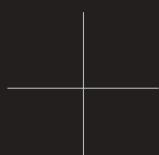
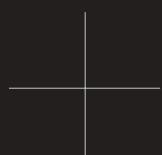
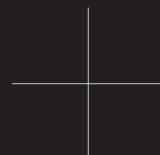
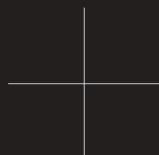
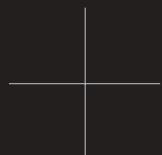
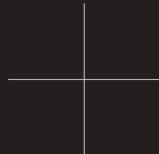
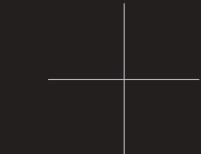


**adval** tech

ANNUAL REPORT 2001

COMPETENCE IN METALS AND PLASTICS





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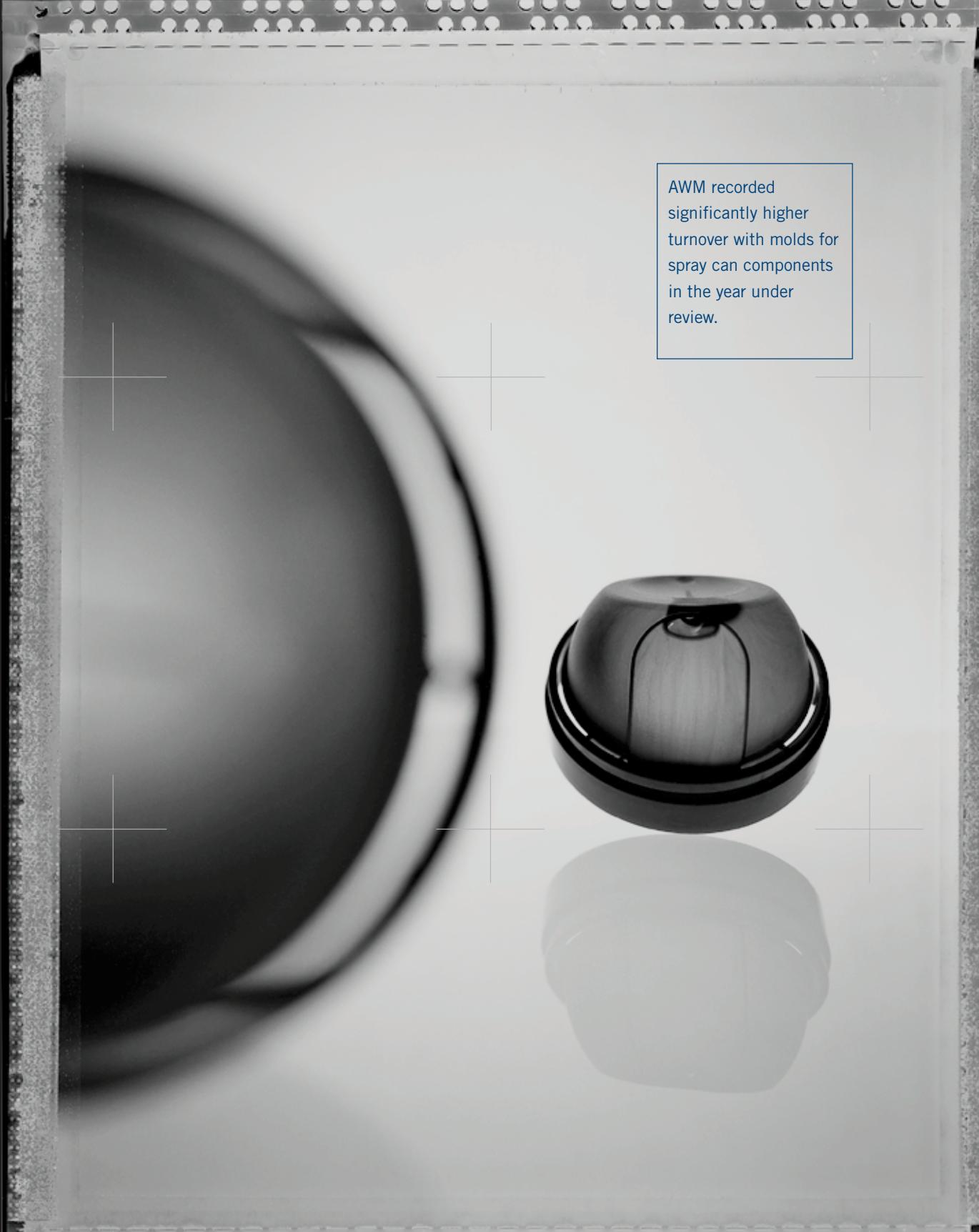
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Key figures of the adval tech Group	<b>5</b>
Report by the Board of Directors	<b>6</b>
Brief portrait of adval tech	<b>9</b>
Organization	<b>10</b>
Stamping and Forming Division	<b>13</b>
Injection Molding Division	<b>19</b>
Information for investors	<b>25</b>
Addresses	<b>27</b>
Financial reports	separate appendix



AWM recorded significantly higher turnover with molds for spray can components in the year under review.

## KEY FIGURES OF THE ADVAL TECH GROUP

	2001	2000	1999	1998	1997
<b>Total income (CHF millions)</b>					
Group	177.283	209.573	165.460	167.724	140.225
change in %	-15.4	+26.7	-1.3	+19.6	+12.2
per employee (CHF thousands)	222.857	266.802	212.947	229.131	213.270
Stamping and Forming Division	104.183	98.416	95.466	103.549	86.121
Injection Molding Division	73.878	112.488	70.384	65.135	54.509
<b>EBITDA (CHF millions)</b>					
Operating earnings before depreciation	28.1	41.9	22.7	25.3	22.4
in % of total income	15.9	20.0	13.7	15.1	16.0
Stamping and Forming Division	8.1	6.4	1.9	5.5	7.2
Injection Molding Division	19.5	34.8	20.4	18.2	15.2
<b>EBIT (CHF millions)</b>					
Operating earnings	13.8	27.2	11.4	17.4	15.1
in % of total income	7.8	13.0	6.9	10.4	10.7
Stamping and Forming Division	0.9	0.6	-2.9	2.1	3.7
Injection Molding Division	12.5	26.0	13.9	13.8	11.3
<b>Net profit (CHF millions)</b>					
Net profit for the year	10.6	19.0	8.4	12.1	12.1
in % of total income	6.0	9.1	5.1	7.2	8.6
<b>Cash flow and capital expenditure (CHF millions)</b>					
Cash flow from operations	29.8	21.7	10.1	7.3	19.2
Free cash flow	-1.1	-14.1	-10.5	-13.4	-4.2
Capital expenditure	32.2	32.0	21.3	23.4	22.3
<b>Balance sheet figures (CHF millions)</b>					
Total assets	228.6	222.0	186.9	164.8	132.0
Shareholders' equity	115.6	109.9	94.3	89.9	72.9
in % of total assets	50.6	49.5	50.5	54.6	55.2
<b>Employees</b>					
on December 31	796	795	776	778	686
<b>Market capitalization (CHF millions)</b>					
on December 31	119.0	202.7	140.4	99.4	n.a.
<b>Selected key figures per share</b>					
Earnings (CHF)	30.22	54.36	23.90	34.70	34.43 <sup>1)</sup>
Dividend (CHF)	12.00 <sup>2)</sup>	12.00	10.00	10.00	2.86 <sup>1)</sup>
Payout ratio in %	39.7	22.1	41.8	28.8	8.3
P/E ratio in % on December 31	11.3	10.7	16.8	8.2	n.a.

