest expense	120	160
Fair value adjustments, share options	83	9
Fair value adjustments on forward contracts transferred from equity	94	0
Exchange rate adjustments	0	56
Other financial expenses and fees	42	20
<b>Total</b>	<b>339</b>	<b>245</b>
<b>4. Minority interests</b>		
Minority interests at 1.10.	0	1
Acquisitions	0	0
Share of net profit from subsidiaries	0	0
Dividend paid	0	(1)
<b>Minority interests at 30.09</b>	<b>0</b>	<b>0</b>
<b>5. Adjustment for other non-cash operating items</b>		
Net gain/loss on non-current assets	57	(34)
Change in other provisions	(7)	(6)
<b>Total</b>	<b>50</b>	<b>(40)</b>
<b>6. Changes in working capital</b>		
Inventories	61	236
Trade receivables	(110)	4
Other receivables	(33)	(20)
Trade and other payables etc.	(168)	100
<b>Total</b>	<b>(250)</b>	<b>320</b>

## Notes

	<b>Group</b>	
	DKK million	
	2009/10	2008/09
<b>7. Cash, cash equivalents and short term debt</b>		
Marketable securities	1	1
Cash	1	1
Bank balances	474	628
Liquid resources	476	630
Short-term debt	(172)	(233)
<b>Total</b>	<b>304</b>	<b>397</b>

### 8. Contingent items

#### Contingent liabilities

The Coloplast Group is a party to a number of minor legal proceedings, which are not expected to influence the Group's future earnings.

### 9. Acquired operations

At 29 October 2010, Coloplast signed an agreement to acquire 100% of the shares and voting rights of Mpathy Medical Devices Limited (UK) and Gyne Ideas Limited (UK). Mpathy Medical Devices Limited develops products within the Urology and Continence Care business area which are sold in the US market, whilst Gyne Ideas Limited owns intellectual property rights within the Urology and Continence Care business area. The acquisition is expected to provide Coloplast with a broader geographical coverage of the US market and access to new products that will strengthen our existing product portfolio.

Coloplast has incurred transaction costs relating to the acquisition of approximately DKK 5 million, recognised in administrative expenses in the statement of comprehensive income for the financial year.

The agreed consideration for the shares amounts to USD 30 million, which falls due for payment on the date of acquisition. In addition, Coloplast has undertaken to pay an additional remuneration of up to USD 5 million (NPV, USD 4 million) depending on the revenue generated by the acquired businesses in the next two years. As per the date of acquisition, it is considered likely that the additional remuneration will become payable.

In connection with the acquisition, preliminary goodwill has been made up at approximately USD 18 million after recognition at fair value of identifiable assets, liabilities and contingent liabilities.

## MANAGEMENT'S REPORT - FIVE-YEAR FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK million	2009/10	2008/09	2007/08	2006/07	2005/06
<b>Income statement</b>					
Revenue	9,537	8,820	8,463	8,042	6,709
Research and development costs	-409	-389	-415	-319	-244
Operating profit before interest, tax, depreciation and amortisation (EBITDA)	2,584	1,944	1,531	1,590	1,304
Operating profit before special items	2,078	1,475	1,154	1,061	939
Operating profit (EBIT)	1,995	1,395	994	749	879
Net financial income and expenses	-321	-184	-2	-154	-222
Profit before tax	1,674	1,211	992	595	657
Coloplast's share of profit for the year	1,243	883	715	837	614
<b>Revenue growth</b>					
Annual growth in revenue, %	8	4	5	20	8
Growth break down:					
Organic growth, %	7	6	7	10	8
Currency effect, %	1	-2	-4	-2	1
Acquired business, %	0	0	0	12	7
Contract manufacturing, %	0	0	2	0	0
Divested business, %	0	0	0	0	-8
<b>Balance sheet</b>					
Total assets	7,771	7,963	7,981	7,750	7,982
Invested capital	6,340	6,442	7,014	6,874	7,996
Net interest-bearing debt	1,593	2,297	3,428	3,181	3,069
Equity at year-end, Coloplast's share	3,452	2,850	2,290	2,398	2,804
<b>Cash flow and investments</b>					
Cash flow from operating activities	1,769	1,830	1,324	1,064	991
Cash flow from investing activities	-293	-402	-671	35	-3,018
Investment in property, plant and equipment, gross	-260	-487	-718	-745	-415
Free cash flow	1,476	1,428	653	1,099	-2,027
Cash flow from financing activities	-1,559	-723	-469	-1,423	782
<b>Key figures</b>					
Average number of employees, FTEs	7,207	7,349	7,420	7,063	5,437
Operating margin, EBIT, %	21	16	12	9	13
Operating margin, EBITDA, %	27	22	18	20	19
<sup>1)</sup> Return on average invested capital before tax (ROIC), %	31	21	14	10	15
<sup>1)</sup> Return on average invested capital after tax (ROIC), %	23	15	10	6	10
Return on equity, %	39	34	31	30	23
Ratio of net debt to EBITDA	0.6	1.2	2.2	2.0	2.2
Interest cover	23	14	10	10	10
Equity ratio, %	44	36	29	31	35
Rate of debt to enterprise value, %	5	11	16	12	12
Net asset value per share, DKK	77	63	50	50	58
<b>Per share data</b>					
Share price	654	426	388	497	473
Share price/net asset value per share	9	7	8	10	8
Average number of outstanding shares, millions	43	43	44	46	46
PE, price/earnings ratio	22	21	25	27	36
PE, price/earnings ratio, excl. discontinued operations	22	21	25	61	43
<sup>2)</sup> Dividend per share, DKK	10.00	7.00	6.00	9.00	4.00
Pay-out ratio, %	34	34	36	47	31
Earnings per share (EPS)	29	21	16	8	11
Free cash flow per share	35	33	15	24	-42

