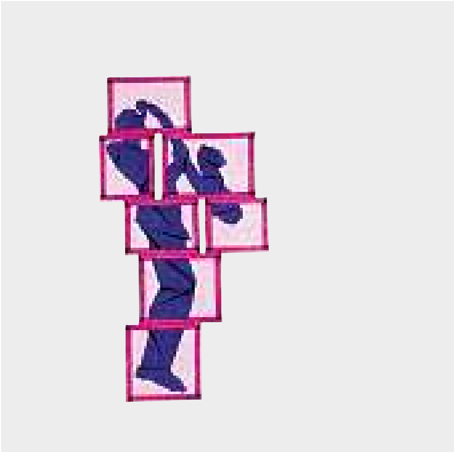
ALSO HOLDING



Annual Report 2000

ALSO in Brief

The ALSO Group operates in the IT logistics and services business and in 2000 earned net revenues of CHF 1863,5 million with around 1600 employees. The company, which has its headquarters in Hergiswil, Switzerland, was established in 1984.

The two strategic core businesses of ALSO – the distribution and systems businesses – are managed by the subsidiary companies ALSO ABC TRADING AG (Switzerland), SWIP HANDELS AG (Switzerland), ALSO ABC TRADING GmbH (Germany), ALSO COMSYT AG (Switzerland), and ALSO IT-SERVICES AG (Switzerland).

Distribution

ALSO ABC TRADING AG is the leading IT logistics company in Switzerland and supplies retailers with products from the best-known hardware and software producers in the PC and UNIX segment. ALSO ABC TRADING also provides its customers with facilities for outsourcing their logistics and concentrating on their core activities. Logistical competence, cost-optimized processes, and a high level of technical expertise in the fields of product marketing and services, as well as utilization of state-of-the-art communications technologies, form the basis of this business unit's success.

SWIP HANDELS AG, which has belonged to the ALSO Group since 1994, complements the product range ideally with Apple hardware and software, and has for years been the leading partner for retailers in Switzerland.

1995 saw expansion abroad with the establishment of ALSO ABC TRADING GmbH in Germany, whose activities are also hardware and software distribution as well as logistics outsourcing. In the years since then, the German subsidiary has continuously improved its revenues and thereby increased its market share.

Systems Business

The IT services company ALSO COMSYT AG is active throughout Switzerland and provides major customers with the full range of services in information technology:

- Conceptualization, implementation, and operation of distributed information technology
- Provision of qualified employees
- Customized education, training, and consultancy
- Procurement logistics for hardware and software

In 1991, by acquiring a stake in the International Computer Group (ICG), a strategic alliance of leading services and distribution companies in the PC and workstation business with its headquarters in London (United Kingdom), ALSO COMSYT also gained access to the worldwide IT market.

ALSO IT-SERVICES AG was established on 1 January 2000, by taking over the majority of the employees and operational activities of IT Services AG, a subsidiary of the Credit Suisse Group (CSG). This company provides CSG with services for the procurement, installation, and support of distributed IT systems.

Key Figures

Income Statement (CHF millions) *	2000	1999	1998	1997	1996
Net sales	1 863.5	1 667.4	1 278.7	874.6	577.5
Gross profit	200.6	206.7	145.6	96.8	65.5
Operating profit	5.8	36.1	30.6	20.1	6.3
Net income	4.5	26.8	22.4	11.0	3.8
Cashflow	10.1	38.9	27.6	21.5	7.9
Investments in fixed assets	33.5	17.9	13.5	12.0	6.4

* Figures until 1998 according to FER, from 1999 according to IAS.

Balance Sheet (CHF millions) **					
Total assets	476.5	442.4	272.3	189.3	169.0
Total shareholder's equity	133.4	134.2	75.0	64.7	55.0

** Figures until 1997 according to FER, from 1998 according to IAS.

Key Figures					
Personnel at 31 Dec 1)	1 571	1 514	1 031	627	470
Average personnel during the year 1)	1 636	1 402	828	540	452
Gross margin	10.8 %	12.4 %	11.4%	11.1%	11.3%
Operating margin	0.3 %	2.2 %	2.4%	2.3%	1.1%
Return on sales	0.2 %	1.6 %	1.7%	1.3%	0.7%
Sales-to-asset ratio 2)	4.1	4.7	5.5	4.9	3.7
Retun on assets 3)	3.2 %	10.7 %	13.3%	9.2%	3.6%
Return on equity 4)	3.4 %	27.8 %	34.6%	20.1%	7.1%
Equity ratio	28.0 %	30.3 %	27.5%	34.2%	32.5%
No. of registered shares at nom. Fr. 10.–	594 750	594 750	549 000	549 000	549 000
Dividend per share (CHF) 5)	4.50	9.00	6.00	4.00	3.00
Share price, high (CHF)	1 388	1 250	620	340	225
Share price, low (CHF)	720	564	305	180	175
Market capitalization at 31 Dec (CHF millions)	446.1	743.4	334.9	175.7	101.6

1) Headcount from 1999 on the basis of equivalent full-time employees including temporary employees
2) Net sales/average total assets
3) Net income + interest expense / average total assets
4) Net profit/weighted equity (beginning equity + new share issue)
5) Board of Directors' proposal

Stock details

The ALSO Group has been quoted on the Swiss SWX Stock Exchange since 1986

Symbol:	ALSN
Security No.:	155143

Shareholder structure

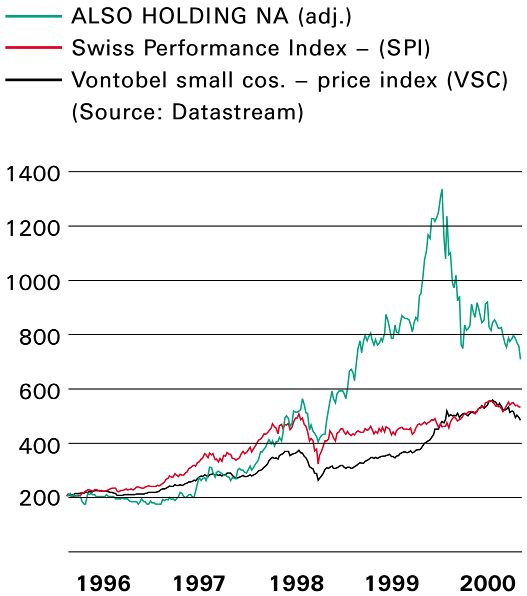
62.3% of the shares are held by Schindler Holding AG and approximately 15% by institutional investors. The remainder are held in diverse smaller portfolios.

Important dates

Annual General Meeting:	29 March 2001
First-half report:	13 August 2001
Annual results media conference:	4 March 2002

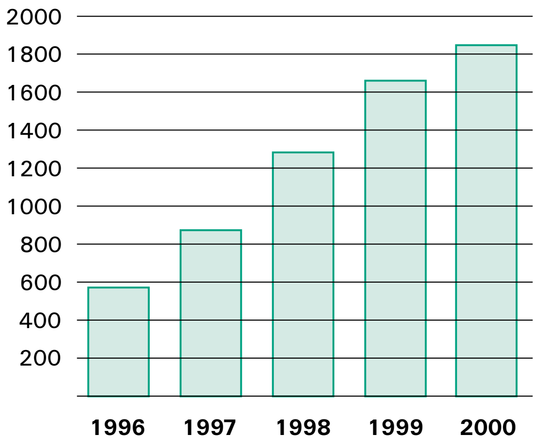
Share price

CHF (adjusted)



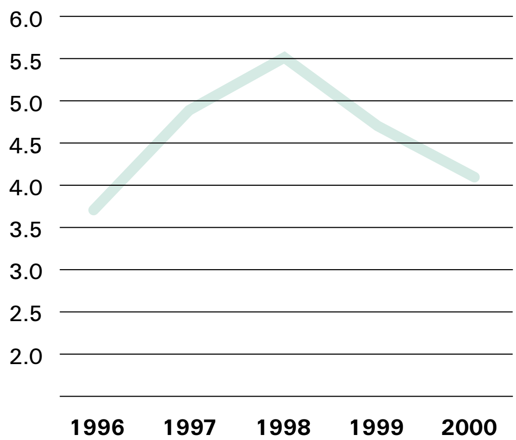
Sales

CHF millions



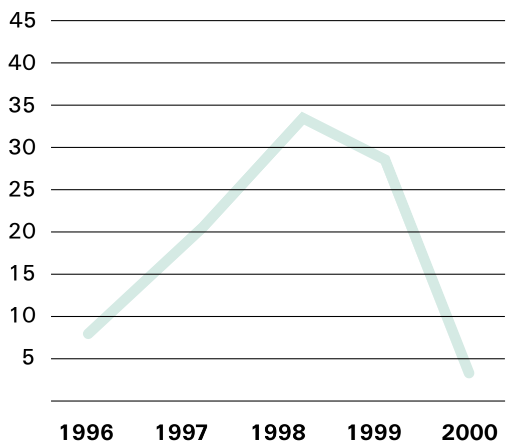
Asset productivity

Sales-to-asset ratio



Return on equity

Percent



Contents

The past twenty years have been a period of immense political and economic change. Systems that appeared set in stone have been shattered and the fragments recombined to form unexpected new wholes. The phenomenon has almost always been identical: from one day to the next, constraints and definitions have been either seriously questioned or completely eliminated. The consequences have been profound for everyone involved, whether supporters of the status quo or advocates of innovation. Here are three examples:

Information technology

It is barely 20 years ago that the PC started its triumphal march and fundamentally changed the world of data processing: computer capacity was no longer exclusively accessible in a central location but was decentralized and thus popularized, even democratized. The consequence was the disappearance of a number of large companies whose business model was based on centralization. At the same time, completely unknown enterprises grew from practically nothing to become the leading suppliers in the IT industry.

