Coloplast Capital Market Day

12 June 2006

Coloplast

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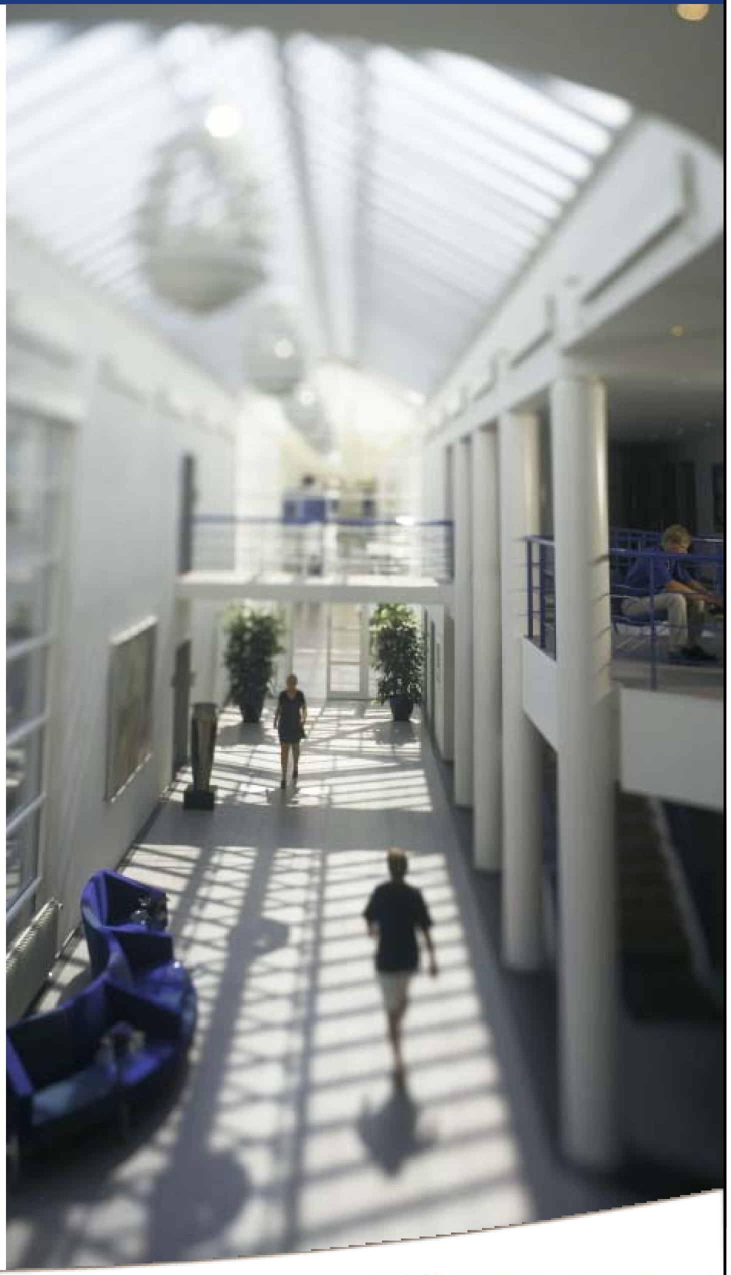
Programme

08:30	**Welcome**
08:40	**Strategic and financial update**
09:00	**Margin expansion drivers**
09:45	*Coffee break*
10:05	**Organic growth drivers**
12:00	*Lunch*
13:00	**Growth through acquisitions – Mentor**
14:45	*Coffee break*
15:00	**US market dynamics and strategy**
15:45	**Q&A**
16:00	*End meeting*



Coloplast

Strategic and financial update

Lene Skole
Executive Vice President, CFO

Strategic framework towards 2012

Mission | **Values**

Corporate Objectives

- Customers
- Employees
- Society
- Shareholders

Corporate Strategy

- Global Market Leadership
- Innovation Leadership
- Double-digit Organic Growth
- Value Creation Above Peers

Business Areas

- Ostomy Care
- Continence Care
- Wound & Skin Care
- Breast Care

Strategic objectives

2012

- At least a doubling of economic profit (EP) every five years towards 2012, based on the 2004/05 figures
- Organic growth of Coloplast’s revenue to DKK 15 billion
- A profit margin (EBIT margin) to exceed 17%

- Aspiring for market leadership within all business areas
- Operational excellence
- Innovation leadership
- Acquisitions to provide economic profit after three full years

External factors - Demand outlook

Demographics		+
Surgical and medical trends		-/+
Health Care reforms	Reimbursement reforms	-
	Group buying and tender bid process	-/+
	Focus on overall treatment costs	+
Emerging markets		+
Distribution & Parallel import		-

The demand for products and services will continue to grow towards 2012 in terms of volume, but pressure on prices and margins will continue

Market growth within Coloplast's business areas estimated at 4-6%

Coloplast

Long term value creation through growth and innovation

Revenue growth levers

- Faster market roll-out of new products
- Investing in new geographical markets
- Up-scaling investments in research and development
- Investing in new technology and product areas
- Establishing specialised sales forces

Margin expansion drivers

- Manufacturing
  - Establishment of Global Operations
  - Relocation to Hungary and China
  - Scale advantage
- Corporate procurement
- Productivity improvements in all parts of the organisation through abc/Lean

Income statement 1H 2005/06

mDKK	1H 2005/06	1H 2004/05	Index
Net revenue	**3,447**	3,099	111
Net operating profit (EBIT)	**568**	409	139
Profit margin (EBIT %)	**16%**	13%	
Profit before tax	**433**	355	122
Tax payment	**-128**	-117	109
Tax rate	**30%**	33%	
Group profit	**305**	236	129

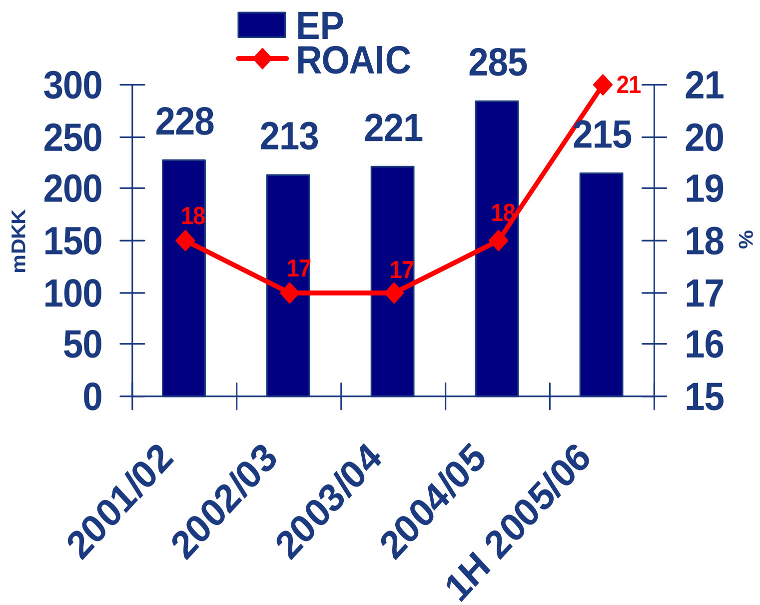
Balance sheet and key ratios 1H 2005/06

mDKK	1H 2005/06	1H 2004/05	FY 2004/05
Equity	**2,549**	2,377	2,512
Invested capital	**5,634**	5,647	5,385
ROAIC, %	**21**	14	18
Return on equity, %	**24**	20	23
Equity interest, %	**44**	42	42
Free cash flow	**54**	366	919
Investments in tangible assets	**185**	216	399

Economic profit 1H 2005/06

- Coloplast reports economic profit on a quarterly basis
- The improved EP is mainly due to higher earnings
- Lower WACC and average NOA also had a positive impact.

mDKK	1H 2005/06	1H 2004/05
NOPAT	**400**	274
NOA, average	**5,533**	5,751
WACC	**6.7%**	7.0%
Economic profit	**215**	73



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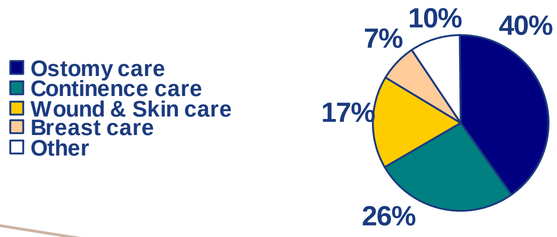
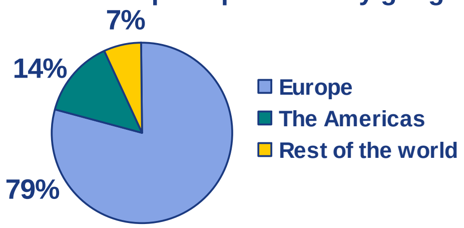
Growth rates 1H 2005/06 in local currencies

	Growth 1H 2005/06	Growth 1H 2004/05	¤ Revenue 1H 2005/06	Estimated market growth
Ostomy care	**9%**	9%	1,391	1-3%
Continence care	**16%**	9%	901	4-6%
Wound & Skin care	**7%**	*8%	592	#8-9%
Breast care	**8%**	(1)%	235	(3)-(1)%
Coloplast total	**9%**	7%	3,447	4-6%
Europe	**8%**	5%	2,728	
Americas	**9%**	10%	489	
ROW	**18%**	23%	230	

Sales of Coloplast products by business area 1H



Sales of Coloplast products by geography 1H



* Approximate growth rate of the combined business area
¤ Revenue figures for the business areas are gross revenue of Coloplast's products.
Other revenues are net figures and include sales through homecare activities of non-Coloplast products
Combined wound- and skin care. European wound care market growth estimated to currently 7-8%

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Expectations 2005/06

2005/06

- Organic sales growth of around 10% in local currencies
- Profit margin of 12-13%
- Investments in tangible assets of DKK 500-600M
- Corporate tax rate of 29%

Margin expansion drivers

Lars Rasmussen
Executive Vice President, COO

Global Operations

Creating a World Class manufacturing unit

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From strategy to operations

Strategy 2012

- Significant EBIT margin improvement
- Double-digit organic growth
- Geographic expansion
- Expedient integration of acquired business

Project Objectives

- Develop **new organisational model** defining which functions should be coordinated/ centralised
- Design scalable organisation reaping benefits from best practices

- **New GO organisation effective from 1 March 2006**

Vision for Global Operations

To build a *World-Class Global Operations organisation* in 36 months

Objectives

Global Operations Objectives
• Maintain strong **customer** orientation • Become a world leader in supporting organic **growth** and acquisition integration • Secure operational **efficiency** and **scalability** • Be an **agile**, challenging and attractive place to work

Key performance indicators

Global Operations KPI’s

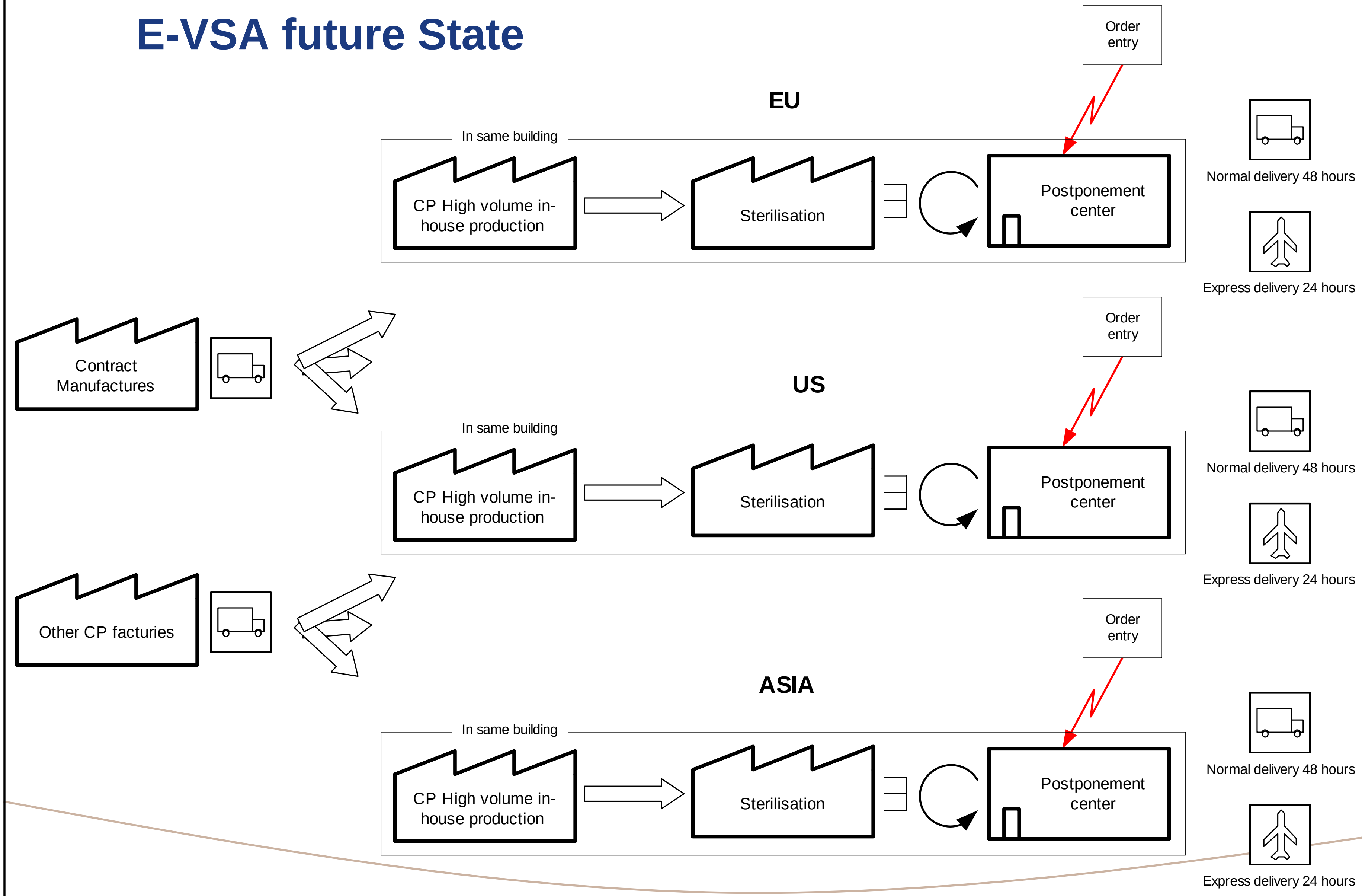
- Customer satisfaction measured by quality and delivery performance
- Support growth by reducing time to high volume, market-, profit- and technology development
- Operational efficiency step change measured by
  - Fully loaded unit cost
  - Supply Chain cost
  - Capex
- Operational compliance on QEHS, ERM and Global Compact
- HR: Leadership competencies & ESLM

3,100 employees in manufacturing

Future manufacturing and distribution blueprint

- Aimed to reap the benefits from closeness to customers, suppliers and creating flow on a global scale
- Each manufacturing center will build on lean flow and postponement principles and aim to create maximum efficiency in terms of cost, flexibility and time to market
- Consolidation of manufacturing will take place over time, however the execution of this still needs further analysis

E-VSA future State

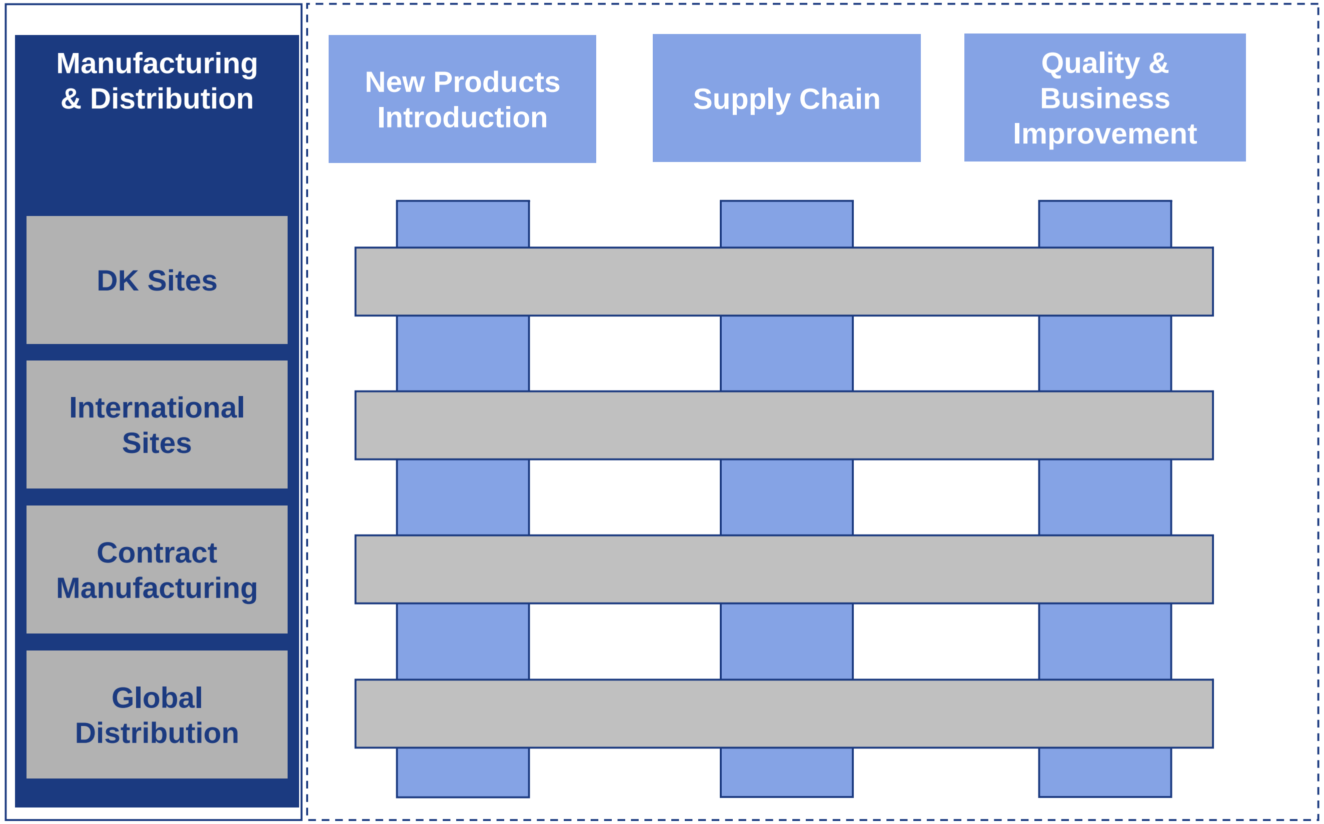


Deliverables focused on reducing total unit cost

- Current cost base includes all manufacturing and distribution cost, DKK 2.5 billion in 2005/06 numbers

- *The vision* implies that Global Operations from 2008 will be able to reduce total unit cost by 5 % year on year driven by:
  - Best practice implementation
  - Rightsizing of organisation
  - Building lean culture
  - Synergies from new organisational design
  - Accelerated transfer of manufacturing to Hungary and China
  - Global distribution centre
  - Reduction of CAPEX to sales primarily from China machine sourcing
  - Upsides from country specific incentives and tax holidays is addition to above

