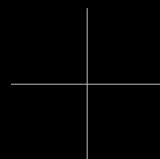
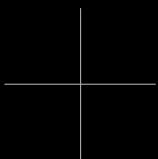
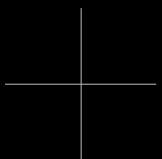
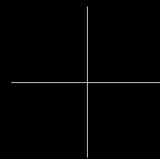
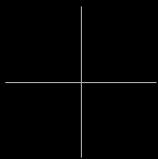
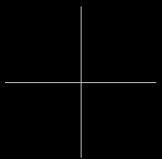
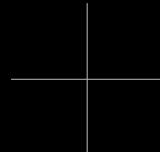
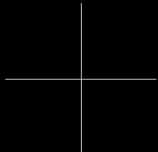
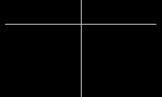


advaltech

A N N U A L R E P O R T 2 0 0 4

COMPETENCE IN METALS AND PLASTICS





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Styner+Bienz has significantly expanded its market position in the steering systems segment. A yoke for the steering train is pictured here.

KEY FIGURES OF THE ADVAL TECH GROUP

	2004	2003	2002	2001	2000
Total income (CHF millions)					
Group	260.716	240.969	172.973	177.283	209.573
change in %	+8.2	+39.3	-2.4	-15.4	+26.7
per employee (CHF thousands)	245.033	240.248	213.021	222.857	266.802
Stamping and Forming Division	113.199	100.332	97.290	104.183	98.416
Injection Molding Division	148.766	141.647	76.138	73.878	112.488
EBITDA (CHF millions)					
Operating earnings before depreciation	39.8	43.7	31.5	28.1	41.9
in % of total income	15.3	18.1	18.2	15.9	20.0
Stamping and Forming Division	11.8	10.4	10.1	8.1	6.4
Injection Molding Division	27.1	33.4	20.6	19.5	34.8
EBIT (CHF millions)					
Operating earnings	20.9	25.7	15.9	13.8	27.2
in % of total income	8.0	10.7	9.2	7.8	13.0
Stamping and Forming Division	3.8	3.3	2.0	0.9	0.6
Injection Molding Division	16.3	22.9	13.4	12.5	26.0
Net profit (CHF millions)					
Net profit for the year	15.6	17.1	10.8	10.6	19.0
in % of total income	6.0	7.1	6.2	6.0	9.1
Cash flow and capital expenditure (CHF millions)					
Cash flow from operations	13.8	34.3	35.4	29.8	21.7
Free cash flow	3.1	-14.0	23.8	-1.1	-14.1
Capital expenditure	12.1	19.8	15.5	32.2	32.0
Balance sheet figures (CHF millions)					
Total assets	278.4	254.8	216.8	228.6	222.0
Shareholders' equity	126.2	109.2	115.4	115.6	109.9
in % of total assets	45.3	42.9	53.2	50.6	49.5
Employees					
on December 31	1,108	1,013	828	796	795
Market capitalization (CHF millions)					
on December 31	211.7	169.8	106.8	119.0	202.7
Selected key figures per share					
Earnings (CHF)	42.73	48.98	30.75	30.22	54.36
Dividend (CHF)	14.00 ¹⁾	14.00	12.00	12.00	12.00
Payout ratio in %	32.8	28.6	39.0	39.7	22.1
P/E ratio on December 31	13.6	9.9	9.9	11.3	10.7

1) Proposed by the Board of Directors

DEAR SHAREHOLDERS,

The emphasis for the Adval Tech Group in the 2004 financial year was on consolidation. In light of the rather difficult business environment for the component supply industry and unfavorable currency trends, the results achieved were entirely respectable. We were unable to repeat the excellent earnings performance achieved in the previous year, but all the year-end figures were within the range of expectations published at the end of August 2004.

Total income of CHF 260.7 million was 8% higher than in the previous year, operating earnings (EBIT) of CHF 20.9 million were 19% lower. Group net profit of CHF 15.6 million corresponded to a decline of 9%. Margins were depressed by lower prices in some sales markets (for example, on molds for optical discs), higher costs of material that we were unable to pass on in full, and commissioning of numerous molds for manufacturing new products, which entailed considerable expenditure.

Change to IFRS accounting

Modifications to the presentation of accounts in order to comply with International Financial Reporting Standards (IFRS), which had been decided upon in August 2003, were prepared as planned in the year under review, thus ensuring the application of the new standards as of the 2005 financial year. Specifically, the Adval Tech Group's consolidated accounting guidelines were revised as a first step. The organizational units affected were then informed about the new systems and appropriate training courses were held. The restatement of the balance sheet at January 1, 2004, and the consoli-

dated financial statements for 2004 will provide an informative comparison with the previous year in the first financial year under IFRS accounting.

Single category of shares

In the context of the acquisition of Lanz Industrietechnik AG, the general meeting of Adval Tech Holding Ltd adopted resolutions to increase the company's share capital by CHF 0.3 million to CHF 7.3 million and at the same create a single category of shares. This resulted in the stock market listing of 150,000 previously unlisted Series A registered shares. This updated capital structure enables the free float to be increased, i.e. shareholdings to be more widely diversified. The introduction of a single category of shares increased market capitalization by 70%.

New board members

The IPO in 1998 was intended by the controlling family shareholders to broaden the shareholder base of the group and create the preconditions for optimum succession arrangements. The development of the group to date bears out the approach that was adopted at that time. This also includes recruiting new members to the Board of Directors. The first step in this direction was taken with the election of entrepreneur Michael Pieper in June 2004. At the annual general meeting scheduled for June 16, 2005, two further candidates will be proposed for election to the Board, in the persons of Leonardo Attanasio and Roland Waibel. Leonardo Attanasio (born 1942) ended his impressive career in the automotive components supply industry (ContiTech Group, Johnson Controls) in November 2004,

The emphasis was on consolidation.

Roland Waibel (born 1958) is Chief Financial Officer of the Lonza Group. Both candidates bring excellent prerequisites for successfully supporting our group in mastering the strategic challenges it faces.

The additions being made to the membership of the Board of Directors will facilitate a seamless transition between the succeeding generations of management. Rudolf Styner will retire from the Board at the annual general meeting scheduled for June 16, 2005, Herbert Thönen and Hansruedi Bienz will not stand for re-election in 2006.

Rudolf Styner to retire from the Board

Under the enterprising management of Rudolf Styner, Styner+Bienz developed between 1968 and 1987 from an SME with 200 employees into a corporate group with a workforce of more than 500. This period saw the acquisition of AWM in Muri, the development of the aerosol and transfer lines, and SQS certification, which Styner+Bienz obtained as the first company in the sector. After retiring from executive management, Rudolf Styner continued to place his considerable technical know-how and his entrepreneurial commitment at the disposal of the group in his capacity as a director – as Chair-

man of the Board until 1997. In this position he played a significant role in piloting the company to its public market listing in 1998 and shaping the current structure of the Adval Tech Group. We want to take this opportunity to express our thanks to him for his dedication to the company.

Challenges facing the group in 2005

The globalization of our industry and the associated transfer of jobs to Asia and Eastern Europe are exerting additional pressure on prices. It is therefore all the more necessary to apply our technological expertise in both divisions to developing new applications, marketing our new products and processes to optimum effect and utilizing existing capacity more efficiently. Large numbers of current customer innovations certainly offer good opportunities in this respect.

We want to thank our employees for their flexibility and all their efforts, our business partners for their close cooperation, and also you – our shareholders – for the confidence you have shown in us through your financial commitment.

