

Ypsomed Holding AG

Presentation of 2004/05 Semi-annual Results

Solothurn, 11. + 12. November 2004

YPSOMED
SELF CARE SOLUTIONS

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This document contains forward-looking statements which involve risks and uncertainties. These statements may be identified by such words as “may”, “plans”, “expects”, “believes” and similar expressions, or by their context. These statements are made on the basis of current knowledge and assumptions. Various factors could cause actual future results, performance or events to differ materially from those described in these statements. No obligation is assumed to update any forward-looking statements.

These consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended March 31, 2004 except for the application of IFRS 3 Business Combinations. Goodwill arising from the acquisition of Ypsomed AG, TecPharma Licensing AG and Ypsotec AG is no longer amortized. Not implementing IFRS 3 would have resulted in an additional amortization of CHF 8.0 million. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

The 6 months ending September 30, 2003 represent the mathematical combination in form of the sum of the audited one month period (April 1 – April 30, 2003) from the Historical Combined Financial Statements of Ypsomed’s injection business and the unaudited 5 months period (May 1, 2003 – September 30, 2003) from the Consolidated Financial Statements of Ypsomed. The Historical Combined Financial Statements for the one month period ending April 30, 2003 have been derived from the financial statements and accounting records of the Disetronic Group and reflect significant assumptions and allocations. The Consolidated Financial Statements for the five month period ended September 30, 2003, have been prepared in accordance with IFRS and are in line with the Swiss Code of Obligations. Ypsomed has adopted all IAS or IFRS effective for the fiscal year ended March 31, 2004.

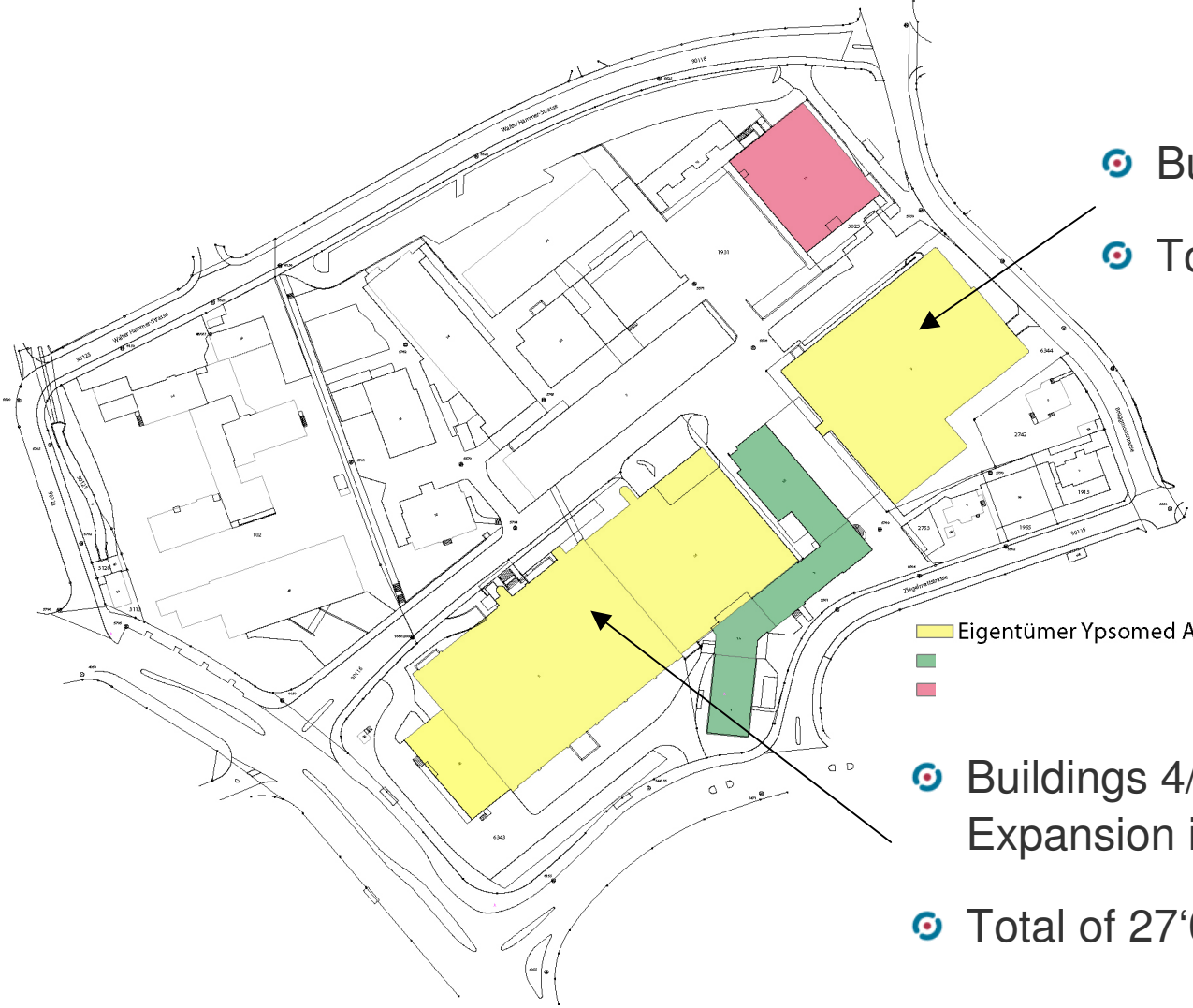
Company Representatives

- Matthew Robin
CEO Ypsomed
- Niklaus Ramseier
CFO Ypsomed
- Daniel Kusio
Investor & Public Relations



- ① New Production Site in Solothurn
- ① Presentation of the Semi-annual Results 2004/05
 - Highlights
 - Semi-annual Results 2004/05
- ① Outlook
- ① Questions and Answers
- ① Additional Information on company and products

