

PRESS RELEASE DATED 28 AUGUST 2014

FROM PERROT DUVAL HOLDING S.A.

Presentation of the balance sheet for the 2013/2014 financial year

Stability for Perrot Duval

In its 109th year, ended on 30 April 2014, the Perrot Duval Group (Perrot Duval Holding S.A.) specialized in industrial automation, increased its turnover by 3 % to 51.6 million CHF (as against 50.3 million CHF a year ago) with a slightly lower net profit after taxes at 0.9 million CHF (1.2 million CHF at 30 April 2013). The Perrot Duval Group is expecting a slight growth in its sales and profit after taxes for the current financial year. Alongside its operational activities, details of plans to simplify the capital structure of Perrot Duval Holding S.A. and to merge with Infranor Inter Ltd. are expected to be announced on 24 September 2014.

Activities

The Perrot Duval Group's investments developed along very similar lines during the 2013/2014 financial year. For the **Füll Division**, higher investment was made to maintain or improve customers' production tools. The number of installations priced at over 0.25 million CHF rose to 13, compared to three during the previous financial year and just one two years ago. As a proportion of total sales, the sales of standardised and repeat installations, for which orders are more regular and therefore easier to plan, increased from 12 % to 15 %. The German and Eastern European markets were the liveliest. The Füll Division's sales thus grew by 0.8 million CHF, from 7.6 million CHF in the previous year to 8.4 million CHF, representing an increase of 11 %.

The **Infranor Group** experienced an ongoing demand for customised automation solutions during the year under review. Sales to major customers accounted for a greater proportion of total net sales, while sales of optimised components in those regions covered by authorised distributors represented another growth factor. This growth was offset by a decrease in sales

recorded for the division which specialises in process control. As far as developments were concerned, the group carried out considerable efforts on its standard CNC numeric control in response to market demands aimed at optimising the cost/return ratio. Several applications were found with the manufacturers of machine tools and special-purpose machines.

The Infranor Group remains convinced that the strategy it has adopted, namely that of offering solutions which are tailored to the needs of, or optimised for use by capital goods manufacturers, is the right one. In particular, Infranor's automation solutions enable their users to set themselves apart on their respective markets and to increase the output of their working tools.

Sales (43.2 million CHF) were slightly higher than one year ago (42.7 million CHF) : this rise is attributable to major customers located in Europe, Turkey and South-East Asia.

The Perrot Duval Group in numbers

Total net sales (51.6 million CHF) were up by 3 % compared with the figures at 30 April 2013 (50.3 million CHF). In contrast, the **gross margin** decreased from 29.0 million CHF to 28.8 million CHF, or by 2 % to 55.7 % (57.7 % during the 2012/2013 financial year), due mainly to an unfavourable mix and to an increase of direct sales by the Infranor Group's production companies. **Operating expenses** remained virtually unchanged (26.1 million CHF as against 25.9 million CHF one year ago). Earnings before interest and tax (**EBIT**) stood at 2.7 million CHF (3.1 million CHF in 2012/13). Despite an (unrealized) exchange rate loss of 0.1 million CHF, lower interest charges on bank loans translated into reduced finance costs, which decreased from 1.3 million CHF to 1.2 million CHF. The **operating result** after taxes (before third-party shares) totalled 0.9 million CHF compared with 1.2 million CHF at 30 April 2013.

Consolidated balance sheet at 30 April 2014

Total assets fell from 34.4 million CHF to 32.5 million CHF, with the decline in current assets counterbalancing the reduction in short-term liabilities.

Shareholders' equity increased by 0.7 million CHF to 4.7 million CHF, accounting for 14.4 % of total assets (11.7 % one year ago).

Outlook

Since February 2014, the **Füll Group** has experienced a slackening in the orders received. The number of projects for customised installations that could soon be finalised remains high, and represents sales amounting to several million Swiss francs. However, it seems that for the time being, customers are putting their investment decisions on hold. Due to the slowdown noted at the start of the year, the Group is expecting sales to fall by more than 1.0 million CHF to 7.0 million CHF. The gross margin should improve and overheads decrease, resulting in a stable EBIT margin.

Macroeconomic figures and all leading indicators point at best to a slight improvement on a global scale, but to a somewhat lesser extent in Europe, where some indices stabilised in May. Because of this, **Infranor** is inclined to act with a certain amount of prudence, as its customers are reluctant to make plans beyond the next few months. In China, on the other hand, it seems that the slowdown in the industrial sector has stabilised. The group is expecting sales growth of around 3%, shared equally between the two Infranor and Cybelec divisions, as a result of demand from certain market niches that are less affected by the economic fluctuations. With a strict eye being kept on operating expenses, the Infranor Group should be able to restore an EBIT margin of at least 5 per cent of its sales.

The **Perrot Duval Group** therefore expects to slightly increase its EBIT compared with that of the previous financial year.

Dividend

In view of the company's need to maintain liquid assets within the Group in order to pursue its development, the Board of Directors will propose to the Shareholder's Meeting on 29 October 2014 that the unappropriated retained earnings will be carried forward next year.

Key figures

CHF 1'000	1.5.13- 30.04.14	1.5.12- 30.04.13
Sales	51'591	50'261
Change versus previous year as %	+ 2,6	- 1,5
Net result	918	1'168
as % of net sales	1,8	2,3
Operating cash flow	2'157	3'038
as % of net sales	4,2	6,0
CHF 1'000	30.04.14	30.04.13
Total assets	32'498	34'382
Shareholder's equity incl. minority interest	4'693	4'006
Equity ratio %	14,4	11,7
Return on equity as %	22,9	42,9

This press release is available on the company's website and can be downloaded http://www.perrotduval.com/article.php3?id_article=7. The Annual Report 2013/2014 is also available in PDF format on our website and can be downloaded http://www.perrotduval.com/article.php3?id_article=8

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