Global Operations organisation

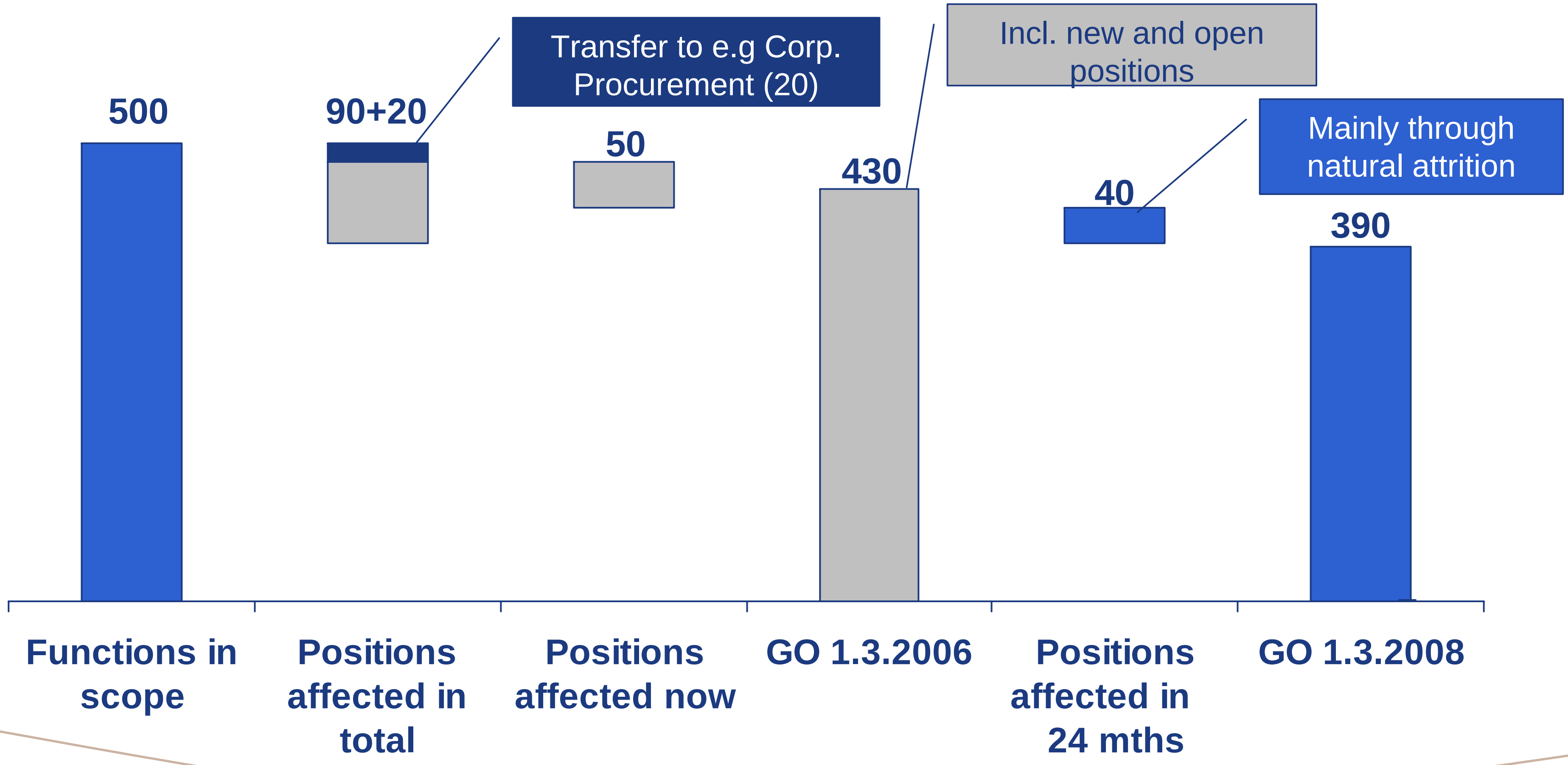


Designed to deliver synergies, increased professionalism and scalability

Moving towards "best in class"

- Shifting "inspecting quality out" of a product to "**building quality in**"
- **Make versus Buy** capabilities
- Manufacturing / distribution aim for **operational excellence**
- **NPI** leveraging professionalism, standardisation of processes and enhancing products to market abilities through **Program Management**
- **Contract Manufacturing** to challenge internal processes with market standards
- **Customer service** within SCM with one point of contact for customer interaction and product launches

Organisational consequences



To-be-state

- As-is-state
  - Asses current organisational structure in FR, US and UK
  - Conduct eVSAs and RACIs
  - New organisational footprint by 1.9.2006

- To-be-state
  - One organisation supporting three business areas
  - One culture
  - Strong customer focus

Main focus ahead is to consolidate manufacturing footprint and strategy and ensure integration and synergies from integration of acquired business.

abc

a better company

Simplifying business processes

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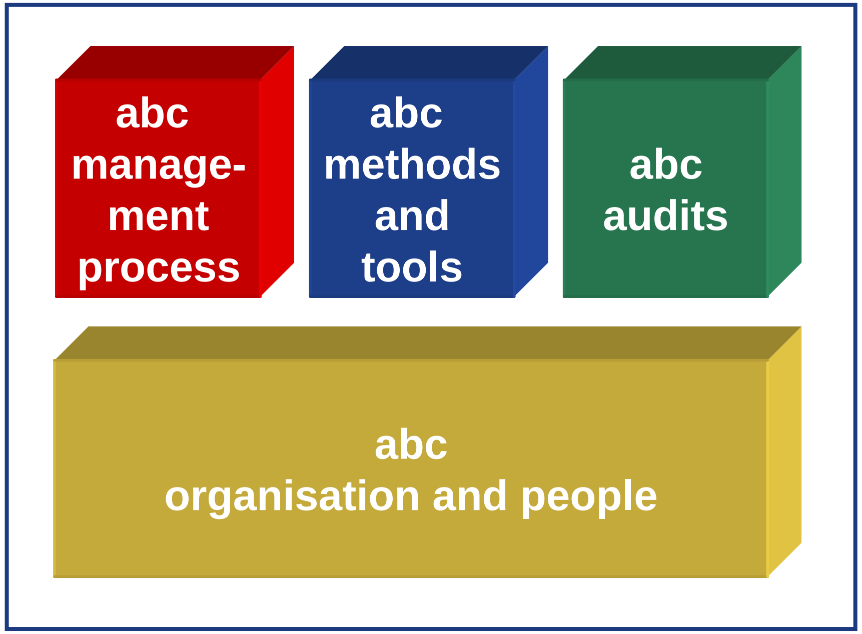
Lean in Coloplast introduced 2004/05

Highlights - development and implementation of abc

- Two pilot projects - production and sales
- abc concept developed
    - Management process
    - Lean tools
    - Organisation
    - Handbook
    - Global rollout
        - All major units (~75% of Coloplast)
        - All functions (development, sales, production, staff)



Value Stream Analysis (VSA)

Goals at 1st VSA in 2004

Inventory	- 80%
Productivity	+ 30%
Scrap	- 67%
Lead time	- 75%

”Future state” is always a simplified process

“Current state”

Planned “future state”

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Value stream transformation
- Rapid Improvement Events (RIE)

Connecting two machines….

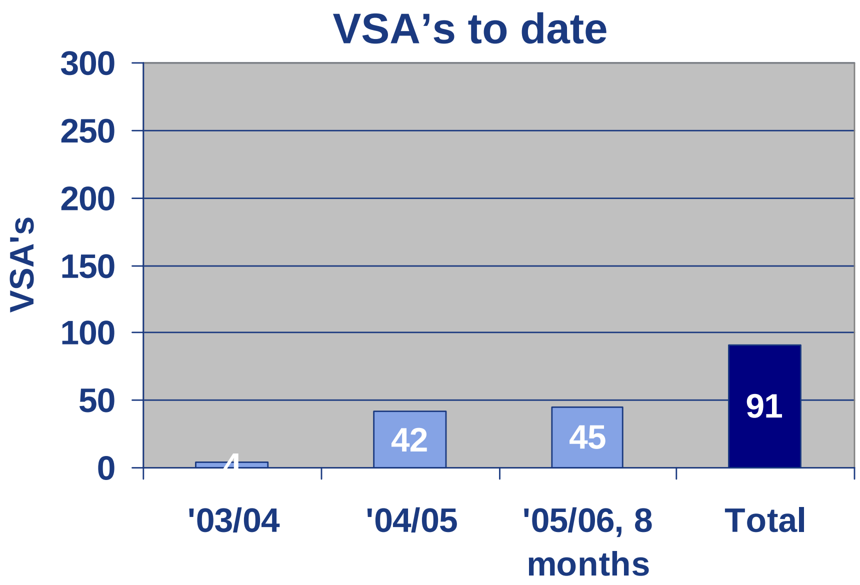
… in 4½ days!

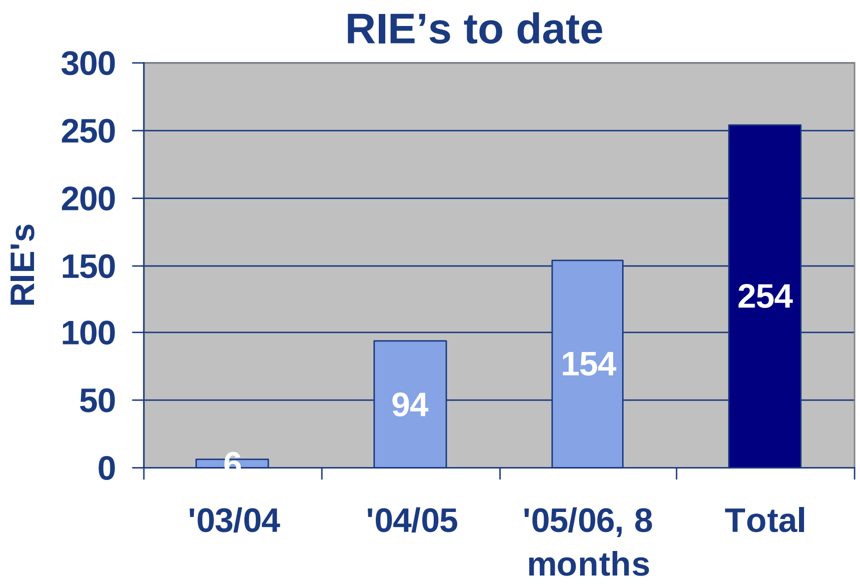
Critical success factors

Lean transformations require dedication and discipline

1. Align abc with strategy and demand action
2. All managers must participate in RIE's
3. Learn from a *sensei*
4. Use same approach in all units
5. Set the pace - "n/10" events per year
6. Follow a rhythm - monthly events
7. Develop in-house abc/Lean specialists
8. Do not fire people

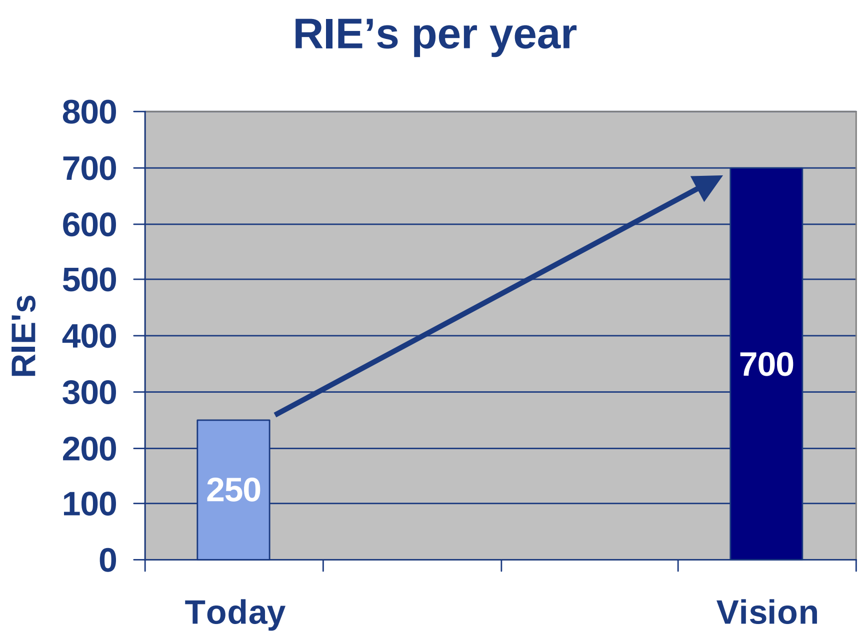
A total of ~350 abc events carried out to date

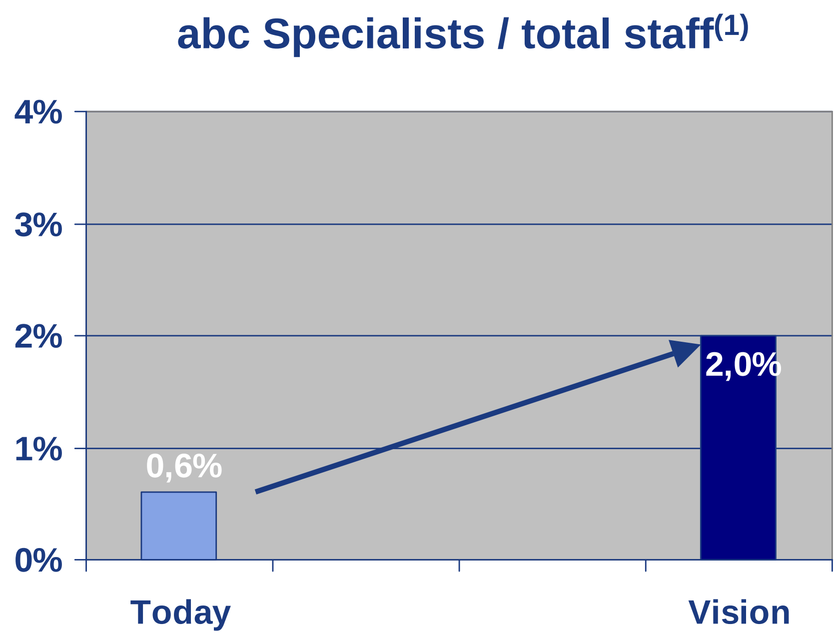




Supported by 34 abc specialists
(22 full time, 12 part time)

Speed of change to increase further





10% productivity increase year-on-year

All staff involved every year

(1) Ratio measured in units where abc is implemented

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abc with several benefits

- Lower lead time and inventory levels
- Fewer pallet places
- Less space needed
- Better quality and delivery performance
- Higher productivity

..... and an increase in the organisation’s skill level!

abc

a better company

...a must-win battle towards 2012

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COFFEE BREAK

Convene at 10:05

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Organic growth drivers

Product launch strategies - FIGARO

Lars Rasmussen
Executive Vice President, COO

Coloplast

Strategy towards 2012 - Investing in growth

Creating values

Double digit organic growth

Global market leader

Innovation leadership

Milestones in Coloplast's innovation

- Customer driven innovation

- Structured innovation process

- Innovation culture in Coloplast

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Coloplast Innovation objectives towards 2012

Front End Innovation → New Product Development → Global Roll-Out

Ambitious goals

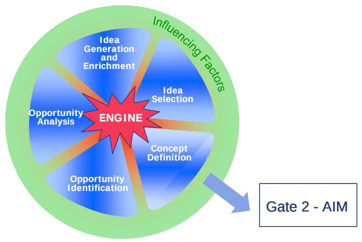
- Innovation rate: 20% of revenues from products less than 4 years old
- Value of new product portfolio: 50% higher growth rate than revenue growth

Coloplast Innovation objectives towards 2012

Front End Innovation	New Product Development	Global Roll-Out
2007: **10 substantial new product ideas enter New Product Development**	**2007:** **Time to market of a new product: 25 months**	**2007:** **Within first year of a product launch to reach 70% of global market potential**

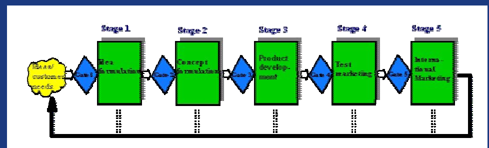
Coloplast Innovation Process

Front End Innovation



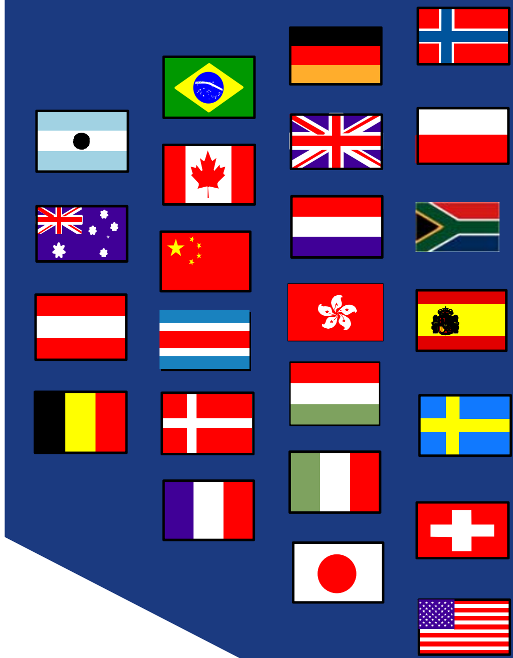
New Product Development

AIM



FIGARO

Global Roll-Out



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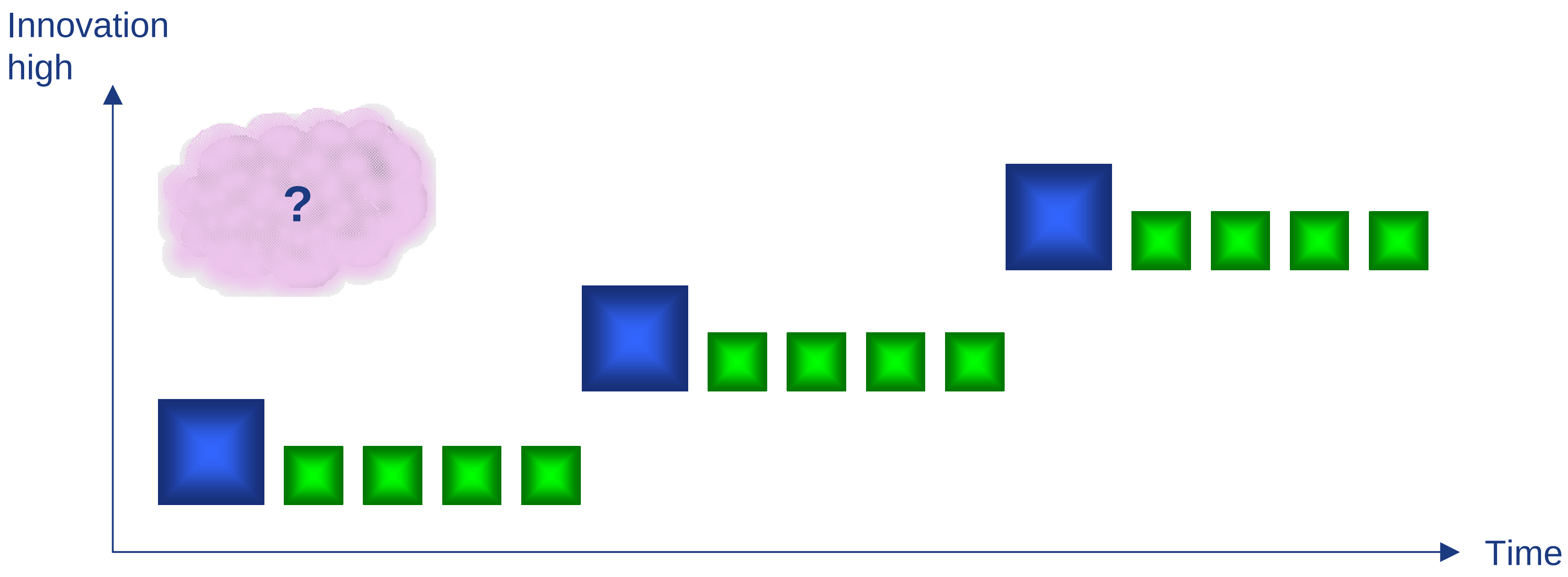
Innovation