Niederwangen, March 2005

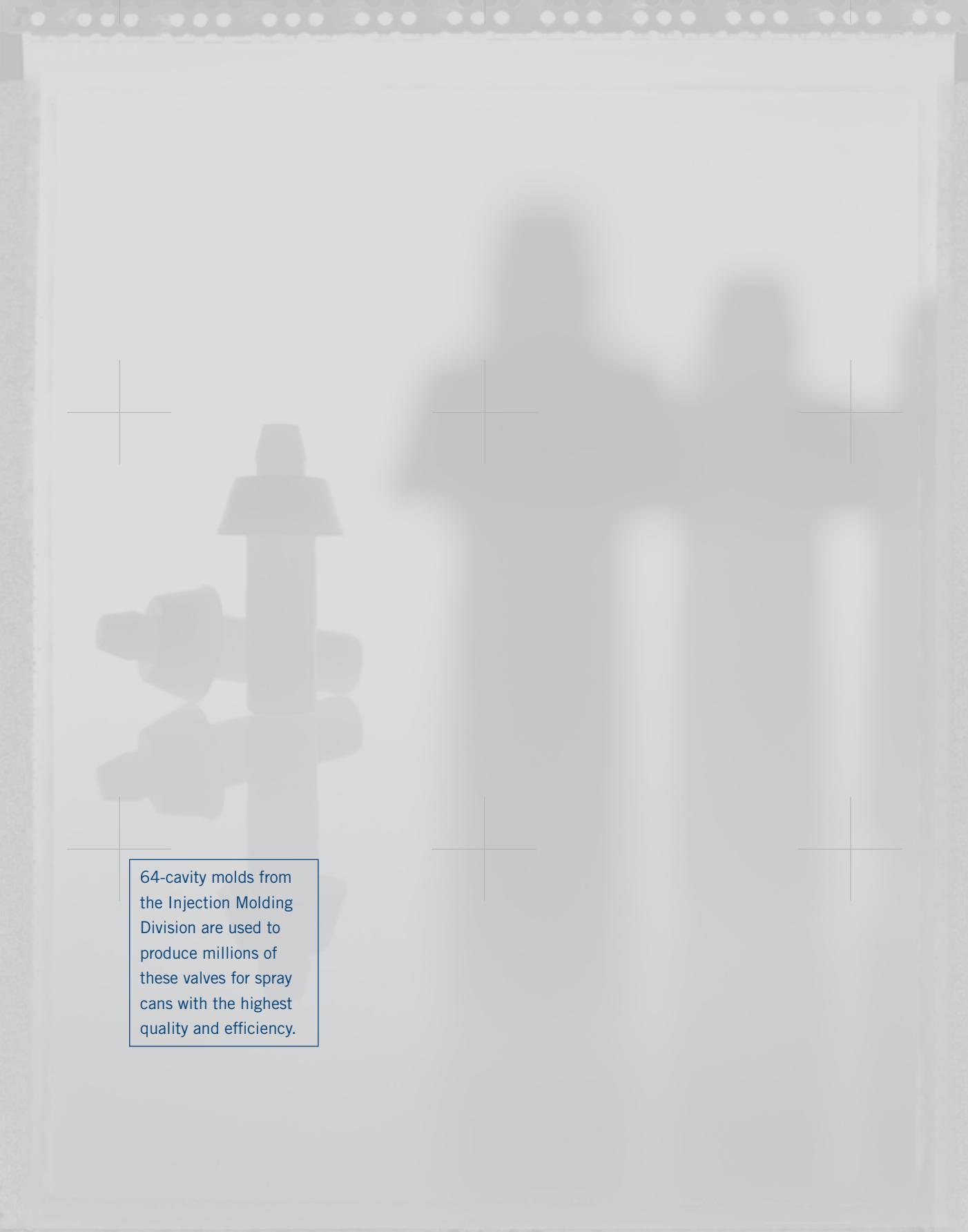


HERBERT THÖNEN

CHAIRMAN OF THE BOARD

JEAN-CLAUDE PHILIPONA

CHIEF EXECUTIVE OFFICER



64-cavity molds from the Injection Molding Division are used to produce millions of these valves for spray cans with the highest quality and efficiency.

ADDING VALUE

Adding value for customers in technically challenging fields of activity; that's what Adval Tech stands for.

The Adval Tech Group is a leading supplier of tools, special machinery, subassemblies, systems and volume components in the technology sectors of injection molding (plastics) and stamping and forming (metals). The group sees itself as a supplier and value-adding partner for companies in all industries where plastic or metal components are manufactured or used. With innovative and technically sophisticated solutions, the Adval Tech Group enables its customers to make continuous improvements to their products and processes. The Stamping and Forming Division trades on the market under the name of Styner+Bienz and the Injection Molding Division under AWM and Foboha. The Adval Tech Group has good development prospects in the fields of activity covered by its core competences.

Stamping and forming technology

Styner+Bienz supplies high-precision components and subassemblies ready for installation in a wide range of industrial sectors. For example, one in three new automobiles worldwide is equipped with ABS housing covers from Styner+Bienz. With its leading-edge know-how in stamping and forming technology Styner+Bienz covers the entire logistics chain – from component design through development to just-in-time delivery. For smaller-volume orders Styner+Bienz relies on CNC technology,

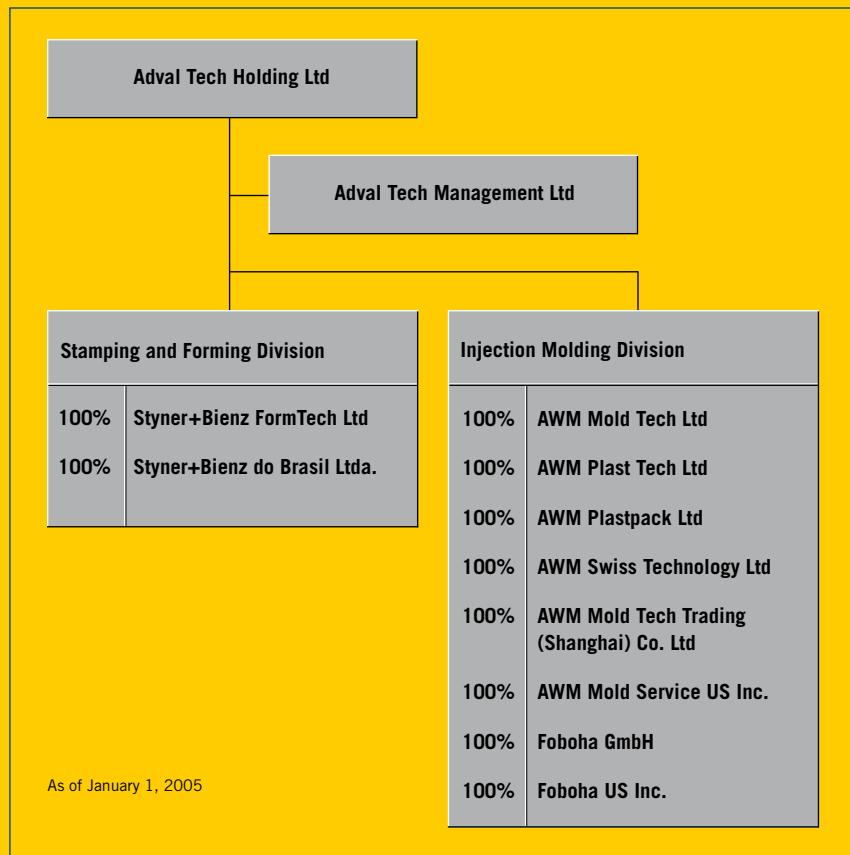
which is used mainly to produce subassemblies ready for installation. In its in-house technology center Styner+Bienz manufactures its own tools and special machinery for producing components. Styner+Bienz also manufactures high-performance production systems for selected applications on the basis of transfer technology. For example, 70% of all spray can tops produced worldwide are manufactured on such installations.

Plastic injection molding technology

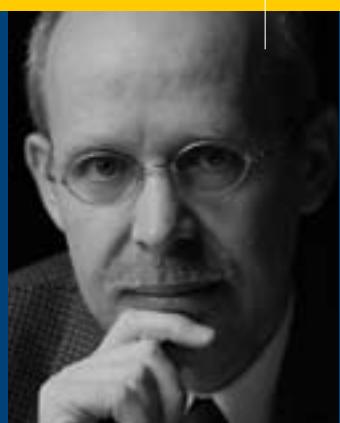
The Injection Molding Division includes AWM and Foboha. Both focus on highest quality as well as the interchangeability and rapid availability of their products. In principle, they cover all areas of application in injection molding technology. AWM is a global leader in the development and manufacture of molds for producing optical discs (ODs) and OD packaging. Other priority spheres of activity include two-component parts for the automotive industry, food packaging, bottle closures, spray can tops, and multipoint connectors. Foboha is a world leader in two-component and multi-component technology, in which different plastics with differing properties are combined with each other. The main spheres of application for Foboha injection molds are consumer goods packaging, medical technology, telecommunications and electronic equipment. The relatively new sector of plastics technology offers excellent growth opportunities due to the continuous emergence of new areas of application and materials.

The Adval Tech Group has good development prospects in the fields of activity covered by its core competences.

GROUP STRUCTURE



GROUP MANAGEMENT



JEAN-CLAUDE PHILIPONA

CHIEF EXECUTIVE OFFICER

EXECUTIVE BODIES

Board of Directors

Herbert Thönen, Chairman
 Dr. Walter Grüebler, Vice Chairman
 Hansruedi Bienz
 Hans Dreier
 Michael Pieper
 Prof. Dr. Josef Reissner
 Rudolf Styner

Group Management

Jean-Claude Philipona, Chief Executive Officer
 Joachim Kaufmann, Head of the Stamping and Forming Division
 Josef Krummenacher, Head of the Injection Molding Division
 Hans Dreier, Head of Marketing and Logistics

Statutory Auditors

PricewaterhouseCoopers Ltd, Bern

Group Auditors

PricewaterhouseCoopers Ltd, Bern

Stamping and Forming Division

Joachim Kaufmann, Head of Division
 Lorenz Jaggi, Head of Finance, Controlling and Services
 Ralf Ostheimer, Head of Components and Systems
 Alfred Raggenbass, Head of Technology Center
 Rudolf Lüthi, Head of Technical Support
 Hermann Hollax, Head of Quality and Environment
 Markus Gyger, Head of Human Resources and Training
 Jerzy Dylewski, Head of Styner+Bienz do Brasil Ltda.

