

Media release

Results for 2005

Mixed financial year – success in optics

Horgen, March 10, 2006 – The unaudited accounts for 2005 show that orders received by the Group increased 28% to CHF 382.5 million (2004: 299.3 million). Revenues grew 13% to CHF 349.1 million (2004: 309.1 million). Excluding the consolidation of Loh (acquired in October 2004) for the first full year, on the same consolidation basis new orders would have declined by around 15% and revenues would have fallen by approximately 22%. The Divisions which saw a decline in revenues were SSM Textile Machinery (-21%) and Ismeca Semiconductor (-39%). Satisloh reported new orders amounting to CHF 221.3 million and revenues of CHF 198.5 million, which corresponds to 57% of total Group revenues.

The Group reported an operating result (EBIT) of CHF 12.4 million (2004: 39.5). This produced a net income of CHF 19.0 million (2004: 35.1). The net income includes a profit of CHF 7.9 million from discontinued operations (divestment of Ismeca Automation in March 2005).

The Group posted year-end liquidity of CHF 51 million. Deduction of interest-bearing liabilities produced a net cash position of CHF 48 million. The equity ratio stood at 59%.

The Board of Directors will propose that the Annual General Meeting on May 17, 2006 pay out a dividend of CHF 3.00 per share, corresponding to the distribution of 23% of net income for the year.

Key figures

	Total	Total	Change
Schweiter Technologies Group (in CHF millions)	2005	2004 **	
Orders received	382.5	299.3	28%
Gross revenues	349.1	309.0	13%
Operating result	12.4	39.5	-69%
as % of gross revenues	3.6%	12.8%	
Net income from continuing operations	11.1	33.4	-67%
Net income *	19.0	35.1	-46%
Segment information by division (in CHF millions)			
SSM Textile Machinery			
Orders received	84.3	96.6	-13%
Gross revenues	83.0	104.8	-21%
Operating result	7.7	19.2	-60%
as % of gross revenues	9.3%	18.3%	
Satisloh			
Orders received	221.3	96.7	129%
Gross revenues	198.5	93.6	112%
Operating result	13.2	11.9	11%
as % of gross revenues	6.6%	12.7%	
Ismecca Semiconductor			
Orders received	76.9	106.0	-27%
Gross revenues	67.3	109.9	-39%
Operating result	-8.5	8.5	-
as % of gross revenues	-	7.7%	

* of which income from discontinued operations: CHF 7.9 million (2004: 1.7)

** Incl. Loh consolidated for 2 months
excl. Ismecca Automation

SSM Textile Machinery

Overall, demand for textile machinery was weak, partly because of capacity expansion in previous years (e.g. China) and partly because of WTO-related uncertainty and moves to relocate production abroad (e.g. Turkey). Despite a 50% increase in volume in India, total new orders declined by 13% and revenues fell back by 21%. The operating result decreased significantly to CHF 7.7 million (2004: 19.2) despite an EBIT margin which still came to nearly 10%.

Satisloh

With the first-time full-year consolidation of Loh, Satisloh generated new orders amounting to CHF 221.3 million (2004: 96.7) and revenues of CHF 198.5 million (2004: 93.6). The operating result improved to CHF 13.2 million (2004: 11.9), with Loh, as expected, still making a modest contribution to the result. The EBIT margin therefore fell back to 7% owing to acquisition-related factors, although it already showed a clear uptrend in the course of 2005. Decisive factors which contributed to the positive result included the sustained growth in the key US market and the sharp increase in the consumables business (+20%).

Ismeca Semiconductor

Most of 2005 was marked by weak demand. A clear upturn in new orders only emerged in the last quarter of the year. Even so, at CHF 76.9 million, the result for the year as a whole was down 27% on the previous year (106.0). Because new orders only began to pick up toward the end of the year, revenues were even lower at CHF 67.3 million (2004: 109.9 million). The operating result amounted to CHF -8.5 million (2004: 8.5). The later-than-expected upturn meant that it was not possible to achieve the targeted balanced result in the second half of the year. However, at CHF -1.9 million, the loss at EBIT level was significantly lower than in the first half of the year. The establishment of a new production facility in Malaysia and the expansion of the sales and service organization in Asia led to a slight increase in personnel numbers (+6%).

Outlook

2006 should in all likelihood see an improvement: SSM Textile Machinery is expected to improve its order intake and finalize innovations. Satisloh should enjoy a high order backlog, a continuing solid order intake and considerable potential for synergies thanks to the integration of Loh, which has largely been completed.

Ismeca Semiconductor also has a high order backlog and is still enjoying strong demand, although as yet there is little visibility for the second half of 2006.

Schweiter Technologies is holding its annual results press conference on March 10, 2006, at the Hotel Marriott, Neumühlequai 42, in Zurich, beginning 11.00 a.m.