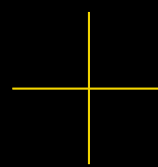
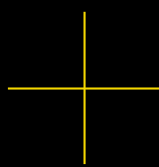
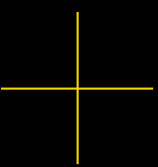
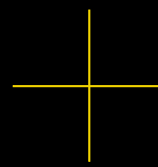
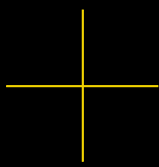
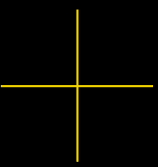
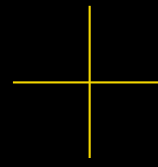
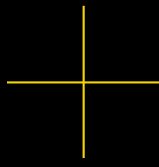
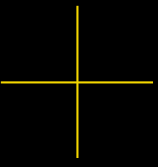
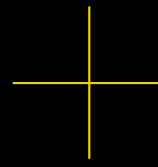
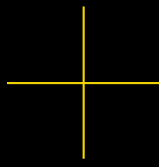


**adval** tech

**FINANCIAL REPORTS 2001**

2001



<b>Group</b>	
Situation report	<b>4</b>
Key figures	<b>5</b>
<b>Consolidated financial statements</b>	
Accounting principles	<b>6</b>
Consolidated balance sheet	<b>9</b>
Consolidated income statement	<b>10</b>
Consolidated cash flow statement	<b>11</b>
Explanatory notes to the consolidated financial statements	<b>12</b>
Report of the group auditors	<b>22</b>
<b>adval tech Holding Ltd</b>	
Balance sheet	<b>23</b>
Income statement	<b>24</b>
Appendix	<b>25</b>
Proposal by the Board of Directors	<b>25</b>
Report of the statutory auditors	<b>26</b>
Addresses	<b>27</b>

These financial reports are an integral part of the adval tech annual report 2001.

## NO REPEAT OF RECORD RESULTS

The record figures achieved by the adval tech Group in the previous year could not be repeated in 2001. The consolidated results are in line with the forecasts adval tech 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. The division's total income declined from CHF 112.5 million to CHF 73.9 million (–34%), operating earnings EBITDA from CHF 34.8 million to 19.5 million (–44%) and operating earnings EBIT from CHF 26.0 million to 12.5 million (–52%).

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. 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.

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. The Styner+Bienz 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.

Administrative processes and cooperation between organizational units are being considerably simplified; the three Styner+Bienz companies in Switzerland will be merged to form Styner+Bienz FormTech AG in the first half of 2002. The division reported an increase in total income from CHF 98.4 million to CHF 104.2 million (+6%), while operating earnings EBITDA rose from CHF 6.4 million to CHF 8.1 million (+27%) and operating earnings EBIT from CHF 0.6 million to CHF 0.9 million. The division's EBIT margin is thus 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.

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.

Both divisions are very well placed to benefit from an economic recovery. The requisite capacity, technology and trend-setting products are available.

## 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

# ACCOUNTING PRINCIPLES

## GENERAL INFORMATION

The consolidated accounts are based on the financial statements drawn up by the individual group companies in accordance with uniform principles as at December 31.

The consolidated financial statements are drawn up in accordance with the recommendations issued by the Board for Financial Reporting Standards (Swiss GAAP FER). The consolidated financial statements provide a true and fair view of the company's financial position, results of operations and cash flows.

## CONSOLIDATION PRINCIPLES

Capital consolidation is performed according to the Anglo-Saxon method and is intended to show shareholders' equity as though the group were a single company.

Subsidiaries and investment holdings are included in the scope of consolidation from the date of acquisition or incorporation. Assets and liabilities are valued in accordance with uniform group principles on this date. Any difference between the purchase price and the shareholders' equity of the acquired company remaining after revaluation is stated in the balance sheet as positive or negative goodwill. Positive goodwill is written off over the expected useful life not exceeding 20 years as a charge to the income statement, negative goodwill is liquidated pro rata over 5 years as a credit to the income statement.

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

- Companies in which adval tech Holding Ltd holds a direct or indirect capital or voting interest of more than 50% and/or the group 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 estimated and eliminated via the income statement.
- Associated companies in which the group controls between 20% and 50% of the votes are included in the consolidated financial statements using the equity method if they are of economic significance and a permanent association is intended. The share of profits and shareholders' equity attributable to the adval tech Group is then included.
- All other investments are included in the balance sheet at cost less any accrued provisions.

