YPSOMED HOLDING AG
SEMIANNUAL REPORT 2008/09

YPSOMED
SELFCARE SOLUTIONS

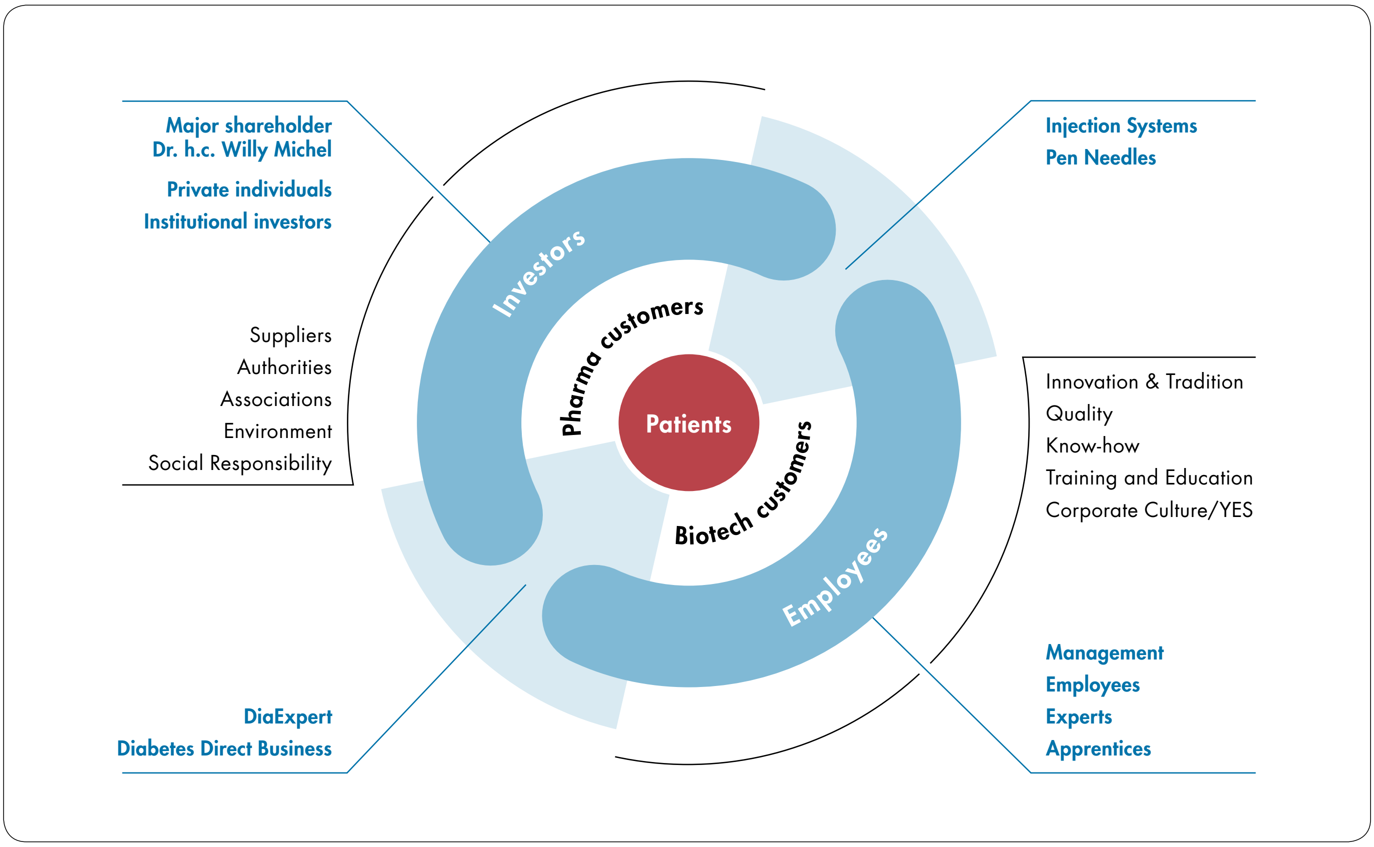
KEY FIGURES AT A GLANCE

APRIL 1 – SEPTEMBER 30

in thousand CHF	H1 2008/09	H1 2007/08	Change	in %
Sales of goods and services	138 228	134 510	3 718	2.8
thereof Delivery Devices	*105 791*	*110 224*	*–4 433*	*–4.0*
thereof Diabetes Direct Business	*32 437*	*24 286*	*8 151*	*33.6*
Gross profit	44 070	39 642	4 428	11.2
Gross profit in %	31.9%	29.5%		
Operating profit	16 172	12 740	3 432	26.9
Operating profit in %	11.7%	9.5%		
Net profit	13 626	11 396	2 230	19.6
Net profit in %	9.9%	8.5%		
Earnings per share (in CHF)	1.21	1.01	0.20	20.2
Research and development expenditures total	18 127	14 944	3 183	21.3
Investments in fixed assets	20 359	16 134	4 225	26.2
Equity ratio in %	68.3%	64.7%		
Employee headcount (as of September 30)	1 213	1 214	–1	–0.1
Employees fulltime equivalents (as of September 30)	1 158	1 165	–7	–0.6

Unaudited IFRS figures. In thousand CHF. Earings per share in CHF.

Ypsomed is the world's leading independent developer and manufacturer of injection systems for the self-administration of medication. Patients constitute the central focus at Ypsomed. Ypsomed helps millions of patients every day with innovative self-injection systems and its diabetes service. In everything that Ypsomed does, its ultimate focus is on improving the quality of patients' lives.



YPSOMED IMPROVES PROFITABILITY – PROMISING PROSPECTS FOR GROWTH

Dear Shareholders

Ypsomed has made a very good start into the 2008/09 business year and is able to present positive results for the first semester: Compared with the same period in the previous year, sales increased by 2.8%, operating profit (EBIT) by 26.9% and consolidated profit by 19.6%. In the first half of the 2008/09 business year, Ypsomed Group's consolidated sales reached CHF 138.2 million and the operating profit CHF 16.2 million, which equates to a 2.2 percentage point improvement in the EBIT margin to 11.7%.

Innovative products for self-medication offer very good growth potential in the medium term

