

Hergiswil (Switzerland), 28 July 2009

Media release

ALSO Group generates CHF 8.6 million profit in first half of 2009

Despite the marked economic deterioration, better margins and lower costs enabled ALSO to generate a net profit of CHF 8.6 million in the first six months of 2009 (2008: CHF 2.1 million). Continuing operations reported consolidated sales of CHF 1 949 million, 14% less than in 2008 (CHF 2 271 million), and a net income of CHF 8.1 million (2008: CHF 8.9 million). After currency adjustments, sales would have been 9% below last year's figure. The equity ratio rose to 28%. On reference date, ALSO had 1 476 employees, 238 (-14%) less than in the previous year.

As a result of the depressed economic situation, the demand for IT products in most European PC markets was down noticeably in value terms compared with the same period last year. The ALSO Group's continuing operations (i.e. excluding Sweden & Poland) generated net sales of CHF 1 949 million in the first half of 2009, 14% less than in 2008 (CHF 2 271 million). After currency adjustments, sales were down by 9%. Despite improved margins and significantly lower operating costs, operating profit was down by 27% to CHF 21.5 million (2008: CHF 29.3 million). The drastic reduction in net current assets compared with last year meant that financial expenses were substantially lower than in 2008. As a result, the net income of continuing operations was CHF 8.1 million, only 9% lower than last year (2008: CHF 8.9 million). Including discontinued operations the Group's net profit for the first half 2009 stood at CHF 8.6 million versus CHF 2.1 million in the first semester 2008. Compared with the end of 2008, total assets were down by 21% to CHF 697 million (31.12.2008: CHF 877 million). The equity ratio rose to 28% (31.12.2008: 21%). On reference date, ALSO had 1 476 employees, 238 (-14%) less than the previous year (2008: 1 714).

In the Swiss/German markets, demand in the first half 2009 was significantly lower than last year, particularly in the business segment. By contrast, the decline in demand for the consumer segment was down only slightly. In these markets, ALSO posted net sales of CHF 1 339 million (2008: CHF 1 438 million). After currency adjustments sales stood at the same level as last year. While Switzerland reported a decline in sales, Germany succeeded in pushing them up slightly again compared with the same period last year. Thanks to selective sales, consistent margin management and lower costs, ALSO generated earnings before tax of CHF 17.5 million in these markets, substantially higher than in 2008 (CHF 12.0 million).

In northern/eastern Europe (Finland, Norway and the Baltic states), there were noticeable geographical differences in the decline in demand during the first half of the year. While the Finnish market proved relatively resilient, Norway reported a substantial tail-off in demand. The most affected were the Baltic States (Estonia, Latvia and Lithuania), where the markets compared with last year literally collapsed. In northern/eastern Europe, the ALSO Group generated net sales of CHF 609 million, 27% less than in 2008 (CHF 832 million). The cost reductions initiated at the end of 2008 only partially offset the decrease in margins. Thus, earnings before tax in these markets, which stood at CHF -0.2 million, were substantially lower than last year (CHF 4.7 million profit).

Outlook for 2009: net profit of about CHF 15 million

The noticeable downturn in the demand for IT products will probably continue into the second half of 2009. In the present, uncertain market environment, it is difficult to predict how the third quarter and, above all, the seasonally important fourth quarter, will turn out. Assuming that the situation does not deteriorate in the second half of the year – and excluding unforeseen circumstances – ALSO expects net sales of CHF 4 billion for 2009, with a net profit of about CHF 15 million.

Contact:

Maya von Krannichfeldt, Head of Corporate Communications, ALSO Holding AG
Tel. +41 41 266 18 02

Upcoming events:

Third-quarter report: 20 October 2009