



Results for 2004

Bossard Group Results for 2004

Strong increase in sales and doubled profit

- **Steep sales increase of around 15% to CHF 497 million**
- **Doubled profit reaching CHF 18.4 million**
- **Proposed dividend increase to 18%**
- **Prospects for 2005: good growth, further profit increase**

In 2004, group sales increased steeply by CHF 64 million or almost 15% to CHF 497 million. This is primarily attributable to a noticeable upturn in the economy and targeted early investments in attractive growth markets. It is very satisfactory to note that the group's three sales regions, Europe, America and Asia, all contributed to the positive business development.

With a total of CHF 18.4 million, net income in the reporting year was more than double the prior years' result (CHF 9.1 million). The main reason for this higher profitability is that while sales rose steeply, costs increased noticeably less strongly.

Given the group's excellent condition, the board of directors will propose to the shareholders that the dividend be increased by CHF 1 compared to the prior year to CHF 1.80. This corresponds to our target of paying out 30% of the reported consolidated net income to our shareholders.

Positive development in the eastern growth regions

Sales development in geographic terms reflects the worldwide trend of relocating production capacities to Eastern Europe and Asia. In local currency, Bossard China actually doubled sales and Bossard Korea increased sales in just one year by two thirds. Currency adjusted, growth in Swiss francs for the entire Asia region was up roughly by one third. With sales volume totaling CHF 42 million, Asia contributed more than 8% of the group's consolidated sales. It must be noted that sales in this area have doubled in only four years. Bossard Group will strive to further increase its market share in these growth regions. We will focus on international industrial companies manufacturing in these markets. We want to continue to be their supplier of choice.

Also marked sales increase in the United States

In 2004 the United States, the largest individual market in our group, was also a major contributor to growth. Sales in local currency rose by 24%, currency adjusted – because of the weak dollar – by 15% to CHF 187 million.

In the United States, as in many other markets, the increasing shortage of steel posed a considerable challenge. As a result of the worldwide industrial upswing, bottlenecks and delays in procurement could not always be avoided, despite our global supply network. This led to price increases in procurement. These extra costs could not be passed on or only after a delay, which cut earnings – particularly in the United States.

Europe good – Switzerland even better

There were hardly any foreign exchange fluctuations in Europe in 2004. With their 12% growth, our European operations gained substantial additional market shares. Sales in Switzerland were well above the general economic development there: sales grew by 10%, which means that the CHF 100 million sales threshold was reached.

Business in the Czech Republic was also very promising, although Bossard has only been active there for a short period of time. With advantageous costs and attractive conditions, not only parts of the Far East but also countries in Eastern Europe are becoming more and more popular among industrial corporations with multinational operations. Consequently, in future too we shall put our own branch operations in place in migration markets that show exceptional potential.

2005: basically optimistic

We again expect a good result for 2005. And we will be striving for a profit that surpasses growth. We are optimistic because the new year started well. Such expectations are based on the assumption that the world economy will develop positively.

Continuity assured

"The unexpected death of our delegate to the board and CEO, Henry Bossard, was a shock for all of us. Bossard Group has lost an exceptional personality, both in human and business terms", David Dean said. The new CEO and former CFO worked together closely with Heinrich Bossard and it was planned that he takes over as CEO in the spring of 2006 anyway. He is quite convinced that "there is no reason at all to change our strategy". The board and executive committee are also firmly committed to continuity. Thus in future, too, Bossard Group's well-established guiding principle – such as customer satisfaction, quality, people focus and independence – will continue to apply.

Further information is available at the media conference on March 15, 2005, at the Hotel Widder, Rennweg 7, 8001 Zürich at 11.00 AM or can be downloaded on www.bossard.com.

Zug, Switzerland, March 15, 2005