

Tecan records strong operating result in full year 2009

- **Sales of CHF 391.9 million (2008: CHF 396.0 million); growth of 0.9% in local currencies**
- **Strong operating profit margin again at 15.2%; operating profit of CHF 59.6 million. (2008: CHF 60.1 million; before impairment charges)**
- **Net profit margin of 12.6% (2008: 12.9%; before impairment charges); net profit of CHF 49.3 million (2008: CHF 51.0 million; before impairment charges)**
- **Earnings per share increased to CHF 4.77; highest value in company history**
- **Profit distribution to increase to CHF 1.00 per share**
- **Sharp increase in cash flow from operating activities to CHF 66.2 million; corresponds to 16.9% of sales**
- **Order entry of CHF 385.5 million (2008: CHF 407.6 million)**
- **Very healthy balance sheet; equity ratio increased to 58.2% and net liquidity to CHF 80.6 million**

Männedorf, Switzerland, March 4, 2010 – The Tecan Group (SIX Swiss Exchange: TECN) closed full year 2009 with a strong operating result notwithstanding the tough economic environment. At CHF 391.9 million, sales reached approximately the prior-year level (2008: CHF 396.0 million). Sales were 1.0% below the prior-year level in Swiss francs but 0.9% higher in local currency terms. At 15.2%, the operating profit margin was maintained at the previous year's high level, although Tecan made substantial additional investments in innovation projects and entry into new markets. In 2009, Tecan achieved an operating profit (EBIT) of CHF 59.6 million (2008: CHF 60.1 million before impairment charges in Sample Management segment; CHF 31.2 million including impairment charges). Net profit reached CHF 49.3 million (2008: CHF 51.0 million before impairment charges; CHF 25.6 million including impairment charges), the net profit margin amounted to 12.6% of sales (2008: 12.9%; before impairment charges). Earnings per share increased to CHF 4.77, the highest value in Tecan's history (2008: CHF 4.67 before impairment charges; CHF 2.35 including impairment charges). Cash flow from operating activities increased to CHF 66.2 million (2008: CHF 58.9 million), which corresponds to 16.9% of sales.

At CHF 385.5 million, order entry was 3.8% below the prior-year result (2008: CHF 407.6 million) in local currency terms. This is attributable to a basis effect from the Sample Management business segment, which recorded a significantly higher order entry in the previous year.

Thomas Bachmann, CEO of Tecan, commented: “We are very pleased to be able to report strong operating results for 2009 in such a tough economic environment. Despite our relevant market being down in the high single digit percent range, we were able to increase sales slightly above the prior-year level in local currency terms. The operating profit margin was maintained at the high level of the previous year. We made company history by setting a record for earnings per share. We recorded strong growth again in the strategically important OEM business and the consumables business.

“In various areas of the life science industry, groundbreaking advances are emerging that are in part only possible thanks to innovative solutions in the field of laboratory automation. Tecan makes above-average investments in research and development in order to safeguard and expand its leading position in the market. Our position of strength means that we are now able to drive forward promising innovation projects in parallel and accelerate the lead time for selected projects. To achieve sustained profitable growth, we will invest at a higher level in innovation and the expansion of our market presence over a limited period of time,” Bachmann continued.

Regional development and additional information

In Europe, sales in Swiss francs decreased by 5.1%, being negatively impacted by the exchange rate development of the euro versus the Swiss franc. Sales in Europe were 0.7% below the prior-year level in local currency terms. Business performance was still very mixed across the various European countries. The countries in Eastern Europe and the Middle East serviced by local distributors were hit harder by the effects of the economic crisis, whereas the OEM business in Europe posted gains. In North America, Tecan’s sales grew by 4.9% in Swiss francs and 4.5% in local currencies. Sales growth in North America was driven mainly by improved end-customer business across all business segments and by higher demand for OEM components. Projects from government programs to stimulate the US economy only made a minor contribution to sales in 2009, as the majority of these will only be implemented in 2010.

Sales in Asia remained at the prior-year level in Swiss francs, but were 1.4% lower in local currency terms. The key markets of Japan and China recorded double-digit growth, while other countries in the Asia-Pacific region posted declines in sales.

