Announcement no. 06/2011
17 August 2011

Interim financial report, 9M 2010/11

(1 October 2010 - 30 June 2011)

Highlights

- Organic revenue growth was 6%. Revenue in DKK was up by 8% to DKK 7,601m.
- Organic growth rates by business area: Ostomy Care 7%, Urology & Continence Care 8%. The sale of wound & skin care products was at last year's level.
- Gross profit was up by 14% to DKK 4,860m, bringing the gross margin to 64% from 61% in 9M 2009/10.
- EBIT was up by 29% to DKK 1,839m. The EBIT margin was 24% against 20% in 9M 2009/10. At constant exchange rates, the EBIT margin was also 24%.
- The free cash flow amounted to DKK 869m against DKK 957m in the same period of last year.
- ROIC after tax was 28%, compared with 22% in 9M 2009/10.
- The second half of the share buy-back programme launched in February 2011 was closed in the third quarter with buy-backs amounting to DKK 500m.

Our financial guidance for the 2010/11 financial year

- We maintain our forecast of organic revenue growth of around 6%. We now expect around 7% growth in DKK.
- We continue to expect an EBIT margin of 24-25%, both at constant exchange rates and in DKK.
- Capital expenditure is still expected to be around DKK 300m.
- The effective tax rate forecast is unchanged at about 26%.

Conference call
Coloplast will host a conference call on 17 August 2011 at 19.00 CET. The call is expected to last about one hour. To attend the conference call, call +45 3271 4607, +44 (0)20 7162 0077 or +1 334 323 6201. A webcast will be posted on www.coloplast.com shortly after the conclusion of the conference call.

Financial highlights and key ratios

1 October - 30 June

	Group		Change	Group		Change
	DKK million			DKK million		
	2010/11	2009/10		2010/11	2009/10	
	9 mth	9 mth		Q3	Q3	
Income statement						
Revenue	7,601	7,020	8%	2,597	2,452	6%
Research and development costs	(327)	(305)	7%	(104)	(105)	(1%)
Operating profit bef. special items, interest, tax & depreciation (EBITDA)	2,229	1,843	21%	781	661	18%
Operating profit before special items	1,839	1,487	24%	651	531	23%
Operating profit (EBIT)	1,839	1,425	29%	651	520	25%
Net financial income and expenses	(99)	(243)	(59%)	4	(75)	<(100%)
Profit before tax	1,740	1,182	47%	655	445	47%
Coloplast's share of profit for the period	1,288	875	47%	485	337	44%
Revenue growth						
Annual growth in revenue, %	8	7		6	9	
Growth break down:						
Organic growth, %	6	7		7	6	
Currency effect, %	2	0		(1)	3	
Balance sheet						
Total assets	8,493	7,912	7%	8,493	7,912	7%
Invested capital	6,793	6,554	4%	6,793	6,554	4%
Net interest-bearing debt	1,510	2,136	(29%)	1,510	2,136	(29%)
Equity at year-end, Coloplast´s share	3,987	3,122	28%	3,987	3,122	28%
Cash flow and investments						
Cash flow from operating activities	1,203	1,173	3%	748	576	30%
Cash flow from investing activities	(334)	(216)	55%	(58)	(88)	(34%)
Investments in property, plant and equipment, gross	(178)	(185)	(4%)	(53)	(82)	(35%)
Free cash flow	869	957	(9%)	690	488	41%
Cash flow from financing activities	(357)	(1,348)	(74%)	(605)	(393)	54%
Key figures ratios						
Operating margin, EBIT, %	24	20		25	21	
Operating margin, EBITDA, %	29	26		30	27	
Return on average invested capital before tax (ROIC), %	37	29		38	31	
Return on average invested capital after tax (ROIC), %	28	22		28	24	
Return on equity, %	46	39		53	45	
Ratio of net debt to EBITDA	0.5	0.9		0.5	0.8	
Interest cover	31	22		37	25	
Equity ratio, %	47	39		47	39	
Rate of debt to enterprise value, %	4	7		4	7	
Net asset value per share, DKK	89	69	29%	89	69	29%
Per share data						
Share price, DKK	781	607	29%	781	607	29%
Share price/net asset value per share	8.8	8.7	1%	8.8	8.7	1%
Average number of outstanding shares, millions	42.0	42.6	(1%)	41.9	42.4	(1%)
PE, price/earnings ratio	19.2	23.5	(18%)	16.8	20.2	(17%)
Earnings per share (EPS), diluted	30.1	20.4	48%	11.4	7.9	44%
Free cash flow per share	20.7	22.5	(8%)	16.0	11.5	39%

Management's review

Sales performance

In DKK, revenue was up by 8% to DKK 7,601m. Organic growth was 6%, while changes in foreign exchange rates accounted for 2% and acquired revenue made up just under 0.5%.

