





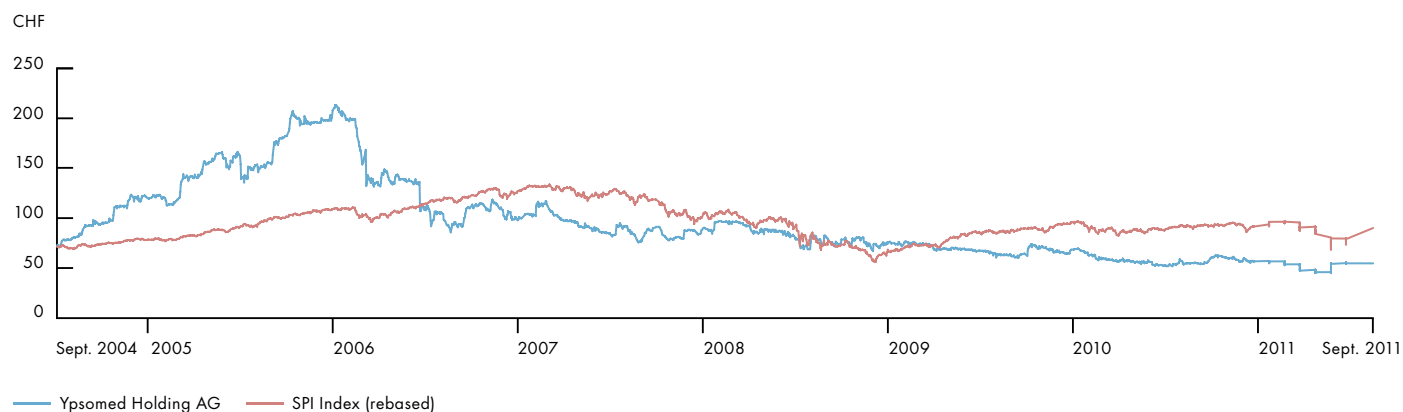
## Ypsomed key figures at a glance

In thousand CHF	April 1, 2011– Sept. 30, 2011	April 1, 2010– Sept. 30, 2010 (Adjusted*)	Change	in %
<b>Sales of goods and services</b>	<b>122 840</b>	<b>131 537</b>	<b>-8 697</b>	<b>-6.6%</b>
thereof delivery devices	77 724	88 898	-11 173	-12.6%
thereof diabetes direct business	36 832	35 242	1 590	4.5%
thereof others	8 283	7 397	886	12.0%
<b>Gross profit</b>	<b>28 486</b>	<b>32 106</b>	<b>-3 620</b>	<b>-11.3%</b>
<b>Gross profit in %</b>	<b>23.2%</b>	<b>24.4%</b>		
<b>Operating profit</b>	<b>2 982</b>	<b>4 893</b>	<b>-1 911</b>	<b>-39.1%</b>
<b>Operating profit in %</b>	<b>2.4%</b>	<b>3.7%</b>		
<b>Net profit</b>	<b>7 586</b>	<b>3 353</b>	<b>4 234</b>	<b>126.3%</b>
<b>Net profit in %</b>	<b>6.2%</b>	<b>2.5%</b>		
<b>Earnings per share (in CHF)</b>	<b>0.60</b>	<b>0.27</b>	<b>0.34</b>	<b>126.4%</b>
<b>Research and development expenditures, total</b>	<b>12 704</b>	<b>12 941</b>	<b>-237</b>	<b>-1.8%</b>
<b>Investments in fixed assets</b>	<b>3 488</b>	<b>8 860</b>	<b>-5 373</b>	<b>-60.6%</b>
<b>Equity ratio in %</b>	<b>66.8%</b>	<b>63.6%</b>		
<b>Employee headcount (as of 30 September)</b>	<b>1 070</b>	<b>1 148</b>	<b>-78</b>	<b>-6.8%</b>
<b>Employees fulltime equivalents (as of 30 September)</b>	<b>1 027</b>	<b>1 106</b>	<b>-79</b>	<b>-7.1%</b>

Unaudited Swiss GAAP FER figures. In thousand CHF. Earnings per share in CHF.

\*The figures have been adjusted due to the change to Swiss GAAP FER – see notes to the financial statements 1.2.

## Share Price Development



## Letter to Ypsomed's shareholders

### Dear shareholders,

In the first half of the current 2011/12 business year, the Ypsomed Group generated consolidated sales of CHF 122.8 million, down 6.6% on the same period in 2010/11. Adjusted for currency effects, however, Ypsomed succeeded in increasing sales of goods by 1.3% year-on-year. Over the past six months, the Swiss franc has once again experienced a marked rise, leading to a fall in sales of goods due to exchange rate factors of CHF 6.9 million.

### Currency exchange rates impact Ypsomed

Despite the efforts of the Swiss National Bank the strength of the Swiss franc is a real challenge for export orientated Swiss companies like Ypsomed in the mid to long-term. In particular in maintaining the international competitiveness of products manufactured in Switzerland. Foreign currency effects of CHF 2.0 million reduce the operating profit to CHF 3.0 million.

### Greater efficiency and more cost savings required

For this reason, innovative and state-of-the-art medical technology products – such as those Ypsomed can offer its pharma customers and diabetes patients – represent a key success factor. However, the current situation with far-reaching changes on the financial markets is necessitating extraordinary measures. The current EBIT margin of 2.4% is unsatisfactory and must be improved. An internal cost analysis within the Ypsomed Group has highlighted further areas where improvements can be made and costs saved. We have begun to implement the necessary measures, which, among other things, meant that 20 employees were made redundant in September.

*“Ypsomed is pursuing the right strategy. Our ServoPen® insulin pen has enjoyed a successful market launch in China, while every third new or changing patient in Germany is opting for our mylife™ OmniPod® insulin patch pump.”*

### A promising strategy needs time to implement

As the major shareholder it is of the greatest personal interest to me to increase the profitability of the company and thus push up Ypsomed's share price once again. I am firmly convinced of Ypsomed's strategy and the market potential of our insulin pens and our Diabetescare products. As you will see from the following pages, we are making good progress in implementing our strategy. The introduction to the market of the mylife™ OmniPod® insulin patch pump and the launch of the new mylife™ Diabetescare products are broadly on track. Particularly pleasing has been the increased volume of ServoPen® insulin pens ordered by the leading Chinese insulin manufacturer Dongbao as well as the impending delivery of ServoPens® to our new customer B. Braun. Due to the continued short-term fall in sales to Sanofi, previously a major customer, these developments have yet to translate into improved financial figures in this business year.

