





EBIT margin increases in double digits

Prospects remain excellent

In the first half-year of 2015/16, the Ypsomed Group generated consolidated sales totalling CHF 157.8 million, CHF 9.3 million more than for the same period of the previous year (CHF 148.5 million), which corresponds to an increase of 6.2%. The year-on-year operating results (EBIT) increased by a solid 50.1% or CHF 6.5 million to CHF 19.4 million and thus reached the attractive EBIT margin of 12.3%. In the previous year, it was still at an EBIT margin of 8.7%.

This increase confirms the successful path our company has been following for some time now. And this result becomes even more significant when considering the ongoing challenging currency situation created when the Swiss National Bank unpegged the minimum exchange rate of the Swiss Franc of CHF 1.20 versus the Euro in early 2015: had the exchange rate remained at CHF 1.20, turnover for the reporting period would have even amounted to CHF 168.9 million (growth versus the previous year approximately 14%), with an EBIT of CHF 23.9 million (growth of approximately 85%).

This resulted in a net profit of CHF 15.2 million for the reporting period, increasing profitability at this level to 9.6% (previous year 6.1%).

Delivery Devices: EBIT again improves significantly

The Delivery Devices segment showed a growth in sales of CHF 5.7 million or 7.9% to CHF 78.6 million for the first half-year 2015/16. The highest growth, some CHF 10 million, was achieved

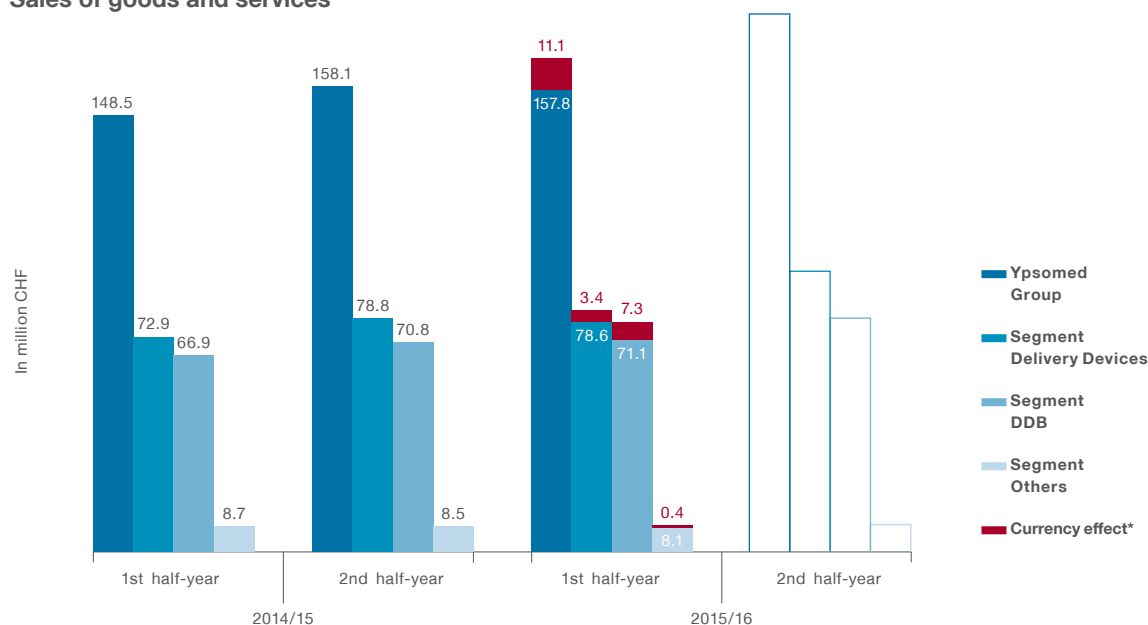
with the Pen Systems. Here the focus lay on the GLP-1 Pens, where manufacturing continued to be increased gradually, but also on other products which showed a very positive development. The manufacturing of pen components for major client Sanofi was run at a slightly lower level than in the previous year's period, where it had run at maximum capacity 24/7, and this reduced turnover by approximately CHF 5 million in this area. Further volume growth was achieved in the field of pen needles; however, this result was neutralised by currency exchange effects.

The EBIT for the Delivery Devices segment for the reporting period amounted to CHF 11.8 million – that is CHF 4.7 million or 67.2% more on a year-on-year basis. The good results are primarily due to the above-mentioned additional sales of pen systems as well as better utilisation of optimised manufacturing, allowing fixed costs to be decreased further. Furthermore, a number of successful research, development and industrialisation projects have had a positive influence on the results.

Consistent high growth in the segment of Diabetes Direct Business

The Diabetes Direct Business (DDB) segment again displayed growth during the first half-year of 2015/16, by CHF 4.2 million to now CHF 71.1 million turnover, which equals an increase of 6.2%. The segment grew in all Ypsomed markets in Europe and in India, and in absolute terms most of all in the new market Italy,

Sales of goods and services



*Additional sales, which would have been realised at an exchange rate of EUR/CHF 1.20 (current exchange rate EUR/CHF 1.06).

with numbers that significantly exceeded our expectations. The mylife™ OmniPod® tubeless insulin pump continues to be an important factor among these satisfying results. The number of users has increased by 19 % during the first half-year 2015/16.

Due to increased sales and the efficient use of resources, the EBIT in the DDB segment continued to grow, by CHF 1.6 million or 28.6% to CHF 7.3 million. The DDB segment is affected most by the current exchange currency situation: at the old minimum exchange rate of CHF 1.20, the net earnings would have been higher by a total of CHF 7.3 million and the EBIT higher by CHF 2.1 million.