Injection Molding Division

Josef Krummenacher, Head of Division
 Thomas Meyer, Head of Finance, Controlling and Services
 Thomas Eberhard, Head of Sales, AWM Mold Tech Ltd
 Markus Gabriel, Head of OD Technology, AWM Mold Tech Ltd
 Daniel Schüpbach, Head of Sales, AWM Plast Tech Ltd
 Bruno Strelbel, Production Manager, AWM Plast Tech Ltd
 Martin Osterode, Head of AWM Mold Service US Inc.
 Roy Clements, Head of AWM Swiss Technology Ltd
 Rainer Armbruster, General Management, Foboha GmbH
 Udo Bodmer, General Management, Foboha GmbH
 Ingrid Schaub, General Management, Foboha GmbH



JOACHIM KAUFMANN

HEAD OF THE STAMPING AND FORMING DIVISION



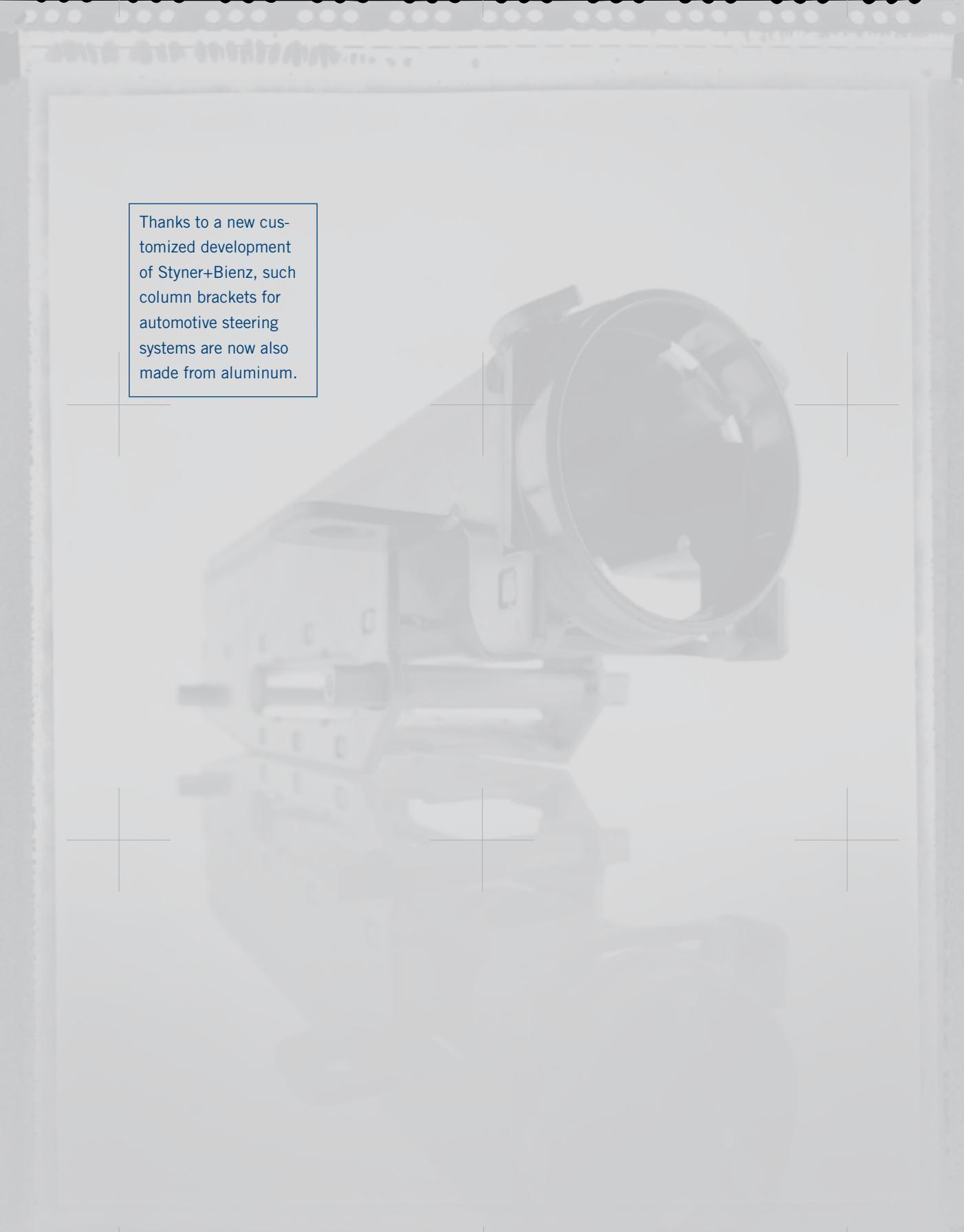
JOSEF KRUMMENACHER

HEAD OF THE INJECTION MOLDING DIVISION



HANS DREIER

HEAD OF MARKETING AND LOGISTICS



Thanks to a new customized development of Styner+Bienz, such column brackets for automotive steering systems are now also made from aluminum.

IMPROVED PRODUCTIVITY

Due to its acquisition of Lanz Industrietechnik AG and growth in its core business activities, the Stamping and Forming Division posted an increase in total income from CHF 100.3 million to CHF 113.2 million (+13%) in the year under review. In a very difficult business environment the division also succeeded in increasing EBIT slightly to CHF 3.8 million (CHF 3.3 million in 2003) through improved productivity, thus maintaining the EBIT margin at the previous year's level.

The commissioning of large numbers of tools for new products, the cost of structural improvements at the Technology Center in Niederwangen, the integration of Lanz Industrietechnik and price increases for raw materials that Styner+Bienz was unable to pass on in full to customers, all exerted pressure on earnings.

Expanded market position

Styner+Bienz significantly expanded its market position in automotive steering systems in Europe through the acquisition of Lanz Industrietechnik AG. Lanz contributes new applications in the steering column sector that ideally round off Styner+Bienz's innovative offering. Subassemblies and components for car seats and electricity meters also complement the product range. Styner+Bienz's merger with Lanz depressed operating earnings slightly in the year under review, but will have a positive impact on profits in the medium to long term. The merger, with effect from January 1, 2005, will not only reinforce the division's market interface, it will also yield substantial benefits in terms of technical resources and the customer portfolio. The division aims to achieve significantly improved earnings on this basis.

Integration process

The division was involved with the integration of Lanz in the year under review. This process of integration is scheduled for completion in the 2005

