Perrot Duval Holding S.A.

HALF-YEAR REPORT 2010/11
(FROM 1 MAY TO 31 OCTOBER 2010)

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KEY FIGURES

KEY FIGURES

CHF 1,000	1st half-year 10/11	1st half-year 09/10
Order intake	28,821	22,844
Change versus previous year	26,2 %	– 29,5 %
Net sales	24,396	17,395
Change versus previous year	40,2 %	– 50,3 %
Gross margin	58,8 %	64,3 %
EBIT	1,393	– 1,014
as % of net sales	5,7 %	– 5,8 %
Net profit/(loss)	139	– 1,977
as % of sales (with minority interest)	0,6 %	– 11,4 %
	31.10.10	30.4.10
Total assets	37,311	37,949
Shareholders' equity with minority interest	1,297	1,634
Equity ratio (%)	3,5 %	4,3 %
Employees	229	210

PERROT DUVAL SECURITIES

		1st half-year 10/11	1st half-year 09/10
Bearer shares			
High	CHF	1,800.00	2,000.00
Low	CHF	1,021.00	1,318.00
As at 30.10.	CHF	1,502.00	1,613.00
Participation certificate			
High	CHF	62.00	69.70
Low	CHF	50.00	59.20
As at 30.10.	CHF	58.00	62.80
Market capitalization		**31.10.10**	31.10.09
Market capitalization	CHF mio	7.8	8.4

REPORT OF THE BOARD OF DIRECTORS

ACTIVITIES

Perrot Duval Holding S.A., the Group's holding company, was founded in 1905. It invests in financial, industrial and commercial business enterprises – which it sets up or acquires – the core activities of which are based on state-of-the-art technologies. Automation technologies constitute the common denominator of Perrot Duval Holding S.A. investments. It has selected two sectors from this field:

- **process automation** used by the chemical and pharmaceutical industries. Within this area, the Füll Process Group concentrates on dispensing processes for liquids and pastes within the industrial environment and, more particularly, printing inks, paints, varnishes, glues and various coatings used subsequently in highly diverse economic sectors (packaging, automotive, construction, security paper, etc.). The products and services, provided by the companies forming part of this group, range from dispensing components to fully automated customised systems.

- **robotization** of industrial mechanical equipment, on the one hand, or of autonomous systems and apparatus on the other. This activity is the prerogative of the Infranor Group, whose products (servo-motors, amplifiers, programmable controls and professional software) enable the coordination of different axes and the control of entire machines in sectors as diverse as packaging, industrial handling and medical techniques, to name but a few. The investments of the Infranor Group target promising economic niches and offer their customers specialised and multidisciplinary know-how, coupled with their own automation systems.

THE FÜLL PROCESS GROUP (100 %) – « PROCESS AUTOMATION » SEGMENT

First half-year result

Füll Process S.A. (based in Fribourg, Switzerland), the holding company, owns the two entities Füll Engineering B.V. (Voorhout, the Netherlands) and Füll Systembau GmbH (Idstein, Germany). The former, set up in October 2007, has been marketing its new volumetric dispensing principle – the industrial protection of which is guaranteed – for several months now. The success enjoyed since the start of the financial year by plants incorporating this invention at niche chemical product manufacturers is well-known. Speed of execution, dispensing precision and flexibility of construction are exclusive original features in global terms, enabling, on the one hand, a number of processes (laboratories, small-scale production, for example) to be automated economically, or on the other the productivity of other industrial procedures to be significantly increased.

Füll Systembau GmbH, a key player which has been established on the German market since 1963, focuses on the design and manufacture of fully automated customised storage and dispensing systems for liquids and pastes.

