# Leading Intimate Healthcare

Conference call presentation
1H 2008/09

Ostomy Care
Urology & Continence Care
Wound & Skin Care

Coloplast

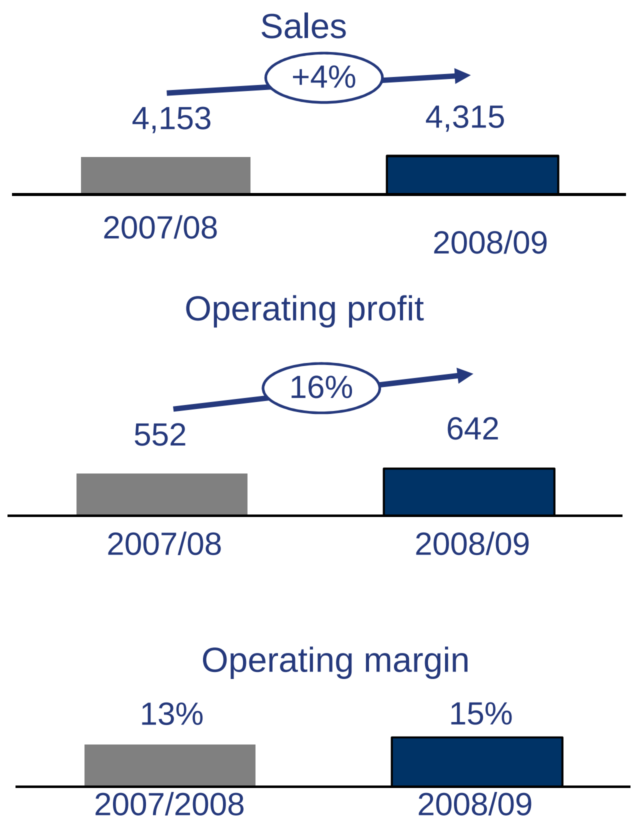
# Forward-looking statements

The forward-looking statements contained in this presentation, including forecasts of sales and earnings performance, are not guarantees of future results and are subject to risks, uncertainties and assumptions that are difficult to predict. The forward-looking statements are based on Coloplast's current expectations, estimates and assumptions and based on the information available to Coloplast at this time.

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 of achieving the long-term objectives set as well as for fulfilling expectations and may affect the company's financial outcomes.

# Key messages

- Profitability improving towards target of 20+% with underlying EBIT margin at 17%
- 6% organic sales growth in line with market growth
- Against expectations Germany continues to challenge 2008/09 growth
- Revised full year guidance for 2008/09:
  - Organic growth rate reduced to ~6% from 7-8%
  - EBIT margin in fixed currencies increased to ~16% from 15-16%
  - Capex reduced to DKK 700m from DKK 750-850m
  - Effective tax rate unchanged at 28%

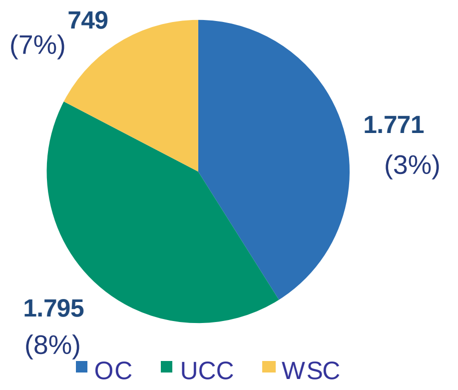


# Sales in line with market growth

- In DKK, revenues were up by 4% to DKK 4.3bn and the organic growth was 6% in line with the current market growth. Excluding Germany organic growth was well above market at 9%
- Ostomy Care growth of 3% driven by SenSura sales. Excluding Germany growth was 8%
- Urology and Continence Care growth of 8% with strong performance in North America
- Wound and Skin Care growth of 7% impacted positively by Consumer Products. Continued price competition in main European markets
- Restructuring of WSC and DSU progresses according to plan
- Product launches include SenSura URO and SpeediCath Control

