

Presentation of 2005/06 Semi-annual Results



Burgdorf, 15th November 2005

YPSOMED
SELFCARE SOLUTIONS

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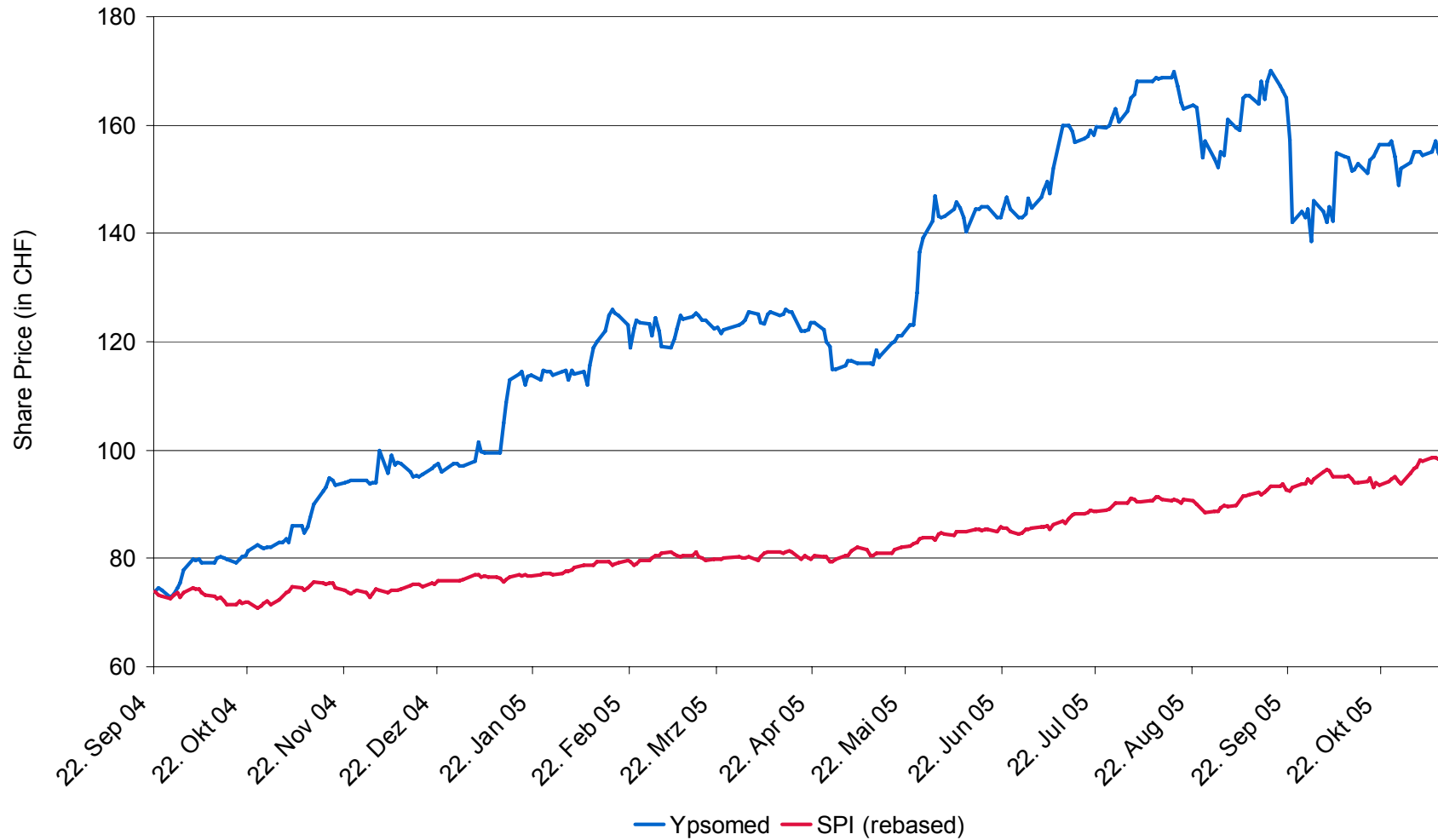
These consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended March 31, 2005 except for the application of the new, revised International Financial Reporting Standards (IFRS) which became effective as of January 1, 2005. The application of these new, revised standards has no impact on the consolidated interim financial statements and the corresponding pre-year period.

The consolidated interim financial statements were approved for issue by the Board of Directors on 4 November 2005.

- Presentation of the Semi-Annual Results 2005/06
 - **Highlights**
 - Semi-Annual Results 2005/06
- Major Events
- Outlook
- Additional Information on Company and Products

Share Price Development

Ypsomed vs. SPI (22 September 2004 - 11 November 2005)



