

## Letter to Shareholders: Half-Year 2001

Hergiswil, August 13, 2001

Dear Shareholder:

With this half-year report we will provide you with information on the state of business and results for the first half of 2001 and on the outlook for the current year. The reporting principles applied to these consolidated financial statements for June 30, 2001, comply with the requirements of Swiss corporation law, the listing rules of the Swiss Exchange, and the International Accounting Standards (IAS).

### ALSO Group: Restructuring Costs Lower First-Half Result

In the first half of 2001 the ALSO Group, which operates in the IT logistics and services business and has companies in Switzerland and Germany, generated revenues of CHF 907.1 million (2000: CHF 873.7 million). The operating profit (EBIT) of CHF 4.9 million (2000: CHF 6.2 million loss) includes restructuring costs of CHF 5.4 million for ALSO COMSYT AG. The higher operating profit relative to the same period last year reflects positive progress in the distribution business and improvement in the systems business. However, after tax the result for the Group was a loss of CHF 1 million (2000: CHF 6.3 million loss).

### Distribution: Operating Profit Climbs 14 Percent

Despite a weaker business climate, the Distribution Division had a good first half-year. Revenue rose by 2 percent to CHF 786.4 million. Operating profit rose even more strongly to CHF 15.8 million (2000: CHF 13.8 million). Both the Swiss and the German companies contributed to the good result.

### Systems Business: High Restructuring Costs Depress Operating Result

The Systems Division improved by comparison with the same period last year. Revenue rose by 19 percent to CHF 120.7 million. Despite restructuring costs of CHF 5.4 million and exceptional inventory depreciation of CHF 2.4 million, relative to the previous year the operating loss was almost halved (2001: CHF 11.2 million loss, 2000: CHF 20.2 million loss). The structural changes at ALSO COMSYT AG are on schedule and will impact profit in the fourth quarter.

## Half-Year Financial Summary

<b>Consolidated Profit and Loss Statement (CHF 1 000)</b>	<b>1<sup>st</sup> Half 2001</b>	<b>1<sup>st</sup> Half 2000</b>	<b>Change</b>
Revenues from product sales	874 571	844 057	4 %
Service revenues	59 701	47 056	27 %
Deductions from revenues	(27 168)	(17 418)	56 %
<b>Total net sales</b>	<b>907 104</b>	<b>873 695</b>	<b>4 %</b>
Cost of goods sold and service expenses	(801 863)	(778 512)	3 %
<b>Gross profit</b>	<b>105 241</b>	<b>95 183</b>	<b>11 %</b>
Operating expenses	(100 368)	(101 390)	(1 %)
<b>Operating profit (loss) (EBIT)</b>	<b>4 873</b>	<b>(6 207)</b>	<b>179 %</b>
Net financial and investment income	(3 005)	(1 714)	(75 %)
Net income (loss) before taxes	1 868	(7 921)	124 %
Income taxes	(2 901)	1 619	(279 %)
<b>Net income (loss) after taxes</b>	<b>(1 033)</b>	<b>(6 302)</b>	<b>84 %</b>

### Half-Yearly Earnings per Share

#### Undiluted per share information

Number of shares issued (./ treasury shares)	589 115	588 138	
<b>Half-yearly earnings per share (CHF)</b>	<b>(1.75)</b>	<b>(10.71)</b>	<b>84 %</b>

#### Diluted per share information\*

Number of shares issued (./ treasury shares)	651 240	638 138	
<b>Half-yearly earnings per share (CHF)</b>	<b>(1.75)</b>	<b>(10.71)</b>	<b>84 %</b>

\* The diluted figures show the effects of the possible exercise of all conversion rights for the zero coupon convertible bond 1999/2004 and of the employee stock purchase program.