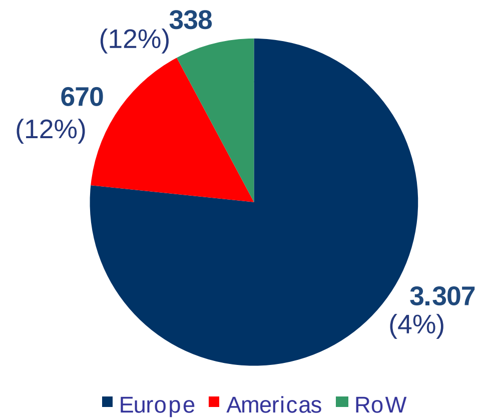
Sales by business area

DKKm (organic growth)




Sales by region

DKKm (organic growth)



# Profitability and cash generation continue to improve

- Gross margin of 58% down 1% due to weaker currencies. Improvements in production costs offset by price and product mix changes
- Significant decrease of SGA to sales ratio impacted particularly by lower admin costs
- EBIT margin of 15% with underlying margin at 17%
- Healthy balance sheet with NIBD to EBITDA of 1.9 and ROE of 32%
- Working capital to sales ratio starting to improve
- CAPEX to sales of 8%. USHQ to open in June 09
- FCF increased to DKK 286m

| | 1H 07/08 | 1H 08/09 |
|---|---|---|
| Gross profit | 2.453 | 2.523 |
| Gross margin | 59% | 58% |
| SGA-to-sales | 43% | 39% |
| EBIT-margin | 13% | 15% |
| EBIT adj. | 14% | 17% |
| NIBD/EBITDA | 2.1 | 1.9 |
| ROE | 33% | 32% |
| NWC-to-sales | 30% | 29% |
| CAPEX | 294 | 289 |
| CAPEX-to-sales | 7% | 8% |
| Free cash flow | 124 | 286 |

# Guidance for 2008/09 adjusted to reflect higher profitability and continued uncertainty in Germany

| | Guidance 08/09 | Guidance 08/09 (DKK) | Long-term guidance |
|---|---|---|---|
| Sales growth | ~6% (organic) | ~6% | Market + |
| EBIT margin | ~16% (Fixed) | ~15% | >20% |
| CAPEX (DKKm) | ~700 | | 6-7% of sales |
| Tax rate | ~28% | | |

| DKK | GBP | USD | HUF | EUR |
|---|---|---|---|---|
| Average exchange rate 2007/08* | 980 | 497 | 3,00 | 746 |
| Spot rate 30 April 2009 | 834 | 561 | 2,57 | 745 |
| Estimated average exchange rate 2008/2009 | 842 | 564 | 2,61 | 745 |
| Change in estimated average exchange rates compared with last year** | -14% | 13% | -13% | 0% |

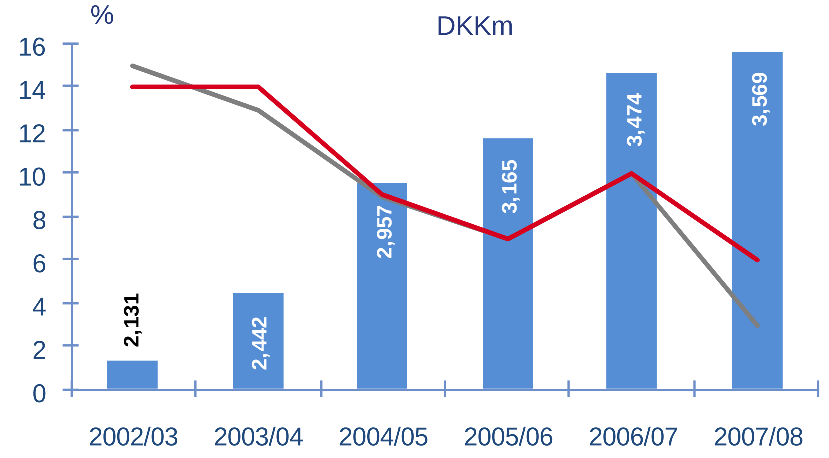
*) average exchange rates 2007/08 are used when calculating the organic revenue growth rates and the EBIT margin in local currencies.