Overview of Production Site in Solothurn



- Building 10:
- Total of 4'000 m²

■ Eigentümer Ypsomed AG

■

- Buildings 4/24/25:
Expansion in 2004/05

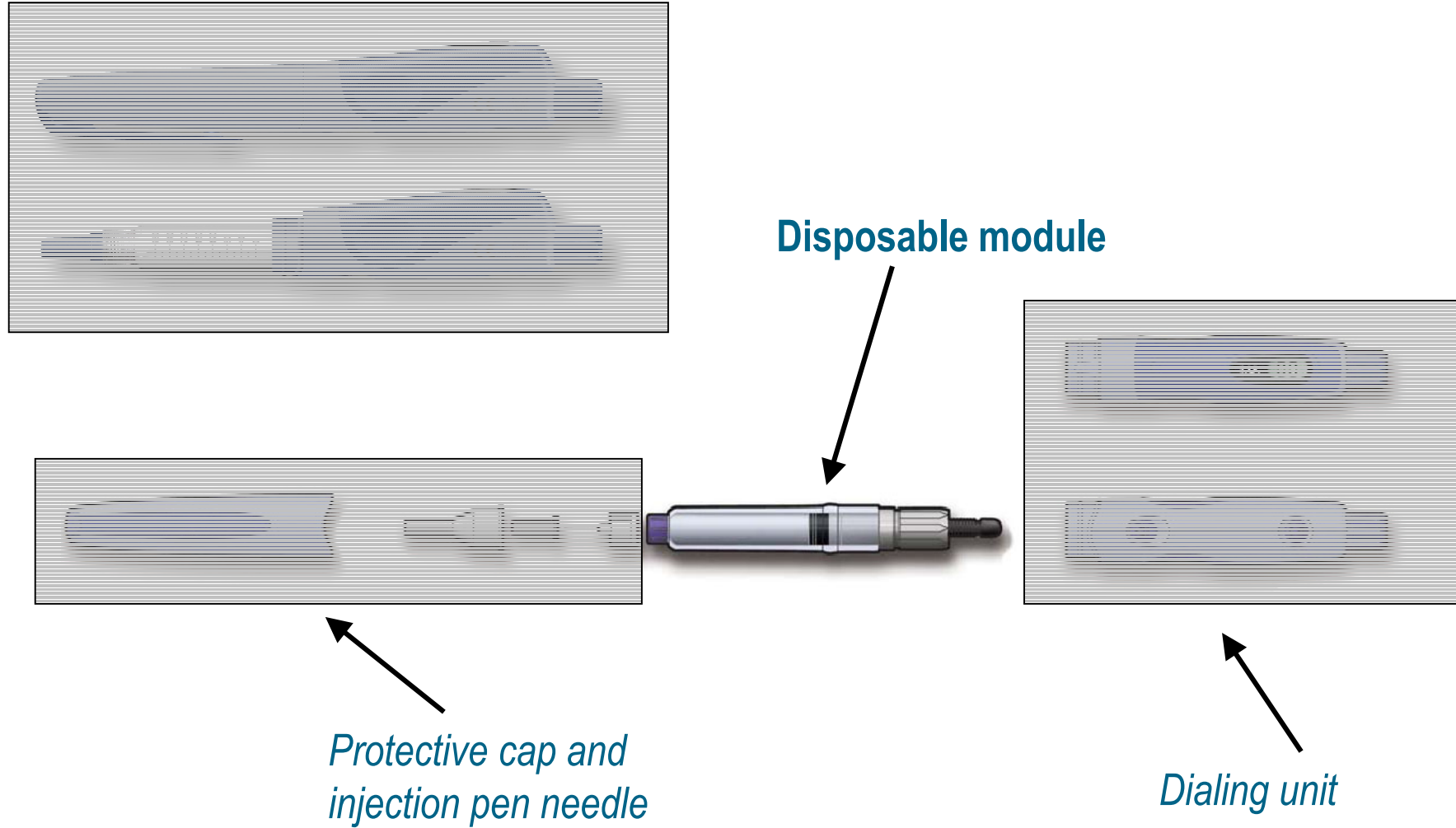
- Total of 27'000 m²

New Production Site in Solothurn



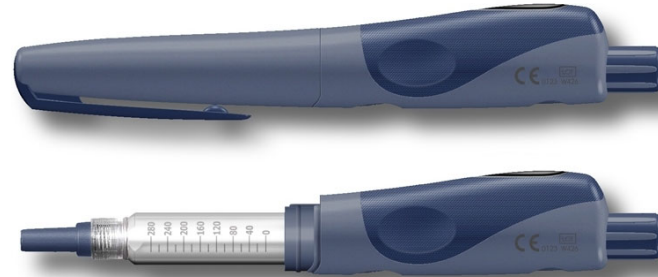
- Building 10: Production running since end of year 2003
- Buildings 4/24/25: purchased in April 2004. Construction work necessary to fit Ypsomed's needs and standards.
- Full scale production to start end of 2004. First batches already running.

Today: Products Manufactured in Solothurn



Future: Products Manufactured in Solothurn

- OptiClik
(Reusable module currently manufactured in Burgdorf)



- OptiSet
(2nd production site)

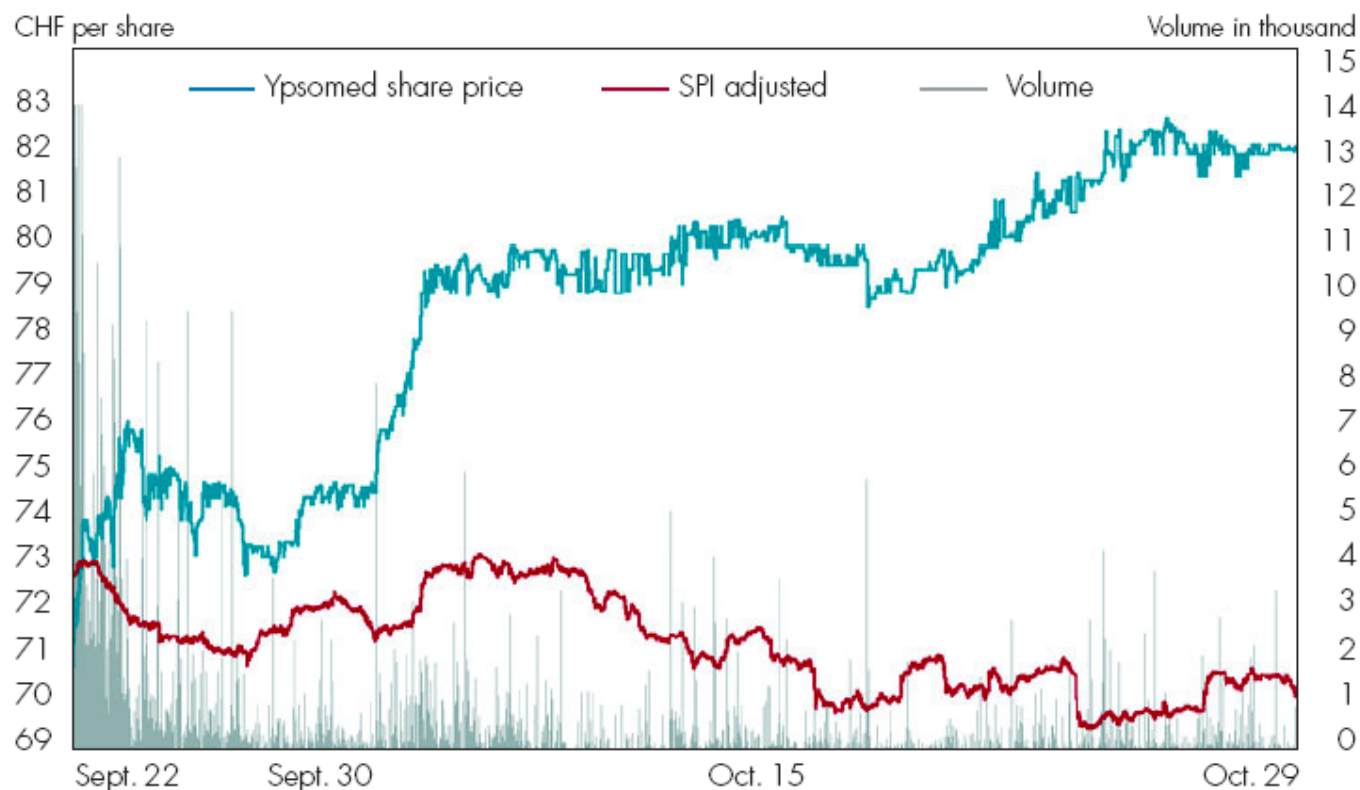


- Injection pen needles
(2nd production site)



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Highlights: Strong Performance since IPO



