



Dear Shareholders

We would like to invite you to the upcoming Ordinary Annual General Meeting of Shareholders of Medisize Holding which will take place on April 16, 2008. In addition to the usual items, you will at this meeting decide on a couple of additional and rather complex issues which we would like to introduce to you in greater detail below.

At the end of February and in March, the media have published exhaustive articles on Medisize. Apart from the very successful year end results 2007, they mainly focused on strategic aspects: The planned sale of the medical business in its entirety, the exclusive focus going forward on our Dental business as well as the Board of Directors' proposals to return the bulk of the proceeds from the sale to you, dear Shareholders.

After a thorough analysis of the relevant market conditions and trends in both its medical and dental business units, the Board of Directors of Medisize Holding AG has decided to sell the Group's total Medical business to Medifiq Healthcare OY, Finland, for CHF 105 million. This represents an EBIT multiple of 11x based on the invigorated profitability of the Medical business in 2007. Medifiq will acquire all the shares of Medisize's two subsidiaries, Medisize Schweiz AG and Medisize Medical Business Beheer B.V. with all its subsidiaries.

Medifiq Healthcare OY is a Finnish group that develops and manufactures medical devices, drug delivery systems as well as personal care products and provides an excellent, strategically consistently focused business environment for the Medisize medical activities. Combined, the two companies will be one of the leading players in this market. Both parties await regulatory approval, but expect the transaction to be closed by end of March 2008. Board and Management are convinced that we are creating value for you with this transaction.

The Medisize brand name, which is strongly linked to the current medical business, will be included with the sale of the Medical Group. The Board of Directors therefore proposes to change the name of Medisize Holding AG into COLTENE Holding AG (See §1 of the articles of incorporation). This new name best reflects the company's focus and position on the global dental market and is – for many years already – a synonym for aesthetically leading dentistry.

In the future, the new COLTENE Group will focus solely on its highly profitable and continuously improving Dental business. In 2007, these activities achieved sales of CHF 168.1 million. The Board of Directors has decided to capitalize on the strength and stability of the traditional dental markets as it looks strategically toward the rapidly growing buying power and the rising demand for dental treatments in the world's emerging markets to sustain above-average growth in the future. Our Dental business has repeatedly proven its ability to develop innovative products, integrate acquisitions profitably, and expand sales globally as it continuously improves its EBIT margin. The Dental business's strong cash flows will provide the means to further expand its business organically and supplement sales growth by opportunistic acquisitions.

The Board of Directors intends to return the bulk of the proceeds from the sale of the medical business to you as Shareholders. The Board thus makes the two following proposals to the upcoming Ordinary General Meeting of Shareholders on April 16, 2008

- Increase the ordinary dividend from CHF 1.60 in the previous year to CHF 4.30 per share and thus return a total of some CHF 20 million to the Shareholders.

- Initiate the procedure to decrease the current share capital by a reduction of the par value of the Medisize shares from currently CHF 5.00 per share to CHF 0.10 per share. This par value reduction will return some CHF 23 million to the Shareholders approximately two months following the Ordinary General Meeting.

We would like to inform you already today that the Board of Director plans to hold an Extraordinary Meeting of Shareholders in the second half of 2008. At that meeting the Board will propose to further reduce the equity of the Company by CHF 50 million through a capital redemption program via the issuance of put options or a similarly shareholder-friendly scheme. Shares redeemed in the context of such a procedure shall subsequently be cancelled and will thus strengthen the future earnings per share.

In total, the Board proposes to return approximately CHF 93 million to the Shareholders. After these measures, the balance sheet will comfortably permit the Company to pursue its strategic course focusing on organic and external growth through supplemental acquisitions.

We thus invite you, dear Shareholders, to approve at the upcoming Ordinary General Meeting of Shareholders on April 16, 2008, of the proposed name change to COLTENE Holding AG as well as of the increase of the ordinary dividend and the capital decrease by means of a par value reduction (see § 3 sub-section 1 of the articles of incorporation).

The Board of Directors takes this opportunity to propose at the same time the amendment of a couple of further articles to bring them inline with the latest legal changes and a more modern concept of Corporate Governance. It is proposed to elect members of the Board of Directors (§14 of the articles of incorporation) in the future for a term of office of only one year and to reduce the size of the Board to better reflect the scope of the company by decreasing the minimum number of Board members from five to three. Also, an auditing firm under state oversight (§ 18 of the articles of incorporation) shall be elected every year for only one year in the future. As an additional shareholder-friendly measure, the Board proposes to no longer close the share register on the date when the invitations to a General Meeting of Shareholders are sent out, but to define a later day for the closing of the register in the respective invitations (§ 4 sub-section 2 of the articles of incorporation). The last two amendments of the articles of incorporation (§ 11 sub-section 2 and 3) are rather technical in nature and reflect the latest changes in the Swiss Code of Obligations.

Two board members, Dr. Paul Hälg and Dr. Walter Känel, will no longer be available for re-election at the General Meeting and will thus step down from their positions after the Meeting.