However, the prospects for growth from 2010/11 onwards are even more promising. Due to our own technology platforms for innovative injection systems, we have acquired several customer projects from leading pharmaceutical companies and Ypsomed is in the evaluation for 10 major client projects. An additional licence agreement for the use of Ypsomed's non-exclusive patent rights will be finalized soon with a major pharmaceutical company. We are also gradually increasing our production capacity for pen needles, preparing production of the SoloStar® disposable pen for the successful long-acting insulin Lantus® made by Sanofi-Aventis. Likewise we are moving ahead with the development of our own continuous injection device to provide low-cost, continuous insulin therapy. We therefore expect sales growth of over 20% in the 2010/11 business year and as a consequence an increase in profitability.

Ypsomed on the road of success

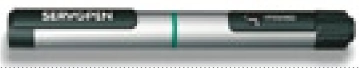
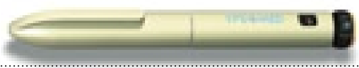
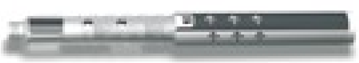
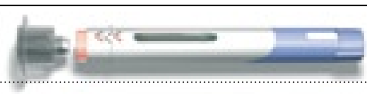
The tremendous motivation and commitment of our employees have paid off in the past months. We have exploited the various opportunities that have arisen. With hard work and a strong performance, we have supplied our customers with reliable, high-quality products and attracted important new customers with innovative, user-friendly injection systems. We have also expanded the Diabetes division organically and through smart acquisitions. The world's leading pharmaceutical groups and diabetes patients have confidence in Ypsomed, in the quality of our products and in our employees and their ability to innovate. We wish to take this opportunity to extend our cordial thanks to all those who have contributed to the fact that Ypsomed is again on the road of success and can look forward to a very promising future. We are therefore also very confident of being able to offer you, esteemed shareholders, promising perspectives.

Dr. h.c. Willy Michel	Richard Fritschi
Chairman	CEO

Innovative technology platforms enhance our leading position

Whenever pharmaceutical companies consider the use of injection systems for the user-friendly, precise and safe administration of their liquid drugs, they always talk to Ypsomed. As the world's leading independent developer and manufacturer of injection systems, Ypsomed has an impressive track record with some 25 years' experience and a broad and highly developed product range thanks to its new technology platforms. Ypsomed can offer pharmaceutical customers various reusable pens, disposable pens or auto-injectors with different functionalities such as fixed and variable delivery quantities, combined with single or multiple dosages.

