

Medisize Holding AG, Ebnetter Strasse 79, CH-9630 Wattwil
T +41 71 987 1010, F +41 71 987 1005
info@medisize-holding.com, www.medisize-holding.com

Medisize's performance to exceed the prior year

- Full-year sales and EBIT expected to be above last year's figures
- Dental activities gaining share in very competitive markets
- Medical activities faced with petrochemical raw material cost increases

Wattwil, November 6, 2006. **Medisize Group (SWX: MSZN), a leading developer and manufacturer of medical and dental health care products, expects to exceed last year's sales and EBIT figures. However, existing sales indications for the group may prove to be a challenge. The dental activities are largely on track, although a small percentage of product launches have led to lower-than-expected sales. Stock consolidation among distributors continues to test our sales targets. The medical activities witnessed a certain pressure on margins due to a sharp increase in petrochemical raw material costs and a less favourable product mix.**

Medisize's *Dental* activities performed well in the European, Middle Eastern and African Markets. Worldwide Coltène/Whaledent saw six very successful product launches in 2006. However, two additional product launches experienced lower sales than projected. In the Americas, Coltène/Whaledent suffered also from ongoing stock consolidation in the distribution channel. However, general consumption of dental products remains strong and Medisize Dental believes that it will be able to outperform the overall dental consumables market in the main geographical areas and key product groups.

Medisize's *Medical* production is now running at near capacity levels in the pharmaceutical packaging product group. In OEM medical device manufacturing, three major development projects took longer than anticipated to reach revenue production due to delays related to customer-driven product changes which will negatively impact sales in the medical device product group. Airways management product sales are stressed by very competitive market conditions resulting in some price erosion. Additionally, sharply risen raw material costs put profit margins under pressure.

Medisize Group expects business to accelerate in the traditionally strong fourth quarter with dental activities historically being the primary driver. Meeting the full-year financial targets of CHF 260 million in sales and CHF 32.5 million in EBIT is challenged by high raw material costs and some project related issues. However, Medisize expects that Group results will exceed last year's sales and EBIT figures (CHF 247 million; CHF 28.2 million).

E-mail alerts: sign-up for e-mail alerts on Medisize Holding AG is available at http://www.medisize-holding.com/investor-relations/news_en.html

For further information: Bernhard Schweizer, Corporate Communications, Bernhard.schweizer@medisize-holding.com, Phone. +41-71-987-1010