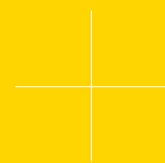
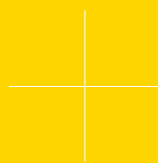
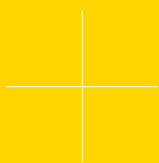
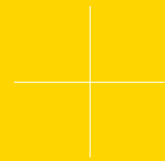
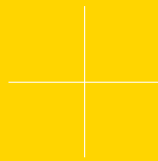


THE FIRST HALF OF 2007

POSITIVE TREND IN BOTH DIVISIONS
SIGNIFICANTLY BETTER RESULTS THAN IN PREVIOUS YEAR
SUCCESSFUL STRATEGY ADJUSTMENT



DEAR SHAREHOLDERS,

The Adval Tech Group significantly increased its first-half results compared with the previous year, establishing the positive trend in evidence in both divisions in the second half of 2006. The Stamping and Forming Division improved further on its already good results for the previous year. In the Injection Molding Division, there were considerable gains for the two moldmaking companies AWM and Foboha following the previous year's disappointment. The positive impact for AWM stemmed firstly from operating measures implemented in the previous year, and secondly from market share gains for optical disc tools amid an improved environment. Foboha was also able to benefit from a healthy market backdrop thanks to completion of a capacity expansion program in the previous year, and boosted its results accordingly.

Adval Tech's total income of CHF 167.4 million was a good 25% above the previous year's level (CHF 133.5 million). The group exceeded its total income for second-half 2006 by 17%, while operating earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 47% to CHF 19.4 million (CHF 13.2 million in first-half 2006). Based on operating earnings before interest and tax (EBIT), the improvement was more than 200%. EBIT of CHF 7.0 million (CHF 2.2 million in first-half 2006) very nearly matched the full-year 2006 figure. At CHF 4.2 million for the first six months of 2007 (CHF 0.6 million in first-half 2006), the Adval Tech Group actually exceeded its net profit for the whole of 2006. The level of positive operative free cash flow was again an encouraging feature.

Strategy implementation

The Adval Tech Group is systematically implementing the strategic and operational measures that were decided on the basis of the strategic review conducted in the first half of 2006, and has already achieved initial interim objectives:

- The acquisition of QSCH Kft. of Hungary is an important step toward creating a global distribution and production platform. As a result, Adval Tech now has a significant competitive advantage and excellent opportunities to intensify market and customer penetration, in particular as far as price-sensitive products are concerned. QSCH was established by German entrepreneurs Bernd Kunze and Richard Kimmerle in 2003 as a components supplier to the automotive industry located in Szekesárd, southern Hungary, and has developed very rapidly into a leading supplier to the European automobile industry in selected market segments. The core competencies of QSCH include tool development, sheet metal stamping and forming, coating and manual module assembly. Among other things, QSCH manufactures lamp components, windshield wiper system components and engine housings. QSCH generated sales of EUR 12.8 million (around CHF 21.0 million) with almost 200 employees in 2006. The integration of QSCH with the Stamping and Forming Division has proceeded well so far, and our international client base have responded very positively to the acquisition.
- In our key markets – automotive, medical technology/pharmaceuticals, consumer goods and optical discs – project teams are preparing and implementing segmental strategies and in some cases client-specific strategies for individual market segments. The acquisition-related successes achieved in various areas in terms of our market and client penetration have convinced us that our chosen strategy is correct. One example is the strategic link-up with Ypsomed that was agreed in June 2007. The objective of this collaboration is to marry the respective strengths and core competencies of Ypsomed and Adval Tech, and exploit them in order to manufacture high-quality products on an efficient basis. By combining the competencies of Ypsomed and Adval Tech, we can generate added value right along the value chain – from which both partners benefit. The first joint projects are already in process.

