

Medisize Holding AG Half-Year Results - 2007



Safe Harbour statement

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Content

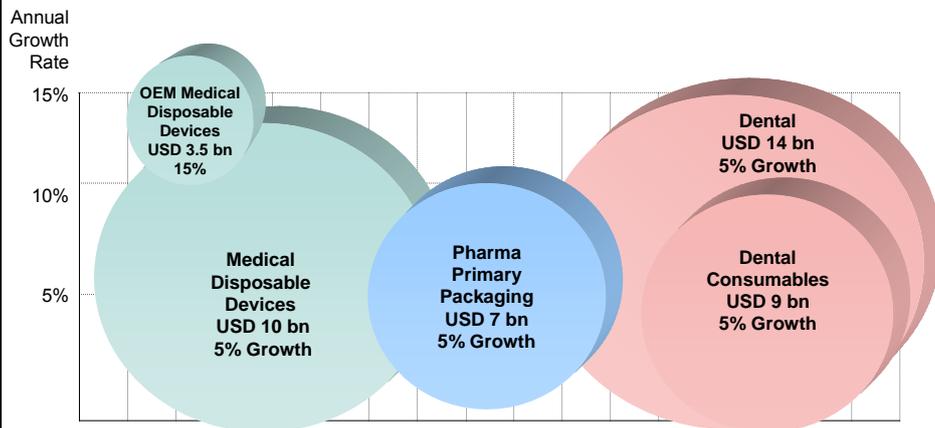
- Group Review
- Dental Group
- Medical Group
- Group Financials
- Strengthened Senior Management
- Outlook
- Q&A

Highlights 1HY2007

- Sales up 6.8% to CHF 136.2 million
- EBIT up 10.1% to CHF 16.2 million
- Net income increases 23.2% to CHFm 12.4
- Free cash flow* raised by 5.2% to CHFm 10.3
- Acquisition and integration of CEI
- Dividend distribution
- Equity ratio 60%
- Positive performance of both segments

*prior to acquisitions

Targeting Dynamic Healthcare Markets



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Group Strategy, confirmed and refined

- Built on two healthcare business units targeting attractive healthcare market segments
- Continue to build on:
 - Profitable cash-generating dental unit with solid historic growth
 - OEM medical segment with unrealized dynamic growth opportunities
 - Seize acquisition options in both business segments



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Acquisition of CEI

- Dental acquisition
- Specialist in carbide burs
- Expanded product range well received in the markets
- Providing synergies
- No performance dilution
- Integration well on track



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Dental Group

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Dental Group 1HY2007 Highlights

- +3.7% sales increase to CHFm 81.1
- +8.9% in EBIT up to CHFm 12.1
- EBIT margin of 14.9% up from 14.2%
- Strong performance in most EMEA markets and Latin America
- North America shows solid sales increase
- Encouraged by the performance of emerging markets



Dental Strategy

- Innovate in key growth product ranges
- Continue to dominate niches
- Maintain a fast pace for innovation
- Provide practical solutions for dental care
 - Easier, faster, and less technique sensitive treatments
 - Provide the highest esthetic results
 - Improve the dental experience for the patient

Key Product Successes – 1HY2007

Synergy D6



Biosonic UC 125



Diatech & Alpen Rotary Instruments



Parapost Tapper Lux



Affinis Precious Impression Material

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World Dental Consumables Market Baseline

- Top two dental manufacturing companies increase direct selling focus.
 - Dentsply, world's largest dental products manufacturer, reported 40% of revenues come from direct sales.
 - Danaher's Sybron dental unit expands direct sales focus via Sybron Endo Direct.
- Private label is the fastest growing segment.
- Fewer listed comparables in consumable dental manufacturing sector.
- Consumables market excludes:
 - Direct selling companies
 - Implant companies



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Medical Group



Medical Group 1HY2007 Highlights

- +11.6% sales increase to CHFm 55.2
- +38.8% EBIT increase to CHFm 4.6
- EBIT margin up to 8.4% from 6.7%

- Last year's difficulties clearly overcome
 - Ireland
 - Raw materials
 - Delays
 - Doctors' Strike

What brought Medical back on track?

- Strong growth and capacity increases in primary pharma-packaging
- Smooth operations in IRE, CH
- Higher demand from existing customers and new project wins
- Stronger sales team

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Medical market baseline data

Underlying market dynamics

- Disposable medical device market CAGR of 15%
- Primary pharma packaging market CAGR of 5%
- Outsourcing trend continues
- Market consolidation continues
- Fragmented market offers growth potential by acquisition



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Fierce Competition in Airway Management

- Airway management faces fierce competition
- Management and Board are considering all options to optimize the assets deployed

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Medisize Group: Income statement EBIT increase by 10.1%

