new value

Sustainable Swiss Private Equity

This document contains a selection of translated excerpts from the german version. For full information complying with the legal standards and regulations, please revert to the official «Geschäftsbericht 2009/2010».

10

2009/2010

Annual Report

Sustainable Swiss Private Equity

New Value invests directly in private, up-and-coming companies with above-average market and growth potential located in Switzerland and the neighboring German-speaking region. As an investment company, New Value supports innovative business models with venture capital and accompanies them all the way to market success. In this investment segment, New Value is a sustainability pioneer. New Value share are traded on the SIX Swiss Exchange (NEWN) and Xetra (N7V).

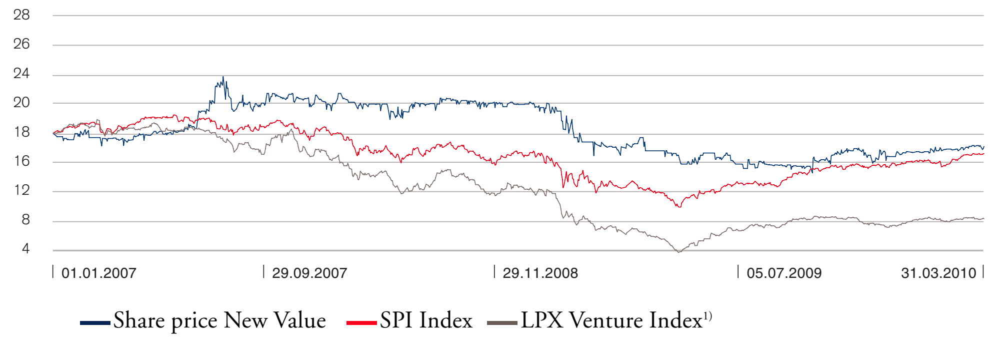
Its portfolio includes companies of various degrees of maturity, from the market introduction phase to their establishment as medium-sized operations with stable profits. A conscious choice has been made to adopt a broad-based approach. The portfolio includes companies in the cleantech and health industries.

New Value is committed to sustainability and places great emphasis on selecting portfolio companies with ethical business concepts and good corporate governance.

Highlights 2009/10

- NAV of CHF 24.27 per share at March 31, 2010 (+11% over the previous year)
- Net income for the year of CHF 10 million; corresponds to earnings per share of CHF 3.20
- Entire 3S Industries/Meyer Burger Technology position sold in March 2010
- Stock price at March 31, 2010, increased 12.3% over the previous year
- New Value focuses investments on cleantech and health
- New investment in ZWS Zukunftsorientierte Wärme Systeme GmbH in March 2010

NEW VALUE SHARE PRICE



[1] The LPX Venture Index contains the 20 largest Private Equity Companies worldwide, that predominantly (at least 50%) make venture investments.

Cleantech

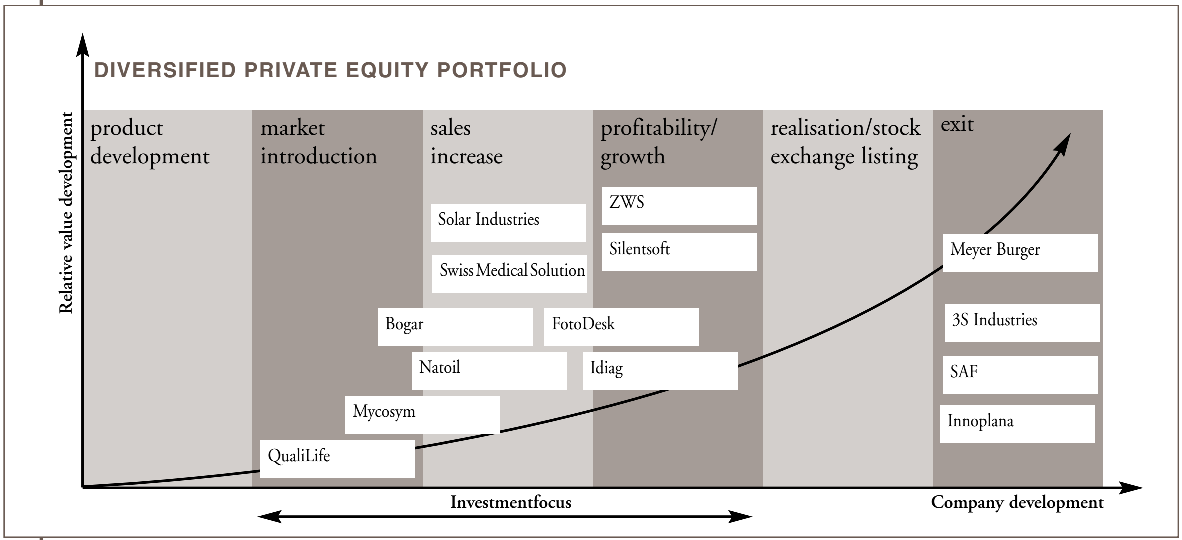
Mycosym International AG
Natoil AG
Silentsoft SA
Solar Industries AG
ZWS Zukunftsorientierte Wärme Systeme GmbH

Health

Bogar AG
Idiag AG
QualiLife SA
Swiss Medical Solution AG

Other

FotoDesk Group



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IMPRESSUM

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Careful and sustainable handling of nature and its resources is important to New Value AG. For this reason the business report 2008/09 has been printed on paper which comprises at least 50% recycling fibres and at least 17.5% fresh fibres from certified forestry (FSC).

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10 years of New Value

In 2010, New Value is celebrating its 10-year anniversary – a decade of setting the standard in the Swiss private equity market. We provide consistent support to young, promising growth companies through capital and management assistance. Geographically our focus is on Switzerland and the surrounding countries. We know the markets here and can use our experience and networks directly and efficiently.

Sustainability, right from the start

An ethical business model and good corporate governance have been key investment criteria since the very beginning. In fact, we've been active promoters of sustainability since long before it become a buzzword. We firmly believe that companies that contribute to solving social and societal challenges have an above-average chance of success. In 2001, when we began investing in solar energy, some accused us of being idealists. Today, our strategy has paid off financially and our knowledge is at the cutting edge of the industry.

