SCHWEITER TECHNOLOGIES

Media release

Figures for 2008

CHF 450 million net profit from disposal of Satisloh. Net cash position at around CHF 600 million. – Operating result at break-even despite marked decline in sales.

Horgen, March 6, 2009 – 2008 saw the order intake from continuing operations drop by 38% to CHF 134.7 million (2007: 218.8). Revenues from continuing operations amounted to CHF 158.1 million, which represents a 27% decline (2007: 217.6). In the case of both SSM Textile Machinery and Ismeca Semiconductor, the fall was due to industry-specific cyclical factors. However, both divisions reported operating profit at break-even (incl. one-off restructuring expenses totaling CHF 3.4 million in the case of SSM Textile Machinery).

The Group's consolidated operating profit (EBIT) totaled CHF -2.9 million (2007: 13.2). Net income came to CHF 450.7 million (2007: 49.7), including CHF 449 million from the book profit on the disposal of Satisloh.

The Group posted year-end liquidity totaling CHF 596 million on a debt-free balance sheet. The disposal of Satisloh brought the Group gains of some CHF 558 million. The equity ratio stood at 95%.

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

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Key figures

Schweiter Technologies Group (in CHF millions)	Total 2008	Total 2007	Change
Orders received – from continuing operations	134.7	218.8	–38%
Gross revenues – from continuing operations	158.1	217.6	–27%
Operating profit – from continuing operations	–2.9	13.2	–
Net income	450.7	49.7	+807%

Segment information by division (in CHF millions)

Continuing operations:

SSM Textile Machinery			
Orders received	74.2	107.2	–31%
Gross revenues	81.7	106.9	–24%
Operating result	0.1*	11.0	–99%

Ismeca Semiconductor			
Orders received	60.5	111.6	– 46%
Gross revenues	75.9	110.3	–31%
Operating result	–0.3	5.2	–

Discontinued operation:

Satisloh			
Profit for the period (1.1 – 30.9.2008)	14.0	38.1	
Book profit from disposal	448.6	–	
Net income – from discontinued operation	462.6	38.1	

* incl. one-off restructuring expenses of CHF 3.4 million.

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SSM Textile Machinery

In an unfavorable market environment, SSM Textile Machinery posted revenues of CHF 82 million and an operating profit of CHF 3.5 million – before restructuring expenses in connection with the closure of the Wuppertal plant. After deduction of this extraordinary charge, the operating result stood at break-even.

In 2008, China, India and Turkey once again emerged as the countries with the strongest revenues, albeit falling well short of prior-year levels. There was a sharp rise in revenues in the Central and South American market. Overall, customers once again became significantly more cautious in their approach to investments toward the end of the year.

The innovations presented at the 2007 ITMA textile machinery show were successfully launched on the market and have already met with a high degree of acceptance among customers. Thanks to new products and tight cost management the gross margin was maintained in a difficult market environment.

Ismeca Semiconductor

Ismeca Semiconductor did not escape the sharp downturn in the semiconductor market. Sales declined by 31% to CHF 76 million and new orders fell by as much as 46%. Despite this, the operating result almost reached break-even thanks to a combination of greater product innovation, relocation of production to Malaysia and a reduction in the fixed-cost structure.

Asia is Ismeca's dominant market, accounting for more than 80% of sales. China, the largest market, experienced a particularly sharp decline of more than 60%. The product portfolio was expanded to include three new turret applications for inspection and packaging. In the promising LED market further innovations are in the pipeline for 2009.

More than 70% of production has now been relocated to Malaysia, resulting in substantial improvements in margins. Delivery times have been cut by a total of 40% and fixed costs have been reduced by CHF 7 million within two years. The parent company in La Chaux-de-Fonds is concentrating on innovation and special machines. The R&D function has been reinforced significantly.

Outlook

From an operational point of view 2009 will be a demanding year. Both divisions began the year with a low order intake. There is currently no improvement in sight. However, both divisions are strategically sound and are therefore prepared for the next upturn.

The main strategic focus is on channeling liquidity into investments which create shareholder value. The prospects for this are promising – in contrast with the imponderables on the operating front.