The strategically important international OEM business grew by 8.2% in the reporting year, and its contribution to total sales increased to 28.0% (2008: 25.6%). The proportion of total sales

accounted for by consumables increased to 8.2% (2008: 7.2%). The recurring revenues of the services and consumables business together accounted for 32% of total sales (2008: 30%).

Tecan makes above-average investments in research and development in order to safeguard and expand its leading position in the market for laboratory automation. In 2009, Tecan invested a total of CHF 42.6 million in research and development, of which CHF 2.7 million were capitalized in the balance sheet.

Information by Business Segment

Components & Detection

Sales in the Components & Detection business segment rose by 6.0% to CHF 106.6 million in 2009 (2008: CHF 100.6 million). Sales were 7.5% above the prior-year figure in local currency terms. Demand for OEM components, which was negatively affected by the economic crisis in 2008, recovered markedly, especially in the second half of 2009. Tecan was also able to acquire various new customers. New OEM customers were the main contributors to sales growth in detection devices. Order entry for Components & Detection was significantly above the prior-year figure in the year under review. Thanks to an improved cost basis and a higher share of the service business, the business segment recorded an increase in the operating profit margin, which rose from 11.3% in the previous year to 15.6% of sales. Operating profit was CHF 17.9 million, 45.2% higher than the previous year (2008: CHF 12.3 million).

Liquid Handling & Robotics

Liquid Handling & Robotics, Tecan's largest business segment, generated sales of CHF 249.6 million in the year under review. Sales were 6.0% and 3.7% below the prior-year figure in Swiss francs and local currencies respectively (2008: CHF 265.6 million). End-customer business in Europe and Australia fell in particular. Business in Japan and China, on the other hand, posted substantial gains, with moderate growth in the US. The services and consumables business also continued to perform well. The OEM business in the Liquid Handling & Robotics segment made up lost ground in the second half of the year and was slightly above the prior-year level. Order entry was marginally higher than in 2008 in the year under review. Due to lower sales and additional investments to implement the growth strategy, which largely accrued to the Liquid Handling & Robotics business segment, the operating margin fell below the prior-year level at 19.4% of sales (2008: 22.9%). The operating profit margin of 21.9% achieved in the second half of 2009 could not fully balance out the lower figure in the first half of the year. Operating profit amounted to CHF 29.6 million (2008: CHF 34.1 million).

Sample Management

Sales in the Sample Management business segment rose by 19.5% from CHF 29.9 million to CHF 35.7 million in the year under review, which represents an increase of 18.7% in local currency terms. Following an operating loss of CHF 5.4 million in 2008 (excluding extraordinary impairment charges totaling CHF 28.9 million), Sample Management achieved a slightly positive operating profit of CHF 0.1 million in the year under review. Efforts to reduce costs are ongoing in order to bring them into line with the expected lower volumes. Also, Tecan is exploring a wide range of strategic alternatives for its Sample Management business segment. However, no decision has been made in this respect.

Strong balance sheet – high equity ratio

The equity ratio increased in the year under review to reach 58.2% as of December 31, 2009 (December 31, 2008: 48.9%). Net liquidity (cash and cash equivalents minus bank liabilities and loans) also rose, to reach CHF 80.6 million at the balance sheet date (December 31, 2008: CHF 33.7 million). As such, Tecan consolidated its exceptionally strong balance sheet and is well positioned for continued internal and external growth. The reduction of capital through the cancellation of 696,788 registered shares (5.8% of the share capital) agreed at the Annual General Meeting on April 22, 2009 was carried out in the second half of 2009. Tecan had acquired these shares as part of a share buyback program. The company's share capital amounted to CHF 1,141,259 at the balance sheet date (December 31, 2009), consisting of 11,412,590 registered shares with a nominal value of CHF 0.10 each.

Distribution to shareholders increased

On basis of a strong balance sheet and a sustainable good business perspective, the distribution to shareholders will be increased. The Board of Directors will propose an increase in the dividend from CHF 0.90 to CHF 1.00 per share to the shareholders at the company's Annual General Meeting on April 21, 2010.

