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<u>PRESS RELEASE DATED 25 AUGUST 2016 FROM PERROT DUVAL HOLDING S.A.</u>

Presentation of the balance sheet for the 2015/2016 financial year

Solid return on sales at Perrot Duval

In its 111th year, ended on 30 April 2016, the Perrot Duval Group (Perrot Duval Holding S.A.) specialized in industrial automation, increased its earnings after taxes to 1.0 million CHF (as against 0.1 million CHF a year ago) and its turnover remained unchanged with 43.7 million CHF (44.1 million CHF at 30 April 2015); the latter was negatively influenced by adverse exchange rate effects. On a comparable basis, the Perrot Duval Group is expecting a slight growth in its sales and profit after taxes for the 2016/17 financial year.

The Perrot Duval Group in numbers

The 2015/16 financial year is a year of positive news. The companies in North America and Europe consolidated the recovery which began two years ago, delivering what was expected of them in their respective markets. The need for investment and replacement of machinery and equipment remained a priority, and the funding required appears to be in place. Even the group’s entities in southern Europe, which have seemed to suffer as a result of the recession in recent years, profited from the launch of major projects involving both the public and private sectors. The number of customers and projects rose across the year.

Profitability levels, in relation to sales, showed a marked improvement. The operating margin was up again at 5.4 per cent (3.0 per cent last year), and net profit after taxes leapt to 1.0 million CHF from 0.1 million CHF in the 2014/15 financial year.

It is also important to remember the negative impact of abandoning this floor between the Swiss franc and the euro being abandoned on 15 January 2015 when the Group’s accounts were consolidated in Swiss francs for the 2015/16 financial year. For example:

- the **sales** figure of 43.7 million CHF (44.1 million CHF in 2014/15) would have been 46.1 million CHF at a constant exchange rate;

- the same applies to the **operating margin (EBIT)** of 2.4 million CHF (1.3 million CHF in the previous year), which would have been as high as 3.0 million CHF had things remained the same;

- lastly, **net profit after taxes** (1.0 million CHF, clearly up on the previous year's figure of 0.1 million CHF) was also affected by this (to the tune of – 0.5 million CHF).

The level of investments made for future development projects rose by 26 per cent, while cash flow on investment activities stepped up to 2.1 million CHF.

On the liabilities side, equity was strengthened at 4.0 million CHF, which equated to an equity ratio of 12.2 per cent compared with 8.6 per cent at the same time in the previous year. The liabilities indicate near-stabilisation of net debt (16.5 million CHF against 16.2 million CHF as at 30 April 2015).

Activities

The Perrot Duval Group's investments developed along different lines during the 2015/2016 financial year. Sales of the **Füll Division**, specialised in the automation of processes used in obtaining chemical and pharmaceutical products, leapt by more than 22.5 per cent in local currency (but just 13.8 per cent in Swiss francs). This 1.2 million EUR growth (0.9 million CHF) can be attributed to three factors. First, even though the number of customised dispensing and storage installations remained largely unchanged, their total value increased by 30 per cent or 1.0 million EUR (1.1 million CHF). Second, the value of engineering and maintenance services increased by 22 per cent or 0.3 million EUR (0.3 million CHF). And third, sales of modular and standard installations rose by 14 per cent or 0.1 million EUR (0.1 million CHF).

The proportion of total sales of 36.5 million CHF of the **Infranor Division** Sales represented a fall of 3 per cent on those recorded for the previous year (37.8 million CHF). This disparity is solely due to exchange rate differences when the final results for the year were expressed in Swiss francs, since the Infranor Group actually increased its sales by 1.6 per cent in local currencies. This last point is particularly relevant to the Infranor Division – components, subassemblies and services for various market segments –, whose sales figures (27.4 million CHF) remained practically unchanged compared with the 2014/15 financial year (27.6 million CHF), but rose by 4.2 per cent or 1.2 million CHF in local currencies. This positive development helped offset the fall in sales endured by the Cybelec Division – a provider of complete solutions for machines for bending sheet metal) – forced to contend with slower growth in China (9.3 million CHF compared with 10.4 CHF million in the previous year).

The sales achieved in the United States, Germany, France, Italy, and Spain rose by several percentage points – in local currencies – during the 2015/16 financial year. The successes of the 2015/16 financial year are also a result of Infranor's position within certain booming niche markets such as robotics, with some of the Group's customers in these areas increasing their orders by 50 per cent compared with the previous year. In addition, the Group's companies active in the United States and Europe (Germany, the UK, France, Spain, Italy) saw their sales increase by up to 30 per cent.

Outlook

Füll is looking to repeat the sales it achieved over the course of the 2015/16 financial year, worth some 6.5 million CHF. In any event, the integration of Tecos Bruhin AG with effect from 14 June 2016 should allow the Füll Group to increase its sales by 30 per cent from the forecasted 2016/17 financial year onwards. Various analyses and restructuring initiatives are currently ongoing at the time of writing this annual report.

For the **Infranor** Group, the start of the 2016/17 financial year has in all respects been the same as the end of the previous year: orders received and current sales are tending towards a repeat of the 2015/16 financial year in terms of sales, even though customers themselves are finding it difficult to plan on anything beyond the coming quarter. The Group is, however,

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expecting sales growth of some 5 per cent as a result of demand from certain niche sectors that are less affected by economic fluctuations.

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 22 September 2016 that the unappropriated retained earnings will be carried forward next year.

Key figures

CHF 1 000	**1.05.15-30.04.16**	1.05.14-30.04.15
Sales	**43 714**	44 093
Change versus previous year as %	**- 0.9**	- 14.5
Net result	**959**	106
as % of net sales	**2.2**	0.2
Operating cash flow	**2 270**	1 974
as % of net sales	**5.2**	4.5
CHF 1'000	**30.04.16**	30.04.15
Total assets	**32 945**	30 351
Shareholder's equity incl. minority interest	**4 033**	2 603
Equity ratio %	**12.2**	8.6
Return on equity as %	**36.8**	2.3

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 2015/2016 is also availabIe in PDF format on our website and can be downloaded http://www.perrotduval.com/article.php3?id_article=8

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