1'000 CHF	1 HY 07	%	1 HY 06	%	% YoY
Net Sales	136'220	100.0%	127'585	100.0%	6.8%
Raw materials	45'609	33.5%	42'774	33.5%	6.6%
Personnel expenses	44'956	33.0%	41'379	32.4%	8.6%
Other expenses	24'746	18.2%	23'822	18.7%	3.9%
Depreciation&amortization	4'722	3.5%	4'908	3.8%	-3.8%
Total operating expenses	74'424	54.6%	70'109	55.0%	6.2%
EBIT	16'187	11.9%	14'702	11.5%	10.1%

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Dental: Income statement

Solid performance

1'000 CHF	1 HY 07	%	1 HY 06	%	% YoY
Net Sales	81'068	100.0%	78'178	100.0%	3.7%
Raw materials	22'625	27.9%	21'830	27.9%	3.6%
Personnel expenses	26'985	33.3%	24'814	31.7%	8.7%
Other expenses	17'205	21.2%	18'231	23.3%	-5.6%
Depreciation&amortization	2'149	2.7%	2'190	2.8%	-1.9%
Total operating expenses	46'339	57.2%	45'235	57.9%	2.4%
EBIT	12'104	14.9%	11'113	14.2%	8.9%

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Medical: Income statement

Catching up

1'000 CHF	1 HY 07	%	1 HY 06	%	% YoY
Net Sales	55'152	100.0%	49'408	100.0%	11.6%
Raw materials	22'984	41.7%	20'945	42.4%	9.7%
Personnel expenses	17'090	31.0%	16'274	32.9%	5.0%
Other expenses	7'885	14.3%	6'141	12.4%	28.4%
Depreciation&amortization	2'571	4.7%	2'718	5.5%	-5.4%
Total operating expenses	27'546	49.9%	25'133	50.9%	9.6%
EBIT	4'622	8.4%	3'330	6.7%	38.8%

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Medisize Group: Income statement

Net profit increase by 23.2%

1'000 CHF	1 HY 07	%	1 HY 06	%	% YoY
EBIT	16'187	11.9%	14'702	11.5%	10.1%
Financial result (net)	-306	-0.2%	-1'644	-1.3%	-81.4%
Net profit before tax	15'881	11.7%	13'058	10.2%	21.6%
Tax expenses	-3'461	-2.5%	-2'973	-2.3%	16.4%
In % of net profit before tax	21.8%		22.8%		
Net profit	12'420	9.1%	10'085	7.9%	23.2%

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Medisize Group: Cash flow statement

Free cash flow prior acquisitions increases 5.2%

1'000 CHF	1 HY 07	%*	1 HY 06	%*	% YoY
CF from operations	13'188	9.7%	11'966	9.4%	10.2%
Purchase & proceeds PPE	-2'496		-2'091		
Purchase fin. & intangibles	-354		-46		
Purchase of minorities	0		-507		
Purchase of subsidiaries	-9'414		0		
CF from investments	-12'264		-2'644		
Free cash flow (FCF)	924	0.7%	9'322	7.3%	-90.1%
FCF prior acquisitions	10'338	7.6%	9'829	7.7%	5.2%

*: in % of net sales

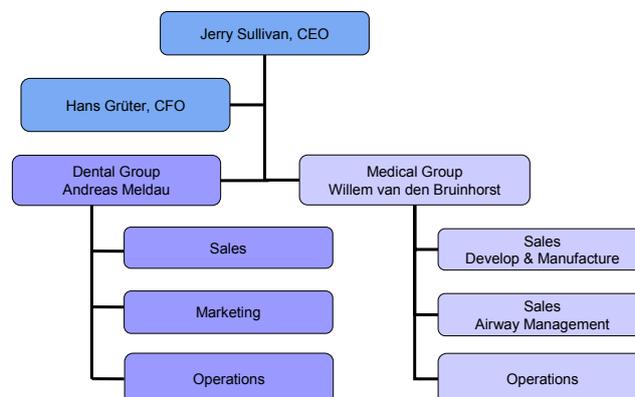
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Medisize Group: Balance sheet

Solid, well positioned for future growth

1'000 CHF	30.06.07		31.12.06	
Cash & cash equivalents	14'150		19'947	
Receivables	62'435		54'248	
Inventory	52'828		49'657	
Property, plant & equipment	60'259		59'101	
Financial, intangible & tax assets	71'207		64'445	
Total assets	260'879		247'398	
Payables & short term liabilities	36'735		30'631	
Bank loans & other loans	50'270		48'499	
Other long term liabilities	17'937		19'072	
Equity (equity ratio)	155'937	59.8%	149'196	60.3%
Total liabilities & equity	260'879		247'398	

Strengthened Group Management



Outlook 2007 remains unchanged

Assumptions:

- Dental consumables sales growth $\geq 5\%$
- Medical device segment $\geq 15\%$
- Primary pharma packaging $\geq 5\%$
- Airway management $\geq 5\%$
- Resulting Indications (approximately):
 - Dental Group Sales CHFm 170
 - Dental Group EBIT CHFm 26
 - Medical Group Sales CHFm 100
 - Medical Group EBIT CHFm 7
- **Medisize Group Sales CHFm 270**
- **Medisize Group EBIT CHFm 33**



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Q & A

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