### Operational management at Ypsomed to remain in the family

Against this background, the Board of Directors and CEO Richard Fritschi have been in discussions for some time now and have decided to reorganize the operational management of the company. Richard Fritschi has made a valuable contribution as CEO over the past five years, for which I and the Board of Directors would like to thank him most sincerely. Since August 17, 2011, as the Chairman of the Board of Directors I have also taken on the role of CEO on a temporary basis. With the ongoing cost savings very much in mind, I shall not be receiving any additional remuneration for my work as CEO. It is my intention to hand over operational management to my son Simon Michel in just over two years' time. He has worked for Ypsomed since 2006 and has been a member of the executive management with responsibility for marketing and sales since 2008.

*“The switch of reporting standards will have no material impact on the result of the income statement. Ypsomed remains committed to pursuing a transparent information policy.”*

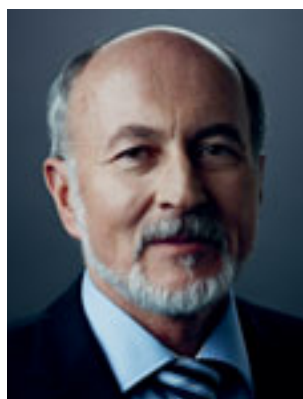
### Financial reporting is now in accordance with Swiss GAAP FER

To reduce complexity, the Board of Directors has also decided to switch the financial reporting standards it uses from IFRS (International Financial Reporting Standards) to Swiss GAAP FER (Swiss Accounting and Reporting Recommendations). Although the registered shares of Ypsomed Holding AG will remain listed on the SIX Swiss Exchange and the BX Berne eXchange, they were transferred to the Domestic Standard segment of the SIX Swiss Exchange on September 29, 2011.

### Outlook

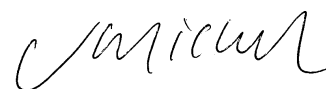
We are convinced of the market potential of our products, due to the financial and currency crisis we remain cautious. For the second half year we expect the turnover and operation profit margin to be slightly higher compared to the first half year based on current exchange rates.

Our warmest thanks go to you, our valued shareholders, for the trust you have placed in us.



**Dr. h. c. Willy Michel**

Chairman of the Board of Directors and CEO



**Simon Michel**

Senior Vice President Marketing & Sales

## The mylife™ OmniPod® insulin patch pump is a success

### The tubing-free patch pump is a hit with patients and physicians

The unique mylife™ OmniPod® insulin patch pump has been available on the English and German markets since summer 2010, on the Dutch market since January 2011 and on the Swiss market since April 2011. Experiences from its launch so far confirm expectations: the adhesive insulin pump is very popular with patients and diabetes specialists alike. In Germany, as many as one in three new or changing patients are opting for a mylife™ OmniPod® insulin patch pump. The tubing-free insulin pump is particularly popular with women (55%) and patients aged between 30 and 50 (39%).

*“The many benefits of the mylife™ OmniPod® insulin patch pump make changing from injection therapy to an insulin pump an easier decision for people with diabetes.”*

### The mylife™ OmniPod® pump consists of only two components and is easy to use

Unlike conventional insulin pumps, the mylife™ OmniPod® insulin pump is stuck directly onto the skin and does not require an infusion set. Users appreciate the very easy handling of the patch pump, which consists of only two components. The automatic and painless insertion of the cannula, with the needle not visible to the patient, is a unique feature and a real relief for patients. The mylife™ OmniPod® insulin patch pump is also much smaller than all other conventional insulin pumps and can be worn safely when swimming or showering. Since spring 2011, the mylife™ Diabass software, which reads and analyzes data from the OmniPod® pump, has also been available to patients and physicians. All these benefits open up huge market potential for Ypsomed, particularly because the mylife™ OmniPod® insulin patch pump is a product for which health insurance schemes will reimburse costs. Accordingly, there is considerable interest among patients, physicians and diabetes practices. In Germany alone, Ypsomed has now trained and certified around 500 specialist practices and pump centers in the use of the new patch pump.

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#### mylife™ OmniPod® insulin patch pump



## The new pod: even smaller and flatter!

The mylife™ OmniPod® insulin pump consists of two components linked via a wireless connection: firstly the pod, a compact, lightweight, self-adhesive insulin dispenser that is worn directly on the skin and can be discreetly covered by clothing, and secondly the Personal Diabetes Manager, a wireless, menu-driven, portable device for controlling the pod. From 2012, Ypsomed will be launching the new, second-generation pod that has undergone further development. Valuable experiences from over four years of use have fed into the further technical development of the product with the result that the new pod is not only significantly smaller and flatter but also consumes less energy. The pods, once used, are recycled by Ypsomed in an environmentally sound manner.

*“The new pod is 35% smaller and 25% lighter than the first generation of patch pumps, with an unchanged insulin volume for up to three days. Ypsomed will be launching the new pod from 2012.”*

## Launch of the insulin patch pump in other countries

Ypsomed is continuing to work actively on preparing for the launch of the mylife™ OmniPod® insulin patch pump in additional countries. It is common knowledge that the process for approving the pump as “reimbursable” by the health insurance schemes in France has been delayed, with approval now expected by the end of February 2012. In Norway, the product will be launched within the context of a national tender procedure in spring 2012. In Sweden, Ypsomed has submitted its application for “reimbursable” status to the relevant authorities. The first quarter of 2012 is also when Ypsomed plans to launch the pump via qualified distributors in Italy, Austria, Kuwait and the United Arab Emirates. Preparations to begin marketing in China are also well under way.

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### The new mylife™ OmniPod®



## Ypsomed expands its mylife™ Diabetescare product range

### Four new products added to the mylife™ Diabetescare range

In the first half of 2011, Ypsomed made the most of the specialist diabetes conferences to announce or launch a total of four new mylife™ Diabetescare products.