REPORT OF THE BOARD OF DIRECTORS

CHF 1 000	10/11	09/10
Order intake	3,247	3,319
Change versus previous year	– 2,2 %	16,5 %
Net sales	2,353	883
EBITDA	– 373	– 980
as % of net sales	– 15,9 %	– 111,0 %
EBIT	– 446	– 992
as % of net sales	– 19,0 %	– 112,3 %
Employees	30	29

At the end of the first half of the 2010/2011 year, orders received remained at a high level following a marked increase during the final quarter of the previous year (3.3 m CHF for the period under review) while sales tripled as against 31 October 2009, from 0.9 m CHF to 2.4 m CHF. For the first time, this figure included Füll Engineering B.V. plants. Consolidated orders on hand amounted to 3.2 m CHF at the close of the period, compared to 3.3 m CHF one year previously, with the value of the euro having fallen by nearly 15 per cent in the meantime.

The gross margin for the period under review stood at 1.2 m CHF, or 50 per cent of total sales. This represented a decrease on the margin of 1.4 m CHF or 70 per cent recorded on 31 October 2009, which was exceptionally high due to the sizeable share of invoices for after-sales service included in the sales figure. Measures aimed at reducing operating costs were maintained during this period (1.6 m CHF as against 1.9 m CHF). However, the latter do not include the costs of 0.1 m CHF associated with the continued development of Füll Engineering B.V. in the Netherlands, which are borne entirely by Perrot Duval Holding S.A. Interim earnings before interest and tax (EBIT) after the first half of the year showed a loss of 0.5 m CHF, compared to the loss of 0.9 m CHF recorded as at 31 October 2009.

Outlook

The increase in the number of projects originating from industrialised countries, as well as from emerging markets (Brazil, for example), shows that the purse strings in terms of customers' capital goods budgets continue to be loosened. The opening up of new niches using the Füll Netherlands technology not only allows the range of services to be expanded, but also to consider entering into mid-term complementary markets. For the year as a whole, ending on 30 April 2011, the Füll Process Group expects sales to increase to approximately 7 m CHF, a rate of growth of more then 20 per cent, and to record interim EBIT of 0.2 m CHF.

THE INFRANOR GROUP (78 %) – «ROBOTIZATION» SEGMENT

First half-year result

The year under review (2010/2011) began in the same way as the second half of the previous year had ended, with orders flooding in across the board. In those countries where recession failed to take hold (China, for example), the rate of investment was maintained during the previous six months. More recently, they were gradually joined by Turkey, Germany, France and the United Kingdom, which benefited the Infranor Group's production companies in Spain (electric motors), in France (regulation electronics) and in Switzerland (numerical controls). Since the summer, the American continent has also exceeded its budgetary targets. After a temporary letdown of about a year, the Group's main OEM customers, operating particularly in the fields of textiles, robotics, machine tools, medicine or general industrial production, placed orders again, some of which exceeded prerecession levels in terms of size.

REPORT OF THE BOARD OF DIRECTORS

This resulted in an increase in orders received of 38 per cent during the first half of the year, from 18.5 m CHF as at 31 October 2009 to 25.6 m CHF, while sales were up by 34 per cent to 22.0 m CHF, compared to 16.5 m CHF in the same period of the previous year.

CHF 1,000	**10/11**	09/10
Order intake	25,574	18,517
Change versus previous year	38,1 %	– 37,4 %
Net sales	22,043	16,512
EBITDA	2,685	851
as % of net sales	12,2 %	5,2 %
EBIT	1,866	28
as % of net sales	8,5 %	0,2 %
Employees	198	185

The gross margin was up from 10.6 m CHF to 13.2 m CHF, but fell slightly in relative terms, from 64 per cent to 59.7 per cent due to a smaller share of lower-volume customers – albeit with a higher contribution margin – and to the marked rise in the price of certain raw materials used to manufacture Group products (metals, electronic components, etc.). Operating expenses rose by just 0.8 m CHF, from 9.7 m CHF to 10.5 m CHF. Underpinned by this positive trend, the Infranor Group recorded interim EBIT of 1.9 m CHF following the breakeven result achieved a year ago. Despite recording a loss on exchange of 0.2 m CHF, profit after taxes stood at 0.7 m CHF, thus matching the amount forecast for the year as a whole. Following the restructuring measures taken during 2009, all of the Group companies have returned to profit.

