

Media Communication



Leica Geosystems AG
Heinrich-Wild-Strasse
CH-9435 Heerbrugg
(Switzerland)

www.leica-geosystems.com

No. 28e Redundancies (October 2001)
Contact Fritz Staudacher, Corporate Communications,
Phone +41 (0)71 727 3043

Leica Geosystems to reduce world-wide construction instruments business workforce by 72 positions

Heerbrugg, 31 October 2001 – Leica Geosystems today announced that it would reduce its construction-related workforce by 72 positions. These redundancies are necessary due to the industry slow-down over the summer, compounded by the events of September 11, which have placed further pressure on the building and construction markets, and as a result of the future outsourcing of surface mounted devices.

The majority of the Company's construction-related surveying instruments are manufactured at its US facility at Grand Rapids, Michigan. At this place 45 are being made redundant and 6 temporary contracts will not be continued. Another 12 people will receive a job offer close to their existing working place at Paragon, the company's new OEM production partner for surface mounted devices. Already nine employees have been released from the Company's Disto™ assembly workforce in Heerbrugg, Switzerland. The changes at the Heerbrugg facility were foreseen, following the Company's announcement at the end of August, that it would outsource production of future product generations to Flextronics Technologies GmbH, in Solothurn, Switzerland.

These redundancies, together with the implementation of other initiatives, are Leica Geosystems' reaction to the worsening of the situation in the construction markets. In a previous statement published on 2 October, the Company confirmed its revised outlook and forecasts an increase in Full Year sales to over 800 million Swiss Francs (Previous Year: CHF 642m). The Company also reiterates its revised estimate of Full Year EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) to be, in absolute terms, at the level of the previous year of approximately CHF100m. Following this reduction in its workforce, Leica Geosystems will have 2950 employees worldwide.

* * *

Contact:

Fritz Staudacher, Corporate Communications, Leica Geosystems AG, Heinrich-Wild-Strasse, CH-9435 Heerbrugg (Switzerland) – Internet: www.leica-geosystems.com

Tel (direct) +41 (0)71 727 3043

Tel. Switchboard: +41 (0)71 727 3131

Tel (Mobile)+41 (0)79 201 5891

Fax +41 (0)71 726 5043

E-Mail Fritz.Staudacher@leica-geosystems.com

* * *

Under the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, we caution investors that all statements other than statements of historical fact included in this document, including without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our existing and future products), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results,

performance or achievements to differ materially from those in the forward-looking statements include, among other factors: (i) our ability to develop and introduce new products and technologies that gain market acceptance on a timely basis; (ii) our ability to respond to competitive challenges, such as the introduction of innovative products or technologies by our competitors; (iii) our ability to identify and realize growth opportunities; and (iv) overall levels of investment in infrastructure and capital spending in our markets. Additionally, any forward-looking statements speak only as of the date of this document. We expressly disclaim any obligation or undertaking to release publicly any update of or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard hereto or any change in events, conditions or circumstances on which any such statement is based.