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MEDIA RELEASE

The ALSO Group quarterly report

Demand subdued during the first quarter of 2005

The ALSO Group, which is active in the wholesale and logistics services sector for information technology, reported a 6% increase in sales for the first quarter of 2005 to CHF 461.0 million (Q1/2004: CHF 436.6 million). In view of difficult market conditions, however, net income stood at CHF 4.1 million, which was lower than in the previous year (Q1/2004: CHF 6.6 million).

The European IT market as a whole, but Switzerland and Germany in particular, experienced a difficult first quarter. After a slow start in January and February, it was not until March that market activity began to pick up slightly. Compared with the previous year, the ALSO Group increased sales by 6% to CHF 461.0 million (Q1/2004: CHF 436.6 million). At the end of the quarter, total assets stood at CHF 368.5 million (Q1/2004: CHF 359.4 million) and the equity ratio at 48% (Q1/2004: 45%).

Distribution: sales increase despite difficult conditions

The Distribution division increased sales by 7% to CHF 461.0 million compared with the same period last year (Q1/2004: CHF 431.7 million). Operating profit stood at CHF 5.7 million (Q1/2004: CHF 8.9 million). In the case of the Swiss company, both the number of units sold and the value of sales were below the comparable figures for last year, which explains why operating profit was also lower than in the same period for 2004. The German company, on the other hand, posted a significant increase in sales and profits over the same period last year.

Outlook for 2005: slight improvement in market discernible

Since the beginning of March, there have been distinct signs of a slight recovery in the IT market in both Switzerland and Germany. If this trend continues, and the decline in prices and pressure on margins do not increase, ALSO expects another good result for 2005. However, the Group will only make a concrete forecast of profit expectations with its half-yearly report.

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Upcoming events: Half-yearly report, August 11, 2005