The group applies the following principles in respect of foreign currency translation: the balance sheets of foreign companies are translated at year-end exchange rates, the 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 for long-term financing of investments are posted directly to shareholders' equity.

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

## VALUATION PRINCIPLES

The consolidated financial statements are based in principle on the lower of acquisition/manufacturing cost or market value. Assets and liabilities are valued individually.

The main accounting principles are set out below.

### Current assets

- **Liquid assets** include cash, credit balances on postal giro and bank accounts, time deposits and readily marketable securities. These are included in the balance sheet at market value on balance sheet date.
- **Receivables** include trade accounts receivable and other short-term receivables. These are stated at face value less individual provisions for specific credit and exchange risks.
- **Inventories and work in progress** are stated at the lower of acquisition/manufacturing cost or market value. Provisions are made for risks inherent in the inventories. Long-term orders with individual contract values of more than CHF 0.5 million which are more than 50% completed are stated according to the percentage of completion method. Income and costs are taken into account according to the degree of completion. Discounts are included in financial income.

### 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 40 years, for machinery, equipment and fixtures 5 to 15 years, for especially long-lived machinery 25 years, for office equipment and machinery including computer hardware and software 3 to 8 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.
- **Financial assets** consist of investment holdings consolidated using the equity method, other investments, securities in the nature of long-term investments, treasury stock and long-term loans to third parties. Securities and treasury stock are stated at the lower of cost or market on balance sheet date, loans at face value.
- Patents, licenses and trade marks, whether originating in-house or acquired, are not capitalized in the consolidated financial statements. Research and development costs are also charged to the income statement. Any goodwill arising from the acquisition of a company is capitalized under **intangible assets** and written off using the method described above. Costs of incorporation, which are written off over 5 years, are also included in this item.
- **Capital goods** financed by long-term **leasing contracts** (financial leasing) are capitalized and written off over their useful life. The relevant leasing commitments are included under liabilities.

### Liabilities

- Trade **accounts payable** and other liabilities are stated in the balance sheet at face value. Liabilities maturing in less than one year, as well as that portion of long-term liabilities which is due for repayment within one year, are regarded as short-term.
- **Accrued liabilities** include non-interest-bearing amounts owed on balance sheet date, such as social security contributions and insurance premiums, allowances for holiday and overtime entitlements, and similar liabilities, including provisions for current taxes.
- The provision for **deferred taxes** takes account of the income tax implications of the differences between balance sheet figures for assets and liabilities compiled for consolidation purposes and those required for local taxation purposes. These are currently calculated on the basis of an overall rate of 25%. The provision is adjusted directly via tax expenses.
- Future expenses for services yet to be rendered, guarantees, warranties, risks, impending losses and restructuring costs are included in **provisions**. These provisions relate exclusively to transactions originating in the old financial year. The size of the provisions is based on management estimates and reflects future expenses as expected on balance sheet date. Provisions for receivables are charged directly to the relevant receivables (collection risk).

### 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**. These include revaluation reserves, differences in offsetting capital in connection with newly consolidated companies, etc. Any positive or negative goodwill is treated in accordance with the consolidation principles set out above.
- The **revaluation reserves** represent the differences arising from the revaluation of tangible fixed assets after January 1, 1996.
- **Retained earnings** include all profits generated by the group itself since January 1, 1996, and not distributed.

CONSOLIDATED BALANCE SHEET

CHF 1000	Notes	2001	2000
Liquid assets	2	11'385	7'389
Receivables	3	32'549	43'136
Inventories and work in progress	4	52'471	55'876
Prepaid expenses and accrued income		1'819	1'597
<b>Total current assets</b>		<b>98'224</b>	<b>107'998</b>
Tangible fixed assets	5	125'973	108'666
Financial assets	6	3'450	4'964
Intangible assets	7	928	413
<b>Total fixed assets</b>		<b>130'351</b>	<b>114'043</b>
<b>Total assets</b>		<b>228'575</b>	<b>222'041</b>
Trade accounts payable	8	18'745	23'182
Liabilities arising from short-term financing	9	16'012	18'798
Other short-term liabilities	10	2'411	2'651
Accrued expenses	11	5'859	8'226
<b>Total short-term liabilities</b>		<b>43'027</b>	<b>52'857</b>
Liabilities arising from long-term financing	12	54'173	41'490
Long-term provisions	13	15'802	17'753
<b>Total long-term liabilities</b>		<b>69'975</b>	<b>59'243</b>
<b>Total liabilities</b>		<b>113'002</b>	<b>112'100</b>
Share capital	14	7'000	7'000
Capital reserves	14	49'568	49'568
Revaluation reserves	14	1'486	1'486
Reserve for treasury stock	14	134	96
Translation differences	14	-364	382
Retained earnings	14	57'749	51'409
<b>Total shareholders' equity</b>		<b>115'573</b>	<b>109'941</b>
<b>Total liabilities and shareholders' equity</b>		<b>228'575</b>	<b>222'041</b>