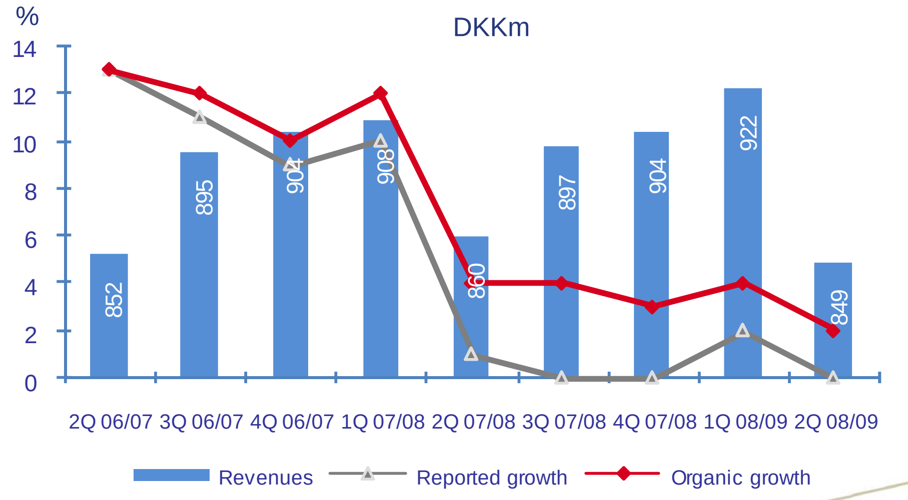
**) Estimated average exchange rate is calculated as the average exchange rate year to date combined with the spot rate for the remainder of the year.

# Appendices

# Germany impacts on Ostomy Care growth

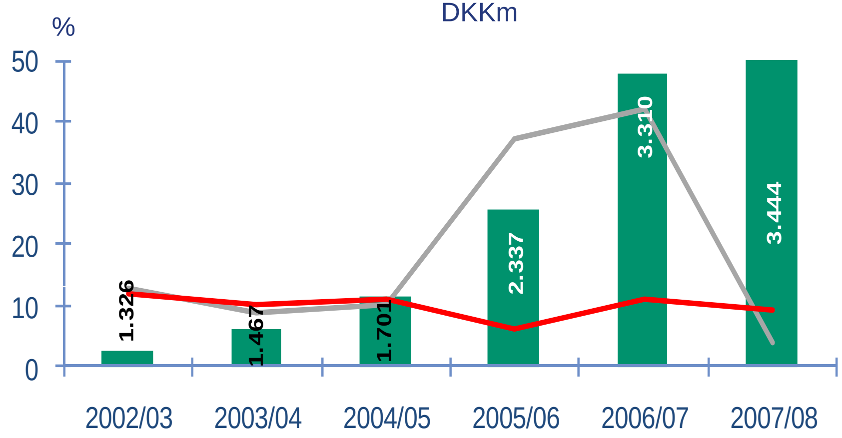
- Organic sales growth of 3% impacted by lower than expected sales primarily in German SIEWA. Excluding the German market organic growth was 8%. Reported growth was flat
- Biggest growth driver continues to be the SenSura product line
- Coloplast maintains its position as market leader with 35-40% global market share

