Announcement no. 1/2015
29 January 2015

Q1 2014/15

Interim financial report, Q1 2014/15

(1 October 2014 - 31 December 2014)

Highlights

- Organic revenue growth was 6%. Revenue in DKK was up by 8% to DKK 3,301m.
- Organic growth rates by business area: Ostomy Care 5%, Continence Care 8%, Urology Care 8% and Wound & Skin Care 4%.
- Gross profit was up by 8% to DKK 2,263m, and the gross margin improved to 69% from 68% in the same period of last year.
- EBIT was up by 6% to DKK 1,076m. The EBIT margin was 33% against 33% in Q1 2013/14. At constant exchange rates, the EBIT margin was also 33%.
- Net profit for the period was up by 2% to DKK 797m. Earnings per share (EPS) improved by 3% to DKK 3.74.
- The free cash flow amounted to DKK 915m, a DKK 533m increase on the same period of last year.
- ROIC after tax was 52%, compared with 47% in Q1 2013/14.

Financial guidance for 2014/15

- We now expect revenue growth of 8-9% against the previous guidance of 9% at constant exchange rates and 12-13% against previously 11% in DKK.
- We continue to expect the EBIT margin to be about 34%, both at constant exchange rates and in DKK.
- Capital expenditure is still expected to be around DKK 650m.
- The effective tax rate is still expected to be around 24%.

Conference call

Coloplast will host a conference call on 29 January 2015 at 15.00 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. Conference call reference no. 947741.

A webcast will be posted on www.coloplast.com shortly after the conclusion of the conference call.

Financial highlights and key ratios

1 October - 31 December

(Unaudited)

	Consolidated		Change
	DKK million		
	2014/15	2013/14	
	Q1	Q1	
Income statement			
Revenue	3,301	3,063	8%
Research and development costs	-110	-94	-17%
Operating profit before interest, tax, depreciation and amortisation (EBITDA)	1,194	1,119	7%
Operating profit (EBIT)	1,076	1,013	6%
Net financial income and expenses	-28	27	<-100%
Profit before tax	1,048	1,040	1%
Net profit for the period	797	780	2%
Revenue growth			
Period growth in revenue, %	8	7	
Growth break down:			
Organic growth, %	6	11	
Currency effect, %	2	-4	
Balance sheet			
Total assets	9,663	8,603	12%
Invested capital	6,437	6,592	-2%
Equity end of period	5,395	6,090	-11%
Cash flow and investments			
Cash flow from operating activities	646	602	7%
Cash flow from investing activities	269	-220	<-100%
Investments in property, plant and equipment, gross	-147	-110	-34%
Free cash flow	915	382	>100%
Cash flow from financing activities	-1,735	-1,453	-19%
Key figures ratios			
Operating margin, EBIT, %	33	33	
Operating margin, EBITDA, %	36	37	
Return on average invested capital before tax (ROIC), % [1)]	62	63	
Return on average invested capital after tax (ROIC), % [1)]	47	47	
Return on equity, %	55	49	
Equity ratio, %	56	71	
Net asset value per share, DKK	25	28	-11%
Per share data			
Share price, DKK	519	359	45%
Share price/net asset value per share	21.2	13.0	63%
Average number of outstanding shares, millions	210.8	210.7	0%
PE, price/earnings ratio	34.3	24.5	40%
Earnings per share (EPS), diluted	3.74	3.63	3%
Free cash flow per share	4.3	1.8	>100%

1) This item is before Special items. After Special items, ROIC before tax w as 69%, and ROIC after tax w as 52% in 2014/15.

Management's report

Sales performance

Revenue in DKK was up by 8% to DKK 3,301m on 6% organic growth. Currency appreciation, especially of USD and GBP against DKK, increased the growth rate by 2 percentage points.

Sales performance by business area

	DKK million		Growth composition		
	2014/15	2013/14	Organic growth	Exchange rates	Reported growth
Ostomy Care	1,344	1,273	5%	1%	6%
Continence Care	1,192	1,085	8%	2%	10%
Urology Care	327	295	8%	3%	11%
Wound & Skin Care	438	410	4%	3%	7%
Net revenue	**3,301**	**3,063**	**6%**	**2%**	**8%**

