TECAN. **Press Release**

H1 2008: Continued Solid Profitability at Tecan

- **Repeat high operating return of 12.6% (H1 2007: 12.7%); earnings before interest and taxes (EBIT) of CHF 23.1 million (H1 2007: CHF 24.8 million)**
- **Profit margin of 10.4% (H1 2007: 11.1%); net profit of CHF 19.0 million (H1 2007: CHF 21.8 million)**
- **Sales of CHF 183.6 million (H1 2007: CHF 196.2 million); performance strongly affected by exchange rates; moderate growth in local currencies**
- **Order entry of CHF 186.9 million (H1 2007: CHF 190.9 million); growth of 5.4% in local currency**
- **Positive development in largest business segment Liquid Handling & Robotics**
- **Operating loss in business segment Sample Management**
- **Balance sheet remains strong**

Männedorf, Switzerland, 13 August 2008 – The Tecan Group (SWX: TECN) once again displayed strong operational earnings power with an EBIT margin of 12.6% in the first half of 2008 (H1 2007: 12.7%). Earnings before interest and taxes (EBIT) for the first six months of 2008 amounted to CHF 23.1 million, 7.1% below that of the first half of 2007 (H1 2007: CHF 24.8 million). Net profits reached CHF 19.0 million (H1 2007: CHF 21.8 million). Tecan was able to maintain its strong profit margin at 10.4% of sales (H1 2007: 11.1%). Sales were 6.4% below the prior-year period, amounting to CHF 183.6 million (H1 2007: CHF 196.2 million). Tecan achieved a 0.3% increase in sales in local currency.
The slight decline in these figures is largely the result of adverse currency effects during the reporting period. These had a detrimental impact on Tecan's development in the first half of the year – in particular due to the depreciation of the US dollar against the Swiss franc.

Thomas Bachmann, Tecan CEO, commented: “We are pleased that we were able to largely maintain our strong levels of profitability despite depreciation of over 15% in the US dollar. Our largest business segment, Liquid Handling & Robotics, performed well. Sales in local currency in the segment grew by 7% in the first half of the year and the operating result in Swiss francs rose by 16%. The positive development in this segment was boosted by the high double-digit growth in the strategically important OEM business, further growth in sales of consumables and by the service section. Our increased activities are thus starting to bear fruit, and the encouraging development supports our strategy of further expansion in these areas. We have taken steps in those business areas where performance was not in line with targets. We still consider our goal of an increase in sales in local currency with no year-on-year change in operating profitability to be achievable.”

Differing regional and product-specific developments

After weak development in North America in the prior-year period, Tecan achieved sales growth of 6.2% in local currency there. Sales declined slightly in Europe. The development in the various European countries was mixed. Sales declined overall in Asia. Although they increased in the emerging Chinese market, they were significantly lower in Japan than in H1 2007. Tecan's strategically important worldwide OEM business recorded strong growth. Sales in consumables and the service business also increased considerably.

Order entry declined by 2.1% to CHF 186.9 million in the first half of the year largely as a result of currency effects (H1 2007: CHF 190.9 million). In local currency Tecan achieved order entry growth of 5.4%.

Strong profitability maintained

Tecan again reported strong profitability in the first six months of 2008. With 12.6% of sales, the EBIT margin was almost at the level of the previous year (H1 2007: 12.7%). The 7.1% decline in operating profit to CHF 23.1 million is largely attributable to the depreciation of the US dollar against the Swiss franc and an operating loss in the business segment Sample Management. The negative currency effect on operating profit of Tecan was CHF 5.9 million. However, higher margins and cost discipline enabled Tecan to recoup CHF 4.2 million of this, and limit the difference in the operating profit to CHF -1.7 million. The high EBIT margin generated in the largest business segment Liquid Handling & Robotics increased yet further.

As a result of the lower operating profit and a CHF 2.5 million lower financial result, Tecan's semi-annual net profit was 12.7% below the prior-year period at CHF 19.0 million (H1 2007: CHF 21.8 million). Compared to the record levels of the previous year, earnings per share declined to CHF 1.71 for the first six months of 2008 (H1 2007: CHF 1.89).

Business segment information

Components & Detection

Sales in the Components & Detection business segment fell by 12.8% in H1 2008 to CHF 47.8 million (H1 2007: CHF 54.7 million).The decline is largely due to a higher vulnerability to exchange rate fluctuations of the US dollar, an increased competitiveness of US-based peer companies as a result of the US dollar depreciation and a high basis effect driven by unusually high components sales in the first half of 2007. Sales dropped by 4.8% in local currencies. Despite the decline in sales, Components & Detection slightly increased its EBIT margin to 8.7% of sales, compared with 8.6% for the same period the previous year. At CHF 4.5 million, earnings before interest and taxes (EBIT) was 12.5% lower than that of the first half of 2007 (H1 2007: CHF 5.2 million).

