

Tecan with strong order entry and good sales development in the second half of 2014

Financial results: full-year and second half of 2014

- Order entry of CHF 417.4 million (2013: CHF 386.1 million)
 - Full-year growth of 9.5% in local currencies or 8.1% in Swiss francs
 - Full-year organic growth of 7.1% in local currencies or 5.7% in Swiss francs
 - H2 increase of 12.2% in local currencies and Swiss francs
- Sales of CHF 399.5 million (2013: CHF 388.3 million)
 - Full-year growth of 4.2% in local currencies or 2.9% in Swiss francs
 - Full-year organic growth of 1.8% in local currencies or 0.5% in Swiss francs
 - H2 sales growth of 10.3% in local currencies or 10.2% in Swiss francs
- Full-year operating profit
 - EBIT of CHF 57.2 million (2013: CHF 54.8 million)
 - EBIT margin improvement of 50 basis points to 14.6% excluding acquisition-related effects (2013: 14.1%); 14.8% assuming constant exchange rates
 - EBIT margin of 14.3% including acquisition-related costs
 - EBITDA margin of 16.9% (2013: 16.8%)
- Full-year net profit of CHF 40.2 million (2013: CHF 45.7 million)
 - Net profit impacted by losses from currency hedging
 - Earnings per share of CHF 3.63 (2013: 4.16)
- Full-year cash flow from operating activities of CHF 48.2 million (2013: CHF 27.9 million)

Operating highlights 2014 and other important information

- Launch of Fluent™ laboratory automation family, Tecan's next generation liquid handling platform in the Life Sciences Business
- Launch of ORTHO VISION™ Analyzer by OrthoClinical Diagnostics in the Partnering Business
- Acquisition of IBL International, a leading immunoassay company for specialty diagnostics, to support Tecan's evolution into a solutions business
- Unchanged dividend of CHF 1.50 per share proposed

Outlook 2015

- Full-year sales are forecast to increase with a double-digit rate in local currencies
- EBITDA margin to expand by more than 100 basis points
- EBIT margin to further increase; corresponding to an EBIT margin above 15% before effects from closed acquisition

Männedorf, Switzerland, March 18, 2015 – The Tecan Group (SIX Swiss Exchange: TECN) today announced its financial results for full-year and second half of 2014.

Tecan CEO David Martyr commented: “After a difficult first half-year in our Partnering Business, we saw a solid recovery in the second half. Overall, order entry was strong throughout the year and our order backlog at year end increased with a double-digit rate to the highest level in at least the last five years. I am also pleased that we achieved our profitability targets for the year.

Particular product development highlights were the introductions of Fluent, the next generation of liquid handling platforms in our Life Sciences Business, and of the ORTHO VISION™ Analyzer by OrthoClinical Diagnostics in our Partnering Business, key parts of a wave of new exciting platforms and products now hitting the market. Also, we successfully completed our first acquisition in recent years. IBL International will support our evolution towards total solutions and being a reagents business, it is a new source of recurring revenues. With such growth drivers in place, we expect strongly accelerated sales growth and a further improved profitability during 2015,” Martyr continued.

Financial results full-year and second half of 2014

In the second half of 2014, order entry increased by 12.2% in local currencies and in Swiss francs. Excluding the acquisition of IBL International, orders in the second half grew by 7.5% in local currencies and Swiss francs. For the full year, order entry increased by 9.5% in local currencies to CHF 417.4 million (2013: CHF 386.1 million), corresponding to growth of 8.1%. On an organic basis, order entry increased by 7.1% in local currencies and by 5.7% in Swiss francs.

Sales in the second half rose by 10.3% in local currencies and by 10.2% in Swiss francs, corresponding to organic sales growth of 5.8% in local currencies and 5.7% in Swiss francs. Sales in financial year 2014 reached CHF 399.5 million (2013: CHF 388.3 million) and were therefore 4.2% above the prior-year level in local currency terms and 2.9% in Swiss francs. Excluding IBL International, consolidated in the financial statements of the Tecan Group since August 1, 2014, sales increased by 1.8% in local currencies and 0.5% in Swiss francs.