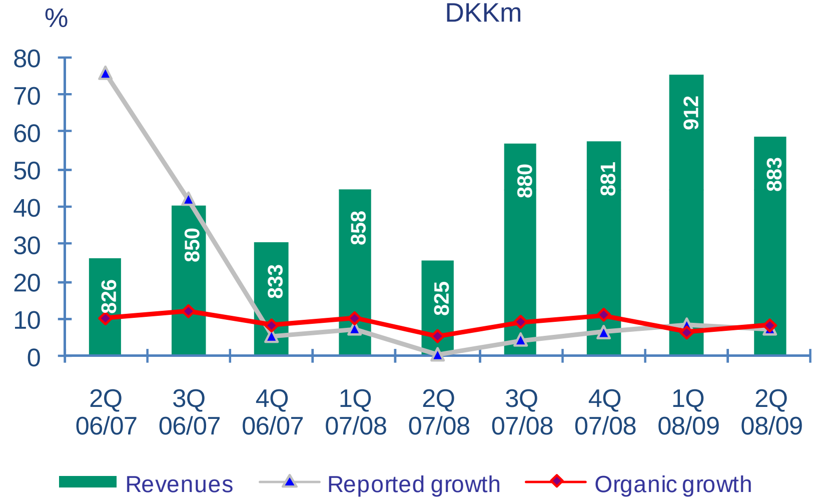


# Satisfactory Urology and Continence Care growth

- Organic sales growth of 8% and reported growth of 7%
- High growth in sale of intermittent catheters especially SpeediCath and SelfCath
- Satisfactory sales in our US and European urology business
- High growth rates from sale of Peristeen and Conveen product ranges
- Unchanged global market share of 30-35% in Continence Care and ~10% in Urology

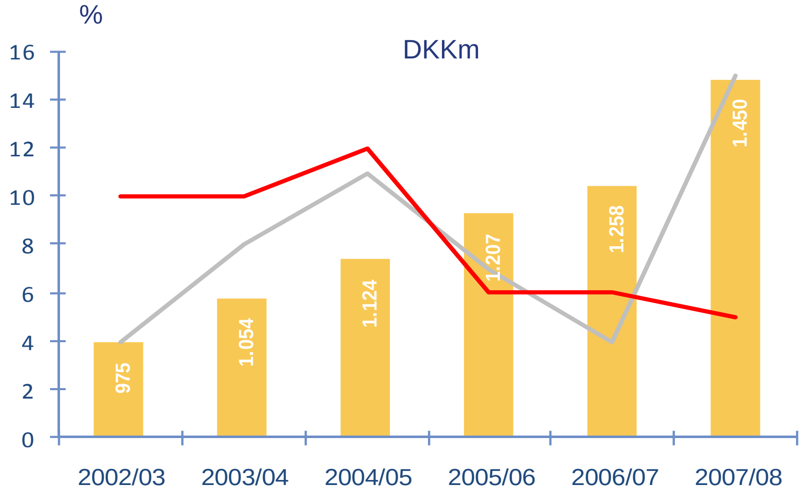


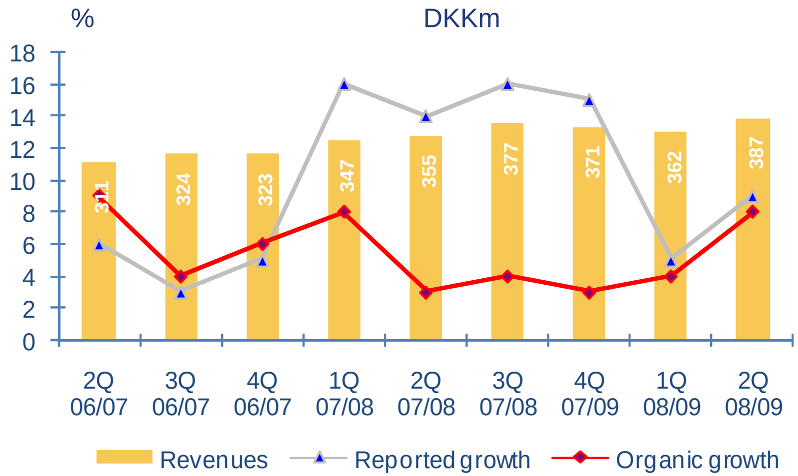




Note: Mentor was acquired 3Q 05/06

# Action taken within Wound and Skin Care

- Organic sales growth of 7% and reported growth of 7%.
- Strong growth in consumer products
- Continued price pressure in the main European markets
- Growth is driven by Biatain foam bandages partly offset by challenging market conditions within the hydrocolloid bandages segment
- Global market share still estimated at ~9%

