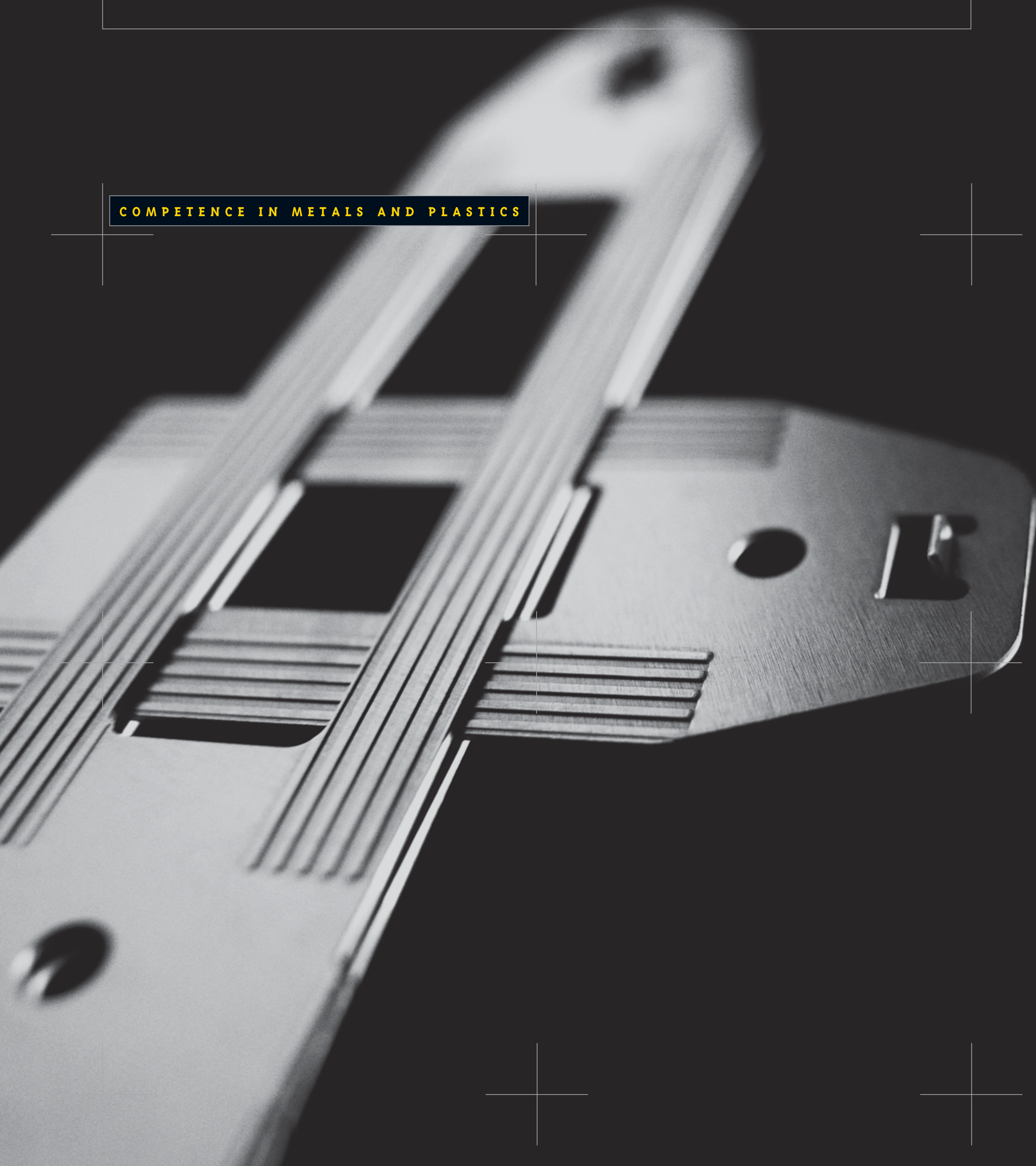
advaltech

ANNUAL REPORT 2007

COMPETENCE IN METALS AND PLASTICS



SHARE STATISTICS AND PRICE TRENDS

Share statistics

Ticker symbols:

Swiss security no. 896 792

Telekurs ADVN

Bloomberg ADVN SW

	2007	2006
Registered shares	**365,000**	**365,000**
EBIT per share (CHF)	42.35	19.89
Net profit per share (CHF)	22.72	10.91
Shareholders' equity per share (CHF)	354.08	334.96
Dividend per share (CHF)	7.00[1)]	6.00
Payout ratio (%)	30.8	55.0
P/E ratio	34.3	49.4
Market prices (CHF)		
Low (1/3/2007, 9/7/2006)	547.00	440.00
High (11/7/2007, 2/3/2006)	800.00	559.50
December 31	778.50	539.00
Market capitalization (CHF millions)		
Low (1/3/2007, 9/7/2006)	199.66	160.60
High (11/7/2007, 2/3/2006)	292.00	204.22
December 31	284.15	196.74

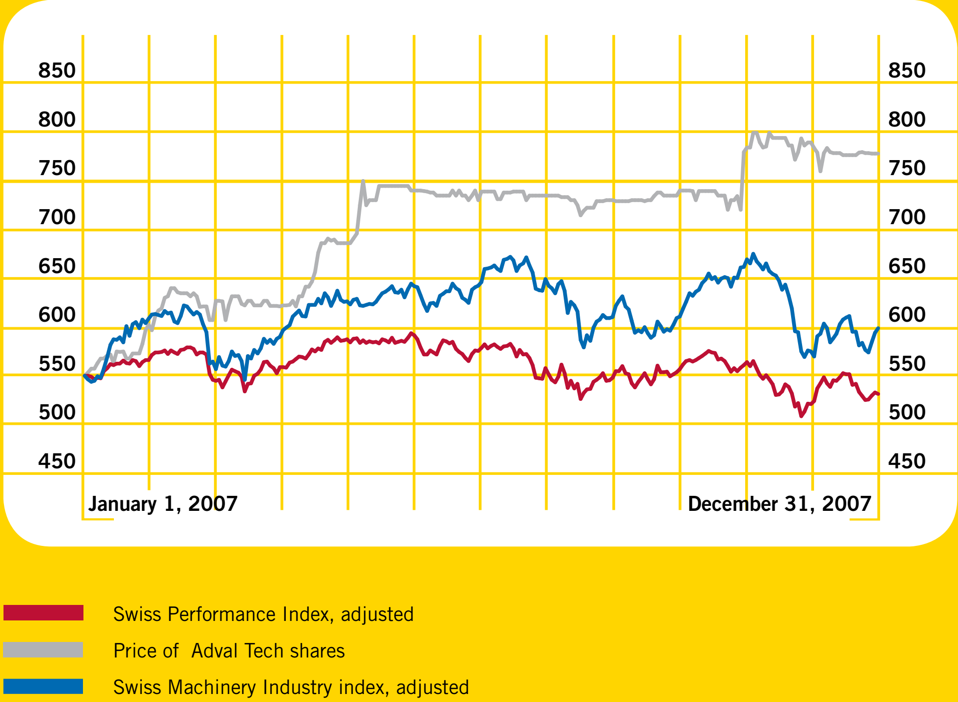
1) Proposed by the Board of Directors

Price trends

January 1, 2007, to

December 31, 2007

(CHF)



KEY FIGURES OF THE ADVAL TECH GROUP

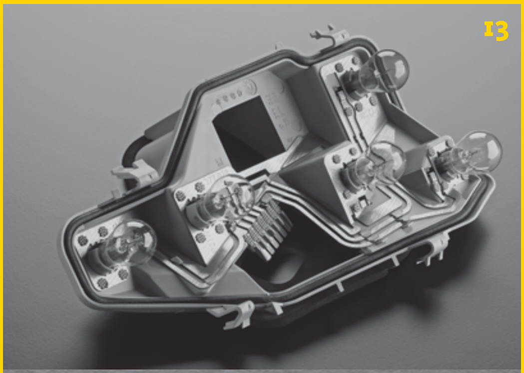
	2007 1)	2006 1)	2005 1)	2004 2)	2003 3)
Total income (CHF millions)					
Group	348.555	275.765	251.871	262.853	240.969
change in %	+26.4	+9.5	-4.2	+9.1	+39.3
per employee (CHF thousands)	272.948	245.124	224.484	247.041	240.248
Stamping and Forming Division	182.514	137.439	130.831	115.147	100.332
Injection Molding Division	166.143	138.454	121.151	148.952	141.647
EBITDA (CHF millions)					
Operating earnings before depreciation	38.4	29.1	27.7	42.6	43.7
in % of total income	11.0	10.6	11.0	16.2	18.1
Stamping and Forming Division	17.4	16.6	14.8	14.6	10.4
Injection Molding Division	19.5	11.7	12.5	27.1	33.4
EBIT (CHF millions)					
Operating earnings	15.5	7.3	5.1	20.2	25.7
in % of total income	4.4	2.6	2.0	7.7	10.7
Stamping and Forming Division	7.5	6.6	3.0	2.7	3.3
Injection Molding Division	6.9	0.5	1.9	16.8	22.9
Net profit (CHF millions)					
Net profit for the year	8.3	4.0	3.8	13.3	17.1
in % of total income	2.4	1.4	1.5	5.1	7.1
Cash flow and capital expenditure (CHF millions)					
Cash flow from operations	18.5	29.8	32.8	14.4	34.3
Operative free cash flow	-3.6	15.9	12.0	3.4	15.4
Free cash flow	-11.8	15.6	6.6	3.9	-14.0
Capital expenditure	22.6	14.0	20.6	12.4	19.8
Balance sheet figures (CHF millions)					
Total assets	327.4	291.6	276.4	266.0	254.8
Shareholders' equity	129.2	122.3	122.5	120.6	109.24
in % of total assets	39.5	41.9	44.3	45.3	42.9
Employees					
on December 31	1,379	1,121	1,129	1,108	1,013
Market capitalization (CHF millions)					
on December 31	284.2	196.7	187.6	211.7	169.8
Selected key figures per share					
Earnings (CHF)	22.72	10.91	10.52	37.24	48.98
Dividend (CHF)	7.00 4)	6.00	14.00	14.00	14.00
Payout ratio in %	30.8	55.0	133.1	37.6	28.6
P/E ratio on December 31	34.3	49.4	48.9	15.6	9.9

1) IFRS
2) IFRS restated
3) Swiss GAAP FER
4) Proposed by the Board of Directors

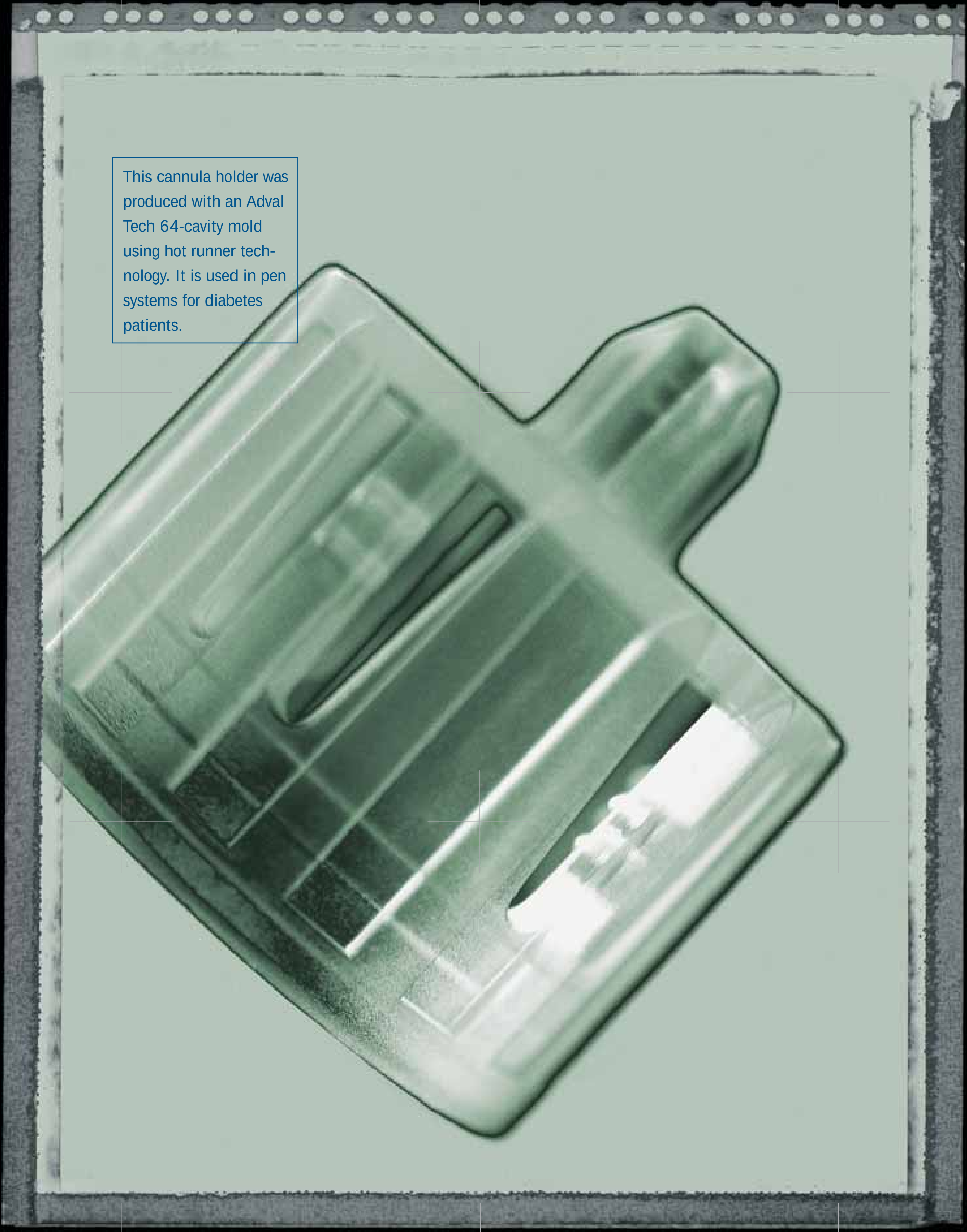
Responsible for the contents: Adval Tech Management Ltd, Niederwangen
Concept and copy: Zoebeli Communications AG, Bern
Design: Oliver Slappnig, Herrenschwanden
Photography: Croci & du Fresne, Worblaufen, Werner Tschan, Bern
Prepress: Lithwork Phoenix AG, Niederwangen
Printing: Benteli Hallwag, Bern

This annual report is available in German and English.
The German text is authoritative.

Total income at the Stamping and Forming Division exceeded the previous year's figure by 33%.



The Injection Molding Division achieved significantly better results than in the previous year.



This cannula holder was produced with an Adval Tech 64-cavity mold using hot runner technology. It is used in pen systems for diabetes patients.

DEAR SHAREHOLDERS:

The Adval Tech Group focused its attention on three objectives in the 2007 financial year: improving operating results, implementing the strategy adjustment to intensify market and customer penetration in the selected markets, and taking initial tangible steps to establish global distribution and manufacturing platforms. We have achieved all three core targets, and even exceeded the third.

Compared to the previous year's figures, the group's total income of CHF 348.6 million was CHF 72.8 million (+26%) higher. 75% of this increase was attributable to organic growth, 20% to acquisitions and 5% to currency translation effects. Compared with 2006, operating earnings before depreciation (EBITDA) of CHF 38.4 million exceeded by CHF 9.3 million (+32%). Adval Tech's profits actually more than doubled in 2007. The group reported operating earnings (EBIT) of CHF 15.5 million and net profit of CHF 8.3 million. We have thus taken another important step on the road to achieving the earnings targets we are aiming for in the medium term.

By completing the acquisition of QSCH Kft. in Hungary end of April 2007 and signing a share purchase agreement to acquire the Omni Group in Asia on January 14, 2008, we have achieved the global presence we were seeking earlier than expected. At the same time we have reinforced our components business as planned with these acquisitions and in particular given it a broader base in the automotive and consumer goods markets.

QSCH provides Adval Tech with major competitive advantages and excellent opportunities to intensify market and customer penetration, especially in the field of price-sensitive products. QSCH was founded as a component supplier to the automotive industry in Szekszárd, southern Hungary, in 2003. The company has developed very rapidly into a leading component supplier to the European automotive industry in selected markets. The core competencies of QSCH include stamping and forming sheet metal, coating and the manual assembly of modules. QSCH manufactures components for lamps and windshield wiper systems as well as engine housings with a workforce of about 200 employees. The integration of QSCH into the Stamping and Forming Division is proceeding in line with expectations to date, and our customers operating on a global scale have reacted very positively to this acquisition.

The acquisition of Omni will enable us quickly to achieve the growth we are aiming for in the plastics components business. However, this will only have an impact on the figures from the 2008 financial year on. The Singapore-based Omni Group, with almost 2,000 employees and six manufacturing plants – three in China (Shanghai, Suzhou and Xiamen) and one each in Thailand, Malaysia and Mexico – is one of Asia's leading suppliers in the field of injection molding.

Omni covers the entire value-adding chain in the same way as Adval Tech: from the support of the development of components through design and production of the necessary molds, component manufacturing and surface treatment, to assembly and just-in-time delivery. The Omni Group's existing management team will continue their successful work under the Adval Tech colors.

Adval Tech and Omni complement each other ideally. Together we are represented worldwide in all major market regions with wholly owned plants for producing plastics components. While Adval Tech manufactures components primarily for the automotive, medical technology and pharmaceutical industries, the emphasis at Omni is on applications for leading companies in the fields of information technology and consumer goods. We have sold our components chiefly in European markets to date, whereas Asia and North and Central America are the dominant markets for Omni. We aim to expand our market position worldwide through close cooperation between our injection molding companies –

AWM, Foboha, Teuscher and Omni. Omni's plants will also provide a platform for the manufacture of stamped and formed metal components in Asia and Mexico in future.

Since mid-2007 the unity of the different companies in our group has also been outwardly visible. We have standardized the existing company logos and linked them with the Adval Tech corporate name. This new approach has proved its worth in practice. The Adval Tech brand has encouragingly quickly gained a foothold in our regional markets, creating ideal conditions for convincing customers of our credentials as a supplier of solutions across a range of technologies in our main target markets – automotive, medical technology, consumer goods, optical media and information technology.