Sales performance by business area

	DKK million		*Growth composition*				*DKK million*	*Organic growth*
	2010/11 9 mth	*2009/10 9 mth*	*Organic growth*	*Acquired operations*	*Exchange rates*	*Reported growth*	*2010/11 Q3*	*Q3*
Ostomy	3,170	2,892	7%		3%	10%	1,077	8%
Urology and Continence	3,287	2,992	8%	1%	1%	10%	1,124	9%
Wound & Skin Care	1,144	1,136	0%		1%	1%	396	3%
Net revenue	**7,601**	**7,020**	**6%**	**0%**	**2%**	**8%**	**2,597**	**7%**

Ostomy Care

Sales of ostomy care products amounted to DKK 3,170m, an increase of 10%. Organic growth was 7%. Revenue growth remains at a very satisfactory level and is driven by emerging markets, mainly China, Russia, Brazil and Argentina, but also by the UK. Q3 organic growth was 8%, supported by growth in emerging markets. In addition, US revenue recovered following the unsatisfactory growth of the last quarter. Growth remains driven by the SenSura® product portfolio.

The SenSura® Mio has now been launched in the Netherlands, Denmark, Finland, Switzerland and the UK, receiving a positive response. At the end of 2010, we launched a portfolio of ostomy accessories. The portfolio has four main categories: skin protection, leakage prevention, removal of adhesive and care for irritated skin. Since the launch, this part of the Ostomy Care business area has produced very satisfactory growth rates.

Urology & Continence Care

Urology & Continence Care revenue improved by 10% to DKK 3,287m on 8% organic growth.
The Q3 organic growth rate was 9%, 3 percentage points higher than in Q2 and in line with Q1.
Growth in the Continence Care business was satisfactory and driven by intermittent catheters in both the European and US markets. Sales of Conveen® uridomes and Conveen® urine bags and the Peristeen® anal irrigation system continued to grow at satisfactory rates.

Falling sales of slings for women continued to impact the Urology business, while sales of Restorelle® for pelvic organ prolapse repair were satisfactory. Sales of penile implants were in line with Q3 2009/10 and thus not satisfactory. The weaker growth rate is due to an increase in the number of cancelled operations. The sales growth in Europe of disposable surgical products was very satisfactory.

We now expect FDA approval of the Altis® mini-sling in the USA by mid 2012.

Wound & Skin Care

Sales of wound and skin care products amounted to DKK 1,144m, a 1% increase. In local currencies, sales were in line with the first nine months of the 2009/10 financial year, but fell by 2% exclusive of skin care products and contract production of Compeed®[1]. Q3 organic growth was 3%. Exclusive of skin care products and contract production of Compeed, Q3 sales were down by 1% and sales in the wound care business thus remained unsatisfactory. The negative growth continues to be caused by the ongoing challenges in most European markets. Sales growth during the quarter was supported by the continued good momentum in Germany and lower comparative figures in Greece. In the third quarter, skin care products again contributed to sales growth with last year's strong sales of hand cleansing products no longer reflected in the comparative figures.

[1] Compeed is a registered trademark of Johnson & Johnson

We no longer expect growth within this business area in 2011. We still consider the wound care market an attractive and value creating business area within our portfolio of healthcare activities.

Sales performance by region

	DKK million		Growth composition				DKK million	Organic growth
	2010/11 9 mth	2009/10 9 mth	Organic growth	Acquired operations	Exchange rates	Reported growth	2010/11 Q3	Q3
Europe	5,593	5,276	5%		1%	6%	1,924	7%
Americas	1,286	1,148	10%	2%	0%	12%	426	9%
Rest of the world	722	596	13%		8%	21%	247	7%
Net revenue	**7,601**	**7,020**	**6%**	**0%**	**2%**	**8%**	**2,597**	**7%**

Europe
Revenue was DKK 5,593m, which translates into reported growth of 6%, while organic growth was 5%. The Q3 organic growth rate was 7%, which was 3 percentage points higher than the rate for H1 2010/11. The strong growth rate of the quarter was driven especially by improved Ostomy Care and Continence Care sales in the Nordic region, as well as in Germany and Greece. Also, contract production of Compeed contributed positively. Developments in the European wound care business continued to have a negative impact on overall sales growth.

