

Press release

2008 annual financial statements:

Adval Tech Group suffers from economic downturn

Niederwangen, March 25, 2009, 7.00 a.m. – The Adval Tech Group did not achieve its goals of organic growth in 2008 and improved operating results in comparison to 2007. The group's total income of CHF 416.5 million exceeded the previous year's figure (CHF 348.6 million) by 20%. Operating earnings of CHF 26.3 million before interest, taxes and depreciation (EBITDA) were 31% lower than in 2007 (CHF 38.4 million); both operating earnings before interest and taxes (EBIT) and net profit were negative in 2008 (- CHF 1.3 million and - CHF 9.2 million, respectively). This was due on the one hand to the structurally related slump in the market for molds used to manufacture optical discs, and to the impact of the global financial crisis on the other. However, the operative free cash flow was positive (CHF 0.4 million).

As world market leader for production molds used to manufacture optical discs (CDs, DVDs, etc.), AWM Mold Tech Ltd was affected particularly severely by the slump in the market and the replacement of these storage media by other technologies. Adval Tech already became aware of the initial effects of the financial crisis in the consumer goods market before mid-year. The negative trend became more pronounced in the fourth quarter in particular. The automobile market collapsed at an unprecedented rate as of the end of September. Adval Tech took various steps in response to this situation: in addition to restructuring with an unavoidable reduction in the workforce at the moldmaking facility in Muri (AWM Mold Tech Ltd), a hiring freeze was imposed at all organizational units. Together with the reduction in the workforce at sites in Asia, Hungary and Brazil, employee numbers were reduced by 494 to 2838 full-time units between the end of June 2008 and year-end. Adval Tech also introduced short-time working in certain plants.

Segment results

The *Stamping and Forming Segment* (Styner+Bienz, QSCH) was still on track up to the end of September 2008 – with higher total income and improved operating earnings (EBIT) compared with the same period of the previous year. Then came the slump in the automobile industry, by far the largest target market served by the segment. Total income of CHF 179.3 million for 2008 was at much the same level as the previous year (CHF 182.5 million), but operating earnings (EBIT) declined from CHF 7.5 million to CHF 5.6 million.

Total income of CHF 237.3 million at the *Injection Molding Segment* (AWM, Foboha, Omni, Teuscher) exceeded the previous year's figure (CHF 166.1 million) by 43%. CHF 102.2 million was contributed by the Omni Group, which was acquired at the beginning of 2008. Compared with the previous year, therefore, the segment's total income was CHF 31.0 million lower after adjustment for this acquisition. Despite a positive EBIT contribution by the recently acquired Omni Group, the segment posted an operating loss (EBIT) of CHF 7.6 million (positive EBIT of CHF 6.9 million in the previous year).

Strategy implementation

By completing the acquisition of Omni Industries Pte. Ltd, Adval Tech achieved a major strategic objective sooner than expected: a global presence with its own distribution organizations and manufacturing plants in Europe, Asia and America, which is so important for its large, strategic customers. As a further step in the implementation of its strategy and in the context of the integration of the Omni Group, the Board of Directors decided at its meeting held on March 24, 2009, to adapt the organization to the group's strategic thrust with its three main markets – automotive, medical technology and consumer goods. Two new corporate segments will be formed: the Automotive Segment serving the automotive component supply market, and the Medical and Consumer Goods Segment serving the medical technology and consumer goods markets. In the Automotive Segment Adval Tech will focus on the component supply business. All activities for the automotive industry will be concentrated here, regardless of whether metal, plastic or composite components are manufactured. The existing Stamping and Forming Division (Styner+Bienez, QSCH) will be combined with AWM Plast Tech Ltd to form the Automotive Division; activities in the Medical & Consumer Goods Segment will focus exclusively on plastics processing and are divided into three divisions: Medical (Teuscher) and Consumer Goods (Omni) for components, and Molding Technology (AWM, Foboha) for dies and molds.

As part of the reorganization at group level, Adval Tech has created a new Corporate Projects unit, which will coordinate and implement projects at group level in the context of the ongoing process of transformation. Thomas Meyer, the present Head of the Injection Molding Division, will assume responsibility for this important corporate services assignment and will therefore cease to be a member of the group management team as of April 1, 2009.

In light of the unsatisfactory results and the ongoing tense and uncertain economic situation, the Board of Directors will propose to the Annual General Meeting that no dividend should be paid. Adval Tech will provide detailed information on the annual financial statements and an initial review of the group's development in the current year at its press conference in Zurich on Tuesday, April 21, 2009. The Annual General Meeting of Adval Tech Holding Ltd will be held on May 14, 2009.