#### **mylife™ Roto™ infusion set with freedom of movement through 360 degrees**

The mylife™ Roto™ being launched by Ypsomed is a new infusion set which, unlike comparable systems, can be rotated through 360 degrees around the attachment point. This guarantees maximum freedom of movement and makes it considerably easier to choose an infusion site. The mylife™ Roto™ infusion set is available in two versions: with a flexible Teflon catheter and with a particularly fine steel cannula.

#### **mylife™ Clickfine® 4.5 mm with extra-short pen needle**

The new mylife™ Clickfine® pen needle with a needle only 4.5 mm long is particularly suitable for children and slim people and reduces the risk of injecting into the muscle instead of into the subcutaneous tissue. In addition, the injection is virtually painless as the needles are siliconized. The mylife™ Clickfine® 4.5 mm pen needle is suitable for all conventional pens and supplements the existing mylife™ range of pen needles measuring 6, 8, 10 and 12 mm in length.

#### **mylife™ lancets**

The mylife™ lancets are high-quality, disposable sterile lancets used for capillary blood samples, specifically in blood glucose monitoring. Their use is practically painless for the patient as, thanks to an electrically polished needle tip and a precise triple facet cut, the lancets are very sharp and have a particularly smooth surface. The mylife™ lancets are available in seven different colors and can be disposed of hygienically and safely. The lancets can be used with mylife™ Softlance and most other lancing devices available on the market.

#### **mylife™ safety lancets**

The mylife™ safety lancets were developed for blood glucose monitoring and other diagnostic tests in diabetes centers and specialist clinics, hospitals, senior citizens' homes or for private home care. The new safety lancets have a special protective cap with a safety sticker and offer nursing staff a high degree of protection from accidental lancing injuries, thus also protecting against contamination. The mylife™ safety lancets' design makes them very comfortable to use and, from October 2011 onward, they are to be available in a special pack for use in hospitals and clinics.

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#### **mylife™ lancets and mylife™ safety lancets**



## Ypsomed Delivery Systems – a comprehensive range of injection systems

### Competent and reliable partner for pharma customers

After the successful market launch of the ServoPen® insulin pen, a product that Ypsomed developed itself, the company succeeded in the last half-year in significantly driving forward the industrialization of the YpsoPen® Twist and the UnoPen®. Both the YpsoPen® Twist, a cost-effective, reusable insulin pen, and the UnoPen®, a user-friendly disposable insulin pen, are particularly suitable for up-and-coming insulin providers. The pen systems, which are both highly functional and cost-effective, give Ypsomed a competitive and very promising position in fast-growing insulin markets such as China and India. The company's unique range of insulin pens together with its recognized expertise and many years of experience are generating great interest among pharma customers both for insulin pens and pen systems for other drugs. Ypsomed is in concrete negotiations with several pharma firms for the production of new pen systems.

*“With the ServoPen®, the YpsoPen® Twist and the UnoPen®, Ypsomed boasts a comprehensive range of modern insulin pens.”*

### Good reasons for choosing Ypsomed as a partner

Ypsomed has enjoyed the reputation of technological leader in the sector for more than 25 years. The innovative, patent-protected and user-friendly pen systems from Ypsomed are greatly valued both by long-standing pharma partners and by users. Thanks to the technology platforms developed by Ypsomed, injection systems can be developed specifically for the customer in a short space of time and be produced cost-effectively in large quantities. This allows drugs to be launched more quickly. Patients can also completely rely upon the high-quality systems manufactured to recognized Swiss quality standards.

### Ypsomed Delivery Systems is synonymous with innovation and expertise

Within its strategic business segment Delivery Systems, Ypsomed plans to incorporate its many years of experience and expertise in the field of injection systems under the new brand “YDS – Ypsomed Delivery Systems” matching the mylife™ Diabetescare umbrella brand. Ypsomed's products and services for pharma customers comprise the following four divisions:

- Custom Products: development and manufacture of innovative, patented pen systems and autoinjectors
- Contract Development: development of injection systems to order
- Contract Manufacturing: manufacturing of injection systems to order
- Drug & Device Assembly: assembly of injection systems including the primary drug reservoir

In particular, Ypsomed intends to boost international awareness of its expertise and experience in the development of injection systems to order as well as the contract manufacturing of medical technology components and systems. Ypsomed is also planning on developing its service assembling injection systems with pre-filled drugs right through to ready-made country-specific packaging. Ypsomed will introduce its expanded Ypsomed Delivery System range to specialists in the field at the European Parenteral Drug Association (PDA) Universe of Pre-Filled Syringes & Injection Devices conference in Basel on 8–9 November, 2011.



## Autoinjectors for pre-filled syringes

Alongside the classic pen systems, Ypsomed's product range also encompasses two autoinjectors for pre-filled syringes. Ypsomed's YpsoMate® and YpsoJect® disposable autoinjectors contain a syringe not visible to the patient that is pre-filled with the drug. When pushed on the skin, the needle is inserted, the drug administered and the needle protected automatically.

*“The YpsoMate® and YpsoJect® autoinjectors are ideal for the safe and straightforward administration of fixed dosages, in particular depot formulations that work over a long period, in pre-filled 1 ml ready-to-use syringes.”*

The new-look YpsoMate® und YpsoJect® will be unveiled at the PDA conference in Basel in November 2011.

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### Ypsomed's autoinjectors YpsoJect® and YpsoMate®



## ServoPen® insulin pen wins new customers

### Ypsomed's ServoPen® is on the path to success in China

The launch of the newly developed ServoPen® reusable insulin pen in China which began during the last business year has been very successful. Ypsomed has been able to continuously increase production quantities of the ServoPen® insulin pen, which is manufactured in Switzerland, and is supplying its long-time pharma customer Tonghua Dongbao Pharmaceutical Co. Ltd. on schedule and in Ypsomed's usual high quality. Ypsomed has been working with Dongbao since 2003 and, in this period of time, has supplied well over a million reusable pens. The innovative and user-friendly ServoPen® is already Ypsomed's third generation of pens for Gansulin and is very popular with Chinese customers.