The Americas
Revenue in the Americas rose by 12% to DKK 1,286m. The Mpathy acquisition contributed two percentage points and organic growth was 10%. Q3 organic growth was 9%. The US operations reported a partial recovery of Ostomy Care and Continence Care sales following the disappointing Q2 performance. The higher sales growth of Ostomy Care and Continence Care products was partly offset by weaker growth in the sales of penile implants. Sales growth in Brazil was in line with previous quarters, while the performance in Argentina was substantially below the sales growth of the previous quarter, due to the placing of a major tender.

Rest of the World
Revenue in the Rest of the World was up by 21% to DKK 722m. The appreciation of the Australian dollar and the Japanese yen in particular relative to Danish kroner lifted the reported growth by 8%. Organic growth was 13% with especially China and Japan making positive contributions. Q3 sales were up by 7%, or 9 percentage points less than in the first two quarters of the year. The performance was due to declining sales growth in Australia as well as in Japan where inventory build-ups after the natural disaster in March, shifted sales between the second and third quarter.

Gross profit

Gross profit was up by 14% to DKK 4,860m against DKK 4,263m in the first nine months of last year.

The gross margin was 64%, against 61% in 9M 2009/10. The Q3 gross margin was also 64%. Enhanced production efficiency and lower payroll costs resulting from the relocation of production to Hungary and China continued to drive the improvements. In H1 2010/11, the number of job positions in Denmark was reduced by 83 due to the relocation of production from Denmark to Hungary and China, resulting in costs of DKK 25m. The relocation process was completed by the end of March 2011.

Capacity costs

Distribution costs amounted to DKK 2,264m, equal to 30% of revenue, which was 1 percentage point more than in 9M 2009/10 and in line with the H1 2010/11 figure. Costs increased during the period due to investments in the Wound Care sales force and in the Chinese market.

Administrative expenses amounted to DKK 444m, which was in line with 9M 2009/10. Administrative expenses amounted to 6% of revenue.

The quarter includes non-recurring costs of about DKK 20m from the implementation of a number of organisational changes.

R&D costs were DKK 327m and accounted for 4% of revenue, which was in line with last year.

Other operating income and other operating expenses amounted to a net income of DKK 14m against DKK 20m in 9M 2009/10.

Operating profit (EBIT)

EBIT was up by 29% to DKK 1,839m against DKK 1,425m in 9M 2009/10. The EBIT margin was 24% against 20% in the same period of last year. At constant exchange rates, the EBIT margin was also 24%. The Q3 EBIT margin was 25%, both at constant exchange rates and in DKK.

Financial items and tax

Financial items amounted to a net expense of DKK 99m against DKK 243m in 9M 2009/10. Financial items was an income of DKK 4m for Q3, driven by exchange rate adjustments of DKK 33m mainly from gains on hedging of USD and GBP against DKK.

Financial items

	DKK million		*DKK million*	
	2010/11	*2009/10*	*2010/11*	*2009/10*
	9 mth	*9 mth*	*Q3*	*Q3*
Interest, net	(72)	(84)	(21)	(26)
Fair value adjustment of options	(32)	(77)	(2)	(5)
Exchange rate adjustments	20	(53)	33	(37)
Other financial items	(15)	(29)	(6)	(7)
Total financial items	**(99)**	**(243)**	**4**	**(75)**

The effective tax rate was 26%, in line with 9M 2009/10, resulting in a tax expense of DKK 452m, compared with DKK 307m in 9M 2009/10.

Net profit for the period

The net profit for the period was up by 47% to DKK 1,288m, while earnings per share improved by 48% relative to the first nine months of 2009/10 to DKK 30.1.

Cash flow and investments

Cash flows from operating activities
The cash flow from operating activities was up by 3% to DKK 1,203m from DKK 1,173m in 9M 2009/10. The DKK 414m increase in EBIT was more than offset by the DKK 344m increase in income tax paid and a DKK 268m increase in the working capital. Currency hedging gains this year against a loss last year combined with lower interest payments had a positive effect of DKK 213m compared with 9M 2009/10.

