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more than distribution

ALSO – Annual Media Conference 2009

Agenda

► **Highlights 2008**	**(T.C. Weissmann)**
► **Financial Data 2008 / 2007**	**(H. Wyss)**
► **Summary and outlook 2009**	**(T.C. Weissmann)**
► **Questions / Answers**	

ALSO Group – The year 2008

- **Group loss -11 mCHF**
- **Continuing operations with a 23 mCHF net profit**
- **Asset base reduced by another 267 mCHF**
- **Equity up at 21% (previous year 19%)**
- **Two out of three loss making units eliminated**

ALSO Group – Key Figures 2008 (mCHF)

	2008	Delta YoY
Net sales [1]	4‘851.3	+ 5%
EBITDA [1]	67.5	- 17%
EBIT [1]	55.8	- 19%
Net profit cont. operations [1]	23.3	- 29%
Net loss Group	-11.2	- 176%
Market capitalization	193.2	- 54%
Personnel [1,2]	1‘674	- 6%

[1] Continued operations only
[2] Full time equivalents at 31 December, incl. temporary staff

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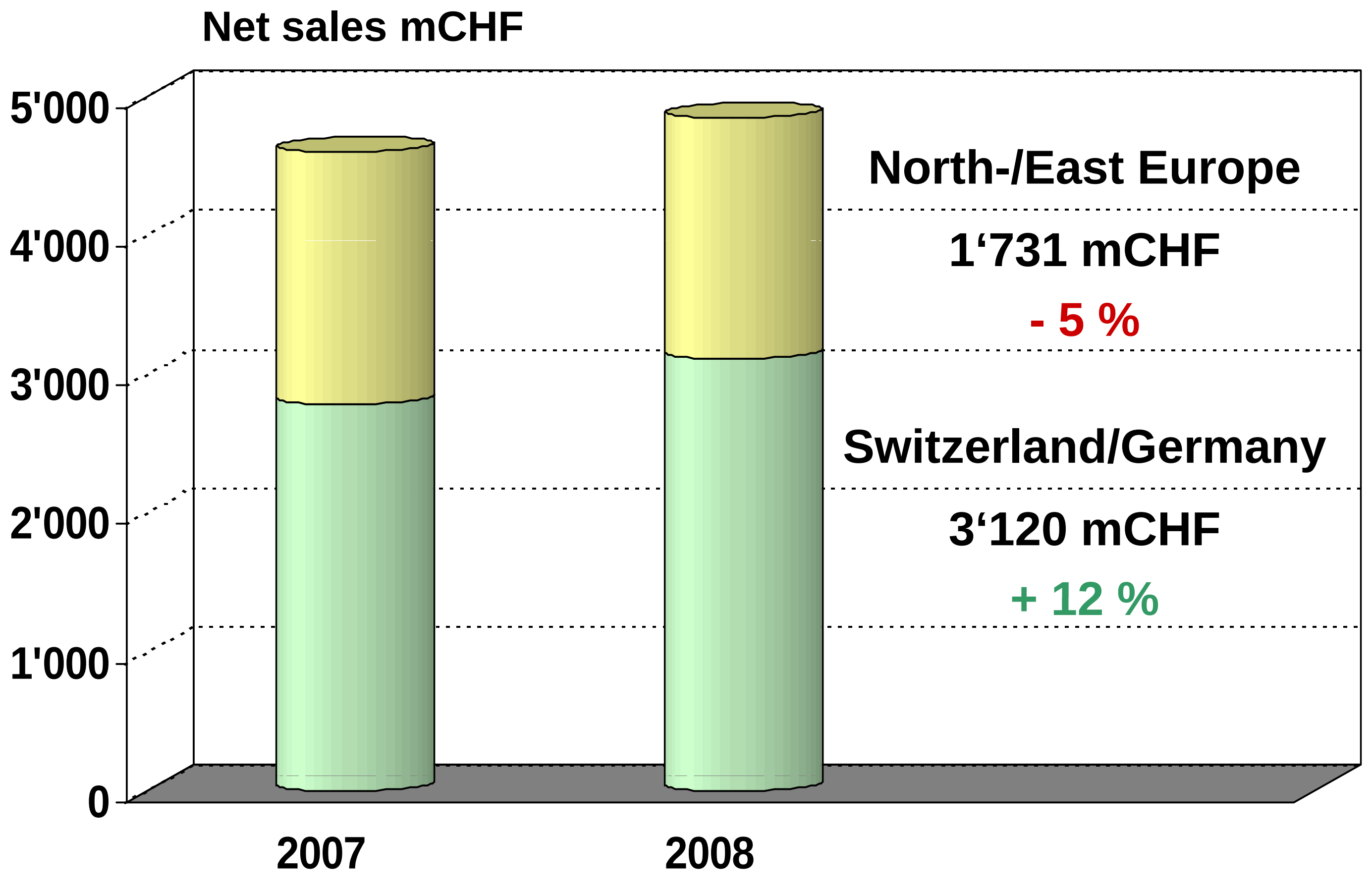
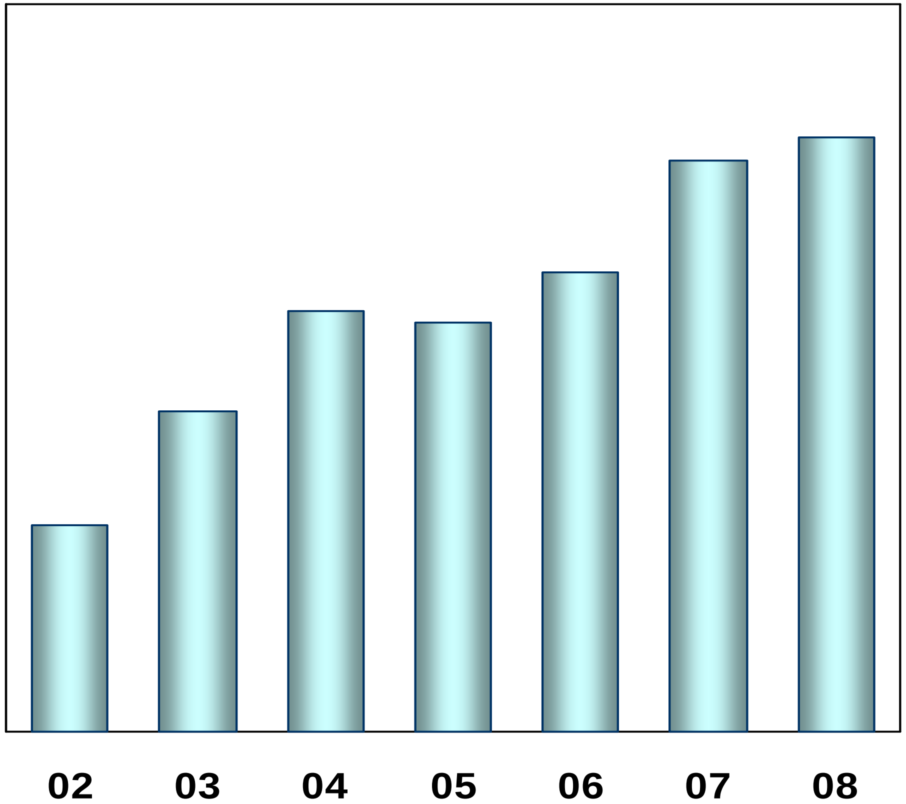
ALSO Group – Regional differences



CH – Increased revenues, slightly higher EBIT

- „Best Distributor“ for 8th time
- Growth areas
  - Logistics services
  - Supplies
  - UE/CE
  - High-end-storage
  - New vendors
- Price adjustments imperative
  - Increasing freight rates
  - Declining ASPs

Revenue from services (mCHF)