Ostomy Care

Sales of ostomy care products amounted to DKK 1,344m, equal to an increase in DKK of 6%. Organic growth, at 5%, remained driven mainly by the portfolio of SenSura® products and the Brava® accessory range. We achieved satisfactory growth rates in Germany, China and Argentina, whereas the USA, the Netherlands, Russia and Brazil were all negative contributors in the first quarter. The UK reported flat growth due to developments in Charter Healthcare, as changes to prescription processing have produced a number of challenges. The US market reported negative growth due to a major distributor changing its buying patterns, but we expect to make up for the Q1 sales shortfall in the second quarter. A reduction in tender activity due to political conditions impacted operations in Russia and Brazil.
SenSura® ostomy care products contributed to the satisfactory growth performance, especially in Germany, France and Italy, whereas the US market had a negative impact due to the buying patterns of a major distributor as mentioned previously.
The new product portfolio SenSura® Mio helped drive growth. The product portfolio was launched in Sweden and Poland in the first quarter and is now available in 14 countries. SenSura® was launched in China in the first quarter.
The satisfactory performance of the Assura® portfolio continued, with growth driven mainly by the Chinese, Argentinian and Spanish markets.
The Brava® range of accessories continued to contribute to growth, both in Europe and the USA, but the Q1 year-on-year growth rate was held back by last year's high growth rate and by reduced campaign activity by a large number of US distributors.

Continence Care

Continence Care revenue was DKK 1,192m, a 10% improvement in DKK and 8% organically. Growth continues to be driven by SpeediCath® intermittent catheters, especially by compact catheter sales in France and Germany. A large tender win in Saudi Arabia was also a positive growth contributor. On the other hand, the political situation in Russia has reduced the number of tenders and depressed prices in that market, and the UK made a negative contribution to growth, which was mainly due to Charter Healthcare. In addition, the Netherlands reported a low growth rate resulting from an anticipated change in reimbursement rates.
The negative growth in standard catheter sales continued as last year's comparator was boosted by a large tender win in Algeria.
The sales performance for urine bags and urisheaths was not satisfactory, despite an im-

proved momentum in France and China. The negative performance was mainly due to weaker Q1 sales in the Netherlands and the UK.
Sales of the Peristeen® anal irrigation system continued to grow at a fair rate, especially in France, Germany and Italy, contributing to growth in the Continence Care business.
SpeediCath® Compact Eve is now available in ten countries, with feedback on the product remaining highly satisfactory. SpeediCath® Compact Set has also generated satisfactory growth since its December 2012 launch.

Urology Care

Sales of urology care products rose by 11% to DKK 327m, while the organic growth rate was 8%. Titan® penile implants continued to be the main sales driver in the implants market. We continue to win market share in the USA, with the European markets also contributing to sales growth.
Transvaginal surgical mesh products for the treatment of stress urinary incontinence and pelvic organ prolapse returned a flat growth rate for the quarter, the main reason being slumping sales of Aris®, an older sling product.
Sales of disposable surgical products contributed to Q1 growth performance, especially sales of endourological products in France and Germany.

Wound & Skin Care

Sales of wound and skin care products amounted to DKK 438m, equal to a 7% increase in DKK and 4% organic growth. The Wound Care business alone generated 9% organic growth.
Growth was mainly driven by sales of Biatain® foam dressings, especially by Biatain® Silicone in Europe. Elsewhere, the performance was driven by a large tender win in Saudi Arabia and decent growth in the Chinese market. Brazil reported negative growth for the quarter due to a drop in tender activity in that market. Lastly, France reported a negative performance due to reduced reimbursement rates taking effect on 1 October 2014.
The Biatain® Silicone launch continued to produce highly satisfactory results. We have significantly increased production capacity for the product, which is now available in 12 markets.

The inventory build-up by a major distributor last year triggered by price changes taking effect on 1 January 2014 produced a challenge this year to organic growth in the US skin care business.
Contract production of Compeed® was a negative contributor to Q1 growth.

Sales performance by region

	DKK million		Growth composition		
	2014/15	2013/14	Organic growth	Exchange rates	Reported growth
European markets	2,142	2,031	4%	1%	5%
Other developed markets	664	625	1%	5%	6%
Emerging markets	495	407	23%	-1%	22%
Net revenue	**3,301**	**3,063**	**6%**	**2%**	**8%**

European markets

Revenue was up by 5% to DKK 2,142m on 4% organic growth. France, Germany and southern Europe all reported highly satisfactory organic growth rates, whereas the UK and the Netherlands were negative contributors. Changes to reimbursement prices in the Netherlands have been anticipated for some time and we expect the Dutch market to remain very volatile in the 2014/15 financial year. As already mentioned, the UK market has been challenged by developments in Charter Healthcare. These challenges are expected to be solved in the course of 2015. Lastly, growth in contract production also had a negative impact on the European market.

