

Zürich, August 12th 2010



Half Year Results 2010

Media & Financial Analyst Conference Call



Speakers



Thomas Bachmann, CEO

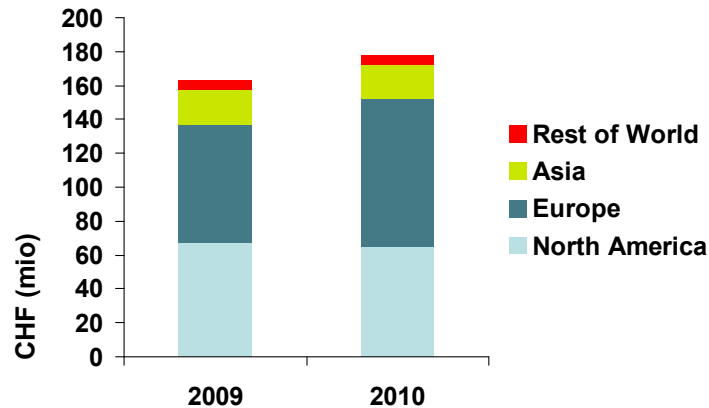
Dr. Rudolf Eugster, CFO

Agenda

- Introduction & Summary Thomas Bachmann
- Financial Results Dr. Rudolf Eugster
- Strategy & Outlook Thomas Bachmann
- Questions & Answers

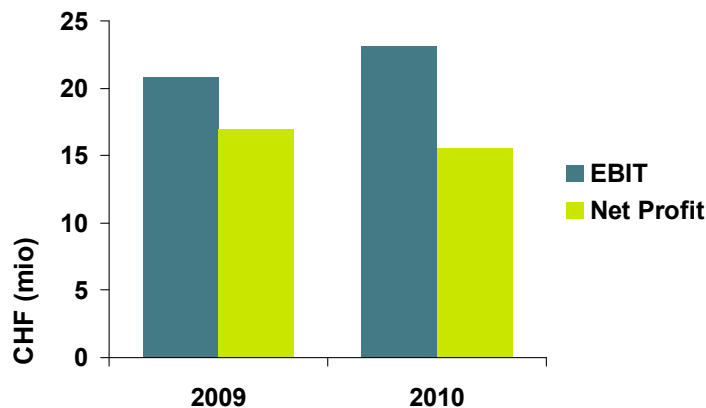
H1 2010 – Substantial Sales Growth

Sales



- Sales growth of 12.2% in local currencies from continuing operations
 - Sales increased by 9.1% in CHF
 - Europe: 28.2% above prior year in local currencies
 - North America: stable in local currencies
 - Asia: unchanged in local currencies, strong growth in China

Profitability



- Strong profitability
 - EBIT increased by 11.0%
 - EBIT margin of 13.0% above prior year's level
 - Net profit margin of 8.8% impacted by foreign exchange losses
- Productivity (NAVI) remaining on high level

• Net Added Value Index (NAVI) = (EBIT + personnel expenses)/personnel expenses
 • Results from continuing operations only

Sale of Sample Management Business

- On July 15, Tecan signed a share and asset purchase agreement to divest all Sample Management activities to NEXUS Biosystems
- Part of the strategic portfolio alignment
- Tecan is focusing its growth strategy on its core business
- Selling price of CHF 12 million; additional deferred payments of between USD 4.4 million and USD 7.7 million
- Customers benefiting from strong global market and service presence and unparalleled innovation strength of combined NEXUS-REMP entity
- Sample Management business segment presented as “discontinued operation”

H1 2010 – Strong Business Performance

- Both remaining core product segments *Components & Detection* and *Liquid Handling & Robotics* with double-digit sales growth
- Global OEM business grew by 52.4%; now contributing 44% to total sales
- Strong performance in Services and Consumables (Services & Consumables: +4.9%; Consumables only: +17.5%); 32% of total sales
- Order entry increased by 10.7% in local currencies
- Achieved further price increases and material cost savings
- Strong cash flow from operating activities (11.7% of sales)
- Balance sheet further strengthened, equity ratio and net cash position increased
- Further milestones achieved in strategy implementation

