

Press release

Return to growth and profitability in 2010 – sales up by 14.3%, positive net result

Zurich, 10 March 2011. Cicor Technologies (SIX Swiss Exchange: CICN) – a leading internationally active high-tech industrial group, based in Boudry (Switzerland) operating in the printed circuit board, microelectronics and electronic manufacturing services sectors – has recovered from the crisis year of 2009 and posted a positive net result. Sales and profitability have both increased significantly. In 2010 the company adjusted its organization and marketing activities to suit the requirements of today's globalized production landscape. Cicor extended its global market presence in March 2010 when it created the Asia Division, with its own production sites in Singapore, Indonesia and Vietnam, and expanded its distribution network in America. At the same time, management of the company's divisions was centralized and harmonized, while processes have been streamlined. These advances facilitate the exchange of technology and expertise throughout the Group with the ultimate aim of creating added value for clients in the manufacture of sophisticated modules and products.

In financial 2010 Cicor's net sales went up 14.3% to CHF 183.0 million (2009: CHF 160.1 million). Successful Group-wide measures to improve efficiency, allied to the higher volume of business had a positive effect on operating profit. Operating profit before restructuring costs improved by 126.6% to CHF 13.2 million (2009: CHF 5.8 million). The EBITDA margin increased to 7.2% (2009: 3.6%) of sales. EBIT before restructuring came to CHF 5.3 million (2009: CHF -3.3 million). Costs totalling CHF 1.4 million arose in connection with the relocation of production and the repositioning of Systel SA at the Quartino (Switzerland) site. Net profit was restored to a positive result of CHF 0.1 million (2009: CHF -7.7 million). With an equity ratio of 57.5% at the end of 2010, Cicor is solidly financed.

The strength of the Swiss franc – especially against the currencies that are particularly important to the Group, the euro and the US dollar – had a negative effect on business results. This negative impact was mitigated by the Group's strong global presence, with production facilities in the Eurozone and Asia, and by its ability to allocate flows of goods effectively to the appropriate currency zones.

In 2010 Cicor made targeted investments in establishing and expanding its companies outside Switzerland. Challenging qualification phases were secured in the industrial and medical technology sectors, which should pave the way for significant additional sales in the years ahead. Cicor also won several important large orders, including manufacturing electronics modules for position sensor systems, making modules in Asia for a well-known Swiss sewing machine manufacturer, and supplying complex substrates for use in radar systems. New orders showed a year-on-year increase of 25.1% to CHF 206.7 million (2009: CHF 165.2 million).

PCB Division: substantial progress

The PCB Division's results improved markedly in 2010, with net sales up 23.3% on the year-back figure to CHF 36.5 million (2009: CHF 29.6 million). Operating profit before depreciation and amortization (EBITDA) was back in the black at CHF 2.7 million (2009: CHF -2.3 million), while EBIT came in at CHF -0.5 million (2009: CHF -6.0 million). The strength of the Swiss franc prevented a positive operating result at the EBIT level. In 2010 the PCB Division created new key account management jobs and expanded its regional distribution network in North America. Challenging qualification phases with new customers in various client segments, particularly medical technology, were taken on in order to generate sales in the immediate future. The innovation that facilitates the use of PCB connections in three dimensions was also prioritized during the year under review.

ME Division: public sector restraint

In 2010 the ME Division recorded net sales of CHF 30.3 million (2009: CHF 32.6 million) and an operating profit (EBIT) of CHF 2.6 million (previous year: CHF 3.4 million). Orders from public sector clients did not begin to bounce back until the final quarter of the year under review. In the classic thin-film technology sector, defence contracting orders planned for the first half of the year were postponed, which is reflected in the results. This late-cycle effect of the crisis was counteracted to a certain extent by increased demand for micro-system technology. Hefty increases in the thick-film, micro-assembly and module construction segments paved the way for record results in this part of the division.

ES Division: positive performance

In 2010 the ES Division's net sales registered a year-on-year increase of 14.9% to CHF 93.8 million (2009: CHF 81.7 million). The operating profit (EBIT) before restructuring costs rose to CHF 3.9 million (2009: CHF 1.3 million). Costs of CHF 1.4 million arose in connection with the repositioning of Systel SA at the Quartino (Switzerland) site. The concentration on the two sites in Bronschhofen (Switzerland) and Arad (Romania) will help the division cope with price pressure in future. The production facility in Anam in Vietnam was integrated into the division's IT and process landscape so that clients can be offered standardized processes and technologies globally.

