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PRESS RELEASE

Ypsomed expands further and examines initial public offering

Burgdorf-based medical technology supplier Ypsomed, the leading independent developer and manufacturer of custom-made injection pens for pharmaceutical and biotech companies, and one of the leading suppliers of pen needles, is currently assessing a range of options to finance its rapid growth. The possibility of a listing on the Swiss Stock Exchange (SWX) is also being examined.

Burgdorf, 13 August 2004, 8.00 a.m. – Medical technology supplier Ypsomed was formerly one of the two pillars of the well-known Disetronic Group until the latter's Infusion Systems business was sold to Roche Holding in April 2003. The Disetronic Group's Injection Systems Division was simultaneously transformed into an independent business operating under the name Ypsomed. The Ypsomed Group is now the leading independent developer and manufacturer of custom-made injection pens for diabetes, growth hormone and infertility therapies, plus a range of other indications. Customers include prestigious pharmaceutical and biotech companies such as Aventis, Genentech, Lilly, Pfizer, Roche and Serono, most of whom have been partners for many years. The company also produces compatible pen needles with a unique click-on function for injection pens.

Ypsomed is undergoing strong growth and in the 2003/2004 business year alone increased its revenues by around 50% to some CHF 200 million. Over the same period, profit went up at a faster rate than revenue growth. The Ypsomed Group currently has a total workforce of over 800, including 700 people in Switzerland at its sites in Burgdorf, Solothurn and Grenchen. Ypsomed has created over 340 new jobs in the past three years.

Willy Michel, sole proprietor of Ypsomed comments: "In order to finance our ongoing very high growth rate it will be necessary to make further comprehensive investments over the next few years in our production plants in Switzerland and to further invest in our products and technologies. We are therefore currently investigating various financing options, including an initial public offering with a listing on the Swiss Stock Exchange (SWX). In doing this, we would like to meet Ypsomed's financing requirements using shareholder equity wherever possible."

Further information is available from Daniel Kusio, Head of Public Relations at Ypsomed AG, Tel. +41 34 424 41 43 or +41 34 424 41 11

You will find this press release and other documents in electronic form at www.ypsomed.com.

About Ypsomed

Operating in the field of medical technology, Ypsomed is the leading independent manufacturer of injection pens for pharmaceutical and biotech companies, as well as one of the leading suppliers of pen needles. Currently enjoying dynamic growth, Ypsomed can draw on over 15 years' experience and is well-known for the consistent high quality, safety and reliability of its products, as well as its proven expertise in the area of diabetes. Thanks to a broad-based technology platform and some 100 patents, Ypsomed is widely regarded as the technology and innovation leader in this industry.

Ypsomed's core business consists of developing and marketing products and services allowing patients to administer their own medication in a safe, simple way. Our custom-made injection pens range from simple disposable pens and pens with variable dosing and an electronic display through to highly complex injectors with multifunctional electronics. We are constantly expanding our core technology in the pen sector, e.g. with auto-injectors or motor-driven pens. Ypsomed also manufactures compatible pen needles with a unique click-on function for both its own and all other widely available pens. As a distributor of pen needles in the major European markets, Ypsomed is in direct contact with patients, doctors and diabetes consultants.

Information on market and industry trends

Innovative devices and systems enabling patients to inject drugs themselves (Medical Selfcare Solutions) are increasingly popular because they make a big contribution to ensuring therapeutic success whilst at the same time improving the patient's quality of life. Injection pens are simple to use, less painful and psychologically better accepted than traditional syringes. Straightforward, user-friendly appliances facilitate correct handling by patients, which in turn results in higher treatment success rates. Injection systems therefore represent a key success factor for pharmaceutical and biotech companies. In an increasingly competitive environment, they also provide companies with an important marketing instrument for differentiating their own drugs from those of their competitors.

Injection therapies are continually being extended to new areas. Diabetes is currently the main application, but other existing uses or likely candidates for injection treatments with devices include anaemia, hepatitis, hormone therapies, infertility, osteoporosis, psoriasis, rheumatoid arthritis, thrombosis and growth disorders. An ageing population also means additional growth in the total market. Moreover, pharmaceutical and biotech companies have numerous substances in their pipelines which will provide promising new treatments (some of which will have unique new modes of action) for serious illnesses, thereby significantly improving the quality of life enjoyed by those concerned. Many of these new drugs are manufactured using biotechnological methods and have to be injected because of their large chemical structure, and demand for custom made injection systems is set to grow.

Information about diabetes

Diabetes Mellitus – more commonly known simply as diabetes – is a chronic disorder of the metabolism which occurs in two forms (type 1 and type 2). Diabetes is treated with various insulins. Ypsomed concentrates on type 2 diabetes, the form that affects around 90% of all diabetes patients. Together with lack of exercise, obesity is one of the main reasons for the increased incidence of diabetes. Experts estimate that occurrence of diabetes is growing at a rate of about 10% a year. The World Health Organization (WHO) predicts there will be some 300 million diabetics worldwide by the year 2025.