Innovative technology platforms

		Multidose	Singledose	Variable dose	Fixed dose
Insulin Pens					
Ypsopen		●		●	
Servopen		●		●	
Imura		●		●	
Other Pen Systems					
Trio			●		●
Lynx			●	●	
Leda			●		●
Ganymed		●		●	
Auto-Injector					
Silberhorn			●		●

Pharmaceutical companies seek to differentiate themselves via injection systems

Pharmaceutical and biotech companies not only use injection systems for their innovative biotech-based liquid drugs but also increasingly for biosimilars and generics. Since the patents for various major drugs have already expired or will do so shortly, competition in the pharmaceutical industry is strongly increasing. If the effects of the drugs are virtually the same, pharmaceutical and generic companies have to differentiate themselves via innovative, user-friendly injection systems if they wish to avoid losing market share. Customer expectations have also changed. Previously patients were satisfied with pre-filled disposable syringes or vials but today they expect user-friendly, simple, safe pen systems or auto-injectors.

Handling studies show that patients prefer pens from Ypsomed

The following example shows how Ypsomed acquires customer projects: Around 12 months ago, Ypsomed received a request from a global pharmaceutical company for a 2-chamber pen system with specific dosage requirements. The customer wanted prototypes for use in handling studies involving patients as rapidly as possible. Ypsomed offered the customer a pen system based on one of its own technology platforms and was able to supply the prototypes requested for the handling and comparative study in time. As a result, 9 out of 10 patients preferred the Ypsomed pen system. Ypsomed was able to win the customer despite slightly higher unit costs compared to its competitors. The market launch of the new injection system is now planned for 2010.

Ypsomed acquires important customer projects – substantial growth rates from 2010/11 onwards

The strategic decision taken about four years ago to develop the Ypsomed technology platforms at the company's risk and expense is now paying off: in the past half year, Ypsomed signed several new contracts with leading pharmaceutical companies for injection systems. For reasons of confidentiality, Ypsomed is unable to disclose the names of the customers and the areas of application at the moment. However, the new injection systems are both for drugs which are already on the market and for drugs still going through the approval process. The anticipated production volumes will be substantial but will be dependent on the timing of the approvals and precise market launch of the drugs.

Sanofi-Aventis orders more Ypsomed pens than expected

Co-operation with our main customer Sanofi-Aventis is today very good at all levels. On the one hand, orders for Ypsomed's pen systems such as the OptiSet® for the 2009 calendar years are slightly higher than previously expected. On the other hand, production of the SoloStar® pen used by Sanofi-Aventis for their successful insulin Lantus® is planned to start towards the end of 2009.

New licence contract for Ypsomed patent rights before completion

Ypsomed has approximately 250 patent families and has actively continued negotiations with regard to non-exclusive licence rights for the use of Ypsomed patents. Ypsomed has successfully negotiated another contract, which is expected to be signed in the second half year of 2008/09.

YPSOMED STRENGTHENS ITS DIABETES BUSINESS

Two acquisitions in the diabetes direct business

In the first half of the 2008/09 business year, Ypsomed expanded its diabetes direct business with the 100% subsidiary DiaExpert significantly, both organically and through the acquisition of Florian Müller last year. In an asset-based deal Sanitavital and Medizin Service Flemming – two of DiaExpert's competitors in Germany – will be acquired by the end of 2008. The two acquisitions will strengthen Ypsomed's market position in the diabetes direct business. The management aims to increase the profitability of the diabetes direct business significantly. Further possible acquisitions in the diabetes business are currently being examined.

Ypsomed teams up with an additional distributor in the USA for pen needles

Sales of pen needles also developed positively in the first half of 2008/09, allowing Ypsomed to outperform the market in terms of growth. Particularly pleasing was the fact to acquire the third largest retailer in the USA, with approximately 2500 pharmacies, as a new distributor for Ypsomed's patented pen needles. Expansion of the company's production capacity in Switzerland is still ongoing and is a few months behind the original schedule due to problems with a subcontractor. The unexpected bankruptcy of a distributor for pen needles in Europe is regrettable. Although the market could be supplied with Ypsomed pen needles through the rapid development of a successor company, this caused a one-off value adjustment of CHF 1.3 million. Had this loss of receivables not occurred, the EBIT margin in the first half of 2008/09 would have been 1.0% higher.

