



Presentation of Annual Results 2008/09

Solothurn, 26 May 2009

YPSOMED
SELFCARE SOLUTIONS

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Agenda

- **Presentation of Annual Results 2008/09**
 1. **Highlights 2008/09**
 2. Financials 2008/09
 3. Business Update 2008/09
 4. Outlook
- Information regarding capital increase 2009
- Questions and Answers

Highlights 2008/09

- Ypsomed generated sales of CHF 272.6 million and improved the EBIT margin to 11.2% despite slightly lower revenues.
- Ypsomed has experienced strong sales growth with pen needles and in the diabetes direct business, but compared to the previous year overall sales were lower by 5% (-3.2% in local currency) due to lower pen volumes for Sanofi-Aventis.
- Profit distribution as a par value repayment of CHF 0.60 per share.
- Investments of CHF 33.4 million in R&D and CHF 43.7 million in fixed assets.
- Ypsomed signed 4 contracts with large pharma customers for new injection systems based on its own technology platforms.
- A 10% equity stake for CHF 6.4 million in Bionime Corp., Taichung (Taiwan), whose blood glucose monitoring system Ypsomed will distribute from May 2009 onwards in Europe.
- Capital increase in the amount of approx. CHF 100 Mio. will further increase the equity ratio and secure the flexibility to independently finance the growth of the company.

Key Financials 2008/09

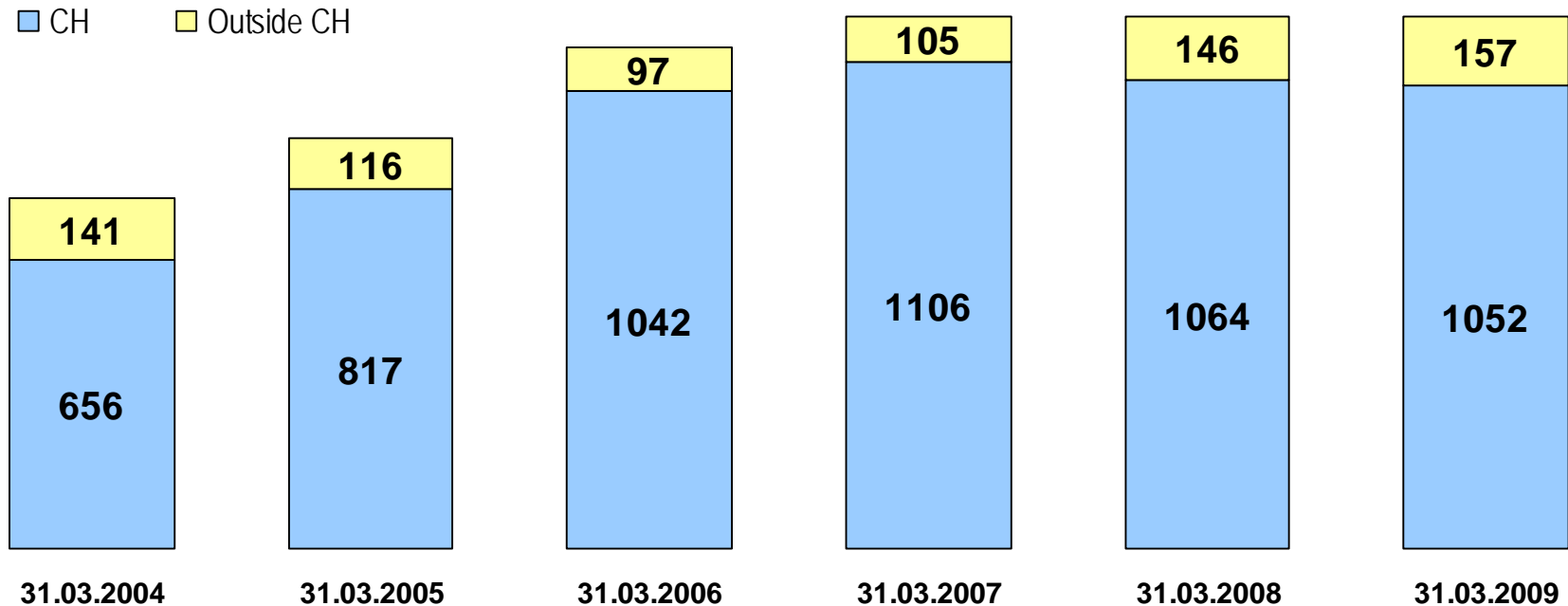
| CHF million | 2008/09 | 2007/08 | Δ in % |
|-----------------------------|---------|---------|--------|
| Sales of goods and services | 272.6 | 287.5 | -5.2% |
| Gross profit | 84.0 | 90.2 | -6.9% |
| Gross profit in % | 30.8 | 31.4 | |
| Operating profit | 30.4 | 31.0 | -1.8% |
| Operating profit in % | 11.2 | 10.8 | |
| Net profit | 26.2 | 26.6 | -1.6% |
| Net profit in % | 9.6 | 9.2 | |