In the future, our job will be to develop new technologies and business concepts, to contribute to the healthy development of a national economy in which young, innovative firms will take the place of large, established corporations and create the backbone for future growth. Over the past 10 years, New Value portfolio companies have created about 500 jobs.

New Value has conducted a total of 17 investments in 10 years. With the exception of three write-offs – these are also a part of our business – the remaining portfolio companies are now successfully established in their respective markets. The biggest success story is 3S Industries, a pioneer in the solar industry, which last fiscal year merged with Meyer Burger Technology and became one of the top players in the solar industry. As a founding shareholder and active investor, New Value was highly influential in the company's performance.

Focus on cleantech and health

These milestones serve as an impetus for achieving new goals. Further growth remains one of our top priorities – it is essential for expanding and optimally managing our portfolio. In the medium term, we wish to double our investment volume to around CHF 150 million.

In the next 10 years, we will concentrate our portfolio on the cleantech and health industries. This will allows us to address two major societal and economic trends. New, innovative approaches for the conservative use of natural resources and universal, cost-efficient health care are in urgent demand. Switzerland, with its top-ranked universities and research institutions and regulatory conditions that favor innovation, has plentiful resources for developing these technologies.

Portfolio expansion and active profit distribution policy

Following the sale of 3S Industries/Meyer Burger, New Value now has around CHF 30 million in liquid and financial assets at its disposal. These assets will be directed primarily at new investments in the cleantech and health industries. These sectors currently offer excellent investment opportunities at reasonable prices. The recently announced financing of cleantech firm ZWS Zukunftsorientierte Wärme Systeme GmbH is a first step in this direction. We are also in advanced talks with other companies. We are confident in our ability to complete additional investments in the coming months.

We also seek to increase the attractiveness of our stock and allow investors to share in our success directly. A portion of our gains from the sale of 3S, the value of which increased 14 times over the original investment, will go directly back to New Value shareholders.

On behalf of the Board of Directors, I would like to thank you, our valued shareholders, for the trust you have placed in us. In one-on-one discussions with you and during our informational event regarding the new portfolio direction, I have received a great deal of positive feedback. Your suggestions and criticisms are of great importance to both me and the Board of Directors.

Special thanks are due to the management and staff of our portfolio companies. The challenging economic environment has required great flexibility. All the companies have faced these challenges head-on and made excellent progress. Their efforts allow me to look toward the future with optimism. Finally, I would like to thank the committed team of professionals at EPS Value Plus. They are responsible for the entire operational investment process and have been highly instrumental in laying the foundations for success in the next 10 years.

Sincerely,

Rolf Wägli
President of the Board of Directors

Annual Report

Net income for the year of CHF 10.0 million; NAV increases by 11.5%

For fiscal year 2009/2010 ended March 31, 2010, New Value posted a net profit of CHF 10.0 million (previous year: CHF –13.9 Mio.). This was primarily the result of the successful sale of its holdings in Meyer Burger Technology AG/3S Industries AG. Despite the challenging market environment, New Value portfolio companies performed well overall. As of March 31, 2010, net asset value in the reporting period had risen 11.5% to CHF 24.27 per share (previous year: CHF 21.76).

Shares in Meyer Burger/3S were sold on the stock market in Q1 2010 at market prices. Profits from the sale totaling CHF 19.9 million and the upward revaluation (in net terms) of Natoil AG, Silentsoft SA, Swiss Medical Solution AG and FotoDesk Group SA by CHF 1.67 million were offset by value adjustments to Mycosym International AG, Bogar AG and Idiag AG totaling CHF 8.68 million.

Operational highlights: Merger of 3S Industries/Meyer Burger and subsequent exit

Through the merger of these two pioneering companies, a unique solar industry technology group was created covering all major technology stages along the photovoltaic value chain. The merger will strengthen the companies' market position and allow for significant cost reductions along the entire manufacturing chain with the goal of achieving grid parity for solar power even faster. This milestone was seen by New Value as the culmination of its many years of work in helping establish the company and of its role as a growth financier for 3S. New Value subsequently sold its shares in the company in Q4 of fiscal year 2009/10. As of the date of sale, New Value's private equity investment in 3S Industries had grown to 14 times its original value. By providing growth capital and management support, New Value was instrumental in the success of 3S.

Silentsoft, Swiss Medical Solution and FotoDesk: New products and new business areas

Silenstoft successfully expanded into new market segments in the reporting period, including waste management and green building. Energy optimization and real-time building monitoring are in increasing demand from property management companies. Silentsoft also concurrently expanded its M2M product range and developed remote-controlled water and gas systems with built-in alarm functions.

In late 2009, Swiss Medical Solution launched U-Lab® in Switzerland, Germany and Italy with the help of local distribution partners. CE certification for the second application of U-Lab® Diapers, aimed at the specific needs of diaper-wearers, is expected in mid-2010.

Finally, FotoDesk introduced the first-ever online photo book featuring a sharing function that allows multiple users to easily edit and order copies of a photo book at the same time. Users no longer need to download photo book software to their desktops, allowing FotoDesk to provide new operating functions on an ongoing basis. On October 30, 2009, FotoDesk opened its first gallery in Basel as a venue for the physical display of its high-quality products.

Mycosym, Natoil, Bogar and Idiag: Sales decline in a difficult market environment

Mycosym's two primary sales markets, Spain and Greece, were hit hard by the economic crisis. Nevertheless, in April 2009 the company launched its water conservation concept in the golf segment, offering savings of up to 40% and an overall increase in lawn quality with the use of Mycosym products. In October 2009, Mycosym also began marketing its products in the produce and greens segment in southern Spain.

Natoil was also forced to contend with a rough economic climate. The machine building and automobile supplier industries, two of the company's core customer segments, battled declining markets, impacting Natoil sales.

