

Medisize Holding AG, Ebnetter Strasse 79, CH-9630 Wattwil  
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## Medisize to sell total Medical business for CHF 105 million

### Medisize sells its Medical business

- Medifiq Healthcare OY of Finland is strategic buyer
- Selling price CHF 105 million, corresponding to an EBIT multiple of 11x
- Closing will await regulatory approvals
- Proposal to return a total of CHF 93 million back to shareholders in 2008

### Strategic focus transitions to strong “pure play” Dental business

- Dental to focus on increasing buying power and rising demand for dental treatments in the world’s emerging markets to sustain above-average growth
- Historically strong earnings and cash flows of the Dental business will be used to finance growth and sustain high dividend yields

### Strong 2007 Group Sales and EBIT growth exceed indications

- 9.8% higher consolidated Group sales of CHF 274.2 million
- Group EBIT increases 17.1% over prior year to CHF 35.2 million
- 16.2% higher Group net profit of CHF 26.3 million for FY 2007

*Wattwil, February 27, 2008.* **Medisize Group (SWX: MSZN), a leading developer and manufacturer of dental and medical health care consumables, will sell its Medical business to Medifiq Healthcare OY, Finland, for a total of CHF 105 million. In the future, the Group will focus exclusively on its highly profitable Dental business. In view of the strong 2007 Medisize earnings result and the sale of the Medical business, the Board of Directors will propose to return CHF 43 million to its shareholders through an increased ordinary dividend payment of CHF 4.30 per share and a large par value reduction of CHF 4.90 per share. Later this year, a capital redemption program will be initiated to return an additional CHF 50 million to the shareholders. The growing global dental market potential and the proven capability of the Dental business to generate solid cash flows will promote both organic and external growth, and allow the Group to sustain a high dividend pay-out policy in the future.**

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.

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### **Additional details on the planned transaction**

Today, February 27, 2008, Medisize Holding AG has signed a sale and purchase agreement with Medifiq Healthcare OY, a portfolio company of Ratos AB, Sweden. 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. This represents the total Medical business of Medisize.

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.

### **Medisize to change name to COLTENE**

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 will therefore propose to change the name of Medisize Holding AG into COLTENE Holding AG. This new name best reflects the company's focus and position on the global dental market.

### **Exclusive future focus on promising and highly profitable Dental business**

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. The 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.

### **Proposal to return a total of CHF 93 million back to shareholders in 2008**

The Board of Directors intends to return the bulk of the proceeds from the sale of the medical business to the shareholders through the following proposals to the upcoming Ordinary General Meeting of Shareholders on April 16, 2008, and to an Extraordinary Meeting to be convened in the second half of 2008:

- Pay out an increased dividend of CHF 4.30 (previous year CHF 1.60) per share totalling some CHF 20 million.
- Initiate the procedure to reduce 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 three months following the Ordinary General Meeting.

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- 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 to be proposed at an Extraordinary Meeting. Shares redeemed in the context of such a procedure shall subsequently be cancelled and will thus strengthen the future earnings per share.

### **Solid Dental earnings and cash flows leads to higher dividend pay-out policy**

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, as well as maintaining the generous level of ordinary dividend payments to be initiated at the upcoming Annual General Meeting.

### **2007 Key Financial Figures: Strong sales and EBIT growth exceed indications**

2007 was a successful year for Medisize Holding: Both businesses contributed to yield a strong 9.8% sales increase to CHF 274.2 million and an even more notable 17.1% gain in EBIT to CHF 35.2 million, which translates into an EBIT margin of 12.8% for the whole Group. Consolidated net income increased by 16.2% to CHF 26.3 million.

In the Medical business, the implementation of a margin improvement program strengthened the annual result, yielding an EBIT margin of 9.0%, up from 6.0% in 2006.

The strong Dental business continued to further improve its operations, expanded its global reach in emerging markets, successfully integrated the acquisition of a carbide bur specialist and pushed its EBIT margin up to 16.1%.