Telecommunications

Almost more impressive has been the revolution in the telecommunications industry. Mobile phones have spread across the world like a swarm of locusts. Fixed network providers were suddenly confronted with new competitors who viewed the existing physical infrastructure not so much as a valuable asset as an enormous liability which could one day become a drag on the established market players.

Internet

In exactly the same way, the Internet has brought fundamental changes. New providers sprang up overnight, unburdened by fixed structures and the associated costs. Existing providers could suddenly reach out to markets that once seemed beyond their grasp. The opportunities provided by the new technologies inevitably led to a re-examination of existing market channels and their potential for value creation.

All of these developments have had direct impact on the value chain in the IT sector, in particular in the field of client/server products. A number of PC manufacturers already outsource large parts of their production operations. They see that their main potential increasingly lies in the branding and marketing of their own products. So-called channel assemblers are blurring the division between the manufacturers' production activities and the configuration services provided by individual retailers. Retailers are increasingly moving into the service sector and leaving sales activities to the manufacturers themselves or to other market operators. Established distributors are seeing their wholesale activities threatened by manufacturers and new Internet-based suppliers and are attempting to maintain or increase their value-added, for example, through backward integration or PC assembly.

Against this background, ALSO decided at an early stage to focus its distribution business on its core logistics competence. This is because it was convinced that within all these rapidly changing structures, logistical services would prove to be one of the crucial elements in value creation. Thanks to a consistent policy of investment in logistics and IT, it has established itself in recent years as a leading supplier of logistics services to manufacturers, retailers and suppliers associated with the sector. Success to date – ALSO provides logistics services for the Compaq Webshop, diAx, various retailers and Swisscom Mobile, for instance – confirms that the company is on the right track and provides a foundation for further growth.

ALSO has found its role in business. The instruments are tuned and the company can now find the right register to make sure it is heard loud and clear in concert with other market players.

The year 2000 was one of the most difficult ever for ALSO. A year ago, in our Annual Report, we warned that special factors would have a negative impact on results. However, the year proved to be much more difficult than we predicted during the first quarter. Individual market segments developed in very different ways during the first few months of the new millennium and in no way lived up to general expectations. As business with major customers rather surprisingly slumped, demand from small and medium-sized companies rose slightly and business with private customers grew markedly. These contradictory developments are reflected in ALSO's various business units: The Distribution business unit maintained the success of the previous year and posted another satisfactory result. In contrast, the Systems Business with large customers suffered a massive downturn.

Against this rather difficult backdrop, and thanks to the success of the Distribution business unit, we were able to increase consolidated sales during the year by 11.8 percent to CHF 1863.5 million. However, owing to the downturn in Systems Business, the Group only just managed to achieve a positive result of CHF 4.5 million. Despite this, we are convinced that the measures we have introduced will enable us to get back on our longer-term growth course. As a result of the slump in earnings, the Board of Directors will propose to the Annual General Meeting of 29 March that the dividend for fiscal year 2000 should be reduced to CHF 4.50 per registered share (CHF 9.00 for fiscal year 1999).

Distribution business unit continues its success story

The Distribution business unit extended its leading market position and increased sales to CHF 1684.6 million. Operating profit rose by 66.2 percent over the previous year to reach CHF 37.6 million. In Switzerland, sales rose by 21.5 percent to CHF 1067.1 million. Operating profit also improved once more despite extraordinary costs for the extension of the logistics centre in Emmen/Lucerne (Switzerland) and the introduction of new ERP software. Shortly before year-end, the Swiss subsidiary's tender for comprehensive logistics outsourcing on behalf of Swisscom Mobile was accepted, thus providing emphatic justification for the long-defended strategy of focusing on logistics services. The German subsidiary achieved growth of 29.9 percent, achieving sales of CHF 617.6 million. At the same time, it was able to achieve an impressive improvement in its operating profit, despite the fact that the additional logistics site in Brunswick and preparations for the introduction of the new ERP software in Germany weighed on the profit and loss account. Finally, and in accordance with our finance strategy, we sold the Swiss logistics premises upon completion of the extension to an independent company and recorded a book profit. This improved the balance sheet as well as the result and created additional liquidity.

Massive downturn in Systems Business

During the first half of 2000, large customers defied market expectations and reduced their investments in IT systems. As a result, sales in this segment fell by between 30 and 60 percent across Europe. Our System Business was also badly hit by the consequent fall in orders. Compared with the same period in 1999, first-half sales fell by 38 percent. As a result of this tail-off, we significantly reduced the number of people employed in our

Systems Business and adapted the remaining operating costs to this reduced personnel level. This enabled us to reduce losses in the third and fourth quarters by a considerable amount compared with the first and second quarters. Sales in the Systems Business in 2000 finally reached CHF 217.7 million, representing an operating loss of CHF 32.6 million.

Employee stock participation scheme

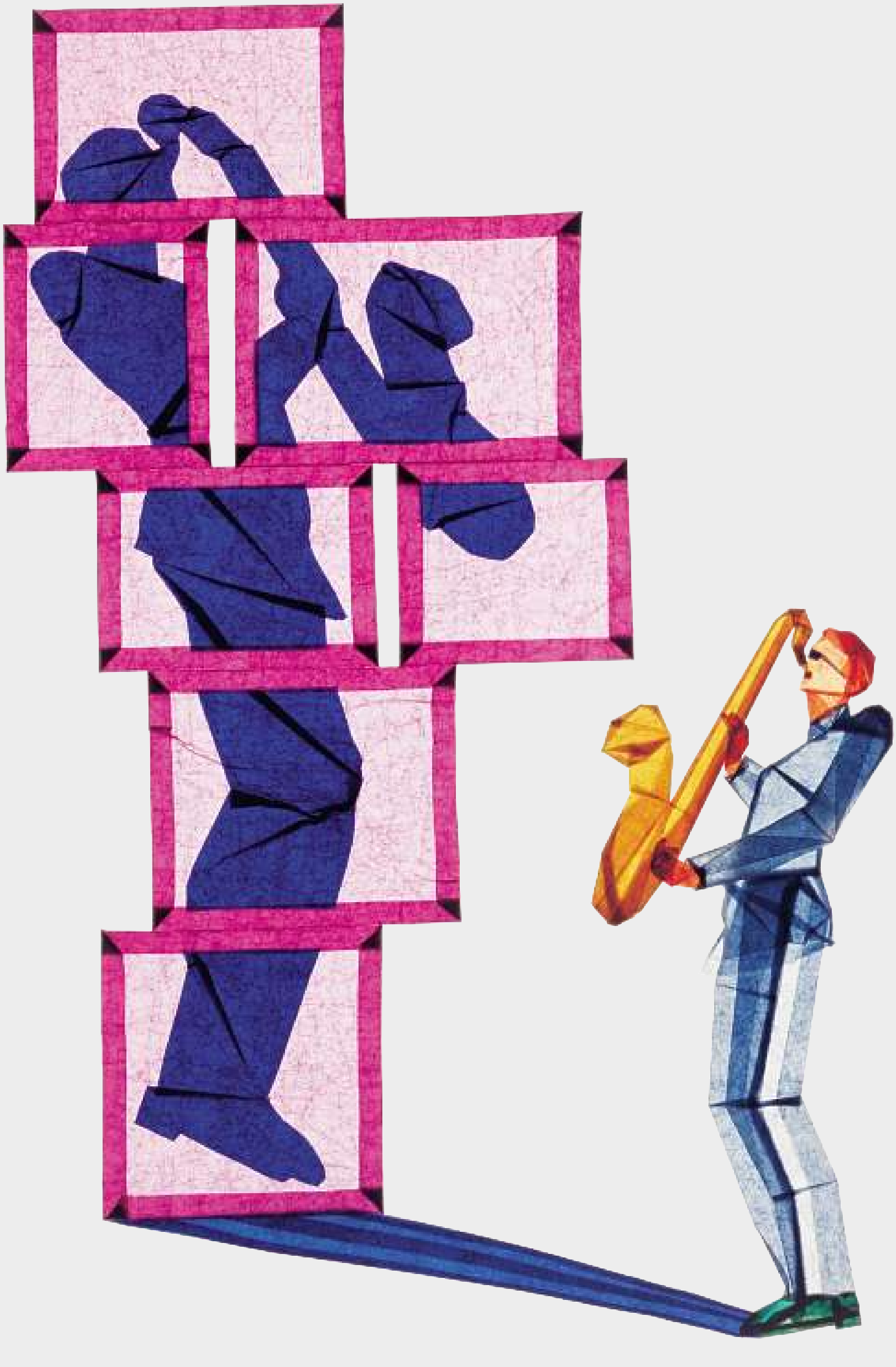
The year 2000 placed massive demands on our employees. In the Distribution business unit, they were faced with another enormous increase in volume and at the same time obliged to complete a number of major projects using existing resources. In the Systems Business we were initially forced to introduce shorter working hours but then had to cut a significant number of jobs. Despite the problems, our employees have always done their utmost to maintain customer satisfaction. For us, their commitment and efforts during this difficult period are both an incentive and an obligation to pursue not only our economic objectives but also to take our employees' interests into account. Accordingly, on 1 January 2001, we introduced an employee stock participation scheme that enables our employees to purchase ALSO shares at preferential conditions. We are convinced that this type of participation in the company's success can only strengthen the commitment of ALSO's workforce.