Investments (CAPEX)
We invested a gross amount of DKK 354m in 9M 2010/11 compared with DKK 223m in 9M 2009/10. The increase was due to the DKK 160m acquisition of Mpathy. Investments accounted for 5% of revenue against 3% last year. Gross investments in property, plant and equipment amounted to DKK 178m, equal to 2% of revenue.

Free cash flow
The free cash flow amounted to DKK 869m against DKK 957m in the same period of last year.

Capital reserves
We have confirmed long-term credit facilities of almost DKK 5bn, of which about half is utilised.

Statement of financial position and equity

Balance sheet
At DKK 8,493m, total assets increased by DKK 722m relative to 30 September 2010. Intangible assets amounted to DKK 1,800m, which was DKK 33m higher than at 30 September 2010. The increase was mainly due to the acquisition of Mpathy, which was partly offset by the lower USD/DKK exchange rate.

Current assets increased by DKK 792m relative to 30 September 2010 and were DKK 4,145m.

Relative to 30 September 2010, trade receivables were up by 14% to DKK 1,927m, the increase being mainly due to improved sales and longer payment times in southern Europe.

Trade payables amounted to DKK 368m, against DKK 455m at 30 September 2010.

Working capital made up 25% of revenue, as compared with 23% at 30 September 2010.

Equity
Equity increased by DKK 535m relative to 30 September 2010 and was DKK 3,987m. Comprehensive income amounted to DKK 1,316m and was offset by dividend payments of DKK 422m and by share buy-backs of DKK 500m. Employees' exercise of share options and the sale of employee shares increased equity by DKK 120m.

Net interest-bearing debt and capital structure
Net interest-bearing debt fell by DKK 83m relative to 30 September 2010 to DKK 1,510m. The ratio of net interest-bearing debt to EBITDA was 0.5. Approximately 60% of our total debt carries a fixed rate, as compared with 85% at 30 September 2010, and no significant loans are due for refinancing until 2013.

Coloplast raised a loan of DKK 440m with the European Investment Bank during the first half of the 2010/11 financial year. The loan matures in 2017. We have invested DKK 471m in mortgage bonds as a hedge of a mortgage loan in the same bond series.

Share buy-backs and dividends
In December 2009, the shareholders in the Annual 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 first half of the buy-back programme was completed last year. The remaining DKK 500m of the programme was commenced in February and completed at the end of the third quarter.

Treasury shares
At 30 June 2011, Coloplast's holding of treasury shares consisted of 3,258,806 B shares with a nominal value of DKK 5 each, equal to 7.24% of the Coloplast share capital.

Financial guidance

- We maintain our forecast of organic revenue growth of around 6%. We now expect around 7% growth in DKK.
- We continue to expect an EBIT margin of 24-25%, both at constant exchange rates and in DKK.
- Capital expenditure is still expected to be around DKK 300m.
- The effective tax rate forecast is unchanged at about 26%.

We continue to expect that revenue growth will be influenced by the performance of the wound care business, as the effects of the changes implemented in the business are not materialising as fast as previously expected.

The EBIT margin is expected to be 24–25% and the improvement relative to last year is primarily related to efficiency gains and cost savings resulting from the relocation of production from Denmark to Hungary and China.

The acquisition of Mpathy Medical Devices of 29 October 2010 (see Announcement no. 11/2010) lifted the guidance for growth in DKK by almost half a percentage point.

Coloplast's long-term financial ambition is to outgrow the market while achieving earnings margins that are in line with the best performing med-tech companies.[2]

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, are examples of factors that may impact the company’s financial conditions.

Other events

Exchange rate exposure
Our financial guidance for the 2010/11 financial year has been prepared on the basis of the following assumptions for the company’s main currencies:

[2] 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.

DKK	GBP	USD	HUF	EUR
Average exchange rate 2009/10*	857	551	2.72	744
Spot rate 11 August 2011	851	527	2.69	745
Estimated average exchange rate 2010/2011	859	535	2.74	745
Change in estimated average exchange rates compared with last year**	0%	-3%	1%	0%

*) average exchange rates 2009/10 are used when calculating the organic revenue growth rates and the EBIT margin in fixed exchange rates for full year 2010/11.

