

Leica Geosystems Announces Plans for Share Buyback

The Board of Leica Geosystems AG (Switzerland) has announced a plan for a CHF 100m (US\$ 77,117,747.62) share buyback of up to 10% of the capital of the company, to be implemented in the event the Company remains independent. The Board and management of Leica have also revised the mid-term financial targets that the Board communicated in November 2003. On the basis of continued out-performance to date the Board has decided to disclose its objectives to 2009, highlighting further improvement potential in line with the recent exceptional performance of the Company.

The new targets are:

- FY07-09 sales growth above 10% on a compounded annual growth basis
- FY09 EBITDA margin of 20%.

In addition, the Board intends to implement a CHF 100 million share buyback. The Board believes that the share buyback is a further demonstration of its focus on creating shareholder value and its confidence in management's ability to deliver these targets, as it has in the past. The share buyback would be implemented in the event the company remains independent.

The buyback is supported by strong current and future free cash flow generation of CHF 300 million (US\$ 231,344,968.55) over the next 4 years. Leica has also recently announced its plan to pay its first dividend of CHF 4 (US\$ 3.08) per share. However, the company still retains significant flexibility to consider add-on acquisitions to accelerate its current strategic initiatives.

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