



Presentation of Semi-Annual Results 2008/09

Burgdorf, 6th November 2008

YPSOMED
SELFCARE SOLUTIONS

The information contained in this document has not been independently verified and no representation or warranty, express or implied, is made to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of Ypsomed Holding AG, its advisors or representatives, or their respective affiliates shall have any liability whatsoever for any loss whatsoever arising from any use of this document, or its content, or otherwise arising in connection with this document. This document does not constitute, or form part of, an offer to sell or a solicitation of an offer to purchase any shares and neither it nor any part of it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

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.

Presentation of Semi-Annual Results 2008/09

- Summary H1 2008/09
- Financials H1 2008/09
- Business Update and Outlook
- Questions and Answers

- Ypsomed benefits from growth dynamics in drug self-administration, diabetes and insulin
- Net Sales in the first half year reached CHF 138.2 million, +2.8% to prior year.
- Profitability improved at all levels:
 - Gross profit increased to CHF 44.1 million, with a gross margin of 31.9% vs. 29.5% in the previous year.
 - Operating profit rose by 26.9% to CHF 16.2 million, equal to a 11.7% EBIT margin (vs. 9.5% in the previous year).
 - Net income on a consolidated basis increased by 19.6% to CHF 13.6 million.
- Ypsomed wins pharma customers for new pen systems and strengthens its Diabetes business with two smaller acquisitions via DiaExpert and a distribution agreement for blood glucose monitoring systems from Bionime in Europe. Ypsomed also intends to acquire a 10% equity stake in Bionime Corp. (Taiwan) for approx. CHF 6.5 million.

- Ypsomed is active in fast growing markets with its injection systems, pen needles, blood glucose monitoring systems and diabetes direct business and is therefore very confident that it will be able to benefit to an above average degree from this growth in future. Ypsomed is innovative, financially sound and offers promising perspectives both for employees and for shareholders.



We Can!

Key Financials H1 2008/09

CHF million	H1 2008/09	H1 2007/08	Δ in %	Δ in % Punkte
Sales of goods and services	138.2	134.5	2.8%	
Gross profit	44.1	39.6	11.2%	
Gross profit in %	31.9	29.5	8.2%	2.4%
Operating profit	16.2	12.7	26.9%	
Operating profit in %	11.7	9.5	23.5%	2.2%
Net profit	13.6	11.4	19.6%	
Net profit in %	9.9	8.5	16.4%	1.4%

Sales by Business Line – Strong Diabetes Sales Growth



CHF million	H1 2008/09	H1 2007/08	Δ in %
Segment «Delivery Devices»	105.8	110.2	-4.0%
Segment «Diabetes Direct Business» (DDB)	32.4	24.3	33.6%
Total Sales	138.2	134.5	2.8%

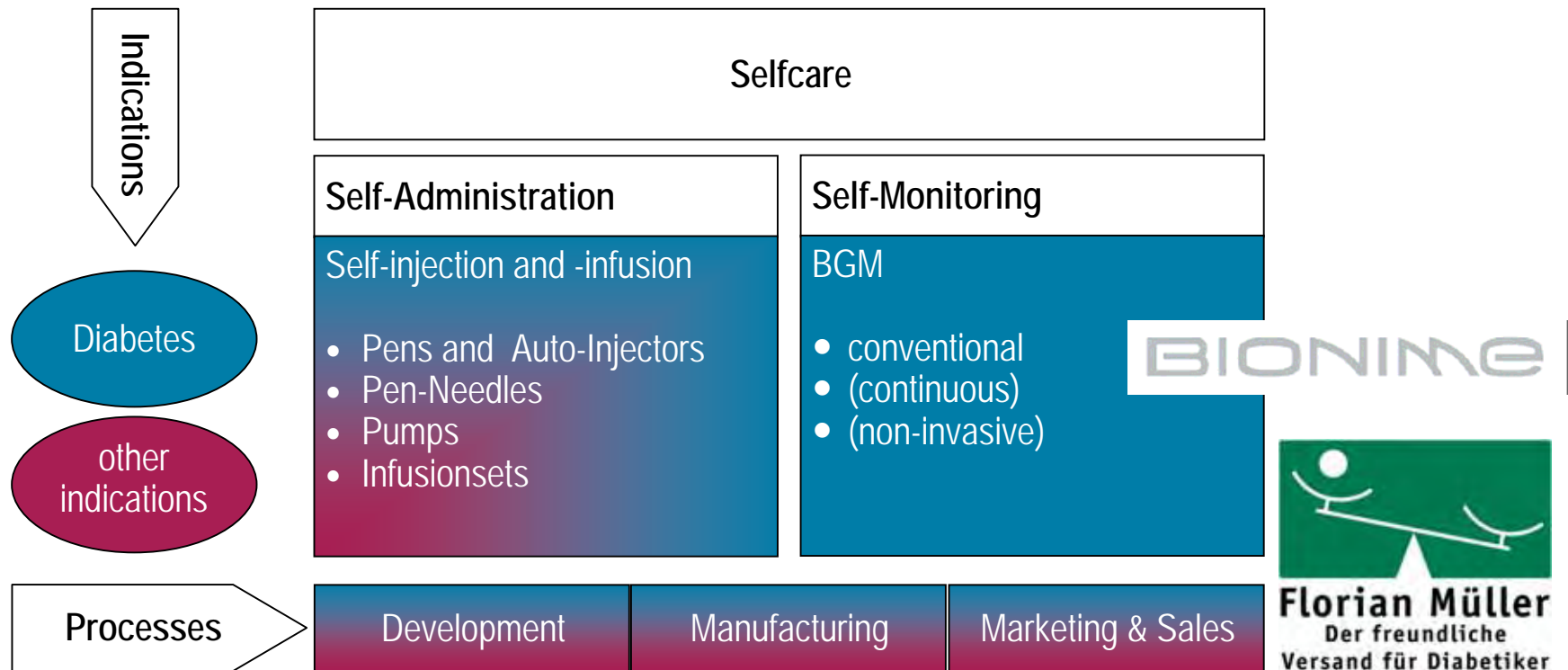
- Delivery Devices comprises the product groups pen systems, pen needles, precision turned parts and other injection moldings produced by Ypsomed.
- Diabetes Direct Business includes the diabetes direct business / DiaExpert.

- Ypsomed signed several contracts with large pharma customers for new pen systems based on its own technology platforms.
- The new pen systems are for drugs either already on the market or in the approval process. The production volumes will become significant and are expected to contribute to sales in 2010.
- An additional 10 projects are in the evaluation phase with pharma customers.
- Ypsomed invested a total of CHF 18.1 million or 13.1% of sales in Research & Development and CHF 20.4 million in Capex for production capacity and infrastructure.
- Ypsomed has increased its portfolio of intellectual property to 250 patent families.
- One new non-exclusive license contract with a major pharma company for the use of Ypsomed's intellectual property was recently signed.