*“As a leading local pharma firm and manufacturer of insulin in China, Tonghua Dongbao Pharmaceutical Co. Ltd. is an important partner for Ypsomed and very well placed to allow us to jointly profit from strong growth in the insulin market in China.”*

**Developed and manufactured by Ypsomed and awarded with the internationally acclaimed “red dot design award 2010”**



reddot design award  
winner 2010



B. Braun is a leading global healthcare provider with a long and very successful company history. B. Braun's products and services are grouped into four divisions in a variety of medical fields. Worldwide, the group has over 41,500 employees and generated consolidated sales of over EUR 4.4 billion in 2010. B. Braun sees diabetes care as an important part of its Out Patient Market (OPM) division, which offers medical treatments for long-term patients outside of hospitals. Since 2000, B. Braun has also provided a range of human insulins.

### Ypsomed supplies new customer, B. Braun, with the ServoPen® insulin pen

An important milestone in the first half of 2011 was the preparation of the first delivery of ServoPens® to Ypsomed's new customer B. Braun. After a long and intensive evaluation phase, B. Braun opted to use the ServoPen® under the name Omnifill® Pen for its insulin B. Braun. The high-quality design of the ServoPen®, which received the red dot award in 2010, as well as its comprehensive functionality and simple and safe mode of operation were important criteria in B. Braun's decision.

*“In B. Braun, Ypsomed has found a new and important customer for the ServoPen® insulin pen, a product developed by Ypsomed and manufactured in Switzerland.”*

## Operating profit burdened by currency effects – net profit doubled

### Switch from IFRS to Swiss GAAP FER

As of the beginning of the new business year, Ypsomed switched its accounting system from IFRS (International Financial Reporting Standards) to Swiss GAAP FER (Accounting and Reporting Recommendations). The guiding principle of Swiss GAAP FER requires a company to present a true and fair view of its net assets and earnings situation. The effects of the switch and the reclassification are set out in detail in the notes to the financial statements.

### Natural currency hedge softens negative impact on profitability

The Swiss franc has risen by around 12.0% year-on-year against the euro and by 21.0% against the dollar. Although this natural currency hedge reduces sales, it also has a corresponding effect on the costs of purchasing, and marketing & sales, which are incurred in the same currency. There is no natural hedge for pen needles (part of the Delivery Devices segment), as the needles are sold in US dollars, euros or pounds sterling but are produced in Swiss francs. Currency effects in the reporting period amounted to about CHF 2.0 million, burdening profitability in the Delivery Devices segment considerably. This impact on international competitiveness will remain negative in the medium and long term as Swiss-manufactured products become more expensive relative to their international competitors, making future sales negotiations more difficult.

### Sales of goods slightly up after adjustment for currency effects

In the first half of the 2011/12 business year, Ypsomed generated sales of goods and services amounting to CHF 122.8 million. This represents a change of –6.6% on the previous year (CHF 131.5 million). The trend in the Swiss franc exchange rate and lower levels of remuneration for research and development services both influenced the sales of goods and services significantly. The strong Swiss franc had a negative effect on sales of goods in the amount of CHF 6.9 million. After adjustments for currency effects, this sales figure represented an increase in the reporting year of some CHF 1.5 million (+1.3%) year-on-

year. Sales were boosted by consistently implementing strategy and the resulting build-up and expansion of the Diabetes Direct Business segment. Sales of goods and services for the Diabetes Direct Business segment were up by CHF 1.6 million (+4.5%) year-on-year, or as much as 5.8 million (+20.0%) after adjustment for currency effects. The OmniPod® and the Roto™ infusion set were well received by patients, boosting sales. The fall in sales of goods and services in the Delivery Devices segment, down CHF 11.2 million (–12.6%) to CHF 77.7 million, is attributable to the continued fall in sales revenue from the former major customer Sanofi, the impact of exchange rate fluctuations on the pen needles business, and the fall in sales of adapters for discontinued infusion systems. Measured against sales for the whole segment, the proportion of sales accounted for by Sanofi has fallen by around 20.0% to 18.0%. This decrease was partially offset by the cooperation with the Chinese insulin supplier Dongbao. Since last year, this company has been successfully marketing Ypsomed's reusable insulin pen in China. Ypsomed is making every effort to compensate for the fall in Sanofi sales with a variety of pen projects in the pipeline. In the Delivery Services business sector, currency effects account for a fall of around CHF 2.8 million.

### Gross profit margin down slightly due to currency slump

The gross profit margin was down slightly on the previous year, due to the significant impact of currency effects on the needles business. In accordance with the new reporting requirements under Swiss GAAP FER, the gross profit margin now includes research and development income and expenses and income from marketing services. Targeted and intensive efforts are being made to improve the contribution being made to gross profit in all of the areas involved:

- In order to increase the gross profit margin, production and procurement processes are being regularly reviewed to identify optimization potential in accordance with the principle of continuous improvement processes, with optimization measures being implemented.
- The second new needle assembly machine in Solothurn has been successfully industrialised, significantly boosting production efficiency.

## **Operating profit burdened by market expansion activities, significant increase in net profit**

The Ypsomed Group's operating profit was down from CHF 4.9 million in the previous year to CHF 3.0 million, with the investments involved in building up and expanding Diabetes Direct Business once again placing a considerable burden on operating results. This meant a loss of CHF 5.8 million in the Diabetes Direct Business segment despite rising sales. In the Delivery Devices segment, along with the drop in Sanofi sales, it was mainly currency losses of some CHF 2.0 million in pen needles that had a negative effect on the operating profit. This resulted in an operating profit of CHF 8.7 million (previous year CHF 11.5 million). Due to the ongoing currency crisis and the Ypsomed Group's unsatisfactory profit situation, a structural analysis was undertaken in the course of the reporting period. The fixed-costs structure is being optimized by means of appropriate measures, combination of business areas and exploiting synergies. The effects of these measures will also influence the operating margin in future reporting periods. Net profit has more than doubled year-on-year, up from CHF 3.4 million to CHF 7.6 million. The main factor behind this striking increase is the sale of long-term financial assets, which were sold off at a profit of around CHF 5.1 million thanks to the attractive share price.