The Stamping and Forming Division (Styner+Bienz, QSCH) reported a further increase in total income of CHF 45.1 million (+33%) to CHF 182.5 million, following its good performance in the 2006 financial year. Almost 8% of total income for the year was attributable to acquisition-related growth. The division's operating earnings (EBIT) increased to CHF 7.5 million (+14%). The EBIT margin thus declined by 0.7 percentage points to 4.1%. Lower margins were due to costs incurred in connection with the integration of our new Hungarian subsidiary and restructuring charges in Switzerland and Brazil. While the closure of the Wolfwil plant and the consequent transfer of manufacturing operations depressed results in Switzerland, the large number of commissioning processes and the adjustment of of structures to substantial higher volumes were the reason in Brazil. Overall, the division has thus created the conditions for sustained growth. Excluding these exceptional items, the division developed positively.

By systematically focusing activities on the selected segments in the automotive market, the division was able to improve market penetration and gain a number of new customers while at the same time boosting customer penetration by acquiring various new orders from existing customers. In this respect we benefited in particular from the increased global focus of our group.

The Injection Molding Division (AWM, Foboha, Teuscher) achieved a considerable improvement in results in the year under review. Total income rose to CHF 166.1 million (+20%) and operating earnings (EBIT) to CHF 6.9 million (+CHF 6.4 million). However, the margin of 4.1% is still unsatisfactory.

AWM made some progress as a result of action taken in the field of human resources and adjustments made to the production layout in moldmaking, while Foboha benefited from its increased capacity due to high demand. In view of the efforts to expand market volume in the medical technology sector, Adval Tech concluded a strategic cooperation agreement in moldmaking with Ypsomed AG in Burgdorf. The objective of this agreement is to combine the respective strengths and core competencies of Ypsomed and Adval Tech and exploit them in the economical manufacture of high-quality products.

The division posted a striking increase in total income in the plastics components business. While our plant in Grenchen (medical technology) reported substantially higher sales and operating earnings, the trend in operating earnings at the Merenschwand plant (automotive market) lagged behind the sales trend. As expected, the implementation of the new strategy is proving more time-consuming here.

We achieved the global presence we were seeking earlier than expected.

WALTER GRÜEBLER

CHAIRMAN OF THE BOARD

JEAN-CLAUDE PHILIPONA

CHIEF EXECUTIVE OFFICER

At the Annual General Meeting on May 9, 2007, the company's shareholders elected Burgdorf-based entrepreneur Willy Michel to the Board of Directors. Willy Michel has held a 22% stake in our company's share capital since the end of January 2007. This addition to the board is especially valuable for our group, since Willy Michel has considerable know-how and experience in the medical technology sector, which is especially important for our future.

The past financial year was also the first test for the new group management team, which was reconstituted as of January 1, 2007 – for René Rothen as Head of the Stamping and Forming Division, Thomas Meyer as Head of the Injection Molding Division and Markus Reber as Chief Financial Officer.

The focus of attention for the Adval Tech Group in 2008 is the successful integration of the recently acquired companies Omni and QSCH. We aim to exploit systematically the potential synergies in terms of markets and manufacturing throughout the group and thus meet our customers' increasing core need for a global presence. In this context, we will establish a professional key account management system in order to further align our sales forces on markets and customers' needs. We also intend to grow organically and continue to improve our operating results.

We want to express our thanks to our employees for all their efforts, to our business partners for the good cooperative relationship and to you, our valued shareholders, for the confidence you show in us through your financial commitment.

Niederwangen, March 2008

Walter Grüebler, Chairman of the Board
Jean-Claude Philipona, Chief Executive Officer

AWM Plast Tech in Merenschwand produces mainly two-component parts for the automotive industry.

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 stamping and forming (metals) and injection molding (plastics). The group sees itself as a supplier and value-adding partner for companies operating on a global scale in selected industries where plastic, metal or composite components are manufactured or used in large volumes. With innovative solutions, the Adval Tech Group enables its customers to make continuous improvements to their products and processes.

Adval Tech covers the entire value chain: from design and development of volume components and subassemblies 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, consumer goods, optical parts and information technology sectors. Specialization by areas of expertise and product groups enables Adval Tech to respond rapidly and systematically to customers' requirements – wherever and however the specific projects have to be implemented. Adval Tech trades on the market under the names of Styner+Bienz, AWM, Foboha, Omni, QSCH and Teuscher.

In the automotive industry, for instance, one in three new vehicles worldwide is equipped with ABS housing covers from Styner+Bienz. Among other things, the Hungary-based QSCH Kft. manufactures components for lamps and windshield wiper systems as well as engine housings. Numerous automobile marques rely on two-component parts from AWM for insulating chassis cavities. Furthermore, AWM is still world market leader for molds used to manufacture optical storage media.

Among other things, Foboha develops and manufactures stack molds for producing interior door handles for the automotive industry, multi-component molds for mobile telephone covers and cube molds for the efficient and space-saving manufacture of shampoo packaging.

In the medical technology field Teuscher supplies, for example, backstops for disposable syringes as well as throat spray caps in production runs of millions.

In mid-January 2008 the Singapore-based Omni Industries Pte Ltd with its almost 2,000 employees became a member of the Adval Tech Group. Omni is one of Asia's leading suppliers in the field of injection molding. Three of its six manufacturing plants are in China (Shanghai, Suzhou and Xiamen) and one each in Thailand, Malaysia and Mexico. The emphasis at Omni is on information technology and consumer goods.

The Adval Tech Group focuses on selected markets in the automotive, medical technology, consumer goods, optical parts and information technology sectors.

GROUP STRUCTURE

Adval Tech Holding Ltd

Adval Tech Management Ltd

Stamping and Forming

100%	Styner+Bienz FormTech AG
100%	Styner+Bienz do Brasil Ltda.
100%	QSCH Kft.

Injection Molding

100%	AWM Mold Tech Ltd
100%	AWM Plast Tech Ltd
100%	AWM Plastpack Ltd
100%	AWM Swiss Technology Ltd
100%	AWM Mold Tech Trading (Shanghai) Co. Ltd
100%	AWM Mold Service US Inc.
100%	Foboha GmbH
100%	Foboha US Inc.
100%	Teuscher Kunststoff-Technik AG

As of January 1, 2008

GROUP MANAGEMENT

JEAN-CLAUDE PHILIPONA

CHIEF EXECUTIVE OFFICER

RENÉ ROTHEN

HEAD OF THE STAMPING AND FORMING DIVISION

EXECUTIVE BODIES

Board of Directors
Walter Grüebler, Chairman
Michael Pieper, Vice Chairman
Leonardo Attanasio
Hans Dreier
Willy Michel
Josef Reissner
Roland Waibel

Audit Committee: Roland Waibel, Hans Dreier
Nominations and Compensation Committee: Walter Grüebler, Michael Pieper

Group Management
Jean-Claude Philipona, Chief Executive Officer
René Rothen, Head of the Stamping and Forming Division
Thomas Meyer, Head of the Injection Molding Division
Hans Dreier, Head of Marketing and Logistics
Markus Reber, Chief Financial Officer

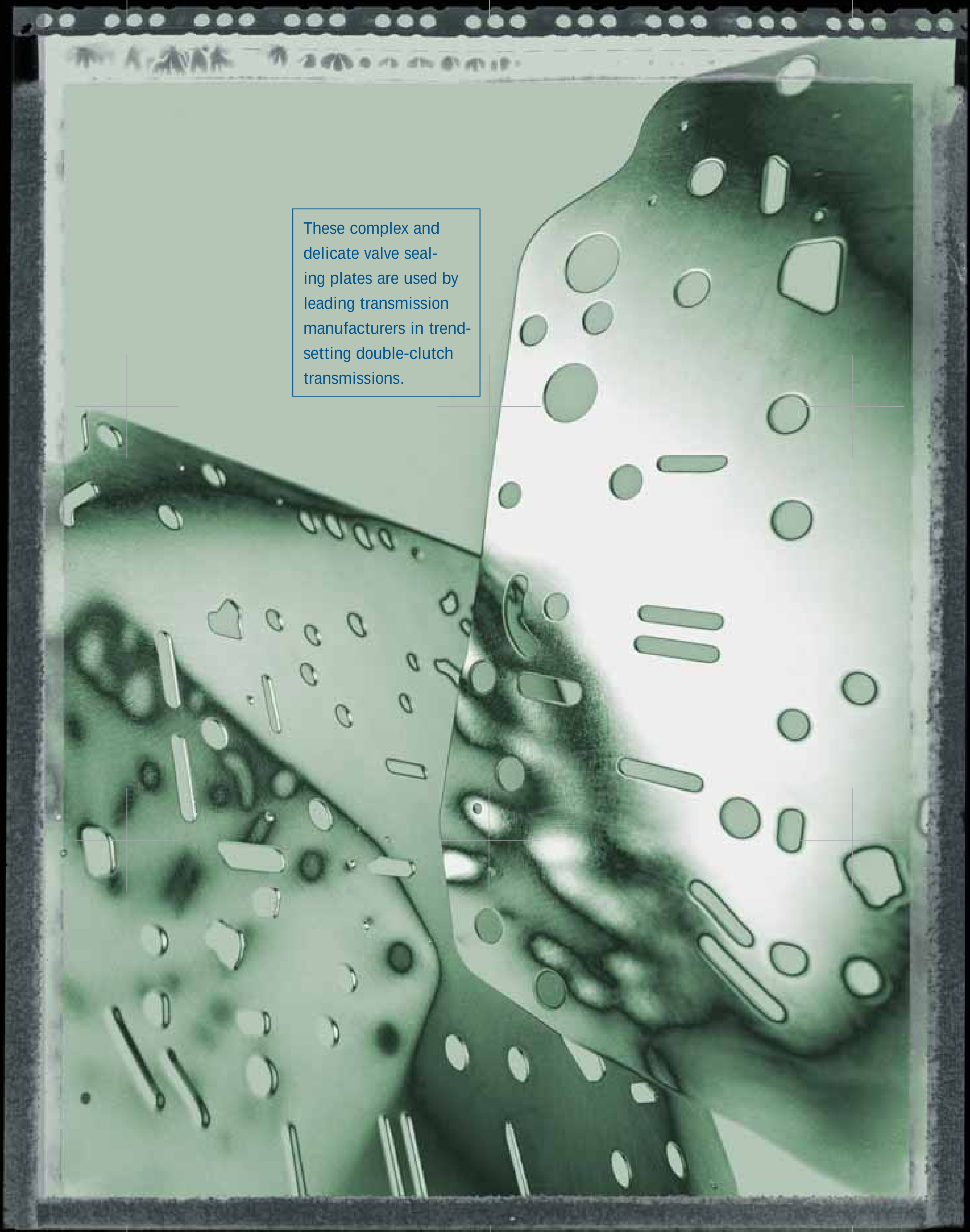
Statutory Auditors
PricewaterhouseCoopers Ltd, Bern

Group Auditors
PricewaterhouseCoopers Ltd, Bern


THOMAS MEYER
HEAD OF THE INJECTION MOLDING DIVISION


HANS DREIER
HEAD OF MARKETING AND LOGISTICS


MARKUS REBER
CHIEF FINANCIAL OFFICER



These complex and delicate valve sealing plates are used by leading transmission manufacturers in trend-setting double-clutch transmissions.

SUCCESS IN THE MARKETPLACE DUE TO STRATEGIC REFOCUSING

The Stamping and Forming Division benefited from strong demand in the automotive component supply industry and reported total income of CHF 182.5 million, exceeding the previous year's figure by 33%. EBITDA increased by CHF 0.8 million to CHF 17.4 million (+5%) and EBIT by CHF 0.9 million to CHF 7.5 million (+14%). QSCH Kft., acquired at the end of April 2007, contributed CHF 14.3 million to total income.

The decline in the EBIT and EBITDA margins was due primarily to the cost of integrating Hungarian subsidiary QSCH, relocation costs in Switzerland, restructuring costs in Brazil, as well as higher steel prices. The division also had to subcontract work in the second half of the year as a result of the unexpectedly high level of sales.

The automotive component supply industry remains the Stamping and Forming Division's main sales market. To date the division has supplied its customers' global operations entirely from its facilities in Switzerland and Brazil. Due to the acquisition of automotive component supplier QSCH Kft. in Hungary at the end of April 2007, the division now has a presence in Eastern Europe, which considerably improves its position on the global market. At the same time the acquisition of QSCH secured the division a foothold in interesting new applications. This cooperative relationship has already opened a number of doors on promising projects within a few months of being established.

THREE QUESTIONS

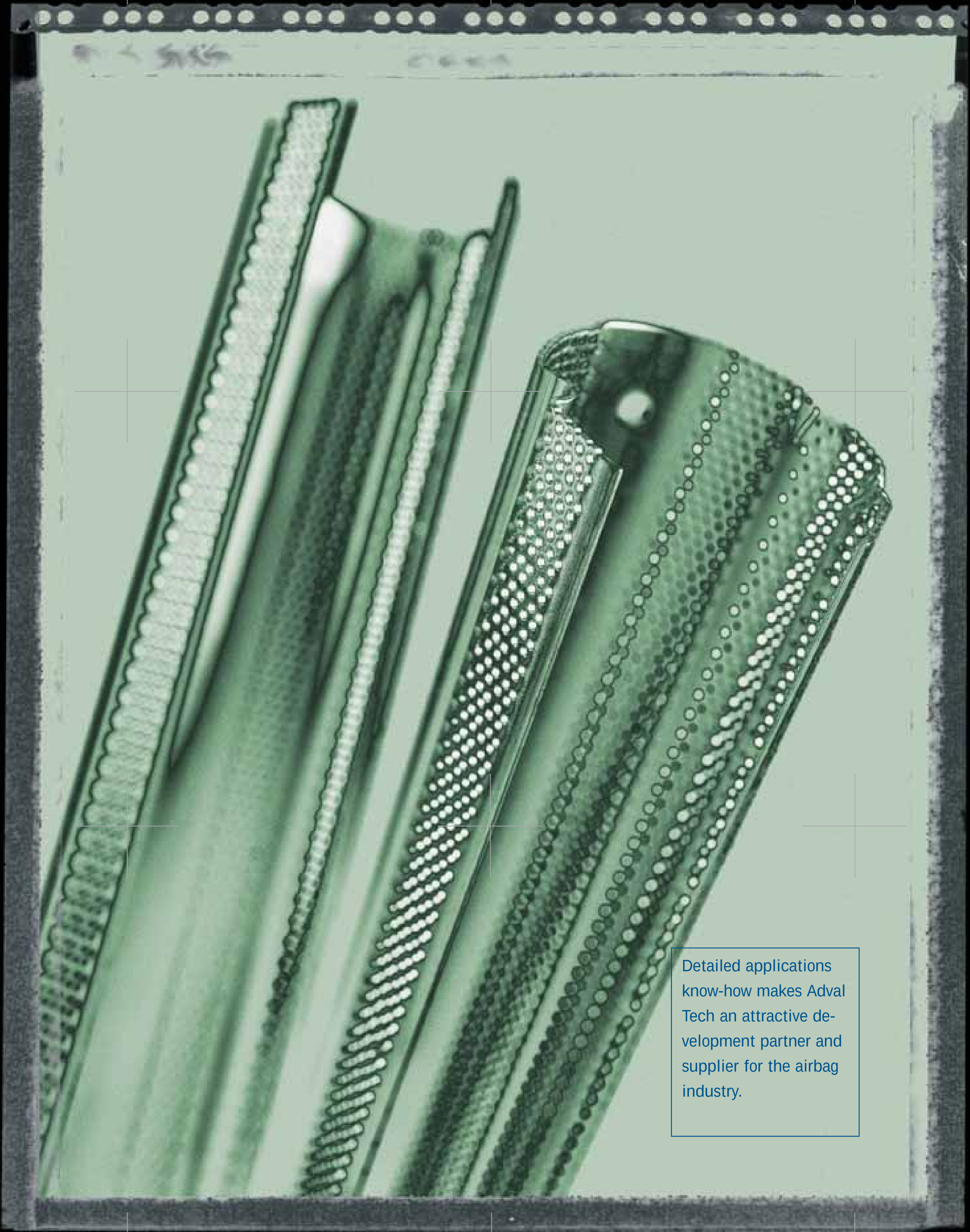
ADDRESSED TO RENÉ ROTHEN

HEAD OF THE STAMPING AND FORMING DIVISION

Will you be able to improve your division's EBIT margin in 2008? Yes, I believe so. No more substantial integration costs for the plant in Hungary and no further restructuring costs in Brazil should be incurred in 2008. Furthermore, the newly acquired projects will result in better utilization of our manufacturing resources. However, the project to streamline operating facilities in Switzerland is not yet complete; this will continue to depress the EBIT margin in 2008. Whether raw material prices will continue to rise is uncertain. We have to reckon with the possibility that we will be unable to pass on these price increases in full to our customers.

Are specific projects already in progress combining both technologies in the group – stamping and forming, and injection molding? We were awarded a contract of this nature in the field of steering systems in the year under review. Production is scheduled to start in the third quarter of 2008. This first example shows that there is certainly a need for composite components from a single source.

You aim to make further improvements in market and customer penetration. What are your priorities here in 2008? We are focusing on three topics in this respect. First, the establishment of global key account management. We want to serve existing customers worldwide systematically from a single source and also penetrate new application segments by offering the best price/performance ratio. This is where the new global production platforms now at our disposal will be of benefit to us. Second, closer cooperation with our affiliated Injection Molding Division; and third, increasing the awareness of our company in the relevant markets.



Detailed applications know-how makes Adval Tech an attractive development partner and supplier for the airbag industry.

Reinforced management team

Implementation of the adjustments made to the Stamping and Forming Division's strategy is making good progress. Customer and market penetration resulted in impressive successes on the market in core business segments. The division adjusted its organizational structure to the new strategic focus and reinforced the management team with this in mind. At the same time it pressed on with the project to streamline its operating sites in Switzerland. In order to exploit synergies more effectively and enhance efficiency, Styner+Bienz decided to concentrate manufacturing operations in Switzerland at three sites – Niederwangen, Uetendorf and Bern-Bümpliz – and to close the plant in Wolfwil by mid-2009. Some 70% of the projects handled in Wolfwil to date will be transferred to Uetendorf or Niederwangen. The remaining 30% will go to QSCH in Hungary. Styner+Bienz can offer a large number of the 70-strong workforce in Wolfwil alternative employment in Uetendorf, Niederwangen or Bern-Bümpliz.