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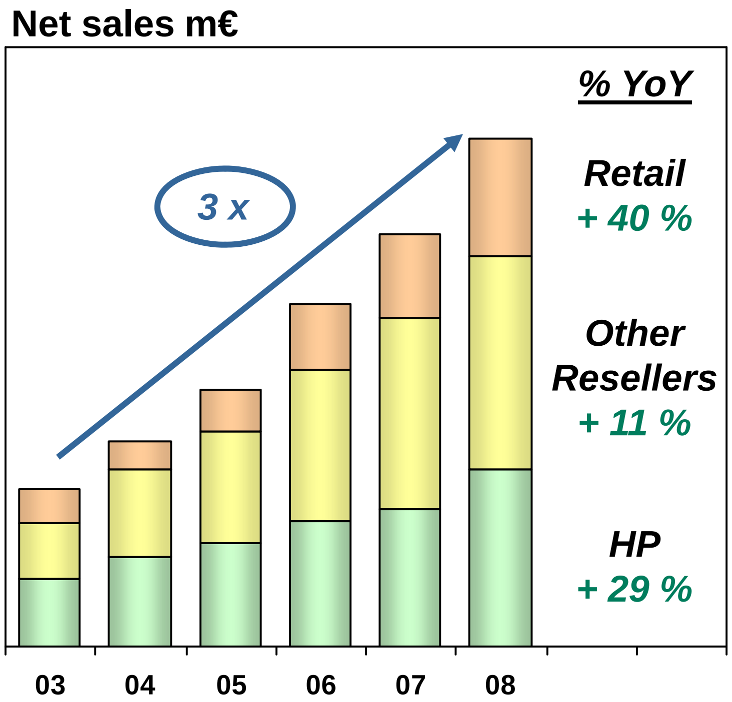
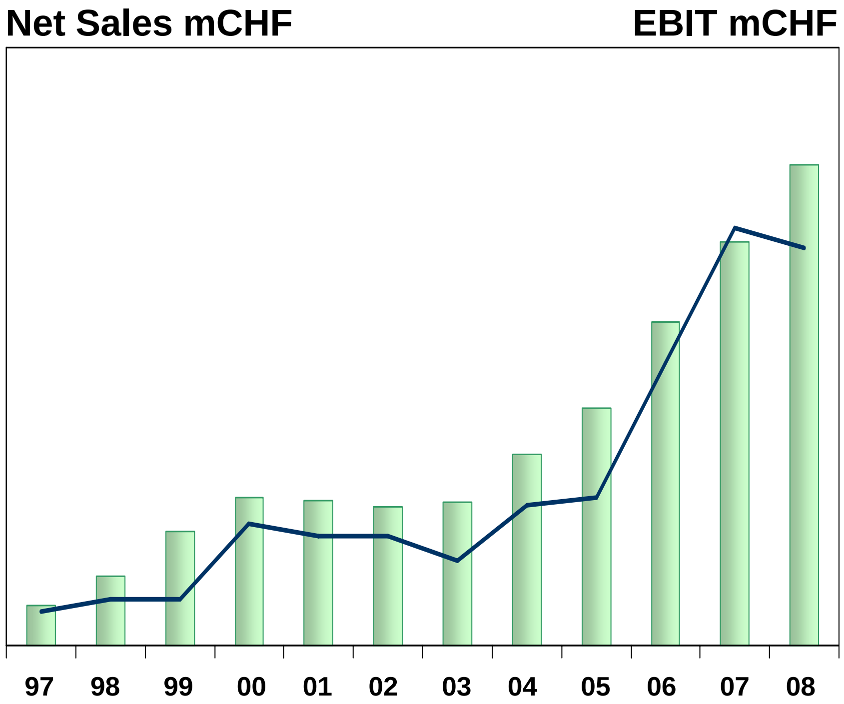
DE – Increased revenues, slightly lower EBIT

- Customer value – for the 9th time „best Distributor“
- Growth in all divisions – Revenue tripled since 2003
- Intensified price war – Price adjustments imperative





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Nordics (FI/NO) – Position strengthened