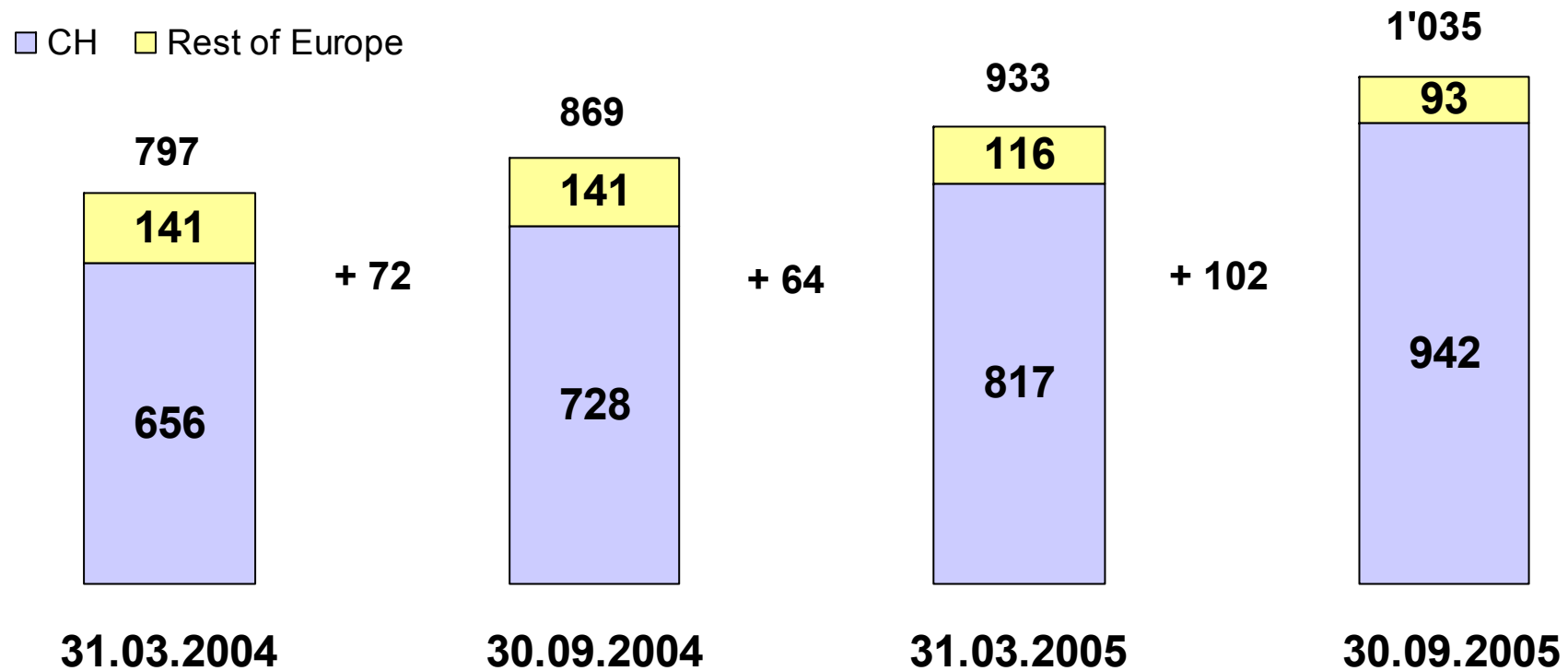
Ypsomed boosts Sales and Profitability



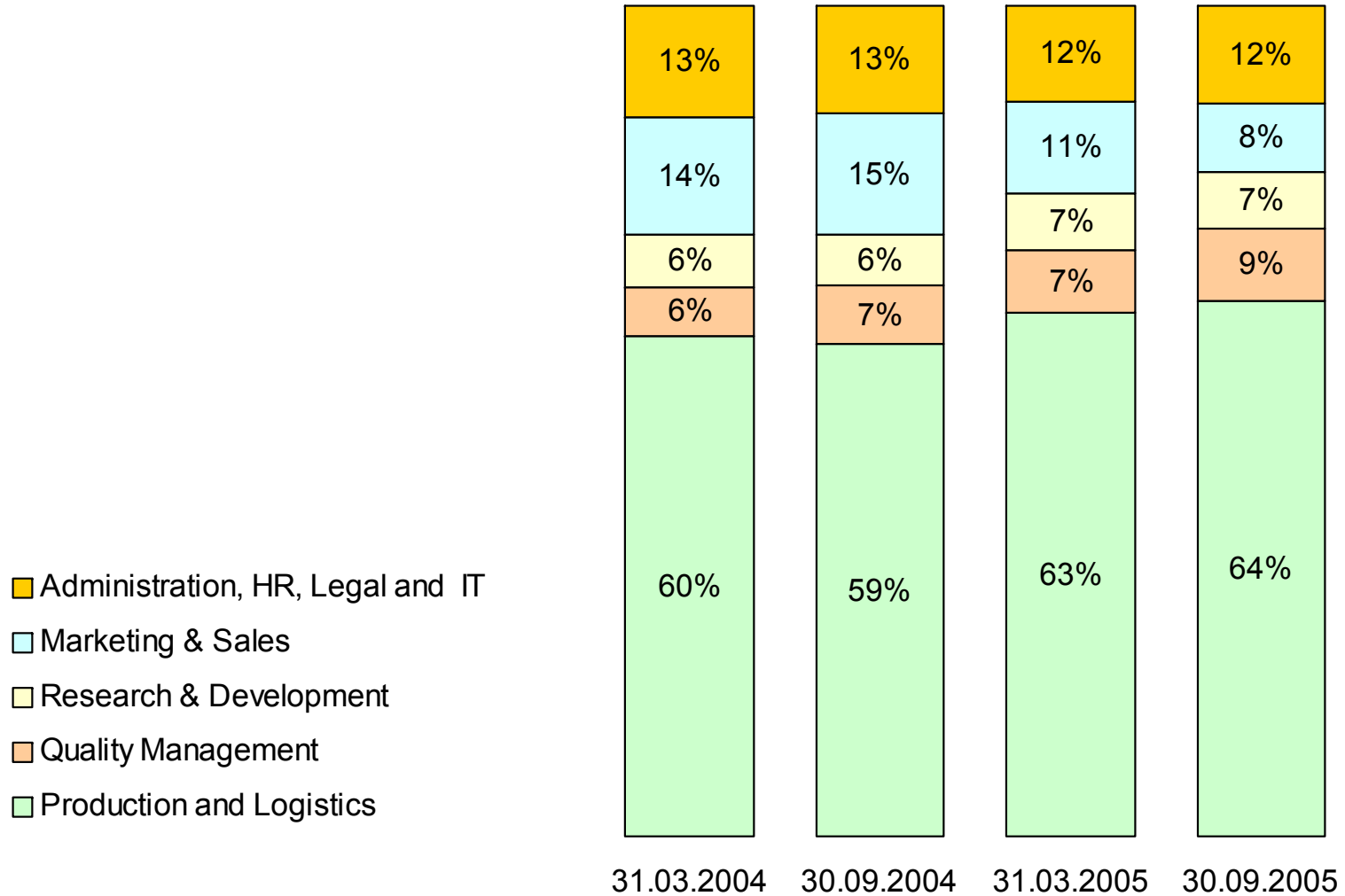
- Sales growth of 22% to CHF 141.5 million
- Sales growth of 52% in core business of pen systems and pen needles
- Operating profit margin increased to 20.5% to CHF 28.9 million
- Profit per share CHF 2.35
- Over 100 new jobs were created during the last 6 months

Number of Employees in CH and Europe

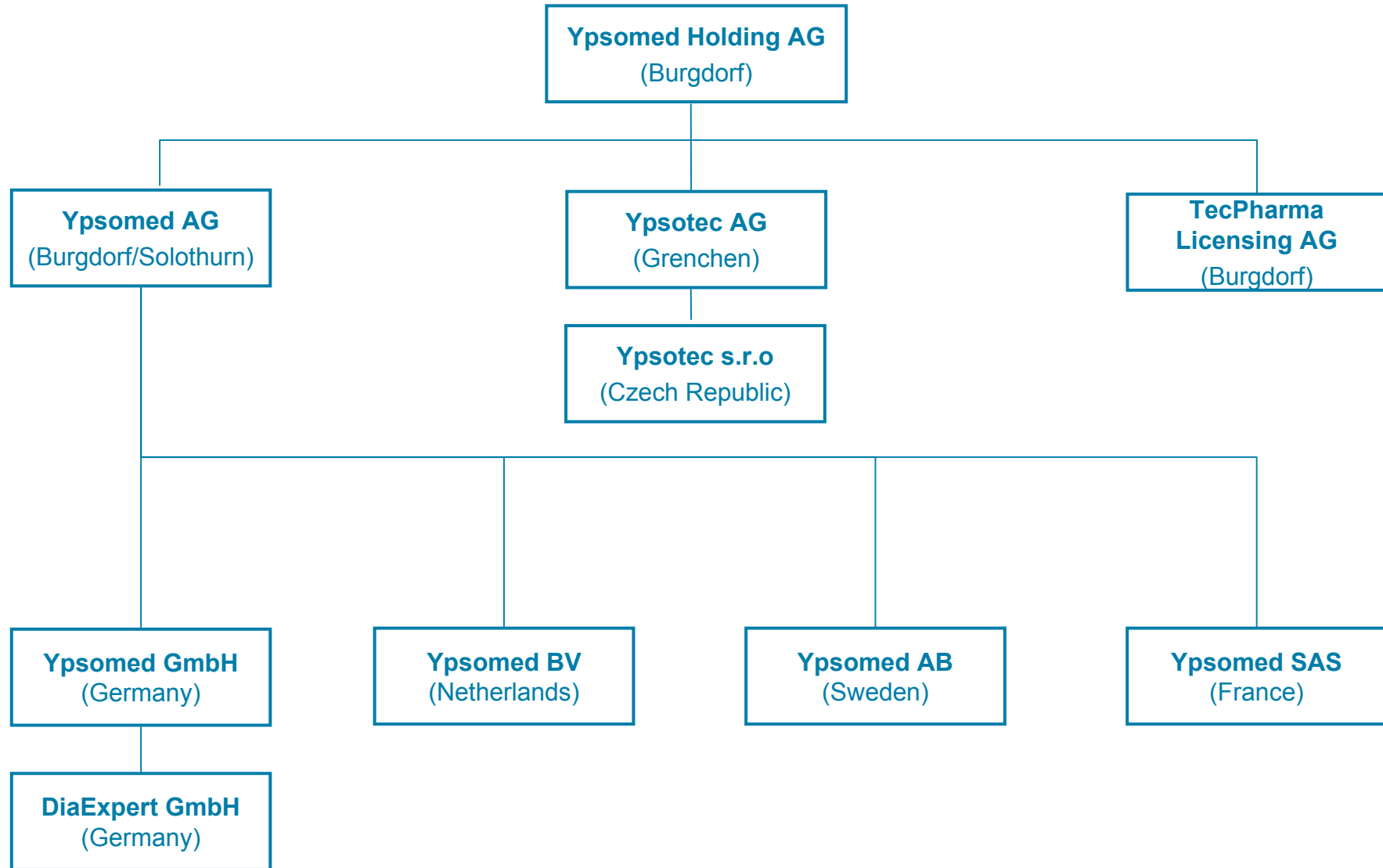
- The number of employees increased from 869 to 1'035 within the last 12 months
- Over 100 new jobs were created during the last 6 months



