

Hergiswil (Switzerland), 18 February 2008

Media release

Annual results media conference of the ALSO Group

Net sales top CHF 5 billion for the first time – new number 3 in Europe

In 2007, the ALSO Group passed the 5 billion sales mark for the first time in its history and, compared with the previous year, pushed up net profit by 21% to CHF 14.8 million. Excluding GNT, ALSO posted a record result of CHF 28.0 million. GNT improved its result compared with last year (1.1.-31.12.06) by CHF 17.1 million. For 2008, ALSO is expecting net sales of substantially more than CHF 5 billion and a net profit in the region of CHF 30 million. The Board of Directors will propose to the General Meeting on 12 March 2008 to leave the dividend unchanged at CHF 0.70.

ALSO Group: net sales top CHF 5 billion for the first time – net profit up by 21%

For the first time since its acquisition on 1 September 2006, GNT Holding in Finland was consolidated for a full twelve months in 2007. Compared with the previous year, ALSO reported a 55% increase in sales at CHF 5083.2 million (2006: CHF 3277.0 million), making it the number three ICE distributor in Europe. Compared with the previous year, operating profit was up by 86% to CHF 54.3 million (2006: CHF 29.2 million), while net profit, at CHF 14.8 million, was 21% up (2006: CHF 12.2 million). Thanks to skilful management of current assets, the balance sheet total was down by CHF 270 million to CHF 1144 million. The equity ratio rose to 19% (2006: 14%). On 31 December 2007, the Group employed 1987 people (2006: 2047).

ALSO excluding GNT posts record result

In 2007, the healthy state of the economy in Switzerland and Germany had a positive influence on the IT industry. Compared with 2006, demand for PCs in these countries rose by around 10% in unit terms, equalling probably an increase in value terms by about 5%. ALSO gained market share both in Switzerland and in Germany. Excluding GNT, ALSO increased its sales by 18% to CHF 2783.6 million (2006: CHF 2350.8 million) and improved its operating profit by 26% to CHF 41.7 million (2006: CHF 33.0 million). At CHF 28.0 million, net income was at its highest level since the company's foundation in 1984 and was 17% higher than the previous year (2006: CHF 23.8 million). ALSO Switzerland increased sales by 9% to CHF 1093.4 million (2006: CHF 1000.8 million) and consolidated its leading position. ALSO Germany pushed up sales by 25% to CHF 1690.2 million (2006: CHF 1350.0 million) and has thus doubled revenues within three years. Thanks to the increase in sales, improved efficiency and consistent cost management, ALSO substantially increased its operating profit and net income in both countries.

GNT Group with substantially improved result

ALSO has held a 50.1% interest in the stock of the Finnish GNT Group since 1 September 2006, with an option to purchase the remaining 49.9% by 2010 at the latest. The markets relevant for GNT in the Nordics and in Eastern Europe likewise grew both in terms of units sold and value in 2007, with eastern Europe showing higher growth than the Nordics. In 2007, the GNT Group posted sales of CHF 2299.6 million. On a comparable basis, GNT Group generated about the same level of sales as in the previous year. All companies, with the exception of Sweden, increased sales compared with the previous year. In Sweden, restructuring and linked to this, the right sizing of the product portfolio pushed sales well below the level for 2006. For GNT alone (i.e. excluding the CHF 8.5 million cost for financing the purchase of the company and depreciation of intangible assets), there was a net loss of CHF -4.7 million for 2007 (2006: CHF -21.8). In the medium term, GNT is expected to contribute a net profit of CHF 15 to 20 million to the ALSO Group's result.

Outlook: net profit of around CHF 30 million

Economic growth in the euro zone is expected to continue for the early part of 2008. However, the financial crisis in the USA and uncertainties regarding developments of the oil price and the dollar exchange rate may well depress growth prospects in 2008. These uncertainties could have negative repercussions on the IT industry and push demand lower than currently expected. Nevertheless, thanks to its strong market position in central and northern Europe, ALSO has every prospect of continuing to perform well even if the market should weaken. Apart from this, ALSO is expecting uninterrupted growth in the IT markets of Eastern Europe – as yet unsaturated – assuming that overheating in the Baltic States has no negative repercussions. In the current year, ALSO will focus on increasing GNT's profitability in order for GNT to contribute towards the Group's result in 2008. For 2008, ALSO is expecting net sales of substantially more than CHF 5 billion and – excluding the uncertainties mentioned above and other unforeseen events – a net profit of around CHF 30 million. Medium-term, ALSO expects further sales growth and a net income of at least CHF 35 to 40 million.

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Dates in 2008: General meeting: 12 March 2008
First quarterly report: 22 April 2008
Half-yearly report: 29 July 2008
Third quarterly report: 28 October 2008