
PRESS RELEASE

Ypsomed Is Expanding to China

Burgdorf, December 16, 2014, 7:00 am - The Ypsomed Group is well-positioned in the burgeoning Chinese diabetes market. With its newly founded subsidiary in Beijing, Ypsomed is investing in the future and, in so doing, intends to acquire new business in the area of injection systems. In addition, in early 2014, the Burgdorf, Switzerland, based diabetes specialist started commissioning the manufacturing of injection systems for the Chinese market in China itself.

There is a growing increase in the number of people with diabetes in China, with no end to the trend in sight. The World Health Organization (WHO) estimates the increase in patients with diabetes in China by 2030 to be over 40%, bringing the number of diabetics there to around 130 million. The increase is due to the demographic development and the Westernization of the lifestyle in Asia. At the same time, the Chinese Central Government is endeavoring to increase the share of health expenditures from 5% of the gross national product to 7%. This means an annual growth of the health care market of 15%, which will allow various treatments to be made accessible to a broader segment of the population.

There are numerous Chinese pharmaceutical companies that work with generic insulins and other hormones, referred to as "biosimilars". These companies prefer innovative, high-quality injection systems for administering their drugs, such as the systems manufactured by Ypsomed. For this reason, Ypsomed Group established a separate company in Beijing in September 2014 focusing on developing the injection system business and on customer service in China. Since spring of 2014, Ypsomed has commissioned an international contract manufacturer in Suzhou, a metropolis with an urban population of over 5 million, to manufacture a reusable pen injection system. As it is an injection system manufactured in several manual steps, to optimize costs, Ypsomed decided to commission manufacturing locally in China. The injection system will initially be distributed by Ypsomed's long-standing Chinese partner Tonghua Dongbao Pharmaceutical. More customers are to follow.

The decision to have systems manufactured in China will not decrease the existing production capacities in Switzerland. On the contrary, Ypsomed is currently investing in additional production plants in Switzerland, which will continue to be the company's main manufacturing location with a focus on highly automated processes.

For further information, please contact Benjamin Overney, Head of Investor & Public Relations at Ypsomed Holding AG, by phone at +41 34 424 41 59 or by email (benjamin.overney@ypsomed.com).

About the Ypsomed Group

The Ypsomed Group is the leading developer and manufacturer of injection systems for self-medication and a renowned diabetes specialist with almost 30 years of experience. Founded in 2003 from the well-known company Di-setronic Medical Systems, today it offers insulin pumps and injection systems as well as pen needles for the treatment of diabetes, growth disorders, infertility, oncology and other therapeutic areas. Ypsomed is regarded as a leader in innovation and technology and is the preferred partner of pharmaceutical and biotech companies in the self-medication field. Ypsomed has established itself with the umbrella brands mylife™ Diabetescare and YDS™ Ypsomed Delivery Systems in retailing and in business-to-business trading. Under the brand name mylife™ Diabetescare, Ypsomed offers patients an extensive range of self-manufactured products or commercial products for the treatment of diabetes. The range from YDS™ reflects the many years of experience and competence in the field of injection systems. With an innovative and patent-protected product portfolio of pen systems and autoinjectors, which can be adapted to customer requirements, and contract development and manufacturing, Ypsomed provides customer oriented product and service solutions to pharmaceutical and biotech companies worldwide.

Ypsomed has its headquarters in Burgdorf in Switzerland and owns several manufacturing sites in Switzerland and in the Czech Republic. Ypsomed has its own subsidiaries throughout Europe and works with leading, independent marketing partners worldwide. The Ypsomed Group has around 1,100 employees.