Significant improvement in performance at the Swiss plants

Total income at the division's Swiss plants increased by 16% in the year under review. The most important elements of the product mix are components for steering systems, airbags, ABS and automobile lamps. The trend in sales of subassemblies for coffee machines is also encouraging. Both global suppliers of professional coffee machines are customers of the division.

Restructuring process in Brazil complete

Styner+Bienz recorded a further substantial increase in total income in Brazil. However, the striking growth during the past two years depressed operating profit. For example, the large number of new products commissioned resulted in special charges, and at the same time Styner+Bienz do Brasil had to adjust its organization to the increase in the size of the business. This restructuring process already bore fruit in the second half of 2007: results were considerably better than in the first six months. Furthermore, Styner+Bienz do Brasil gained a major new customer operating on a global scale in the fields of door and seat-belt systems. This also clearly opens up opportunities for the division's European plants.

Innovations

The revolutionary gas generator system with two combustion chambers for airbags, developed in cooperation with a customer, successfully came into production in the year under review. Together with another customer, Styner+Bienz has also developed a new filter assembly for use in diesel injection systems. This application will go into production in the spring of 2008.

Capital spending

The division invested a total of CHF 5.9 million in the year under review. Upgrading and expansion of manufacturing capacity accounted for most of this figure.

The division considerably improved its position on the global market.

Personnel

While there was little change in the number of employees in the Swiss plants and in Brazil compared with the previous year, some 200 new employees were added by the acquisition of QSCH. The division employed a total workforce of 805 at the end of 2007.

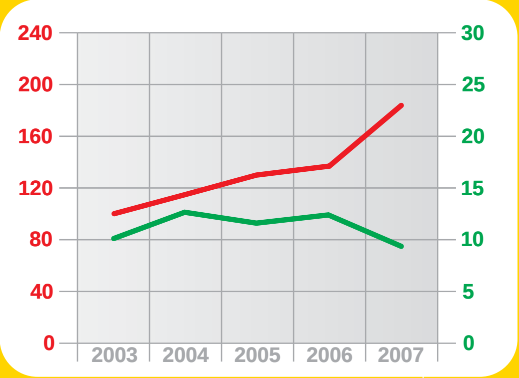
Outlook

The division is looking forward to the future with great confidence. Large numbers of new projects will commence in 2008, and others are likely to start contributing to sales revenues in 2009 or 2010. The division is currently studying the possibilities for local production in connection with the steering system project recently awarded by an American automobile manufacturer. The injection molding plant in Mexico that has now become part of the group through the acquisition of Omni also opens up new manufacturing options on the American continent in the stamping and forming sector.

FULLY ASSEMBLED LAMP-HOLDERS – AN EXAMPLE OF HOW ADVAL TECH ADDS

With this lamp-holder QSCH doesn't confine itself to producing the conductor tracks, it assures the customer of delivery of the complete subsystem just-in-time. QSCH equips the plastic holder with the metal conductor track, assembles the lamps manually, tests the system and delivers it on schedule.

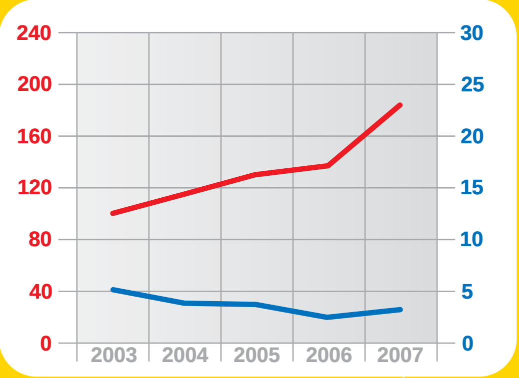
TOTAL INCOME AND EBITDA



Total income in CHF millions

EBITDA in % of total income

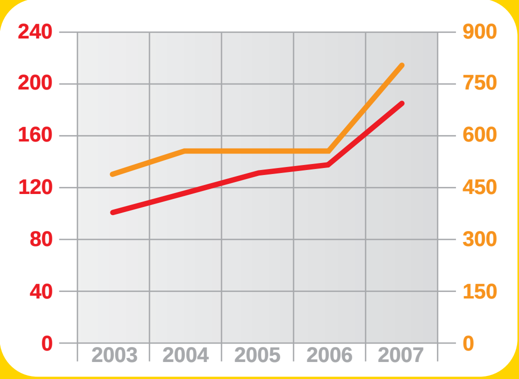
TOTAL INCOME AND CAPITAL EXPENDITURE



Total income in CHF millions

Capital expenditure in % of total income

TOTAL INCOME AND EMPLOYEES



Total income in CHF millions

Employees

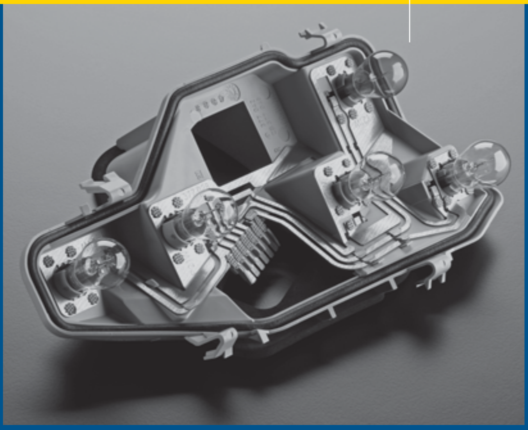
PERFORMANCE DATA AND EMPLOYEES

in CHF millions

	2003 1)	2004 2)	2005 3)	2006 3)	2007 3)
Total income	100.3	115.1	130.8	137.4	182.5
EBITDA	10.4	14.6	14.8	16.6	17.4
EBIT	3.3	2.7	3.0	6.6	7.5
Capital expenditure	5.2	4.5	4.9	3.2	5.9
Employees	485	553	553	553	805

1) Swiss GAAP FER
2) IFRS restated
3) IFRS

VALUE FOR ITS CUSTOMERS



The highest standards in terms of cleanness and microbiology are maintained during injection molding and assembly of these plastics components for syringe systems.

CONSIDERABLY IMPROVED OUTCOME WITH HIGH-PERFORMANCE MOLDS AND PLASTICS COMPONENTS

Total income of CHF 166.1 million at the Injection Molding Division (AWM, Foboha, Teuscher) exceeded the previous year's figure by 20%. EBITDA increased by CHF 7.8 million (+67%) to CHF 19.5 million and EBIT by CHF 6.4 million to CHF 6.9 million. Value adjustments on buildings depressed EBIT. The division recorded higher sales both in moldmaking and in the components business. However, the EBIT margin of 4.1% is still unsatisfactory.

AWM succeeded in broadening its customer base and substantially increasing its market share in a slightly improved business environment in the sector of molds for producing optical discs and their packaging. It is crucial for the market-leading manufacturers of optical discs to be able to produce large volumes in identical quality using uniform systems worldwide.

AWM also recorded higher sales of molds for manufacturing thin-wall food packaging and molds for bottle closures. Various actions such as the adjustment of the production layout in moldmaking operations had a positive impact on quality, defect-related costs and productivity. At the same time AWM pressed on with the establishment of a competence center for medical technology.

Strategic cooperation with Ypsomed

Adval Tech concluded a strategic cooperation agreement with Ypsomed, the prominent Swiss medical technology company, in June 2007. The objective of this agreement in moldmaking is to combine

THREE QUESTIONS ADDRESSED TO THOMAS MEYER

HEAD OF THE INJECTION MOLDING DIVISION

What action do you intend to take to improve your division's EBIT margin in 2008? The optimization of the layout and investments in automation in moldmaking operations in Muri in 2007 will have a positive impact on the EBIT margin. I see considerable potential for improvement in the optimization of project management. We aim to achieve productivity gains with shorter lead times and thus reduce quality-related costs at the same time. Furthermore we also want to reduce net current assets.

Do specific projects already exist for cooperation with Omni Industries? With this acquisition we now have production platforms at our disposal in major geographical growth markets, which customers operating on a global scale will undoubtedly appreciate. We have already elaborated appropriate initial offerings. At present, however, it is also important to define the global customers which shall be served jointly and to coordinate our range of products and services.

You aim to make further improvements in market and customer penetration. What priorities are you setting in this respect for 2008? We aim to broaden our customer base in our target markets medical und automotive. We need to boost our sales capacity to achieve this. We will establish a professional key account management system and expand our services further in order to improve customer penetration.

Qualified and validated injection processes ensure maximum process control for these needle protection caps, which are manufactured extremely economically using 128-cavity molds and hot runner technology.

the respective strengths and core competencies of Ypsomed and Adval Tech and exploit them in the economical manufacture of high-quality products.

Injection molds and the associated technology are of crucial importance for the efficient manufacture in faultless quality of Ypsomed's high-precision plastics components.

Expanded capacity at Foboha fully utilized

Foboha specializes in applications featuring two or more plastics components and is thus well-placed in the current trend for high-performance molds. In the year under review, Foboha completed various substantial projects using cube technology. The expansion of capacity concluded in spring 2006 enabled Foboha to benefit from strong demand. After the previous year's results were depressed by special charges in connection with the relocation of operations, the investments in highly automated machinery and systems in 2007 had a positive impact on results. However, Foboha had to buy in certain services in order to cope with the heavy level of demand.

Growing components business

The division's sales of plastics components increased by 21% compared with the previous year. The trend in operating earnings at the Merenschwand plant, which includes plastics components for the automotive industry among its products, lagged behind the sales trend. As expected, the implementation of the new strategy is proving more time-consuming here.

Expansion of the medical technology facility in Grenchen

By contrast, Teuscher Kunststoff-Technik AG, which specializes in medical technology, again reported substantially higher sales and operating earnings. The division completed the first stage of the expansion project for the medical technology facility in Grenchen. The neighboring property that had been acquired was renovated and equipped as a mold maintenance and engineering site. The space that has thus become available in the existing premises is now being used for component manufacturing. Planning is already in progress for the next expansion stage.

Marketing

The introduction of standardized AWM, Foboha and Teuscher brand logos and their combination with the Adval Tech umbrella logo element mid-2007 has proved its worth in practice – for example, in the shape of uniform appearances at trade fairs. The Adval Tech brand has quickly gained a foothold in the division's sales markets.

Capital spending

The division invested a total of CHF 16 million in the year under review. The main targets of investment included the expansion of the medical technology facility in Grenchen, the systematic further expansion of automation in moldmaking operations in Haslach and the adjustments and upgrades in moldmaking operations in Muri.

The introduction of standardized AWM, Foboha and Teuscher brand logos and their combination with the Adval Tech umbrella logo element has proved its worth in practice.

Personnel

The Injection Molding Division employed a workforce of 563 at the end of 2007, an increase of 5 employees. In the year under review AWM in particular undertook vigorous efforts in personnel and team development in the light of organizational adjustments and the efficient utilization of the new production layout.

It is currently very difficult to find qualified specialist personnel in Switzerland and Germany. Extensive programs to develop coming generations of technical personnel in-house pay off especially at such times.

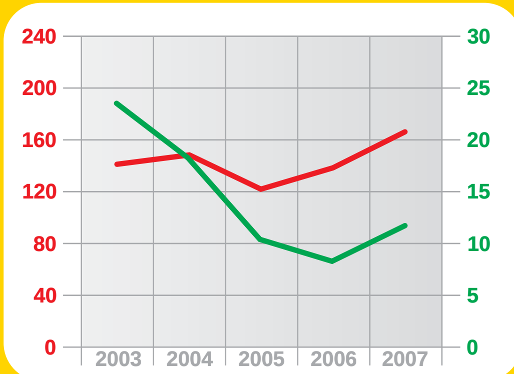
Outlook

In 2008 the focus for the Injection Molding Division is on systematically exploiting existing opportunities in its various markets. In addition, however, the division also has to implement the improvements in infrastructure and organization initiated in the year under review and achieve a further significant improvement in profitability. Last but not least, synergies with Omni Industries, which became part of the Adval Tech Group in January 2008, need to be exploited. The Singapore-based Omni Group with its three plants in China and one each in Thailand, Malaysia and Mexico, is one of the leading manufacturers of plastics components in Asia and America.

CONTOURED LENSES FOR SUNGLASSES – AN EXAMPLE OF HOW ADVAL TECH ADDS

Injection-molded lenses differ from conventional lens blanks in that they can be fitted in the spectacle frame without any subsequent finishing of the contour. However, since polymer materials have a tendency to be several thousandths of a millimeter thicker in their outermost edge zones, which has an adverse effect on their optical characteristics, the range of applications in this field has been relatively small to date. New mold technologies and optimized compression molding processes have now enabled AWM to achieve the crucial development step to volume manufacture in faultless quality of

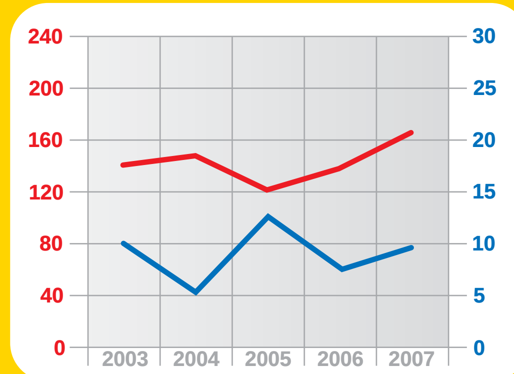
TOTAL INCOME AND EBITDA



Total income in CHF millions

EBITDA in % of total income

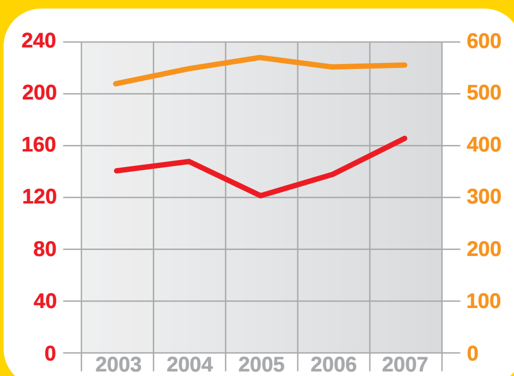
TOTAL INCOME AND CAPITAL EXPENDITURE



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

	2003[1]	2004[2]	2005[3]	2006[3]	2007[3]
Total income	141.6	149.0	121.2	138.5	166.1
EBITDA	33.4	27.1	12.5	11.7	19.5
EBIT	22.9	16.8	1.9	0.5	6.9
Capital expenditure	14.2	7.7	15.3	9.7	16.0
Employees	520	548	570	558	563

1) Swiss GAAP FER
2) IFRS restated
3) IFRS

VALUE FOR ITS CUSTOMERS

high-grade optical systems in plastics. Examples of this, besides contoured and precision lenses, are aspheric lenses, precision mirrors, waveguides, diffraction lens systems and complex free-form lenses.

These steering system components developed in Switzerland are produced by Styner+Bienz do Brasil for the automotive industry.

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, incorporated in Niederwangen, Switzerland, 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).

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, their ISIN number CH0008967926. The market capitalization of Adval Tech Holding Ltd on December 31, 2007, was CHF 284 million.

Adval Tech Management Ltd held a total of 245 shares of Adval Tech Holding Ltd on December 31, 2007; the remaining group companies hold no shares in Adval Tech Holding Ltd. The following companies are included in the scope of consolidation:

Company	Registered office	Share capital		Equity holding
Adval Tech Holding Ltd	Niederwangen, Switzerland	TCHF	7,300	
Adval Tech Management Ltd	Niederwangen, Switzerland	TCHF	100	100%
Styner+Bienz FormTech Ltd	Niederwangen, Switzerland	TCHF	3,050	100%
Styner+Bienz do Brasil Ltda.	São José dos Pinhais PR, Brazil	TBRL	939	100%
QSCH Termelö és Kereskedelmi Kft.	Szekszárd, Hungary	TEUR	12	100%
AWM Mold Tech Ltd	Muri (AG), Switzerland	TCHF	600	100%
AWM Plast Tech Ltd	Merenschwand, Switzerland	TCHF	600	100%
AWM Plastpack Ltd	Muri (AG), Switzerland	TCHF	600	100%
Teuscher Kunststoff-Technik Ltd	Grenchen, Switzerland	TCHF	2,000	100%
AWM Swiss Technology Ltd	Hong Kong, China	THKD	10	100%
AWM Mold Tech Trading (Shanghai) Co. Ltd	Shanghai, China	TUSD	200	100%
AWM Mold Service US Inc.	Beverly, MA, USA	TUSD	1	100%
Foboha Holding GmbH	Haslach, Germany	TEUR	25	100%
Foboha GmbH	Haslach, Germany	TEUR	512	100%
Foboha US, Inc.	Beverly, MA, USA	TUSD	1	100%

Two disclosures in conformity with Article 20 BEHG were made in the year under review.

Voting rights held by Rudolf Styner were amended to 14.1% on January 30, 2007, (publication in the SOCG dated February 2, 2007) and voting rights held by Willy Michel were stated at 22.0% on January 31, 2007 (publication in the SOCG dated February 5, 2007).

Shareholders holding more than 3% of the registered share capital (in accordance with Article 20 BEHG) recorded in the Commercial Register on December 31, 2007, are listed below.

- Willy Michel..22.0%
- Artemis Beteiligungen II AG...................20.3%
- Rudolf Styner 14.1%
- Hansruedi Bienz 10.5%
- Lombard Odier Darier Hentsch Fund Managers SA................................6.8%
- Sarasin Investment Fonds AG..................5.7%
- Einfache Gesellschaft Dreier 5.2%

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

The overall structure of shareholdings at December 31, 2007, was as follows:

Number of shares	Shareholders
1 to 100	348
101 to 1,000	51
1,001 to 10,000	6
More than 10,000	7
Total	**412**

Capital structure

- As of December 31, 2007, 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. The share capital is fully paid. With respect to restrictions on registration, reference is made to the section on stockholders' rights of co-determination (see page 33).

- As of December 31, 2007, there was no authorized or conditional capital, nor were any participation or dividend-right certificates, convertible bonds or options in issue.

- The shareholders' register is maintained by SAG SIS Aktienregister AG, Baslerstrasse 100, 4600 Olten, on behalf of Adval Tech Holding Ltd.