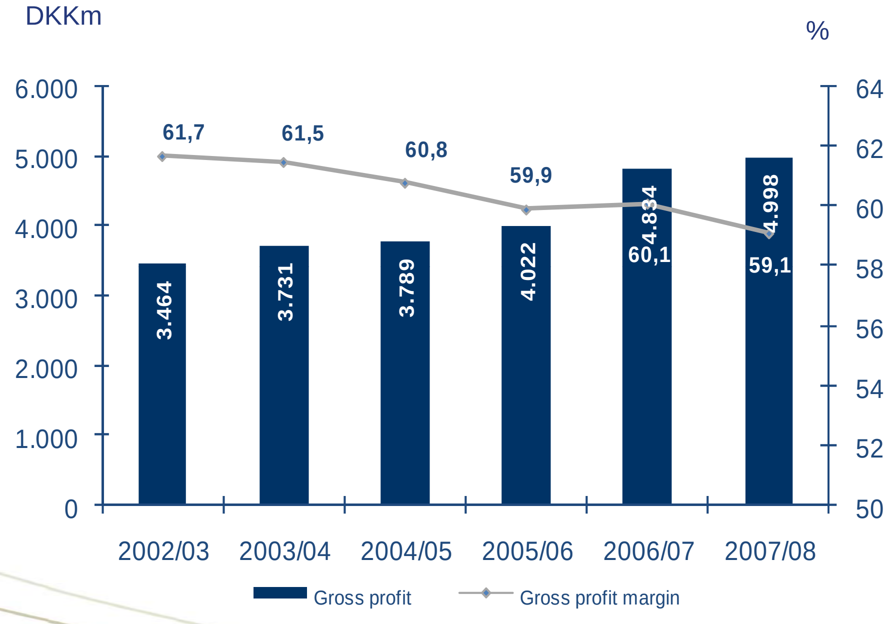



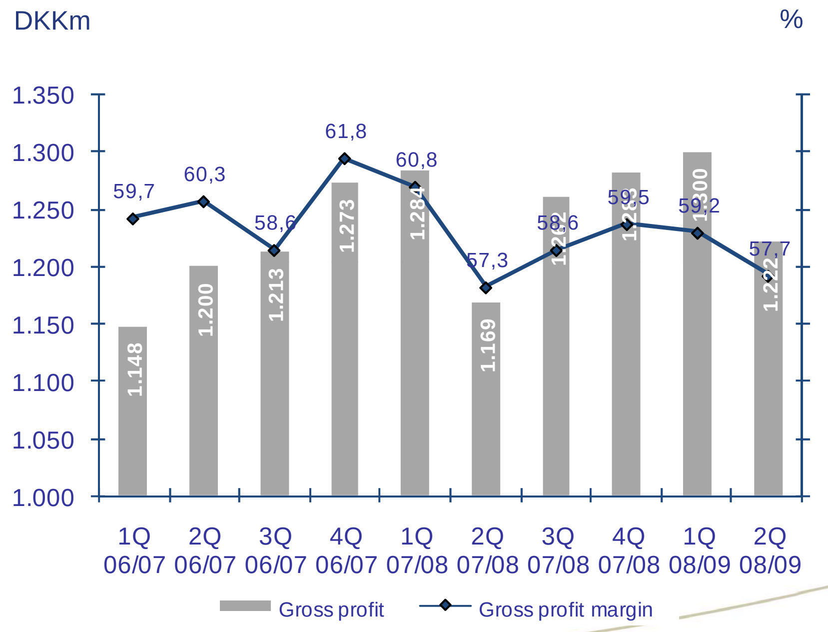




Note: 2007/08 impacted by inclusion of contract production

# Currencies reduced gross profit margin

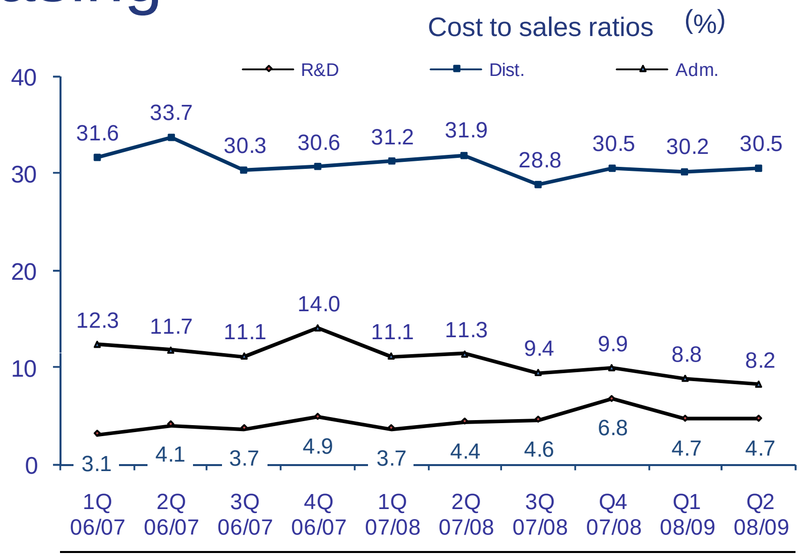
- Gross profit increased by 3% to DKK 2,523m. Adjusted for currencies the growth was 4%
- Production costs increased by 5% mainly due to lower production volumes than last year