Ypsomed Has Improved Efficiency and Reduced Costs

- Ypsomed has re-engineered and simplified manufacturing and logistics processes and thereby achieved better efficiency and reduced operating costs.
- Successful start-up of the new production and logistics center in Burgdorf (Buchmatt).
- Business processes substantially improved through lean-management.
- Optimal utilization of existing production capacity for pen needles and in parallel built up the production for the new pen needle and safety pen needle in Solothurn.
- Improvement of quality management ensure high quality and result in great customer satisfaction.
- The personnel costs were slightly reduced over the last twelve months.

Success Through Competent and Motivated Employees

- Ypsomed is a secure employer thanks to good growth prospects.
- As of 31 March 2009 the Ypsomed Group employed a total of 1 209 employees thereof over 40 apprentices in seven different occupational areas.



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Strong Diabetes Sales Growth

| CHF million | 2008/09 | 2007/08 | Δ in % |
|--|---------|---------|--------|
| Sales of goods and services | 272.6 | 287.5 | -5.2% |
| Segment "Delivery Devices" | 209.0 | 228.4 | -8.5% |
| Segment "Diabetes Direct Business" (DDB) | 63.6 | 59.0 | 7.7% |

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

Profitability Improved – EBIT Margin of 11.2%

| CHF million | 2008/09 | in % | 2007/08 | in % | Δ in % |
|---|--------------|--------|--------------|--------|--------|
| Sales of goods and services | 272.6 | 100.0% | 287.5 | 100.0% | -5.2% |
| Cost of goods and services sold | -188.6 | -69.2% | -197.3 | -68.6% | -4.4% |
| Gross profit | 84.0 | 30.8% | 90.2 | 31.4% | -6.9% |
| Licensing revenues | 1.1 | 0.4% | 2.3 | 0.8% | -51.1% |
| Research and development reimbursed | 9.7 | 3.6% | 6.4 | 2.2% | 52.4% |
| Research and development expenses | -20.1 | -7.4% | -21.6 | -7.5% | -6.8% |
| Research and development - expenses net | -10.5 | -3.8% | -15.3 | -5.3% | -31.4% |
| Marketing and sales expenses | -25.5 | -9.3% | -27.8 | -9.7% | -8.3% |
| Administration expenses | -18.8 | -6.9% | -18.5 | -6.4% | 1.5% |
| Operating profit | 30.4 | 11.2% | 31.0 | 10.8% | -1.8% |

EBITDA Margin Improved From 19.2% to 20.7%

| CHF million | 2008/09 | in % | 2007/08 | in % |
|-----------------------------------|-------------|--------------|-------------|--------------|
| Operating profit | 30.4 | 11.2% | 31.0 | 10.8% |
| Depreciation of fixed assets | 24.3 | 8.9% | 22.7 | 7.9% |
| Amortization of intangible assets | 1.8 | 0.6% | 1.7 | 0.6% |
| EBITDA | 56.5 | 20.7% | 55.3 | 19.2% |

Net Profit of CHF 26.2 million – Par Value Repayment of CHF 0.60 per share

| CHF million | 2008/09 | in % | 2007/08 | in % | Δ in % |
|--|-------------|-------|-------------|-------|--------|
| Operating profit | 30.4 | 11.2% | 31.0 | 10.8% | -1.8% |
| Financial income | 2.3 | 0.8% | 2.4 | 0.8% | -3.7% |
| Financial expense | -6.9 | -2.5% | -4.1 | -1.4% | 69.4% |
| Other non-operating income / (expense) | 0.3 | 0.1% | 0.4 | 0.0% | -14.2% |
| Profit before income taxes | 26.2 | 9.6% | 29.7 | 10.3% | -11.8% |
| Income taxes | -0.02 | 0.0% | -3.1 | -1.1% | -99.5% |
| Net profit | 26.2 | 9.6% | 26.6 | 9.2% | -1.6% |
| Earnings per share in CHF (basic and diluted) | 2.33 | | 2.37 | | |