Agenda

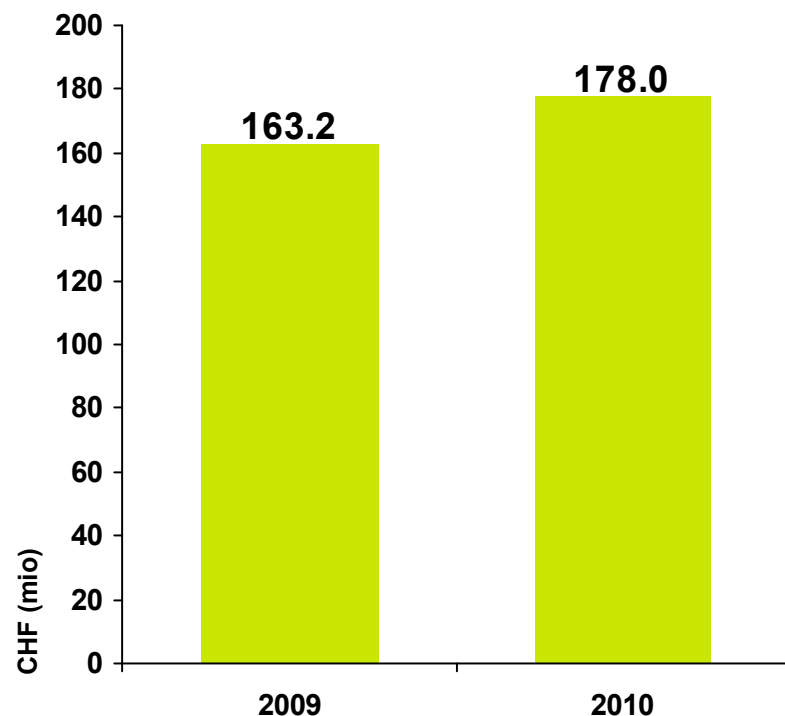
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Consolidated Income Statement

(in CHF million)

	Continuing operations		Including discontinued operation	
	2009	2010	2009	2010
Sales	163.2	178.0	182.6	188
Δ in % (CHF)		+9.1%		+2.9%
Δ in % (local currencies)		+12.2%		+5.7%
EBIT	20.8	23.1	21.1	20.6
Δ in %		+11.0%		-2.3%
EBIT margin	12.8%	13.0%	11.5%	11.0%
Impairment losses	-	-	-	-27.0
Profit for the period	17.1	15.6	17.2	-12.9
Earnings per share (CHF)	1.64	1.50	1.66	-1.25

H1 2010 Sales Performance



- Significant sales growth in H1 2010
- Sales H1 2010 vs. H1 2009
 - +9.1% in Swiss Francs
 - +12.2% in local currencies
- Order Entry H1 2010 vs. H1 2009
 - +7.4% in Swiss Francs, to CHF 193.4m (H1 2009: CHF 180.1m)
 - +10.7% in local currencies