## **Ypsomed achieves positive cash flow of CHF 14.2 million**

As of September 30, 2011, Ypsomed has substantial cash and cash equivalents at its disposal. The increase of CHF 14.2 million within the reporting period was mainly generated from business activities (operational cash flow of CHF 20.0 million). With the free cash flow at CHF 22.3 million, financial liabilities to the major shareholder were reduced by CHF 10.0 million, and dividends to the amount of CHF 2.5 million were paid free of withholding tax to shareholders out of capital reserves. Thanks to the high level of investment in previous years, at present Ypsomed possesses extremely modern and efficient production facilities, and was therefore able to reduce investments in fixed assets by 60.6% to CHF 3.5 million. Purchase of intangible assets were down from the first half of the 2010/11 business year by 21.1% to CHF 4.5 million. This is primarily due to the fact that fewer in-house developments were capitalized, as Ypsomed currently has a comprehensive range of self-injection systems for use in the treatment of diabetes, infertility and growth disorders, among other things.

## **Ypsomed's capital structure is extremely solid**

Even after the offsetting of goodwill as of April 1, 2011, an equity ratio of 63.6% was still achieved, boosted further by 3.2% to 66.8% due to the net profit generated.

## Consolidated income statement

(unaudited Swiss GAAP FER figures) in thousand CHF	Notes	April 1, 2011 – Sept. 30, 2011	in %	April 1, 2010 – Sept. 30, 2010 (Adjusted*)	in %
<b>Sales of goods and services</b>	<b>2</b>	<b>122 840</b>	<b>100.0</b>	<b>131 537</b>	<b>100.0</b>
<b>Cost of goods and services sold</b>		<b>-94 354</b>	<b>-76.8</b>	<b>-99 431</b>	<b>-75.6</b>
<b>Gross profit</b>		<b>28 486</b>	<b>23.2</b>	<b>32 106</b>	<b>24.4</b>
<b>Marketing and sales expenses</b>		<b>-19 911</b>	<b>-16.2</b>	<b>-19 760</b>	<b>-15.0</b>
<b>Administration expenses</b>		<b>-6 452</b>	<b>-5.3</b>	<b>-8 350</b>	<b>-6.3</b>
<b>Other operating income</b>		<b>1 716</b>	<b>1.4</b>	<b>1 852</b>	<b>1.4</b>
<b>Other operating expenses</b>		<b>-857</b>	<b>-0.7</b>	<b>-954</b>	<b>-0.7</b>
<b>Operating profit</b>	<b>2</b>	<b>2 982</b>	<b>2.4</b>	<b>4 893</b>	<b>3.7</b>
<b>Financial income</b>	<b>3</b>	<b>7 665</b>	<b>6.2</b>	<b>1 107</b>	<b>0.8</b>
<b>Financial expenses</b>	<b>3</b>	<b>-2 076</b>	<b>-1.7</b>	<b>-1 385</b>	<b>-1.1</b>
<b>Profit before income taxes</b>		<b>8 571</b>	<b>7.0</b>	<b>4 615</b>	<b>3.5</b>
<b>Income taxes</b>		<b>-985</b>	<b>-0.8</b>	<b>-1 262</b>	<b>-1.0</b>
<b>Net profit</b>		<b>7 586</b>	<b>6.2</b>	<b>3 353</b>	<b>2.5</b>
<b>Earnings per share</b> (basic and diluted) in CHF	<b>4</b>	<b>0.60</b>		<b>0.27</b>	
<b>Operating profit</b>		<b>2 982</b>		<b>4 893</b>	
<b>Depreciation of fixed assets</b>		<b>9 521</b>		<b>10 330</b>	
<b>Amortization of intangible assets</b>		<b>3 392</b>		<b>2 322</b>	
<b>EBITDA</b> (operating profit before depreciation and amortization)		<b>15 895</b>	<b>12.9</b>	<b>17 545</b>	<b>13.3</b>

\*The figures have been adjusted due to the change to Swiss GAAP FER – see notes to the financial statements 1.2.

## Consolidated balance sheet

(unaudited Swiss GAAP FER figures) in thousand CHF

	Notes	Sept. 30, 2011	in %	March 31, 2011 (Adjusted*)	in %
<b>Assets</b>					
Cash and cash equivalents		19 264	5.6	5 022	1.4
Trade receivables		23 920	7.0	32 246	9.1
Other current assets		5 127	1.5	5 024	1.4
Prepayments and accrued income		4 100	1.2	8 073	2.3
Current income tax assets		119	0.0	185	0.1
Inventories		50 383	14.8	51 576	14.6
Customer machinery		1 289	0.4	5 258	1.5
<b>Total current assets</b>		<b>104 201</b>	<b>30.5</b>	<b>107 385</b>	<b>30.3</b>
Financial assets		8 799	2.6	13 094	3.7
Deferred income tax assets		5 203	1.5	4 911	1.4
Fixed assets		172 660	50.6	179 052	50.6
Intangible assets		50 374	14.8	49 386	14.0
<b>Total non-current assets</b>		<b>237 037</b>	<b>69.5</b>	<b>246 443</b>	<b>69.7</b>
<b>Total assets</b>		<b>341 238</b>	<b>100.0</b>	<b>353 829</b>	<b>100.0</b>
<b>Liabilities and equity</b>					
Financial liabilities		45 000	13.2	40 000	11.3
Current financial liabilities to major shareholder		10 000	2.9	10 000	2.8
Trade payables		13 584	4.0	13 080	3.7
Prepayments from customers		2 458	0.7	7 333	2.1
Current income tax payable		2 753	0.8	4 593	1.3
Other payables		2 300	0.7	3 733	1.1
Accrued liabilities and deferred income		18 214	5.3	20 621	5.8
Provisions		1 300	0.4	1 418	0.4
<b>Total current liabilities</b>		<b>95 608</b>	<b>28.0</b>	<b>100 777</b>	<b>28.5</b>
Non-current liabilities to major shareholder		14 500	4.2	24 500	6.9
Other non-current financial liabilities		3	0.0	7	0.0
Provisions		936	0.3	973	0.3
Deferred income tax liabilities		2 370	0.7	2 503	0.7
<b>Total non-current liabilities</b>		<b>17 809</b>	<b>5.2</b>	<b>27 983</b>	<b>7.9</b>
Share capital		178 994	52.5	178 994	50.6
Group reserves		48 827	14.3	46 075	13.0
<b>Total equity</b>	5	<b>227 821</b>	<b>66.8</b>	<b>225 069</b>	<b>63.6</b>
<b>Total liabilities and equity</b>		<b>341 238</b>	<b>100.0</b>	<b>353 829</b>	<b>100.0</b>

\*The figures have been adjusted due to the change to Swiss GAAP FER – see notes to the financial statements 1.2.

