



Coloplast in China

Presentation to Nordea Markets

9 September 2013

Ostomy Care
Urology & Continence Care
Wound & Skin Care



Who are we?



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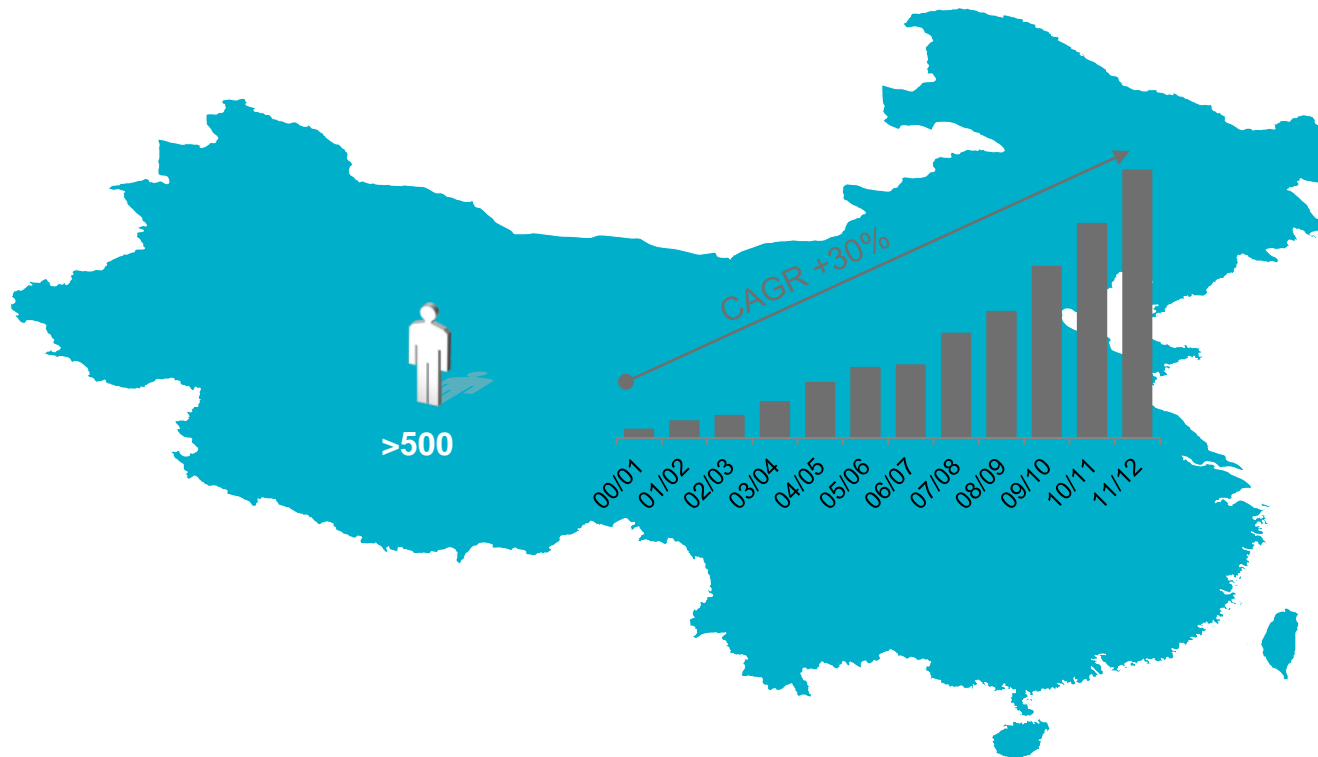


Michael Juhl Petersen Holtze
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Head of Public and Regulatory Affairs, Region China

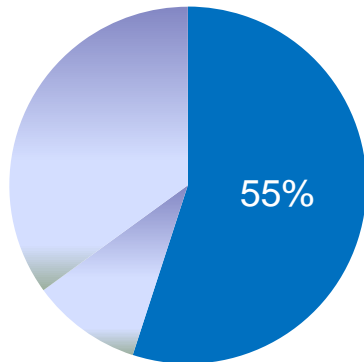
China represents the fastest growing region for Coloplast, and today more than 500 people are employed in our commercial activities in China



