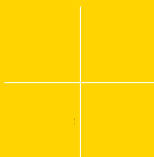
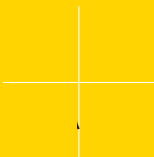
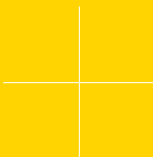
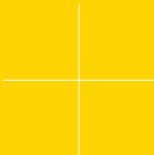
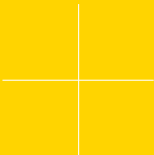
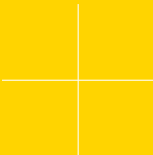
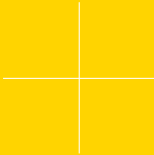


THE FIRST HALF OF 2010

SALES GROWTH IN ALL COMPONENTS MARKETS
RESTRUCTURING COMPLETED
OPERATING EARNINGS POSITIVE AGAIN



DEAR SHAREHOLDERS:

For the first time since mid-2008 we can again report positive operating earnings. Total income also increased by 12% compared with the same period of the previous year. The main markets we serve have made a steady recovery since registering their low point in the first quarter of 2009. This is especially true of the automotive market. However, demand has also strengthened again in the consumer goods industry. Our sales of components for the medical technology market also grew, while the related molds business softened, as expected. The downsizing of our injection mold manufacturing activities resulted in lower overall total income from moldmaking. The full impact of the steps already initiated at an early stage to enhance performance became evident in the first half of 2010.

Total income of CHF 160.6 million reported by the Adval Tech Group was 12% higher than in the first six months of 2009 (CHF 143.6 million). Compared to the second half of 2009 this figure corresponds to an improvement of more than 4%. Operating earnings before depreciation (EBITDA) of CHF 12.0 million were more than three times the previous year's outcome (CHF 3.6 million). After posting negative operating earnings (EBIT) of CHF -9.5 million in the previous year, we narrowly achieved the turnaround in the first half of 2010 with a figure of CHF 0.5 million. As expected, net profit of CHF -6.3 million in the first half of 2010 was therefore still negative (CHF -13.4 million in the first half of 2009, CHF -13.6 million in the second half of 2009). However, the improvement in profit was striking and an indication that we are on the right track.

Besides the positive trend in total income associated with improved gross margins, the resolute implementation of the various measures already adopted in 2008 and 2009 made a significant contribution to the improvement in results. The number of employees declined from 3 488 full-time units in August 2008 to 2 643 full-time units at the end of June 2009, 2 573 full-time units at the end of December 2009 and 2 523 full-time units at June

30, 2010. Personnel expenses relative to total income therefore declined from 38% to 35%. Since we were able to maintain other operating expenses at the same level despite the increase in output, the break-even point at the EBIT level has been lowered considerably. The EBITDA margin improved from 2.5% to 7.4%, the EBIT margin from -6.6% to +0.3%.

We have completed the restructuring of our manufacturing site in Muri. The moldmaking operation based there is on the way to a turnaround, which will still take some time to achieve. The closure of our site in Merenschwand is proceeding on schedule and should be completed in the third quarter of 2010. In light of the long project lead times we have not reduced our sales and development activities, despite the recession and the financial crisis. This has paid off: in the first half of 2010 we were able to bring various acquisition projects launched in the previous year to a successful conclusion and thus secure the corresponding sales volumes especially for 2011 and subsequent years.

Trends in exchange rates relative to the euro and the US dollar depressed results in the first half of 2010. If the financial statements of the foreign group companies were translated at the higher exchange rates prevailing in the previous year, total income would have been some CHF 3.3 million higher and EBITDA some CHF 0.3 million higher. Our Swiss plants felt the effects of the strong Swiss franc primarily versus the euro, which depressed EBITDA by almost CHF 1.0 million compared with the same period of the previous year.

Our efforts to optimize working capital (accounts receivable, trade accounts receivable, inventories) continued to bear fruit in the first half of 2010. While total income was 12% higher than a year earlier, funds tied up in working capital were actually 10% lower compared with the previous year. The ratio of working capital to total income thus improved from 25% to 20%.

With an equity ratio of 46% (47% at the end of 2009) the Adval Tech Group is soundly financed. The long-term commitment of our major shareholders provides the group with additional stability.

Strategy implementation

The global presence we have achieved through the corporate acquisitions made in 2007 and 2008 – with wholly-owned manufacturing facilities and sales and marketing organizations in Europe, Asia and America – enables us to implement our market strategies systematically.

