

Tecan records solid business performance in first half of 2009

- **Maintained operating profit margin at high level of 11.5% (H1 2008: 12.6%); operating profit of CHF 21.1 million. (H1 2008: CHF 23.1 million)**
- **Net profit margin of 9.4% (H1 2008: 10.4%); net profit of CHF 17.2 million (H1 2008: CHF 19.0 million)**
- **Sales of CHF 182.6 million approximately at last year's level (H1 2008: CHF 183.6 million)**
- **Increased order entry of CHF 192.4 million (H1 2008: CHF 186.9 million)**
- **All business segments recorded an operating profit**
- **Strong cash flow from operating activities**
- **Healthy balance sheet; equity ratio increased to 51.9% (December 31, 2008: 48.9%)**

Männedorf, Switzerland, August 13, 2009 – Despite the difficult economic environment, the Tecan Group (SIX Swiss Exchange: TECN) recorded a solid business performance in the first half of 2009. The operating profit margin was maintained at a high level of 11.5% (H1 2008: 12.6%), even with additional substantial investments in innovation projects and further expansion of the distribution capabilities and infrastructure. In the first six months of 2009, Tecan achieved an operating profit of CHF 21.1 million (H1 2008: CHF 23.1 million). Net profit reached CHF 17.2 million (H1 2008: CHF 19.0 million), with a net profit margin of 9.4% of sales (H1 2008: 10.4%). Earnings per share were CHF 1.66 (H1 2008: CHF 1.71).

With CHF 182.6 million, sales reached approximately last year's level (H1 2008: CHF 183.6 million). Sales came in 0.5% and 0.8% below last year's level in Swiss francs and local currencies respectively. Order entry increased by 2.9% to CHF 192.4 million (H1 2008: CHF 186.9 million) or by 2.5% in local currencies.

Thomas Bachmann, CEO of Tecan, says: "We are satisfied that we have performed well in a tough economic environment and outperformed the market relevant to our business. We responded flexibly to the challenges from various end-user markets. Once again we demonstrated strong earnings with a considerable cash flow from operating activities. Our healthy financial position enables us to make additional investments in innovation and infrastructure projects and to enter new markets, which is our strategy for longer-term profitable growth. Over the year as a whole, we expect sales to either remain stable or to fall by up to five per cent from the previous year when measured in local currencies."

Regional and product-specific developments

Tecan's sales grew by 7.3% in North America. Expressed in local currencies, sales remained at the prior-year level. All customer segments contributed to sales, although they did not yet include any projects under government programs to stimulate the US economy. Tecan recorded a significant increase in order entry in North America. In Europe, sales in Swiss francs declined by 7.4% and were 2.1% below last year's level when measured in local currencies. Business performance was mixed across the various European countries. Business serving the pharmaceutical industry was negatively impacted by the ongoing structural changes in the sector and the impact of the economic crisis. In Asia, sales rose 8.6% in Swiss francs and 6.2% in local currencies. Tecan's strategically important worldwide OEM business accounted for 28.3% of total sales in the first half of the year (H1 2008: 29.3%). Tecan posted double-digit sales growth for consumables and the service business whose share of total sales increased to 33.9% (H1 2008: 30.2%).

Information by business segment***Components & Detection***

At CHF 48.3 million, sales in the Components & Detection business segment were 1.1% above last year's level (H1 2008: CHF 47.8 million) but 1.1% lower in local currency terms. Demand declined from a number of major components customers due to the economic crisis. New OEM contracts accounted for a greater proportion of sales of detection devices. Order entry for the first half of the year increased significantly compared with the same period last year. Due to a more efficient cost structure and higher proportion of service business, the Components & Detection business segment increased its operating profit margin from 8.7% to 10.5% of sales year-on-year. Operating profit was CHF 5.5 million, 21.3% up on the first half of 2008 (H1 2008: CHF 4.5 million).