THREE QUESTIONS

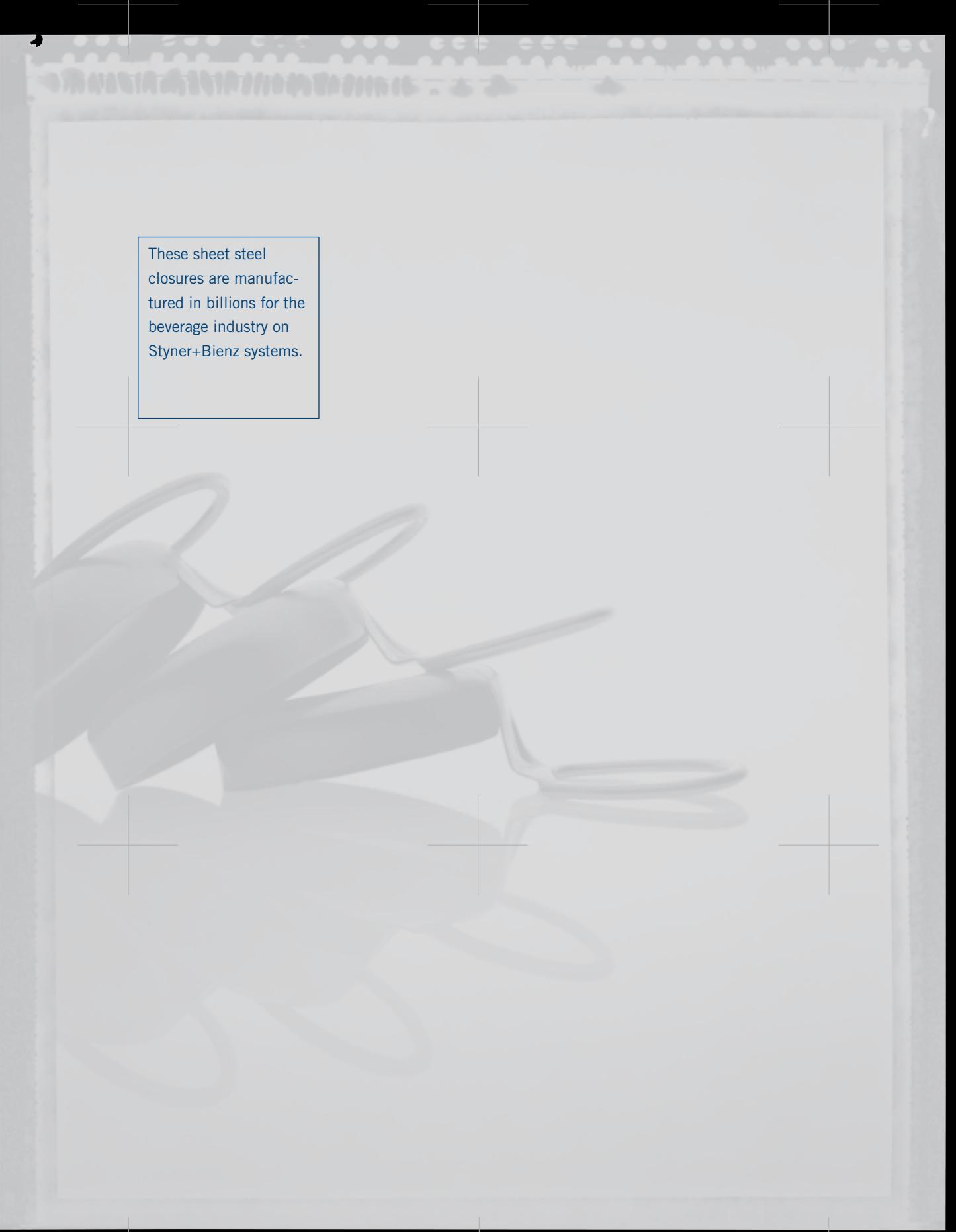
ADDRESSED TO JOACHIM KAUFMANN
HEAD OF THE STAMPING AND FORMING DIVISION



Customer focus is the core element in Styner+Bienz's strategic considerations. What does that mean specifically? Styner+Bienz's main business activity is supplying ready-to-install components to customers in the automotive, telecom, medical and machine manufacturing industries. The component supply business is characterized by cut-throat competition, which has been intensified further by globalization. In order to be able to survive in Switzerland we have to meet our customers' needs faster, better and more intelligently than our rivals. 'More intelligently' means fulfilling customers' requirements with process innovations and at the same time keeping costs low. This is only possible with products and services that are focused totally on our customers' qualitative and commercial needs.

Why won't Lanz Industrietechnik continue to exist as an independent brand? Styner+Bienz is better known than Lanz worldwide. In order to reap the full benefits of our significantly improved market position in the steering systems business, it is important to operate under only one brand name.

Styner+Bienz has reinforced its market position in Brazil. Do you see further potential there? Many companies in Brazil are beginning to focus on their core competences under the influence of growing cost pressures. This is now resulting in the outsourcing of certain value-adding processes to suppliers. Another reason for such outsourcing can be growth-related shortages of space, as is the case with our customer, Bosch. These outsourcing processes are additional opportunities for us to gain market share.



These sheet steel
closures are manufac-
tured in billions for the
beverage industry on
Styner+Bienz systems.

financial year. The division intends to introduce the data processing system (ERP) currently in use at Styner+Bienz at the former Lanz Industrietechnik's plant, make organizational adjustments and effect changes in corporate culture.

Transfer to the east

Most sales markets are still very subdued. Increasing numbers of customers are transferring parts of their production facilities to Eastern Europe or Asia, which is further intensifying the struggle for market share. The business trend in components for ABS and airbag systems as well as vehicle lamp components was encouraging. Other segments of the automotive component supply market stagnated. However, Styner+Bienz is confident of its ability to gain further market share here.

Unfortunately, Styner+Bienz did not benefit from the mobile telephone boom in the year under review. On the contrary, sales of cell phone shields declined sharply as our main customer struggled with software problems.

Encouraging trend in the CNC business

By contrast, the CNC segment developed better than expected. For example, Styner+Bienz supplies ready-to-install subassemblies for professional coffee-making machines used worldwide – for instance, by Starbucks. Styner+Bienz also secured new CNC contracts in the medical technology segment.

Improvements at the Technology Center

The Technology Center is a key element in improving the results of the Stamping and Forming Division. The more accurate the risk appraisal at the start of a project, and the more efficient the work of the development and design department, the more effectively commissioning can be performed.

Project lead times are then reduced accordingly. Styner+Bienz aims to boost the efficiency and effectiveness of toolmaking operations substantially and is working at high pressure to improve the current situation. In the year under review the priority tasks were layout modifications and selective restructuring.

In its development activities Styner+Bienz focuses on applications arising directly from customers' needs. The Division is also always on the lookout for new process innovations. For example, it has successfully integrated plasmatron welding in its production operations. Together with a strategic partner, Styner+Bienz is currently developing approaches for integrating bonding as a further joining technology and thus opening up new spheres of application.

Styner+Bienz do Brasil expands

The development of Styner+Bienz do Brasil Ltda. has been very encouraging. Styner+Bienz will manufacture more than 90 different stamped components in total annual production volumes of some 25 million units as of the beginning of 2005 for Bosch, one of the world's leading automotive component suppliers. Bosch Ltda. in Campinas and Styner+Bienz do Brasil Ltda. signed a cooperation agreement to this effect in autumn 2004. Styner+Bienz has rented additional premises adjacent to its existing production facility in São José dos Pinhais near Curitiba and will increase its workforce from 22 to 50. After a startup phase the additional sales volume will amount to some CHF 3.5 million annually.

Observers familiar with the Brazilian economy continue to regard the future prospects for the automotive industry in the largest country in South America as very positive. While the domestic eco-

The CNC segment developed better than expected.

nomic upswing is (still) only limited, Brazil's trade surplus is currently reaching record levels.

Sluggish market activity in production systems

Market activity in the complementary segment of production systems was very sluggish. Customers deferred large numbers of investment projects in the year under review.

Capital spending

In the year under review the division invested a total of CHF 4.2 million. More than 90% of this was spent on replacement and expansion of manufacturing infrastructure.

80th anniversary

Styner+Bienz celebrated its 80th anniversary in May. The two school friends Fritz Styner and Rudolf Bienz had started production of small metal parts in a shoemaker's hut in 1924. Styner+Bienz received its first foreign orders in the middle of the last century for tools used to manufacture airtight food packaging made from tin plate. The potential applications of stamping and forming technology have since multiplied – not least due to the many innovations launched by Styner+Bienz.

Personnel

The workforce increased by a total of 48. The addition of 79 jobs at Lanz was offset by a reduction of 31 at Styner+Bienz.

Personnel costs declined in proportion to total income due to further improvements in productivity.

Outlook

The main task in the current financial year will be to gain market share in our established spheres of operation: through customer focus, innovative solutions and intensified marketing and sales efforts. Although boom conditions are not to be expected in any sphere of operations, profitability should be improved further. In this context the division must succeed in passing on to customers the substantial increases in the cost of materials.

SWIVEL JOINT FOR CELL PHONES

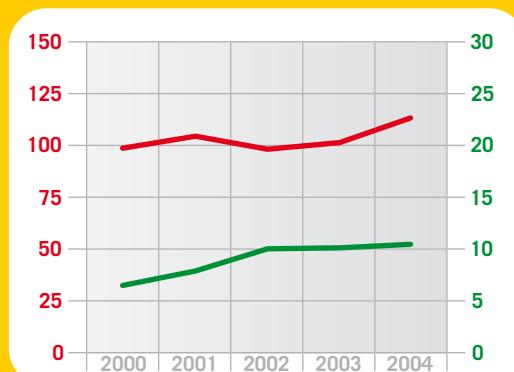
— AN EXAMPLE OF HOW STYNER+BIENZ GENERATES A

An interesting innovation for high-end mobile telephones is the swivel joint that enables users to rotate the back of their cell phone through 90 degrees.

A keypad then appears on the two exposed surfaces. This facilitates the input of text and commands. Styner+Bienz has developed this joint in close cooperation with the customer – from the idea, to the prototype, to the process-controlled volume production solution.