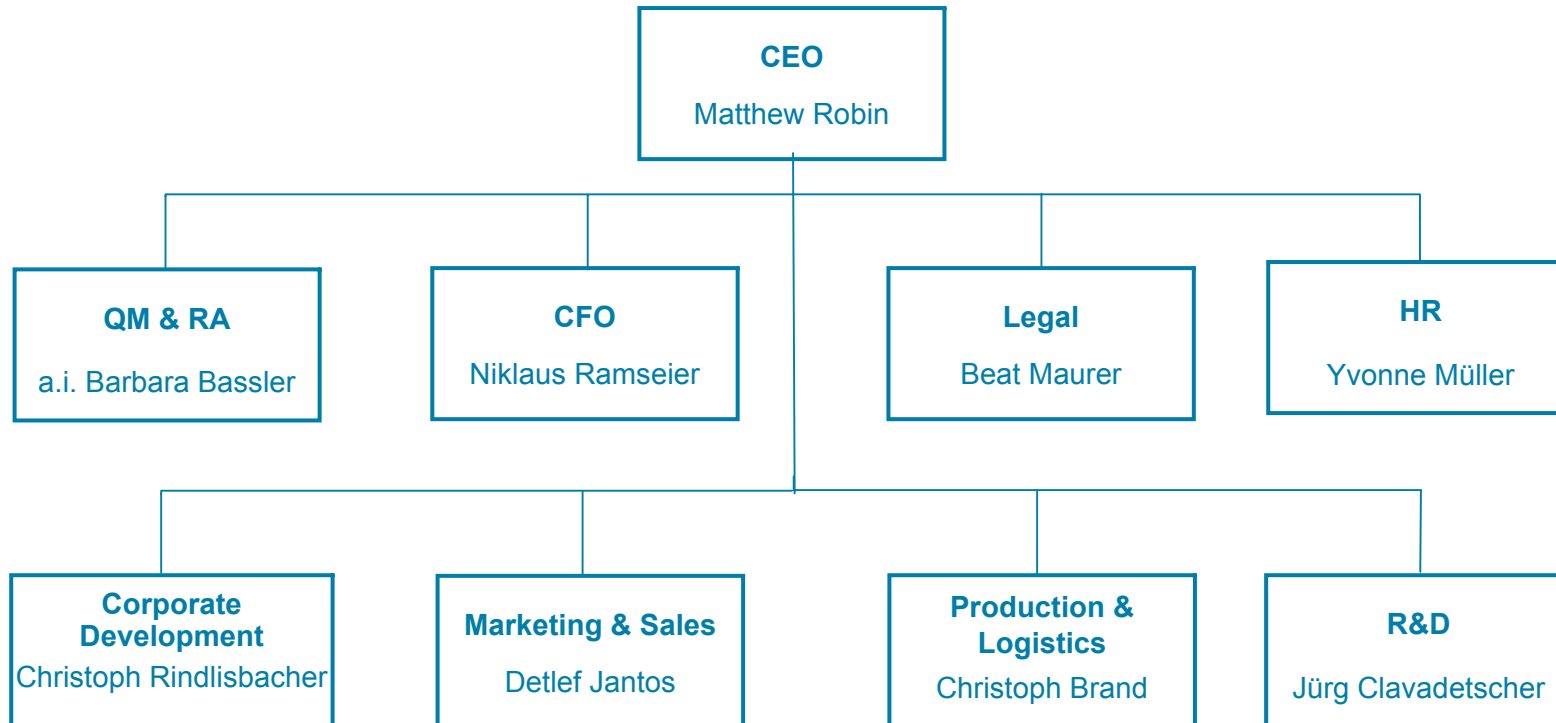
Employee Structure by Function



Corporate Structure



- Management structure adapted for future growth



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Strong Sales Growth in Core Business of 52%



CHF million	H1 2005/06	H1 2004/05	Δ in %
Sales of goods and services	141.5	116.0	22.0%
Own finished products	120.8	79.5	52.0%
FreeStyle*	1.8	18.8	-90.7%
Other products	19.0	17.7	7.0%
Previous year adjusted for FreeStyle	141.5	99.1	42.8%

**Abbott took over the exclusive distribution of the FreeStyle blood glucose monitor with effect from August 1, 2004. Since then, FreeStyle has only been sold in Germany via our direct distribution service (DiaExpert GmbH).*

EBIT and EBIT-Margin Targets achieved



CHF million	H1 2005/06	H1 2004/05	Δ in %
Sales of goods and services	141.5	116.0	22.0%
Gross profit	53.6	45.6	17.4%
Gross margin (%)	37.8	39.3	-1.5%
Operating profit (EBIT)	28.9	22.0	31.9%
EBIT margin (%)	20.5	18.9	1.6%
Net profit	26.4	18.0	46.8%
Net profit margin (%)	18.6	15.5	3.1%

EBITDA increased by 28%

CHF million	H1 2005/06	in %	H1 2004/05	in %	Δ in %
Operating profit	28.9	20.5%	22.0	18.9%	31.9%
Amortization of intangible assets	0.4	0.3%	0.3	0.3%	34.6%
Depreciation of fixed assets	12.7	9.0%	10.5	9.1%	20.6%
EBITDA	42.1	29.7%	32.8	28.3%	28.3%

Net Profit improved



CHF million	H1 2005/06	in %	H1 2004/05	in %	Δ in %
Operating profit (EBIT)	28.9	20.5%	22.0	18.9%	31.9%
Finance income / expenses - net	1.5	1.1%	-1.5	-1.3%	-199.7%
Other income	0.0	0.0%	0.2	0.1%	-115.0%
Profit before taxes	30.4	21.5%	20.6	17.7%	47.8%
Income tax expenses	-4.1	-2.9%	-2.6	-2.3%	54.5%
Net profit	26.4	18.6%	18.0	15.5%	46.8%
Earnings per share in CHF	2.35		1.60		46.8%

Cash Flow Statement



CHF million	2005	2004	Δ in %
Cash flow before changes in NWC	41.1	30.5	34.8%
Changes in net working capital	-4.7	13.4	
Cash flow from operating activities	36.4	43.8	-17.0%
Cash flow from investing activities	-24.7	-36.0	-31.5%
Changes in marketable securities	24.8	0.0	
Changes in financial assets	-9.1	0.0	
Changes in financial liabilities to major shareholder	-18.1	-121.4	
Changes in equity	-10.1	206.1	
Trade in own shares	-3.9	0.0	
Cash flow from financing activities	-16.3	84.7	
Total cash flow	-4.6	92.5	

Advance payments of OEM Partners

CHF million	H1 2005/06	thereof machinery of OEM partners
Cash flow before changes in NWC	41.1	
Changes in net working capital	-4.7	2.5
Cash flow from operating activities	36.4	2.5
Purchases of fixed assets	-24.0	
Disposals of fixed assets	0.2	
Purchases of intangible assets	-0.8	
Disposals of intangible assets	0.0	
Cash flow from investing activities	-24.7	2.5
<u>Advance payments of OEM partners (incl. VAT):</u>		
Total advance payments as of March 31		27.1
Advance payments in H1 2005/06		2.5
Amount set off against completed machinery		-14.3
Remaining advance payments		15.3

Machinery is owned by OEM partners but remains in our possession

Strong Balance Sheet



CHF million	30.09.2005	in %	31.03.2005	in %	30.09.2004	in %
Cash and cash equivalents	51.4	8.0%	56.0	8.5%	105.1	16.8%
Marketable securities	46.0	7.2%	69.6	10.6%	0.0	0.0%
Trade receivables	33.8	5.3%	39.6	6.0%	37.5	6.0%
Other current assets	10.0	1.6%	7.3	1.1%	11.8	1.9%
Inventory	40.7	6.3%	34.6	5.3%	40.4	6.4%
Total current assets	182.0	28.4%	207.1	31.4%	194.8	31.0%
Financial Assets	9.1	1.4%	0.0	0.0%	0.0	0.0%
Deferred income tax assets	4.4	0.7%	4.5	0.7%	5.4	0.9%
Other non-current assets	0.1	0.0%	0.2	0.0%	0.2	0.0%
Fixed assets	144.9	22.6%	145.9	22.2%	126.7	20.2%
Intangible assets	301.2	46.9%	300.8	45.7%	300.6	47.9%
Total non-current assets	459.7	71.6%	451.4	68.6%	432.9	69.0%
Total assets	641.7	100.0%	658.5	100.0%	627.7	100.0%

