<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
<th>Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:30</td>
<td>Welcome</td>
<td>General Manager John Raabo Nielsen</td>
</tr>
<tr>
<td>09:40</td>
<td>Strategic review - top line growth drivers</td>
<td>Chief Executive Sten Scheibye</td>
</tr>
<tr>
<td>10:20</td>
<td>Coffee break</td>
<td>Group Director Lars Rasmussen</td>
</tr>
<tr>
<td>10:40</td>
<td>Efficiency gains</td>
<td>Group Director Lars Rasmussen</td>
</tr>
<tr>
<td>11:15</td>
<td>LEAN experiences in Coloplast</td>
<td>General Manager John Raabo Nielsen</td>
</tr>
<tr>
<td>12:15</td>
<td>Lunch</td>
<td>Group Director Carsten Lønfeldt</td>
</tr>
<tr>
<td>13:00</td>
<td>Factory tour</td>
<td></td>
</tr>
<tr>
<td>14:00</td>
<td>US market developments</td>
<td>Director, Regional Sales Jens Fabricius</td>
</tr>
<tr>
<td>14:45</td>
<td>Q&amp;A</td>
<td>Moderator:</td>
</tr>
<tr>
<td>15:30</td>
<td>End meeting</td>
<td>Group Director Carsten Lønfeldt</td>
</tr>
<tr>
<td>15:45</td>
<td>Bus transportation to Ferihegy Airport</td>
<td></td>
</tr>
</tbody>
</table>
Coloplast Capital Market Day 4-5 April 2005
Tatabanya, Hungary

Coloplast strategic review

Sten Scheibye, CEO
Throughout the world we wish, within our selected business areas, to be the preferred source of medical devices and associated services, contributing to a better quality of life.

By being close to customers we fulfil their needs with innovative, high quality solutions. Through empathy, responsiveness and dependability we seek to earn their loyalty.

Our culture attracts and nourishes individuals who are energetic, committed and have passion for our business.

We respect differences and pledge to act responsibly in social, environmental and business contexts.

By striving to be best in our business we achieve growth and increased value for our customers, employees and shareholders.
Coloplast’s Vision

Balanced value creation for all key stakeholders

<table>
<thead>
<tr>
<th>Customer promise</th>
<th>Employee promise</th>
<th>Society promise</th>
</tr>
</thead>
<tbody>
<tr>
<td>An active life with highest possible quality of life for people with special needs</td>
<td>A challenging workplace with plenty of opportunities</td>
<td>Responsible behaviour in all matters</td>
</tr>
</tbody>
</table>

Long term shareholder return
Expectations and targets

2004/05
- Sales growth of 8-9% in local currencies
- Profit margin 15-16%

2008
- Sales exceeding DKK 9 billion through organic growth
- Profit margin (EBIT) reaching 18%
- ROAIC of 20%
- Acquisitions and divestments
## Macro trends

<table>
<thead>
<tr>
<th>Trend</th>
<th>Demographics</th>
<th>Health care reforms</th>
<th>Power to distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>Population aged 60 or older is growing steadily in Europe, Asia and North America…</td>
<td>Health care budget constraints…</td>
<td>The major distributors grow their share…</td>
</tr>
<tr>
<td></td>
<td>… and with higher demands for health care</td>
<td>… lead to the need for cost containment programmes…</td>
<td>…through both retail pharmacy, home care and parallel importing…</td>
</tr>
<tr>
<td></td>
<td>Changing lifestyles triggered by improved wealth</td>
<td>… through co-payment and consumption capitation</td>
<td>…changing them to competitors, not customers</td>
</tr>
</tbody>
</table>
Risk factors related to macro trends

1. Reimbursement policy changes

2. Increased price pressure in the market from e.g.
   • Consolidation of wholesalers (distribution monopolies)
   • Fewer and more powerful insurance companies
   • Increased group purchasing, tendering and managed health care

3. Harmonisation of health care systems in Europe resulting in decreasing prices in high-price countries

4. Escalation of parallel importing

5. Market growth influenced by:
   • Earlier cancer detection reduces need for radical surgery
   • Improved surgical procedures
   • Increased longevity
   • New technologies and treatment alternatives
   • Slowdown in conversion from older products
### Reimbursement
- Monitor/influence policy
- Product design
- Emphasis on clinical documentation

### Price pressure
- Observe market trends
- Improve tendering capabilities

### Harmonisation of health care systems
- Monitor development

### Parallel imports
- Monitor importers’ activities
- Price strategy coordination
- Product and packaging diversification

### Slowdown in market growth
- Focus on growth segments
- Search for new technologies
- Low cost production

…that must be addressed appropriately
Changing power among key customers...