Characteristics of attractive acquisitions targets

- Strategic fit and market position: either synergistic to current Ypsomed business, or leading if new.
- Products & Brands: strong differentiating features
- Price position: premium level
- Customer base: international & diversified, or synergistic to existing Ypsomed business
- Proprietary Technology or IP
- Financials: high gross margins; highly cash generative

- Ypsomed's strategy is based on strong organic growth and selected, smart acquisitions:



- Ypsomed concluded a distribution agreement in Europe for blood glucose monitoring systems from Bionime starting spring 2009 and intends to acquire a 10% equity stake in Bionime Corp. from Taiwan.
- In addition, Ypsomed is targeting to conclude the acquisition of two smaller competitors of DiaExpert in the diabetes direct business in Germany by end of 2008, further expanding its market share in the diabetes direct business in Germany.



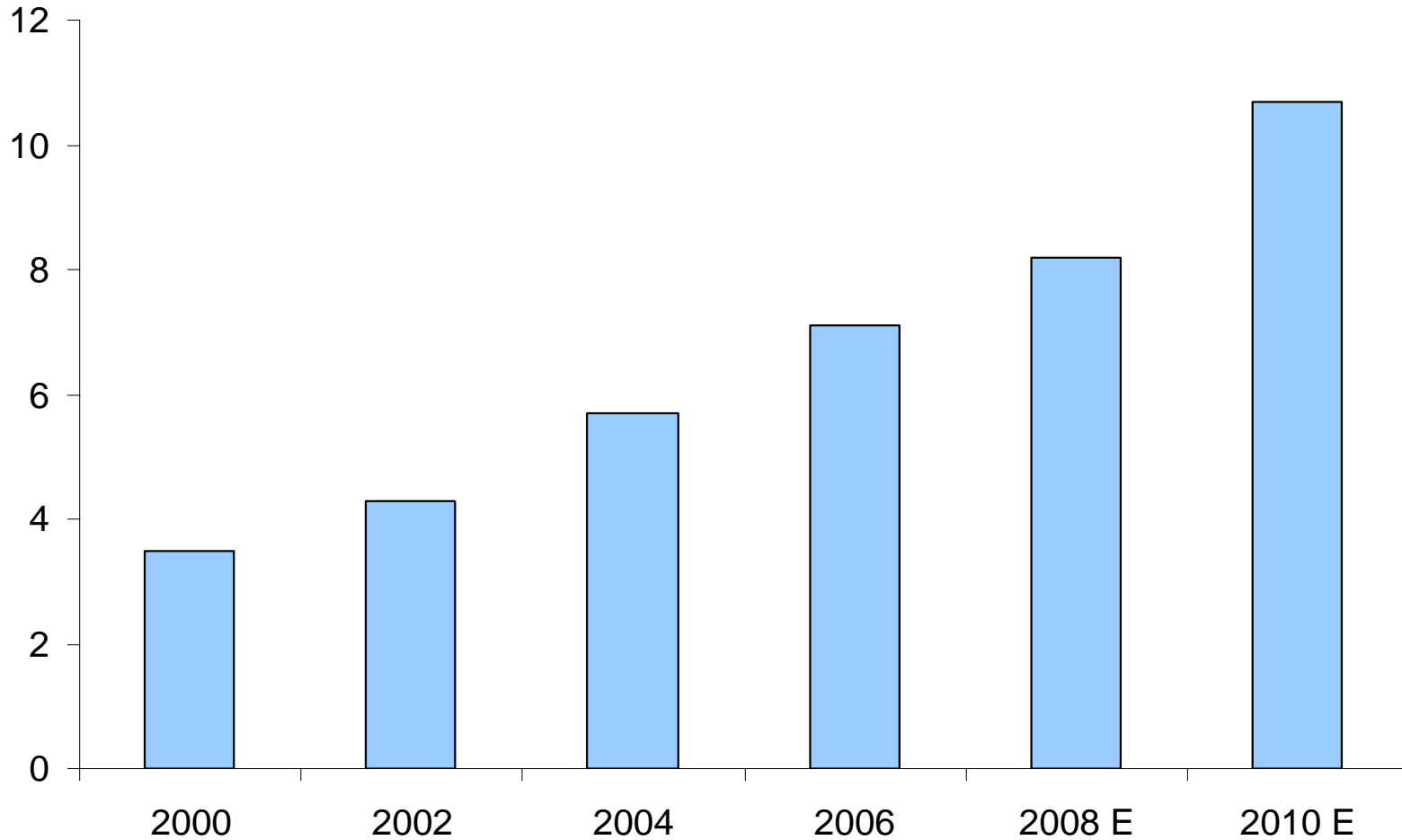
Medizin - Service Flemming
GmbH & Co KG



sanitavital

Market Growth in Blood Glucose Monitoring Systems

Sales worldwide in billion US\$



- Ypsomed and Bionime of Taiwan signed an distribution agreement for blood glucose monitoring systems in Europe.
- The market launch of the new blood glucose monitoring systems is planned for spring 2009.



- Bionime was founded in 2002 and currently has about 360 employees.
- The company is based in Taichung (Taiwan) and has offices in Berneck (Switzerland) and the USA as well as in China.
- The product range of Bionime includes blood glucose monitoring systems, strips and lancets devices.
- The blood glucose monitoring devices and strips are based on IP protected, advanced technology allowing precise and reliable measurements based on cost efficient production.
- Bionime is privately held and profitable.



Fully automatic strip production



Meter Assembling line

- 2002 Bionime founded by Roy Huang
- 2003 Introduction of a complete branded product range
- 2004 Opening of new factory in Taichung, Taiwan
Bionime is certified by ISO and CE
- 2005 Bionime passes FDA and China SFDA certification
Bionime Europe with headquarter in Switzerland is established
- 2006 Several technologies received patents in EU and US
- 2007 Bionime is represented in all major European countries, in the US and in Asia
- 2008 Development of first Bionime lancing device was successfully completed

Bionime with Strong Market Presence



- Ypsomed intends to acquire a 10% equity stake in Bionime Corp. for a consideration of approx. CHF 6.5 million.
- Ypsomed and Bionime will work together to enhance the sales & distribution of Ypsomed's pen needles in Asia and Eastern European countries.
- In the future, Ypsomed will explore options for collaboration with Bionime as a production partner in Asia.