The Board proposes to elect Jerry Sullivan, current CEO of Medisize Group, as a new Member of the Board for a term of office of one year. After the General meeting, Mr. Sullivan will hand over his operational functions to Andreas Meldau who will become CEO of the new COLTENE Group.

In addition, the Board proposes to re-elect Niklaus Huber, Balgach, and Robert Heberlein, Zumikon, for a further term of office of one year. With these changes, the Board of Directors will consist of four members after this General Meeting. Niklaus Huber will serve as Chairman of the Board.

Dear Shareholders, we hope that the items to be decided at the upcoming General Meeting have become clearer with this letter and we would like to invite you to support the Board's proposals. We truly hope that you will have the chance to participate in our Annual General Meeting in person and look forward to seeing you there.

On behalf of the Board of Directors

Dr. Paul Hälg, Präsident
Wattwil, 19. März 2008



Invitation to the Annual General Meeting of Shareholders

Wednesday, April 16, 2008, 4 p.m. (doors open at 3. p.m.)
Hotel SEEDAMM PLAZA, Seedammstr. 3, 8808 Pfäffikon SZ

Agenda

1. Annual Report, Annual Financial Statements and Consolidated Financial Statements 2007 and Allocation of Net Income
2. Change of company name Medisize Holding AG to COLTENE Holding AG and further amendments of the Articles of Incorporation
3. Decrease of the current share capital of CHF 23'400'000 by CHF 22'932'000 to CHF 468'000 by way of reducing the nominal value of each registered share from CHF 5.00 to CHF 0.10
4. Discharge of the Members of the Board of Directors and the Group Management
5. Elections
Board of Directors

Proposals

The Board of Directors has formulated the following proposals to the items on the agenda:

1. The Board of Directors proposes the approval of the Annual Report, Annual Financial Statements and Consolidated Financial Statements 2007

Allocation of the net income:

Net income carried forward from the previous year	CHF	520'472
Profit of the year 2007	CHF	9'300'029
Total net income	CHF	9'820'501
Reduction of statutory reserves	CHF	10'303'499
Total amount available for dividend distribution	CHF	20'124'000
Distribution of a dividend of 86 % on the share capital of CHF 23'400'000 totalling	CHF	-20'124'000
Balance to be carried forward	CHF	0

2. The Board of Directors proposes to change the Articles of Incorporation as follows:

2.1 Change of company name

The Board of Directors proposes to change the company name from Medisize Holding AG to COLTENE Holding AG and to amend the Articles of Incorporation as follows:

Current text
§ 1

"Under the name of

Medisize Holding AG
Medisize Holding SA
Medisize Holding Ltd.

there exists a company limited by shares with unlimited duration having its registered office in Wattwil. The board of directors is authorized to establish branch offices in other places in Switzerland or abroad and to choose a domicile (*Rechtsdomizil*)."

New text (Amendments bold)
§ 1

"Under the name of

COLTENE Holding AG
COLTENE Holding SA
COLTENE Holding Ltd.

there exists a company limited by shares with unlimited duration having its registered office in Wattwil. The board of directors is authorized to establish branch offices in other places in Switzerland or abroad and to choose a domicile (*Rechtsdomizil*)."

2.2 Change with respect to the term in office and minimum number of members of the Board of Directors

The Board of Directors proposes to reduce the term in office of members of the Board of Directors from three years to one year and to reduce the minimum number of members of the Board of Directors from five to three members and to amend the Articles of Incorporation as follows:

Current text
§ 14

"The board of directors shall be composed of at least five members who shall be elected for a term in office of not more than three years. They may be reelected at the end of the term."

New text (Amendments bold)
§ 14

"The board of directors shall be composed of at least **three** members who shall be elected for a term in office of **one year**. They may be reelected at the end of the term."

2.3 Change with respect to the term in office of Auditors

The Board of Directors proposes to reduce the term in office of the Auditors from two years to one year and to generally amend the relevant paragraph of the Articles of Incorporation as follows:

Current text

§ 18

"The general meeting of the shareholders shall elect for a period of two years one or several natural persons or legal entities as auditors in the sense of art. 727 *et seq.* CO."

New text (Amendments bold)

§ 18

"The general meeting of the shareholders shall elect for a period of **one year an audit firm under state oversight in accordance with the Swiss Federal Act on the Licensing and Oversight of Auditors (RAG)**. The audit firm so elected shall have the authorities and obligations as set forth in the law."

2.4 Change with respect to the closure of the share register prior to general meetings of shareholders

The Board of Directors proposes to amend the Articles of Incorporation as follows:

Current text

§ 4 sub-section 2

"Between the day on which the invitations to the general meeting of the shareholders have been sent out and the day after the general meeting of the shareholders, no registrations are made in the share register."