- The payer ►
- The end customer ►
- The health care professional ◄

[Image of medical setting with healthcare professionals and a patient]
1. Continue to market new products within existing product areas

2. Complement hospital strategy (NPD) with community strategy to maintain and convert end-customers

3. Identify new business opportunities

4. Improve market positioning through cost-in-use studies
1. Innovation
- Launch of new products within existing product areas

<table>
<thead>
<tr>
<th>Year</th>
<th>New Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997/98</td>
<td>Paste Strip, Assura HOS, New Assura 1p, closed, New Assura 2p, closed and open</td>
</tr>
<tr>
<td>1998/99</td>
<td>EasiCath LuerLock, EasiCath Dilatation Catheter, Conveen Sec+ 350 ml</td>
</tr>
<tr>
<td>1999/00</td>
<td>Assura Open bags with Hide-away, Conveen Xpect, New Urine Bag Assortment,</td>
</tr>
<tr>
<td></td>
<td>New Adhesive for Sec+ Urineheaths</td>
</tr>
<tr>
<td>2000/01</td>
<td>Stabilon, Sacral Dressing, EasiCath Set, Assura Open bags with Filter,</td>
</tr>
<tr>
<td></td>
<td>New Adhesive for Sec+ Urineheaths</td>
</tr>
<tr>
<td>2001/02</td>
<td>CircAid, Assura Open bags with Hide-away, Conveen Sec+ 750 ml</td>
</tr>
<tr>
<td></td>
<td>EasiCath Dilatation Catheter, Conveen Xpect, New Urine Bag Assortment,</td>
</tr>
<tr>
<td></td>
<td>New Adhesive for Sec+ Urineheaths</td>
</tr>
<tr>
<td>2002/03</td>
<td>EasiCath LuerLock, EasiCath Dilatation Catheter, Conveen Sec+ 350 ml</td>
</tr>
<tr>
<td></td>
<td>Assura Open bags with Hide-away, Conveen Xpect, New Urine Bag Assortment,</td>
</tr>
<tr>
<td></td>
<td>New Adhesive for Sec+ Urineheaths</td>
</tr>
<tr>
<td>2003/04</td>
<td>Conveen Sec+, Conveen Xpect, New Urine Bag Assortment, New Adhesive for Sec+</td>
</tr>
<tr>
<td></td>
<td>Urineheaths</td>
</tr>
</tbody>
</table>

Ranier Technology Ltd.
Nordic Vaccine Technology A/S
2. Community strategy
- Charter Roadshow

A mobile truck that can be converted into:

- Showroom
- Waiting room
- Two private consultation rooms
2. Charter Roadshow
- Direct dialogue with end-customers

- Direct dialogue with users in their own environment
- Ideal way to introduce new products
- Supportive of Coloplast’s community strategy
  - conversion and retention of users
Hernia is the cause of a number of problems:

- A feeling of not being in physical control of the stomach
- Frequent feeling of pain to a varying degree
- Difficulties when applying the ostomy bag
- Asymmetrical body causing problems when choosing what to wear
- Generally, low self-esteem is experienced.

A hernia is a bulge that may develop 3-12 months after an ostomy operation.