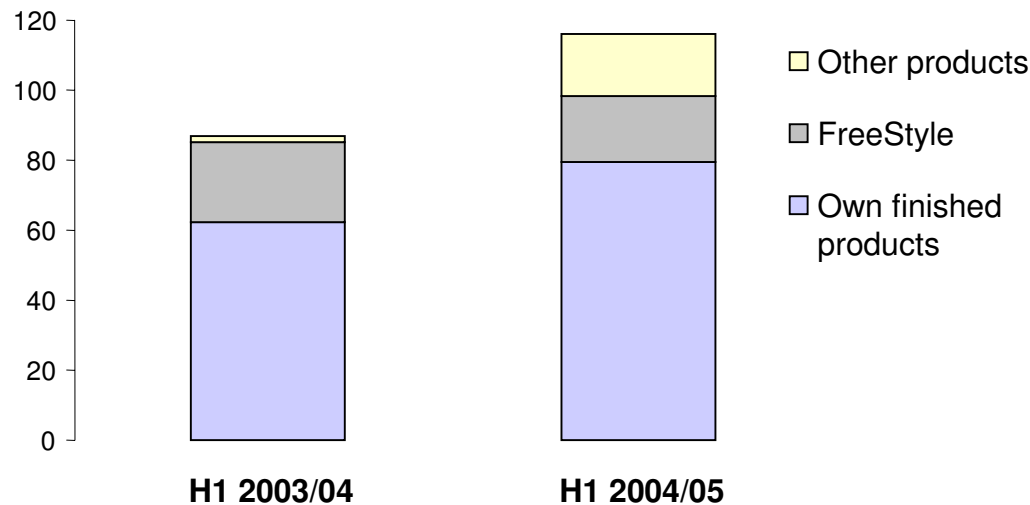
The Ypsomed Holding AG share price has risen steadily since the IPO on September 22, 2004. It was trading at CHF 82.15 at the end of October 2004, which represents an increase of 20.8% compared to the issue price of CHF 68. The SPI fell by 3.3% over the same period.

Highlights Semi-annual Results 2004/05

- Strong net sales growth of 33.7% of the Ypsomed Group
- Gross profit margin improved from 37.3% to 39.3%, resulting in a gross profit of CHF 45.6 million
- EBIT margin (before goodwill amortization) improvement to 18.9% (up 2.1 base points)
- Earnings per share grew by 230% to CHF 1.60 per registered share
- Qualified and motivated employees – 192 new jobs created in last 12 months
- Full-year guidance remains unchanged at 15 - 25% top line growth

Strong Sales Growth in Pen-Systems

CHF million	H1 2004/05	H1 2003/04	in %
Sales of goods and services	116.0	86.8	33.7%
Ypsomed finished products	79.5	62.5	27.1%
FreeStyle (2004/05 figure only 4 months sales).	18.8	22.6	-16.6%
Other products	17.7	1.7	970.7%



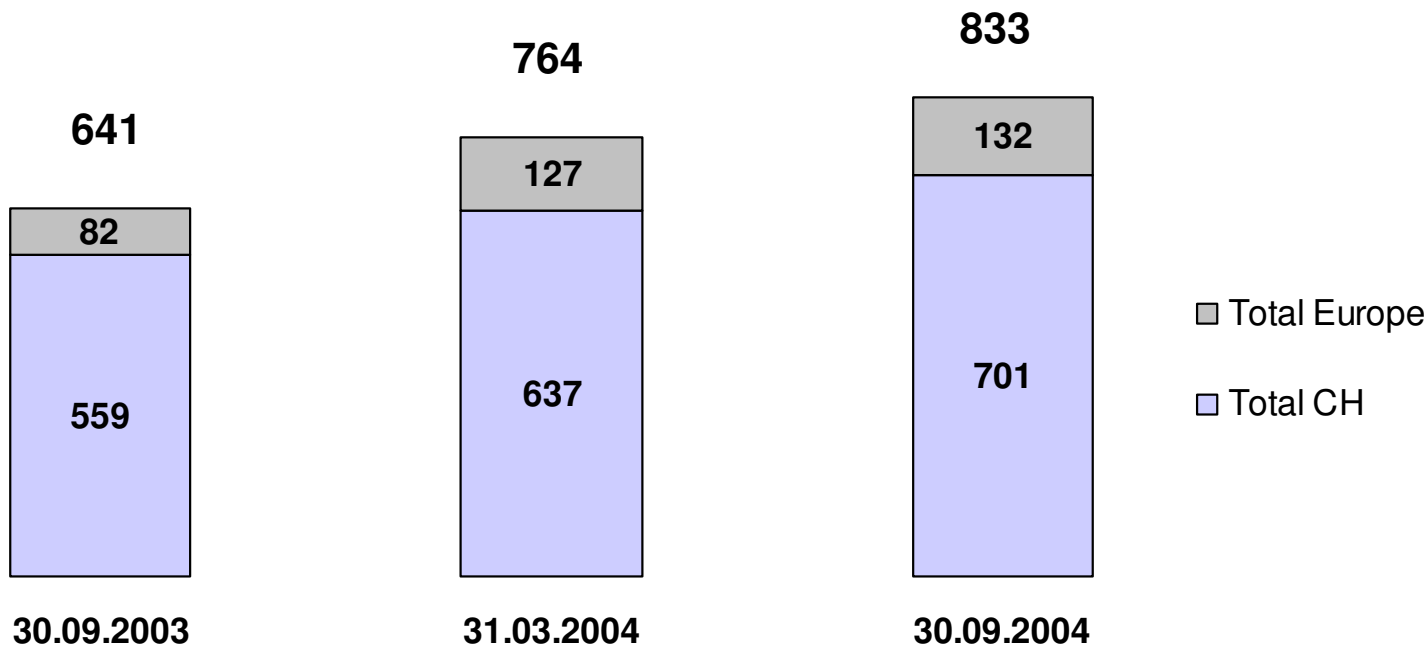
Strong Growth in Net Sales and Profitability

CHF million	H1 2004/05	H1 2003/04	in %
Sales of goods and services	116.0	86.8	33.7%
Gross profit	45.6	32.4	41.0%
Gross margin (%)	39.3	37.3	
Operating profit (EBIT)	22.0	7.9	177.6% ¹⁾
EBIT margin (%)	18.9	9.1	
Net profit	18.0	5.4	230.1% ¹⁾
Net profit margin (%)	15.5	6.3	

1) After one-time goodwill amortization in 2003/04.

New Jobs Created in Switzerland & Europe

- The number of employees increased from 641 to 833 within the last 12 months
- A total of 192 new jobs were created during the same period, 142 thereof in Switzerland
- Sales per employee over the last 12 months was on average CHF 305'000.-



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Efficiency Gains drive Operating Profit up

CHF million	H1 2004/05	in %	H1 2003/04	in %	in %
Sales of goods and services	116.0	100.0%	86.8	100.0%	33.7%
Cost of goods sold	70.4	60.7%	54.4	62.7%	29.4%
Gross profit	45.6	39.3%	32.4	37.3%	41.0%
R & D Reimbursed	5.4	4.7%	5.6	6.5%	-3.6%
R & D Expenses	-9.0	-7.8%	-8.3	-9.6%	8.6%
Marketing & Sales Expenses	-12.8	-11.1%	-9.3	-10.7%	38.3%
Administration Expenses	-7.2	-6.2%	-5.8	-6.7%	24.4%
Operating profit before goodwill amortization	22.0	18.9%	14.6	16.8%	50.7%
Amortization of goodwill	0.0	0.0%	-6.7	-7.7%	-100.0%
Operating profit (EBIT)	22.0	18.9%	7.9	9.1%	177.6%

EBITDA up by 52% on previous year

CHF million	H1 2004/05	in %	H1 2003/04	in %	in %
Operating profit (after goodwill amortization)	22.0	18.9%	7.9	9.1%	177.6%
Amortization of goodwill	0.0	0.0%	6.7	7.7%	-100.0%
Amortization of intangible assets	0.3	0.3%	0.4	0.4%	-10.3%
Depreciation of fixed assets	10.5	9.1%	6.7	7.7%	58.4%
EBITDA	32.8	28.3%	21.6	24.9%	52.0%