## CONSOLIDATED INCOME STATEMENT

CHF 1000	Notes	2001	2000
Sales revenues	15	171'506	188'246
Sales deductions		-48	-395
Net turnover		171'458	187'851
Change in inventories of semi-finished and finished goods		-5'073	8'346
Own work capitalized		5'692	7'893
Other operating income		5'206	5'483
<b>Total income</b>	15	<b>177'283</b>	<b>209'573</b>
Cost of materials and services		56'098	71'492
Personnel expenses	16	68'460	67'384
Other operating expenses	17	24'597	28'820
<b>Operating expenses</b>		<b>149'155</b>	<b>167'696</b>
<b>Operating earnings before depreciation EBITDA</b>	15	<b>28'128</b>	<b>41'877</b>
Depreciation on tangible fixed assets	5	14'186	14'709
Other depreciation and provisions		100	0
<b>Depreciation and provisions</b>		<b>14'286</b>	<b>14'709</b>
<b>Operating earnings EBIT</b>	15	<b>13'842</b>	<b>27'168</b>
Financial income	18	1'895	1'320
Financial expenses	18	-4'289	-3'469
<b>Net financial income</b>		<b>-2'394</b>	<b>-2'149</b>
Non-operating income	19	-142	-1'141
Taxes	20	-728	-4'852
<b>Non-operating income and taxes</b>		<b>-870</b>	<b>-5'993</b>
<b>Net profit after taxes</b>		<b>10'578</b>	<b>19'026</b>

## CONSOLIDATED CASH FLOW STATEMENT

CHF 1000	Notes	2001	2000
Net profit after taxes		10'578	19'026
Depreciation on tangible fixed assets	5	14'186	14'709
Special depreciation charges		0	662
Depreciation on financial assets and intangible assets		100	0
Increase (+)/decrease (-) in long-term provisions		-1'313	2'426
Increase (+)/decrease (-) in provision for deferred taxes		-638	1'812
Gain (-)/loss (+) resulting from use of the equity method		0	0
Gain (-)/loss (+) from sales of tangible fixed assets		77	-142
		<b>22'990</b>	<b>38'493</b>
Increase (-)/decrease (+) in receivables	3	10'622	-10'645
Increase (-)/decrease (+) in inventories	4	3'444	-9'658
Increase (-)/decrease (+) in prepaid expenses and accrued income		-222	1'137
Increase (+)/decrease (-) in short-term liabilities	8, 10, 11	-6'992	2'389
<b>Cash provided by operating activities</b>		<b>29'842</b>	<b>21'716</b>
Capital expenditure	5, 15	-32'206	-32'038
Income from sales of tangible fixed assets		342	1'501
Increase (-) /decrease (+) in financial assets	6	1'532	-4'863
Increase (-) /decrease (+) in intangible assets	7	-648	-373
<b>Cash used for investing activities</b>		<b>-30'980</b>	<b>-35'773</b>
<b>Free cash flow</b>		<b>-1'138</b>	<b>-14'057</b>
Dividends paid	14	-4'200	-3'500
Capital paid in (repaid)		0	0
Change in other reserves		0	0
Increase/decrease in short-/long-term debt	9, 12	9'841	13'277
<b>Cash provided by financing activities</b>		<b>5'641</b>	<b>9'777</b>
Translation adjustments		-507	118
<b>Change in liquid assets</b>		<b>3'996</b>	<b>-4'162</b>
Liquid assets on December 31		11'385	7'389
Liquid assets on January 1		7'389	11'551
Change in liquid assets		3'996	-4'162

The cash flow statement was restructured in the year under review. The starting point is now net profit rather than operating earnings. This simplifies the structure, which now corresponds to that propagated in the relevant literature and applied in practice in a majority of cases. The previous year's figures have been restated accordingly.