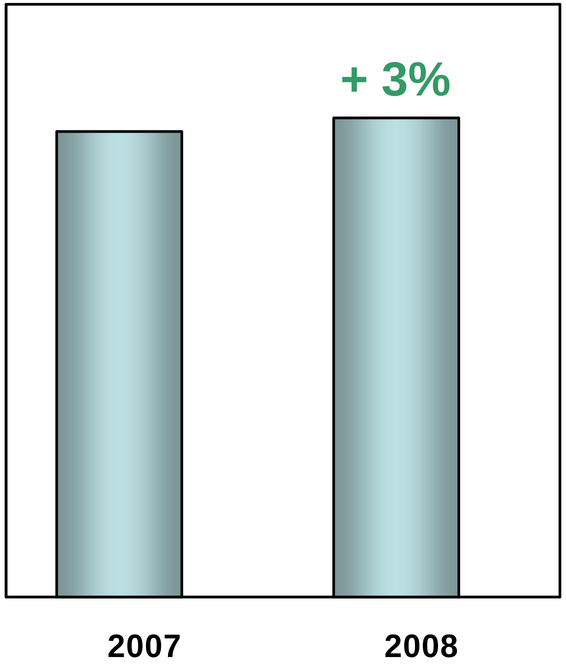
- **Market saw no growth in value for the region**
- **Finland EBIT below last year, but inside target band**
- **Norway still with a loss**

Market evolution (units)

	% YoY	
	FI	**NO**
NB	+ 39 %	+ 14 %
DT	- 10 %	- 18 %
Total	+ 17 %	+ 5 %

Source: IDC

ALSO revenues mCHF



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Eastern Europe (Baltics) – Position defended

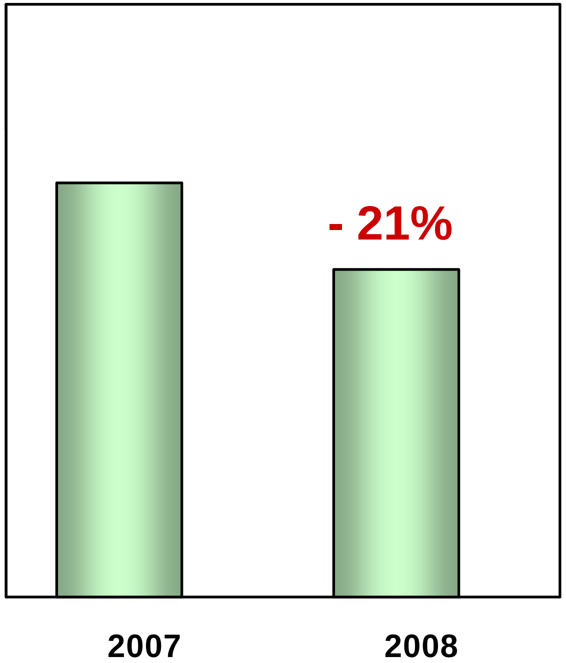
- **Economies deteriorated rapidly**
- **Market shares upheld**
- **Reasonable positive EBIT**

Market evolution (units)

	Q4 % YoY		
	EE	**LV**	**LT**
NB	- 25 %	- 14 %	- 31 %
DT	- 26 %	- 10 %	- 35 %
Total	- 26 %	- 12 %	- 33 %

Quelle: IDC

ALSO revenues mCHF



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Discontinued Operations

- Closures largely finished by December 31st 2008
  - Operational activities stopped
  - Most staff made redundant
- Remaining costs provisioned for in 2008

(mCHF)	2008	2007
Net sales	417.0	484.4
Operational loss	-18.1	-18.3
Closure costs	-16.4	
Net loss	-34.5	-18.3

ALSO Group – The year 2008

- **Group loss -11 mCHF**
  - **SE/PL with -11.2 mCHF loss, including closure costs**

- **Continuing operations with a good result**
  - **Net sales 4.8 bn CHF / 23 mCHF net profit**