On the balance sheet, total net indebtedness increased from 19.9 m CHF as at 30 April 2010 to 20.3 m CHF. The shareholders' equity, on the other hand, decreased to 1.3 m CHF, representing 3.5 per cent of total assets or 35.3 per cent if the CDO bond and the obligatory convertible bond, both of which are subordinated, are included.

Outlook

As at 31 October 2010, orders on hand stood 11.8 m CHF. Moreover, orders received for the month of November, the seventh month of the year under review, enabled a number of Group entities to post record figures. All of the indications are that the favourable economic trend will continue at least for the next six months, and that the many projects in new and promising fields (energy, electric transport, etc.) – in which the Infranor Group participates with its original products providing improved energy efficiency – will be launched during the next year. For the current year under review, Infranor anticipates sales of 48 m CHF (nearly 25 per cent up on the previous year) and will report a net profit after taxes of 1.5 m CHF, double its budgetary forecast (loss of 0.1 m CHF as at 30 April 2010).

CONSOLIDATED BALANCE SHEETS

CHF 1,000	Note	31.10.10	%	30.4.10	%
ASSETS					
Cash and cash equivalents	5	4,426	11,9	4,620	12,2
Trade accounts receivable		10,404	27,9	10,735	28,3
Other receivables		1,287	3,4	1,189	3,1
Inventories		9,688	26,0	8,894	23,4
Prepaid expenses and other assets		686	1,8	758	2,0
Total current assets		26,491	71,0	26,196	69,0
Financial assets		26	0,1	29	0,1
Property, plant and equipment		6,506	17,4	6,838	18,0
Intangible assets		2,669	7,2	3,160	8,3
Deferred tax assets		1,619	4,3	1,726	4,5
Total non-current assets		10,820	29,0	11,753	31,0
Total assets		37,311	100,0	37,949	100,0
LIABILITIES					
Current financial liabilities	5	8,144	21,8	9,664	25,5
Trade accounts payable		4,047	10,9	4,959	13,1
Other current liabilities		2,252	6,0	1,137	3,0
Accruals and deferred income		3,542	9,5	2,732	7,2
Short-term provisions		615	1,7	617	1,6
Provision for income taxes		126	0,3	77	0,2
Total current liabilities		18,726	50,2	19,186	50,6
Non-current financial liabilities	5	3,221	8,6	3,249	8,6
Subordinated convertible bond 2009–16	5	3,559	9,5	3,559	9,4
Subordinated CDO 2006–13	5	8,300	22,3	8,300	21,9
Long-term loan	5	1,500	4,0	1,500	4,0
Long-term provisions		286	0,8	294	0,8
Deferred tax liabilities		422	1,1	227	0,6
Total long-term liabilities		17,288	46,3	17,129	45,1
Total liabilities		36,014	96,5	36,315	95,7
Share capital and participation capital		5,500	14,8	5,500	14,5
Reserves resulting from acquisitions		– 12,004	– 32,2	– 12,004	– 31,6
Retained earnings		7,549	20,2	7,558	19,9
Currency translation differences		– 298	– 0,8	82	0,2
Shareholders' equity before minority interest		747	2,0	1,136	3,0
Minority interest		550	1,5	498	1,3
Total shareholders' equity		1,297	3,5	1,634	4,3
Total liabilities and shareholders' equity		37,311	100,0	37,949	100,0

