Public Take-Over Bid by Sumida Holding Germany GmbH, Neumarkt/Germany
(a fully owned subsidiary of Sumida Corporation, Tokyo)
to the shareholders of Saia-Burgess Electronics Holding AG, Murten

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Fairness Opinion

Assessment of the financial adequacy of the offer by
Sumida Holding Germany GmbH
for the attention of the Board of Directors of
Saia-Burgess Electronics Holding AG, Murten

This is a translation of the original German document and for convenience purposes only. Only the German version may prevail.

SARASIN

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Zurich, August 10, 2005

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1. Introduction

1.1. Starting Point

Saia-Burgess Electronics AG, Murten/CH ("Saia-Burgess") is a company quoted on the SWX Swiss Exchange with a market capitalization of about CHF 596 million as of August 8, 2005. Its product range consists of switches, actuators, electronic products and electronic controllers. With its products, Saia-Burgess serves important segments in the automotive and industrial areas as well as in infrastructure automation.

On June 30, 2005, Sumida Corporation, Tokyo/Japan ("Sumida") announced to propose a public take-over bid for all registered shares held by the public with a nominal value of CHF 50 per share. The offer price was CHF 950 per Saia-Burgess share. On July 22, 2005, Sumida released the offer by one of its subsidiary companies. The bid was amended by the modifications from August 4, 2005. In its release Sumida disclosed that it owned 26,12 % of Saia-Burgess' share capital as well as call options for 3,26 % of Saia-Burgess' share capital. Saia-Burgess has a share register (voting right) entry limit of 5 % of the share capital per shareholder.

In numerous statements the Board of Directors of Saia-Burgess expressed that it considered the bid as unwelcome and that it rejects the offer for this reason. Saia-Burgess' Board announced its intention to call in an extraordinary general meeting of the shareholders.

1.2. Mandate of the Board of Directors of Saia-Burgess to Bank Sarasin & Co. Ltd

The Board of Directors of Saia-Burgess has mandated Bank Sarasin & Co. Ltd, Zurich ("Sarasin") to conduct a fairness opinion to assess the financial adequacy of the price offered by Sumida of CHF 950 per registered share of Saia-Burgess.

The report is designated for the Board of Directors of Saia-Burgess in the framework of completing the report of the Board of Directors according to the Ordinance of the Takeover Board on Public Takeover Offers. The Board of Saia-Burgess intends to release its report on August 11, 2005. The report by Sarasin does not constitute a recommendation for the public shareholders of Saia-Burgess to accept or to reject the offer made by Sumida.

We have assumed the underlying information for our assessment to be accurate and complete without having it audited and confirmed by third parties. With respect to the details, information and data we were provided with, we assumed that they were properly recorded.

The report by Sarasin is intended as a valuation basis for the Board of Directors of Saia-Burgess with regard to delivering the report of the Board of Directors pursuant to the Ordinance of the Takeover Board. With the exception of the release in connection with the report of the Board of Directors of Saia-Burgess expected for August 11, 2005, this fairness opinion is not to be used without the permission of Sarasin.

2. Underlying Information

Sarasin made use of the following information for its assessment:

- Public take-over bid by Sumida on July 22, 2005, for the registered shares of Saia-Burgess held by the public (incl. amendments from August 8, 2005)
- Public information on the Saia-Burgess Group we considered to be relevant for the valuation and the assessment of the fairness of the offer. In particular, this includes the annual reports of Saia-Burgess (2003, 2004) as well as certain press releases
- Report of the auditors regarding the financial results 2004 of the Saia-Burgess Electronics Holding AG from February 25, 2005, to the attention of the Audit Committee
- Consolidated medium-term business plan of the Saia-Burgess Group 2005 – 2010 (“Business Plan”)
- Budget 2005 of Saia-Burgess as of February 2005 including a 5-year business plan
- Half-year report of Saia-Burgess Electronics Holding AG as of June 30, 2005 (unaudited)
- A market research & positioning study, conducted by Saia-Burgess in February 2004
- The Saia-Burgess Strategy Book, conducted by Saia-Burgess on August 12, 2004
- Report to the Board of Directors of Saia-Burgess as of June 21, 2004, regarding the acquisition of the actuators business for air-conditionings in automobiles of the Bühler Motor Group (including the business plan)
- Report to the Board of Directors of Saia-Burgess as of May 6, 2004, regarding the acquisition of the synchronous motors and motor gearbox business of Sick/Stegmann (including the business plan)
- Capital market and financial data of select quoted companies (Peer-Group, see Appendices 1 and 2)
- Equity research studies on Saia-Burgess
- Historical stock price and volume analyses of the registered Saia-Burgess share
- Take-over bid prices of other transactions we considered to be relevant (see Appendix 3)
- Separate discussions with the CEO and the CFO of Saia-Burgess Electronics Holding AG, especially on the financial and earnings situation, business prospects of the individual divisions, value drivers and assumptions in the 2005 business plan and the 2005 budget as well as the market / competitive environment and acquisition potentials
- Current and historic financial market analyses to derive parameters necessary for the valuation

In the course of reviewing the financial budget (especially capital expenditures) and management projections with respect to their plausibility, Sarasin visited Saia-Burgess’ production site and facilities in Murten. Sarasin did not carry out any own or third party estimates or valuations of the assets and liabilities of Saia-Burgess.