Net Profit Growth in line with Expectations

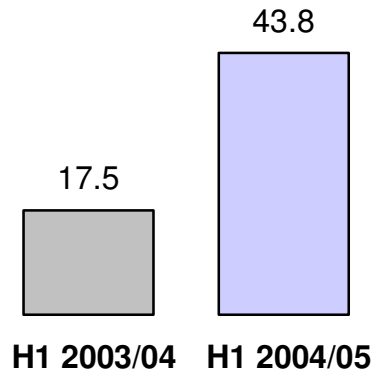
CHF million	H1 2004/05	in %	H1 2003/04	in %	in %
Operating profit (EBIT)	22.0	18.9%	7.9	9.1%	177.6%
Finance costs - net	-1.5	-1.3%	-0.7	-0.8%	131.2%
Other income	0.2	0.1%	0.1	0.1%	88.2%
Profit before taxes	20.6	17.7%	7.3	8.5%	180.7%
Income tax expenses	-2.6	-2.3%	-1.9	-2.2%	38.8%
Net profit	18.0	15.5%	5.4	6.3%	230.1%
Earnings per share in CHF	1.60		0.48		230.1%

Note: Earnings per share are in CHF and calculated with the total number of registered shares after IPO:
11'244'213.

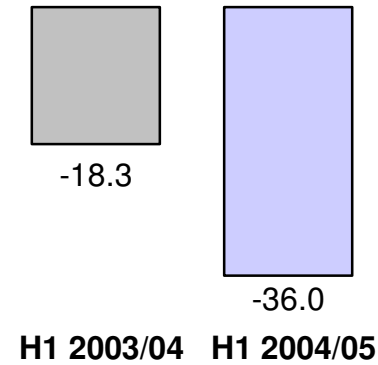
Significant Investments in Capacity Expansion

CHF million

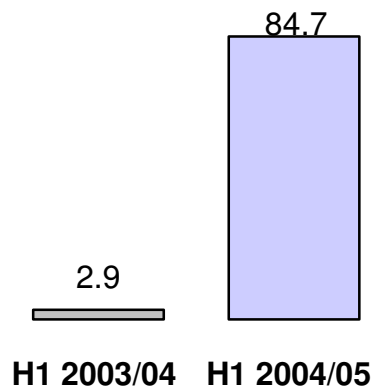
Cash Flow from Operating Activities



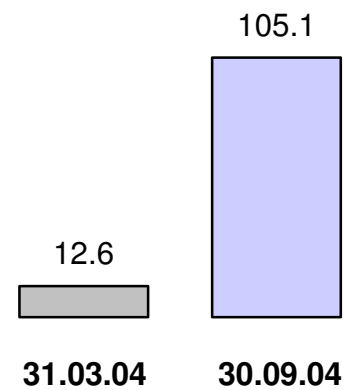
Cash Flow from Investing Activities



Cash Flow from Financing Activities



Cash and Cash Equivalents



Details on Cash Flow Statement

CHF million	H1 2004/05	H1 2003/04	in %
Cash flow before changes in NWC	30.5	22.9	33.2%
Changes in net working capital	13.4	-5.4	
Cash flow from operating activities	43.8	17.5	151.1%
Cash flow from investing activities	-36.0	-18.3	96.2%
Decrease in current borrowings	0.0	-4.2	
Changes in finan. liab. to shareholder	-221.1	7.1	
Changes in equity	305.8	0.0	
Cash flow from financing activities	84.7	2.9	
Total cash flow	92.5	2.0	

Strong Balance Sheet due to successful IPO

CHF million	30.09.2004	in %	31.03.2004	in %
Cash and cash equivalents	105.1	16.8%	12.6	2.5%
Trade receivables	37.5	6.0%	30.0	6.0%
Other current assets	11.8	1.9%	13.0	2.6%
Inventory	40.4	6.4%	37.7	7.5%
Total current assets	194.8	31.0%	93.3	18.6%
Financial Assets	0.0	0.0%	0.0	0.0%
Deferred income tax assets	5.4	0.9%	5.2	1.0%
Other non-current assets	0.2	0.0%	0.1	0.0%
Fixed assets	126.7	20.2%	101.6	20.3%
Intangible assets	300.6	47.9%	300.6	60.0%
Total non-current assets	432.9	69.0%	407.5	81.4%
Total assets	627.7		500.8	

Equity ratio up to 53.5%

CHF million	30.09.2004	in %	31.03.2004	in %
Trade payables	16.8	2.7%	16.8	3.4%
Current income taxes payable	6.1	1.0%	3.9	0.8%
Other payables and accr. expenses	35.8	5.7%	12.5	2.5%
Total current liabilities	58.7	9.4%	33.3	6.6%
Non-current finan. liab. to shareholder	218.1	34.8%	439.2	87.7%
Provisions	11.6	1.8%	12.6	2.5%
Deferred income tax liabilities	3.7	0.6%	3.9	0.8%
Total non-current liabilities	233.4	37.2%	455.7	91.0%
Share capital	140.6	22.4%	0.25	0.0%
Group reserves	177.1	28.2%	0.0	0.0%
Net profit	18.0	2.9%	11.6	2.3%
Equity	335.6	53.5%	11.8	2.4%
Total liabilities and equity	627.7		500.8	

- Expansion of Manufacturing Capacity
 - Construction work in Solothurn on track
 - New machines and tools arriving on time
 - Ongoing ramp-up of production after careful testing and quality control
 - Management team complete
 - Continued hiring of production staff
- Negotiations for New Blood Glucose Monitoring Device
 - Discussions with several partners – Negotiations focus of two potential partners
 - Details to be announced soon
- Further pen-system development projects awarded