Approximately 30% of the ostomy operated develop a hernia.
More than 30% of ostomists suffer from hernia. By penetrating the market towards a 66% penetration rate and by generally upgrading the support garment market, market growth is expected to be 4-6%.
3. New business opportunities
- Peristeen trans anal irrigation set

- A majority of SCI patients suffer from faecal incontinence and constipation
- Trans anal irrigation has proven to be an efficient method for prevention of this
- Peristeen Anal Irrigation is developed to SCI wheelchair drivers in their homes
- The benefit of the product is eliminated/reduced incontinence, prevention of constipation and reduced time spend for bowel emptying
- No direct competitors - Coloplast as first mover
- The product will be positioned against existing conservative treatments as laxatives and suppositories
3. Peristeen trans anal irrigation set
   - Global market potential

- 80% of all SCI patients suffer from colorectal dysfunctions.
- 20% of SCI and MS end users will accept and perform the irrigation treatment.
- 50% of SB end users will accept and perform the irrigation treatment as it is already accepted for treating bowel problems within this patient segment.
- Global market potential is estimated to be approximately 2 bn DKK
- The realisable market is estimated to be 1 bn DKK in Europe/US (50% of the potential market)
4. Cost-in-use studies
- Results from a UK health economic analysis of Contreet

Contreet heals faster and is more cost-effective

Scanlon et al. (2005): "Cost-effective faster wound healing with a sustained silver Releasing foam dressing in delayed healing leg ulcers - A health economic analysis", In press, IWJ.
4. Cost savings as an outcome of improved healing

Cost savings
The savings for the British health care system would be between €3.2 - 7.0 millions using Contreet Foam instead of the other dressing alternatives.

An example of the impact of the savings
The savings for the British health care system equals to hiring between 54 - 119 new nurses in the community.
4. Cost in use studies
   - Results from a comparative study of diapers and Conveen urisheaths

<table>
<thead>
<tr>
<th>Costs variable / cost per day (€)</th>
<th>Diapers</th>
<th>Conveen 2-pcs. latex urisheaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct material cost</td>
<td>0.90</td>
<td>1.73</td>
</tr>
<tr>
<td>Indirect material and laundry cost</td>
<td>3.42</td>
<td>1.33</td>
</tr>
<tr>
<td>Waste disposal cost</td>
<td>0.33</td>
<td>0.03</td>
</tr>
<tr>
<td>Labour cost for changing product</td>
<td>3.30</td>
<td>0.82</td>
</tr>
<tr>
<td>Other labour cost due to incontinence leakage</td>
<td>3.91</td>
<td>1.36</td>
</tr>
<tr>
<td><strong>Total direct cost</strong></td>
<td><strong>11.86</strong></td>
<td><strong>5.27</strong></td>
</tr>
</tbody>
</table>
Strategic review - main conclusion

- Power from clinical advisors to financial decision makers and end-customers
- Revised customer strategy needed to ensure revenue growth
- Coloplast well prepared for the future and is able to adjust
Track record
- Organic growth rates

Year | Growth Rate | mDKK
--- | --- | ---
1997/98 | 14% | 1400
1998/99 | 13% | 1530
1999/00 | 12% | 1653
2000/01 | 12% | 1776
2001/02 | 14% | 1942
2002/03 | 11% | 2136
2003/04 | 10% | 2349
2004/05 | CAGR 10% | 2574
2005/06
2006/07
2007/08

CAGR 10%
Coloplast Capital Market Day 4-5 April 2005
Tatabanya, Hungary

Coffee Break
Coloplast's manufacturing strategy towards 2010

Lars Rasmussen, Group Director, COO
Objective for 2008:
Turnover of at least 9 bn DKK
Clear goal…

% of...
Manufacturing strategy as it was laid out in 2001

Pilot production
Ramp-up
Volume production

Pilot production
Ramp-up
Volume production

Volume production
Reduction of costs

- Direct and indirect wages
- Other costs

Denmark

Hungary
## Building costs

<table>
<thead>
<tr>
<th>Building costs, not including the site</th>
<th>DKK/m²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Denmark</strong></td>
<td></td>
</tr>
<tr>
<td>Factory/adm. (Humlebæk)</td>
<td>10,000</td>
</tr>
<tr>
<td>Clean room</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>Hungary</strong></td>
<td></td>
</tr>
<tr>
<td>Factory/adm.</td>
<td>5,000</td>
</tr>
<tr>
<td>Clean room</td>
<td>10,000</td>
</tr>
</tbody>
</table>
Phase I, 1 April 2002

13,800 m² production and administration.