The fairness opinion by Sarasin is based on the prevailing economic and financial conditions and takes into account capital market conditions as well as other factors which existed, were expected or could be evaluated at the time of preparing this report.

In preparing this fairness opinion, Sarasin has assumed that the financial and other information on Saia-Burgess or the Saia-Burgess Group used is accurate and complete and has relied on this information without assuming responsibility for its independent verification.

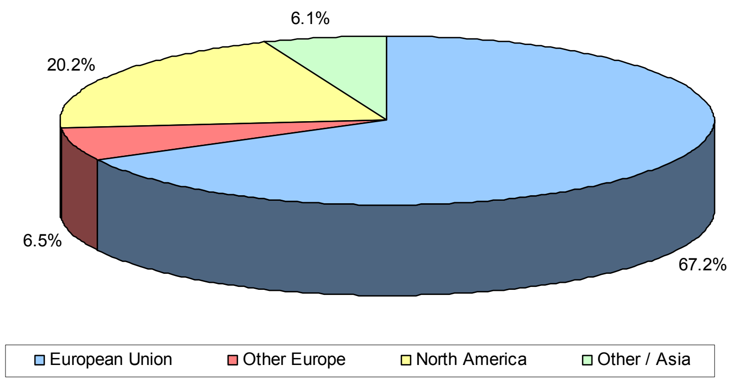
In addition, Sarasin has relied on the assurance given by Saia-Burgess' Management to the effect that the latter is not aware of any facts or circumstances which would render the information available inaccurate or misleading.

3. An Overview of the Saia-Burgess Group

3.1. The Saia-Burgess Group

As a producer of switches, actuators, electronic products and electronic controllers, Saia-Burgess reported sales of CHF 568,4 million in 2004 (CHF 314,6 million in the first half of 2005), EBITDA of CHF 72,8 million (CHF 39,2 million in the first half of 2005), EBIT of CHF 41,1 million (CHF 24,8 million in the first half of 2005) and a net income of CHF 26,3 million (CHF 17,8 million in the first half of 2005). The products are developed and manufactured at several production sites in Europe, North America, Africa and Asia. As of the end of June of 2005 Saia-Burgess reported a total of 3'872 employees.

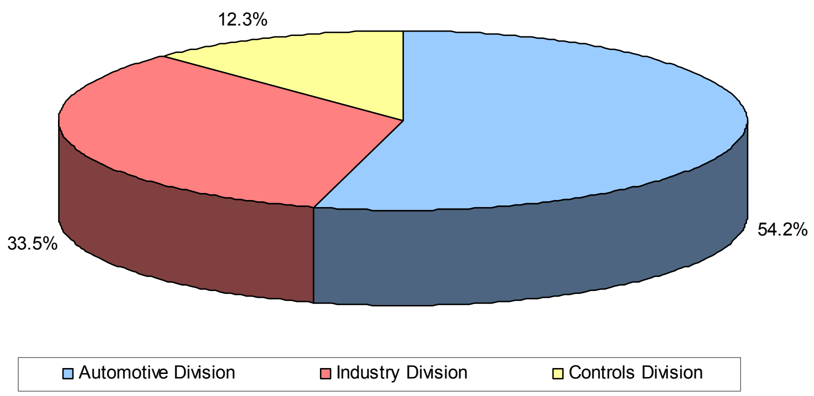
The geographical distribution of the 2004 sales is as follows:



3.2. Products and Market Environment

Product Overview

The Saia-Burgess Group is divided into 3 business divisions which contributed to the re-stated 2004 sales figures as follows:



When dividing the sales figures by product category, motors accounted for 40,4 % of the 2004 sales, solenoids for 8,3 %, switches and sensors for 38,1 %, electronic products for 3,7 %, electronic controllers for 8,5 % and other products for 1,0 %.

Automotive Division

More than 80 % of the 2004 sales in this division were achieved by the three main application areas air-conditioning systems (56 %), headlight adjustment (10 %) and door locking and latching systems (19 %). About 95 % of the 2004 sales were attained in Europe and the NAFTA (North American Free Trade Agreement).

A continuing increase in the demand for air-conditionings in cars of all classes is expected in the NAFTA and in Europe in particular. Saia-Burgess can take advantage of the trend of a higher standard of automation since already today it is the market leader for actuators for flaps of car air-conditioning systems. In addition, higher expected production volumes lead to advantages in costs over the most important competitors.

Saia-Burgess supplies stepper motors for vertical and horizontal headlight adjustment with integral electronics. For dynamic adjustment it is clearly the number one in Europe, with an estimated market share of 60%. In Europe there continues to be a significant expected growth potential for applications with headlight adjustment and cornering light.

Already at present Saia-Burgess has an eminent market position for door locking and latching systems. This market position is to be expanded in the future to become the number one in Europe.

The automobile industry worldwide is expected to grow at a real annual rate of 1 – 1,5 %. The pressure on the supply industry will generally continue to increase which is expected to result in a market consolidation. Saia-Burgess assumes to be part of the winners in this consolidation process.