Improvement in earnings in 2001

We expect 2001 to bring a further increase in sales and improved earnings. We are confident that we can achieve a sustainable increase both in sales and earnings in the future because of the growing demand for logistics services, particularly in connection with e-business, as well as the medium-term increase in Windows 2000 projects for large businesses.

We should like to express our thanks to our employees for their effort, commitment and understanding. We should also like to thank our customers for the confidence they have placed in us. Finally, we should like to thank our business partners for their long-standing, constructive cooperation and our shareholders for their confidence in the company.

Thomas C. Weissmann
Chairman of the Board of Directors



The value creation chain is like an orchestra. The individual members must be harmonized in a way that brings the greatest benefit to everyone involved: ideally, unending applause.

ALSO's Distribution business unit, consisting of subsidiaries in Switzerland and Germany, continued to build on its excellent market position during the year 2000. Although the business unit also felt the economic repercussions of the new millennium, demand increased from small and medium-sized companies as well as private customers, in other words, the market targeted by ALSO's trade customers.

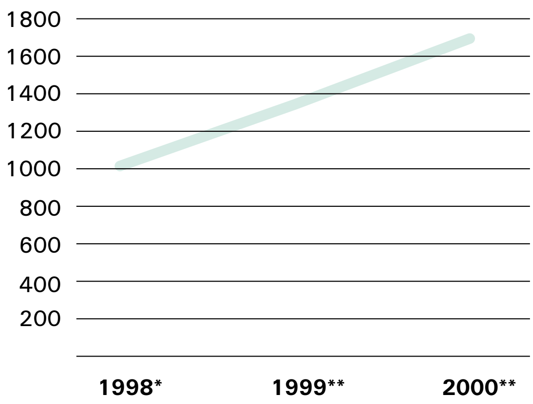
The trend towards branded PCs continued unabated. In this field, ALSO has established an excellent position as an IT logistics specialist concentrating on the distribution of products developed by the leading hardware and software manufacturers. We increased our market shares in both Switzerland and Germany.

Growth in the e-business sector

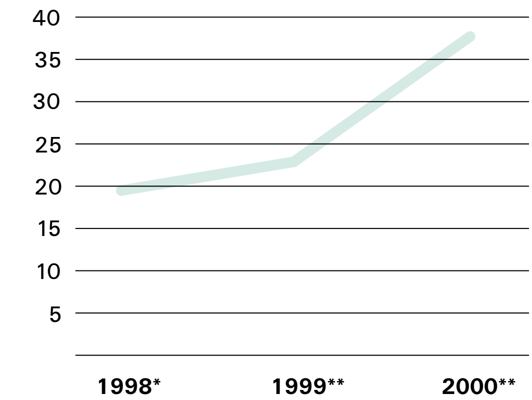
The logistics services division, which is currently being set up, caters to the needs of IT and telecommunications companies. It has already made a name for itself, particularly in Switzerland, as a logistics outsourcing partner and acquired valuable know-how in the handling of Webshop logistics. In Germany, ALSO has established a position as one of the country's leading broadliners.

Consequently, the Distribution business unit was able to build on the good results of 1999 and continued to develop positively. Sales rose by 24.5 percent to CHF 1684.6 million (1999: CHF 1353.6 million). Operating profit rose from CHF 22.6 million in 1999 to CHF 37.6 million in 2000. On the strength of this continued growth, the workforce was increased significantly during the year to reach a level of 549 employees (31.12.1999: 471).

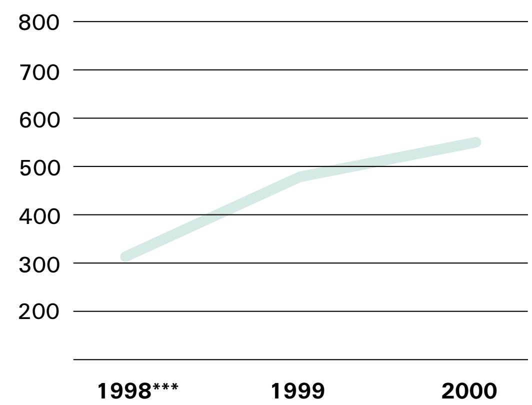
Sales
CHF 1000



Operating profit
CHF 1000



Year-end headcount



* FER
** IAS
*** headcount excl. temporary employees

Distribution

From distributor to IT logistics services supplier

In 2000, the Swiss subsidiary, which employs 334 people on average (average 1999: 272 employees), achieved sales of CHF 1067.1 million (1999: CHF 878.2 million). Despite extraordinary expenses (introduction of new ERP software, expansion of the logistics centre) the operating profit also showed an improvement.

Important events in the course of the year included the introduction of the new ERP software, which layed the technological foundations for a further boost in e-business activity, together with the expansion of the logistics centre in Emmen (Switzerland). This expansion of capacity – a doubling of the available surface area to more than 25,000 m^2 – was essential, given the continued surge in demand for logistics services. Shortly before year-end, the Swiss subsidiary also won a logistics contract for Swisscom Mobile. Swisscom Mobile is outsourcing the entire supply chain for mobile terminals together with the physical handling of its SIM cards to ALSO. This major contract represents a further major step in our development from traditional distributor to logistics services supplier.

Award for outstanding customer awareness

The German subsidiary achieved growth of an impressive 29.9 percent with sales running at CHF 617.6 million. It, too, saw its operating profit rise despite the costs imposed by extraordinary factors (new logistics site, preparations for the introduction of the new ERP software). Here, too, growing logistics requirements coupled with ever increasing volumes resulted in the creation of new jobs (31.12.1999: 145 employees, 31.12.2000: 193).

The operational start-up of the second logistics centre in May 2000 represented another great milestone. Thanks to this second site in Brunswick, ALSO has engineered further growth potential for itself in Europe's largest PC market. To cap this, as in the previous year, the trade publication Computer Reseller News (CRN) named the company as a "CRN Certified Distributor 2000" because of its customer-friendly approach, responsiveness and reliability.

Looking forward with confidence

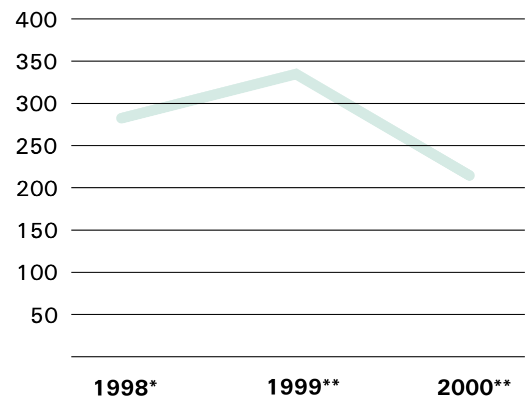
The trend towards branded PCs will continue during the current year. Despite this, growth in the PC market started to slow at the start of the year. Nevertheless, both the Swiss and German subsidiaries are striving for continued growth in their long-standing field of activity – distribution. At the same time, the focus will be placed on extending and enhancing the range of services in the logistics sector. In the future, ALSO wants to position itself increasingly as a partner of IT and telecommunications companies wishing to outsource their logistics requirements. In Switzerland, some 80 new jobs will be created through 2002 as a result of the major Swisscom Mobile contract. In Germany, the new ERP software will be introduced during the current year, thus ensuring that the technical basis for the handling of Webshop logistics is in place. Both companies have set their sights on a sustained increase in sales and earnings in the long run.

For the company's Systems Business, which supplies a full range of logistics services to large Swiss customers, 2000 proved to be a difficult year. The repercussions of the new millennium impacted more strongly on the year's activities than had been expected. Although, according to market specialist Robert Weiss, the Swiss PC market grew in value terms by approximately 7 percent (1999: 14 percent), growth fell in the business customer segment. This unexpected negative market development resulted in inadequate utilization of capacity within our Systems Business.

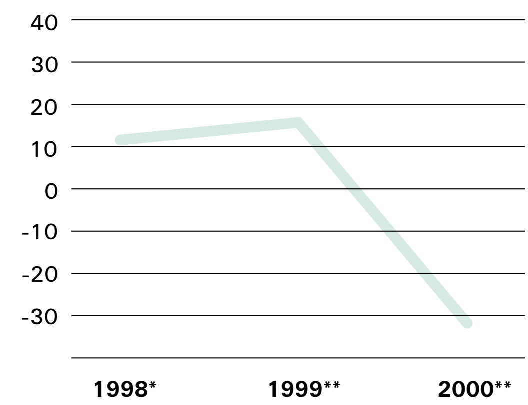
Unexpected slump

However, it was not just ALSO's Systems Business that was affected by this unexpected slump. According to market research institute Context, the first half of 2000 saw sales in the large customer segment fall throughout Europe by an astonishing 30 to 60 percent depending on the country and the month surveyed. Owing to the fall-off in orders, sales in the Systems Business sank by 35 percent from their 1999 levels. These changed market conditions and the massive slump that ensued forced ALSO to make significant staffing reductions in its Systems Business and adapt operating costs for the remainder of the year to this reduced personnel level. This made it possible, during the third quarter, to cut the losses significantly compared with the first and second quarters.