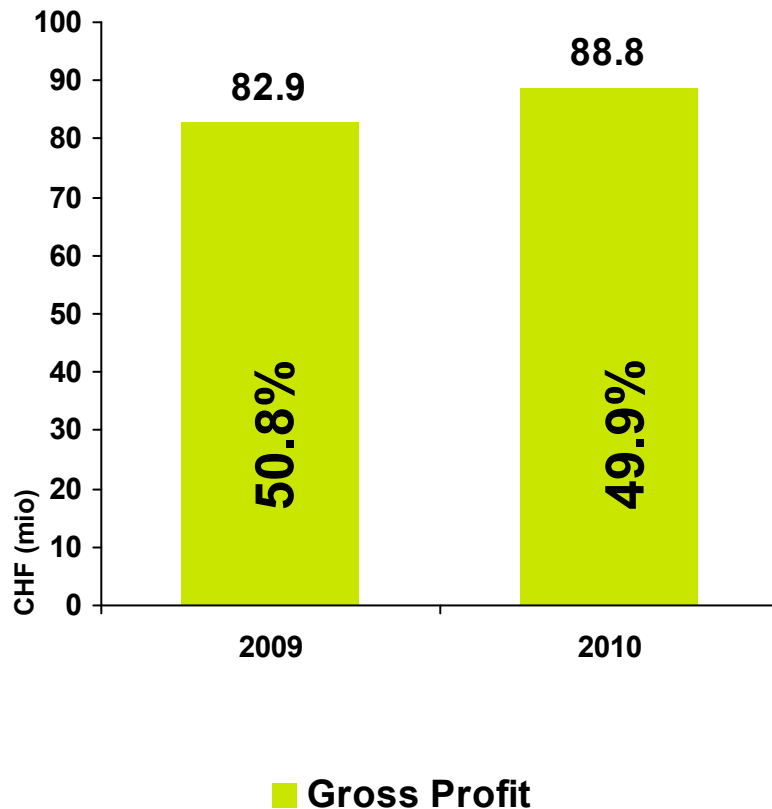
Average exchange rates

CHF	H1 2009	H1 2010
EUR	1.51	1.44
USD	1.13	1.08

•Results from continuing operations only

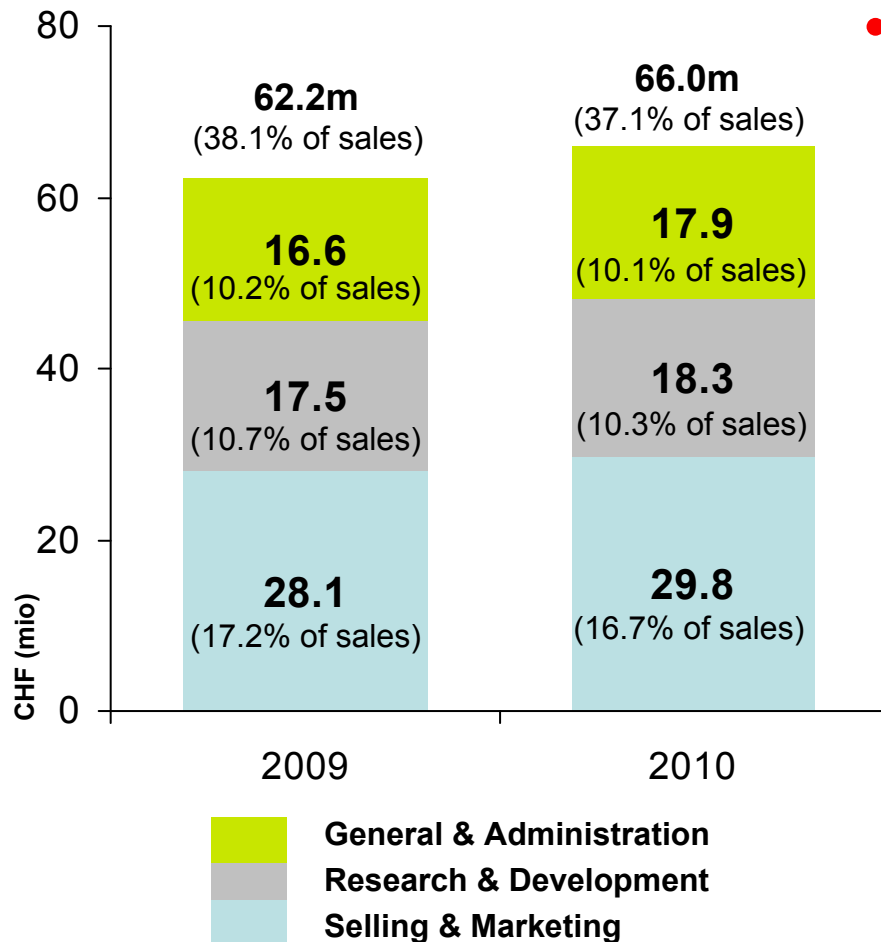
H1 2010 Gross Profit

% = Gross Profit as a % of sales



- Gross profit reached CHF 88.8m
 - CHF 5.9m or 7.1% above H1 2009
- Gross profit margin decreased by 0.9% to 49.9%
 - -0.3% exchange rate impact
 - Net effect of -0.6% due to
 - product mix impact of increased OEM and Services & Consumables share (-)
 - raw material cost savings (+)
 - price increases (+)