Strong Balance Sheet with High Investments in Fixed Assets

| CHF million | 31.03.2009 | in % | 31.03.2008 | in % |
|---------------------------------------|--------------|---------------|--------------|---------------|
| Assets | | | | |
| Cash and cash equivalents | 9.0 | 1.4% | 38.3 | 6.0% |
| Marketable securities | 2.3 | 0.4% | 20.0 | 3.1% |
| Trade receivables | 30.6 | 4.8% | 30.0 | 4.7% |
| Other current assets | 10.3 | 1.6% | 11.2 | 1.8% |
| Current income tax assets | 0.7 | 0.1% | 0.9 | 0.1% |
| Inventories | 44.3 | 7.0% | 42.2 | 6.6% |
| Customer machinery | 1.4 | 0.2% | 1.6 | 0.2% |
| Total current assets | 98.5 | 15.6% | 144.2 | 22.6% |
| Financial assets "available for sale" | 6.4 | 1.0% | 0.0 | 0.0% |
| Deferred income tax assets | 2.3 | 0.4% | 1.4 | 0.2% |
| Other non-current assets | 0.5 | 0.1% | 0.4 | 0.1% |
| Fixed assets | 182.9 | 28.9% | 166.4 | 26.1% |
| Intangible assets | 341.5 | 54.0% | 325.9 | 51.1% |
| Total non-current assets | 533.8 | 84.4% | 494.1 | 77.4% |
| Total Assets | 632.2 | 100.0% | 638.2 | 100.0% |

Further Improvement of the Equity Ratio to 69.1%

| CHF million | 31.03.2009 | in % | 31.03.2008 | in % |
|--|--------------|---------------|--------------|---------------|
| Liabilities and equity | | | | |
| Trade payables | 15.1 | 2.4% | 16.9 | 2.7% |
| Prepayments from customers | 4.7 | 0.7% | 6.4 | 1.0% |
| Current income taxes payable | 1.3 | 0.2% | 1.9 | 0.3% |
| Other payables and accrued expenses | 20.2 | 3.2% | 20.6 | 3.2% |
| Provisions | 2.1 | 0.3% | 2.3 | 0.4% |
| Total current liabilities | 43.4 | 6.9% | 48.1 | 7.5% |
| Non-current financial liabilities to major shareholder | 140.0 | 22.1% | 160.0 | 25.1% |
| Provisions | 8.1 | 1.3% | 8.5 | 1.3% |
| Deferred income tax liabilities | 3.7 | 0.6% | 4.1 | 0.6% |
| Total non-current liabilities | 151.8 | 24.0% | 172.6 | 27.0% |
| Share capital | 109.6 | 17.3% | 116.4 | 18.2% |
| Group reserves | 301.2 | 47.6% | 274.6 | 43.0% |
| Net profit | 26.2 | 4.1% | 26.6 | 4.2% |
| Total equity | 437.0 | 69.1% | 417.6 | 65.4% |
| Total liabilities and equity | 632.2 | 100.0% | 638.2 | 100.0% |