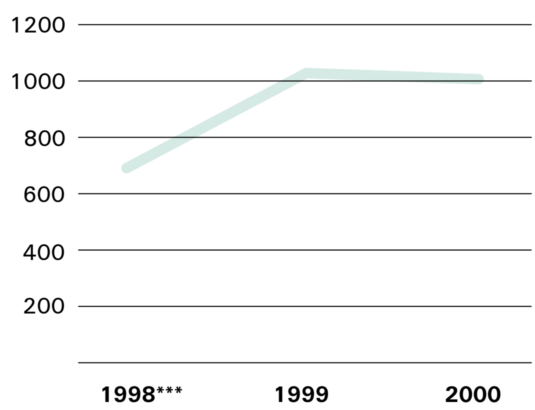
Sales
CHF 1000



Operating profit
CHF 1000



Year-end headcount



* FER
** IAS
*** headcount excl. temporary employees

Hesitant upturn

During the second half of the year, business improved somewhat and demand started to pick up, although at a much lower level than before. Consequently, the Systems Business was able to push ahead once more. As a result, and despite the poor start, the Systems Business managed to improve its performance as the year progressed. It closed the year with sales of CHF 217.7 million (1999: CHF 335 million) and a loss of CHF 32.6 million (1999: +13,6 million). The workforce was reduced to 1012 (31.12.1999: 1 031 employees).

Outsourcing partner to the Credit Suisse Group

An important strategic step taken during the year was the acquisition of a large part of the workforce (year-end: 165 employees) and operational activities of IT Services AG, a member of the Credit Suisse Group (CSG), with effect from 1 January 2000. The company, which since the beginning of the year has been trading under the name ALSO IT-SERVICES AG, provides services relating to the procurement, installation and maintenance of more than 30,000 workstations for the various business entities of CSG in Switzerland.

Increased sales and earnings in 2001

For the current year, Weiss forecasts a growth in unit volumes of approximately 12 percent. This represents a slight improvement over last year's 7 percent unit growth. This estimate is based on the manufacturers' order books. ALSO is expecting to see an improvement in both sales and earnings in its Systems Business as a result of the medium-term increase in Windows 2000 projects for large companies and a growth in demand for high-quality IT services.

As before, our systems business will continue to focus on the provision of IT services to large companies. However, as we stated last year, the aim of this company business unit is to extend its range of high-quality services and provide its customers with broader-based, in-depth support.

Globalization has caused the classical orchestration of the economy to break down. The registers have by and large remained the same but, because they have been re-arranged, everything suddenly sounds very different.

III

CHF 1000	Note	2000	1999
Revenues from product sales	2.1	1 801 226	1 570 248
Service revenues	2.1	101 102	118 267
Deductions from revenues		(38 878)	(21 069)
Total Net Sales		**1 863 450**	**1 667 446**
Cost of goods sold and service expenses		(1 662 805)	(1 460 779)
Gross Profit		**200 645**	**206 667**
Personnel expenses	2.2	(140 352)	(123 483)
Other operating expenses	2.3	(41 783)	(36 866)
Increase (Decrease) in provisions	3.12	(661)	20
Depreciation	3.5 / 3.6	(12 081)	(10 197)
Operating Profit (EBIT)		**5 768**	**36 141**
Financial income	2.4	5 294	5 212
Financial expenses	2.4	(10 400)	(8 130)
Net revenue from associates		0	171
Income before Taxes (EBT)		**662**	**33 394**
Income taxes	2.5	3 876	(6 611)
Net Income		**4 538**	**26 783**
EBITDA		**17 849**	**46 338**
Earnings per Share in CHF			
Undiluted earnings per share	3.15	7.72	46.67
Diluted earnings per share	3.15	10.45	46.61

Assets

CHF 1000	Note	31.12.00	31.12.99
Current Assets			
Cash	3.1	89 084	70 016
Accounts receivable	3.2	112 876	145 854
Inventories	3.3	149 243	131 095
Prepaid expenses and other receivables	3.4	76 917	44 234
Total Current Assets		**428 120**	**391 199**
Non-current Assets			
Fixed assets	3.5	34 168	48 383
Intangible assets	3.6	4 674	2 483
Participations in associated companies	3.7	326	326
Financial assets	3.7	22	18
Deferred tax asset	3.13	9 164	0
Total Non-current Assets		**48 354**	**51 210**
Total Assets		**476 474**	**442 409**

Liabilities

CHF 1000 **Current Liabilities**	Note	31.12.00	31.12.99
Current financial liabilities	3.8	0	10 000
Accounts payable	3.9	207 561	150 728
Accrued liabilities and other payables	3.10	53 262	74 664
Tax liabilities		5 394	6 221
Provisions	3.12	2 817	2 406
Total Current Liabilities		**269 034**	**244 019**

Non-current Liabilities			
Non-current financial liabilities	3.11	63 289	55 706
Provisions	3.12	2 950	2 700
Deferred tax liabilities	3.13	7 799	5 813
Total Non-current Liabilities		**74 038**	**64 219**

III

Total Liabilities		**343 072**	**308 238**

Shareholders' Equity			
Share capital		5 948	5 948
Additional paid-in capital		41 752	41 752
Reserve for treasury shares		(22)	(22)
Translation differences		1	16
Retained earnings		85 723	86 477
Total Shareholders' Equity	3.14	**133 402**	**134 171**

Total Liabilities and Shareholders' Equity		**476 474**	**442 409**

CHF 1000	2000	1999
Net income	4 538	26 783
Depreciation excluding book gains	15 962	10 267
Increase (Decrease) in provisions	(6 517)	1 908
Loss (Gain) from sale of fixed assets	(3 881)	(70)
Other positions with no effect on liquidity	(4)	(3)
Cash Flow	10 098	38 885
Decrease (Increase) receivables	32 978	(72 874)
Decrease (Increase) inventories	(18 148)	(24 589)
Decrease (Increase) prepaid expenses and other receivables	(32 683)	(16 301)
Increase (Decrease) accounts payable	56 833	50 171
Increase (Decrease) accrued liabilities and other payables	(22 229)	23 376
Cash Flow from Operating Activities	**26 849**	**(1 332)**
Disposals of fixed assets	37 713	63
Acquisitions of fixed assets	(33 525)	(17 911)
Disposals of intangible assets	1 123	0
Acquisitions of intangible assets	(5 368)	(2 418)
Cash Flow from Investment Activities	**(57)**	**(20 266)**
Increase in capital	0	35 617
Increase (Decrease) mortgages	0	0
Increase (Decrease) non-current financial liabilities	7 583	35 706
Dividend paid	(5 292)	(3 254)
Cash Flow from Financing Activities	**2 291**	**68 069**
Translation Differences	**(15)**	**18**
Increase (Decrease) Net Liquidity	**29 068**	**46 489**
Net liquidity at 01.01.	60 016	13 527
Net Liquidity at 31.12.	**89 084**	**60 016**
Income taxes paid	4 129	2 376
Interest paid	6 781	6 866
Interest received	2 849	2 129

CHF 1000	Share capital	Additional paid-in capital*	Treasury shares**	Translation differences	Retained earnings	Total
31 December 1998	5 490	6 593	(22)	(2)	62 948	75 007
Increase in capital	458	35 159	0	0	0	35 617
Dividend paid	0	0	0	0	(3 254)	(3 254)
Net income	0	0	0	0	26 783	26 783
Translation differences	0	0	0	18	0	18
31 December 1999	**5 948**	**41 752**	**(22)**	**16**	**86 477**	**134 171**
Increase in capital	0	0	0	0	0	0
Dividend paid	0	0	0	0	(5 292)	(5 292)
Net income	0	0	0	0	4 538	4 538
Translation differences	0	0	0	(15)	0	(15)
31 December 2000	**5 948**	**41 752**	**(22)**	**1**	**85 723**	**133 402**

* See note 3.14 in the Notes

** The acquisition cost of the treasury shares within the equity is shown as a deduction from the shareholders' equity. The value includes the nominal value, as well as the corresponding share of capital reserves and retained earnings.

It is not just the composition of the orchestra that has changed. New pieces have also been written: the information technology fugue, the cyberspace toccata, the mobility symphony, the dance of the stock exchanges or speed hits with beats per minute.

1. Consolidation and valuation principles

1.1 Consolidation principles

General comments

The accounting and reporting principles used in these consolidated financial statements fulfill the requirements of the Swiss Company Law, the accounting provisions as contained in the Listing Rules of the Swiss Stock Exchange and the International Accounting Standards (IAS).

Consolidation scope

Included in the consolidated financial statements are the year-end accounts as per 31 December of ALSO HOLDING AG, Hergiswil, and those significant participations (Group companies, see note 5), which ALSO HOLDING AG controls either directly or indirectly through a majority of the voting rights, or through other means. The consolidation scope was extended by the newly founded ALSO IT- SERVICES AG on 1 January 2000.

