Announcement no. 9/2011
1 November 2011

2010/11

Announcement of full-year financial results 2010/11

(1 October 2010 - 30 September 2011)

Highlights

- Organic revenue growth was 6%. Revenue in DKK was up by 7% to DKK 10,172m.
- Organic growth rates by business area: Ostomy Care 7%, Continence Care 8% and Urology Care 4%. In Wound & Skin Care, sales decreased by 1% relative to last year.
- Gross profit was up by 12% to DKK 6,568m, equal to a gross margin of 65% (FY 2009/10: 61%). At constant exchange rates, the gross margin was 64%.
- EBIT was up by 29% to DKK 2,581m. The EBIT margin was 25% against 21% in FY 2009/10. At constant exchange rates, the EBIT margin was also 25%.
- The net profit for the year was up by 46% to DKK 1,819m, while earnings per share also improved by 46% relative to last year to DKK 42.6.
- The free cash flow was up by 23% to DKK 1,818m against DKK 1,476m last year.
- ROIC after tax was 30%, compared with 23% last year.
- 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.
- The Board of Directors recommends that the shareholders attending the general meeting to be held on 7 December 2011 approve a dividend of DKK 14.00 per share (FY 2009/10: DKK 10.00 per share), equal to a pay-out ratio of 32%, as compared with 34% last year.
- We intend to launch a DKK 1bn share buy-back programme that will run until the end of the 2012/13 financial year.

Financial guidance for 2011/12

- Expected revenue growth of about 6%, both organically and in DKK.
- Expected EBIT margin of about 27%, both at constant exchange rates and in DKK.
- Capital expenditure is expected to be around DKK 300m.
- The effective tax rate is expected to be 25–26%.

Conference call
Coloplast will host a conference call on 1 November 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 September

	Group		Change	Group		Change
	DKK million			DKK million		
	2010/11	2009/10		2010/11	2009/10	
	12 mth	12 mth		Q4	Q4	
Income statement						
Revenue	10,172	9,537	7%	2,571	2,517	2%
Research and development costs	(415)	(409)	1%	(88)	(104)	(15%)
Operating profit before special items, interest, tax, depreciation and amortisat	3,108	2,584	20%	879	740	19%
Operating profit before special items	2,581	2,078	24%	742	591	26%
Operating profit (EBIT)	2,581	1,995	29%	742	570	30%
Net financial income and expenses	(124)	(321)	(61%)	(25)	(78)	(68%)
Profit before tax	2,456	1,674	47%	716	492	46%
Coloplast's share of profit for the period	1,819	1,243	46%	531	368	44%
Revenue growth						
Annual growth in revenue, %	7	8		2	11	
Growth break down:						
Organic growth, %	6	7		4	7	
Currency effect, %	1	1		(2)	4	
Balance sheet						
Total assets	9,218	7,771	19%	9,218	7,771	19%
Invested capital	6,312	6,340	(0%)	6,312	6,340	(0%)
Net interest-bearing debt	539	1,593	(66%)	539	1,593	(66%)
Equity at year-end, Coloplast´s share	4,478	3,452	30%	4,478	3,452	30%
Cash flow and investments						
Cash flow from operating activities	2,205	1,769	25%	1,002	596	68%
Cash flow from investing activities	(387)	(293)	32%	(53)	(77)	(31%)
Investments in property, plant and equipment, gross	(230)	(260)	(12%)	(52)	(74)	(30%)
Free cash flow	1,818	1,476	23%	949	519	83%
Cash flow from financing activities	(894)	(1,559)	(43%)	(537)	(211)	>100%
Key figures ratios						
Average number of employees, FTEs	7,328	7,207				
Operating margin, EBIT, %	25	21		29	23	
Operating margin, EBITDA, %	31	27		34	29	
Return on average invested capital before tax (ROIC), %	41	31		45	35	
Return on average invested capital after tax (ROIC), %	30	23		34	26	
Return on equity, %	46	39		54	47	
Ratio of net debt to EBITDA	0.2	0.6		0.2	0.5	
Interest cover	35	23		55	28	
Equity ratio, %	49	44		49	44	
Rate of debt to enterprise value, %	1	5		1	5	
Net asset value per share, DKK	100	77	30%	100	77	30%
Per share data						
Share price, DKK	804	654	23%	804	654	23%
Share price/net asset value per share	8.1	8.5	(5%)	8.1	8.5	(5%)
Average number of outstanding shares, millions	42.0	42.6	(1%)	41.8	42.2	(1%)
PE, price/earnings ratio	18.6	22.4	(17%)	15.8	18.7	(16%)
Dividend per share, DKK	14.0	10.0	40%			
Pay-out ratio, %	32.0	34.0	(6%)			
Earnings per share (EPS), diluted	42.6	29.1	46%	12.5	8.7	44%
Free cash flow per share	43.3	34.7	25%	22.7	12.3	85%

Management's review

Sales performance

Revenue in DKK was up by 7% to DKK 10,172m. Organic growth was 6%, while changes in foreign exchange rates and acquired revenue accounted for 1%. The Q4 organic growth of 4% was not satisfactory.