1) Adjusted on the basis of the new capital structure after IPO

2) Proposed by the Board of Directors

# DEAR SHAREHOLDERS,

**The previous year's record figures could not be repeated in 2001. The consolidated results are in line with the forecasts we made when announcing the half-year results at the end of August. Compared with the previous year, total income declined by 15% to CHF 177.3 million, operating earnings (EBIT) by 49% to CHF 13.8 million and net profit by 44% to CHF 10.6 million. However, despite the difficult economic environment in the year under review, EBIT and net profit were more than 20% higher than the figures reported in 1999.**

The steep decline in turnover and profit compared with the previous year was due primarily to the trend in the market for molds used to manufacture optical discs (ODs) at the Injection Molding Division. The boom conditions experienced in 2000 with market growth of 100% resulted in temporary saturation and a decline to the – still very high – level of 1999. However, the market for end products in the optical disc sector (CDs, DVDs, etc.) is still extremely attractive, with double-digit growth rates. The medium-term prospects for the optical disc sector are therefore good for AWM.

The fact that the Injection Molding Division's EBIT margin is still a handsome 17%, despite the sharp decline in turnover, underscores AWM's high flexibility. The division has resolutely continued to pursue its outsourcing and market development strategy. It substantially extended its market position in two-component and multi-component parts, especially for food packaging and for applications in the automotive industry. AWM successfully gained entry to another market with its newly developed lens mold. This enables spectacle glass blanks to be produced efficiently and cost-effectively. AWM expanded vigorously in the manufacture of technically sophisticated plastics parts in the first six months of 2001, but suffered a sharp setback in the second half due to the downturn in the global economy.

Following the rapid pace of growth from 1996 through 2000, AWM seized the opportunity provided by the period of consolidation in 2001 and took action in the organizational and construction fields with a view to future development. AWM is investing a total of CHF 13 million in the new manufacturing facility in Muri. The new premises allow not only an urgently necessary expansion of production capacity, but also an improved layout.

The Stamping and Forming Division made further progress in the year under review. The implementation of the adjustment in strategy to put greater emphasis on components and systems is resulting in an improved cost structure and notable market successes. For example, one in three newly delivered automobiles worldwide already features ABS housing covers from Styner+Bienz.

Alongside its major success on the market with ABS housing covers, Styner+Bienz also held its own in other segments. Despite a slump in the market for mobile telephones, the division succeeded in increasing volumes in cellphone shields. Styner+Bienz also made gains in steering systems for the automotive industry. In this connection the division has transferred the European steering systems business from the production plants in Niederwangen and Berne to Uetendorf near Thun. This has enabled more cost-effective layouts and material flows to be implemented in all the Swiss plants. Our facility close to the center of the Brazilian automotive industry in Curitiba came on stream in the summer. However, due to the weak economic situation in Brazil, capacity utilization is still not up to expectations. This confirms our experience that extended startup periods have to be expected for foreign investment projects.

Administrative processes and cooperation between organizational units of the division are being considerably simplified; the three Styner+Bienz companies in Switzerland will be merged to form Styner+Bienz FormTech Ltd in the first half of 2002.

Adval tech shares were unable to escape the effects of the general stock market trend. Following the encouraging progress made in 2000, the share price declined by 41% from CHF 578 to CHF 340 in 2001. The high point was recorded in January at CHF 640 and the low point in September at CHF 250. The overall trend underperformed the share index for the Swiss engineering industry by some five percentage points. Our open, transparent information policy was especially appreciated by investors, analysts and the media in the turbulent times experienced in the year under review.

Adval tech's results in 2001 show that our group is on the right track, despite the sharp fall in turnover and profit compared with the record year in 2000. A look back over the past seven years shows that organic turnover growth has been remarkable. The group has demonstrated its ability to adapt to market trends. In 2002, the goal for both divisions will be the successful implementation of strategic

adjustments – concentration and expansion of the core business at Styner+Bienz, market development at AWM. We will continue to aim for the greatest possible flexibility as regards costs.

Both divisions are very well placed to benefit from an economic recovery. Capacity, technology and trend-setting products are available. Sales efforts in key markets will therefore take top priority in 2002. The improved basis and the numerous customer projects currently awaiting implementation enable us to look forward to the future with confidence, despite the uncertainties. Following a phase of massive investment between 1997 and 2001 (totaling CHF 131.2 million), capital spending will ease to a much lower level in the current year. The free cash flow to be expected as a result will contribute to financial consolidation.

We want to thank the employees of the adval tech Group for all their efforts in the past year, our business partners for their close cooperation, and especially also you – our shareholders – for the confidence you have placed in us through your financial commitment in a difficult year.