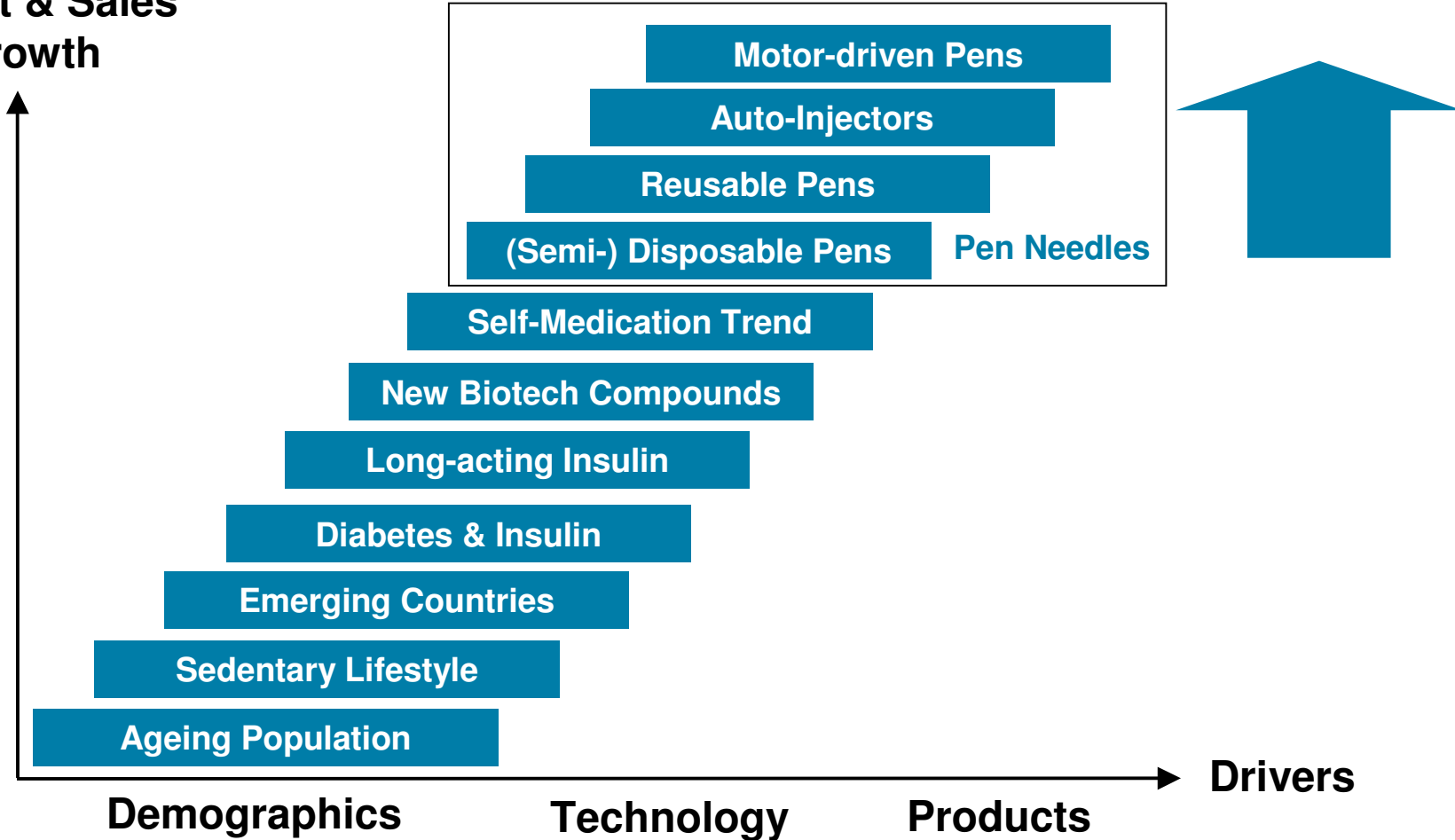
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Outlook: full-year Guidance for 2004/05

- Insulin market growing at over 10%, but Lantus growth at about 100% in the current year.
- Ypsomed net sales for the 2004/05 business year expected to increase between 15% to 25%.
- Gross profit and operating margins expected to improve from current levels through product mix, efficiency gains in production and further automation.
- EBIT margin target of over 20% within the next two financial years.
- Forecasted sales and profit growth primarily depend on technical ramp-up.
- Negotiated tax rate of about 15% on average over the next 4-5 years.
- Capex needed for capacity expansion of about CHF 90 million in 2004/05, around CHF 45 million in 2005/06 and thereafter about CHF 25 million.

Ypsomed benefits from multiple growth factors

**Market & Sales
Growth**



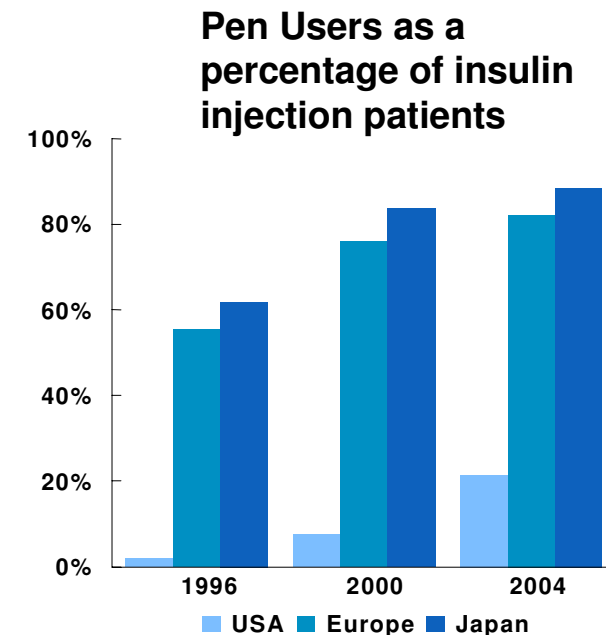
Demographic trends fuel underlying growth

- Diabetes increasing due to ageing of population, unhealthy diets, sedentary lifestyle
- Emerging countries bring additional growth

Strong market growth of existing applications

- Further growth of the diabetes and insulin market
- Focus on type II (90% to 95% of all diabetics)
- Excellent growth of Aventis' long-acting insulin Lantus (> 100% in current year)
- Increasing insulin pen penetration in the US market
- Ypsomed supplies the top 3 hGh therapy providers
- Strong demand for Gonal-f pen for infertility treatment

Insulin Pen Penetration in the USA, Europe and Japan

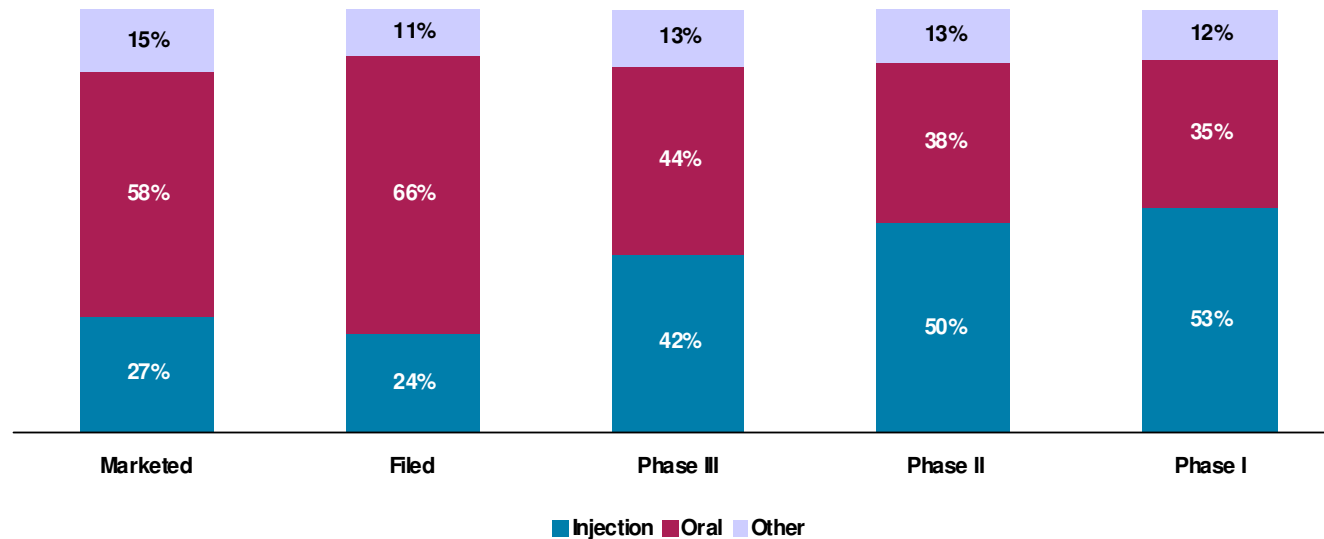


Source: Pharma Partner (Aventis, CanAmCare)