Sales performance by business area

	DKK million		Growth composition				DKK million	Organic growth
	2010/11 12 mth	2009/10 12 mth	Organic growth	Acquired operations	Exchange rates	Reported growth	2010/11 Q4	Q4
Ostomy	4,266	3,949	7%		1%	8%	1,096	5%
Continence	3,456	3,202	8%		0%	8%	880	7%
Urology	938	857	4%	4%	1%	9%	227	0%
Wound & Skin Care	1,512	1,529	(1%)		0%	(1%)	368	(5%)
Net revenue	**10,172**	**9,537**	**6%**	**0%**	**1%**	**7%**	**2,571**	**4%**

Ostomy Care
Sales of ostomy care products amounted to DKK 4,266m, an increase of 8%. Organic growth was 7%. The satisfactory full-year revenue growth was driven mainly by emerging markets, such as China, Russia, Brazil and Argentina, but also the UK saw good growth. The growth in the USA fell short of expectations. The SenSura® product portfolio continued to be the main growth driver, and the SenSura® Mio is now available in 11 markets after being launched in France, Germany, Italy, Norway, Poland and Canada. Since ostomy accessories were launched as a separate product portfolio in late 2010, we have achieved very satisfactory sales growth in this category. The portfolio has four main categories: skin protection, leakage prevention, removal of adhesives and care for irritated skin. Organic growth for the quarter was 5%, impacted by decreasing growth rates in a number of European markets. Spain, in particular, was affected due to high comparative numbers from last year resulting from the then announced price reductions.

Holding 35–40% of the market, Coloplast retains its market-leading position in the global market for ostomy care products. The global ostomy care market is worth around DKK 11bn and annual market growth is still estimated at 4–5%.

Continence Care
Continence Care revenue grew by 8%, both when expressed in Danish kroner and organically, to DKK 3,456m. Intermittent catheters continued to drive sales in Europe and in the USA, where the impact of the changes to the reimbursement for catheters, however, receded during the year. There was a satisfactory growth in sales of urine bags, urisheaths and Peristeen® during the year.
Sales of SpeediCath® Compact Male (launched in January 2011) have been ahead of expectations, and the product is now available in 11 markets.
Q4 organic growth was 7%. Europe reported satisfactory growth, whereas sales growth in the USA was adversely affected by a major distributor order received last year.

The continence care market is now valued at DKK 8–9bn, as compared with DKK 10–11bn previously. Permanent catheters are no longer part of the market definition, which explains the change. Market growth is estimated at 4–6% per year, which is unchanged from last year. Market growth for permanent catheters is lower than for intermittent catheters. The positive effect on market growth of permanent catheters no longer being a part of the market definition is, however, offset by the fact that the reimbursement change for intermittent catheters in the USA has now been fully implemented. Coloplast remains the global market leader, with a market share of 35-40%.

Urology Care

Urology Care revenue increased by 9% to DKK 938m on 4% organic growth. Decreasing sales of slings for women continued to impact the urology care business, while sales of Restorelle® for pelvic organ prolapse repair were satisfactory.
Sales of penile implants remained stagnant in the fourth quarter, mainly due to an increase in the number of cancelled operations. The sales growth in Europe of disposable surgical products was highly satisfactory, and particularly sales of surgical instruments for removal of kidney stones (endourology) performed well.
Organic revenue for the quarter was consistent with the fourth quarter of last year.

The part of the urology market in which Coloplast operates is worth about DKK 9bn and growth is estimated at 4-6% per year. This decline from last year's growth rate estimate of 8–10% is due to the adverse effects of the economic downturn in the North American market on this segment. Coloplast continues to hold about a 10% share of the combined global market for urology products.

Wound & Skin Care

Sales of wound and skin care products amounted to DKK 1,512m or 1% less than last year. Sales in the wound care business remained unsatisfactory. The European market remained very competitive and affected by price pressure, while the growth performance in Asia was satisfactory.
Q4 sales were down by 5% compared to Q4 2009/10, adversely affected by a decline in contract manufacturing of Compeed®[1]. Q4 Wound Care division sales decreased by 3% compared to last year. The decrease was especially caused by weaker sales in southern Europe, whereas sales in the global strategic wound care unit were down by 1% compared with last year. The wound care business in Spain will be separated from the local organisation and become a part of the global strategic wound care unit effective 1 December.

Growth in the global wound care segment in which we compete is expected to be 2–4%, as compared with 5–7% last year. The market is still estimated to be worth DKK 12–13bn. Our market share is unchanged at 5–10%. The lower growth estimate is due, among other things, to continuing price pressure and severe competition in the European wound care market.

