

Hergiswil (Switzerland), 3 November 2004

Media release

Quarterly report of the ALSO Group

ALSO finishes strong third quarter

The ALSO Group, which is active in the IT logistics and services sector, reported a 26% increase in sales to CHF 451.4 million (Q3/2003 CHF 359.2 million) compared with the same period last year, and generated a consolidated net income of CHF 4.2 million (Q3/2003 loss of CHF -1.1 million). Sales during the first nine months of the year totalled CHF 1'294.4 million (last year CHF 1'112.8 million), with net income standing at CHF 15.3 million (last year CHF 3.5 million). Results of the fourth quarter will determine whether the Group's forecast net income of CHF 18-20 million is actually achieved.

The positive trends in the IT sector were maintained through the third quarter in both Switzerland and Germany. Compared with last year, the price decline has slowed noticeably. Despite selling off its Systems Business operations, the ALSO Group boosted sales by 26% to CHF 451.4 million (Q3/2003 CHF 359.2 million) compared with the same period last year and, likewise compared with last year's third quarter, generated a net income of CHF 4.2 million (Q3/2003 loss of CHF -1.1 million). During the first nine months of the year, the ALSO Group posted sales of CHF 1'294.4 million (last year CHF 1'112.8 million) and a net income of CHF 15.3 million (last year CHF 3.5 million). The equity ratio stands at 42%.

Due to the changes in the consolidation scope – sale of Systems Business with effect from 5 February 2004, acquisition of ACS Trading AG from 27 October 2003 and the takeover of Datastore AG's Hewlett Packard activities from 1 July 2004 – any comparison of Group figures with those of last year is only of limited significance.

Distribution: Substantially better than last year

Compared with the same period last year, the Distribution Division pushed its third-quarter sales up by 32% to CHF 451.4 million (Q3/2003: CHF 341.5 million). Operating profit tripled compared with the same period last year to CHF 6.5 million (Q3/2003: CHF 2.2 million). In the first nine months of the year, the Distribution Division posted sales of CHF 1'289.5 million (Q3/2003: CHF 1'048.8 million) and an operating profit of CHF 22.3 million (2003: CHF 12.2 million). Both the Swiss and German arms of the Group contributed towards this encouraging result. Once again, the Swiss company's product business outperformed the rest of the market, although a percentage of the increase in sales can be accounted for by the consolidation of ACS Trading AG. In service operations, too, the demand for logistics solutions remained high. All in all, the Swiss company reported a considerably improved operating result in the third quarter compared with last year. The German company increased the pace of growth during the third quarter and gained further market share. At the same time, it posted a marked increase in operating profit over the previous year.

Systems Business: No significant impact on Group accounts

The Systems Business was divested on 5 February 2004 and only accounted for CHF 4.9 million of Group sales in the reporting period (previous year: CHF 64.0 million).

Outlook: The fourth quarter will determine whether the Group achieves its forecast net income of CHF 18-20 million.

With the sole exception of TFT monitors, the price decline during the third quarter of 2004 continued to slow, but due to stiffly competition margin pressure remained strong. The fourth quarter will determine whether – excluding unforeseen events – the Group's forecasted net income of CHF 18-20 million is achieved.

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Next reporting date

Annual results media conference: February 21, 2005