Other developed markets

Revenue was DKK 664m, which translates into reported growth of 6%, while the underlying organic growth was 1%. The US market returned negative organic growth, mainly as a result of a major US distributor's buying patterns in the ostomy care and continence care businesses. This factor was partially offset by growth in the US urology care business driven by sales of Titan® penile implants and the performance of the wound care business, as especially the new Biatain® Silicone product was well received. Both Canada and Australia were contributors to growth. In the Canadian business, inventory build-ups by distributors contributed to growth in ostomy care and continence care. Lastly, the growth performance in the Japanese market faced the extra challenge of Q1 2013/14 inventory build-ups, which were triggered by announced price increases.

Emerging markets

Revenue increased by 22% to DKK 495m, while organic growth was 23%. The performance of the quarter was driven especially by satisfactory growth in Saudi Arabia, China and Argentina, whereas Russia and Brazil were negative contributors. In addition, we had good momentum in South Korea and Turkey and began shipping under a large tender win in Mexico. Various political factors caused a substantial drop in tender activities in both Russia and Brazil. In Saudi Arabia, the growth performance was boosted by a major tender win in Continence Care, Wound Care and Urology Care, whereas developments in Argentina were due to inventory build-up on a tender won in Q4 2013/14.

Gross profit

Gross profit was up by 8% to DKK 2,263m from DKK 2,093m in Q1 2013/14. The gross margin was 69%, against 68% in Q1 2013/14. The performance was supported by the ongoing focus on costs and the product mix of well-established products, but adversely affected by the launch of new products due to their high initial costs. We also incurred costs in connection with expanding the factory in Nyírbátor, Hungary.

Capacity costs

Distribution costs were DKK 945m against DKK 866m in Q1 2013/14. As a result, distribution costs amounted to 29% of revenue, which was one percentage point higher than in both Q1 and FY 2013/14. Included in Q1 costs were ongoing investment in sales and marketing initiatives in China, the Emerging Markets region and the UK.

Administrative expenses were DKK 136m against DKK 122m in the first quarter of last year. Administrative expenses accounted for 4% of revenue, which was in line with Q1 and FY 2013/14.

R&D costs were DKK 110m and accounted for 3% of revenue, which was in line with FY 2013/14.

Other operating income and other operating expenses amounted to a net income of DKK 4m in the first quarter, against a net income of DKK 2m in Q1 2013/14.

Operating profit (EBIT)

EBIT was DKK 1,076m, a 6% improvement from DKK 1,013m in Q1 2013/14. The EBIT margin was 33% both at constant exchange rates and in DKK, which was in line with Q1 2013/14.

Financial items and tax

Financial items amounted to a net expense of DKK 28m, against a net income of DKK 27m in the same period of last year, the difference being mainly due to a realised net loss on forward exchange contracts this year and a small net gain in the year-earlier period.

The tax rate was 24%, compared with 25% last year, the difference being due to changes in the Danish corporate tax rate. The Q1 tax expense was DKK 251m as against DKK 260m in the year-earlier period.

Net profit for the period

Net profit for the period was DKK 797m, representing a year-on-year increase of 2%. Earnings per share (EPS) improved by 3% to DKK 3.74.

Cash flows and investments

Cash flows from operating activities

Cash flows from operating activities amounted to DKK 646m, against DKK 602m last year. The improvement was mainly due to a voluntary on-account tax payment in the second quarter last year, which reduced the tax payment in the reporting quarter. Also, the working capital has been reduced due to changes in provisions made resulting from the timing of the lawsuits in the United States alleging injury resulting from use of transvaginal surgical mesh products and receipt of the outstanding insurance cover of DKK 150m.

Investments

Coloplast made net investments of DKK 150m in Q1 2014/15 compared with DKK 112m in Q1 2013/14. The increase was due to investment in machinery to be used for new products, the added capacity for existing products and the expansion of the factory in Nyírbátor, where production is scheduled to start in April 2015. Gross investments in property, plant and equipment (CAPEX) and intangible assets increased by 34% over Q1 2013/14 to DKK 147m, which is equal to 4.5% of revenue.
The sale of securities increased the cash flows from investing activities by DKK 527m.

Free cash flow

The free cash flow was DKK 915m against DKK 382m in the same period of last year.

Capital reserves

Interest-bearing net deposits at 31 December 2014 amounted to DKK 261m, against DKK 794m in the same quarter of last year.