■ We significantly stepped up cooperation – not only within our divisions, but also between them – in the first half of 2007. Synergies are being exploited not only in distribution, but also in technology and production. Initial market successes are already in evidence. Above all, our clients value their ability to purchase solutions from a single source. At the beginning of July 2007, the Adval Tech Group adopted new visual branding to reflect the closer cooperation within our Group. The new corporate design of the Adval Tech group companies makes their membership of the group immediately apparent. Company logos feature a uniform design, with the Adval Tech umbrella brand as an integral component.

Injection Molding Division

With total income of CHF 83.0 million, the Injection Molding Division (AWM, Foboha, Teuscher) exceeded the figure for the first half of 2006 by 28% and the figure for the second half of 2006 by 13%. Operating earnings before interest, taxes, depreciation and amortization (EBITDA) grew CHF 5.0 million (+120%) year-on-year to CHF 9.2 million. The corresponding margin therefore advanced from 6.5% to 11.1%. Owing to one-time depreciation, the increase in operating earnings before interest and taxes (EBIT) was slightly less pronounced. The figure came to CHF 2.5 million, equivalent to 3.0% of total income. This represents an increase of CHF 4.1 million versus the first half of 2006, and an improvement of CHF 0.5 million compared to the second half of 2006.

By focusing on a broader customer base, AWM succeeded – amid a slightly improved environment – in raising its market share in tools for the production of optical discs (OD) and their packaging. AWM also recorded an increase in sales of tools for the manufacturing of food packaging. The various measures taken had a positive impact on quality, failure costs and productivity. Simultaneously, AWM pressed ahead with building a competence center for medical technology.

Foboha is specialized in tools for applications comprising two or more plastic components, and is therefore responding to the trend within the high-performance tools sector. The completion of its capacity expansion program in spring 2006 is enabling Foboha to exploit strong demand. With the prior-year result having been hit by extraordinary costs in connection with the relocation, investments in highly automated machinery and systems impacted positively on results in 2007. To satisfy this high level of demand, Foboha found it necessary to buy in various services.

The division increased sales of plastic components by 25% on a year-on-year basis. At the Merenschwand site – which manufactures plastic components for the automotive industry, for instance – operating results failed to match the trend in revenues. As expected, implementation of the strategy needs more time. Teuscher Kunststoff-Technik AG – which was acquired in June 2005 and is specialized in medical technology – once again achieved a considerable increase in sales and operating earnings. We successfully concluded the first stage of the expansion program for the medical technology site at Grenchen. We renovated the neighboring premises that we acquired, and fitted them out as a facility for toolmaking, maintenance and technology. The space subsequently freed up at the original plant is now being used for the production of components. To ensure we can successfully implement the growth strategy for medical technology, we have already begun planning the next stage of expansion.

Stamping and Forming Division

With total income of CHF 84.3 million, the Stamping and Forming Division (Styner+Bienz, QSCH) surpassed its figure for the previous year by 23%, boosting earnings before interest, taxes, depreciation and amortization (EBITDA) by CHF 0.4 million (+5%) to CHF 8.8 million. Operating earnings before interest and taxes (EBIT) also grew by CHF 0.2 million (+6%) to CHF 3.4 million. The EBITDA and EBIT margins accordingly showed a slight fall. While Styner+Bienz increased EBITDA in Switzer-

land by another 10%, the corresponding figure for Styner+Bienz do Brasil fell markedly. QSCH Kft. was consolidated for the first time on May 1, 2007. The Hungarian plant contributed CHF 3.9 million to total income and CHF 0.3 million to operating earnings before interest and tax (EBIT).

The automotive components industry remains the Stamping and Forming Division's primary market. Up to now, we have supplied our international customers exclusively from our sites in Switzerland and Brazil. With the acquisition of Hungarian automotive supplier QSCH Kft. at the end of April we now have a facility in Eastern Europe, thus considerably improving our position in global terms. Through QSCH, we have simultaneously been able to move into a number of new and interesting applications. Integration of the new plant has thus far gone to schedule.

Styner+Bienz increased total income from its Swiss operations by 16%. Its product mix centers on components for steering systems, airbags, ABS applications and vehicle lamps. Sales of CNC sub-assemblies for coffee-making machines also show an encouraging trend. In the form of Franke and Thermoplan, two of the world's leading suppliers of professional coffee-making machines number among our clients.