Asia Division: dynamic growth

The creation of the Asia Division following the 100% takeover of the ESG Group in March 2010 was Cicor's response to the strategic importance of the rapidly growing Asian markets. The Asia Division's net sales were up 39.3% at CHF 23.1 million (2009: CHF 16.6 million). Operating profit (EBIT) rose to CHF 1.9 million (2009: CHF 0.6 million). In the period under review the division renewed and strengthened its management structures and made further progress on the integration of the three production sites in Indonesia, Singapore and Vietnam. As a bridgehead in the key Asian markets, the Asia Division enhances the business opportunities and efficiency of the PCB, ME and ES Divisions in the region. Certification for various customer segments, including automotive (ISO TS 16949) and medical technology (ISO 13485) was achieved or maintained.

Overall brand: unified marketing strategy

The overarching brand strategy adopted in the spring of 2010 brings all the Group companies together under the Cicor brand name and strengthens perception of the company in dynamic electronics markets around the globe. This unified, collective marketing strategy is supported by the new, fully integrated sales and marketing approach. This raises clients' awareness of other areas of expertise all along the Group's value chain and emphasizes the added value to be had from a one-stop shop offering the entire product range.

Outlook: profitable growth

The Group's combined expertise is unique. Its parallel presence in both European and Asian markets helps to satisfy the appetite among many large and medium-sized clients for a manufacturing partner with uniform certification and quality standards worldwide. This is an important competitive advantage that should permit the Group to steadily increase its business volume.

In 2011 the Cicor Group intends to take advantage of the continuing trend to outsource production of electronic components and products, as well as to keep developing its growth strategy. Cicor is pursuing a three-part strategy that aims for organic growth, acquisition-driven growth and growth through high-volume projects.

Contact:

Antoine Kohler
Chairman of the Board of Directors
Tel. +41 43 811 44 05
E-mail: media@cicor.com

Dr. Roland Küpfer
CEO
Tel. +41 43 811 44 05
Email: media@cicor.com

Cicor Management AG
Leutschenbachstrasse 95
8050 Zurich
Switzerland

Cicor complete 2010 annual report and investor relations handbook are available at <http://www.cicor.com/Reports-Publications.628.0.html>.

Key dates

Media and analysts' conference on the 2010 financial year: 10 March 2011

Annual Shareholders' Meeting: 4 May 2011

Half-year report 2010: 22 August 2011

About Cicor • Cicor is a globally active group of leading companies in the electronics industry. It is organized into four divisions: Printed Circuit Boards (PCB), Microelectronics (ME), Electronic Services (ES) and Asia. The group's companies provide complete outsourcing services and a broad range of technologies for the manufacture of highly complex PCBs, hybrids and electronic modules. With around 1300 employees at eleven production sites worldwide, the group supplies high-quality custom-made solutions to its clients in Europe, America and Asia. The shares of Cicor Technologies Ltd. are listed on the SIX Swiss Exchange (CICN). For further information please visit www.cicor.com.

Consolidated key figures

in CHF 1000 unless otherwise specified	2010	2009
Sales	182 966	160 088
Change compared to previous year (%)	14.3	-23.2
EBITDA before restructuring costs	13 162	5 809
Change compared to previous year (%)	126.6	-72.1
as % of sales	7.2	3.6
EBIT before restructuring costs	5 325	-3 282
as % of sales	2.9	-2.1
Restructuring costs	-1 400	-1 240
EBIT	3 925	-4 522
as % of sales	2.1	-2.8
Net profit/(loss)	74	-7 667
as % of sales	0.0	-4.8
	31.12.2010	31.12.2009
Non-current assets	121 273	126 067
Current assets	87 565	85 599
Total assets	208 838	211 666
Equity	120 042	125 078
Equity ratio (%) ¹	57.5	59.1
Financial liabilities	35 134	33 662
Cash and cash equivalents	17 246	20 414
Net debt	17 888	13 248
Number of employees (end of period)	1 306	1 201

¹ Total equity as % of total assets

	2010			2009		
	Sales	EBITDA ¹⁾	EBIT ¹⁾	Sales	EBITDA ¹⁾	EBIT ¹⁾
PCB Division	36 524	2 680	-496	29 614	-2 259	-6 045
as % of sales		7.3	-1.4		-7.6	-20.4
ME Division	30 287	5 325	2 580	32 632	6 232	3 403
as % of sales		17.6	8.5		19.1	10.4
ES Division	93 782	5 379	3 881	81 654	3 318	1 263
as % of sales		5.7	4.1		4.1	1.5
Asia Division	23 143	2 268	1 916	16 611	975	624
as % of sales		9.8	8.3		5.9	3.8

¹ EBITDA and EBIT before restructuring costs in the ES Division of CHF 1.4 million (2009: CHF 1.2 million)