## Consolidated statement of cash flows

(unaudited Swiss GAAP FER figures) in thousand CHF	Notes	April 1, 2011 – Sept. 30, 2011	April 1, 2010 – Sept. 30, 2010 (Adjusted*)
<b>Net profit</b>		<b>7 586</b>	<b>3 353</b>
Depreciation of fixed and intangible assets		12 913	12 652
Change in provisions, net		-697	-333
Other expense/income that do not affect the fund		-741	10
Gain (-)/loss (+) of fixed and financial assets		-5 106	-22
Increase (-)/decrease (+) in trade receivables		7 629	2 388
Increase (-)/decrease (+) in other receivables and prepayments and accr. income		3 745	1 292
Increase (-)/decrease (+) in inventories		-297	-950
Increase (-)/decrease (+) in customer machinery		3 969	-2 926
Increase (+)/decrease (-) in trade payables		808	-185
Increase (+)/decrease (-) in prepayments from customers		-4 875	3 057
Increase (+)/decrease (-) in other payables and accr. liabilities and deferred income		-4 914	2 327
<b>Cash flow from operating activities</b>		<b>20 022</b>	<b>20 661</b>
Purchases of financial assets		-559	0
Disposals of financial assets		11 086	0
Purchases of fixed assets		-3 488	-8 860
Disposals of fixed assets		123	350
Purchases of intangible assets		-4 514	-5 719
Final payment acquisition prev. year/Acquisitions, net of cash acquired		-383	-3 454
<b>Cash flow from investing activities</b>		<b>2 265</b>	<b>-17 683</b>
Repayment of financial liabilities to major shareholder		-10 000	-10 000
Proceeds from borrowings		5 000	7 000
Distribution of capital reserves/Par value repayment	5	-2 532	-3 168
Purchase of treasury shares		-392	0
<b>Cash flow from financing activities</b>		<b>-7 924</b>	<b>-6 168</b>
Affect of foreign currency translation		-121	-117
<b>Total Cash Flow</b>		<b>14 242</b>	<b>-3 307</b>
Cash and cash equivalents as of April 1		5 022	8 065
Cash and cash equivalents as of September 30		19 264	4 758
<b>Net increase (+)/decrease (-) in cash and cash equivalents</b>		<b>14 241</b>	<b>-3 307</b>

\*The figures have been adjusted due to the change to Swiss GAAP FER – see notes to the financial statements 1.2.

## Consolidated statement of changes in equity

(unaudited Swiss GAAP FER figures) in thousand CHF	Share capital	Group reserves and share premium	Treasury shares	Cumulative translation reserve	Fluctuation in value of financial instruments	Goodwill offset	Retained earnings	Total
<b>Balance as of April 1, 2010</b>								
<b>IFRS</b>	<b>182 156</b>	<b>181 125</b>	<b>-1 951</b>	<b>-1 615</b>	<b>6 679</b>		<b>171 349</b>	<b>537 743</b>
Change from IFRS to Swiss GAAP FER					-6 679	-308 878	6 522	-309 036
<b>Balance as of April 1, 2010</b>								
<b>Swiss GAAP FER</b>	<b>182 156</b>	<b>181 125</b>	<b>-1 951</b>	<b>-1 615</b>	<b>0</b>	<b>-308 878</b>	<b>177 871</b>	<b>228 707</b>
Profit from half year							3 353	3 353
Par value repayment	-3 162	-13	7					-3 168
Translation exchange differences				-1 671				-1 931
Goodwill acquired offset						-3 471		-3 211
<b>Balance as of September 30, 2010</b>								
<b>(after adjustment)</b>	<b>178 994</b>	<b>181 112</b>	<b>-1 944</b>	<b>-3 286</b>	<b>0</b>	<b>-312 350</b>	<b>181 224</b>	<b>223 749</b>
<b>Balance as of March 31, 2011</b>								
<b>(after adjustment)</b>	<b>178 994</b>	<b>181 091</b>	<b>-1 945</b>	<b>-4 060</b>	<b>0</b>	<b>-312 350</b>	<b>183 339</b>	<b>225 069</b>
Profit from half year							7 586	7 586
Distribution of dividends from capital contribution reserves		-2 532						-2 532
Purchases of own shares			-392					-392
Translation exchange differences				-1 910				-1 910
<b>Balance as of September 30, 2011</b>	<b>178 994</b>	<b>178 558</b>	<b>-2 337</b>	<b>-5 970</b>	<b>0</b>	<b>-312 350</b>	<b>190 925</b>	<b>227 821</b>

## Notes to the consolidated interim financial statements

Figures in thousand CHF unless otherwise stated

### 1. Accounting policies

#### 1.1 Basic principles

These consolidated interim financial statements includes the unaudited consolidated interim financial statements of Ypsomed Holding AG and its subsidiaries for the reporting period ending September 30, 2011. This is the first time that the consolidated interim financial statements have been prepared in accordance with Swiss GAAP FER 12 – “Interim Reporting,” and the accounts should be read in conjunction with the consolidated annual financial statements prepared in accordance with the International Financial Reporting Standards (IFRS), as they represent an update of previously published information. The Group prepared its reports in accordance with IFRS until March 31, 2011. With effect from April 1, 2011, Ypsomed Holding AG now prepares its consolidated interim and annual financial statements in accordance with Swiss GAAP FER. With the exception of the items indicated under 1.2, the accounting policies applied to the preparation of the interim financial statements are in line with the accounting policies which also provide the basis for the consolidated annual financial statements up to March 31.

The consolidated interim financial statements were approved for issue by the Board of Directors on October 27, 2011.

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

In order to prepare consolidated interim financial statements, management is obliged to use estimates and assumptions which have an impact on the reported carrying amounts of assets and liabilities, and the income and expenses reported for the relevant accounting period. These estimates and assumptions are based on future expectations, and seem reasonable at the time of preparation of the interim financial statements. The actual results may differ from these assumptions.

#### 1.2 Adjustments due to the change in accounting policies

The switch from IFRS to Swiss GAAP FER has necessitated adjustments to the Group’s accounting policies in terms of how goodwill, pension obligations and financial assets are treated, and in the presentation and structure of the annual financial statements. The figures for the previous year have been adjusted to make it possible to draw comparisons with the previous year.

