



ALSO 
more than distribution

Half-year sales top 2 billion for first time ever – net loss CHF 7.5 million

During the first half of 2007, the ALSO Group pushed up net sales considerably. Although ALSO excluding GNT reported an excellent net profit, the Group result was a net loss. This was mainly the result of the loss reported by GNT Sweden. For the current year, ALSO is expecting a net income of CHF 5.0 to CHF 7.0 million. In the medium term, ALSO is targeting sales of over CHF 5 billion with a net income of CHF 35 to 40 million.

Unit growth on the European PC markets relevant for ALSO was around 10% during the first half of 2007, which also represents a slight growth in value. During the first six months, the ALSO Group pushed up net sales by 120% to CHF 2268 million compared with the same period last year (2006: CHF 1031 million). Both ALSO Switzerland and ALSO Germany played a considerable role in generating this vigorous growth. On top of this came the additional revenues from GNT Group, which was acquired on 1 September 2006. Although ALSO excluding GNT managed to push up its half-yearly net income by 72%, the ALSO Group closed the first six months of 2007 with a loss of CHF 7.5 million, caused mainly by GNT Sweden. In regard to this, the Group incurred restructuring costs for GNT Sweden as well as extraordinary costs for balance sheet adjustments totalling CHF 5.0 million. Compared with 31 December 2006, net working capital was down by 167 million. On 30 June 2007, total assets stood at CHF 1 101 million (31.12.2006: CHF 1 417 million) and the equity ratio at 18% (31.12.2006: 14%). On balance sheet date, ALSO had 1 873 employees (2006: 606). Of these, 1 202 were attributable to the acquisition of the GNT Group.

ALSO without GNT: net result up by 72 %

Excluding GNT, ALSO achieved an excellent result in the first half of 2007. While the PC markets in Switzerland and Germany were down in value, ALSO reported an increase in sales of 16%, taking them to CHF 1 199 million (2006: CHF 1 031 million) and a net income of CHF 11.7 million, up 72% from the same period in 2006 (CHF 6.8 million). The operating profit of CHF 17.6 million was up 68% over the previous year (2006: CHF 10.5 million).

With an increase of 9% in sales, ALSO strengthened its position on the Swiss market. This was assisted by the addition of new IT product lines. Apart from this, ALSO reported continued growth with IT consumables and home electronics and acquired two new customers (SRG-SSR and The Phone House) for its logistics services. The German subsidiary increased its sales by 22%, primarily through increases in market share in its existing product portfolio but also by taking new manufacturers like Asus, Logitech and Samsung on board. Thanks to higher sales, increased efficiency and a slight improvement in margins, both the Germany and Swiss subsidiaries reported a disproportionate increase in operating profit compared with the first half of 2006.

GNT Group: operating loss in Sweden and non-recurring costs burden GNT result

The GNT Group, which has belonged to ALSO since 1 September 2006, generated first-half sales of CHF 1 069 million (2006: CHF 1 012 million). With the exception of GNT Sweden, all GNT companies reported increased sales over the same period last year. Overall, the newly acquired subsidiary reported a net loss of CHF 19.2 million. This was due primarily to the high losses reported by the Swedish subsidiary, which has yet to make the turnaround. Apart from this, the GNT Group's half-year loss includes extraordinary costs of CHF 5.0 million for restructuring and balance sheet adjustments.

Outlook for 2007: CHF 5.0 to 7.0 million net income and CHF 4.5 to 5.0 billion sales

The noticeable increase in demand should be maintained in most European countries during the second half of the year. For the current year, ALSO is expecting net sales of between CHF 4.5 and 5.0 billion and a consolidated net income of approximately CHF 14.0 million in the second half of 2007. Excluding unforeseen circumstances, net income for 2007 is expected to be in the region of CHF 5.0 to 7.0 million. In the medium term, ALSO is targeting sales of over CHF 5 billion with a net income of CHF 35 to 40 million.