Balance sheet and equity

Balance sheet

At DKK 9,663m, total assets were DKK 716m lower than at 30 September 2014.

Intangible assets amounted to DKK 1,504m, which was DKK 23m more than at 30 September 2014. The increase was attributable to goodwill and the appreciation of USD against DKK in the quarter.

A DKK 54m increase in amounts invested in property, plant and equipment contributed to an DKK 80m increase in non-current assets.

Relative to 30 September 2014, inventories were up by 5% to DKK 1,384m, and trade receivables were up by 3% to DKK 2,285m. Trade payables amounted to DKK 396m, marking a 30% drop from 30 September 2014.

Working capital amounted to 25% of revenue, 2 percentage points more than at 30 September 2014, as inventories grew due to product launches.

The amounts held in escrow in connection with the lawsuits in the United States alleging injury resulting from use of transvaginal surgical mesh products were increased by DKK 138m relative to 30 September 2014 to stand at DKK 556m.

Relative to the beginning of the financial year, security holdings were DKK 419m lower and cash and cash equivalents were 543m lower due to dividends and taxes paid.

As a result, current assets fell by a total of DKK 796m relative to 30 September 2014 to stand at DKK 5,251m. The decline was mainly due to dividends paid.

Equity
Equity fell by DKK 888m relative to 30 September 2014 to DKK 5,395m. The comprehensive income for the period of DKK 841m was more than offset by dividend payments of DKK 1,581m. The net effect of share-based payment and the sale of employee shares reduced equity by DKK 148m.

Share buy-backs
The Board of Directors resolved in the second quarter 2013/14 to establish a share buy-back programme totalling up to DKK 1bn and running until the end of the 2014/15 financial year. The second half of the programme, for DKK 500m, is expected to commence in the second quarter and to be completed by the end of the current financial year.

Treasury shares
At 31 December 2014, Coloplast’s holding of treasury shares consisted of 9,042,063 B shares, which was 408,900 fewer than at 30 September 2014. The reduction in the holding of treasury shares was due to options being exercised.

Financial guidance for 2014/15

- We now expect revenue growth of 8-9% against the previous guidance of 9% at constant exchange rates and 12-13% against previously 11% in DKK.
- We continue to expect the EBIT margin to be about 34%, both at constant exchange rates and in DKK.
- Capital expenditure is still expected to be around DKK 650m.
- The effective tax rate is still expected to be around 24%.

The revised sales guidance is mainly a reflection of the challenges we face in the UK homecare business, Charter Healthcare. Also affecting the guidance is the fact that political uncertainty in countries like Russia will continue to impact sales growth for the rest of the 2014/15 financial year.

The EBIT margin guidance assumes that Coloplast, in addition to achieving the growth target, will continue to deliver scale economies and efficiency improvements.

The capital investments will create higher production capacity, especially for SenSura® Mio, SpeediCath® Compact Eve and Biatain® Silicone.

The provision made to cover costs relating to transvaginal surgical mesh products remains subject to a high degree of estimation.

Price pressures in 2014/15 are expected to be in line with those of 2013/14, for an annual price pressure of almost 1%, and our financial guidance takes account of reforms with known effects.

Coloplast's long-term financial guidance, as announced at the Capital Markets Day on 4 June 2014, remains to generate 7-10% sales growth per year and to improve the EBIT margin by 0.5-1.0 percentage point per year.

The overall weighted market growth in Coloplast’s current markets is about 5%, an increase of 50 basis points relative to 2013/14.

Other matters

Wellcome Support Center divested

Coloplast divested its Japanese homecare activities, which generated revenue of about DKK 85m and moderate earnings in the 2013/14 financial year. The divestment will not affect the financial guidance for the 2014/15 financial year.

Meet the Management event in London on 7 May 2015

Coloplast will be hosting a capital markets event in London on 7 May 2015. The event is expected to commence around 12.00 noon. The purpose of the event is to give institutional investors and equity analysts an opportunity to meet the new Executive Management and to learn about the latest developments in Coloplast.

Exchange rate exposure

Our financial guidance for the 2014/15 financial year has been prepared on the basis of the following assumptions for the company's principal currencies:

DKK	GBP	USD	HUF	EUR
Average exchange rate 2013/14*	911	550	2.44	746
Spot rate, 28 January 2015	995	656	2.40	744
Estimated average exchange rate 2014/2015	982	641	2.40	744
Change in estimated average exchange rates compared with last year**	8%	17%	-2%	0%

*) Average exchange rates from 1 October 2013 to 30 September 2014.