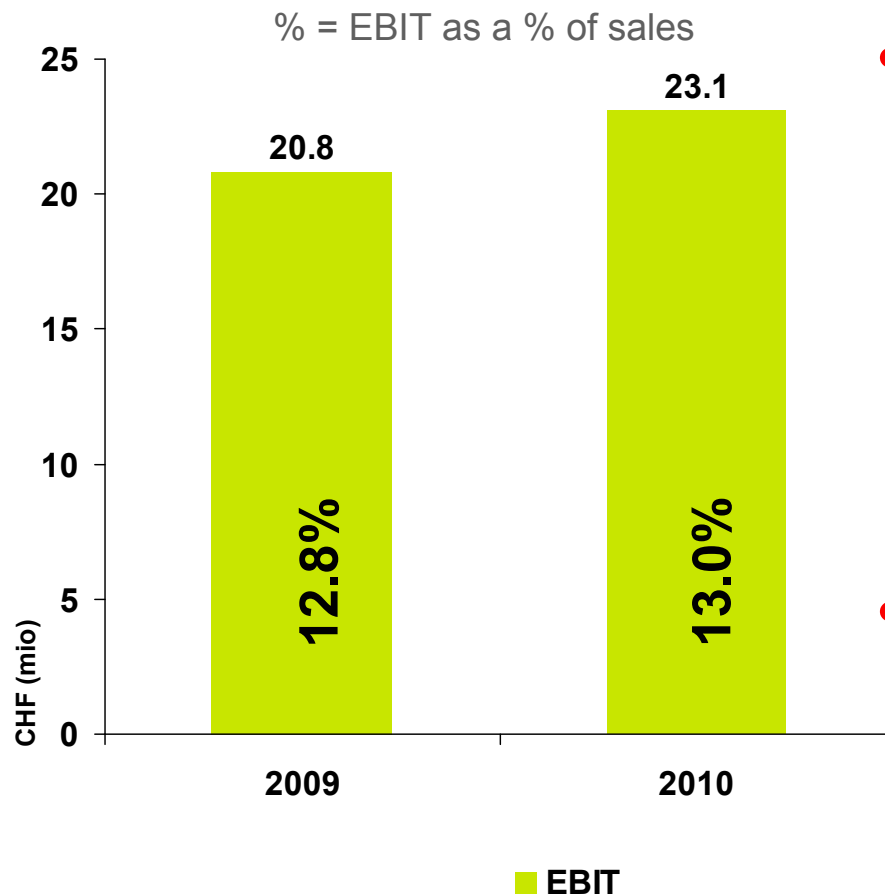
H1 2010 Cost Structure



- Costs increased by CHF 3.8m (6.2%), at smaller rate than sales
 - Selling & Marketing increased by 6.1%
 - Continued investments in Market Units
 - R&D expenses increased by 4.2%
 - Total R&D investments of CHF 20.2m or 11.3% of sales, including net CHF 1.9m capitalized R&D costs
 - G&A increased by 8.4%
 - Introduction of new Performance Share Plan to replace Option Plans for top management

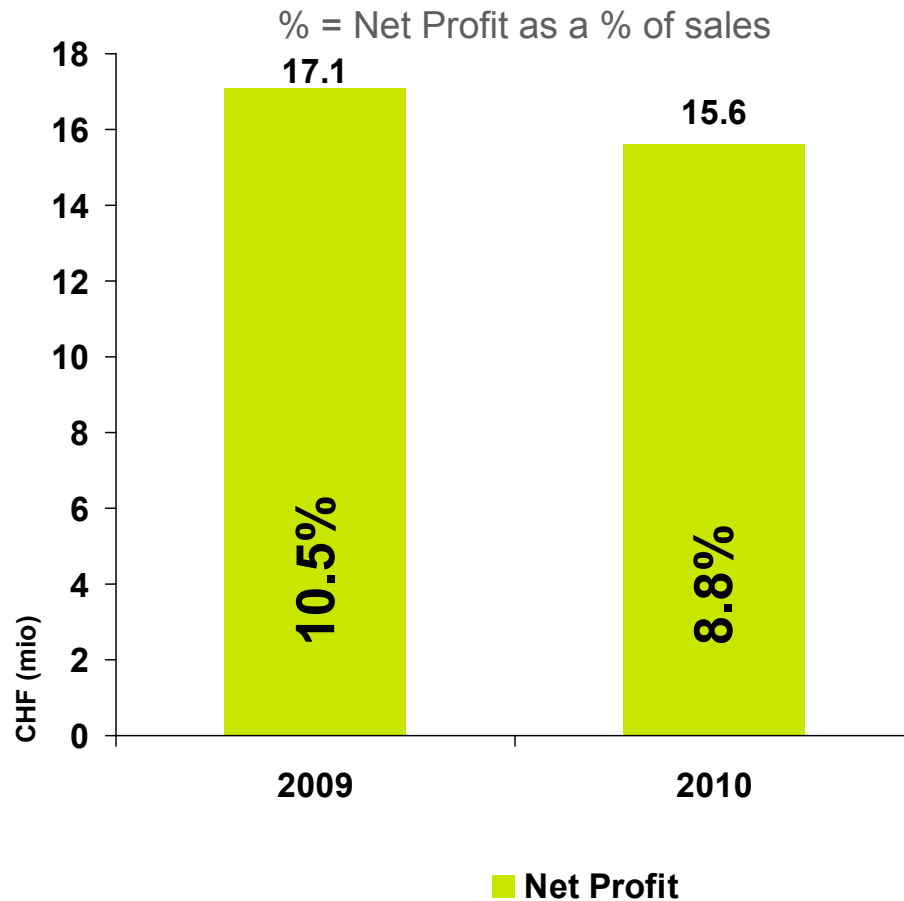
•Results from continuing operations only