Sincerely yours,

ALSO Holding AG



Thomas C. Weissmann
Chairman of the Board



Prof. Dr. Rudolf Marty
Member of the Board

Hergiswil (Switzerland), 10 August 2007

Consolidated Interim Financial Statements as at June 30, 2007

Consolidated Income Statement

CHF 1000	First half 2007		First half 2006		Change
Revenue from product sales	2 271 207		1 029 047		120.7%
Service revenue	14 825		10 607		39.8%
Deductions from revenue	-18 085		-9 120		98.3%
Total Net Sales	2 267 947	100.0%	1 030 534	100.0%	120.1%
Cost of goods sold and service expenses	-2 165 907		-980 710		120.9%
Gross Profit	102 040	4.5%	49 824	4.8%	104.8%
Operating expenses	-92 638	-4.1%	-39 373	-3.8%	135.3%
Operating Profit (EBIT)	9 402	0.4%	10 451	1.0%	-10.0%
Financial result	-14 194	-0.6%	-2 109	-0.2%	573.0%
Earnings before tax	-4 792	-0.2%	8 342	0.8%	-157.4%
Tax	-2 731	-0.1%	-1 506	-0.1%	81.3%
Earnings after tax	-7 523	-0.3%	6 836	0.7%	-210.0%

Earnings per Share

	First half 2007		First half 2006		Change
<i>Basic</i>					
Number of shares issued	6 015 337		6 004 032		
Earnings per share (CHF)	-1.25		1.14		-209.6%
<i>Diluted</i>					
Number of shares issued	6 019 907		6 012 822		
Earnings per share (CHF)	-1.25		1.14		-209.6%

Consolidated Balance Sheet

CHF 1000	30.06.2007		31.12.2006		Change
Cash	85 693	7.8%	67 870	4.8%	26.3%
Other current assets	826 547	75.0%	1 135 019	80.1%	-27.2%
Non-current assets	188 920	17.2%	213 993	15.1%	-11.7%
Total Assets	1 101 160	100.0%	1 416 882	100.0%	-22.3%
Current liabilities	736 100	66.9%	1 018 320	71.9%	-27.7%
Non-current liabilities	172 006	15.6%	196 502	13.9%	-12.5%
Shareholders' equity	193 054	17.5%	202 060	14.2%	-4.5%
Total Liabilities and Shareholders' Equity	1 101 160	100.0%	1 416 882	100.0%	-22.3%

Consolidated Interim Financial Statements as at June 30, 2007

Consolidated Cash Flow Statement

CHF 1000	First half 2007	First half 2006
Earnings after tax	-7 523	6 836
Depreciation and amortization	5 870	2 477
Decrease in provisions	-856	-70
Other non-cash items	1 428	236
Decrease in net working capital	167 415	20 851
Cash Flow from Operating Activities	166 334	30 330
Net investments in fixed assets	-6 442	-3 627
Net investments in intangible assets	-58	-821
Cash Flow from Investing Activities	-6 500	-4 448
Free Cash Flow	159 834	25 882
Disposals of treasury shares	375	308
(Decrease) increase in current financial liabilities	-140 538	6 225
Increase in non-current financial liabilities	4 043	250
Dividend paid by ALSO Holding AG	-4 210	-4 201
Cash Flow from Financing Activities	-140 330	2 582
Translation Differences	-1 681	357
Change in Cash	17 823	28 821
Cash at January 1	67 870	43 703
Cash at June 30	85 693	72 524

Consolidated Statement of Changes in Equity

CHF 1000	Share Capital	Legal reserves	Treasury shares	Cash flow hedge reserve	Translation differences	Retained Earnings	Total
January 1, 2006	6 038	43 089	-40	24	1 724	139 967	190 802
Translation differences	0	0	0	0	369	0	369
Transferred to income statement	0	0	0	-24	0	0	-24
Fair value adjustments on cash flow hedges	0	0	0	-34	0	0	-34
Total gains and losses recognized in equity	0	0	0	-58	369	0	311
Earnings after tax	0	0	0	0	0	6 836	6 836
Total gains and losses	0	0	0	-58	369	6 836	7 147
Treasury shares	0	296	12	0	0	0	308
Employee shares / options	0	0	0	0	0	308	308
Dividend paid	0	0	0	0	0	-4 201	-4 201
June 30, 2006	6 038	43 385	-28	-34	2 093	142 910	194 364
January 1, 2007	6 038	43 385	-28	-1	4 409	148 257	202 060
Translation differences	0	0	0	0	1 935	0	1 935
Transferred to income statement	0	0	0	1	0	0	1
Fair value adjustments on cash flow hedges	0	0	0	41	0	0	41
Total gains and losses recognized in equity	0	0	0	42	1 935	0	1 977
Earnings after tax	0	0	0	0	0	-7 523	-7 523
Total gains and losses	0	0	0	42	1 935	-7 523	-5 546
Treasury shares	0	362	13	0	0	0	375
Employee shares / options	0	0	0	0	0	375	375
Dividend paid	0	0	0	0	0	-4 210	-4 210
June 30, 2007	6 038	43 747	-15	41	6 344	136 899	193 054