Niederwangen, March 2002

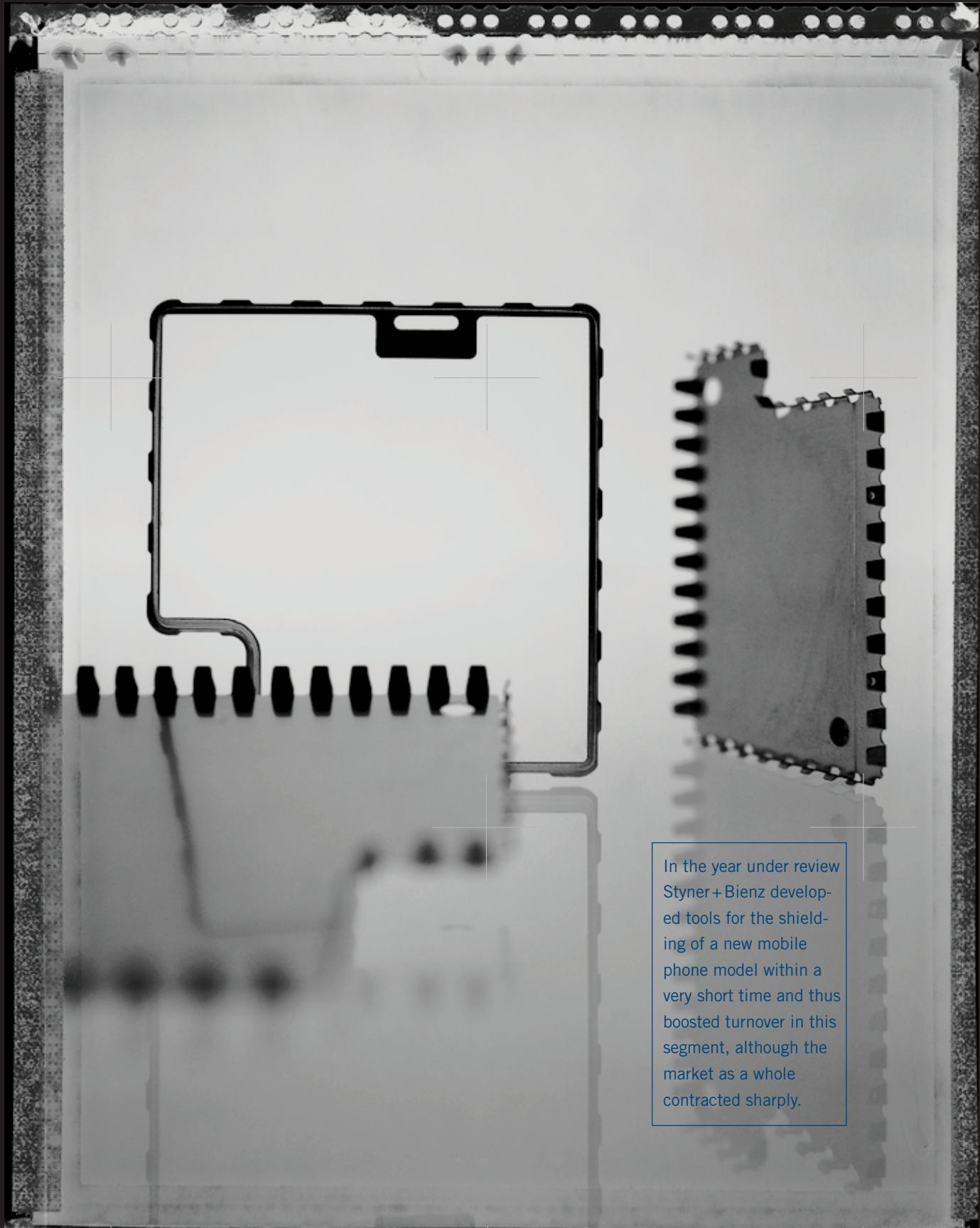


HERBERT THÖNEN

CHAIRMAN OF THE BOARD

JEAN-CLAUDE PHILIPONA

CHIEF EXECUTIVE OFFICER



In the year under review Styner+Bienz developed tools for the shielding of a new mobile phone model within a very short time and thus boosted turnover in this segment, although the market as a whole contracted sharply.

## 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 in all industries where metal or plastics components are manufactured or used. With innovative and technically sophisticated approaches, the adval tech Group enables its customers to make continuous improvements to their products and processes. The Stamping and Forming and Injection Molding divisions trade on the market under the names of Styner+Bienz and AWM, respectively. The adval tech Group has good development prospects in the fields of activity covered by its core competences.

### Stamping and forming technology

Styner+Bienz's strengths include the ability not only to identify and analyze stamping and forming problems, but also to develop comprehensive, integrated solutions to them. Styner+Bienz develops intelligent systems and subassemblies together with its customers. It provides its customers with support in the fields of component design, forming technology, the development of production equipment as well as high-precision, cost-effective manufacturing of volume components. For example, one in three new automobiles worldwide is equipped with ABS housing covers from Styner+Bienz. Tools and special machinery for producing volume com-

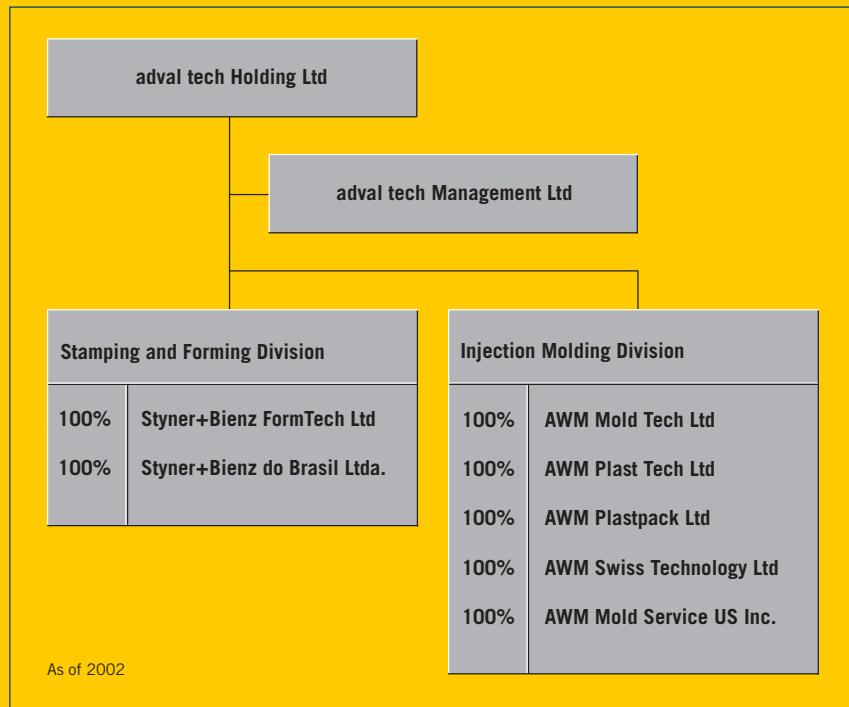
ponents are developed and built in the company's own Technology Center. Styner+Bienz also covers the entire logistics chain in CNC technology for smaller production volumes, from the development stage through to just-in-time delivery.

### Plastic injection molding technology

AWM is a global leader in the development and manufacture of molds for producing optical discs (ODs) and OD packaging. AWM focuses on superlative quality as well as the interchangeability and rapid availability of its products. AWM is also at the leading edge in the field of composite parts, a new technology in which different plastics featuring different properties (e.g. hardness) are combined. AWM is broadly diversified in its fields of application and is always ready to enter growth markets with new developments. In addition to ODs and OD packaging, current priorities also include bottle closures, coil shells, spray can tops, smart cards, multipoint connectors and food packaging. The relatively new sector of plastics technology offers excellent growth opportunities due to the continuous emergence of new areas of application and materials. For example, in 2001 AWM developed a new lens mold which enables spectacle glass blanks to be manufactured efficiently and cost-effectively from polycarbonate.

**The adval tech Group has good development prospects in the fields of activity covered by its core competences.**

## GROUP STRUCTURE



## GROUP MANAGEMENT



JEAN-CLAUDE PHILIPONA

CHIEF EXECUTIVE OFFICER

# EXECUTIVE BODIES

## Board of Directors

Herbert Thönen, Chairman (term of office expires in 2002)  
 Hansruedi Bienz, Vice Chairman (term of office expires in 2002)  
 Rudolf Styner (term of office expires in 2002)  
 Hans Dreier (term of office expires in 2002)  
 Dr. Walter Grüebler (term of office expires in 2002)  
 Prof. Dr. Josef Reissner (term of office expires in 2002)

## Group Management

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

## Statutory Auditors

PricewaterhouseCoopers, Berne

## Group Auditors

PricewaterhouseCoopers, Berne

## Stamping and Forming Division

Fritz Gaukel, Head of Division  
 Joachim Kaufmann, Head of Components and Systems  
 Rudolf Lüthi, Head of Competence Unit Forming Technology  
 Markus Thomma, Head of Technology Center  
 Lorenz Jaggi, Head of Finance, Controlling and Services  
 Otto Marti, Head of Quality and Marketing Services  
 Alfred Raggenbass, Head of Research and Development  
 Markus Gyger, Head of Human Resources

## Injection Molding Division

Josef Krummenacher, Head of Division  
 Thomas Meyer, Head of Finance, Controlling and Services  
 Thomas Eberhard, Head of Sales and Marketing  
 Bruno Müller, Production Manager  
 Markus Gabriel, Head of OD Technology  
 Daniel Schüpbach, Head of Sales, AWM Plast Tech Ltd  
 Bruno Strelbel, Production Manager, AWM Plast Tech Ltd  
 Martin Osterode, Head of AWM Mold Service US Inc.  
 Roy Clements, Head of AWM Swiss Technology Ltd



FRITZ GAUKEL

HEAD OF THE STAMPING AND FORMING DIVISION



JOSEF KRUMMENACHER

HEAD OF THE INJECTION MOLDING DIVISION



HANS DREIER

HEAD OF MARKETING AND LOGISTICS



Styner + Bienz's steering system business in Europe (multi-plate assemblies for adjusting the length and height of the steering wheel are illustrated here) was relocated from the production plants in Niederwangen and Berne to Uetendorf near Thun.

