

Shareholders Letter for Financial Year 2007

Period from 1 January 2007 to 31 December 2007



Strong Growth in 2007



2007 was a special year for the Looser Group. Through the takeover of Germany's second-largest door manufacturer, the Prüm-Garant Group, both the basis for significant growth and the corporate portfolio of the Industrial Services Division was expanded considerably.

The Looser Group reports a good result to mark its third financial year. Net revenues increased by 49.3 percent to 415.7 million Swiss francs. Organic growth was 9.8 percent and thus slightly above the previous year's figure of 9.2 percent. The striking jump in revenues is primarily the result of the Prüm-Garant Group acquisition. Both divisions, Coatings and Industrial Services, contributed to the Group's organic growth, and market share grew in all business sectors.

The prevailing conditions continued to be positive in all of the Group's selling markets in 2007. Consistent with the worldwide macro-economic deceleration in growth, there was also a slight worsening during the fourth quarter. The Looser Group generated 17 percent of its net revenues in Asian markets in 2007. The Looser Group's operating profit (EBITDA) and net profit improved once again. EBITDA climbed by 42.9 percent to 55.1 million Swiss francs and net profit by 44.6 percent to 29.4 million Swiss francs. The EBITDA margin from operations sank slightly because of

higher raw material costs, among other things, by 0.6 percent to 13.3 percent.

After the Prüm-Garant Group takeover, the number of employees stands at 1,597. Net investments in 2007 amounted to 13.4 million Swiss francs, a level equal to the previous year.

Coatings Division

The **Coatings** Division reports a slightly worse result in 2007 compared to the previous year. It was possible to increase revenues by 7.6 percent to 208.7 million Swiss francs. Because of significantly higher raw material prices, however, the EBITDA margin dropped from 11.0 percent to 9.9 percent.

One of the Looser Group's objectives is to continue to internationalize all divisions and business sectors. In conjunction with this, Treffert Coatings US Inc. in Charlotte, North Carolina, USA (2007), and ILAG High Performance Coatings

in Shanghai, China (2006), were established. In addition, the industrial coatings business at Regensburger Lacke GmbH, D-Regensburg, and Feycolor GmbH, Austria, was combined under a single management team and Regensburger Lacke GmbH was renamed Feycolor Regensburg GmbH. In the future, the two companies will be present in the marketplace under the name Feycolor.

Industrial Services Division

Following the takeover of the Prüm-Garant Group, the **Industrial Services** Division now consists of three companies. The Condicta Group is headquartered in Winterthur with subsidiaries in Switzerland, Germany, and Italy. It offers mobile space systems, cranes, and building equipment. In 2007, Condicta revenues were 49.8 million Swiss francs, which corresponds to an increase of 13.9 percent.

Single Temperiertechnik GmbH has its headquarters in Hochdorf, Germany, and is a provider of tempering and cooling equipment for various industrial applications. Its products are primarily used in the plastics industry. Division revenues increased by 15.6 percent to 47.1 million Swiss francs.

The Prüm-Garant Group, with two German production facilities in Weinsheim (Rheinland-Pfalz) and Ichtershausen (Thüringen), is the second-largest door and door frame manufacturer in Germany. Revenues over twelve months increased in the reporting year by 4.5 percent to a total of 194 million Swiss francs.

The Industrial Services Division operating profit (EBITDA) rose from 19.8 million Swiss francs to 38.4 million Swiss francs due to the acquisition of the Prüm-Garant Group. This result corresponds to an EBITDA margin of 15.6 percent. It is planned to continually expand the Industrial Services Division while maintaining the high EBITDA margin.

Free Float/Shareholders/Share Price Development

By going public, all of the 2,430,000 outstanding Looser Holding AG registered shares were traded on the BX Berne eXchange after September 2006. In July 2007, an additional 121,500 registered shares were issued through a capital increase from the approved capital at an issuing price of 206 Swiss francs.

Despite the slightly negative market environment, Looser Holding AG shares performed well during the reporting year. The share price rose from 135 Swiss francs to 186 Swiss francs or by 37.8 percent.

The free float was increased to 37.7 percent. Management share holdings in Looser Holding AG is 5.2 percent. The four main shareholders held 62.3 percent of the issued registered shares at the end of the year. Market capitalization was 475 million Swiss francs at the end of the year.

Financial Situation

The Looser Group and its subsidiaries have grown very strongly in recent years. The average annual revenues growth in the last three years was 40 percent. The key operating performance figures even show an above-average increase. This enormous growth ties up addition funds. To strengthen equity, the board of directors decided to carry out a capital increase of 25 million Swiss francs in 2007. Equity capital amounted to 175.2 million Swiss francs on 31 December 2007 (previous year: 117.3 million Swiss francs). A solid financial situation is the basis for continued healthy growth in the opinion of the board of directors and management.

