

Medisize Holding AG, Ebnetter Strasse 79, CH-9630 Wattwil
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Year-end Analyst / Media conference

2007 Group Sales and EBIT growth exceed indications

- 9.8% sales increase to CHF 274.2 million; 17.1% higher EBIT of CHF 35.2 million
- 16.2% higher Group net profit of CHF 26.3 million for FY 2007
- Solid free cash flow of CHF 22.9 million

Medical Group returns to traditional level of solid profitability

- 10.2% sales increase to CHF 106.1 million
- 64.5% higher EBIT of CHF 9.6 million

Dental Group continuously improves its excellent performance

- 9.5% sales increase to CHF 168.1 million
- 11.3% higher EBIT of CHF 27.0 million

Details on the planned sale of Medical business

- Selling price CHF 105 million, corresponding to an EBIT multiple of 11x
- Proposal to return a total of CHF 93.1 million back to shareholders in 2008

Strong “pure play” Dental company to be called COLTENE

- Focus on innovation and rapidly growing emerging dental markets
- COLTENE to focus on high dividend-yield

New CEO appointed for COLTENE

- Andreas Meldau to succeed Jerry Sullivan as CEO

Changes in Board of Directors

- Niklaus Huber to become Chairman of the Board
- Jerry Sullivan nominated to become a member of the Board of Directors

Wattwil, March 19, 2008. **Medisize Group (SWX: MSZN), a leading developer and manufacturer of dental and medical health care consumables, achieved strong financial results in 2007 which were supported by the performance of both business segments – Medical and Dental. With the sale of its Medical business scheduled to be completed before the end of April 2008, the company will focus solely on its continuously improving Dental Business and change its name to COLTENE. The Board of Directors has nominated Andreas Meldau new CEO of COLTENE effective as of the upcoming Annual General Meeting of April 16, 2008. The CEO of the former combined Medisize Group, Jerry Sullivan, is up for election as new member of the Board of Directors, while Dr. Paul Hälg, Chairman, and Dr. Walter Känel, Member of the Board, will no longer be available for re-election. Niklaus Huber will serve as Chairman of the Board of COLTENE. The Annual General Meeting will also vote on the Board’s proposal to return CHF 43 million to its shareholders through an increased ordinary dividend**

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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.

Medisize Group looks back on a successful year 2007: Both business segments, Medical and Dental, have contributed to the overall sales increase of 9.8% to CHF 274.2 million and an even more pronounced raise in EBIT by 17.1% to CHF 35.2 million. In 2007, the Group's Medical business successfully implemented a margin improvement program, won several promising production contracts and expanded its own product range of airway management and primary pharmaceutical packaging products. As a result, the Medical business has returned to its traditional level of profitability as shown by a markedly improved EBIT margin of 9.0%.

The Group's Dental business continued to improve its strong profitability based on a solid performance in the traditional dental markets in Europe and North America as well as on highly promising progress in developing markets in Latin America, the Middle East and Asia. Cutting Edge Instruments Inc., a specialist in carbide burs acquired early in the year, was seamlessly integrated into the Dental Group's organization and its products are already well accepted in new markets.

Details on the announced sale of the Group's Medical business

As announced on February 27, 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. The Medisize brand name, which is strongly linked to the current medical business, will be included with the sale of the Medical Group.

The enterprise selling price is CHF 105 million and represents an EBIT multiple of 11x based on the invigorated profitability of the Medical business in 2007. Medisize Holding will receive CHF 75 million in cash for the Medical Business's equity of about CHF 40 million, and an additional CHF 27 million in cash for inter-company loans. Both parties expect the transaction to be completed before the end of April 2008.

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 Annual General Meeting of Shareholders on April 16, 2008, and to an Extraordinary Shareholder 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 Annual 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 program to be proposed at an Extraordinary Shareholder Meeting. 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. Concentrating on essential dental treatments and treatment preparations, the Dental business benefits from product niche domination and a synergistic product range, in established markets as well as from the growing buying power and demand in emerging markets. The strong balance sheet also provides the flexibility to seize opportunities for supplemental acquisitions. Most importantly, the expected sustained level of profitability will underpin the new pure-play Dental company's ability to maintain the generous level of ordinary dividend payments in the area of CHF 20 million per year.

New Name, new Management team and changes in the Board of Directors

As a result of the sale of the Medical brand name with the Medical business Shareholders will also vote on a proposed name change for the new pure-play Dental company: The Board of Directors proposes 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.

Effective as at the Annual General Meeting, the Board has nominated Andreas Meldau, current COO of the Dental Business, Chief Executive Officer of the new COLTENE Holding AG (see also CV of Andreas Meldau further below). Dr. Hans Grüter will serve as CFO of the new COLTENE Holding AG.

Jerry Sullivan, the CEO of the former Medisize Group, is up for election as new member of the Board of Directors. Dr. Paul Hälg, Chairman, and Dr. Walter Känel, Member of the Board, will no longer be available for re-election. The new Board will consist of four members. Niklaus Huber will serve as Chairman of the Board of COLTENE Holding AG.

The proposed change of the company name and the par value of its shares requires amendments of the Articles of Incorporation. The Board takes this opportunity to propose further shareholder-friendly changes of the articles to bring them inline with the latest legal changes and allow for a more modern corporate governance. It is thus proposed to elect Members of the Board as well as an auditing firm under state oversight every year for a term of office respectively a period of one year and to reduce the minimum number of Board Members from five people to three to better reflect the new size of the company.

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Key Figures

In CHF thousand	Medisize Group		Dental		Medical	
	2007	2006	2007	2006	2007	2006
Net sales	274 233	249 864	168 110	153 560	106 122	96 310
Operating profit	35 230	30 081	27 043	24 298	9 552	5 805
In % of net sales	12.8%	12.0%	16.1%	15.8%	9.0%	6.0%
Net profit	26 295	22 637	18 514	16 240	6 899	4 186
Cash flow from operating activities	29 043	31 358				
Investments (without subsidiaries)	6 170	5 287				
Free cash flow	22 873	26 071				
Total assets	247 568	247 398				
Bank loans	36 555	48 499				
Shareholders' equity	165 665	149 196				
In % of total assets	66.9%	60.3%				
Dividend per share	CHF 4.30	CHF 1.60				
Number of employees	1 227	1 206	686	657	541	549

Today, Medisize Holding will host its Year-End results analyst and media conference in Zürich at SWX Swiss Exchange's Convention Point. The conference starts at 09.00 a.m. and will also be available as a live webcast in the investor relations section of the Medisize Holding webpage www.medisize-holding.com where an archived version will remain available for download.

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.

On Andreas Meldau, CEO elect of COLTENE Holding AG

Andreas Meldau is a Swiss Citizen, 49 years old, and holds a degree in law from the University of Zürich as well as an SVM management diploma of St. Gallen University. Andreas Meldau joined Coltène/Whaledent in 2002 as Managing Director of Coltène/Whaledent EMEA. In 2007 he was promoted to COO Dental Group within the context of Medisize Group. Before, he had worked for redIT Services, Zug, from 1999 until 2002 after having been with AVL Medical Instruments, Schaffhausen, from 1993. Andreas Meldau had started his professional career as sales manager at NCR / AT&T, Wallisellen, in 1985.

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

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