

Interim report at August 31, 2008

Slight increase in revenues and stable result

Zurich, October 13, 2008. – During the first eight months of the current year, the Conzzeta Group's businesses performed at the same level as in the previous year. Consolidated net revenues increased by 3.1% to CHF 985.3 (955.6) million. After adjustment for currency translation effects, revenue growth amounted to 7.7%. The operating profit (EBIT) was CHF 73.6 (74.7) million, slightly lower than for the corresponding period of 2007. Revenues and earnings were affected by the unfavorable currency situation. On the basis of the current order situation, it is possible that the present revenue trend will be maintained up to the end of 2008. The operating result in 2008 will be slightly lower than in 2007 owing to the negative impact of currency effects and the rise in procurement costs.

In the four months from May to August, Conzzeta's markets remained robust despite the financial crisis, high raw material prices and increasing economic uncertainties. However, developments in the various business units and their markets showed a mixed picture. Compared with the first eight months of last year, consolidated net revenues grew by 3.1% to CHF 985.3 (955.6) million. The weakness of key export currencies (USD, GBP, KRW) continued to exert a negative influence through the second four-month period. After adjustment for currency translation effects, Conzzeta's consolidated net revenues showed a 7.7% increase compared with the first eight months of last year. The operating margin (EBIT) of 7.2% (7.8%) was slightly lower than for the corresponding period of 2007. Operating profit was reduced by special costs of around CHF 10 million arising from the closure of the natural latex foam production facility. Group profit of CHF 59.8 (112.5) million was on a par with 2007, once last year's extraordinary profit of CHF 56.3 million is factored out.

Business units

In a generally positive capital goods market, the **Sheet Metal Processing Systems** business unit (Bystronic) increased its sales in the first two-thirds of the year to CHF 513.1 (502.0) million (+2,2%; currency-adjusted: +8%). Growth in the Chinese and southeast Asian markets was below expectations, while in the USA sales were higher than last year. The opening of a branch office in Canada extended Bystronic's marketing network. Capacity utilization in the current year was sustained at the high levels recorded last year. Incoming orders for the year so far increased in Europe, Russia and Brazil. Generally, however, the order intake is tending to flatten out.

Glass Processing Systems business unit (Bystronic glass) maintained an upward course in the reporting period, with sales rising 11.7% to CHF 173.3 (155.2) million. The growth momentum was particularly strong from some European markets, as well as China, Russia and the Middle East, while demand in the USA and Great Britain came to a virtual standstill because of the housing market crisis. Elsewhere in

Europe, demand for architectural glass processing systems appears to be faltering. On a more promising note for the future development of the business unit, there was lively interest in integrated glass processing systems and production plant for laminated safety glass and solar cells.

With sales of CHF 35.1 (47.1) million at the end of August 2008, **Automation Systems** business unit (ixmation) was unable to make good the sales deficit on the previous year. Comparisons with the previous period have only limited value, as the business unit subsequently received engineering orders from customers on existing projects delaying delivery. A further deferment of sales arose because ixmation's plant in the USA was damaged by a tornado at the beginning of August, resulting in a month-long delay in assembly and delivery. At all ixmation subsidiaries (USA, Switzerland, Malaysia and China), incoming orders and order backlogs are well above 2007 levels. Growth was particularly marked in sales of manufacturing equipment for solar cells and medical equipment in the USA and in Asia.

The **Foam Materials** business unit (FoamPartner) reported sales of CHF 104.7 (105.8) million at the end of August 2008, almost on a par with the previous year. The market for polyurethane foams stagnated in both Europe and the USA in the second four-month period of 2008. By contrast, Asian markets grew strongly. At the end of 2008, FoamPartner will cease manufacture of natural latex products in Switzerland owing to a lack of orders and profitability. Appropriate provisions were formed in the financial statements for the first four months of 2008 as well as at the end of 2007 to cover the cost of shutdown and the value adjustment on the investment. At the new foam processing plant in China, the first products for the local market came on stream in mid-September 2008.