# SUCCESSFUL STRATEGIC ADJUSTMENT

Despite the difficult business environment, the Stamping and Forming Division reported higher total income and EBIT than in the previous year. The strategic adjustment involving a closer focus on the core Volume Parts Manufacturing business has already resulted in an improved cost structure and notable successes in the marketplace.

Overall economic conditions in 2001 were much more difficult than in the previous year. All the sectors and markets of significance for the division – especially the telecommunications industry – suffered lower turnover as a consequence of the global economic slowdown. At the same time the Swiss franc exchange rate rose and – intensified by excess capacity in the supply business – pressure to improve productivity increased steadily. Finding qualified technical and management personnel also continued to be difficult. On the other hand, the situation on the procurement markets eased considerably in the course of the year.

With a view to maintaining existing potential for success and ensuring that new opportunities are seized, the Stamping and Forming Division refocused its strategic thrust in 2001. An analysis of market needs, the general business environment and the division's resources, objectives and core competences resulted in a greater concentration of forces. The division is therefore focusing systematically on the Volume Parts Manufacturing business. Volume parts manufacturing can offset the high risk of losses on producing single items in toolmaking operations. Styner+Bienz is also concentrating its forces with regard to markets, applications and technologies.

THREE QUESTIONS ADDRESSED TO

FRITZ GAUKEL

HEAD OF THE STAMPING AND FORMING DIVISION



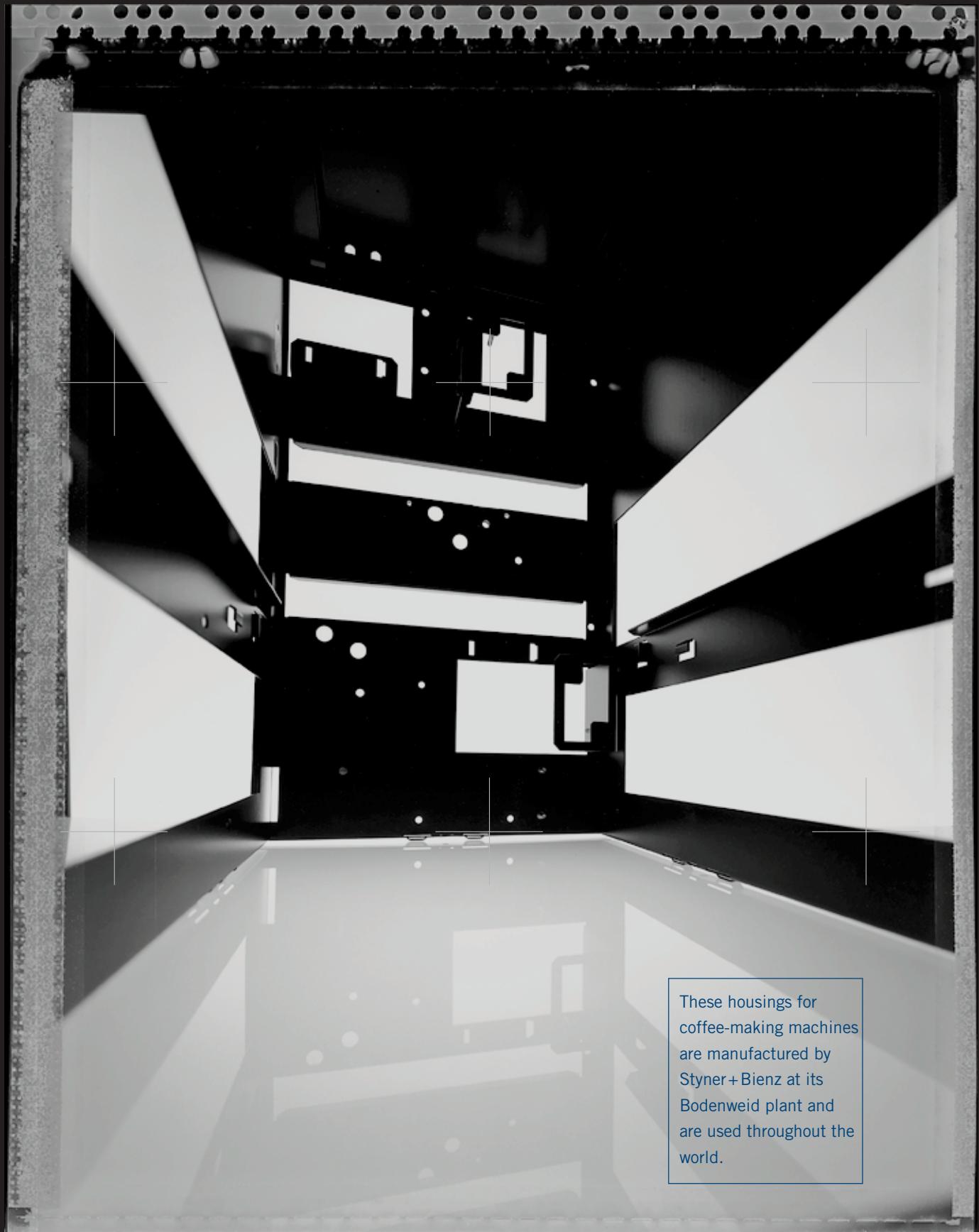
Your new strategy is focused on volume parts manufacturing. Doesn't that detract from your actual core competence – toolmaking? On the contrary; this very core competence is an essential prerequisite for successful volume parts manufacturing! Tool and special machinery manufacturing has a major influence on process control, product quality and product costs in the volume parts manufacturing business. We have therefore combined the relevant departments into a new Technology Center in the context of our strategic refocusing.

In which markets do you foresee the brightest development opportunities for Styner+Bienz in 2002?

The automotive supply market, where we have developed and invested vigorously in recent years, offers very good development opportunities. We supply primarily components and subassemblies for steering systems, ABS braking systems and airbags. The prospects in the telecommunications market are also good, due to our short development and tool manufacturing lead times for innovative cellphone components.

What is your assessment of the medium-term trend in Brazil? Has your plant there any chance at all of operating profitably in light of the prevailing business environment? All the world's prominent automotive manufacturers have made significant investments in Brazil in order to establish an export platform there for the Latin American market. If Brazil can continue to escape the consequences of the financial crisis in Argentina as it has to date and the forthcoming elections bring political forces to power which ensure attractive conditions for doing business, in the medium term the country will be able to resume the growth rate of 3 to 4% achieved in 2000.

**Volume parts manufacturing can offset the high risk of losses on producing single items in toolmaking operations.**



These housings for coffee-making machines are manufactured by Styner + Bienz at its Bodenweid plant and are used throughout the world.

### Organizational adjustments

The division made various organizational adjustments on the basis of the new strategy in 2001. The launch of the PRONOVA IT project to introduce integrated enterprise software will enable administrative processes and cooperation between organizational units to be considerably simplified. A prerequisite for this is the merger of Styner+Bienz AG, Styner+Bienz Machinery AG and Styner+Bienz Metall AG to form Styner+Bienz FormTech AG in the first half of 2002.

In order to extend its technological lead and boost its efficiency, Styner+Bienz is cooperating closely with university departments. The division launched the new generation CAD (Computer Aided Design) project in 2001 with a view to upgrading computerized design and drawing facilities as well as providing a basis for computerized manufacturing. This will enable working processes in the engineering, design and manufacturing fields to be optimized as of the second half of 2002, thus reducing costs substantially.

### Encouraging successes on the market

The division achieved considerable success on the market with the production of ABS housing covers. One in three new automobiles worldwide is now already equipped with Styner+Bienz ABS housing covers! All these parts are manufactured by Styner+Bienz in Switzerland; production in the US has been discontinued due to inadequate utilization of the plant's capacity.