Ypsomed opens a nursery (KITA) in Burgdorf

Nursery places for children are increasingly in need in order to allow employees to strike a balance between the demands of family and professional life. Ypsomed therefore opened a nursery in Burgdorf in collaboration with Roche-Disetronic in August 2008. The "leolea" Association, which was originally supported by the Ypsomed Innovation Fund during its start-up phase, runs the full-time nursery professionally and offers a total of 20 new nursery places in a converted factory. Family-friendly measures are not only a corporate social action of Ypsomed but also give the company a competitive edge as an attractive employer.

Ypsomed supports childcare for employees

INCREASED PROFITABILITY AND ATTRACTIVE PROSPECTS

Sales increased by 2.8% to CHF 138.2 million

With consolidated sales of CHF 138.2 million, Ypsomed has achieved its target following the first six months of the 2008/09 business year, up 2.8% on the same period in the previous year. Sales in the Delivery Devices division, which includes pen needles, amounted to CHF 105.8 million. The lower sales with pen systems for Sanofi-Aventis could only partially be compensated. In the diabetes direct business, the acquisition of Florian Müller on 27 July 2007 had a positive impact. Sales increased by 33.6% to CHF 32.4 million (+36.5% in local currency).

Considerable improvement in the gross margin to 31.9%

The operational measures to improve processes and reduce costs continue to have an impact: the gross margin improved clearly from 29.5% to 31.9% in the first half of the 2008/09 business year. Administration costs were further reduced. With 1 213 employees as per 30 September 2008, the workforce remained unchanged. At CHF 14.0 million, expenditures on marketing and sales included the one-off loss of receivables of CHF 1.3 million and consequently only increased in line with the higher sales in the diabetes direct business. Research & development spending also remained high in the first half, at a total of CHF 18.1 million or 13.1% of sales. Of this figure, CHF 8.1 million was capitalised in accordance with accounting standards for in-house developments, such as the continuous injection device, the safety pen needle and, for the first time, for the new servo-pen for insulin administration. Payments by customers for development services rose to CHF 5.1 million in the first half year.

Operating profit margin increased to 11.7%

Thanks to the operational improvements, both EBITDA and EBIT improved in the first half of 2008/09. Compared with the same period in the previous year, EBITDA improved from CHF 24.3 million to CHF 27.0 million, which equates to an EBITDA margin of 19.5%. Operating profit (EBIT) increased by 26.9% from CHF 12.7 million to CHF 16.2 million. This means that compared with the same period in the previous year, the EBIT margin improved by 220 basis points from 9.5% to 11.7%. Since Ypsomed bills injection systems manufactured in Switzerland in Swiss francs, the currency risks to which Ypsomed is exposed are low and are restricted to the diabetes direct business in the euro area and international sales of pen needles. At CHF 0.04 million net currency effects were correspondingly minimal in the first half of 2008/09.

Ypsomed invests in expanding its capacity

Investments in fixed assets totalled CHF 20.4 million in the first half of 2008 and were primarily focused on the expansion of pen needle production, the industrialization of customer projects and on adjustments to the logistics and production infrastructure. Ypsomed expects investment to total CHF 35 to 40 million in the 2008/09 business year.

A further increase in equity – sound financing

In the first half of 2008/09, Ypsomed's balance sheet improved further. The equity increased compared with the same period in the previous year by CHF 5.6% to CHF 424.4 million, which equates to an equity ratio of 68.3% by September 30, 2008. As in previous years, the shareholder's loan by Dr. h.c. Willy Michel was reduced by CHF 20 million to CHF 140 million.

