



ALSO 
more than distribution

Half-year result substantially better than last year

During the first half of 2008, the ALSO Group pushed up net sales considerably and reported with CHF 2.1 million a consolidated net income substantially better than last year. Sweden and Norway managed to cut the operating loss by more than 50%. Because of economic slow down in many parts of Europe, ALSO is expecting a net income of CHF 15 to 17 million for the current year. In the medium term, ALSO is targeting a net income of CHF 35 to 40 million.

The European PC markets relevant for ALSO's business cooled off during the first six months of the year and hardly increased in value – some even shrinking in value – compared with the same period last year. Nevertheless, during the first half of the year ALSO pushed up net sales by 10% to CHF 2493 million compared with the same period last year (2007: CHF 2268 million), although the EUR/CHF exchange rate had a negative impact of about one percentage point. Compared with the same period last year, operating profit was up by 156% to CHF 24.1 million (2007: CHF 9.4 million). The Group's financial expenses were up by around CHF 5 million over last year; this was due mainly to the increase in interest rates and the above-average growth reported by ALSO Germany. At CHF 2.1 million, consolidated net income was nevertheless significantly higher than last year's loss of CHF -7.5 million. On 30 June 2008, total assets stood at 966 million (31.12.2007: CHF 1 144 million). Compared with 31 December 2007, net current assets were down by 72.6 million. The equity ratio continued to rise to 22% (31.12.2007: 19%). On balance sheet date, ALSO had 1909 employees (2007: 1873).

In the Swiss/German markets, ALSO pushed up total sales by 20% to CHF 1438 million (2007: CHF 1 199 million), despite the fact that the value of the PC market remained virtually static. ALSO Switzerland improved both sales and operating profit compared with the same period last year. It continued to strengthen its position in growth areas servers and high-end storage products, supplies and logistics services, and extended its consumer electronics range to include LCD TV sets from Samsung. ALSO Germany reported above-average growth and increased sales with almost all vendors. The product portfolio furthermore has been widened with consumer products of Toshiba and Samsung. Because of increased price war, operating profit was only minimally higher than last year.

In the Nordic countries (Finland, Norway and Sweden) the value of the PC market fell during the first half of the year. In this region, ALSO posted sales of CHF 796 million (2007: CHF 789 million) and significantly improved the operating result compared with last year. Sweden managed to cut the operating loss reported for the same period last year by more than 60%, despite the fact that sales were down below last year as a result of trimming the product portfolio. Despite the reduction in its product range, Norway maintained sales at the same level as last year and more than halved its operating loss. In Finland, both sales and the operating profit were substantially higher than last year.

Compared with last year, economic growth in Eastern Europe, particularly the Baltic States, slowed dramatically. As a result, demand for IT products in these markets was suitably restrained. Although ALSO defended its market position, sales of CHF 258 million were 8 % down on the same period last year (CHF 280 million). Operating profit in this region was likewise substantially down on last year, mainly as a result of the high cost of entry into the Polish market.

Outlook: net income of CHF 15 to 17 million for 2008

The ongoing financial crisis, the rising cost of oil and the burgeoning danger of inflation have left both business and private households feeling unsure about the future. The noticeable downturn in the demand for IT products in the second quarter will therefore probably continue into the second half of 2008. In February, ALSO's first profit estimate for 2008 (CHF 30 million) already came with reservations. These reservations concerning the risks for the business in 2008 have since been confirmed. Apart from this, the price war taking place between distributors in various European countries became more pronounced in the second quarter of 2008. As things stand today, ALSO is therefore expecting Group sales of more than CHF 5 billion but – excluding unforeseeable circumstances – a net income of CHF 15 to 17 million. The course of the third and, above all, the fourth – and strongest – quarter will be decisive as to whether this profit target will be reached or even exceeded. ALSO will therefore be qualifying the profit forecast again in its report on the third quarter.

Sincerely yours,

ALSO Holding AG



Thomas C. Weissmann
Chairman of the Board



Prof. Dr. Rudolf Marty
Member of the Board

Hergiswil (Switzerland), 29 July 2008

Consolidated Interim Financial Statements as at 30 June 2008

Consolidated Profit and Loss Statement

CHF 1000	1st half 2008		1st half 2007		Change
Revenue from product sales	2 503 232		2 271 207		10.2%
Service revenue	15 774		14 825		6.4%
Deductions from revenue	-25 807		-18 085		42.7%
Total net sales	2 493 199	100.0%	2 267 947	100.0%	9.9%
Cost of goods sold and service expenses	-2 371 307		-2 165 907		9.5%
Gross margin	121 892	4.9%	102 040	4.5%	19.5%
Operating expenses	-97 746	-3.9%	-92 638	-4.1%	5.5%
Operating profit (EBIT)	24 146	1.0%	9 402	0.4%	156.8%
Financial result	-19 021	-0.8%	-14 194	-0.6%	34.0%
Earnings before tax	5 125	0.2%	-4 792	-0.2%	206.9%
Income taxes	-3 020	-0.1%	-2 731	-0.1%	10.6%
Earnings after tax	2 105	0.1%	-7 523	-0.3%	128.0%