TOTAL INCOME AND EBITDA



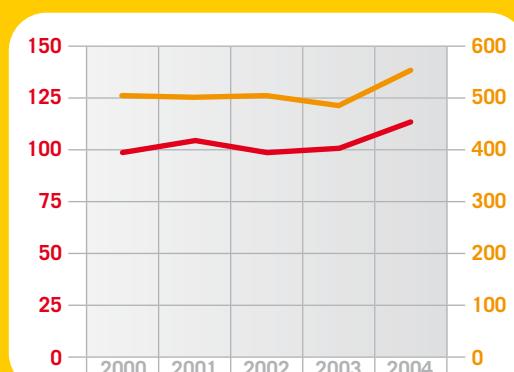
■ Total income in CHF millions
■ EBITDA in % of total income

TOTAL INCOME AND CAPITAL EXPENDITURE



■ Total income in CHF millions
■ Capital expenditure in % of total income

TOTAL INCOME AND EMPLOYEES



■ Total income in CHF millions
■ Employees

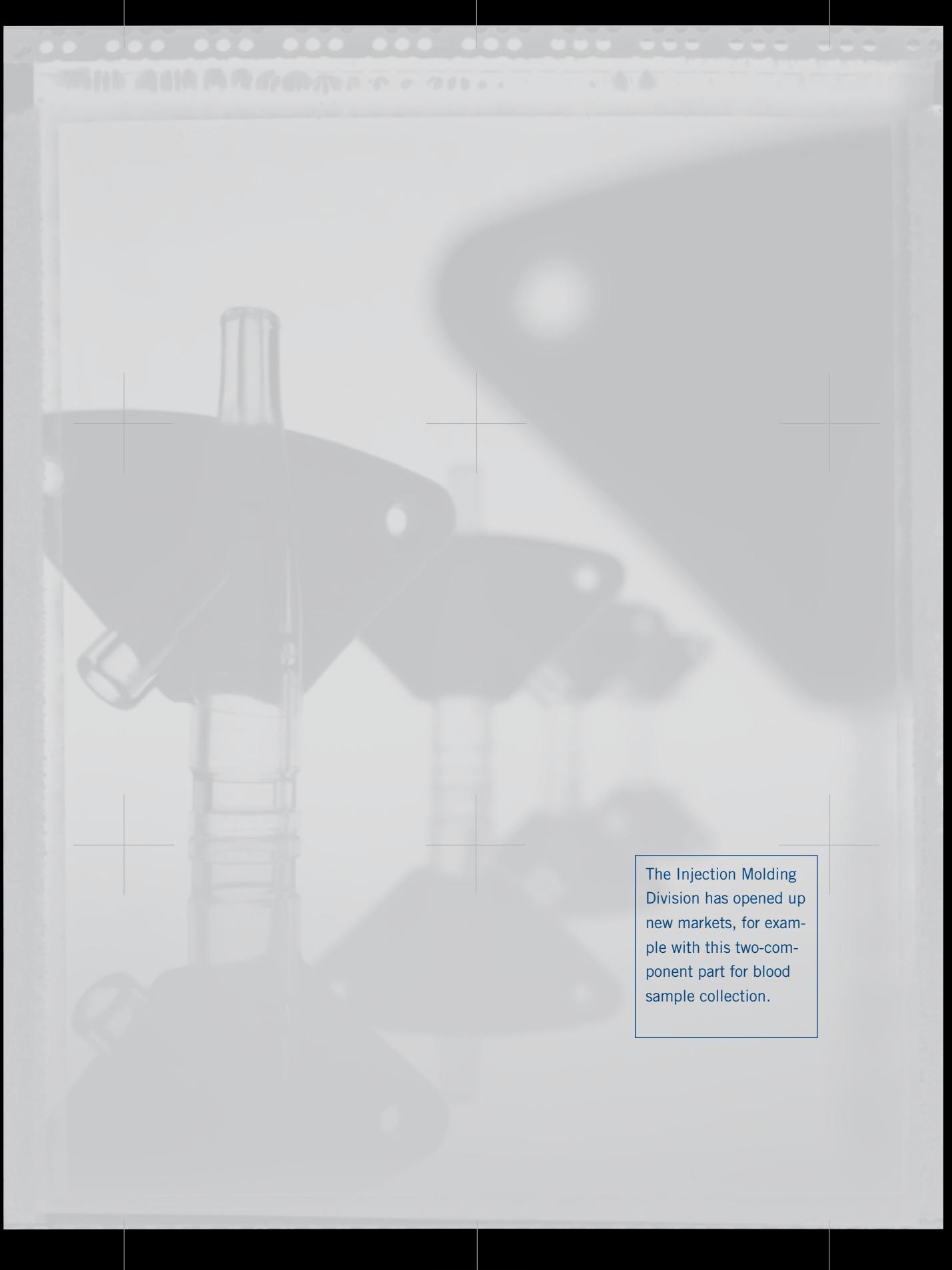
PERFORMANCE DATA AND EMPLOYEES

	in CHF millions				
	2000	2001	2002	2003	2004
Total income	98.4	104.2	97.3	100.3	113.2
EBITDA	6.4	8.1	10.1	10.4	11.8
EBIT	0.6	0.9	2.0	3.3	3.8
Capital expenditure	16.4	13.9	6.1	5.2	4.2
Employees	503	501	506	485	553

ADDED VALUE FOR ITS CUSTOMERS

This module, consisting of sheet metal and plastics components, is now manufactured by Styner+Bienz, blister-packed and supplied directly to the customer's assembly line.





The Injection Molding Division has opened up new markets, for example with this two-component part for blood sample collection.

TREND-SETTING INNOVATIONS

The Injection Molding Division operating under the AWM and Foboha brand names posted an increase in total income from CHF 141.6 million to CHF 148.8 million (+5%) in the year under review. However, together with the pressure on prices for OD molds, a shift in the relative proportions of molds away from high volume molds and toward single molds resulted in lower margins and therefore to a decline in EBIT from CHF 22.9 million to CHF 16.3 million. Nevertheless, the EBIT margin is still a pleasing 11%. The division is well prepared for the future: it actually brought two trend-setting innovations to the market launch stage in the year under review.

New developments and commissioning were the dominant features of 2004 for the Injection Molding Division. Foboha followed on from the previous year's very good results in terms of sales and earnings. Capacity at the Haslach plant was very fully utilized throughout the year. Innovative solutions for customers from a wide range of industrial sectors and rapid response on the market were the key factors in this success story.

The double cube

Based on the stack turning technology developed in-house, Foboha launched the double cube system at the end of October. This completely novel mold concept features two rotating cubes located between the two parts of the mold, creating two molds operating independently of each other with three clamping levels each. Assembly processes can thus be transferred to the mold, resulting in significantly higher production efficiency. Foboha exhibited the double cube to an audience of trade specialists for the first time at the plastics trade fair in Düsseldorf, where it attracted considerable interest.

THREE QUESTIONS ADDRESSED TO
JOSEF KRUMMENACHER
HEAD OF THE INJECTION MOLDING
DIVISION



Why are you producing more single molds and fewer volume production molds nowadays? Our strategic objective is to gain access to new and interesting growth markets for our molds, such as the automotive, thin-wall packaging and medical technology industries. The volumes in these markets are also very large, but scaling-up does not always occur due to frequent changes in component geometry.

What do you expect in terms of sales from the new generation of molds for optical discs? Our latest technological development in the OD market undoubtedly gives us a competitive edge. We therefore aim to extend our global market leadership further. The OD market is and will remain an important factor for our division.

What is the future for cube technology? Cube technology makes the injection mold into a genuine production unit with integrated supplementary functions. For example, plastics with different properties can be joined together or outside components can be integrated directly into the plastics components. Cube technology is especially suitable for large volumes and components requiring an assembly process.

New developments and commissioning were the dominant features of 2004.



This plastic lid for food packaging provides additional storage space. The multi-component part is fully assembled and labeled in the mold.

New generation of molds

AWM also recorded another increase in total income in the year under review. However, sales volumes of AWM molds for manufacturing optical data media were lower than a year earlier, despite slight gains in market share. Price reductions and higher demands with regard to quality and service had a more adverse impact on margins than expected. AWM also invested considerable resources in development in order to consolidate its leadership in the optical disc market.

The new generation of molds for manufacturing optical discs in all formats (CD, DVD, HD-DVD, BluRay) again reduces cycle times significantly. In the case of the rewritable DVD, for example, from 3.5 seconds to 2.5 seconds. The "homogeneous tempering technology" patented by AWM efficiently ensures that exactly the same temperature conditions are maintained throughout the mold, thus considerably facilitating the production of identical components. The warm-up time of the molds is also substantially reduced. The new AWM molds are suitable for all major machine types. They will further consolidate AWM's leading position in this market.

Market revival in OD packaging

The market for OD packaging molds revived strongly in the year under review. New solutions based on the company's own patents enabled AWM to take advantage of this revival and record much higher sales in this segment.

With the strategic objective of further reducing its dependence on the OD market and growing at the same time, AWM also succeeded in moving into new markets – especially that of molds for thin-wall food packaging and applications in medical tech-

nology. However, the new target markets provide less scope for scaling-up, and this exerted pressure on margins in the year under review.

Capacity utilization in the volume components business still inadequate

The volume components business improved considerably compared with the previous year, despite the lack of cyclical economic momentum. Sales were 37% higher due to large orders from the automotive industry – not least as a result of vigorous efforts in moldmaking. AWM brought an exceptionally large number of projects into operation in the year under review. Nevertheless, utilization of capacity at the Merenschwand production plant was still inadequate. The market is still characterized by excess capacity, and manufacturing operations are being transferred to Eastern Europe and Asia. By contrast, contract manufacturing of CD and DVD boxes, which is also part of volume components operations, remains at a high level.