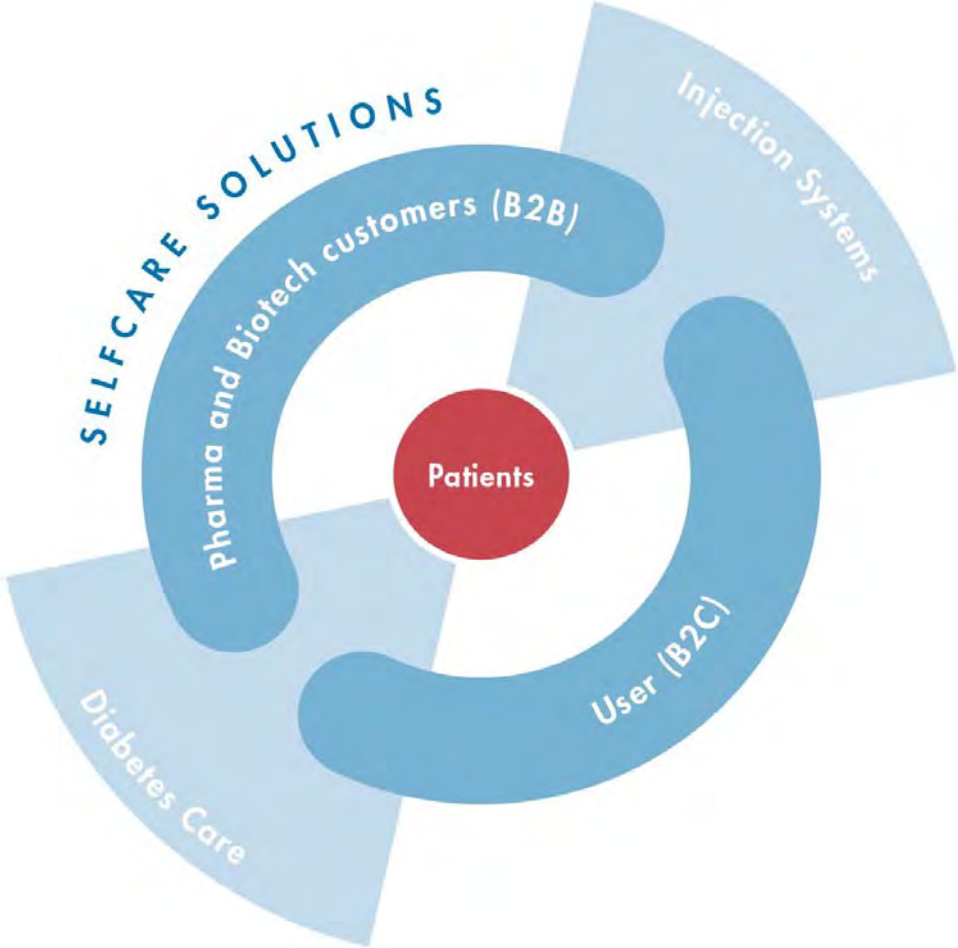
Positive Operating Cash Flow

| CHF million | 2008/09 | 2007/08 |
|--|--------------|--------------|
| Cash flow from operating activities before changes in net working capital | 57.3 | 56.8 |
| Changes in net working capital | -8.9 | 13.4 |
| Cash flow from operating activities | 48.4 | 70.2 |
| Purchases of fixed assets | -43.7 | -42.7 |
| Purchase of intangible assets | -15.8 | -10.6 |
| Disposals of marketable securities | 16.1 | 5.8 |
| Acquisition | -1.8 | -15.1 |
| Purchase/Disposals of financial assets | -6.4 | 9.5 |
| Other cash flows from investing activities | 1.9 | 0.9 |
| Cash flow from investing activities | -49.6 | -52.3 |
| Repayment of financial liabilities to major shareholder | -20.0 | -20.0 |
| Par value repayment | -6.7 | 0.0 |
| Other cash flows from financing activities | -1.3 | -0.1 |
| Cash flow from financing activities | -28.0 | -20.1 |
| Total cash flow | -29.3 | -2.4 |

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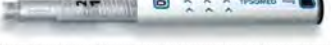
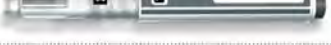




Ypsomed Strategy



Ypsomed Wins Important New Pharma Customers

- Ypsomed signed 4 contracts with large pharma customers for new injection systems based on its own technology platforms.
- The new injection systems are for drugs either already on the market or in the approval process. The production volumes could become significant and are expected to contribute to sales in the business year 2010/11.
- Ypsomed is currently in the pharma customers' evaluation phase for over a dozen potential projects.
- The expenditures for R & D reached a total of CHF 33.4 million, whereof CHF 13.3 million were activated in accordance with IFRS accounting standards.
- Ypsomed currently has an IP portfolio consisting of 290 patent families.

Ypsomed Technology Platforms

| | | Multidose | Single dose | Variable dose | Fixed dose | Automatic administration |
|------------------------|--|-----------|-------------|---------------|------------|--------------------------|
| Reusable Pens | | | | | | |
| YpsoPen |  | ● | | ● | | |
| ServoPen |  | ● | | ● | | ● |
| Disposable Pens | | | | | | |
| UnoPen |  | ● | | ● | | |
| Trio |  | | ● | | ● | |
| Lynx |  | | ● | ● | | |
| Leda |  | | ● | | ● | ● |
| Leo |  | | ● | ● | | ● |
| Ganymed |  | ● | | ● | | |
| Tian |  | ● | | | ● | |
| Auto-Injector | | | | | | |
| YpsoJect |  | | ● | | ● | ● |

Partnership with Sanofi-Aventis

- Sales volumes with Ypsomed's pen systems for Sanofi-Aventis have decreased as communicated.
- Very good collaboration and high satisfaction with the delivered product quality
- The preparation of the production of components for the SoloStar® disposable pen from Sanofi-Aventis is according to plan, with the start of the production scheduled for the end of 2009.



