

Press release

2010 annual financial statements/outlook

Adval Tech expects further improvement in the results

Niederwangen, April 19, 2011, 7.00 a.m. – As reported on March 23, 2011, in 2010 the Adval Tech Group achieved the turnaround in operating earnings (EBIT), thanks to a sharp rise in sales coupled with the timely launch of cost-cutting measures. For the 2011 financial year, Adval Tech expects further improvement in the results.

The improvement of some CHF 24 million in yearly EBIT for the Adval Tech Group is an important milestone on the road back to profitability. After bottoming out in the first quarter of 2009 the main sales markets have recovered steadily.

Total income of CHF 316.7 million reported by the Adval Tech Group for the 2010 financial year was CHF 19.0 million or 6% higher than in the previous year. Operating earnings before depreciation, interest and taxes (EBITDA) of CHF 24.2 million almost regained the level achieved in 2008 and reached therefore almost four times the previous year's figure (CHF 6.3 million). The EBITDA margin improved from 2.1% to 7.7%. Exchange rate trends had a negative impact on the results. Adval Tech's plants in Switzerland suffered in particular from the impact of the strength of the Swiss franc, especially versus the euro. With operating earnings before interest and taxes (EBIT) of CHF 1.6 million Adval Tech achieved the turnaround in 2010 (CHF -22.7 million in 2009). On the other hand, the net result of -CHF 10.9 million was negative again in 2010 (CHF 26.6 million in 2009). A breakeven result would have been within reach in the absence of the currency effects referred to above.

Automotive Segment

The recovery in sales markets had the greatest impact in the Automotive Segment. Total income reported by the segment for the year under review amounted to CHF 157.0 million, which was CHF 22.9 million or 17% higher than in the previous year (CHF 134.1 million). After adjustment for the effect of closing the Merenschwand facility, the improvement actually amounted to 20%. The Automotive Segment improved the EBITDA margin from -2.4% to 7.6%. The Swiss plants and the Hungarian subsidiary made the largest contributions to the improvement in results. The sales trend in applications for airbags, ABS, fuel injection systems and automobile lamps was especially encouraging.

Medical & Consumer Goods Segment

Total income of CHF 161.3 million in the Medical Consumer Goods Segment was lower than the previous year's figure of CHF 167.8 million. This reduction reflects various developments. The components business for the consumer goods industry, with production sites solely in Asia and Mexico, posted a 19.0% increase in sales. In local currency terms this actually represented a rise of 24%. Total income from the business with injection molds was some 8% lower due to the downsizing of the facility in Muri (Switzerland). The plants in Germany and China were unable to compensate fully for the steep decline in Switzerland. EBITDA of CHF 11.1 million reported by the Medical & Consumer Goods Segment was higher than in 2009 (CHF 8.7 million). The EBITDA margin widened from 5.2% to 6.9%. Improved results in moldmaking and in the business with components for the consumer goods market, contrasted with negative results from the medical

business. Adval Tech's efforts to establish a presence in China and Mexico, as well as reorganizing initiated at the Grenchen site in the second half of 2010, were especially significant here.

Outlook

2011 will be another very challenging financial year for Adval Tech, even though the group lowered the breakeven point substantially by actions initiated at an early stage. The global projects of the group shall improve the results for the long term. The flexible adjustment of its structures and thus costs to market trends also takes high priority. If sales trends prove to be reasonably stable and the Swiss franc does not appreciate again, 2011 could see a return to profit.

Dividend

In light of the unsatisfactory results, the Board of Directors will propose to the Annual General Meeting on May 12, 2011, that no dividend should be paid.

Key figures	2010¹⁾	2009²⁾	Change
Total income (CHF millions)	316.7	297.7	6%
- Automotive Segment	157.0	134.1	17%
- Medical & Consumer Goods Segment	161.3	167.8	-4%
Operating earnings (EBITDA) (CHF millions)	24.2	6.3	284%
- Automotive Segment	11.9	-3.2	-
- Medical & Consumer Goods Segment	11.1	8.7	28%
Operating earnings (EBIT) (CHF millions)	1.6	-22.7	-
Net result (CHF millions)	-10.9	-26.6	-
Operative free cash flow (CHF millions)	-1.6	-7.2	-
Number of employees on December 31	2470	2573	-4%
- Automotive Segment	782	810	-3%
- Medical & Consumer Goods Segment	1669	1747	-4%

¹⁾ according to Swiss GAAP FER

²⁾ according to Swiss GAAP FER restated

Background information on the Adval Tech Group

Adding value through innovation – that's what the name Adval Tech stands for. As a global technology and process partner Adval Tech focuses on the complementary technologies of metal stamping and forming and plastic injection molding. In selected markets in the automotive, medical technology and consumer goods sectors, Adval Tech is a leading global supplier of volume components, subassemblies, systems, tools and special machinery. As a value-adding partner Adval Tech covers the entire value chain: from product design and the development of volume components through design and production of the necessary molds and dies to complete manufacturing systems and the resulting production of components. Adval Tech trades on the markets under the names of AWM, FOBOHA, Omni, QSCH, Styner+Bienz and Teuscher.

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