Base in Shanghai

AWM formed AWM Mold Tech Trading (Shanghai) Co. Ltd on September 1, 2004, in order to provide better and more direct service for customers in China. This unit will be headed by Roy Clements, who is already responsible for AWM Swiss Technology Ltd in Hong Kong.

Synergies between AWM and Foboha

The two separate brands and independent companies of AWM and Foboha coordinate their marketing efforts and purchasing, correlate trade fair appearances and communication media, and exchange design and production capacity wherever possible with a view to achieving optimum capacity utilization. The joint IT platform established in the year under review will create additional synergies.

The division succeeded in moving into new markets – for example thin-wall food packaging and applications in medical technology.

AWM significantly reinforced its marketing efforts in the year under review with a new exhibition booth and the recruitment of additional sales personnel.

Capital spending

The division invested a total of CHF 7.7 million in the year under review. The priorities included new production facilities at all locations, expansion of programming capacity and redesign of the lapping facilities at AWM (this is where materials are machined using very fine lubricants with grease as the medium in order to produce a smooth surface) and the new IT platform at Foboha.

Personnel

In the year under review the number of employees increased from 520 to 548. This growth was due primarily to expansion and the associated structural adjustments at AWM.

Outlook

The market opportunities for AWM and Foboha remain very favorable. The use of plastics as substitutes for metal and glass will continue as a general trend, and the division is ideally positioned with its numerous new developments. AWM and Foboha will counter pressure on prices with productivity improvements and cost savings.

THE NEW "SIX.ONE" GENERATION OF MOIDS

- AN EXAMPLE OF HOW AWM GENERATES

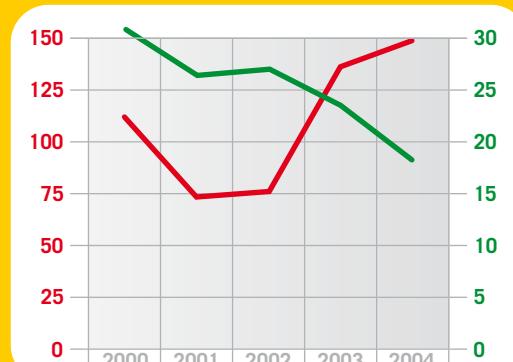
"six.one" is the name of the new generation of AWM molds for manufacturing optical discs in all formats, including Blu-ray and HD-DVD. Homoge-

neous temperature-stabilizing technology enables cycle times to be reduced considerably and substrate quality to be enhanced.

The significant development strides repeatedly achieved by AWM are due not least to its intense engagement with trend-setting technologies.

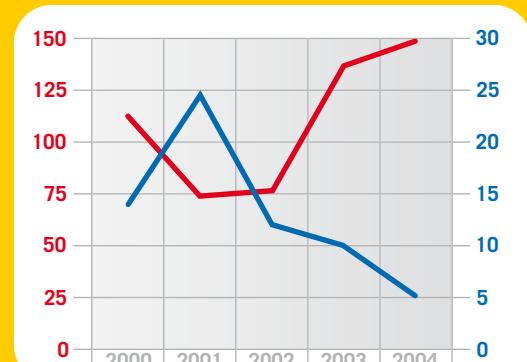


TOTAL INCOME AND EBITDA



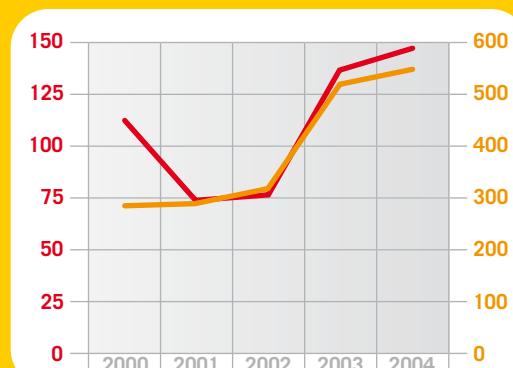
■ Total income in CHF millions
■ EBITDA in % of total income

TOTAL INCOME AND CAPITAL EXPENDITURE



■ Total income in CHF millions
■ Capital expenditure in % of total income

TOTAL INCOME AND EMPLOYEES



■ Total income in CHF millions
■ Employees

PERFORMANCE DATA AND EMPLOYEES

	in CHF millions				
	2000	2001	2002	2003	2004
Total income	112.5	73.9	76.1	141.6	148.8
EBITDA	34.8	19.5	20.6	33.4	27.1
EBIT	26.0	12.5	13.4	22.9	16.3
Capital expenditure	15.6	18.1	9.2	14.2	7.7
Employees	285	289	317	520	548

ADDED VALUE FOR ITS CUSTOMERS

For example, the UDO disc – a larger version of the Blu-ray disc with a storage capacity of 30 GB – is produced using AWM molds. In a further project AWM is working on the development of an innovative storage disc with a capacity of up to 9 GB/cm².





Styner+Bienz continues to be the global market leader in production equipment for spray can tops. Rows of valve discs are pictured here.

CORPORATE GOVERNANCE

Our principles of corporate governance are based on the Articles of Incorporation and the regulations governing the organization and conduct of business. The following report conforms essentially to the structure specified by the SWX for such information.

Corporate structure and shareholders

Adval Tech Holding Ltd is organized as a holding company under Swiss law and directly or indirectly owns all Adval Tech companies worldwide. For operational purposes, the Adval Tech Group is organized in two divisions. Business is conducted through the relevant group companies (cf. Group structure, page 10). The following companies are included in the scope of consolidation (all unlisted except Adval Tech Holding Ltd):

As of December 31, 2004, the following shareholders held more than 5% of the registered capital stock recorded in the Commercial Register:

- Rudolf Styner 24.6%
- Franke Holding AG, Aarburg 20.3%
- Hansruedi Bienz 18.8%
- Ordinary Partnership Dreier 8.4%

There are no shareholders' pooling agreements and no capital or voting cross-holdings.

Company	Registered office	Share capital in 1000	Equity holding
Adval Tech Holding Ltd	Niederwangen	CHF 7,300	
Adval Tech Management Ltd	Niederwangen	CHF 100	100%
Styner+Bienz FormTech Ltd	Niederwangen	CHF 3,050	100%
Lanz Industrietechnik AG	Wolfwil	CHF 1,250	100%
Styner+Bienz do Brasil Ltda.	São José dos Pinhais PR, Brazil	BRL 939	100%
AWM Mold Tech Ltd	Muri (AG)	CHF 600	100%
AWM Plast Tech Ltd	Merenschwand	CHF 600	100%
AWM Plastpack Ltd	Muri (AG)	CHF 600	100%
AWM Swiss Technology Ltd	Hong Kong, China	HKD 10	100%
AWM Mold Tech Trading (Shanghai) Co. Ltd	Shanghai, China	USD 200	100%
AWM Mold Service US Inc.	Beverly, MA, USA	USD 1	100%
Foboha Holding GmbH	Haslach, Germany	EUR 25	100%
Foboha GmbH	Haslach, Germany	EUR 512	100%
Foboha US, Inc.	Beverly, MA, USA	USD 1	100%

The overall structure of shareholdings at December 31, 2004, was as follows:

Number of shares	Number of shareholders
1 to 100	445
101 to 1,000	57
1,001 to 10,000	5
More than 10,000	7
Total	514

Changes in the shareholders' equity of Adval Tech Holding Ltd are as follows:

in CHF	12.31.2004	12.31.2003	12.31.2002
Share capital	7,300,000	7,000,000	7,000,000
General reserves	9,500,000	1,550,000	1,550,000
Reserve for treasury stock	81,863	170,386	222,812
Free reserves	15,013,784	14,925,261	14,872,835
<i>Share capital and reserves</i>	<i>31,895,647</i>	<i>23,645,647</i>	<i>23,645,647</i>
Balance brought forward	26,920,949	22,308,967	17,284,755
Net profit for the year	11,374,224	9,511,982	9,224,212
<i>Retained earnings</i>	<i>38,295,173</i>	<i>31,820,949</i>	<i>26,508,967</i>
Total shareholders' equity	70,190,820	55,466,596	50,154,614

Capital structure

- As of December 31, 2004, the capital stock of Adval Tech Holding amounted to CHF 7.3 million, divided into 365,000 registered shares with a par value of CHF 20 each. All the shares carry the same voting and dividend rights. With respect to restrictions on registration, reference is made to the section on stockholders' rights of co-determination. The extraordinary general meeting of shareholders held on April 14, 2004, adopted a resolution to increase the share capital by CHF 0.3 million to CHF 7.3 million. The annual general meeting of shareholders held on June 17, 2004, adopted a resolution to introduce a single category of shares by canceling share categories A and B.
- As of December 31, 2004, there was no authorized or conditional capital, nor were any participation or dividend-right certificates, convertible bonds or options in issue.