In Brazil, Styner+Bienz achieved another improvement in total income. The pronounced growth experienced in the previous two years nevertheless weighed on EBIT. For instance, the large number of projects commissioned resulted in exceptional charges and error costs; simultaneously, we were forced to adapt the organizational structure to match the new scale of the business. These additional expenses are an investment in the future, and a prerequisite for further growth in Brazil. Accordingly, we expect results to improve again in the second half of 2007. Implementation of the strategic review is also progressing well in the case of the Stamping and Forming Division. Customer and market penetration in our core segments led to impressive market

successes in the first half of 2007. Styner+Bienz was commissioned with new projects in steering, airbags, ABS and engine management applications. While these acquisition successes will not impact directly on sales, they do secure the growth and future success of the division.

In the first half of 2007, Styner+Bienz brought its organizational structure into line with the new strategic direction and strengthened its management team. The division also pressed ahead with the project for site restructuring in Switzerland. In order to make better use of synergies and increase efficiency, we took the decision to concentrate production in Switzerland at our three sites in Niederwangen, Uetendorf and Berne-Bümpliz, and to close our facility in Wolfwil by mid-2009. Around 70% of the projects previously handled by Wolfwil will move across to Uetendorf or Niederwangen. The remaining 30% will go to QSCH in Hungary. A large proportion of the 70 or so employees at Wolfwil will be offered jobs at Styner+Bienz in Uetendorf, Niederwangen or Berne-Bümpliz. The company has established a redundancy scheme for those employees who cannot be offered a position at the divisions' Swiss production plants. In mid-August 2007, the executive board informed the workforce and the public of its plans.

Outlook

As far as the second half of 2007 and full-year results are concerned, we are making the following assumptions:

- **Injection Molding Division:** We expect the OD market environment to be unchanged, i.e. mildly positive. Based on the current high level of orders on hand and a persistently buoyant economic situation, we are generally optimistic about tool-making in the second half of the year. Layout adjustments in connection with the switchover of machinery at our site in Muri are, however, likely to weigh slightly on output and profitability and not have the desired effect on net income until next year. In the second half of the year, the com-

ponents business is also likely to develop in much the same way as in the first six months. The key organizational changes should be concluded by the end of 2007. For full-year 2007, we expect a significant improvement in the results.

- **Stamping and Forming Division:** In light of our market assessments, the large number of commissions in Switzerland and a degree of seasonality in the vitally important automotive industry (summer shutdown at key clients), we are inclined to expect lower total income in the second half of the year than in the first six months. This should be partly offset by the consolidation of QSCH Kft. over the remainder of the year. The costs arising in connection with the plant reorganization in Switzerland cannot yet be quantified in detail. The associated benefits will impact positively on the results from mid-2008. For our plant in Brazil, we expect a significantly better result than in the first half on a similar level of sales. At the Stamping and Forming Division, we also expect an improvement in the overall result for the year.

On these assumptions, we expect total income for 2007 to significantly exceed the CHF 300 million mark (CHF 275.8 million in previous year). In terms of net profit, we are aiming for a figure between CHF 8.0 million and CHF 10.0 million, which would be at least a doubling of the previous year's result (CHF 4.0 million).

In the course of its strategy adjustment the Adval Tech Group has achieved initial strategic and operational milestones. We view this as a further step along the road to our targeted level of profitability and financial strength.