Excluding acquisition-related effects, the operating profit margin improved by 50 basis points to 14.6% of sales (2013: 14.1%) in line with original guidance. Assuming exchange rates in line with 2013, this corresponds to an EBIT margin of 14.8% of sales. This development was helped by lower net research and development expenses mainly due to increased capitalization of costs as projects neared market launch. Including acquisition-related costs, operating profit before interest and taxes (EBIT) increased by 4.4% to CHF 57.2 million (2013: CHF 54.8 million), corresponding to an EBIT margin of 14.3% of sales. The EBITDA margin (earnings before interest, taxes, depreciation, and amortization as a percentage of sales) increased to 16.9% (2013: 16.8%).

Net profit reported for the year 2014 reached CHF 40.2 million (2013: CHF 45.7 million). The decline is the result of a lower financial result attributable to currency hedging measures as the US dollar significantly appreciated towards year end. The net profit margin was 10.1% of sales (2013: 11.8%). Earnings per share are CHF 3.63 (2013: CHF 4.16).

Cash flow from operating activities further improved to CHF 48.2 million (2013: CHF 27.9 million), as the prefinancing of an OEM development project is coming to an end and a first reimbursement of development costs was received from the partner.

Information by business segment

Life Sciences Business (end-customer business)

In the second half of the year, sales in the Life Sciences Business increased by 7.7% in local currencies and were 7.3% above the prior-year period in Swiss francs. Excluding IBL International, since August 1, 2014 part of the Life Sciences Business, sales in the second half grew by 0.4% in local currencies and by 0.2% in Swiss francs, however order entry for the full-year in the Life Sciences Business exceeded sales considerably, resulting in a significant increase in order backlog. Sales for the full year totaled CHF 236.3 million, representing an increase of 7.5% in local currencies and 5.6% in Swiss francs over the prior-year period (2013: CHF 223.7 million). On an organic basis, sales increased by 3.3% in local currencies and by 1.5% in Swiss francs.

Contributing to this growth were increased sales of liquid handling platforms in the established North American and European markets and more revenues from services and consumables.

However, the business environment in China was challenging in 2014.

Operating profit in the segment increased markedly to CHF 40.2 million in the year under review (2013: CHF 18.4 million). The increase is primarily the result of the higher sales volumes and lower research and development expenses. The operating profit margin grew to 16.3% of sales (2013: 7.8%).

Partnering Business (OEM business)

After recording declining sales in the first half of the year, the Partnering Business recovered strongly in the second half, posting growth of 14.2% in local currencies and 14.7% in Swiss francs. The Partnering Business generated sales of CHF 163.2 million in financial year 2014 (2013: CHF 164.6 million), which corresponds to a slight decrease of 0.2% in local currencies and 0.8% in Swiss francs. Significant growth from newly launched instruments largely offset headwinds from lower order placement from one large customer account and reduced sales in the Components business, which had recorded significant growth in the prior-year period.

Order entry in the Partnering Business saw substantial growth in the second half enabling the strong H2 sales, but also resulting in a significant double-digit increase in order backlog at year end.

Operating profit in the Partnering Business reached CHF 24.9 million in 2014 (2013: CHF 42.7 million). The operating profit margin decreased from an extraordinary high level in the prior-year period to 14.9% of sales (2013: 25.5%). This reduction is mainly a reflection of lower profitability in the launch phase of new instruments and increased investments in Tecan's innovative eFluidics™ technology.

Additional information

Regional development

In Europe, full-year sales in local currencies increased 6.5% compared to the previous year, which equates to a rise of 5.9% in Swiss francs. This increase in sales was driven by double-digit growth in the Life Sciences Business, helped by revenue contribution from IBL International. Sales in the Partnering Business were flat for the full year.

For fiscal year 2014, sales in North America declined overall by 3.0% in local currencies and by 3.9% in Swiss francs, with moderate growth in the Life Sciences Business being more than offset by a decline in the Partnering Business.