Our main business drivers in the region are Ostomy Care and Wound Care, which account for ~90% of our total revenue. Within both of these business areas we have achieved market leadership in China

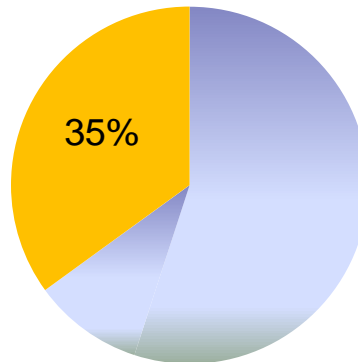
Ostomy Care

Ostomy products include ostomy bags for people who have had a stoma, i.e. a surgical procedure in which part of the intestine is brought out to the surface of the abdomen.



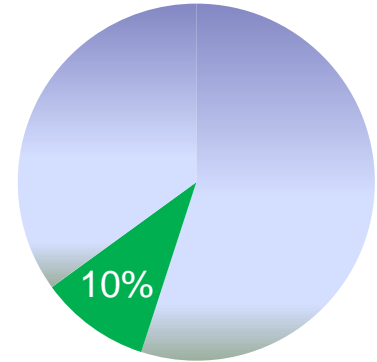
Wound Care

Wound care products include dressings, which are attached to the wound using gauze or a built-in adhesive. Skin care products include disinfectant liquids and lotions.



Continenace Care

Continenace products include intermittent catheters to help users empty their bladder quickly and easily. It also includes urine bags to help users collect leakage.



The Ambition Plan evolves around 5 main strategic themes and a number of commercial priorities to support them

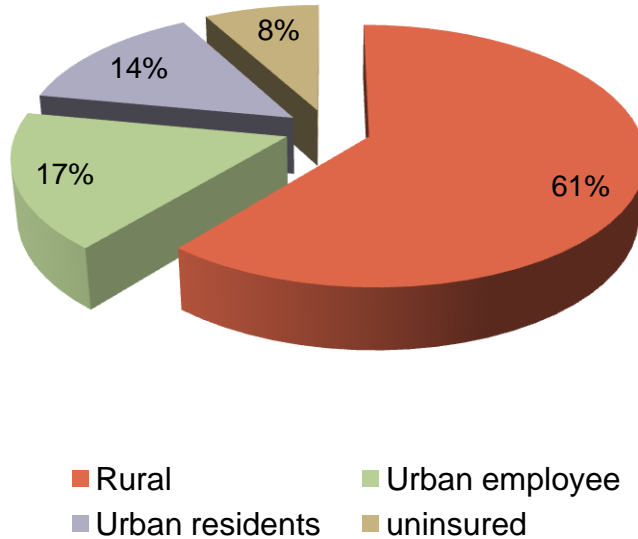
- 1 Raise productivity
- 2 Increase coverage
- 3 Grow the market
- 4 Pursue new opportunities
- 5 Train and retain

And we have built a robust organizational structure to execute on both our short term tactical objectives and our long term strategic ambitions



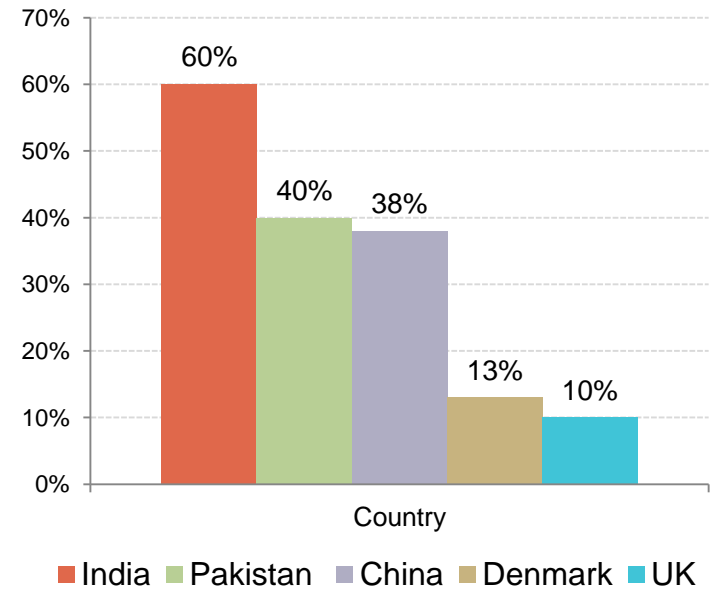
The current reimbursement status is “wide coverage, low benefit level” with a future trend of getting more funding from both central and provincial governments