Sales performance by region

	DKK million		*Growth composition*				*DKK million*	*Organic growth*
	2010/11 12 mth	*2009/10 12 mth*	*Organic growth*	*Acquired operations*	*Exchange rates*	*Reported growth*	*2010/11 Q4*	*Q4*
Europe	7,475	7,108	4%		1%	5%	1,882	4%
Americas	1,715	1,587	8%	2%	(2%)	8%	429	1%
Rest of the world	982	842	11%		6%	17%	260	5%
Net revenue	**10,172**	**9,537**	**6%**	**0%**	**1%**	**7%**	**2,571**	**4%**

Europe

Revenue was DKK 7,475m, which translates into a reported growth of 5%, while organic growth was 4%. Growth was driven especially by Continence Care, but Ostomy Care was also a positive contributor. The lack of growth in the European wound care business continued to have a negative impact on overall sales growth. Q4 organic growth was also 4%.

The Americas

Revenue in the Americas increased by 8% to DKK 1,715m on 8% organic growth. The South American market, especially Brazil and Argentina, reported a very satisfactory performance, particularly in the ostomy care business. In the US market, where a new management was appointed and a new business plan was launched this summer, revenue growth was not satisfactory. As expected, the effects of the new business plan have not yet materialised. The Q4 organic growth rate was 1%, and particularly the US growth was disappointing partly due to large orders received in Q4 last year from a couple of major distributors.

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

Rest of the World
Revenue in the Rest of the World was up by 17% to DKK 982m. The appreciation of the AUD and JPY in particular relative to DKK lifted the reported growth by 6%. Organic growth was 11% with especially China making a positive contribution. Growth was only 5% in Q4, mainly due to timing effects in the contract manufacturing of Compeed® and fluctuating inventories at Japanese distributors.

Gross profit

Gross profit was up by 12% to DKK 6,568m, against DKK 5,844m last year.

The full-year gross margin was 65%, against 61% last year. 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 relocation of production from Denmark to Hungary and China. In that connection costs of DKK 25m were incurred. The relocation process was completed by the end of March 2011. The Q4 gross margin of 66% was impacted positively by about a 1 percentage point from the final settlement of costs and other items following completion of the relocation project.

Capacity costs

Distribution costs amounted to DKK 2,988m, equal to 29% of revenue, which was consistent with last year. Costs increased during the reporting period, in part due to investments in the Wound Care sales force and in the Chinese market. Q4 distribution expenses accounted for 28% of revenue. The lower spend was mainly related to a decrease in marketing activities in the quarter.

Administrative expenses amounted to DKK 604m, equal to 6% of revenue and in line with last year. The administrative expenses for the year included costs related to implementing a number of organisational changes and increasing provisions for losses on trade receivables in southern Europe. Q4 administrative expenses accounted for 6% of revenue, about 1 percentage point of which was due to increased provisions for losses on trade receivables in Southern Europe.

R&D costs were DKK 415m and accounted for 4% of revenue, which was in line with last year. Following the implementation of efficiency enhancements and organisational changes, redundancy costs of DKK 10m were incurred in Q4. The level of activity was lower in the fourth quarter compared with the preceding quarters, in part due to implementation of the organisational changes.

Other operating income and other operating expenses amounted to a net income of DKK 20m against DKK 17m in FY 2009/10.

Operating profit (EBIT)

EBIT was up by 29% to DKK 2,581m against DKK 1,995m last year. The EBIT margin was 25% against 21% in the same period of last year. At constant exchange rates, the EBIT margin was also 25%. The Q4 EBIT margin was 29% in DKK and 28% at constant exchange rates.

Financial items and tax

Financial items amounted to a net expense of DKK 124m, against DKK 321m last year. The main reason for the change was realised losses last year on hedging of GBP and USD, whereas this year includes net gain from hedging. In addition, Coloplast shares appreciated less in 2010/11 than the year before, resulting in a lower fair value adjustment of the share option programme. Finally, net interest expenses reduced due to the lower average net interest-bearing debt.
Q4 net financial expenses amounted to DKK 25m.

Financial items

	DKK million		DKK million	
	2010/11	2009/10	2010/11	2009/10
	12 mth	12 mth	Q4	Q4
Interest, net	(88)	(110)	(16)	(26)
Fair value adjustment of options	(35)	(83)	(3)	(6)
Exchange rate adjustments	16	(88)	(4)	(35)
Other financial items	(17)	(40)	(2)	(11)
Total financial items	**(124)**	**(321)**	**(25)**	**(78)**

The effective tax rate was 26%, in line with last year, giving a tax expense of DKK 637m, as compared with DKK 431m last year.

Net profit for the period

The net profit for the reporting period was up by 46% to DKK 1,819m, and earnings per share also improved by 46% relative to last year to DKK 42.6.