Sales in Asia increased significantly in 2014 and were up by 19.2% in local currencies and by 14.2% in Swiss francs. China grew more slowly than overall Asia as delays in government tenders and in academic spending were widely noted in the industry and also provided a drag to Tecan's Life Sciences Business sales. Spending patterns improved in the second half of the year and the Life Sciences Business posted moderate growth again in China. By contrast, sales in the Partnering Business continued to grow strongly in China throughout the year. Overall, sales in China increased to close to CHF 30 million in 2014 (2013: over CHF 25 million).

Recurring sales of services, consumables and reagents

The acquisition of IBL International marks an important step towards offering fully integrated solutions, including reagents, and thereby adding a new source of recurring revenues. Overall, recurring revenues of services, plastic consumables and reagents increased by 9.8% in local currencies in the year under review, or by 8.4% in Swiss francs. Their contribution to total sales rose to 36.0%, the highest level in the Company's history (2013: 34.1%).

Research and development

Research and development expenses in 2014 amounted to 9.9% of sales (2013: 11.7%) or CHF 39.5 million (2013: CHF 45.3 million). All told, research and development activities amounted to CHF 84.9 million gross (2013: CHF 104.1 million), out of which CHF 31.7 million are development costs for OEM partners. This total figure also includes the development costs capitalized in the balance sheet of CHF 16.2 million gross, an increase of CHF 6.0 million over 2013 as development

projects progressed and were nearing market launch. Several of those products were introduced in the meantime.

In June, Tecan announced the launch of first models of the Fluent™ laboratory automation family as the latest addition to its extensive liquid handling portfolio. This next generation of liquid handling platforms has been a major development program for Tecan. Fluent is a unique automation concept built around the application-specific needs of laboratories, providing high precision, superior throughput and extended walkway time.

In the Partnering Business Tecan successfully concluded the development of the ORTHO VISION™ Analyzer for OrthoClinical Diagnostics, Inc., the market leader in immunohematology. The device was launched in several regional markets in the fourth quarter of 2014. The ORTHO VISION™ Analyzer heralds a new era in transfusion medicine, with Responsive Automation. ORTHO VISION™ Max, a variant of the instrument with a higher sample throughput, is currently under development by Tecan.

Acquisition of IBL International to offer integrated solution for specialty diagnostics

On July 30, 2014, Tecan announced the acquisition of IBL International as an important strategic step to support Tecan's evolution into a solutions business with a higher share of recurring revenues. IBL International is a leading company in the field of microtiter plate based immunoassays with one of the widest ranges of tests for specialty diagnostics to be used in research and clinical laboratories. The integration of IBL International is progressing well and sales for the five months consolidation period exceeded initial expectations.

Strong balance sheet – dividend unchanged

Tecan's equity ratio reached 65.4% as of December 31, 2014 (December 31, 2013: 72.0%). Net liquidity (cash and cash equivalents minus bank liabilities and loans) amounted to CHF 122.7 million (December 31, 2013: CHF 143.4 million). This figure includes the acquisition of IBL International with a purchase consideration of EUR 29.0 million (CHF 35.2 million), of which the net payable was fully paid in cash. The Company's share capital stood at CHF 1,144,458 at the reporting date (December 31, 2014), consisting of 11,444,576 registered shares with a nominal value of CHF 0.10 each.

The Board of Directors will propose an unchanged dividend of CHF 1.50 per share to the shareholders at the Company's Annual General Meeting on April 16, 2015.

Outlook 2015

Total Group sales are forecast to increase with a double-digit rate in local currencies. This strong growth will be driven by a continued ramp up of major Partnering Business platforms and further

supported by introductions of additional versions of the Fluent platform, the first launch of the Spark™ multimode reader platform and a full-year contribution of IBL International.

The EBITDA margin is expected to expand by more than 100 basis points, with the EBIT margin to also further increase. Before effects related to the acquisition of IBL International, this corresponds to an EBIT margin above 15%.

These expectations regarding profitability are based on an average exchange rate forecast for full-year 2015 of one euro equaling CHF 1.05 and one US dollar equaling CHF 0.92 and exclude further acquisitions.

Financial Report and Webcast

The full 2014 Financial Report can be accessed on the Company's website www.tecan.com under Investor Relations. An iPad App for the Tecan Financial Reports is also available from the App Store.