## 1. SCOPE OF CONSOLIDATION

The following companies are included in the consolidated financial statements:

Company	Registered office		Share capital	Equity holding
			in 1000	
adval tech Holding Ltd	Niederwangen	CHF	7'000	
adval tech Management Ltd	Niederwangen	CHF	100	100%
Styner+Bienz Ltd	Niederwangen	CHF	2'000	100%
Styner+Bienz Metall Ltd	Niederwangen	CHF	1'000	100%
Styner+Bienz Machinery Ltd	Niederwangen	CHF	50	100%
Styner+Bienz US Inc.	Summerville SC	USD	1	100%
Styner+Bienz do Brasil Ltda.	São José dos Pinhais PR	BRL	939	100%
AWM Mold Tech Ltd	Muri (AG)	CHF	600	100%
AWM Plast Tech Ltd	Merenschwand	CHF	600	100%
AWM Plastpack Ltd	Muri (AG)	CHF	600	100%
AWM Swiss Technology Ltd	Hong Kong	HKD	10	100%
AWM Mold Service US Inc.	Beverly, MA, USA	USD	1	100%

AWM Mold Service US Inc. in Beverly, MA, USA, was included in the scope of consolidation for the first time in the year under review. It commenced operations in January 2001, and provides services (commissioning, consulting, spare parts service, training, etc.) and sales support for our customers in the North America region.

Styner+Bienz do Brasil Ltda. near Curitiba commenced production on July 1, 2001.

Styner+Bienz US Inc. discontinued operations in autumn 2001. However, this company's accrued expenses and income in the year under review and the remaining balance sheet items at December 31, 2001, are still included in the consolidated financial statements.

In the context of the strategic refocusing of the Stamping and Forming Division, the following companies will be merged during the first half of

2002 to form Styner+Bienz FormTech Ltd with retrospective effect as of January 1, 2002: Styner+Bienz Ltd, Styner+Bienz Machinery Ltd and Styner+Bienz Metall Ltd.

The names of AWM Werkzeugbau Ltd and AWM Kunststoffwerk Ltd were changed to AWM Mold Tech Ltd and AWM Plast Tech Ltd, respectively, in December 2001.

### Exchange rates

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

- Year-end rates  
DEM 75.7840, FRF 22.5960, USD 1.6732, HKD 0.2146, EUR 1.4822, BRL 0.7520, CAD 1.0519, BEF 3.6740, NLG 67.2590, ATS 10.7720.
- Average rates for the year  
USD 1.6872, HKD 0.2163, BRL 0.7318.

## FINANCIAL STATEMENTS

## 2. LIQUID ASSETS

CHF 1000	2001	2000
Cash, postal giro, banks	11'385	7'389
Time deposits	0	0
<b>Total liquid assets</b>	<b>11'385</b>	<b>7'389</b>

The change in the liquid assets item in the year under review is shown in the cash flow statement.

## 3. RECEIVABLES

CHF 1000	2001	2000
Trade accounts receivable	26'506	33'020
Other short-term receivables	6'043	10'116
<b>Total receivables</b>	<b>32'549</b>	<b>43'136</b>

While net turnover declined by 9% compared with the previous year, trade accounts receivable were 20% lower. This disproportionate reduction is due, among other things, to improved dunning procedures and lower turnover in the 4th quarter of 2001. The allowance for doubtful receivables deducted directly from the receivable amount totaled CHF 1.6 million (CHF 1.6 million in 2000).

The CHF 4.1 million decline in other short-term receivables is due in particular to the reduction in advance payments to suppliers and the elimination of the claim for refund of Swiss federal withholding tax on dividends paid by subsidiaries. Since 2001 the latter can be settled via a notification procedure.

## 4. INVENTORIES AND WORK IN PROGRESS

CHF 1000	2001	2000
Goods for resale	1'110	706
Raw material	3'650	4'152
Semi-finished and finished goods	21'047	17'374
Work in progress	26'664	33'644
<b>Total inventories and work in progress</b>	<b>52'471</b>	<b>55'876</b>

Inventories and work in progress were 6% lower than in the previous year. The sharp decline in work in progress (–CHF 7.0 million) was mainly attributable to the reduction in optical disc inventories. The Injection Molding Division accounted for most of the increase in semi-finished and finished goods, in particular with higher inventories at the foreign companies (spare parts) and in volume parts manufacturing. Inventories of components have increased in recent months as the volume of deliveries taken by customers has been correspondingly smaller.