Breakthrough, platform and incremental new products



Breakthrough
- Unpredictable

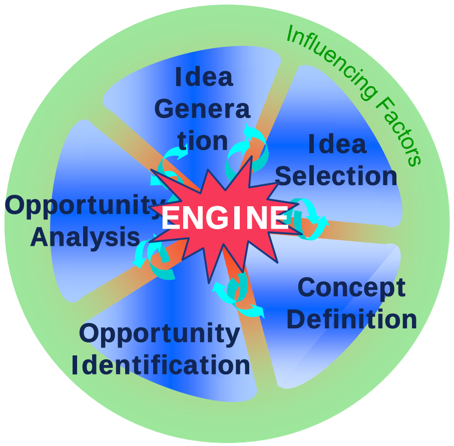
Platform
- Building on core competences/capabilities

Incremental
- Line extension

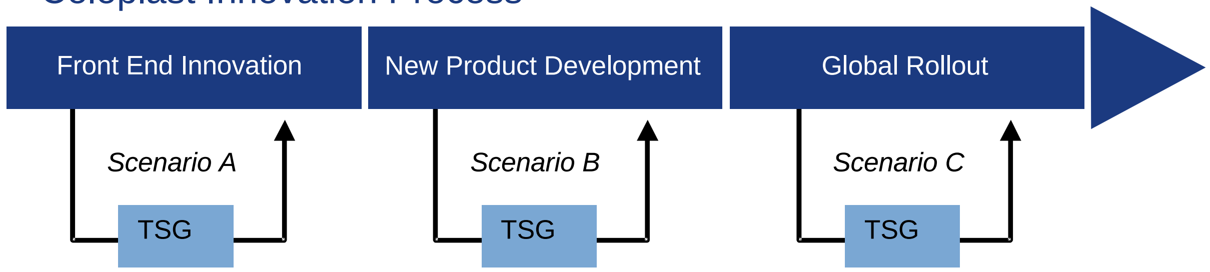
→ **Portfolio Management**

Front End Innovation - Tools

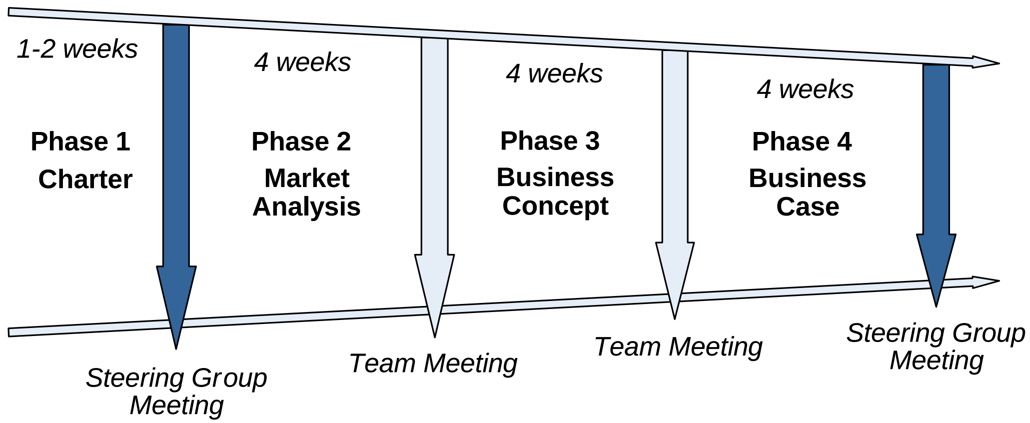
Coloplast Innovation Cycle



Coloplast Innovation Process

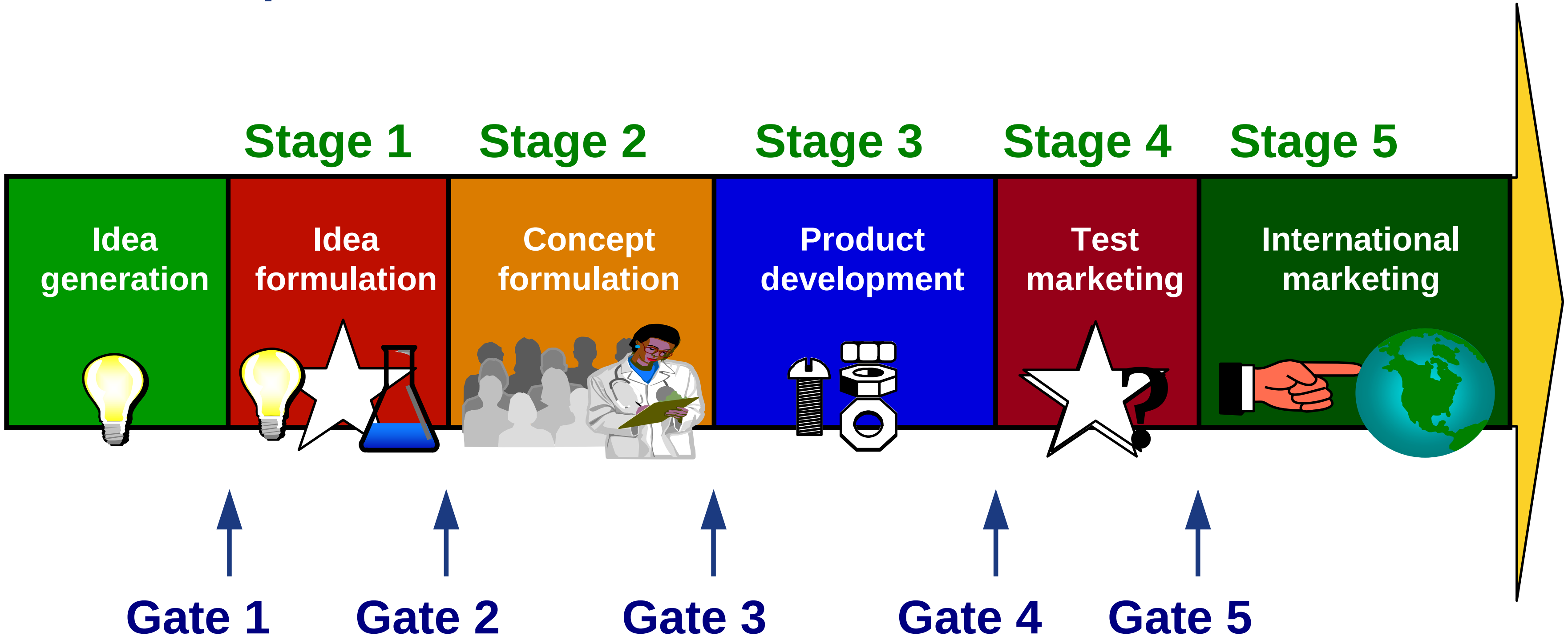


Coloplast Market Attack Team



Product development in Coloplast

The AIM process



Global roll-out

Objectives

To achieve faster global roll-out

To increase the penetration rate

To increase efficiency in marketing

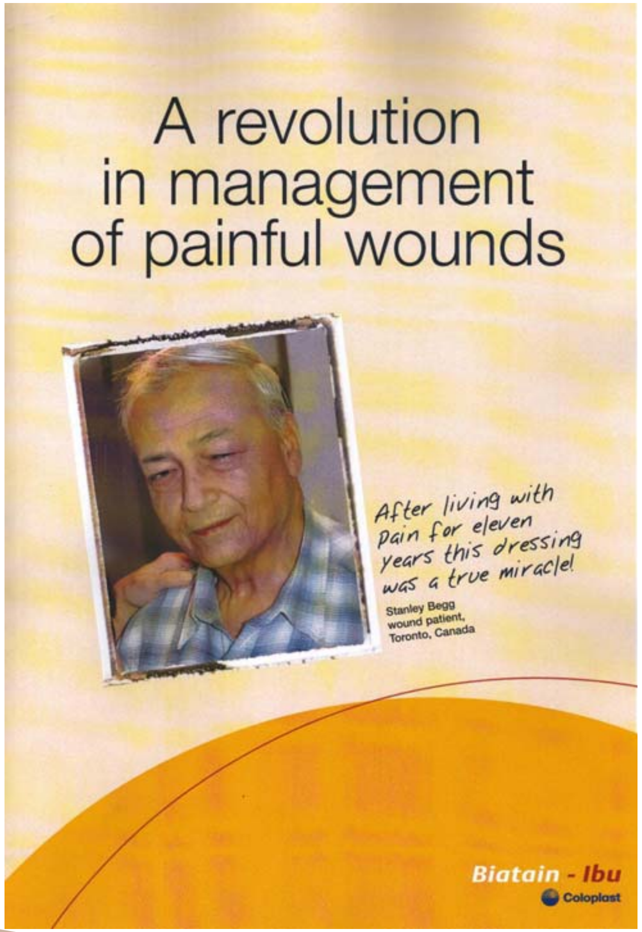
Activities

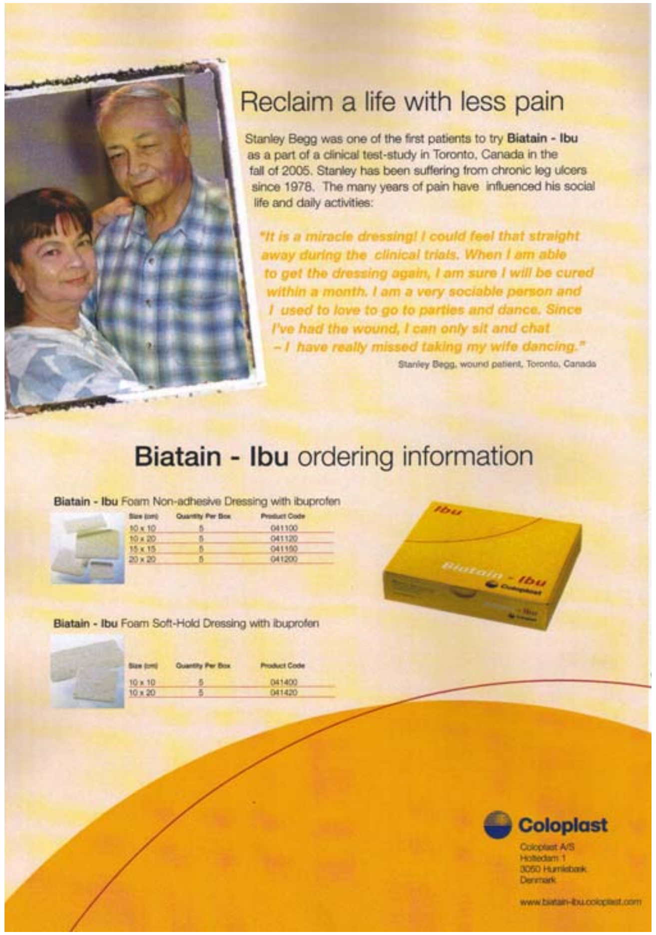
A:
Management of Global roll-out plans

B:
Coloplast Global roll out culture

C:
New Products:
*Conveen Optima
*SenSura
*Biatain - Ibu

Breakthrough Innovation: Biatain - Ibu





Reclaim a life with less pain

Stanley Begg was one of the first patients to try **Biatain - Ibu** as a part of a clinical test-study in Toronto, Canada in the fall of 2005. Stanley has been suffering from chronic leg ulcers since 1978. The many years of pain have influenced his social life and daily activities:

"It is a miracle dressing! I could feel that straight away during the clinical trials. When I am able to get the dressing again, I am sure I will be cured within a month. I am a very sociable person and I used to love to go to parties and dance. Since I've had the wound, I can only sit and chat – I have really missed taking my wife dancing."

Stanley Begg, wound patient, Toronto, Canada

Biatain - Ibu ordering information

Biatain - Ibu Foam Non-adhesive Dressing with ibuprofen

Size (cm)	Quantity Per Box	Product Code
10 x 10	5	041100
10 x 20	5	041120
15 x 15	5	041150
20 x 20	5	041200

Biatain - Ibu Foam Soft-Hold Dressing with ibuprofen

Size (cm)	Quantity Per Box	Product Code
10 x 10	5	041400
10 x 20	5	041420

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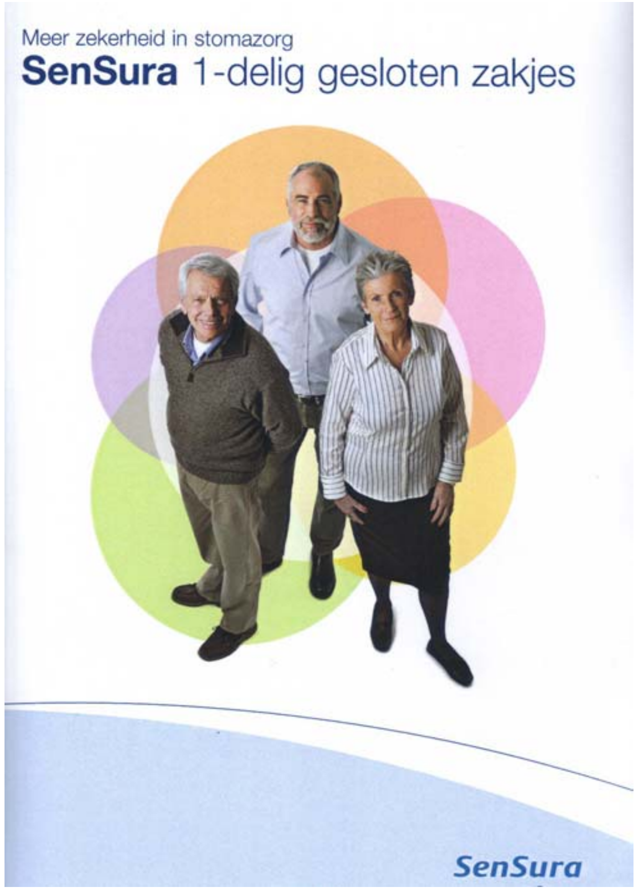
Coloplast A/S
Holtedam 1
3050 Humlebæk
Denmark

www.biatain-ibu.coloplast.com

Platform Innovation: SenSura



Incremental Innovation: Conveen Optima

F I G A R O

From **I**nnovation to **A**ccelerated **G**lobal **R**oll-**O**ut

Front End Innovation | New Product Development | Global Roll-Out

Coloplast

Emerging markets

Christian Jørgensen
Executive Vice President,
Global Sales

Coloplast

Emerging markets contain opportunities

- High economic growth in emerging markets
- Increased medical spending
- Ageing population
- Introduction of reimbursement
- Increase in penetration of advanced products, e.g. MWH
- Increased diabetes incidence rate

Critical assumptions

- Reimbursement more or less unchanged in the markets already offering this to the end-users
  - Drastically reduced reimbursement or co-payment will affect market potential as most customers cannot afford to pay on their own
- Prioritisation of markets is important due the the vast number of emerging markets
- Continued increased investment in key emerging markets
- Being able to launch competitive products in the key markets
- Being able to change the mindset of customers in a number of markets in accordance with the implementation of Code of Conduct

Estimated market potential

	Ostomy care		Continence care		Wound & Skin care	
DKK mn	**05/06**	**11/12**	**05/06**	**11/12**	**05/06**	**11/12**
Latin America	130	190	60	90	240	350
Eastern & Central Europe	600	1.100	140	250	120	220
Middle East	150	200	160	220	300	520
Other (Greece, Israel, Portugal, Cyprus)	160	230	50	100	160	300
Total	**1,040**	**1,720**	**410**	**660**	**820**	**1,390**

Russia - an investment case

- Population: 144M people
- Market potential:
  - Ostomy care: 110M DKK
  - Continence care: 85M DKK
  - Wound care (MWH): 5M DKK

- High market growth expected the coming years
- Reimbursement on ostomy and continence care products nationally
- Improved economy due to the high oil-price
- Product price level lower than in Western Europe

Mexico - a 'bubbling' market

- Population: 105M people
- Market potential:
  - Ostomy care: 50M DKK
  - Continence care: n.a.
  - Wound care (MWH): 25M DKK

- High market growth expected the coming years
  - Increased medical spending
- Partly reimbursement on ostomy care products
- Product price level approx. at the level of Southern Europe
- High and increasing incidence of diabetics

Estimated market potential in South East Asia
(Excluding China, Japan)

	Ostomy care		Continence care		Wound & Skin care	
DKK mn	**05/06**	**11/12**	**05/06**	**11/12**	**05/06**	**11/12**
India, Sri-Lanka, Pakistan	90	160	100	290	140	290
Korea, Taiwan & Hong Kong	110	150	120	220	240	350
Singapore, Philippines, Malaysia, Thailand	100	160	80	130	200	380
Total	**300**	**470**	**300**	**640**	**580**	**1,020**

The expected growth is comparatively higher as the level and standard of nursing care in some third world countries is improving. Governments' healthcare expenditure is also expected to increase in the coming years.