In the Automotive Segment Adval Tech focuses on the components business in metals and plastics. This segment corresponds to the division of the same name, in which all activities for the automotive component supply market are combined. The Medical & Consumer Goods Segment consists of three divisions – Medical, Consumer Goods and Molding Technology. Services for the key medical and consumer goods markets are based on an integrated business model comprising both the development and manufacture of molds and the production of plastic components.

The acquisition of an initial large order directly from an automotive manufacturer (OEM) is in line with this strategy of acting as a global technology and value-adding partner: we have received an order from BMW to develop and manufacture twelve components for the new generation of its Series 1 and 3 models. The components developed jointly with BMW will be manufactured in large numbers as of 2011. Project management is based in Muri (Switzerland), the production molds are being manufactured for the most part in Haslach (Germany) and Suzhou (China). The BMW assembly lines in Germany will be supplied from our plant in Szekszárd (Hungary), the BMW assembly lines in Asia and South Africa from our plant in Suzhou (China).

Creating the preconditions for volume production, making machinery and molds available and establishing the infrastructure now have to be completed

by autumn 2010. Structural work at our site in Szekszárd (Hungary) is already well advanced and orders for molds and injection molding machines have been placed. The project is on track and we expect to perform initial test runs with the volume production lines and molds toward the end of 2010.

Adval Tech received another large order from the automotive industry in July 2010. Via ThyssenKrupp Presta, Adval Tech Styner+Bienz is supplying a substantial portion of the steering system for the largest platform ever launched by VW in Europe. The modules will be manufactured in the Uetendorf plant. Sales revenues for the entire production cycle (2012 through 2018) amount to more than CHF 35 million.

Styner+Bienz's Uetendorf plant can utilize its existing stamping presses to manufacture the components for the brackets, and we will invest in a new laser welding line for the assembly of the modules. The adoption of this new technology opens up further interesting opportunities for us as a global supplier to the automotive industry.

A cooperation agreement with Anchor Manufacturing Group in Cleveland, Ohio, and a new subsidiary (Styner+Bienz US Inc.) formed in this context now also enable the Adval Tech Group to supply its customers in the automotive industry operating on a global scale from the US in a quality that is uniformly defined worldwide. Anchor has the necessary infrastructure and enables Adval Tech Styner+Bienz to launch a manufacturing platform of its own in the US with a «shop in the shop» solution. Anchor is manufacturing components for Adval Tech Styner+Bienz US for an initial customer project. These are being assembled into a module on a production line transferred from Switzerland to the US. Deliveries will be made to customers by Adval Tech Styner+Bienz. This solution enables us to gain a foothold in the US with little capital investment and minimal risk.

Our activities aimed at establishing global manufacturing platforms for our Medical Division in China and Mexico are also well advanced. The process of

equipping existing premises for the production of medical technology components in China is virtually complete, and the qualification of the production platform for compliance with the highest international standards is in progress. We expect to be able to process initial orders from customers in the fourth quarter of 2010. The timing for entering the Chinese market is very favorable, since the global pharmaceuticals industry is currently establishing local production capacity.

Development work in Mexico is also well advanced. After being nominated as a preferred global supplier by a pharmaceuticals subcontractor, we are preparing the manufacturing premises and the necessary machinery for commencing production with initial transfer orders in the fourth quarter of 2010.

Both in China and in Mexico we are benefiting from existing local structures. The market successes in the first half of 2010 confirm the soundness of the strategy we have defined. They are the result of its systematic implementation.

Automotive Segment

Total income of CHF 79.4 million in the first six months is not only 29% higher than the previous year's figure of CHF 61.4 million, but also well above (+9%) total income reported for the second half of 2009 (CHF 72.7 million). Growth rates of 18% to 39% were recorded at our locations in Switzerland, Brazil and Hungary compared with the same period of the previous year. Operating earnings before depreciation (EBITDA) were also significantly higher at all sites. The figure of CHF 4.8 million posted by the Automotive Segment represented an improvement of CHF 8.8 million compared with the previous year (CHF -4.0 million in the first half of 2009). The outcome for the second half of 2009 (CHF 0.8 million) was also clearly surpassed. Taking into account the restructuring expenses of CHF 2.7 million charged in the second half for the closure of the Merenschwand site, the improvement still amounted to 41%.