Industry Division

Saia-Burgess achieved about 86 % of the 2004 sales in this division in the three main products switches (45,8 %), solenoids (20,5 %) and motors (19,6 %). These products are standardized as well as customized products. Saia-Burgess' products from the Industry Division are mainly employed in industry automation and equipment, in household appliances and in the area heating, ventilation, air-conditioning (HVAC). Standard products are sold through specialized distribution channels. Saia-Burgess plans to grow via these channels especially in North America.

In the microswitches segment Saia-Burgess is the number one in Europe with an estimated market share of approximately 27 %. Saia-Burgess plans to expand this market leadership in the future. For the manually operated switches Saia-Burgess has a market share of about 3 % and for panel-mounted switches a share of about 7 %. In these areas it plans to concentrate on select high-volume switches and on expanding the business with existing customers and medium-to-large OEMs respectively.

For miniature motors (stepper and synchronous motors) Saia-Burgess has a market share of slightly over 15 % in Europe. This share is to be increased by adapting to specific regional needs.

In the product group solenoids Saia-Burgess is the number one in the North American industry market, with a market share of more than 30 %.

Controls Division

About ⅓ of this division's turnover in 2004 was achieved through the market area Processing Controls (regulating and control of machines and equipment in production engineering) and about ⅔ through the area Infrastructure Automation (overall technical arrangements and support systems in a building). Saia-Burgess' chances lie in the trend towards insourcing solutions among many engineering OEMs on the one hand, and the trend of many large OEMs towards outsourcing the development of their own control technology on the other hand.

4. Valuation Approaches

4.1. Scope of Valuation

Internal Growth

In its business plan, Saia-Burgess differentiates between internal and external growth (i.e. growth through acquisitions). The valuation of Saia-Burgess by Sarasin is primarily based on Saia-Burgess' internal growth. External growth was evaluated separately by Sarasin and entered into the DCF valuation as outlined in the next chapter (acquisitions). The valuations using comparable quoted companies / transactions do not take into account the impacts of specific acquisitions directly. Through the comparison to companies with similar growth patterns (see chapter 4.5 for details) which generally show higher multiples, however, planned external growth can be allowed for indirectly.

Allowing for Acquisitions in the DCF Valuation

In the year 2004 Saia-Burgess was able to execute sizeable acquisitions. In the Automotive Division, the Bühler Motor Group's actuators division with roughly CHF 60 million in sales was acquired at a price of about CHF 35 million. The Industry Division was strengthened by the acquisition of Sick/Stegmann's synchronous motors and motor gearbox business. Additional sales of about CHF 12,5 million p.a. are expected as a result of this transaction. The acquisition price was about CHF 6,6 million. Due to the business plans, Sarasin considers both acquisitions to be favorable from a valuation point of view.

Saia-Burgess is convinced that it is very well positioned for the future in order to profit from the expected external growth opportunities (i.e. from acquisitions) in its markets. Thus, the business plan contains investment, growth and profitability assumptions on the external growth for the years 2006 to 2008.

Due to the acquisition strategy in the past, Sarasin considers Saia-Burgess' external growth objectives to be realistic. In conducting the DCF valuation, Sarasin made sure that purchase prices for the acquisitions were adopted in a way that the positive influence on the equity value of Saia-Burgess through the mapping of these acquisitions in the calculations is moderate, i.e. about 6 % - 7 %. According to the acquisitions we have analyzed for 2004, this represents a conservative estimate. Well-defined short term acquisition plans were credited a higher value than plans for the medium term. Synergy potentials and integration costs were not taken into account as they are very difficult to quantify. It seems feasible to us that with a successful acquisition strategy, synergy potentials are to emerge in the future.

Control Premiums and Synergy Potentials

In the context of take-over bids buyers typically pay a premium to the market price in order to acquire the shares of the target company. From the buyer's point of view these premiums can be justified, among other things, by synergy potentials or a low stock market valuation. At the same time, however, the buyer will align his bid price with the price expectations of the shareholders of the target company. He will try to claim the synergy potentials. Instead he can also share these to a certain extent with the shareholders of the target company by paying a higher price.

Quantifying a control premium and synergy potentials is difficult. The analysis in chapter 4.6 shows the multiples buyers paid in the framework of other transactions.

From the perspective of the existing Saia-Burgess shareholder the question conversely arises how to evaluate the external growth potential of Saia-Burgess for the future. Saia-Burgess has pointed out to Sarasin the possible not yet quantifiable synergy potentials which can result from future acquisitions. Primarily, these are the following:

- Strengthening the market position for existing products
- Expanding the range of products for existing customers, manufacturing of subsystems
- Access to new groups of customers, especially in North America and Asia
- Insourcing of certain production competencies

Valuation due Date and Subsequent Events

June 30, 2005 was set as the valuation due date whereas the results of the half-year financial statements 2005 were taken into account for the overall 2005 forecast. The management of Saia-Burgess advised us that no material events have occurred since the valuation due date.

4.2. Financial Forecasts Applied

The value of an enterprise is determined by the profit the company is to earn in the future given the factors of success present at the time of valuation including its tangible assets, innovation, products and market position, internal organization, employees and its management. Under the assumption that a company's targets are solely financial, the enterprise value is derived from the interaction of all factors affecting profitability to yield financial surplus for the shareholders. In order to calculate the future financial surpluses, Sarasin has used the business plan and the budget 2005 ("financial forecast") of Saia-Burgess as a starting point.