Through the acquisition of the Prüm-Garant Group, net debt increased by 121.9 million Swiss francs to 200.8 million Swiss francs (without subordinated shareholders loans). In 2008 net debt should further be reduced.

Cash and cash equivalents are 40.4 million Swiss francs. These funds are available in part for further acquisitions.

Free cash flow increased by 131 percent to 25.8 million Swiss francs.

The Looser Group would like to continue to grow on the basis of a solid financial situation in the coming years. Therefore, no dividend distribution is proposed.

2007 Milestones

March

- Opening ceremony of the new production facility for wood coatings and non-stick in Shanghai, China.

April

- First Media and Analysts' Conference at the SWX in Zurich.

Mai

- First public Looser Holding AG general shareholders' meeting in the Landenbergsaal in Arbon.
- Acquisition of the Prüm-Garant Group.
- Syndicate credit for 235 million Swiss francs through the lead arranger and underwriter, Cantonal Bank of Zurich.

Juli

- Issuing of 121,500 Looser Holding AG registered shares through a capital increase from approved capital and free placement.
- Regensburger Lacke GmbH changes its name to Feycolor Regensburg GmbH.

September

- Founding of Treffert Coatings US Inc.

Outlook

We are cautiously optimistic about the Looser Group's prospects for 2008. The growth rates in our selling markets are weakening. In the German market for doors, we forecast a downward trend. Growth in China will stabilize at a high level. In addition, the insecurities resulting from the subprime crisis will have a negative impact on consumer spending and investment tendencies. The business climate in the selling markets relevant to the Looser Group will be slightly poorer compared to the previous year. Nevertheless, we believe that organic growth will be somewhere in our target range of 5-10 percent.

As in previous years, the board of directors and Group management have also set high targets for 2008. Revenues should grow by at least 20 percent. At the operations level (EBITDA margin), profitability should be between 13 and 15 percent. In addition, the board of directors plans a further capital increase of 25 million Swiss francs when the capital markets calm down.

Appreciation

We would not have been able to achieve this good result in 2007 without the tireless efforts and the expertise of our employees. We would like to thank all of them for their commitment here. We would also like to thank our shareholders, customers and business partners for the interest and confidence they place in us.



Leo Looser, Chairman of the Board of Directors



Christian Niederkofler, CEO

Financial Calendar

April 3, 2008	Media and Analysts Conference SWX ConventionPoint, Zurich
May 14, 2008	General Shareholders' Meeting in Arbon
May 2008	Press Release 2008 Q1 Results
August 2008	Press Release 2008 Half-year Results
November 2008	Press Release 2008 Q3 Results

Looser publishes comprehensive information, including ad hoc notices and on-line versions of its mid-year and annual reports via the Internet (www.looserholder.com) at the same time for all market participants and interested parties.

The latest applicable investor presentation is also available, among other things. In addition, interested parties may register for our mailing list and receive all of the latest company information.

Key Figures

		2007	2006
Group			
Net revenues	TCHF	415'696	278'354
EBITDA	TCHF	55'131	38'591
EBIT	TCHF	37'926	29'024
Group profit before minority shareholdings	TCHF	29'398	20'337
Cash flow from operations	TCHF	28'719	19'788
Free cash flow	TCHF	25'842	11'164
Equity	TCHF	175'238	117'324
Total assets	TCHF	570'691	330'272
Equity as a % of total assets	%	30.7	35.5
Equity as a % of total assets (incl. subordinated shareholder loans)	%	32.6	38.9
Net debt (without shareholder loans)	TCHF	200'830	78'877
Employees at year end	Number of full-time equivalents	1'597	792
Average equity (without shareholder loans)	TCHF	146'281	105'516
Rate of return on equity	%	20.1	19.3
Gearing (without shareholder loan)		1.08	0.61
Key Group Figures for Shares			
Profit per registered shares	CHF	11.52	7.78
There are no shares with a dilutive effect.			
Equity per registered share	CHF	68.68	48.28

Share Price Development

Period: 1 January 2007 to 28 December 2007
Listing: BX Berne eXchange
Securities number: 26205861
ISIN number: CH0026205861
Ticker symbol: LOHN



Market capitalization per 29 December 2006:	CHF 328 Mio.
Share price on 29 December 2006:	CHF 135.–
Share price on 28 December 2007:	CHF 186.–
Market capitalization per 28 December 2007:	CHF 475 Mio.
Number of registered shareholders on 31 December 2007:	471
Free float on 31 December 2007:	37.7 %



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