After a jump in revenue during the previous year, Bogar sales fell below expectations in the reporting period. Bogar reacted by appointing a new CEO, adding a proven pet industry expert to its board of directors, restructuring its capital and raising new funds, with participation by New Value. During this period, Bogar was able to optimize distribution channels and launch several product innovations.

At Idiag, a focus on sales of internally produced products and the abandonment of third-party products, accompanied by the challenging market environment, led to a decline in sales. Studies on cystic fibrosis and obstructive sleep apnea continued successfully.

New investment: ZWS

In March 2010, New Value invested in cleantech company ZWS Zukunftsorientierte Wärme Systeme GmbH of Neukirchen-Vluyn, Germany. ZWS is a provider of complete modern building services such as heating, photovoltaic and rainwater harvesting systems. ZWS systems are based on renewable energies. The company employs 60 staff members at 14 locations in Germany and Austria. To finance further growth, New Value invested around CHF 2.1 million in the form of a mezzanine loan.

Additional financing to ensure further growth

New Value places great value on the continued growth of its existing portfolio companies. Despite the difficult economic environment and the financial market crisis, New Value was able to serve as a reliable equity partner. In the reporting period, New Value took part in eight growth financing measures for existing portfolio companies, with a total volume of CHF 8.7 million.

Financial results: successful sale of Meyer Burger/3S Industries holdings

Income from investments and loans increased significantly as a result of the sale of shares in Meyer Burger to CHF 26.8 million (previous year: CHF 6.7 million). Realized profits from the sale of Meyer Burger/3S shares alone totaled CHF 19.9 million. Expenses from investments and loans equaled CHF 13.7 million (previous year: CHF 17.7 million). These consisted of unrealized losses from valuation adjustments. The largest positions were value adjustments to Bogar in the amount of CHF 5.47 million (consisting of value adjustments to stock holdings by CHF -6.65 million and to the convertible loan by CHF +1.18 million) followed by adjustments to Idiag of CHF 2.26 million (consisting of value adjustments to stock holdings of CHF -3.62 million and to the convertible loan by CHF +1.36 million).

Operating expenses decreased slightly to CHF 2.71 million (previous year: CHF 2.85 million), including CHF 1.44 million in investment consultant fees (previous year: CHF 1.75 million). These remained unchanged at 0.5% of

Investment portfolio at March 31, 2010

Company	Title	Number of shares/ nominal	Currency	Value per 31/3/2010	Change vs. 31/3/2009	Market value CHF [1]	Share of portfolio [2]	Company share
Cleantech								
Mycosym International	Shares	223,500	CHF	16.86	-22.5%	3,276,500	5.1%	49.1%
	Loan	657,648	CHF	100.00%	0.0%	657,648		
Natoil	Shares	125,274	CHF	6.34	-50.1%	794,015	2.7%	29.9%
	Convertible loan	205,981	CHF	635.50%	+535.5%	1,309,016		
Silentsoft	Shares	20,312	CHF	176.13	0.0%	3,577,553	5.7%	25.7%
	Convertible loan	750,000	CHF	119.78%	+19.8%	898,336		
Solar Industries	Shares	1,554,100	CHF	5.00	0.0%	7,770,500	10.0%	38.9%
ZWS Zukunftsorientierte Wärme Systeme	Loan	1,500,000	EUR	100.00%	0.0%	2,145,150	2.8%	0.0%
Health								
Bogar	Shares	223,500	CHF	3.21	-89.5%	718,324	3.1%	31.6%
	Convertible loan	521,500	CHF	326.59%	+226.6%	1,703,151		
Idiag	Shares	6,928,621	CHF	0.64	-46.7%	4,434,317	8.1%	41.5%
	Convertible loan	518,458	CHF	361.82%	+261.8%	1,875,869		
Swiss Medical Solution	Shares	311,581	CHF	5.00	0.0%	1,557,905	10.1%	38.9%
	Convertible loan	970,331	CHF	505.45%	+6.2%	4,904,547		
	Convertible loan	1,218,680	CHF	117.80%	0.0%	1,435,577		
Qualilife	Shares	661,706	CHF	3.02	0.0%	2,000,000	4.0%	38.1%
	Loan	1,100,000	CHF	100.00%	0.0%	1,100,000		
Others								
FotoDesk Group	Shares	4,502,115	CHF	0.67	-33.0%	3,001,405	8.5%	45.0%
	Convertible loan	1,300,000	CHF	257.07%	+138.3%	3,341,960		
	Loan	250,000	CHF	100.00%	0.0%	250,000		
Total						**46,751,774**	**60.0%** [3]	

1) Per IFRS, the market value of the convertible loan includes a valuation of the borrowed capital portion at net present value using the effective interest method and of the option portion.

2) Based on market value including liquid and financial assets

3) Market value/net assets (degree of investment)

audited NAV per quarter, but dropped in absolute terms due to the previous year's lower NAV, which served as a basis for the calculation. Compensation to the Board of Directors increased to CHF 297,981 (previous year: CHF 152,850), of which CHF 89,700 was in the form of stock. Other operating expenses remained constant or decreased slightly.

Portfolio development: focus on cleantech and health

New Value will build on its broad, 10-year experience and retain the primary core elements of its former investment strategy. As a growth capital financier in Switzerland and the German-speaking region, New Value is committed to helping sustainable business concepts succeed through active management support and knowledge transfer. We see Switzerland as a lucrative and technologically favorable location for venture capital investors with excellent investment opportunities at present.

With the goal of providing clear positioning and support, in the future the New Value portfolio will focus on the cleantech and health industries, two of this century's most important economic and societal trends. In both industries, innovation is in urgent demand. Based on the expertise acquired and the networks established over the last 10 years, New Value firmly believes in its ability to be instrumental in the success of young cleantech and healthcare companies.

Peter Letter
CEO of EPS Value Plus AG

KEY FIGURES PER
MARCH 31, 2009

Information for Investors

Stock Quotes
CHF 14.25 (SIX Swiss Exchange)
EUR 9.20 (Xetra)

Net Asse Value (NAV)
CHF 21.76 per share

Share capital
CHF 32.8 Mio.