Presentation of Semi-Annual Results 2008/09

- Summary H1 2008/09
- **Financials H1 2008/09**
- Business Update and Outlook
- Questions and Answers

Profitability Improved at all Levels – EBIT Margin of 11.7%

CHF million	H1 2008/09	in %	H1 2007/08	in %	Δ in %
Sales of goods and services	138.2	100.0%	134.5	100.0%	2.8%
Cost of goods and services sold	-94.2	-68.1%	-94.9	-70.5%	-0.7%
Gross profit	44.1	31.9%	39.6	29.5%	11.2%
Licensing revenues	0.1	0.1%	2.2	1.7%	-96.4%
Research and development reimbursed	5.1	3.7%	3.0	2.3%	67.8%
Research and development expenses	-10.1	-7.3%	-10.7	-8.0%	-6.0%
Research and development expenses - net	-5.0	-3.6%	-7.7	-5.7%	-35.1%
Marketing and sales expenses	-14.0	-10.1%	-12.4	-9.2%	12.7%
Administration expenses	-9.0	-6.5%	-9.0	-6.7%	-0.7%
Operating profit	16.2	11.7%	12.7	9.5%	26.9%

Net Income Increased by 19.6% to CHF 13.6 Million

CHF million	H1 2008/09	in %	H1 2007/08	in %	Δ in %
Operating profit	16.2	11.7%	12.7	9.5%	26.9%
Financial income	1.0	0.7%	1.8	1.3%	-42.9%
Financial expense	-1.8	-1.3%	-0.8	-0.6%	119.0%
Other non-operating income / (expense)	0.3	0.2%	0.2	0.2%	41.2%
Profit before income taxes	15.8	11.4%	14.0	10.4%	12.9%
Income taxes	-2.1	-1.6%	-2.6	-1.9%	-16.6%
Net profit	13.6	9.9%	11.4	8.5%	19.6%
Earnings per share (basic and diluted)	1.21		1.01		

EBITDA of CHF 27 Million - Margin Improved to 19.5%

CHF million	H1 2008/09	in %	H1 2007/08	in %	Δ in %
Operating profit	16.2	11.7%	12.7	9.5%	26.9%
Depreciation of fixed assets	10.0	7.2%	10.8	8.1%	-7.7%
Amortization of intangible assets	0.8	0.6%	0.7	0.5%	11.2%
EBITDA	27.0	19.5%	24.3	18.1%	11.0%

Strong Balance Sheet with High Investments in Capex

CHF million	30.09.2008	in %	31.03.2008	in %	30.09.2007	in %
Assets						
Cash and cash equivalents	15.0	2.4%	38.3	6.0%	21.7	3.5%
Marketable securities	9.3	1.5%	20.0	3.1%	20.6	3.3%
Trade receivables	28.3	4.5%	30.0	4.7%	37.4	6.0%
Other current assets	11.6	1.9%	11.2	1.8%	10.8	1.7%
Current income tax assets	0.7	0.1%	0.9	0.1%	1.7	0.3%
Inventories	45.1	7.3%	42.2	6.6%	43.6	7.0%
Customer machinery	0.4	0.1%	1.6	0.2%	1.0	0.2%
Total current assets	110.4	17.8%	144.2	22.6%	136.7	22.0%
Financial assets "available for sale"	0.0	0.0%	0.0	0.0%	9.7	1.6%
Deferred income tax assets	1.2	0.2%	1.4	0.2%	2.9	0.5%
Other non-current assets	0.4	0.1%	0.4	0.1%	0.1	0.0%
Fixed assets	175.7	28.3%	166.4	26.1%	151.4	24.4%
Intangible assets	333.7	53.7%	325.9	51.0%	320.7	51.6%
Total non-current assets	511.1	82.2%	494.1	77.4%	484.8	78.0%
Total assets	621.5	100.0%	638.3	100.0%	621.6	100.0%

Equity Ratio Improved Again to Solid 68.3%

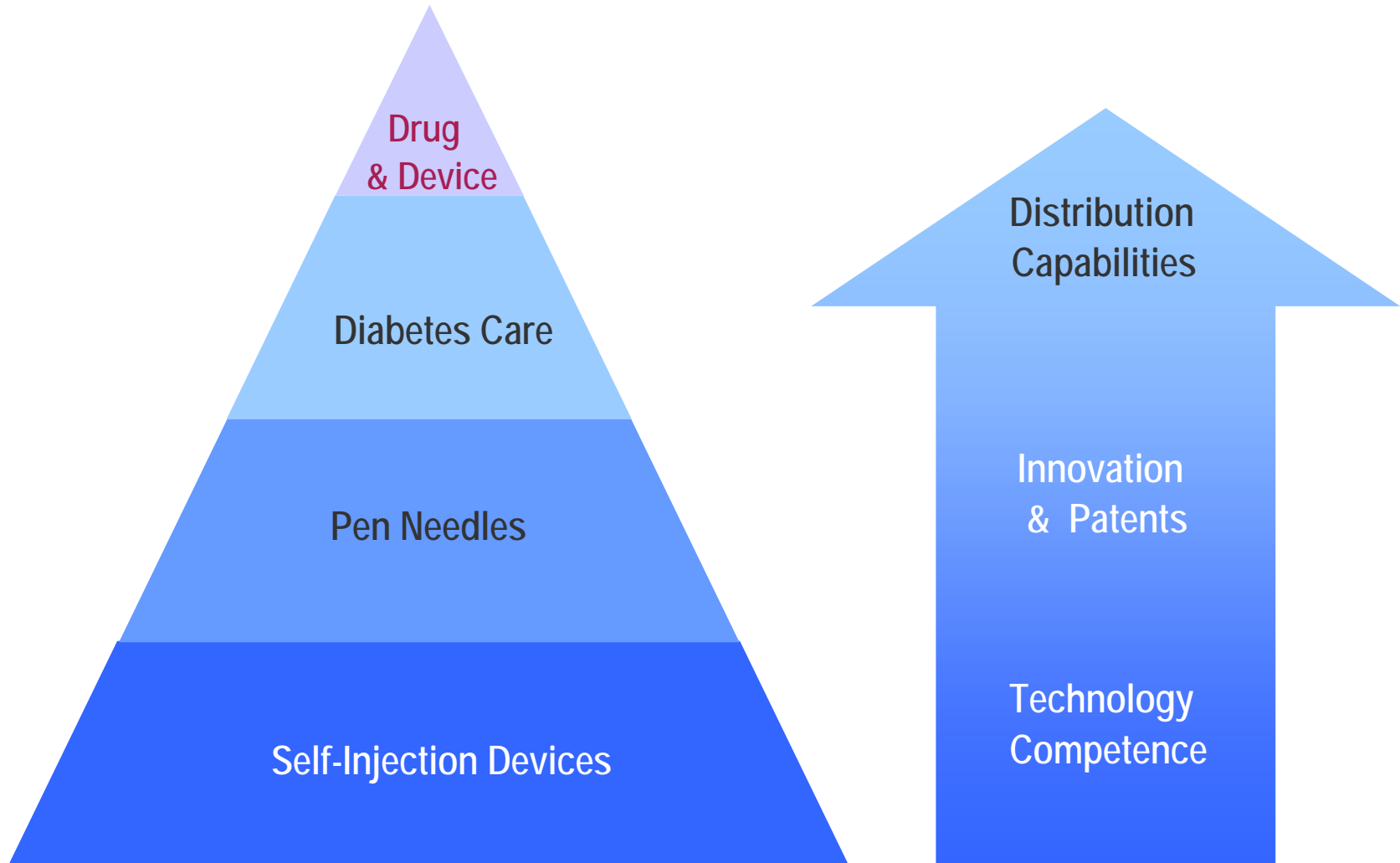
CHF million	30.09.2008	in %	31.03.2008	in %	30.09.2007	in %
Liabilities and equity						
Trade payables	13.8	2.2%	16.9	2.6%	13.9	2.2%
Prepayments from customers	5.2	0.8%	6.4	1.0%	1.3	0.2%
Current income taxes payable	3.3	0.5%	1.9	0.3%	1.3	0.2%
Other payables and accrued expenses	20.4	3.3%	20.6	3.2%	27.9	4.5%
Provisions	1.8	0.3%	2.3	0.4%	1.5	0.2%
Total current liabilities	44.6	7.2%	48.1	7.5%	45.9	7.4%
Non-current financial liabilities to major shareholder	140.0	22.5%	160.0	25.1%	160.0	25.7%
Provisions	8.8	1.4%	8.5	1.3%	7.9	1.3%
Deferred income tax liabilities	3.8	0.6%	4.1	0.6%	5.8	0.9%
Total non-current liabilities	152.6	24.5%	172.6	27.0%	173.6	27.9%
Share capital	109.6	17.6%	116.4	18.2%	116.4	18.7%
Group reserves	301.1	48.4%	274.6	43.0%	274.3	44.1%
Net profit	13.6	2.2%	26.6	4.2%	11.4	1.8%
Total equity	424.4	68.3%	417.6	65.4%	402.0	64.7%
Total liabilities and equity	621.5	100.0%	638.3	99.9%	621.6	100.0%

