

Media release

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SWX Swiss Exchange issues reprimand against Ypsomed Holding AG

The SWX Swiss Exchange has issued a reprimand against Ypsomed Holding AG for violation of the IFRS accounting standards in connection with the company's 2005/2006 annual report. The deficiencies identified by the SWX Swiss Exchange relate to the improper reporting of prepayments as non-current assets, as well as the presentation of securities transactions in the cash flow statement. The company has meanwhile corrected these deficiencies in its 2006/2007 consolidated financial statements.

In its consolidated financial statements for the 2005/2006 fiscal year, Ypsomed Holding AG (Ypsomed), which is listed in the main segment of the SWX Swiss Exchange (SWX), recorded prepayments for production equipment that it acquired at the behest of its customers as non-current assets rather than as prepaid expenses under current assets. This equipment, which was merely of a transitory nature, did not meet the IFRS requirements for being reported as non-current assets. In addition to this improper presentation in the balance sheet, there was also an incorrect presentation of the corresponding cash flows from operating and investing activities in the cash flow statement.

Furthermore, in its cash flow statement, Ypsomed recorded purchases and sales of securities and financial interests as cash flows from financing activities. Under IFRS rules, however, the corresponding securities transactions should have been correctly recorded as cash flow from investing activities. This improper reporting resulted in the fact that the related cash flows from investing activities and financing activities were incorrectly reflected in the cash flow statement.

The company has corrected and disclosed the identified accounting deficiencies within the framework of its 2006/2007 IFRS-compliant annual report.

Taking into account all aspects of the matter, the SWX has issued a reprimand against Ypsomed.

Periodic reporting in compliance with applicable financial reporting and auditing provisions forms an integral part of the information that contributes to a properly functioning market in accordance with the provisions of the Stock Exchange Act and the Listing Rules. One of the tasks of SWX is to enforce the transparency provisions that apply.

Information on financial reporting regulations can be found at:

http://www.swx.com/admission/being_public/financial_reporting_en.html

Previous sanctions issued by SWX in connection with financial reporting can be found at:

http://www.swx.com/admission/being_public/sanctions/media_releases/financial_reporting_en.html

Should you have any questions, please feel free to contact Werner Vogt, Spokesman SWX Swiss Exchange.

Phone: +41(0)58 854 26 75

Fax: +41(0)58 854 27 10

E-mail: pressoffice@swx.com

SWX Swiss Exchange

The SWX Swiss Exchange is one of the world's leading and most technologically advanced securities exchanges. It provides customers with first-rate securities exchange services and brings together participants, issuers and investors in an efficient and transparent marketplace. In addition to the broad palette of products it offers, the SWX Swiss Exchange's integrated, fully automatic trading, clearing and settlement system is indeed convincing: at the click of a mouse, orders are executed, cleared, settled and confirmed.

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