Liquid Handling & Robotics

Liquid Handling & Robotics, Tecan's largest business segment, generated sales of CHF 114.9 million in the first half of 2009. Sales were 6.2% and 5.6% below last year's level in Swiss francs and local currencies respectively (H1 2008: CHF 122.5 million). In particular, the end-user business serving the pharmaceutical industry in Europe and the diagnostics business in China recorded substantial declines. The OEM business in the Liquid Handling & Robotics segment fell short of the previous year, but this should balance out again over the year as a whole. Sales from end-user business in the US and Japan, on the other hand, were higher this year than they were for the same period last year. The consumables business and service unit also performed well. Order entry was slightly down from the first half of 2008. Due to lower sales and the aforementioned additional investments to implement the growth strategy, the operating profit

margin was lower than in the same period last year reaching 16.4% of sales (H1 2008: 21.8%). Operating profit was CHF 19.0 million (H1 2008: CHF 26.9 million).

Sample Management

Sales in the Sample Management business segment rose by 45.4% from CHF 13.3 million to CHF 19.4 million in the first six months of 2009. This equates to an increase of 42.9% in local currencies which resulted primarily from the orders for large automated storage systems that were signed in the second half of 2008. Order entry in the first half of 2009 was significantly above the low level seen during the same period last year. Following an operating loss of CHF 4.0 million in the same period last year, Sample Management was again profitable during the first half of 2009 (CHF 0.3 million). Efforts to reduce costs and enhance processes to cope with the continued challenging market situation for large storage systems are ongoing.

Healthy balance sheet – high equity ratio

The equity ratio increased and reached 51.9% as of June 30, 2009 (December 31, 2008: 48.9%). Net liquidity (cash and cash equivalents minus bank liabilities and loans) also rose, to stand at CHF 39.1 million as of the balance sheet date (December 31, 2008: CHF 33.7 million). Thus, Tecan has continued to strengthen a very healthy balance sheet. The reduction in share capital through the cancellation of 696,788 registered shares (5.8% of the share capital), approved at the Annual General Meeting, will be carried out in the near future. Tecan had acquired these shares as part of a share buyback program. The company's share capital will then stand at CHF 1,138,603.20, divided into 11,386,032 registered shares with a nominal value of CHF 0.10 each.

Outlook

Tecan expects the company to continue to only be moderately impacted by the economic crisis. It remains hard to predict market trends over the medium term, however the experiences from the first half of the year enable the company to make a more precise full-year analysis. Tecan now expects sales for 2009 to either remain stable or fall by up to five per cent from the previous year when measured in local currencies. Assuming sales remain stable in local currencies, Tecan continues to expect an operating profit margin of 13 to 14% when including the additional projects for implementing the growth strategy. If sales in local currencies fall 5% below last year's level, the company anticipates an operating profit margin of 11.5 to 12.5%.

Webcast

A conference call discussing the results for the first half of 2009 will take place today at 10:00 am (CET). The event 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.

Dial-in numbers:

Participants from Europe: +41 91 610 5600 or +44 207 107 0611 (UK)

Participants from US: +1 866 291 4166

Participants should if possible dial in 10 minutes before the start of the event.

About Tecan

Tecan (www.tecan.com) is a leading global provider of laboratory instruments and solutions for the biopharma, forensic and diagnostic industries. The company specializes in the development, production and distribution of automation solutions for laboratories in the life sciences sector. With its subsidiary REMP (www.remp.com), Tecan is the market leader in automated laboratory storage and logistics systems. Its clients include pharmaceutical and biotechnology companies, university research departments and diagnostic laboratories. Founded in Switzerland in 1980, the company has manufacturing, research and development sites in both North America and Europe and maintains a sales and service network in 52 countries. In 2008, Tecan generated sales of CHF 396 million (USD 366.7 million; EUR 250.7 million). Registered shares of Tecan Group are traded on the SWX Swiss Exchange (TK: TECN/Reuters: TECZn.S/Swiss security number: 1210019). TECZn.S / Valor: 1210019).

For further information:**Tecan Group**

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Tecan Group – Financial reporting
Interim consolidated financial statements as of June 30, 2009
(Key figures, unaudited)

Consolidated income statement

January to June, CHF 1'000	2009	2008	Δin %
Sales	182'635	183'638	-0.5%
Cost of sales	(92'102)	(91'655)	0.5%
Gross profit	90'533	91'983	-1.6%
<i>In % of sales</i>	49.6%	50.1%	
Sales and marketing	(30'877)	(32'636)	-5.4%
Research and development	(20'504)	(18'738)	9.4%
General and administration	(18'142)	(17'667)	2.7%
Other operating income	75	114	-34.2%
Operating profit	21'085	23'056	-8.5%
<i>In % of sales</i>	11.5%	12.6%	
Financial result	(225)	(92)	144.6%
Profit before taxes	20'860	22'964	-9.2%
Income taxes	(3'650)	(3'927)	-7.1%
Net profit	17'210	19'037	-9.6%
<i>in % of sales</i>	9.4%	10.4%	