Cost of building: about 65 mDKK
Phase II, 1 October 2003

Another 10,000 m² production including clean rooms. Cost of building: about 65 mDKK
Tatabanya, Hungary

- 550 headcounts by March 2005
- Construction completed
- DKK 1.5bn sales value in 2005/06
- Corporate tax rate 16%
- Tax investment incentive DKK 150mn

- Phase I - finalised: ostomy bags, urisheaths
- Phase II - finalised 2004: ostomy bags, dressings, catheters
- Phase III - finalised 2005: Assura ostomy bags, baseplates, adhesives
High quality…

The bar chart illustrates the index for Ostomy, Continence, and General level of error in DK for Q1 to Q4. The chart shows a significant increase in the Ostomy index in Q1 compared to other quarters. The Continence index remains relatively stable across quarters, while the General level of error in DK is consistently lower than the Ostomy index but higher than the Continence index.
Efficiency is developing according to plan

When fully utilized and with 900 headcounts savings amount to a min. of 75 mDKK/year

Yearly tax effect of 30-50 mDKK in 2005-11.
What to do when HU is fully utilized

• The factory in Hungary will be fully utilized within 1½ to 2 years.

• A new manufacturing strategy has been developed and were presented to all employees mid March 2005.

• Now China will be the location for our next factory for volume production. How did we arrive at this conclusion?
Coloplast's manufacturing challenges towards 2010

- A doubling of Coloplast’s product volumes
- A 50% increase in manufacturing space requirements
- A 50% increase in manufacturing staff requirements
The majority of the growth (measured in volume) is expected to come from the European market.
Central/East Europe and China were considered for Coloplast’s future factory expansions.
The primary sources of cost reductions are labour costs and depreciations.

- Large, additional savings potentials are to be realised through local sourcing of materials, tools, etc.

**Average unit cost by location (DKK/unit)**

<table>
<thead>
<tr>
<th>Location</th>
<th>Materials, tools, local company costs</th>
<th>Depreciations</th>
<th>Labour costs</th>
<th>Travel, etc</th>
</tr>
</thead>
<tbody>
<tr>
<td>DK</td>
<td>60</td>
<td>55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HU</td>
<td>92</td>
<td>48</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CN</td>
<td>82</td>
<td>48</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total cost Index**

<table>
<thead>
<tr>
<th>Location</th>
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<th>CN</th>
</tr>
</thead>
<tbody>
<tr>
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<td>55</td>
</tr>
<tr>
<td>HU</td>
<td>92</td>
<td></td>
</tr>
</tbody>
</table>

**Manufacturing cost Index**

<table>
<thead>
<tr>
<th>Location</th>
<th>HU</th>
<th>CN</th>
</tr>
</thead>
<tbody>
<tr>
<td>DK</td>
<td>60</td>
<td>48</td>
</tr>
<tr>
<td>HU</td>
<td>82</td>
<td></td>
</tr>
</tbody>
</table>

*Excluding logistics costs

Note: No effect from local sourcing has been included in any of the above calculations.
Due to the relatively high logistics costs, the average savings per product will vary from market to market:

- Europe: 0.17 DKK/product
- Americas & ROW: 0.33 DKK/product
- China: 0.48 DKK/product

Average Savings per product per market from production in CN vs. HU
## Building costs

<table>
<thead>
<tr>
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<td>Clean room</td>
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<tr>
<td><strong>Hungary</strong></td>
<td></td>
</tr>
<tr>
<td>Factory/adm.</td>
<td>5,000</td>
</tr>
<tr>
<td>Clean room</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>China</strong></td>
<td></td>
</tr>
<tr>
<td>Factory/adm.</td>
<td>4,000</td>
</tr>
<tr>
<td>Clean room</td>
<td>8,000</td>
</tr>
</tbody>
</table>
Implications of the chosen strategy: Coloplast’s manufacturing volumes by geography, 2003/04-2010/11
Implications of the chosen strategy: Coloplast’s space requirements by geography, 2003/04-2010/11
Implications of the chosen strategy: Coloplast’s total staff requirements (FTEs) by geography, 2003/04-2010/11
How do the employees react …?
## Employee Satisfaction Measurement 2003