## 5. TANGIBLE FIXED ASSETS

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

CHF 1000	Land	Buildings	Production equipment and machinery	Other tangible fixed assets	Installations under construction	Total
<b>Cost</b>						
At January 1, 2001	3'932	51'366	109'916	20'447	5'544	191'205
Capital expenditure in the year under review	399	11'046	14'717	3'445	9'420	39'027
Disposals	–	–170	–2'118	–395	–6'821	–9'504
Other changes	–	2'282	–	–2'282	–	–
Change in accumulated translation difference	–	–4	–259	1	–18	–280
<b>At December 31, 2001</b>	<b>4'331</b>	<b>64'520</b>	<b>122'256</b>	<b>21'216</b>	<b>8'125</b>	<b>220'448</b>
<b>Accumulated depreciation</b>						
At January 1, 2001	–	12'363	60'360	9'703	113	82'539
Depreciation in the year under review	–	1'582	9'736	2'868	–	14'186
Disposals	–	–170	–1'938	–156	–	–2'264
Other changes	–	1'248	–	–1'248	–	–
Change in accumulated translation difference	–	–	22	3	–11	14
<b>At December 31, 2001</b>	<b>–</b>	<b>15'023</b>	<b>68'180</b>	<b>11'170</b>	<b>102</b>	<b>94'475</b>
<b>Book values</b>						
At January 1, 2001	3'932	39'003	49'556	10'744	5'431	108'666
<b>At December 31, 2001</b>	<b>4'331</b>	<b>49'497</b>	<b>54'076</b>	<b>10'046</b>	<b>8'023</b>	<b>125'973</b>
Of which leased installations						
At January 1, 2001	–	–	2'333	–	–	2'333
<b>At December 31, 2001</b>	<b>–</b>	<b>–</b>	<b>788</b>	<b>–</b>	<b>–</b>	<b>788</b>

In the year under review the group had CHF 32.2 million invested in tangible fixed assets (investments less disposals of installations under construction). The “Buildings” item of CHF 11.0 million includes CHF 9.8 million for the new premises in Muri. The “Production equipment and machinery” item consists of spending on capacity expansion, rationalization and renewal at both divisions.

This also includes CHF 4 million for the manufacturing facility in Brazil, where construction was completed in the year under review. Other changes involve regrouping other tangible fixed assets in the “Buildings” category in the context of adjustments to asset categories.

## 6. FINANCIAL ASSETS

CHF 1000	2001	2000
Treasury stock	134	96
Other long-term receivables	666	3
Long-term loans to third parties	2'650	4'865
<b>Total financial assets</b>	<b>3'450</b>	<b>4'964</b>

Part of the prepaid VAT assets arising from imports of production equipment in Brazil can only be claimed in the long term, i.e. after more than 12 months. These account for the increase in other long-term receivables. The long-term loan in connection with the new invoicing model in the CD box segment at the end of 2000 was reduced as of December 31, 2001, resulting in a decline in this item.

## 7. INTANGIBLE ASSETS

CHF 1000	2001	2000
Intangible assets	928	413

The establishment costs accrued in the first half of the year under review until production commenced in Brazil resulted in an increase in intangible assets. The relevant amortization period is 5 years.

## 8. TRADE ACCOUNTS PAYABLE

CHF 1000	2001	2000
Trade accounts payable	12'344	16'061
Advance payments by customer	6'401	7'121
<b>Total trade accounts payable</b>	<b>18'745</b>	<b>23'182</b>

The decline in business activity also resulted in a reduction in trade accounts payable (-19%).

## 9. LIABILITIES ARISING FROM SHORT-TERM FINANCING

CHF 1000	2001	2000
Liabilities arising from short-term financing	16'012	18'798

Liabilities arising from short-term financing are offset by CHF 11.4 million of liquid assets (gross figures).

### 10. OTHER SHORT-TERM LIABILITIES

CHF 1000	2001	2000
Short-term leasing liabilities	227	283
Other short-term liabilities	2'184	2'368
<b>Total</b>	<b>2'411</b>	<b>2'651</b>

### 11. ACCRUED EXPENSES

CHF 1000	2001	2000
Accrued expenses	4'148	4'988
Accrued current taxes	1'711	3'238
<b>Total accrued expenses</b>	<b>5'859</b>	<b>8'226</b>

Fewer invoices from suppliers were outstanding at the end of 2001 than in the previous year, especially arising from deliveries of materials. Accrued expenses were therefore lower.

The reasons for the reduction in the accrual for current taxes are given in Note 20 "Taxes".