Basic earnings per share (CHF/share)	1.66	1.71	-2.9%
Diluted earnings per share (CHF/share)	1.66	1.71	-2.9%

Order entry

January to June, CHF 1'000	2009	2008	Δin % (CHF)	Δin % (LC)
Order entry	192'393	186'885	2.9%	2.5%

Segment information by business segments
Sales to third parties

January to June, CHF 1'000	2009	2008	Δin % (CHF)	Δin % (LC)
Components & Detection	48'299	47'757	1.1%	-1.1%
Liquid Handling & Robotics	114'925	122'535	-6.2%	-5.6%
Sample Management	19'411	13'346	45.4%	42.9%
Total sales	182'635	183'638	-0.5%	-0.8%

Segment information 2009

January to June, CHF 1'000	Components & Detection	Liquid Handling & Robotics	Sample Management	Corporate / Consolidation	Group
Sales to third parties	48'299	114'925	19'411		182'635
Intersegment sales	3'790	375	15	(4'180)	-
Total sales	52'089	115'300	19'426	(4'180)	182'635
Operating profit	5'475	18'965	269	(3'624)	21'085
<i>In % of sales</i>	10.5%	16.4%	1.4%		11.5%

Segment information 2008

January to June, CHF 1'000	Components & Detection	Liquid Handling & Robotics	Sample Management	Corporate / Consolidation	Group
Sales to third parties	47'757	122'535	13'346	-	183'638
Intersegment sales	4'273	646	549	(5'468)	-
Total sales	52'030	123'181	13'895	(5'468)	183'638
Operating profit	4'512	26'861	(4'017)	(4'300)	23'056
<i>In % of sales</i>	8.7%	21.8%	-28.9%		12.6%

Sales by regions (by location of customers)

January to June, CHF 1'000	2009	2008	Δin % (CHF)	Δin % (LC)
Switzerland	3'301	3'887	-15.1%	-15.0%
Other Europe	75'565	81'298	-7.1%	-1.4%
North America	73'105	68'131	7.3%	0.0%
Asia	23'124	21'299	8.6%	6.2%
Others	7'540	9'023	-16.4%	-13.5%
Total sales	182'635	183'638	-0.5%	-0.8%

Consolidated balance sheet

CHF 1'000	30.06.2009	31.12.2008	Δin %
Assets			
Current assets	238'618	237'018	0.7%
Non-current assets	86'848	88'846	-2.2%
Assets	325'466	325'864	-0.1%
Liabilities and equity			
Current liabilities	139'929	113'840	22.9%
Non-current liabilities	16'649	52'838	-68.5%
<i>Total liabilities</i>	<i>156'578</i>	<i>166'678</i>	<i>-6.1%</i>
Shareholders' equity	168'888	159'186	6.1%
Liabilities and equity	325'466	325'864	-0.1%

Consolidated statement of changes in shareholders' equity

January to June, CHF 1'000	2009	2008	Δin %
Shareholders' equity at January 1	159'186	204'644	-22.2%
Net profit	17'210	19'037	-9.6%
Translation differences	766	(4'304)	n.a.
Dividends paid	(9'681)	(5'003)	93.5%
New shares issued upon exercise of employee stock options	-	212	n.a.
Change in treasury shares (net)	647	(22'641)	n.a.
Share-based payments to employees	760	551	37.9%
Shareholders' equity at June 30	168'888	192'496	-12.3%

Consolidated cash flow statement

January to June, CHF 1'000	2009	2008	Δin %
Net profit	17'210	19'037	-9.6%
Cash inflows from operating activities	17'316	11'176	54.9%
Cash outflows from investing activities	(2'535)	(1'842)	37.6%
Cash outflows from financing activities	(16'945)	(29'758)	-43.1%
Translation differences	465	(2'077)	n.a.
Decrease in cash and cash equivalents	(1'699)	(22'501)	-92.4%
Cash and cash equivalents as per cash flow statement:			
At January 1	84'653	102'850	-17.7%
At June 30	82'954	80'349	3.2%