Ypsotec holds up well despite difficult environment

The Ypsomed subsidiary, Ypsotec (segment Others) continues to hold its own in a currently difficult and highly competitive environment. The supplier of mechanical precision components based in Grenchen recorded a turnover of CHF 8.1 million during the first half-year of 2015/16, which equals a slight drop of CHF 0.6 million (-7.6%) compared with the previous year. CHF 0.4 million of this is due to currency exchange effects. Ypsotec is well positioned with its second location in Tábor in the Czech Republic. As a result, the EBIT of the Others segment is slightly better than in the previous year, albeit at a low level: it increased from CHF 0.2 million to CHF 0.3 million.

Lower interest expenses

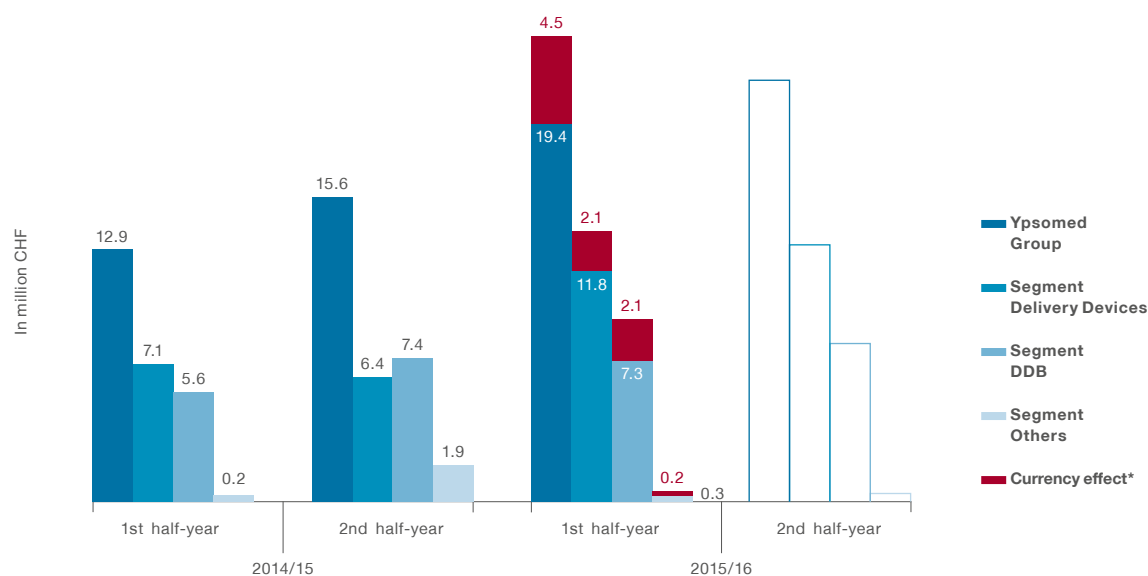
The financial expenditure posted for the reporting period includes value adjustments for the holding in Bionime, a manufacturer of blood glucose meters: based on current share performance these were increased by CHF 0.7 million to a total of now CHF 2.5 million. Lower debt and lower interest rates reduced interest costs by CHF 0.2 million for the first half-year 2015/16 compared with the previous year.

Good free cash flow, buoyant investment activities

In the first half of the financial year 2015/16, Ypsomed increased the cash flow from business operations from CHF 31.2 million to CHF 34.4 million compared with the previous year's period. Due to this positive value it was possible to finance investments of approximately CHF 16 million from current business operations. The majority of these investments, some CHF 10.9 million, were investments in tangible assets, namely further expansion and adaptations of the manufacturing infrastructure, as well as injection moulding equipment.

With the resulting free cash flow, Ypsomed reduced its debt by CHF 9.0 million and doubled the payment of dividends to shareholders for the past financial year from capital reserves from CHF 3.8 million to a total of CHF 7.6 million, which equals CHF 0.60 per share. Ypsomed further increased its level of self-financing: this now lies at 67.6 % compared

EBIT



*Additional EBIT, which would have been realised at an exchange rate of EUR/CHF 1.20 (current exchange rate EUR/CHF 1.06).

with 66.6% for the same period last year. The overall growth trend of Ypsomed is also reflected by the number of employees: since the end of March 2015, 57 new jobs were created, 20 of which were in the areas of manufacturing and technology at the Swiss locations Burgdorf and Solothurn. A further 32 positions were in the recruitment phase in Switzerland at the end of September. The Ypsomed subsidiaries abroad created 37 jobs in the areas of sales, logistics and manufacturing.

Current customer projects and the further development of own products resulted in substantial expenditure on research and development. CHF 12.8 million (corresponding period in the previous year: 12.9 million) went towards developing variants of the pen platforms YpsoMate®, UnoPen™ and FixPen™ as well as the next version of the mylife™ YpsoPump® and the corresponding infusion set.

Net profit increases by two thirds

The net profit for the first half-year 2015/16 amounted to CHF 15.2 million and increased by 67.2% (CHF 9.1 million) compared with the year-on-year period. This corresponds to a net profit margin of 9.6%. Thus, the net profit per average issued registered share amounts to CHF 1.20 (previous year CHF 0.72).

Solid foundation for continued success

The past reporting period together with the future lend themselves to very encouraging forecasts. Among other factors, the current focus of the company's development includes the following:

- The business development of the Ypsomed Delivery Systems continues to demonstrate a high level of dynamics. Compared with the previous corresponding period, the current reporting period again showed an increase in customer enquiries, and a record level of ongoing projects was recorded in the summer.
- Ypsomed has identified a long-term and pronounced demand by its customers for injection equipment with intelligent electronic and software-based additional functions for administering medication. In particular, this is intended to improve the adherence of patients and thus increase the sustained efficiency of therapies. Ypsomed has anticipated this trend with a clear strategy for developing smart devices and has numerous ongoing project studies in this area.