Consolidation method

The consolidated financial statements are based on the annual accounts prepared by the individual Group companies, applying uniform valuation principles throughout. Assets and liabilities, income and expenses are included at their full amounts and minority interests in the shareholder's equity and net income are shown separately.

Consolidation of equity is done according to the Anglo-Saxon purchase method, i.e., the identifiable assets and liabilities of the acquired company are valued at the current market value at time of acquisition, and the difference between the purchase price and the net assets acquired at the current market value is capitalized as goodwill and depreciated over its useful life (as a rule, maximum 20 years, according to the policy of the majority shareholder) using the straight-line method. The results of the acquired companies are reported in the consolidated Profit and Loss Statement from the time of acquisition. When a company leaves the consolidation scope, exclusion from the consolidation affects the operating result from the time of sale, while the results of the sold company prior to that date are included in the consolidated Profit and Loss Statement.

Transactions within the Group (expenses, income, assets and liabilities) and significant intercompany profits are eliminated in the consolidation. Unconsolidated participations with voting rights of 20% or more are accounted for according to the equity method. All other unconsolidated participations are included at acquisition cost, minus economically necessary write offs where appropriate.

1.2 Valuation principles

Foreign currencies
Transactions in foreign currencies are converted at the current rate of exchange at the time of the transaction. Exchange gains and losses arising from transactions in foreign currencies and from the transaction of balance sheet positions at balance sheet date are charged or credited to the Profit and Loss Statement. Open forward exchange contracts are valued at market values. The annual financial statements of foreign subsidiaries in foreign currency are converted to Swiss Francs as follows:

– Assets and liabilities at year-end rates
– Shareholders' equity at historical rates
– Profit and Loss Statement at average annual rates
– Cash Flow Statement at average annual rates

The translation differences resulting from consolidation are taken directly to shareholder's equity and do not affect the operating result. The exchange rates used are shown under note 4.6.

Profit and loss statement
The ALSO consolidated Profit and Loss Statement was prepared according to the full cost method. Revenue from product sales and services is compared with the cost of goods and services (exclusive of personnel expenses).

Revenue from product sales and services
Revenue from product sales and services is made up of deliveries of goods and services, as well as ancillary operational income. Total balance from work in progress, valued according to the percentage of completion method, amounts to TCHF 172 (prior year: TCHF 3441).

Personnel expenses
In addition to salaries, personnel expenses include staff-related costs and social security contributions.

Other operating expenses
Other operating expenses essentially cover expenses for rent, leasing, maintenance and repairs, insurance premiums, fees and general operating expenses.

Depreciation
Depreciation covers the operational depreciation of tangible and intangible assets, as well as gains / losses from the sale of fixed and intangible assets.

2. Notes to the consolidated profit and loss statement 2000

2.1 Reporting by segment

According to business units

	Distribution		Systems Business		Corporate		Consolidated	
CHF 1000	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**
Revenues from product sales and services	1 684 631	1 353 563	217 697	334 952	0	0	1 902 328	1 688 515
Inter-company revenue	19 627	40 571	32	229	0	0	19 659	40 800
Operating profit	37 616	22 633	(32 583)	13 608	735	(100)	5 768	36 141
Operating profit in % of sales	2.2	1.7	(15.0)	4.1	0.0	0.0	0.3	2.1
Segment assets	332 895	338 627	82 123	66 230	61 456	37 552	476 474	442 409
Segment liabilities	228 552	193 438	42 539	35 054	71 981	79 746	343 072	308 238
Investments	27 033	10 621	10 812	9 411	1 048	297	38 893	20 329
Depreciation	(2 406)	(4 473)	(9 413)	(5 138)	(262)	(586)	(12 081)	(10 197)

According to geographic markets

	Switzerland		Foreign Countries		Total	
CHF 1000	**2000**	**1999**	**2000**	**1999**	**2000**	**1999**
Revenues from product sales and services	1 284 754	1 213 132	617 574	475 383	1 902 328	1 688 515
Segment assets	337 123	340 723	139 351	101 686	476 474	442 409
Investments	34 749	18 630	4 144	1 699	38 893	20 329

Segment reporting is primarily according to business units:
- Distribution (logistics services and sales of products to retailers)
- Systems Business (services and sales of goods to end customers)
- Corporate (central financial and service unit)

The segment results include all income and costs that can be directly allocated to a specific segment, as well as group overheads that can be reasonably allocated to the business units. Included in segment assets and liabilities are all balance sheet items that can be directly allocated to a specific segment or that can be reasonably allocated to the business units. Investments include costs for the acquisition of fixed- and intangible assets. All transactions between ALSO Group companies are carried out according to the arm's length principle.

2.2 Personnel expenses and headcount

CHF 1000	2000	1999
Wages and salaries	(120 849)	(101 254)
Expenses for social security and other personnel costs	(19 503)	(22 229)
Total Personnel Expenses	**(140 352)**	**(123 483)**

	Average headcount 2000	Average headcount 1999	Changes in %	Year-end headcount 2000	Year-end headcount 1999	Changes in %
Distribution	508	401	26.7	549	471	16.6
Systems Business	1 119	982	14.0	1 012	1 031	(1.8)
Corporate	9	19	(52.6)	10	12	(16.7)
Total	**1 636**	**1 402**	**16.7**	**1 571**	**1 514**	**3.8**
Switzerland	1 462	1 273	14.8	1 378	1 369	0.7
Foreign countries	174	129	34.9	193	145	33.1
Total	**1 636**	**1 402**	**16.7**	**1 571**	**1 514**	**3.8**

III

Contrary to last year's Annual Report the definition of headcount was changed.
- Average headcount on the basis of equivalent full-time employees incl. temporary employees.
- Effective headcount on the basis of equivalent full-time employees incl. temporary employees.

The headcount 2000 of the Systems Business includes the employees of ALSO IT-SERVICES AG (year-end: 165; average: 168).

Employee retirement benefit plans
The employee benefit plans of the ALSO Group are in accordance with the legal requirements of each respective country. The ALSO Group companies in Switzerland, with the exception of ALSO IT-SERVICES AG, are members of a collective pension fund of a Swiss insurance company. ALSO IT-SERVICES AG has for this year retained its retirement benefit plan within the pension plan of the Credit Suisse Group. The actuarial results on the defined benefit basis are known.

For employee benefit plans based on defined benefits principles, the costs for each period are determined through actuarial tables with the projected unit credit method, and are prepared at least every three years. Actuarial adjustments or consequences arising from plan changes are credited or debited to the expenses for employee retirement benefits, at the longest over the average remaining service period of the insured employees.

Any assets from surpluses arising under defined benefit plans are limited to the amount of maximum future savings, through premium reductions or refunds. On the other hand, liabilities are fully provided for. Claims against the collective fund at the end of the year were TCHF 106 (prior year: TCHF 185).

Defined benefit plan

CHF 1000	Total 2000	Total 1999
Net assets at market value	64 598	33 200
Net present value of future benefits	(63 469)	(33 200)
Over/under coverage	1 129	0

Reported in the balance sheet as		
– Employee benefits in assets	0	0
– Employee benefits in liabilities	0	0

Net employee retirement benefit expenses for defined benefit plan

CHF 1000	2000	1999
Service expense for the current period	(11 362)	(8 058)
Interest cost for the benefit obligation	(2 702)	(845)
Expected income from assets	3 316	975
Reported differences from periodical revaluation and recalculation	0	0
Minus employee contributions	4 530	3 271
Net Employee Retirement Benefit Expenses	(6 218)	**(4 657)**

Calculation basis

(Weighted averages)	2000	1999
Technical interest rate	4,5%	5,0%
Expected returns on investments	5,5%	5,0%
Development of wages and salaries	3,1%	3,5%
Development of annuities	1,5%	1,5%
Fluctuation rate	31,0%	18,0%

2.3 Other operating expenses

CHF 1000	2000	1999
Rent, leasing, maintenance and repair costs	(15 272)	(9 832)
Insurance and consulting fees	(6 640)	(6 280)
General administrative expenses	(17 657)	(17 046)
Other operating expenses	(2 214)	(3 708)
Total Other Operating Expenses	**(41 783)**	**(36 866)**

2.4 Financial results

Financial income

CHF 1000	2000	1999
Interest income	4 293	4 312
Interest income from related parties	147	101
Other financial income	854	799
Total Financial Income	**5 294**	**5 212**

Financial expenses

CHF 1000	2000	1999
Interest expenses	(9 196)	(4 396)
Interest expenses paid to related parties	(871)	(2 771)
Other financial expenses	(333)	(963)
Total Financial Expenses	**(10 400)**	**(8 130)**

Financial Results	**(5 106)**	**(2 918)**

Financial income includes income from interest and securities, as well as gains from price- and exchange rate-changes (both realized and unrealized) in the amount of TCHF 854 (prior year: TCHF 799). In addition, financial income includes profits of TCHF 1 556 from the revaluation of the open interest rate swaps at the end of the year (prior year: TCHF 1870).

In addition to interest expenses, financial expenses also include accumulated valuation adjustments of monetary investments, as well as realized and unrealized price- and exchange rate-change losses in the amount of TCHF 333 (prior year: TCHF 963).

The interest income and interest expenses related to the interest rate swaps (see also note 4.2 Open derivative financial instruments) were entered as gross amounts, i.e., they were included under interest income or interest expenses respectively.