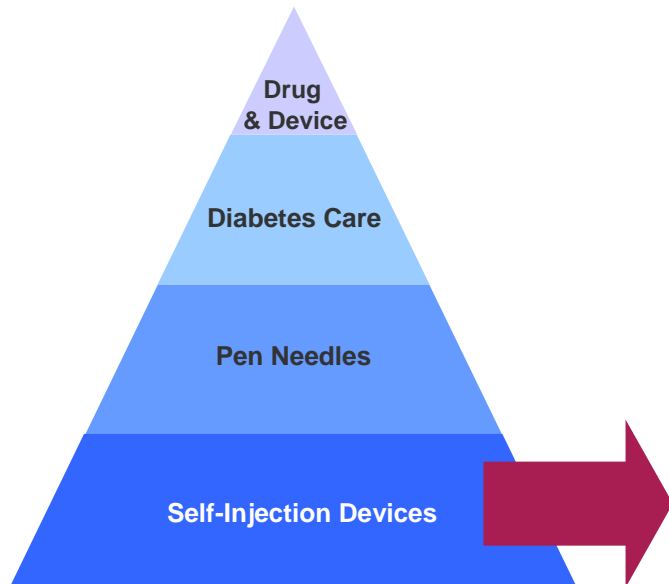
Positive Operating Cash Flow

CHF million	H1 2008/09	H1 2007/08	Δ in %
Cash flow from operating activities before changes in net working capital	27.5	24.8	10.8%
Change in net working capital	-5.6	3.3	-266.9%
Cash flow from operating activities	21.9	28.2	-22.2%
Purchases of fixed assets	-20.4	-16.1	26.2%
Purchase of intangible assets	-8.4	-4.6	81.8%
Trade in marketable securities	9.5	5.1	86.8%
Acquisition	0.0	-13.1	-100.0%
Other cash flows from investing activities	1.1	0.8	36.6%
Cash flow from investing activities	-18.1	-27.9	-35.0%
Repayment of financial liabilities to major shareholder	-20.0	-20.0	0.0%
Par value repayment	-6.7	0.0	100.0%
Other cash flows from financing activities	-0.4	0.6	-164.4%
Cash flow from financing activities	-27.1	-19.4	39.8%
Total cash flow	-23.3	-19.1	22.3%

Presentation of Semi-Annual Results 2008/09

- Summary H1 2008/09
- Financials H1 2008/09
- **Business Update and Outlook**
- Questions and Answers





Innovative Self-Injection Devices:

- Ypsomed's Leading Technology Platform pays off:
 - Several contracts signed with new large pharma customers -> launch expected in 2010
 - 10 projects are in the evaluation phase
- Ypsomed prototype pens prove to be successful in handling studies with patients, convincing pharma customers to choose Ypsomed as their partner for injection systems.
- Market growth is driven by the need of pharma customers to differentiate given increased competition in the drug market.

Strong Relationship with Sanofi-Aventis

- Sales volumes with Ypsomed's pen systems for Sanofi-Aventis have decreased in first half year 2008/09, but orders for 2009 calendar year are slightly better than anticipated.
- Ypsomed is working well and closely with Sanofi-Aventis at all levels. Not only in the day-to-day business for Ypsomed's various insulin pen systems for Sanofi-Aventis, but also in order to prepare for the production in Solothurn of a significant share of the supply of Sanofi-Aventis' SoloStar[®] pen system.
- Start of production is scheduled towards the end of the 2009 calendar year.
- Sanofi-Aventis is extremely successful with its insulin business, especially with the long-acting insulin Lantus[®], growing with 30% p.a. and expected sales in 2009 of more than €3.0 billion.



Successful Launch of the Ypsopen® in Germany



NEU!
ab Ende
2007

ypsopen®

ID 42.038899/V01/05.07

**Ich vertraue
meiner Erfahrung**

Der neue ypsopen® – für alle
Optipen®-Verwender, die weiterhin
einen Metallpen nutzen wollen.