Growth Drivers for Ypsomed

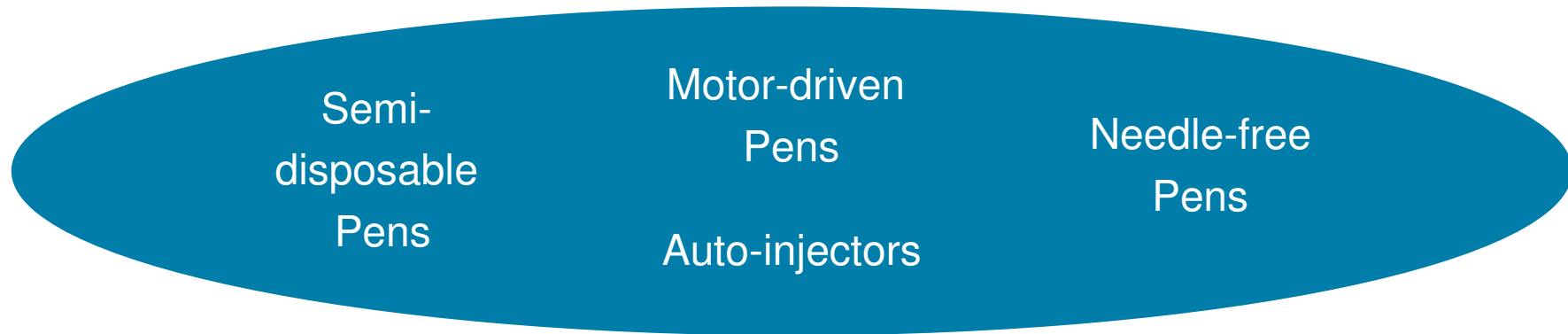
- New biotech applications are/will be injectable
- Pharma companies need differentiation

Number of Products by Delivery Technology



Source: Evaluate Pharma, includes only products where delivery technology is known

Important Products in Development



Diabetes

Growth disorders
Anemia
Viral infection
Infertility
Osteoporosis

Autoimmune Diseases,
Multiple sclerosis
Rheumatoid arthritis
Psoriasis, Allergies
AIDS, Cancer
Thrombosis

Emergency Drugs
Migraine
Allergic Reactions

Key reporting dates

- Presentation of full-year results 2004/05 May 27, 2005
- Annual shareholder meeting June 22, 2005 in Burgdorf

Selected congresses (pen & diabetes business)

- Q4 2004 AAPS National Biotechnology Meeting in Washington
- 24. - 26.1.2005 Drug Delivery Partnerships Conference in San Diego
- 05. - 08.6.2005 AAPS National Biotechnology Meeting in San Francisco
- 06. - 10.11.2005 AAPS Annual Meeting in Nashville, Tennessee
- 10. - 15. 9.2005 EASD in Athen

Injection for your Portfolio

- Attractive and fast growing markets
- Leading market position with long-standing partnerships
- Strong revenue growth with potential for further margin expansion
- Technology-leader to deliver real customer benefits
- Focused strategy
- Business operating in a low-risk segment of the Medtech industry
- Management with proven track record

Agenda

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Ypsomed Holding AG

**Additional information on
the company and its products**

Additional Information

- Corporate structure
- Products and partnerships
- Strategy and positioning
- R&D and patents
- Investments highlights