CONSOLIDATED INCOME STATEMENTS

CHF 1,000	Note	1st half-year 10/11	%	1st half-year 09/10	%
Net sales	1	24,396	100,0	17,395	100,0
Material cost of goods sold		– 11,383	– 46,7	– 6,140	– 35,3
Change in inventories		1,332	5,5	– 67	– 0,4
Gross margin		14,345	58,8	11,188	64,3
Personnel costs		– 8,727	– 35,8	– 7,829	– 44,9
General and administrative costs		– 915	– 3,8	– 1,070	– 6,3
Selling costs		– 813	– 3,3	– 562	– 3,2
Other operating expenses		– 1,863	– 7,6	– 2,224	– 12,8
Other operating income		258	1,1	324	1,9
Total operating expenses		– 12,060	– 49,4	– 11,361	– 65,3
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1	2,285	9,4	– 173	– 1,0
Depreciation and amortisation		– 892	– 3,7	– 841	– 4,8
Earnings before interest and tax (EBIT)	1	1,393	5,7	– 1,014	– 5,8
Financial result		– 958	– 3,9	– 758	– 4,4
Profit/(loss) before taxes		435	1,8	– 1,772	– 10,2
Income taxes		– 296	– 1,2	– 205	– 1,2
Net profit/(loss)	1	139	0,6	– 1,977	– 11,4
thereof for:					
– Shareholders of Perrot Duval Holding S.A.		– 9		– 1,781	
– Minority interest		148		– 196	

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

CHF 1,000	Share capital	Reserves resulting from acquisitions	Retained earnings	Currency translation differences	Total sharehol-ders' equity without minority interest	Minority interest	Total sharehol-ders' equity with minority interest
Balance at 30.4.09 (as previously presented)	5,500	– 10,906	7,006	507	2,107	643	2,750
Net currency translation differences				– 197	– 197	– 57	– 254
Net profit/(loss)			– 1,781		– 1,781	– 196	– 1,977
Transfer		– 302	302		0		0
Balance at 31.10.09	5,500	– 11,208	5,527	310	129	390	519
Balance at 30.4.10 (restated)	5,500	– 12,004	7,558	82	1,136	498	1,634
Net currency translation differences				– 380	– 380	– 96	– 476
Net profit/(loss)			– 9		– 9	148	139
Balance at 31.10.10	5,500	– 12,004	7,549	– 298	747	550	1,297

Definitions of the equity categories used within the Perrot Duval Group:

- The **share capital** is the share capital of the parent company, Perrot Duval Holding S.A.
- **Reserves from acquisitions** comprise the goodwill from company acquisitions that was taken directly to equity in the past, as well as premiums from capital increases.
- **Retained earnings reserves** comprise accumulated profits retained in Group companies
- **Currency-translation differences** comprise all currency-translation differences arising from the currency conversions of foreign Group entities,
- The shares held by **Minority interest** represent all the share capital of the investments of Perrot Duval Holding S.A., owned by shareholders other than the latter.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Segment report

The segment report corresponds to the internal reporting (management approach). Common Group expenses that cannot be allocated are disclosed separately. Transactions between the segments are conducted at arm‘s length.

Segment	Process automotion		Industrial automotion					
CHF 1,000	FUELL GROUP		INFRANOR GROUP		Others		Total group	
1st half (1.5.-31.10.)	**10/11**	09/10	**10/11**	09/10	**10/11**	09/10	**10/11**	09/10
Order intake	3,247	3,319	25,574	18,517			28,821	21,836
Change versus previous year	– 2,2 %	16,5 %	38,1 %	– 37,4 %			32,0 %	– 29,5 %
Orders in hand	3,066	3,239	11,848	8,912			14,914	12,151
Change versus previous year	– 5,3 %	95,0 %	32,9 %	– 20,0 %			22,7 %	2,6 %
Net sales	2,353	883	22,043	16,512			24,396	17,395
Change versus previous year	166,5 %	– 66,7 %	33,5 %	– 48,9 %			40,2 %	– 50,3 %
EBITDA	– 373	– 980	2,685	851	– 27	– 44	2,285	– 173
as % of net sales	– 15,9 %	– 111,0 %	12,2 %	5,2 %			9,4 %	– 1,0 %
Depreciation and amortization	– 73	– 12	– 819	– 823	0	– 6	– 892	– 841
EBIT	– 446	– 992	1,866	28	– 27	– 50	1,393	– 1,014
as % of net sales	– 19,0 %	– 112,3 %	8,5 %	0,2 %			5,7 %	– 5,8 %
Financial items (net)							– 958	– 758
Income taxes							– 296	– 205
Net profit/(loss)							139	– 1,977
as % of sales (with minority interest)							0,6 %	– 11,4 %
Employees	30	29	198	185	1	1	229	215
Total assets	2,179	1,447	34,236	34,773	896	1,879	37,311	38,099
Total liabilities	– 2,777	– 3,051	– 31,741	– 33,000	– 1,496	– 1,529	– 36,014	– 37,580
Assets net	– 598	– 1,604	2,495	1,773	– 600	350	1,297	519
Investments in property, plant and equipment	4	4	397	526	0	0	401	530