Selected notes to the Consolidated Interim Financial Statements as at June 30, 2007

General principles

These unaudited interim financial statements as at June 30, 2007, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

Accounting and valuation principles

The accounting and valuation principles adopted are consistent with those of the consolidated financial statements as at December 31, 2006. The accounting standards, which were amended or expanded as from January 1, 2007, are the following:

- ▶ IFRS 7, Financial Instruments: Disclosure
- ▶ IAS 1, Presentation of Financial Statements: Capital Disclosures
- ▶ IFRIC 7, Applying the Restatement Approach under IAS 29
- ▶ IFRIC 8, Scope of IFRS 2
- ▶ IFRIC 9, Reassessment of Embedded Derivates
- ▶ IFRIC 10, Interim Financial Reporting and Impairment

These amendments have no effect on the preparation and presentation of the interim financial statements.

These interim financial statements, based on IFRS, contain assumptions and estimates that have an influence on the figures stated in this interim report. Actual results may vary from these estimates.

The calculation of the deferred purchase price obligation relating to minority interests (arising from the acquisition of GNT Group in 2006) has been amended compared to 2006. The change in estimate reduces both the purchase obligation and goodwill by approximately MCHF 30.8. According to the share purchase agreement, the final purchase price will be determined by the results of the GNT Group in 2007 or 2009.

Scope of consolidation

Compared to June 30, 2006, the scope of consolidation has been expanded by the Finnish GNT Group, Tampere (acquired in September 2006).

GNT Group has contributed with sales of MCHF 1 069 and with a loss of MCHF 19.2 to the Group result.

Non-current financial liabilities

The non-current financial liabilities remained unchanged from the December 31, 2006, financial statements, with the exception of the purchase obligation relating to minority interests.

Income tax

Income tax expense recognized in the interim financial statements is based on the best possible current estimate of the income tax rates for 2007.

Dividend

In accordance with a resolution made by the General Meeting of ALSO Holding Ltd on March 14, 2007, a dividend of 0.70 CHF (previous year 0.70 CHF) per registered share was paid on March 19, 2007.

Contingent liabilities

No significant changes in contingent liabilities have occurred after December 31, 2006.

Events after balance sheet date

No relevant events have occurred since balance sheet date.

Selected notes to the Consolidated Interim Financial Statements as at June 30, 2007

Headcount

	Switzerland		Germany		North & East Europe		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Total*	393	364	278	242	1 202	0	1 873	606

* Headcount as full-time equivalents at the reporting date

Geographical market

CHF 1000	Switzerland		Germany		North & East Europe		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Total net sales	509 101	465 764	690 325	564 770	1 068 521	0	2 267 947	1 030 534
Assets	226 732	208 987	262 543	239 669	611 885	0	1 101 160	448 656
Capital expenditure	589	1 610	317	2 838	5 594	0	6 500	4 448

Currency translation

The exchange rates for the most important foreign currencies of the ALSO Group have moved as follows:

			Average exchange rate		Closing date exchange rate		
			First half 2007	First half 2006	30.06.07	30.06.06	31.12.06
EU	EUR	1	1.63	1.56	1.65	1.57	1.61
USA	USD	1	1.23	1.27	1.23	1.23	1.22
Sweden	SEK	100	17.73	16.78	17.94	16.99	17.76
Norway	NOK	100	20.09	19.70	20.86	19.80	19.44



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