- Gross margin of 58% down 1% due to weaker currencies. Improvements in production costs offset by price and product mix changes.

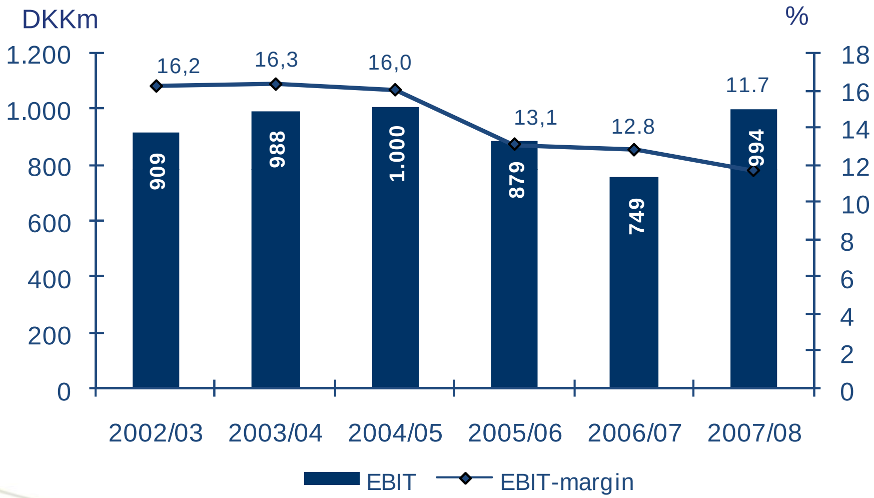


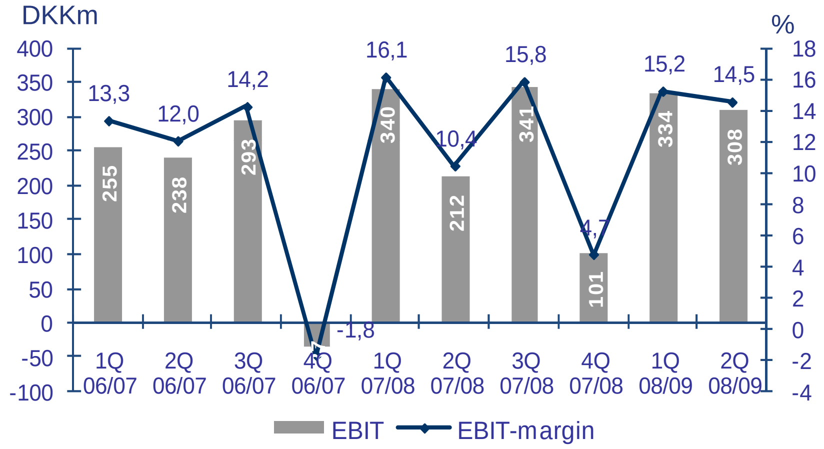



# Underlying EBIT margin increasing

- EBIT before special items was DKK 702m up 27%
- Distribution and R&D costs increased as expected from higher activity, whereas admin costs decreased from continued cost containment
- Reported EBIT margin was 15% - underlying EBIT margin was 17% against 14% last year