- Adval Tech B registered shares were listed on the Swiss Stock Exchange as of June 4, 1998, under securities code number 896 792. All shares of Adval Tech Holding Ltd have been listed on the Swiss Stock Exchange since July 5, 2004, under the above securities code number. Their Telekurs ticker symbol is ADVN, their Bloomberg symbol ADVN SW. The shareholders' register is maintained by SAG SIS Aktienregister AG, Baslerstrasse 100, 4600 Olten, on behalf of Adval Tech Holding Ltd.

Board of Directors

The Board of Directors of Adval Tech Holding Ltd is composed of the following members:

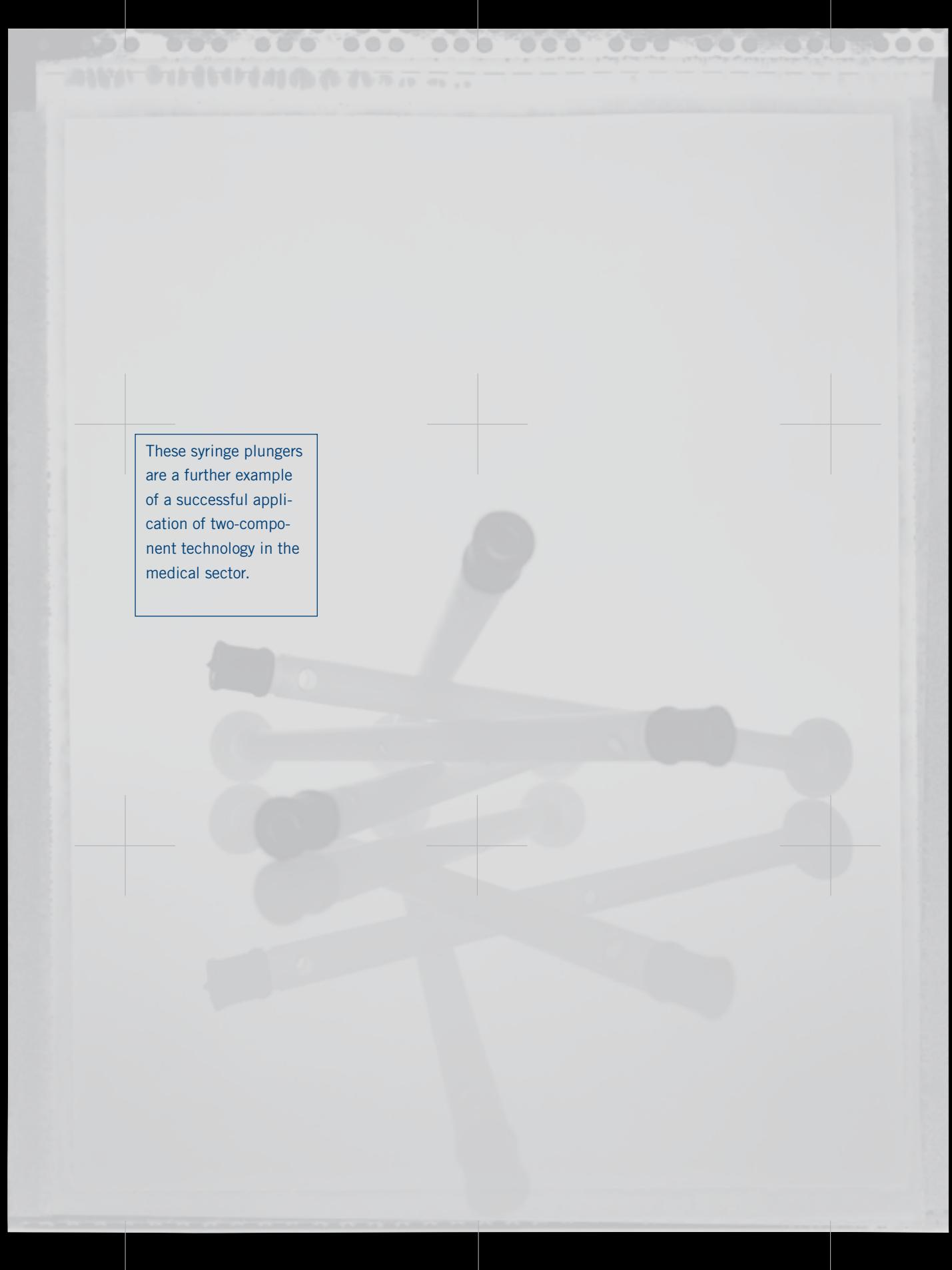
- **Herbert Thönen** (Chairman), born 1934, Swiss; attorney-at-law; Bubenberg Law & Notary's Office, Bern; director since 1997, non-executive, term of office expires at the AGM for the 2005 fiscal year.
- **Walter Grüebler** (Vice Chairman), born 1942, Swiss; PhD (Econ.) St. Gall; director since 1997, non-executive, term of office expires at the AGM for the 2005 fiscal year.
- **Hansruedi Bienz**, born 1936, Swiss; businessman; director since 1967, non-executive, term of office expires at the AGM for the 2005 fiscal year; CEO of the Adval Tech Group from 1991 through 2000.
- **Hans Dreier**, born 1953, Swiss; MBA FH; executive director since 1988, Head of Marketing and Logistics at the Adval Tech Group, term of office expires at the AGM for the 2005 fiscal year.
- **Michael Pieper**, born 1946, Swiss; MA (Econ.) St. Gall; owner and CEO of the Franke Group; director since 2004, non-executive, term of office expires at the AGM for the 2006 fiscal year.
- **Josef Reissner**, born 1939, Austrian; Prof. Dr. em.; director since 1997, non-executive, term of office expires at the AGM for the 2005 fiscal year.
- **Rudolf Styner**, born 1925, Swiss; MSc. (Mech. Eng.) HTL; director since 1957, non-executive, term of office expires at the AGM for the 2005 fiscal year; Chairman of the Board of the Adval Tech Group from 1969 through 1997.

Herbert Thönen is Chairman of the Board of Directors of ABC Holding AG, Schönbühl. Walter Grüebler is a member of the Board of Directors of Quadrant AG, Lenzburg, and Sika AG, Baar. Michael Pieper is a director of the following companies: Swiss International Air Lines, Franke Holding AG, Berenberg Bank (Schweiz) AG, Hero AG. He is also a member of the supervisory board of ThyssenKrupp Steel AG.

Otherwise the members of the Board of Directors are not members of any other executive and supervisory bodies of significant Swiss or foreign corporations, institutions and foundations under private or public law and also hold no important political offices. In terms of the Articles of Incorporation of Adval Tech Holding Ltd, the Board of Directors has at least three members, who are elected for a three-year term of office. Re-election is permitted. There are no interlocking directorships with other listed companies.

The Board of Directors represents the highest decision-making authority in the company, subject to those matters on which, according to legal provisions, the shareholders must decide. It usually meets six times a year, with the Chairman presiding. It performs the following duties: guidance and supervision of executive management, definition of corporate strategy, definition of long-term corporate objectives, and definition of business policy.

The Board of Directors informs itself periodically, usually quarterly, regarding the course of business in the group, the divisions and the group companies, the degree to which objectives have been achieved and the actions foreseen for this purpose. It arranges to be informed as necessary about the progress of strategic projects. In addition to these written reports, the members of group management attend the board meetings, at which open issues and further inquiries can be discussed or answered. Proposals and reports are submitted to the Board of Directors in good time prior to the meeting. Cooperation with the auditors is described on page 31.



These syringe plungers are a further example of a successful application of two-component technology in the medical sector.

The Board of Directors has delegated coordination of the current business of the companies to group management, chaired by the CEO. Internal organization and the allocation of authority are set out in the Adval Tech Group's regulations governing the organization and conduct of business.

Herbert Thönen, Walter Grüebler and Hansruedi Bienz are members of the Nominations and Compensation Committee. This committee prepares decisions on personnel at board and executive management level (group management) and stipulates remuneration and bonus payments for the Board of Directors and group management. The committee accepts the reports and proposals of the CEO at its meetings and decides independently. The committee meets as often as business requires; there were four meetings in 2004. There are no other board committees.