As expected, the slump in the mobile telephone market had an impact on the production of mobile phone shields. However, the division responded very quickly and developed tools for a new cellphone model within a very short time, enabling Styner+Bienz to increase overall turnover.

The VW/Audi Group, being very important for the division, maintained its market position and even improved it in relative terms. The trend in sales of steering systems was therefore pleasing for Styner+Bienz until August. Following the events of September 11 the entire supply chain came to a halt for about one month. However, sales returned to normal in October.

Several major customers for subassemblies had an extremely poor year in 2001. However, Styner+Bienz was able to compensate for the resulting shortfall in turnover amounting to some 30% of the budgeted figure through the acquisition of new customers. These include Eaton (housings for data transfer equipment in the telecommunications industry) and Rolex (handling equipment for watch assembly).

At the end of April Styner+Bienz successfully completed the development project for the «Aerosol two out» line and the manufacture of aerosol can tops, thus consolidating its dominant market position (67%) in the field of production lines for aerosol cans. This new development boosts customers' output by 60% and enables thinner, harder metal sheet to be used. The same starting material can therefore be used to manufacture the entire aerosol can. Purchasing, inventories and material flow are considerably simplified as a result.

However, two large potential American customers have discontinued their projects with the newly developed generation of machines due to the recession in the US. On the other hand, the division succeeded in acquiring new customers for the less complex Aerosol Compact lines in the first half of the year. Four lines were ordered for China, Mexico and Saudi Arabia.

### More cost-effective layouts for producing steering systems

The European steering systems operations were transferred from the production plants in Niederwangen and Berne to Uetendorf near Thun at the end of the year. The object of this move was to solve space problems and create the necessary conditions for more cost-effective layouts and material flows, both at the new location and at the existing production plant in Niederwangen.

The plant at São José dos Pinhais near Curitiba (Brazil) came into production on July 1, 2001, and commenced manufacture of some 75% of the planned product range by year-end. However, the poor economic situation meant that earnings were only half of the budgeted figure, which depressed the division's earnings accordingly. The background to this was that only 55% of the available production capacity in the Brazilian automobile industry was utilized in 2001.

### Capital spending

Styner+BIENZ invested a total of CHF 13.9 million in 2001; CHF 1.4 million was spent on the introduction of integrated enterprise software and CHF 1.0 million on upgrading CAD facilities. A further CHF 1.8 million was spent on establishing operations at the Uetendorf site. The transfer of pro-

duction operations resulted in a CHF 0.7 million charge to earnings.

### Personnel

The workforce declined from 503 to 501 in 2001. The strained labor market made it difficult to fill vacancies for highly qualified specialists. In some cases wages had to be raised. Furthermore Styner+BIENZ reduced working hours and increased vacation entitlements in order to retain personnel and recruit new employees. However, the 10% increase in costs per working hour was largely offset by productivity growth.

### Outlook

Despite the global mood of uncertainty and the unsettled economic outlook, Styner+BIENZ remains confident. The EBIT margin is still well short of our medium-term target, but in light of the exceptional charges in the year under review (due, for example, to the relocation of facilities in Switzerland) the results are encouraging. The employment situation in the core business of Volume Parts Manufacturing has improved considerably. Experience also shows that sustained competitive pressure on customers generates incentives to invest. Management is therefore convinced that Styner+BIENZ will continue to gain new customers and enter new markets in the years to come.

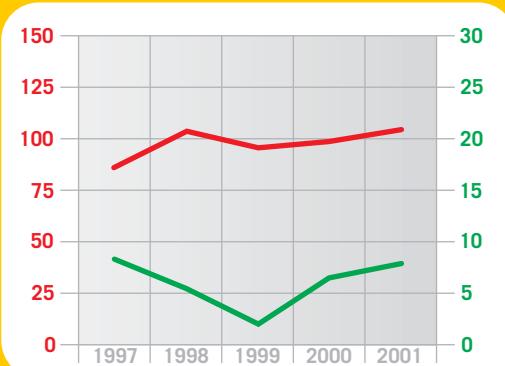
### STYNER+BIENZ TECHNOLOGY CENTER

Tool and special machinery manufacturing plays a key role in the industrial value-added chain and significantly influences delivery reliability, product quality and product costs. Based on its new strategic focus, Styner+BIENZ combined tool and

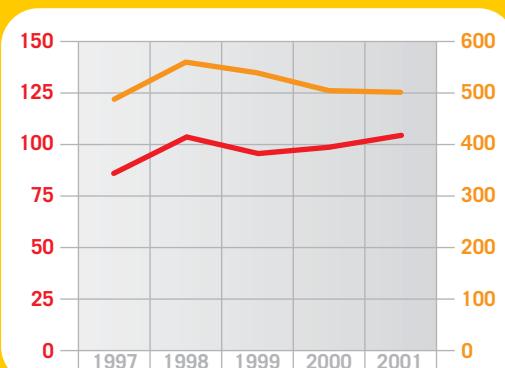
special machinery manufacturing with its research and development, design and testing departments to form a Technology Center as of August 1, 2001. This center is the main strategic success factor for the Stamping and Forming Division. It is responsible for:



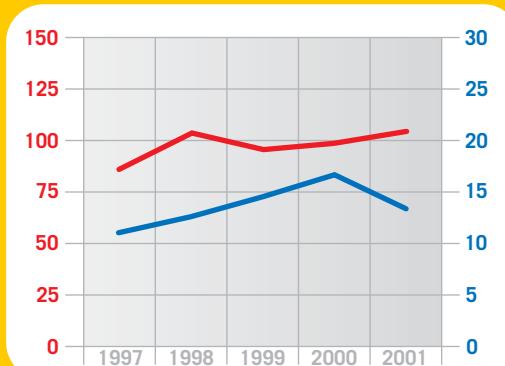
TOTAL INCOME AND EBITDA



TOTAL INCOME AND EMPLOYEES



TOTAL INCOME AND CAPITAL EXPENDITURE



PERFORMANCE DATA AND EMPLOYEES

in CHF millions

	1997	1998	1999	2000	2001
Total income	86.1	103.5	95.5	98.4	104.2
EBITDA	7.2	5.5	1.9	6.4	8.1
EBIT	3.7	2.1	-2.9	0.6	0.9
Capital expenditure	9.6	13.0	13.9	16.4	13.9
Employees	488	560	538	503	501

- Total income in CHF millions
- Employees

- constructing and procuring tools and special machinery
- strategic cooperation and outsourcing
- procurement logistics for operating material
- supporting the critical processes of acquisition/ component design/tool and equipment procurement as well as pilot samples/production in the Volume Parts Manufacturing unit
- regular measurement of benchmarks





These two-component parts manufactured by AWM, consisting of a rigid polyamide support and a soft thermoplastic element, prevent unpleasant chassis noise in automobiles.

# CONSOLIDATION AND FURTHER TECHNOLOGICAL DEVELOPMENT

The Injection Molding Division's results reflect the turbulence in the market for optical disc molds. The all-time record results reported in 2000 - with a growth rate of 60% - were followed by a steep decline in turnover. Nevertheless, the division's EBIT margin in 2001 was a handsome 17%, thus demonstrating AWM's great flexibility. The division seized the opportunity to pursue a number of technological developments in the year under review and also to consolidate after several years of rapid growth. It is thus ideally prepared for the next phase of growth.