Outlook

The economic environment steadily improved for the laboratory automation sector in the second half of 2009. Tecan anticipates moderate market growth in 2010, after the market fell in the high single digit percent range in 2009. However, it remains hard to predict market trends over the medium term. The growing OEM business, rising sales of consumables and the end-customer business in various regions should have a positive impact on Tecan's sales. In the Sample Management business segment, Tecan anticipates that, owing to substantially lower order entry in 2009 and the delay in the development of a promising new product, segment sales for 2010 to be significantly below the level achieved in 2009.

Overall, the company aims to achieve sales growth above the market average in the low to medium single digit percent range in local currency terms in 2010. At current anticipated investment levels, Tecan expects an operating profit margin of 14 to 15% for 2010. Should additional opportunities arise during the year to accelerate promising innovation projects or to acquire new technologies from external partners, Tecan anticipates an operating profit margin of 12 to 14% in 2010.

Webcast

Tecan will hold an analyst and press meeting to discuss the 2009 annual results today at 10:00 am (CET). The event will also be accessible via a 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:

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

Participants from the US: +1 (1) 866 291 4166

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

Next key dates

- The Annual General Meeting of Tecan's shareholders will take place in Zurich at 3.00 p.m. (CEST) on Wednesday, April 21, 2010.
- The 2010 Interim Report will be published on August 12, 2010.

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 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 North America and Europe and maintains a sales and service network in 52 countries. Registered shares of Tecan Group are traded on the SIX Swiss Exchange (TK: TECN/Reuters: TECZn.S/Swiss security number: 1210019).

For further information:

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- Financial tables see in attachment -

Tecan Group – Financial reporting
Consolidated financial statements for 2009
(Key figures, unaudited)

Consolidated income statement

January to December, CHF 1'000	2009	2008	Δin %
Sales	391'910	396'042	-1.0%
Cost of sales	(193'000)	(190'753)	1.2%
Gross profit	198'910	205'289	-3.1%
<i>In % of sales</i>	50.8%	51.8%	
Sales and marketing	(64'286)	(82'084)	-21.7%
Research and development	(39'893)	(41'869)	-4.7%
General and administration	(36'096)	(36'721)	-1.7%
Other operating income	952	817	16.5%
Impairment Goodwill	-	(14'241)	n.a.
Operating profit	59'587	31'191	91.0%
<i>In % of sales</i>	15.2%	7.9%	
Financial result	546	1'301	-58.0%
Profit before taxes	60'133	32'492	85.1%
Income taxes	(10'793)	(6'869)	57.1%
Net profit	49'340	25'623	92.6%
<i>in % of sales</i>	12.6%	6.5%	

Basic earnings per share (CHF/share)	4.77	2.35	103.0%
Diluted earnings per share (CHF/share)	4.75	2.33	103.9%

Consolidated income statement excluding impairment losses on intangible assets

January to December, CHF 1'000	2009	2008 adjusted	Δin %
Sales	391'910	396'042	-1.0%
Cost of sales	(193'000)	(190'753)	1.2%
Gross profit	198'910	205'289	-3.1%
<i>In % of sales</i>	50.8%	51.8%	
Sales and marketing ¹⁾	(64'286)	(69'032)	-6.9%
Research and development ²⁾	(39'893)	(40'283)	-1.0%
General and administration	(36'096)	(36'721)	-1.7%
Other operating income	952	817	16.5%
Impairment Goodwill ³⁾	-	-	n.a.
Operating profit	59'587	60'070	-0.8%
<i>In % of sales</i>	15.2%	15.2%	

Basic earnings per share (CHF/share)	4.77	4.67	2.1%
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2008 excluding impairment losses on

¹⁾ Acquired client relationships (TCHF 10'452) and brand name 'REMP' (TCHF 2'600)

²⁾ Acquired technology (TCHF 1'586)

³⁾ Goodwill Sample Management (TCHF 14'241)

Segment information by business segments

Sales to third parties

January to December, CHF 1'000	2009	2008	Δin % (CHF)	Δin % (LC)
Components & Detection	106'632	100'638	6.0%	7.5%
Liquid Handling & Robotics	249'616	265'551	-6.0%	-3.7%
Sample Management	35'662	29'853	19.5%	18.7%
Total sales	391'910	396'042	-1.0%	0.9%