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

CHF	12/31/2007	12/31/2006	12/31/2005
Share capital	7,300,000	7,300,000	7,300,000
General reserves	9,500,000	9,500,000	9,500,000
Reserve for treasury stock	71,800	81,863	81,863
Free reserves	15,023,847	15,013,784	15,013,784
Share capital and reserves	*31,895,647*	*31,895,647*	*31,895,647*
Balance brought forward	40,314,884	39,534,218	33,185,173
Net profit for the year	3,839,183	2,970,666	11,459,045
Retained earnings	*44,154,067*	*42,504,884*	*44,644,218*
Total shareholders' equity	**76,049,714**	**74,400,531**	**76,539,865**

Board of Directors

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

- **Walter Grüebler** (Chairman), born 1942, Swiss; PhD (Econ.) St. Gall; member of the Executive Board of Alusuisse, Zurich (1990–1999), CEO of Sika AG, Baar (2000–2004), Chairman of Sika AG (since 2004); director since 1997, non-executive, term of office expires at the AGM for the 2008 fiscal year.

- **Michael Pieper** (Vice Chairman), born 1946, Swiss; MA (Econ.) St. Gall; owner and CEO of the Franke Group (since 1989); director since 2004, non-executive, term of office expires at the AGM for the 2009 fiscal year.

- **Leonardo Attanasio**, born 1942, German; MBA; CEO of Johnson Controls GmbH, Burscheid, Germany (1996–2004), Chairman of the Supervisory Board of Industriale Sud, Teramo, Italy (1997–2004), supervisory board of JC INSITU Beteiligungsgesellschaft mbH, Grefrath, Germany, independent consultant (since 2006); director since 2005, non-executive, term of office expires at the AGM for the 2007 fiscal year.

- **Hans Dreier**, born 1953, Swiss; MBA FH; executive director since 1988, Head of Marketing and Logistics at the Adval Tech Group, Niederwangen, term of office expires at the AGM for the 2008 fiscal year, further information on his professional career can be found under Executive management on page 31.

- **Willy Michel**, born 1947, Swiss; Dr. h.c.; CEO of Novo Nordisk Switzerland (1978–1984), co-founder, Chairman of the Board of Directors and CEO of Disetronic Ltd, Burgdorf (1984–2003), Chairman of the Board of Directors of Ypsomed Holding Ltd, Burgdorf (since 2003); director since 2007, non-executive, term of office expires at the AGM for the 2009 fiscal year.

- **Josef Reissner**, born 1939, Austrian; Prof. Dr. em.; Head of the Institute for Virtual Production at the Swiss Federal Institute of Technology, Zurich (1976–2004); director since 1997, non-executive, term of office expires at the AGM for the 2008 fiscal year.

New mold technologies and optimized compression molding processes enable Adval Tech to mass-produce high-quality optical systems from plastics.

- **Roland Waibel**, born 1958, Swiss; PhD; various executive positions at the Lonza Group, Basel, including Group-Controller, CFO and Senior Vice President, Corporate Development (1989–2006), CFO of the Omya Group, Oftringen (since 2006); director since 2005, non-executive, term of office expires at the AGM for the 2007 fiscal year.

Walter Grüebler is Chairman of the Board of Sika AG, Baar, and a director of the following companies: Quadrant AG, Lenzburg, Nationale Suisse, Basel, and Petroplus Holdings AG, Zug. He is also a member of the executive board of the Association of the Swiss Chemical Industry (Verband Schweizerische Chemische Industrie).

Michael Pieper is Chairman of Artemis Holding AG, Hergiswil, and its subsidiaries, and of Franke subsidiaries worldwide. He is also a director of the following companies: Berenberg Bank (Schweiz) AG, Zurich, Hero AG, Lenzburg, Feintool International Holding AG, Lyss, Forbo Holding AG, Baar, and ThyssenKrupp Stainless AG, Duisburg, Germany.

Willy Michel is Chairman of the Board of Directors of Ypsomed Holding AG, Burgdorf, and BV Holding AG, Bern.

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.

Ypsomed AG in Burgdorf and Adval Tech Holding Ltd signed an agreement on strategic cooperation in moldmaking in June 2007. The objective of this cooperative venture is to combine the respective strengths and core competencies of Ypsomed and Adval Tech and exploit them for the economically efficient manufacture of high-quality products.

The Adval Tech Group's business relationships with directors and officers or parties related to them are detailed in Note 37 of the financial reports on page 81.

The Articles of Incorporation and the regulations governing the organization and conduct of business of Adval Tech Holding Ltd can be found on the Internet at www.advaltech.com/en/4-investors/index.html.

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. The Articles of Incorporation include no provisions regarding an age limit for directors.

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 performs the following duties: specifying the framework of the mission statement, strategic focus and objectives as well as medium-term planning and the annual budget for group management; defining the group organization; appointing and dismissing the CEO and other members of group management; ensuring operational management of the group; drawing up the annual report; approving the budget and medium-term planning; preparing the annual general meeting. The Board of Directors executes the motions adopted by the annual general meeting and supervises the practical realization of the mission statement and the implementation of the strategy as well as the course of business. It also oversees finance and accounting matters and approves the material transactions for which it is solely responsible according to the allocation of authority in effect. These include in particular corporate acquisitions or disposals, contracts regarding strategic cooperation and joint ventures.

The Board of Directors can delegate the preparation, execution and supervision of its duties to committees or individual directors. It has formed an Audit Committee and a Nominations and Compensation Committee for this purpose. The composition of the board committees is as follows: Audit Committee: Roland Waibel (Chairman), Hans Dreier. Nominations and Compensation Committee: Walter Grüebler (Chairman), Michael Pieper.

The duties, authority and responsibilities of the Board of Directors and the board committees are stipulated in the regulations governing the organization of Adval Tech Holding Ltd. The Board of Directors meets as often as business requires, but at least four times a year, with the Chairman presiding. Six meetings were held in 2007. Board meetings usually last half a working day.

The Audit Committee is responsible for reviewing the annual financial statements and other financial information. It discusses the results of audits with the external auditors, reviews the internal control system, risk management and compliance with laws and directives. On the application of the CFO it approves the budget for auditing fees and assesses the compatibility of auditing activities with other advisory mandates. The Audit Committee submits a proposal to the Board of Directors for the attention of the annual general meeting regarding the election of auditors. The CFO and if necessary the CEO usually attend the meetings in a consultative capacity. The Audit Committee meets as often as business requires, but at least twice a year. Three meetings were held in 2007. The meetings usually last two to four hours.

The Nominations and Compensation Committee prepares personnel planning at board and group management level. This includes specifying the criteria for candidate searches and preparation of their selection as well as succession planning and talent development. It assesses the performance of group management for the attention of the Board of Directors and stipulates the remuneration of group management. It also submits proposals for the compensation of the Board of Directors. The Nominations and Compensation Committee meets as often as business requires, but at least once a year. The CEO usually attends its meetings in a consultative capacity. Two meetings were held in 2007. The meetings usually last one to two hours.

The Board of Directors informs itself periodically, usually monthly, by means of a written report, regarding the course of business in the group, the degree to which objectives have been achieved and the actions foreseen for this purpose. The monthly report contains information on the current course of business in the major group companies and the group as a whole (key figures from the income statement and the balance sheet, information on capital expenditure, with additional comments), the status of important projects and major developments on the markets. The Board arranges to be informed as necessary about the progress of strategic projects. In addition to these written reports, the CEO, and if necessary other 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 writing in good time prior to the meeting. Cooperation with the auditors is described on page 34.

The Board of Directors has delegated the management of the operating business with regard to achieving the strategic objectives and fulfilling the medium-term plans and budgets 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.

Executive management
The executive management team of the Adval Tech Group (group management) as of January 1, 2008:

- **Jean-Claude Philipona**, born 1953, Swiss; with Adval Tech since 1997; Chief Executive Officer; MA (Econ.) Zurich.
  Career: executive management consultant, focusing on strategy, organization and controlling at PricewaterhouseCoopers in Bern and its predecessor organizations (1982–1989); CFO and member of executive management at Papierfabrik M-Real AG in Biberist and its predecessor organizations (1989–1997); joined the Adval Tech Group as CFO in anticipation of the IPO, CEO since January 1, 2001. Member of the executive committee of Swissmem, director of Crealogix Holding AG.

- **Hans Dreier**, born 1953, Swiss; with Adval Tech since 1982; Head of Marketing and Logistics; MBA FH.
  Career: project manager, then systems manager at Honeywell Bull, Düsseldorf, Germany (1980–1982); joined Styner+Bienz as Head of Information Technology, as of 1984 Head of Sales and Marketing, since 1997 member of group management in his current position.

- **Thomas Meyer**, born 1967, Swiss; with Adval Tech since 1998, Head of the Injection Molding Division, MBA FH.
  Career: auditor with PricewaterhouseCoopers and its predecessor organizations, Aarau (1993–1995); CFO of the Holderbank Management und Beratung AG, Zurich (1995–1998); joined AWM Mold Tech, since 1999 as Head of Finance, Controlling and Services of the Injection Molding Division, since 2001 also Deputy Head of Division, since 2006 General Manager of AWM Mold Tech Ltd, since January 1, 2007, Head of Division.

- **Markus Reber**, born 1963, Swiss; with Adval Tech since 2002, Chief Financial Officer, MBA FH.
  Career: controller and CIO at ABB-MMD Robotics AG, Deitingen (1989–1993), Commercial Manager of ABB Fläkt AG, Lucerne (1993), Head of Finance and Administration in the Repair unit of Swisscom AG, Bern (1993–1997), Head of Finance and Controlling in the Service and Repair unit of Swisscom AG, Bern (1997–2000), Head of Finance and Central Services at the Feusi-Bildungszentrum, Bern (2000–2002). Joined Adval Tech as Group Controller, CFO since January 1, 2007.

- **René Rothen**, born 1959, Swiss, with Adval Tech since 2007, Head of the Stamping and Forming Division, Grad. Eng. HTL.
  Career: head of product development, machine tool manufacturing at EWAG AG, Etziken (1983–1993), various executive positions at Saia-Burgess in Murten (1993–2006), including Head of Operations, Switzerland and Hungary, and finally also as CEO of a subsidiary in the US. Joined Adval Tech as Head of Division.

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.

There are no management contracts between Adval Tech Holding Ltd or any of its group companies and third parties.

Both global suppliers of professional coffee machines are customers of Styner+Bienz.

Remuneration, equity holdings and loans

The Appointments and Compensation Committee proposes the remuneration of the Board of Directors and defines the compensation of group management.

Remuneration is defined so as to conform with market rates for the position in question and to reflect the qualification, professional experience and performance of the individual concerned. The remuneration of the Board of Directors consists of a fixed fee, an attendance fee and a lump sum to cover expenses. The total remuneration of the members of the Board of Directors is disbursed in cash.

The remuneration of the members of group management consists of a fixed component and a variable component. The fixed component consists of a basic salary, a lump sum to cover expenses and fringe benefits (company car). The variable component depends on business performance and the achievement of individual targets.

The amount of the performance-related component is defined by the Appointments and Compensation Committee. Both the fixed and the variable remuneration is disbursed to the members of group management in cash.

The remuneration and equity holdings of directors and officers are listed in accordance with Art. 663b bis of the Swiss Code of Obligations in the appendix to the financial reports of Adval Tech Holding Ltd on page 86 of the annual report.

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 June 24, 2004, 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. In 2006 the Board of Directors granted an exception in favor of Artemis Beteiligungen II AG, which acquired its holding from Franke Holding AG in the second half of 2005. Beneficial ownership remained unaffected by this transaction. On January 30, 2007, the Board of Directors permitted an exception in favor of Willy Michel, which was granted in connection with a cooperation agreement. Furthermore, 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, Einfache Gesellschaft Dreier). Fiduciary entries in the shareholders' register are only possible without voting rights. The Articles of Incorporation of Adval Tech Holding Ltd regarding 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. Shareholders representing shares with a par value of not less than CHF 1 million can request the inclusion on the agenda of items for discussion. This request must be submitted to the Board of Directors up to 45 days prior to the annual general meeting with details of the item for discussion and the motion proposed. There are no regulations differing from the Swiss Code of Obligations regarding the convening of a general meeting.

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. The provisions of the Articles of Incorporation governing attendance at the AGM comply with the Swiss Code of Obligations.

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. The contracts of employment of directors and officers also include no clauses relating to change of control.

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. Peter Wittwer acts as lead auditor (since 2004). 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 2007 totaled CHF 197,000. PricewaterhouseCoopers AG were also paid CHF 131,000 in 2007 for legal and tax consulting services as well as support on projects.

The auditors usually report their audit findings in writing to the Board of Directors and the Audit Committee. The written report is submitted in the form of an audit report, insofar as legally stipulated in an explanatory report and by Management Letters. The significant findings and recommendations in the auditors' reports are discussed in detail with the Audit Committee, the Board of Directors as a whole and group management. The auditors also attended three meetings of the Audit Committee in 2007 in order to explain the results of their audit. A detailed management report was drawn up by the auditors on each occasion to summarize the results of the interim audit and the audit of the annual financial statements; this served as the basis for explanations to the Audit Committee and the Board of Directors as a whole.

The Audit Committee reviews the audit concept annually and stipulates the audit schedule after consultation with the auditors and the Chairman of the Board of Directors, and agrees the relevant fees. The committee also periodically reviews the compatibility of the audit mandate with any other consulting contracts.

Information policy

Adval Tech attaches great importance to pursuing an open information policy and maintaining contacts with investors, financial analysts, business journalists and other interested parties. CEO Jean-Claude Philipona and CFO Markus Reber are available to these target groups as the persons to contact directly.

Adval Tech publishes its results in an annual report and a semi annual report, and also in press releases. A results press conference and a presentation to financial analysts are also held to explain the annual results. The annual and semi annual reports can be accessed on the Adval Tech Group's Website or can be ordered from the company in printed form.

The company's official publication medium is the Swiss Official Commercial Gazette (SOCG). Publications in connection with maintaining the listing of the registered shares on the SWX Swiss Exchange are made in conformity with the listing regulations of the SWX Swiss Exchange. This can be accessed at www.swx.com (Admission).

Detailed information regarding disclosure reports can be accessed at www.swx.com, Search "ADVN", Issuer Details, Major Shareholders.

Important events are announced in compliance with the ad hoc publicity requirements of the SWX Swiss Exchange and made public (so-called push and pull system).

Information on transactions with the company's shares by the Board of Directors and group management are published continuously at www.swx.com, Search “ADVN”, Issuer Details, Management Transactions.

The press releases published by the company, the Articles of Incorporation and the regulations governing the organization and conduct of business of Adval Tech Holding Ltd can be accessed on the Internet at www.advaltech.com. Press releases published by Adval Tech can also be ordered for delivery free of charge and promptly via an e-mail distribution service on the Website.

Contact:
Jean-Claude Philipona
Chief Executive Officer

Markus Reber
Chief Financial Officer

Phone +41 31 980 84 44
www.advaltech.com

Agenda:
General meeting of shareholders 2008:
Thursday, April 24, 2008.

Announcement of the results for the first half of 2008: Beginning of September 2008.

FINANCIAL REPORTS OF THE ADVAL TECH GROUP FOR 2007

CONSOLIDATED BALANCE SHEET

CHF 1,000	Notes	12/31/2007	12/31/2006
Liquid assets		19,451	22,904
Trade accounts receivable	4	48,702	39,682
Other receivables	5, 35	10,790	6,304
Inventories and work in progress	6	73,431	62,647
Tangible fixed assets for disposal	8	5,043	0
Prepaid expenses and accrued income	7	3,450	3,546
Total current assets		**160,867**	**135,083**
Tangible fixed assets	8	153,906	150,907
Financial assets	10	2,152	1,075
Intangible assets	11	9,013	3,810
Pension assets	17, 24	421	0
Deferred tax assets	18	1,026	747
Total fixed assets		**166,518**	**156,539**
Total assets	30	**327,385**	**291,622**
Trade accounts payable	12	29,789	24,727
Short-term interest-bearing liabilities	13, 16	6,144	11,755
Other short-term liabilities	14, 35	16,268	13,622
Accrued expenses		16,457	13,333
Short-term provisions	17	3,554	2,519
Accrued current income taxes		2,399	20
Total short-term liabilities		**74,611**	**65,976**
Long-term interest-bearing liabilities	15, 16	107,440	87,621
Long-term non-interest-bearing liabilities	17, 24	1,894	1,470
Long-term provisions	18	14,200	14,293
Deferred tax liability			
Total long-term liabilities		**123,534**	**103,384**
Total liabilities	30	**198,145**	**169,360**
Share capital	19	7,300	7,300
Capital reserves		57,324	57,324
Treasury stock		-72	-82
Translation differences		1,897	-363
Hedging reserves		-1,401	0
Retained earnings		64,192	58,083
Total shareholders' equity		**129,240**	**122,262**
Total liabilities and shareholders' equity		**327,385**	**291,622**

The attached explanatory notes are an integral part of the consolidated annual financial statements of the Adval Tech Group.

CONSOLIDATED INCOME STATEMENT

CHF 1,000	Notes	2007	2006
Net turnover	21, 30	**330,351**	**270,422**
Change in inventories of semi-finished and finished goods		8,601	-3,778
Own work capitalized		1,038	1,415
Other operating income		8,565	7,706
Total income	30	**348,555**	**275,765**
Cost of materials and services	22	-151,847	-108,463
Personnel expenses	23	-107,810	-97,907
Other operating expenses	25	-50,461	-40,279
Operating expenses		**-310,118**	**-246,649**
Operating earnings before depreciation (EBITDA)	30	**38,437**	**29,116**
Depreciation on tangible fixed assets	8	-22,314	-21,379
Depreciation on intangible assets	11	-665	-476
Depreciation		**-22,979**	**-21,855**
Operating earnings (EBIT)	30	**15,458**	**7,261**
Financial income	26	4,335	2,912
Financial expenses	26	-8,641	-5,646
Net financial income		**-4,306**	**-2,734**
Net profit before income taxes		**11,152**	**4,527**
Income taxes	27	-2,864	-548
Net profit		**8,288**	**3,979**
Earnings per share (CHF)			
Undiluted	28	22.72	10.91
Diluted		22.72	10.91

The attached explanatory notes are an integral part of the consolidated annual financial statements of the Adval Tech Group.