Emerging markets in Asia

South Korea

- **Population: 49M**
- **Health expenditure per capita: USD 532**
- **Health expenditure 6% of GDP**

Taiwan

- **Population: 23M**
- **Health expenditure per capita: USD743**
- **Health expenditure 6% of GDP**

Market assumptions

1. Well organised healthcare systems and high quality healthcare services in these countries
2. Government reimbursement changes in Korea November 2005, with both ostomy and wound care products 90% reimbursed, but at lower prices
3. Korea healthcare expenditure grows at an annual rate of 13%
4. Healthcare expenditure in Korea is among the highest in Asia – set to increase to 8% of GDP by 2020
5. Coloplast's own presence is critical for a broad and deep market penetration

Country	No. of ostomates	Ostomy NPD/yr	Ostomy market potential
Korea	~30,000	~5,000	DKK70M
Taiwan	~13,000	~2,500	DKK20M
Denmark	~10,000	~4,000	DKK120M
Country	**Continence Care (SCI)**		**Wound Care**
Korea	DKK60M		DKK166M
Taiwan	DKK39M		DKK42M

Coloplast in South Korea

1. Sales volume expected to increase due to the reimbursement policy changes
2. Co-operate with distributor to expand sales force manpower and marketing investment
3. Speed up the introduction of new and high quality Coloplast products, especially wound care products
4. Include new products in the government reimbursement list
5. After the reimbursement changes most sales are directed to hospitals and thus the sub-dealers involvement will be reduced

Coloplast in Taiwan

1. Took over distributor’s sales & marketing operation in 2005
2. Expand sales force manpower and marketing investment
3. Contribute in training Enterostomal Therapists and wound care specialists
4. Speed up the introduction of new and high quality Coloplast products
5. Listing of most of our wound care products in the National Taiwan Health Insurance list in 2006-07

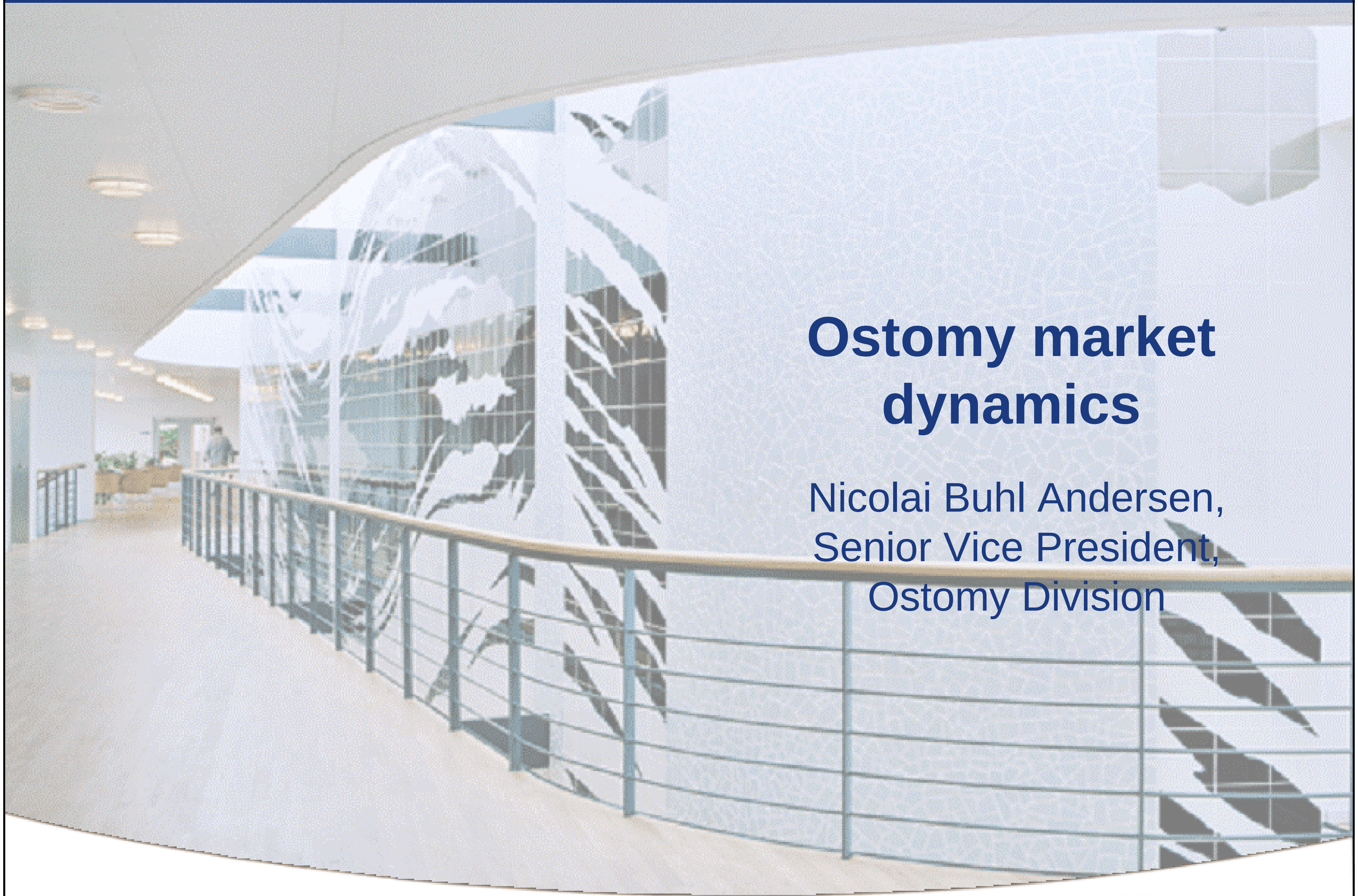
Coloplast in emerging markets

+

- High economic growth
- Increased medical spending
- Demographics
- Introduction of reimbursement
- Increase in penetration of advanced products

-

- Lower reimbursement level
- Political and financial instability
- Long-term investments
- Weak intellectual property protection
- Local product competition

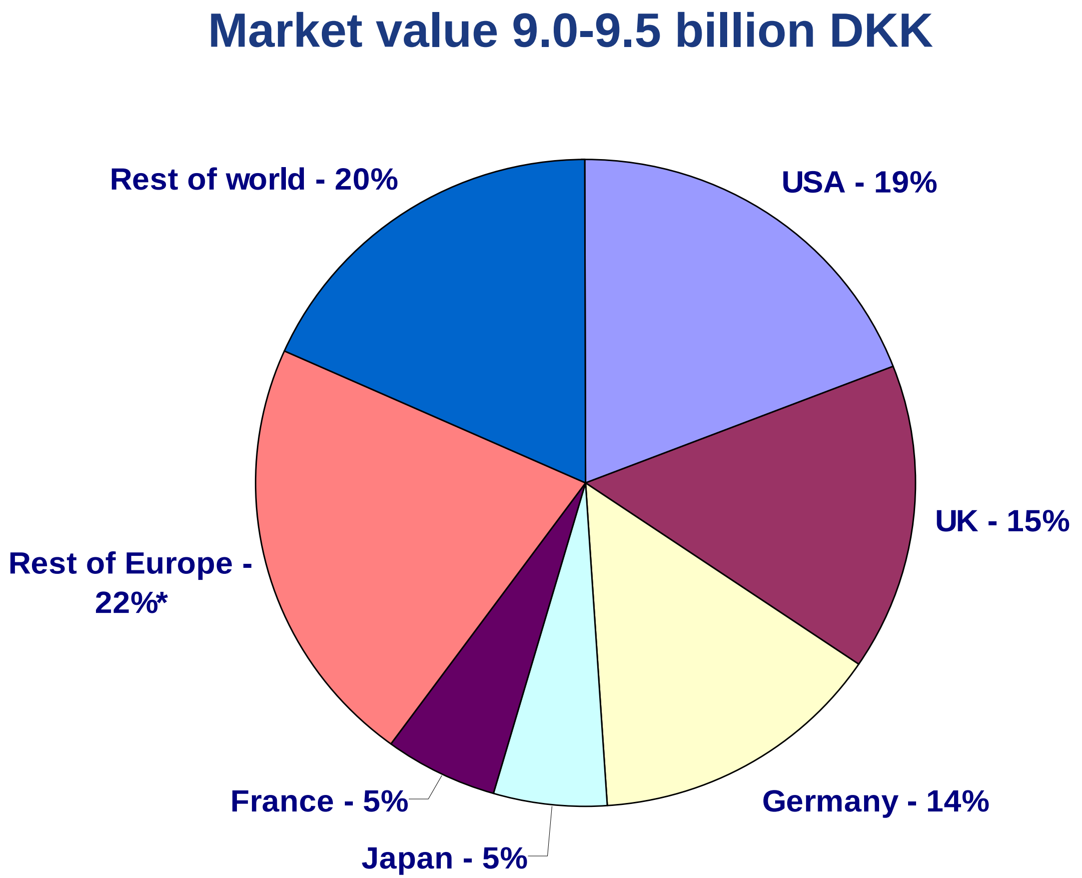


Ostomy market dynamics

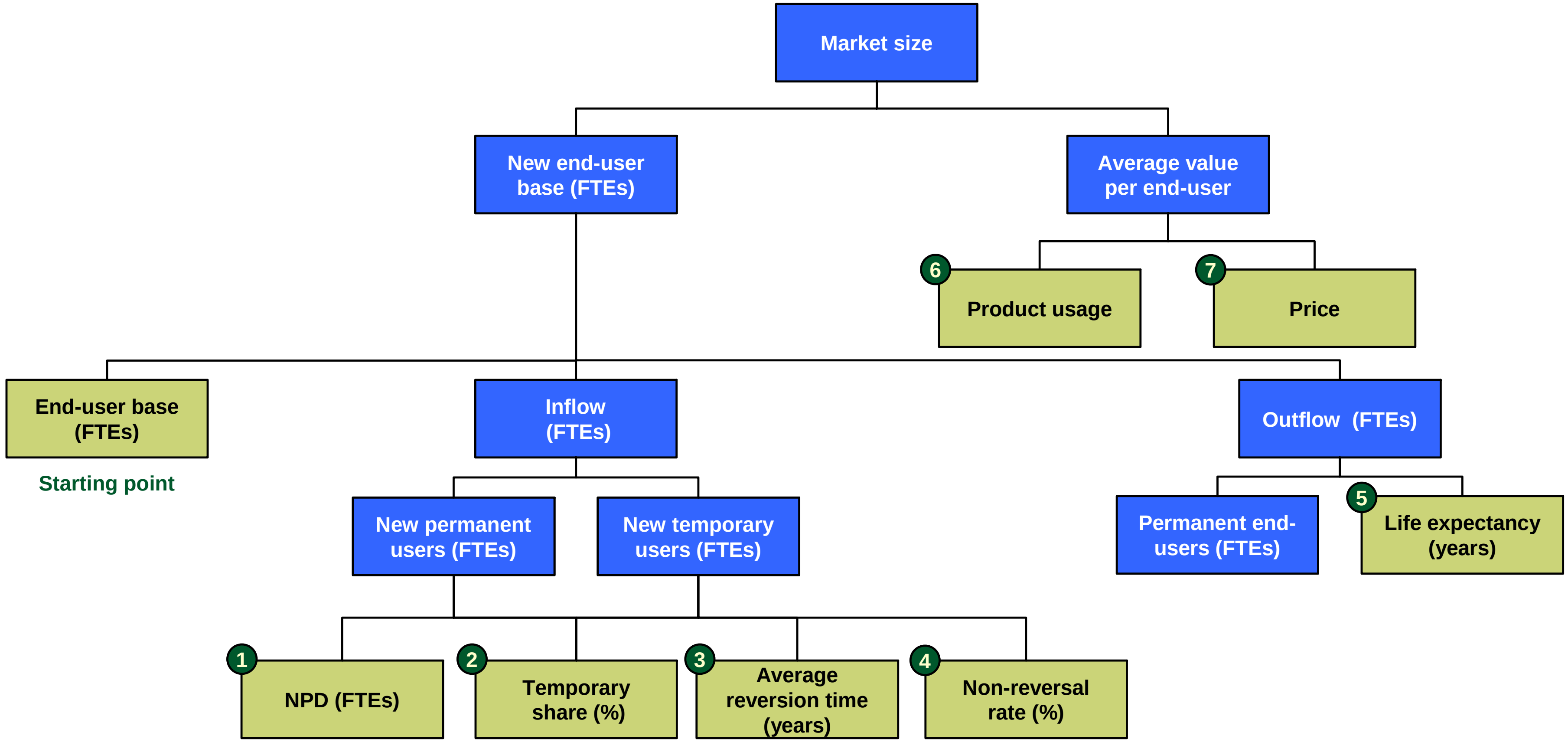
Nicolai Buhl Andersen,
Senior Vice President,
Ostomy Division

Coloplast

Global ostomy market



Ostomy growth driver model



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Market driver trends

Medical	**Increase of CRC and bladder Cancer**	Increase of CRC and bladder cancer incidence due to increasing, aging population and higher risk factors (e.g. obesity)
	Better screening methods	Diseases detected at earlier stage due to - Increasing sensitivity of colonoscopies - Increasing consciousness of diseases in society
	Improved treatment opportunities	Improved interventional procedures (invasive colonoscopies) allow secure removal of polyps, while chemo-/radiotherapy reduce tumours and in turn improve operation result
Demo-graphics	**Increase aging of population**	For people over 40 years of age, incidence rate doubles every 10 years
Market	**Pressure in health care systems**	Increasing health care expenses a general problem in Europe forcing government to find new ways to limit or reduce costs

CRC: Colo Rectal Cancer

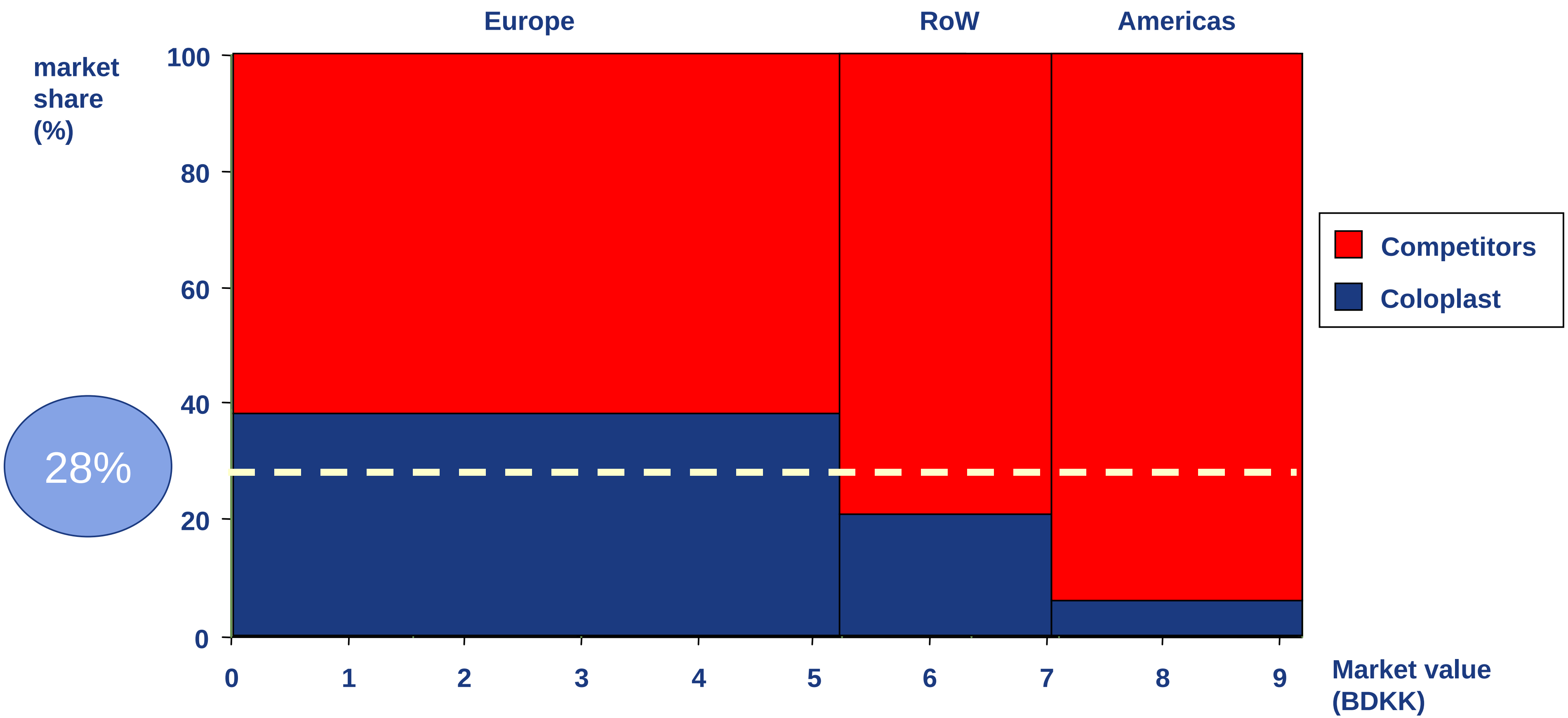
Market driver impact

	Driver	Trend	Market Growth Impact
1	NPD	Increase due to cancer incidence	↑
2	Temporary share	Increase due to earlier detection	↓
3	Reversion time	Decrease due to better procedures	↓
4	Non-reversal rate	More severe perm. ostomies offset by better procedures	↔
5	Life expectancy	Increase from earlier detection, better treatment	↑
6	Product usage	No major changes	↔
7	Price	Growing pressure due to healthcare reforms	↓

Growth outlook towards 2012

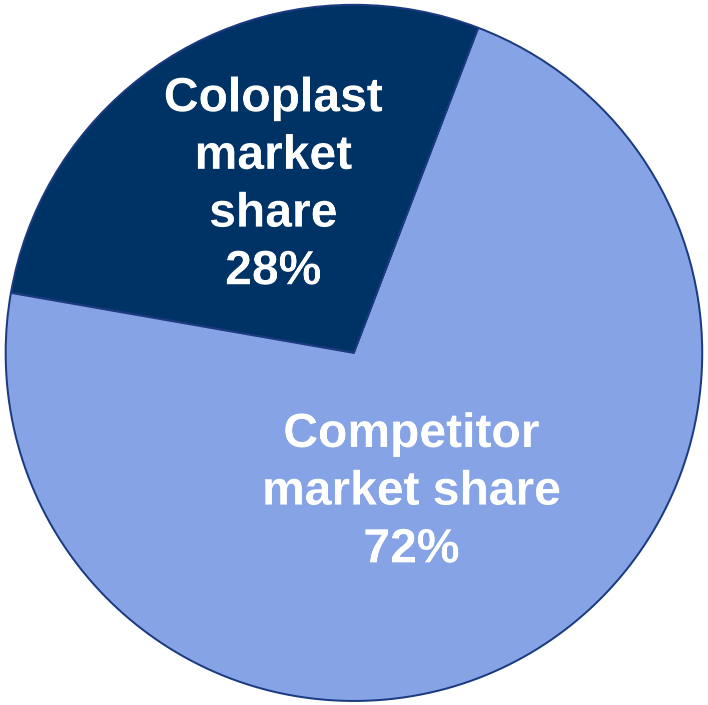
- Overall growth outlook remains moderate with an annual 1-3% towards 2012
  - Driven by price pressure in Germany & UK accounting for 30% of total market size
  - Flat consumption and price development in the US
  - Shift from permanent to temporary ostomies
- However, growth outlook and market characteristics vary dramatically
  - Most emerging markets in East & Central Europe and Latin America as well as key RoW markets see growth significantly above market average

Coloplast market share



Coloplast

OPPORTUNITY!



The Strategic Vision is clear

Coloplast wants to become the world's leading ostomy care provider and partner

New product launches are key growth drivers

Easiflex

Hide-away

Assura

Need for new products within ostomy care?

>40% of users experience skin issues in the peristomal area

>30% switch product within the first 6 months after operation due to product related issues

…. still a strong need for product improvements

SenSura

Coloplast

The Launch of

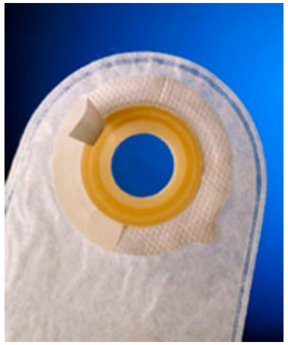
A New Standard

Within Ostomy Care

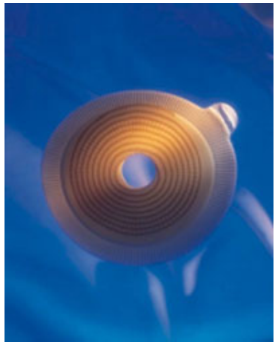
Building on our history...