Sales developed especially strongly in applications for airbags, ABS and automobile lamps. The generally positive market trend as well as some particularly successful products of our customers contributed to this outcome. The inventory buildup observed in the first half of this year following massive destocking in 2009 also helped. This resulted in sales increases of 10% to 200% to some customers compared with a year earlier. Sales of components for steering systems were sluggish, since some of the platforms we supply are currently being phased out. Our sales in this market segment will increase substantially again as of 2012 on the back of the new projects we were able to acquire in 2008, 2009 and 2010. Overall sales of components to the automotive industry rose by 36%.

The Automotive Segment also incorporates our complementary business in the field of non-tool-dependent sheet metal processing, which has not yet recovered. Sales here in the first half of 2010 were more than 10% below the previous year's low figure. We have adjusted structures to prevailing market conditions accordingly.

Medical and Consumer Goods Segment

Total income of CHF 82.0 million in the Medical and Consumer Goods Segment in the first six months was 4% below the previous year's figure of CHF 85.1 million. Compared with the second half of 2009 (CHF 82.7 million) total income declined by 1%. These comparative figures reflect diverging trends. While the components business gained more than 20% compared with a year earlier, business with injection molds contracted as expected. In particular, the downsizing of our injection mold manufacturing activities at the Muri site at the end of 2009 and the anticipated reduction in mold sales for in-house component manufacture in the medical technology sector contributed to this outcome.

Operating earnings before depreciation (EBITDA) of CHF 6.0 million were slightly lower than the comparative figure in the first half of 2009 (CHF 6.3 million). There was an improvement of CHF 3.5 million compared with the second half of 2009 (CHF

2.5 million). However, taking into account the restructuring expenses posted in the second half of 2009 for downsizing the Muri facility, EBITDA was some 25% lower than in the second half of 2009. While EBITDA in the components business remained relatively stable, the efforts undertaken to globalize our medical technology business depressed results. Expenditure on establishing the manufacturing facility in China was a major factor here.

Medical technology

Sales of medical technology components increased considerably in the first half of 2010 compared with a year earlier. This was due not least to our sales efforts in recent years. Long project lead times are a feature of the medical business. 12 to 24 months usually elapse between project acquisition and initial sales revenues.

The Medical Division continued to invest in establishing a global organization and structure with manufacturing locations in Europe, America and Asia in the first half of 2010. We are thus following the trend toward globalization of production platforms that is also becoming increasingly evident in the medical technology industry.

We have taken a long-term lease on neighboring premises to expand the facility in Grenchen and have completed finishing and servicing work, so that the expanded production space is available for projects that have been acquired and will come into production in the coming months.

In the first half of 2010 we undertook finishing and servicing work on the premises occupied in Suzhou (China) to conform to medical technology requirements. With a delay of several months we will commence production of medical technology components under clean room conditions as of the fourth quarter of 2010. In Mexico we are establishing manufacturing infrastructure under controlled environment conditions at the existing Adval Tech location. Initial customer projects will commence here in the course of this year.

With our locations in Switzerland, China and Mexico we now fulfill the prerequisites for processing global medical projects.

Consumer goods

The Adval Tech Group's consumer goods business consists essentially of the components business at our locations in Asia and Mexico. These plants primarily manufacture consumer goods components for end-users in the US. Here we saw shifts in market share from US-based companies in Asia to their Korean competitors in the first half of 2010. Companies such as Samsung and LG have gained substantial market share in this context.

These shifts in market share have not had a negative impact on Adval Tech. Lower sales to American companies have been more than offset by increased sales to other customers. The business with components for consumer goods made overall gains approaching 30%. In the first six months Adval Tech also secured considerably more new business compared with the previous year, especially in the white goods segment (refrigerators, washing machines, etc.).

In China we are seeing a trend toward more challenging components. Manufacturing these calls for more highly qualified production equipment, especially higher-quality molds. As a technological leader, Adval Tech is ideally equipped to meet these requirements. We are well placed to benefit from the expected market growth in China.

The transfer of entire manufacturing orders, including molds, is still very important in the consumer goods market. Transfer orders have a very rapid impact on sales and profits, and our technological know-how enables us repeatedly to benefit from these market-typical characteristics.