CONSOLIDATED CASH FLOW STATEMENT

CHF 1,000	Notes	2007	2006
Net profit		**8,288**	**3,979**
Depreciation on tangible fixed assets	8	22,314	21,379
Depreciation on intangible assets	11	665	476
Increase (+) / decrease (-) in long-term and short-term provisions		965	-653
Increase (+) / decrease (-) in provision for deferred taxes		-42	-290
Gain (-) / loss (+) on sales of tangible fixed assets		-357	-85
Negative goodwill from acquisition		0	-410
Cash provided by operating activities before change in net current assets		**31,833**	**24,396**
Increase (+) / decrease (-) in receivables		-11,401	-3,355
Increase (+) / decrease (-) in inventories		-9,404	-8,144
Increase (+) / decrease (-) in prepaid expenses and accrued income		127	2,560
Increase (+) / decrease (-) in short-term liabilities		7,369	13,910
Cash provided by operating activities		**18,524**	**29,367**
Capital expenditure	8, 30	-22,571	-13,976
Income from sales of tangible fixed assets		2,028	758
Increase (-) / decrease (+) in financial assets	10	-1,145	1,090
Increase (-) / decrease (+) in intangible assets	11, 30	-477	-1,351
Purchase of equity holdings (less liquid assets)		-8,141	-239
Cash used for investing activities		**-30,306**	**-13,718**
Free cash flow		**-11,782**	**15,649**
Dividends paid	31	-2,190	-5,110
Purchase (-) / sale (+) of treasury stock		20	0
Increase/decrease in short-term/long-term debt		10,616	1,419
Cash provided by financing activities		**8,446**	**-3,691**
Translation differences		-117	9
Changes in liquid assets		**-3,453**	**11,967**
Liquid assets on December 31		19,451	22,904
Liquid assets on January 1		22,904	10,937
Change in liquid assets		-3,453	11,967

The attached explanatory notes are an integral part of the consolidated annual financial statements of the Adval Tech Group.

The cash outflows in the year under review for taxes and interest on borrowings as well as cash inflows from interest income are set out in explanatory note 29.

SHAREHOLDERS' EQUITY

CHF 1,000	Share capital	Capital reserves	Treasury stock	Translation differences	Hedging	Retained earnings	Total shareholders' equity
At January 1, 2006	**7,300**	**57,324**	**-82**	**-1,247**	**0**	**59,214**	**122,509**
Dividends	0	0	0	0	0	-5,110	-5,110
Purchase/sale of treasury stock							0
Change translation difference	0	0	0	884	0	0	884
Net profit for the year	0	0	0	0	0	3,979	3,979
At December 31, 2006	**7,300**	**57,324**	**-82**	**-363**	**0**	**58,083**	**122,262**
Dividends	0	0	0	0	0	-2,190	-2,190
Purchase/sale of treasury stock	0	0	10	0	0	11	21
Change translation difference	0	0	0	2,260	0	0	2,260
Hedging currency risks	0	0	0	0	-1,401	0	-1,401
Net profit for the year	0	0	0	0	0	8,288	8,288
At December 31, 2007	**7,300**	**57,324**	**-72**	**1,897**	**-1,401**	**64,192**	**129,240**

The attached explanatory notes are an integral part of the consolidated annual financial statements of the Adval Tech Group.

The item included in shareholders' equity for hedging currency risks is related to the acquisition of Omni Investors Pte. Ltd., completed in January 2008.

The non-distributable reserves in group shareholders' equity totaled CHF 12.1 million in the year under review (CHF 12.4 million in 2006).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPLES OF CONSOLIDATION AND VALUATION

1.1 Accounting principles

The consolidated financial statements are based on the financial statements drawn up by the individual group companies in accordance with uniform principles at balance sheet date.

They have been prepared in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The consolidated financial statements provide a true and fair view of the company's financial position, results of operations and cash flows.

The consolidated financial statements are based in principle on the lower of acquisition/manufacturing cost or market value. This excludes financial assets available for disposal, financial assets and liabilities held for trading purposes as well as derivative financial instruments stated in the balance sheet at market value. Assets and liabilities are valued individually.

Preparing the consolidated financial statements in conformity with the applicable reporting standards calls for estimates and assumptions to be made which influence the figures stated for assets and liabilities as well as contingent claims and liabilities on balance sheet date and income and expenses in the period under review. Actual results can differ from these estimates. Items including substantial estimates are inventories (analysis of turnover), tangible fixed assets (useful lives), intangible assets (useful lives, impairment calculations), provisions and deferred taxes (recognition for tax loss carry-forwards).

The following new and revised standards and interpretations have been applied when preparing the annual financial statements for 2007: IFRS 7 and the amendments to IAS 1. These have resulted in additional disclosures without having any impact on the group's financial position and cash flows. The new IFRIC publications (7, 8, 9, 10) have also been taken into account when drawing up the financial statements. They had no impact.

The following new and revised standards and interpretations have not been applied in advance when preparing the annual financial statements for 2007: IFRS 2, IFRS 3, IFRS 8, IAS 1, IAS 23, IAS 27, IAS 32, IFRIC 11, 12, 13, 14. We believe that the current segmentation complies with IFRS 8. Any impact of the new and revised standards will be clarified in 2008.

1.2 Consolidation principles

Capital consolidation is performed according to the purchase method.

Subsidiaries and investment holdings are included in the scope of consolidation from the date of acquisition or incorporation. Assets and liabilities are valued at the relevant market value on that date. Any positive difference between the purchase price and the shareholders' equity of the acquired company remaining after revaluation is capitalized as goodwill. Any negative difference (negative goodwill) is credited directly to the income statement on the date of acquisition. Goodwill carried on the balance sheet is not amortized, but is subject to an annual impairment test. Any impairment is charged to income.

Companies are included in the consolidation according to the following **methods**:

- Companies in which Adval Tech Holding Ltd holds a direct or indirect voting interest of **more than 50%** and/or exercises management and control are fully consolidated. In such cases, assets and liabilities, expenses and income are included in full in the consolidated financial statements. If appropriate, minority interests of other shareholders in net assets and net profit are segregated and stated separately. Accounts receivable, accounts payable, income and expenses between group companies are mutually offset. Intragroup profits or losses on intercompany deliveries are eliminated via the income statement.

- Associated companies over which the group exercises significant influence, but neither controls nor manages, are included in the consolidated financial statements using the equity method. This is usually the case with investments in which Adval Tech holds an interest of **20% to 50%.** The share of profits and shareholders' equity attributable to the Adval Tech Group is then included.
- Investments over which Adval Tech exercises no significant influence, usually holding interests of **less than 20%,** are included in the balance sheet at market value.

The companies included in the consolidation and the exchange rates applied are listed in explanatory note 3 to the consolidated financial statements.

1.3 Foreign currency translation

The consolidated financial statements are drawn up in Swiss francs (CHF), the reporting currency of the Adval Tech Group. The items included in the financial statements of the individual group companies are stated in the currency of the economic region in which the company primarily operates (functional currency).

The group applies the following principles in respect of foreign *currency translation*:

- The balance sheets of companies which do not prepare their financial statements in the group's reporting currency are translated at year-end exchange rates, their income statements at average rates for the year. The differences arising from translation are directly credited or debited to shareholders' equity.
- Gains or losses on currency transactions by the companies are posted to the income statement.
- Exchange rate differences arising on loans granted to group companies by the parent company for long-term financing of investments are posted directly to shareholders' equity if the loan was granted in the book currency of the lender or the borrower.

1.4 Financial accounts receivable and payable

Financial accounts *receivable and payable* are valued as follows:

- Loans granted, receivables from finance lease transactions, customers, credit balances, prepaid expenses and accrued income as well as assets held to maturity are valued in principle at remaining acquisition cost. Any value adjustment is made via the income statement if impairment is recognized.
- Trade accounts payable, accrued expenses as well as short-term and long-term financial liabilities are valued at remaining acquisition value.
- Derivative financial instruments are always stated at market value. Adjustments to market value are made via the income statement or in certain cases with no impact on income (hedge accounting).

1.5 Liquid assets

Liquid assets include cash, credit balances on postal and bank accounts as well as time deposits maturing within 90 days and readily marketable securities. Bank accounts with negative balances are included in short-term liabilities.

1.6 Receivables

This item includes trade accounts receivable and other short-term receivables. The latter also include time deposits maturing in more than 90 days and that portion of long-term assets maturing within one year.

1.7 Inventories and work in progress

Inventories and work in progress are stated at the lower of acquisition/manufacturing cost or realizable value. Costs are calculated using the weighted average price method. Manufacturing costs include direct personnel expenses and cost of materials as well as the relevant share of overheads. Inventory risks are identified by means of coverage analyses and individual observation, and provisions made accordingly. Long-term orders with individual contract values of more than CHF 0.5 million are stated according to the percentage-of-completion method. Income and costs are taken into account according to the degree of completion. The degree of completion is calculated by establishing the ratio of the costs incurred for the services rendered up to the relevant balance sheet date to the costs expected for the order as a whole. Discounts are included in financial income.

Orders for which advance payments made by customers are less than the value of work in progress are included in the balance sheet as net assets in the work in progress, item. If advance payments for an order are larger than the value of the work performed, the corresponding net liability is stated as advance payments by customers.

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost less accrued depreciation, which is calculated using the straight-line method on the basis of estimated useful life. In the case of buildings we apply a useful life of 30 to 40 years, for machinery, equipment and fixtures 5 to15 years, for especially long-lived machinery up to 25 years, for office equipment and machinery including computer hardware and software 3 to 10 years. Interest on borrowings arising from the establishment of new tangible fixed assets is included as expenditure in the period in which it is incurred. Repair and maintenance expenses are charged to income. Extensive equipment overhauls are only capitalized if they result in measurable capital appreciation in the form of higher performance or longer useful life.

1.9 Financial assets

Financial assets consist of investment holdings consolidated using the equity method, other investments, securities in the nature of long-term investments, receivables from finance leases and long-term loans to third parties.

1.10 Intangible assets

Acquired patents, licenses and trademarks are valued at acquisition or manufacturing cost if their earnings potential can be reliably estimated and they fulfill the further criteria for capitalization in conformity with IAS 38. Other identifiable intangible assets arising from acquisition, such as customer relationships or orders in hand, are stated at current value. These intangible assets are amortized using the straight-line method over their expected useful life, not exceeding 10 years.

Goodwill arising from the acquisition of assets or a company is included under intangible assets. Goodwill arising from acquisitions prior to the change to IFRS has been offset directly against shareholders' equity.

Research costs are charged to income. Expenditure on development projects is capitalized and amortized over their expected useful life, not exceeding five years, if their earnings potential can be reliably estimated and they fulfill the further criteria for capitalization in conformity with IAS 38.

1.11 Leasing of capital goods

Capital goods financed by long-term leasing contracts (finance leases) are capitalized and amortized over their useful life. The corresponding leasing commitments are included under short-term or long-term liabilities.

1.12 Impairment of assets

If there is evidence of impairment of assets, their realizable value is estimated. The realizable value of goodwill is reappraised annually. Impairments are posted to income if the book value of an asset is higher than its realizable value; this is the higher of the net disposal value and the useful value of an asset, which corresponds to the net present value of the estimated future cash flow.

1.13 Short-term liabilities

Trade accounts payable and other liabilities are regarded as short-term if they mature in less than one year. This item also includes that portion of long-term liabilities that is due for repayment within one year.

1.14 Provisions

Warranties, risks, impending losses and restructuring costs are included in provisions. These provisions relate exclusively to transactions originating in the past. The size of the provisions reflects the probable future outflow of funds which can be reliably estimated. Provisions are stated at net present value if the related outflow of funds is expected to occur more than one year after balance sheet date. Net present values are adjusted via financial expenses.

1.15 Shareholders' equity

The following distinctions are made in respect of reserves:

- The difference between shareholders' equity and the original cost of the investment holdings stated in the context of the uniform valuation of assets and liabilities on January 1, 1996, is posted to capital reserves. The share premium arising from increases in share capital is also included here.
- Retained earnings include all profits generated by the group itself since January 1, 1996, and not distributed.
- The impact of hedging transactions is stated in a separate item.

1.16 Income recognition

Income is recognized when it is certain that the financial benefit associated with the transaction will accrue to the company and can be reliably estimated. Income from sales of goods is deemed to be realized when use and risk pass to the customer. Revenues arising from manufacturing orders valued using the percentage-of-completion method are included according to the progress of the work.

Net turnover therefore comprises income from manufacturing orders (valued using the percentage-of-completion method) and net income from deliveries and services.

1.17 Income taxes

Current income taxes are calculated on the taxable profits of the individual companies in conformity with local tax legislation and allocated to the period in which they accrue.

Temporary valuation differences arise due to differing valuations of assets and liabilities in the individual financial statements for taxation purposes and the consolidated financial statements. Deferred income tax is calculated on all temporary valuation differences at current or future tax rates, if these are foreseeable.

Accumulated losses which can be utilized for tax purposes are only stated as deferred tax assets if a tax benefit from an offset of the loss is probable.

1.18 Payments to employees

Occupational pension funds for employees are based on the regulations in effect in the countries in which the Adval Tech Group operates.

In the case of Swiss pension funds, future pension liabilities are calculated using the projected unit credit method, according to which the expenses incurred to cover future pension claims are distributed over the expected working life of the employees and charged to income on this basis. The expenses incurred and their distribution over the employees, working life are governed by the recommendations of independent actuaries.

The relevant contributions made by the group to the pension funds are charged to income in the year for which they are paid.

Actuarial gains and losses are included in the income statement if the accumulated gains or losses of the individual pension plans exceed 10% of the defined pension liability or assets. These gains or losses are included in the income statement in accordance with the expected future duration of employment of the employees.

Other employee entitlements, such as long-service bonuses based on terms of employment, are accounted for by provisions.

1.19 Relationships with related parties

Relationships with related individuals and companies are recorded separately and disclosed if material. Individuals and companies having a special interest in the development of the Adval Tech Group and/or in a position to influence the business activities of the Adval Tech Group directly or indirectly are deemed to be related parties. In particular, major shareholders' group pension funds and members of the Board of Directors and group management are deemed to be related parties.

1.20 Subtotals in the consolidated financial statements

In order to enhance the information content of the consolidated financial statements, the income statement includes the following subtotals which are not defined in IFRS:

- Total income, comprising net turnover plus change in inventories of semi-finished and finished goods, own work capitalized and other operating income.
- Operating earnings before depreciation (EBITDA), comprising total income less cost of materials and services, personnel expenses and other operating expenses.
- Operating earnings (EBIT), comprising operating earnings before depreciation less depreciation on tangible fixed assets and depreciation on intangible assets.

The cash flow statement also includes the subtotal "Free cash flow", which is the sum of cash provided by operating activities and cash used for investing activities.

2. FINANCIAL RISK MANAGEMENT

2.1 Financial risks

The Adval Tech Group is exposed to various financial risks in the context of its business activities, such as currency risks, interest rate risks, credit risks and liquidity risks. It seeks through systematic management to minimize any adverse effects of the related fluctuations on its financial results.

The group's financial risk management is conducted centrally by the Group Finance Department in close cooperation with the finance departments of the divisions and companies. The group occasionally utilizes derivative financial instruments, without pursuing systematic hedge accounting as such in terms of IAS 39. However, hedge accounting can be applied to individual material transactions.

2.2 Interest rate risk

There are no material interest-bearing assets, so income and cash flow from operations remain unaffected by changes in market interest rates.

The group utilizes mainly variable interest-bearing credits in Swiss francs for external financing; these entail a cash flow interest rate risk. Derivative financial instruments are utilized in some cases to hedge cash flow interest rate risks.

2.3 Credit risk

Credit risks can arise on liquid assets, credit balances with financial institutions and lending to customers. Liquid assets and credit balances with financial institutions are for the most part invested with banks having a credit rating of at least A+. Local banks are sometimes also used due to prevailing local conditions at subsidiaries.

Credit risks are minimized by continuous monitoring of overdue payments from counterparties and by verifying the creditworthiness of new business partners. Any necessary provisions are made or released continuously against income. These activities are primarily pursued at the local level. Due to the differences in business models and customer structures, no generally valid credit limits for the group as a whole are applied. Depending on transaction and customer, credit risks can be hedged by means of letters of credit or bank guarantees.

2.4 Currency risks

The Adval Tech Group is exposed to currency risks by virtue of its international activities. The currency risk is reduced primarily by direct balancing of payments flows in foreign currencies. Derivative financial instruments are utilized on a case-by-case basis to reduce exchange risks further. The utilization of these hedging instruments is coordinated centrally.

In principle, only risks arising from the operating activities are hedged.

2.5 Liquidity risk

The Adval Tech Group monitors the liquidity risk by means of prudent liquidity management.

Available liquidity and compliance with financial covenants are continuously monitored at group level.

2.6 Capital risk

The Adval Tech Group aims to maintain a sound capital base. This exists if the equity ratio exceeds 20%.

3. SCOPE OF CONSOLIDATION

The following companies are included in the consolidated financial statements:

Company	Registered office	Share capital / capital stock		Equity holding
Adval Tech Holding Ltd	Niederwangen, Switzerland	TCHF	7,300	
Adval Tech Management Ltd	Niederwangen, Switzerland	TCHF	100	100%
Styner+Bienz FormTech Ltd	Niederwangen, Switzerland	TCHF	3,050	100%
Styner+Bienz do Brasil Ltda.	São José dos Pinhais PR, Brazil	TBRL	939	100%
QSCH Termelö és Kereskedelmi Kft.	Szekszárd, Hungary	TEUR	12	100%
AWM Mold Tech Ltd	Muri (AG), Switzerland	TCHF	600	100%
AWM Plast Tech Ltd	Merenschwand, Switzerland	TCHF	600	100%
AWM Plastpack Ltd	Muri (AG), Switzerland	TCHF	600	100%
Teuscher Kunststoff-Technik Ltd	Grenchen, Switzerland	TCHF	2,000	100%
AWM Swiss Technology Ltd	Hong Kong, China	THKD	10	100%
AWM Mold Tech Trading (Shanghai) Co. Ltd	Shanghai, China	TUSD	200	100%
AWM Mold Service US Inc.	Beverly, MA, USA	TUSD	1	100%
Foboha Holding GmbH	Haslach, Germany	TEUR	25	100%
Foboha GmbH	Haslach, Germany	TEUR	512	100%
Foboha US Inc.	Beverly, MA, USA	TUSD	1	100%

The following changes took place in the scope of consolidation in the year under review:

Adval Tech Holding Ltd acquired 100% of the share capital of QSCH Termelö és Kereskedelmi Kft. in Szekszárd, Hungary, at the end of April 2007. This company operates as a supplier to the automotive industry. Specifically, stamped and formed components and lamps are manufactured, assembled and coated. The company was included in the consolidated accounts and integrated in the Stamping and Forming Division as of May 1, 2007.