- And finally, the introduction of the new mylife™ YpsoPump® insulin pump is planned for November 2015, whereby manufacturing will be ramped up and the product prepared for the various target markets. The YpsoPump® received the CE Mark in September and will be ready for market launch as soon as the corresponding prefilled insulin cartridge receives approval. In concrete terms, the effective launch date of the YpsoPump® depends on the approval of the prefilled cartridge in combination with our insulin pump. We anticipate this approval in the 4th quarter of 2015/16.

Outlook

Based on these positive developments, we will raise our forecast for the end of the financial year 2015/16: we expect a growth in turnover of around 10% and an EBIT of approximately CHF 41 million. This is largely supported by increased sales, better utilisation and further optimisation of manufacturing in the area of Delivery Devices.

Dear shareholders, we greatly thank you for your confidence.




Dr. h. c. Willy Michel
Chairman of the
Board of Directors




Simon Michel
Chief Executive Officer



Ypsomed Delivery Systems

Record number of customer projects

Our pharmaceutical and biotech customers obtain injection systems and associated services from the YDS brand – Ypsomed Delivery Systems. In the Business Development area of Ypsomed Delivery Systems it is possible to discern a continued high level of momentum. During the reporting period a renewed increase in customer enquiries was recorded in comparison with the previous year and in the summer a new record high for specific projects was posted.

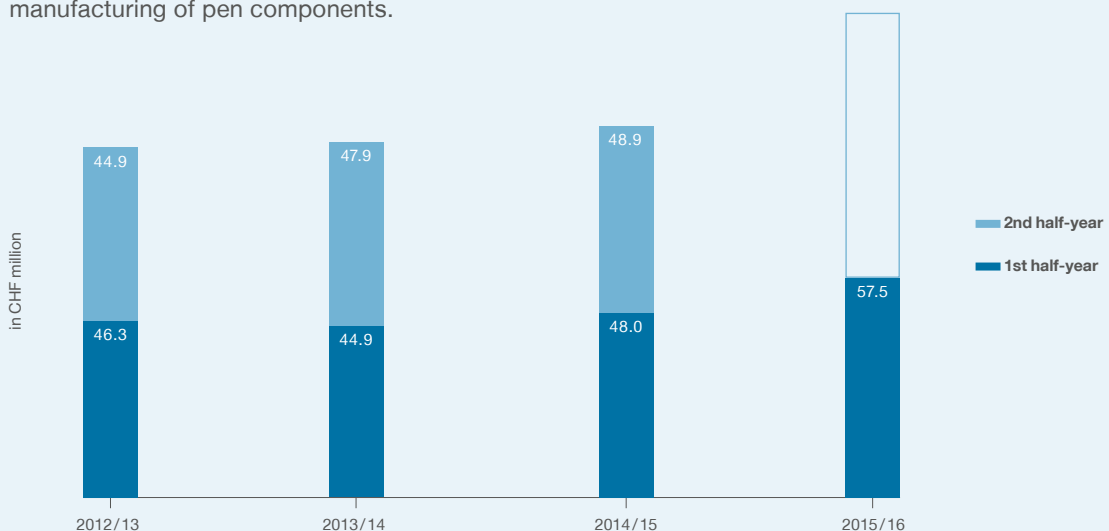
To be precise, over the past six months Ypsomed has announced the following contracts and co-operations:

- In future, diabetics in India will use the YpsoPen® to administer the insulin of the pharmaceutical company Lupin Limited. The YpsoPen® is an attractively priced reusable pen that was developed in Burgdorf and is produced in China by a partner company. According to the estimates of the International Diabetes Federation, in India there are more than 65 million diabetics and by 2030 it is thought that there will be over 100 million.
- In Poland the YpsoPen® has been marketed under the name PolhuminPen since June. Polfa Tarchomin, which has its head office in Warsaw and is one of the oldest pharmaceutical companies in the world, currently sells the reusable insulin pen together with its insulin Polhumin® exclusively on the Polish market. An expansion of the cooperation to further countries is currently being negotiated.
- Ypsomed was able to announce a comprehensive framework agreement for pen systems and autoinjectors with the South Korean company Hanmi Pharmaceutical Co., Ltd. in July. Hanmi has three biotechnologically produced proteins, which are currently in different development and licensing stages. Hanmi’s product portfolio is considered to be extremely impressive in specialist circles.

Sales trend Ypsomed Delivery Systems

The following graphic shows the recent development of sales trend from the marketing perspective. It covers the sales from the business with the injection systems: pens, autoinjectors and contract manufacturing of pen components.

We expect accelerated growth for injection systems in the coming years. It is anticipated that this will be in the double-digit percentage area.



YDS Injection devices of the future Smart instead of just connected

Ypsomed has identified a need amongst its customers for injection devices that in the long run support the administration of medicine with intelligent additional functions realised by electronics and software. The reason for this development can be seen in the following trends.

Patients require more support

Large pharmaceutical companies worldwide are focusing on biologically produced preparations and in particular on monoclonal antibodies. Due to the size of the molecules these have to be administered subcutaneously. However, the injection is frequently only required on a weekly, twice-weekly or even monthly basis.

