

Media release

Adval Tech Group's 2012 financial statements and outlook for 2013:

Improvement in the operating business and new direct orders from car manufacturers

Niederwangen, April 23, 2013, 07:00 – As reported on March 22, 2013, the Adval Tech Group succeeded in raising operating profit before depreciation, interest and taxes (EBITDA) from CHF 14.3 million to CHF 16.9 million in the 2012 financial year. However, it has not yet achieved the targeted turnaround at the EBIT level. New orders, particularly from the automotive industry, should improve the results of the company in the medium term. The primary objective for 2013 is to achieve a turnaround at EBIT level. Adval Tech wants to achieve a sustainable improvement by consequent focusing on selected activities in the business with plastic and metal components and by strengthening the good market position for high-performance molds.

After the Board of Directors of the Adval Tech Group in March 2012 had decided to streamline the Group's activities and to focus on a few areas in an effort to concentrate its energies, Adval Tech dissolved the previous divisions and now reports under the Components (metal and plastic parts) and Molds segments. The restructuring measures introduced have brought first improvements in the operating business. Simplified structures and better utilization of synergies will make a major contribution to the competitiveness of the Adval Tech Group. Adval Tech will in future retain only one location in China for mold-making and component production. The group integrated the mold-making plant of Shanghai and the component production of Xiamen into the restructured plant in Suzhou.

Overall result and profit

The Group's overall result in 2012 of CHF 279.6 million is slightly below that of the previous year (CHF 284.9 million, -1.9%). 77% of sales was generated by the Components segment, and 23% by the Molds segment. Operating profit before depreciation, interest and taxes (EBITDA) at CHF 16.9 million is 18% above the year-back level (CHF 14.3 million). The EBITDA margin thus improved from 5.0% to 6.0%. This positive development is due to the Components segment. The operating result before interest and taxes (EBIT) of CHF -3.5 million is still unsatisfactory (2011: CHF -5.0 million). The positive results of the Swiss sites of Styner+Bienz, Omni Mexico, Omni Thailand and Omni Malaysia in the Components segment and FOBOHA in the Molds segment were unable to offset the negative results of the other companies. Value adjustments burdened the EBIT additionally.

Earnings after taxes for 2012 amount to CHF -15.4 million (2011: CHF -16.3 million). This includes extraordinary expenses of CHF 3.1 million (CHF 1.7 million relating to restructuring in Asia and CHF 1.3 million for expenses in connection with cooperation projects).

Components segment

The Components segment produces metal and plastic parts in large batches for selected areas of application within the automotive industry, the medical technology sector and the consumer goods market. Despite a slight decrease in total income to CHF 218.3 million (previous year: CHF 221.3 million), the Components segment achieved a marked improvement in earnings in 2012, lifting EBITDA to CHF 10.5 million (previous year: CHF 7.3 million). The improvement in EBITDA is primarily attributable to the result of the Swiss company Styner+Bienz FormTech AG, which is active in the area of metal stamped / deep drawn parts and subassemblies for steering systems in the automotive industry. The metal stamped / deep drawn parts are manufactured by Adval Tech at its Niederwangen plant and in part by Styner+Bienz do Brasil for automotive suppliers. To provide Adval Tech with global reach in this business area, the company is currently investigating opportunities for cooperation in the Asia region.

In the steering system subassemblies area of the business, the Uetendorf site of Styner+Bienz is concentrating on the production of high-quality subassemblies and individual parts. The plant in Hungary is being expanded specifically to enable it to assemble the individual parts into finished subassemblies. From its locations in Switzerland and Hungary, Adval Tech primarily supplies European customers. For customers in the US, Styner+Bienz US Inc. produces and assembles the respective subassemblies in close collaboration with its American partner Anchor.

For the first time, Adval Tech is supplying directly a car manufacturer: The plants in Hungary and in China are producing tens of thousands of parts for BMW every month and are delivering the finished subassemblies direct to the BMW factories in Germany, China and South Africa.