**) Estimated average exchange rate is calculated as the average exchange rate for the first quarter combined with the spot rates at 28 January 2015.

Revenue is particularly exposed to developments in USD and GBP relative to DKK. Fluctuations in HUF against DKK have an effect on 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 2013/14)	Revenue	EBIT
USD	-200	-70
GBP	-230	-155
HUF	0	40

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 interim report of Coloplast A/S for the period 1 October 2014 – 31 December 2014. The interim report, which has been neither unaudited nor reviewed by the company's auditors, is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets, equity, liabilities and financial position at 31 December 2014 and of the results of the Group's operations and cash flows for the period 1 October 2014 – 31 December 2014.

Also, in our opinion, the management's report includes a fair account of the development and performance of the Group, the results for the period and of the financial position of the Group. Besides what has been disclosed in the interim report, no changes have occurred to the significant risks and uncertainty factors compared with those disclosed in the annual report for 2013/14.

Humlebæk, 29 January 2015

Executive Management:

Lars Rasmussen President, CEO	Anders Lonning-Skovgaard Executive Vice President, CFO
Kristian Villumsen Executive Vice President, Chronic Care	Allan Rasmussen Executive Vice President, Global Operations

Board of Directors:

Michael Pram Rasmussen Chairman	Niels Peter Louis-Hansen Deputy Chairman	Per Magid
Brian Petersen	Jørgen Tang-Jensen	Sven Håkan Björklund
Thomas Barfod Elected by the employees	Martin Giørtz Müller Elected by the employees	Torben Rasmussen Elected by the employees

Tables

Quarterly financial figures are unaudited

Statement of comprehensive income

1 October - 31 December

(Unaudited)

Note		Consolidated		Index
		DKK million		
		2014/15	2013/14	
Note		Q1	Q1	
1	Revenue	3,301	3,063	108
	Cost of sales	-1,038	-970	107
	Gross profit	**2,263**	**2,093**	**108**
	Distribution costs	-945	-866	109
	Administrative expenses	-136	-122	111
	Research and development costs	-110	-94	117
	Other operating income	9	9	100
	Other operating expenses	-5	-7	71
1	**Operating profit (EBIT)**	**1,076**	**1,013**	**106**
2	Financial income	4	53	8
3	Financial expenses	-32	-26	123
	Profit before tax	**1,048**	**1,040**	**101**
	Tax on profit for the period	-251	-260	97
	Net profit for the period	**797**	**780**	**102**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss:			
	Remeasurements on defined benefit plans	-20	-8	
	Tax on remeasurements on defined benefit plans	4	2	
		-16	-6	
	Items that may be reclassified to profit or loss:			
	Value adjustment of currency hedging	-3	49	
	Of which transferred to financial items	21	-44	
	Tax effect of hedging	-4	-1	
	Currency adjustment, assets in foreign currency	44	-18	
	Currency adjustment of opening balances and other adjustments relating to subsidiaries	2	7	
		60	**-7**	
	Total other comprehensive income	**44**	**-13**	
	Total comprehensive income	**841**	**767**	
	Earnings per Share (EPS)	3.78	3.70	
	Earnings per Share (EPS), diluted	3.74	3.63	

Balance sheet

At 31 December

Note		Consolidated DKK million		
		31.12.14	31.12.13	30.09.14
	Assets			
	Acquired patents and trademarks etc.	622	654	624
	Goodwill	799	723	772
	Software	58	75	66
	Prepayments and intangible assets in progress	25	13	19
	Intangible assets	**1,504**	**1,465**	**1,481**
	Land and buildings	926	953	927
	Plant and machinery	877	757	868
	Other fixtures and fittings, tools and equipment	227	121	196
	Prepayments and property, plant and equipment under construction	486	486	471
	Property, plant and equipment	**2,516**	**2,317**	**2,462**
	Investment in associates	13	14	13
	Deferred tax asset	364	366	360
	Other receivables	15	15	16
	Other non-current assets	**392**	**395**	**389**
	Non-current assets	**4,412**	**4,177**	**4,332**
	Inventories	**1,384**	**1,082**	**1,322**
	Trade receivables	2,285	1,994	2,210
	Income tax	64	38	40
	Other receivables	180	275	344
	Prepayments	154	100	123
	Receivables	**2,683**	**2,407**	**2,717**
	Restricted cash	**556**	**0**	**418**
	Marketable securities	**200**	**475**	**619**
	Cash and cash equivalents	**428**	**462**	**971**
	Current assets	**5,251**	**4,426**	**6,047**
	Assets	**9,663**	**8,603**	**10,379**