Issued shares
3 287 233 registered shares
(nominal value CHF 10 per share)

Market capitalisation
CHF 46.8 Mio.

Listings
SIX Swiss Exchange since May 2006
(previously at the Berne eXchange
from August 2000 until December 2006)
Xetra, Open Market Frankfurt, Berlin, Dusseldorf,
Munich and Stuttgart

Ticker-Symbols
NEWN (CH), N7V (DE)

Security identification

Valorennummer	1081986
Wertpapierkennnummer	552932
ISIN	CH0010819867

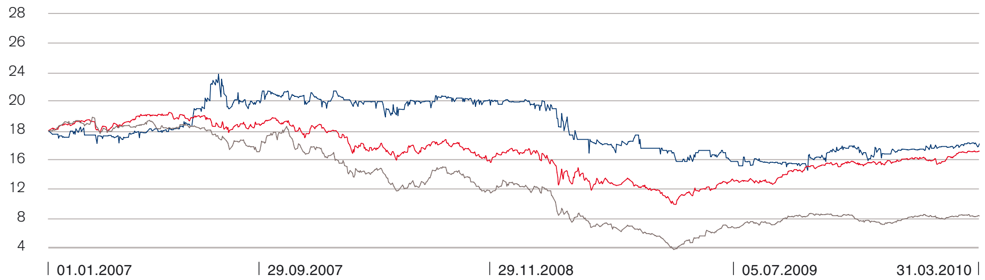
Annual shareholders meeting
July 8, 2009 in Zurich

Investment Manager
EPS Value Plus AG Zurich (www.epsvalueplus.ch)

Management fee
0.5% per quarter, as measured by the NAV

Performance fee
10%, if > or = 10% growth p.a.
20%, if > or = 15% growth p.a.

NEW VALUE SHARE PRICE



Share price New Value — SPI Index — LPX Venture Index[1)]

[1)] The LPX Venture Index contains the 20 largest Private Equity Companies worldwide, that predominantly (at least 50%) make venture investments.

Cleantech/plant technology

Mycosym International AG

Business segment: Plant technology/water management Locations: Basel, Switzerland, and Seville, Spain. Number of employees as of 03/31/2010: 6.5 full-time staff Sales development 01/01–12/31/2009: -13.2% New Value holdings as of 03/31/2010: CHF 3.28 million; corresponds to 49.1% share of equity; additional CHF 0.66 million loan New Value Board Representative: Peter Letter Website: www.mycosym.com

Brief Description

- Mycosym International AG is a plant technology company that develops, produces and markets innovative biological soil conditioners using mycorrhiza technology (natural symbiosis of plant roots and soil fungi). Mycosym products improve plant growth (vitalization, root volume), resulting in greater yield, higher plant stress tolerance and fewer losses in intensive farming, and allowing growth in extreme locations (aridity, salinity). Another benefit is substantially reduced water consumption in agriculture and gardening. In some applications, resistance to pests and illnesses is increased.

Highlights

- The two primary sales markets, Spain and Greece, were hit hard by the economic crisis, leading to a slowdown in sales of Mycosym products.
- In April 2009, Mycosym unveiled its concept of water conservation through the use of Mycosym products to its target audience in the golf segment at an international conference on golf and sustainability in Malaga, Spain. Mycosym demonstrated the following advantages: Water savings of up to 40% and improved lawn quality by using recycled water (resistance to high salinity); investment payback within 12–24 months (depending on water costs); highly beneficial particularly in regions where water availability is limited and water represents a substantial cost factor or where environmental impact is relevant.
- In October 2009, Mycosym began marketing its products in the produce and greens segment in southern Spain. Also, in the first three quarters a customer reference database was constructed.
- Distribution partnerships were established in Greece and Turkey.
- New Value increased the existing loan in the reporting period by CHF 200,000, with additional funds provided proportionally by institutional co-investors and management.

Value Drivers

- Attractive gross margins thanks to cost-effective production processes; deep cost structure
- High market entry barriers for competitors due to the time required for development (natural growth cycle of plants)
- Large potential for continuous product innovation
- Sustainable agricultural products as a high-growth market segment; additional potential thanks to high customer benefits in water management

Valuation

- Valuation of the stock position was adjusted to CHF 16.86 per share (at March 31, 2009: CHF 21.75) due to a significant sales shortfall and now totals CHF 3.28 million. The CHF 0.95 million devaluation was based on new corporate projections and calculated using the discounted cash flow method. The loan for CHF 0.66 million remained unchanged at face value. The Mycosym position as a whole was devalued by CHF 0.95 to CHF 4.23 million.

Cleantech/energy efficiency

Natoil AG

Business segments: energy-efficient lubricants made using renewable raw materials Location: Immensee (Schwyz), Switzerland Number of employees as of 03/31/2010: 2.0 full-time staff Sales development 01/01–12/31/2009: -62% New Value holdings as of 03/31/2010: CHF 0.79 million; corresponds to a 29.9% share of equity; additional CHF 1.31 million convertible loan New Value Board Representative: Peter Letter Website: www.natoil.ch

Brief Description

- Natoil AG develops and distributes industrial lubricants with first-rate technical qualities made as much as possible using renewable raw materials. Their use enables substantial energy savings and reduces wear and tear thanks to lower friction. The demand for energy-efficient solutions and the long-term trend toward higher prices for mineral oil products underscore the market potential for Natoil lubricants. Natoil uses seeds from a special type of sunflower cultivated in Europe as its primary raw ingredient. This variation of the sunflower does not compete with food production.

Highlights

- Important customer segments for Natoil include machine builders and the automobile supplier industry, both of which battled declining volumes. Natoil also fell short of sales expectations for 2009. It was nevertheless able to further strengthen its market position, which is based on a small but stable clientele, positive reference measurements, first fill agreements and usage recommendations with machine builders, as well as patents. Natoil is also cooperating with companies in the lubricant and motor oil segments to develop new products.
- Based on this experience, Natoil has adapted its distribution concept, which it plans to implement in the next few months in cooperation with partners with existing distribution structures. Its own distribution operations have been consequently reduced.
- In June 2009 Natoil completed a capital increase totaling CHF 1.06 million, including CHF 0.15 million in new funds and the conversion of previous loan financing into capital stock. New Value contributed CHF 0.06 million in loans, acquired CHF 0.09 million in capital stock and converted loan financing totaling CHF 0.3 million, thus increasing its holdings in Natoil to 29.9%. In October 2009, New Value contributed an additional CHF 0.2 million to a convertible loan totaling CHF 0.53 million at favorable terms. The rest was provided by management and existing investors.