- **Asset base reduced by another 267 mCHF**
  - **540 mCHF = 38% reduction in two years**

- **Equity up at 21% (pervious year 19%)**

- **Two out of three loss making units eliminated**

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ALSO Group – Profit & Loss Statement

	2008		2007	
	mCHF	%	mCHF	%
Net sales	4'851.3	100.0	4'598.8	100.0
Gross profit	233.5	4.8	239.0	5.2
EBITDA	*67.5*	*1.4*	*80.9*	*1.8*
Operating profit (EBIT)	*55.8*	*1.2*	*69.2*	*1.5*
Financial result	-32.6	-	-27.3	-
Income taxes	0.1	-	-8.8	-
Net profit cont. operations	*23.3*	*0.5*	*33.1*	*0.7*
Net loss (profit) Group	*-11.2*	*-0.2*	*14.8*	*0.3*

ALSO Group – Balance Sheet

	2008		2007	
	mCHF	%	mCHF	%
Current assets	720.9	82	960.9	84
Non-current assets	156.4	18	183.4	16
Total assets	*877.3*	*100*	*1‘144.3*	*100*
Current liabilities	568.9	65	868.8	76
Non-current liabilities	128.3	14	60.3	5
Shareholders‘ equity	180.1	21	215.2	19
Total liabilities & equity	*877.3*	*100*	*1‘144.3*	*100*

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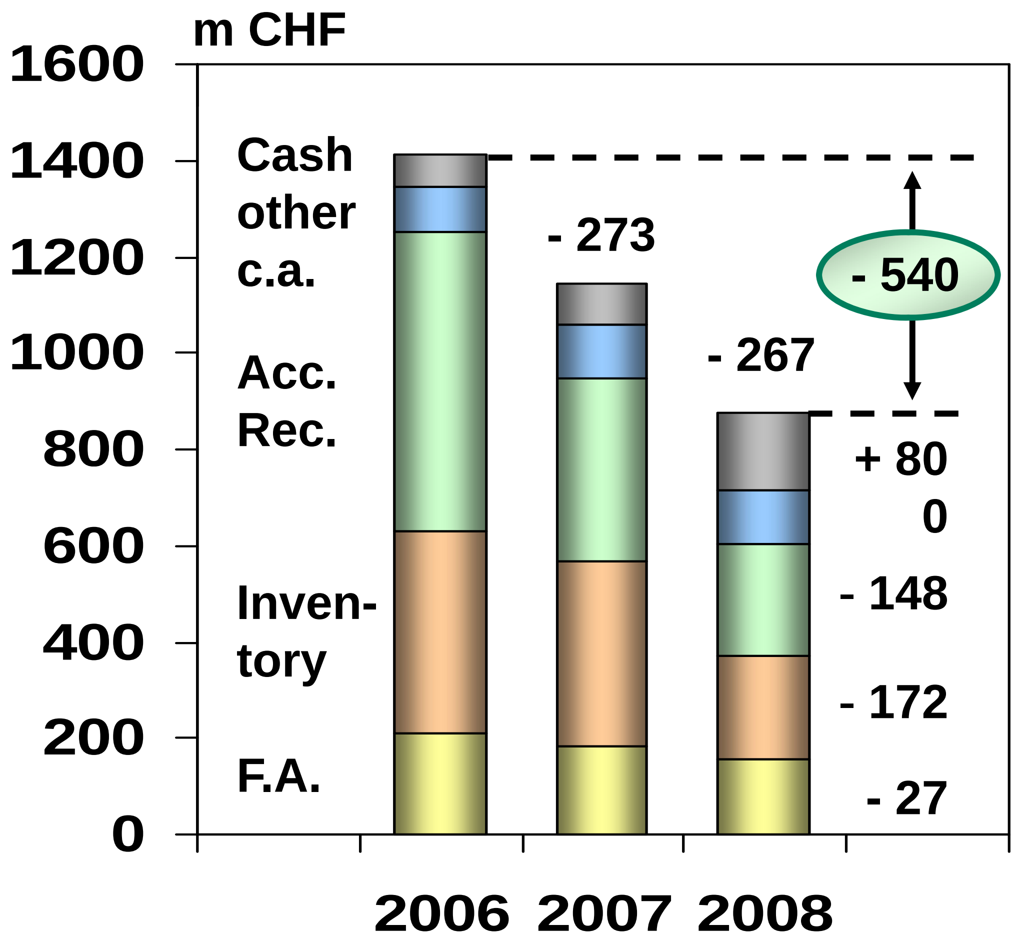
ALSO Group – Asset base substantially lower