### 12. LIABILITIES ARISING FROM LONG-TERM FINANCING

CHF 1000	2001	2000
Mortgages	16'750	19'500
Long-term leasing liabilities	123	350
Other long-term liabilities	37'300	21'640
<b>Total liabilities from long-term financing</b>	<b>54'173</b>	<b>41'490</b>

Other long-term liabilities consist mainly of liabilities to banks. Capital expenditure (especially on the new premises in Muri) resulted in an increase in long-term financing.

### 13. LONG-TERM PROVISIONS

CHF 1000	2001	2000
Provision for deferred taxes	13'962	14'600
Other long-term provisions	1'840	3'153
<b>Total long-term provisions</b>	<b>15'802</b>	<b>17'753</b>

Warranty provisions in the OD segment were reduced in the year under review and the provision for restructuring the stamping and forming activities in the US was utilized, thus contributing to a reduction in other long-term provisions.

**14. SHAREHOLDERS' EQUITY**

CHF 1000	Share capital	Capital reserves	Revaluation reserves	Reserve for treasury stock	Translation difference	Retained earnings	Total shareholders' equity
At January 1, 2001	7'000	49'568	1'486	96	382	51'409	109'941
Dividends						-4'200	-4'200
Miscellaneous				38		-38	-
Change in translation difference					-746		-746
Net profit for the year						10'578	10'578
<b>At December 31, 2001</b>	<b>7'000</b>	<b>49'568</b>	<b>1'486</b>	<b>134</b>	<b>-364</b>	<b>57'749</b>	<b>115'573</b>

The appropriation of profit for the 2000 financial year was reflected in a dividend payment of CHF 4.2 million.

The company's purchases of its own shares totaling CHF 38'272 are reflected under "Miscellaneous" (see page 25).

## 15. SEGMENTAL REPORTING

The sales revenues (gross turnover) resulted from sales and services rendered to third parties and are made up as follows, by division, business unit and region:

CHF 1000	2001		2000	
Stamping and Forming Division	95'456	55.7%	94'130	50.0%
– of which Tool and Special Machinery Manufacturing	12'270		14'482	
– of which Volume Parts Manufacturing	83'186		79'648	
Injection Molding Division	76'050	44.3%	94'116	50.0%
– of which Moldmaking	56'051		74'365	
– of which Volume Parts Manufacturing	19'999		19'751	
<b>Total</b>	<b>171'506</b>	<b>100.0%</b>	<b>188'246</b>	<b>100.0%</b>
Switzerland	75'520	44.0%	97'731	51.9%
– of which Stamping and Forming	42'315		40'369	
– of which Injection Molding	33'205		57'362	
Europe	81'624	47.6%	69'044	36.7%
– of which Stamping and Forming	46'654		43'616	
– of which Injection Molding	34'970		25'428	
North/Latin America	7'139	4.2%	9'074	4.8%
– of which Stamping and Forming	3'845		5'113	
– of which Injection Molding	3'294		3'961	
Asia/Oceania/Africa	7'223	4.2%	12'397	6.6%
– of which Stamping and Forming	2'642		5'032	
– of which Injection Molding	4'581		7'365	
<b>Total</b>	<b>171'506</b>	<b>100.0%</b>	<b>188'246</b>	<b>100.0%</b>

While the Stamping and Forming Division recorded a slight (+1%) increase in turnover, the Injection Molding Division's turnover figure was 19% lower. This sharp decline resulted in a CHF 16.7 million reduction in net sales (-9%) at group level.

In line with its new strategy, greater emphasis is being placed on volume parts manufacturing at the Stamping and Forming Division.

Turnover in molds and machinery at the Injection Molding Division slumped by 25%. This was mainly due to the trend in the market for optical disc molds; the boom conditions experienced in 2000 (100% market growth) resulted in temporary market saturation. Turnover in volume parts manufacturing was at the previous year's level.

Other figures relating to the divisions:

CHF 1000	2001	2000
<b>Stamping and Forming</b>		
Total income	104'183	98'416
Operating earnings EBITDA	8'099	6'350
Operating earnings EBIT	939	609
Capital expenditure	13'943	16'388
Employees on December 31	501	503
<b>Injection Molding</b>		
Total income	73'878	112'488
Operating earnings EBITDA	19'493	34'828
Operating earnings EBIT	12'520	25'994
Capital expenditure	18'122	15'580
Employees on December 31	289	285

## 16. PERSONNEL EXPENSES

Personnel expenses at the Stamping and Forming Division increased slightly in absolute terms, but declined relative to total income. Despite the setback in turnover, personnel expenses also increased at the Injection Molding Division. This was due to the sharp reduction in outsourcing; the "Material and services" item was much smaller in 2001 than in the previous year.