2.5 Income taxes

CHF 1000	2000	1999
Income tax on earnings for the accounting period	(3 302)	(4 654)
Income tax on earnings of prior periods	0	(29)
Deferred taxes	7 178	(1 928)
Total Income Tax	**3 876**	**(6 611)**

Analysis of tax expenses

CHF 1000	2000	1999
Income before taxes	662	33 394
Weighted Tax Rate	**112.5%**	**26.7%**

Expected income tax on earnings	(745)	(8 911)
Creation/use of tax loss carry forwards not recorded as assets	1 727	1 147
Tax-exempt income/non-deductible expenses	1 499	0
Write-off of deferred tax assets	0	0
Other factors	1 395	1 153
Effective Income Tax Expense	**3 876**	**(6 611)**
Effective Income Tax Expense in %	**(585.5%)**	**19.8%**

The weighted income tax rate is calculated from the anticipated applicable rates for the income taxes of the individual Group companies in their respective tax jurisdictions.

The provision for deferred taxes includes the income tax effects of temporary differences between the values of assets and liabilities in the group consolidated financial statements and those in the local tax accounts. The provision is constantly adjusted for any changes occurring in local tax legislation. Provisions for deferred taxes are created according to the comprehensive liability method. With this method, provisions are created for all temporary differences. Tax loss carry-forwards are reported as deferred tax assets only when it is sufficiently likely that the taxable future profits will be adequate to compensate the loss carry-forward.

For the year 2000 a net deferred tax asset of TCHF 7178 was recognized.

3. Notes to the consolidated balance sheet as at 31/12/2000

3.1 Cash

CHF 1000	2000	1999
Cash, postal checking account and bank balances	37 011	34 534
Short-term cash deposits with related parties	85	1 391
Time deposits up to three months	51 988	34 091
Total Cash	**89 084**	**70 016**

Cash includes cash, postal checking account and bank balances, which are valued at nominal value. In addition, those short-term cash deposits with the majority shareholder are included, for which ALSO has the right of disposal at any time.

3.2 Accounts receivable

CHF 1000	2000	1999
Accounts receivable from third parties	116 826	149 111
Accounts receivable from other related parties	966	639
Provision for bad debts	(4 916)	(3 896)
Total Accounts Receivable	**112 876**	**145 854**

Accounts receivable from product sales and services are shown at nominal value, minus the economically necessary valuation adjustments. In the Distribution business unit the bad debt risks are covered by insurance. The valuation provision includes individual provisions of TCHF 1182 (prior year: TCHF 632) and general bad debt provisions in the amount of the expected losses. The valuation provision is based on the total accounts receivable (including the receivables sold).

For financing purposes, the ALSO Group sold accounts receivable to an independent bank. At year end, accounts receivable in the amount of TCHF 139 232 (1999: TCHF 82 050) had been sold.

3.3 Inventories

CHF 1000	2000	1999
Goods assigned to projects	76 454	9 870
Trading stock	74 444	119 417
Subtotal Goods	**150 898**	**129 287**
Services not invoiced	172	3 441
Subtotal Inventories	**151 070**	**132 728**
Down payments to suppliers	396	427
Valuation adjustment	(2 223)	(2 060)
Total Inventories	**149 243**	**131 095**

Inventories are valued at the lower of cost or market value, or at the realisable lower net sales value. The valuation is carried out using the first-in-first-out method. The gross value of the value-adjusted goods is TCHF 6645 (prior year: TCHF 15 915). The services not invoiced are valued according to the percentage of completion method (based on time reports confirmed by the customers).

Goods assigned to projects are covered by purchase obligations from customers. For most of the trading stock, the suppliers provide price decline protection, at least for a limited period. The ALSO companies usually purchase goods in local currency. Local companies purchase only small amounts in foreign currency, if necessary hedging these through forward exchange contracts (see also note 4.2, Open derivative financial instruments). Recognizable loss of value due to lower inventory turnover, over-reaching etc. is taken into account by appropriate valuation adjustments against the inventory items.

3.4 Prepaid expenses and other receivables

CHF 1000	2000	1999
Various tax credits	5 029	6 173
Various receivables	858	644
Subtotal Other Receivables	**5 887**	**6 817**
Prepaid expenses	71 030	37 417
Prepaid Expenses and Other Receivables	**76 917**	**44 234**

Prepaid expenses are shown at nominal value.

3.5 Fixed assets

CHF 1000	Land and buildings	Equipment	Motor vehicles	Total 2000	Total 1999
Acquisition Value 01.01.	47 343	42 412	192	89 947	76 035
Additions	23 133	10 392	0	33 525	17 922
Disposals	(39 650)	(11 204)	(160)	(51 014)	(3 999)
Translation differences	(173)	(284)	0	(457)	(11)
Total Acquisition Value 31.12.	**30 653**	**41 316**	**32**	**72 001**	**89 947**
Accumulated Depreciation 01.01.	(12 077)	(25 779)	(172)	(38 028)	(32 544)
Additions	(36)	(9 980)	(11)	(10 027)	(9 420)
Disposals	3 126	7 291	160	10 577	3 936
Translation differences	24	186	0	210	0
Total Depreciation 31.12.	**(8 963)**	**(28 282)**	**(23)**	**(37 268)**	**(38 028)**
Impairment 01.01.	(3 536)	0	0	(3 536)	(3 536)
Additions	0	0	0	0	0
Disposals	2 971	0	0	2 971	0
Total Impairment 31.12.	**(565)**	**0**	**0**	**(565)**	**(3 536)**
Total Fixed Assets					
at 01.01.	31 730	16 633	20	48 383	39 955
at 31.12.	21 125	13 034	9	34 168	48 383
Fire Insurance Value	**19 652**	**61 440**		**81 092**	**53 175**

III

Assets in construction at 31.12.2000 amounted to TCHF 986 (prior year: TCHF 1483).

Fixed assets are valued at acquisition cost, minus economically necessary depreciation. Interest on capital, as well as maintenance and repair costs that do not increase the value, have not been capitalized. Depreciation is calculated by the straight-line method over the estimated useful life of the asset. The capitalization limit is CHF 2000 or its equivalent in foreign currency.

Land	Not subject to depreciation	
Buildings	Useful life	20 – 40 years
Equipment	Useful life	2 – 10 years
Motor vehicles	Useful life	3 – 5 years

If the market or operating value of an asset is permanently below book value, the asset will be written down to this lower value. This special write-down (impairment) and its later dissolution will be reported separately.

The items Land and buildings include land valued at TCHF 2002 (prior year: TCHF 3700).

Equipment consists primarily of machinery and installations, furniture and fixtures, EDP equipment and communication systems.

Included in the disposals is the sale of the Logistic Centre of ALSO ABC TRADING AG in Emmen in the amount of TCHF 35,000. The related book profit of TCHF 3786 is shown under depreciation.

3.6 Intangible assets

CHF 1000	Goodwill	Other intangible assets	Total **2000**	Total **1999**
Aquisition Value 01.01	**0**	**7 065**	**7 065**	**4 656**
Additions	2 977	2 391	5 368	2 418
Disposals	0	(3 445)	(3 445)	(8)
Translation differences	0	(43)	(43)	(1)
Total Acquisition Value 31.12.	**2 977**	**5 968**	**8 945**	**7 065**
Accumulated Depreciation 01.01.	**0**	**(4 582)**	**(4 582)**	**(3 814)**
Additions	(597)	(1 457)	(2 054)	(777)
Disposals	0	2 338	2 338	8
Translation differences	0	27	27	1
Total Depreciation Value 31.12.	**(597)**	**(3 674)**	**(4 271)**	**(4 582)**
Total Intangible Assets				
at 01.01.	0	2 483	2 483	842
at 31.12	2 380	2 294	4 674	2 483

As per 1 January 2000 the IT service business of the Credit Suisse Group was taken over and brought into the newly founded ALSO IT-SERVICES AG. The resulting goodwill amounted to TCHF 2977.

The item Other intangible assets consists primarily of application software for Group companies, which is depreciated over 3–5 years according to its useful life.

3.7 Participations in associated companies / financial assets

The ALSO Group has a 41% interest in OPACC Software AG, Kriens. This was valued according to the equity method. The participation in ICG B.V. Amsterdam is 3%, which is insignificant. It is reported at book value. The other financial assets are shown in the balance sheet at their acquisition costs or lower market values.

3.8 Net liquidity

CHF 1000	Total **2000**	Total **1999**
Current financial liabilities	0	(10 000)
Cash	89 084	70 016
Net Liquidity	**89 084**	**60 016**

III

Potential interest risks on future financial needs have been partly hedged (see note 4.2).

3.9 Accounts payable

CHF 1000	**2000**	**1999**
Accounts payable to third parties	207 522	150 634
Accounts payable to related parties	39	94
Total Accounts Payable	**207 561**	**150 728**

3.10 Accrued liabilities and other payables

CHF 1000	2000	1999
Accrued Liabilities	**37 123**	**51 459**
Other tax payables	1 021	1 533
Various payables to third parties	14 524	20 641
Various payables to related parties	594	1 031
Subtotal Other Payables	**16 139**	**23 205**
Total Accrued Liabilities and Other Payables	**53 262**	**74 664**

Accrued liabilities are shown in the balance sheet at nominal value. They comprise short-term expense accruals and deferrals of income to later accounting periods, accruals for goods received that have not yet been invoiced, and also the result of the revaluation of the interest rate swaps. Tax payables include value added tax liabilities as well as income tax and other taxes payable.