Cash flows and investments

Cash flow from operating activities
Cash flows from operating activities were up by 25% to DKK 2,205m from DKK 1,769m last year. The DKK 524m increase in EBITDA was partly offset by the DKK 348m increase in corporate income tax paid. Currency hedging gains in the current financial year against a loss last year combined with lower interest payments had a positive effect of DKK 304m.

Investments (CAPEX)
Gross investments amounted to DKK 410m compared with DKK 309m last year. The increase was due to the DKK 160m acquisition of Mpathy. Investments accounted for 4% of revenue against 3% last year. Gross investments in property, plant and equipment amounted to DKK 230m, equal to 2% of revenue.

Free cash flow
The free cash flow amounted to DKK 1,818m against DKK 1,476m last year.

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

Statement of financial position and equity

Balance sheet
At DKK 9,218m, total assets increased by DKK 1,447m from 30 September 2010.

Intangible assets amounted to DKK 1,802m, which was DKK 35m more than last year. The increase was mainly due to the acquisition of Mpathy, which was partly offset by depreciation and amortisation charges for the year.

Current assets increased by DKK 1,612m from 30 September 2010 to DKK 4,965m, due to an increase in cash and bonds.

Relative to beginning of the year, trade receivables were up by 7% to DKK 1,820m, the increase being mainly due to sales growth and longer payment times in Southern Europe. Trade receivables decreased by DKK 107m from Q3.

Trade payables amounted to DKK 420m, against DKK 455m at the beginning of the year.

Working capital made up 23% of revenue, unchanged from beginning of the year.

Equity
During the year the equity increased by DKK 1,026m to DKK 4,478m. The comprehensive income for the year of DKK 1,754m was partly offset by dividend payments of DKK 422m and share buy-backs of DKK 500m. Employees' exercise of share options and the sale of employee shares increased equity by DKK 156m.

Net interest-bearing debt and capital structure
Net interest-bearing debt was reduced by DKK 1,054m relative to last year to DKK 539m. The ratio of net interest-bearing debt to EBITDA was 0.2. Just under 60% of the total debt carries a fixed interest rate, as compared with 90% at the beginning of the year, 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.
DKK 470m have been invested in mortgage bonds as a hedge of mortgage loans in the same bond series.

Share buy-backs and dividends
In December 2009, the shareholders in 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 programme was completed last year, and the outstanding share buy-backs of DKK 500m were concluded in June 2011.

Considering Coloplast's strong cash generation, the Board of Directors has resolved to establish another share buy-back programme totalling up to DKK 1bn until the end of the 2012/13 financial year. Implementation of the buy-back programme is subject to the shareholders in general meeting to be held on 7 December 2011 adopting an authorisation to buy back shares for up to 10% of the company's share capital. Should alternative opportunities arise during that period which are considered more beneficial for the shareholders, the authorisation may not be utilised.

The Board of Directors recommends that the shareholders attending the general meeting to be held on 7 December 2011 approve a dividend of DKK 14.00 per share, equal to a dividend increase of 40% relative to the 2009/10 financial year. As a result, the total dividend amount is expected to be DKK 585m, equal to a pay-out ratio of 32%.

Treasury shares
At 30 September 2011, Coloplast's holding of treasury shares consisted of 3,188,867 B shares with a nominal value of DKK 5 each, equal to 7.1% of the Coloplast share capital.

Financial guidance for 2011/12

- Expected revenue growth of about 6%, both organically and in DKK.
- Expected EBIT margin of about 27%, both at constant exchange rates and in DKK.
- Capital expenditure is expected to be around DKK 300m.
- The effective tax rate is expected to be 25–26%.

Achieving the financial guidance will depend on our ability to execute the business plan devised for the US business including both the chronic care and the urology care businesses. In addition, revenue growth will continue to be affected by the development of the wound care business, as the effects of the changes implemented in the business have not yet materialised. Finally, above-normal uncertainty persists in respect of the market situation in Southern Europe.

The Board of Directors maintains Coloplast's current long-term financial ambition of outgrowing the market and at the same time achieving earnings margins that are in line with the best performing med-tech companies[2]. Following Endo Pharmaceuticals' acquisition of American Medical Systems in the summer of 2011, the latter company has been removed from Coloplast's peer group and replaced by Chinese company Shandong Weigao Group Medical. Weigao Group is a Chinese competitor developing and manufacturing disposable polymer products for use in continence care, among other things.

The overall weighted market growth in Coloplast's current markets going forward is expected to be 4–5%, which is half a percentage point lower than last year's forecast. The change is the result of a temporary fall in expectations for the Urology Care business caused by the economic downturn in the USA and the persistently challenging market conditions in our European wound care business.