Growth in outcome-based reimbursement

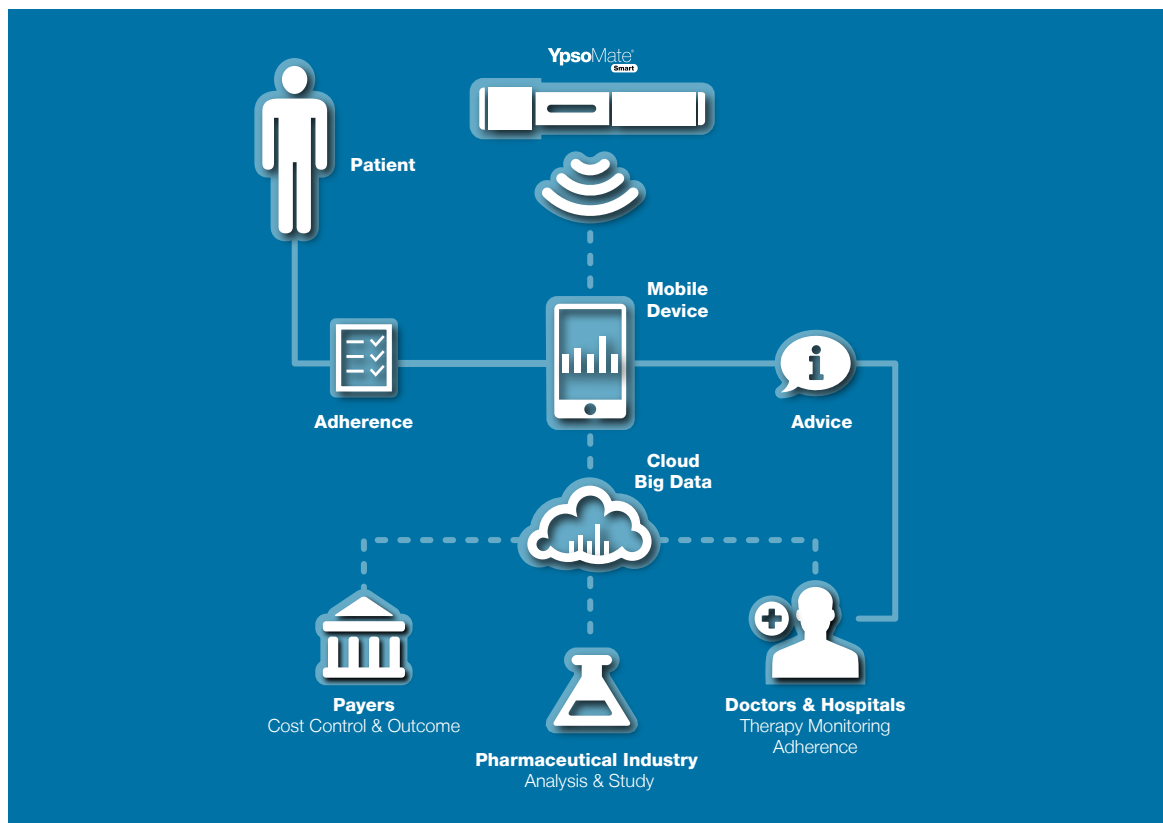
Health insurers – particularly in major markets like USA, Germany and Great Britain – are increasingly keen to make the compensation of medication more dependent on patient outcomes. The reason for this is the overall cost saving that the introduction of a new medication during the course of a treatment can achieve. Naturally, special attention

is being paid here to chronic illnesses such as diabetes. Medication is increasingly part of the overall treatment package that is billed in a bundled form with the health insurer. These packages are also assessed according to their success rate, and this increases the need to have technical solutions that accurately record how the patient has followed the course of treatment.

Big data in medicine too

In general, health care and the health insurers in many countries have at their disposal comprehensive databases showing the results of treatment with medicines in the “real world of treatment”, in addition to traditional clinical trials. With the exponential growth in the opportunities to exploit such big data, health insurers nowadays can sometimes evaluate the cost effectiveness of treatments themselves. Medical devices that deliver or make available such data will therefore have a distinct competitive advantage in the future.

Concept Smartdevices



Mega topic adherence

A further impact of the wider availability of pharmaceutical big data is an increased focus on the topic of adherence. In other words, this means the extent to which the patient complies with the recommendations of his or her doctor, i.e. with regard to the administration of the medicine, diet or a change of lifestyle. This holds enormous hidden potential: Estimates from the USA come up with a figure of some USD 290 billion that result from a lack of adherence on the part of the patient. Efforts to contain this problem through educational and coaching programmes together with appropriate technical solutions, i.e. “connected devices”, are equally huge. An example: parents receive a warning message on their smartphone, if their child’s insulin level is too high and he or she has not taken an insulin injection.

Mobile apps and social media increasingly important

In the final analysis, it can be seen that the responsibility for the success of the treatment is increasingly shifting away from the doctor and towards the patient and the health insurer. The reason for this is the wide availability of mobile devices as well as the huge increase in awareness amongst patients with regard to treatments and therapies thanks to the Internet and social networks. Patients now demand higher transparency on the costs and benefits of medicines and treatments and are much more aware when talking with their doctor.