Balance sheet

At 31 December

Note		Consolidated DKK million		
		31.12.14	31.12.13	30.09.14
	Equity and liabilities			
	Share capital	220	220	220
	Reserve for exchange rate adjustments	-130	-82	-132
	Reserve for currency hedging	-75	39	-89
	Proposed dividend for the period	0	0	1,579
	Retained earnings	5,380	5,913	4,705
	Total equity	**5,395**	**6,090**	**6,283**
	Provisions for pensions and similar liabilities	202	191	181
	Provision for deferred tax	71	296	71
7	Other provisions	161	8	297
	Other payables	2	2	1
	Deferred income	17	36	17
	Non-current liabilities	**453**	**533**	**567**
	Provisions for pensions and similar liabilities	28	14	29
7	Other provisions	466	9	680
	Other credit institutions	367	129	92
	Trade payables	396	367	566
	Income tax	330	324	521
	Other payables	2,200	1,118	1,619
	Deferred income	28	19	22
	Current liabilities	**3,815**	**1,980**	**3,529**
	Current and non-current liabilities	**4,268**	**2,513**	**4,096**
	Equity and liabilities	**9,663**	**8,603**	**10,379**

8 Contingent liabilities

Statement of changes in equity

Consolidated DKK million	Share capital A shares	 B shares	Reserve for exchange rate adjustments	Reserve for currency hedging	Proposed dividend	Retained earnings	Total equity
2014/15							
Balance at 1.10.	18	202	-132	-89	1,579	4,705	6,283
Comprehensive income:							
Net profit for the period						797	797
Other comprehensive income that will not be reclassified to profit or loss:							
Remeasurements on defined benefit plans						-20	-20
Tax on remeasurements on defined benefit plans						4	4
Other comprehensive income that may be reclassified to profit or loss:							
Value adjustment of currency hedging				-3			-3
Of which transferred to financial items				21			21
Tax effect of hedging				-4			-4
Currency adjustment, assets in foreign currency						44	44
Currency adjustment of opening balances and other adjustments relating to subsidiaries			2				2
Total other comprehensive income	0	0	2	14	0	28	44
Total comprehensive income	*0*	*0*	*2*	*14*	*0*	*825*	*841*
Transactions with shareholders:							
Transfers					2	-2	0
Sale of treasury shares and loss on exercised options						-154	-154
Share-based payment						6	6
Dividend paid out in respect of 2013/14					-1,581		-1,581
Total transactions with shareholders	*0*	*0*	*0*	*0*	*-1,579*	*-150*	*-1,729*
Balance at 31.12	**18**	**202**	**-130**	**-75**	**0**	**5,380**	**5,395**

Coloplast

Statement of changes in equity

Consolidated DKK million	Share capital A shares	Share capital B shares	Reserve for exchange rate adjustments	Reserve for currency hedging	Proposed dividend	Retained earnings	Total equity
2013/14							
Balance at 1.10.	18	202	-89	35	1,473	5,130	6,769
Comprehensive income:							
Net profit for the period						780	780
Other comprehensive income that will not be reclassified to profit or loss:							
Remeasurements on defined benefit plans						-8	-8
Tax on remeasurements on defined benefit plans						2	2
Other comprehensive income that may be reclassified to profit or loss:							
Value adjustment of currency hedging				49			49
Of which transferred to financial items				-44			-44
Tax effect of hedging				-1			-1
Currency adjustment, assets in foreign currency						-18	-18
Currency adjustment of opening balances and other adjustments relating to subsidiaries			7				7
Total other comprehensive income	*0*	*0*	*7*	*4*	*0*	*-24*	*-13*
Total comprehensive income	*0*	*0*	*7*	*4*	*0*	*756*	*767*
Transactions with shareholders:							
Transfers					3	-3	0
Sale of treasury shares and loss on exercised options						23	23
Share-based payment						7	7
Dividend paid out in respect of 2012/13					-1,476		-1,476
Total transactions with shareholders	*0*	*0*	*0*	*0*	*-1,473*	*27*	*-1,446*
Balance at 31.12	**18**	**202**	**-82**	**39**	**0**	**5,913**	**6,090**