Molding technology

We currently manufacture injection molds in Germany, Switzerland and China. The ability to manufacture molds at the same technological and qualitative level both in Asia and in Europe is proving

to be a unique selling proposition in cooperation with customers who produce on a global scale. For a large customer, for example, we are designing the molds in Germany, elaborating the details in China, also programming there and producing the individual components simultaneously in Europe and Asia. Commissioning will be performed in Europe. Besides Adval Tech, only few competitors can offer this level of flexibility. At the same time the interchangeability of mold components or entire molds, as well as service facilities in Asia and Europe, is guaranteed at all times. This is a further example of the implementation of our global strategy with platforms available worldwide.

Developments at the individual locations of the Molding Technology Division differed in the first half of 2010. In Muri we aim to reposition ourselves on the market after completing the downsizing process. The optical disc business stabilized at a low level in the first half of 2010. Our spare parts business is subdued, since molds taken out of production due to worldwide reductions in capacity are increasingly being utilized to obtain spare parts.

On the basis of know-how gained from the manufacture of optical disc molds we have launched a number of promising developments for the medical technology and consumer goods packaging markets together with our customers. As customers regain confidence the prospects for establishing these in the marketplace are favorable.

In Germany we have produced an interesting development for manufacturing tubes. We succeeded in manufacturing a thin-wall plastic tube with an integrated closure in a single mold. Capacity utilization at our Haslach plant was very good due to a high level of orders in hand. At our two moldmaking facilities in China we are increasingly producing molds for our own injection molding plants in addition to dies for outside customers. We are thus creating value through innovation – both for ourselves and for our customers, in line with our Vision.

Outlook

Although the visibility of the business trend has improved in the past nine months and its fluctuations have become less extreme, a reliable assessment of the course of business in our key markets is still difficult. It would be premature to speak of a sustainable recovery. The development of the euro versus the Swiss franc is an increasing burden for our business. The further development of this situation is completely uncertain.

The flexible adjustment of structures and thus costs to market conditions is still our main priority. If the sales trend remains reasonably stable in the second half of the year, we foresee a further slight increase in total income and a significant improvement in operating earnings. On this basis we expect to achieve a turnaround at operating earnings (EBIT) level.

Niederwangen, end of August 2010

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 2010	2 nd half of 2009	1 st half of 2009
Total income	160.6	154.1	143.6
– Automotive	79.4	72.7	61.4
– Medical & Consumer Goods	82.0	82.7	85.1
Operating earnings before depreciation (EBITDA)	12.0	2.1	3.6
– in % of total income	7.4	1.4	2.5
– Automotive	4.8	0.8	-4.0
– Medical & Consumer Goods	6.0	2.5	6.3
Operating earnings (EBIT)	0.5	-13.8	-9.5
– in % of total income	0.3	-9.0	-6.6
– Automotive	0.0	-7.1	-9.1
– Medical & Consumer Goods	-0.3	-5.2	-1.3
Net result	-6.3	-13.6	-13.4
– in % of total income	-3.9	-8.8	-9.4
Cash provided by operating activities	1.7	13.2	-6.0
Operative free cash flow	-3.9	6.5	-13.7
Free cash flow	-3.9	6.5	-13.7
Capital expenditure	-5.0	-6.9	-6.5
– Automotive	-1.6	-5.4	-5.2
– Medical & Consumer Goods	-3.3	-1.5	-1.1
Number of employees (full-time equivalents)	2,523	2,573	2,643
– Automotive	813	810	824
– Medical & Consumer Goods	1,690	1,747	1,809

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 2009 financial year and IAS 34. The financial statements should therefore be read and interpreted in conjunction with the annual financial statements for 2009. The application of IAS 17 (rev.) to the 2010 semi-annual financial statements had no impact on the balance sheet, the income statement and the explanatory notes.