Planning Period and Residual Value

The calculations are based on the forecasts from the Saia-Burgess Management between 2005 and 2009. For the years 2010 to 2013 Sarasin constructed a continuous transition to the long-term growth, profitability and investment assumptions as they had been defined for the final year 2014. The financial surplus in 2014 which can be regarded as normalized with respect to growth, profitability and investment was used together with the long-term growth assumption to calculate the residual value. The resulting residual value was made feasible with the help of EBITDA exit multiples.

Plausibility and Consistency of the Financial Forecasts

In the course of our analyses we assessed the most important factors influencing the enterprise value ("value drivers") with respect to their plausibility and consistency in the forecasts of Saia-Burgess. For this purpose we consulted historic figures, the 6 month old budget figures and the last business plan. The plausibility and consistency of the forecasts were explained to Sarasin by the Management. Sarasin undertook modifications wherever it was deemed necessary.

The following table gives an overview of the long-term future assumptions made by Sarasin of the most important value drivers of Saia-Burgess (without acquisitions):

Value Drivers	**2006 - 2009**	**Average 2010 - 2014**
Inflation	1,25 % p.a.	1,25 % p.a.
Nominal Growth in Sales (without acquisitions) Automotive: Saia-Burgess achieved an annual growth of about 12,6 % over the last 4 years, most of which was achieved by internal growth. In particular, this success can be attributed to the leading position in the area of stepper motors for air-conditioning systems in the automobile sector. Saia-Burgess expects positive momentum from this market also in the years ahead resulting from a higher market penetration of stepper motors (compared to DC motors) on the one hand and a continuing increase in the demand for air-conditionings by automobile manufacturers on the other hand. In addition, by the acquisition of the DC motors from the Bühler Motor Group, Saia-Burgess has accomplished a position in this related market. Furthermore, there exists medium-term growth potential with the market penetration of Saia-Burgess' new products in the areas of door locking and latching systems and headlight adjustment which was displayed until the year 2009. Even if Saia-Burgess continues to anticipate higher growth figures following the detailed planning horizon in the year 2009, Sarasin continuously reduced the growth forecasts to the level of the expected market growth. After 2014 the growth assumption for the residual value was incorporated in the valuation (see table further below).	Automotive: 5,5 % p.a.	Automotive: 3,5 % p.a.
Industry: Saia-Burgess achieved an annual growth of about 10,9 % over the last 4 years, exclusively through acquisitions. The growth in this division depends on many macroeconomic factors such as the business cycle and the exchange rate of the US Dollar. The Management considers the better development of the North American market through a stronger distribution network as the most important driver for growth. In addition, the Management views the Asian market and the consolidation in the sector as a growth potential. From 2009 onwards Sarasin continuously reduced the growth forecasts to the level of the overall expected market growth. After 2014 the growth assumption for	Industry: 4,5 % p.a.	Industry: 2,2 % p.a.

the residual value was included in the valuation (see table further below). Controls: Saia-Burgess achieved an annual growth of about 3,1 % over the last 4 years which can almost entirely be attributed to internal growth. While this growth rate is moderate compared to the other divisions, Saia-Burgess was especially successful in the first half of 2005, among others with its new product PCD 3 (internal growth of 8,8 %). Thus, we consider a higher growth rate until 2009 to be plausible. From 2009 onwards Sarasin continuously reduced the growth forecasts to the level of the expected market growth. After 2014 the growth assumption for the residual value was included in the valuation (see table further below).	Controls: 5,0 % p.a.	Controls: 2,8 % p.a.
EBITA Margin Automotive: In the years 2003 and 2004 Saia-Burgess reported EBITA margins of 7,8 % and 8,9 % respectively. Despite increasing raw material costs, Saia-Burgess achieved an EBITA margin of 8,3 % in the first half of 2005. Against this background and due to Saia-Burgess' market position and innovation a target margin of 9,0 % seems to be adequate. Industry: In the Industry Division Saia-Burgess reported EBITA margins of 7,3 % and 7,2 % for the years 2003 and 2004 respectively. Rising raw material costs, an unfavorable product mix, the integration of Sick/Stegmann and a lower capacity utilization put pressure on the EBITA margin in the first half of 2005 which merely added up to 6,4 %. Many of these factors seem to be temporary which is why an improved margin is already expected for the entire year 2005. With a restructuring project in Poland, Saia-Burgess has initiated actions designed to entail sustainable improvements of the EBITA margin. The project is bound to improve the EBITA margin by about 2,5 to 3,0 percentage points. Against this background we find a medium-term target margin of 9,5 % as adequate. Even after the restructuring project, Saia-Burgess' business plan entails further restructuring investments to improve the EBITA margin. The Management views a medium-term target margin of 10,2 % as conservative for this business area. Controls: In the Controls Division Saia-Burgess achieved an EBITA margin of 8,9 % in each of the years 2003 and 2004. The higher margin of 10,4 % in the first half of 2005 can be primarily attributed to good capacity utilization. Also depending on capacity utilization the Management of Saia-Burgess considers this margin to be sustainable.	Automotive: 8,7 % - 9,0 % Industry: 8,4 % - 10,2 % Controls: 10,0 %	Automotive: 9,0 % Industry: 10,2 % Controls: 10,0 %