Segment information 2009

January to December, CHF 1'000	Components & Detection	Liquid Handling & Robotics	Sample Management	Corporate / Consolidation	Group
Sales to third parties	106'632	249'616	35'662		391'910
Intersegment sales	7'842	773	551	(9'166)	-
Total sales	114'474	250'389	36'213	(9'166)	391'910
Operating profit	17'896	48'613	66	(6'988)	59'587
<i>In % of sales</i>	15.6%	19.4%	0.2%		15.2%

Segment information 2008

January to December, CHF 1'000	Components & Detection	Liquid Handling & Robotics	Sample Management	Corporate / Consolidation	Group
Sales to third parties	100'638	265'551	29'853		396'042
Intersegment sales	8'792	1'213	2'395	(12'400)	-
Total sales	109'430	266'764	32'248	(12'400)	396'042
Operating profit before impairment	12'321	60'974	(5'356)	(7'869)	60'070
<i>In % of sales</i>	11.3%	22.9%	-16.6%		15.2%
Impairment losses recognized	-	-	(28'879)	-	(28'879)
Operating profit	12'321	60'974	(34'235)	(7'869)	31'191
<i>In % of sales</i>	11.3%	22.9%	-106.2%		7.9%

Sales by regions (by location of customers)

January to December, CHF 1'000	2009	2008	Δin % (CHF)	Δin % (LC)
Switzerland	7'855	9'308	-15.6%	-15.6%
Other Europe	170'325	178'491	-4.6%	0.1%
North America	154'111	146'872	4.9%	4.5%
Asia	46'910	46'913	0.0%	-1.4%
Others	12'709	14'458	-12.1%	-9.0%
Total sales	391'910	396'042	-1.0%	0.9%

Order entry

January to December, CHF 1'000	2009	2008	Δin % (CHF)	Δin % (LC)
Order entry	385'459	407'593	-5.4%	-3.8%

Consolidated balance sheet

CHF 1'000	31.12.2009	31.12.2008	Δin %
Assets			
Current assets	258'963	237'018	9.3%
Non-current assets	89'656	88'846	0.9%
Assets	348'619	325'864	7.0%
Liabilities and equity			
Current liabilities	131'439	113'840	15.5%
Non-current liabilities	14'247	52'838	-73.0%
<i>Total liabilities</i>	<i>145'686</i>	<i>166'678</i>	<i>-12.6%</i>
Shareholders' equity	202'933	159'186	27.5%
Liabilities and equity	348'619	325'864	7.0%

Consolidated statement of changes in shareholders' equity

January to December, CHF 1'000	2009	2008	Δin %
Shareholders' equity at January 1	159'186	204'644	-22.2%
Net profit	49'340	25'623	92.6%
Translation differences	(1'775)	(5'234)	-66.1%
Dividends paid	(9'681)	(5'001)	93.6%
New shares issued upon exercise of employee stock options	1'418	221	541.6%
Capital decrease in form of reduction of nominal value	-	(4'930)	n.a.
Change in treasury shares (net)	2'821	(58'909)	n.a.
Structured transaction with treasury shares	(4)	1'511	n.a.
Share-based payments to employees	1'628	1'261	29.1%
Shareholders' equity at December 31	202'933	159'186	27.5%

Consolidated cash flow statement

January to December, CHF 1'000	2009	2008	Δin %
Net profit	49'340	25'623	92.6%
Cash inflows form operating activities	66'150	58'929	12.3%
Cash outflows from investing activities	(40'640)	(5'667)	617.1%
Cash outflows from financing activities	(18'057)	(68'604)	-73.7%
Translation differences	(672)	(2'855)	-76.5%
Increase in cash and cash equivalents	6'781	(18'197)	n.a.
Cash and cash equivalents as per cash flow statement:			
At January 1	84'653	102'850	-17.7%
At December 31	91'434	84'653	8.0%

Tecan Group – Financial reporting
Consolidated financial statements for the six months ending December 31, 2009

(Key figures, unaudited)