Ypsomed's Pen Needle Business is Expanding

- Ypsomed's pen needle business increased by over 20% for the fifth time in a row.
- Expanded distribution in existing and new countries such as Canada and Egypt.
- Ypsomed successfully won three new key accounts in the US. The Clickfine® pen needle is now listed with the four largest drug wholesalers, which collectively service over 90% of retail pharmacies in the US.
- Ypsomed and Bionime will work together to enhance the sales & distribution of Ypsomed's pen needles in Asian and Eastern European countries.
- Capacity expansion for pen needles in Solothurn is ongoing.
- Launch of the safety pen needle expected to be launched towards the end of the 2009/10 business year.



Bionime Equity Stake Strengthens Partnership

- A 10% equity stake in Bionime Corp., Taichung (Taiwan) was taken for CHF 6.4 million.
- Successful preparation for the sales start of the blood glucose monitoring systems from Bionime as of 20th May in Germany.
- In the future, Ypsomed could see opportunities for industrial collaboration with Bionime as a production partner in Asia.
- Ongoing discussion about a possible increase of the equity stake in Bionime Corp.



Launch of the new Blood Glucose Monitoring System Pura™

- The Pura™ blood glucose monitoring system expands the existing range of diabetes care products offered by Ypsomed's European subsidiaries and strengthens its Diabetes Business.
- Ypsomed will start selling Pura™ step by step in Germany, France, the Netherlands and Scandinavia through its own subsidiaries, as well as in other countries through new distributors or existing Bionime partners.
- Positioning of Pura™: simple, elegant and precise



Blood Glucose Monitoring System Pura™

Good visible control window for visual control of blood volume

Simple handling – test strips are 'clicked' in, measurement starts automatically

Autocoding
Measurement results after five seconds

The test strip can be removed without contact with blood

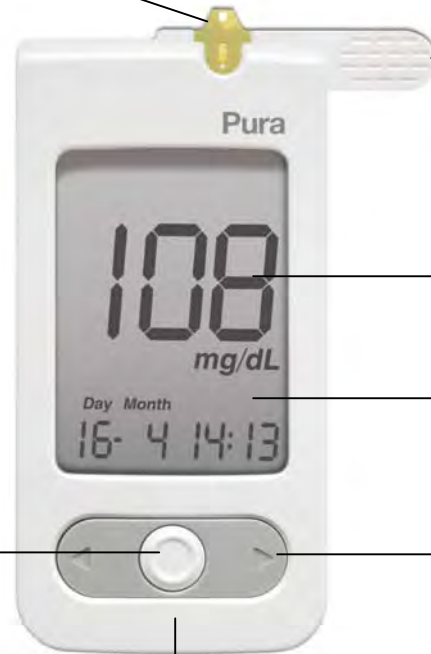
Easy to read large display

Background lighting

Through key button, up to 500 measurement values can be read

Three-button control system for the user's navigation

Access for the transmission of your data to your PC



Blood Glucose Monitoring System Pura™



Blood Glucose Monitoring System Pura™

Pura™

Zeig Dich, wie Du bist!
Pura – Einfach und elegant.

- **Einfach:** Teststreifen zum Einklicken und Entfernen ohne Blutkontakt
- **Zuverlässig:** Hohe Präzision und Genauigkeit (ISO-Studie IDT Ulm, Poster DDG 2009)
- **Schnell:** Messergebnisse in 5 Sekunden
- **Komfortabel:** Großes, beleuchtetes und gut lesbares Display
- **Elegant:** Exklusives **swissdesign**

Autocoding
click
and
test

Pura
5.9
mmol/L
Day: 16 Month: 4 14:13

Originaldesign

Herzgold® ist Ypsomed AG, Burgdorf/Schweiz, ein Tochterunternehmen der Ypsomed AG

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Diabetes Direct Business

- Acquisitions of Sanitavital and Medizin Service Flemming by DiaExpert in Germany was completed by January 1st 2009.