**) 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.

Revenue is particularly exposed to developments in USD and GBP relative to DKK. Last year, we relocated a large part of our US-based catheter production to China, which has resulted in a change to our USD exposure. 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 there are moderate.

In DKK millions over 12 months on a 10% initial drop in exchange rates (Average exchange rates 2009/10)	**Revenue**	**EBIT**
USD	-130	-30
GBP	-150	-85
HUF	0	40

Public Health Notification from the US Food and Drug Administration (FDA)
On 13 July 2011, FDA issued an updated Public Health Notification that was originally from 2008. The update contains new data on the use of surgical synthetic mesh for pelvic organ prolapse repair. Furthermore, the FDA will convene the Obstetrics-Gynecology Devices Panel of its Medical Device Advisory Committee on 8–9 September 2011 for a discussion on the future use of this type of treatment and to prepare a new set of guidelines and recommendations. In the 9M 2010/11 period, we generated revenues of close to DKK 25m from synthetic mesh for pelvic organ prolapse repair.

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.

Statement by the Board of Directors and Executive Board

The Board of Directors and the Executive Management today considered and approved the interim report of Coloplast A/S for the period 1 October 2010 – 30 June 2011. The interim report, which is unaudited and has not been reviewed by the company's auditors, is presented in accordance with IAS 34 “Interim financial reporting” as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim report gives a true and fair view of the Group’s assets, equity, liabilities and financial position at 30 June 2011 and of the results of the Group’s operations and cash flows for the period 1 October 2010 – 30 June 2011.

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

Humlebæk, 17 August 2011

Executive Board:

Lars Rasmussen President, CEO	Lene Skole Executive Vice President, CFO

Board of Directors:

Michael Pram Rasmussen	Niels Peter Louis-Hansen		
Per Magid	Brian Petersen	Jørgen Tang-Jensen	Sven Håkan Björklund
Thomas Barfod Controller	Gitte Böse Andersen International Product Manager	Torben Julle Rasmussen Worker	

Tables

Unaudited

Statement of comprehensive income

1 October - 30 June

(Unaudited)

Note		Group DKK million 2010/11 9 mth	Group DKK million 2009/10 9 mth	Index	Group DKK million 2010/11 Q3	Group DKK million 2009/10 Q3	Index
1	Revenue	7,601	7,020	108	2,597	2,452	106
	Cost of sales	(2,741)	(2,757)	99	(926)	(968)	96
	Gross profit	**4,860**	**4,263**	**114**	**1,671**	**1,484**	**113**
	Distribution costs	(2,264)	(2,055)	110	(756)	(708)	107
	Administrative expenses	(444)	(436)	102	(159)	(152)	105
	Research and development costs	(327)	(305)	107	(104)	(105)	99
	Other operating income	27	43	63	7	20	35
	Other operating expenses	(13)	(23)	57	(8)	(8)	100
	Operating profit before special items	**1,839**	**1,487**	**124**	**651**	**531**	**123**
	Special items	0	(62)	**0**	0	(11)	**0**
1	**Operating profit (EBIT)**	**1,839**	**1,425**	**129**	**651**	**520**	**125**
2	Financial income	38	10	380	22	0	
3	Financial expenses	(137)	(253)	54	(18)	(75)	24
	Profit before tax	**1,740**	**1,182**	**147**	**655**	**445**	**147**
	Tax on profit for the period	(452)	(307)	147	(170)	(108)	157
	Net profit for the period	**1,288**	**875**	**147**	**485**	**337**	**144**
	Other comprehensive income						
	Value adjustment for the year	77	(155)		26	(121)	
	Hereof transferred to financial items	5	54		(17)	35	
	Tax effect of hedging	(21)	22		(3)	18	
	Exchange rate adjustment, assets in foreign currency	(60)	215		(21)	116	
	Exchange adjustment of opening balances and other adjustments relating to subsidiaries	27	10		2	(31)	
	Total other comprehensive income	**28**	**146**		**(13)**	**17**	
	Total comprehensive income	**1,316**	**1,021**		**472**	**354**	
	Net profit for the period allocated as follows:						
	Shareholders in Coloplast A/S	1,288	875		485	337	
	Total	**1,288**	**875**		**485**	**337**	
	Comprehensive income for the period allocated as follows:						
	Shareholders in Coloplast A/S	1,316	1,021		472	354	
	Total	**1,316**	**1,021**		**472**	**354**	
	Earnings per Share (EPS)	30.6	20.4		11.6	7.9	
	Earnings per Share (EPS), diluted	30.1	20.4		11.4	7.9	