## 17. OTHER OPERATING EXPENSES

Other operating expenses include rent, maintenance and repair, operating materials, energy, property insurance, administrative expenses, losses on accounts receivable and the cost of advertising and sales promotion. These expenses were reduced in line with the decline in total income.

## 18. FINANCIAL EXPENSES AND FINANCIAL INCOME

CHF 1000	2001	2000
Financial income	1'895	1'320
Financial expenses	-4'289	-3'469
<b>Net financial income</b>	<b>-2'394</b>	<b>-2'149</b>

Higher interest income on the long-term loans to third parties and currency gains resulted in higher financial income. The increase in financial expenses is due to higher borrowings (capital expenditure) and currency losses.

## 19. NON-OPERATING INCOME

CHF 1000	2001	2000
Non-operating income	489	245
Non-operating expenses	-631	-1'386
<b>Total non-operating income</b>	<b>-142</b>	<b>-1'141</b>

Non-operating expenses include the costs incurred in restructuring the US activities of Styner+Bienz and losses on sales of tangible fixed assets. The release of the provision made at the end of 2000 for the above-mentioned restructuring is included in non-operating income.

## 21. PLEDGED ASSETS

CHF 1000	2001	2000
Book value of pledged real estate	52'954	42'859

The pledges listed serve as security for mortgages, other bank loans and credit lines.

The increase in this item is attributable to the new premises in Muri. Furthermore, it should be noted that demand balances held with banks can be used to cover loans granted at the same time in accordance with the banks' general conditions of business.

## 20. TAXES

CHF 1000	2001	2000
Income and capital taxes	1'366	3'040
Change in provision for deferred taxes	-638	1'812
<b>Total tax expenses</b>	<b>728</b>	<b>4'852</b>

As a result of the change by the Canton of Aargau from taxation assessed in arrears to taxation assessed on current income, a tax provision of approx. CHF 1.8 million was no longer necessary and could be released. The tax-loss carry-forwards that have not been utilized on grounds of prudence amounted to CHF 6.4 million (CHF 6.8 million in 2000).

**22. FIRE INSURANCE VALUES**

CHF 1000	2001	2000
Real estate	71'930	61'793
Other tangible fixed assets	167'519	162'213

**23. CONTINGENT AND FUTURE LIABILITIES**

CHF 1000	2001	2000
Contingent liabilities in favour of third parties	1'244	200
Liabilities arising from leases	2'393	2'701
Liabilities arising from operating leases	998	0

Payments deriving from operating leases fall due as follows: CHF 0.12 million within one year, CHF 0.88 million within two to four years.

**24. GUARANTEES**

At the end of 2001 guarantees had been made by adval tech Holding Ltd in favour of the company's bankers in the amount of CHF 25.1 million (CHF 28.9 million in 2000). These serve exclusively as security for loans and credit lines granted to subsidiaries of adval tech Holding Ltd. This guarantee policy is in line with the reorganization of group financing arrangements and the outline agreements concluded with the banks in this context.

**25. DERIVATIVE FINANCIAL INSTRUMENTS**

Forward foreign exchange transactions with a contract value of CHF 4.4 million existed for hedging purposes on December 31, 2001. The relevant positive or negative replacement values were immaterial.

**26. PENSION LIABILITIES**

The pension fund of adval tech Holding Ltd is intended to insure personnel against the financial consequences of old age, death and disability. Employees are insured from 17 years of age.

The pension fund of adval tech Holding Ltd is based on a defined-contributions plan. The employer's contributions are fixed. The adval tech Group has not entered into any obligations to provide benefits in excess of the stipulated contributions.

	2001	2000
Number of personnel insured at Dec. 31	736	744
Number of pension recipients at Dec. 31	128	118
Expenses arising from pension commitments	3'347	3'262
Employer's contribution reserves at Dec. 31	3'625	3'625

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 and notes / pages 6 to 21) of adval tech Holding Ltd for the year ended December 31, 2001.

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 auditing standards promulgated by the Swiss profession, 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 Financial Reporting Standards (Swiss GAAP FER) and comply with Swiss law.