H1 2010 EBIT



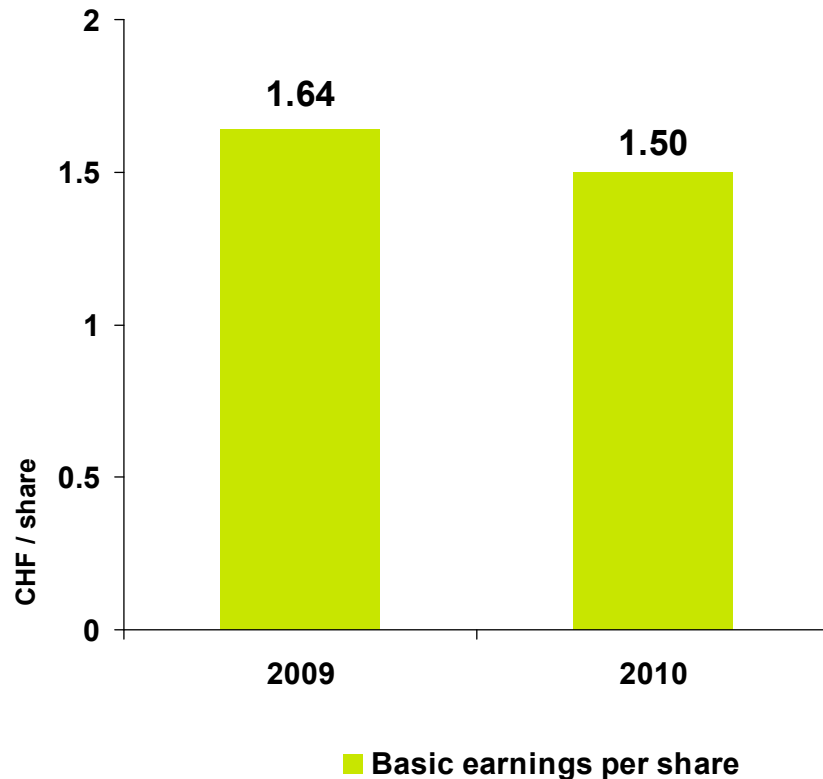
- EBIT reached CHF 23.1m
 - CHF 2.3m above H1 2009
 - Negative exchange rate effect of CHF 1.5m
 - Positive net effect of CHF 3.8m due to
 - increased volume (+)
 - product mix (-)
 - material cost and OPEX savings (+)
- EBIT margin increased by 0.2% to 13.0%

H1 2010 Net Profit



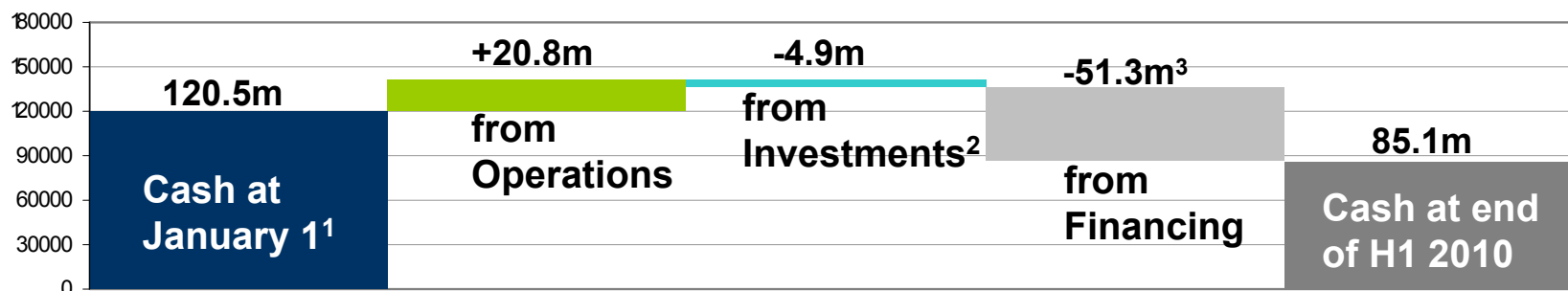
- Net profit amounted to CHF 15.6m
 - Decrease due to lower financial result caused by foreign exchange losses (CHF 3.2m) and higher tax rate
- Net profit margin decreased to 8.8%
- Tax rate remained low at 18.4% (H1 2009: 17.1%)

H1 2010 Basic Earnings per Share



- Earnings per share reached CHF 1.50
 - Decreased along with lower Net Profit
- Average number of shares at 10.4m (H1 2009: 10.3m)

H1 2010 Cash Flow



- Strong cash flow from operations of CHF 20.8m (H1 2009: CHF 17.3m)
 - Equivalent to 11.7% of total sales
- Cash flow from financing activities includes repayment of bank loans (CHF 36.0m) and dividend payments (CHF 10.4m)
- Stable net working capital
 - Days Sales Outstanding again at low level of 58 days
- Investments of CHF 5.2m (H1 2009: CHF 2.5m), compared to CHF 4.6m for amortization & depreciation (H1 2009: CHF 4.4m)
- Net liquidity⁴ increased to CHF 83.9m (Dec. 31, 2009: CHF 80.6m)