Statement of financial position

At 30 June

Note		Group DKK million 30.06.11	30.06.10	30.09.10
	Assets			
	Acquired patents and trademarks	930	1,057	939
	Goodwill	736	732	670
	Software	105	132	123
	Prepayments and assets under development	29	31	35
	Intangible assets	**1,800**	**1,952**	**1,767**
	Land and buildings	1,171	1,235	1,194
	Plant and machinery	906	936	937
	Other fixtures and fittings, tools and equipment	164	193	176
	Prepayments and assets under construction	108	232	141
	Property, plant and equipment	**2,349**	**2,596**	**2,448**
	Investment in associates	2	2	2
	Other investments	2	4	4
	Deferred tax asset	180	151	178
	Other receivables	15	19	19
	Investments	**199**	**176**	**203**
	Non-current assets	**4,348**	**4,724**	**4,418**
	Inventories	**1,000**	**962**	**959**
	Trade receivables	1,927	1,714	1,696
	Income tax	19	27	23
	Other receivables	206	95	109
	Prepayments	68	54	90
	Receivables	**2,220**	**1,890**	**1,918**
	Marketable securities	**471**	**1**	**1**
	Cash and bank balances	**454**	**335**	**475**
	Current assets	**4,145**	**3,188**	**3,353**
	Assets	**8,493**	**7,912**	**7,771**

Statement of financial position

At 30 June

Note		Group DKK million 30.06.11	30.06.10	30.09.10
	Equity and liabilities			
	Share capital	225	225	225
	Hedge reserve	40	(128)	(21)
	Proposed dividend for the year	0	0	422
	Retained earnings	3,722	3,025	2,826
	Equity	**3,987**	**3,122**	**3,452**
	Provision for pensions and similar liabilities	84	76	80
	Provision for deferred tax	231	225	186
	Other provisions	7	13	11
	Mortgage debt	464	454	460
	Other credit institutions	1,467	1,438	1,091
	Other payables	420	245	359
	Deferred income	119	100	74
	Non-current liabilities	**2,792**	**2,551**	**2,261**
	Provision for pensions and similar liabilities	7	14	10
	Other provisions	12	19	18
	Mortgage debt	0	14	7
	Other credit institutions	113	331	165
	Trade payables	368	414	455
	Income tax	356	268	490
	Other payables	856	1,175	882
	Deferred income	2	4	31
	Current liabilities	**1,714**	**2,239**	**2,058**
	Current and non-current liabilities	**4,506**	**4,790**	**4,319**
	Equity and liabilities	**8,493**	**7,912**	**7,771**
7	Contingent items			
8	Acquired operations			

Statement of changes in equity

Group	Share capital					
DKK million	A shares	B shares	Hedging reserve	Proposed dividend	Retained earnings	Total equity
2009/10						
Balance at 1.10 as reported in annual report	18	207	(49)	300	2,374	2,850
Comprehensive income:						
Result for the period					875	875
Other comprehensive income			(79)		225	146
Total comprehensive income for the period	*0*	*0*	*(79)*	*0*	*1,100*	*1,021*
Transactions with owners:						
Treasury shares purchased					(500)	(500)
Treasury shares sold					28	28
Share-based payments					23	23
Dividend paid out in respect of 2008/09				(300)		(300)
Total transactions with owners	*0*	*0*	*0*	*(300)*	*(449)*	*(749)*
Balance at 30.06	**18**	**207**	**(128)**	**0**	**3,025**	**3,122**
2010/11						
Balance at 1.10 as reported in annual report	18	207	(21)	422	2,826	3,452
Comprehensive income:						
Result for the period					1,288	1,288
Other comprehensive income			61		(33)	28
Total comprehensive income for the period	*0*	*0*	*61*	*0*	*1,255*	*1,316*
Transactions with owners:						
Treasury shares purchased					(500)	(500)
Treasury shares sold					120	120
Share-based payments					21	21
Dividend paid out in respect of 2009/10				(422)		(422)
Total transactions with owners	*0*	*0*	*0*	*(422)*	*(359)*	*(781)*
Balance at 30.06	**18**	**207**	**40**	**0**	**3,722**	**3,987**