Molds segment

The Molds segment develops and produces high-performance molds and tools for the production of plastic components. The picture within the Molds segment was very mixed in 2012. While the FOBOHA Group company remains on track, AWM in Muri (Switzerland) once again posted negative figures in the reporting period. Mold-making in China also burdened the financial statements with restructuring costs. Overall, the segment generated total income of CHF 67.6 million (previous year: CHF 75.5 million) and EBITDA of CHF 4.1 million (previous year: CHF 5.7 million). A number of savings measures have been introduced at the Muri site which should take effect in 2013.

In 2012, Adval Tech once again succeeded in continually expanding the market penetration of FOBOHA's cube technology. To this end, FOBOHA moved forward with the development of cube technology in the reporting year, thus opening up interesting new areas of application. The Adval Tech Group has put together its two mold-making plants in Suzhou and Shanghai into a single site in Suzhou, thus mold-making in China has been placed on a viable footing for the future.

Outlook

In the current financial year, the Adval Tech Group is concentrating its efforts on reducing its debt and on improving the operating result. The primary objective for 2013 is to achieve a turnaround at EBIT level. Some of the numerous projects launched in the previous year – under the banner of “simplifying the structure, focusing, exploiting restructuring or synergies” – will begin to reap benefits in 2013. Even though these projects initially encumbered the organization, they are absolutely vital to the long-term success of the Group.

The Components segment has recently succeeded in securing several long-term orders from big-name customers, particularly in the automotive industry: BMW has awarded Adval Tech an additional order for air/water separation system components to be produced at the plants in Hungary and China, and Audi has placed an initial order for dual-component plastic parts for the air flow systems in the Q7 and A4 models. In the consumer goods sector, Adval Tech intends to develop its markets in an even more focused and selective manner in future, and to supply selected customers with a streamlined portfolio of products. In addition, the Components segment will now operate on the consumer goods market under the uniform brand of Adval Tech. By resolutely pursuing globalization and placing a firmer focus on selected areas of application for

metal and plastic parts, total income and profitability are to be improved further over the next few years.

In future, the Molds segment will operate under the uniform brand of Adval Tech FOBOHA. It will be able to build further on its good market position for high-performance molds for third-party customers in selected markets. In addition, the segment will expand its basis in tool making in order to further enhance its position, together with the Components segment, as a one-stop shop for selected areas of application.

Key figures	2012¹⁾	2011²⁾	Change	(in %)
Total income (CHF millions)	279.6	284.9	-5.3	-1.9
- Components segment	218.3	221.3	-3.0	-1
- Molds segment	67.6	75.5	-7.9	-10
Operating earnings EBITDA (CHF millions)	16.9	14.3	2.6	18
- Components segment	10.5	7.3	3.2	44
- Molds segment	4.1	5.7	-1.6	-28
Operating earnings EBIT (CHF millions)	-3.5	-5.0	1.5	n.a.
Net profit (CHF millions)	-15.4	-16.3	0.9	n.a.
Free cash flow from operations (CHF millions)	1.1	-4.7	5.8	n.a.
Number of employees on December 31	2,239	2,491	-252	-10
- Components segment	1,876	2,048	-172	-8
- Molds segment	345	424	-79	-19

1) according to Swiss GAAP FER

2) according to Swiss GAAP FER restated

Background information about the Adval Tech Group

Adding value through innovations – that's what Adval Tech stands for. As a global technology and process partner Adval Tech focuses on the complementary technologies of metal stamping and forming and plastic injection molding. In selected markets in the automotive, medical technology and consumer goods sectors, Adval Tech is a leading global supplier of series parts, subassemblies, systems and tools. As a supplier and value-adding partner, Adval Tech covers the entire value chain: from product design and the development of series parts through construction and production of the necessary tools and molds to entire production systems and the resulting manufacture of components.

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Diary

May 16, 2013 – Annual General Meeting in Berne

August 2013 – Media release: Semiannual results 2013

Except for the historical information contained herein, the statements in this media release are forward-looking statements that involve risks and uncertainties.