



2003: Profitability and balance sheet stability strengthened further

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The Bossard Group, the leading provider worldwide of components, engineering and logistics solutions for industrial fastenings reported an exchange rate related drop in sales revenues from CHF 450 million to CHF 433 million in 2003, but maintained the prior year's profit of CHF 9.1 million while raising the equity ratio by two percentage points to 42 percent. This is all the more remarkable as two years earlier the company reported a loss of CHF 11 million despite substantially higher sales of CHF 508 million and an unchanged consolidated group. For 2004 Bossard anticipates growth of its business volume which should be reflected in an over-proportional increase in earnings. The first two months of 2004 confirm these expectations for the year. At the shareholders' meeting on April 20, 2004, the board of directors will propose that an unchanged dividend be paid. It will propose a payment of 8 percent, which corresponds to CHF 0.80 per bearer share. This would mean a total payment of CHF 2.4 million or 26 percent of consolidated net income. As the term of office of the members of the board expires, a new board of directors will have to be elected. All the present members are available for reelection.

In the past business year the focus was on optimizing the group's activities in America, which is by far its largest individual market. The measures necessary for the technical and operational integration of the various acquisitions made between 1998 and 2000 were rigorously implemented. "In order to fully exploit the growth potential in our successful business with large multinational OEM customers", the CEO, Heinrich Bossard stated, "we restructured to allow each customer to access the full range of products and services via one contact." These measures together with the conclusion of various contracts, some with several years duration, with major new customers will be reflected in improved volume and earnings in our industrial business in America.

The group also focused on building up capacities in the regions to which international industrial companies are relocating their production capacities. In 2003, and in the European context, this was mainly the Czech Republic. Other central European countries will follow. From a global viewpoint it is Asia, where the group started building up and expanding its activities several years ago. As a result, Bossard's subsidiaries in this region increased their sales by 30 percent to CHF 32 million. In this respect the so-called Electronics Manufacturing Services EMS are beginning to play a major role as customers. They are highly flexible contract partners handling manufacturing orders for multinational technology companies. Such trends are of central importance for a company whose products and services make it a classical supplier to industrial manufacturing plants. As Heinrich Bossard put it, "If we had not started years ago, alongside the development of our U.S. activities, to build up centers in Asia with great care and judicious evaluation of risk, this market potential would now simply pass us by."

Given the existing agreements concluded with customers and the promising new contacts made in regions with above-average growth potential, Bossard expect sales growth of between 5 and 10 percent in 2004. As sales impact so strongly on the result, an above proportional increase in profit is anticipated. The very good developments in the first months of the current year confirm these expectations.