Value Drivers

- Excellent product properties offering high customer benefits (energy savings)
- Broad existing product portfolio for various industrial applications
- Products manufactured using sustainable raw materials from European agricultural regions; demand for energy efficiency boosts product acceptance
- Good scalability in manufacture and market access

Valuation

- The valuation of the stock position was adjusted to CHF 6.34 per share due to lower-than-projected sales (at March 31, 2009: CHF 25.38; at September 30, 2009: CHF 12.69, corresponding to the average acquisition price per share at that time, which was lower than in March due to a capital increase). The stock position was devalued from CHF 0.8 million to now CHF 0.79 million based on corporate projections and using the discounted cash flow method. The market value of the convertible loan includes a valuation of the borrowed capital portion at net present value using the effective interest method and of the option portion. Due to favorable conversion terms, the convertible loan was recognized at CHF 1.31 million, representing an upward revaluation of CHF 1.1 million based primarily on the value of the option portion as per IFRS guidelines. The overall value of the Natoil position was thus increased by CHF 0.31 million to CHF 2.1 million.

Cleantech/energy efficiency

Silentsoft SA

Business segments: Information technology/M2M telemetry with a strong focus on cleantech applications Location: Morges (Vaud), Switzerland Number of employees as of 03/31/2010: 31 full-time staff Sales development 01/01–12/31/2009: +31% New Value holdings as of 03/31/2010: CHF 3.58 million; corresponds to 25.7% share of equity; additional CHF 0.9 million convertible loan New Value Board Representative: Dr. Marius Fuchs (New Value cooperation partner) Website: www.silentsoft.com

Brief Description

- Silentsoft SA is a leading provider of machine to machine (M2M) communication technology with a strong focus on the cleantech sector. Silentsoft's proprietary technology features processes and software that make it possible to operate large M2M remote monitoring networks for measuring, automatically transmitting and analyzing data from geographically distributed containers for liquids, powders or waste products. Silentsoft has become Europe's leading provider of wireless M2M network services for building management and now offers additional solutions for waste management and recycling. Over 30,000 systems in 12 European countries provide customers with the necessary real-time data for reducing their energy and transportation costs and CO_2 emissions.

Highlights

- Silentsoft increased sales by 31% and added six new full-time staff.
- In May 2009, Silentsoft signed agreements for the installation of over 1,200 telemetry systems, including high-profile projects in the cities of Zurich and Winterthur. The systems offer customers cost savings through simplified monitoring of heating system fill levels.
- SilentWafe, the ultrasound waste management solution, was installed in 325 trash recycling containers in Geneva. Silentsoft systems allow remote monitoring of waste levels in recycling containers.
- Green building is a promising market segment with a comprehensive Silentsoft solution. Energy optimization and real-time building monitoring are increasingly in demand from property managers. Silentsoft expanded its M2M range of products with the addition of remote-controlled water and gas measurement systems with built-in alarms.
- In early 2010, Silentsoft successfully raised CHF 2.25 million in new financing. New Value invested CHF 0.75 million in the form of a convertible loan. Silentsoft will use the funds to finance the market launch of its new technology for the green building market segment (energy optimization and real-time building monitoring).

Value Drivers

- Top position in the European market for M2M networks for building management provides an excellent opportunity for fast expansion of customer base
- Business model based on high level of repeat sales and strong customer loyalty
- Expansion of core business activities through additional potential in real-time building monitoring, energy optimization, silos and recycling collection systems
- High market growth expected in the next several years.

Valuation

- Valuation remained at CHF 176.13 per share, corresponding to the acquisition price at the last capital increases in February and November 2008 (at March 31, 2009: CHF 176.13) and resulting in a valuation of the stock position at CHF 3.58 million. The market value of the convertible loan includes a valuation of the borrowed capital portion at net present value using the effective interest method and of the option portion. Due to favorable conversion terms, the convertible loan was recognized at CHF 0.9 million, representing a CHF 0.15 million upward revaluation. The value of the Silentsoft position as a whole increased by CHF 0.15 million to CHF 4.48 million.

Cleantech/solar technology

Solar Industries AG

Business segments: Solar industry firms along the value chain for PV solar module manufacture and marketing Locations: Niederurnen (Glarus), Switzerland; Milan, Italy; and Puchheim, Germany Number of employees as of 03/31/2010: 14 full-time staff and external partners (including non-fully-consolidated companies: 239 full-time staff) Sales development: TBD New Value holdings as of 03/31/2010: CHF 7.77 million; corresponds to 33.1% share of equity New Value Board Representative: Rolf Wägli (President) Website: www.solarindustries.ch

Brief Description

- Solar Industries AG follows a growth and buy-and-build strategy with new and existing companies along the value chain of solar module manufacture and marketing. Solar Industries strives toward a competitive industrial integration of these companies. In Italy, Solar Industries works with Milan-based MX Group SpA (with a minority interest). MX Group operates production facilities for PV solar modules with an annual capacity of 120 MWp. The Group is currently planning and implementing solar parks. Additional major investments are planned in the construction of production facilities for solar cells and solar modules as well as distribution companies. Solar Industries also holds a majority interest in SI Solutions GmbH of Puchheim, Germany (near Munich), a provider of photovoltaic systems. These investments in the important solar markets of Italy and Germany will serve as a platform for expansion into other European and overseas markets.