Capital Expenditure (as % of planned turnover) For the last 4 years capital expenditures amounted to between 4,5 % and 5,4 % of the annual sales while Saia-Burgess achieved a remarkable growth during this time period. Since no larger investment projects are planned for the near future (this excludes acquisitions) and since large investments do not constitute a major part of Saia-Burgess' business we consider investments of around 5,0 % of turnover to be adequate for the long-run.	5,2 %	5,2 % - 5,0 %
Residual Value: Growth Rate and Exit Multiple (EBITDA) in the Year 2014 The growth rate for calculating the residual value has a significant influence on the valuation result as this method applies the respective growth rate for indefinitely many periods in the future. For this reason, we assumed a growth rate of only 1,0 % despite the successful growth rates in the past. This corresponds to an exit multiple of 7,4 x and is thus less than the multiples paid today even for the whole group of compared companies (see comparable companies valuation in chapter 4.5 and Appendices 1 and 2).	Growth rate of the residual value: 1,0 % Exit-Multiple: 7,4 x	
Tax rate Based on historical evidence we consider a tax rate of 24,0 % to be adequate. The omission of tax neutral amortization of goodwill is taken into account.	24,0 %	

It can be concluded that due to above average growth in the past and a partly promising outlook in the divisions, Saia-Burgess is attributed an above average growth rate by Sarasin with respect to the market for a limited time period. This growth rate flattens towards the end of the planning period and eventually converges to the market growth.

4.3. Valuation Methods Applied

Sarasin had a time frame of three weeks to conduct its assessment and was able to view the most important production site in Murten, Switzerland. Sarasin was able to carry out its valuation based on financial forecasts by Saia-Burgess and had the opportunity to discuss these with Saia-Burgess' Management. Based on this work we consider the financial forecasts used by Sarasin to be plausible and consistent. Thus, we find the DCF method to be the most appropriate in assessing the financial adequacy of the offer by Sumida. In addition, Sarasin evaluated the plausibility of the DCF valuation results by a comparison with multiples of comparable quoted companies and comparable transactions. Possible differences in the valuation results of the different methods were critically challenged.

4.4. Method of Discounted Cash Flows

In the DCF method, the present value of the financial surpluses from the operating assets is calculated in a first step. The free cash flows available for holders of equity and debt were used as the financial surpluses. The sum of the free cash flows' present values (incl. the residual value) is equal to the enterprise value of a firm. The interest bearing debt adjusted by excess cash is subtracted from the enterprise value in order to receive the equity value of the firm.

To calculate the present value of the financial surpluses we used the Weighted Average Costs of Capital as the discount rate. To determine the components of the costs of capital we applied the Capital Asset Pricing Model.

The following input variables were taken into account in determining the discount rate:

Risk Free Interest Rate

The derivation of the risk free interest rate is based on the CHF interest rate for a (virtually) risk free investment. In this context we used the long-term yield of bonds issued by the Swiss Confederation as the risk free rate. However, since the maturities are limited, an assumption has to be made with respect to the yield curve for reinvestment. As an approximation we analyzed historic interest rate movements.

Bonds issued by the Swiss Confederation with 30 years of maturity offered a yield of 2,5 %[1] as of August 3, 2005, and an average yield of 3,6 %[2] over the last 5 years. Over the course of several decades, however, the interest rates averaged at a level of clearly above 4 %.[3] Taking into account present and historic interest rate levels we consider an expected return for long-term investments of 4 % as adequate.

Risk Premium

Entrepreneurial investments always include opportunities and risks. For this reason, future financial surpluses cannot be predicted with certainty. Market participants are compensated with risk premiums for taking on entrepreneurial risk. Since investors take on a specific risk when investing in a company, a risk premium on top of the risk free rate is necessary. In order to find the proper rate for discounting future cash flows, the risk structure of the underlying company has to be taken into account when calculating the risk premium.

In the context of determining the risk premium we can rely on pricing models for capital markets. The most widely used model in theory and practice is the Capital Asset Pricing Model (CAPM) which was also applied in this valuation.

The company specific risk premium is derived by multiplying the company specific beta factor by the market risk premium. The beta factor measures the company specific risk in relation to

[1] Source: Bloomberg

[2] Source: Bloomberg

[3] Source: Pictet&Cie, The Performance of Shares and Bonds in Switzerland (1926-2004), January 2005

the market risk. A beta greater than one implies that the equity value of the company varies more than proportionally to the market volatility, a beta smaller than one implies less than proportional volatility.

The market risk premium is given by the difference in returns of stocks and risk free investments. Capital market studies for long periods of observation have shown that investing in stocks has yielded higher returns than investing in debt securities with low risk. Taking into consideration long term stock market returns between 8 % and 10 %[4] in Switzerland and assuming a risk free rate of 4 % we determine a market risk premium of about 5 % entering into the valuation.

To derive the beta factor for Saia-Burgess we made use of the betas of comparable companies (see Appendix 4). In order to make the betas of companies comparable to Saia-Burgess, they were adjusted by the company specific leverage. The comparable companies' average leverage-adjusted (free of debt) beta is 0.82. To derive the Saia-Burgess company specific beta factor, this beta (free of debt) in turn has to be adjusted by Saia-Burgess' company specific leverage. In calculating the beta for Saia-Burgess we used a target debt level of 40 % net financial debt to 60 % equity (i.e. a gearing of 0.67).

