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## **Media release**

ALSO Annual Financial Statements 2009

### **ALSO 2009: CHF 15 million net profit despite non-recurring write-off**

**In a weak market environment, and despite a (pre-tax) CHF 14.6-million, non-recurring write-off of the GNT brand name, ALSO succeeded in eliminating its CHF -11.2 million loss of 2008 and generating a net profit of CHF 15.0 million. The Board of Directors will ask the General Meeting to approve a dividend of CHF 0.70 per registered share. For the current year, ALSO expects net sales of CHF 4.5 billion and a significantly higher net profit.**

In 2009, the global financial crisis left deep scars on Europe. The IT industry was particularly badly affected. In all the countries serviced by ALSO, the industry's sales were down on the previous year. In continuing operations, market weakness and the Group's deliberately selective approach to business caused sales to fall by 9% (5% in local currencies) to CHF 4,410 million in 2009. At the end of 2009, ALSO decided to give up the GNT brand name, which led to a non-recurring write-off of CHF 14.6 million. As a result, the operating profit of continuing operations was down 28% on 2008 and stood at CHF 40.0 million. Excluding the write-off, the operating profit from continuing operations – despite substantially lower sales – would have been only slightly lower than in 2008; indeed, as a percentage of sales, it would have increased. All in all, ALSO generated a net profit of CHF 15.0 million in 2009. Thanks to shrewd management of current assets, total assets were down by CHF 65 million to CHF 812 million. The equity ratio rose to 24%. Compared with the previous year, the workforce was down by 11% to 1,473 full-time positions. The Board of Directors will ask the General Meeting on 10 March 2010 to approve its proposal for a dividend of CHF 0.70 per registered share.

#### **Switzerland/Germany market segment noticeably improved**

In the Switzerland/Germany market segment, the demand for IT products in value terms declined by 5 to 10% over 2008. In this segment, ALSO was able to compensate for the tail-off in Swiss sales by growth in Germany, holding sales at the previous year's level of CHF 3,066 million. Improved margins and effective cost management resulted in a 26% increase in operating profit to CHF 54.2 million. Furthermore, financial expenses were down considerably, with the result that profit before tax, at CHF 41.6 million, was substantially higher than in 2008.

#### **Northern/Eastern Europe market segment holds firm**

In the Northern/Eastern Europe market segment, the value of demand for IT products was down in the wake of a collapse in the Baltic States markets and rapidly diminishing development in Finland. Compared with the previous year, sales in this market segment (excluding Sweden and Poland) were down by 22% to CHF 1,343 million. However, by adapting cost structures across the board and optimizing its pricing, ALSO partially offset the volume-based reduction in gross margin and reported an operating profit of CHF 12.2 million. At the same time, the company substantially reduced its financial expenditure, with the result that profit before tax, at CHF 9.5 million, was no less than 20% higher than in 2008.

### **Adjustments**

The bridge from segment results to the consolidated result amounting to CHF -34.0 million (EBT level) includes central activities of the holding companies, which could not be attributed to the segments. This figure includes Group financing, ordinary depreciation of intangible assets and strategic, Group wide IT implementation costs. Additionally, during the year under review the GNT brand name was written off as an intangible asset following the decision to run the GNT companies under the ALSO name.

### **Renewal of ERP systems**

From 2010, ALSO will gradually standardize its IT platforms across the Group and bring about a long-term reduction in IT operating cost. In an initial phase, lasting from 2010 to 2012, the GNT companies will switch to an SAP platform. This will entail substantial investment during this period. The Swiss and German subsidiaries will likewise be migrated in a second stage beginning in 2012.

### **Outlook**

Economic recovery in Europe throughout 2010 will probably be sluggish. However, the outlook for the IT industry looks slightly more promising. In view of high – and rising – unemployment figures, private consumption is unlikely to increase significantly and will remain pegged at its 2009 level. On the other hand, 2010 should see corporate users beginning to replace their ageing IT systems. Overall, the industry is looking to growth in 2010, if only in unit terms. This year ALSO will be focusing on a further improvement in profitability and on strengthening its market position in Europe. For 2010, the Group is expecting unchanged net sales of around CHF 4.5 billion and – excluding unforeseen circumstances – a considerably higher net profit.

### **For further information:**

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