1957

1972



1978



1992

2006

...but a new level in Stoma Care

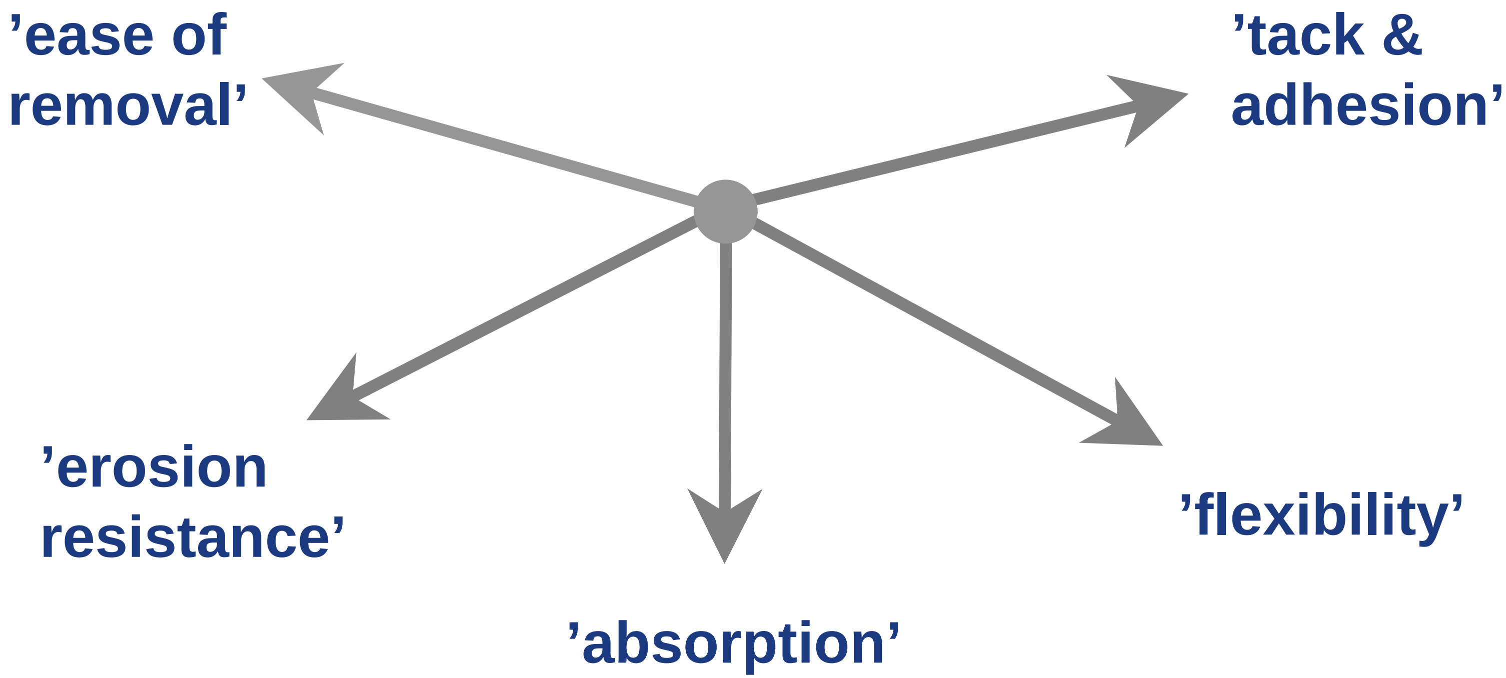
User-driven innovation

- Developed through extensive interaction with more than 400 nurses across the world through our COF setup
- Based on feedback and focus group work with end-users across the world
- Extensive clinical program behind development process
- Extensive user test program behind development process

Today’s adhesive dilemma within ostomy care



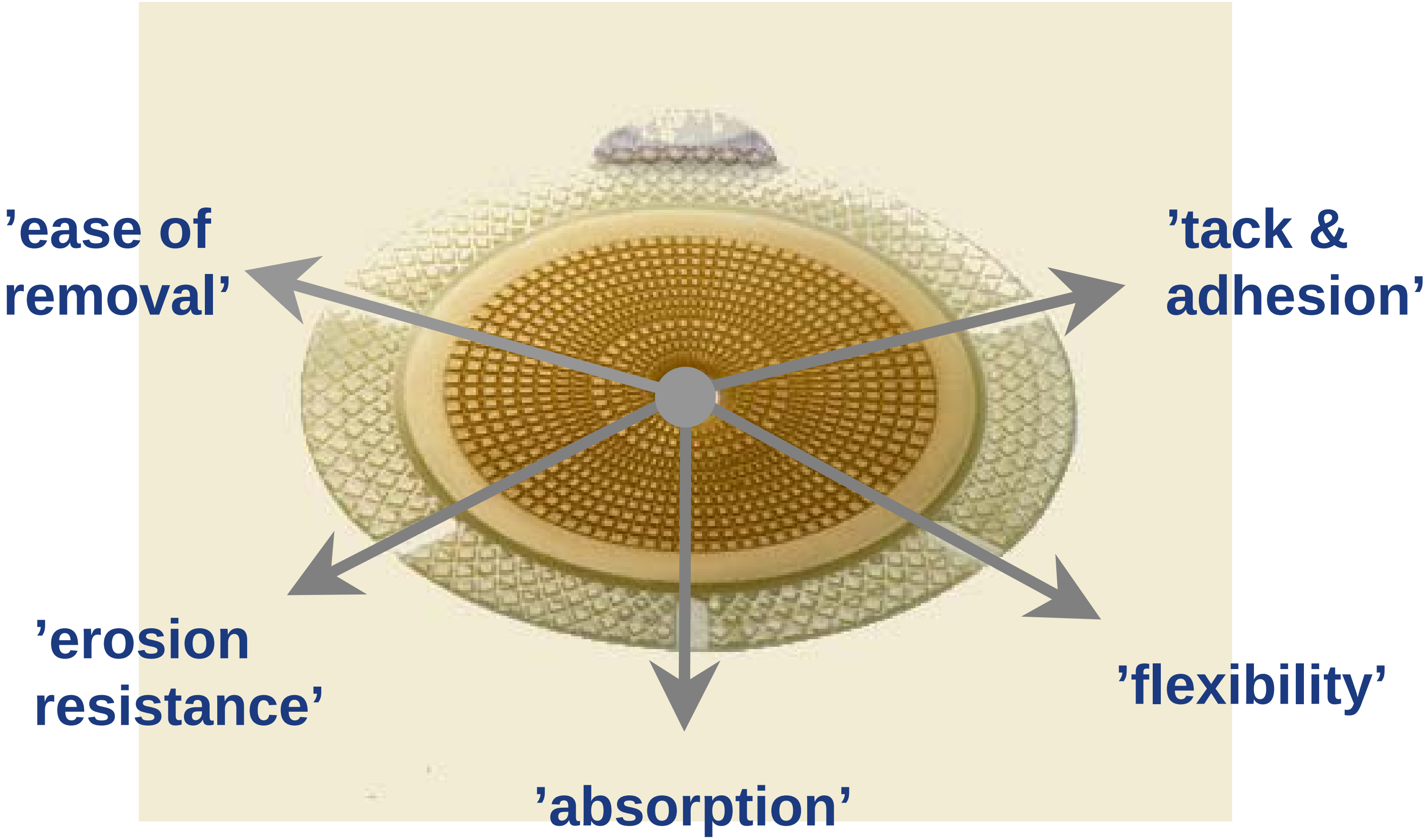




SenSura Double Layer Adhesive solves the adhesive dilemma







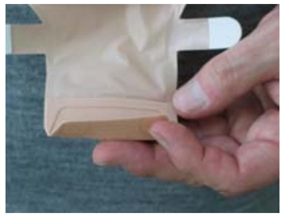




SenSura - Innovation on all features

- Revolutionary Double Layer Adhesive
- New and better performing wave filter
- Improvement on the Hide-away outlet - still the best outlet on the market
- Design, ease of use and cloth material






Launch objectives

- Establish SenSura as the new standard in stoma care
- Launch according to **FIGARO** principles
  - Fast and cost-effective roll-out
- Production capacity established for fast-roll out
- **Evidence** based approach
  - Largest clinical program supporting a new Ostomy product
  - Health-economic evidence

Key conclusions

- Overall market growth outlook adjusted, mainly due to expected outcome of price reforms in the EU
- Significant growth opportunities remain with 70% of world-wide market still to be captured
- SenSura represents a new standard in ostomy care, which is aimed at boosting Coloplast's competitive position

LUNCH

Convene at 13:00

Growth through acquisitions

Mentor - *'almost the perfect fit'*

Coloplast

Post Merger Integration

Carsten Lønfeldt,
Executive Vice President

Coloplast

Status of the acquisition

- Closing took place on 2 June 2006
- Integration work off to a good start
  - Joint teams established in all countries and in all functions
  - Teams work towards well defined milestones and results

- Integration objectives
  - Strong customer and growth focus in the process
  - Speed in implementation
  - Create one company and culture
  - Improving the combined business
  - Measure realisation of synergies

Integration process in short

	Now	Next 18 months
Build growth engine	**Stabilise the business**	**Market push, optimise products, and strengthen R&D**
Structured integration process	**Establish joint teams, detail plans**	**Implement while tracking synergy realisation**
Create one company	**Retain competence**	**Understand differences to create one culture**

Key integration tasks

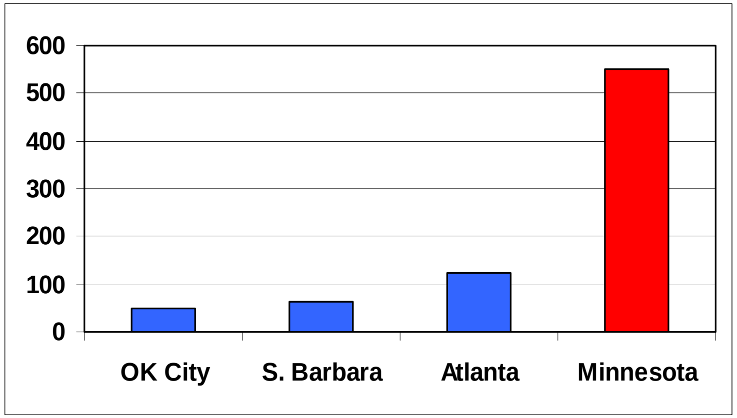
- Establish a new headquarter in the US
- Integrate sales organisations in all countries
- Optimise procurement
- Combine and expand R&D
- Reach one IT platform and reporting system
- Create one company and one culture

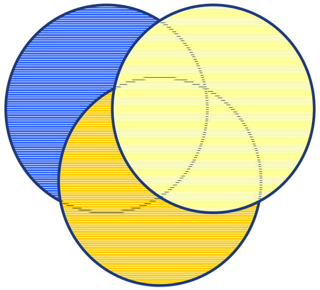
New US headquarter

- New headquarter in Minneapolis
  - Will become operational in Nov/Dec 2006
- Coloplast Atlanta headquarter will be relocated during next ~15 months affecting 120 employees
- Mentor Santa Barbara headquarter will be relocated during next ~12 months affecting 60 employees
- Create a large and strong Coloplast US entity
  - Reach necessary scale

Minneapolis, Minnesota

Rationale is to secure long-term growth





Minneapolis-St. Paul is home to
- > 50 medical device companies
- > 500 FDA registered medical device establishments
- >20.000 medical device industry workers

1. Highest concentration of Coloplast employees in US
2. Co-locate Operations, Commercial Development and Sales & Marketing
3. Access to a vibrant medical technology community

Coloplast

Key risks in the integration process

Risk	Action
• US relocation reduce short term growth	• Well defined plan • Incentives for relocating or staying with Coloplast during transition • Senior management presence in the US • Use Mentor infrastructure in Minneapolis
• Loss of Mentor customers during integration	• Sales force retention • Focus on communication to customers • Market push • Senior management road show
• Retain key Mentor Urology capabilities	• Incentive programmes for key Mentor people

Coloplast

Anti-trust issues

- Transaction approved before closing by authorities in US, Germany and Spain
- Anti-trust authorities in France have made enquiries after closing
- Agreement with Rochester solves anti-trust issues in the United Kingdom
  - Rochester Medical pays DKK 85M (USD 14.6M) for the acquired assets, of which DKK 54M (USD 9.3M) will be paid at closing and DKK 31M (USD 5.3M) will be paid in equal installments over five years

Conveen Optima

- Setting a new standard in an established product category
    - End-user friendly design & functionality
    - First double strip applicator - secure application with gloves. First urisheath to comply with hygiene guidelines
- Customer segments include prostate, stroke, SCI, MS
- Potential global market potential of more than 1 bill DKK
- Launched according to FIGARO principles
- Currently launched in FR, UK, NL, BE
- Coloplast has global market leadership in urisheaths

Mentor
’almost the perfect fit’

Steffen Eichner Hovard,
Director, Business Development
Urology & Continence Care Division

Content of Presentation

- Rationale for acquisition
- The Urology & Continence Care Division
- Market drivers (old and new)
- Competitor landscape
- Customers
- Treatments, pathologies, and products

2005 Urological device - global market overview

3.4 billion USD; 7-8% growth

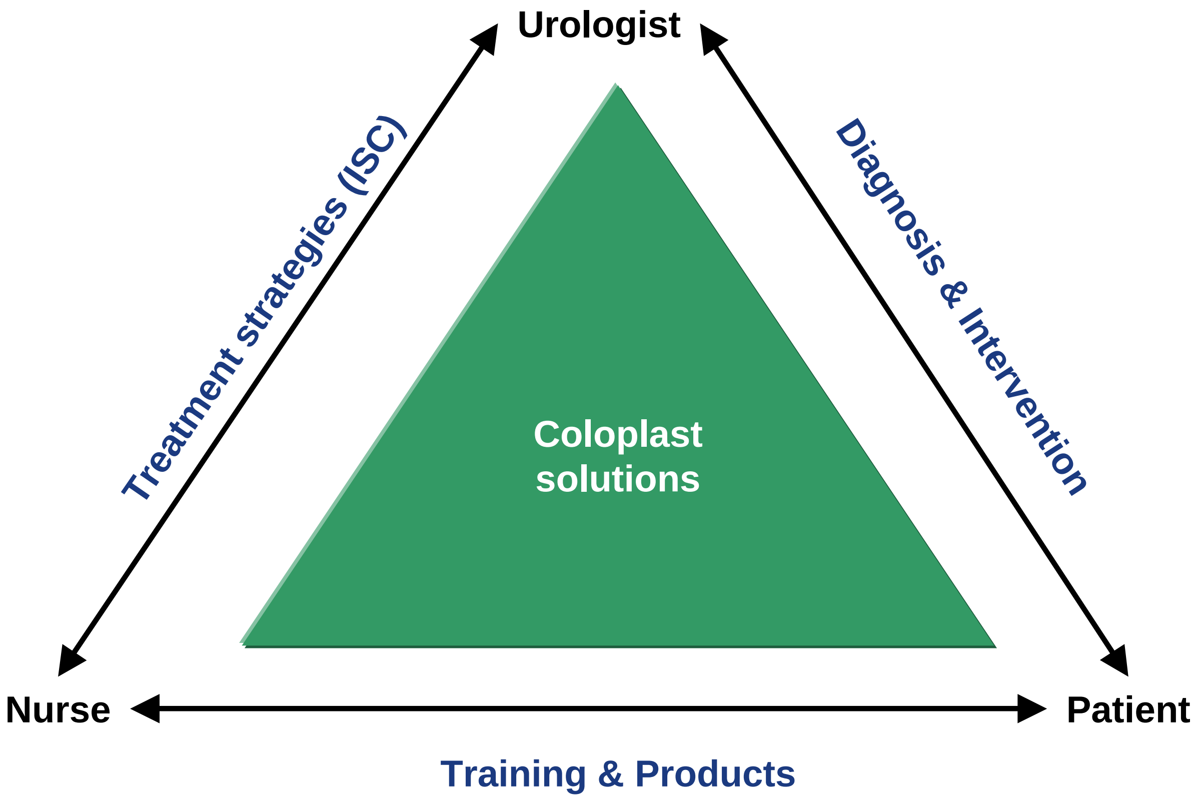
Benign Prostatic Hyperplasia - BPH 250mUSD 20% yy growth	**Prostate cancer** 250mUSD 8% yy growth	**Erectile Dysfunction** 125mUSD 8% yy growth	**Incontinence** 2200mUSD* 6-8% yy growth	**Stone Management** 275mUSD 8% yy growth	**Endoscopy/ Diagnostics** 300mUSD 7% yy growth
Microwave Thermotherapy	High Intensity Focused Ultrasound	Inflatable Penile Prosthesis	Catheters & Collecting Devices*	ESWL	Urodynamics
TUNA	Cryotherapy	Malleable Penile Prosthesis	Electrical Stimulation	Intracorporeal lithotripsy	Urological endoscopes 44.8
TURP	Brachytherapy	Vacuum Devices	Bulking Agents	Holmium Lasers	Ultrasound
Photo Selected Vaporisation	External Beam Radiation Therapy	Transurethral Suppositories	Slings	Ureteral stents	
ILC (laser)			Artificial Sphincters	Retrieval devices	
Prostatic Stents			Occlusive Devices		
Water Induced Thermotherapy			Radio Frequency		

Mentor Markets

Coloplast Markets

*Catheters and Collecting Devices representing approx. 1.290 mUSD

Triangular synergies



Coloplast’s new customer segmentation

Coloplast will target all urologists across all segments

Urology Department

Location	**OUTPATIENT CLINIC**	**DAY SURGERY**	**OPERATING ROOM**	**WARD**	**REGIONAL CENTRES**
Customer	***Nurses and Urologists***	Urology surgeons Primarily Endourology	Urological surgeons Primarily open surgery	Pre- & post-op Care Nurses and urologists	***Highly specialised urologists***
Pathology	*SCI, MS, SB, BPH (diagnose and follow-up)*	*BPH* *SUI* *Stones*	*BPH* *SUI* *Erectile Dysfunction* *Prostate Cancer*	*BPH (recovery)*	*Erectile Dysfunction (volume)* *Prostate Cancer*
	COLOPLAST	**MENTOR**	**MENTOR**	**COLOPLAST**	**MENTOR**

- Improved access to and strengthened relationship with key decision-makers within urology and leveraging of sales forces
- More product and service offerings, e.g. urological tools, invasive products, brachytherapy seeds
- Addressing new indications, e.g. stress urinary incontinence (SUI), kidney stones, benign prostate hyperplasia (BPH), prostate cancer, erectile dysfunction (ED)

Market drivers in Coloplast's markets

Market Drivers in current Continence Business

- Relationships to nurses
- New patient discharge rate
- Tenders
- End-user loyalty
- Convenience and products ease-of-use