Tecan will hold an analyst and press conference to discuss the 2014 annual results today at 9:30 a.m. (CET). The presentation will also be relayed by live audio webcast, which interested parties can access at www.tecan.com. A link to the webcast will be provided immediately prior to the event.

The dial-in numbers for the conference call are as follows:

For participants from Europe: +41 91 610 5600 or +44 203 059 5862 (UK)

For participants from the US: +1 (1) 866 291 4166

Participants should if possible dial in 15 minutes before the start of the event.

Key upcoming dates

- The Annual General Meeting of Tecan's shareholders will take place in Zurich on April 16, 2015.
- The 2015 Interim Report will be published on August 12, 2015.

About Tecan

Tecan (www.tecan.com) is a leading global provider of laboratory instruments and solutions in biopharmaceuticals, forensics and clinical diagnostics. The company specializes in the development, production and distribution of automated workflow solutions for laboratories in the life sciences sector. Its clients include pharmaceutical and biotechnology companies, university research departments, and forensic and diagnostic laboratories. As an original equipment manufacturer (OEM), Tecan is also a leader in developing and manufacturing OEM instruments and components that are then distributed by partner companies. Founded in Switzerland in 1980, the company has manufacturing, research and development sites in both Europe and North America and maintains a sales and service network in 52 countries. Registered shares of Tecan Group are traded on the SIX Swiss Exchange (TECN; ISIN CH0012100191).



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Tecan Group – Financial reporting
Consolidated financial statements for 2014
 (Key figures, unaudited)

Consolidated statement of profit or loss

| January to December, CHF 1'000 | 2014 | 2013 | Δ in % |
|--------------------------------|----------------|----------------|---------------|
| Sales | 399'518 | 388'292 | 2.9% |
| Cost of sales | (201'883) | (198'694) | 1.6% |
| Gross profit | 197'635 | 189'598 | 4.2% |
| <i>In % of sales</i> | 49.5% | 48.8% | |
| Sales and marketing | (63'258) | (56'372) | 12.2% |
| Research and development | (39'451) | (45'323) | -13.0% |
| General and administration | (39'697) | (34'958) | 13.6% |
| Other operating income | 1'974 | 1'855 | 6.4% |
| Operating profit (EBIT) | 57'203 | 54'800 | 4.4% |
| <i>In % of sales</i> | 14.3% | 14.1% | |
| Financial result | (8'059) | 693 | n.a. |
| Profit before taxes | 49'144 | 55'493 | -11.4% |
| Income taxes | (8'928) | (9'822) | -9.1% |
| Profit for the period | 40'216 | 45'671 | -11.9% |
| <i>In % of sales</i> | 10.1% | 11.8% | |

| | | | |
|----------------------|---------------|---------------|-------------|
| EBITDA | 67'542 | 65'059 | 3.8% |
| <i>In % of sales</i> | 16.9% | 16.8% | |

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|---|-------------|-------------|---------------|
| Basic earnings per share (CHF/share) | 3.63 | 4.16 | -12.7% |
| Diluted earnings per share (CHF/share) | 3.57 | 4.11 | -13.1% |

Order entry

| January to December, CHF 1'000 | 2014 | 2013 | Δ in % (CHF) | Δ in % (LC) |
|--------------------------------|----------------|----------------|--------------|-------------|
| Order entry | 417'414 | 386'065 | 8.1% | 9.5% |

Segment information by business segments

Sales to third parties

| January to December, CHF 1'000 | 2014 | 2013 | Δ in % (CHF) | Δ in % (LC) |
|--------------------------------|----------------|----------------|--------------|-------------|
| Life Sciences Business | 236'271 | 223'706 | 5.6% | 7.5% |
| Partnering Business | 163'247 | 164'586 | -0.8% | -0.2% |
| Total sales | 399'518 | 388'292 | 2.9% | 4.2% |

Segment information 2014

| January to December, CHF 1'000 | Life Sciences Business | Partnering Business | Corporate / Consolidation | Group |
|--------------------------------|------------------------|---------------------|---------------------------|----------------|
| Sales to third parties | 236'271 | 163'247 | | 399'518 |
| Intersegment sales | 10'721 | 3'604 | (14'325) | - |
| Total sales | 246'992 | 166'851 | (14'325) | 399'518 |
| Operating profit | 40'182 | 24'936 | (7'915) | 57'203 |
| <i>In % of sales</i> | 16.3% | 14.9% | | 14.3% |