In 2000 AWM had benefited from the exceptionally high level of capital spending in the optical disc industry. As a result, substantial excess capacity emerged toward year-end. Buffer stocks for equipment and molds emerged at all stages in the industry, and the capacity utilization of many existing production lines was inadequate. This resulted in fewer orders, a slump in turnover, delays in delivering molds on order, and pressure on prices and margins. Without losing market share, in the year under review AWM sold only about half the number of OD molds sold in 2000.

## Outsourcing and market development

The division responded very quickly to this exceptional trend in the market and thus coped relatively well with the wide fluctuations. The outsourcing and market development strategy paid off in the year under review. AWM operates in a variety of markets and continues to find new and interesting fields of application for injection molding technology. The systematic policy of outsourcing in the previous year and consistent cost control also had a positive impact.

## THREE QUESTIONS ADDRESSED TO

JOSEF KRUMMENACHER  
HEAD OF THE INJECTION MOLDING  
DIVISION

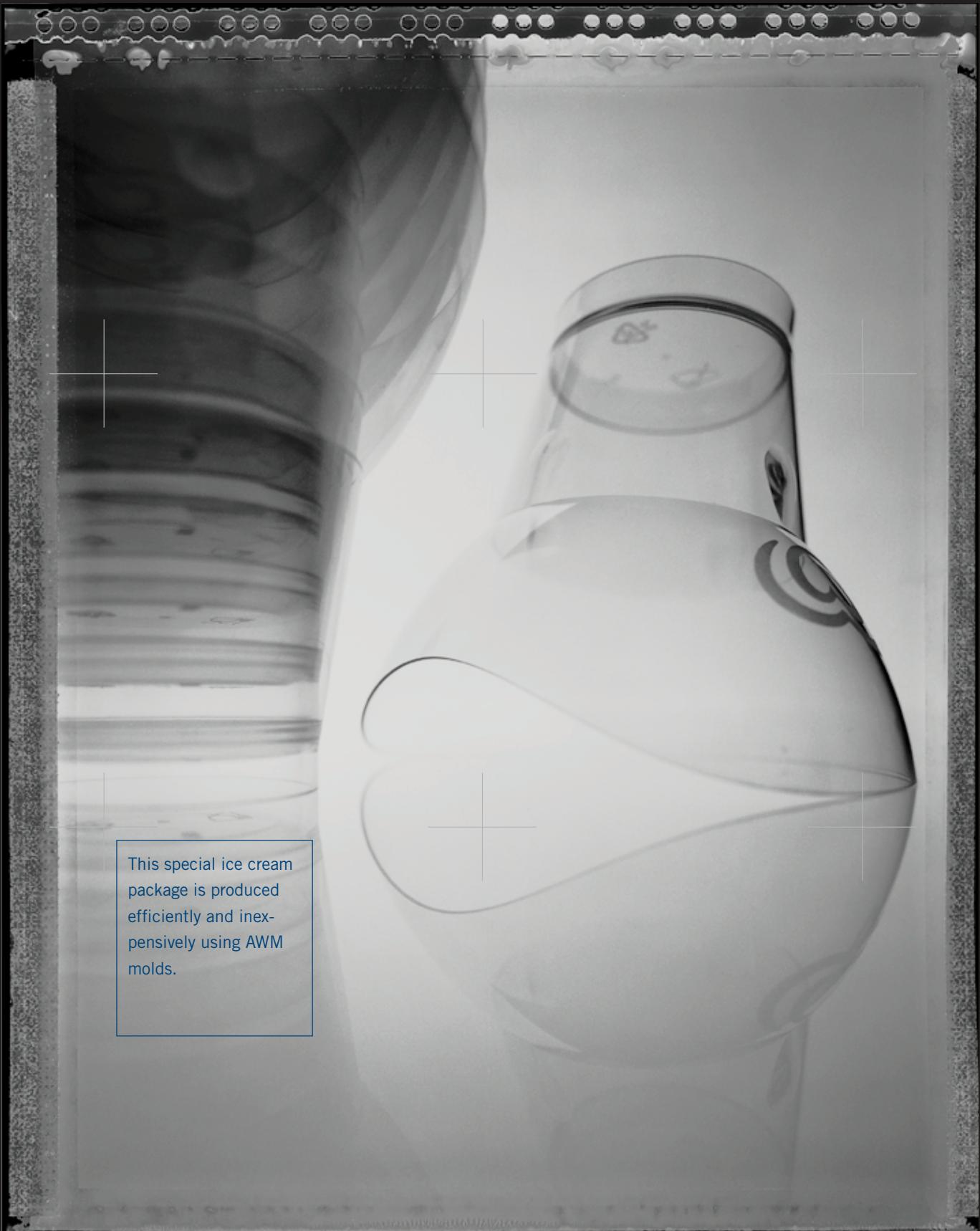


You have built a new, 8300 m<sup>2</sup> plant in Muri and thus created lots of additional space. What are the other advantages of these new premises? With the new plant we have created the prerequisites for further growth. We can now divide our moldmaking activities into two areas of competence. Injection molding operations as such are located in the new building, while machining operations remain in the existing premises; this is where the individual, interchangeable mold components are produced. At the same time, incidentally, we have initiated the transition to the next generation of management in moldmaking. We are already working on ensuring a smooth handover of responsibilities in the coming years.

The service companies in Hong Kong and Beverly (US) have continued to grow in importance. Are regional bases of this kind actually necessary in the era of globalization? Local service facilities are more important than ever before. Every stoppage on costly production lines is very expensive indeed. That is why it is so important that we can respond immediately, from a local base. This enables our customers to maintain the necessary flexibility to survive in today's marketplace.

In which markets do you foresee the brightest development opportunities for AWM in 2002? We continued with the further development of all our high-performance injection molds in 2001, so we are prepared for any growth that may emerge in the moldmaking field, also in two-component technology. Our goal is to gain market share in all sectors and press forward with market development in various directions.

**AWM operates in a variety of markets and continues to find new and interesting fields of application for injection molding technology.**



This special ice cream package is produced efficiently and inexpensively using AWM molds.

Since the market for end products (CDs, DVDs, etc.) is still recording double-digit growth rates, the medium-term outlook for AWM in this sector is still good. Development of a new generation of molds has been completed. The large numbers of AWM molds already installed means that the service and spare parts business will also have a positive impact on turnover.

Demand for molds used to manufacture OD packaging was well below expectations in 2001. Ground remains to be made up here, and AWM is well prepared for growth in this area. AWM brought a new generation of molds onto the market in the year under review; these will enable substantially higher output and significant material savings to be achieved.

AWM recorded much higher turnover in molds for screw closures, spray can components and thin-wall packaging in the year under review. It also succeeded in launching a very interesting new development in the shape of a lens mold. This enables spectacle glass blanks to be produced efficiently and cost-effectively from polycarbonate. Injection-molding semi-finished or finished glasses in the required diopter is a major technical challenge. It calls for very-high-precision molds and considerable expertise in technical applications. Since production volumes are also very high, these molds fit exactly into AWM's strategy. AWM demonstrated the manufacturing technology developed in cooperation with the German global group Krauss Maffei for the first time to a trade audience at the K2001 plastics trade show in October. The interest shown was encouraging, and the market potential is enormous.

#### Expansion in two-component and multi-component parts

Volume parts manufacturing experienced two totally different halves: following the expansion of facilities in 2000, capacity was already fully utilized in the first six months, but turnover declined steeply as of July. Competitive pressure is fierce, and production of technically less sophisticated parts is increasingly being transferred to other countries.

AWM considerably expanded its market position in the field of two-component and multi-component parts. The division brought numerous new applications to the market launch stage in 2001. These included various food packages and very sophisticated parts for the automotive industry.