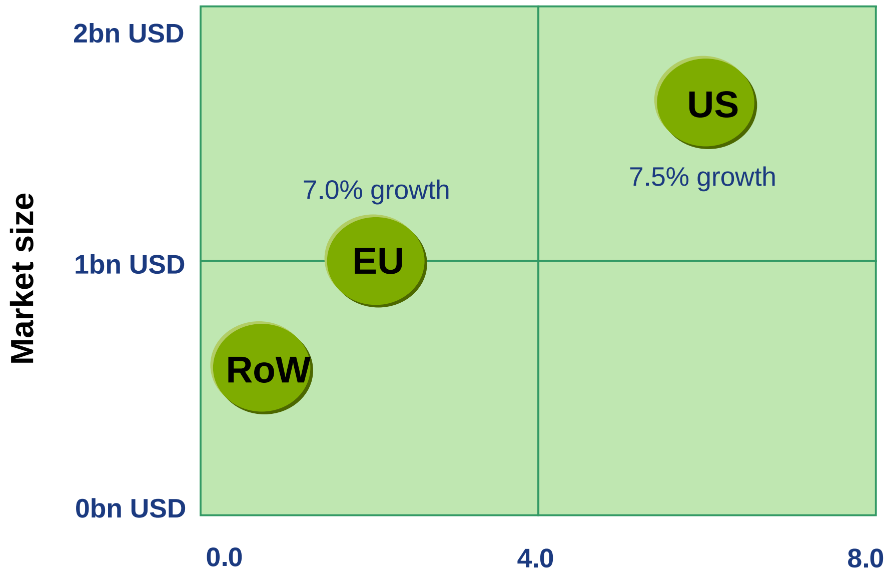
Shared drivers:

- Reimbursement
- Ageing population
- Diagnose Related Groups (DRG)
- Penetration
- Innovative products and services

Market Drivers in Surgical Urology

- Relationship to urologist (and nurses)
- Public education (awareness & willingness)
- Minimal invasive treatments
- Continued development in technology and treatments
- Safety

Geographical characteristics of urology device markets

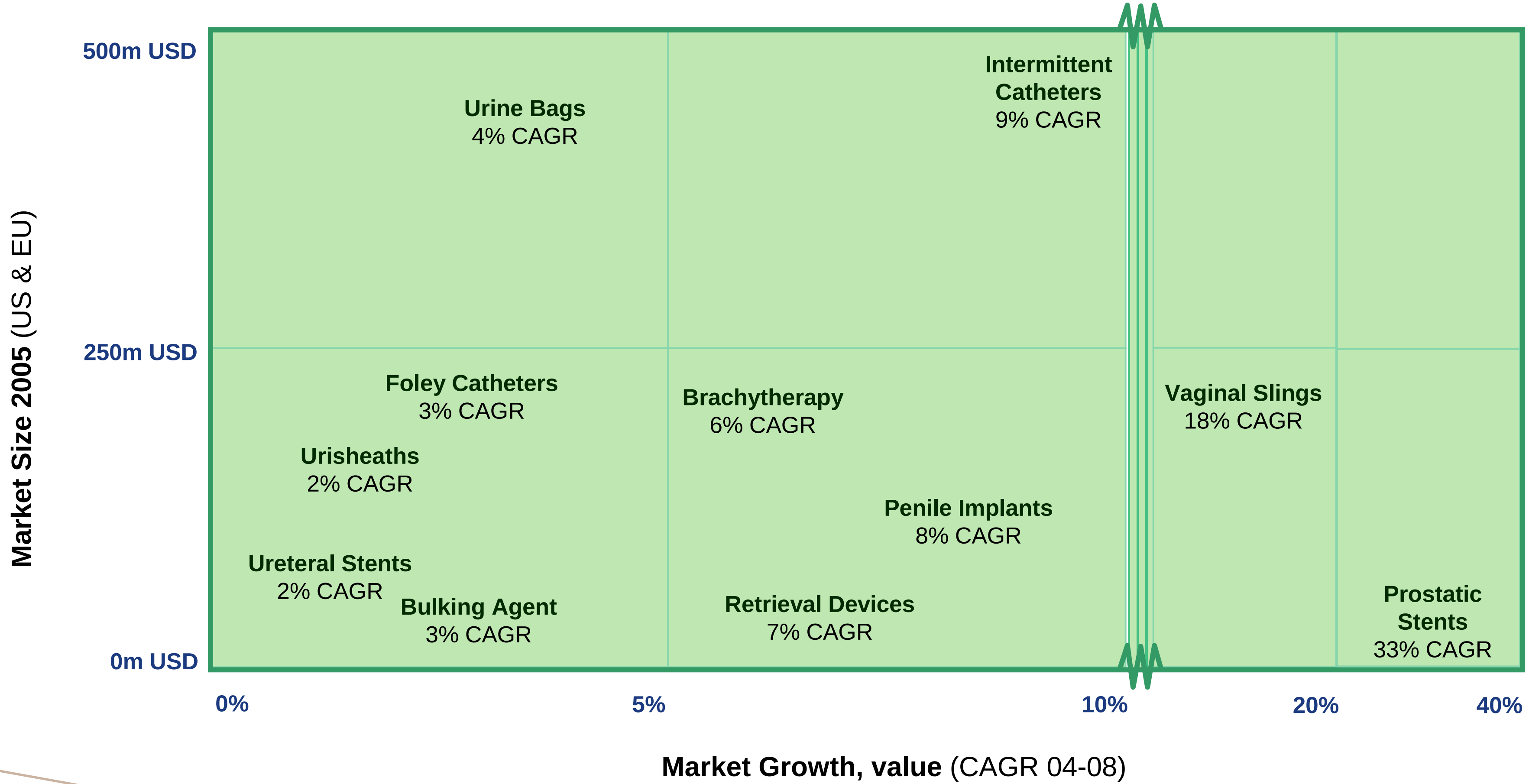


Market penetration
(Sales of urological device products per inhabitant)

US
- Competitive environment
- Attractive reimbursement setting
- New technology pioneers/entrepreneurship
- High penetration

EU
- Less concentrated competition
- Late adopters of new technology
- Medium penetration

Revenue size & growth in Coloplast product markets

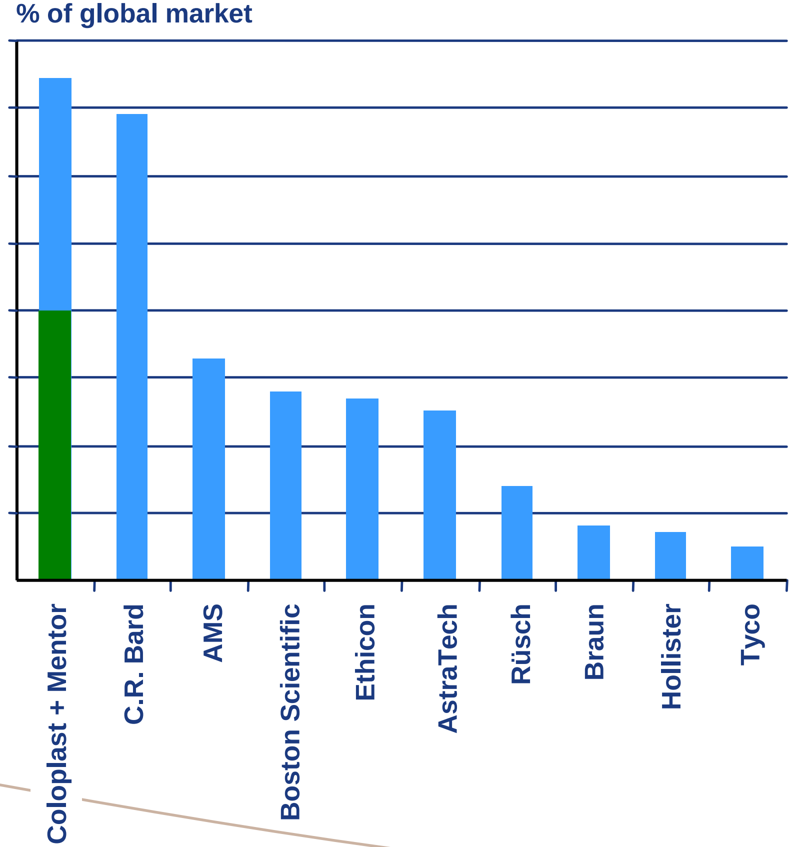


Note: Products are only included for which reliable market data is available in both the US and EU

Coloplast

The competitor landscape has changed significantly

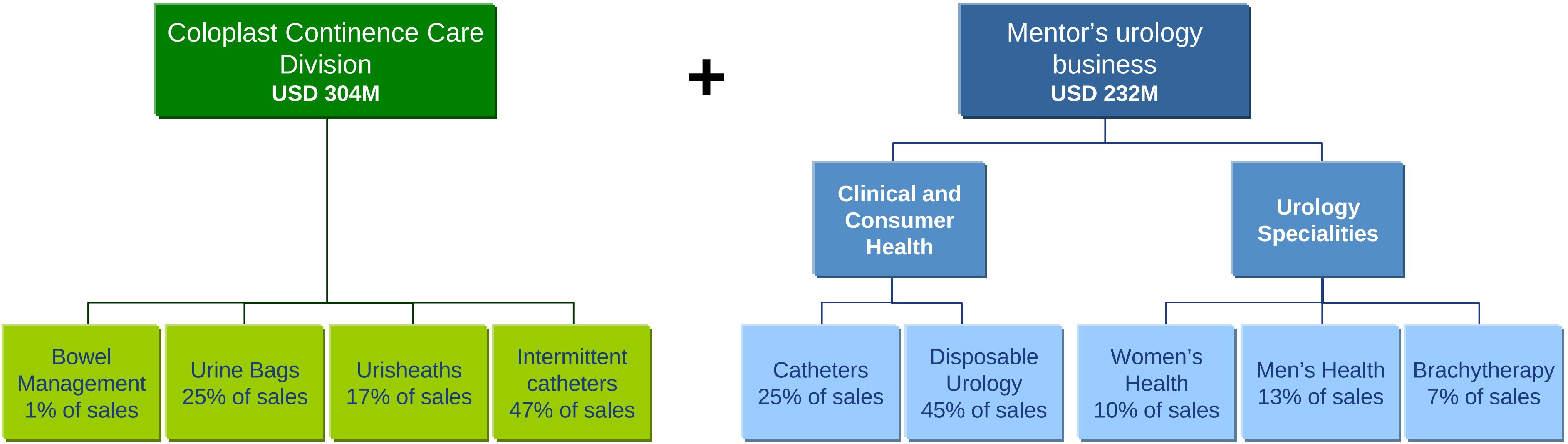
Coloplast has become the global market leader within urology devices



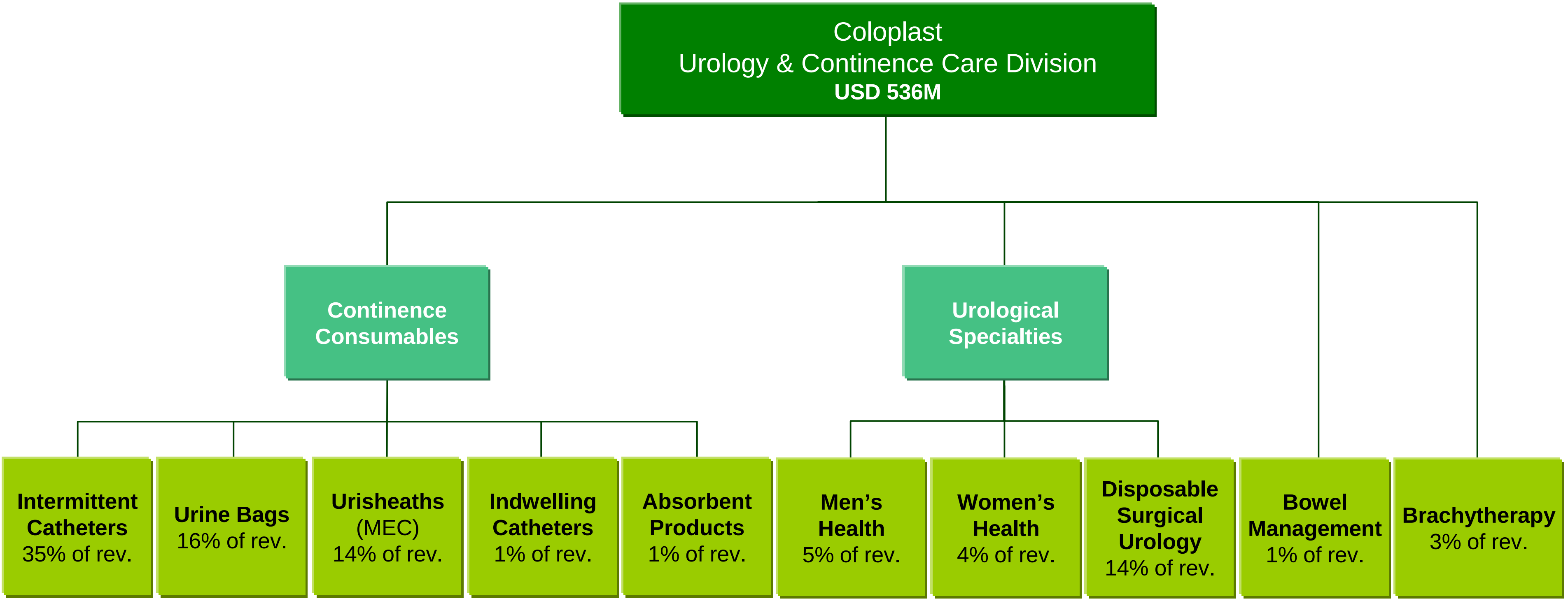
- **Leading position in urology globally**
- **Strong position in the US market**
- **European market leadership reinforced**
- **Broader portfolio in terms of product offerings and geographical presence**
- **Strong presence in hospitals, urology wards and community markets**

Source: Market reports, Coloplast Market Data

Two product portfolios to be integrated



The integration of the two companies entails a much wider product portfolio



Coloplast

Coloplast's new customer segmentation

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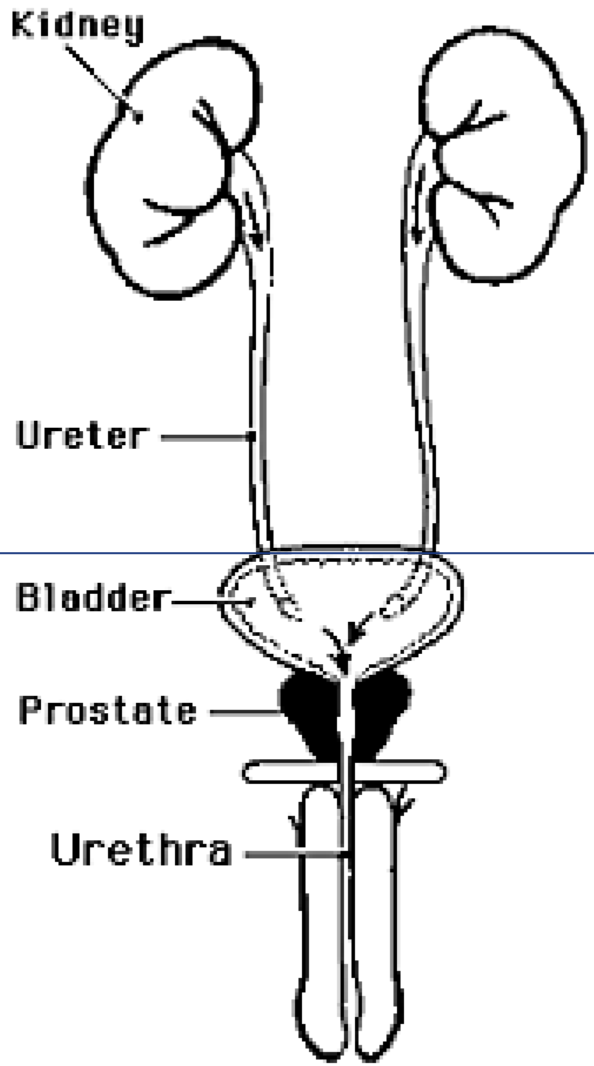
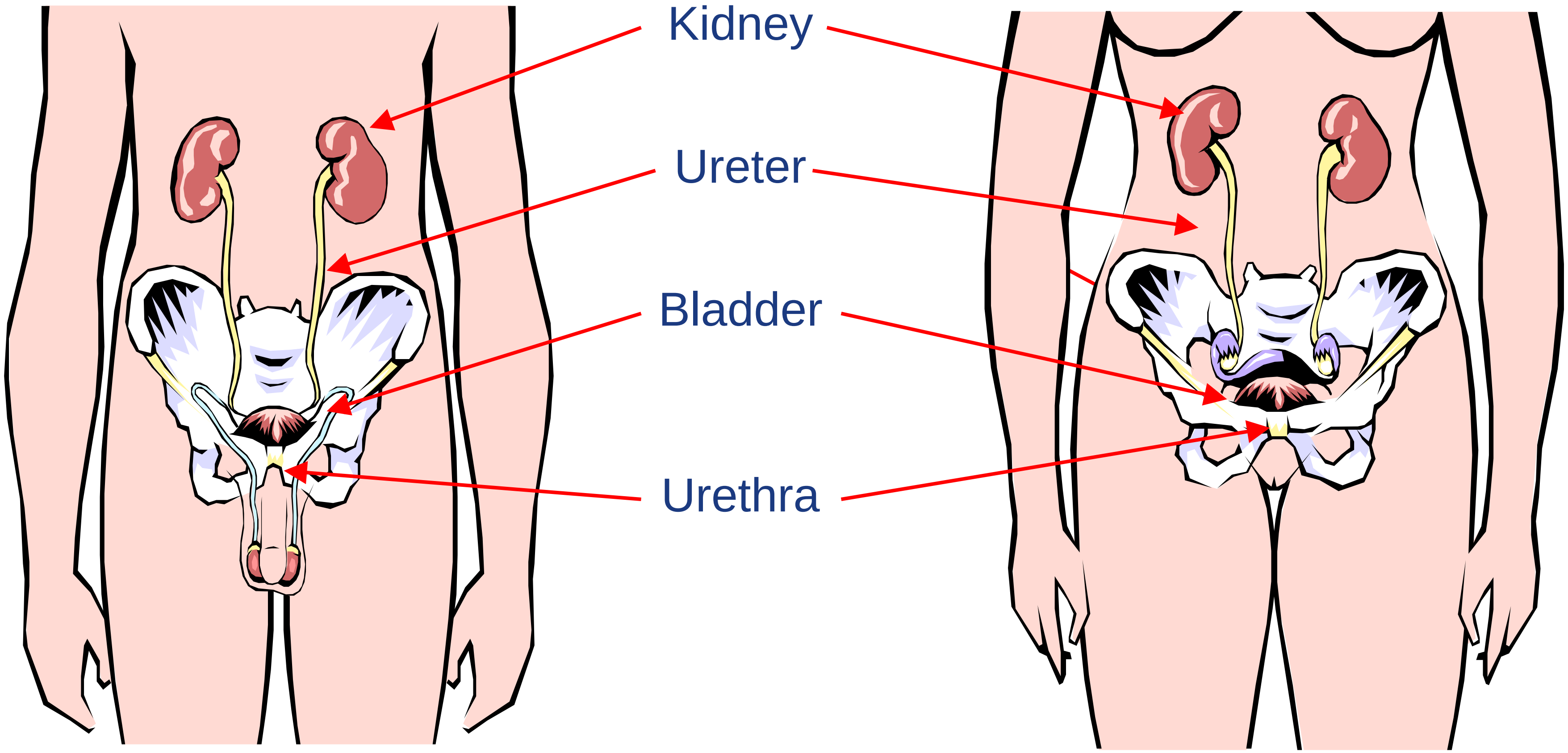
Pathology	*SCI, MS, SB, BPH (diagnose and follow-up)*	*BPH SUI Stones*	*BPH SUI Erectile Dysfunction Prostate Cancer*	*BPH (recovery)*	*Erectile Dysfunction (volume) Prostate Cancer*
	COLOPLAST	MENTOR	MENTOR	COLOPLAST	MENTOR

Upper Urology

Lower Urology



Urinary System



Lower Urology Patients

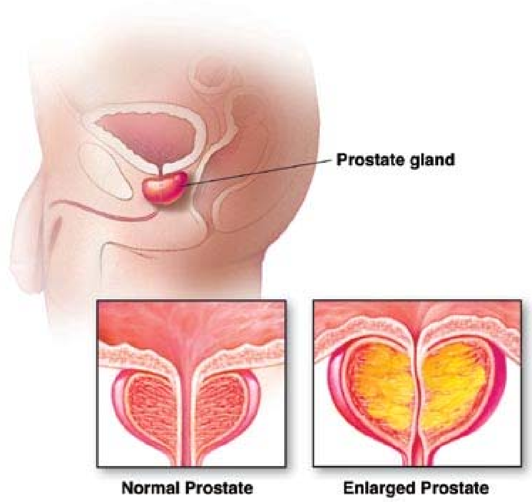
BENIGN PROSTATE HYPERPLASIA, LOWER URINARY TRACT SYMPTOMS

Benign Prostate Hyperplasia (BPH)

- Urinary Non-cancerous swelling of the Prostate occuring in men with increasing age
- The Causes of BPH is unknown, but is associated to hormonal changes occuring with Increasing age
- BPH affects more than 50% of men over the age of 60 and as many as 90% of men over 70 years (NIH)
- Treatment options include watchfull waiting, medical treatment, prostatic stents, minimal invasive techniques and Trans Urethral Resection of Prostate (TUR-P).