The cost of acquisition totaled CHF 8.5 million, consisting of CHF 8.2 million in cash and CHF 0.3 million for external consulting and support.

Calculation of the cost of acquisition also took the following factors into account:

Manufacturing location in Eastern Europe, taking over existing customer orders, expertise and experience with the transfer of production contracts.

The balance sheet of QSCH Termelö és Kereskedelmi Kft. at May 1, 2007 was as follows:

CHF 1,000	IFRS book values prior to consolidation	Included in the consolidated balance sheet
Liquid assets	403	403
Other current assets	3,723	3,723
Tangible fixed assets	11,297	12,661
Intangible assets	0	119
Deferred tax assets	580	342
Short-term liabilities	-8,931	-8,931
Interest-bearing long-term liabilities	-5,025	-5,025
Net assets acquired	**2,047**	**3,292**
Purchase price and acquisition costs		**8,544**
Goodwill		**5,252**

The existing customer relationship was capitalized with a value of CHF 0.1 million on the date of acquisition. Goodwill included in the consolidated financial statements thus amounts to CHF 5.3 million.

The new subsidiary has generated total income of CHF 14.3 million and a net loss of CHF 1.4 million since its initial consolidation. If the company had been acquired as of January 1, 2007, the group's total income in 2007 would have been CHF 7.8 million higher, and net profit would have been some CHF 0.5 million higher.

Teuscher Kunststoff-Technik AG and Giesserei & Metallwarenfabrik Josef Rieger AG, both in Grenchen, were also merged at the end of May 2007. The merger was completed in terms of commercial law as of January 1, 2007. The new company trades under the name of Teuscher Kunststoff-Technik AG.

The following changes took place in the scope of consolidation in 2006:

Adval Tech Holding Ltd acquired 100% of the share capital of Giesserei & Metallwarenfabrik Josef Rieger AG in Grenchen at the end of October 2006. This company owns the property adjacent to Teuscher Kunststoff-Technik AG and apart from managing the property and other assets no longer pursued any other business activities. The cost of acquisition totaled CHF 4.9 million, consisting of the purchase price of CHF 4.7 million in cash and CHF 0.2 million for other acquisition costs, such as consulting and support during negotiations.

The cost of acquisition was calculated on the basis of net asset values and a revaluation of the property.

The balance sheet of Giesserei & Metallwarenfabrik Josef Rieger AG at October 31, 2006, prepared in accordance with the group's valuation principles, was as follows:

CHF 1,000	IFRS book values prior to consolidation	Included in the consolidated balance sheet
Liquid assets	4,612	4,612
Other current assets	3	3
Tangible fixed assets	733	733
Short-term liabilities	-9	-9
Deferred tax liability	-78	-78
Net assets acquired	**5,261**	**5,261**
Purchase price and acquisition costs		**-4,851**
Negative goodwill		**410**

The negative goodwill of CHF 0.4 million arising in connection with the acquisition was charged to the income statement (other operating income). The impact of the new subsidiary on the financial position and results of the Adval Tech Group was immaterial. The loss posted by the subsidiary since its initial consolidation amounted to CHF 0.03 million. Since the company acquired was no longer engaged in operating activities in 2006, the total income and net profit of the Adval Tech Group would not have been affected by its consolidation for 2006 as a whole.

Exchange rates

The financial statements are based on the following exchange rates for foreign currencies:

	on Dec. 31, 2007	Average in 2007	on Dec. 31, 2006	Average in 2006
BRL	0.63700	0.61873	0.57198	0.57758
CNY	0.15446	0.15798	0.15643	0.15739
EUR	1.65871	1.64318	1.60965	1.57331
HKD	0.14441	0.15387	0.15685	0.16140
USD	1.12666	1.20042	1.21975	1.25364

4. TRADE ACCOUNTS RECEIVABLE

CHF 1,000	12/31/2007	12/31/2006
Not overdue	28,382	25,475
1–30 days overdue	9,411	7,780
31–90 days overdue	4,346	4,260
More than 90 days overdue	8,114	3,142
Total trade receivables (gross)	**50,253**	**40,657**
Provisions (allowance for doubtful receivables)	-1,551	-975
Total trade receivables (net)	**48,702**	**39,682**
Of which trade receivables from third parties	47,478	39,385
Of which trade receivables from related parties	1,224	297

Losses on receivables in the past three years have been in the range of 0.1% of total income. The balances stated in the balance sheet have been hedged on a case-by-case basis and depending on risk assessment with letters of credit or bank guarantees. The balance sheet at December 31, 2007, includes receivables of CHF 2.0 million (CHF 0.0 million in 2006) which are not overdue and whose term of payment has subsequently been extended.

The maximum default risk is equivalent to the stated book values.

The following three largest single customers account for net trade accounts receivable at December 31. The separate legal entities of customers are defined as single customers:

CHF 1,000	12/31/2007	12/31/2006
Customer A	2,211	1,353
Customer B	2,012	1,613
Customer C	2,196	1,285

Provisions on the receivables are as follows:

CHF 1,000	12/31/2007	12/31/2006
Total on January 1	**-975**	**-1,339**
Provisions made	-857	-165
utilized	0	-19
released	285	112
Currency translation differences	-4	436
Total on December 31	**-1,551**	**-975**

Individual provisions are made for receivables in excess of CHF 10,000. The bad debt provision required is based on estimates, empirical values and the age structure of the receivables, on bankruptcy applications already known of, legal proceedings and political influence. The allowance for doubtful receivables is taken into account after age classification in the case of receivables involving an amount of less than CHF 10,000.

Losses on receivables charged to income in the year under review totaled CHF 0.0 million (CHF 0.4 million in 2006). Any losses are included in the income statement under other operating expenses.

Trade receivables can be allocated at book value to the following currencies:

CHF 1,000	12/31/2007	12/31/2006
CHF	13,903	11,014
EUR	29,652	23,387
USD	3,262	5,132
BRL	3,410	1,100
Other	26	24
Total trade receivables	**50,253**	**40,657**

5. OTHER RECEIVABLES

CHF 1,000	12/31/2007	12/31/2006
Receivables from positive replacement values of derivative financial instruments	316	349
Other short-term receivables	5,568	5,338
Advance payments to suppliers	4,906	617
Total other receivables	**10,790**	**6,304**

The other short-term receivables originate from both divisions. They include VAT assets, the portion of finance lease claims due within one year and credit balances with insurers.

6. INVENTORIES AND WORK IN PROGRESS

CHF 1,000	12/31/2007	12/31/2006
Trading goods	1,000	187
Raw material	10,778	8,998
Semi-finished and finished goods	40,561	35,055
Work in progress	37,661	33,109
Provisions	-16,569	-14,702
Total inventories and work in progress	**73,431**	**62,647**

The total inventories and work in progress includes CHF 1.5 million stated at net realizable value (CHF 0.8 million in 2006).

CHF 1,000		12/31/2007		12/31/2006
	Assets	Liabilities	Assets	Liabilities
Work in progress	50,006	-12,345	43,173	-10,064
Advance payments by customers	-12,345	22,953	-10,064	18,329
Net assets from work in progress	37,661	0	33,109	0
Net liabilities from work in progress	0	10,608	0	8,265

The manufacturing costs of orders reported under work in progress and valued using the percentage-of-completion method totaled CHF 21.1 million (CHF 20.0 million in 2006). The stated profit was CHF 3.6 million (CHF -0.5 million in 2006).

7. PREPAID EXPENSES AND ACCRUED INCOME

With a reduction of CHF 0.1 million, prepaid expenses and accrued income are virtually unchanged from the previous year. A reduction at the Injection Molding Division was largely offset by an increase at the Stamping and Forming Division and at group level.

8. TANGIBLE FIXED ASSETS

The development of tangible fixed assets is shown in the following group summary:

CHF 1,000	Land	Buildings	Production equipment and machinery	Other tangible fixed assets	Leased equipment	Installations under construction	Total
Cost							
at January 1, 2006	**7,753**	**101,048**	**161,143**	**40,355**	**4,582**	**4,935**	**319,816**
Changes in the scope of consolidation	618	115	0	0	0	0	733
Capital expenditure in the year under review	0	4,148	9,472	3,993	80	-3,717	13,976
Disposals	0	-259	-2,197	-2,340	0	-308	-5,104
Other changes	0	0	120	0	0	0	120
Change in acc. translation diff.	43	417	1,272	265	0	35	2,032
at December 31, 2006	**8,414**	**105,469**	**169,810**	**42,273**	**4,662**	**945**	**331,573**
Changes in the scope of consolidation	739	2,766	8,875	843		-242	12,981
Capital expenditure in the year under review	3	3,831	10,595	3,271	225	4,646	22,571
Disposals	-1,500	-5,375	-6,720	-720	0	0	-14,315
Other changes	0	-314	-3,300	-948	0	-21	-4,583
Change in acc. translation diff.	43	495	2,188	373	0	19	3,118
at December 31, 2007	**7,699**	**106,872**	**181,448**	**45,092**	**4,887**	**5,347**	**351,345**
Accumulated depreciation							
at January 1, 2006	**0**	**-30,268**	**-100,997**	**-27,418**	**-3,908**	**0**	**-162,591**
Changes in the scope of consolidation							0
Depreciation in the year under review	0	-3,573	-12,101	-5,046	-622	-37	-21,379
Impairment provision							0
Impairment release							0
Disposals	0	259	1,931	2,121	0	0	4,311
Other changes							0
Change in acc. translation diff.	0	-53	-788	-166	0	0	-1,007
at December 31, 2006	**0**	**-33,635**	**-111,955**	**-30,509**	**-4,530**	**-37**	**-180,666**
Changes in the scope of consolidation	0	-15	-311	-102	0	0	-428
Depreciation in the year under review	0	-3,621	-12,815	-4,001	-139	0	-20,576
Impairment provision		-1,738					-1,738
Impairment release							0
Disposals	0	1,010	6,243	726	0	0	7,979
Other changes	0	314	3,301	948	0	0	4,563
Change in acc. translation diff.	0	-88	-1,209	-233	0	0	-1,530
at December 31, 2007	**0**	**-37,773**	**-116,746**	**-33,171**	**-4,669**	**-37**	**-192,396**
Book values							
at January 1, 2006	7,753	70,780	60,146	12,937	674	4,935	157,225
at December 31, 2006	8,414	71,834	57,855	11,764	132	908	150,907
at December 31, 2007	7,699	69,099	64,702	11,921	218	5,310	158,949

CHF 1,000	Land	Buildings	Production equipment and machinery	Other tangible fixed assets	Leased equipment	Installations under construction	Total
Of which leased installations (finance leases)							
at January 1, 2006	1,500	4,701	3,464	57	0	0	9,722
at December 31, 2006	1,500	4,701	2,959	42	0	0	9,202
at December 31, 2007	0	0	3,075	175	0	0	3,250
Of which for disposal (book values)							
at January 1, 2006							0
at December 31, 2006							0
at December 31, 2007	1,223	3,820	0	0	0	0	5,043

The purchase commitment vis-à-vis Franke Switzerland AG has lapsed. The property will be rented by Styner+Bienz FormTech Ltd, which is part of the Stamping and Forming Division, until 2010 at the latest. The land and buildings stated in the balance sheet as leased as of the end of 2006 were therefore eliminated from the accounts. The impairment of CHF 0.9 million posted in the year under review reflects the elimination of the residual value of the portion of the purchase price allotted to this property from the acquisition of Lanz Industrietechnik AG in 2004.

The leased machinery and equipment and other tangible fixed assets at the end of 2007 relate to manufacturing equipment at companies in both divisions.

The tangible fixed assets for disposal relate to land and manufacturing premises of Teuscher Kunststoff-Technik AG in Grenchen, which is part of the Injection Molding Division. It is intended to dispose of these properties in the first half of 2008 and then continue to utilize them as a tenant. The plant and equipment in the manufacturing premises for sale are not part of the planned disposal. Following the sale, the manufacturing premises in Grenchen will be expanded in cooperation with the purchaser of the property. Additional amortization of CHF 0.8 million on the property was charged to income in the year under review.

Orders totaling CHF 7.3 million were outstanding on December 31, 2007, for capital goods which had not yet been delivered or invoiced and were therefore not yet included in tangible fixed assets (CHF 2.5 million in 2006).

9. INCOME FROM LEASING TRANSACTIONS

Leasing contracts have been concluded with customers for dies and molds with which Adval Tech manufactures components. Rental payments are used to amortize the cost of the manufacturing equipment and in most cases depend on the number of components delivered. The rental income to be expected from these contracts in future is:

CHF 1,000	12/31/2007	12/31/2006
within one year	79	187
in two to five years	139	434
after more than five years	0	0
Total future rental income	**218**	**621**

10. FINANCIAL ASSETS

The Adval Tech Group concludes finance lease agreements with its customers in the context of its operating business. These agreements are concluded for molds and dies used for volume component manufacture. Amortization payments usually depend on the number of components delivered per period, with a minimum amount agreed for all amortization payments.

CHF 1,000	12/31/2007	12/31/2006
Receivables from finance lease contracts	220	341
Other long-term receivables	738	734
Long-term loans	1,194	0
Total financial assets	**2,152**	**1,075**

Credits from finance lease contracts stated at net present value are due for payment as follows:

CHF 1,000	12/31/2007	12/31/2006
within three months	295	283
in three to twelve months	410	850
in two to five years	220	341
after more than five years		
Total future leasing income	**925**	**1,474**

The nominal value of these credits totals CHF 1.0 million (CHF 1.5 million in 2006). The amounts due for payment within one year are included in other short-term receivables.

11. INTANGIBLE ASSETS

CHF 1,000	Goodwill	Capitalized development costs	Others	Total
Cost				
at December 31, 2006	**2,906**	**1,357**	**1,557**	**5,820**
Changes in the scope of consolidation	5,252	0	119	5,371
Capital expenditure in the year under review	0	475	2	477
Disposals				0
Other changes				0
Change in accumulated translation difference	12	10	1	23
at December 31, 2007	**8,170**	**1,842**	**1,679**	**11,691**
Accumulated depreciation				
at December 31, 2006	**-919**	**-141**	**-950**	**-2,010**
Changes in the scope of consolidation				0
Depreciation in the year under review	0	-300	-365	-665
Impairment provision				0
Impairment release				0
Disposals				0
Other changes				0
Change in accumulated translation difference	0	-3	0	-3
at December 31, 2007	**-919**	**-444**	**-1,315**	**-2,678**
Book values				
at December 31, 2006	1,987	1,216	607	3,810
at December 31, 2007	7,251	1,398	364	9,013

The other intangible assets mainly represent the value of the customer relationships gained through the acquisitions. They will be amortized in full within four years. Intangible assets valued at CHF 0.5 million were generated in-house in the year under review (CHF 1.3 million in 2006).

Intangible assets in 2006:

CHF 1,000	Goodwill	Capitalized development costs	Others	Total
Cost				
at December 31, 2005	**2,906**	**0**	**1,557**	**4,463**
Changes in the scope of consolidation				0
Capital expenditure in the year under review	0	1,351	0	1,351
Disposals				0
Other changes				0
Change in accumulated translation difference	0	6	0	6
at December 31, 2006	**2,906**	**1,357**	**1,557**	**5,820**
Accumulated depreciation				
at December 31, 2005	**-919**	**0**	**-617**	**-1,536**
Changes in the scope of consolidation				0
Depreciation in the year under review	0	-141	-335	-476
Impairment provision				0
Impairment release				0
Disposals				0
Other changes				0
Change in accumulated translation difference	0	0	2	2
at December 31, 2006	**-919**	**-141**	**-950**	**-2,010**
Book values				
at December 31, 2005	1,987	0	940	2,927
at December 31, 2006	1,987	1,216	607	3,810

The research and development expenditure included in the income statement totaled CHF 1.7 million (CHF 1.6 million in 2006).

The goodwill arising from the acquisition of Teuscher Kunststoff-Technik AG was verified in the fourth quarter of 2007. This showed that the goodwill has maintained its value. This examination was based on the business plan approved by the Board of Directors for the current year and the coming three years. Planning assumes long-term growth of 1% and a discount rate of 8%.

The goodwill arising from the acquisition of QSCH Termelö és Kereskedelmi was verified in the third quarter of 2007. This showed that the goodwill has maintained its value. This examination was based on the business plan approved by the Board of Directors for the current year and the coming three years. Planning assumes long-term growth of 0.5% and a discount rate of 8%.

12. TRADE ACCOUNTS PAYABLE

CHF 1,000	12/31/2007	12/31/2006
Trade accounts payable to third parties	29,625	24,596
Trade accounts payable to related parties	164	131
Total trade accounts payable	**29,789**	**24,727**

Trade accounts payable can be allocated at book value to the following currencies:

in 1,000 CHF	12/31/2007	12/31/2006
CHF	13,327	10,934
EUR	14,322	12,062
USD	63	198
BRL	1,860	1,527
Others	217	6
Total trade accounts payable	**29,789**	**24,727**

13. SHORT-TERM INTEREST-BEARING LIABILITIES

CHF 1,000	12/31/2007	12/31/2006
Banks	5,384	10,680
Related parties	317	0
Short-term leasing liabilities to third parties	443	820
Short-term leasing liabilities to related parties	0	255
Total short-term interest-bearing liabilities	**6,144**	**11,755**

The short-term bank loans are covered by total liquid assets of CHF 19.5 million (gross). The reduction in liabilities to banks is attributable mainly to the repayment of fixed-rate mortgages due for repayment totaling CHF 5.4 million. The remaining liabilities to banks are current account overdrafts at interest rates based on LIBOR or EURIBOR.

Short-term liabilities to banks are current account overdrafts at interest rates based on LIBOR or EURIBOR.

