

Announcement No. 19/2008
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Coloplast eliminates 300 positions

Effective today, Coloplast eliminates 300 positions, equal to 275 full-time equivalents. The positions involved are mainly within the global production unit, Global Operations (GO), but other parts of the organization will also be affected. The eliminations will happen through staff reductions and by not filling vacant positions. Simultaneously, a number of organizational simplifications will be implemented.

At the beginning of August 2008, work commenced to analyse why the financial improvements identified when GO was established in 2006, had not materialized. This work has now been completed. Following the appointment of a new executive management as of 1 October 2008, work has been carried out to simplify internal business procedures and reporting lines. The effects of these initiatives are included in the overall staff reduction.

Total restructuring costs are estimated at approximately DKK 180 million, most of which is expected to be recognized in the 2007/08 financial year and the remainder in 2008/09.

Our financial guidance for 2007/08 has consequently been revised to include the restructuring costs and we now estimate an EBIT-margin of about 13% in fixed exchange rates and about 12% in DKK. This is a reduction of two percentage points compared with the previous guidance. The estimated full-year organic revenue growth is unchanged at about 7%.

The organizational changes announced will contribute significantly to realizing annual savings of DKK 150 million from the relocation of production from Denmark to Hungary and China and savings of approximately DKK 50 million from the streamlining of GO. We expect to fully realize the improvements by the end of the 2010/11 financial year. The changes announced will produce substantial operational savings of approximately DKK 150 million in 2008/09. When fully implemented improvements will amount to approximately DKK 180 million annually.

For further information, please contact

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In the event of discrepancies, the Danish version shall prevail.

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