Highlights

- In early September 2009, Solar Industries reached a milestone on the path toward tapping the European sales market for solar energy by founding SI Solutions GmbH, a provider of photovoltaic systems, in Puchheim, Germany. This step will allow Solar Industries to provide its Italian production firms easy access to the German sales market.
- The outlook for SI Solutions GmbH's successful establishment in the specialty retail market is extremely positive. The team of founders relies on many years of experience as PV specialists for a major system provider. By partnering with ITEC Solar GmbH, the company can now offer expertise in international trade as well. Today, the SI Solutions team consists of 12.5 full-time staff positions.
- Italian partner MX Group increased production of solar modules in Italy last year. Production was gradually converted from a semi- to fully-automated system, achieving a production capacity of 120 MWp per year. Production systems, including technical consulting, were provided by 3S Swiss Solar Systems. The module production system is one of Europe's most modern and is used by 3S as a reference project for customer presentations.

Value Drivers

- Targeted government subsidies for solar markets in Italy, Germany, the US and other countries
- High solar radiation, particularly in Italy and the southern US; cost reductions will allow for grid parity of solar power (cost-competitiveness versus established power mix) in just a few years
- Numerous opportunities along the entire value chain for solar module manufacturing with access to marketing organizations in Italy, Germany and the rest of Europe
- Collaboration with knowledge partners in Switzerland and surrounding countries

Valuation

- Valuation at CHF 5.00 per share corresponds to the price at the last capital increase in December 2008 (at March 31, 2009: CHF 5.00) and resulted in an unchanged valuation of the stock position at CHF 7.77 million.

Cleantech/energy efficiency

ZWS Zukunftsorientierte Wärme Systeme GmbH

Business segments: System provider of renewable-energy-based solutions for modern building services such as heating, photovoltaic or rainwater harvesting systems Locations: Neukirchen-Vluyn, Germany (headquarters) and 13 other locations in Germany and Austria Number of employees as of 03/31/2010: 60 full-time staff Sales development 01/01–12/31/2009: +48% New Value holdings as of 03/31/2010: EUR 1.5 Mio. mezzanine loan New Value Board Representative: none Website: www.zws.de

Brief Description

- ZWS was founded in the late 1990s by its two managing partners, Uwe Zilleckens and Rolf Wolfhagen, as a certified provider of heating systems, sanitary installations and innovative, future-oriented thermal systems. Since then, the business has been gradually expanded. Products include systems for all modern building services with a focus on renewable energy-based solutions: thermal solar systems (water heating, heating system support), photovoltaic systems, heating (heat pumps, pellet, wood, storage solutions), system technology (building systems combining different technologies), ventilation (heat recovery and cooling) and sanitary and rainwater recycling.

Highlights

- New Value invested in ZWS in the form of a EUR 1.5 million mezzanine loan, providing necessary additional capital to finance the continuous growth of the company. ZWS has increased sales by over 40% in each of the last three years.
- In the last several years, the company has focused heavily on duplicatable sales structures, opening 14 locations in Germany and Austria. ZWS employs around 60 staff members and has established an additional network of sales representatives to serve primarily direct customers (new construction and renovation) and, secondarily, the installer market. For this reason, ZWS has developed modular product concepts with high sales appeal.
- As a system provider, ZWS outsources the manufacture of its products and sells them under the ZWS brand or, in some cases, under third party manufacturer brands. The company develops its own innovative products in cooperation with manufacturers. Plans call for bringing unique storage solutions, improved pellet ovens and fuel cells to market in the near future.

Value Drivers

- Expected high growth in the market for renewable-energy-based heating systems in Central Europe
- Excellent positioning in Germany and access to the end market for solar systems

Valuation

- The mezzanine loan is a new investment that took place in March 2010. It was recognized at its nominal value of EUR 1.5 million (CHF 2.15 million).

Health/animal health and nutrition

Bogar AG

Business segments: Animal health and nutrition using plant-based ingredients Location: Wallisellen, Switzerland Number of employees as of 03/31/2010: 8 full-time positions Sales development 01/01–12/31/2009: -43% New Value holdings as of 03/31/2010: CHF 0.72 million; corresponds to 31.6% share of equity; additional CHF 1.7 million convertible loan New Value Board Representative: Rolf Wägli Website: www.bogar.com

Brief Description

- Bogar AG is a specialist in natural and future-oriented pet health and nutrition that develops, produces and distributes high-quality herbal pet food supplements and care products. Bogar is a pioneer in the field of veterinary phytotherapy. The continuously expanding product line consists of effective nutritional supplements as well as high-quality care compounds for dogs, cats and sporting and recreational horses.

Highlights

- After positive growth in fiscal year 2008, in 2009 Bogar posted lower-than-expected sales.
- Bogar will strengthen its Board of Directors by recommending the election of Peter Hänsli as acting president of the Board by the general meeting of shareholders. Hänsli will support Bogar in strategic matters and bring his many years of marketing and sales experience to the company. Peter Hänsli is a proven expert in the pet industry and was most recently a member of the management board of Vitakraft, in charge of sales and logistics. Dr. Marius Fuchs became the company's new CEO.
- In May 2010, Bogar unveiled its new "bogadual" product line at the Interzoo trade fair. The line includes a new anti-flea product and a harvest mite gel (the first of its kind in the world). This innovative product is made from a combination of neem extract and a synthetic enhancer. Bogar expanded its range of nutritional supplements with the addition of two new products: "bogafit Anti-Aging" with ginseng and "bogafit Verdauung" (German for "digestion") with artichoke for regulating indigestion. The Bogar product range has grown to over 20 products.
- In April 2010, Bogar raised CHF 1.3 million in new financing. New Value invested CHF 0.75 in the form of equity capital and convertible loans. Additional investments were made by new and existing investors as well as management. The funds will be used to expand the product range and distribution network. A restructuring of the company's capital stock also took place to eliminate negative equity.