14. OTHER SHORT-TERM LIABILITIES

CHF 1,000	12/31/2007	12/31/2006
Advance payments by third parties	8,921	8,265
Advance payments by related parties	1,687	0
Other short-term liabilities to third parties	2,806	3,837
Other short-term liabilities to related parties	1,453	1,169
Liabilities arising from negative replacement values of derivative financial instruments	1,401	351
Total other short-term liabilities	**16,268**	**13,622**

15. LONG-TERM INTEREST-BEARING LIABILITIES

CHF 1,000	12/31/2007	12/31/2006
Long-term leasing liabilities to third parties	274	363
Long-term leasing liabilities to related parties	0	4,258
Long-term interest-bearing loans to third parties	107,000	83,000
Long-term interest-bearing loans to related parties	166	0
Total long-term interest-bearing liabilities	**107,440**	**87,621**

The long-term interest-bearing liabilities are bank loans. They are based mainly on a revolving credit facility concluded with a banking consortium in June 2005 for up to CHF 120 million, with a term of four years. The credit facility is dependent on compliance with key financial statistics (levels of debt and interest cover, leverage ratio), all of which were complied with at the end of 2007. The amount of credit is continuously adjusted to current financial requirements in order to optimize financing costs.

The average interest charge in the year under review was 4.2% (3.2% in 2006).

16. LEASING LIABILITIES

Liabilities arising from leasing contracts are payable as follows:

CHF 1,000	**12/31/2007**	**12/31/2006**
Face value of liabilities arising from leasing contracts due		
within three months	178	189
in three to twelve months	279	886
in two to five years	288	5,157
in more than five years		
Total future payment commitments	*745*	*6,232*
less proportionate interest on the payments	-28	-536
Net present value of liabilities arising from finance leases	*717*	*5,696*
of which short-term leasing liabilities	443	1,075
of which long-term leasing liabilities	274	4,621
Net present value of liabilities arising from leasing contracts due		
within three months	175	269
in three to twelve months	268	806
in two to five years	274	4,621
in more than five years		
Total net present value	*717*	*5,696*

17. PROVISIONS

CHF 1,000	Warranty provisions	Payments to employees	Other provisions	Total
Long-term provisions at December 31, 2006	101	1,364	5	1,470
Short-term provisions at December 31, 2006	1,549	554	416	2,519
Total at December 31, 2006	**1,650**	**1,918**	**421**	**3,989**
Change in the scope of consolidation	21	0	0	21
Addition	590	204	1,412	2,206
Utilization	0	0	-400	-400
Release of provisions no longer required	-38	-776	-27	-841
Difference arising from currency translation	34	6	12	52
Adjustments to net present value				0
Total at December 31, 2007	**2,257**	**1,352**	**1,418**	**5,027**
Long-term provisions at December 31, 2007	113	1,773	8	1,894
Pension assets at December 31, 2007	0	-421	0	-421
Short-term provisions at December 31, 2007	2,144	0	1,410	3,554
Total at December 31, 2007	**2,257**	**1,352**	**1,418**	**5,027**

The provisions for a pension liability without a separate pension fund (CHF 0.6 million) have been reclassified as of 1/1/2007 from other provisions to provision for payments to employees.

18. DEFERRED TAXES

Deferred income tax assets and liabilities arising from temporary differences were as follows at the end of the year under review:

CHF 1,000	Credits	Liabilities	Balance
Accumulated losses	1,903	0	1,903
Current assets	358	3,655	-3,297
Tangible fixed assets	252	11,445	-11,193
Other fixed assets	68	497	-429
Liabilities	122	280	-158
Total at December 31	**2,703**	**15,877**	**-13,174**

2006:

CHF 1,000	Credits	Liabilities	Balance
Accumulated losses	1,150	0	1,150
Current assets	352	3,689	-3,337
Tangible fixed assets	256	10,949	-10,693
Other fixed assets	88	420	-332
Liabilities	290	624	-334
Total at December 31	**2,136**	**15,682**	**-13,546**

Deferred income taxes are stated in the balance sheet as follows:

CHF 1,000	12/31/2007	12/31/2006
Deferred tax liability	14,200	14,293
Deferred tax asset	1,026	747
Total	**13,174**	**13,546**

The following tax losses have not yet been utilized and no deferred tax claim for them has been included in the balance sheet:

CHF 1,000	12/31/2007	12/31/2006
expiring in one year	0	0
expiring in two years	168	0
expiring in three years	0	0
expiring in four years	0	0
expiring in five years	1,252	0
expiring in more than five years	0	1,897
Total	**1,420**	**1,897**

19. STATEMENT OF SHARE CAPITAL

Share capital was as follows on December 31, 2007:

	Registered shares
At January 1, 2007	365,000
At December 31, 2007	365,000
	fully paid
Par value in CHF	20
Dividend restrictions	none
Voting restrictions	exist
Number of shares held by the Adval Tech Group on December 31	245

No shares were reserved for issue in respect of options or sales agreements in the year under review.

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 June 24, 2004, 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. In 2006 the Board of Directors granted an exception in favor of Artemis Beteiligungen II AG, which acquired its holding from Franke Holding AG in the second half of 2005. Beneficial ownership remained unaffected by this transaction. On January 30, 2007, the Board of Directors permitted an exception in favor of Willy Michel, which was granted in connection with a cooperation agreement. Furthermore, 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, Einfache Gesellschaft Dreier). Fiduciary entries in the shareholders' register are only possible without voting rights.

20. ANALYSIS OF CAPITAL RISK

Shareholders' equity as a proportion of total assets amounted to 39.5% at December 31, 2007, and was therefore 2.4 percentage points lower than in 2006 (41.9%).

21. NET TURNOVER

CHF 1,000	**2007**	**2006**
Net income from deliveries and services	271,290	231,062
Income from manufacturing orders (valued using the percentage-of-completion method)	59,061	39,360
Total net turnover	**330,351**	**270,422**

Income from manufacturing orders (valued using the percentage-of-completion method) includes invoiced income from manufacturing orders valued using the percentage-of-completion method, adjusted for changes in the inventories of such orders. Net turnover from deliveries and services includes the other invoiced deliveries and services.

22. COST OF MATERIALS AND SERVICES

Compared to the previous year, the cost of materials and services increased by CHF 43.4 million. As a proportion of total income it increased by 4.3 percentage points to 43.6%. The increase at the Stamping and Forming Division was due primarily to the acquisition of QSCH Kft. with an above-average proportion of materials and to the increased utilization of outside services on capacity grounds. The increase in the cost of materials and outside services at the Injection Molding Division was only small and was due mainly to changes in the product mix.

23. PERSONNEL EXPENSES

The average number of employees increased by 152 to 1,277 in 2007, due primarily to acquisitions (1,125 in 2006).

24. PENSION LIABILITIES AND OTHER PAYMENTS TO EMPLOYEES

In addition to the statutory social security schemes, the group operates defined-benefit plans as defined by IAS 19. These were appraised by an independent actuary as of January 1, 2007. The assets are almost exclusively managed in separate pension funds. Unless the plans are segregated from the company, the relevant assets and liabilities are stated in the balance sheet.

The actuarial calculations according to IAS produced the following figures:

CHF 1,000	**12/31/2007**	**12/31/2006**
Plans with separate pension funds:		
Current value of plan assets	160,606	157,700
Net present value of benefits	150,812	145,911
Surplus	9,794	11,789
Unrecorded actuarial gains (-) / losses (+)	-9,373	-12,129
Net status provision (-) / assets (+)	421	-340
Provision for other payments to employees	1,217	1,024
Pension provisions from plans without separate pension funds	556	554
Total provisions for payments to employees	**1,352**	**1,918**

The assets of the plan included no direct investments in shares of Adval Tech Holding Ltd in the year under review and the previous year.

CHF 1,000	12/31/2007	12/31/2006
Plans without separate pension funds:		
Amounts included in the balance sheet:		
Asset value of pension commitments (from reinsurance)	707	724
Pension provisions	556	554
Changes in assets and liabilities included in the balance sheet:		
Pension provision at beginning of period	145,911	142,486
Current service expenses (net)	5,711	6,080
Interest expenses	4,373	4,275
Actuarial gains/losses	-4,162	25
Payments made	-5,085	-10,962
Employees' contributions	4,064	4,007
Pension liabilities at end of period	**150,812**	**145,911**
Changes in plan assets:		
Plan assets at beginning of period	157,700	151,611
Expected income from plan assets	6,781	6,519
Actuarial gains/losses	-6,918	2,518
Payments made	-5,085	-10,962
Employees' contributions	4,064	4,007
Employer's contributions	4,064	4,007
Pension assets at end of period	**160,606**	**157,700**

CHF 1,000	2007	2006
Expenses recorded in the income statement:		
Current service expenses	9,775	10,170
Interest expenses	4,373	4,275
Income expected from plan assets	-6,781	-6,519
Net outcome of additions and disposals of pension funds	0	0
Employer's contributions	-4,064	-4,007
Total expenses for pension liabilities	**3,303**	**3,919**

Material actuarial assumptions	12/31/2007	12/31/2006
Discount rate	3.25%	3.00%
Income expected from plan assets	4.30%	4.30%
Future wage increases	2.00%	2.00%
Increase in future pension benefits	1.00%	1.00%

Other important actuarial assumptions are disability and mortality rates. These were taken into account in both years in conformity with EVK2000.

Plan assets are made up as follows:

		12/31/2007		12/31/2006
	CHF 1,000	in %	CHF 1,000	in %
Shares	33,469	21	39,157	25
Bonds	86,629	54	78,604	49
Real estate	26,029	16	27,744	18
Other assets	14,479	9	12,195	8
Total	**160,606**	**100**	**157,700**	**100**

CHF 1,000	2007	2006	2005
Empirical adjustments			
– to pension liabilities	3,930	-25	5,498
– to plan assets	-6,918	2,518	3,285

At December 31, 2005, the current value of plan assets totaled CHF 151.6 million and the net present value of benefits CHF 142.5 million.

The income expected on plan assets has been estimated on the basis of the long-term investment strategy of the pension plans.

Employees' and employer's contributions expected in the 2008 financial year are estimated at CHF 8.7 million.

The actual investment income of the employee pension funds in the year under review was CHF -0.1 million (CHF 9.0 million in 2006).

25. OTHER OPERATING EXPENSES

CHF 1,000	2007	2006
Maintenance, repair, replacements, operating materials	-19,356	-15,174
Premises, energy	-9,049	-7,640
Insurance, office and administration expenses	-7,847	-7,537
Marketing, sales and distribution expenses	-10,932	-8,781
Sundry operating expenses	-3,277	-1,147
Total other operating expenses	**-50,461**	**-40,279**

Sundry operating expenses include: capital taxes of CHF 0.1 million (CHF 0.1 million in 2006), losses of CHF 0.1 million on sales of tangible fixed assets (CHF 0.1 million in 2006), non-operating expenses of CHF 0.2 million (CHF 0.1 million in 2006).

26. FINANCIAL EXPENSES AND FINANCIAL INCOME

CHF 1,000	2007	2006
Interest earned	647	518
Currency gains	1,910	1,086
Gains on derivative financial instruments	351	290
Other financial income	1,427	1,018
Total financial income	**4,335**	**2,912**
Interest paid	-4,468	-3,222
Bank charges and fees	-128	-131
Currency losses	-1,971	-828
Unrealized translation differences	-1,139	-6
Losses on derivative financial instruments	-34	-572
Other financial expenses	-901	-887
Total financial expenses	**-8,641**	**-5,646**

27. TAXES

CHF 1,000	2007	2006
Current income taxes	-2,904	-751
Change in provision for deferred taxes	40	203
Total tax expenses	**-2,864**	**-548**

Transition from profit before taxes to tax expenses:

CHF 1,000	2007	2006
Profit before taxes	11,152	4,527
Applicable tax rate	29,3%	24,0%
Tax expenses at applicable tax rate	-3,265	-1,088
Impact of changes in the applicable tax rate on the provision for deferred taxes	882	
Impact of utilization of non-capitalized tax loss carry-forwards	394	270
Impact of tax rates differing from the applicable tax rate	-180	-32
Impact of non tax-deductible expenses	-953	-1,191
Impact of non-taxable income	220	1,257
Impact of non-inclusion of current-year losses in the balance sheet	-183	-134
Impact of the release of tax provisions / subsequent tax payments	78	318
Impact of posting taxes on capital to operating expenses	83	93
Other	60	-41
Tax expenses in the income statement	**-2,864**	**-548**

The applicable tax rate increased by 5.3 percentage points, primarily due to the higher pre-tax profit in countries with high tax rates.

28. EARNINGS PER SHARE

Earnings per share are calculated as follows:

	2007	2006
Net profit (CHF 1,000)	8,288	3,979
Average number of shares outstanding	364,755	364,717
Undiluted earnings per share (CHF)	22.72	10.91
Diluted earnings per share (CHF)	22.72	10.91

29. TAXES AND INTEREST ON BORROWINGS ACTUALLY PAID; NON-CASH TRANSACTIONS

Taxes actually paid in the year under review amounted to CHF 0.6 million (CHF 0.03 million in 2006). There was an outflow of CHF 4.3 million for interest on borrowings in 2007 (CHF 3.2 million in 2006). Inflows from interest income in the year under review totaled CHF 0.6 million (CHF 0.5 million in 2006).

Due to the lapse of the purchase commitment regarding the property in Wolfwil, which was accounted for in the balance sheet as a finance leasing transaction, appropriate tangible fixed assets and long-term and short-term leasing liabilities were eliminated from the balance sheet in the year under review. These items were eliminated without any corresponding cash flows.

30. SEGMENTAL REPORTING

The allocation of business activities to the group's two divisions in 2007 is reflected in the following table:

CHF 1,000	**Stamping and Forming Division**	**Injection Molding Division**	**Other units Eliminations**	**Total**
Net turnover from deliveries and services	164,693	106,597	0	271,290
Income from manufacturing orders (valued using the percentage-of-completion method)	4,516	54,545	0	59,061
Net turnover from third parties and related parties	169,209	161,142	0	330,351
Total income from third parties and related parties	181,938	166,013	604	348,555
Intragroup income	576	130	11,039	11,745
Total income	182,514	166,143	-102	348,555
EBITDA	17,368	19,545	1,524	38,437
EBIT	7,526	6,883	1,049	15,458
Total assets (December 31)	121,867	188,938	16,580	327,385
Total liabilities (December 31)	93,960	127,261	-23,076	198,145
Capital expenditure				
– on tangible fixed assets	-5,890	-16,045	-636	-22,571
– on intangible assets	-5,373	0	-475	-5,848
Depreciation	-9,842	-12,662	-475	-22,979
Other non-cash items	325	-2,310	-721	-2,706

The figures for 2006 were as follows:

CHF 1,000	**Stamping and Forming Division**	**Injection Molding Division**	**Other units Eliminations**	**Total**
Net turnover from deliveries and services	128,754	102,308	0	231,062
Income from manufacturing orders (valued using the percentage-of-completion method)	2,590	36,770	0	39,360
Net turnover	131,344	139,078	0	270,422
Total income from third parties and related parties	136,713	138,307	745	275,765
Intragroup income	726	147	10,557	11,430
Total income	137,439	138,454	-128	275,765
EBITDA	16,590	11,685	841	29,116
EBIT	6,595	491	175	7,261
Total assets (December 31)	99,864	185,540	6,218	291,622
Total liabilities (December 31)	77,626	128,172	-36,438	169,360
Capital expenditure				
– on tangible fixed assets	-3,162	-9,733	-1,081	-13,976
– on intangible assets	-546	-315	-490	-1,351
Depreciation	-9,995	-11,604	-256	-21,855
Other non-cash items	-1,728	428	-206	-1,506

The activities of the two divisions and the group structure are explained on page 10 and page 13 ff., respectively.

Income by region is as follows:

CHF 1,000	2007	2006
Net turnover	**330,351**	**270,422**
– of which Europe, Middle East, Africa	235,589	204,013
– of which America	57,389	46,514
– of which Asia and Oceania	37,373	19,895

Net turnover in the Europe, Middle East, Africa region includes CHF 4.8 million of turnover with related parties in 2007 (CHF 1.1 million in 2006).

Assets and capital expenditure by location are as follows:

CHF 1,000	2007	2006
Total assets (December 31)	**327,385**	**291,622**
– of which Europe, Middle East, Africa	308,770	273,739
– of which America	14,166	13,589
– of which Asia and Oceania	4,449	4,294
Capital expenditure on tangible fixed assets, total	**-22,571**	**-13,976**
– of which Europe, Middle East, Africa	-21,967	-13,411
– of which America	-598	-550
– of which Asia and Oceania	-6	-15
Capital expenditure on intangible assets	**-5,848**	**-1,351**
– of which Europe, Middle East, Africa	-5,846	-1,350
– of which America	-2	-1
– of which Asia and Oceania		

31. DIVIDENDS PAID

The annual general meeting of Adval Tech Holding Ltd for the 2006 financial year, held on May 9, 2007, approved the payment of a gross dividend of CHF 6.00 on May 15, 2007, resulting in a total distribution of CHF 2.19 million. The distribution was deducted from shareholders' equity following the approval of the relevant motion by the annual general meeting.

32. PLEDGED ASSETS

CHF 1,000	12/31/2007	12/31/2006
Book value of pledged receivables	0	0
Book value of pledged inventories	0	0
Book value of pledged tangible fixed assets	2,160	9,886
Book value of pledged intangible assets	0	0
Total pledged assets	**2,160**	**9,886**

The pledges listed serve as security for mortgages, other bank loans and credit lines. Furthermore, it should be noted that balances at sight held with banks can be used to cover loans granted at the same time in accordance with the banks' general conditions of business.

33. FIRE INSURANCE VALUES

CHF 1,000	12/31/2007	12/31/2006
Real estate	118,234	115,245
Other tangible fixed assets	291,859	279,970

34. CONTINGENT AND FUTURE LIABILITIES

CHF 1,000	12/31/2007	12/31/2006
Contingent liabilities in favor of third parties	2,683	1,343
Liabilities arising from leases	5,314	8,645
Liabilities arising from operating leases	205	161

Contingent liabilities originate from guarantees issued as security for advance payments by customers, finance lease transactions and import duties. A cash outflow is deemed unlikely.

Payments deriving from operating leases fall due as follows: CHF 0.1 million within one year, CHF 0.1 million within two to five years.

Future rental payments fall due as follows: CHF 2.5 million within one year, CHF 2.8 million in two to five years.

35. FINANCIAL INSTRUMENTS

Market values are calculated on the basis of individual valuations of the open instruments on balance sheet date.

The total change in market value was CHF +0.3 million (CHF -0.3 million in 2006), see also note 26.