Outlook: attractive prospects and great confidence

Ypsomed is again on the road of success. As the figures demonstrate, Ypsomed's operating performance is significantly better, the quality of its products and its business processes have improved and the costs have been reduced as targeted. For the 2008/09 business year the previous guidance can be confirmed with sales expected at the prior year's level and a slightly improved EBIT margin. For the 2009/10 business year, Ypsomed is currently expecting sales growth in the moderate single digits. A significant jump in sales with a sales growth rate of over 20% is to be expected in the 2010/11 business year. The reasons for this lie in the start of the production of the SoloStar® pen, the planned launch of several injection systems based on our own technology platforms by new pharmaceutical customers as well as due to the anticipated start of distribution of the Ypsomed continuous injection device in selected European countries within the second half year 2010/11. In the next 18 months, the management of Ypsomed will make active preparations for this period of rapid growth. In addition to keeping a tight rein on important development and industrialization projects, the focus will be on product quality and the stability of business processes. Ypsomed is active in rapidly expanding markets with its injection systems, pen needles and diabetes direct business and is very confident that it will be able to profit to an above-average degree from this growth in future.

CONSOLIDATED INTERIM INCOME STATEMENT

APRIL 1 – SEPTEMBER 30

(Unaudited IFRS figures) in thousand CHF	Notes	2008	in %	2007	in %
Sales of goods and services	1	**138 228**	**100.0**	**134 510**	**100.0**
Cost of goods and services sold		–94 158	–68.1	–94 868	–70.5
Gross profit		**44 070**	**31.9**	**39 642**	**29.5**
Licensing revenues	2	78	0.1	2 256	1.7
Research and development reimbursed		*5 083*	*3.7*	*3 029*	*2.3*
Research and development expenses		*–10 074*	*–7.3*	*–10 720*	*–8.0*
Research and development expenses – net		–4 990	–3.6	–7 690	–5.7
Marketing and sales expenses	3	–14 023	–10.1	–12 440	–9.2
Administration expenses		–8 963	–6.5	–9 028	–6.7
Operating profit		**16 172**	**11.7**	**12 740**	**9.5**
Financial income	4	1 025	0.7	1 795	1.3
Financial expense	4	–1 767	–1.3	–807	–0.6
Other non-operating income / (expense)		343	0.2	243	0.2
Profit before income taxes		**15 773**	**11.4**	**13 971**	**10.4**
Income taxes		–2 147	–1.6	–2 575	–1.9
Net profit		**13 626**	**9.9**	**11 396**	**8.5**
Earnings per share (basic and diluted) in CHF	5	**1.21**		**1.01**	
Operating profit		16 172		12 740	
Depreciation of fixed assets		9 992		10 830	
Amortization of intangible assets		805		724	
EBITDA (Operating profit before depreciation and amortization)		**26 968**	**19.5**	**24 294**	**18.1**

The accompanying notes form an integral part of these interim consolidated financial statements.

CONSOLIDATED INTERIM BALANCE SHEET

(IFRS figures) in thousand CHF

ASSETS	Notes	30.09.08 unaudited	in %	31.03.08 audited	in %	30.09.07 unaudited	in %
Cash and cash equivalents		14 974	2.4	38 291	6.0	21 654	3.5
Marketable securities		9 317	1.5	19 965	3.1	20 583	3.3
Trade receivables		28 265	4.5	29 991	4.7	37 398	6.0
Other current assets		11 635	1.9	11 246	1.8	10 774	1.7
Current income tax assets		726	0.1	902	0.1	1 691	0.3
Inventories		45 118	7.3	42 189	6.6	43 592	7.0
Customer machinery		412	0.1	1 579	0.2	1 048	0.2
Total current assets		**110 446**	**17.8**	**144 164**	**22.6**	**136 740**	**22.0**
Financial assets "available for sale"		20	0.0	20	0.0	9 704	1.6
Deferred income tax assets		1 243	0.2	1 441	0.2	2 915	0.5
Other non-current assets		449	0.1	386	0.1	119	0.0
Fixed assets		175 692	28.3	166 368	26.1	151 361	24.4
Intangible assets		333 694	53.7	325 851	51.1	320 717	51.6
Total non-current assets		**511 097**	**82.2**	**494 066**	**77.4**	**484 816**	**78.0**
Total assets		**621 544**	**100.0**	**638 230**	**100.0**	**621 556**	**100.0**