¹ Includes time deposits of CHF 29.1m

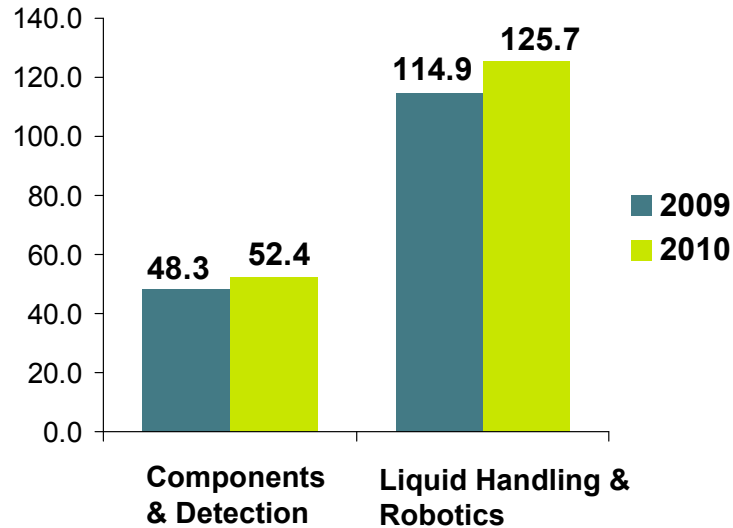
² Excludes repayment of time deposits in the amount of CHF -1.3m

³ includes translation differences of CHF -1.3m

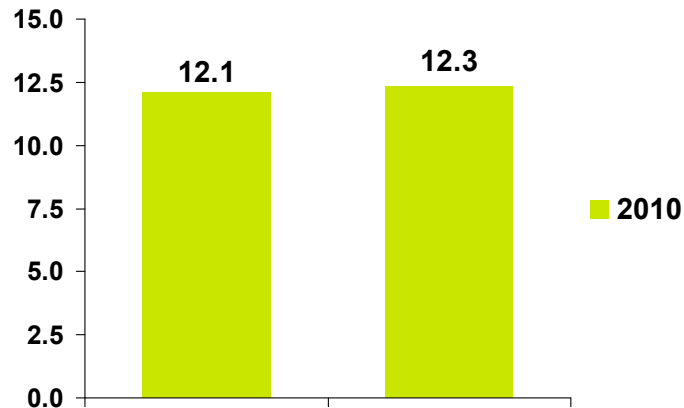
⁴ Net Liquidity = cash and cash equivalents minus bank liabilities and loans

H1 2010 Segment Sales

Sales (in CHF millions)



Sales in local currency (change in %)



•Results from continuing operations only

• Components & Detection:

- Sales 8.4% up in CHF and 12.1% in local currencies
- Considerable increase in demand for OEM components and slight increase for detection instruments
- Order Entry significantly up

• Liquid Handling & Robotics:

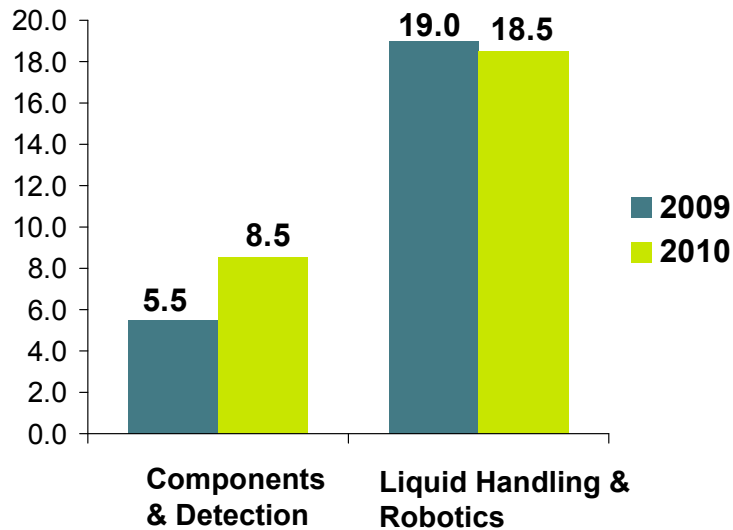
- Sales up by 9.3% in CHF and 12.3% in local currencies
- Sales from OEM business extraordinarily high; H2 balancing out H1 2010 to a certain extent
- End-user business below prior year
- Good growth in Services & Consumables
- Order Entry significantly increased

• Sample Management (discontinued):

- Sales decreased by 47.5% to CHF 10.2m (H1 2009: CHF 19.4m)

H1 2010 Segment Profitability

EBIT (in CHF millions)