Value Drivers

- Expanded product portfolio; successful launch of new products on the market
- Well-established, efficient distribution channels in Switzerland and Germany; market expansion in Germany offers additional potential
- Similar expansion into other international markets, experienced management team

Valuation

- Due to lower-than-projected sales and the restructuring of capital stock, the existing stock position was depreciated (devaluation of CHF -7.15 million, of which CHF 3.57 million was recognized effective September 30, 2009). Because financing was used for restructuring purposes, based on corporate projections new shares were valued using the discounted cash flow method. Valuation at CHF 3.21 per share (issue price: CHF 1.00 per share) resulted in an upward revaluation of the stock position by CHF 0.49 million. The market value of the convertible loan includes a valuation of the borrowed capital portion at net present value using the effective interest method and of the option portion. Due to favorable conversion terms, the convertible loan was recognized at CHF 1.7 million, representing an upward revaluation of CHF 1.18 million, based primarily on the value of the option portion as per IFRS guidelines. The value of the Bogar position as a whole was adjusted by CHF -5.47 million to CHF 2.42 million.

Health/diagnostics and rehabilitation

Idiag AG

Business segments: Back and respiratory diagnostics and rehabilitation Locations: Fehraltorf (Zürich), Switzerland, and Bad Säckingen, Germany Number of employees as of 03/31/2010: 10 full-time staff Sales development 01/01–12/31/2009: -25.7% New Value holdings as of 03/31/2010: CHF 4.43 million; corresponds to 41.5% share of equity; additional CHF 1.88 million convertible loan New Value Board Representative: Paul Santner (President) Website: www.idiag.ch

Brief Description

- Idiag AG develops and distributes innovative products for medicine and sports applications in the back care and respiration growth segments. MediMouse® is a convenient measuring system for computer-assisted imaging and radiation-free examination of the shape and mobility of the spinal column for diagnostics and therapy assistance. SpiroTiger® Medical is a respiratory training device used to improve the performance and endurance of respiratory muscles for medical treatment (for example, shortness of breath in COPD patients, snoring, sleep apnea and cystic fibrosis). Idiag markets SpiroTiger® Sport to the sports market for endurance and strength training of the respiratory muscles.

Highlights

- The focus on internally-produced products and the abandonment of third-party products led to a decline in sales. In the demanding economic environment, Idiag failed to meet its sales goals in other target markets, especially Eastern Europe. Idiag outsourced MediMouse sales in Germany and introduced operational cost-saving measures. The search for additional distribution partners was intensified.
- In late 2009, Dräger Safety Schweiz AG began a study on SpiroTiger breath training for firefighters, which is scheduled to last until Q3 2010. The cystic fibrosis study proceeded positively. The final results of the pilot study on obstructive sleep apnea showed statistically significant improvements in breath duration and subjective quality of life.
- SpiroTiger athletes collected medals, including world gold medal champions Nino Schurter (mountain biking) and Simone Niggli-Luder (orienteering).
- In the reporting period, New Value acquired a stock package from an institutional investor worth CHF 0.44 million and invested CHF 0.52 million in a CHF 1 million convertible loan issued by Idiag. Additional financing was provided by BioMedCredit and private investors. BioMedCredit also converted a portion of its loan into equity, thus reducing New Value's share in Idiag to 41.5%.

Value Drivers

- Back and respiratory complaints and preventive health care as growth segments in medicine
- Potential for substantial growth rates thanks to promising product and technology portfolio and increased study results
- Stronger cooperation with distribution partners and new medical studies as a basis for expansion into new markets

Valuation

- Valuation at CHF 0.64 per share took place using the discounted cash flow method (at March 31, 2009: CHF 1.20) and took into account the dilution effect of outstanding convertible loans and slower business performance. A new shareholder invested additional capital in late 2009 at the new price. The CHF -3.62 million adjustment in the value of the stock position was previously recognized in the mid-year financial statements dated September 30, 2009. The market value of the convertible loan includes a valuation of the borrowed capital portion at net present value using the effective interest method and of the option portion. Due to favorable conversion terms, the convertible loan was valued at CHF 1.88 million, resulting in an upward revaluation of CHF 1.36 million, largely influenced by the value of the option portion as per IFRS guidelines. The Idiag position as a whole was devalued by CHF -2.26 to CHF 6.31 million.

Health/information technology

QualiLife SA

Business segments: Patient communications platform for the health industry Locations: Lugano and Bülach, Switzerland Number of employees as of 03/31/2010: 7 full-time staff Sales development: In the market launch stage; first major project completed New Value holdings as of 03/31/2010: CHF 2.0 million; corresponds to 38.1% share of equity; additional CHF 1.1 million loan New Value Board Representative: Thomas Keller Website: www.qualilife.com

Brief Description

- QualiLife SA is a software company that specializes in developing multimedia and entertainment solutions for hospital patients. QualiLife's newest development, QualiMedical UCS (Unified Communication Solution), is an innovative software platform that allows patients in hospitals and rehab clinics to access TV, radio, telephone and the internet or to watch videos. The software is intuitive and can be used by physically handicapped patients as well. Through interfaces to the administration systems, bedside activity recording and targeted patient information, the solution supports work processes in the clinic, thus helping improve efficiency and quality. In addition to solutions for clinic, QualiLife offers additional solutions for persons with disabilities and the elderly.

Highlights

- With Walter M. Huber as CEO and Dirks Sebald as president of the management board, QualiLife is now number one in the industry thanks to their many years of expertise. Both leaders bring with them many years of experience in IT solutions for the health industry and boast a broad network of industry contacts.
- In June 2010, QualiLife successfully completed its first major project in a private clinic in Ticino, Switzerland, including 100 patient terminals and QualiMedical Unified Communication Solution software.
  Marketing efforts were greatly intensified through trade show exhibits, advertising campaigns and interviews in print media, as well as a new website. Additional sales personnel were hired.
- QualiLife expanded its development team in Lugano and positioned itself as an innovative leader in the market for multimedia clinic solutions with new product modules and functionalities.
- To finance the further growth of QualiLife, New Value increased its investment between May and July 2009 by an additional CHF 1.28 million and granted loans as of October 2009 for CHF 1.2 million (CHF 1.1 million of which was paid out on the effective date). New Value now holds 38.1% of the company. The new funds are being used mainly for the expansion of international marketing structures and the further development of products for the health care industry.