#### *Goodwill*

Under IFRS, goodwill is reported under intangible assets, is subjected to an annual impairment test and is shown in the balance sheet at cost less accumulated impairment. Under Swiss GAAP FER, goodwill is reported either as an intangible asset at cost less accumulated amortization, or is offset against equity at the time of acquisition. The Board of Directors has decided to offset goodwill against equity.

#### *Pension benefit obligations*

With the adoption of Swiss GAAP FER, the economic impact of pension benefit obligations are now reported in accordance with Swiss GAAP FER 16. The pension benefit obligations of the subsidiaries in respect of retirement, death and disability comply with the statutory provisions and regulations in the respective countries. Two Swiss companies have a legally independent pension fund financed by employer and employee contributions (defined contribution plan). The actual economic impact of pension plans on Ypsomed’s consolidated financial statement are calculated as of the balance sheet date. An economic benefit is capitalized provided it will be available to reduce the company’s future pension expenses. An economic obligation is recognized as a liability if the conditions for establishing a provision are met. Any unconditionally available employer contribution reserves are recognized as assets. The economic impacts of surpluses or deficits in the pension funds on the Group, as well as a change in any employer contribution reserves are recognized as income and reported as personnel expenses in addition to the contributions deferred to the reporting period. Based on the existing pension agreements and the actual circumstances as of April 1, 2010, September 30, 2010, March 31, 2011, and September 30, 2011, no economical benefits or economical obligations were recognized in the Group’s consolidated financial statements.

#### *Financial assets*

Under IAS 39, financial assets available for disposal were initially reported in the balance sheet at cost and were then valued at fair value. Changes in fair value were included in equity until any such financial instrument was either reduced in value or sold. Under Swiss GAAP FER 2, financial assets must be valued at cost, less any impairment of value.

#### *Presentation and structure*

The structure and presentation of the balance sheet, the income statement, the statement of changes in equity and the statement of cash flows have been adjusted to reflect the requirements of Swiss GAAP FER. In this process, only the income statement has been adjusted to any significant extent: all revenue from sales and services has now been included under “Sales of goods and services,” which now also comprises income from the provision of research, development, industrialization and marketing services. The items “Real estate income,” “Gains from disposal of fixed assets” and “Licensing revenue,” which were listed individually under IFRS, are combined under “Other operating income.” The costs required for the generation of real estate income are included in “Other operating costs.” Research and development expenses are now included under “Cost of goods and services sold.”

The effects of the accounting adjustments indicated above on equity, the income statement and the presentation and structure of the income statement are summarized in the following tables.

Unaudited figures in thousand CHF	Equity under IFRS	Adjustment of goodwill*	Adjustment of pension obligations*	Adjustment of financial instruments*	Equity under Swiss GAAP FER
April 1, 2010	537 743	-308 878	6 522	-6 679	228 707
September 30, 2010	535 831	-311 449	6 535	-7 169	223 749
March 31, 2011	538 056	-311 063	6 710	-8 634	225 069

In thousand CHF	Net profit under IFRS	Adjustment of taxes on goodwill	Adjustment of pension obligations*	Adjustment of financial instruments	Net profit under Swiss GAAP FER
Half-year as at 09/30/2010	3 252	86	14		3 353
<b>Total 2010/2011</b>	<b>5 206</b>	<b>74</b>	<b>189</b>		<b>5 468</b>

\*After taxes

Income statement April 1, 2010 – September 30, 2010

IFRS	IFRS	Reclassification	Valuation effects	Swiss GAAP FER	Swiss GAAP FER
Sales of goods and services	120 845	10 691			
Real estate income	1 086	-1 086			
<b>Total sales of goods and services</b>	<b>121 931</b>	<b>9 605</b>		<b>131 537</b>	<b>Total sales of goods and services</b>
Cost of goods and services sold	-88 238	-11 222	29	-99 431	Cost of goods and services sold
<b>Gross profit</b>	<b>33 694</b>	<b>-1 617</b>	<b>29</b>	<b>32 106</b>	<b>Gross profit</b>
Profit from disposal of fixed assets	99	-99			
Licensing revenues	561	-561			
Research and development reimbursed	4 794	-4 794			
Research and development expenses	-7 961	7 967	-6		
Research and development expenses net	-3 167	3 173	-6		
Marketing and sales expenses	-18 077	-1 688	4	-19 760	Marketing and sales expenses
Administration expenses	-8 242	-106	-2	-8 350	Administration expenses
		1 852		1 852	Other operating income
		-954		-954	Other operating expenses
<b>Operating profit</b>	<b>4 868</b>		<b>25</b>	<b>4 893</b>	<b>Operating profit</b>
Financial income	1 107			1 107	Financial income
Financial expenses	-1 385			-1 385	Financial expenses
<b>Profit before income taxes</b>	<b>4 590</b>		<b>25</b>	<b>4 615</b>	<b>Profit before income taxes</b>
Income taxes	-1 338		75	-1 262	Income taxes
<b>Net profit</b>	<b>3 252</b>		<b>100</b>	<b>3 353</b>	<b>Net profit</b>

Unaudited figures in thousand CHF

Income statement April 1, 2010 – March 31, 2011

IFRS	IFRS	Reclassifi- cation	Valuation effects	Swiss GAAP FER	Swiss GAAP FER
Sales of goods and services	240 261	21 561			
Real estate income	2 200	-2 200			
<b>Total sales of goods and services</b>	<b>242 461</b>	<b>19 361</b>		<b>261 822</b>	<b>Total sales of goods and services</b>
Cost of goods and services sold	-175 737	-25 249	152	-200 835	Cost of goods and services sold
<b>Gross profit</b>	<b>66 724</b>	<b>-5 888</b>	<b>152</b>	<b>60 987</b>	<b>Gross profit</b>
Profit from disposal of fixed assets	381	-381			
Licensing revenues	1 119	-1 119			
Research and development reimbursed	8 261	-8 261			
Research and development expenses	-17 508	17 490	18		
Research and development expenses net	-9 247	9 229	18		
Marketing and sales expenses	-36 928	-3 553	13	-40 467	Marketing and sales expenses
Administration expenses	-13 439	-138	24	-13 553	Administration expenses
		3 838		3 838	Other operating income
		-1 988		-1 988	Other operating expenses
<b>Operating profit</b>	<b>8 610</b>		<b>207</b>	<b>8 817</b>	<b>Operating profit</b>
Financial income	1 666			1 666	Financial income
Financial expenses	2 601			-2 601	Financial expenses
<b>Profit before income taxes</b>	<b>7 675</b>		<b>207</b>	<b>7 882</b>	<b>Profit before income taxes</b>
Income taxes	-2 469		55	-2 414	Income taxes
<b>Net profit</b>	<b>5 206</b>		<b>262</b>	<b>5 468</b>	<b>Net profit</b>

## 2. Segment reporting

For the purposes of company management, the Ypsomed Group is organized into business sectors according to products and services. The segment "Delivery Devices" comprises the product groups pen systems, pen needles and other injection molds produced by Ypsomed.