Key figures	2008	2007	Change
Total income (CHF millions)	416.5	348.6	+20%
Net turnover (CHF millions)	396.3	330.4	+20%
Operating earnings (EBITDA) (CHF millions)	26.3	38.4	-31%
Operating earnings (EBIT) (CHF millions)	-1.3	15.5	-108%
Net profit (CHF millions)	-9.2	8.3	-211%
Operative free cash flow (CHF millions)	0.4	- 3.6	+111%
Number of employees on December 31	2838	1379	+106%

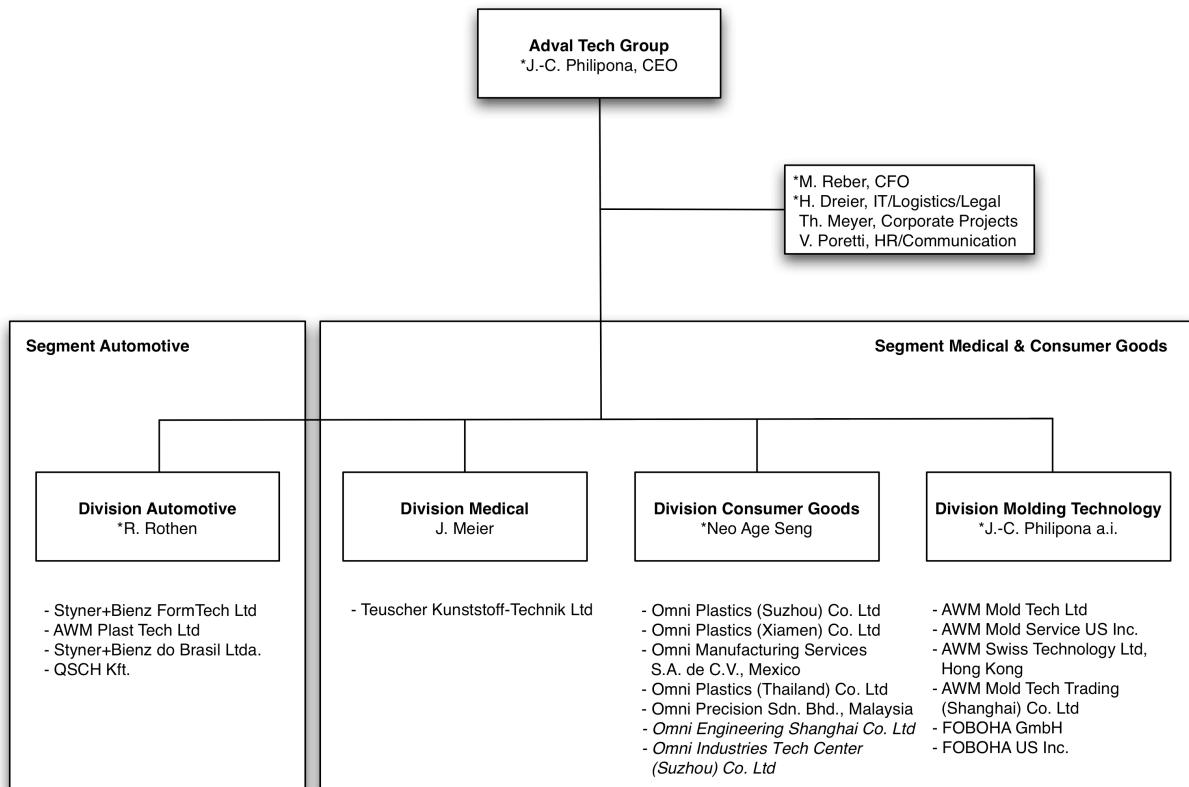
Background information on the Adval Tech Group

The Adval Tech Group is a leading global supplier of tools, special machinery, subassemblies, systems and volume components in the technology sectors of stamping and forming (metals) and injection molding (plastics). It is a supplier and value-adding partner for companies in selected industries where metal, plastic or composite components are manufactured and used in large volumes. 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. The Adval Tech Group focuses on selected markets in the automotive, medical technology and consumer goods sectors. Adval Tech trades on the markets under the names of Styner+Bienz, QSCH, AWM, FOBOHA, Teuscher and Omni.

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The Adval Tech Group



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As of April 1, 2009