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 2011/12 financial year has been prepared on the basis of the following assumptions for the company's main currencies:

DKK	*GBP*	*USD*	*HUF*	*EUR*
Average exchange rate 2010/2011*	858	535	2.74	745
Spot rate, 31 October 2011	852	532	2.45	744
Change in estimated average exchange rate compared with last year	-1%	-1%	-11%	0%

Average exchange rates 2010/11 used to calculate organic revenue growth rate and EBIT margin at constant exchange rates

Revenue is particularly exposed to developments in USD and GBP relative to DKK. 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 2010/11)	*Revenue*	*EBIT*
USD	-130	-30
GBP	-150	-85
HUF	0	40

[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, , Shandon Weigao Group Medical.

Meeting of the Medical Device Advisory Committee on 8–9 September 2011

The FDA convened a panel on 8–9 September 2011 for a discussion on the future use of surgical synthetic mesh for pelvic organ prolapse repair and stress urinary incontinence in women. Among other things, the panel issued the following recommendations to the FDA:

- Transvaginal mesh in the treatment of pelvic organ prolapse repair (POP) should be reclassified from Class II to Class III.
- Better information should be provided on patient consent, training of doctors and hospital training programmes.
- For stress urinary incontinence, distinguish between first and second generation slings. There should be no requirement for additional clinical data for first generation slings already on the market, while further clinical studies should be required for second generation slings already on the market.

We expect it will take up to three years to implement the above recommendations. Our surgical synthetic mesh sales amounted to DKK 40m in the 2010/11 financial year.

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 the Executive Management

The Board of Directors and the Executive Management today considered and approved the Annual Report of Coloplast A/S for the financial year 1 October 2010 – 30 September 2011.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU.

In addition, the consolidated financial statements are presented in accordance with additional Danish disclosure requirements for listed companies. The Management's report is also presented in accordance with Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements give a true and fair view of the Group's assets, equity, liabilities and financial position at 30 September 2011 and of the results of the Group's operations and cash flows for the financial year 1 October 2010 – 30 September 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 year and of the financial position of the Group, together with a description of the principal risks and uncertainties that the Group faces.

Humlebæk, 1 November 2011

Executive Management:

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 Market Manager	Torben Julle Rasmussen Electrician

Tables

Unaudited

Statement of comprehensive income

1 October - 30 September

(Unaudited)

Note		Group DKK million 2010/11 12 mth	Group DKK million 2009/10 12 mth	Index	Group DKK million 2010/11 Q4	Group DKK million 2009/10 Q4	Index
1	Revenue	10,172	9,537	107	2,571	2,517	102
	Cost of sales	(3,604)	(3,693)	98	(863)	(936)	92
	Gross profit	**6,568**	**5,844**	**112**	**1,708**	**1,581**	**108**
	Distribution costs	(2,988)	(2,817)	106	(724)	(762)	95
	Administrative expenses	(604)	(557)	108	(160)	(121)	132
	Research and development costs	(415)	(409)	101	(88)	(104)	85
	Other operating income	52	47	111	25	4	625
	Other operating expenses	(32)	(30)	107	(19)	(7)	271
	Operating profit before special items	**2,581**	**2,078**	**124**	**742**	**591**	**126**
	Special items	0	(83)	**0**	0	(21)	**0**
1	**Operating profit (EBIT)**	**2,581**	**1,995**	**129**	**742**	**570**	**130**
	Profit/loss after tax on investment in associates	(1)	0		(1)	0	
2	Financial income	47	18	261	9	8	113
3	Financial expenses	(171)	(339)	50	(34)	(86)	40
	Profit before tax	**2,456**	**1,674**	**147**	**716**	**492**	**146**
	Tax on profit for the period	(637)	(431)	148	(185)	(124)	149
	Net profit for the period	**1,819**	**1,243**	**146**	**531**	**368**	**144**
	Other comprehensive income						
	Value adjustment of currency and interest hedging	(10)	(57)		(87)	98	
	Of which transferred to financial items	(5)	94		(10)	40	
	Tax effect of hedging	4	(9)		25	(31)	
	Exchange rate adjustment, assets in foreign currency	7	83		67	(132)	
	Tax effect of exchange rate adjustment, assets in foreign currency	(2)	(21)		(2)	(21)	
	Exchange rate adjustment of opening balances and other adjustments relating to subsidiaries	(59)	3		(86)	(7)	
	Total other comprehensive income	**(65)**	**93**		**(93)**	**(53)**	
	Total comprehensive income	**1,754**	**1,336**		**438**	**315**	
	Earnings per Share (EPS)	43.3	29.1		12.7	8.7	
	Earnings per Share (EPS), diluted	42.6	29.1		12.5	8.6	
	Profit distribution:						
	Retained earnings	1,234	821				
	Proposed dividend for the year	585	422				
	Total	**1,819**	**1,243**				