### Reporting by Segment (CHF 1 000)

#### Revenues from product sales and services

Distribution	786 398	772 412	2 %
Systems business	120 706	101 283	19 %
<b>Total revenues</b>	<b>907 104</b>	<b>873 695</b>	<b>4 %</b>

#### Operating profit (loss) (EBIT)

Distribution	15 760	13 848	14 %
Systems business	(11 178)	(20 241)	45 %
Corporate	291	186	56 %
<b>Total operating profit (loss) (EBIT)</b>	<b>4 873</b>	<b>(6 207)</b>	<b>179 %</b>

<b>Headcount*</b>	<b>30.6.2001</b>	<b>30.6.2000</b>	<b>Change</b>
Distribution	608	504	21 %
Systems business	864	1 139	(24 %)
Corporate	12	7	71 %
<b>Total</b>	<b>1 484</b>	<b>1 650</b>	<b>(10 %)</b>

\* Headcount at the reporting date on the basis of equivalent full-time employees

### Outlook for 2001: Net Income Same as Last Year

The generally weaker economy is affecting both the distribution and the systems business. Despite substantial operational improvements in the systems business, the full-year result will be restrained by the high restructuring costs already mentioned. Leaving aside unforeseeable developments, ALSO now expects Group net income to be about the same as for the previous year. ALSO will report on business progress after the third quarter.

Sincerely yours,

ALSO HOLDING AG



Thomas C. Weissmann  
Chairman of the Board



Dr. Rudolf Marty  
Member of the Board

## Half-Year Financial Summary

Consolidated Balance Sheet (CHF 1 000)	30.6.2001	31.12.2000	Change
Cash	72 309	89 084	(19 %)
Other current assets	309 419	339 036	(9 %)
Non-current assets	43 904	48 354	(9 %)
<b>Total assets</b>	<b>425 632</b>	<b>476 474</b>	<b>(11 %)</b>
Current liabilities	220 824	269 034	(18 %)
Non-current liabilities	74 479	74 038	1 %
Shareholders' equity	130 329	133 402	(2 %)
<b>Total liabilities and shareholders' equity</b>	<b>425 632</b>	<b>476 474</b>	<b>(11 %)</b>

Consolidated Cash Flow Statement (CHF 1 000)	1 <sup>st</sup> Half 2001	1 <sup>st</sup> Half 2000
Net income (loss)	(1 033)	(6 302)
Depreciation	7 386	7 806
Increase (decrease) in provisions	463	(22)
Other positions with no effect on liquidity	593	(1 601)
Decrease (increase) in net working capital	(19 902)	20 169
<b>Cash flow from operating activities</b>	<b>(12 493)</b>	<b>20 050</b>
Net investments in fixed assets	(3 194)	(16 878)
Net investments in intangible assets	(270)	(4 687)
<b>Cash flow from investment activities</b>	<b>(3 464)</b>	<b>(21 565)</b>
Increase in capital	608	0
Increase (decrease) non-current financial liabilities	1 222	1 391
Dividend paid	(2 647)	(5 292)
<b>Cash flow from financing activities</b>	<b>(817)</b>	<b>(3 901)</b>
<b>Translation differences</b>	<b>(1)</b>	<b>43</b>
<b>Increase (decrease) in net liquidity</b>	<b>(16 775)</b>	<b>(5 373)</b>
Net liquidity at January 1	89 084	60 016
Net liquidity at June 30	72 309	54 643

### Consolidated Group Capital and Reserves (CHF 1 000)

	Share capital	Additional paid-in capital	Treasury shares	Translation differences	Retained earnings	Total
<b>January 1, 2000</b>	<b>5 948</b>	<b>41 752</b>	<b>(22)</b>	<b>16</b>	<b>86 477</b>	<b>134 171</b>
Increase in capital						0
Dividend paid					(5 292)	(5 292)
Net income (loss)					(6 302)	(6 302)
Translation differences				43		43
<b>June 30, 2000</b>	<b>5 948</b>	<b>41 752</b>	<b>(22)</b>	<b>59</b>	<b>74 883</b>	<b>122 620</b>
<b>January 1, 2001</b>	<b>5 948</b>	<b>41 752</b>	<b>(22)</b>	<b>1</b>	<b>85 723</b>	<b>133 402</b>
Increase in capital	29	579				608
Dividend paid					(2 647)	(2 647)
Net income (loss)					(1 033)	(1 033)
Translation differences				(1)		(1)
<b>June 30, 2001</b>	<b>5 977</b>	<b>42 331</b>	<b>(22)</b>	<b>0</b>	<b>82 043</b>	<b>130 329</b>