

No. 154/2008

December 16, 2008

Editorial contact: Klaus-Bernhard Hofmann ☎ 0049 (0)6131 / 66-36 62

e-mail: klaus-bernhard.hofmann@schott.com

SCHOTT increases sales and profit in 2008

- Sales rise by 4% to 2.23 billion euros
- Group earnings reach 182 million euros
- Equity-to-assets ratio climbs from 31% to 36%
- Number of employees grows by 700

The international technology group SCHOTT recorded an extremely successful fiscal year 2007/2008 (ended on 09/30). "We were able to meet our forecasts, despite the global economic situation, which impacted parts of the business year," emphasized the Chairman of the Board of Management, Professor Udo Ungeheuer, at a press conference held in Mainz. Dr. Ungeheuer noted that the company succeeded in its efforts to retain or even improve its position in many of its business fields, thanks to innovative products and close customer relationships, as well as the power of the "SCHOTT" brand.

The solid fiscal year is also reflected in improved performance indicators. Group sales rose by 4% from 2.14 billion euros to 2.23 billion euros. Without the effects caused by changes in exchange rates, most notably the euro in relationship to the U.S. dollar, Group sales would have been even 50 million euros higher. The increase in sales can be attributed to the dynamic development in the area of solar power, as well as the growth achieved in various divisions of the company. Both the receivers for use in parabolic trough power Concentrated Solar Power (CSP) plants and photovoltaic products met with high demand.

The results of operations (EBIT) for the fiscal year 2007/2008 rose by 22 million euros to 289 million euros. Professor Ungeheuer noted that he was particularly pleased with the strong Group earnings of 182 million euros. Last year, a loss of 51 million euros was reported, due to the discontinuation of the company's display glass business. Cash flow from business operations also improved by 12% to 254 million euros. The SCHOTT Group's equity-to-assets ratio also increased quite considerably. On the balance sheet date, this figure was 929 million euros, compared to 724 million euros for the previous year. The equity-to-assets ratio climbed from 31% to 36%. With respect to investments in fixed assets, SCHOTT remained at a high level of 289 million euros. The main focus was on expansion of solar capacities. Expansion of these business activities, most notably in the areas of solar power, but also pharmaceutical tubing and pharmaceutical packaging, resulted in an increase of nearly 700 in the number of employees to 17,363 in total.

Due to the differences in industry-specific operating conditions, the various businesses developed at different paces during the fiscal year 2007/2008. For example, the ongoing U.S. real estate crisis had a detrimental effect on business with Ceran® glass ceramic cooktop panels and refined flat glasses for household appliances. On the other hand, the introduction of Ceran Suprema®, the world's first glass ceramic cooktop panel that contain no harmful heavy metals, met with strong

acceptance in the household appliance industry. The demand for automotive components from the Electronic Packaging and Fiber Optics divisions was lower. Sales of pharmaceutical tubing and pharmaceutical packaging were in line with company expectations.

In order to further extend its position as one of the world's leading technology groups in the area of specialized glasses and other high-tech materials, SCHOTT has expanded its production capacities in markets for the future and made several acquisitions. In the area of pharmaceutical packaging, this included opening a new manufacturing facility for ampoules and vials at the Chinese site in Suzhou, as well as the acquisition of a 50% share in India's quality leader on pharmaceutical packaging products, Kaisha Manufacturers Private Ltd. SCHOTT also acquired a 70.8% share in the Tokyo-based listed company Moritex Corporation by issuing a public tender offer bid. This company is the Japanese leader in the area of lighting systems based on LED and fiber optic technologies. In the area of photovoltaics, SCHOTT achieved an expansion in capacities in all areas of the value creation chain. Wafer manufacturing was expanded in Jena, for instance, and thin-film manufacturing was extended at the joint venture, WACKER SCHOTT Solar. Substantial expansion of cell production took place at the site in Alzenau and new module production lines were installed in the Czech Republic. SCHOTT also invested in growth with respect to manufacturing receivers for solar thermal power plants by expanding its existing manufacturing facility in Spain and establishing a new site in Albuquerque, New Mexico, in the United States. By doing so, SCHOTT is seeking to extend its global technological and market leadership with this key component of tomorrow's environmentally friendly and secure power supply.

In assessing how business will progress during the current fiscal year, Professor Ungeheuer pointed to a global economy that is in the process of cooling down. SCHOTT projects weaker demand from the automotive and household appliance industries. Business with tubing and packaging products for the pharmaceutical industry is expected to remain stable. In this segment, SCHOTT is currently investing a double-digit million euro amount towards two new tubing tanks in Mainz and will be creating 135 new jobs as a result. In the area of solar power, SCHOTT expects to remain on its growth course, yet at a lower level. "The breadth of the product line and its presence in many markets and regions represents a good prerequisite for SCHOTT in getting through the adverse effects that the financial crisis will be having on the economy better than many other companies," emphasized the Chairman of the Board of Management.

SCHOTT is an international technology group that sees its core purpose as the lasting improvement of living and working conditions. To this end, the company has been developing special materials, components and systems for nearly 125 years. The main areas of focus are the household appliances industry, pharmaceuticals, solar energy, electronics, optics and the automotive industry. The SCHOTT Group is present in close proximity to its customers with production and sales companies in all its major markets. The Group's approximately 17,300 employees generated worldwide sales of approximately 2.2 billion euros for its 2007/2008 fiscal year. The company's technological and economic expertise is closely linked with its social and ecological responsibility. The

parent company of the SCHOTT Group is SCHOTT AG, whose sole shareholder is the Carl-Zeiss-Stiftung (Foundation).