#### Capital spending

Following the rapid growth of the previous years, AWM seized the opportunity offered by the consolidation phase in 2001 to pursue organizational and structural projects with a view to future development. AWM is investing a total of CHF 13 million in the new manufacturing facility in Muri (8300 m<sup>2</sup>). The new premises allow not only an urgently necessary expansion in production capacity, but also the clear physical separation of mold development, assembly and commissioning on the one hand, and the production of mold parts on the other. AWM also invested in the next generation of personnel. A total of 60 apprentices will undergo training at AWM in 2002. Some CHF 1 million was invested in upgrading and expanding the apprentices' workshop in the year under review. With substantial investments in information technology, AWM is also upgrading working and management

**AWM considerably expanded its market position in the field of two-component and multi-component parts.**

tools to the latest state of the art. A further investment priority (CHF 2.4 million) was to increase production capacity at Merenschwand, where infrastructure facilities were expanded and additions made to the machinery portfolio, for example with two-component injection molding machines.

AWM has also reinforced the areas of Sales, Engineering, Design and Business Administration. This has been done not only with a view to providing a broader base for the products, but also to prepare for the handover to the new generation of management in the medium term. The service companies in Hong Kong and in Beverly (USA) continued to grow in importance. The potential of these markets is considerable.

### Personnel

Despite the steep overall decline in turnover, there was no reduction in the division's workforce. The

setback was absorbed primarily by reducing the volume of outsourcing. The total workforce remained virtually unchanged (285 employees at the end of 2000, 289 employees at the end of 2001).

Staff, customers and business partners commemorated AWM's 40th jubilee at a memorable celebration at the end of October. The festivities were held in the new building in Muri – immediately before initial operations came on stream there.

### Outlook

The future prospects for the Injection Molding Division are good, both in moldmaking and in volume parts manufacturing. A large number of projects are at the decision-making phase with customers, and various new developments completed in the year under review have great market potential. Infrastructure and production facilities are also of a very high standard due to the substantial investments made in recent years. All the prerequisites are in place for exploiting this in the years to come and benefiting from an economic recovery.

## NEW CD BOX MOIDS

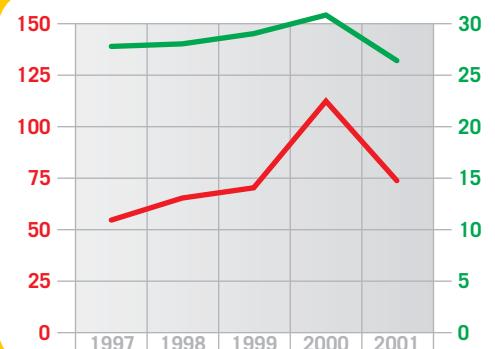
## — ANOTHER EXAMPLE OF HOW AWM GENERATES ADDED VALUE

AWM showed its new generation of molds for CD packages to a trade audience for the first time at the K2001 exhibition in October 2001. This is an impressive development: the new 4+4 molds enable packages to be produced about 30% faster – four

fully assembled packages are produced every 4.5 seconds! A further advantage for AWM customers: the molds can be used on smaller machines (now: 2400 kN, previously: 3000 kN). The added value generated by AWM is correspondingly high.

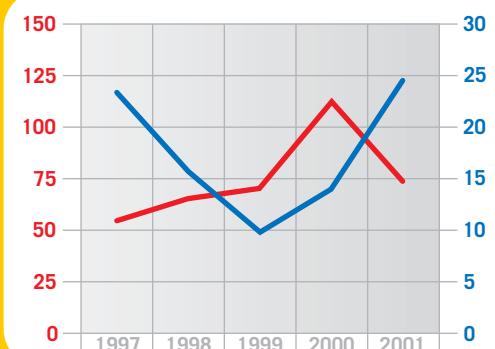


## TOTAL INCOME AND EBITDA



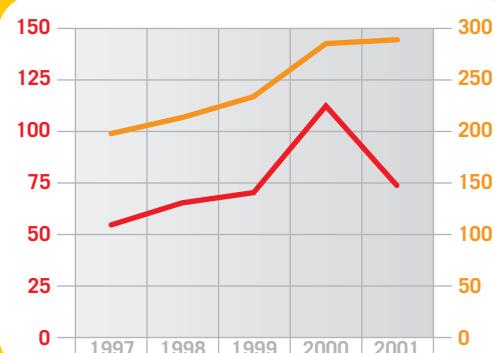
■ Total income in CHF millions  
■ EBITDA in % of total income