Different reimbursement schemes in China



Data Source: China Health Insurance Research Association

OOP as % in total health expenditure

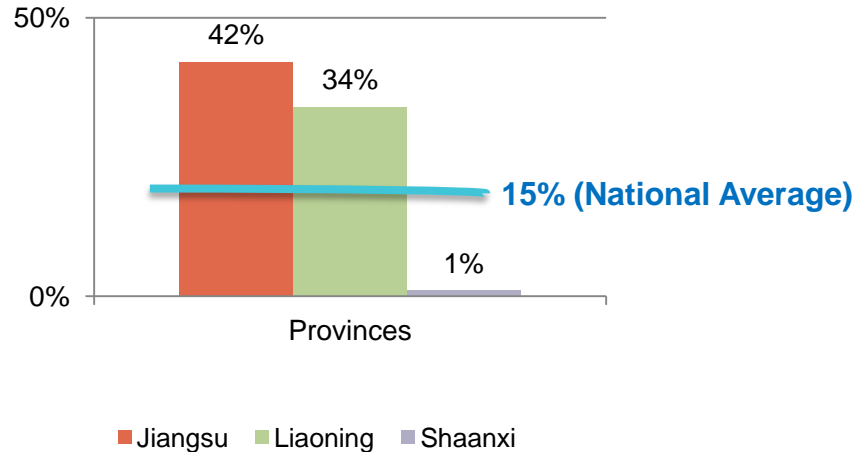


Data Source: WHO

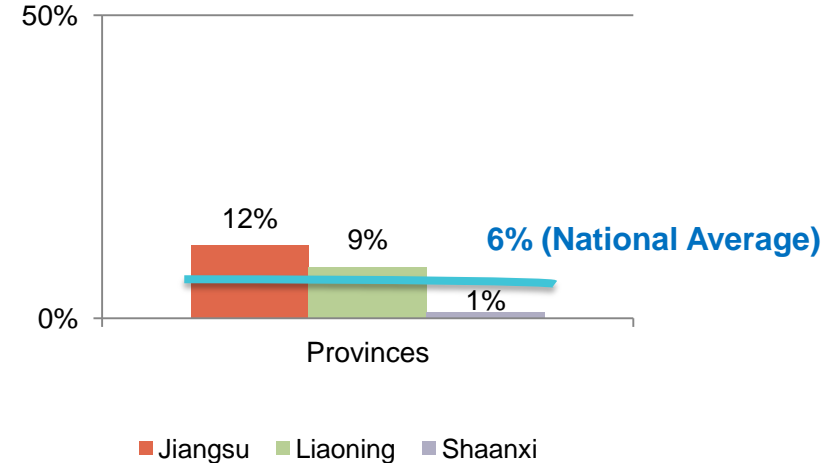
OC enjoy a better reimbursement status than WSC, as it is recognized to be “must have” for a fixed number of patients