Costs of Debt

We assume that with a gearing of 0.67 Saia-Burgess pays a spread of 70 to 90 basis points for its debt. This is largely in line with the expectation of the Management.

Total Costs of Capital

Based on the data specified above, the total costs of capital are calculated as follows:

	Saia-Burgess	Source :
Risk free interest rate	4.00%	Yield to maturity of Swiss government bonds incl. reinvestment assumption
Market risk premium	5.00%	Bloomberg; (= stock market return - risk free interest rate)
Unlevered beta	0.82	Peer group analysis according to Bloomberg
Relevered beta	1.24	= Unlevered Beta*(1+(1-t)*Gearing)
Cost of equity	10.18%	
Risk free interest rate	4.00%	Yield to maturity of Swiss government bonds incl. reinvestment assumption
Risk premium	0.80%	Saia-Burgess
Cost of debt	4.80%	
Cost of debt (after tax)	3.65%	= Cost of debt * (1-t)
Gearing (net debt / equity)	66.67%	Saia-Burgess
Tax rate	24.00%	Saia-Burgess
WACC (after tax)	7.57%	

[4] Source: Pictet&Cie, The Performance of Shares and Bonds in Switzerland (1926-2004), January 2005

Special Features

The impact of non-operating assets and liabilities on the valuation result is not material.

In calculating the relevant number of shares we assumed the exercise of “in-the-money” options and subtracted treasury shares.

Results of DCF Valuation

The DCF valuation implies a value in the range of CHF 1’079 to CHF 1’372 per registered share of Saia-Burgess. Sensitivity analyses showed that the growth in sales, the EBITA margin and the investment assumptions (incl. net current assets) can influence the valuation result significantly.

4.5. Comparable Companies Valuation

Significance of Method

This method is preferred in financial research analysis in particular because market participants generally do not possess detailed budgets and forecasts of companies. Since Sarasin was able to review the Saia-Burgess’ financial forecasts and to discuss them with the Management, we consider the DCF valuation to be the most significant valuation method. The comparable companies valuation was used to check the plausibility of the DCF results.

Basic Method

By dividing the enterprise value (current market capitalization plus net debt, minorities) of comparable quoted companies by the current and expected financial surpluses respectively (mostly sales, EBITDA or EBIT) of the last twelve months, the current and the following business year, multiples are calculated and an average is derived (see Appendix 2). The average multiples are applied to the current and expected financial surpluses (sales, EBITDA and EBIT) of Saia-Burgess of the last twelve months, the current and the following year to derive a valuation result for each average multiple. The average of these valuation results is equal to the final valuation result.

According to this method, two factors have significant influence on the valuation result: the multiple used and the financial surplus to which the multiple is applied. Since this method relies on current financial surpluses (last twelve months, 2005 and 2006) it is of a relatively short-term character. Medium-term prospects of growth and profitability can only be accounted for by higher multiples resulting from a comparison with companies showing similar growth and profitability potentials. Therefore choosing the proper comparable companies is key.

Choosing Comparable Companies for Saia-Burgess

In past years, Saia-Burgess has achieved above average internal and external growth and expects attractive growth and profitability developments in the near future (see specifications in chapter 4.2). For this reason, Sarasin ranked 10 quoted and comparable Swiss companies according to growth and profitability (see Appendix 1). The four highest ranked companies show clearly better growth and profitability figures than the other six. From the view point of growth and profitability figures, Saia-Burgess clearly ranks among the first four companies, which suggests a valuation comparison to this group. Thus, the prospects on growth and profitability of Saia-Burgess are incorporated in the multiples derived. To extract the difference, an additional valuation was conducted in which all ten companies were taken into consideration. Moreover, Sarasin believes that due to specific conditions Saia-Burgess has to be compared to quoted Swiss companies rather than international companies.

Results of Comparable Companies Valuation

The comparable companies valuation method leads to the following value ranges:

Growth group: (Komax, Belimo, Amazys, Kaba)	CHF 1'072	to	CHF 1'184	per registered share
Total group of comparable companies: (Komax, Belimo, Amazys, Kaba, Georg Fischer, Sulzer, Feintool, Schindler, Saurer, Phoenix Mecano)	CHF 824	to	CHF 910	per registered share

As illustrated above and in Appendix 1, we find that Saia-Burgess has to be ranked among the growth group. For this reason the growth group result is considered to be the relevant value range.

4.6. Comparable Transactions Valuation

Significance of Method

If a strategic buyer and a seller want to agree on a price with regard to a take-over, both parties will have to consider synergy potentials in their valuation. In order for the bid to be accepted by the seller, the buyer can agree to share parts of the synergy potential, which can lead to a premium. An analysis of comparable transactions can shed light on the multiples paid in take-over situations. It has to be pointed out, however, that finding comparable and current transactions at the same time is very difficult. The transactions must not go back too far in time as the multiples paid can vary significantly over time – just like the pricing on stock markets.

Basic Method

By dividing the enterprise value paid in the course of a take-over bid by the financial surplus of the target company (sales, EBITDA, EBIT), the multiple paid is derived. An average multiple is calculated from different transactions, which is then multiplied by the corresponding financial surplus of the target company to receive the enterprise value of the target company.

