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**FOR IMMEDIATE RELEASE****SEZ GROUP REPORTS THIRD QUARTER 2007 RESULTS**

- Net sales of CHF 66 million and order intake of CHF 48 million significantly below prior quarter
- Loss in third quarter impacts nine-month results
- Market weakness expected to continue in fourth quarter 2007
- Recovery in demand expected beginning first quarter 2008 onward

VILLACH, Austria and ZURICH, Switzerland, Oct. 23, 2007—In the third quarter 2007, the SEZ Group (SWX Swiss Exchange: SEZN) reported a remarkable decrease in net sales and order intake, due to continuing weakness in demand from DRAM manufacturers and the foundry segment. Consequently, operating income and net results were significantly below the break-even level. As announced in the profit warning on October 9, 2007, SEZ Group expects net sales in the range of 330 million Swiss Francs (CHF) for the full year with an EBIT-margin of approximately 2 percent.

The third quarter resulted in an unexpectedly low order intake, due to the continued weakness in demand from memory manufacturers coupled with the ongoing low order activity from the foundry market. In comparison to the prior quarter, new order intake declined by 36.1 percent to CHF 48.0 million, and net sales decreased by 37.3 percent to CHF 65.7 million. Operating results (EBIT) dropped from CHF 10.3 million to CHF -5.4 million, while net results fell from CHF 10.8 million to CHF -5.8 million.

After nine months of the 2007 business year, net sales decreased by 3.6 percent to CHF 273.1 million compared to the nine months of the 2006 business year. The cumulative operating result (EBIT) of CHF 14.8 million was below the prior year's figure of CHF 26.3 million, while the EBIT margin decreased to 5.4 percent compared to 9.3 percent in the previous year. New orders of CHF 224.3 million declined by 25.3 percent below prior year figures.

SEZ's management anticipates that the low results in the third and fourth quarter of the current business year indicate that the current cycle has bottomed out.

The ongoing trend of microchip manufacturing's shift to the Asia-Pacific region has changed the customer landscape over the past quarters. In light of this changing market environment, SEZ's management took proactive measures by catalyzing the reallocation of SEZ's resources. SEZ's newly enhanced structure leverages global account management teams in place of regional business units. This new structure also includes the consolidation of laboratory resources. Ultimately, these changes will drive advantageous cost synergies that best position SEZ's continued growth efforts.

SEZ's investments in research and development over the past quarters has led SEZ to become the only supplier offering a complete product portfolio for wet-chemical, single-wafer applications in the front-end-of-line (FEOL) and back-end-of-line (BEOL) arenas. Although the market environment for established BEOL applications has become increasingly competitive with the entry of local suppliers, the success in new FEOL applications has enabled SEZ to meet expectations. SEZ currently anticipates that new FEOL applications will account for 20 percent of 2008 equipment sales.

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SEZ expects a recovery in demand as of the first quarter 2008 onward due to positive market indications, including the planned conversion from 200-mm to 300-mm technology in the NAND Flash segment and the revival from the foundry segment.

#### Key Figures after Nine Months (unaudited)

in CHF million	09/07	09/06
Order intake	224.3	300.4
Net sales	273.1	283.3
Profit from operations (EBIT)	14.8	26.3
Net profit	14.8	24.3
Book-to-bill ratio	0.82	1.06

#### Quarterly Key Figures (unaudited)

in CHF million	Q3/07	Q3/06	Q2/07	Q1/07
Order intake	48.0	104.4	75.1	101.3
Order backlog	22.5	75.1	39.1	68.8
Net sales	65.7	115.1	104.8	102.6
Gross profit	20.1	48.5	42.0	41.7
Gross profit margin	30.7%	42.2%	40.0%	40.6%
Profit (loss) from operations (EBIT)	(5.4)	15.9	10.3	9.9
EBIT margin	(8.3%)	13.8%	9.8%	9.6%
Net profit (loss)	(5.8)	15.3	10.8	9.8
Net profit (loss) margin	(8.9%)	13.3%	10.3%	9.6%

Average exchange rates for January to September 2007:  
EUR/CHF 1.63725; USD/CHF 1.21839

The complete 2007 First Nine-Month Report is available on SEZ's homepage located at [www.sez.com](http://www.sez.com) (Investor/Financial Reports). Additionally, quarterly income statements are available for download on SEZ's homepage under Investor/Financial Reports/Quarterly Results. An audio webcast of today's presentation of financial results in Zurich will also be available on SEZ's website beginning at 9 a.m. PDT/12 p.m. EDT/6 p.m. CET.

#### About SEZ Group

The SEZ Group is the leading provider of single-wafer wet-clean processing solutions for the semiconductor industry, with an installed base of over 1,200 tools. The company maintains operations in Asia Pacific, Europe, Japan and North America. Since 1996, registered shares of SEZ Holding Ltd. have been traded on the SWX Swiss Exchange under the symbol SEZN. Additional information about the company is available on the Internet at [www.sez.com](http://www.sez.com).

Villach/Zurich, October 23, 2007

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