Current CP product reimbursement status in China

OC products



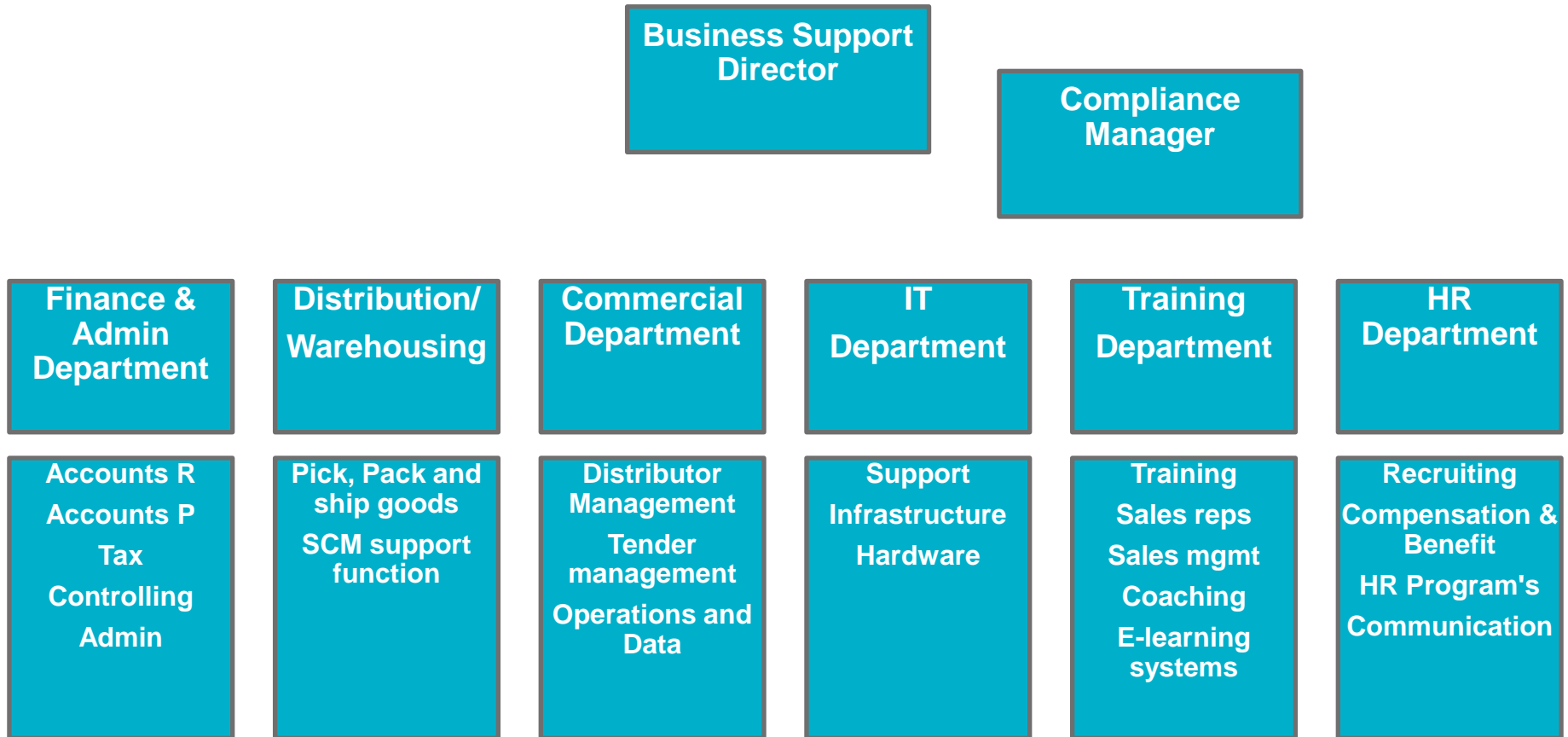
WSC products



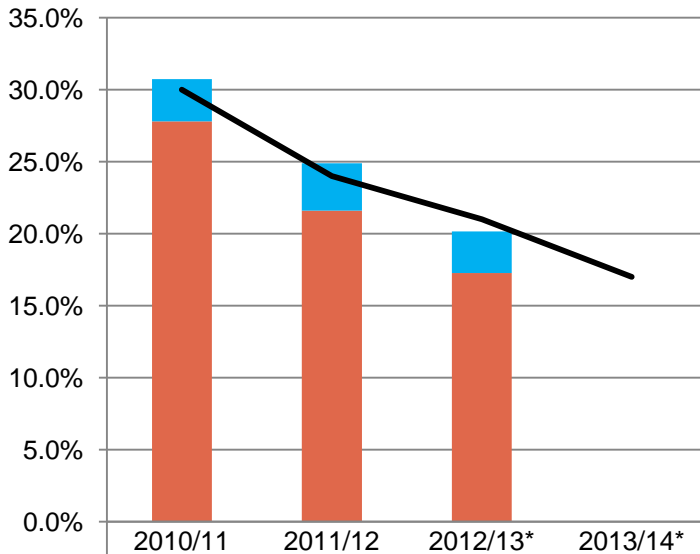
Note: The GDP ranking: Jiangsu 2nd Liaoning 7th, Shaanxi 16th