CONSOLIDATED BALANCE SHEET

CHF 1000	Notes	6/30/2010	12/31/2009
Liquid assets		16,658	23,496
Trade accounts receivable	4	48,928	49,497
Other receivables	5	9,843	9,941
Inventories and work in progress	6	46,041	42,107
Tangible fixed assets held for sale		13,766	13,766
Prepaid expenses and accrued income		3,686	2,832
Total current assets		138,922	141,639
Tangible fixed assets	7	134,092	144,629
Financial assets	8	3,454	1,942
Intangible assets		76,355	72,975
Pension assets		36	36
Deferred tax assets		2,993	3,409
Total fixed assets		216,930	222,991
Total assets		355,852	364,630
Trade accounts payable	9	25,137	23,832
Short-term interest-bearing liabilities		4,668	4,608
Other short-term liabilities	10	15,304	19,464
Accrued expenses	11	23,573	15,847
Short-term provisions		2,043	2,980
Accrued current income taxes		1,371	1,007
Total short-term liabilities		72,096	67,738
Long-term interest-bearing liabilities	12	110,481	113,572
Other long-term liabilities		0	193
Long-term provisions		4,804	5,790
Deferred tax liability		4,837	5,957
Total long-term liabilities		120,122	125,512
Total liabilities		192,218	193,250
Share capital		14,600	14,600
Capital reserves		146,799	146,799
Treasury stock		-183	-141
Translation differences		-16,644	-15,245
Retained earnings		19,062	25,367
Total shareholders' equity		163,634	171,380
Total liabilities and shareholders' equity		355,852	364,630

CONSOLIDATED INCOME STATEMENT

CHF 1000	Notes	1 st half of 2010	1 st half of 2009
Net turnover	13	151,227	145,398
Total income	13	160,596	143,646
Cost of materials and services		-67,172	-59,359
Personnel expenses		-55,911	-55,028
Other operating expenses		-25,549	-25,623
Operating expenses		-148,632	-140,010
Operating earnings before depreciation (EBITDA)	13	11,964	3,636
Depreciation		-11,488	-13,127
Operating earnings (EBIT)	13	476	-9,491
Net financial income	14	-6,230	-2,443
Net result before taxes		-5,754	-11,934
Taxes		-551	-1,507
Net result after taxes		-6,305	-13,441
Earnings per share (in CHF)			
– Non-diluted earnings per share		-8.64	-18.42
– Diluted earnings per share		-8.64	-18.42

STATEMENT OF OTHER COMPREHENSIVE INCOME AND EXPENSES

CHF 1000	1 st half of 2010	1 st half of 2009
Net result after tax	-6,305	-13,441
Profits/losses posted to shareholders' equity		
– exchange rate differences arising from the net investment approach	-2,819	-3,274
– exchange rate differences arising from balance sheet items	1,420	8,920
Total net result	-7,704	-7,795

SHAREHOLDERS' EQUITY

1 st half of 2009 CHF 1000	Share capital	Capital reserves	Treasury stock	Translation differences	Retained earnings	Total share- holders' equity
At January 1, 2009	14,600	146,799	-145	-15,555	52,408	198,107
Net result after tax					-13,441	-13,441
Other comprehensive income and expenses				5,646		5,646
<i>Net result</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>5,646</i>	<i>-13,441</i>	<i>-7,795</i>
Purchase/sale of treasury stock			4		-4	0
At June 30, 2009	14,600	146,799	-141	-9,909	38,963	190,312
1 st half of 2010 CHF 1000	Share capital	Capital reserves	Treasury stock	Translation differences	Retained earnings	Total share- holders' equity
At January 1, 2010	14,600	146,799	-141	-15,245	25,367	171,380
Net result after tax					-6,305	-6,305
Other comprehensive income and expenses				-1,399		-1,399
<i>Net result</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-1,399</i>	<i>-6,305</i>	<i>-7,704</i>
Purchase/sale of treasury stock			-42			-42
At June 30, 2010	14,600	146,799	-183	-16,644	19,062	163,634

At the Annual General Meeting of Adval Tech Holding Ltd held on May 6, 2010, shareholders adopted a motion to make no dividend payment for the 2009 financial year.

CONSOLIDATED CASH FLOW STATEMENT

CHF 1000	Notes	1 st half of 2010	1 st half of 2009
Net result after taxes		-6,305	-13,441
Depreciation on tangible fixed assets		11,013	12,633
Depreciation on financial assets and intangible assets		475	494
Increase- (+)/decrease (-) in short-/long-term provisions		-1,823	-1,456
Increase- (+)/decrease (-) in provision for deferred taxes		-509	916
Gain (-)/loss (+) on sales of tangible fixed assets		-609	-130
Other transactions with no impact on liquidity		-166	-6,848
Cash provided by operating activities before change in net current assets NUV		2,076	-7,832
Increase- (-)/decrease (+) in receivables		516	2,232
Increase- (-)/decrease (+) in inventories		-5,855	8,144
Increase- (-)/decrease (+) in prepaid expenses and accrued income		-873	-2,050
Increase- (+)/decrease (-) in short-term liabilities		5,226	-6,457
Cash provided by operating activities		1,090	-5,963
Capital expenditure	13	-5,044	-6,473
Income from sales of tangible fixed assets	8	1,446	272
Increase- (-)/decrease (+) in financial assets	8	144	-1,577
Increase- (-)/decrease (+) in intangible assets	15	-1,575	0
Cash used for investing activities		-5,029	-7,778
Free cash flow		-3,939	-13,741
Purchase (-)/sale (+) of treasury stock		-42	-4
Increase- (+)/decrease (-) in short-/long-term debt		-3,200	4,340
Cash provided by financing activities		-3,242	4,336
Translation adjustments		343	717
Change in liquid assets		-6,838	-8,688
Liquid assets on June 30		16,658	23,141
Liquid assets on January 1		23,496	31,829
Change in liquid assets		-6,838	-8,688

