

Media release

Schweiter Technologies with good half-year results

Horgen, August 2, 2004 – In the first half of 2004, the Group's order intake amounted to CHF 200.3 million (+41%). Sales came to CHF 166.5 million (+28%). This produced an operating profit of CHF 21.5 million (2003: 2.5) and net income of CHF 18.1 million (2003: 3.9).

The marked increase is mainly attributable to the gratifying performance by Ismeca Semiconductor, which benefited from the recovery in the semiconductor industry. Ismeca Automation confirmed the turnaround which began in the second half of last year. SSM Textile Machinery and Satis Vacuum improved on the year-back period's good results. Thus, the Group's operating profit for the first half of 2004 is already higher than for the whole of 2003.

Mid-way through the year, the Group reported a net cash position of CHF 41.3 million and is free of debts. The equity ratio stands at 63%.

In the context of the nominal value repayment of CHF 3 per bearer share approved by the General Meeting on May 19, 2004, the last trading day for the old Schweiter Technologies bearer shares was July 30, 2004. The date for the nominal value repayment and the first day of trading at the reduced nominal value is August 2, 2004.

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SSM Textile Machinery posted new orders on a par with the previous year. The current lull in investment activity in China was offset by strong business in Turkey, Iran and Bangladesh in particular. The operating profit of CHF 11.5 million corresponds to a very good margin of just under 20%. With the commissioning of SSM's own production and customer care site in China, the company also expects to post a good result for the second half of the year in spite of the current uncertainty over future developments in this region.

Satis Vacuum saw new orders grow 36% year-on-year to CHF 45 million, with both the box coater line and the new compact system contributing to the clear increase. Sales are up 9% on last year. The operating profit margin increased to around 14%. Business is also expected to be good in the second half of the year.

Ismeca Automation reported a just satisfactory order intake in line with the previous year's level. Sales increased significantly – starting from a low year-back baseline. Cost savings and improvements in margins on the back of profitable medical projects led to a moderately positive result. To achieve a further improvement in sales and earnings, targeted measures have been initiated to reinforce marketing and sales activities, particularly in the USA.

Ismeca Semiconductor succeeded in upping its order intake by over 150% to CHF 77.1 million. Its order backlog currently stands at around CHF 40 million. Sales have almost doubled compared with the year-back period. After a loss of just under CHF 6 million this time last year, the operating profit has improved by around CHF 10 million to CHF 4.6 million. The gratifying order backlog means that business in the second half of the year can be expected to follow the same trend as previously. Having said this, margins are being squeezed by a combination of persisting strong pressure on prices and the weak dollar.

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Outlook

The positive performance is very likely to continue in the second half of the year. The risk of a prolonged slowdown in the textile machinery business in China and a possible downturn in the semiconductor business cycle will be reduced by good order book levels.