LIABILITIES AND EQUITY	Notes	30.09.08 unaudited	in %	30.03.08 audited	in %	30.09.07 unaudited	in %
Trade payables		13 839	2.2	16 914	2.7	13 945	2.2
Prepayments from customers		5 176	0.8	6 403	1.0	1 254	0.2
Current income taxes payable		3 332	0.5	1 891	0.3	1 300	0.2
Other payables and accrued expenses		20 433	3.3	20 587	3.2	27 865	4.5
Provisions		1 837	0.3	2 261	0.4	1 502	0.2
Total current liabilities		**44 616**	**7.2**	**48 056**	**7.5**	**45 866**	**7.4**
Non-current financial liabilities to major shareholder	6	140 000	22.5	160 000	25.1	160 000	25.7
Provisions		8 792	1.4	8 476	1.3	7 874	1.3
Deferred income tax liabilities		3 763	0.6	4 119	0.6	5 775	0.9
Total non-current liabilities		**152 555**	**24.5**	**172 595**	**27.0**	**173 649**	**27.9**
Share capital	7	109 632	17.6	116 378	18.2	116 378	18.7
Group reserves		301 116	48.4	274 618	43.0	274 267	44.1
Net profit		13 626	2.2	26 583	4.2	11 396	1.8
Total equity		**424 373**	**68.3**	**417 579**	**65.4**	**402 041**	**64.7**
Total liabilities and equity		**621 544**	**100.0**	**638 230**	**100.0**	**621 556**	**100.0**

The accompanying notes form an integral part of these interim consolidated financial statements.

CONSOLIDATED INTERIM CASH FLOW STATEMENT

APRIL 1 – SEPTEMBER 30

(Unaudited IFRS figures) in thousand CHF	Notes	2008	2007
Net profit		**13 626**	**11 396**
Depreciation of fixed assets		10 212	10 830
Amortization of intangible assets		805	724
Change in provisions, net		–111	280
Financial income	4	–1 025	–1 795
Financial expense	4	1 767	807
Profit (–)/loss (+) disposals fixed and financial assets		80	0
Income taxes		2 147	2 575
Cash flow from operating activities before changes in net working capital		**27 499**	**24 817**
Increase (–) / decrease (+) in trade receivables		1 749	–696
Increase (–) / decrease (+) in other current and non-current assets		–385	–712
Increase (–) / decrease (+) in inventories		–2 959	–3 538
Increase (–) / decrease (+) in customer machinery		1 350	12 433
Increase (+) / decrease (–) in trade payables		–2 774	612
Increase (+) / decrease (–) in prepayments from customers		–1 227	–8 266
Increase (+) / decrease (–) in other payables and accrued expenses		–192	6 179
Income taxes paid		–1 143	–2 668
Cash flow from operating activities		**21 919**	**28 161**
Purchases of fixed assets		–20 359	–16 134
Disposals of fixed assets		712	77
Purchases of intangible assets		–8 360	–4 599
Disposals of intangible assets		0	6
Disposals of marketable securities		9 476	5 073
Acquisitions, net of cash acquired		0	–13 050
Interest received		294	311
Other financial income		89	407
Cash flow from investing activities		**–18 149**	**–27 909**
Repayment of financial liabilities to major shareholder	6	–20 000	–20 000
Interest paid		–8	–25
Par value repayment	7	–6 737	0
Other financial expense		–61	–265
Purchases of own shares		–1 237	–1 538
Disposals of own shares		922	2 424
Cash flow from financing activities		**–27 121**	**–19 404**
Effect of foreign currency translation		33	82
Total cash flow		**–23 318**	**–19 070**
Cash and cash equivalents as of April 1		38 291	40 724
Cash and cash equivalents as of September 30		14 974	21 654
Net increase (+) / decrease (–) in cash and cash equivalents		**–23 318**	**–19 070**

The accompanying notes form an integral part of these interim consolidated financial statements.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