Segment information 2013

| January to December, CHF 1'000 | Life Sciences Business | Partnering Business | Corporate / Consolidation | Group |
|--------------------------------|------------------------|---------------------|---------------------------|----------------|
| Sales to third parties | 223'706 | 164'586 | | 388'292 |
| Intersegment sales | 12'776 | 3'318 | (16'094) | - |
| Total sales | 236'482 | 167'904 | (16'094) | 388'292 |
| Operating profit | 18'375 | 42'740 | (6'315) | 54'800 |
| <i>In % of sales</i> | 7.8% | 25.5% | | 14.1% |

Sales by regions (by location of customers)

| January to December, CHF 1'000 | 2014 | 2013 | Δ in % (CHF) | Δ in % (LC) |
|--------------------------------|----------------|----------------|--------------|-------------|
| Switzerland | 11'448 | 11'792 | -2.9% | -2.7% |
| Other Europe | 165'223 | 155'103 | 6.5% | 7.2% |
| North America | 152'837 | 159'122 | -3.9% | -3.0% |
| Asia | 58'185 | 50'969 | 14.2% | 19.2% |
| Others | 11'825 | 11'306 | 4.6% | 6.0% |
| Total sales | 399'518 | 388'292 | 2.9% | 4.2% |

Consolidated balance sheet

| CHF 1'000 | 31.12.2014 | 31.12.2013 | Δ in % |
|-------------------------------|----------------|----------------|--------------|
| Assets | | | |
| Current assets | 423'833 | 387'571 | 9.4% |
| Non-current assets | 128'429 | 79'078 | 62.4% |
| Assets | 552'262 | 466'649 | 18.3% |
| Liabilities and equity | | | |
| Current liabilities | 124'581 | 105'312 | 18.3% |
| Non-current liabilities | 66'483 | 25'135 | 164.5% |
| <i>Total liabilities</i> | <i>191'064</i> | <i>130'447</i> | <i>46.5%</i> |
| Shareholders' equity | 361'198 | 336'202 | 7.4% |
| Liabilities and equity | 552'262 | 466'649 | 18.3% |

Consolidated statement of cash flows

| January to December, CHF 1'000 | 2014 | 2013 | Δ in % |
|--|-----------------|--------------|-------------|
| Cash inflows from operating activities | 48'191 | 27'909 | 72.7% |
| Cash outflows from investing activities | (54'328) | (19'728) | 175.4% |
| Cash outflows from financing activities | (15'828) | (2'226) | 611.1% |
| Translation differences | 303 | (98) | n.a. |
| (Decrease)/increase in cash and cash equivalents | (21'662) | 5'857 | n.a. |
| Cash and cash equivalents as per cash flow statement: | | | |
| At January 1 | 150'377 | 144'520 | 4.1% |
| At December 31 | 128'715 | 150'377 | -14.4% |

Consolidated statement of changes in equity

| January to December, CHF 1'000 | 2014 | 2013 | Δ in % |
|--|----------------|----------------|--------------|
| Shareholders' equity at January 1 | 336'202 | 293'613 | 14.5% |
| Profit for the period | 40'216 | 45'671 | -11.9% |
| Other comprehensive income for the period | (6'854) | 729 | n.a. |
| Dividends paid | (16'651) | (16'488) | 1.0% |
| Share-based payments | 5'288 | 2'359 | 124.2% |
| Treasury shares issued based on employee participation plans | 2'984 | 8'076 | -63.1% |
| Other sale of treasury shares | 13 | 2'242 | -99.4% |
| Shareholders' equity at December 31 | 361'198 | 336'202 | 7.4% |

Tecan Group – Financial reporting
Consolidated financial statements for the six months ending December 31, 2014

(Key figures, unaudited)