## 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

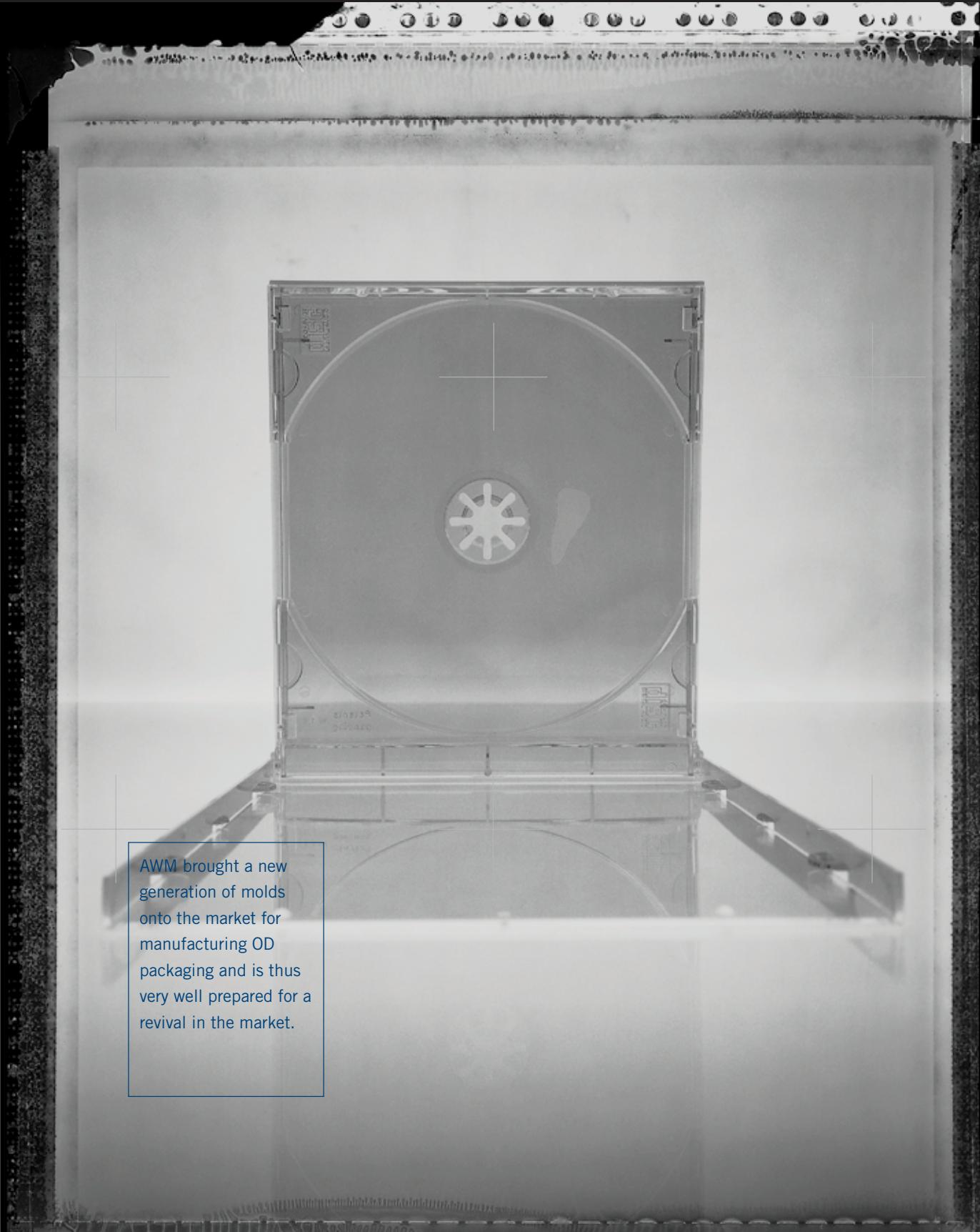
## PERFORMANCE DATA AND EMPLOYEES

	in CHF millions				
	1997	1998	1999	2000	2001
Total income	54.5	65.1	70.4	112.5	73.9
EBITDA	15.2	18.2	20.4	34.8	19.5
EBIT	11.3	13.8	13.9	26.0	12.5
Capital expenditure	12.7	10.2	7.0	15.6	18.1
Employees	198	213	233	285	289

## E FOR ITS CUSTOMERS

This new development comes at just the right time, since packaging molds have some ground to make up relative to optical disc molds. Initial orders have already been received from Brazil.





AWM brought a new generation of molds onto the market for manufacturing OD packaging and is thus very well prepared for a revival in the market.

# INFORMATION FOR INVESTORS

**The price of adval tech shares in the year under review reflected the general stock market trend. It was at its highest in January, at CHF 640. Following the announcement of reduced expectations in early September and the downward trend on the equity markets, the shares fell to a low for the year of CHF 250 toward the end of September. Between the beginning and the end of the year the share price declined by 41%, from CHF 579 to CHF 340. Overall price performance was some five percentage points lower than the share index for the Swiss machine manufacturing industry.**

The adval tech Group is well placed to benefit from an economic recovery, with leading-edge technological know-how, trend-setting products and a modern production infrastructure. These are positive factors offering substantial potential for medium and longer-term price development. The adval tech Group's strategic target is and will continue to be the sustained creation of value for customers, employees and shareholders.

## adval tech shares

- On December 31, 2001, the share capital of adval tech Holding amounted to CHF 7.0 million, divided into 350 000 registered shares with a par value of CHF 20 each. This total consists of 150 000 unlisted A registered shares and 200 000 listed B registered shares. All registered shares have equal rights.
- Pursuant to Article 7 of the articles of association of adval tech Holding Ltd dated May 25, 1998, no purchaser of shares will be registered with voting rights amounting to more than 5% of the registered share capital entered in the Commercial Register. This is subject to Article 685d, para. 3, of the Swiss Code of Obligations.

- There is no authorized or conditional share capital.
- B registered shares of adval tech have been listed on the Swiss Stock Exchange since June 4, 1998, under securities code No. 896 792. Their Telekurs ticker symbol is ADVN, their Bloomberg symbol ADVN SW.
- The shareholders' register is maintained by SEGA Aktienregister AG (SAG), Baslerstrasse 100, CH-4600 Olten, on behalf of adval tech Holding Ltd.

## Shareholders

On December 31, 2001, the following shareholders held more than 5% of the registered share capital recorded in the Commercial Register:

- Ruedi Styner ..... 25.6%
- Hansruedi Bienz ..... 19.6%
- Einfache Gesellschaft Dreier ..... 8.8%
- Franke Holding AG, Aarburg ..... 10.0%

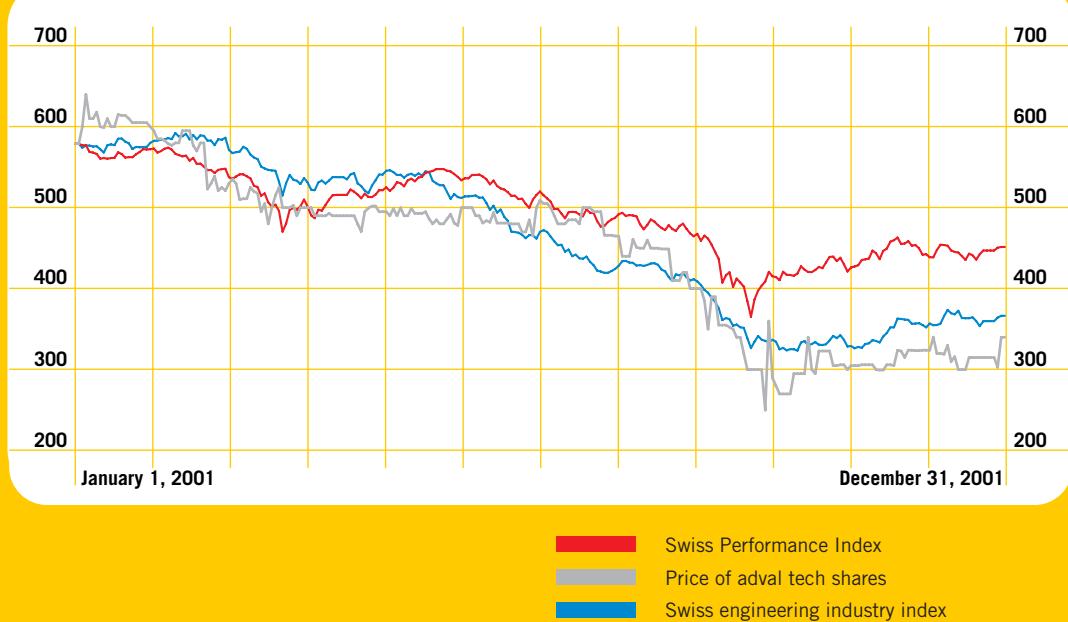
The overall shareholding structure at December 31, 2001, was as follows:

Number of shares	Number of shareholders
1 to 50	488
51 to 100	81
101 to 1000	85
1001 to 5000	11
More than 5000	6
<b>Total</b>	<b>671</b>

**The adval tech Group is well placed to benefit from an economic recovery.**

## PRICE TRENDS

January 1, 2001, to  
December 31, 2001



## Open information policy

The company's open information policy and its cultivation of contacts with financial analysts, business journalists and other interest parties proved its worth especially in the climate of uncertainty prevailing in 2001. CEO Jean-Claude Philipona continues to be available to these target groups as the person to contact directly.

The main cornerstones of adval tech's information offering are its regularly updated Website at [www.advaltech.com](http://www.advaltech.com) and the company's annual and interim reports. The annual report for the 2001 financial year will be available on CD-ROM for the first time. This data medium will contain further information in addition to the relevant reports, also including an up-to-date film portrait of the entire group.

The annual general meeting of adval tech Holding Ltd will be held in Berne on Thursday, June 13, 2002.

The report on the first half of 2002 will be published at the beginning of September.

## Share statistics 2001

A registered shares	Number	150 000
B registered shares	Number	200 000
<b>Total registered shares</b>	<b>Number</b>	<b>350 000</b>

EBIT per share	CHF	39.55
Net profit per share	CHF	30.22
Shareholders' equity per share	CHF	330.20
Dividend per share (proposed by the Board)	CHF	12.00
Payout ratio	%	39.7%
P/E ratio		11.3

## Market prices

High (1.6)	CHF	640
Low (9.27)	CHF	250
December 31, 2001	CHF	340

## Market capitalization

High (1.6)	CHF millions	224.00
Low (9.27)	CHF millions	87.50
December 31, 2001	CHF millions	119.00