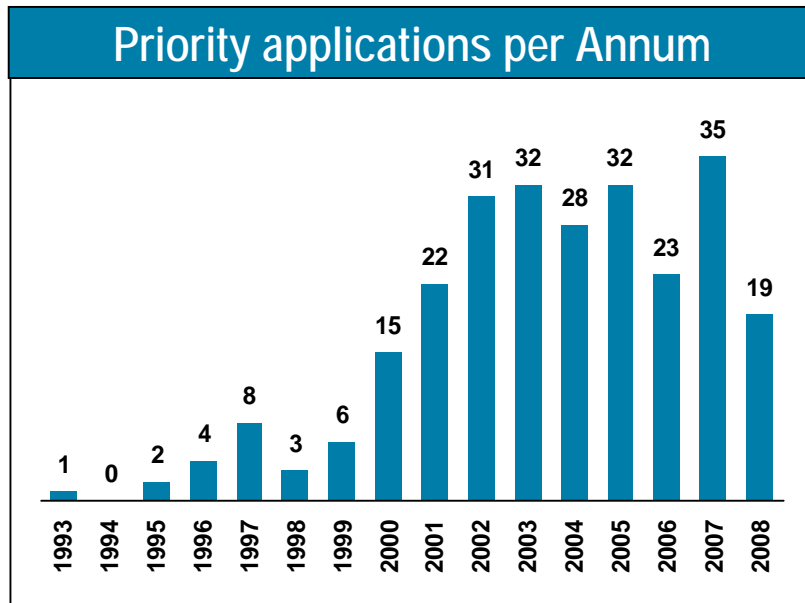
YPSOMED
SELF-CARE SOLUTIONS

The advertisement features a close-up of a person's face with their hands covering their eyes. A blue and silver Ypsopen pen is shown in the bottom left corner. The text is in German, highlighting the product's availability starting at the end of 2007 and its appeal to users of metal pens.

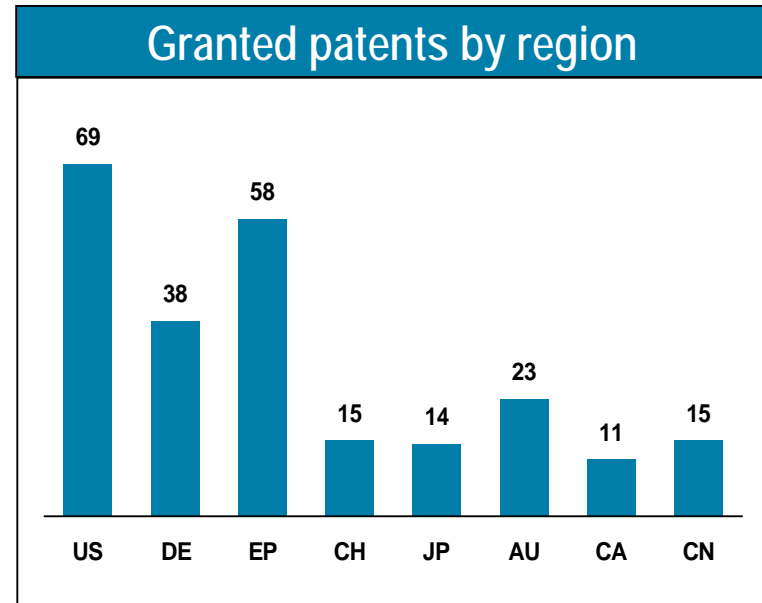


250 Patent Families – New License Agreement

- Ypsomed has recently signed a new license agreement with a large pharma company for the non-exclusive use of Ypsomed intellectual property rights in respect to an existing injection device currently on the market.
- Last year, Ypsomed has signed two non-exclusive license deals for auto-injector devices with major pharma companies and a new licensing agreement with Sanofi-Aventis. Ypsomed expects additional royalties revenues in the future.