New text (Amendments bold)

§ 4 sub-section 2

"The board of directors shall **determine and indicate in the invitation to any general meeting of the shareholders the relevant cut-off date for registrations in the share register that shall be relevant for the eligibility of any shareholder to participate in and vote at such general meeting.**"

2.5 Due to changes of the Swiss Code of Obligations, the Board of Directors proposes the following changes to the Articles of Incorporation:

Current text

§ 11 sub-section 2

"Unless otherwise regulated by the law or these articles of incorporation, resolutions are passed with the absolute majority of the votes. The chairman of the meeting, who is always authorized to vote, shall have the casting vote."

New text

§ 11 sub-section 2

"Unless otherwise regulated by the law or these articles of incorporation, resolutions are passed with the absolute majority of the votes."

The second sentence of § 11 sub-section 2 shall be deleted.

Current text

§ 11 sub-section 3

"Important resolutions of the general meeting of the shareholders in the sense of Art. 704 CO (the change of the company's purpose, the creation of shares with privileged voting rights, the restriction of the transferability of registered shares, an increase of the share capital, authorized capital increase or an increase of the share capital subject to a condition or an increase of the share capital against contributions in kind, or for the purpose of an acquisition of assets and the granting of special benefits, the limitation or withdrawal of pre-emptive rights and the change of the domicile of the company) must be passed by at least two thirds of the votes represented and the absolute majority of the nominal value of the represented shares."

New text (Amendments bold)

§ 11 sub-section 3

"Important resolutions of the general meeting of the shareholders in the sense of Art. 704 CO (the change of the company's purpose, the creation of shares with privileged voting rights, the restriction of the transferability of registered shares, an increase of the share capital, authorized capital increase or an increase of the share capital subject to a condition or an increase of the share capital **out of equity or** against contributions in kind, or for the purpose of an acquisition of assets and the granting of special benefits, the limitation or withdrawal of pre-emptive rights, the change of the domicile of the company and **its dissolution**) must be passed by at least two thirds of the votes represented and the absolute majority of the nominal value of the represented shares."

3. The Board of Directors proposes:

- to decrease the current share capital of CHF 23'400'000 by CHF 22'932'000 to CHF 468'000 by way of reducing the nominal value of each registered share from CHF 5.00 to CHF 0.10 and to pay out in cash to the shareholders the corresponding amount of such reduction (being CHF 4.90 for each registered share);

- to determine that pursuant to the special Auditors' Report in accordance with Article 732 sub-section 2 of the Swiss Code of Obligations the claims of the creditors will – after the capital reduction – continue to be fully covered; and
- to change the Articles of Incorporation, subject to the compliance with the provisions of Articles 732 – 734 of the Swiss Code of Obligations, as follows:

Current text

**New text (after the registration of the capital reduction in the Commercial Register)
(Amendments bold)**

§ 3 sub-section 1

§ 3 sub-section 1

"The share capital shall amount to CHF 23,400,000, divided into

"The share capital shall amount to **CHF 468,000**, divided into

4,680,000 registered shares with a par value of CHF 5 each."

4,680,000 registered shares with a par value of **CHF 0.10** each."

4. The Board of Directors proposes the discharge of the members of the Board of Directors and the Group Management for their activity during the fiscal year 2007.
5. The Board of Directors proposes to have Mr Jerry Sullivan, US citizen with domicile in Richfield (USA) newly elected as a member of the Board of Directors for a term in office of one year. Further, the Board of Directors proposes to have the following individuals re-elected as members of the Board of Directors, each for a term in office of one year:
 - Mr Niklaus Henri Huber with domicile in Balgach
 - Mr Robert Heberlein with domicile in Zumikon

Dr. Paul Hälg and Dr. Walter Känel are both not running for another term in office and will, after the Annual General Meeting of Shareholders, resign from their respective offices as members of the Board of Directors. The term in office of Mr Matthew Robin lasts until the Annual General Meeting of Shareholders in 2009.

Representation / Proxy

According to Paragraph 10 of the Articles of Incorporation, a shareholder can personally attend the Annual General Meeting and vote his or her shares or be represented by a third party by written proxy.

In addition, shareholders may be represented as follows:

- by Medisize Holding Ltd., corporate proxy
- by the independent proxy holder, Dr Jürg Luginbühl, Attorney at Law, Schützengasse 1, Postfach 1230, 8021 Zurich, as independent proxy holder as set forth in Art. 689c CO, with the right of substitution in the case of compulsory reasons.
- by a bank or any other professional asset/wealth manager as portfolio representatives as set forth in Art. 689d CO. (Portfolio representatives are kindly asked to identify themselves at the reception desk for the Annual General Meeting.)

Documents

The printed Annual Report 2007 consisting of the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements as well as the report of the Auditors, will be available for inspection as of March 19, 2008 at the registered office of the Company.

Registered shareholders will be sent a copy of the printed Annual Report 2007 together with the invitation to the Annual General Meeting.

Share register

No new entries will be made in the share register from the date when the invitations to the Annual General Meeting of Shareholders are sent out until the day after the Annual General Meeting of Shareholders.

We look forward to welcoming our shareholders to cocktails following the Annual General Meeting of Shareholders.

Wattwil, March 18, 2008
The Board of Directors