Consolidated statement of profit or loss for the six months ending December 31

| July to December, CHF 1'000 | H2 2014 | H2 2013 | Δ in % |
|--------------------------------|----------------|----------------|---------------|
| Sales | 227'516 | 206'482 | 10.2% |
| Cost of sales | (117'213) | (105'521) | 11.1% |
| Gross profit | 110'303 | 100'961 | 9.3% |
| <i>In % of sales</i> | 48.5% | 48.9% | |
| Sales and marketing | (33'697) | (28'371) | 18.8% |
| Research and development | (22'231) | (23'981) | -7.3% |
| General and administration | (21'223) | (18'458) | 15.0% |
| Other operating income | 1'731 | 1'527 | 13.4% |
| Operating profit (EBIT) | 34'883 | 31'678 | 10.1% |
| <i>In % of sales</i> | 15.3% | 15.3% | |
| Financial result | (8'154) | 3'399 | n.a. |
| Profit before taxes | 26'729 | 35'077 | -23.8% |
| Income taxes | (5'095) | (5'886) | -13.4% |
| Profit for the period | 21'634 | 29'191 | -25.9% |
| <i>In % of sales</i> | 9.5% | 14.1% | |

| | | | |
|----------------------|---------------|---------------|--------------|
| EBITDA | 40'705 | 36'777 | 10.7% |
| <i>In % of sales</i> | 17.9% | 17.8% | |

| | | | |
|---|-------------|-------------|---------------|
| Basic earnings per share (CHF/share) | 1.95 | 2.65 | -26.4% |
|---|-------------|-------------|---------------|

Order entry for the six months ending December 31

| July to December, CHF 1'000 | H2 2014 | H2 2013 | Δ in % (CHF) | Δ in % (LC) |
|-----------------------------|----------------|----------------|--------------|--------------|
| Order entry | 220'822 | 196'886 | 12.2% | 12.2% |

Segment information by business segments for the six months ending December 31
Sales to third parties

| July to December, CHF 1'000 | H2 2014 | H2 2013 | Δ in % (CHF) | Δ in % (LC) |
|-----------------------------|----------------|----------------|--------------|--------------|
| Life Sciences Business | 135'351 | 126'101 | 7.3% | 7.7% |
| Partnering Business | 92'165 | 80'381 | 14.7% | 14.2% |
| Total sales | 227'516 | 206'482 | 10.2% | 10.3% |

Segment information 2014

| July to December, CHF 1'000 | Life Sciences Business | Partnering Business | Corporate / Consolidation | Group |
|-----------------------------|------------------------|---------------------|---------------------------|----------------|
| Sales to third parties | 135'351 | 92'165 | | 227'516 |
| Intersegment sales | 5'773 | 2'020 | (7'793) | - |
| Total sales | 141'124 | 94'185 | (7'793) | 227'516 |
| Operating profit | 25'357 | 13'659 | (4'133) | 34'883 |
| <i>In % of sales</i> | 18.0% | 14.5% | | 15.3% |

Segment information 2013

| July to December, CHF 1'000 | Life Sciences Business | Partnering Business | Corporate / Consolidation | Group |
|-----------------------------|------------------------|---------------------|---------------------------|----------------|
| Sales to third parties | 126'101 | 80'381 | | 206'482 |
| Intersegment sales | 6'394 | 1'892 | (8'286) | - |
| Total sales | 132'495 | 82'273 | (8'286) | 206'482 |
| Operating profit | 17'292 | 17'723 | (3'337) | 31'678 |
| <i>In % of sales</i> | 13.1% | 21.5% | | 15.3% |

Sales by regions (by location of customers) for the six months ending December 31

| July to December, CHF 1'000 | H2 2014 | H2 2013 | Δ in % (CHF) | Δ in % (LC) |
|-----------------------------|----------------|----------------|--------------|--------------|
| Switzerland | 6'918 | 7'614 | -9.1% | -8.8% |
| Other Europe | 93'781 | 81'120 | 15.6% | 16.6% |
| North America | 84'359 | 83'116 | 1.5% | -1.7% |
| Asia | 35'654 | 28'193 | 26.5% | 33.7% |
| Others | 6'804 | 6'439 | 5.7% | 7.2% |
| Total sales | 227'516 | 206'482 | 10.2% | 10.3% |