Equity Ratio raised to 57.6%

CHF million	30.09.2005	in %	31.03.2005	in %	30.09.2004	in %
Trade payables	29.5	4.6%	41.6	6.3%	16.8	2.7%
Current income taxes payable	6.6	1.0%	5.4	0.8%	6.1	1.0%
Other payables and accr. expenses	19.5	3.0%	18.4	2.8%	35.8	5.7%
Total current liabilities	55.5	8.6%	65.5	9.9%	58.7	9.4%
Non-current finan. liab. to shareholder	200.0	31.2%	218.1	33.1%	218.1	34.8%
Provisions	12.7	2.0%	13.9	2.1%	11.6	1.8%
Deferred income tax liabilities	3.9	0.6%	3.9	0.6%	3.7	0.6%
Total non-current liabilities	216.6	33.8%	235.8	35.8%	233.4	37.2%
Share capital	130.4	20.3%	140.6	21.3%	140.6	22.4%
Group reserves	212.8	33.2%	177.4	26.9%	177.1	28.2%
Net profit	26.4	4.1%	39.2	6.0%	18.0	2.9%
Equity	369.6	57.6%	357.2	54.2%	335.6	53.5%
Total liabilities and equity	641.7	100.0%	658.5	100.0%	627.7	100.0%

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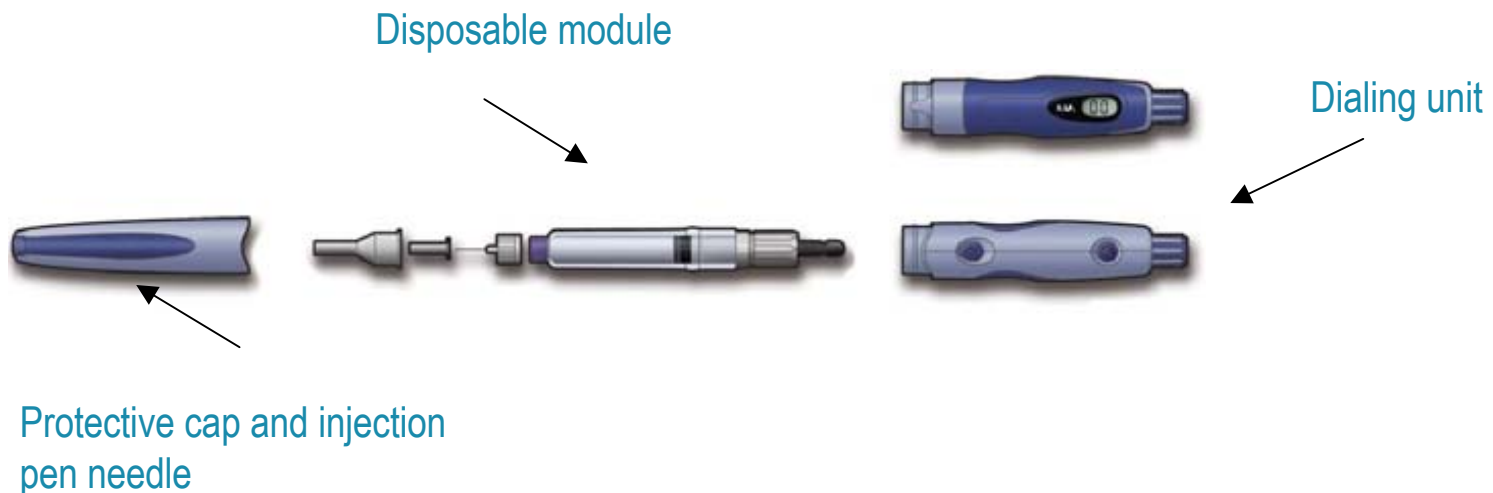
Novo suit against Sanofi-Aventis unjustified



- On September 2nd, 2005, Novo Nordisk filed a patent infringement suit our customer Sanofi-Aventis in the USA in connection with the OptiClik pen.
- Internal and external expert assessment concluded that the OptiClik[®] pen does not infringe any patent claims.
- Ypsomed and Sanofi-Aventis believe that the patent infringement suit by Novo Nordisk against Sanofi-Aventis is unjustified.
- The expansion of the production capacity for OptiClik[®] continues unchanged.

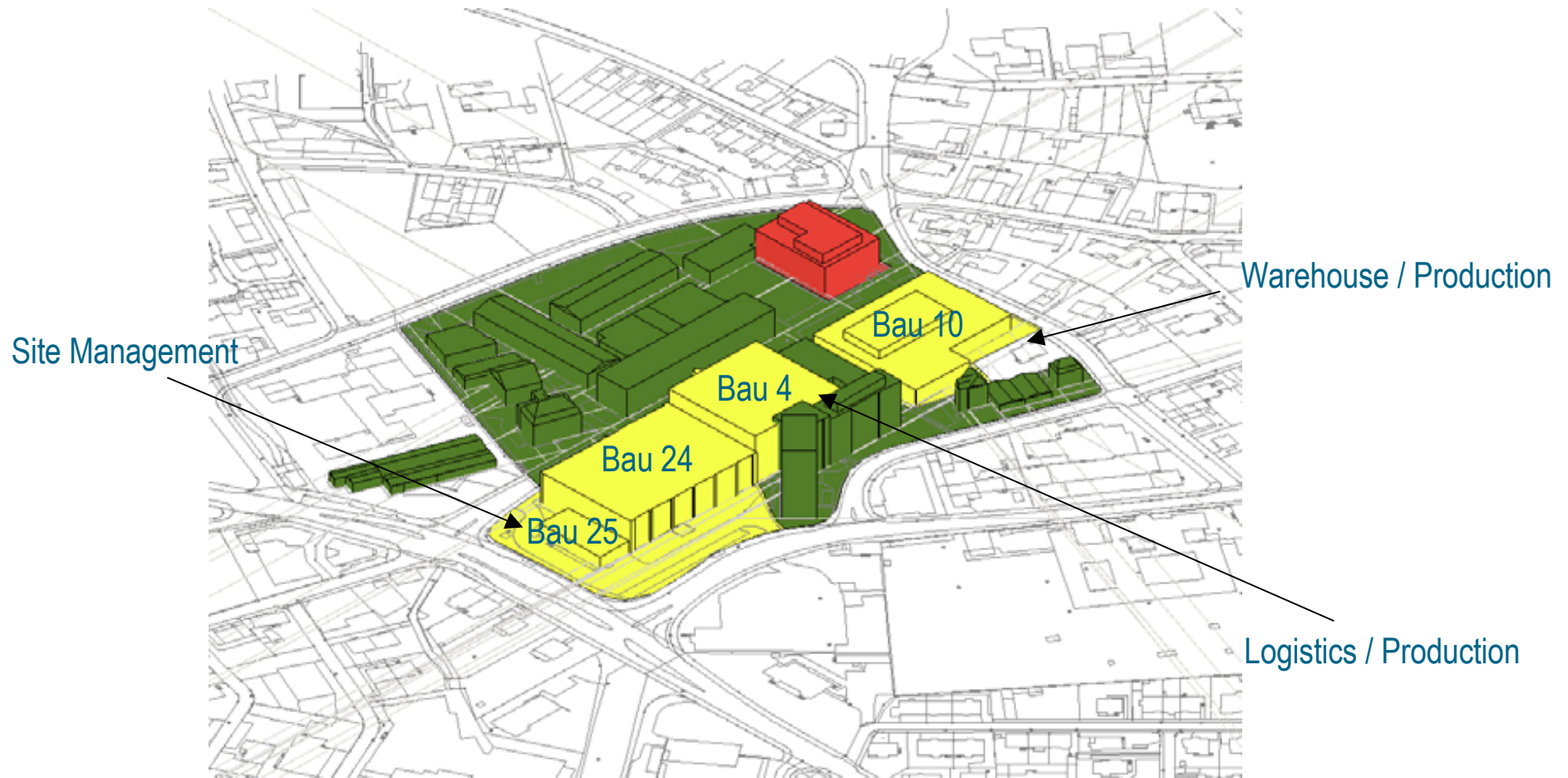
OptiClik® pen back on track

- In early September 2005 Sanofi-Aventis performed a voluntary recall of 4 batches of the OptiClik® pen in Japan.
- The technical problem has been solved and the components are being produced and delivered again in regular production.