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. ITEMS WITH MATERIAL ESTIMATES BY MANAGEMENT AND RISKS

Items with material estimates by management and the principal risks are fundamentally unchanged from the 2009 annual financial statements. They are listed in notes 1.1 and 2 of the 2009 Financial Report.

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

3. CHANGES IN THE SCOPE OF CONSOLIDATION

AWM Plastpack Ltd and AWM Mold Tech Ltd, both in Muri, Switzerland, merged with effect from January 1, 2010. The new company trades under the name of AWM Mold Tech Ltd. There were no other changes in the scope of consolidation. The scope of consolidation remained unchanged in the same period of the previous year.

4. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable declined by CHF 2.2 million in the Medical und Consumer Goods Segment and increased by CHF 1.6 million in the Automotive Segment.

5. OTHER RECEIVABLES

Other receivables changed only slightly (CHF 0.1 million lower). This item also includes VAT assets, payments arising from finance lease claims due within one year, loans and advance payments to suppliers.

6. INVENTORIES AND WORK IN PROGRESS

Inventories increased by CHF 3.9 million (at exchange rates on record date) during the first six months. The Medical and Consumer Goods Segment accounted for most of this increase. In particular, the level of work in progress relating to die and mold-making orders was higher.

7. OPEN ORDERS FOR TANGIBLE FIXED ASSETS

Orders for capital goods to the value of CHF 4.5 million were outstanding on balance sheet date. These capital goods had not yet been delivered or invoiced and are therefore also not included in fixed assets. They are for the most part related to orders acquired by the Automotive Segment in the first half of 2010.

8. FINANCIAL ASSETS

The increase in financial assets in the first half was mainly attributable to the Automotive Segment. In connection with signing an amortization agreement for an assembly line which is qualified as a finance lease, the relevant amount was reclassified from tangible fixed assets to financial assets. This reclassification has been neutralized in the cash flow statement.

9. TRADE ACCOUNTS PAYABLE

Trade accounts payable increased by a total of CHF 1.3 million in the first half of 2010. Each of the two segments accounted for about half of the total increase.

10. OTHER SHORT-TERM LIABILITIES

This item includes CHF 4.1 million (CHF 3.9 million on December 31, 2009) corresponding to the fair value of the payment for the 2nd tranche of shares in OMNI Investors Pte. Ltd. The fair value was calculated on the basis of estimated operating earnings before depreciation (EBITDA). The calculations are based on a discount rate of 4% and a normalized EBITDA of the OMNI Group for 2009 of CHF 4.5 million. This payment is foreseen in the second half of 2010.

11. ACCRUED EXPENSES

Accrued expenses increased by CHF 7.7 million during the period under review. The majority of the increase is due to higher accruals for products and services supplied but not yet invoiced.

12. LONG-TERM INTEREST-BEARING LIABILITIES

The long-term interest-bearing loans included in this item were reclassified under short-term interest-bearing liabilities in the financial statements to June 30, 2009. On publication date of the 2009 semi-annual financial statements the Adval Tech Group was engaged in negotiations with the banking consortium with which in January 2008 a contract for a revolving credit facility of up to CHF 135 million with a term of five years had been concluded, regarding amendments to this contract. These negotiations were successfully concluded in August

2009. The amended loan contract is dependent on compliance with key financial statistics (levels of debt and interest cover, leverage ratio, i.e. minimum EBITDA to be achieved, and temporarily minimum available liquidity). The original term of the contract has not been amended. After the amended contract came into effect the credits drawn down under this contract were reclassified again under long-term financial liabilities. All contract provisions have been complied with as of June 30, 2010.

