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## Medisize with strong performance in 1HY 2007

- Sales up by 6.8% to CHF 136.2 million
- EBIT increases 10.1% to CHF 16.2 million
- Dental: EBIT rises 8.9% to CHF 12.1 million
- Medical: EBIT rises 38.8% to CHF 4.6 million
- Earnings per share increase 24.7% to CHF 2.68
- Strengthening Senior Group Management

*Wattwil, August 20, 2007.* Medisize Holding AG (SWX Swiss Exchange: MSZN), an international leader in the development and manufacture of dental and medical consumables, reports sales of CHF 136.2 million for the first six months. This represents an increase of 6.8% over the same period of last year. The Group reports a 10.1% increased EBIT of CHF 16.2 million for the first half of 2007 strengthening the EBIT margin from 11.5% in the first half of 2006 by four basis points to 11.9% for the six months ended June 30, 2007. Net income rose by 23.2% to CHF 12.4 million. This translates into CHF 2.68 per fully diluted share for the first half-year of 2007 compared with CHF 2.15 for the same period last year.

### **Medical Business is catching up fast**

The medical operations of Medisize Group increased both sales and earnings in the first semester. With net sales growing by 11.6% to CHF 55.2 million, EBIT rose by 38.8% to CHF 4.6 million. At constant exchange rates, the sales increase would have amounted to 7.5%. While this segment reported an EBIT margin of 6.7% for the first half of 2006, the medical business returned the EBIT margin to a more traditional level of 8.4% for the first six months of this year. Reflecting in addition lower debt and benefiting from lower tax ratios, Medisize's medical business reports a net income of CHF 2.9 million. Compared with the same period last year this is equivalent to a 68.0% increase.

### **Dental business grew in line with the market**

With 3.7% higher sales than in the same period last year, Medisize dental grew in line with the overall global dental market. At constant exchange rates, this business would have grown at 3.2%. Medisize dental reports an EBIT increase of 8.9% up to 12.1 million, resulting in an EBIT margin of 14.9%. Net Income increased by 17.2% up to CHF 8.7 million.

### **Strong operating cash flow**

Apart from operating successes, Medisize also concentrated on managing the Group's financials tightly. Programs to bring receivables and inventories further down are currently being implemented. The cash flow from operating activities was CHF 13.2 million, up 10.2% over the same period last year. After having invested some

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CHF 2.8 million into the expansion and maintenance of the operation, the free cash flow (prior to acquisitions) for the first half of 2007 stood at CHF 10.3 million. Having acquired Cutting Edge Instruments (CEI) for CHF 9.4 million and paid CHF 7.4 million in dividends to shareholders, Medisize Group reports at mid-year, with cash and cash equivalents of CHF 14.2 million, slightly higher bank and other loans of CHF 50.3 million.

The Group is confidently looking ahead to the second half-year and continues expects to achieve sales of CHF 270 million and an EBIT of CHF 33 million for the full financial year 2007.

### **Renewed commitment to growing the dental group**

The acquisition of CEI, a specialist in carbide burs, shows that acquisition opportunities are not limited to the more fragmented medical market. Medisize has refined its strategic focus and has assigned acquisitions in its dental business a higher priority than in the past. In its medical operations, Medisize has clearly focused on improving and increasing the overall performance of the medical business unit as the half year results clearly indicate. The medical acquisition strategy has, not led to any transactions, yet. However, Medisize is well positioned for growth both organically and by acquisition. With its strong equity rate of almost 60%, Medisize is well prepared to actively grow both its dental and medical business units.

### **Strengthening of Senior Management**

As per September 1, 2007, Andreas Meldau will assume the position of COO of the Medisize Dental Group. In this function he will have full responsibility for the Group's global dental business. He will continue to report to Jerry Sullivan, President and CEO of Medisize Holding AG. Mr. Sullivan will thus be able to focus more closely on the strategic development of the entire Medisize Group.

### **Half-year report, conference call and webcast**

Medisize Holding AG will release its **half-year report** on Monday August 20, 2007, at around 07:00 a.m. CEST. The report can be downloaded at <http://www.medisize-holding.com/investor-relations/publications.html>. At 04:00 p.m. CEST, Medisize Holding AG will discuss its half-year results during an English-speaking **conference call**. Please dial +41 (0)52.267.07.31 five to ten minutes prior to the call in order to participate in the conference call. The PIN-Code for participants is 136552. During the presentation, participants will be in a listen-only mode. If participants wish to ask a question, they should identify themselves by pressing the keys \*14. To withdraw a question, please press \*15. A replay of the call will be available for seven days following the conference call. To access the replay, please dial +41 (0)52.267.0700; the conference ID is 533703#. The conference call is also available as a live **webcast** in the investor relations section of the Medisize Holding webpage [www.medisize-holding.com](http://www.medisize-holding.com). Accompanying presentation slides will be available at 03:00 p.m. CEST at <http://www.medisize-holding.com/investor-relations/publications.html>

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