### Scale 1 - 5

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>You feel safe in your employment</td>
<td>4.07</td>
<td>4.13</td>
<td>4.02</td>
<td>3.97</td>
<td>3.97</td>
<td>3.82</td>
</tr>
<tr>
<td>Your superior is reliable in word and action</td>
<td>4.05</td>
<td>4.00</td>
<td>3.78</td>
<td>3.87</td>
<td>4.00</td>
<td>3.99</td>
</tr>
<tr>
<td>You have been informed of the objectives and plans of the company</td>
<td>3.98</td>
<td>3.99</td>
<td>3.82</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The process

- 30 managers participated in formulating the manufacturing strategy
- Well over 50 SU-members in 2-day conference

Action plan

- A minimum of 1 job offer per employee in Sealand factories
- Job centre for central coordination of hirings and transfers
- Establishment of common communication platform
- Information to all production workers on the very day the Copenhagen Stock Exchange was informed
Lean Experiences
Coloplast Hungary Kft

John Raabo Nielsen, General Manager
Sustainable results require a way of thinking

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory Turns</td>
<td>x 5</td>
</tr>
<tr>
<td>Productivity</td>
<td>+ 30%</td>
</tr>
<tr>
<td>Waste / Scrap</td>
<td>- 67%</td>
</tr>
<tr>
<td>Lead-time</td>
<td>- 75%</td>
</tr>
</tbody>
</table>
**Lean is not the tools ...**

<table>
<thead>
<tr>
<th>TAKT TIME</th>
<th>TIME OBS.</th>
<th>BARCHART</th>
<th>6S</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROD. CONTROL BOARD</td>
<td>SPAGHETTI DIAGRAM</td>
<td>STANDARD WORK SHEET</td>
<td>STD. WIP</td>
</tr>
<tr>
<td>KEY POINTS</td>
<td>CAPACITY SHEET</td>
<td>COMBINATION SHEET</td>
<td>LOAD-LOAD</td>
</tr>
<tr>
<td>PULL SYSTEM (KANBAN)</td>
<td>TPM</td>
<td>POKE-YOKE</td>
<td>1 PC FLOW</td>
</tr>
<tr>
<td></td>
<td>SETUP REDUCTION</td>
<td>LEVELING</td>
<td></td>
</tr>
</tbody>
</table>
Lean is the ability to see value … user value

**Value added**

**ANY ACTIVITY THAT CONTRIBUTES DIRECTLY TO SATISFYING THE NEED OF A CUSTOMER**
The five principles of lean

- **Value**
  - To the customer
  - Analyse and identify waste

- **Value stream**

- **Flow**
  - The shortest way from idea to happy customer

- **Pull**
  - Delivery according to customer needs

- **Perfection**
  - Small as well as big constant improvements
Airplane Game

Will illustrate the power of Implementing **Flow** and **Pull** principles
Simulation Physical Layout

Material Handler: 6pc Simulation (Moves all Material)

Facilitator

PAPER AIRPLANE, CO.

<table>
<thead>
<tr>
<th></th>
<th>6</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>QTY PROD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNITS / MIN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>W.I.P.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“HOT”</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Observations
6:
1:
MATERIAL IDENTIFICATION

- Fuseelage Fold
- Nose Fold #1
- Nose Fold #2
- Wing Fold

Visual Aid

4/10/98 Lot #1

Notes

This exhibits the 6pc Batch
No Paper Clips Required for 1pc Flow
Our lean journey

Coloplast Hungary Kft
Opportunity to start from scratch

A recognized benchmark in volume manufacturing organized around the core manufacturing processes delivering medical devices meeting market demand on product quality and service level.

Vision

Identifying improvement areas

Prioritizing improvement areas

Implementation plans

<table>
<thead>
<tr>
<th>Implement process for equipment calibration</th>
<th>2003/2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Define input and output variables</td>
<td>9</td>
</tr>
<tr>
<td>- Define and implement calibration process</td>
<td>Continues</td>
</tr>
<tr>
<td>- Oustage</td>
<td>2</td>
</tr>
</tbody>
</table>

Implement process for quality issues management

- Define process for issue control
- Implement and align key quality performance with incentive system
- Quality responsibility handed over to operators

- Define basic quality parameters to be controlled by operators
- Execute training in SPC and quality
- Measure and compare to competitive benchmarks
- Hand over basic quality parameters to operators
- Oustage
- Continue
- Wound Care
Guiding principle
White collar ratio: Max 10%