Continuous Expansion of Production Capacity

Ypsomed



Continuous Expansion of Production Capacity

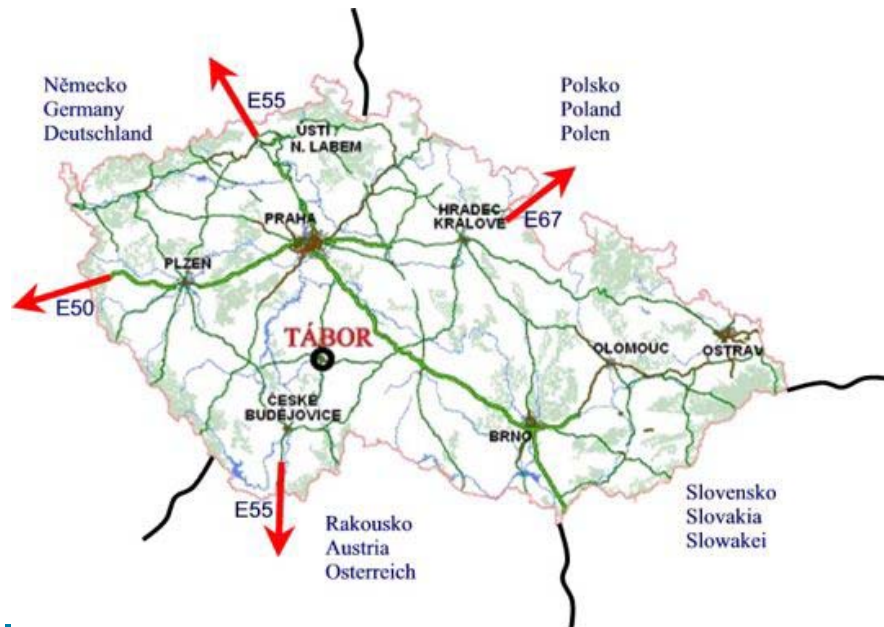


New Machines delivered in June in Solothurn



Founding of Ypsotec s.r.o in Czech Republic

- Founding and establishment of Ypsotec s.r.o in Tabor, CZ as a manufacturing company for metal parts.
- Ypsotec s.r.o. will commence operations in the 2nd half of 2005/06 and primarily supply companies within the group.

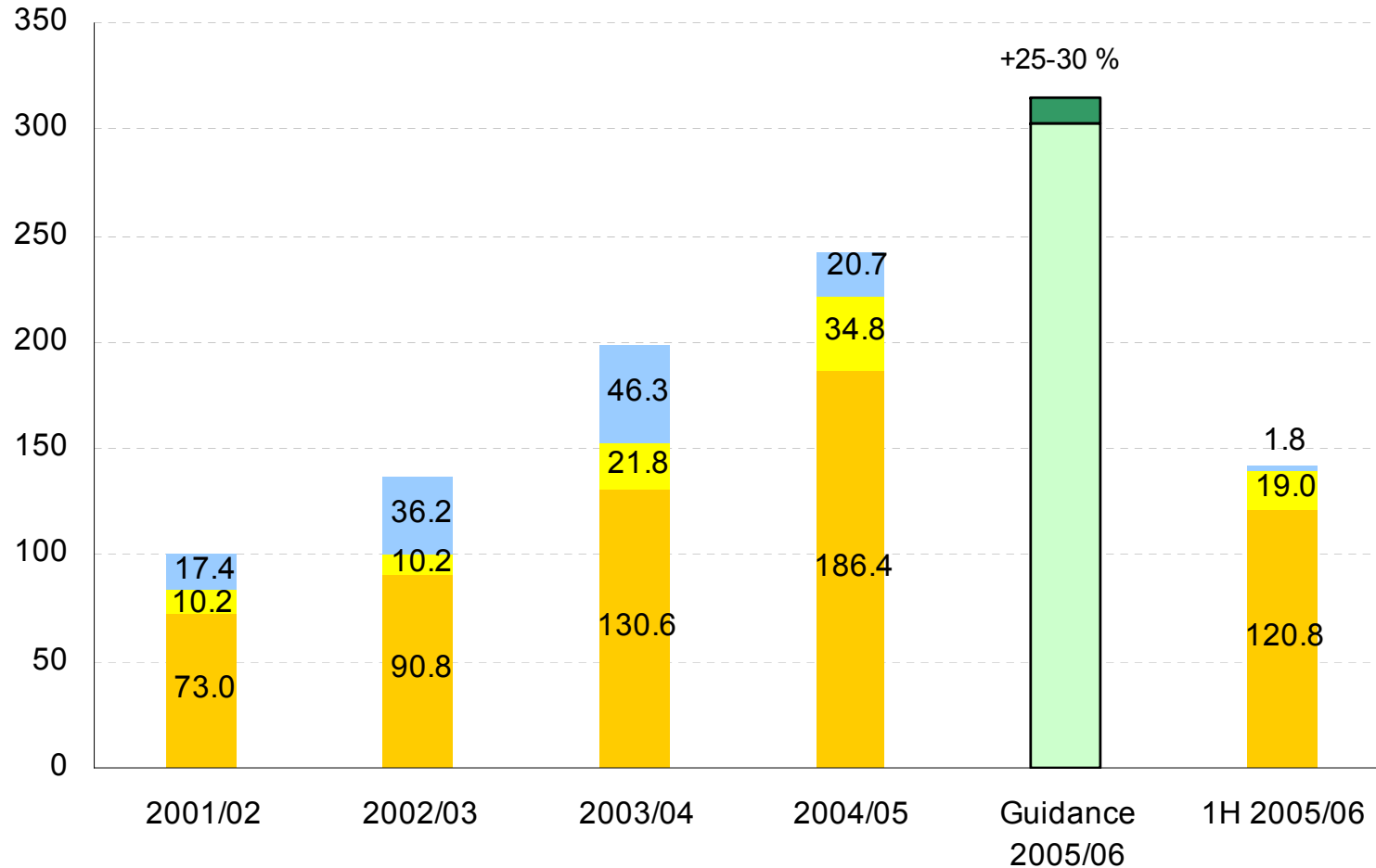


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Outlook: Sales Guidance raised to 25% - 30%



CHF in millions



■ Own finished products
 ■ Other products
 ■ Freestyle
 ■ Guidance +25%
 ■ Guidance +30%

Outlook: second half-year guidance for 2005/06



- **Forecast raised**

Sales for the 2005/06 business year are expected to increase between 25% to 30%.

- **Capital expenditures on plan**

Investments of around CHF 65.0 million are projected for the business year 2005/06.

- **Gross margin improvement**

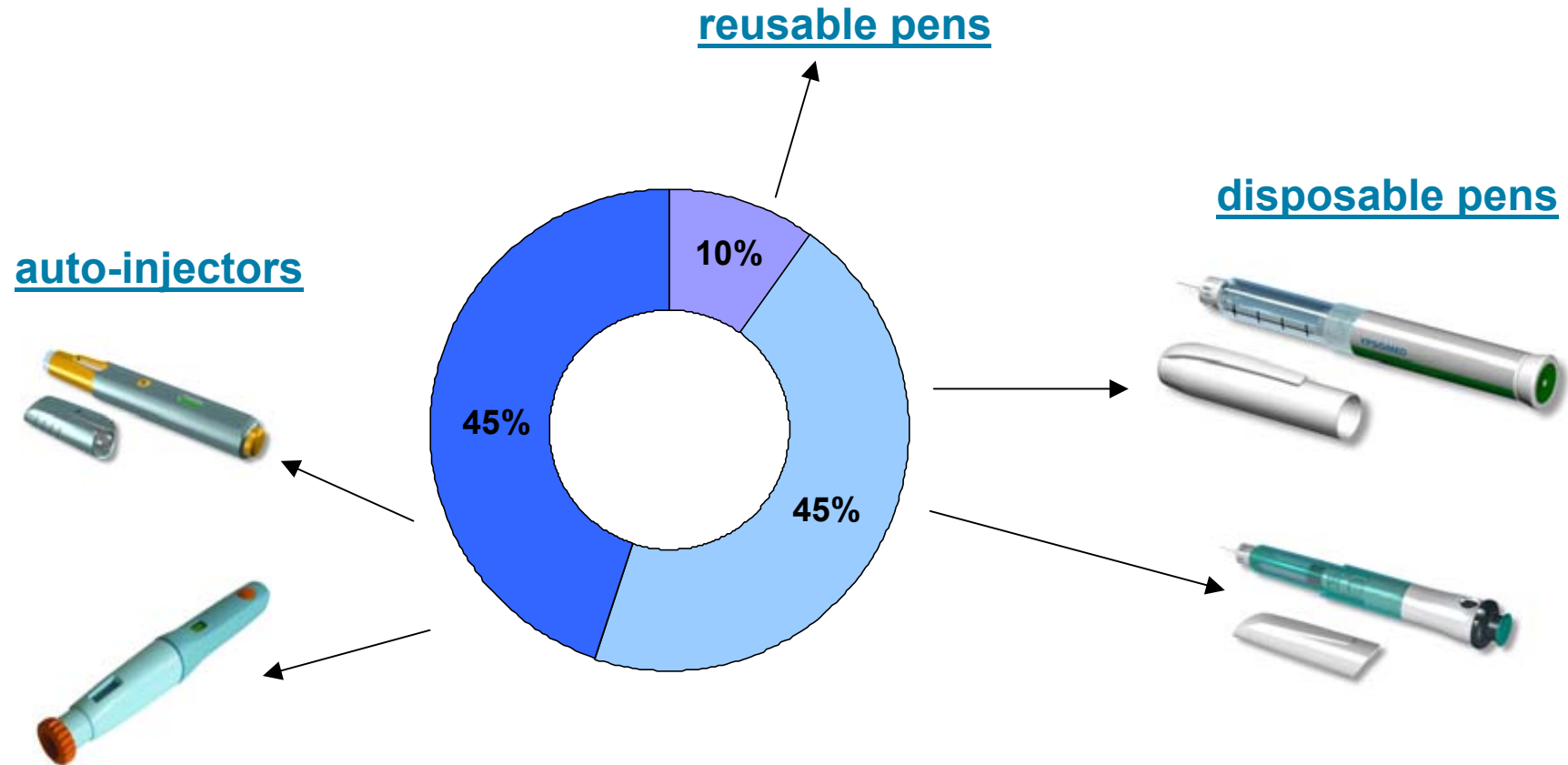
Improvement of the gross margin expected to increase compared with the first six months.