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Principles for preparing the Group financial statements

These consolidated financial statements of the Perrot Duval Group are prepared in compliance with Swiss GAAP FER, and in particular Swiss GAAP FER 12 "Interim Reporting", based on the individual financial statements of the Group companies as at 31 October 2010, which were prepared on a uniform basis. These half-year statements satify the requirements of the listing regulations for the SIX Swiss Exchange and comply with Swiss law.

The consolidated half-year financial statements are not audited.

The consolidated half-year financial statements are based on the accounting principles set out in the 2009/10 Annual Report.

Certain previous year figures in the income statement, segment report as well as in the intake/in hand orders of Füll Process division have been reclassified and / or moved to comply with the current year presentation.

The half-year statements are presented in Swiss francs. However, the majority of the Group's transactions are conducted in euros.

The half-year financial statements have been released by the Board of Directors of Perrot Duval Holding SA for publication on 20 December 2010.

3. Seasonal influences

Due to the long summer holidays in Italy, Spain and France, the first half-year (1 May to 31 October) is traditionnaly weaker in terms of orders received and net sales.

4. Exchange rates

	Closing rates		Average rates for the first half-year	
	31.10.10	30.4.10	**10/11**	09/10
EUR	1.3706	1.4344	1.3580	1.5200
USD	0.9829	1.0836	1.0544	1.0600
GBP	1.5766	1.6531	1.6104	1.7350
CYN	0.1473	0.1590	0.1559	0.1550

5. Net indebtedness

CHF 1,000	**31.10.10**	30.4.10
Cash und cash equivalents	4,426	4,620
Current interest-bearing financial liabilities	– 8,144	– 9,664
Subordinated convertible bond 2009 – 16	– 3,559	– 3,559
Non-current interest-bearing financial liabilities	– 4,721	– 4,749
Subordinated bond 2006 – 13	– 8,300	– 8,300
Total net indebtedness	– 20,298	– 21,652

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. Contigent liabilities

Contigent liabilities are valued on the balance sheet date based on the agreements in place and other supporting documents. If an outflow of funds is likely, a provision is created. The amount is stable at 13.0 m CHF at 31 October 2010 (13.0 m CHF at 31 october 2009).

7. Events after the balance sheet date

The standstill agreement of Infranor Group with Swiss banks is subject to covenant clauses whereby the Group is required to meet certain key performance indicators. During this first semester, the Infranor Group fulfills all the covenants as required by the contract.

The financial statements have been prepared on a going concern basis which the Directors and the Group Management believe to be appropriate.

Between the balance sheet date and the date of publication of this half-year report, no other events occured which could have a material impact on the consolidated financial statements for the half-year 2010/11.