1) The average invested capital for 2006/07 has been restated to reflect the divestment of Breast Care and Brachytherapy.

2) For 2009/10 the figure is the proposed dividend.

The key figures have been calculated and applied in accordance with "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts.

## Income statement, quarterly

		Group							
DKK million		2008/09				2009/10			
Note		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Revenue	2,196	2,119	2,243	2,262	2,296	2,272	2,452	2,517
	Cost of sales	(895)	(897)	(942)	(983)	(942)	(847)	(968)	(936)
	<b>Gross profit</b>	<b>1,301</b>	<b>1,222</b>	<b>1,301</b>	<b>1,279</b>	<b>1,354</b>	<b>1,425</b>	<b>1,484</b>	<b>1,581</b>
	Distribution, sales and marketing costs	(664)	(652)	(704)	(665)	(670)	(677)	(708)	(762)
	Administrative expenses	(194)	(160)	(153)	(107)	(138)	(146)	(152)	(121)
	Research and development costs	(103)	(99)	(97)	(90)	(92)	(108)	(105)	(104)
	Other operating income	11	54	10	14	14	9	20	4
	Other operating expenses	(12)	(2)	(10)	(5)	(14)	(1)	(8)	(7)
	<b>Operating profit before special items</b>	<b>339</b>	<b>363</b>	<b>347</b>	<b>426</b>	<b>454</b>	<b>502</b>	<b>531</b>	<b>591</b>
	Special items	(5)	(55)	0	(20)	0	(51)	(11)	(21)
1	<b>Operating profit (EBIT)</b>	<b>334</b>	<b>308</b>	<b>347</b>	<b>406</b>	<b>454</b>	<b>451</b>	<b>520</b>	<b>570</b>
2	Financial income	31	8	11	11	5	5	0	8
3	Financial expenses	(84)	(55)	(51)	(55)	(81)	(97)	(75)	(86)
	<b>Profit before tax</b>	<b>281</b>	<b>261</b>	<b>307</b>	<b>362</b>	<b>378</b>	<b>359</b>	<b>445</b>	<b>492</b>
	Tax on profit for the period	(79)	(73)	(86)	(90)	(102)	(97)	(108)	(124)
	<b>Profit for the period</b>	<b>202</b>	<b>188</b>	<b>221</b>	<b>272</b>	<b>276</b>	<b>262</b>	<b>337</b>	<b>368</b>
	Shareholders in Coloplast A/S	202	188	221	272	276	262	337	368
4	Minority interests	0	0	0	0	0	0	0	0
	<b>Profit for the period</b>	<b>202</b>	<b>188</b>	<b>221</b>	<b>272</b>	<b>276</b>	<b>262</b>	<b>337</b>	<b>368</b>
	Earnings per Share (EPS)	5	4	5	7	6	6	8	9
	Earnings per Share (EPS), diluted	5	4	5	7	6	6	8	9

## For further information, please contact

### Investors and analysts

Lene Skole  
Executive Vice President, CFO  
Tel. +45 4911 1700

Ian S.E. Christensen  
Director of Investor Relations  
Tel. +45 4911 1800/+45 4911 1301  
Email: dkisec@coloplast.com

Henrik Nord  
IR Manager  
Tel. +45 4911 1800/+45 4911 3108  
Email: dkhno@coloplast.com

### Press and the media

Ulla Lundhus  
Media Relations Manager  
Tel. +45 4911 1929  
Email: dkul@coloplast.com

### Homepage

[www.coloplast.com](http://www.coloplast.com)

### Address

Coloplast A/S  
Holtedam 1  
DK-3050 Humlebæk  
Denmark

CVR No. 69749917

This announcement is available in a Danish and an English-language version.  
In the event of discrepancies, the Danish version shall prevail.

The Coloplast logo is a registered trademark of Coloplast A/S. © 2010-11 All rights reserved. Coloplast A/S, 3050 Humlebæk, Denmark.

Coloplast develops products and services that make life easier for people with very personal and private medical conditions. Working closely with the people who use our products, we create solutions that are sensitive to their special needs. We call this intimate healthcare.

Our business includes Ostomy Care, Urology and Continence Care and Wound and Skin Care. We operate globally and employ more than 7,000 people.