Statement of financial position

At 30 September

Note		Group DKK million 30.09.11	30.09.10
	Assets		
	Acquired patents and trademarks	941	939
	Goodwill	737	670
	Software	115	123
	Prepayments and assets under development	9	35
	Intangible assets	**1,802**	**1,767**
	Land and buildings	1,133	1,194
	Plant and machinery	886	937
	Other fixtures and fittings, tools and equipment	154	176
	Prepayments and assets under construction	93	141
	Property, plant and equipment	**2,266**	**2,448**
	Investment in associates	6	2
	Other investments	0	4
	Deferred tax asset	163	178
	Other receivables	16	19
	Investments	**185**	**203**
	Non-current assets	**4,253**	**4,418**
	Inventories	**946**	**959**
	Trade receivables	1,820	1,696
	Income tax	11	23
	Other receivables	231	109
	Prepayments	71	90
	Receivables	**2,133**	**1,918**
	Marketable securities	**568**	**1**
	Cash and bank balances	**1,318**	**475**
	Current assets	**4,965**	**3,353**
	Assets	**9,218**	**7,771**

Statement of financial position

At 30 September

Note		Group DKK million 30.09.11	30.09.10
	Equity and liabilities		
	Share capital	225	225
	Reserve for currency and interest rate hedging	(32)	(21)
	Proposed dividend for the year	585	422
	Retained earnings	3,700	2,826
	Equity	**4,478**	**3,452**
	Provision for pensions and similar liabilities	75	80
	Provision for deferred tax	167	186
	Other provisions	4	11
	Mortgage debt	459	460
	Other credit institutions	1,537	1,091
	Other payables	334	359
	Deferred income	77	74
	Non-current liabilities	**2,653**	**2,261**
	Provision for pensions and similar liabilities	8	10
	Other provisions	35	18
	Mortgage debt	6	7
	Other credit institutions	92	165
	Trade payables	420	455
	Income tax	516	490
	Other payables	983	882
	Deferred income	27	31
	Current liabilities	**2,087**	**2,058**
	Current and non-current liabilities	**4,740**	**4,319**
	Equity and liabilities	**9,218**	**7,771**
7	Contingent items		
8	Acquired operations		

Statement of changes in equity

Group			Reserve for currency and nterest rate			
	Share capital			Proposed	Retained	Total
DKK million	A shares	B shares	hedging	dividend	earnings	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				422	821	1,243
Other comprehensive income			28		65	93
Total comprehensive income for the period	*0*	*0*	*28*	*422*	*886*	*1,336*
Transactions with owners:						
Treasury shares purchased					(500)	(500)
Treasury shares sold					29	29
Share-based payments					34	34
Dividend paid out in respect of 2008/09				(300)		(300)
Total transactions with owners	*0*	*0*	*0*	*(300)*	*(434)*	*(734)*
Balance at 30.09	**18**	**207**	**(21)**	**422**	**2,826**	**3,452**
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				585	1,234	1,819
Other comprehensive income			(11)		(54)	(65)
Total comprehensive income for the period	*0*	*0*	*(11)*	*585*	*1,180*	*1,754*
Transactions with owners:						
Treasury shares purchased					(500)	(500)
Treasury shares sold					156	156
Share-based payments					29	29
Dividend paid out in respect of 2009/10				(422)		(422)
Total transactions with owners	*0*	*0*	*0*	*(422)*	*(306)*	*(728)*
Balance at 30.09	**18**	**207**	**(32)**	**585**	**3,700**	**4,478**

Statement of cash flows

1 October - 30 September

Note		Group DKK million 2010/11 12 mth	2009/10 12 mth
	Operating profit	2,581	1,995
	Depreciation and amortisation	527	589
4	Adjustment for other non-cash operating items	16	50
5	Changes in working capital	(260)	(250)
	Ingoing interest payments, etc.	40	12
	Outgoing interest payments, etc.	(86)	(362)
	Income tax paid	(613)	(265)
	Cash flow from operating activities	**2,205**	**1,769**
	Investments in intangible assets	(20)	(46)
	Investments in land and buildings	(21)	(16)
	Investments in plant and machinery	(70)	(72)
	Investments in non-current assets under constructions	(139)	(172)
	Property, plant and equipment sold	23	16
	Acquisition of associate	0	(3)
	Acquired operations	(160)	0
	Cash flow from investing activities	**(387)**	**(293)**
	Free cash flow	**1,818**	**1,476**
	Dividend to shareholders	(422)	(300)
	Net investment in treasury shares	(344)	(471)
	Financing from shareholders	(766)	(771)
	Acquisition of mortgage bonds	(567)	0
	Financing through long-term borrowing, debt funding	439	0
	Financing through long-term borrowing, instalments	0	(788)
	Cash flow from financing activities	**(894)**	**(1,559)**
	Net cash flow for the period	**924**	**(83)**
	Cash, cash equivalents and short term debt at 1.10.	303	396
	Value adjustments of cash and balances	(7)	(10)
	Net cash flow for the period	924	(83)
6	**Cash, cash equivalents and short term debt at 30.09**	**1,220**	**303**

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

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 senior operational management. Reporting to management is based on two global operating segments: Sales Regions and Production Units as well as three small operating segments; Wound and Skin Care; Disposable Surgical Urology (DSU) and Surgical Urology (SU). The segments Global Marketing, Global R&D and Staff are not operating segments, as they do not aim to generate revenue. This breakdown also reflects our global organisational structure.