Smart solutions thanks to long experience

Ypsomed is well positioned to optimally meet these trends with innovative solutions. However, it is not just “connected devices”, which fundamentally have the ability to communicate with a smartphone via Bluetooth for example, that are the focus here. From the outset Ypsomed has gone one step further, in the shape of “smart devices” that are able to call up relevant treatment parameters and to communicate them in an appropriate form. Thanks to its 30-year experience, including, amongst other things, the first injection pen with electronic display worldwide, Ypsomed has the necessary know-how to develop intelligent injection devices. Over the last few years this has again been built up through the development project for the mylife™ YpsoPump®. The new insulin pump from Ypsomed communicates with the computer via Bluetooth or a smartphone and can therefore transfer all the relevant treatment data at any time to the proprietary mylife™ software or to the treatment management software of partners. The mylife™ software is available for desktop computers, as a smartphone app and in the cloud and can read the data on Ypsomed blood

glucose monitoring systems as well as on those of competitors. In order to keep costs and time to market as low as possible, wherever possible and meaningful, Ypsomed uses well-tried components from the consumer electronics industry in the development of its intelligent injection devices. This enables us, for example in the case of a “smart” injection pen, to meet requirements such as connectivity, data handling and the management thereof via quickly available standard components. Thanks to this we can concentrate fully on our core competence, which is to provide an interface between the device and electronics. Thanks to this well thought out integration, the optimum transfer of the condition of the injection pen such as before/after use, filling level, time and dose volume is achieved.

Pioneering cooperation with Thinfilm

The next important step in this rapidly developing field has already been made. Ypsomed has recently established a cooperation with the Norwegian company Thinfilm. Thinfilm is a market leader in the area of “printed electronics”, electronic circuits that can be produced extremely cost effectively using standard printing techniques. Ypsomed and Thinfilm are working together on the plans for the realisation of “YpsoMate® Smart” as a further platform product of Ypsomed. YpsoMate® Smart is being developed from the successful autoinjector YpsoMate®, thanks to the addition of an extra, cost-effective “smart label”, which can wirelessly transfer data based on its status to smartphones using NFC (Near Field Communication). This enables pharmaceutical partners to realise numerous exciting applications. For example, by scanning with the smartphone, it is possible to call up corresponding multimedia operating instructions before using the autoinjector. And once the medicine has been administered the patient can send the conclusive confirmation that the injection has been successfully administered. But it is not just for autoinjectors but also for the UnoPen™ injection pen that Ypsomed has developed concepts of how these can be turned into “smart devices” through innovative, cost-effective technological solutions. The challenge here is that the UnoPen™ – in line with current market trends – is a disposable device that is thrown away after the period of use of a few days or weeks. The current concept envisages a reusable addition to the pen to begin with, however with the final result being such a radical cost optimisation that the smart components can be incorporated individually into each UnoPen™.



mylife™ Diabetescare

Unique product portfolio

Under the brand mylife™ Diabetescare Ypsomed successfully deals in direct business with products and services for people with diabetes mellitus. The product portfolio includes:

- the mylife™ Clickfine® and mylife™ Penfine® classic pen needles
- the blood glucose monitoring systems mylife™ Unio™ and mylife™ Pura®
- the tubing-free insulin patch pump mylife™ OmniPod®, that is manufactured by the American company Insulet, for which Ypsomed holds the global distribution rights (excluding the USA, Canada and Israel)
- the insulin pump mylife™ YpsoPump® with the mylife™ Orbit® soft and Orbit® micro infusion sets

Innovation with the mylife™ Diabetes Network

Innovation is central for mylife™ diabetes care, amongst other things the “Open Innovation” initiative, that includes the input of diabetics. For this reason Ypsomed set up the mylife™ Diabetes Network, with the aim of bringing together the lively international diabetes online community with Ypsomed employees in an offline forum.

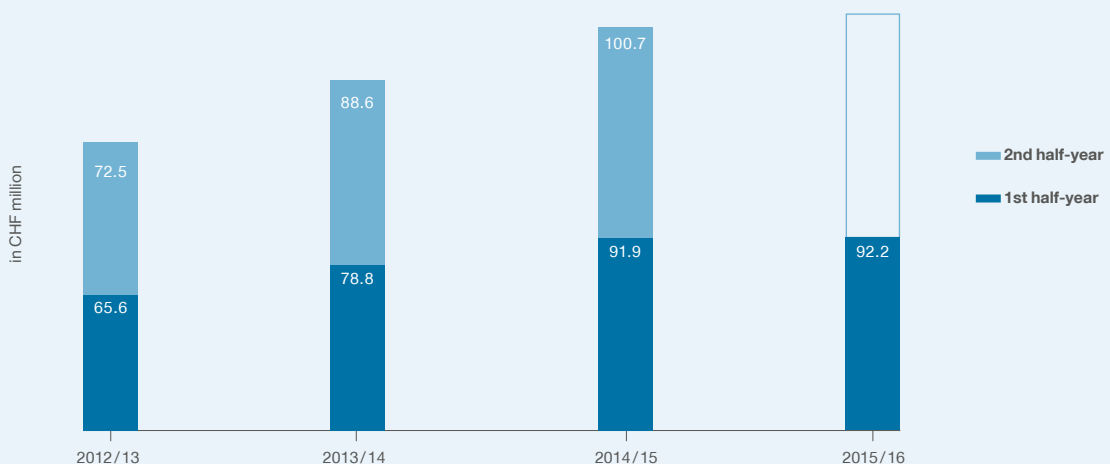
mein-diabetes-blog.com, eendiabetes.nl, Il Diabetico Scettico or wearehoney.org: these are some of the numerous web blogs, Facebook pages or online organised patient groups that characterise the image of diabetes (particularly Type 1) ever more strongly. Lots of them have intense discussions about their diabetes and develop a clearly positive approach to the challenge that life has given them. Many of them publish their opinions, thought and stories online and are willing to talk about their life with diabetes publicly at any time. Thus they become opinion leaders with a strong following, which fits in perfectly with mylife™ target patient populations.