Cash flow statement

1 October - 31 December

Note		Consolidated DKK million 2014/15 3 mths	2013/14 3 mths
	Operating profit	1,076	1,013
	Depreciation and amortisation	118	106
4	Adjustment for other non-cash operating items	-348	7
5	Changes in working capital	276	88
	Ingoing interest payments, etc.	4	77
	Outgoing interest payments, etc.	-9	-6
	Income tax paid	-471	-683
	Cash flows from operating activities	**646**	**602**
	Investments in intangible assets	-6	-4
	Investments in land and buildings	-5	0
	Investments in plant and machinery	-6	-3
	Investments in property, plant and equipment under construction	-136	-107
	Property, plant and equipment sold	3	2
	Investment in associate	0	0
	Net sales/purchase of marketable securities	419	-108
	Cash flow from investing activities	**269**	**-220**
	Free cash flow	**915**	**382**
	Dividend to shareholders	-1,581	-1,476
	Net investment in treasury shares and exercise of share options	-154	23
	Financing from shareholders	**-1,735**	**-1,453**
	Financing through long-term borrowing, instalments	0	0
	Cash flows from financing activities	**-1,735**	**-1,453**
	Net cash flows for the period	**-820**	**-1,071**
	Cash and short-term debt at 1.10.	879	1,393
	Value adjustment of cash and bank balances	2	11
	Net cash flows for the period	-820	-1,071
6	**Cash and short-term debt at 31.12**	**61**	**333**

The cash flow statement cannot be derived using only the published financial data.

Notes

1. Segment information

Consolidated, 2014/15

Operating segments
The operating segments are defined on the basis of the monthly reporting to the Executive Management, which is considered the senior operational management. Reporting to Management is based on two global operating segments, Sales Regions and Production Units, as well as three smaller operating segments: Wound and Skin Care, Porgès 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 segment Wound and Skin Care exclusively covers the sale of wound and skin care products in selected European markets and Brazil, where the Wound and Skin Care segment is separate from the other business areas. The sale of wound and skin care products in other markets is included in the Wound and Skin Care business area of the Sales Regions operating segment. Porgès covers the sale of disposable urology products, while SU covers the sale of urology products. The segmentation reflects the structure of reporting to the Executive Management.

The Wound and Skin Care, Porgès and SU operating segments are included in the reporting segment Sales Regions as they meet the criteria for combination. Accordingly, the operating segments Wound and Skin Care, Porgès and SU are non-reporting segments.

The shared/non-allocated segment comprises support functions (Global marketing, Global R&D and Staff) and eliminations, as these segments do not generate revenue. The operating 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. Financial items and income tax are not allocated to the operating segments.

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 immaterial 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.

	Sales regions		Production units		Shared/ Non-allocated		Total	
DKK million	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
External revenue	3,301	3,063	0	0	0	0	3,301	3,063
Segment operating profit/loss (EBIT)	180	83	1,248	1,202	-352	-272	1,076	1,013
Net financials	0	0	0	0	-28	27	-28	27

Notes

	Consolidated DKK million	
	2014/15	2013/14
2. Financial income		
Interest income	4	9
Fair value adjustments of forward contracts transferred from Other comprehensive income	0	44
Total	**4**	**53**
3. Financial expenses		
Interest expense	1	1
Fair value adjustments of cash-based share options	1	8
Fair value adjustments on forward contracts transferred from equity	21	0
Net exchange adjustments	1	12
Other financial expenses and fees	8	5
Total	**32**	**26**
4. Adjustment for other non-cash operating items		
Net gain/loss on divestment of non-current assets	0	6
Change in other provisions	-348	1
Total	**-348**	**7**
5. Changes in working capital		
Inventories	-67	-38
Trade receivables	-74	-44
Other receivables	13	23
Trade and other payables etc.	404	147
Total	**276**	**88**
6. Cash and short-term debt		
Cash	1	1
Bank balances	427	461
Cash and bank balances	**428**	**462**
Short-term debt	-367	-129
Total	**61**	**333**

Notes

7. Other provisions

Product liability case regarding transvaginal mesh

Since 2011, Coloplast has been named as a defendant in individual lawsuits in various federal and state courts around the United States, alleging injury resulting from use of transvaginal surgical mesh products designed to treat pelvic organ prolapse and stress urinary incontinence.

A multidistrict litigation (MDL) was formed in August 2012 to consolidate federal court cases in which Coloplast is the first named defendant in the Southern District of West Virginia as part of MDL No. 2387. The cases are consolidated for purposes of pre-trial discovery and motion practice. MDLs against other major transvaginal mesh manufacturers are being heard at the same venue. A date has not yet been set for the hearing of cases against Coloplast. As an alternative to litigation, Coloplast has entered into tolling agreements. The parties to a tolling agreement agree all defences are preserved while the parties exchange medical histories and other relevant information for the purpose of evaluating and potentially resolving or eliminating a claim out of court. Under a tolling agreement the limitation period is suspended. Coloplast cannot predict the timing or outcome of any such litigation or of cases covered by tolling agreements. Nor can Coloplast predict whether any additional litigation will be brought against the company.