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

The operating segment Wound and Skin Care exclusively covers the sale of wound and skin care products in selected European markets, where the Wound and Skin Care segment is separated from the other business areas. In this way, the segmentation reflects the structure of reporting to Executive Management. The sale of wound and skin care products in other markets is included in 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 operating segments Wound and Skin Care, DSU, SU, Global Marketing, Global Research and Development and Staff are non-reporting segments. The Wound and Skin Care, DSU and SU segments are included in the operating segment Sales Regions as they meet the criteria for combination. The Shared/Non-allocated segment includes support functions and eliminations, as these segments do not generate revenue. The segments listed (with the exception of SU) each represent less than 10% of total segment revenue, segment profit/loss and segment assets. The SU operating segment represents more than 10% of total assets, but as the assets are exclusively allocated to the segments in connection with impairment tests and are not reported by segment to management, the segment is not considered a reporting segment.

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

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

Management does not receive reporting on asset and liabilities by the reporting segments Sales Regions and Production Units. Accordingly, the reporting segments are not measured in this respect, nor do we allocate resources 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	9,980	9,355	192	182	0	0	10,172	9,537
Operating profit (EBIT) by segment	627	337	3,673	3,282	(1,719)	(1,624)	2,581	1,995
Financial items	0	0	0	0	(124)	(321)	(124)	(321)

Notes

	Group DKK million 2010/11	2009/10
2. Financial income		
Interest income	27	10
Fair value adjustments on forward contracts transferred from equity	5	0
Exchange rate adjustments	11	6
Other financial income and fees	4	2
Total	**47**	**18**
3. Financial expenses		
Interest expense	115	120
Fair value adjustments, share options	35	83
Fair value adjustments on forward contracts transferred from equity	0	94
Other financial expenses and fees	21	42
Total	**171**	**339**
4. Adjustment for other non-cash operating items		
Net gain/loss on non-current assets	13	57
Change in other provisions	3	(7)
Total	**16**	**50**
5. Changes in working capital		
Inventories	3	61
Trade receivables	(128)	(110)
Other receivables	(98)	(33)
Trade and other payables etc.	(37)	(168)
Total	**(260)**	**(250)**
6. Liquid resources and short term debt		
Cash	1	1
Bank balances	1,317	474
Liquid resources	1,318	475
Short-term debt	(98)	(172)
Total	**1,220**	**303**

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

On 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 Care business area which are sold in the US market, whilst Gyne Ideas Limited owns intellectual property rights also within the Urology Care 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 are included in the consolidated statement of comprehensive income with revenue of DKK 36 million for the period. Pro forma revenue for 2010/11, as if the companies had been acquired on 1 October 2010, amounted to approximately DKK 39 million. From the date of acquisition, the companies were fully integrated in the existing Urology business area in the Coloplast Group, for which reason it is not practically possible to calculate a profit for the profit or a pro forma profit for the entire financial year.

	Fair value as per the date of acquisition DKK million
Intangible assets	117
Inventories	2
Receivables	3
Other current assets	1
Cash and bank balances	1
Credit institutions	(4)
Deferred tax	(20)
Trade payables	(2)
Other payables	(2)
Acquired net assets	**96**
Goodwill	61
Total purchase price for the company	**157**
Acquired cash, cash equivalents and short term debt	3
Cash payment	**160**

In the 2009/10 financial year, Coloplast incurred transaction costs relating to the acquisition of approximately DKK 5 million, recognised in administrative expenses in the statement of comprehensive income. No additional amount was recognised in the 2010/11 financial year.

Coloplast has undertaken to pay an additional contingent consideration of up to USD 5 million (NPV, USD 4 million). The size of the conditional contingent consideration depends on the revenue generated by the acquired businesses for a period of 24 months after the acquisition. It is not considered likely, that the contingent consideration will become payable, and it has therefore not been included in the acquisition price.

After recognition at fair value of identifiable assets and liabilities, goodwill related to the acquisition amounts to DKK 11 million Goodwill expresses the synergies expected to be achieved from the broader geographical coverage of the US market, which will provide access to new markets for Coloplast's existing products. The recognised goodwill is not deductible for tax purposes.