DiaExpert offers in Germany:

- Professional and individual diabetes consultation
- Competence and experience in insulin pump therapy
- Insulin pumps and accessories
- Products for diagnostic
- Products for insulin injection
- Other products related to health
- 24 hour mail-order service



Continuous Injection Device – New Ways for Treating Diabetes

- The new therapy concept and device for continuous insulin injection has the goal to achieve a better metabolic control at reasonable costs.
- Leading diabetologists and health insurance representatives confirm that Ypsomed is on the right track with the continuous injection device.
- In the last business year the Infusion Business unit has undertaken further market evaluations and has been working hard on the development of the various concepts.
- In order to introduce the continuous injection device on the market successfully, Ypsomed seeks partnerships with insulin suppliers and is currently in ongoing negotiations.



Social Responsibility and the Environment

Selected Measures:

- Opening of the new day care center (KITA) in Burgdorf
- Support for Dream Trust in India
- Ypsomed Innovation fond and Award for successful technology transfer
- Promotion of education and training
- Improvement of ergonomics in the workplace with lean-production
- Campaigns in collaboration with Suva to prevent accidents
- Investments in energy-saving programs
- Compensation of CO2 emissions through "myclimate"



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Ypsomed Product-Pipeline

| Year | 2009 | 2010 | 2011 | 2012 | 2013 |
|-------------------------------|----------|----------|----------|----------|----------|
| Reusable Pens | 2 | 1 | 2 | | |
| Disposable Pens | 1 | 2 | 1 | 1 | |
| Auto-Injectors | | | | 1 | 1 |
| Pen Needles | 1 | 1 | | | |
| Total Product Launches | 4 | 4 | 3 | 2 | 1 |

Outlook – Promising Prospects for Growth

- Ypsomed is very well positioned in the attractive growth markets of self-medication and diabetes care.
- For the business year 2009/10 Ypsomed is expecting a single digit percentage increase in sales combined with a slightly lower EBIT margin due to the cost for the market launch of the blood glucose monitoring system and because of additional costs for the set-up of the production for new injection systems.
- For the business year 2010/11 Ypsomed is expecting sales growth of over 20% and the EBIT margin should again increase to more than 15% within the next few years.
 - Start of the production of components for the SoloStar® disposable pen from Sanofi-Aventis is scheduled end of 2009.
 - Growing sales from pen needle business.
 - Increasing sales with the blood glucose monitoring systems Pura™.
 - Injection systems to be launched by newly signed-up pharma customers from business year 2010/11 onwards.

Important Dates:

- Annual Shareholder Meeting: 24 June 2009
BEA Bern Expo in Bern
- Presentation of Semi-annual Results 2009/10 3 November 2009
Franz Gertsch Museum, Burgdorf
- Presentation of Annual Results 2009/10 25 May 2010

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Information on the Capital Increase 2009

- **Objectives:** to further strengthen the equity ratio and secure the independent financing of the future growth of the company
- **Size:** capital increase of approx. CHF 100 million
- **Subscription ratio:** per 8 existing shares 1 new share
- **Subscription rights:** granted to all shareholders, no trading of subscription rights
- **Timing:** implementation following the Annual General Meeting on June 24, 2009
- **Subscription period:** tentatively June 25 to July 3, 2009
- **Subscription price:** will be set at a discount of 2 – 3% to prevailing market conditions following the subscription period
- **Pre-commitment by the major shareholder:** Dr. h.c. Willy Michel commits upfront to buy all non-subscribed shares at the subscription price.

Information on the Capital Increase 2009

- **Capital increase:** converting a part of the existing shareholder's loan of CHF 140 million into shares and paid-in cash by minority shareholders
- **Shareholder loan:** the shareholder loan outstanding after the transaction has been extended on a long-term basis.
- **Dividend entitlement:** the new shares will be eligible for the par value repayment of CHF 0.60 per share, which is scheduled for September 2009.
- **Sales restrictions:** USA, U.S. persons, UK, Germany and other countries.
- **Banks:** Zürcher Kantonalbank (ZKB), Lead Manager and Berner Kantonalbank (BEKB)
- **Additional information:** full information concerning the capital increase will be published in a prospectus following the Annual General Meeting.

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Questions and Answers