Niederwangen, early September 2007

Walter Gruebler
Chairman of the Board

Jean-Claude Philipona
Chief Executive Officer

KEY SEMI-ANNUAL FIGURES OF THE ADVAL TECH GROUP

CHF million	1 st half of 2007	2 nd half of 2006	1 st half of 2006
Total income	167.430	142.235	133.530
Stamping and Forming Division	84.339	67.956	68.757
Injection Molding Division	82.960	73.539	64.768
Operating earnings before depreciation (EBITDA)	19.4	15.9	13.2
in % of total income	11.6	11.2	9.9
Stamping and Forming Division	8.8	8.2	8.4
Injection Molding Division	9.2	7.5	4.2
Operating earnings (EBIT)	7.0	5.1	2.2
in % of total income	4.2	3.6	1.6
Stamping and Forming Division	3.4	3.4	3.2
Injection Molding Division	2.5	2.0	-1.6
Net profit	4.2	3.4	0.6
in % of total income	2.5	2.4	0.4
Cash provided by operating activities	14.9	19.0	10.3
Operative free cash flow	4.2	13.6	2.3
Free cash flow	-4.0	13.3	2.3
Capital expenditure	10.6	5.6	8.3
Stamping and Forming Division	1.7	1.5	1.6
Injection Molding Division	8.6	3.5	6.2
Number of employees	1,322	1,121	1,120
Stamping and Forming Division	765	553	552
Injection Molding Division	547	558	557

SEMI-ANNUAL FINANCIAL STATEMENTS OF THE ADVAL

The semi-annual financial statements of the Adval Tech Group have been drawn up in condensed form in conformity with the accounting principles published in the financial reports for the 2006 financial year and IAS 34.

CONSOLIDATED BALANCE SHEET

CHF 1000	Notes	6/30/2007	12/31/2006
Liquid assets		25,585	22,904
Trade accounts receivable	3	48,309	39,682
Other receivables		8,935	6,304
Inventories and work in progress		69,928	62,647
Prepaid expenses and accrued income		4,129	3,546
Total current assets		156,886	135,083
Tangible fixed assets		158,884	150,907
Financial assets		1,015	1,075
Intangible assets		8,978	3,810
Deferred taxes (receivable)		1,303	747
Total fixed assets		170,180	156,539
Total assets		327,066	291,622
Trade accounts payable	4	31,303	24,727
Liabilities arising from short-term financing		9,756	11,755
Other short-term liabilities		18,628	13,622
Accrued expenses	5	19,186	13,333
Current provisions		2,704	2,519
Accrued income taxes		766	20
Total short-term liabilities		82,343	65,976
Long-term interest-bearing liabilities		101,658	87,621
Long-term provisions		1,785	1,470
Deferred taxes (payable)		14,989	14,293
Total long-term liabilities		118,432	103,384
Total liabilities		200,775	169,360
Share capital		7,300	7,300
Capital reserves		57,324	57,324
Treasury stock		-72	-82
Translation differences		1,599	-363
Retained earnings	6	60,140	58,083
Total shareholders' equity		126,291	122,262
Total liabilities and shareholders' equity		327,066	291,622

CONSOLIDATED INCOME STATEMENT

CHF 1000	Notes	1 st half of 2007	1 st half of 2006
Net turnover	7	161,666	131,199
Total income	7	167,430	133,530
Cost of materials and services		-71,223	-50,529
Personnel expenses		-52,701	-49,679
Other operating expenses		-24,082	-20,081
Operating expenses		-148,006	-120,289
Operating earnings before depreciation (EBITDA)	7	19,424	13,241
Depreciation	8	-12,389	-11,068
Operating earnings (EBIT)	7	7,035	2,173
Net financial income	9	-1,704	-1,381
Net profit before taxes		5,331	792
Taxes		-1,094	-228
Net profit after taxes		4,237	564
Earnings per share			
Non-diluted earnings per share (in CHF)		11.62	1.55
Diluted earnings per share (in CHF)		11.62	1.55