ADDRESSES
AS AT 31 OCTOBER 2010

Company Manager	Address	Phone Fax	Internet E-mail
FÜLL DIVISION			
Füll Systembau GmbH Uwe Füll and Ernst Stein	Richard-Klinger-Str. 31 DE-65510 Idstein	Tel. +49 6126 598–0 Fax +49 6126 54415	www.fuell-dispensing.com info@fuell-dispensing.com
Füll Engineering B.V. René Meeuwisse	Nijverheidsweg 16 NL-2215 MH Voorhout	Tel. +31 252 222 012 Fax +31 252 225 517	www.fuell-engineering.com info@fuell-engineering.com
INFRANOR DIVISION			
Infranor Inter AG Dr. J.-P. van Griethuysen	Glattalstrasse 37 CH-8052 Zürich	Tel. +41 (0)44 307 45 00 Fax +41 (0)44 307 45 10	www.infranor.com info@infranor.com
Infranor Holding S.A. **Group management**	Rue des Uttins 27 CH-1401 Yverdon-les-Bains	Tel. +41 (0)24 447 02 70 Fax +41 (0)24 447 02 71	www.infranor.com info@infranor.com
Infranor S.A. Raymond Käser	Rue des Uttins 27 CH-1401 Yverdon-les-Bains	Tel. +41 (0)24 447 02 90 Fax +41 (0)24 447 02 91	www.infranor.com info.ch@infranor.com
Branch office	Glattalstrasse 37 CH-8052 Zürich	Tel. +41 (0)44 308 50 00 Fax +41 (0)44 308 50 09	www.infranor.com info.ch@infranor.com
Infranor S.A.S. Patrice Delattre	Avenue Jean Moulin, BP 142 FR-65104 Lourdes Cedex	Tel. +33 562 941 067 Fax +33 562 421 869	www.infranor.com info.fr@infranor.com
Infranor Spain S.L.U. Josep Barbeta	Occitània, 24 E-08911 Badalona (Barcelona)	Tel. +34 93 460 16 31 Fax +34 93 399 96 08	www.infranor.com info.es@infranor.com
Infranor Mavilor S.A. Francesc Cruellas	Poligono Industrial Urvasa C/Empordà 11–13 E-08130 Sta. Perpètua de Mogoda (Badalona)	Tel. +34 93 574 36 90 Fax +34 93 574 35 70	www.infranor.com info@mavilor.es
Infranor GmbH Peter Fritsch	Donaustrasse 19A DE-63452 Hanau	Tel. +49 6181 18012 0 Fax +49 6181 18012 90	www.infranor.com info.de@infranor.com
Infranor Ltd. Adrian Hazelwood	Studio 4, Building 555 Bentwaters Business Park UK-Rendlesham Suffolk IP12 2TW	Tel. +44 1483 274 887 Fax +44 1483 276 037	www.infranor.com info.uk@infranor.com
Infranor, Inc. Dan D'Aquila	299 Ballardvale Street, Suite 4 USA-Wilmington, MA 01887	Tel. + 203 729 8258 Fax +1 203 729 6969	www.infranor.com info.usa@infranor.com
Infranor Motion Control Technology (Shanghai) Co Ltd. John Pan	Room 601, No. 448 Hongcao Rd. CN-Shanghai 200233	Tel. +86 21 6440 1095 Fax +86 21 6440 1097	www.infranor.cn info.cn@infranor.com
Cybelec S.A. Dr. J.-P. van Griethuysen	27, rue des Uttins CH-1401 Yverdon-les-Bains	Tel. +41 (0)24 447 02 00 Fax +41 (0)24 447 02 01	www.cybelec.ch info@cybelec.ch
Cybelec S.r.l Enzo Vicinanza	Via Cesare Cantù 29 IT-20092 Cinisello Balsamo (MI)	Tel. +39 02 204 80 897 Fax +39 02 204 80 898	www.cybelec.it info@cybelec.it
Cybelec Numerical Control Technology (Shanghai) Co. Ltd. Alek Huang	Room B4–1, Forward Hi-tech Zone 33 Forward Rd, Jiading District CN-201 818 Shanghai	Tel. +86 21 64 40 10 95 Fax +86 21 64 40 10 97	www.cybelec.com.cn info@cybelec.com.cn

PERROT DUVAL HOLDING S.A.
16, rue de Candolle
1205 Genève, Suisse
Tél. +41 22 593 42 48
Fax +41 22 776 19 17
www.perrotduval.com
info@perrotduval.com