Many such men and women throughout Europe have been members of the mylife™ Diabetes Network, in short #mylifeDN since 2014. Two or three times a year events are held together with Ypsomed employees, primarily from the product management, development and marketing communications departments, and also with guests such as CEO, Simon Michel. Despite the high level of online affinity between the participants, these meetings take place not only in a virtual environment but also at different locations throughout Europe. The aim of such events is that Ypsomed, as a medical technology company, learns directly from current or future customers and that they in turn better understand how, and subject to what conditions, we develop our products. For example, the mylife™ YpsoPump® Team introduced our new insulin pump in February 2014 to the mylife™ Diabetes Network members and thus gained

Sales trend mylife™ Diabetescare

The following graphic shows the recent development of sales trend from the marketing perspective. It includes the sales from the business with

pen needles, infusion systems, blood glucose monitoring systems and the sales of third-party products from the company DiaExpert.



an important input on the bolus function, which was then promptly implemented and could be presented at the next event with the finished product. The diabetes online community on the Internet posts both during and shortly after the event a veritable flood of news on Ypsomed and mylife™ Diabetescare. The in-depth blogs written by the participants provide positive discussions on the network programme and our products, in particular with regard to the mylife™ YpsoPump®.

New safety products right on trend

The tried-and-tested safety pen needle mylife™ Clickfine® AutoProtect™ is now also being produced in a 5 mm length by Ypsomed and thus provides a useful addition to the already established 8 mm safety pen needle. At the same time, the new 5 mm needle is the thinnest safety pen needle on the market (diameter 0.25 mm/31G). mylife™ Clickfine® AutoProtect™ is characterised by the locking mechanism patented by Ypsomed that protects against needlestick injuries and thus minimises the risk of injury, in particular for medical and nursing staff. The automatic locking mechanism after injection also ensures that each needle can only be used once and thus complies with the most stringent hygiene requirements.

With the addition to the mylife™ Clickfine® AutoProtect™ range of the 5 mm needle, Ypsomed is in line with the trend for shorter injection needles. The 5 mm safety pen needles can be used without the need to create a fold of skin, whereby the risk of accidental injury by the needle during the injection is considerably reduced for the caregiver.

Ypsomed benefits from new legislation

In addition, Ypsomed is expanding the mylife™ portfolio of safety products with a new safety lancet for taking blood samples when measuring blood glucose levels. Based on customer needs we launched the mylife™ SafetyLancet Comfort onto the market in October 2015, which has a smaller diameter (0.26 mm/30G) and a lower insertion depth.

Injection needle injuries due to pointed or sharp instruments are amongst the most frequent occupational accidents in health care and nursing. In the EU around 1 million accidents are reported annually, which, according to estimates, represent just 10 % of the actual accidents with needles that occur. For this reason, in 2010 the European Commission issued guidelines on the prevention of sharps injuries in the hospital and health care sector. Since the guidelines are now binding in many countries, Ypsomed has recorded a sharp increase in order quantities and, thanks to its safety product portfolio it is optimally positioned for this growing market.

mylife™ YpsoPump® ready for launch

With the mylife™ YpsoPump®, Ypsomed is launching a new, innovative insulin pump. This is the result of more than 30 years of experience in the field of diabetology combined with the latest technology and tailored to current customer needs. The launch marks the culmination of an intensive development phase, whereby not only the central pump unit but all the components of

mylife™ Clickfine® AutoProtect® 5 mm and mylife™ SafetyLancets Comfort



the whole insulin pump system had to be redesigned and fully coordinated with each other: insulin pump, infusion set, inserter, optional fillable or prefilled insulin cartridges as well as treatment management software.

The needs of the patients take centre stage. Due to this, many meticulous tests were carried out with pump users and medical specialists during the development phase. The result is an insulin pump that focuses on the essential functions. The new insulin pump system is easy to learn and leaves doctors and patients with more time for treatment management. The symbol-based menu and the state-of-the-art touch screen of the mylife™ YpsoPump® mean that its operation is simple, intuitive and fast for users. Thanks to the option of inserting prefilled insulin reservoirs into the mylife™ YpsoPump® there is no longer the necessity to spend precious time filling the cartridges. In addition, the light and discreet design of the YpsoPump® means that it is an unobtrusive companion in all everyday situations. This is a particularly important point in user tests and always meets with a very positive reaction. The good impression is not simply a spontaneous reaction but is also verified by the central user study on mylife™ YpsoPump®, in which the pump was rated “excellent”. For the first time in the history of insulin pump treatment it is possible to identify a clear segmentation of the market. On the one hand, patients increasingly opt for the freedom of the patch pump mylife™ OmniPod®. This latest segment in the pump market has become firmly established over time with a market share of up to 20% in some countries. On the other hand, a growing trend towards even greater metabolic control by means of the complex functions and algorithms of standard, tube-connected insulin pumps can be observed. Between these two

extremes there is a broad market for easy-to-use, easy-to-understand insulin pumps that focus on the core functions. The administration is carried out in defined profiles that are simple to set up and do not include any complex additional functions. The simplest application possible means fewer mistakes are made by users. The mylife™ YpsoPump® was developed with this market segment in mind. As the only insulin pump manufacturer, Ypsomed is in the strong position of being able to offer the ideal solution for two of the three segments and is thus unique in its offering.