CONSOLIDATED CASH FLOW STATEMENT

CHF 1000	Notes	1 st half of 2007	1 st half of 2006
Net profit after taxes		4,237	564
Depreciation on tangible fixed assets	8	12,063	10,855
Depreciation on financial assets and intangible assets		326	213
Increase- (+)/decrease (-) in long-term provisions		428	-425
Increase- (+)/decrease (-) in provision for deferred taxes		448	-320
Gain (-)/loss (+) from sales of tangible fixed assets		112	-19
Other non-cash income/expenses		-668	0
Increase- (-)/decrease (+) in receivables		-8,430	-8,117
Increase- (-)/decrease (+) in inventories		-4,871	-1,773
Increase- (-)/decrease (+) in prepaid expenses and accrued income		-499	1,022
Increase- (-)/decrease (-) in short-term liabilities		11,779	8,328
Cash provided by operating activities		14,925	10,328
Capital expenditure	7	-10,649	-8,338
Income from sales of tangible fixed assets		149	184
Increase- (-)/decrease (+) in financial assets		211	637
Increase- (-)/decrease (+) in intangible assets		-444	-545
Change in the scope of consolidation	2	-8,144	0
Cash used for investing activities		-18,877	-8,062
Free cash flow		-3,952	2,266
Dividends paid	6	-2,190	-5,110
Purchase (-)/sale (+) of treasury stock		20	0
Increase/decrease in short-/long-term debt		8,501	2,603
Cash provided by financing activities		6,331	-2,507
Translation adjustments		302	152
Change in liquid assets		2,681	-89
Liquid assets on June 30		25,585	10,848
Liquid assets on January 1		22,904	10,937
Change in liquid assets		2,681	-89

CHANGES IN EQUITY

1st half of 2006 CHF 1000	Share capital	Capital reserves	Treasury stock	Translation differences	Retained earnings	Total share-holders' equity
At January 1, 2006	7,300	57,324	-82	-1,247	59,214	122,509
Dividends					-5,110	-5,110
Purchase/sale of treasury stock						0
Change Translation difference				25		25
Net profit for the year					564	564
At June 30, 2006	7,300	57,324	-82	-1,222	54,668	117,988
1st half of 2007 CHF 1000	Share capital	Capital reserves	Treasury stock	Translation differences	Retained earnings	Total share-holders' equity
At January 1, 2007	7,300	57,324	-82	-363	58,083	122,262
Dividends					-2,190	-2,190
Purchase/sale of treasury stock			10		10	20
Change Translation difference				1,962	0	1,962
Net profit for the year					4,237	4,237
At June 30, 2007	7,300	57,324	-72	1,599	60,140	126,291

EXPLANATORY NOTES

1. SEASONAL INFLUENCES

The Adval Tech Group operates in various industrial sectors and markets. Seasonal influences in the individual industrial sectors and markets on the consolidated financial statements are not significant in total.

2. CHANGES TO THE SCOPE OF CONSOLIDATION

At the end of April 2007, Adval Tech Holding AG acquired a 100% interest in QSCH Termelő és Kereskedelmi Kft. of Szekszárd, Hungary. The company acquired is a supplier to the automotive industry. Specifically, it manufactures, assembles and paints stamped and formed components. The company was consolidated from May 1, 2007, and integrated with the Stamping and Forming Division.

The cost of the acquisition was CHF 8.5 million, CHF 8.2 million of which was paid in cash and CHF 0.3 million of which comprised expenses for external consultancy and support.

The following factors were also taken on board in assessing the cost of the acquisition: production site in Eastern Europe, acquisition of existing customer orders, expertise and experience in the transfer of production orders.

The balance sheet of QSCH Termelő és Kereskedelmi Kft. as at May 1, 2007, prepared in accordance with the group's accounting principles, is as follows:

CHF 1000	IFRS book values prior to consolidation	Included in the consolidated balance sheet
Liquid assets	406	406
Other current assets	3,802	3,802
Tangible fixed assets	11,368	12,730
Deferred taxes (receivable)	579	338
Intangible assets	0	144
Short-term liabilities	8,751	8,751
Long-term liabilities	5,025	5,025
Net assets acquired	2,379	3,644
Purchase price and acquisition costs		8,544
Goodwill		4,900

Because the fair values of the net assets acquired have not yet been finalized, this acquisition is included in the balance sheet for the first time as at June 30, 2007 on the basis of preliminary values.

Existing customer relationships were capitalized with a value of CHF 0.1 million on the date of acquisition. The goodwill reported in the consolidated balance sheet accordingly amounts to CHF 4.9 million.