3.11 Non-current financial liabilities

CHF 1000	Book value at 31.12.2000	Interest rate	Book value at 31.12.1999	Interest rate
Financial Liabilities at Fixed Interest Rates				
Convertible bond 1999 to 2004	48 289	5.1%	45 706	5.1%
Fixed advance in CHF	15 000	4.5%	10 000	4.2%
Total Financial Liabilities	**63 289**	**5.0%**	**55 706**	**4.9%**
Financial Liabilities at Variable Interest Rate				
None	0	0.0%	0	0.0%

The fixed advance and loans are not secured and can be called at short notice. On 25.11.1999 ALSO HOLDING AG issued a 0% convertible bond in the amount of TCHF 51,250, payable after 5 years in 2004 at 114.5%. A bond with a nominal value of CHF 5125 entitles the holder to acquire 5 shares. As of 31.12.2000, the value of the convertible bonds was 100% or TCHF 51,250. The valuation of the convertible bond according to IAS results in an interest rate of 5.1% (see note 3.14).

3.12 Provisions

CHF 1000	Guarantees, returned goods complaints	Restructuring costs	Other provisions	Total
Current provisions	311	2 406	100	2 817
Non-current provisions	0	1 647	1 303	2 950
Total 2000	**311**	**4 053**	**1 403**	**5 767**
Movement 31.12.1999	**739**	**681**	**3 686**	**5 106**
Profit and loss statement				
– Expenditures (creation)	0	3 372	300	3 672
– Income (use)	0	0	(1 684)	(1 684)
– Income (release)	(399)	0	(896)	(1 295)
Transfers	0	0	0	0
Translation differences	(29)	0	(3)	(32)
31.12.2000	**311**	**4 053**	**1 403**	**5 767**

A provision of TCHF 3372 was created in the year 2000 for the restructing of ALSO COMSYT AG.

3.13 Deferred tax liabilities

Net book values

CHF 1000	Deferred Taxes **2000**	Deferred Taxes **1999**
Temporary differences		
– Net current assets	(7 119)	(6 575)
– Fixed assets	(650)	(399)
– Provisions	(13)	1 072
– Employee retirement benefits	0	470
– Tax loss carry-forwards	9 164	0
– Other temporary differences	(17)	(381)
Total Net book value	**1 365**	**(5 813)**
The above is shown in the balance sheet as		
– Deferred tax liabilities	(7 799)	(5 813)
– Deferred tax asset	9 164	0

Movement

CHF 1000	2000	1999
1 January	(5 813)	(3 885)
Creation and release of temporary differences	7 178	(1 928)
Changes in consolidation scope (directly via shareholders' equity)	0	0
Translation differences	0	0
31 December	**1 365**	**(5 813)**

Deferred taxes were calculated according to the comprehensive liability method. They result primarily from the different valuation of the items inventories and accounts receivable in the tax accounts (see also note 2.5), as well as from the high loss carry-forward of ALSO COMSYT AG in the year 2000.

3.14 Shareholders' equity

The valuation of the convertible bonds according to IAS resulted in an equity portion of TCHF 4132, which is shown under additional paid-in capital. No bonds were converted up to 31.12.2000.

Treasury shares
ALSO HOLDING AG holds 6612 (prior year: 6612) of its own registered shares. Included in the acquisition value of these treasury shares is the nominal value, as well as the applicable portions of the agio and reserves.

Major shareholders

	31.12. 2000	31.12. 1999
– Schindler Holding AG, Hergiswil	62.3%	62.3%
– Julius Baer Multistock SICAV, Luxembourg	5.4%	5.5%

Regulations regarding the restricted transferability of shares
The Articles of Incorporation contain a 5% limitation on registration and voting rights.

Retained earnings
Retained earnings are distributable only with limitations:
- Special reserves of ALSO HOLDING AG according to a resolution of the General Meeting to this effect
- Reserves of subsidiaries to the parent company first and subject according to local tax and legal regulations

Opting out
There is an opting out provision in the Articles of Incorporation.

3.15 Per share information

Undiluted per Share Information		2000	1999
Number of shares issued (./. treasury shares)	number	588 138	573 905
Net income	CHF	7.72	46.67

Diluted per Share Information		2000	1999
Number of shares issued (./. treasury shares)	number	638 138	578 766
Net income	CHF	10.45	46.61

The company has 6612 treasury shares in its securities portfolio. In the above table, those treasury shares are deducted from the total of issued shares. The diluted figures show the effects of the possible exercise of conversion rights for the convertible bonds 1999/2004.

III

4. Further information to the consolidated financial statements

4.1 Contingent liabilities

CHF 1000	2000	1999
Sureties in favour of third parties	1 756	1 641
Guarantees in favour of third parties	0	0
Total Contingent Liabilities	**1 756**	**1 641**

4.2 Open derivative financial instruments

	Contract values	Replacement values positive	Replacement values negative	Contract values	Replacement values positive	Replacement values negative
CHF 1000	**2000**	**2000**		**1999**	**1999**	
Foreign exchange						
– Forward contracts	20 969	113	98	44 928	211	156
– Options	0	0	0	0	0	0
Total Foreign Exchange	**20 969**	**113**	**98**	**44 928**	**211**	**156**
Interest rate swap	45 564	0	955	77 820	0	2 512
Total	**66 533**	**113**	**1 053**	**122 748**	**211**	**2 668**

All the transactions in derivative financial instruments were conducted with the sole purpose of reducing the currency and interest risks directly related to business activities, and they are valued identically to the underlying business transactions.

Derivative financial transactions
The financial strategy of the ALSO Group focuses on minimum risk, which limits the negative effects from unhedged money market positions. The transactions are restricted and closely monitored. In addition, the necessary liquidity for daily business must be available at all times. Derivative financial transactions are entered into only with creditworthy counterparties, and they are always connected with the basic business. Events that affect the operating result are recorded currently in the accounting records. In order to monitor risks, off-balance sheet transactions are regularly evaluated. Profits and losses that are considered under IAS as hedges for existing assets and liabilities for fixed contractual obligations, as well as for engagements arising in the future, are in the case of interest rate swaps recognized at the same time as the underlying transaction in the Profit and Loss Statement. Profits and losses on instruments that cannot be defined as hedges are shown as other financial income and expenses.

4.3 Pledged assets serving as collateral for liabilities

CHF 1000	2000	1999
Retention of title for leasing liabilities	0	737

4.4 Rent and leasing commitments (nominal values)

CHF 1000

Payments in Respect of Contracts with Fixed Periods	2000	1999
Due in 1st year	12 365	6 503
Due in 2nd – 5th year	30 849	12 599
Due from the 6th year onwards	36 924	8 542

The increase in leasing obligations is due to the sale and lease back transaction in respect of the logistics centre in Emmen.

4.5 Events occurring subsequently to balance sheet date

As per 01.01.2001 a stock purchase program was introduced for the employees of the ALSO Group.

The restructuring of ALSO COMSYT AG is an ongoing process.

On 14.02.2001 a foundation was setup for the establishment of a semi-autonomous pension scheme for the ALSO Group.

4.6 Foreign currency translation

The following exchange rates were used for conversion of items in the Profit and Loss Statement and Balance Sheet which are denominated in foreign currency into Swiss francs, as well as for the valuation of off-balance sheet transactions.

		Year-end rate		Average rate	
Conversion Rates into CHF		**2000**	**1999**	**2000**	**1999**
USD	1	1.64	1.60	1.69	1.50
EUR	1	1.52	1.60	1.56	1.60
DEM	100	77.82	82.05	79.77	81.86
ATS	100	11.06	11.66	11.34	11.63
GBP	1	2.44	2.58	2.57	2.43

5. Consolidated companies

Companies in Switzerland	Currency	Share capital in 1000	Investment quote	Code
ALSO HOLDING AG, Hergiswil	CHF	5 948	–	C
ALSO ABC TRADING AG, Emmen	CHF	100	100%	D
ALSO COMEDIA-VERLAGS AG, Hergiswil	CHF	100	100%	C
ALSO COMSYT AG, Kriens	CHF	1 950	100%	S
ALSO IT-SERVICES AG, Kriens	CHF	250	100%	S
ALSO FINANZ AG, Kriens	CHF	2 500	100%	C
SWIP HANDELS AG, Opfikon	CHF	100	100%	D

Companies Abroad				
ALSO GmbH, Munich	DEM	200	100%	D
ALSO ABC TRADING GmbH, Straubing	DEM	100	100%	D

Codes: C = Corporate; S = Systems Business; D = Distribution

5.1 Changes in consolidation scope

As per 1 January 2000 the consolidation scope was extended by the newly founded ALSO IT-SERVICES AG.

5.2 Transactions with related parties

Members of the Board of Directors are entitled to draw a fee of TCHF 50 (previous year: TCHF 50).

All transactions with the Schindler Group are made at arm’s length. There were no unusual or non-market-conform transactions either with the main shareholders or with the Schindler Group.