Manufacturing

Primary Support Functions

Quality

Planning & logistics

Engineering & Maintenance

Plant Mgmt

Operation Mgmt

Production

Ostomy

Engineering & Maintenance

Production Continence

Planning & Logistics

Production Woundcare

Secondary Support Functions

IT

Facilities Management

Finance/Controlling

HR

Classic Ostomy

• Day Shift Lead
• Operator Sub Teams

• Evening Shift Lead
• Operator Sub Teams

• Night Shift Lead
• Operator Sub Teams

Post Op

• Day Shift Lead
• Operator Sub Teams

• Evening Shift Lead
• Operator Sub Teams

• Night Shift Lead
• Operator Sub Teams

Assura

• Day Shift Lead
• Operator Sub Teams

• Evening Shift Lead
• Operator Sub Teams

• Night Shift Lead
• Operator Sub Teams

Operation Mgmt

Guiding principle
White collar ratio: Max 10%
## Project based improvement project

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Involvement due to impact of activities from other functions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Optimize OEE on machine level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Increase operator flexibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Increase operator productivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Implement robust process for quality issue control</td>
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<td>– Quality performance management</td>
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<td>– Quality responsibility handed over to operators</td>
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<td><strong>Technical</strong></td>
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<tr>
<td>– Implement process for equipment calibration</td>
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<td>– Define technical tasks/responsibilities on individual machine level</td>
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<td>– Hand over technical tasks to operators</td>
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<td><strong>Logistics</strong></td>
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<tr>
<td>– Track activities and time on individual machine level</td>
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<tr>
<td>– Implement robust process for Eng. and Maint. issue control</td>
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<td>– Define measurement and process for materials management</td>
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<td>– Optimize production capacity planning and replenishment</td>
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<tr>
<td>– Improve production scheduling</td>
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<tr>
<td>– Improve shipment activities and costs</td>
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</table>
Two powerful tools and a systematic process
Value Stream Analysis
Value Stream Mapping
VSA is really a planning event

Brainstorm and discuss

Sort ideas

Plan actions
We are measuring productivity and lead time...

<table>
<thead>
<tr>
<th>Productivity</th>
<th>Lead time</th>
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<tbody>
<tr>
<td>Corporate</td>
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<td>Subsidiaries</td>
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<td>Home Care</td>
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<td>Divisions</td>
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<td>SBU’s</td>
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<tr>
<td>Volume production</td>
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<tr>
<td>Corporate staff</td>
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</table>
...and we measure how well abc is implemented

**abc indicators**

1. Number of *abc* specialists
2. Number of events carried out
3. Share of employees that have been in at least 1 event
4. Competence score
5. Number of training hours
6. Policy deployment implementation
Accelerate speed to
World Class Manufacturing Excellence
Coloplast Capital Market Day 4-5 April 2005
Tatabanya, Hungary

Lunch

Factory tour
Successful penetration of US markets

Jens Fabricius, Director, Regional Sales
Agenda

OC/CC Market overview

Strategy basis

03/04 Implementation status

Home Health retention/conversion
OC/CC Market overview
Chronic care - US patient path

Distribution

- GPO
- Direct sales, wholesalers and specialised home care providers
  - Hospital (2-5 Days)
  - Home Health Agencies (30-90 Days)
  - Retail DME (90 Days - 20 Years)

Patient path

- New patient
- Convalescent patient (at home or in long-term care inst.)
- Patient at home

Payer source - Medicare, Medicaid and private insurance

Medical product manufacturer

Coloplast
Market status - Ostomy

Total Market value 280 mill. USD 03/04

- $280mm
  - ConvaTec
    – Index 100 to 02/03
  - Hollister
    – Index 101 to 02/03
  - Coloplast
    – Index >125 to 02/03
Market status - Continence care

Total Market value 370 mill. USD 03/04

Intermittent Coated Catheters
Estimated value potential
60 mill. USD, 16% of total CC
Market Status - reimbursement

2004 – US passes Medicare Modernization Act

• New Prescription Drug benefit for Seniors, disabled
• Contracting Reform
  • Requires competitive bidding in the 10 largest MSAs beginning in 2007, followed by the next 80 largest in 2009. Competitive bidding prices could be applied nationally beginning in 2011.
• Chronic care Improvement programs
  • Extended Care reforms
  • Preventative Care Programs for;
    • CHF, Diabetes, COPD, Hypertension
    • Disease Management focus
Strategy basis
Key goals - market share and topline growth