Earnings per Share

	1st half 2008	1st half 2007	Change
Undiluted per share information			
Number of shares issued (./ treasury shares)	6 027 295	6 015 337	
Earnings per share (CHF)	0.35	-1.25	128.0%
Diluted per share information			
Number of shares issued (./ treasury shares)	6 030 690	6 019 907	
Earnings per share (CHF)	0.35	-1.25	128.0%

Consolidated Balance Sheet

CHF 1000	30.06.2008		31.12.2007		30.06.2007	
Cash	58 512	6.1%	84 024	7.4%	85 693	7.8%
Other current assets	737 376	76.3%	876 903	76.6%	826 547	75.2%
Non-current assets	170 550	17.6%	183 354	16.0%	186 492	17.0%
Total assets	966 438	100.0%	1 144 281	100.0%	1 098 732	100.0%
Current liabilities	691 958	71.6%	868 758	75.9%	736 100	67.0%
Non-current liabilities	64 555	6.7%	60 354	5.3%	169 578	15.4%
Shareholders' equity	209 925	21.7%	215 169	18.8%	193 054	17.6%
Total liabilities and shareholders' equity	966 438	100.0%	1 144 281	100.0%	1 098 732	100.0%

Consolidated Interim Financial Statements as at 30 June 2008

Consolidated Cash Flow Statement

CHF 1000	1st half 2008	1st half 2007
Earnings after tax	2 105	-7 523
Depreciation and amortization	6 186	5 870
Change in provisions	-200	-856
Other non-cash items	-449	1 428
Decrease in net working capital	72 635	167 415
Cash flow from operating activities	80 277	166 334
Acquisition of subsidiary*	-80 920	0
Net investments in property, plant & equipment	1 155	-6 442
Net investments in intangible assets	-414	-58
Cash flow from investment activities	-80 179	-6 500
Free cash flow	98	159 834
Disposals of treasury shares	414	375
Repayments of financial liabilities	-20 402	-136 495
Dividends paid by ALSO Holding AG	-4 217	-4 210
Cash flow from financing activities	-24 205	-140 330
Foreign exchange differences	-1 405	-1 681
Change in cash	-25 512	17 823
Cash at 1 January	84 024	67 870
Cash at 30 June	58 512	85 693

* includes CHF 5.4 Mio. payment deferred from the first tranche acquisition of GNT

Consolidated Statement of Shareholders' Equity

CHF 1000	Share Capital	Legal reserves	Treasury shares	Cash flow hedge reserve	Foreign exchange differences	Retained earnings	Total
1 January 2007	6 038	43 385	-28	-1	4 409	148 257	202 060
Foreign exchange differences	0	0	0	0	1 935	0	1 935
Cash flow hedge reserve transferred to profit and loss statement	0	0	0	1	0	0	1
Fair value adjustments on cash flow hedges	0	0	0	41	0	0	41
Total of items recognized in shareholders' equity	0	0	0	42	1 935	0	1 977
Earnings after tax	0	0	0	0	0	-7 523	-7 523
Total gains and losses	0	0	0	42	1 935	-7 523	-5 546
Treasury shares	0	362	13	0	0	0	375
Employee shares / options	0	0	0	0	0	375	375
Dividends	0	0	0	0	0	-4 210	-4 210
30 June 2007	6 038	43 747	-15	41	6 344	136 899	193 054
1 January 2008	6 038	43 747	-15	-69	6 241	159 227	215 169
Foreign exchange differences	0	0	0	0	-3 993	0	-3 993
Cash flow hedge reserve transferred to profit and loss statement	0	0	0	0	0	0	0
Fair value adjustments on cash flow hedges	0	0	0	33	0	0	33
Total items recognized in shareholders' equity	0	0	0	33	-3 993	0	-3 960
Earnings after tax	0	0	0	0	0	2 105	2 105
Total gains and losses	0	0	0	33	-3 993	2 105	-1 855
Treasury shares	0	399	15	0	0	0	414
Employee shares / options	1	0	0	0	0	413	414
Dividends	0	0	0	0	0	-4 217	-4 217
30 June 2008	6 039	44 146	0	-36	2 248	157 528	209 925

Notes to the Consolidated Interim Financial Statements as at 30 June 2008

Basis of preparation

These unaudited condensed interim financial statements for the six months ended 30 June 2008 have been prepared in accordance with International Accounting Standard 34 «Interim Financial Reporting».

These interim condensed financial statements were approved for issue by the Board of Directors of ALSO Holding AG on 21 July 2008.

Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2007. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2007. In particular, the initial accounting for the GNT business combination was only determined provisionally in 2006. In 2007, the purchase price allocation was finalised; this reduced the brand name by CHF 11.0 million and deferred tax liabilities by CHF 2.4 million but at the same time increased goodwill by CHF 8.6 million. Comparative information as at 30 June 2007, has been adjusted accordingly.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2008, but are not currently relevant for the ALSO Group:

- ▶ IFRIC 11 «IFRS 2 – Group and treasury share transactions»
- ▶ IFRIC 12 «Service concession arrangements» and
- ▶ IFRIC 14 «IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction».

The following new standards, amendments to standards or interpretations have been issued but are not effective for the financial year beginning 1 January 2008, and have not been early adopted: IAS 1 «Presentation of financial statements», IAS 23 «Borrowing costs », IAS 27 «Consolidated and separate financial statements», IAS 32 «Financial instruments: presentation», IAS 39 «Financial instruments: recognition and measurement», IFRS 2 «Share-based payments», IFRS 3 «Business combinations», IFRS 8 «Operating segments» und IFRIC 13 «Customer loyalty programs».

Management is still assessing the impacts of these new standards, amendments to standards or interpretations, but it appears likely that the impact on the financial statements of ALSO Group will be limited.

These interim condensed financial statements contain assumptions and estimates that have an influence on the figures stated in this interim report. Actual results may vary from these estimates.

Scope of consolidation

On 26 May 2008, ALSO has increased its share in GNT by 49.9% to 100% for a purchase price of CHF 75.5 million (50.1% interest as at 31 December 2007). This increase did not have an impact on the scope of consolidation as GNT was already fully consolidated in the previous year. Therefore, the scope of consolidation remains unchanged compared to 30 June 2007, and 31 December 2007.

Furthermore, the purchase of the remaining 49.9% of GNT did not have a material effect on the interim financial statements. The deferred conditional purchase price liability and other assets and liabilities related to the purchase price allocation, which were recorded in the financial statements as at 31 December 2007, materially correspond to the purchase price paid.

Financial liabilities

During the first half-year of 2008 ALSO entered contract for loan facilities from banks, equalling a total of CHF 45 million maturing between three and five years. The facilities bear LIBOR +0.8% interest.

Income tax

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year 2008.

Dividends

In accordance with a resolution made by the General Meeting of ALSO Holding AG on 12 March 2008, a dividend of CHF 0.70 (previous year CHF 0.70) per registered share was paid on 17 March 2008.

Contingent liabilities

Unchanged from 31 December 2007, no contingent liabilities exist in favour of third parties.

Events after balance sheet date

No relevant events have occurred after balance sheet date.

Notes to the Consolidated Interim Financial Statements as at 30 June 2008

Segment reporting

CHF 1000	Switzerland/Germany		Northern Europe		Eastern Europe		Group	
	2008	2007	2008	2007	2008	2007	2008	2007
Total net sales	1 438 437	1 199 426	796 350	788 536	258 412	279 985	2 493 199	2 267 947
Assets	479 475	489 275	382 587	486 578	104 376	122 879	966 438	1 098 732
Investments	1 918	906	351	2 945	71	2 649	2 340	6 500

The ALSO Group is active in the field of IT logistics. It distributes the products of leading hardware and software manufacturers and IT consumables to the IT trade and retailers. The Group also offers high-end technology for networks and servers, as well as comprehensive logistics services (logistics consulting, packaging, e-logistics, webshop fulfillment and logistics outsourcing solutions). There is no primary segmentation. The geographic segmentation is split into Switzerland/Germany, Northern Europe (Finland, Sweden, Norway) and Eastern Europe (which consists of the Baltic states and Poland).

Headcount

30 June	Switzerland/Germany		Northern Europe		Eastern Europe		Group	
	2008	2007	2008	2007	2008	2007	2008	2007
Full-time equivalents at the reporting date	734	671	609	606	566	596	1 909	1 873

Related party transactions

CHF 1000	1st half 2008	1st half 2007
Transactions with Schindler Group (main shareholder)		
Net sales	191	245
Management fees	-1 739	-1 539
Interest income	10	136
Interest expense	-607	-74
Current receivables and cash deposits	9 445	16 713
Current liabilities	32 575	0
Transactions with ALSO pension fund		
Other liabilities (outstanding contributions)	305	274
Transactions with associated companies		
Net sales	0	124
Management fees	-26	-33

Currency translation

The exchange rates for the most important foreign currencies of the ALSO Group are as follows:

	Average exchange rate		Closing date exchange rate				
	1st half 2008	1st half 2007	30.06.08	30.06.07	31.12.07		
EU	EUR	1	1.61	1.63	1.60	1.65	1.66
USA	USD	1	1.05	1.23	1.02	1.23	1.13
Sweden	SEK	100	17.15	17.73	17.01	17.94	17.59
Norway	NOK	100	20.20	20.09	20.10	20.86	20.80

ALSO Holding AG
Seestrasse 55
CH-6052 Hergiswil

Tel. +41 (0) 41 630 37 37
Fax +41 (0) 41 266 18 70
www.also.com

ALSO 
more than distribution