Data Source: 1, China Health Insurance Research Association 2, *China prevention medicine volume 7 2012*

Business Support China

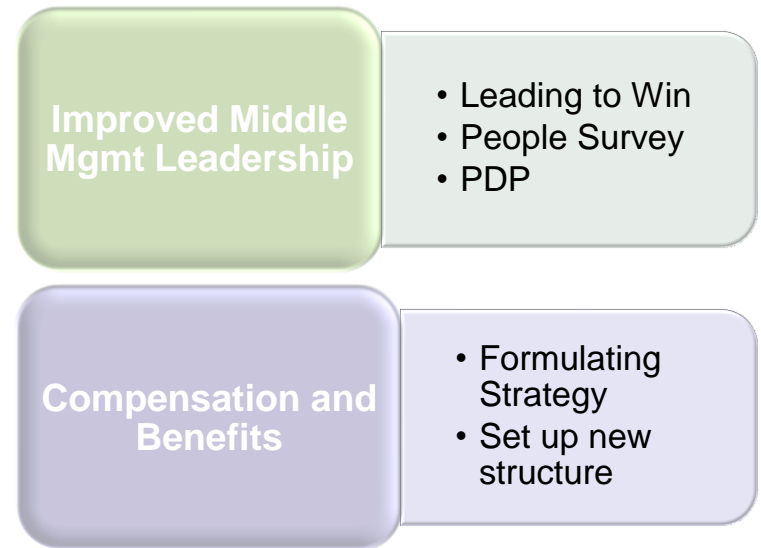


One of our key strategic themes is to reduce employee turnover, and in the past years we have been able to reduce the turnover rate dramatically by improving leadership skills and by optimizing the compensation and benefits packages



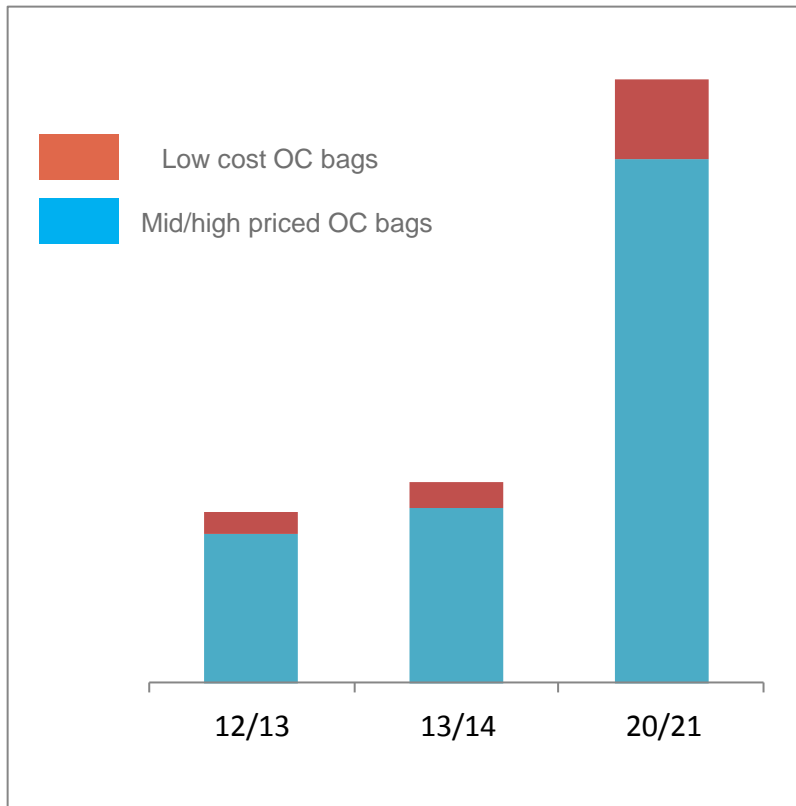
	2010/11	2011/12	2012/13*	2013/14*
Involuntary	3%	3%	3%	
Voluntary	28%	22%	17%	
Target	30%	24%	21%	17%

Drivers for reduction in turnover



OC market growth is mainly driven by an improving healthcare system and changes in population