Launch in the 4th quarter of 2015/16

Preparatory work for the launch of the mylife™ YpsoPump® is planned to begin from November 2015, whereby manufacturing will be ramped up and the product will be prepared for the different target markets. The YpsoPump® has already been awarded the CE Mark and will be ready for market entry as soon as the appropriate prefilled insulin cartridges are approved. The effective launch date for the YpsoPump® is dependent on the approval of the prefilled insulin cartridges in combination with our insulin pumps. We anticipate this approval in the 4th quarter of 2015/16.

mylife™ OmniPod® and mylife™ YpsoPump®





Consolidated income statement

(unaudited Swiss GAAP FER figures) in thousand CHF	Notes	1 April 2015– 30 Sept. 2015	in %	1 April 2014– 30 Sept. 2014	in %
Sales of goods and services	2	157 777	100.0 %	148 522	100.0 %
Cost of goods and services sold		-109 688	-69.5 %	-106 789	-71.9 %
Gross profit		48 088	30.5 %	41 733	28.1 %
Marketing and sales expenses		-22 454	-14.2 %	-22 054	-14.8 %
Administration expenses		-7 533	-4.8 %	-7 757	-5.2 %
Other operating income		2 213	1.4 %	1 981	1.3 %
Other operating expenses		-911	-0.6 %	-978	-0.7 %
Operating profit	2	19 404	12.3 %	12 923	8.7 %
Financial income	3	2 044	1.3 %	1 342	0.9 %
Financial expenses	3	-2 812	-1.8 %	-2 961	-2.0 %
Profit before income taxes		18 636	11.8 %	11 305	7.6 %
Income taxes		-3 424	-2.2 %	-2 207	-1.5 %
Net profit		15 211	9.6 %	9 098	6.1 %
Earnings per share (basic and diluted) in CHF	4	1.20		0.72	
Operating profit		19 404		12 923	
Depreciation of fixed assets		8 948		9 593	
Amortization of intangible assets		3 577		2 889	
EBITDA (operating profit before depreciation and amortization)		31 929	20.2 %	25 405	17.1 %



Consolidated balance sheet

(unaudited Swiss GAAP FER figures) in thousand CHF

Assets	Notes	30 Sept. 2015	in %	31 March 2015	in %
Cash and cash equivalents		18 751	5.1 %	16 243	4.5 %
Trade receivables		48 938	13.2 %	45 343	12.6 %
Other current assets		4 706	1.3 %	5 600	1.6 %
Prepayments and accrued income		5 666	1.5 %	4 428	1.2 %
Current income tax assets		321	0.1 %	93	0.0 %
Inventories		49 175	13.3 %	51 781	14.3 %
Customer machinery		3 326	0.9 %	10	0.0 %
Total current assets		130 884	35.4 %	123 498	34.2 %
Financial assets		7 845	2.1 %	8 591	2.4 %
Deferred income tax assets		6 948	1.9 %	9 169	2.5 %
Fixed assets		152 791	41.4 %	150 946	41.8 %
Intangible assets		70 969	19.2 %	69 007	19.1 %
Total non-current assets		238 554	64.6 %	237 713	65.8 %
Total assets		369 438	100.0 %	361 211	100.0 %
Liabilities and equity					
Financial liabilities		47 000	12.7 %	56 000	15.5 %
Current liabilities to major shareholder		5 000	1.4 %	0	0.0 %
Trade payables		15 944	4.3 %	15 484	4.3 %
Prepayments from customers		5 400	1.5 %	2 189	0.6 %
Current income tax payable		1 858	0.5 %	1 854	0.5 %
Other payables		4 054	1.1 %	3 336	0.9 %
Accrued liabilities and deferred income		23 167	6.3 %	20 243	5.6 %
Provisions		1 568	0.4 %	1 521	0.4 %
Total current liabilities		103 990	28.1 %	100 628	27.9 %
Non-current liabilities to major shareholder		10 000	2.7 %	15 000	4.2 %
Other non-current financial liabilities		163	0.0 %	470	0.1 %
Provisions		3 250	0.9 %	2 710	0.8 %
Deferred income tax liabilities		2 176	0.6 %	1 766	0.5 %
Total non-current liabilities		15 589	4.2 %	19 946	5.5 %
Share capital		178 994	48.5 %	178 994	49.6 %
Capital reserves		162 651	44.0 %	170 114	47.1 %
Own shares/Translation exchange differences		-10 595	-2.9 %	-12 067	-3.3 %
Goodwill acquired offset		-322 892	-87.4 %	-322 892	-89.4 %
Retained earnings		241 699	65.4 %	226 488	62.7 %
Total equity	5	249 858	67.6 %	240 637	66.6 %
Total liabilities and equity		369 438	100.0 %	361 211	100.0 %



Consolidated statement of cash flows

(unaudited Swiss GAAP FER figures) in thousand CHF

	Notes	1 April 2015– 30 Sept. 2015	1 April 2014– 30 Sept. 2014
Net profit		15 211	9 098
Depreciation of fixed and intangible assets		12 174	12 481
Loss from impairment (+)/Reversal of impairment (-)	3	1 097	1 190
Change in provisions (incl. deferred income taxes)		3 258	1 298
Other expense / income that does not affect the fund		-644	0
Gain (-)/loss (+) of fixed and financial assets		-67	-3
Increase (-)/decrease (+) in trade receivables		-2 742	1 839
Increase (-)/decrease (+) in other receivables and prepayments and accrued income		-464	762
Increase (-)/decrease (+) in inventories		3 373	-5 437
Increase (-)/decrease (+) in customer machinery		-3 316	-77
Increase (+)/decrease (-) in trade payables		333	5 623
Increase (+)/decrease (-) in prepayments from customers		3 211	-182
Increase (+)/decrease (-) in other short-term payables and accrued liabilities and deferred income		2 985	4 641
Cash flow from operating activities		34 408	31 233
Purchases of fixed assets		-10 932	-8 982
Disposals of fixed assets		70	21
Purchases of intangible assets		-5 136	-7 324
Cash flow from investing activities		-15 998	-16 285
Proceeds (+)/repayment (-) from borrowings		-9 000	-10 500
Disposal of own shares		375	1 441
Distribution of capital reserves	5	-7 576	-3 784
Cash flow from financing activities		-16 201	-12 843
Effect of foreign currency translation		298	-9
Total cash flow		2 508	2 095
Cash and cash equivalents as of April 1		16 243	16 164
Cash and cash equivalents as of September 30		18 751	18 259
Net increase (+)/decrease (-) in cash and cash equivalents		2 508	2 095