The following financial instruments for limiting financial risks existed on balance sheet date:

Interest rate risks:

Instrument	Contract value 1,000	Replacement value CHF 1,000 positive	negative
Interest rate cap	75,500	168	0
Total	**75,500**	**168**	**0**

Interest rate caps are held in order to limit the risk of increases in interest rates. The interest rate caps which expired at the end of 2007 have not been replaced. The hedges in place at the end of 2007 are valid until 2009 at the latest.

The figures for 2006 were as follows:

Instrument	Contract value 1,000	Replacement value CHF 1,000 positive	negative
Interest rate cap	93,500	345	0
Total	**93,500**	**345**	**0**

Currency risks:

Currency	Instrument	Contract value 1,000	Replacement value CHF 1,000 positive	negative
USD	Options	1,590	148	0
USD	Forward transactions	64,000	0	1,401
Total		**65,590**	**148**	**1,401**

The above-mentioned options and forward transactions serve to hedge future EUR and USD payments arising from contracts concluded or agreements about to be concluded on balance sheet date. They mature in 2008 at the latest.The forward transaction in the amount of CHF 64 million US dollars was concluded for the purchase of an equity investment. Hedge accounting in conformity with IAS 39 was applied.

The figures for 2006 were as follows:

Instrument	Contract value 1,000	Replacement value CHF 1,000 positive	negative
Options	0	0	351
Forward transactions	344	4	0
Total	**344**	**4**	**351**

The allocation of financial instruments included in the balance sheet to the categories in IAS 39 and their impact on the income statement are as follows:

Category	12/31/2007	12/31/2006
Assets:		
Financial assets posted to income at fair value	1,358	1,461
Loans and receivables	60,371	45,637
Financial assets for disposal	29	28
Liabilities:		
Hedging transactions	1,401	0
Other financial liabilities valued at continued acquisition cost	113,584	99,376

Gains and losses arising from currency translation differences in the categories of loans and receivables and other financial liabilities, as well as net interest income are listed in note 36. The changes in value of financial assets posted to income at fair value are referred to in this note.

Bank expenses in the year under review amounted to CHF 0.1 million (CHF 0.1 million in 2006). Losses on receivables posted to income are shown in note 4.

36. RISK ASSESSMENT OF FINANCIAL INSTRUMENTS

Risk policy regarding financial instruments is described in note 2. The sensitivity analyses required under IFRS 7 are set out below.

At balance sheet date the sensitivity analysis of interest rate risks is as follows:

Impact on pre-tax profit (in CHF 1,000)	12/31/2007	12/31/2006
Actual interest rate +1%	-573	-889
Actual interest rate -1%	644	878

At balance sheet date the sensitivity analysis of currency risks is as follows:

Impact on pre-tax profit	Exchange rate change in %		12/31/2007		12/31/2006	
(in CHF 1,000)	+	-	+	-	+	-
EUR/CHF	+3	-3	915	-915	242	-186
USD/CHF	+8	-8	141	-141	157	-157
BRL/CHF	+10	-10				

The BRL/CHF currency pairing displays no material sensitivity. The following direct exposure for shareholders' equity results from the application of hedge accounting.

Impact on shareholders' equity	Exchange rate change in %		12/31/2007		12/31/2006	
(in CHF 1,000)	+	-	+	-	+	-
USD/CHF	+8	-8	5,798	-5,768		

Available liquidity at balance sheet date, which is utilized as a key characteristic for assessing the liquidity risk, is as follows:

Liquidity ratio 2 (quick ratio) on balance sheet date amounted to:

CHF 1,000	**12/31/2007**	**12/31/2006**
Liquid assets	19,451	22,904
Receivables	59,492	45,986
Short-term debt	74,611	65,976
Liquidity ratio 2	105.8%	104.4%

The book values of financial liabilities correspond approximately to their fair value. Gross cash outflows on financial liabilities (not discounted) are as follows:

CHF 1,000	**Less than three months**	**Three to twelve months**	**Two to five years**	**More than five years**
At December 31, 2006:				
Bank accounts	-5,330	-5,350	0	0
Derivative financial instruments	-3,027	0	0	0
Trade payables	-24,727	0	0	0
Leasing liabilities	-269	-806	-4,621	0
Mortgages				
Interest-bearing loans (unsecured)	0	0	-83,000	0
Total	**-33,353**	**-6,156**	**-87,621**	**0**
At December 31, 2007:				
Bank accounts	-5,384	0	0	0
Financial liabilities to related parties	-317	0	0	0
Derivative financial instruments	-75,342	0	0	0
Trade payables	-29,786	-3	0	0
Leasing liabilities	-175	-268	-274	0
Mortgages				
Interest-bearing loans (unsecured)	0	0	-107,166	0
Total	**-111,004**	**-271**	**-107,440**	**0**

It should be noted that the cash inflows corresponding to the cash outflows are not set off in the above table.

37. TRANSACTIONS WITH RELATED PARTIES

The following persons and companies were deemed to be related parties in the year under review:

- the pension fund of Adval Tech Holding Ltd
- Artemis Holding AG, Hergiswil, and its group companies
- Franke Holding AG, Aarburg, and the companies of the Franke Group
- Ypsomed Holding AG, Burgdorf, and the companies of the Ypsomed Group
- the members of the Board of Directors and group management
- Messrs Rudolf Styner, Frauenkappelen, and Hansruedi Bienz, Oberbottigen

The following business transactions were material in the year under review:

Contributions of CHF 3.9 million to the pension fund of Adval Tech Holding Ltd, posted as expenses.

Liabilities to related parties on balance sheet date totaled CHF 2.8 million, of which CHF 0.9 million related to outstanding contributions to the pension fund.

The members of the Board of Directors and group management received only fees and salaries totaling CHF 2.3 million in the year under review. No payments other than regular employer's contributions were made to the pension funds for members of the Board of Directors or group management.

38. EVENTS OCCURRING AFTER BALANCE SHEET DATE

No events that would adversely affect the information provided by the 2007 consolidated accounts have occurred since balance sheet date. The dividend proposed by the Board of Directors for the year 2007 is indicated on page 88.

In mid-January 2008 Adval Tech Holding Ltd signed two agreements regarding the purchase of 100% of the share capital of Omni Investors Pte. Ltd in Singapore in two stages. In a first stage, 85.7% of the share capital was acquired in mid-January 2008. In a second stage the remaining 14.3% of the share capital outstanding will be acquired by spring 2010.

Omni Investors Pte. Ltd holds interests in six manufacturing facilities, three of which are located in China and one each in Malaysia, Mexico and Thailand. The Omni Group is a leading supplier in the field of injection molding in the Asia region. The intention is to integrate the Omni Group into the Injection Molding Division.

The purchase price is based in part on the annual financial statements of the OMNI Group at December 31, 2007, which were not yet available when the consolidated financial statements of Adval Tech Holding Ltd were released for publication. For this reason no details can yet be published regarding the purchase price and its allocation upon the release for publication of the consolidated financial statements of Adval Tech Holding Ltd. Detailed information on the purchase of the share capital of Omni Investors Pte. Ltd will be disclosed with the interim report at the latest. Adval Tech will finance the purchase of the shares acquired in 2008 with bridging loans, which will be replaced by the proceeds from an increase in share capital in the first half of 2008.

39. RELEASE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were released for publication by the Board of Directors of Adval Tech Holding Ltd and a motion for their approval was submitted to the annual general meeting of shareholders of Adval Tech Holding Ltd on March 11, 2008.

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers AG
Bahnhofplatz 10
P.O. Box
3001 Berne
Switzerland
Phone +41 58 792 75 00
Fax +41 58 792 75 10

Report of the group auditors
to the general meeting of
Adval Tech Holding Ltd
Niederwangen

As auditors of the group, we have audited the consolidated financial statements (balance sheet, income statement, statement of cash flows, statement of changes in equity and notes / pages 38 to 82) of Adval Tech Holding Ltd for the year ended December 31, 2007.

These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards and with the International Standards on Auditing, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Peter Wittwer   Martin Köhli
Lead Auditor

Berne, March 11, 2008

FINANCIAL REPORTS OF ADVAL TECH HOLDING LTD

1. BALANCE SHEET

CHF	**12/31/2007**	**12/31/2006**
Liquid assets	68,750	41,068
Receivables		
– from third parties	407,547	358,983
– from group companies	3,898,486	3,164,075
Prepaid expenses and accrued income		
– from third parties	1,440,907	471,883
Total current assets	**5,815,690**	**4,036,009**
Investments in group companies	46,056,326	35,029,047
Loans to third parties	1,164,360	0
Loans to group companies	117,648,948	110,021,115
Total fixed assets	**164,869,634**	**145,050,162**
Total assets	**170,685,324**	**149,086,171**
Bank debt	4,696,291	8,750,013
Accounts payable	15,853	146,944
Other liabilities		
– to third parties	0	363,563
– to group companies	862,860	9,356
Accrued expenses	469,881	214,261
Short-term liabilities	*6,044,885*	*9,484,137*
Long-term liabilities		
– to third parties	87,000,000	63,000,000
– to group companies	250,000	750,000
Provisions	1,340,725	1,451,503
Long-term liabilities	*88,590,725*	*65,201,503*
Total liabilities	**94,635,610**	**74,685,640**
Share capital	7,300,000	7,300,000
General reserves	9,500,000	9,500,000
Reserve for treasury stock	71,800	81,863
Free reserves	15,023,847	15,013,784
Share capital and reserves	*31,895,647*	*31,895,647*
Balance brought forward	40,314,884	39,534,218
Net profit for the year	3,839,183	2,970,666
Retained earnings	*44,154,067*	*42,504,884*
Total shareholders' equity	**76,049,714**	**74,400,531**
Total liabilities	**170,685,324**	**149,086,171**

2. INCOME STATEMENT

CHF	2007	2006
Income from investments in group companies	1,800,000	1,500,000
Other income from third parties	4,751	6,300
Other income from group companies	640,030	449,658
Finance income from group companies	4,751,890	3,776,170
Finance income from third parties	213,311	1,106,317
Total operating earnings	**7,409,982**	**6,838,445**
Finance expenses, third parties	2,944,033	3,231,264
Finance expenses, group companies	12,031	10,125
Business and administration expenses	376,355	187,658
Operating expenses	**3,332,419**	**3,429,047**
Amortization of intangible assets	0	319,887
Operating earnings before taxes	**4,077,564**	**3,089,510**
Net profit before taxes	4,077,564	3,089,510
Taxes	238,380	118,845
Net profit	**3,839,183**	**2,970,666**

Accounting principles

The foregoing financial statements of Adval Tech Holding Ltd have been prepared in accordance with the accounting requirements stipulated by Swiss company law.

Treasury stock

In the course of the year under review 38 shares were sold from the 283 shares of treasury stock held on December 31, 2006. 245 shares of treasury stock were therefore still held on December 31, 2007.

Intangible assets

There were no purchases or sales of intangible assets in the year under review. Intangible assets are amortized within five years.

Investment holdings

The investment holdings of Adval Tech Holding Ltd are listed on page 48 of this report.

Major shareholders

As of December 31, 2007, the following shareholders held more than 3% of the registered share capital recorded in the Commercial Register:

- Willy Michel 22.0%
- Artemis Beteiligungen II AG, Hergiswil 20.3%
- Rudolf Styner 14.1%
- Hansruedi Bienz 10.5%
- Lombard Odier Darier Hentsch Fund Managers SA, Genf 6.8%
- Sarasin Investmentfonds AG, Basel 5.7%
- Einfache Gesellschaft Dreier 5.2%

Guarantees to third parties

As of December 31, 2007, Adval Tech Holding Ltd has issued guarantees to its bankers, to leasing companies and to customers in respect of a total of CHF 27,965,000. These serve to secure loans, credit lines and leasing transactions of subsidiaries of Adval Tech Holding Ltd.

Remuneration of the Board of Directors and group management

All amounts in CHF	Function	Basic remuneration	Variable remuneration	Other remuneration	Total
Board of Directors (BD)					
Walter Grüebler	Chairman	70,000		6,000	76,000
Michael Pieper	Vice Chairman	50,000		5,000	55,000
Leonardo Attanasio	Director	40,000		6,000	46,000
Hans Dreier	Director	50,000		9,000	59,000
Willy Michel	Director	20,000		5,000	25,000
Josef Reissner	Director	40,000		56,000	96,000
Roland Waibel	Director	50,000		9,000	59,000
Total Board of Directors		**320,000**	**0**	**96,000**	**416,000**
Group management (GM)					
Total group management		**1,356,419**	**540,000**	**21,064**	**1,917,483**
of which highest-paid member (Jean-Claude Philipona, CEO)		429,213	140,000	5,266	574,479

The Board of Directors and group management are remunerated in cash only.

The additional fee paid to Josef Reissner was in connection with services rendered by him for a development project.

The figures listed in the table are the amounts actually disbursed in 2007.

No remuneration was paid to former members of the Board of Directors or group management in the year under review.

Equity holdings of the Board of Directors and group management in Adval Tech Holding Ltd.
As of December 31, 2007, the individual members of the Board of Directors and group management (including closely associated persons) held the following numbers of shares in the company:

	Function	Number
Walter Grüebler	Chairman of the Board	1,051
Michael Pieper	Vice Chairman of the Board	74,206
Leonardo Attanasio	Director	15
Hans Dreier	Director / Head of Marketing and Logistics	9,454
Willy Michel	Director	80,300
Josef Reissner	Director	191
Roland Waibel	Director	25
Jean-Claude Philipona	CEO	112
Markus Reber	CFO	20
René Rothen	Head of the Stamping and Forming Division	0
Thomas Meyer	Head of the Injection Molding Division	10

4. PROPOSAL BY THE BOARD OF DIRECTORS FOR THE APPROPRIATION OF PROFIT

At the disposal of the annual general meeting of shareholders		2007	2006
Balance brought forward	CHF	40,314,884	39,534,218
Net profit for the year	CHF	3,839,183	2,970,666
Retained earnings	**CHF**	**44,154,067**	**42,504,884**
Proposal by the Board of Directors			
Dividend of CHF 7.00 (CHF 6.00 in 2006) gross per registered share	CHF	2,555,000	2,190,000
Allocation to free reserves	CHF	0	0
Carried forward to new account	CHF	41,599,067	40,314,884
	CHF	**44,154,067**	**42,504,884**

PricewaterhouseCoopers

PricewaterhouseCoopers AG
Bahnhofplatz 10
P.O. Box
3001 Berne
Switzerland
Phone +41 58 792 75 00
Fax +41 58 792 75 10

Report of the statutory auditors
to the general meeting of
Adval Tech Holding Ltd
Niederwangen

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes / page 84 to 88) of Adval Tech Holding Ltd for the year ended December 31, 2007.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Peter Wittwer   Martin Köhli
Lead Auditor

Berne, March 11, 2008

Adval Tech Holding Ltd
CH-3172 Niederwangen
Switzerland
Phone +41 31 980 84 44
Fax +41 31 980 82 60
info@advaltech.com
www.advaltech.com

Adval Tech Management Ltd
CH-3172 Niederwangen
Switzerland
Phone +41 31 980 84 44
Fax +41 31 980 82 60
info@advaltech.com
www.advaltech.com

STYNER+BIENZ

Styner+Bienz FormTech Ltd
CH-3172 Niederwangen
Switzerland
Phone +41 31 980 81 11
Fax +41 31 980 81 55
info@styner-bienz.com
www.styner-bienz.com

Styner+Bienz do Brasil Ltda.
Av. Rocha Pombo, 2561
Águas Belas – Aeroporto
BR-83010-620 São José
dos Pinhais PR
Brazil
Phone +55 41 3299-1700
Fax + 55 41 3299-1703
info@styner-bienz.com.br
www.styner-bienz.com

QSCH

QSCH Kft.
Mátyás király u. 67
H-7100 Szekszárd
Hungary
Phone +36 74 512580
Fax +36 74 512587
info@qsch.com
www.qsch.com

AWM

AWM Mold Tech Ltd
Gotthardstrasse 3
CH-5630 Muri AG
Switzerland
Phone +41 56 675 44 44
Fax +41 56 675 44 42
moldtech@awm.ch
www.awm.ch

AWM Plast Tech Ltd
Industrie Nord 1
CH-5634 Merenschwand
Switzerland
Phone +41 56 675 46 00
Fax +41 56 675 46 10
plasttech@awm.ch
www.awm.ch

AWM Plastpack Ltd
Pilatusstrasse 19
CH-5630 Muri AG
Switzerland
Phone +41 56 675 44 55
Fax +41 56 675 44 54
plastpack@awm.ch
www.awm.ch

AWM Swiss Technology Ltd
Room 1701
Billion Trade Center
31 Hung To Road
Kwun Tong, Kowloon
Hong Kong
Phone +852 2670 6000
Fax +852 2670 1918
awm@awm.hk
www.awm.ch

AWM Mold Tech Trading
(Shanghai) Co. Ltd
Room 1807, He Yi Building
420 Jiang Ning Road
Shanghai, China PRC
Phone +8621 6267 8603
Fax +8621 6267 8513
awm@awm.sh.cn
www.awm.ch

AWM Mold Service US Inc.
100 Cummings Center
Suite 231-C
Beverly, MA 01915, USA
Phone +1 978 720 4080
Fax +1 978 720 4084
moldservice@awm-us.com
www.awm.ch

FOBOHA

Foboha GmbH
Im Mühlegrün 8
D-77716 Haslach
Deutschland
Phone +49 78 32 798 0
Fax +49 78 32 798 988
foboha@foboha.de
www.foboha.com

Foboha US Inc.
100 Cummings Center
Suite 231-C
Beverly, MA 01915, USA
Phone +1 978 720 4080
Fax +1 978 720 4084
lisajmauro@earthlink.net
www.foboha.com

TEUSCHER

Teuscher Kunststoff-Technik Ltd
Niklaus-Wengi-Strasse 38
CH-2540 Grenchen
Switzerland
Phone +41 32 653 19 35
Fax +41 32 653 15 50
info@teuscher-Ltd.ch
www.teuscher-Ltd.ch

OMNI

Omni Industries Holdings Pte. Ltd
331, North Bridge Road
#13-04/06 Odeon Towers
Singapore 188720
Phone +65 6557 7900
Fax +65 6337 4131
contactus@omni-industries.com
www.omni-industries.com