- **Ypsomed will create new jobs**

More than 100 new jobs will be created in the next 6 months, mainly in Switzerland.

⇒ However, there are still clear risks associated with the implementation of the expansion.

Injection systems under development:



Disposable Fixed Dose Pen

Features:

- Fixed dose
- Smallest dose / dose increment: 20 μ l
- Gearing to reduce injection force
- Simple and easy handling with pull – push principle
- Clear user feedback for 'dose setting completed', 'injection stroke completed'



Disposable Variable Dose Pen with Dose Memory **YPSOMED** SELFCARE SOLUTIONS

Features:

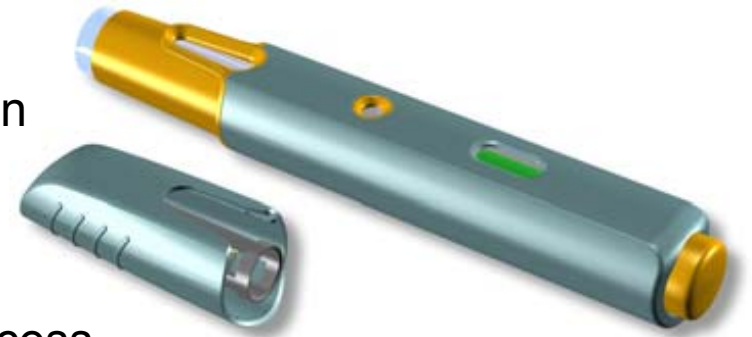
- Dose memory
- Smallest dose 10 μ l
- Gearing to reduce injection force
- Simple and easy handling with pull – push principle



Disposable Auto-Injector

Features:

- Fully disposable ⇒ the most convenient way to deliver single fixed dose injections
- For 1 ml long pre-filled syringes, customization for other syringe types possible
- Shortest device on market (130 mm)
- Needle hidden throughout entire injection process
- Irreversibly locking needle-cover ⇒ full anti-needle stick protection
- Real-time indication of dose delivery
- Ergonomic design solutions for patients with motor disabilities
- Intuitive button activation



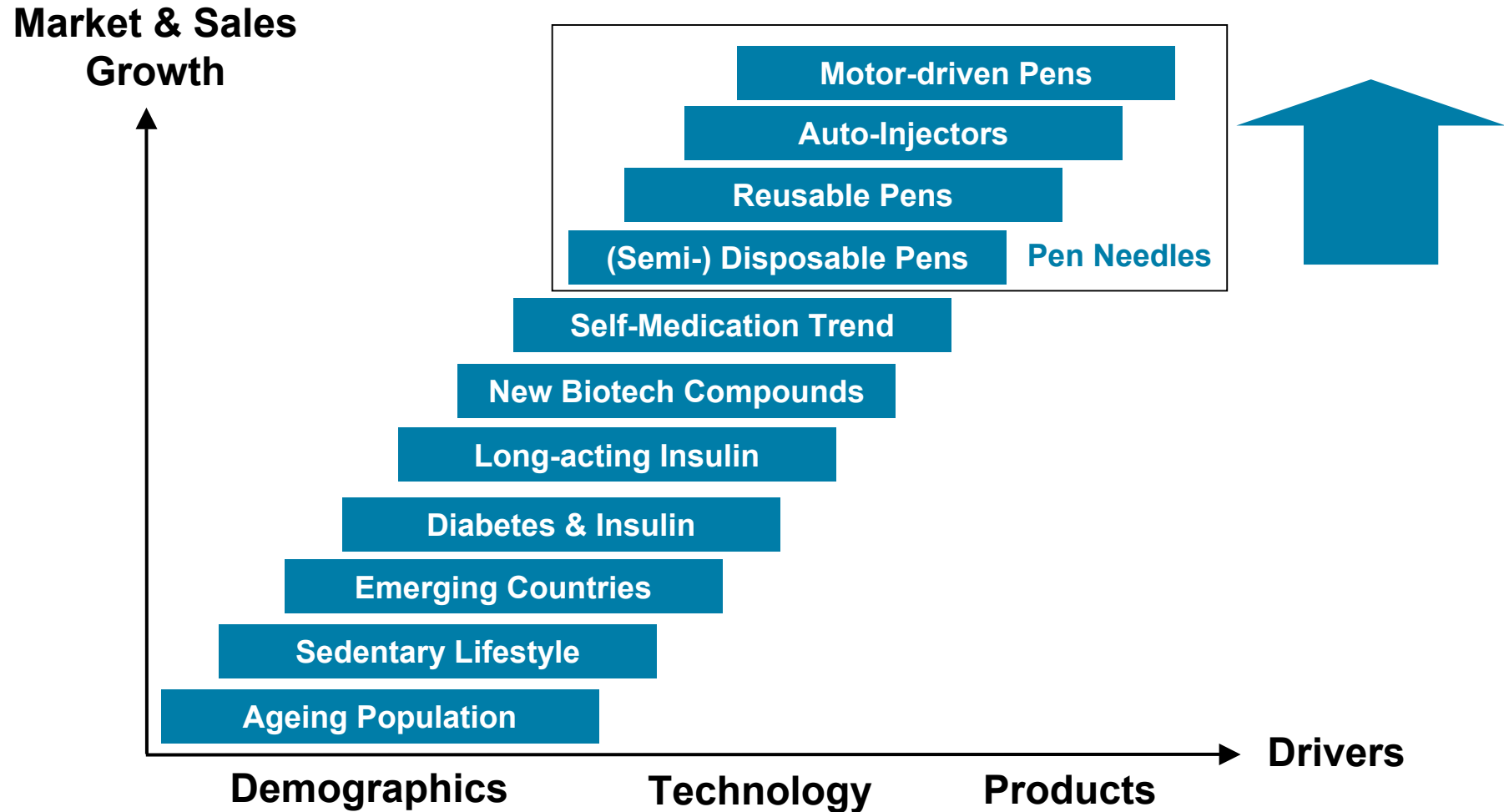
Reusable Auto-Injector for Safety Syringes

Features:

- Specifically designed for SSI's Ultra-Safe® Passive Delivery Systems
- Dry-firing of power-pack not possible
- Interlock: firing button can only be pushed when device is pressed against skin
- Two-stage injection process: drug delivery starts only after complete skin penetration
- Locking needle cover ⇒ full needle safety during all stages of operation
- Adjustable injection depth
- State of injection display and visual inspection of stopper position



Ypsomed benefits from multiple growth factors



Important Dates



Key reporting dates

Presentation of Annual Results 2005/06

May 30, 2006

Annual Shareholder Meeting

June 27, 2006 in Burgdorf

Selected Congresses (pen & diabetes business)