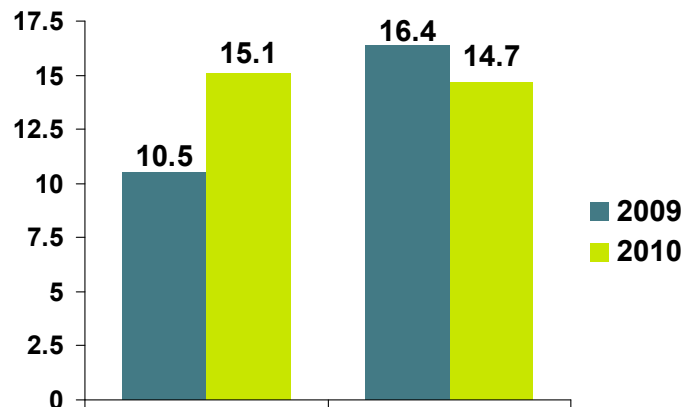
- **Components & Detection:**

- Increased profitability due to top line leverage and improved cost basis

- **Liquid Handling & Robotics:**

- EBIT and EBIT margin below prior year due to:
 - Bears major share of additional investments to implement the growth strategy
 - No cuts in OPEX for end-user business

EBIT Margin as a % of sales

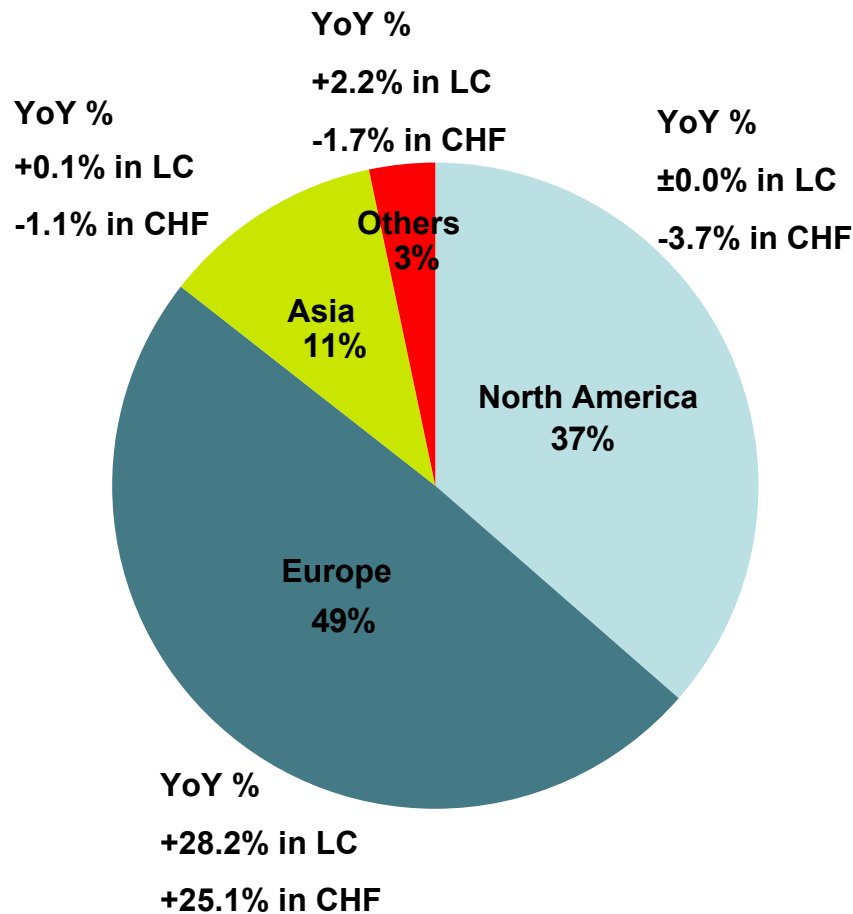


- **Sample Management (discontinued):**

- Operating loss of CHF 2.5m (H1 2009: CHF +0.3m)

•Results from continuing operations only

H1 2010 Regional Sales Development



- Europe: negative exchange rate impact, significantly increased OEM sales, lower end-user sales with performance mixed across countries
- North America: increased sales of OEM components, end-user sales slightly below prior-year level, negative exchange rate impact
- Asia: continued double-digit sales growth in China, Japan below prior year mostly due to basis effect
- Others: sales slightly up; low basis.