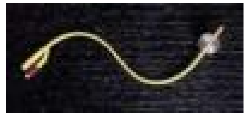
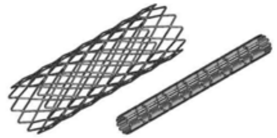
LUTS : Lower Urinary Tract Symptoms

- Many The symptoms of lower urinary dysfunction
- Symptoms can be caused by obstruction or neurogenic dysfunction



Definition: Disposable "lower" urological devices
Are used to drain the bladder or create free passage of urine through the urethra. Causes of urethral obstruction are typically benign enlargement of prostate in men or neurogenic bladder dysfunction with the requirement of catheters to drain the bladder sufficiently .

Main Lower Urology Products

PRODUCT	DESCRIPTION	BRAND NAME	
Foley catheters	Urethral bladder catheter for permanent urine drainage	Cystocare Folysil Standard Latex Foley	
Prostate Catheters	Catheter for bladder irrigation and urine drainage after TUR-P treatment of BPH	PostCath™	
Temporary Prostatic stents	Spiral stents placed temporarely in the prostatic part of urethra allowing urinary flow	Prostatic Stents®	
Long term Prostatic stents	Thermo sensitive stent for long term relief of prostatic obstruction in patients non-eligable for surgery	MemoKath	
Catheters, IC, MEC	Urethral bladder catheter and Male External Catheters for intermittent urine drainage.	Cystocare , Freedom, SelfCath Clear Advantage	
Urinary bags	Urinary bags for collection of urine	Freedom	

Coloplast

Upper Urology Patients

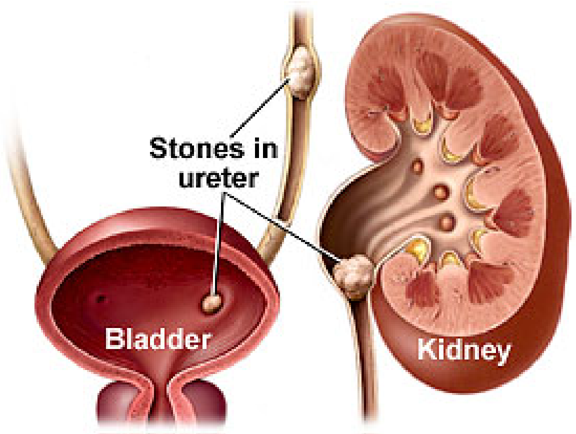
URINARY TRACT STONE DISEASE, URINARY DIVERSION

Urinary Tract Stone Disease (Urolithiasis)

- Urinary stones are hard masses developed from crystals that separate from the urine and build up inside the kidney
- Approx. 5% of the adult population have urinary stones and the prevalence is increasing
- Many stones are asymptomatic, but can cause severe pain when occluding the passage of ureter
- Some stones are passed spontaneously whereas others must be removed
- Especially large stones in the kidney or upper part of ureter often needs to be removed
- Treatment opportunities include ESWL and endoscopic removal of stone material.

Urinary Diversion Products

- Products representing an alternative to Urostomy creating a conduit for urine to drain through the abdominal wall for patients with a chronically diseased bladder
- Main urinary diversion product lines are Ureterostomy catheters, available in a variety of materials, lengths and tip designs.

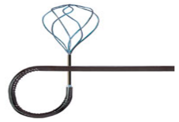


Definition: The Toolbox for the Urological Endo-Surgeon

Most of the surgical procedures performed in the upper Urinary Tract are performed with endological equipment. The passage through the ureteres is narrow and very precise equiptment is needed to restore passage. Main reason for using Disposable Upper Urology products is **Upper Urinary obstruction.** The cause of obstruction can be kidney stones, ureter stones, ureter strictures, tissue ingrowth from cancers in neighboring organs or cancer with origin in the urinary tract.

Main Upper Urology Products

PRODUCT	DESCRIPTION	BRAND NAME
Stone Retrieval device	Endoscopic device for removal of kidney or ureteral stones	Dormia Basket®
Ureteral Stents	Endoscopic placement of stent to restore passage of ureter	Vortek®, Biosoft®
Nephrostomy Set	Catheters for percutaneous kidney drainage including accessories	Kolibri®
Subcutaneous ureteral bypass	Urinary diversion device for transport of urine from kidney to bladder.	Detour®
Ureteral dilatation catheters	Catheters with a long ballon designed to dilate ureter.	Dilatation catheter



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Main Upper Urology Products

CONTINUED

PRODUCT	DESCRIPTION	BRAND NAME
Ureteral catheters	Products mainly used to deliver contrast dye during a retrograde pyelogram	Ureteral catheter
Guidewires	Instrument for guidance of endological catheters and stents	Seldinger®, Schüller®
Urinary Diversion Products	Ureterostomy catheters	

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Women's Health Patients

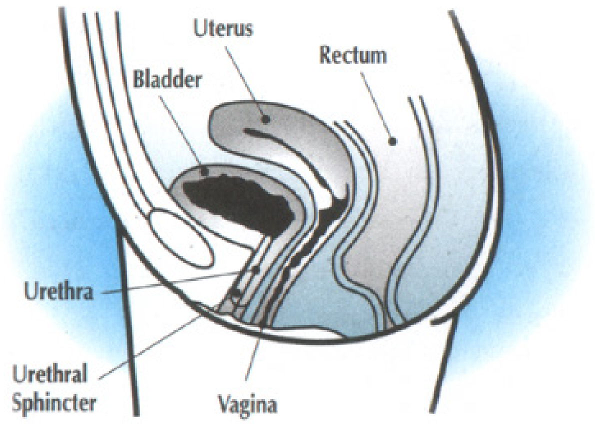
SUI, PELVIC ORGAN PROLAPSE

Stress Urinary Incontinence (SUI)

- Leakage of urine during abdominal straining, e.g. caughing, laughing and physical exercise
- Typically caused by trauma from vaginal delivery or repeated descent of the pelvic floor due to chronic caughing or straining due to lifting or chronic constipation.

Pelvic Organ Prolapse (POP)

- Occurs when the pelvic floor muscles become weak or damaged - unable to support pelvic organs
- The bladder, the uterus and the rectum can fall out of place
- POP is closely linked to SUI

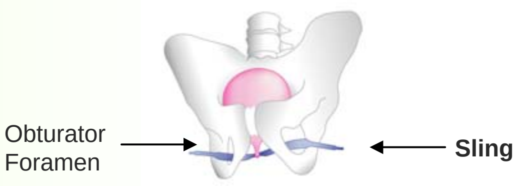


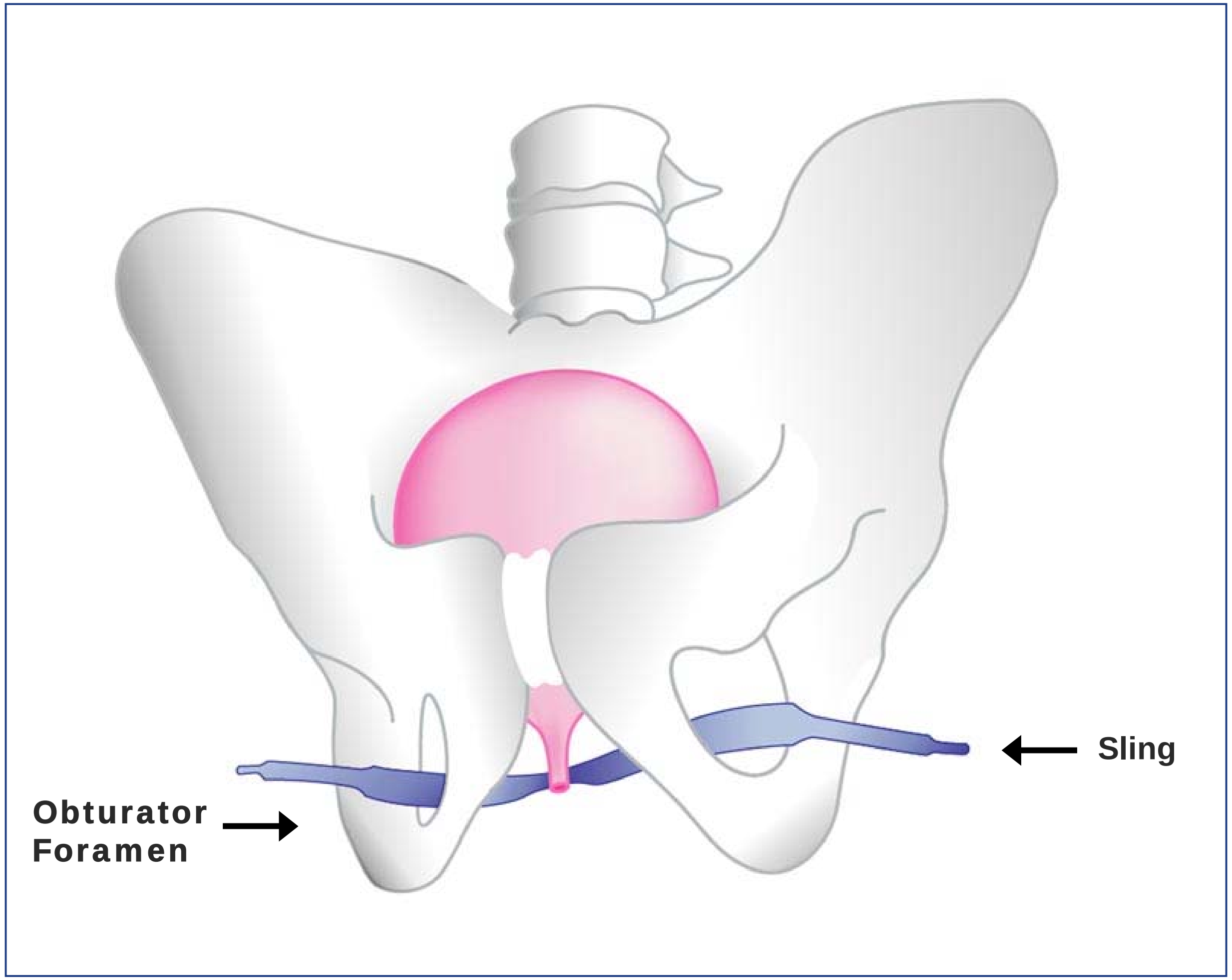
Definition

Womens health comprises products for treatment or management of conditions related to female stress urinary incontinence.

Main Women’s Health Products

PRODUCT	DESCRIPTION	BRAND NAME
Synthetic Sling	▸ For Stress Urinary Incontinence (SUI) ▸ Using a vaginal incision the tape is placed horizontially beneath the mid portion of the urethra to increase the pelvic support and restore continence. ▸ The sling is placed through the obturator foramen in the pelvis, the Trans Obturator Approach (TOT), a minimally invasive procedure completed in approx. 20 min.	▸ Aris
Tissue Sling	▸ Mesh for support of bladder, vagina or rectum in case of prolapse of these organs.	▸ Suspend® Tutoplast® ▸ Axis™ Tutoplast® Processed Dermis
Bulking agent	▸ Injection of silicone material in urethra for treatment of SUI or VUR	▸ Macroplastique




Sling
Obturator
Foramen

Men’s Health Patients

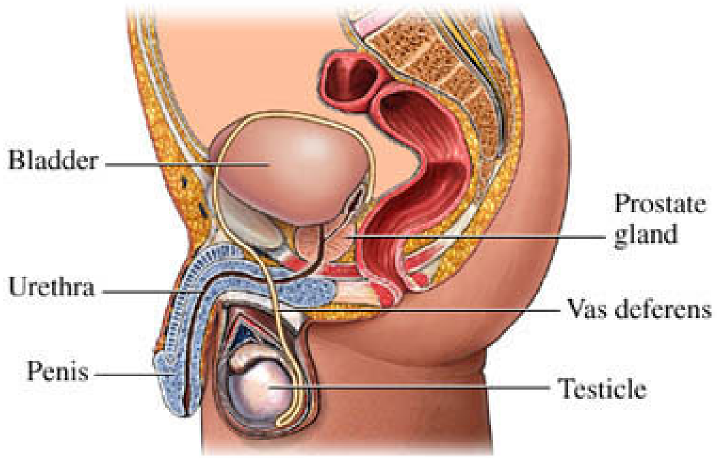
ERECTILE DYSFUNCTION, ORCHIECTOMY

Erectile Dysfunction (ED)

- ED is the repeated inability to achieve and sustain an erection
- Unlike impotence, ED relates only to the actual erection
- Most common cause of ED: damage to nerves, arteries, smooth muscles, and fibrous tissues (often as a result of disease)
- Diseases such as diabetes, kidney disease, chronic alcoholism, multiple sclerosis,atherosclerosis, vascular disease, and neurologic disease account for about 70% of ED cases.

Orchiectomy (Removal of testicle)

- This procedure is performed as treatment of testicular cancer as well as a treatment option for prostate cancer



Definition

This franchise offers malleable and inflatable penile implants for the treatment of erectile dysfunction as well as testicular implants for men who have lost their testicle.

Coloplast

Main Men's Health Products

PRODUCT	DESCRIPTION	BRAND NAME	
Penile Implants: **Malleable**	Semi rigid penile implants made of flexible elastomer. The device is operated by the patient bending the penis into an erect position.	Genesis	
Penile Implants: **Simple inflatable (2-piece)**	Consists of two inflatable cylinders and a resi-pump (combined reservoir and pump). The patient operates the device by squeezing the the pump implanted in the scrotum, which forces fluid to the cylinder shafts.	Excel	
Penile Implants: **Complex inflatable (3-piece)**	Consists of two inflatable cylinders, a fluid reservoir and a pump. The fluid is pumped from the reservoir to the cylinders by squeezing the pump implanted in the scrotum.	Titan	
Testicular implants	US: Saline testicular implant Europe: Saline and Silicone testicular implants.	Saline Testicular implant	

Prostate Cancer Patients

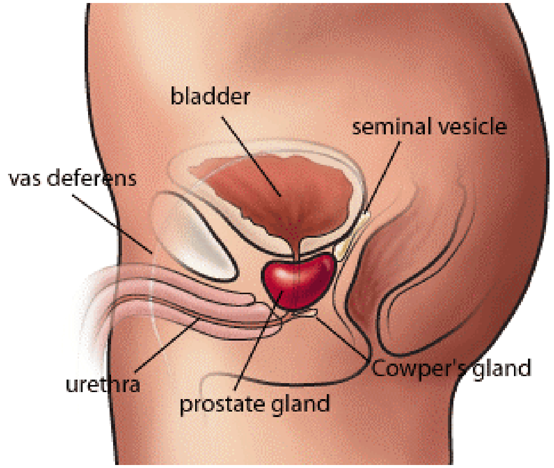
BRACHYTHERAPY

Prostate Cancer

- Prostate cancer is the area where Brachytherapy has gained most acceptance
- Prostate cancer is one of the most common cancer types in men
- Approx. 235,000 men will be diagnosed with Prostate cancer each year in the US.
- The incidence increases with age, and over the past decade the incidence has been growing in western countries
- Most often there are no symptoms, but Lower Urinary Tract Symptoms can occur
- The cure rate is approx. 90% for early detected cancers
- There are various treatment options according to the cancer stage

Other Cancer Forms

- Brachytherapy can potentially become the preferred treatment option for multiple cancer forms
- Brachytherapy may, e.g. become the preferred treatment for early stage breast cancers

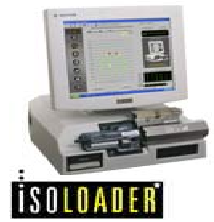


Definition

This franchise offers iodine and palladium seeds for the treatment of prostate cancer. The seeds can potentially be used for the treatment of other cancer forms

Main Brachytherapy Products

PRODUCT	DESCRIPTION	BRAND NAME
Iodine seeds	ProstaSeed is a welded titanium capsule containing Iodine I-125. For patients with tumors that are localised, slow growing, and exhibit low-to-moderate radio sensitivity	ProstaSeeds ®
Palladium seeds	Mentor distributes (non-exclusivity) Best Medical Pd-103 seeds	
Seed loading product	An all-in-one workstation designed to automate brachytherapy needle loading, radioactive seed assay and reporting	IsoLoader ®
Seed loading product	A realtime seed stranding module designed to work with the IsoLoader ®. Enables customisation of seed strands	IsoStrand ®



Coloplast's new customer segmentation

Location	OUTPATIENT CLINIC	DAY SURGERY	OPERATING ROOM	WARD	REGIONAL CENTRES
Customer	***Nurses and Urologists***	Urology surgeons Primarily Endourology	Urological surgeons Primarily open surgery	Pre- & post-op Care Nurses and urologists	***Highly specialised urologists***
Pathology	*SCI, MS, SB, BPH (diagnose and follow-up)*	*BPH SUI Stones*	*BPH SUI Erectile Dysfunction Prostate Cancer*	*BPH (recovery)*	*Erectile Dysfunction (volume) Prostate Cancer*
	COLOPLAST	MENTOR	MENTOR	COLOPLAST	MENTOR

