

Letter to Shareholders: Half-Year 2002

Hergiswil, August 13, 2002

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 2002 and on the outlook for the current year. The reporting principles applied to these consolidated financial statements for June 30, 2002, comply with the requirements of Swiss corporation law, the listing rules of the Swiss Exchange, and the International Accounting Standards (IAS).

ALSO Reports Very Pleasing First-Half Results

The ALSO Group, which operates in the IT logistics and services business with companies in Switzerland and Germany, closed the first half of 2002 substantially better than the previous year, even though the PC market in Europe contracted by 10 percent in unit terms. The Group's Distribution and Systems Business Divisions generated net income of CHF 9.7 million (2001: CHF 1.0 million loss) and tripled operating profit to CHF 15.0 million (2001: CHF 4.9 million). Net sales, however, fell from CHF 907.1 million to CHF 796.1 million. The workforce numbered 1,122 employees (2001: 1,484). In the reporting period, the equity ratio rose to 40 percent of total assets (end-2001: 36 percent).

Distribution: Continuous Improvement in Profitability

The Distribution Division had a good first half-year. It gained market share and increased service revenues by 30 percent. At the same time, efficiency was increased, enabling operating profit to match the previous year's level (2002: CHF 16.0 million; 2001: CHF 15.8 million). However, net sales overall fell from CHF 786.4 million to CHF 719.3 million. Both the Swiss and the German companies were able to improve their profitability.

Systems Business: Further Progress

The Systems Business Division improved considerably by comparison with the same period last year. The operating loss was reduced substantially (2002: CHF 0.7 million loss; 2001: CHF 11.2 million loss), even though the declining demand for IT services and the concentration of activities on Switzerland's three main business centers caused sales to fall by 36 percent to CHF 76.8 million.

Half-Year Financial Summary

Consolidated Profit and Loss Statement (CHF 1 000)	1st Half 2001	1st Half 2002	Change
Revenues from product sales	874 571	765 027	(13 %)
Service revenues	59 701	46 868	(21 %)
Deductions from revenues	(27 168)	(15 808)	(42 %)
Total net sales	907 104	796 087	(12 %)
Cost of goods sold and service expenses	(801 863)	(705 882)	(12 %)
Gross profit	105 241	90 205	(14 %)
Operating expenses	(100 368)	(75 165)	(25 %)
Operating profit (loss) (EBIT)	4 873	15 040	209 %
Net financial and investment income	(3 005)	(1 731)	(42 %)
Net income before taxes	1 868	13 309	612 %
Taxes	(2 901)	(3 576)	23 %
Net income (loss) after taxes	(1 033)	9 733	1042 %

Half-Yearly Earnings per Share

Undiluted per share information

Number of shares issued (./ treasury shares)	589 115	591 816	
Half-yearly earnings per share (CHF)	(1.75)	16.45	1042 %

Diluted per share information*

Number of shares issued (./ treasury shares)	651 240	646 867	
Half-yearly earnings per share (CHF)	(1.75)	16.22	1027 %

* 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)

Total net sales

Distribution	786 398	719 303	(9 %)
– Revenues from product sales	781 098	712 396	(9 %)
– Service revenues	5 300	6 907	30 %
Systems business	120 706	76 784	(36 %)
– Revenues from product sales	66 305	36 822	(44 %)
– Service revenues	54 401	39 962	(27 %)
Total net sales	907 104	796 087	(12 %)

Operating profit (loss) (EBIT)

Distribution	15 760	15 954	1 %
Systems business	(11 178)	(660)	94 %
Corporate	291	(254)	(187 %)
Total operating profit (loss) (EBIT)	4 873	15 040	209 %

Headcount*	30.6.2001	30.6.2002	Change
Distribution	608	494	(19 %)
Systems business	864	616	(29 %)
Corporate	12	12	0 %
Total	1 484	1 122	(24 %)

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

Outlook: Sales and Profit in Second Half-Year Same as in First Half-Year 2002

Despite weak economic conditions and subdued prospects for the IT market, ALSO looks forward with confidence. In view of the increased efficiency in Distribution and the substantial improvement in Systems Business in the last 12 months, the Group expects – leaving aside unforeseeable events – net sales and net income for the second half of 2002 to be similar to the first half of 2002.

Sincerely yours,

ALSO HOLDING AG



Thomas C. Weissmann
Chairman of the Board



Prof. Dr. Rudolf Marty
Member of the Board

Half-Year Financial Summary

Consolidated Balance Sheet (CHF 1 000)	31.12.2001	30.6.2002	Change
Cash	65 383	62 666	(4 %)
Other current assets	290 645	277 137	(5 %)
Non-current assets	39 303	35 386	(10 %)
Total assets	395 331	375 189	(5 %)
Current liabilities	203 002	178 327	(12 %)
Non-current liabilities	50 181	47 844	(5 %)
Shareholders' equity	142 148	149 018	5 %
Total liabilities and shareholders' equity	395 331	375 189	(5 %)

Consolidated Cash Flow Statement (CHF 1 000)	1 st Half 2001	1 st Half 2002
Net income (loss)	(1 033)	9 733
Depreciation	7 386	4 516
Increase (decrease) in provisions	463	(1 243)
Other positions with no effect on liquidity	593	(24)
Decrease (increase) in net working capital	(19 902)	(265)
Cash flow from operating activities	(12 493)	12 717
Net investments in fixed assets	(3 194)	(1 077)
Net investments in intangible assets	(270)	(153)
Cash flow from investment activities	(3 464)	(1 230)
Increase in capital	608	227
Increase (decrease) non-current financial liabilities	1 222	(11 341)
Dividend paid	(2 647)	(2 955)
Cash flow from financing activities	(817)	(14 069)
Translation differences	(1)	(135)
Increase (decrease) in net liquidity	(16 775)	(2 717)
Net liquidity at January 1	89 084	65 383
Net liquidity at June 30	72 309	62 666

Consolidated Group Capital and Reserves (CHF 1 000)

	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Translation differences	Total
January 1, 2001	5 948	41 752	(22)	85 723	1	133 402
Increase in capital	29	579				608
Dividend paid				(2 647)		(2 647)
Net income (loss)				(1 033)		(1 033)
Translation differences					(1)	(1)
June 30, 2001	5 977	42 331	(22)	82 043	0	130 329
January 1, 2002	5 977	41 979	(22)	94 154	60	142 148
Increase in capital	22	371				393
Repurchase convertible bond		(166)				(166)
Dividend paid				(2 955)		(2 955)
Net income (loss)				9 733		9 733
Translation differences					(135)	(135)
June 30, 2002	5 999	42 184	(22)	100 932	(75)	149 018