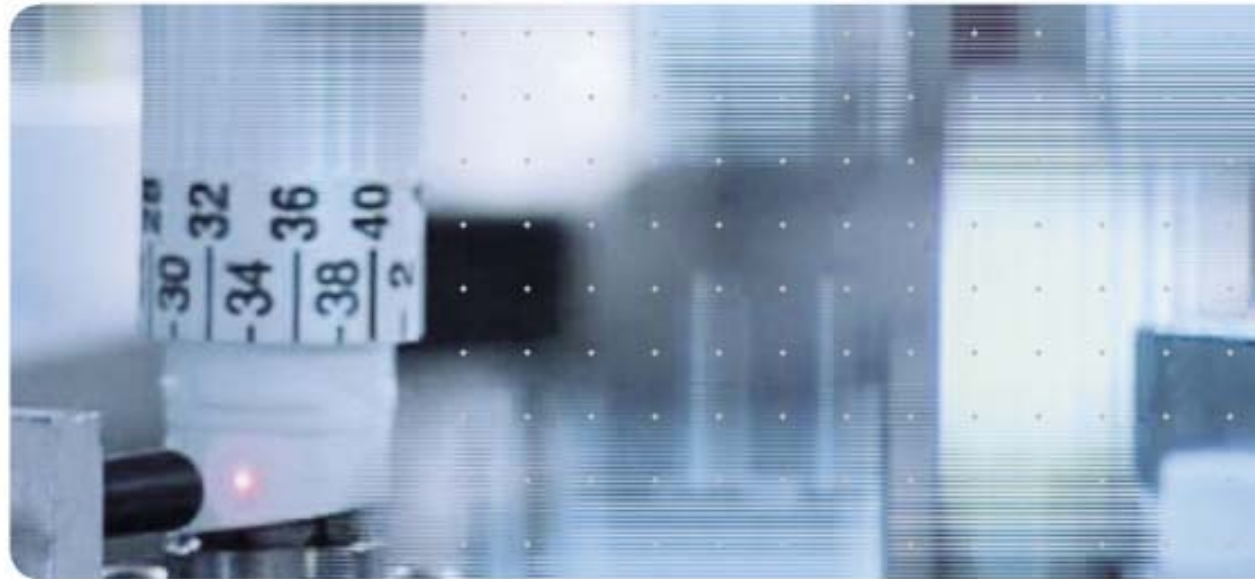
18. - 21.06.2006

AAPS National Biotechnology Meeting in Boston

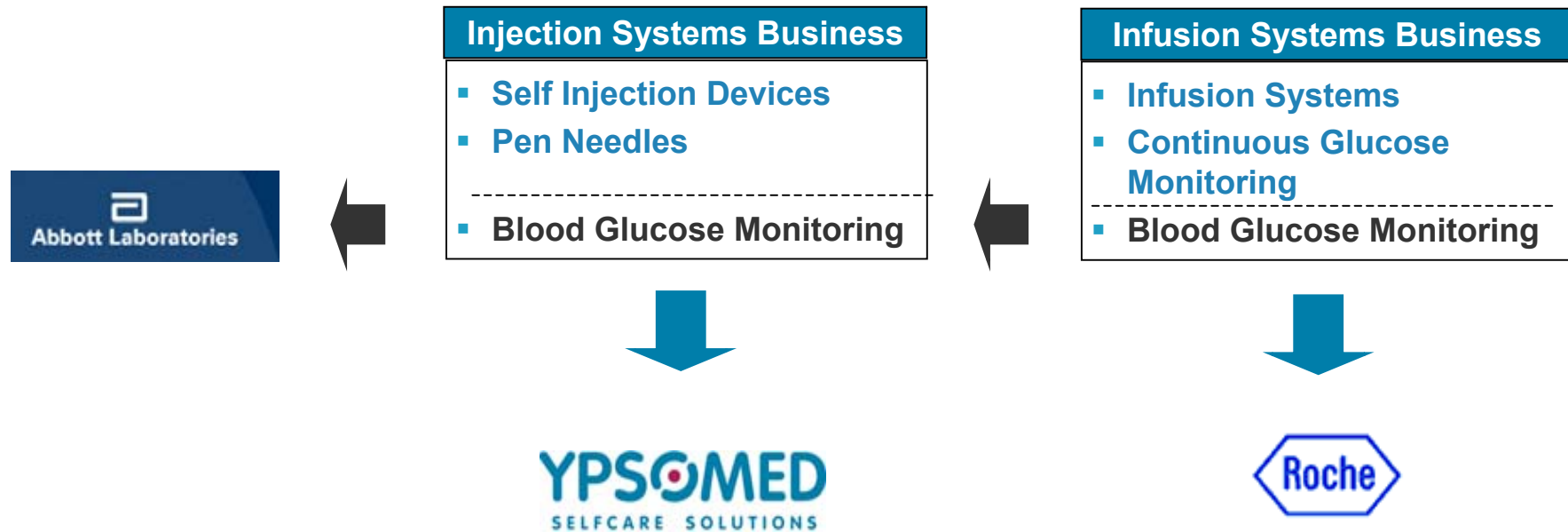
14. - 17. 09.2006

EASD in Copenhagen / Malmoe

Additional information



Company Background



Key facts about Ypsomed



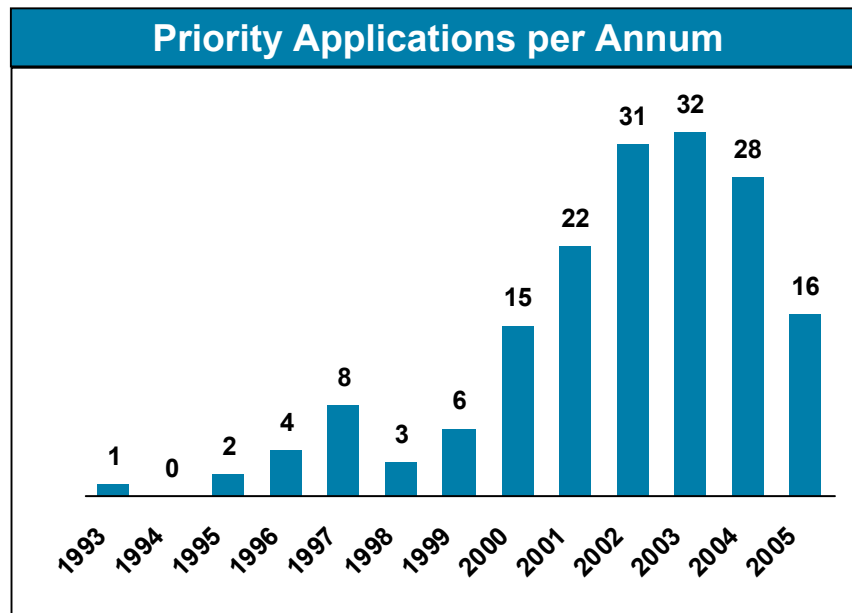
- Largest independent medical technology manufacturer for injection devices for pharmaceutical and biotech companies.
- One of the leading manufacturer and suppliers of pen needles.
- Global headquarter in Burgdorf, Switzerland; manufacturing facilities in Burgdorf, Solothurn, Grenchen and Tabor (CZ).
- Worldwide over 1'000 employees, thereof around 900 in Switzerland.
- Technology leader with more than 19 years experience.
- IPO September 2004

Focusing on core business

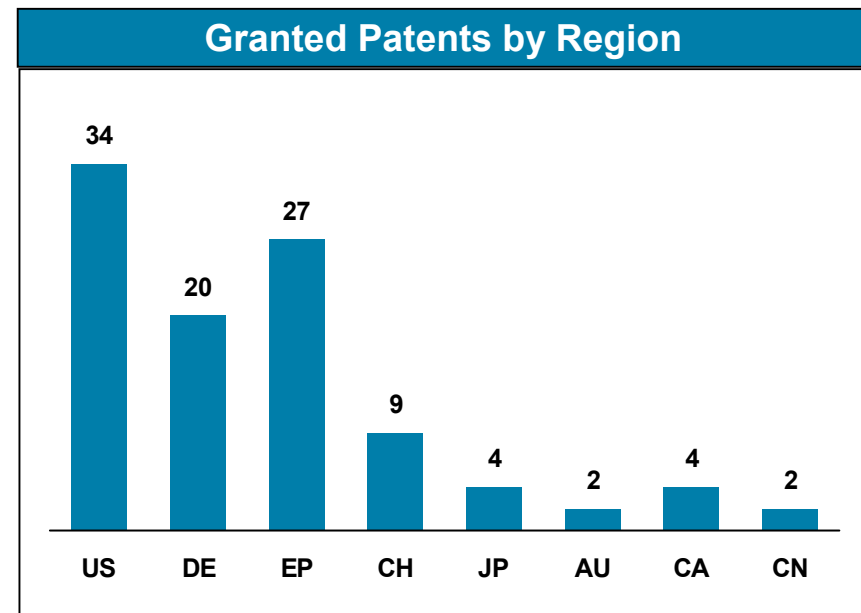
- Secure and expand no. 1 position as world leading independent partner for the pharmaceutical and biotech industry in the area of self-injection.
- Ypsomed can capitalise on favourable positioning with
 - Valuable patents in core technology
 - In-house development knowledge and competence
 - Strong existing customer relationship
- Additional expansion of manufacturing capacity
- Maintain excellent project pipeline
- Further develop needle business and expand into new markets