Injection Systems Business

- Self Injection Devices
- Pen Needles

- Blood Glucose Monitoring



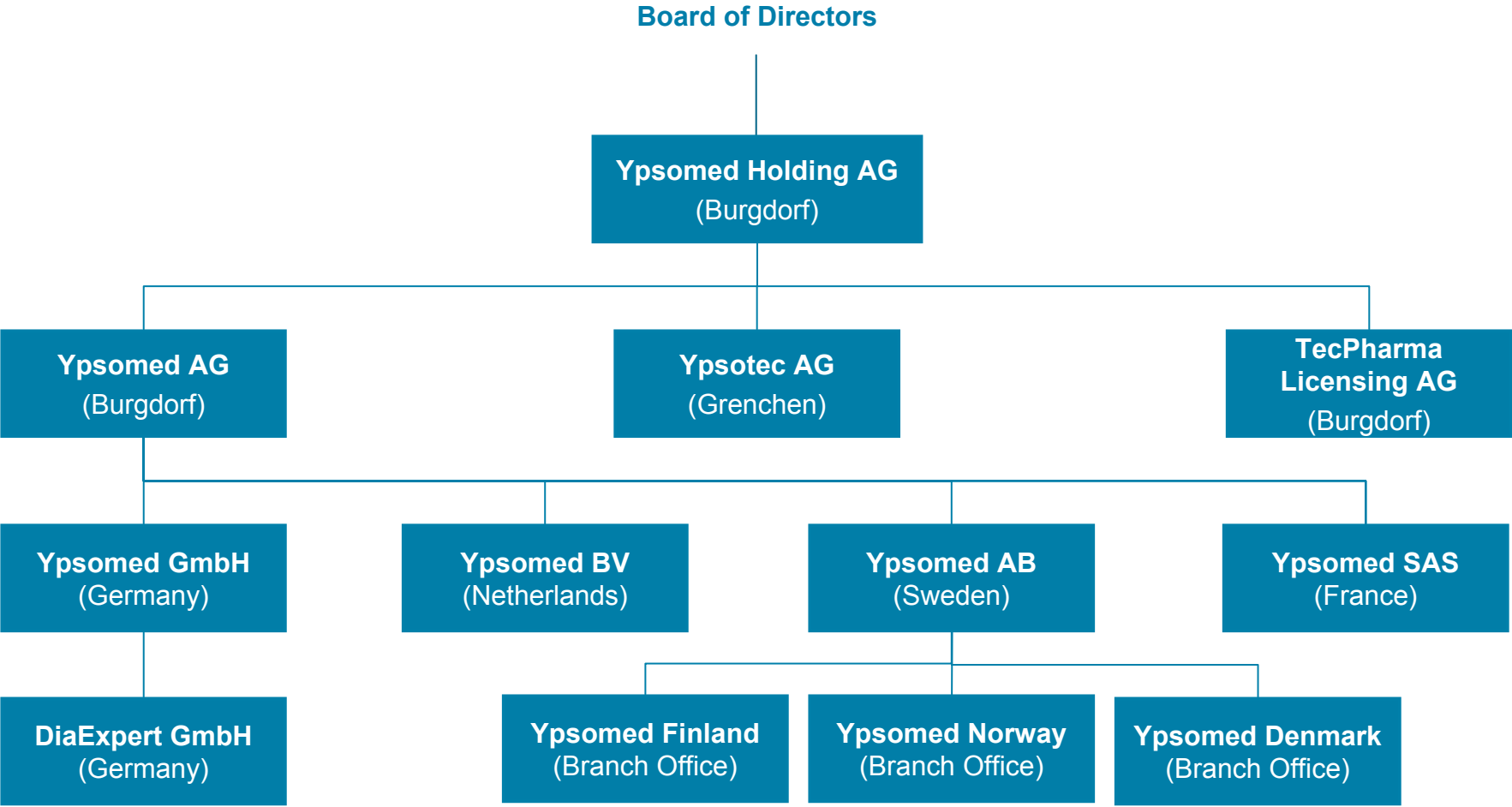
Infusion Systems Business

- Infusion Systems
- Continuous Glucose Monitoring

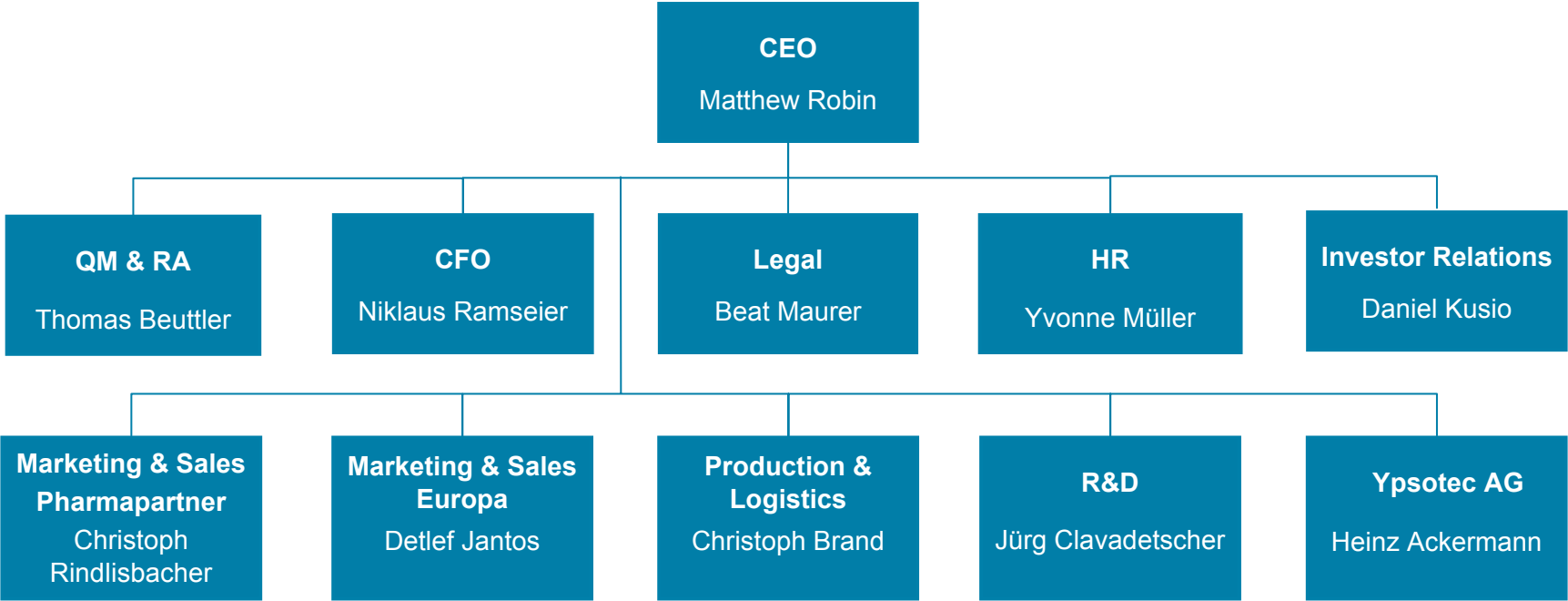
- Blood Glucose Monitoring



Today, Ypsomed is the world's leading independent manufacturer of custom made Self Injection Devices with over 15 years of experience



Note: Ypsomed Italia closed by DATE 2004 due to more favorable distribution arrangement.



Ypsomed's activities are organised in three business sectors:

Self Injection Devices

- Custom-made Self Injection Devices for pharmaceutical and biotech partners
- Marketed products
 - Disposable pens
 - Reusable pens
- Product pipeline
 - Semi-disposable pens
 - Auto-injectors
 - Motor-driven pens
 - Needle-free pens

Pen Needles

- Pen needles that fit all major brands of Self Injection Devices on the market
- Patented click-on mechanism

Diabetes Care

- Local access to customers and opinion leaders in various countries
- Direct distribution to customers in Germany / DiaExpert GmbH mail order and internet portal

- Customised injection systems for pharma and biotech partners

- Getting away from it all ...

- Cumbersome and painful injection
- Dependency on specialists
- Needle phobia



- To ...

- convenience
- accuracy
- increased compliance
- reduced pain
- social acceptance
- successful therapy



Reusable Pens

- Electronic display / max. 2 year lifetime
- Simple handling
- Variable dosing
- Unparalleled accuracy
- Single or two-chamber cartridges



Disposable Pens

- Simplest handling, used for multiple injections
- Device cost reimbursed in drug price
- Only 5 to 7 plastic parts



Sustainable Partnerships

Insulin



hGH



interferon & EPO



r-hFSH



Preos



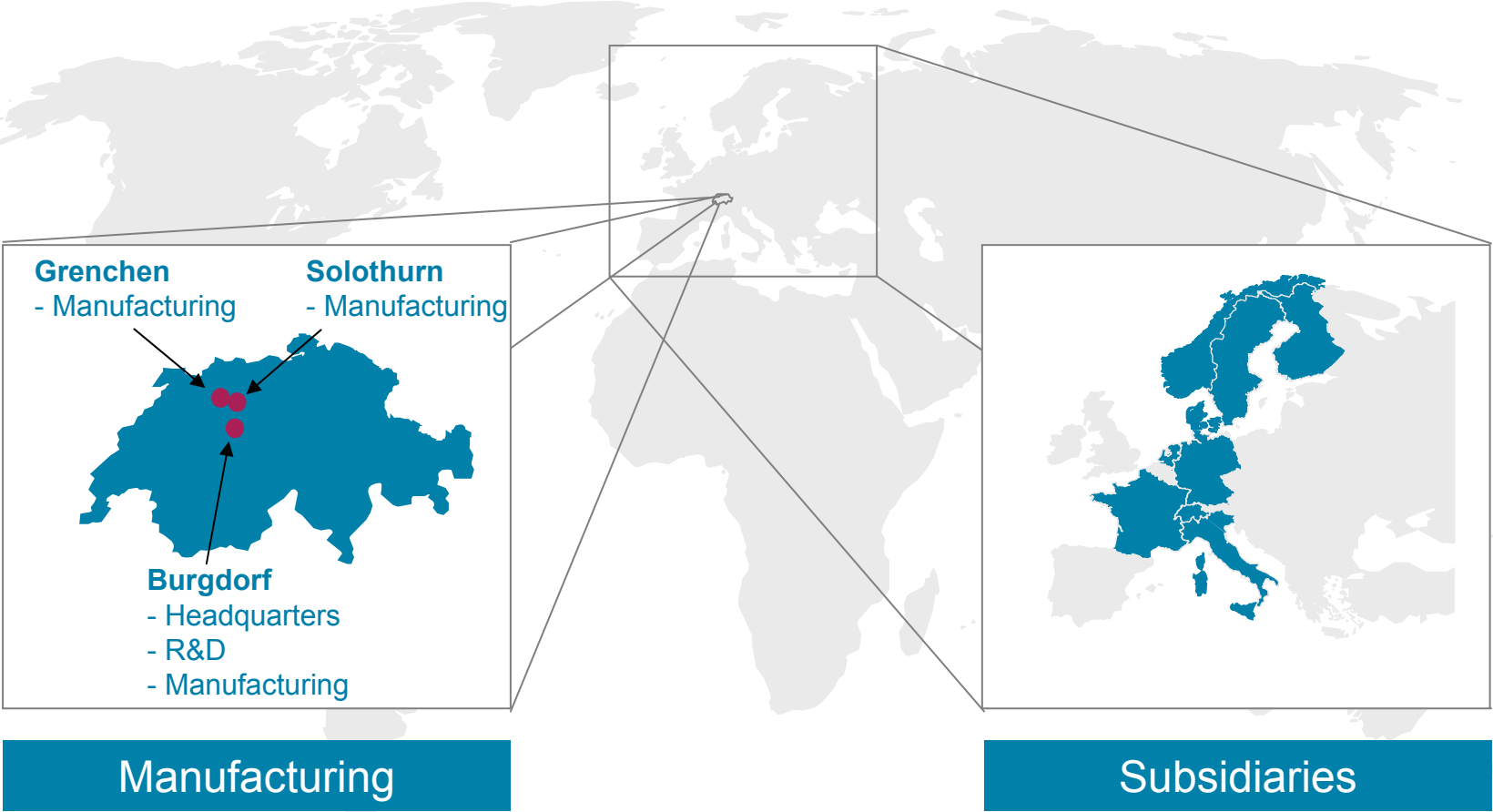
... and other partners

- Penfine® - Universal Pen Needle
- Fits all major brands of pens on the market
- Patented click-on mechanism
- Maximum handling convenience
- Large range of different needle length
- Direct access to customers
- World market of over 3 billion
- Ypsomed is no. 3 player