As of October, 2008

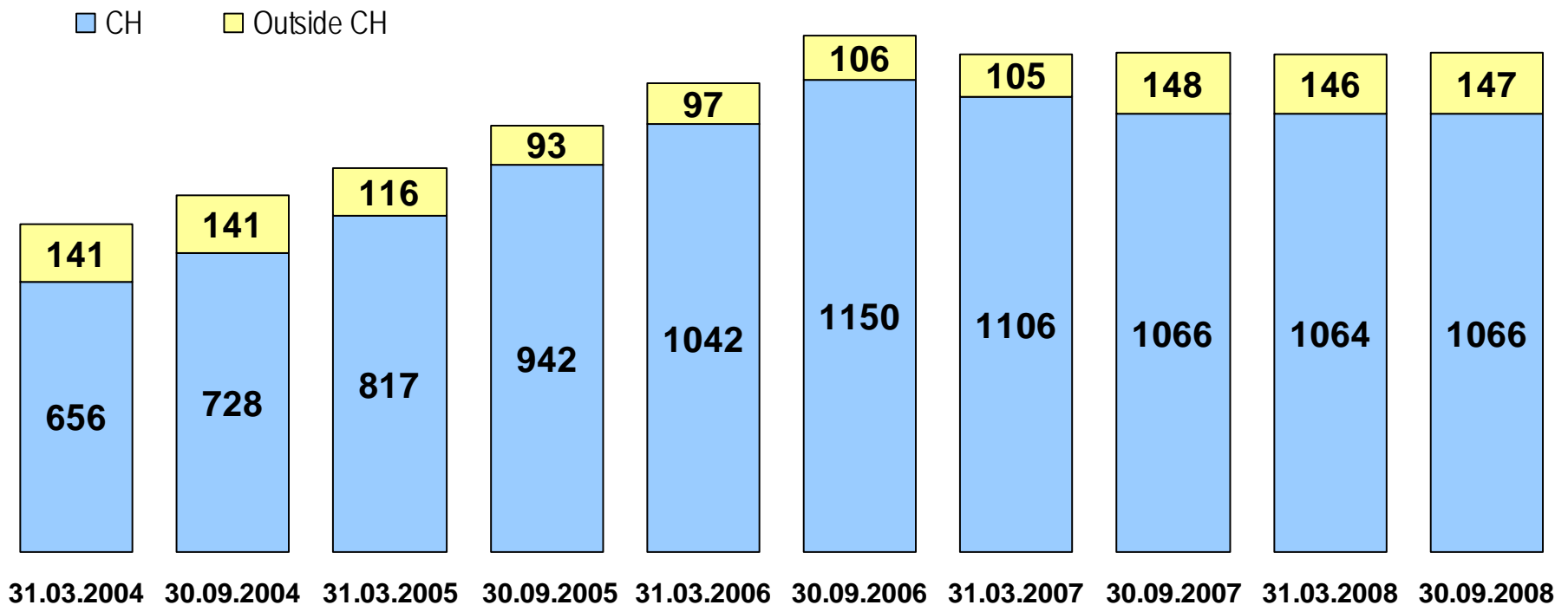


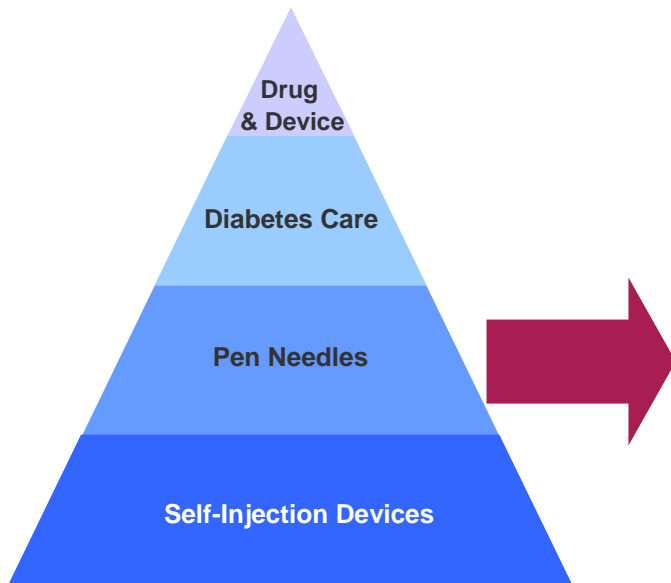
US: USA - DE: Germany - EP: Countries of European Patent convention - CH: Switzerland - JP: Japan - AU: Australia - CA: Canada - CN: China / As of October, 2008

- Ypsomed has re-engineered and simplified manufacturing and logistics processes and thereby achieved better efficiency and reduced operating costs.
- Example: new production and logistics center “Ypsomed Nord”
 - New centralized logistics hub for pen-systems and pen-needles
 - Centralized pen assembly in clean-room environment in one location
 - Reduced production costs and increased efficiency
 - Higher levels of quality and safety for employees, equipment and production continuity
 - New floor space available in Brunnmatt for expanding R&D available

Ypsomed Offers Attractive Perspectives

- As of 30 September 2008 the Ypsomed Group employed a total of 1'213 employees.
- Ypsomed increased its number of apprenticeship from 19 to 37 within the last three years and offers exciting leadership, project management and technical careers.

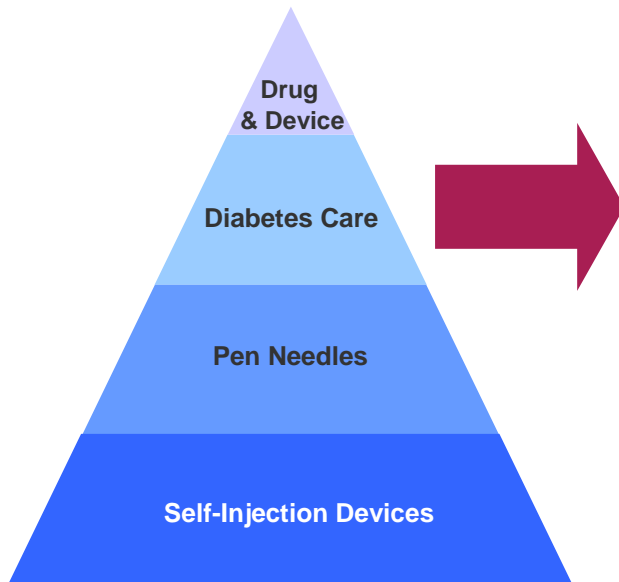




Differentiation with patented click-on Pen Needles:

- Ypsomed won the 3rd largest US pharma chain as a new distributor with 2'500 pharmacies nation-wide.
- Receivables adjustment of CHF 1.3 million from European distributor. Without this one-off loss the EBIT margin would be 1% higher.
- Capacity expansion is ongoing and slightly delayed due to problems at one of the suppliers.
- New safety pen needle expected to be launched in autumn 2009.
- Synergies with Bionime as distributor of pen needles, especially in Asia and Eastern European countries.





Ypsomed – Your Diabetes Care Expert:

- The acquisition of Florian Müller GmbH was well integrated and has enhanced Ypsomed's market share in the diabetes direct business in Germany.
- Total diabetes direct sales in H1 2008/09 rose by 33.6% to CHF 32.4 million.
- Acquisitions of Sanitavital and Medizin Service Flemming by DiaExpert in Germany expected to be completed by the end of 2008.
- Distribution of Bionime blood glucose monitoring systems starting in spring 2009.