(Unaudited IFRS figures) in thousand CHF	Share capital	Group reserves and share premium	Own shares	Cumulative translation reserve	Retained earnings	Total
Balance as of 1 April 2007	**116 378**	**166 649**	**–2 224**	**50**	**109 175**	**390 028**
Currency translation differences				–269		–269
Net profit 1.4.07 – 30.9.07					11 396	11 396
Total income and expense for the period				–269	11 396	11 127
Purchases of own shares			–1 538			–1 538
Disposals of own shares		30	2 394			2 424
Balance as of 30 September 2007	**116 378**	**166 679**	**–1 368**	**–219**	**120 571**	**402 041**
Balance as of 1 April 2008	**116 378**	**166 659**	**–1 377**	**161**	**135 758**	**417 579**
Currency translation differences				223		223
Net profit 1.4.08 - 30.9.08					13 626	13 626
Total income and expense for the period				223	13 626	13 849
Par value repayment	–6 747		10			–6 737
Purchases of own shares			–1 237			–1 237
Disposals of own shares		–3	922			919
Balance as of 30 September 2008	**109 632**	**166 656**	**–1 683**	**384**	**149 384**	**424 373**

The accompanying notes form an integral part of these interim consolidated financial statements.

in thousand CHF, unless otherwise stated

Accounting policies

The consolidated interim financial statements are prepared in accordance with IAS 34 "Interim Financial Reporting". With the exception of the changes listed below, the accounting policies applied are consistent with those used in the annual financial statements for the year ended March 31, 2008. The interim report should be read in conjunction with the annual report for the year ended March 31, 2008.

Changes in accounting policies:

IFRIC 12	Concessionary service agreements Ypsomed does not have any concessionary service agreements and is therefore not affected by the application of these new rules.
IFRIC14, IAS 19	Asset ceiling of defined benefit plans, minimum funding requirements and their interaction. This interpretation contains regulations/guidelines to determine the recognition of assets from pension plans and particulary defines how to determine the economic benefit of a reduction in contributions. The adoption of this interpretation has no impact of the financial position or cash flows of the Group.

The adoption of published new and amended standards that will come into force for subsequent consolidated financial statements is not expected to have any material effects on the results or the financial situation of the Group.

Ypsomed is not exposed to significant seasonal or cyclical fluctuation in its business activities within the financial year.

The preparation of the consolidated interim financial statements assumes that Management makes certain estimates and assumptions that have consequences for assets and liabilities shown in the balance sheet and income and expenses accounted for in the period under review. These estimates and assumptions are based on future expectations and are held reasonable at the time of preparation of the interim financial statements. The actual amounts can deviate from these assumptions.

The consolidated interim financial statements were approved for issue by the Board of Directors on October 24, 2008.

in thousand CHF, unless otherwise stated

1. Segment information

The business activity of the Ypsomed Group is presented in the segments "Delivery Devices" and "Diabetes Direct Business". The business segment "Delivery Devices" comprises the product groups pen systems, pen neeedles, precison turned parts and other injection mouldings produced by Ypsomed. The business segment "Diabetes Direct Business" covers the direct trade in a range of diabetes articles.

1st half-year 2008/09

	Delivery Devices	Diabetes Direct Business	Eliminations	Group
Sales of goods and services to third party customers	105 791	32 437	0	138 228
Intersegmental sales	267	0	–267	0
Total sales of goods and services	**106 058**	**32 437**	**–267**	**138 228**
Operating profit	**15 509**	**663**	**0**	**16 172**
Financial income				1 025
Financial expense				–1 767
Other non-operating income / (expense)				343
Result before income taxes				**15 773**

	Delivery Devices	Diabetes Direct Business	Group
Segment assets	564 723	44 168	608 891
Unallocated			12 653
Total assets			**621 544**
Segment liabilities	46 711	9 482	56 193
Unallocated			140 978
Total liabilities			**197 171**

Investments	28 518	201	28 719
Depreciation/amortization	10 446	570	11 016

In the figures of the previous period, the acquired Florian Müller Group (Business Segment "Diabetes Direct Business") was consolidated from the acquisition date July 27, 2007. The contribution of the acquired companies in the prior period:

Sales of goods and services to third party customers	4 644
Net profit	135

1st half-year 2008/09

	Delivery Devices	Diabetes Direct Business	Eliminations	Group
Sales of goods and services to third party customers	110 224	24 286	0	134 510
Intersegmental sales	70	0	–70	0
Total sales of goods and services	**110 294**	**24 286**	**–70**	**134 510**
Operating profit	**12 465**	**275**	**0**	**12 740**
Financial income				1 795
Financial expense				–807
Other non-operating income / (expense)				243
Result before income taxes				**13 971**

	Delivery Devices	Diabetes Direct Business	Group
Segment assets	549 274	34 977	584 251
Unallocated			37 305
Total assets			**621 556**
Segment liabilities	45 963	10 036	55 999
Unallocated			163 516
Total liabilities			**219 515**
Investments	20 653	80	20 733
Depreciation/amortization	11 402	152	11 554

2. Licensing revenues

The licensing revenues consist of turnover dependent payments in the amount of TCHF 78 (prior year: TCHF 6) and non-recurring payments in the amount of TCHF 0 (prior year: TCHF 2250).