The **Sporting Goods** business unit (Mammut Sports Group) reported sales of CHF 111.9 (102.4) million at the end of August 2008, a 9.2% improvement on the previous year. Mammut Sports Group achieved clear growth in all its major markets. Even in the USA, the sales figures were higher, despite the weakness of the US currency. The growth trend in the clothing segment was particularly pleasing. Pre-orders for the 2008/09 winter season provided further grounds for confidence. The first retail outlet in Asia was established with the opening of a Mammut Store in Tokyo.

Schmid Rhyner (varnishes and adhesives), which is consolidated under **Other Industrial Activities**, put in another convincing performance, generating steady growth in the second four months of 2008. Demand for print finishing products in the packaging and commercial printing segments was especially strong. Schmid Rhyner established its first foothold abroad with a sales office in the USA.

Outlook

On the basis of the current order situation, it is possible that the present revenue trend will be maintained up to the end of 2008. In view of the negative exchange-rate effects and rising procurement costs, the Group does not expect to match the 2007 result, which was also buoyed by an unusually strong surge in revenues during the last third of the year. With signs of a fall-off in incoming orders in the capital goods market already clearly apparent, the Conzzeta Group expects the economic downturn forecast for the period ahead will have a negative impact on the performance of its businesses in the coming year.

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The Conzzeta Group is an internationally active industrial holding company, with over 3,500 employees worldwide. Its core business areas are machinery and systems engineering, and the manufacture of consumer and industrial products. Conzzeta's shares are listed on the SWX Swiss Exchange (SWX:CZH).

Consolidated income statement 1/1 - 8/31/2008

	1/1 - 8/31/2008	1/1 - 8/31/2007	Change
	CHF m	CHF m	%
Net revenue by business unit			
Sheet Metal Processing Systems	513.1	502.0	2.2
Glass Processing Systems	173.3	155.2	11.7
Automation Systems	35.1	47.1	-25.4
Foam Materials	104.7	105.8	-1.1
Sporting Goods	111.9	102.4	9.2
Real Estate	14.5	14.0	3.6
Other Industrial Activities and misc. revenue	32.7	29.1	12.2
Net revenue	985.3	955.6	3.1
Changes in inventory and own work capitalized	35.5	2.1	
Total revenue	1020.8	957.7	6.6
Cost of materials	-529.8	-482.3	9.8
Personnel expenses	-224.0	-215.5	3.9
Other operating expenses	-161.7	-157.2	2.9
Depreciation on property, plant and equipment and financial assets	-27.2	-19.6	38.8
Depreciation on intangible assets	-4.5	-8.4	-46.4
Operating result	73.6	74.7	-1.5
<i>Operating result in % of net revenue</i>	<i>7.2</i>	<i>7.8</i>	
Financial result	3.5	4.0	-12.5
Ordinary result before taxes	77.1	78.7	-2.0
Extraordinary result	2.7	56.3	
Profit before taxes	79.8	135.0	-40.9
Taxes	-20.0	-22.5	-11.1
Group profit	59.8	112.5	-46.8
<i>Group profit in % of net revenue</i>	<i>5.9</i>	<i>11.7</i>	

Consolidated balance sheet at 08/31/08

	08/31/2008	12/31/2007	Change
	CHF m	CHF m	%
Assets			
Cash, cash equivalents and securities	360.0	376.9	-4.5
Receivables, prepaid expenses and accrued income	329.9	320.2	3.0
Inventories	332.6	272.9	21.9
Current assets	1 022.5	970.0	5.4
Property, plant and equipment	363.3	358.9	1.2
Financial assets	41.4	41.0	1.0
Intangible assets	12.8	13.8	-7.2
Fixed assets	417.5	413.7	0.9
Total assets	1 440.0	1 383.7	4.1
Liabilities and shareholders' equity			
Short-term liabilities	351.4	318.3	10.4
Long-term liabilities	77.4	74.5	3.9
Liabilities	428.8	392.8	9.2
Shareholders' equity including minority interests	1 011.2	990.9	2.0
Total liabilities and shareholders' equity	1 440.0	1 383.7	4.1

Notes

The consolidated financial statements conform to the guidelines of Accounting and Reporting Recommendation Swiss GAAP FER 12 (Interim Reporting).