Patents

- Active patent application philosophy
- Patents held by TecPharma Licensing AG, an Ypsomed company
- over 150 patent families



Note: (1) As of 31 October 2005

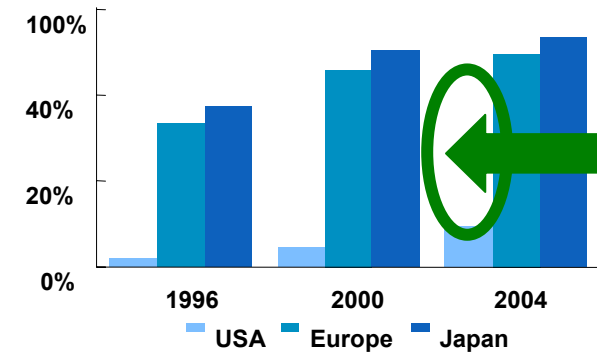


Note: US: USA - DE: Germany - EP: Countries of European Patent convention - CH: Switzerland - JP: Japan - AU: Australia - CA: Canada - CN: China / As of 31 October 2005

Benefit from growth in diabetes / insulin

- Successful launch of OptiClik in the US
 - Very positive feedback from the market
 - Strong demand and high acceptance
- Significant potential in the US market due to very low insulin pen-penetration rate
- Strong growth of Lantus, the leading long-acting insulin from Sanofi-Aventis
 - Sales growth of +80% in 2004
 - Sales growth of +44.4% in Q3/05
 - + 28,1% market share in the US

Pen Users as a percentage of insulin injection patients

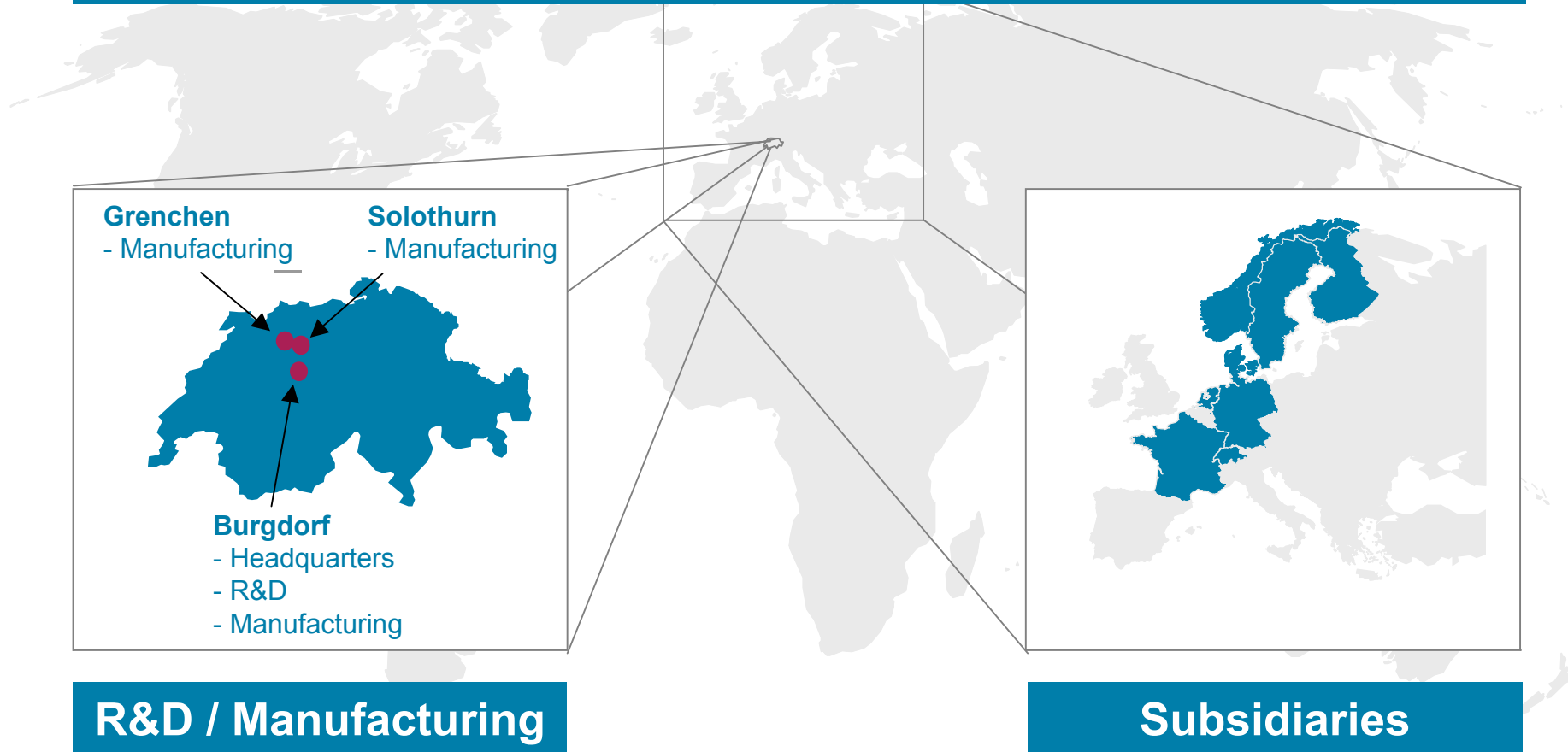


Source: Pharma Partner (Aventis, CanAmCare)



Global Product Presence

Ypsomed products are sold **globally** through **pharma partners** (self injection devices) and Ypsomed's distribution network (needles)



Overview of Products and Applications

Ypsomed's activities are organized in three business sectors:

Self Injection Devices (OEM Business)	Pen Needles	Diabetes Care
<ul style="list-style-type: none">▪ Development and manufacturing of custom-made self-injection devices for a wide range of pharmaceutical and biotech partners▪ Marketed products include:<ul style="list-style-type: none">▪ Disposable pens▪ Reusable pens▪ Semi-disposable pens▪ Product pipeline:<ul style="list-style-type: none">▪ Auto-injectors▪ Motor-driven injectors▪ Needle-free injectors	<ul style="list-style-type: none">▪ Development and manufacturing of pen needles that fit all major brands of Self Injection Devices on the market (compatible with competitor pens)▪ Patented click-on mechanism▪ Needles allow for a convenient and user-friendly injection of the needed dose of medicine	<ul style="list-style-type: none">▪ Local access to customers and opinion leaders in various countries▪ Direct distribution to customers in Germany<ul style="list-style-type: none">▪ DiaExpert GmbH internet portal

- Getting away from it all ...
 - Cumbersome and painful injection
 - Needle phobia

- ... to convenience and simplicity
- ... to reliance and accuracy
- ... to increased compliance
- ... to successful therapy



Pens (reusable or disposable or semi-disposable)



Auto-Injectors

Injection pen needles

- Penfine® - Universal Pen Needle
- Fits all major brands of pens on the market
- Maximum handling convenience: Click- or twist-on, twist-off
- (Glue-free, welded construction)
- Largest range available:
 - 6 mm x 31G
 - 8 mm x 31G
 - 10 mm x 29G
 - 12 mm x 29G
- Patented click-on mechanism



Overview of Pharma Partnerships

Insulin



hGH



interferon
& EPO



Overview of Pharma Partnerships

r-hFSH



r-PTH



Symlin



... and other partners

Main Self-Injection Markets