Market size and growth



Market dynamics

Market value growth drivers

- Aging of population
- Number of surgeries increasing 0-5%
- Product upgrading in hospitals
- Improvement of reimbursement system

Main competitors



By expanding our Direct to Consumer 24/7 business we will gain a stronger position in the growing community market

- Coloplast China already has a well-developed Direct to Consumer (DtC24/7) sales platform.
- CARE has been launched
- Increase the number of OTC stores and independent pharmacies
- Consumer marketing



In Continenence Care we will focus on the most important Rehabilitation Centers and Departments in China to increase the use of intermittent catheters in China



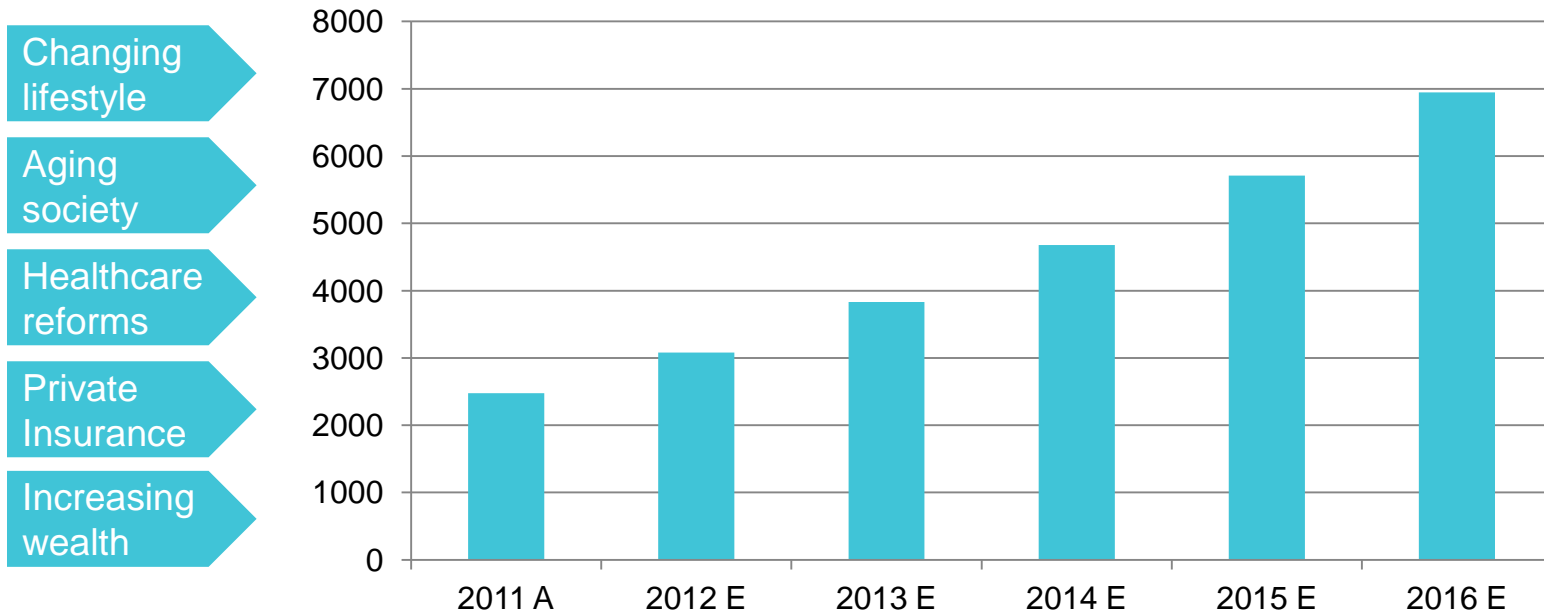
Rehab. Status

- Top 20 Rehab hospitals/ Departments
- Approx. 2,200 beds
- 60 % of patients are SCI patients



In Wound Care the overall development trends in China are still expected to be favorable to Coloplast in the years ahead

Total China wound care market – traditional and advanced - mDKK



Note: Category in Espicom is "Bandages and dressings"

Sources: China Medical device market Q1 2013, Espicom (exchange rate 1USD : 5.7DKK)