- Inventory
  - reduced by 172 mCHF
  - DIO 22 → 14
- Accounts Receivable
  - financing schemes (ABS)
- Excess cash at year end



Total assets *1'417* *1'144* *877*

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Consolidated Cash Flow Statement (1)

mCHF	2008	2007
Net loss (profit)	- 11.2	14.8
Depreciation	16.1	12.3
Other non-cash items	8.5	0.4
Cash flow	*13.5*	*27.5*
Change in net working capital	197.5	213.1
Cash flow from operating activities	*211.0*	*240.6*
Investments	- 9.5	- 10.9
Acquisition of Group companies	- 80.9	0
Disposals	3.3	1.0
Free cash flow	*123.9*	*230.7*

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Consolidated Cash Flow Statement (2)

mCHF	2008	2007
Free cash flow	*123.9*	*230.7*
Disposal of treasury shares	0.4	0.4
Repayment of financial liabilities	-133.2	- 212.6
Proceeds from financial liabilities	103.6	0
Dividends paid	- 4.2	- 4.2
Cash flow from financing activities	*- 33.4*	*-216.5*
Foreign exchange differences	- 10.2	2.0
Change in cash	*80.3*	*16.2*

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ALSO Group – Summary 2008

- **Group loss -11 mCHF**
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- **Asset base reduced by another 267 mCHF**
  - **540 mCHF = 38% reduction in two years**
- **Equity up at 21% (previous year 19%)**
- **Two out of three loss making units eliminated**
- **Proposal to forgo dividend for 2008**

Outlook 2009 – Market environment

- **Global financial crisis**
  - **Recession in most European countries**
- **IT industry will be at least partly affected**
  - **Negative impact more pronounced in business segment than in consumer**
  - **IT markets likely to decline in value**
- **IT industry must change mentality**

Industry must change mentality

- **Average unit prices have declined**
- **Products are low value in absolute terms**
- **Freight rates have increased**
- **Unit sales will stagnate or decline**
- **Payment days have increased**
- **Financing more expensive (interest rates, risk premiums)**

→ Price adjustments are imperative at all levels
- Vendors
- Distributors
- Resellers

