
P R E S S R E L E A S E

Ypsomed establishes Indian subsidiary and expands its pen needle business

Burgdorf, 3rd December 2007, 7:30 am - Ypsomed is incorporating its own subsidiary company in New Delhi to distribute its Swiss manufactured patented pen needles in India, the world's fourth largest economy. By setting up and extending the pen needle business in India, Ypsomed will benefit in the medium to long-term from this attractive growth market and reinforce its position for local insulin suppliers and pharmaceutical and biotech companies as the leading, independent pen systems partner. Recently, Ypsomed has expanded its pen needle business through new distributors in Malaysia, Singapore and Iran.

In 2030, the number of diabetics is expected to reach 80 million in India

According to WHO statistics, the number of people with diabetes in India is set to rise from 40.8 million today to approx. 75 million in the year 2025. In less than 20 years the number of diabetics in India will be equivalent to the whole population of Germany today. In 2005, the Indian insulin market was worth approx. CHF 88 million; this figure is likely to grow to CHF 121 million by 2010.

Ypsomed sees great potential for pen needles and pen systems in India

In India 85% of all insulin is administered with normal syringes and just 15% using cartridges and pen systems. The currently low level of penetration of insulin pen systems will rise significantly in the future as sales of insulin in pen systems are now growing by some 35% annually. "The diabetes market will grow strongly in India in the coming years and holds out very great potential for Ypsomed, both for pen needles and also for insulin pens and new pen systems for liquid pharmaceuticals," comments CEO Richard Fritschi.

Pen needles are a major source of earnings for Ypsomed with further growth potential

The pen needles developed and manufactured by Ypsomed with the patented click-on mechanism fit all pen systems available today for insulin, growth hormones or other therapies. Ypsomed's pen needles are currently distributed in around 30 countries, either through Ypsomed's own subsidiary companies or via local distributors. Ypsomed's pen needle business has grown in recent years by an annual average of around 25% and holds out further growth potential. Senior Vice President of Marketing & Sales, Detlef Jantos: "Ypsomed's click-on pen needles have a number of advantages over the competition and are very popular with pen users. To enable future demand to be met, Ypsomed will be expanding its pen needle production capacity considerably and will invest in the next two years a total of more than CHF 35 million at the Solothurn site." Ypsomed has also developed a new safety pen needle which is due to be launched in 2009 to enable pen systems to be used in the public healthcare sector i.e. in hospitals and nursing homes.

Ypsomed targets expansion of its pen needle distribution in Singapore, Malaysia and Iran

Ypsomed believes it important to access new markets and acquire new distribution partners in order to exploit the global growth potential for pen needles. Ypsomed recently launched its click-on pen needles with local distributors in the Singapore, Malaysia and Iran. Today more than 2.5 million people with diabetes live in Iran, out of its total population of approx. 68 million. Together with Sanofi-Aventis, which was the first company to supply insulin in pen systems in Iran, Ypsomed is now distributing its own pen needles. Ypsomed plans to acquire a leading market position as first mover in Iran with the rising availability of insulin pen systems.

Ypsomed's charitable involvement in India

In India, the healthcare and living situation of most people with diabetes still remains poor. Insulin and test strips are often beyond the reach of persons living below the poverty line. Instead of giving Christmas presents Ypsomed will be making a donation to the Dream Trust charitable institution, which looks after deprived people with diabetes in Nagpur/India (www.dreamtrust.org).

Further information from Daniel Kusio, Head Investor & Public Relations at Ypsomed Holding AG, on Tel +41 34 424 41 43 or Tel +41 34 424 41 11. This media release and further electronic documentation are available at www.ypsomed.com.