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PRESS RELEASE

Ypsomed IPO underway

The price range for registered shares in Ypsomed Holding AG will be CHF 60 to CHF 68 per share.

The offering period will last from 10 to 21 September 2004, 12.00 am. The first day of trading on the SWX Swiss Exchange is planned for 22 September 2004.

Burgdorf, 9 September 2004, 09:30 am – Burgdorf-based medical technology supplier Ypsomed, the leading independent developer and manufacturer of custom-made injection pens for pharmaceutical and biotech companies, and one of the leading suppliers of pen needles, announces further information about its listing on the SWX Swiss Exchange. Up to 3,239,600 new registered shares in Ypsomed Holding AG, with a nominal value of CHF 12.50 each, stemming from a capital increase, are to be offered for between CHF 60 and CHF 68 per registered share. A further 250,000 registered shares stemming from a capital increase will be available under a greenshoe. The IPO will take the form of a public offering in Switzerland and private placements with institutional investors in selected countries. Following the listing there will be a maximum of 11,239,600 registered shares outstanding or, if the greenshoe is exercised in full, a maximum of 11,489,600 registered shares outstanding. The free float will amount to 25% or a maximum of 27% if the greenshoe is exercised in full. Willy Michel, the current sole shareholder and Chairman of the Board of Directors, has committed himself to a 12-month lock-up period.

Objective: A diversified shareholder base

Interested investors may subscribe for shares in Ypsomed Holding AG from 10 to 21 September 2004, 12.00 am. The definitive issue price should be announced on 22 September 2004 before start of trading. The first day of trading on the main segment of the SWX Swiss Exchange is planned for Wednesday, 22 September 2004. Payment and delivery is expected to take place on 27 September 2004. The Executive Management of Ypsomed Holding AG is organising a road show to present the company and the transaction to both private and institutional investors. Under the lead of Credit Suisse First Boston and the syndicate banks, Bank Sarasin & Co. Ltd, Berner Kantonalbank and Lombard Odier Darier Hentsch, the Board of Directors of the Ypsomed Group plans to build up a broadly diversified shareholder base. The majority shareholding (more than 70%) will remain with the current company proprietor, Willy Michel.

IPO as basis for further growth

Around 40% of the revenues from the IPO will be used to finance the vigorous growth that the company is currently enjoying, with the remaining 60% being used to pay back loans granted to Ypsomed by Willy Michel.

Willy Michel, Chairman of the Board of Directors of Ypsomed Holding AG, commented on the listing as follows: “As an established medical technology business, Ypsomed is in an excellent position to take advantage of strong market growth. The Ypsomed IPO should therefore be of interest to both institutional investors and private shareholders.”

Matthew Robin, CEO of the Ypsomed Group, is also delighted about the listing: “The IPO is an important milestone in the history of the Ypsomed Group; it will provide us the flexibility and autonomy we need for further growth. The listing revenues will allow us, over the next few years, to proceed with more major investments in our production facilities in Switzerland, as well as in the continuing development of our products and technology platforms.”

At a glance:	
Offering	Up to 3,239,600 registered shares in Ypsomed Holding AG, Burgdorf, with a nominal value of CHF 12.50 each, stemming from a capital increase
Greenshoe option	250,000 registered shares at a nominal value of CHF 12.50, stemming from a capital increase
Number of shares after IPO	Maximum 11,239,600 registered shares (maximum 11,489,600 registered shares if greenshoe is fully exercised)
Free float	25% (maximum 27% if greenshoe is fully exercised)
Price range	CHF 60 to CHF 68 per registered share
Offering period	10 to 21 September 2004, 12.00 am
Announcement of issue price	Planned for 22 September 2004, before start of trading
First day of trading	Planned for 22 September 2004
Payment and delivery of shares	Planned for 27 September 2004
Value no.	1 939 699
ISIN	CH 001 939 699 0
Ticker symbol	YPSN

Further information is available from Daniel Kusio, Head of Investor & Public Relations at Ypsomed Holding AG. Tel. +41 34 424 41 43 or Tel +41 34 424 41 11.

This press release and further documents are available in electronic form at www.ypsomed.com.

About Ypsomed

Operating in the field of medical technology, Ypsomed is the leading independent manufacturer of injection pens for pharmaceutical and biotech companies, as well as one of the leading suppliers of pen needles. Currently enjoying dynamic growth, Ypsomed can draw on over 15 years' experience and is well-known for the consistently high quality, safety and reliability of its products, as well as its proven expertise in the area of diabetes. Thanks to a broad-based technology platform and some 100 patents, Ypsomed is widely regarded as the technology and innovation leader in this industry.

Ypsomed's core business consists of developing and marketing products and services allowing patients to administer their own medication in a safe, simple way. Our custom-made injection pens range from simple disposable pens to pens with variable dosing and electronic display through to highly complex injectors with multifunctional electronics. We are constantly expanding our core technology in the pen sector, e.g. with auto-injectors or motor-driven pens. Ypsomed also manufactures compatible pen needles with unique click-on function for both its own and all other widely available pens. As a distributor of pen needles in the major European markets, Ypsomed is in direct contact with patients, doctors and diabetes consultants.

Information on market and industry trends

Innovative devices and systems enabling patients to inject drugs themselves (Medical Selfcare Solutions) are increasingly popular because they make a big contribution to ensuring therapeutic success whilst at the same time improving the patient's quality of life. Injection pens are simple to use, less painful and psychologically better accepted than traditional syringes. Straightforward, user-friendly appliances facilitate correct handling by patients, which in turn results in higher success rates. Injection systems therefore represent a key success factor for pharmaceutical and biotech companies. In an increasingly competitive environment, they also provide companies with an important marketing instrument for differentiating their own drugs from those of their competitors.

Injection therapies are therefore continually being extended to new areas. Diabetes is currently the main application, but other existing uses or likely candidates for injection treatments with devices include anaemia, hepatitis, hormone therapies, infertility, osteoporosis, psoriasis, rheumatoid arthritis, thrombosis and growth disorders. An ageing population also means additional growth in the total market. Moreover, pharmaceutical and biotech companies have numerous substances in their pipelines which will provide promising new treatments (some of which will have unique new modes of action) for serious illnesses, thereby significantly improving the quality of life enjoyed by those concerned. Many of these new drugs are manufactured using biotechnological methods and have to be injected because of their large chemical structure, and demand for custom made injection systems is set to grow.

Information about diabetes

Diabetes Mellitus – more commonly known simply as diabetes – is a chronic disorder of the metabolism which occurs in two forms (type 1 and type 2). Diabetes is treated with various insulins. Ypsomed concentrates on type 2 diabetes, the form that affects around 90% of all diabetes patients. Together with lack of exercise, obesity is one of the main reasons for the increased incidence of diabetes. Experts estimate that occurrence of diabetes is growing at a rate of about 10% a year. The World Health Organization (WHO) predicts there will be some 300 million diabetics worldwide by the year 2025.

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