Report of the Group Auditors to the General Meeting of ALSO HOLDING AG, Hergiswil

As auditors of the Group, we have audited the consolidated financial statements (balance sheet, profit and loss statement, cash flow statement, statement of changes in equity and notes, pages 15 to 40) of ALSO HOLDING AG, Hergiswil, for the year ended 31 December 2000.

These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements, based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made, and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Accounting Standards (IAS), and comply with Swiss law.

III

We recommend that the consolidated financial statements submitted to you be approved.

Lucerne, 9 February 2001

Ernst & Young AG

Christoph Meister Certified accountant (In charge of the audit)	Ueli Christen Certified accountant

One of the key developments of recent times is that anyone who wants to keep up with the music cannot play all the parts at once – with strings, woodwind, brass and percussion –, but can only play the melody that was written for them: concentration on core business.

IV

CHF 1000	**2000**	**1999**
Income from participations	8 059	16 540
Interest income	11 496	5 933
Other financial income	77	220
Total Income	**19 632**	**22 693**
Expenses from participations	0	0
Administrative expenses	(702)	(2 307)
Interest expenses	(8 093)	(4 618)
Other financial expenses	0	(224)
Taxes	(225)	51
Total Expenses	**(9 020)**	**(7 098)**
Net Income	**10 612**	**15 595**

IV

Assets

CHF 1000	31.12.00	31.12.99
Cash	50 240	25 156
Securities	22	22
Accounts receivable		
– from third parties	3 734	5 833
– from Group companies	130 233	131 086
– from related parties	85	1 391
Prepaid expenses	578	501
Total Current Assets	**184 892**	**163 989**
Loan to Group companies (subordinated loan)	25 000	0
Participations	13 340	13 340
Total Non-current Assets	**38 340**	**13 340**
Total Assets	**223 232**	**177 329**

Liabilities

CHF 1000	31.12.00	31.12.99
Accounts payable		
– to third parties	37	71
– to Group companies	46 095	1 844
– to other related parties	0	0
Due to banks	15 000	20 000
Convertible bonds 1999 to 2004	51 250	51 250
Accrued liabilities	4 268	2 841
Provisions	0	0
Total Liabilities	**116 650**	**76 006**
Share capital	5 948	5 948
Legal reserves		
– General legal reserve	1 100	1 100
– Reserve for treasury shares	66	66
– Share premium reserves	38 160	38 160
Special reserves	43 000	33 000
Available earnings		
– Balance brought forward	7 696	7 454
– Net income	10 612	15 595
Total Equity	**106 582**	**101 323**
Total Liabilities and Equity	**223 232**	**177 329**

The Notes to the parent company financial statements of ALSO HOLDING AG include only comments on those positions which do not form part of the consolidation, vary considerably or are of particular importance. For other details, please refer to the Notes to the consolidated financial statements.

Contingent liabilities

CHF 1000	31.12.00	31.12.99
Sureties in favour of third parties	2 806	37 978
Guarantees in favour of third parties	623	17 066
Total	**3 429**	**55 044**

Proposal of the Board of Directors for the appropriation of the available earnings 2000

CHF 1000	2000	1999
Balance brought forward	7 696	7 454
Net income	10 612	15 595
Total Available Earnings as of 31 December	**18 308**	**23 049**
Dividends	(2 676)	(5 353)
Allocation to special reserves	(5 000)	(10 000)
Earnings Carried Forward	**10 632**	**7 696**

Report of the Statutory Auditors to the General Meeting of ALSO HOLDING AG, Hergiswil

As Statutory Auditors we have audited the accounts and the financial statements (Profit and Loss Account, Balance Sheet and Notes) shown on pages 45 – 48 of ALSO HOLDING AG, Hergiswil, for the year ended 31 December 2000.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements, based on our audit. We confirm that we meet the legal requirements concerning professional qualifications and independence.

Our audit was conducted in accordance with the auditing standards of the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance that the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounts, the financial statements and the proposed appropriation of profits comply with Swiss law and with the company's Articles of Incorporation.

We recommend that the financial statements submitted to you be approved.

Lucerne, 9 February 2001

Ernst & Young AG

Christoph Meister	Ueli Christen
Certified Accountant	Certified Accountant
(in charge of the audit)	

Whatever part you play in the orchestra, you should do with the same determination as Jean-Baptiste Lully in the 17th century. This composer was the first in history to insist that the entire string ensemble should draw their bows in the same direction: Total Quality Management.

V

Organization

(Status 1.3.2001)

Board of Directors

(from left to right)

PD Dr. Karl Hofstetter

Born 1956

Academic career

Studied law and economics in Zurich (Switzerland), Stanford, UCLA and Harvard (USA); various legal qualifications in Zurich (Switzerland) and New York (USA)

Professional activities

General Counsel of the Legal, Taxation, Mergers & Acquisitions division of Schindler Holding AG, Hergiswil (Switzerland); Practising lawyer in Zurich (Switzerland) and New York (USA); Reader in Civil and Commercial Law at University of Zurich (Switzerland)

Prof. Dr. Rudolf Marty

Born 1949

Academic career

Doctorate in Economics, specializing in IT, University of Zurich (Switzerland); Graduate in Economics, University of Zurich (Switzerland)

Professional activities

Managing partner of itopia – corporate information technology, Zurich (Switzerland); Head of Application Development for the Swiss Banking Association SBG, Zurich (Switzerland); Head of the Unilab IT Research Laboratory of the Swiss Banking Association SBG, Zurich (Switzerland); Professor of Information Technology at University of Zurich (Switzerland); Reader in Information Technology at University of Zurich (Switzerland)

Thomas C. Weissmann (President)

Born 1951

Academic career

MBA Harvard Business School, Boston (USA); Degree in economics, University of St. Gallen (Switzerland)

Professional activities

Chief Executive Officer of ALSO HOLDING AG, Hergiswil (Switzerland); Director of Corporate Development at Schindler Management AG, Ebikon (Switzerland); Manager for the Boston Consulting Group, Munich (Germany)

René Dreier

Born 1933, retired since 1998

Academic career

Studied Business Management in Buenos Aires (Argentina)

Professional activities

Director of Mergers & Acquisitions at Schindler AG, Ebikon (Switzerland); Member of the Board (Finance) of Grundig AG, Nuremberg (Germany); Managing Director of SABA GmbH, Villingen (Germany); Vice-President, Finance, of GTE Consumer Electronics Ltd. Europe, Zurich (Switzerland); Director of Corporate Mergers & Acquisition of GTE, Stamford Connecticut (USA); Financial Director of the European Mergers & Acquisitions Group of W.R. Grace & Co., Paris (France)

All members of the Board of Directors are appointed until 2003.

Organization

(Status 1.3.2001)

Group Management
(from left to right)

Jürgen Baumgartner (Finance)
Born 1963
Academic career
Degree in economics, University of St. Gallen (Switzerland)
Professional activities
Area Controller for Special Projects at Schindler Management AG, Hergiswil (Switzerland); Head of Finance at Schindler Elevator K.K., Tokyo (Japan); Area Controller at Schindler Management Asia Pacific, Hong Kong (China); Operational Audit, Sandoz International, Basle (Switzerland)

Thomas C. Weissmann
(Chairman, Systems Business a.i)
Born 1951
Academic career
MBA Harvard Business School, Boston (USA); Degree in economics, University of St. Gallen (Switzerland)
Professional activities
Chairman of the Board of Directors of ALSO HOLDING AG, Hergiswil (Switzerland); Director of Corporate Development at Schindler Management AG, Ebikon (Switzerland); Manager for Boston Consulting Group, Munich (Germany)

Marc Schnyder (Distribution)
Born 1952
Academic career
IT and commercial training; Teacher training; Assistant for nuclear medicine
Professional activities
Manager of ALSO ABC TRADING AG, Emmen (Switzerland); Head of Personnel at ALSO HOLDING AG, Hergiswil (Switzerland); Teaching activities

Alberto Comolli (Human Resources)
Born 1950
Academic career
Training as Lecturer in Social Work, Berne (Switzerland); Academy of Social Work, Zurich (Switzerland); Commercial training, Kreuzlingen (Switzerland)
Professional activities
Social worker at the psychiatric clinic of Lucerne cantonal hospital, Lucerne (Switzerland)

V

Auditors
Ernst & Young AG, Basle

Now that the virtuosos have been found, the instruments tuned and the part that we want to play has been defined, we can delight our public with the music they want and need – and to do that, we will use all the talent at our disposal.

VI

Addresses

(Status 1.3.2001)

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Concept

ALSO HOLDING AG
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Design

SEC, Meggen (Switzerland)

Illustration

Bertrand Le Pautremat, Paris (France)

Bertrand Le Pautremat was born in Paris in 1954. From 1980 to 1990 he worked as a photographer in advertising. During the same period he started to experiment with the technique of paper folding. First of all, he designed abstract motifs before soon hitting on the idea of combining the two skills of paper folding and photography. He now uses this original technique in his work for the press and advertising industry worldwide.

For Bertrand Le Pautremat, paper is a means of expression just as pencils or paint are for others. The path taken by the light as it traverses the different layers of paper reveals a complex internal organization based on the subtle interweaving of gradations of light and shade.

Photography

Bertrand Le Pautremat, Paris (France)
Tobias Sutter, Basel (Switzerland)

Printing

Unionsdruckerei Luzern AG, Luzern (Switzerland)

ALSO HOLDING