The business segment "Diabetes Direct Business" covers the direct trade in a range of diabetes articles. "Others" contains the business segment "Precision turned parts" and real estate currently not used for operational purposes. Intersegmental sales are executed at arm's length.

Half year 2011/12	Delivery Devices	Diabetes Direct Business	Others	Eliminations	Group
Sales of goods and services to third party customers	77 724	36 832	8 283		122 840
Intersegmental sales			1 224	-1 224	
<b>Total sales of goods and services</b>	<b>77 724</b>	<b>36 832</b>	<b>9 507</b>	<b>-1 224</b>	<b>122 840</b>
<b>Operating profit</b>	<b>8 690</b>	<b>-5 778</b>	<b>71</b>		<b>2 982</b>
Investments in fixed and intangible assets	6 778	198	1 026		8 002
Depreciation/amortization	10 589	867	1 456		12 913

Unaudited figures in thousand CHF

Half year 2010/11	Delivery Devices	Diabetes Direct Business	Others	Eliminations	Group
Sales of goods and services to third party customers	88 898	35 242	7 397		131 537
Intersegmental sales			1 219	-1 219	
<b>Total sales of goods and services</b>	<b>88 898</b>	<b>35 242</b>	<b>8 616</b>	<b>-1 219</b>	<b>131 537</b>
<b>Operating profit</b>	<b>11 495</b>	<b>-5 864</b>	<b>-739</b>		<b>4 893</b>
Investments in fixed and intangible assets	12 850	163	2 100		15 113
Depreciation/amortization	9 887	1 193	1 572		12 652

### 3. Financial income

	Half year 2011/12	Half year 2010/11
<b>Interest income</b>	<b>9</b>	<b>5</b>
<b>Dividend income</b>	<b>1 441</b>	<b>363</b>
<b>Gains from marketable securities</b>	<b>5 118</b>	
<b>Foreign exchange gains</b>	<b>1 077</b>	<b>707</b>
<b>Other financial income</b>	<b>20</b>	<b>31</b>
<b>Total financial income</b>	<b>7 665</b>	<b>1 107</b>
<b>Interest expense</b>	<b>390</b>	<b>517</b>
<b>Losses from securities</b>	<b>37</b>	<b>10</b>
<b>Foreign exchange losses</b>	<b>1 611</b>	<b>794</b>
<b>Other financial expense</b>	<b>39</b>	<b>63</b>
<b>Total financial income</b>	<b>2 076</b>	<b>1 385</b>

### 4. 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 during the period.

	Half year 2011/12	Half year 2010/11*
<b>Net profit in thousand CHF</b>	<b>7 586</b>	<b>3 353</b>
<b>Number of registered shares weighted on a monthly basis</b>	<b>12 614 726</b>	<b>12 621 863</b>
<b>Earnings per share in CHF (basic and diluted)</b>	<b>0.60</b>	<b>0.27</b>

\*The figures have been adjusted due to the change to Swiss GAAP FER – see notes to the financial statements 1.2.

### 5. Payment to shareholders

On July 15, 2011, the sum of CHF 0.20 per share was paid out to shareholders free of withholding tax from the capital reserves. The total amount paid out came to CHF 2.5 million. In the previous year, the par value of the Ypsomed share was reduced by CHF 0.25 and repaid to the shareholders. The par value repayment in the previous year amounted to CHF 3.2 million.

## 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, Zürich ([www.bellevue.ch](http://www.bellevue.ch)),

**Dr. Sandra Künzle**

BZ-Bank, Wilen ([www.bzbank.ch](http://www.bzbank.ch)),

**Urban Fritsche**

CAI Cheuvreux, Zürich ([www.cheuvreux.ch](http://www.cheuvreux.ch)),

**Thomas Bernhardsgrütter**

Credit Suisse, Zürich ([www.credit-suisse.com](http://www.credit-suisse.com)),

**Christoph Gretler**

Vontobel, Zürich ([www.vontobel.com](http://www.vontobel.com)),

**Daniel Jelovcan**

Kepler Equities, Zürich ([www.kepler-equities.com](http://www.kepler-equities.com)),

**Florian Gaiser**

Zürcher Kantonalbank, Zürich ([www.zkb.ch](http://www.zkb.ch)),

**Sibylle Bischofberger Frick**

On our website at [www.ypsomed.com](http://www.ypsomed.com) (under Company/Investor) any interested person can access up to date and market relevant information (pull system) without charge. Furthermore any interested person can register at [www.ypsomed.com/ch/unternehmen/investoren/122.html](http://www.ypsomed.com/ch/unternehmen/investoren/122.html) (push system) to be added to an e-mailing list to receive the described publications about the company (push system). The official publication organ of Ypsomed Holding AG is the Swiss Official Gazette of Commerce (SOGC). Company publications with potential relevance to the share price are usually communicated at the end of daily trading. Such publications are initially reported to the SIX Swiss Exchange Regulation and thereafter installed

on the above mentioned website and simultaneously communicated to a number of national newspapers, electronic information systems and to persons registered on the e-mail distribution list.

## Stock listing

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

Ticker symbols:

YPSN (Telekurs)

YPSN.S (Reuters)

YPSN SW (Bloomberg)

Securities number 1939 699

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## Key forthcoming dates

### 22 May 2012

Press conference and presentation of the annual results 2011/12, Burgdorf

### 27 June 2012

General Meeting of Shareholders, Bern

### 1 November 2012

Press conference and presentation of the half-year figures 2012/13, Solothurn

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