Statement of cash flows

1 October - 30 June

Note		Group DKK million 2010/11 9 mth	2009/10 9 mth
	Operating profit	1,839	1,425
	Depreciation and amortisation	390	418
4	Adjustment for other non-cash operating items	0	2
5	Changes in working capital	(385)	(117)
	Ingoing interest payments, etc.	56	11
	Outgoing interest payments, etc.	(102)	(315)
	Income tax paid	(595)	(251)
	Cash flow from operating activities	**1,203**	**1,173**
	Investments in intangible assets	(16)	(38)
	Investments in land and buildings	(20)	(6)
	Investments in plant and machinery	(61)	(23)
	Investments in non-current assets under constructions	(97)	(156)
	Property, plant and equipment sold	20	10
	Acquisition of associate	0	(3)
	Acquired operations	(160)	0
	Cash flow from investing activities	**(334)**	**(216)**
	Free cash flow	**869**	**957**
	Dividend to shareholders	(422)	(300)
	Net investment in treasury shares	(380)	(472)
	Financing from shareholders	**(802)**	**(772)**
	Financing through long-term borrowing, debt funding	445	0
	Financing through long-term borrowing, instalments	0	(576)
	Cash flow from financing activities	**(357)**	**(1,348)**
	Net cash flow for the period	**512**	**(391)**
	Cash, cash equivalents and short term debt at 1.10.	304	397
	Value adjustments of cash and balances	(4)	(15)
	Net cash flow for the period	512	(391)
6	**Cash, cash equivalents and short term debt at 30.06**	**812**	**(9)**

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

Notes

1. Segment information

Group, 2010/11

Operating segments

The operating segments are defined on the basis of the monthly reporting to the Executive Management, which is considered to be the Chief Operation Decision Maker. Reporting to management is based on two global operating segments: Sales Regions and Production Units as well as six minor operating segments: Wound Care, Disposable Surgical Urology (DSU), Surgical Urology (SU), Global Marketing, Global R&D and Corporate Staff Functions. This breakdown also reflects our global organisational structure.

The Sales Regions and Production Units operating segments comprise sales and/or production of all Coloplast products in each of our business areas, Ostomy Care, Urology, Continence Care and Wound and Skin Care. Inter-segment trading consists of Sales Regions procuring goods from Production Units. Inter-segment trading is conducted on an arm's length basis.

The Wound Care operating segment exclusively covers the sale of wound care products in selected European markets in which the Wound Care segment operates independently of the rest of the business. Accordingly, the segmentation reflects the structure of reporting to the Executive Management. In other markets, the sale of wound care products are managed through the Wound and Skin Care business area. DSU covers the production and sale of disposable urology products, while SU covers the sale of urology products.

The Wound Care, DSU, SU, Global Marketing, Global R&D and Corporate Staff Functions operating segments are not reportable segments, but form part of the Shared/Non-allocated segment, each accounting for less than 10% of total segment revenue, segment profit and segment assets. Wound Care, DSU and SU are included in the reporting segment Sales Regions while the other segments are included in Shared/not allocated. Financial items and income tax are not allocated to operating segments.

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

Costs are allocated directly to each segment. Certain indirect costs are allocated systematically to the reporting segments Sales Regions and Production Units and Shared/Non-allocated .

Management does not receive separate reporting on asset and liabilities by the Sales Regions and Production Units reporting segment. Accordingly, the reporting segments are not measured in this respect, nor do resources allocates on this background. No single customer accounts for more than 10% of revenue.

Operating segments	Sales Regions		Production units		Shared/ Not allocated		Total	
DKK million	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10
External revenue	7,437	6,877	164	143	0	0	7,601	7,020
Operating profit (EBIT) by segment	224	285	2,932	2,505	(1,317)	(1,365)	1,839	1,425
Financial items	0	0	0	0	(99)	(243)	(99)	(243)

Notes

	Group DKK million 2010/11	2009/10
2. Financial income		
Interest income	13	8
Exchange rate adjustments	25	1
Other financial income and fees	0	1
Total	**38**	**10**
3. Financial expenses		
Interest expense	85	92
Fair value adjustments, share options	32	77
Fair value adjustments on forward contracts transferred from equity	5	54
Other financial expenses and fees	15	30
Total	**137**	**253**
4. Adjustment for other non-cash operating items		
Net gain/loss on non-current assets	9	6
Change in other provisions	(9)	(4)
Total	**0**	**2**
5. Changes in working capital		
Inventories	(45)	90
Trade receivables	(251)	(90)
Other receivables	(71)	22
Trade and other payables etc.	(18)	(139)
Total	**(385)**	**(117)**
6. Cash, cash equivalents and short term debt		
Marketable securities	471	1
Cash	1	1
Bank balances	453	334
Liquid resources	925	336
Short-term debt	(113)	(345)
Total	**812**	**(9)**

7. 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.