Liquid Handling & Robotics

Tecan's largest business segment, Liquid Handling & Robotics, demonstrated encouraging performance in the first half of 2008, generating around two-thirds of group sales. In Swiss francs, sales of CHF 122.5 million remained largely unchanged against the prior-year period. Sales in local currency increased by 7%. Liquid Handling & Robotics recorded strong sales growth, primarily in the OEM business, the sale of consumables and the service section. EBIT rose by 16% to CHF 26.9 million (H1 2007: CHF 23.1 million). The EBIT margin increased to 21.8% of sales (H1 2007: 18.7%), a level comparing favourably to international peers. This is evidence of the sustainable nature of measures designed to increase operating efficiencies implemented in the last few years. Orders in Swiss francs were considerably higher than the first half of 2007, and recorded a double-digit increase in local currency.

Sample Management

Sales in the Sample Management business segment fell in H1 2008 by 29% (27.5% in local currency) from CHF 18.8 million to CHF 13.3 million. Following EBIT of CHF 1.1 million in the prior-year period, Sample Management posted an operating loss of CHF 4.0 million for the first six months of 2008. This unsatisfactory performance was due to sustained tension in the market for large-scale storage systems, the delayed market launch of Sample Safe® and the high investments in R&D for that innovative storage system. Sample Management has introduced measures to increase sales and earnings power. These measures include strengthened marketing activities and project management and increasing efforts to lower costs. Since July 1st, 2008, the business segment has been headed by Domingo Messerli, a manager with international industry experience.

At the beginning of July, after the reporting period ended, Sample Management concluded a pending order for a large-scale plant in the amount of over 5 million Swiss francs from a leading European pharmaceuticals company. This amount is not included in the sales or order entry figures for the first half of the year.

Strong balance sheet – high equity ratio

The equity ratio rose once again to 54.7% as at 30 June 2008 (30 June 2007: 53.3%).Tecan achieved the higher equity ratio despite the buy-back of more than 350,000 of the company's own shares in the first half of 2008. Net liquidity on the reporting date was CHF 29.6 million (30 June 2007: CHF 33.3 million). Tecan's balance sheet thus remains strong. The capital reduction and the par-value repayment of CHF 0.45 per share approved at the Annual General Meeting on 23

April 2008 were undertaken on 18 July 2008. The par value of a registered share is now CHF 0.10 per share.

Outlook

Tecan assumes that the low US dollar to Swiss franc exchange rate will continue for the rest of the financial year. This will also have a negative impact on sales performance in the second half of 2008. Tecan aims to continue to implement its long-term growth strategy, thus driving on product innovation and tapping new geographic markets and customer segments. To sustain the company's high level of profitability, Tecan regularly implements additional measures for increased efficiency and maintains strict cost discipline. If the macroeconomic challenges do not become any tougher, Tecan believes that an increase in sales in local currency can still be achieved with no change in operating profitability over the previous year, on the basis of solid orders and a good project pipeline.

Webcast

A conference call discussing the results for the first half of 2008 will take place today at 10:00 am (CET). This 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.

The dial-in numbers for the call are as follows:
Participants from Europe: +41 91 610 5600 or +44 207 107 0611 (UK)
Participants from the U.S.: +1 (1) 866 291 4166

Please dial in 10 minutes before the beginning of the meeting.

About Tecan

Tecan (www.tecan.com) is a leading global provider of laboratory instruments and solutions in biopharmaceuticals, forensics, and clinical diagnostics. The company specialises in the development, production and distribution of automation solutions for laboratories in the life sciences sector. Through 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 2007, Tecan achieved sales of CHF 414.4 million (USD 345.3 million; EUR 252.7 million). Registered shares of Tecan Group are traded on the SWX Swiss Exchange (TK: TECN/Reuters: TECZn.S/Valor: 1210019).