Choosing Comparable Transactions

The most important criteria we applied for choosing the transactions are as follows:

- Transaction size: smaller than CHF 2,5 billion, greater than CHF 100 million
- Industry sector: components suppliers (especially automotive, electronics)
- Transaction date less than 18 months ago
- Target company must be quoted
- Take-over of a majority

Results of Comparable Transactions Valuation

Appendix 3 outlines the multiples paid in the corresponding transactions. The analysis shows the wide range of multiples for the transactions, which restricts the significance of the analysis tremendously. Especially due to Saia-Burgess' growth in the past and the expected future growth we believe that Saia-Burgess ranks in the upper field of the transaction multiples – just like in the analysis with comparable companies.

The valuation with comparable transactions leads to a valuation result between CHF 938 and CHF 1'065 per registered share.

5. Result of the Fairness Opinion

Based on the underlying valuation analyses and considerations in this fairness opinion we regard a purchase price in the range of CHF 1’050 to CHF 1’200 per registered share of Saia-Burgess to be financially adequate. This conclusion relies in particular on the results of the DCF valuation and is amended by the additional analyses described.

Zurich, August 10, 2005

Bank Sarasin & Co. Ltd

sig. Andreas von Arx sig. Matthias Spiess

6. Appendix

6.1. Appendix 1: Sample of Comparable Quoted Companies

Name	CAGR Sales 2000 - 2006 E	Ranking (Growth)	EBIT-Margin 2005 E	Ranking (Margin)	Sum of Ranking
Belimo	5.7%	3	14.4%	2	5
Kaba	12.4%	1	12.9%	4	5
Amazys	3.1%	5	14.8%	1	6
Komax	3.7%	4	13.3%	3	7
Saurer	2.1%	7	7.0%	8	15
Schindler	1.0%	9	8.1%	6	15
Feintool	2.8%	6	5.4%	11	17
Phoenix Mecano	2.1%	8	5.7%	10	18
Sulzer	-13.4%	11	7.3%	7	18
Georg Fischer	0.0%	10	6.6%	9	19
Saia-Burgess	**9.7%**	**2**	**8.8%**	**5**	**7**
Average (all companies)	**2.7%**		**9.5%**		
Median (all companies)	**2.8%**		**8.1%**		

Sources: Bloomberg (I/B/E/S), annual reports
CAGR: Compound annual growth rate

The sample of comparable quoted companies in consideration was ranked according to the following two criteria:

- Average annual growth rate of sales from 2000 until 2006 E

- EBIT margin for 2005 expected by analysts

The resulting rankings were added up and ranked again. The analysis shows that four companies can be clearly considered as companies with above average growth and profitability:

Growth companies: Belimo, Kaba, Amazys, Komax

Due to the above average growth rate and the high EBIT margin, Saia-Burgess can be compared best to the growth companies defined above.

6.2. Appendix 2: Multiples of Comparable Quoted Companies

Growth Companies

Company	Country	Market Cap.	Sales Multiples			EBITDA Multiples			EBIT Multiples		
		(in mCHF) 03.08.2005	LTM	2005 E	2006 E	LTM	2005 E	2006 E	LTM	2005 E	2006 E
Komax	Switzerland	339	1.5x	1.3x	1.2x	8.7x	7.9x	7.2x	11.4x	9.7x	8.9x
Belimo	Switzerland	529	2.1x	1.9x	1.8x	11.9x	11.0x	9.9x	14.4x	13.5x	12.0x
Amazys	Switzerland	264	2.0x	1.8x	1.7x	12.7x	11.0x	10.1x	14.7x	12.4x	11.3x
Kaba	Switzerland	1'284	1.7x	1.6x	1.5x	10.4x	10.1x	9.3x	12.9x	12.6x	11.3x
		AVERAGE	**1.8x**	**1.7x**	**1.5x**	**10.9x**	**10.0x**	**9.1x**	**13.3x**	**12.0x**	**10.9x**

Source: Bloomberg (I/B/E/S)

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Total Sample of Comparable Companies

Company	Country	Market Cap.	Sales Multiples			EBITDA Multiples			EBIT Multiples		
		(in mCHF) 03.08.2005	LTM	2005 E	2006 E	LTM	2005 E	2006 E	LTM	2005 E	2006 E
Komax	Switzerland	339	1.5x	1.3x	1.2x	8.7x	7.9x	7.2x	11.4x	9.7x	8.9x
Belimo	Switzerland	529	2.1x	1.9x	1.8x	11.9x	11.0x	9.9x	14.4x	13.5x	12.0x
Amazys	Switzerland	264	2.0x	1.8x	1.7x	12.7x	11.0x	10.1x	14.7x	12.4x	11.3x
Kaba	Switzerland	1'284	1.7x	1.6x	1.5x	10.4x	10.1x	9.3x	12.9x	12.6x	11.3x
Georg Fischer	Switzerland	1'466	0.6x	0.6x	0.6x	6.1x	5.9x	5.4x	10.6x	9.4x	8.2x
Sulzer	Switzerland	2'224	1.0x	0.9x	0.8x	8.7x	7.8x	6.9x	17.8x	11.7x	10.0x
Feintool	Switzerland	169	0.7x	0.7x	0.6x	7.6x	7.0x	6.5x	15.0x	12.6x	10.5x
Schindler	Switzerland	6'359	0.7x	0.7x	0.7x	7.9x	7.6x	6.9x	10.3x	8.5x	7.8x
Saurer	Switzerland	1'412	0.5x	0.5x	0.5x	4.3x	5.0x	4.7x	7.2x	7.6x	6.9x
Phoenix Mecano	Switzerland	354	0.8x	0.7x	0.7x	6.2x	6.3x	5.9x	12.5x	12.7x	11.3x
		AVERAGE	**1.1x**	**1.1x**	**1.0x**	**8.4x**	**8.0x**	**7.3x**	**12.7x**	**11.1x**	**9.8x**