The influence of the new subsidiary on the financial position and results of the Adval Tech Group in the first half of 2007 was minimal. The net profits of the subsidiary since it was first consolidated amounted to CHF 0.2 million for 2007. If the company had been acquired on January 1, 2007, the total income of the Group in 2007 would have been CHF 7.8 million higher and the consolidated profit around CHF 0.5 million higher.

Furthermore, Teuscher Kunststoff-Technik AG and Giesserei & Metallwarenfabrik Josef Rieger AG – both in Grenchen – were merged at the end of May 2007. The new company is known as Teuscher Kunststoff-Technik AG.

3. TRADE RECEIVABLES

Nearly 60% of the CHF 8.6 million increase in trade receivables compared to the end of 2006 stems from the Stamping and Forming Division. This was attributable to the first consolidation of QSCH, to a higher volume of business and to above-average levels of invoicing in June.

4. TRADE ACCOUNTS PAYABLE

More than half the CHF 6.6 million increase in this item is attributable to the Stamping and Forming Division.

5. ACCRUED EXPENSES

This item includes short-term provisions of CHF 2.7 million (CHF 2.5 million on December 31, 2006) and accrued current income taxes of CHF 0.8 million (CHF 0.0 million on December 31, 2006). This item also includes accruals for personnel holiday and flexitime entitlements.

The CHF 5.9 million increase is attributable in equal portions to both divisions.

6. CHANGES IN SHAREHOLDERS' EQUITY

The annual general meeting held on May 9, 2007, approved the payment of a dividend of CHF 6 per share on May 15, 2007, amounting to a total distribution of CHF 2.2 million (CHF 5.1 million in 2006).

7. SEGMENTAL RESULTS

CHF 1000	Stamping and Forming Division		Injection Molding Division	
	1 st half of 2007	1 st half of 2006	1 st half of 2007	1 st half of 2006
Net turnover	78,326	67,439	83,340	63,760
Total income	84,339	68,757	82,960	64,768
Operating earnings before depreciation (EBITDA)	8,800	8,397	9,200	4,177
Operating earnings (EBIT)	3,352	3,152	2,495	-1,557
Capital expenditure	-1,678	-1,613	-8,649	-6,201
Employees	765	552	547	557

8. DEPRECIATION

Depreciation includes non-recurring items of CHF 0.9 million in connection with the purchase price of real estate from the Lanz Industrietechnik AG acquisition. The corresponding write-off relates to cancellation of the commitment to purchase the property in Wolfwil. The fixed assets and leasing liabilities related to this commitment have been eliminated.

9. FINANCIAL EXPENSES AND FINANCIAL INCOME

CHF 1000	1 st half of 2007	1 st half of 2006
Interest earned	269	260
Currency gains	852	445
Gains on derivative financial instruments	231	158
Other financial income	620	478
Total financial income	1,972	1,341
Interest paid	-2,103	-1,389
Currency losses	-741	-499
Unrealized translation differences	11	-332
Losses on derivative financial instruments	-331	-33
Other financial expenses	-512	-469
Total financial expenses	-3,676	-2,722
Net financial income	-1,704	-1,381

The CHF 0.7 million higher interest charge compared with the prior year is attributable to a higher level of debt as well as the rise in interest rates.

10. TAXES AND INTEREST ACTUALLY PAID

Taxes actually paid in the period under review amounted to -CHF 0.1 million (-CHF 0.2 million in the first half of 2006); the refund of excess prepaid taxes resulted in an inflow of funds. There was an outflow of CHF 2.1 million for interest on borrowings in the first half of 2007 (CHF 1.4 million in the first half of 2006).

**BACKGROUND INFORMATION ON
THE ADVAL TECH GROUP**

The Adval Tech Group is a leading supplier of tools, subassemblies, systems and volume components in the technology sectors of stamping and forming (metals) and injection molding (plastics). It is a supplier and value-adding partner for companies in selected industries where metal or plastics components are manufactured and used. The Stamping and Forming Division trades on the market under the names of Styner+Bienz and QSCH, the Injection Molding Division under the names of AWM, Foboha and Teuscher. Their largest customers are in the automotive, information and communications technology, in the medical technology sector and in the packaging and electronics industries.

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