- Reach two-digit ostomy market share within 3-5 years
- Ostomy NPD and Key Player awareness/preference
- Develop intermittent coated catheter market segment
- OC/CC CAGR sales > 25%
- Sterling Medical Services (SMS) an enabler of CP OC/CC
- Build strategic end-user franchise with other HC providers - Byram, Edgepark and certain urological dealers
## Key challenges

### HC enabling
- 3% ms ex manufacturer and 4% ms in HC
- Fragmentation, consolidation, full product lines, transaction-orientation

### Price pressures
- IC catheter reimbursement
- GPO’s
- Medicare reform

### Organisation
- New OC/CC specialist sales force
- OCG/SMS alignment and coordination
03/04 implementation status
Hospital coverage => key player relations and NPD

<table>
<thead>
<tr>
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<th>02/03</th>
<th>03/04</th>
<th>04/05</th>
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<tbody>
<tr>
<td>Ostomy sales representatives</td>
<td>17</td>
<td>32</td>
<td>38</td>
</tr>
<tr>
<td>ET's per ostomy sales reps</td>
<td>2.500</td>
<td>147</td>
<td>78</td>
</tr>
<tr>
<td>Hospitals per rep needed to cover those hospitals performing 90% of all Ostomy Surgeries (77,000)</td>
<td>2.271</td>
<td>134</td>
<td>71</td>
</tr>
<tr>
<td>Optimal Hospital Coverage per Rep</td>
<td>35</td>
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Important successes

- Consorta GPO contract
- Significant NPD growth
- Sustained OC Hospital growth > 30%
- OC market share growth towards two digit in 3-5 years
- Sustained OC/CC growth > 25%
04/05 Coloplast medical sales/marketing objectives

- Timely implementation of sales force expansion
- Enhance competencies of sales organisation through training programs
- Successful implementation of existing GPO contracts Consorta, Amerinet, Shared Services, VHA SE contracts
- Realize full value of existing contract commitments (hospital, DME, etc.)
- Focus in pursuing IDN’s (2-3 per OS)
- Significantly increase field sales involvement with financial Key Decision Makers
- Active involvement with SMS staff (targeting, strategy development, enduser referrals and retention)
Home Health retention/conversion
Ostomy patient retention - Home Health is key!

Possible “Paths” - New Patients
#1 – Hospital -> HHA -> Community
#2 – Hospital -> Community
#3 – Hospital -> Extended Care
#4 – Hospital -> Extended Care -> Home Health
#5 - Hospital -> Extended Care -> Home Health -> Community

Primary Path - Existing Ostomates
Community -> HHA -> Community/Extended Care

Home Health Agency
55%-60%
Medicare / PPS Customers

Private Insurance, Medicaid, Other
40%-45%

Hospital

Extended Care
5%-15%

Community
20% - 30%

60%-70%

Medicare / PPS Customers

Private Insurance, Medicaid, Other
Sterling Medical Services

What Sterling brought to Coloplast:

- US net profit contribution
- Unique capability platform
- Foothold into value added distribution
- Patient access
How to extract value from end-users in Sterling?

- Coordinate CP/SMS (best of both) end-user activities
- Transform CP/SMS end-user activities into a standalone business system for chronic care
- Absorb end-user activities into Coloplast
Sterling Medical Services - Enabling of Coloplast ostomy

Signs of Home Care enabling
- CP double digit product share of Sterling ostomy in 03/04
- Ostomy patient acquisition doubled in 03/04
- Ostomy patient "retention": 92%
- Coloplast conversion: 26% out of 1.280 attempts YTD

Challenges
- End-user management
- End-user database integrity and segmentation
- Cost of conversion/retention
- Homecare margin pressures
Key challenges

• Profitable growth, will it ever happen?
• Home Care enabling, does it work?
• US market, will we win?

Conclusions

• 04/05 will see sales force productivity turnaround
• 06/07 will see an EP turnaround
• US Home Care enabling requires a major scale up of HC patient reach
Bus leaves for Ferihegy airport 15:45