Source: Bloomberg (I/B/E/S)

6.3. Appendix 3: Multiples of Comparable Transactions

Target Name	Acquirer Name	Target Industry Subgroup	Announce-ment Date [1]	Enterprise Value (in mEUR)	Enterprise Value / LTM		
					Sales	EBITDA	EBIT
NOVAR PLC	HONEYWELL INTERNATIONAL INC	Diversified Manufact Op	12.12.2004	1'511	0.7 x	6.8 x	12.9 x
LEICA GEOSYSTEMS AG	DANAHER CORP	Electronic Measur Instr	13.06.2005	801	1.6 x	9.8 x	17.5 x
BEI TECHNOLOGIES INC	SCHNEIDER ELECTRIC SA	Instruments-Controls	22.07.2005	439	1.8 x	16.8 x	23.8 x
CIE AUTOMOTIVE SA	INSSEC	Auto/Trk Prts&Equip-Orig	07.06.2005	546	0.8 x	5.6 x	13.5 x
ARTESYN TECHNOLOGIES INC	BEL FUSE INC-CL A	Power Conv/Supply Equip	09.09.2004	322	0.9 x	8.9 x	17.6 x
BERU AG	BORGWARNER INC	Auto/Trk Prts&Equip-Orig	01.11.2004	608	1.6 x	7.5 x	10.9 x
TOKICO LTD	HITACHI LTD	Auto/Trk Prts&Equip-Orig	26.03.2004	357	0.7 x	n.a.	19.4 x
WELLINGTON HOLDINGS PLC	FENNER PLC	Miscellaneous Manufactur	14.03.2005	68	1.5 x	9.4 x	9.7 x
ASAHI TECHNO GLASS CORP	ASAHI GLASS CO LTD	Electronic Compo-Misc	16.02.2005	326	1.1 x	17.1 x	17.7 x
				AVERAGE	**1.2 x**	**10.2 x**	**15.9 x**

[1] - Leica Geosystems AG: Announcement Date of Hexagon AB applied
- Wellington Holdings PLC: announcement date = publication date of the intention to acquire
- Siemens VDO Automotive Ltd: announcement date = publication date of the intention to acquire

LTM = Last twelve months, profit/loss statements based on the published financials of the last 12 months

Source: Bloomberg

6.4. Appendix 4: Betas of Comparable Quoted Companies

	Beta Index	Adjusted Beta [1]	Capital Structure [2]	Unlevering Factor [3]	Unlevered Beta [4]
Saurer	SMI	0.97	-10.0%	1.08	1.05
Georg Fischer	SMI	1.12	52.2%	0.72	0.80
Feintool	SMI	0.98	90.1%	0.59	0.58
Komax	SMI	0.77	-8.3%	1.07	0.82
Sulzer	SMI	0.73	-11.7%	1.10	0.80
Schindler	SMI	0.78	-7.8%	1.06	0.83
Belimo	SMI	0.75	0.3%	1.00	0.75
Phoenix Mecano	SMI	1.03	18.4%	0.88	0.90
Amazys	SMI	0.81	0.0%	1.00	0.81
Kaba	SMI	1.04	27.5%	0.83	0.86
				AVERAGE	**0.82**

[1] Source: Bloomberg
[2] Capital Structure = Net Debt / Market Capitalization
[3] Unlevering Factor = 1 / [1+(1-Tax Rate) x (Net Debt / Equity)]
[4] Unlevered Beta = Adj. Beta x Unlevering Factor

6.5. List of Abbreviations / Glossary

Beta	Relative risk factor of equity
CAGR	Compound Annual Growth Rate, average annual growth rate over a time period (geometric mean)
DCF	Discounted Cash Flow
FCF	Free Cash Flow (before interest on debt); were used as financial surpluses in the DCF valuation
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EBITDA exit multiple	Ratio of residual value and EBITDA in the final planning period
Enterprise value	Value of a company before subtracting fixed interest paying debt (adjusted by excess liquidity if necessary)
Equity value	Value of a company after subtracting fixed interest paying debt
"In-the-money" option	Right to purchase a share at a price below the current market price of the share
LTM	Last twelve months
OEM	Original Equipment Manufacturer
Residual value	Enterprise value at the end of the planning period
Saia-Burgess	Saia-Burgess Electronics AG / Group
Strategic buyer	Buyer who wishes to profit from synergies that might arise due to the similarity of his business with the business of the target company (= industrial buyer)
Target company	Company being the target of a take-over bid from a buyer
Value Driver	Valuation parameter which has a significant influence on the result of the DCF valuation
WACC	Weighted Average Cost of Capital