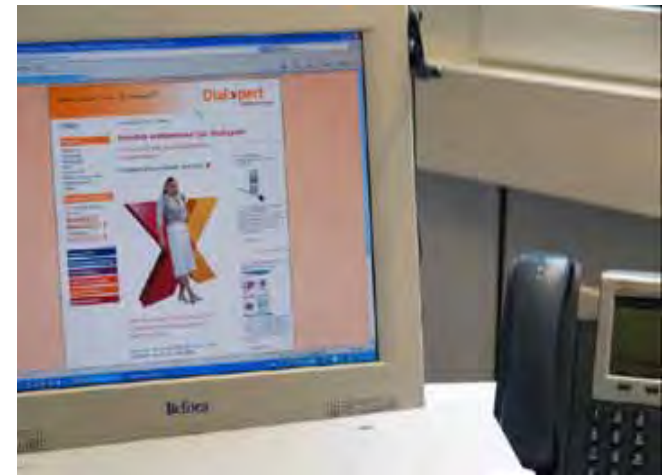
DiaExpert
Diabetes bewegen

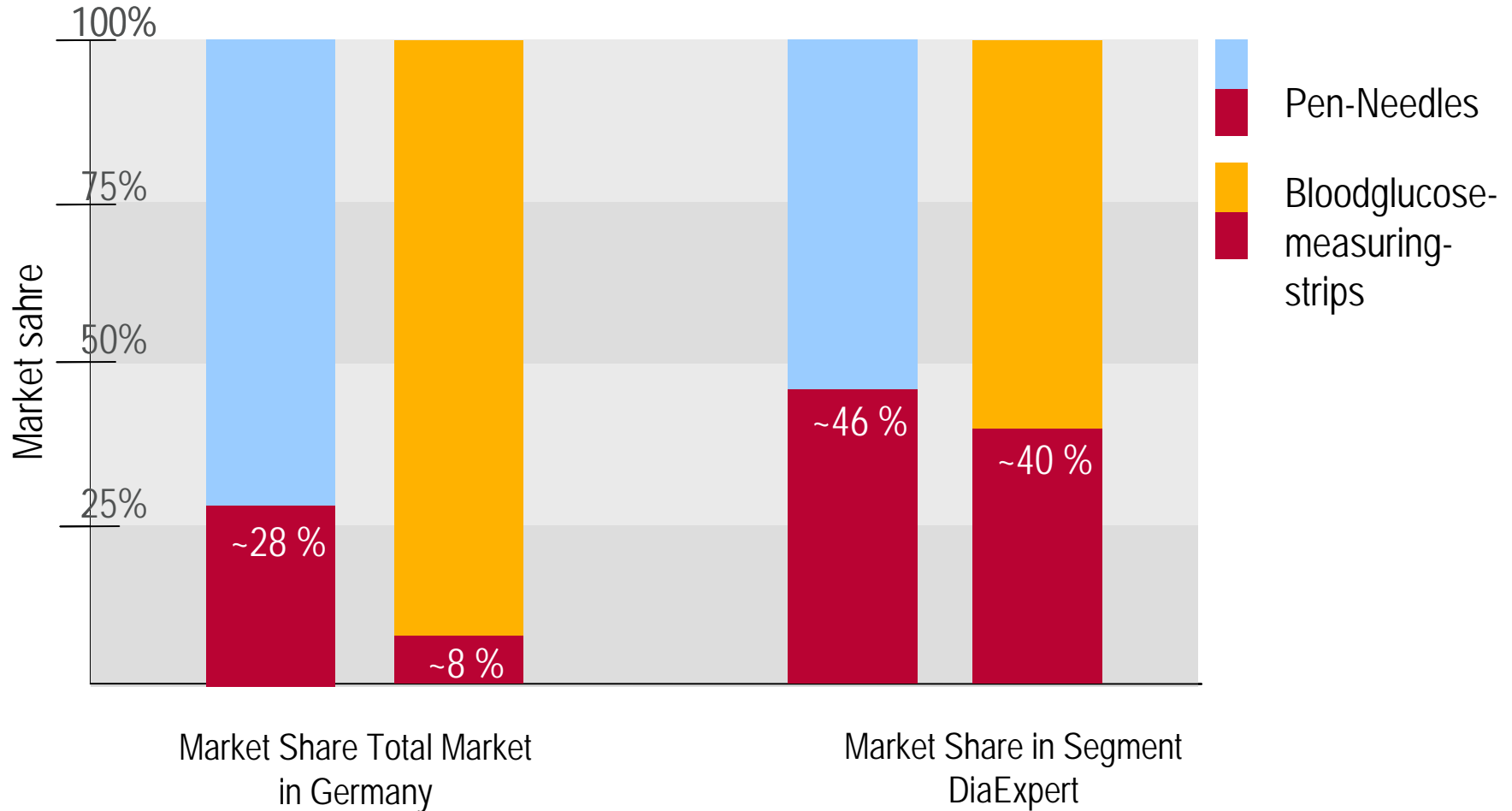
Medizin - Service Flemming
GMBH & CO. KG