Litigation involving the use of transvaginal surgical mesh products against a few of Coloplast's competitors has been decided or settled at the present time. Coloplast monitors such litigation in order to determine how it might influence litigation that Coloplast is involved in.

Coloplast intends to dispute the current and any future litigation, but will continually consider other options that may better serve the company's best interests. As a result, Coloplast has reached settlements with groups of law firms.

An expense of DKK 1,500m has been recognised in the Q2 2013/14 financial statements to cover potential claims and settlements and other costs arising in connection with legal assistance. The full product liability insurance of DKK 500m has been set off against this amount, and the net expense of DKK 1,000m has been recognised under special items in the income statement.

The expense of DKK 1,500m is based on a number of estimates and assumptions and is therefore subject to substantial uncertainty. As a result, there can be no assurance that the amount will not change over time. Current and future litigation is expected to involve around 7,000 legal claims against the company.

8. Contingent liabilities

Other than as set out in Note 7 Other provisions, the Coloplast Group is a party to a few minor legal proceedings, which are not expected to influence the Group's future earnings.

In February 2014 the Department of Justice in the United States initiated an investigation of Durable Medical Equipment producers among these Coloplast, focusing on marketing and promotion activities related to the ostomy and continence business. Coloplast is cooperating with the Department of Justice in this investigation by providing documents and participating in interviews. Coloplast does not expect the investigation to result in any claims that may have a material impact on Coloplasts financial position, operating profit or cash flow.

Income statement, quarterly

(Unaudited)

	Consolidated				
DKK million					
	2013/14				2014/15
	Q1	Q2	Q3	Q4	Q1
Revenue	3.063	3.017	3.134	3.214	3.301
Cost of sales	-970	-948	-992	-980	-1.038
Gross profit	**2.093**	**2.069**	**2.142**	**2.234**	**2.263**
Distribution costs	-866	-880	-876	-897	-945
Administrative expenses	-122	-118	-126	-132	-136
Research and development costs	-94	-91	-96	-109	-110
Other operating income	9	12	9	13	9
Other operating expenses	-7	-8	-3	-9	-5
Operating profit before special items	**1.013**	**984**	**1.050**	**1.100**	**1.076**
Special items	0	-1.000	0	0	0
Operating profit (EBIT)	**1.013**	**-16**	**1.050**	**1.100**	**1.076**
Profit/loss after tax on investment in associates	0	0	0	-2	0
Financial income	53	23	13	0	4
Financial expenses	-26	-25	-6	14	-32
Profit before tax	**1.040**	**-18**	**1.057**	**1.112**	**1.048**
Tax on profit for the period	-260	-1	-269	-271	-251
Net profit for the period	**780**	**-19**	**788**	**841**	**797**
Earnings per Share (EPS) before special items	3,70	3,48	3,74	3,99	3,78
Earnings per Share (EPS)	3,70	-0,09	3,74	3,99	3,78
Earnings per Share (EPS) before special items, diluted	3,63	3,44	3,69	3,94	3,74
Earnings per Share (EPS), diluted	3,63	-0,09	3,69	3,94	3,74

For further information, please contact

Investors and analysts

Anders Lonning-Skovgaard
Executive Vice President, CFO
Tel. +45 4911 1111

Ian Christensen
Vice President, Investor Relations
Tel. +45 4911 1800 / +45 4911 1301
E-mail dkisec@coloplast.com

Ellen Bjurgert
Investor Relations Manager
Tel. +45 4911 1800 / +45 4911 3376
E-mail dkebj@coloplast.com

Press and the media

Simon Mehl Augustesen
Media Relations Manager
Tel. +45 4911 3488
E-mail dksia@coloplast.com

Website

www.coloplast.com

Address

Coloplast A/S
Holtedam 1
3050 Humlebæk
Danmark

CVR NR. 69749917

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

Coloplast develops products and services that make life easier for people with very personal and private medical conditions. Working closely with the people who use our products, we create solutions that are sensitive to their special needs. We call this intimate healthcare.

Our business includes Ostomy Care, Urology Care, Continence Care and Wound and Skin Care. We operate globally and employ more than 9,000 people.