•Results from continuing operations only

H1 2010 Key Figures

CHF m	2009	2010	Δ 09/10
Sales	163.2	178	9.1%
Gross Profit	82.9	88.8	7.1%
<i>in % of sales</i>	50.8%	49.9%	
R&D	17.5	18.3	4.2%
<i>in % of sales</i>	10.7%	10.2%	
OPEX	62.2	66.0	6.1%
<i>in % of sales</i>	38.1%	37.1%	
Operating profit / EBIT	20.8	23.1	11.0%
<i>in % of sales</i>	12.8%	13.0%	
Net profit	17.1	15.6	-8.6%
<i>in % of sales</i>	10.5%	8.8%	
EPS	1.66	1.5	-9.6%
Return on net assets (RONA)	54%	57%	5.6%
Net Added Value Index*	1.34	1.36	1.5%
Net liquidity ⁽¹⁾	80.6	83.9	4.1%
Net working capital ⁽¹⁾	30.7	32.4	5.5%
Equity ⁽¹⁾	202.9	181.4	-10.6%
Cash Flow (operating)	17.3	20.8	20.3%

⁽¹⁾ 2009 balance sheet figures are as of Dec. 31, 2009

Net Liquidity = cash and cash equivalents minus bank liabilities and loans

Net Added Value Index (NAVI) = (EBIT + personnel expenses)/personnel expenses

•Figures from Income Statement and ratios are from continuing operations only

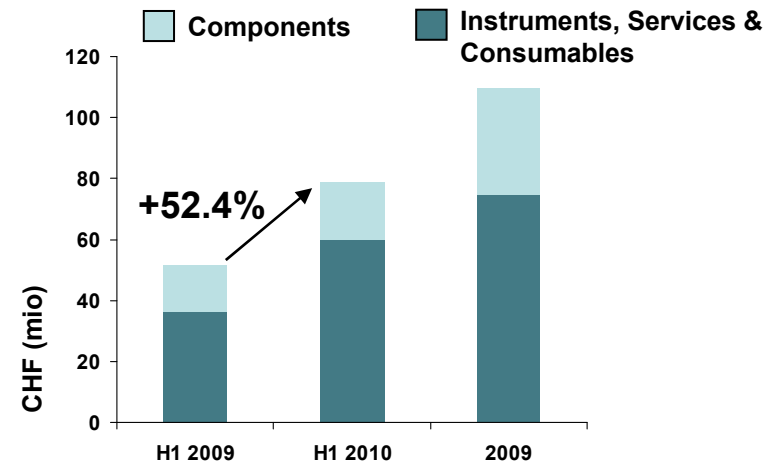
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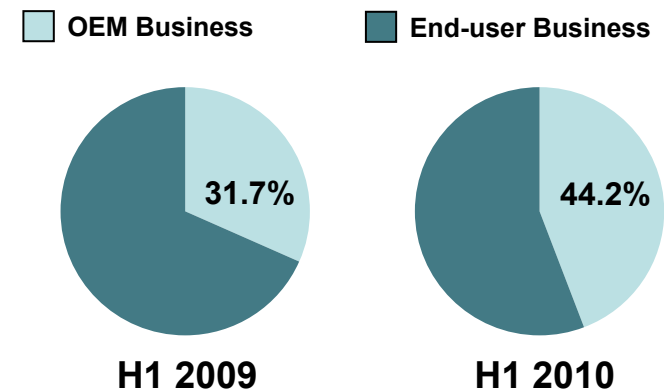
Growing OEM Business

- Considerable growth in global OEM business
- Growing share of total sales in both core segments
- New OEM contract signed
 - June 10: Novartis
- Further expanded OEM project pipeline
- Significant R&D, software, product and project management resources allocated to OEM projects
- New Group organization needed to support growth strategy

OEM sales



OEM as a % of total sales



New Group Organization

Old „product“
segmentation



New „customer“
segmentation

Life Sciences Business

Focused on all end-customer activities

Partnering Business

Focused on all OEM activities

Development & Supply Operations

Science & Technology

Our Goals with New Group Organization

Support execution of growth strategy

- transition from instruments supply → integrated systems → integrated solutions for End-User business
- strengthen and accelerate growth in OEM business

Strong market orientation with two distinct businesses

- powerful front focus w/ independent resources to drive customer projects w/ different business models
- clear responsibility to define and execute business strategy

Accelerate innovation

- strong commitment and clear focus on technology research and product / solution development
- leverage synergies in technologies across multiple locations

Reduced complexity & increased effectiveness

- leveraging of synergies in product development, operations and supply chain management
- simpler and more efficient business processes
- clear roles and responsibilities of units and for managers

Increased transparency and predictability of business for financial markets

2010 Outlook for Continuing Operations

Sales guidance FY 2010

Sales growth above market average expected

Aiming for growth between 6-8% in local currency terms

EBIT Margin guidance FY 2010

13.5-15% (including additional investments of up to CHF 3 million)

Corresponding to 14.5-16.0% in 2009 constant currencies

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Next Events

2010:

Oct. 7-8: Tecan Scientific Symposium “The next era in Genomics”

Nov. 30: Analyst & Investor Day

2011:

March 10: Fiscal year 2010 financial results

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