COFFEE BREAK

Convene at 15:00

US market dynamics

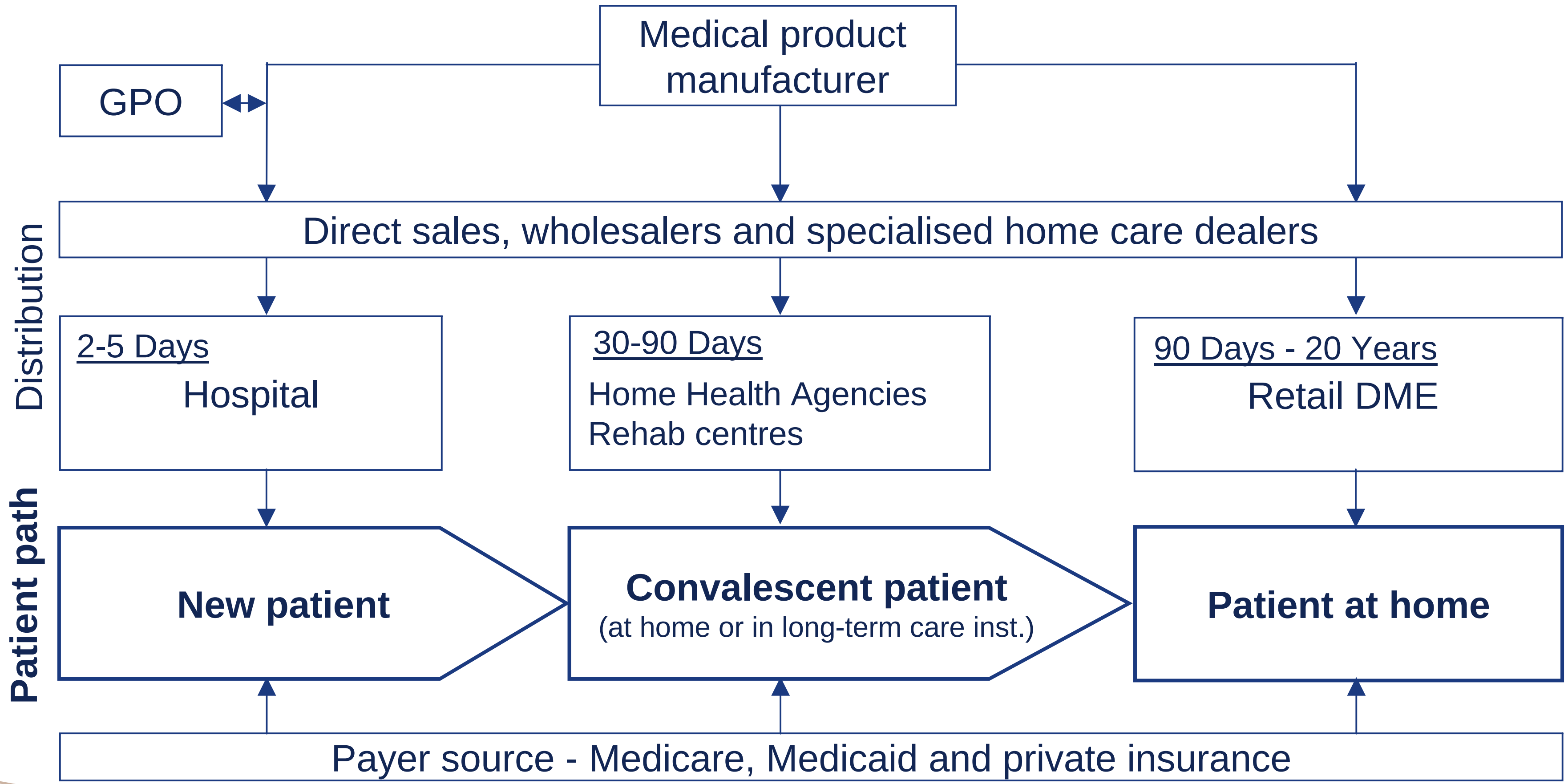
Brad Selman,
Director, Post-Merger Integration
Coloplast Corp.

Coloplast

Content of Presentation

- US Patient Path
- US Market Dynamics
  - Segments
  - Influencers
  - Barriers
  - Coloplast Strategy
- Distribution – a key success factor
- Medicare Modernization Act
  - Overview
  - Status

Chronic care - US patient path



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Acute Market Segment – GPO's add complexity

Key Influencers	Segment Barriers / Issues	Coloplast Strategy & Programs
• Clinical – Nurses, Doctors etc,	• Historical familiarity with existing products	• Evaluation/Trial Product / Discharge Kits • Specialized Sales Force Structure • Clinical Studies • Clinical Involvement Programs
• Purchasing/Materials Management	• Contracts • Bundling (IDN level)	• Reorganized US Corporate Sales Set-up • Dedicated Provider Contracting team
• GPO's	• Access / Contracts	• Leverage achievements in large IDN's / shareholders
• Acute / Hospital Wholesalers	• SKU's, Shelf Space, Share, Turns,etc.	• New McKesson Supply Agreement • Reorganized US Corporate Sales Set-up • Dedicated Distribution contracting team

Transitional Segment (Rehabilitation Ctrs, LTAC)

Key Influencers	Segment Barriers / Issues	Coloplast Strategy & Programs
• Clinical – Nurses, Doctors etc,	• Need for Clinical competence and clinical studies/data data (Rehab Centers) • Relationships with Doctors	• Specialized Sales Force structure • Discharge Programs (SCI, SB) • US/Canada Multi-Center Clinical Study – SpeediCath vs. Intermittent Catheters • Mentor enabling (strong presence in a number of SCI Rehab Centers)
• Purchasing/Materials Management	• Contracts	• Reorganized US Corporate Sales Set-up • Dedicated Provider contracting group
• GPO's	• Access / Contracts	
• Acute / Hospital Distribution	• SKU's, Shelf Space, Share, Turns,etc.	• New McKesson Supply Agreement • Reorganized US Corporate Sales Set-up • Dedicated Distribution contracting team

Home Healthcare Market Segment

Key Influencers	Segment Barriers / Issues	Coloplast Strategy & Programs
• Clinical – Home healthcare Nurses, Aides & CNA's	• Historical familiarity with existing products	• Coloplast Comes Home (new Home Healthcare Ostomy Marketing Program) • Re-focused Ostomy call points (20%HHA)

• Distribution / DME	• Product supply and distribution contracts with large agencies.	• Reorganized US Corporate Sales Set-up
		  • Dedicated Distribution contracting team
		  • Dedicated Corporate Sales "Home Health" Major Account Manager
		• New McKesson Supply Agreement

• Payers	• Access / Contracts – some specific to manufacturers	• Developing Strategy
• Patient & other HCP (PCP or other physicians outside HHA)	• Access to patients for Consumer Marketing	• Coloplast Comes Home (new Home Healthcare Ostomy Marketing Program)

Community (Patient-at-home) Market Segment

Key Influencers	Segment Barriers / Issues	Coloplast Strategy & Programs
• Clinical – Nurses, Doctors when patients are going for out-patient follow-up visits	• Historical familiarity with existing products • Limited out-patient follow-up	• Evaluation/Trial/Discharge Kits • Specialized Sales Force Structure • Clinical Studies • Clinical Involvement Programs

• Distribution	• HCPCS "category" fees
	  • Competitor Pricing
	• Channel Consolidation
	  • Increasing dealer "power"
		• Reorganized US Corporate Sales Set-up
		  • Dedicated Distribution contracting team
		• OAP / CAP Ostomy and Continence Retail Marketing Programs
		• Internal efforts to "contract" with State Medicaid Providers (FL, CA, WI)
		• Joint Distribution Contracts with Mentor

• Payer	• HCPCS "category" fees • Competitive Bidding	• Internal efforts to "contract" with State Medicaid Providers (FL, CA, WI) • Coloplast and Mentor activities to modify fees for Coated Catheters and drive "single-use" for catheters
• Patient / caregivers	• HIPAA and Patient Access	• Coloplast Consumer Sales Initiatives • CRM activities

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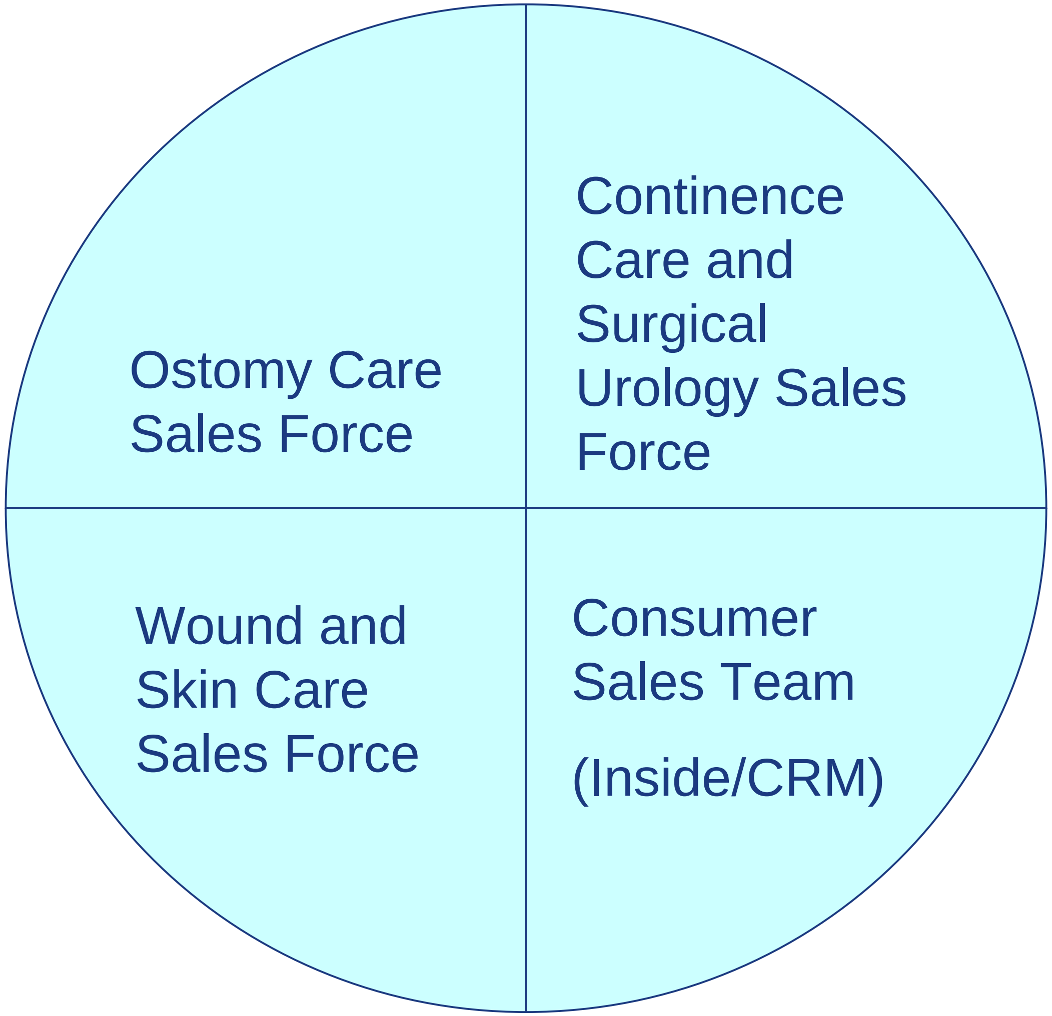
US Product and Market Structure

Product Franchise

Market Segment	Continence Care	Surgical – Men's Health	Surgical – Women's Health	Ostomy	Wound/Skin Care
Acute/Hospital	✓	✓	✓	✓	✓
Surgeons		✓	✓		
OB/GYN			✓		
Rehab	✓				✓
Home Health				✓	✓
LTC	✓			✓	✓
Wholesale	✓			✓	✓
Dealer	✓			✓	✓
Patient	✓			✓	

Sales Force Set-up



Revised US Corporate Sales / Major Account Organization

- Corporate Sales / Major Accounts "unite" the 3 Field-based Sales Organizations to bring Coloplast forward as "one company" to the contracting entities in Providers and Distribution

Provider Contracting Team

- GPO Contracts
- Acute/IDN Contracts
- Alternate Care Contracting (Long-Term Care/Home Health)

Distribution Alliances Team

- DME Retail Group
- National / Drug Wholesalers

US Product and Market Structure

Product Franchise

Market Segment	Continence Care	Surgical – Men's Health	Surgical – Women's Health	Ostomy	Wound/Skin Care
Acute/Hospital	☑	☑	☑	☑	☑
Surgeons		☑	☑		
OB/GYN			☑		
Rehab	☑				☑
Home Health				☑	☑
LTC	☑			☑	☑
Wholesale	☑			☑	☑
Dealer	☑			☑	☑
Patient	☑			☑	

Clinical Coverage specialized by product knowledge

GPO / IDN Provider Contracting via Corporate Sales

Segment Focus – Alt Care via Corporate Sales

Segment Focus – Distribution via Corp. Sls

Segment Focus – Consumer Sales/CRM via Consumer Sales

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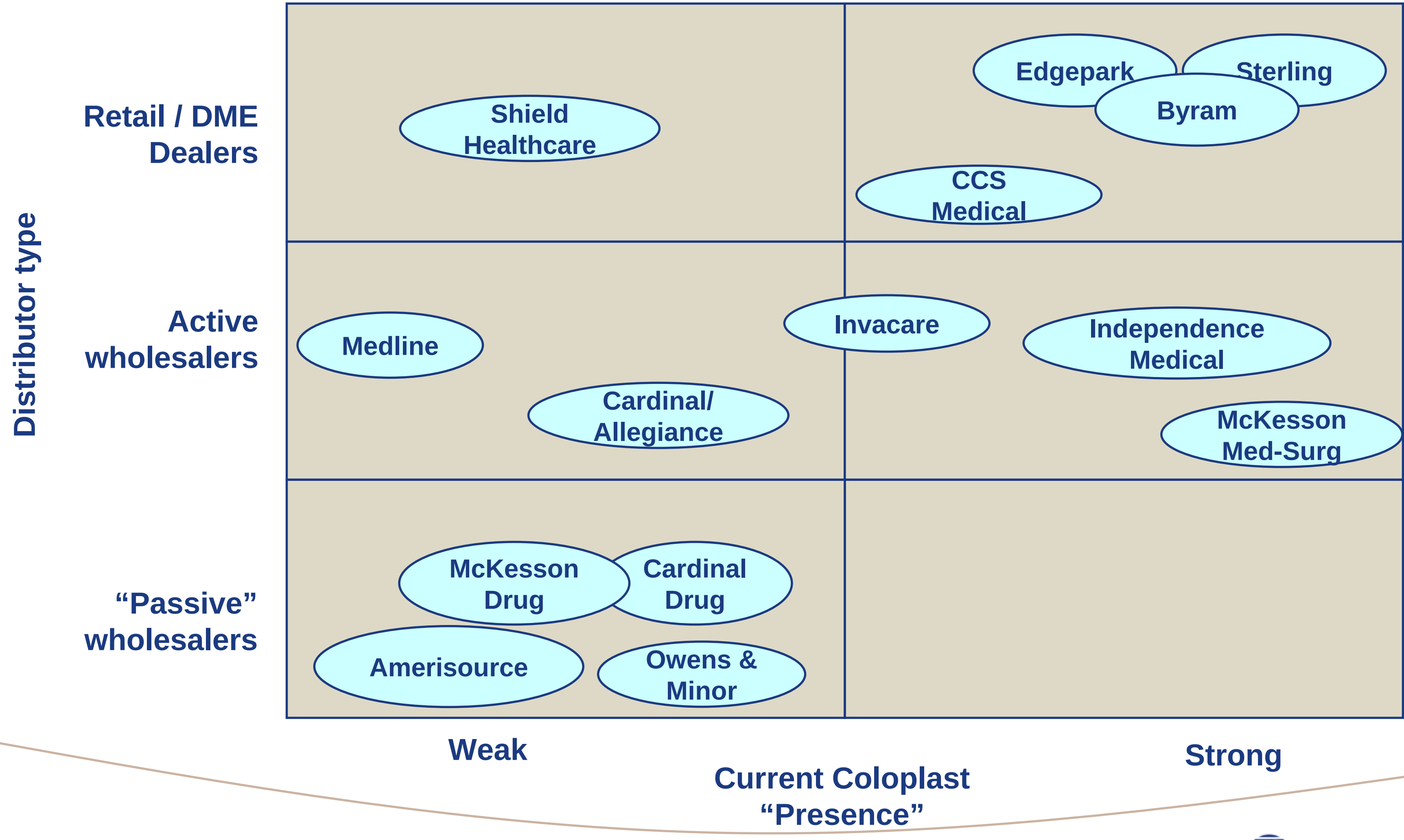
Current US Distribution "Landscape"



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US Healthcare Market – Medicare Competitive Bidding

- MMA (Medical Modernization Act) calls for this program to be phased in beginning with 10 of the largest metropolitan statistical areas (MSAs) in 2007, 80 of the largest MSAs in 2009, and then additional areas after 2009

- For this program, certain "high-exposure" HCPCS codes that are categorized:
  - Durable medical equipment (inexpensive or routinely purchased items; items requiring frequent and substantial servicing; oxygen and oxygen equipment, and capped rental items
  - Supplies necessary for the effective use of DME;
  - Enteral nutrients, equipment, and supplies; and
  - Off-the-shelf orthotics
- Will be eligible to be competitive bid for by DME suppliers on a Regional / National basis.

Medicare Modernization Act & NCB

- 24-April-06 – CMS releases plans for implementation (205 pages)
  - Doesn't include which product categories will be bid
    - Although, they will be based on largest potential savings and Ostomy and Continence/Urology are not within the top 20 largest categories
  - Doesn't state which MSA's will be involved in the 1st round,
    - NYC, Chicago and LA will be excluded.
  - Doesn't offer a specific start date – identifies "some time" in 2007.
  - Begins to outline Quality Standards and selection criteria for DME's that could participate.

Medicare Modernization Act & NCB

- Industry Groups have lobbied for further legislation (Hobson-Tanner HR 3559) to challenge / modify a number of NCB provisions;
- Primary focus of this additional legislation is to ensure all DME's can participate – if they meet minimum price criteria.
- Other additional areas of contention;
  - Rebates and how they would be administered
  - Grandfathering / patient transition to new suppliers
  - Inadequate "impact analyses" (what will happen to companies not winning the bid)
  - Quality Standards

If the industry doesn't do anything about competitive bidding... there will be fewer dealers around to worry about the oxygen cap and other reimbursement cuts. Competitive bidding will eliminate 40% to 60% of dealers.

John Gallagher. VP Government Relations. VGM Group

Q&A

Moderator: Lene Skole
Executive Vice President, CFO

Coloplast

Estimated effects from M&A activities

Mentor	2005/06 effects
Sales growth	DKK 450M added
Integration costs	DKK 30-60M negative EBIT impact
US relocation costs	DKK 6-12M negative EBIT impact
Synergies	DKK 5-10M positive EBIT impact
Stock of finished goods	DKK 30-40M negative EBIT impact
Depreciation of assets	DKK 70M negative EBIT impact
Tax	Increased by approximately 1%
Investments in tangible assets	DKK 100-200M added
WACC	Reduced by 0,5% due to changes in capital structure

Sterling Medical Services	
Sales growth	Reduced by DKK 160M
Capital gain	DKK 130M

Rochester	
Transaction price	DKK 85M, of which DKK 54M paid at closing
Capital gain	Purchase price allocation pending

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END MEETING

Bus leaves 16:15