

Consolidated Income Statements

in CHF 1000	2007	2006
Net sales	330 697	391 987
Cost of goods sold	(211 869)	(235 905)
Gross profit	118 828	156 082
Other income	441	216
Research and development expenses	(64 060)	(56 938)
Sales and marketing expenses	(24 192)	(24 825)
Administration expenses	(37 326)	(35 787)
Other expenses	(38)	0
(Loss) profit from operations (EBIT)	(6 347)	38 748
Financial income including profit from investment in associates	11 560	8 363
Financial expenses	(7 245)	(4 679)
(Loss) profit before income taxes	(2 032)	42 432
Income taxes	(1 306)	(5 941)
Consolidated (loss) profit for equity holders of SEZ Holding Ltd.	(3 338)	36 491
Basic earnings per share in CHF	(0.20)	2.19
Diluted earnings per share in CHF	(0.20)	2.17

Consolidated Balance Sheets as of December 31

in CHF 1000	2007	2006
Assets		
Non-current assets		
Property, plant and equipment	101 745	117 338
Intangible assets	17 771	16 951
Investments in associates	5	5
Other financial investments	2 714	2 448
Deferred tax assets	9 948	10 034
Total non-current assets	132 183	146 776
Current assets		
Inventories, work in progress	87 394	105 032
Trade receivables	119 112	167 233
Other receivables	13 139	17 340
Financial investments	21 451	32 782
Cash and cash equivalents	197 925	136 825
Prepaid expenses and accrued income	875	581
Assets classified as held for sale	4 655	0
Total current assets	444 551	459 793
Total assets	576 734	606 569
Liabilities and equity		
Equity		
Share capital	16 802	16 787
Capital reserves	276 406	276 019
Treasury shares	(1 054)	0
Translation reserves	4 645	(342)
Retained earnings	140 320	152 127
Total equity attributable to equity holders of SEZ Holding Ltd.	437 119	444 591
Liabilities		
Non-current provisions	15 145	13 795
Non-current debt	54 931	39 876
Other non-current liabilities	117	122
Deferred tax liabilities	151	162
Total non-current liabilities	70 344	53 955
Trade payables	13 052	27 366
Current debt	6 377	28 484
Current income tax liabilities	4 104	6 765
Current provisions	8 197	5 968
Other current liabilities	34 894	34 958
Accrued expenses and deferred income	2 647	4 482
Total current liabilities	69 271	108 023
Total liabilities	139 615	161 978
Total liabilities and equity	576 734	606 569

Consolidated Statements of Changes in Shareholders' Equity

in CHF 1000	Share capital	Capital reserves	Retained earnings	Translation reserve	Treasury shares	Total shareholders' equity
As of December 31, 2004	16 740	279 013	104 110	(10 027)	(4 831)	385 005
Actuarial gains (losses)			(1 941)			(1 941)
Currency translation differences				5 568		5 568
Net income and expense recognized directly in equity	0	0	(1 941)	5 568	0	3 627
Consolidated net profit 2005			14 343			14 343
Total recognized income and expense	0	0	12 402	5 568	0	17 970
Exercise of stock options		(1 334)			2 057	723
As of December 31, 2005	16 740	277 679	116 512	(4 459)	(2 774)	403 698
Actuarial gains (losses)			(876)			(876)
Currency translation differences				4 117		4 117
Net income and expense directly in equity	0	0	(876)	4 117	0	3 241
Consolidated net profit 2006			36 491			36 491
Total recognized income and expenses	0	0	35 615	4 117	0	39 732
Capital increase	47	262				309
Transaction costs capital increase		(3)				(3)
Exercise of stock options		(1 919)			2 774	855
As of December 31, 2006	16 787	276 019	152 127	(342)	0	444 591
Actuarial gains (losses)			(73)			(73)
Currency translation differences				4 987		4 987
Net income and expense recognized directly in equity	0	0	(73)	4 987	0	4 914
Consolidated net loss 2007			(3 338)			(3 338)
Total recognized income and expenses	0	0	(3 411)	4 987	0	1 576
Capital increase	15	379				394
Transaction costs capital increase		(6)				(6)
Treasury shares acquired		14			(1 054)	(1 040)
Dividends to equity holders			(8 396)			(8 396)
As of December 31, 2007	16 802	276 406	140 320	4 645	(1 054)	437 119

Consolidated Statements of Recognized Income and Expense

in CHF 1000	2007	2006	2005
Foreign currency translation differences resulting from net investment approach	840	(555)	(147)
Related tax effect	(67)	56	0
Foreign currency translation differences	4 214	4 616	5 715
Total foreign currency translation differences	4 987	4 117	5 568
Actuarial (losses) on defined benefit plans	(95)	(1 127)	(2 497)
Related tax effect	22	251	556
Total actuarial (losses)	(73)	(876)	(1 941)
Net income and expense recognized directly in equity	4 914	3 241	3 627
Consolidated net result for equity holders of SEZ Holding Ltd.	(3 338)	36 491	14 343
Total recognized income and expense	1 576	39 732	17 970

Consolidated Statements of Cash Flows

in CHF 1000	2007	2006
Profit before income taxes	(2 032)	42 432
Financial result	(4 315)	(3 684)
Depreciation of property, plant and equipment and amortization of intangible assets	28 522	26 434
Impairment of property, plant and equipment	1 883	0
Increase in provision for retirement benefits	912	1 352
Use of deferred subsidies	(1 678)	(924)
Loss (profit) on sale of non-current assets	38	(68)
Non-cash foreign exchange effects	3 002	4 811
Other non-cash income	(1 749)	279
Changes in		
Inventories	19 048	(24 094)
Trade receivables	50 278	(35 388)
Other current assets	4 314	(7 485)
Trade payables	(14 877)	4 641
Other non-interest bearing liabilities	1 340	8 421
Interest paid	(1 826)	(889)
Income taxes paid	(3 899)	(4 069)
Cash flow from operating activities	78 961	11 769
Additions to		
Property, plant and equipment and intangible assets	(18 699)	(37 176)
Other financial assets	(366)	(75)
Disposals of		
Property, plant and equipment and intangible assets	533	309
Other financial assets	0	8
Disposal (purchase) of financial investments	11 308	(1 910)
Interest received	4 923	1 847
Cash flow from investing activities	(2 301)	(36 997)
Changes in treasury shares	(1 054)	(246)
Exercise of stock options	388	1 096
Dividends to equity holders	(8 396)	0
Issue of debt	20 388	2 805
Repayment of debt	(25 792)	(9 130)
Changes in non-current liabilities	0	(6)
Principal payments under finance leases	(1 698)	(1 683)
Subsidies received for investing activities	294	2 588
Cash flow from financing activities	(15 870)	(4 576)
Translation adjustments on cash and cash equivalents	310	(683)
Net cash flow	61 100	(30 487)
Cash and cash equivalents, beginning of year	136 825	167 312
Cash and cash equivalents, end of year	197 925	136 825