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	Goodwill offset after taxes	Retained earnings	Total
Balance as of 31 March 2014	178994	173492	-2337	-6188	-322892	207093	228162
Net profit from half-year						9098	9098
Distribution of dividends from capital contribution reserves		-3784					-3784
Disposal of own shares			1441				1441
Gain of disposal of own shares		266	-266				-
Translation exchange differences				-128			-128
Balance as of 30 September 2014	178994	169974	-1162	-6316	-322892	216191	234789

	Share capital	Group reserves and share premium	Treasury shares	Cumulative translation reserve	Goodwill offset after taxes	Retained earnings	Total
Balance as of 31 March 2015	178994	170114	-1635	-10432	-322892	226488	240637
Net profit from half-year						15211	15211
Distribution of dividends from capital contribution reserves		-7576					-7576
Disposal of own shares		113	261				375
Translation exchange differences				1211			1211
Balance as of 30 September 2015	178994	162651	-1374	-9221	-322892	241699	249858



Notes to the consolidated interim financial statements

Figures in thousand CHF unless otherwise stated

1. Accounting policies

Basic principles

These consolidated interim financial statements include the unaudited consolidated interim financial statements of Ypsomed Holding AG and its subsidiaries for the reporting period ending 30 September 2015. The consolidated interim financial statements have been prepared in accordance with Swiss GAAP FER 31 “Interim Reporting”. 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 31 March 2015. The consolidated interim financial statements were approved for issue by the

Board of Directors on 22 October 2015. 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.

2. Segment information

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, infusion-sets and other injection moldings 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 2014/15	Delivery Devices	Diabetes Direct Business	Others	Eliminations	Group
Sales of goods and services to third-party customers	72 905	66 908	8 709		148 522
Intersegmental sales			929	-929	
Total sales of goods and services	72 905	66 908	9 638	-929	148 522
Operating profit	7 068	5 639	216		12 923
Investments in fixed and intangible assets	14 690	98	1 517		16 306
Depreciation/Amortization/Impairment	10 739	481	1 261		12 481
Half year 2015/16	Delivery Devices	Diabetes Direct Business	Others	Eliminations	Group
Sales of goods and services to third-party customers	78 646	71 079	8 051		157 777
Intersegmental sales			826	- 826	
Total sales of goods and services	78 646	71 079	8 877	-826	157 777
Operating profit	11 817	7 251	337		19 404
Investments in fixed and intangible assets	14 370	455	1 243		16 067
Depreciation/Amortization/Impairment	10 799	308	1 418		12 524

3. Financial income

	Half year 2015/16	Half year 2014/15
Interest income	0	6
Dividend income	38	249
Foreign exchange gains	2005	1087
Other financial income	0	0
Total financial income	2044	1342
Interest expense	274	469
Losses from marketable securities	5	5
Foreign exchange losses	1766	1267
Other financial expense	21	30
Impairment of financial assets	747	1190
Total financial expense	2812	2961

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 2015/16	Half year 2014/15
Net profit in thousand CHF	15211	9098
Number of outstanding shares weighted on a monthly basis	12627946	12617248
Earnings per share in CHF (basic and diluted)	1.20	0.72

5. Payment to shareholders

On 8 July 2015, the sum of CHF 0.60 per share was paid out to shareholders free of withholding tax from the capital reserves. The total amount paid out came to CHF 7.6 million (previous year CHF 3.8 Mio.).



General information

Information policy

Ypsomed Holding AG maintains an open and transparent communication policy towards shareholders, potential investors, financial analysts, the media, customers and other interested people, based on the principle of equality. The company uses the following instruments: annual report, semiannual report, presentation of the annual results to the media and financial analysts ahead of the shareholders' meeting, as well as media briefings and company publications that have potential relevance to the share price. Responsibility for communication with investors rests with the Chairman of the Board of Directors.

The following banks monitor the development of the Ypsomed Group:

BZ-Bank, Wilen (www.bzbank.ch),
Holger Blum

Credit Suisse, Zurich (www.credit-suisse.com),
Christoph Gretler

Vontobel, Zurich (www.vontobel.com),
Carla Bänziger

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

On our website at www.ypsomed.com (under Media & Investors), any interested person can access up-to-date and potentially market-relevant information (pull system) without charge. Furthermore, any interested person can subscribe to an e-mail distribution list under www.ypsomed.com/media.html (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 uploaded to 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
ISIN CH 001 939 699 0

Key forthcoming dates

20 May 2016
Press conference and presentation of the annual results 2015/16, Burgdorf

29 June 2016
General Meeting of Shareholders

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Disclaimer

This semiannual report contains certain forward-looking statements. These can be identified by terms such as “should”, “accept”, “expect”, “anticipate”, “intend” or similar terms and phrases. The actual future results may differ materially from the forward-looking statements in this annual report, due to various factors such as legal and regulatory developments, exchange rate fluctuations, changes in market conditions, as well as the activities of competitors, the non-introduction or delayed introduction of new products for various reasons, risks in the development of new products, interruptions to production, the loss of or inability to obtain intellectual property, litigation and administrative proceedings, adverse publicity and news coverage.

Links to third party websites and other references to the information of third parties are offered as a courtesy; we accept no responsibility for any third party information.

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