Consolidated income statement for the six months ending December 31

July to December, CHF 1'000	H2 2009	H2 2008	Δin %
Sales	209'275	212'404	-1.5%
Cost of sales	(100'898)	(99'097)	1.8%
Gross profit	108'377	113'307	-4.4%
<i>In % of sales</i>	51.8%	53.3%	
Sales and marketing	(33'409)	(49'448)	-32.4%
Research and development	(19'389)	(23'131)	-16.2%
General and administration	(17'954)	(19'055)	-5.8%
Other operating income	877	703	24.8%
Impairment Goodwill	-	(14'241)	n.a.
Operating profit	38'502	8'135	373.3%
<i>In % of sales</i>	18.4%	3.8%	
Financial result	771	1'393	-44.7%
Profit before taxes	39'273	9'528	312.2%
Income taxes	(7'143)	(2'942)	142.8%
Net profit	32'130	6'586	387.9%
<i>in % of sales</i>	15.4%	3.1%	

Basic earnings per share (CHF/share)	3.11	0.64	385.9%
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**Consolidated income statement for the six months ending December 31
excluding impairment losses on intangible assets**

July to December, CHF 1'000	H2 2009	H2 2008 adjusted	Δin %
Sales	209'275	212'404	-1.5%
Cost of sales	(100'898)	(99'097)	1.8%
Gross profit	108'377	113'307	-4.4%
<i>In % of sales</i>	n.a.	53.3%	
Sales and marketing ¹⁾	(33'409)	(36'396)	-8.2%
Research and development ²⁾	(19'389)	(21'545)	-10.0%
General and administration	(17'954)	(19'055)	-5.8%
Other operating income	877	703	24.8%
Impairment Goodwill ³⁾	-	-	n.a.
Operating profit	38'502	37'014	4.0%
<i>In % of sales</i>	18.4%	17.4%	

Basic earnings per share (CHF/share)	3.11	2.96	5.1%
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2008 excluding impairment losses on

¹⁾ Acquired client relationships (TCHF 10'452) and brand name 'REMP' (TCHF 2'600)

²⁾ Acquired technology (TCHF 1'586)

³⁾ Goodwill Sample Management (TCHF 14'241)

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

July to December, CHF 1'000	H2 2009	H2 2008	Δin % (CHF)	Δin % (LC)
Components & Detection	58'332	52'881	10.3%	15.4%
Liquid Handling & Robotics	134'693	143'016	-5.8%	-1.9%
Sample Management	16'250	16'507	-1.6%	-1.2%
Total sales	209'275	212'404	-1.5%	2.4%

Segment information 2009

July to December, CHF 1'000	Components & Detection	Liquid Handling & Robotics	Sample Management	Corporate / Consolidation	Group
Sales to third parties	58'332	134'693	16'250		209'275
Intersegment sales	4'052	398	536	(4'986)	-
Total sales	62'384	135'091	16'786	(4'986)	209'275
Operating profit	12'421	29'649	(203)	(3'365)	38'502
<i>In % of sales</i>	19.9%	21.9%	-1.2%		18.4%

Segment information 2008

July to December, CHF 1'000	Components & Detection	Liquid Handling & Robotics	Sample Management	Corporate / Consolidation	Group
Sales to third parties	52'881	143'016	16'507	-	212'404
Intersegment sales	4'519	566	1'847	(6'932)	-
Total sales	57'400	143'582	18'354	(6'932)	212'404
Operating profit before impairment	7'808	34'114	(1'339)	(3'569)	37'014
<i>In % of sales</i>	13.6%	23.8%	-7.3%		17.4%
Impairment losses recognized	-	-	(28'879)	-	(28'879)
Operating profit	7'808	34'114	(30'218)	(3'569)	8'135
<i>In % of sales</i>	13.6%	23.8%	-164.6%		3.8%

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

July to December, CHF 1'000	H2 2009	H2 2008	Δin % (CHF)	Δin % (LC)
Switzerland	4'554	5'420	-16.0%	16.0%
Other Europe	94'760	97'194	-2.5%	1.4%
North America	81'006	78'741	2.9%	8.6%
Asia	23'786	25'614	-7.1%	-7.6%
Others	5'169	5'435	-4.9%	-1.6%
Total sales	209'275	212'404	-1.5%	2.4%

Order entry for the six months ending December 31

July to December, CHF 1'000	H2 2009	H2 2008	Δin % (CHF)	Δin % (LC)
Order entry	193'066	220'706	-12.5%	-9.1%