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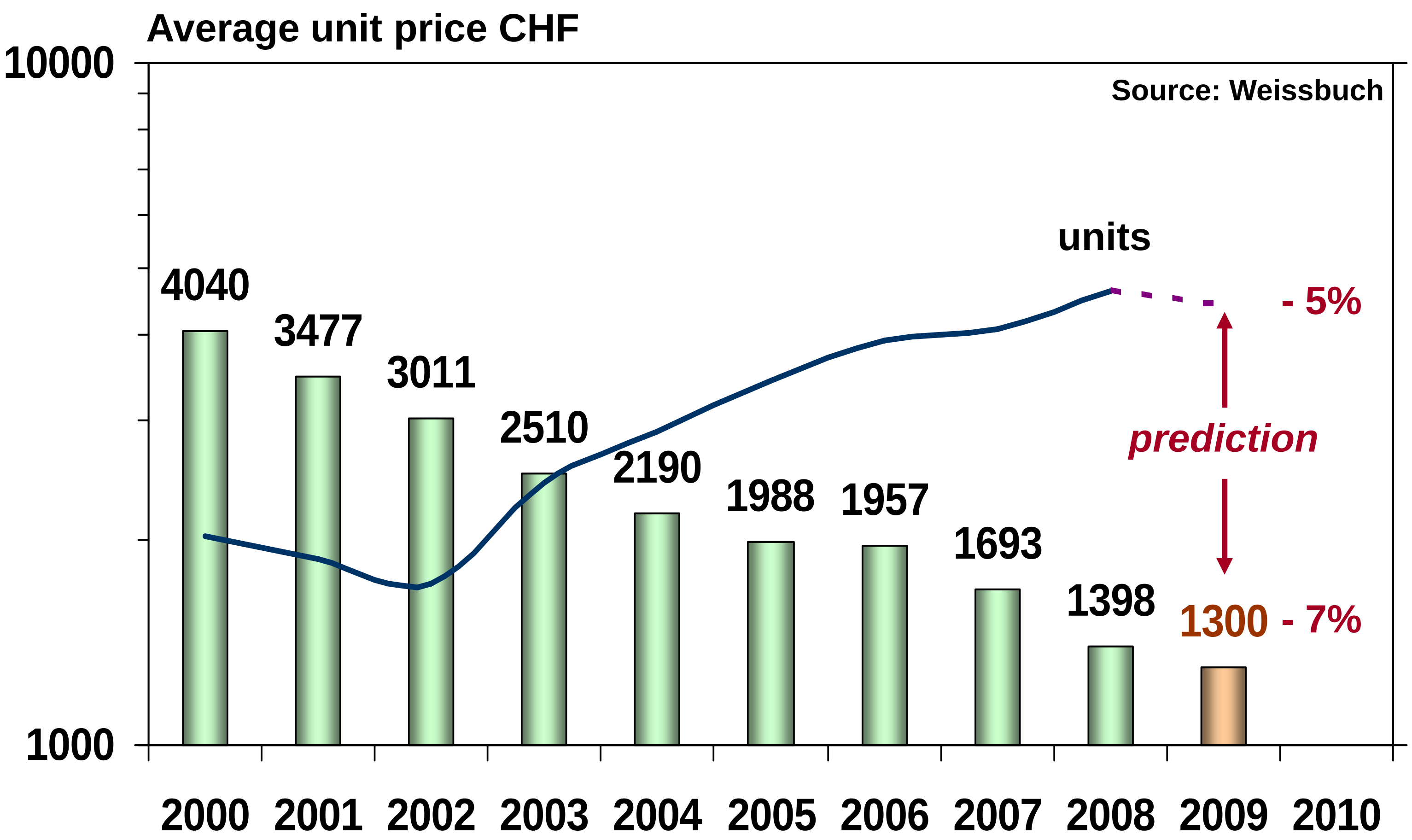
Example CH – Business Notebooks



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The Distributors' view

	2006	2008	2009
Average selling price Distributor	**1'800**	**1'286**	**1'196**
EBIT %	**1.0%**	**0.5%**	**?**
EBIT CHF	**18.00**	**6.43**	**?**
Financial cost	**4.99**	**5.71** [1]	**?**
EBT CHF	**13.01**	**0.72**	**?**
EBT %	**0.75%**	**0.06%**	**?**

[1] **Longer A/R payment days, higher risk premium**

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Price adjustments are adequate

(figures in CHF)		old	Example	new
Distributor	ASP	1’286	+ 0.5%	1’292.43
	EBT	0.72		7.15
	%	0.06%		0.55%
Reseller	ASP	1’398	+ 0.5%	1’404.99
	EBT	9.33		9.89
	%	0.67%		0.70%
	ASP		+ 0.8%	1’409.18
	EBT			14.08
	%			1.00%
End User	PP	1’398		1’409.20
				+ 11.20
				+ 0.8%

Outlook 2009 – ALSO Group

- **Focus on**
  - **Improving profitability in all countries**
    - **Price adjustments, passing on freight charges**
  - **Norway turnaround**
  - **Improve self-financing**
    - **NWC management**

- **Current forecast**
  - **Net sales ~ 4 bn CHF**
  - **Net profit for the group**

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