Notes

8. 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 business area which are sold in the US market, whilst Gyne Ideas Limited owns intellectual property rights within the Urology 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.

The companies contribute revenue of DKK 25m to consolidated comprehensive income for the period. Pro forma revenue for 2010/11, as if the companies had been taken over at 1 October 2010, amounts to DKK 28m. The companies have been fully integrated in the existing Urology business area of the Coloplast group as from the date of acquisition. Accordingly, it is not practicable to calculate financial results for the period or proforma financial results for the full financial year.

	Fair value as per the date of acquisition DKK million
Intangible assets	117
Property, plant and equipment	0
Inventories	2
Receivables	3
Other current assets	1
Cash and bank balances	1
Credit institutions	(4)
Deferred tax	(34)
Trade payables	(2)
Other payables	(2)
Acquired net assets	**82**
Goodwill	98
Total purchase price for the company	**180**
Acquired cash, cash equivalents and short term debt	3
Deferred earn out element	(23)
Cash payment	**160**

Coloplast incurred transaction costs relating to the acquisition of approximately DKK 5m, recognised in the statement of comprehensive income for the 2009/10 financial year. No additional amounts have been recognised for the 2010/11 financial year.

The agreed consideration for the shares amounts to USD 30m, which felled due for payment on the date of acquisition. In addition, Coloplast has undertaken to pay an additional contingent remuneration of up to USD 5m (NPV of USD 4m). The amount of the contingent consideration is based on revenue generated by the acquired companies during a period of 24 months following the acquisition. As per the date of acquisition, it was considered likely that the contingent remuneration will become payable in full.

After recognition at fair value of identifiable assets and liabilities, goodwill related to the acquisition amounts to USD 18m. Goodwill expresses the expected synergies from the broader geographical coverage of the US market, through which Coloplast will gain access to new markets for its existing products. Recognised goodwill is not tax deductible.

Income statement, quarterly

		Group						
DKK million								
		2009/10				2010/11		
Note		Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	Revenue	2,296	2,272	2,452	2,517	2,541	2,463	2,597
	Cost of sales	(942)	(847)	(968)	(936)	(929)	(886)	(926)
	Gross profit	**1,354**	**1,425**	**1,484**	**1,581**	**1,612**	**1,577**	**1,671**
	Distribution costs	(670)	(677)	(708)	(762)	(760)	(748)	(756)
	Administrative expenses	(138)	(146)	(152)	(121)	(136)	(149)	(159)
	Research and development costs	(92)	(108)	(105)	(104)	(112)	(111)	(104)
	Other operating income	14	9	20	4	10	10	7
	Other operating expenses	(14)	(1)	(8)	(7)	(1)	(4)	(8)
	Operating profit before special items	**454**	**502**	**531**	**591**	**613**	**575**	**651**
	Special items	0	(51)	(11)	(21)	0	0	0
1	**Operating profit (EBIT)**	**454**	**451**	**520**	**570**	**613**	**575**	**651**
2	Financial income	5	5	0	8	13	3	22
3	Financial expenses	(81)	(97)	(75)	(86)	(76)	(43)	(18)
	Profit before tax	**378**	**359**	**445**	**492**	**550**	**535**	**655**
	Tax on profit for the period	(102)	(97)	(108)	(124)	(143)	(139)	(170)
	Profit for the period	**276**	**262**	**337**	**368**	**407**	**396**	**485**
	Shareholders in Coloplast A/S	276	262	337	368	407	396	485
	Profit for the period	**276**	**262**	**337**	**368**	**407**	**396**	**485**
	Earnings per Share (EPS)	6.4	6.1	7.9	8.7	9.6	9.4	11.6
	Earnings per Share (EPS), diluted	6.4	6.1	7.9	8.6	9.5	9.2	11.4

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

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.