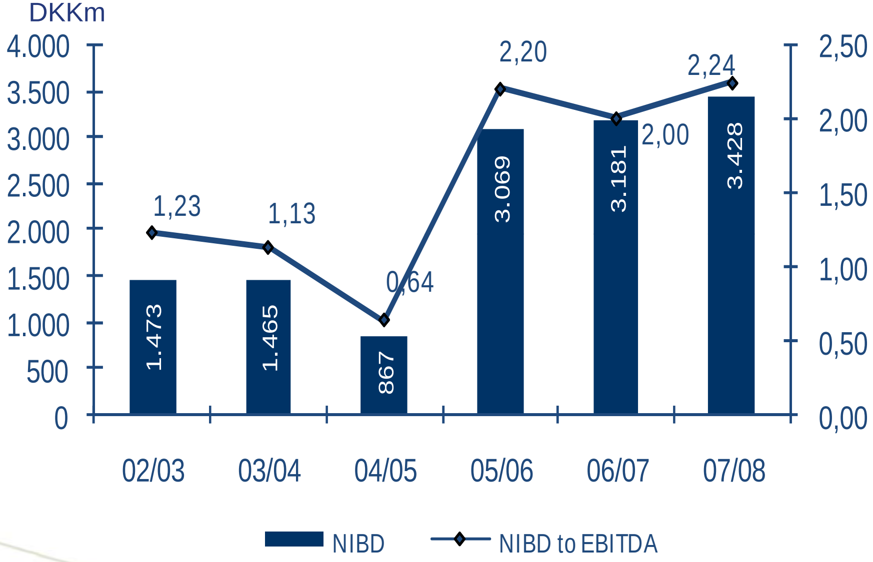


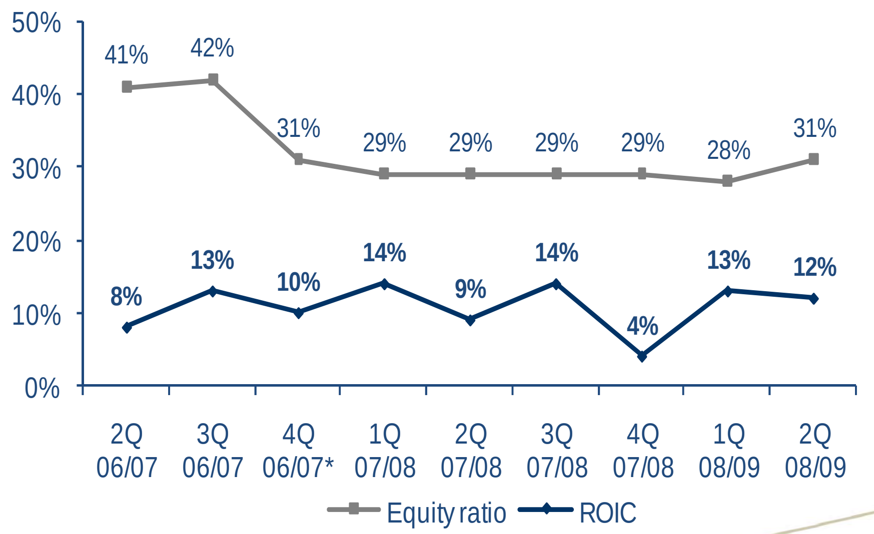



# Balance sheet remains strong

- The equity amounted to DKK 2,519m, corresponding to an equity ratio of 31%. Return on equity was 32%
- Net interest bearing debt was DKK 3,405m, down by 2% compared with last year impacted by purchase of own shares, dividend payment and FCF. Net interest bearing debt to EBITDA was 1.9
- DKK 1.4bn in total unused committed credit facilities increased by committed EIB facility
- ROIC after tax amounted to 13%, up 2%-points compared with same period last year