<i>TCHF</i>	<i>Dental</i>		<i>Medical</i>		<i>Medisize</i>	
	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>
Net Sales	153'560	168'110	96'310	106'122	<b>249'864</b>	<b>274'233</b>
EBIT	24'298	27'043	5'805	9'552	<b>30'081</b>	<b>35'230</b>
In % of net sales	15.8%	16.1%	6.0%	9.0%	<b>12.0%</b>	<b>12.8%</b>
Net Income	16'240	18'514	4'186	6'899	<b>22'637</b>	<b>26'295</b>
In % of net sales	10.6%	11.0%	4.3%	6.5%	<b>9.1%</b>	<b>9.6%</b>
Earning per share					<b>4.88</b>	<b>5.67</b>
Total assets					<b>247'398</b>	<b>247'568</b>
Shareholders' equity					<b>149'196</b>	<b>165'665</b>
Employees	657	686	549	541	<b>1'206</b>	<b>1'227</b>

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### **Communication schedule**

- Ad-hoc Conference Call tomorrow Thursday, February 28, 2008 at 3.30 p.m. CET
- Analyst/Media conference to further discuss medical sale and full year results scheduled for March 19, 2008

### **Ad hoc Conference Call**

Medisize Holding will discuss the planned divestment of its Medical activities at an English-speaking ad-hoc conference call tomorrow, Thursday, February 28, 2008 at 3.30 p.m. CET. To access the call please dial +41 (0)52.267.07.34 five to ten minutes prior to the call in order to participate in the conference call. The PIN-Code for participants is 127077. 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, 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 615929#. 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).

### **Analyst/Media conference**

In addition, Medisize Holding will hold its traditional English-speaking live analyst and media conference on Wednesday March 19, in Zürich. Please find the respective invitation and registration form attached below.

### **Annual General Meeting**

The Ordinary Annual General Meeting of Shareholders will take place on Wednesday, April 16, 2008 at 4 p.m. at Seedamm Plaza, Pfäffikon SZ.

**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](http://www.medisize-holding.com/investor-relations/news_en.html)

**For further information:** Bernhard Schweizer, Corporate Communications, [Bernhard.schweizer@medisize-holding.com](mailto:Bernhard.schweizer@medisize-holding.com), Phone. +41-43-366-55-11

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**Invitation to the Media and Analyst Conference of  
Medisize Holding AG on Wednesday, March 19, 2008**

**Medisize Group (SWX: MSZN), a leading developer and manufacturer of dental and medical healthcare products, will discuss the planned sale of its medical activities as well as its financial results 2007 at a combined Media and Analyst Conference on Wednesday, March 19, 2008, in Zürich.**

The presentations will be held in English.

The conference will take place at

**Convention Point SWX,  
Swiss Exchange,  
Selnau Strasse 30,  
CH-8021 Zürich**

**Wednesday, March 19, 2008  
0900 a.m. CET**

The presentations will simultaneously be webcast in the investor relations section of [www.medisize-holding.com](http://www.medisize-holding.com). Please log in some 10 minutes prior to the start of the conference.

A press release will be distributed internationally at around 0700 a.m. CET that same day.

Please confirm your participation by returning the attached registration form.

**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](http://www.medisize-holding.com/investor-relations/news_en.html)

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## Media/Analyst conference of Medisize Holding

**Wednesday, March 19, 2008,  
SWX Swiss Exchange  
Convention Point, Room "Exchange"  
Selnau Strasse 30, CH-8021 Zürich**

The combined English-speaking **media and analyst conference** will start at 0900 a.m. CET (coffee and documentation will be available from 0830 a.m. CET)

....., I will attend

....., I am unable to attend but request the documentation kit

Name

First name

Media/Bank/Company

Address

ZIP/City

E-mail

FAX

Phone

Please return the completed form by March 14, 2008, to Medisize Holding, Media Office, c/o sensus PR GmbH, Bederstrasse 51, 8002 Zürich, FAX +41 43 366 5512  
E-mail: [bernhard-schweizer@medisize-holding.com](mailto:bernhard-schweizer@medisize-holding.com)