13. SEGMENTAL REPORTING

CHF 1000	Automotive Segment		Medical & Consumer Goods Segment		Other units and eliminations		Group	
	1 st half of 10	1 st half of 09	1 st half of 10	1 st half of 09	1 st half of 10	1 st half of 09	1 st half of 10	1 st half of 09
Net turnover	73,879	63,017	77,506	83,414	-158	-1,033	151,227	145,398
IC sales	30	0	128	1,033	-158	-1,033	0	0
Net turnover	73,849	63,017	77,378	82,381	0	0	151,227	145,398
Total income	79,362	61,368	81,968	85,079	-734	-2,801	160,596	143,646
Operating earnings before depreciation (EBITDA)	4,801	-3,983	6,009	6,260	1,154	1,359	11,964	3,636
Operating earnings (EBIT)	49	-9,114	-338	-1,348	765	971	476	-9,491
Net financial income							-6,230	-2,443
Net result before tax							-5,754	-11,934
Capital expenditure on tangible fixed assets	-1,582	-5,189	-3,278	-1,092	-184	-192	-5,044	-6,473
Number of employees	813	824	1,690	1,809	20	10	2,523	2,643

The trend of business at the segments is described in the report of the Chairman of the Board and the CEO on pages 3 – 6.

14. NET FINANCIAL INCOME

CHF 1000	1 st half of 2010	1 st half of 2009
Interest earned	623	187
Currency gains	1,586	1,425
Gains on derivative financial instruments	219	34
Other financial income	163	679
Total financial income	2,591	2,325
Interest paid	-2,685	-1,801
Currency losses	-4,419	-2,138
Unrealized translation differences	-1,087	-394
Other financial expenses	-630	-435
Total financial expenses	-8,821	-4,768
Net financial income	-6,230	-2,443

15. INTANGIBLE ASSETS

Development work valued at CHF 1.6 million was capitalized as intangible assets (capitalized development costs) in the first half of 2010 in the context of the new order from BMW. This is explained further on page 3.

16. TAXES AND INTEREST ACTUALLY PAID

Taxes actually paid in the period under review amounted to CHF 0.5 million (1.1 million in the first half of 2009). There was an outflow of CHF 2.6 million for interest on borrowings in the first half of 2010 (CHF 1.8 in the first half of 2009).

17. SHARE-BASED PAYMENTS

In terms of the remuneration regulations, part of the variable remuneration of group management for 2009 will be disbursed in the form of shares of Adval Tech Holding Ltd. At least 20% of the variable remuneration must be accepted in shares. Up to 100% of the variable remuneration can voluntarily be accepted in shares. A total of 650 shares will be allotted to group management for variable remuneration in 2009.

The shares allotted, which are legally transferred to the beneficiaries, cannot be sold for 5 years. The market value of the shares allotted (CHF 0.1 million) was deferred in 2009 as personnel expenses. The shares will be taken from treasury stock; any further shares necessary were purchased in the first half of 2010.

18. TRANSACTIONS WITH RELATED PARTIES

Persons and companies deemed to be related parties were unchanged in the first half of 2010. The complete list is included in Note 38 to the 2009 consolidated financial statements.

The following business transactions were material in the first half of 2010:

Contributions of CHF 1.6 million (CHF 2.1 million in 2009) to the pension fund of Adval Tech Holding Ltd, posted as expenses.

Liabilities to related parties in the financial statements to June 30, 2010, totaled CHF 4.9 million (CHF 5.7 million on December 31, 2009), of which CHF 4.1 million (CHF 3.9 million on December 31, 2009) related to the commitment to purchase the 2nd tranche of shares in Omni Investors Pte. Ltd in Singapore.

19. RELEASE OF THE SEMI-ANNUAL FINANCIAL STATEMENTS

These semi-annual financial statements were released for publication by the Board of Directors of Adval Tech Holding Ltd on August 26, 2010.

BRIEF PORTRAIT OF THE ADVAL TECH GROUP

Adding value through innovation – that's what the name 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 volume components, subassemblies, systems, tools and special machinery. As a value-adding partner Adval Tech covers the entire value chain: from product design and the development of volume components through design and production of the necessary molds and dies to complete manufacturing systems and the resulting production of components. Adval Tech trades on the markets under the names of AWM, FOBOHA, OMNI, QSCH, Styner+Bienz and Teuscher.

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This semi-annual report is available in English and German. The original German-language version is binding.

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