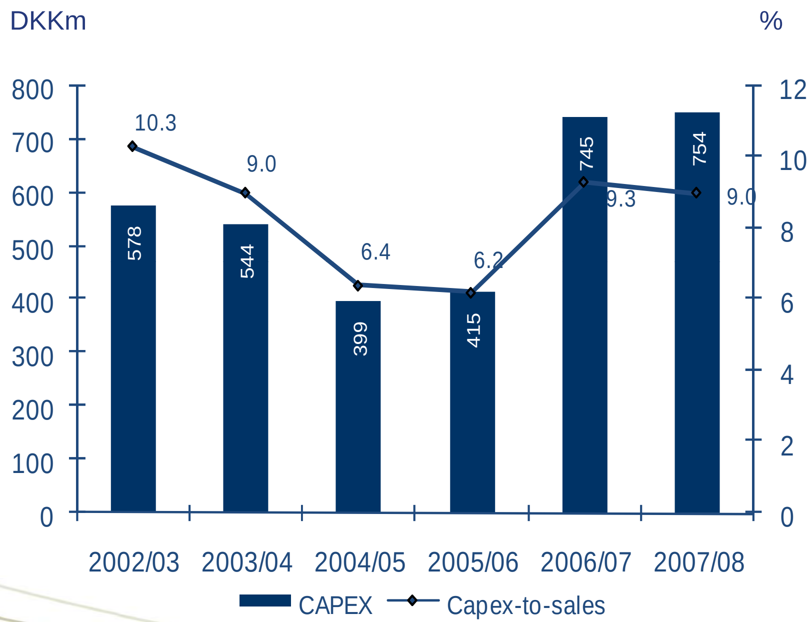


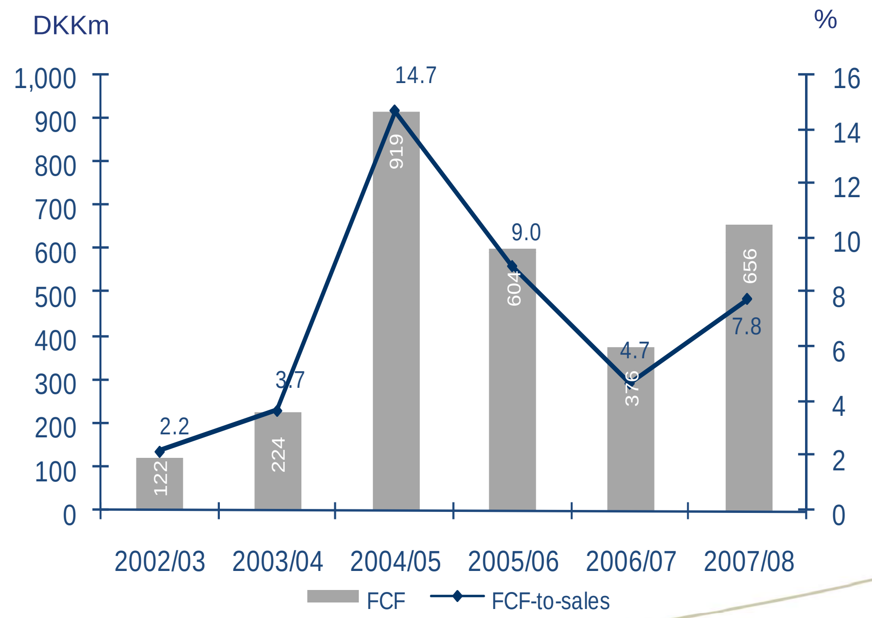




•Q4 2006/07 adjusted for HSC impairment

# Strong cash flow performance

- Cash flow from operations amounted to DKK 499m, impacted by positive contribution from operations partly offset by on account payment of taxes of DKK 165m
- CAPEX was DKK 289m ,corresponding to a capex to sales ratio of 8% related to investments in production equipment as well as new US headquarters
- Free cash flow was DKK 286m compared with DKK 124m last year




Note: Excluding acquisitions and divestments

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