MANAGEMENT'S REPORT - FIVE-YEAR FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK million	**2010/11**	2009/10	2008/09	2007/08	2006/07
Income statement					
Revenue	10,172	9,537	8,820	8,463	8,042
Research and development costs	-415	-409	-389	-415	-319
Operating profit before special items, interest, tax, depreciation and amortisation	3,108	2,584	1,944	1,531	1,590
Operating profit before special items	2,581	2,078	1,475	1,154	1,061
Operating profit (EBIT)	2,581	1,995	1,395	994	749
Net financial income and expenses	-124	-321	-184	-2	-154
Profit before tax	2,456	1,674	1,211	992	595
Coloplast's share of profit for the year	1,819	1,243	883	715	837
Revenue growth					
Annual growth in revenue, %	7	8	4	5	20
Growth break down:					
Organic growth, %	6	7	6	7	10
Currency effect, %	1	1	-2	-4	-2
Acquired operations, %	0	0	0	0	12
Contract manufacturing, %	0	0	0	2	0
Balance sheet					
Total assets	9,218	7,771	7,963	7,981	7,750
Invested capital	6,312	6,340	6,442	7,014	6,874
Net interest-bearing debt	539	1,593	2,297	3,428	3,181
Equity at year-end, Coloplast's share	4,478	3,452	2,850	2,290	2,398
Cash flow and investments					
Cash flow from operating activities	2,205	1,769	1,830	1,324	1,064
Cash flow from investing activities	-387	-293	-402	-671	35
Investment in property, plant and equipment, gross	-230	-260	-487	-718	-745
Free cash flow	1,818	1,476	1,428	653	1,099
Cash flow from financing activities	-894	-1,559	-723	-469	-1,423
Key figures					
Average number of employees, FTEs	7,328	7,207	7,349	7,420	7,063
Operating margin, EBIT, %	25	21	16	12	9
Operating margin, EBITDA, %	31	27	22	18	20
1) Return on average invested capital before tax (ROIC), %	41	31	21	14	10
1) Return on average invested capital after tax (ROIC), %	30	23	15	10	6
Return on equity, %	46	39	34	31	30
Ratio of net debt to EBITDA	0.2	0.6	1.2	2.2	2.0
Interest cover	35	23	14	10	10
Equity ratio, %	49	44	36	29	31
Rate of debt to enterprise value, %	1	5	11	16	12
Net asset value per share, DKK	100	77	63	50	50
Per share data					
Share price	804	654	426	388	497
Share price/net asset value per share	8	9	7	8	10
Average number of outstanding shares, millions	42	43	43	44	46
PE, price/earnings ratio	19	22	21	25	27
PE, price/earnings ratio, excl. discontinued operations	19	22	21	25	61
2) Dividend per share, DKK	14.00	10.00	7.00	6.00	9.00
Pay-out ratio, %	32	34	34	36	47
Earnings per share (EPS)	43	29	21	16	8
Free cash flow per share	43	35	33	15	24

1) The average invested capital for 2006/07 has been restated to reflect the divestment of Breast Care and Brachytherapy.
2) For 2010/11 the figure is the proposed dividend.
The key figures have been calculated and applied in accordance with "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts.

Income statement, quarterly

		Group							
DKK million									
			2009/10			2010/11			
Note		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Revenue	2,296	2,272	2,452	2,517	2,541	2,463	2,597	2,571
	Cost of sales	(942)	(847)	(968)	(936)	(929)	(886)	(926)	(863)
	Gross profit	**1,354**	**1,425**	**1,484**	**1,581**	**1,612**	**1,577**	**1,671**	**1,708**
	Distribution costs	(670)	(677)	(708)	(762)	(760)	(748)	(756)	(724)
	Administrative expenses	(138)	(146)	(152)	(121)	(136)	(149)	(159)	(160)
	Research and development costs	(92)	(108)	(105)	(104)	(112)	(111)	(104)	(88)
	Other operating income	14	9	20	4	10	10	7	25
	Other operating expenses	(14)	(1)	(8)	(7)	(1)	(4)	(8)	(19)
	Operating profit before special items	**454**	**502**	**531**	**591**	**613**	**575**	**651**	**742**
	Special items	0	(51)	(11)	(21)	0	0	0	0
1	**Operating profit (EBIT)**	**454**	**451**	**520**	**570**	**613**	**575**	**651**	**742**
	Profit/loss after tax on investment in associates	0	0	0	0	0	0	0	(1)
2	Financial income	5	5	0	8	13	3	22	9
3	Financial expenses	(81)	(97)	(75)	(86)	(76)	(43)	(18)	(34)
	Profit before tax	**378**	**359**	**445**	**492**	**550**	**535**	**655**	**716**
	Tax on profit for the period	(102)	(97)	(108)	(124)	(143)	(139)	(170)	(185)
	Profit for the period	**276**	**262**	**337**	**368**	**407**	**396**	**485**	**531**
	Earnings per Share (EPS)	6.4	6.1	7.9	8.7	9.6	9.4	11.6	12.7
	Earnings per Share (EPS), diluted	6.4	6.1	7.9	8.6	9.5	9.2	11.4	12.5

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This announcement is available in 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 Care, Continence Care and Wound and Skin Care. We operate globally and employ around 7,500 people.