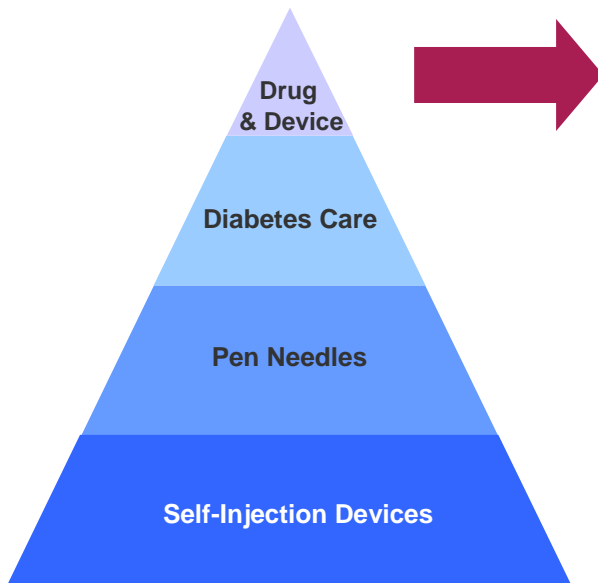


sanitavital

BIONIME



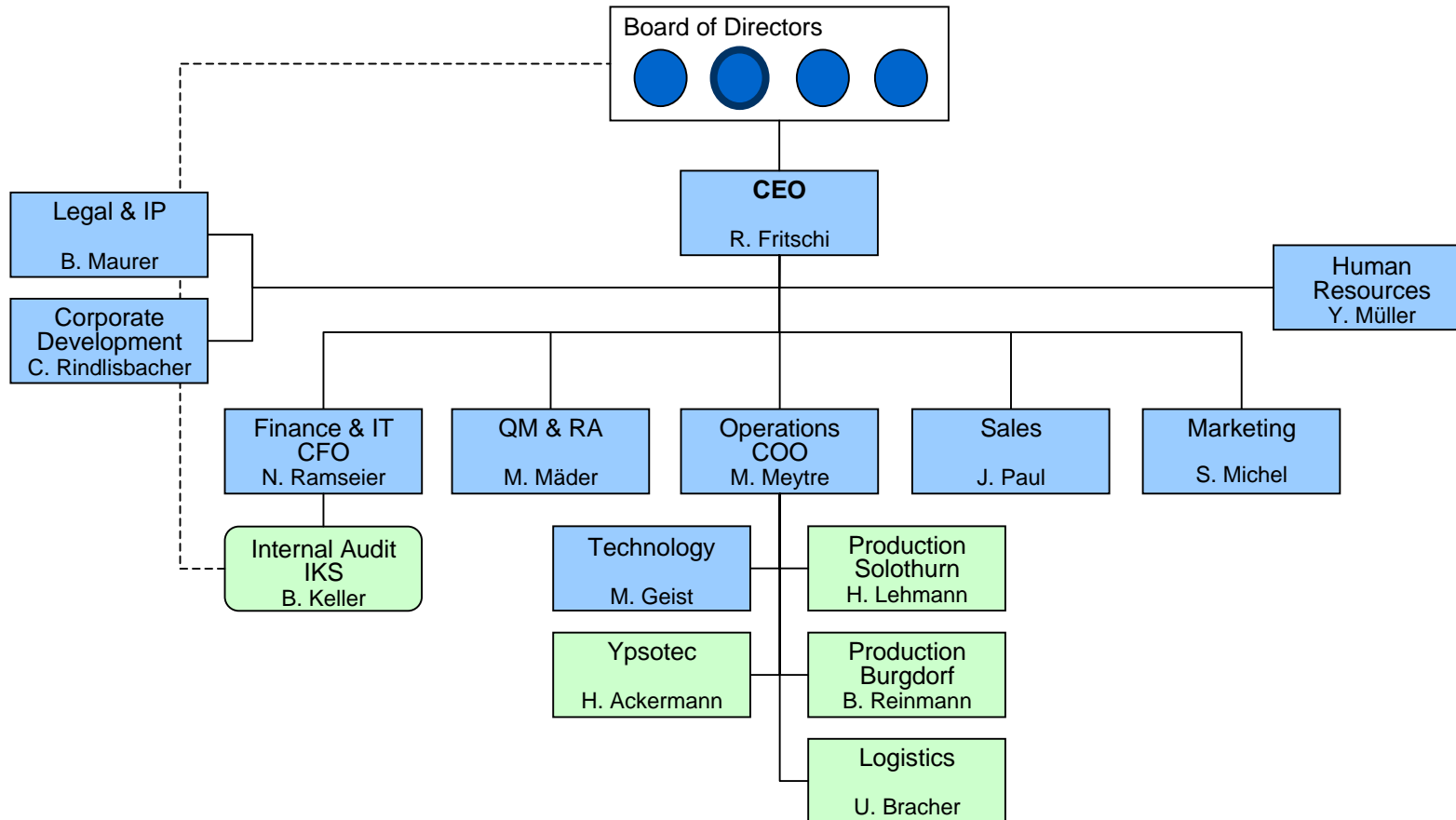




Innovative Continuous Injection Device for Insulin:

- New therapy concepts and devices for continuous insulin injection with the goal to achieve a better metabolic control at reasonable costs.
- Leading diabetologists and health insurance representatives confirm that Ypsomed is on the right track with the continuous injection device.
- The Infusion business department is advancing with the proof of concept planned by the end of 2008.
- Overall timing also depends on further progress on regulatory and distribution side.

New Management for Marketing & Sales



- Committee of the Executive Board
- Extended Executive Board

Trends & Highlights from EASD 2008 in Rome



The business focus was on:

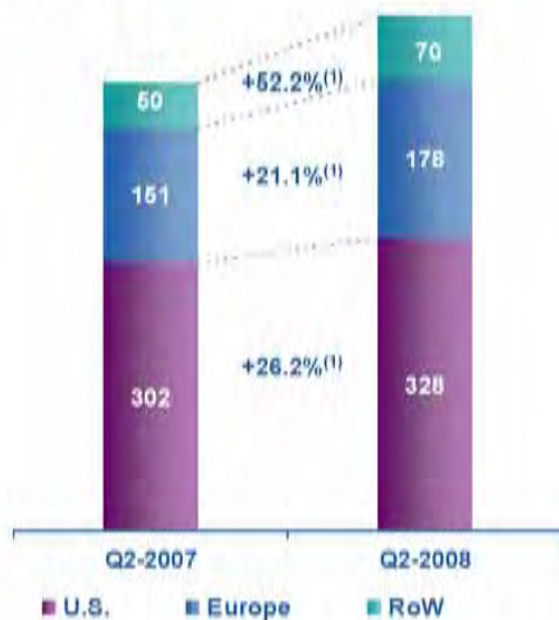
- Modern Insulin
- GLP-1-Mimetics and DPP-4-Inhibitors
- CGM (continuous glucose measurement)

The scientific focus was mainly on:

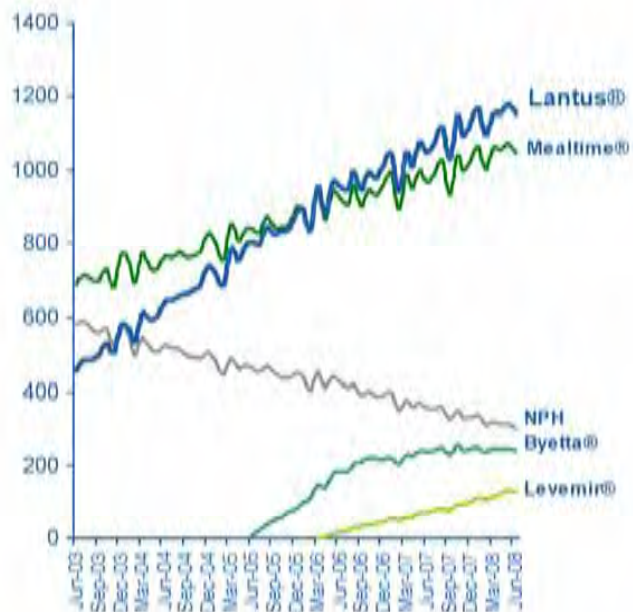
- Various new therapy concepts

Lantus® success story continues...

Very strong quarter in sales:
€576m +27.2%⁽¹⁾



US injectable diabetes market TRx volume⁽²⁾



(1) Growth is on a comparable basis
(2) IMS NPA monthly data as of May 2008

- Ypsomed confirms the guidance for the 2008/09 business year:
 - Sales at previous year's level
 - Slightly improved operating margin
 - Capex of approx. CHF 35 million
- Sales growth in the 2009/10 business year is expected to be in the single digit range.
- Accelerated sales growth potential of more than 20% anticipated in 2010/11 due to:
 - Additional injection systems to be launched by newly signed-up pharma customers
 - Production volumes of SoloStar[®] disposable pen for Sanofi-Aventis' Lantus[®] insulin
 - Additional pen needle production capacity and enhanced distribution
 - Increasing sales with blood glucose monitoring systems and DiaExpert
 - Potential launch of Ypsomed's continuous injection device in H2 2010/11

- Ypsomed is taking into account economic, ecological and social aspects as a core leadership and management concept when it comes to making business decisions.
- The first internal environment report has been concluded.
- In August 2008 Ypsomed has founded together with Roche-Disetronic a new child care and nursery in Burgdorf (KITA).
- Ypsomed is continuing to support Dream Trust, a diabetes aid organization in India.
- To compensate CO2, Ypsomed will support "myclimate".
- The annual award of the Ypsomed Innovationsfonds price will be held on January 12, 2009 in Bern.



Key reporting dates:

Presentation of Annual Results 2008/09

May 26, 2009, in Solothurn

Annual Shareholder Meeting:

June 24, 2009
at BEA bern expo, in Berne

Presentation of Semi-Annual Results 2008/09

- Summary H1 2008/09
- Financials H1 2008/09
- Business Update and Outlook
- Questions and Answers

