

Press Release

Bossard Gruppe Results for 2005

Sales Growth and Record Profit

The 2005 business year was very satisfactory for Bossard Group. Profit grew more strongly than sales. And there is still substantial growth in the markets in Eastern Europe and Asia, which are so important strategically for the Group.

In 2006 Bossard is celebrating its 175th anniversary with a very satisfactory result – and with good prospects for the current year.

For the first time since 2001, Bossard Group's total sales surpassed the CHF 500 million threshold, reaching CHF 515 million. Compared to the prior year, Group sales were up 3.5 %. Adjusted for the acquisition and divestment of participations, sales in fact rose by 6.8 %.

The markets in America, Asia and Eastern Europe were the main contributors to this pleasing growth. Conversely, Bossard's home markets, Switzerland and Western Europe were only up marginally on the prior year.

Highest profit in the company's history

The positive development of business volume is reflected in the net profit of CHF 20.9 million – despite substantial investments in productivity. It is the best result in the 175 years of company history.

Given this record profit, the high equity ratio of 43.7 % and the healthy state of the Group as a whole, the dividend is to be increased from 18 % to 19 %. Additionally, the board has proposed a onetime anniversary dividend of 4 % of the share capital.

America – good sales, moderate returns

In 2005 sales in America grew by 7 %. The profit contribution (EBITDA) rose from CHF 1.9 million to CHF 4.8 million. Despite this marked increase, the result is still below the average for the Group. In order to enhance productivity and profitability further, warehouses were relocated centrally and the Bossard standard ERP system introduced.

Good news from Asia

Bossard's long-term strategy of investing in markets with high growth and earnings potential again bore fruit in the past business year: With a 34 % sales increase Asia proved to be the Group's strongest growth driver. Bossard's Indian subsidiary added 53 % in sales volume and China was up 41 %. Bossard now has more than 500 employees in Asia – roughly one third of total Group personnel.

Strong market presence in Eastern Europe

In Eastern Europe the Group bought the Polish company Sal-Pol Sp.z.o.o, which has sustainably strengthened the Group's market presence in another, strategically important market. This acquisition means that the Group is even better positioned to exploit its proven business model – product, engineering, logistics – in Eastern Europe's booming industry.

As in the Group's established markets, Bossard's objective is to become the partner of choice for even more industrial companies with international operations in the strategic growth regions of Asia and Eastern Europe.

Still steering a successful course with "2-B-global"

The alliance formed in 2004 with the German Böllhoff Group, which operates under the 2-B-global label, also developed extremely well. With its complementary geographic focus, the alliance covers the supply of multinational industrial companies around the globe. This cooperation has already led to the acquisition of a major customer and to further interesting orders.

Expectations for 2006: Higher sales and increased profit

The board of directors and the executive committee anticipate further increases in sales and profit in 2006. This confidence is based on a positive forecast for the world economy on the one hand and, on the other, on earnings forecasts for Bossard's main markets.

Election to the board of directors

As planned, the gap left on the board as a result of the unexpected death of Heinrich Bossard is to be closed. The board is proposing that the annual general meeting elects Anton Lauber as its new member. Anton Lauber has a degree in mechanical engineering and, since 1996, has been CEO and delegate of the board of Schurter Group, domiciled in Lucerne, with operations in the fields of electrical engineering and electronics. Moreover, Erica Jakober has been proposed for election as the employee representative on the board. She will take over from Edwin Huber who retired at the end of January 2006.

Further information will be made available at the meeting for financial analysts and the press conference to be held today at 08-30 a.m. in Hotel Widder, Rennweg 7, 8001 Zurich, or from:

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Bossard Group

Bossard Group is a group of companies with international operations. The Group provides a full range of products and services related to fasteners, including worldwide supply, technical support and inventory management. Its customers include numerous multinational industrial companies. The holding company, Bossard Holding AG, has its headquarters in Zug, Switzerland, and is listed on the Swiss stock exchange. The Group has some 1,700 employees and generates sales of half a billion Swiss francs.

Key Figures

IN CHF 1,000	2005	2004	2003	2002	2001
Gross Sales	514,943	497,314	433,404	449,737	507,585
Net Sales	497,084	480,534	416,749	432,029	488,221
Change to prior year in %	3.5	14.7	-3.5	-11.5	-5.1
EBIT	31,131	27,170	15,879	18,421	5,913
in % of net sales	6.3	5.7	3.8	4.3	1.2
Net income/(loss)	20,851	18,222	9,502	9,575	-11,105
in % of net sales	4.2	3.8	2.3	2.2	-2.3
Cash Flow ¹⁾	31,508	28,348	20,119	21,074	2,099
Capital expenditures	20,385	16,847	4,506	3,856	9,879
Headcount at Dec. 31	1 624	1 490	1 350	1 316	1 366