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- Financials follow -

Tecan Group – Financial reporting
Interim consolidated financial statements as of June 30, 2008
(Key figures, unaudited)

Consolidated income statement

January to June, CHF 1'000	2008	2007	△in %
Sales	**183'638**	**196'243**	**-6.4%**
Cost of sales	-91'655	-97'335	-5.8%
Gross profit	**91'983**	**98,908**	**-7.0%**
In % of sales	*50.1%*	*50.4%*	
Sales and marketing	-32'636	-33'836	-3.5%
Research and development	-18'738	-20'683	-9.4%
General and administration	-17'667	-19'766	-10.6%
Other operating income	114	208	-45.2%
Operating profit	**23'056**	**24'831**	**-7.1%**
In % of sales	*12.6%*	*12.7%*	
Financial result	-92	2'438	n.a.
Profit before taxes	**22'964**	**27'269**	**-15.8%**
Income taxes	-3'927	-5'454	-28.0%
Net profit	**19'037**	**21'815**	**-12.7%**
In % of sales	*10.4%*	*11.1%*	

Basic earnings per share (CHF/share)	**1.71**	**1.89**	**-9.5%**
Diluted earnings per share (CHF/share)	**1.71**	**1.88**	**-9.0%**

Order entry

January to June, CHF 1'000	2008	2007	△in % (CHF)	△in % (LC)
Order entry	**186'885**	**190'861**	**-2.1%**	**5.4%**

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Segment information by business segments

Sales to third parties January to June, CHF 1'000	**2008**	**2007**	**△in % (CHF)**	**△in % (LC)**
Components & Detection	47'757	54'745	-12.8%	-4.8%
Liquid Handling & Robotics	122'535	122'694	-0.1%	7.0%
Sample Management	13'346	18'804	-29.0%	-27.5%
Total sales	**183'638**	**196'243**	**-6.4%**	**0.3%**

Segment information 2008 January to June, CHF 1'000	**Components & Detection**	**Liquid Handling & Robotics**	**Sample Management**	**Corporate / Consoidation**	**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**
In % of sales	*8.7%*	*21.8%*	*-28.9%*	*n.a.*	*12.6%*

Segment information 2007 January to June, CHF 1'000	**Components & Detection**	**Liquid Handling & Robotics**	**Sample Management**	**Corporate / Consoidation**	**Group**
Sales to third parties	54'745	122'694	18'804	-	196'243
Intersegment sales	5'055	1'339	825	-7'219	-
Total sales	**59'800**	**124'033**	**19'629**	**-7'219**	**196'243**
Operating profit	**5'159**	**23'142**	**1'131**	**-4,601**	**24,831**
In % of sales	*8.6%*	*18.7%*	*5.8%*	*n.a.*	*12.7%*

Sales by regions (by location of customers)

January to June, CHF 1'000	**2008**	**2007**	**△in % (CHF)**	**△in % (LC)**
North America	68'131	74'161	-8.1%	6.2%
Europe	85'185	90'409	-5.8%	-2.8%
Asia	21'299	26'835	-20.6%	-19.7%
Others	9'023	4'838	86.5%	89.9%
Total sales	**183'638**	**196'243**	**-6.4%**	**0.3%**

Consolidated balance sheet

CHF 1'000	30.06.2008	31.12.2007	△in %
Assets			
Current assets	233'471	251'693	-7.2%
Non-current assets	118'417	122'289	-3.2%
Assets	**351'888**	**373'982**	**-5.9%**
Liabilities and equity			
Current liabilities	101'012	135'557	-25.5%
Non-current liabilities	58'380	33'781	72.8%
Total liabilities	*159'392*	*169'338*	*-5.9%*
Shareholders' equity	192'496	204'644	-5.9%
Liabilities and equity	**351'888**	**373'982**	**-5.9%**

Consolidated statement of changes in shareholders' equity

January to June, CHF 1'000	2008	2007	△in %
Shareholders' equity at January 1	**204'644**	**183'841**	**11.3%**
Net profit	19'037	21'815	-12.7%
Translation differences	-4'304	849	n.a.
Dividends paid	-5'003	-5'176	-3.3%
New shares issued upon exercise of employee stock options	212	3'630	-94.2%
Share-based payments to employees	551	280	96.8%
Change in treasury shares (net)	-22'641	-7'065	220.5%
Shareholders' equity at June 30	**192'496**	**198'174**	**-2.9%**

Consolidated cash flow statement

January to June, CHF 1'000	2008	2007	△in %
Net profit	**19'037**	**21'815**	**-12.7%**
Cash inflows from operating activities	11'176	15'282	-26.9%
Cash outflows from investing activities	-1'842	-2'658	-30.7%
Cash outflows from financing activities	-29'758	-11'119	167.6%
Translation differences	-2'077	724	n.a.
Decrease/increase in cash and cash equivalents	**-22'501**	**2'229**	**n.a.**
Cash and cash equivalents as per cash flow statement:			
At January 1	102'850	84'747	21.4%
At June 30	80'349	86'976	-7.6%

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