Executive management

The executive management team of the Adval Tech Group (group management) as of January 1, 2005:

- **Jean-Claude Philipona**, born 1953, Swiss; with Adval Tech since 1997; Chief Executive Officer, also acting as CFO; MBA.
Career: executive management consultant, focusing on strategy, organization and controlling; CFO and member of executive management at an internationally oriented industrial corporation; joined the Adval Tech Group as CFO in anticipation of the IPO, CEO since January 1, 2001. Member of the executive committee of Swissmem, consultative member of the Audit Committee of Crealogix Holding AG.
- **Josef Krummenacher**, born 1941, Swiss; with Adval Tech since 1974; Head of the Injection Molding Division; Toolmaker and Production Technician TS.
Career: designer, with AWM since 1966, initially as Head of Design, then as Production Manager, and since 1974 General Manager of the AWM companies, Head of Division since 1997. Member of the board of trustees of Aargau Technical College and member of the management board of the Association for the Advancement of the Plastics Training and Technology Center (KATZ), Aarau.
- **Joachim Kaufmann**, born 1954, German; with Adval Tech since 1999; Head of the Stamping and Forming Division; MSc. (Mech. Eng.) HTL.
Career: development engineer; technical director of a foreign branch of an international industrial group; General Manager and member of the group management at an industrial group in the toolmaking and systems engineering sector; as of 1999 General Manager of Styner+Bienz Metall Ltd, Head of Division since January 1, 2003.

■ **Hans Dreier**, born 1953, Swiss; with Adval Tech since 1982; Head of Marketing and Logistics; MBA FH.

Career: project manager, then systems manager at an international information technology group in Germany, joined Styner+Bienz as Head of Information Technology, as of 1984 Head of Sales and Marketing, since 1997 in his current position.

The members of group management are not members of any other executive and supervisory bodies of significant Swiss or foreign corporations, institutions and foundations under private or public law and also hold no important political offices.

Fritz Gaukel, Head of Strategic Projects, retired in 2004.

Remuneration, equity holdings and loans

The Appointments and Compensation Committee defines the remuneration of the Board of Directors and group management. Remuneration is defined so as to conform with market rates for the position in question and to reflect the performance of the individual. The remuneration of the Board of Directors consists of a fixed fee, an attendance fee and a lump sum to cover expenses. The remuneration of the members of group management consists of a fixed component and a variable component reflecting business performance and the achievement of targets. No shares or options were allocated in 2004. The remuneration of the five serving executive directors and officers in 2004 totaled CHF 2,228,418. Serving non-executive directors received remuneration totaling CHF 250,000 in 2004. No additional severance or compensation payments were made to former directors and officers in 2004. The highest total remuneration of a member of the Board of Directors in 2004 amounted to CHF 304,639. These figures were calculated in accordance with the accrual principle as stipulated by the SWX.

As of December 31, 2004, executive directors and officers (incl. closely associated persons) held a total of 32,536 shares of Adval Tech Holding Ltd, non-executive directors (incl. closely associated persons) a total of 233,823 shares. A total of CHF 30,000 was paid to Prof. Dr. Reissner in 2004 as an additional fee. This covered services rendered to the Adval Tech Group in the context of research and development projects. At no time in 2004 were loans outstanding to directors and officers of the Adval Tech Group.

Shareholders' rights of co-determination

Purchasers of registered shares are entered in the shareholders' register as shareholders with voting rights upon application, if they expressly state that they have acquired the registered shares in their own name and for their own account. As provided by Article 7 of the Articles of Incorporation of Adval Tech Holding Ltd dated May 25, 1998, purchasers of shares in excess of 5% of the registered capital stock recorded in the Commercial Register will not be entered with voting rights. This is subject to Art. 685d, para. 3, of the Swiss Code of Obligations. Groups of individuals who are associated with each other and act in concert to circumvent the registration restrictions are regarded as a single purchaser. The Board of Directors can permit exceptions. It approved such an exception in 2004 for Franke Holding AG. These voting restrictions do not apply to the shareholders who were registered with a holding of registered shares exceeding 5% of all share votes when the provisions of the Articles of Incorporation regarding voting restrictions were issued (Rudolf Styner, Hansruedi Bienz, Ordinary Partnership Dreier). Fiduciary entries in the shareholders' register are only possible without voting rights. The Articles of Incorporation of Adval Tech Holding Ltd regarding statutory quorum requirements conform to legal provisions.

Invitations to the annual general meeting are issued by publication in the Swiss Official Commercial Gazette no less than 20 days prior to the annual

general meeting. Shareholders entered in the shareholders' register can also be invited in writing.

There are no regulations differing from the Swiss Code of Obligations regarding the convening of a general meeting and the inclusion on the agenda of items for discussion.

Shareholders who are entered with voting rights in the shareholders' register at least 14 days prior to the annual general meeting are entitled to vote at the meeting. Shareholders who have sold shares prior to the annual general meeting are not entitled to vote in respect of the shares sold.

Change of control and defensive measures

The Articles of Incorporation of Adval Tech Holding Ltd include no provisions for "opting-out" or "opting-up" upon reaching the legal value threshold.

Auditors

PricewaterhouseCoopers AG in Bern, i.e. their legal predecessors Revisuisse PriceWaterhouse, were elected as statutory auditors for Adval Tech Holding Ltd and as group auditors in 1991. Messrs. Peter Wittwer (since 2004) and Martin Köhli (since 2000) act as lead auditors. Auditors for Adval Tech Holding Ltd and the consolidated financial statements are elected for a term of office of one year. Audit fees paid to PricewaterhouseCoopers AG in 2004 totaled CHF 151,325. Fees of CHF 100,093 were paid to other auditing firms for auditing the financial statements of group companies. PricewaterhouseCoopers AG were also paid CHF 138,850 in 2004 for legal and tax consulting services as well as CHF 111,450 for services related to the change to IFRS accounting.

The auditors usually report their audit findings in writing to the Board of Directors. They also attended two meetings in 2004 in order to explain the results of their audit.

Information policy

Adval Tech attaches great importance to pursuing an open information policy and maintaining contacts with financial analysts, business journalists and other interested parties. CEO Jean-Claude Philipona is available to these target groups as the person to contact directly. The main cornerstones of Adval Tech's information offering are its regularly updated website at www.advaltech.com and the company's annual and interim reports.

The next annual general meeting of Adval Tech Holding Ltd will be held in Bern on Thursday, June 16, 2005.

The report on the first half of 2005 will be published end of August.

INFORMATION FOR INVESTORS

Ticker symbols

Swiss security no. 896 792

Telekurs ADVN

Bloomberg ADVN SW

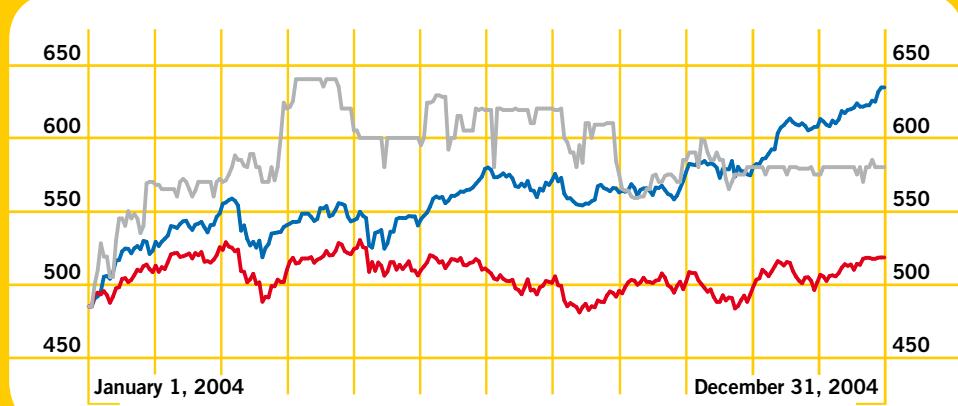
Share statistics		2004	2003
A registered shares, 12.31.	Number		150,000
B registered shares, 12.31.	Number		200,000
Single category of registered shares, 12.31.	Number	365,000	
Total registered shares, 12.31.	Number	365,000	350,000
Par value	CHF	20	20
Share capital, 12.31.	CHF	7,300,000	7,000,000
EBIT per share	CHF	57.13	73.47
Net profit per share	CHF	42.73	48.98
Shareholders' equity per share	CHF	345.82	312.13
Dividend per share	CHF	14.00 ¹⁾	14.00
Payout ratio	%	32.8	28.6
P/E ratio		13.6	9.9
Market prices			
High (4.16.04/10.31.03)	CHF	640	500
Low (1.5.04/3.7.03)	CHF	500	280
December 31	CHF	580	485
Market capitalization			
High (4.16.04/10.31.03)	CHF millions	233.60 ²⁾	175.00
Low (1.5.04/3.7.03)	CHF millions	182.50 ²⁾	98.00
December 31	CHF millions	211.70	169.75

1) Proposed by the Board of Directors

2) On the basis of 365,000 registered shares

Price trends

January 1, 2004, to
December 31, 2004



■ Swiss Performance Index, adjusted

■ Price of Adval Tech shares

■ Swiss machinery industry index, adjusted

Contact

Jean-Claude Philipona
Chief Executive Officer

Markus Reber
Group Controller

Phone: +41 31 980 84 44

www.advaltech.com

Agenda:

General meeting of shareholders 2005:
June 16, 2005, Bern

Announcement of the results for the first half
of 2005: End of August 2005

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