3. Marketing and sales expenses

Marketing and sales expenses contain an estimated loss for bad debts in the amount of CHF 1.3 million for an insolvent needle-distributor in Europe.

4. Financial income/expense

	2008	2007
Interest income	237	313
Gains from marketable securities	75	284
Foreign exchange gains	702	1 095
Other financial income	12	103
Total financial income	**1 025**	**1 795**
Interest expense	379	448
Losses from securities	668	88
Foreign exchange losses	658	192
Other financial expense	62	79
Total financial expense	**1 767**	**807**

5. Earnings per share

Earnings per share are calculated by dividing net profit through the weighted monthly number of shares outstanding during the period. The average number of shares held by group companies is deducted from the number of shares issued.

	2008	2007
Net profit in thousand CHF	13 626	11 396
Number of outstanding shares weighted on a monthly basis	11 228 012	11 236 489
Earnings per share in CHF (basic and diluted)	**1.21**	**1.01**

6. Non-current financial liabilities to major shareholder

	2008	2007
Loan Techpharma Management AG, Burgdorf	140 000	160 000

Interest of 0.5% is charged on the loan throughout its contractual duration. Under certain conditions, which are out of the control of Ypsomed, the interest rate would be adapted to current market conditions. Ypsomed Holding AG is entitled to repay the loan at any time in part or in full, with full repayment due by 31 March 2010 at the latest. Techpharma Management AG is a company controlled by Dr. h.c. Willy Michel.

7. Share capital

As of September 16, 2008, the nominal value of the Ypsomed share was reduced by CHF 0.60 (prior year: CHF 0.0) and repaid to the shareholders. The total reduction of nominal value was CHF 6.7 million.

INFORMATION FOR INVESTORS

Stock listing

The registered shares of Ypsomed Holding AG are traded at the SWX Swiss Exchange and at the BX Berne eXchange.

Ticker symbols:
YPSN (Telekurs)
YPSN.S (Reuters)
YPSN SW (Bloomberg)
Securities number 1939 699
ISIN CH 001 939 699 0

Information policy

Ypsomed Holding AG maintains an open and transparent communication policy towards shareholders, potential investors, financial analysts, the media, and customers, based on the principle of equality. The company uses the following instruments: annual report, half-year report, presentation of the annual results to the media and financial analysts ahead of the shareholders' meeting, as well as briefing the media on important events. Responsibility for communication with investors rests with the Chairman of the Board of Directors, who may delegate this duty to the CEO.

The following banks monitor the development of the Ypsomed Group:

Bank am Bellevue, Zurich (www.bellevue.ch),
Dr. Sandra Künzle

BZ-Bank, Wilen (www.bzbank.ch),
Patrik Jäger

CAI Cheuvreux, Zurich (www.cheuvreux.ch),
Thomas Bernhardsgrütter

Credit Suisse, Zurich (www.csfb.com),
Christoph Gretler

Helvea SA, Zurich (www.helvea.com)
Daniel Jelovcan

Kepler Equities, Zurich (www.kepler-equities.com),
Florian Gaiser

UBS Investment Bank, Zurich (www.ubs.ch),
Maja Stephanie Pataki

Vontobel, Zurich (www.vontobel.com),
Christoph Gubler

Zürcher Kantonalbank, Zurich (www.zkb.ch),
Sibylle Bischofberger Frick

Other company publications are available to download or on order from our website (www.ypsomed.com). Official announcements are published in the Swiss Official Gazette of Commerce (SHAB). Interested shareholders, financial analysts and media representatives can receive regular company publications, on request.

Key forthcoming dates

26 May 2009
Press conference and presentation of the annual results 2008/09 to analysts

24 June 2009
General Meeting of Shareholders, BEA bern expo, Bern

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