

# SCHWEITER TECHNOLOGIES

## Media release

### Results for 2004

#### Revenue growth and record profit

Horgen, March 11, 2004 – The unaudited accounts for 2004 show that orders received by the Group increased 19% to CHF 342.4 million (2003: 288.6 million). Revenues grew 30% to CHF 350.0 million (2003: 270.0 million), including around CHF 20 million from the consolidation (two-month period) of the LOH Group. All divisions saw a rise in revenues with the exception of SSM Textile Machinery (- 4%). On a like-for-like consolidation basis, Satis Vacuum lifted revenues +12%, Ismeca Automation +21% and Ismeca Semiconductor +80%. SSM Textile Machinery maintained its high margin year-on-year. All other divisions achieved a significant improvement in their operating profit margin.

The Group reported an operating profit (EBIT) of CHF 41.1 million (2003: 17.2 million), producing net income of CHF 35.1 million (2003: 17.7 million). The Group posted year-end liquidity of CHF 46 million. Deduction of interest-bearing liabilities and the cash settlement of the acquisition of the LOH Group produced a net cash position of CHF 40 million, matching the year-earlier figure. The equity ratio stood at 57%.

The Board of Directors will propose to the Annual General Meeting of May 18, 2005 that, in lieu of a dividend payment, the nominal value per share be reduced by CHF 6.00 to CHF 1.00, corresponding to the distribution of one quarter of net income for the year.

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## Key figures

	Total	Total	Change
<b>Schweiter Technologies Group</b> (in CHF millions)	<b>2004</b>	<b>2003</b>	
Orders received	342.4	288.6	19%
Gross revenues	350.0	270.0	30%
Operating result	41.1	17.2	139%
as % of gross revenues	11.7%	6.4%	
Net income	35.1	17.7	98%
<b>Segment information by division</b> (in CHF millions)			
<b>SSM Textile Machinery</b>			
Orders received	96.6	115.3	-16%
Gross revenues	104.8	109.7	-4%
Operating result	19.2	20.1	-4%
as % of gross revenues	18.3%	18.3%	
<b>Satis Vacuum</b>			
Orders received	96.7*	61.6	57%
Gross revenues	93.6**	65.2	44%
Operating result	11.9***	8.5	40%
as % of gross revenues	12.7%	13.0%	
<b>Ismecca Automation</b>			
Orders received	43.1	44.0	-2%
Gross revenues	41.5	34.3	21%
Operating result	1.7	-3.4	-
as % of gross revenues	4.1%	-	
<b>Ismecca Semiconductor</b>			
Orders received	106.0	67.7	57%
Gross revenues	109.9	61.1	80%
Operating result	8.5****	-8.0****	-
as % of gross revenues	7.7%	-	

\* including CHF 20.1 million from LOH (2 months)

\*\*\*\* incl. goodwill amort. of CHF 0.35 m).

\*\* including CHF 20.5 million from LOH (2 months)

\*\*\* including CHF 0.4 million from LOH (2 months)

### **SSM Textile Machinery**

Owing to continuing weak investment activity in China and deferred capital spending above all in Turkey, order intake declined substantially in the second half. On a year-on-year comparison, orders received were 16% lower. Revenues were down 4% to 104.8 million (2003: 109.7 million). However, operating profit (EBIT) came to CHF 19.2 million (2003: 20.1 million), corresponding to an EBIT margin of over 18%. Increased procurement in Eastern Europe and Asia and operational progress made with sewing threads contributed to the solid result.

### **Satis Vacuum**

Satis Vacuum posted revenues of CHF 73.1 million (2003: 65.2 million), augmented by around CHF 20 million from the consolidation of the LOH Group (two-month period). Operating profit witnessed a substantial improvement to CHF 11.9 million (2003: 8.5 million), with a negligible contribution from LOH. The EBIT margin increased to just under 16% (excluding LOH consolidation), a result driven mainly by key accounts in Europe and continuing growth in the pivotal US market. The compact sputtering system generated approximately 10% of revenues on a very good margin.

### **Ismeca Automation**

Ismeca Automation continued its push into the fast-growing medical technology segment. Revenues grew 21% to CHF 41.5 million (2003: 34.3 million). Medical technology currently makes up some 60% of the division's total revenues. By contrast, demand for lines for inkjet cartridges was on the weak side in 2004. Following last year's loss of CHF 3.4 million, 2004 saw an operating profit (EBIT) of CHF 1.7 million, corresponding to a return on EBIT of 4%.

### **Ismeca Semiconductor**

Thanks to a high order intake in the first half, orders received in 2004 increased year-on-year by 57% to CHF 106 million (2003: 67.7 million). New orders in the second half reached only around one third of the intake in the first six months. Thanks to a high mid-year backlog, the division nonetheless lifted revenues by 80% to a solid CHF 109.9 million (2003: 61.1 million). Operating profit came to CHF 8.5 million (2003: -8.0 million), corresponding to an EBIT margin of over 8%. Innovative products and low structural costs (increase in per capita revenues to CHF 0.4 million) only partly offset the impact of persistently strong price pressure and a weak dollar, however.

## **Outlook**

With the volume of new orders in key markets depressed, SSM Textile Machinery began 2005 on a muted note. Despite a good market position, the year will be a challenging one.

Satis Vacuum is likely to see a continuation of last year's trend. The integration and reorganization of the LOH Group will dominate 2005, the latter expected to begin making a significant contribution to results as of 2006.

Ismeca Automation started the current year with a comfortable backlog of orders worth over CHF 21 million. The outlook is good, the division having successfully established a footing in the medical technology market.

Ismeca Semiconductor got off to a slow start in 2005, with the intake of new orders weak. Although the division is set to close the first quarter with a loss, requests for offers appear to be picking up. As there is basically no capacity overhang in the market, the outlook for the entire year is guardedly optimistic.

Schweiter Technologies is holding its annual results press conference on March 11, 2004, at the Hotel Marriott, Neumühlequai 42, in Zurich, beginning 11.00 a.m.