Ostomy Care
Urology & Continence Care
Wound & Skin Care



While our WC team is stronger than ever it is also facing the toughest competition ever – mainly from international players

Player rank estimate* H1 FY12/13	Comments
1  Coloplast	➤ No strong local competitors on the short term (1-2 years)
2 	
3 	➤ on the medium term (3-5 years) strong domestic competitors is expected
4 	
5 	
6 	
7 	
8 	
9 	

In FY 12/13 we set out with the ambition to retain our leading position in moist wound healing for chronic wounds

1 Realizing the potential in our stronghold indications

- Build Biatain
- Grow Comfeel

2 Developing new business areas

- Build business with doctors
- Execute AtH community project

3 Winning in key accounts

- Develop partnerships and KOL forums

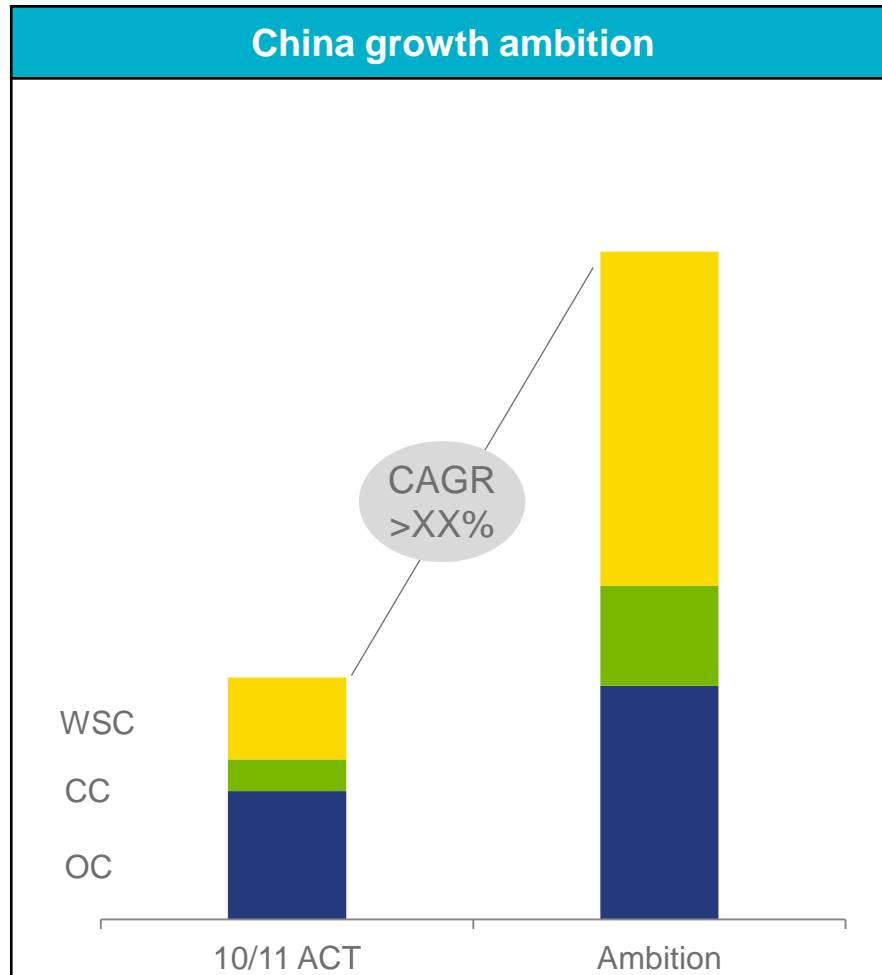
4 Expanding our coverage and growing the market

- Expand the sales force



With an underlying theme of retaining, encouraging and developing employees through improved incentive and training systems

We expect the growth journey to continue, and Region China's Ambition Plan lays out the strategic direction for developing China into becoming one of the top 5 markets for Coloplast



Top Coloplast Markets (est.)

- 1 USA
- 2 UK
- 3 France
- 4 China
- 5 Germany

Questions



Our mission

Making life easier for people
with intimate healthcare needs

Our values

Closeness... to better understand

Passion... to make a difference

Respect and responsibility... to guide us

Our vision

Setting the global standard
for listening and responding