- Ypsomed's pen-needle business grew by more than 40% in the last financial year, compared to 10% overall pen-needle market growth
- Increasing market for injectables and increasing pen penetration rate
 - High growth from the US market
- Attitude towards hygiene and safety increasingly leading to single use of needles, as prescribed
- Geographical expansion
 - Increasing US presence
 - Expansion in Asia
- Comprehensive diabetes care product portfolio allows leveraging sales force for needles in Europe

Ypsomed products are sold globally through pharma partners and through Ypsomed's distribution networks



- Condition where the human body does not produce, or properly use insulin to convert sugar (glucose) into energy
- Type I Diabetes
 - Complete deficiency in insulin production and secretion
 - Onset in young age
- Type II Diabetes
 - Relative insulin deficiency; insulin resistance/insensitivity
 - Typically beyond age 40 but with increasing frequency among young adults
 - 90% to 95% of all diabetics
- Diabetes cannot be cured, but treated and controlled effectively
- “Uncontrolled or poorly controlled diabetes” may lead to serious and related costs
 - Blindness
 - Renal failure
 - Heart failure, strokes
 - Amputations
- Many health experts refer to diabetes mellitus as the “disease of the future”
- Focus on improving patient compliance to avoid indirect costs
- Limitations of alternative treatments and insulin delivery technologies
- Expensive treatment vs. cost-effective injection pens

- ④ Secure and expand number 1 position as independent partner of the pharmaceutical and biotech industry in the area of self-injection

- ④ Further develop needle business by bringing innovation and choice to customers

- ④ Further expand partner and distribution network

- ④ Capitalise on favourable positioning with
 - Valuable patents in core technologies
 - In-house development knowledge and competence
 - Strong existing customer relationships

- High quality, innovative and reliable full service provider
- Innovative and patent protected products
- Production expertise compliant with the latest regulatory requirements
 - Manufacturing in FDA registered facilities and under cGMP standards
 - Devices approved for all leading markets including USA, Europe and Japan
- High reliability within long-lasting and close relationship with large customer base
 - Fast development and production scale-up
- Strong and sustainable market position
 - High barriers to entry
(complicated time-to-market process, large capital expenditure requirement)
 - High cost of changing for integrated pharma partners

- Long term collaboration
- Long lasting contracts
- Risk of in-sourcing relatively small (various risks, costs, time to market)
- Intellectual property
 - Device-related patents with Ypsomed
- Registration process
 - Approval process managed by partner
 - Product-specific interaction with regulatory authorities through partner
- Investments by partners
 - Sharing of development costs
 - Normally sharing of product specific capital expenditures

- High level of vertical integration allows for in-house back up and quick response to market needs
- Close interaction with in-house R&D
- Quality - Qualification of employees
 - Training
 - Experience and loyalty
 - Motivation, with a limited fluctuation rate
 - Retention of key employees
- Manufacturing in FDA registered facilities and under cGMP standards
- Registration in the EU: CE-mark
- Certifications: ISO 9001 and ISO 13485
- Close relationship with biotech and pharma partners

- Currently 50 employees and CHF17 million spending in 2003/04, whereof CH 10 million have been paid by the pharma partners

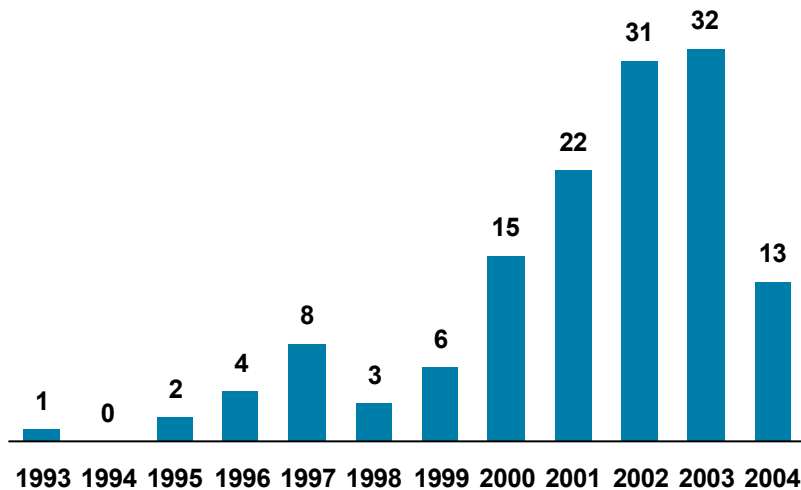
- Development projects:
Development of specific applications for pharma partners
 - 12 ongoing projects driven by customers
 - High probability of launching those pens / devices over the next 3 years

- Technology projects:
Proprietary research to stay ahead of market demand
 - New reusable pen platform for insulin and other applications
 - New disposable pen platform
 - Disposable auto-injectors

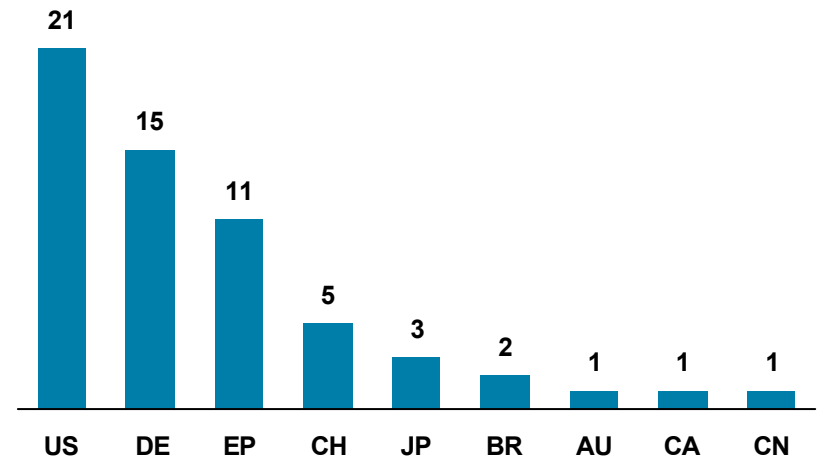
- Development philosophy
 - Dedicated device design to cover patient / therapy needs and drug "branding"
 - Range of devices covering standard to customised requirements

- Active patent registration philosophy
- Patents held by TecPharma Licensing AG, an Ypsomed company
- Total of 146 patent families
- Extensive in-house experience leverages impact of IP portfolio

Priority Applications per Annum



Granted Patents by Region



Note: (1) As of 15 June 2004

Note: US: USA - DE: Germany - EP: Spain - CH: Switzerland - JP: Japan - BR: Brasil - AU: Austria - CA: Canada - CN: China / As of 15 June 2004

Compelling history as
division of Disetronic

Management track
record

Largest independent
manufacturer of
injection pens

Attractive financial
profile

YPSOMED
SELFCARE SOLUTIONS

Technological
excellence and
product development
expertise

Close and long-lasting
relationship with high
class customer base

Strong market
dynamics (diabetes,
biotechnology, patent
expirations)

YPSOMED