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

PricewaterhouseCoopers Ltd

J. Kummer M. Kshli

Bern, March 19, 2002

# FINANCIAL REPORTS OF ADVAL TECH HOLDING LTD

## I. BALANCE SHEET

CHF	2001	2000
Liquid assets	135'539	2'838'977
Receivables		
– from third parties	4'875	1'225'034
– from group companies	3'456'767	5'437'184
Prepaid expenses and accrued income		
– from third parties	0	162'051
– from group companies	0	0
<b>Total current assets</b>	<b>3'597'181</b>	<b>9'663'246</b>
Investments in group companies	8'830'550	8'227'025
Loans to group companies	70'791'953	41'747'707
Intangible assets	1'700'000	0
<b>Total fixed assets</b>	<b>81'322'503</b>	<b>49'974'732</b>
<b>Total assets</b>	<b>84'919'684</b>	<b>59'637'978</b>
Bank debt	34'774'545	15'746'485
Accounts payable	6'731	9'341
Other liabilities		
– from third parties	27'060	36'552
– from group companies	0	241'204
Accrued expenses	167'196	241'794
<i>Short-term liabilities</i>	<i>34'975'532</i>	<i>16'275'376</i>
Loans from group companies	2'900'000	5'300'000
Provisions	1'913'750	1'913'750
<i>Long-term liabilities</i>	<i>4'813'750</i>	<i>7'213'750</i>
<b>Total liabilities</b>	<b>39'789'282</b>	<b>23'489'126</b>
Share capital	7'000'000	7'000'000
General reserves	1'550'000	1'550'000
Reserve for treasury stock	133'920	95'647
Free reserves	14'961'727	15'000'000
<i>Share capital and reserves</i>	<i>23'645'647</i>	<i>23'645'647</i>
Balance brought forward	8'303'204	8'577'958
Net profit for the year	13'181'551	3'925'247
Retained earnings	21'484'755	12'503'205
<b>Total shareholders' equity</b>	<b>45'130'402</b>	<b>36'148'852</b>
<b>Total liabilities</b>	<b>84'919'684</b>	<b>59'637'978</b>

## 2. INCOME STATEMENT

CHF	2001	2000
Income from investments in group companies	10'500'000	3'500'000
Other income from third parties	5'825	5'760
Other income from group companies	397'508	501'518
Interest income from group companies	3'458'548	2'572'699
Interest income from third parties	635'487	567'784
<b>Total operating earnings</b>	<b>14'997'368</b>	<b>7'147'761</b>
Interest expenses from third parties	1'310'806	1'088'606
Interest expenses from group companies	131'225	86'203
Business and administration expenses	135'898	54'668
<b>Operating expenses</b>	<b>1'577'929</b>	<b>1'229'477</b>
Non-operating earnings	2'000	0
Non-operating expenses	0	1'913'750
Net profit before taxes	13'421'439	4'004'534
Taxes	239'888	79'287
<b>Net profit after taxes</b>	<b>13'181'551</b>	<b>3'925'247</b>

### 3. APPENDIX

#### 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 year under review a further 128 shares were purchased for CHF 38'272 to add to the 330 shares purchased by adval tech Management AG in 1998 for CHF 95'647 in connection with a future stock compensation plan for group management and other executives.

#### Intangible assets

Patents valued at CHF 1'700'000 were purchased from subsidiaries with a view to centralizing the patents organization at adval tech Holding Ltd.

#### Investment

adval tech Holding's investment holdings are listed on page 12 of this report.

#### Major shareholders

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

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

#### Guarantees to third parties

As at December 31, 2001, adval tech Holding Ltd had issued guarantees to its bankers in respect of a total of CHF 26'140'000. These serve exclusively to secure loans and credit lines granted to subsidiaries of adval tech Holding Ltd.

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

#### At the disposal of the annual general meeting of shareholders

Balance brought forward	CHF	8'303'204
Net profit for 2001	CHF	13'181'551
<b>Retained earnings</b>	<b>CHF</b>	<b>21'484'755</b>

#### Proposal by the Board of Directors

Dividend of CHF 12 gross per registered share	CHF	4'200'000
Allocation to the General Reserve	CHF	0
Carried forward to new account	CHF	17'284'755
	<b>CHF</b>	<b>21'484'755</b>

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 / pages 23 to 25) of adval tech Holding Ltd for the year ended December 31, 2001.

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 auditing standards promulgated by the Swiss profession, 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 Ltd

J. Kummer M. Kšhli

Bern, March 19, 2002

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