Value Drivers

- Health care market entry with technologically persuasive and innovative product; potential for duplication in telemedicine and telecare
- System offers high benefits for health care customers
- Existing development partnerships with leading software companies; distribution partnerships are being established
- Increased interest in patient access technologies through participation in EU brain-computer interface project.

Valuation

- Valuation at CHF 3.02 per share corresponds to the average acquisition price (at March 31, 2009: CHF 3.00), resulting in a total stock position of CHF 2.0 million. The loan for CHF 1.1 million was recognized at face value. No value adjustments were made; the QualiLife position as a whole totals CHF 3.1 million.

Health/in-vitro diagnostics

Swiss Medical Solution AG

Business segment: In-vitro diagnostics for self-tests Location: Büron, Switzerland Number of employees as of 03/31/2010: 8 full-time staff Sales development 01/01–12/31/2009: +116%. New Value holdings as of 03/31/2010: CHF 1.56 million, corresponds to a 38.9% share of equity; additional CHF 6.34 million convertible loan New Value Board Representative: Peter Letter Website: www.swissmedicalsolution.ch

Brief Description

- Swiss Medial Solution AG developed a unique, patented platform technology for in-vitro diagnostics designed especially for home testing. The company has begun by producing and selling target-market-tailored self-tests for early indication of urinary tract infections. The first product on the market is an early detection self-test for women (U-Lab®). Other direct products targeted at toddlers and diabetics are in preparation for market launch.

Highlights

- Swiss Medical Solution AG welcomed Dr. Thomas Kaltenbach as its new CEO. Dr. Kaltenbach has extensive experience in sales and marketing as well as supply chain management. The Board of Directors was expanded with the addition of new president Marc Neuschwander (former CEO of Bayer Switzerland) and Dr. Petter Röttger (member of the board of directors of the German Diabetes Foundation).
- In cooperation with U-Lab distribution partners in Germany and Switzerland, the product was launched in October 2009. Another important distribution partnership was established with Sofar S.p.A. in Italy, where U-Lab was launched in November 2009. U-Lab is a fitting addition to Sofar's range of products, which include preparations for the prevention and treatment of bladder infections.
- When toddlers suffer from a urinary tract infection, a quick, uncomplicated diagnosis is important in ensuring the right treatment. U-Lab Diapers with built-in UTI tests are easy to use and produce reliable test results, which can lead to cost savings in infirmaries and pediatricians' offices. Certification for U-Lab Diapers in Switzerland and Europe (CE mark) is expected in mid-2010, with market launch scheduled for late 2010.
- New Value granted convertible loans in several stages totaling CHF 1.28 million in the reporting period.

Value Drivers

- Patented product platform for in-vitro diagnostics in the home testing market
- Clear USP: Self-tests are user-friendly and provide laboratory quality
- Technology offers numerous additional application options; two products already in clinical testing (for toddlers and elderly patients) or in advanced development (test for diabetics)

Valuation

- Valuation at CHF 5.00 per share took place using the discounted cash flow method and took into account the dilution effect of outstanding convertible loans (at March 31, 2009: CHF 5.00). The value of the stock position thus remained unchanged at CHF 1.56 million and was below the acquisition price. The market value of the convertible loan includes a valuation of the borrowed capital portion at net present value using the effective interest method and of the option portion. Due to attractive conversion terms, the convertible loan was recognized at CHF 6.34 million, representing an upward valuation of CHF 0.74 million based primarily on the value of the option portion as per IFRS guidelines. The value of the Idiag position as a whole increased by CHF 0.74 to CHF 7.9 million.

Other/online print services

FotoDesk Group AG

Business segments: E-commerce company in the online photo service segment Locations: Zug and Basel, Switzerland, and Trivandrum, India Number of employees as of 03/31/2010: 42 full-time staff Sales development: -17% New Value holdings as of 03/31/2010: CHF 3.0 million, corresponds to a 45% share of equity; additional CHF 3.34 million convertible loan and CHF 0.25 million loan New Value Board Representative: Peter Letter (President) Website: www.fotodesk.com

Brief Description

- FotoDesk Group AG is an integrated digital imaging services company that offers traditional photo printing alongside innovative lifestyle products such as high-quality photo books, self-stick posters and wall tattoos. FotoDesk expanded its offerings with an online boutique for fine art prints. Through the merger with www.flauntr.com, an online image editing portal, customers can also access high-quality image editing applications. These are gradually being integrated into FotoDesk's online services. The company launched two online services, www.colormailer.com and www.fastlab.com.

Highlights

- Sales projections for 2009 could not be met. FotoDesk was impacted by cautious spending by customers and the highly competitive environment. Thanks to strategically important product developments, the company was nevertheless able to gain substantial intangible value in the past year.
- On October 30, 2009, FotoDesk opened its first gallery at a new location in Basel (near the main train station) in order to physically display its high-quality products and increase face-to-face contact with customers and suppliers in the German-speaking region. A live chat feature for customers was also introduced, drawing positive attention in the hotly contested market.
- At the end of January 2010, FotoDesk was the first and thus far the only provider to launch a shared online photo book that could be edited and ordered by multiple users in different locations. It is based on the technology of the online photo book launched in late June 2009, which allows users to easily design and order their own photo book online without downloading software.
- New Value increased the existing convertible loan in several stages by CHF 0.5 million and granted an additional loan for CHF 0.25 million. After the balance sheet date, New Value increased the loan by CHF 0.2 million.

Value Drivers

- Customer base in several European countries
- Growth potential from the use of innovative web technologies and integration with online photo editing
- Continuous product innovations in the areas of prints, photo books, fine art and decor; only provider of an online photo book editor and a shared online photo book.
- Strong development team with high competence in internet applications, image editing and online marketing

Valuation

- Valuation at CHF 5.00 per share took place using the discounted cash flow method and took into account the dilution effect of outstanding convertible loans (at March 31, 2009: CHF 1.00). The value of the stock position was adjusted by CHF -1.5 million to CHF 3.0 million due to weaker-than-expected operational business performance. The market value of the convertible loan includes a valuation of the borrowed capital portion at net present value using the effective interest method and of the option portion. Due to favorable conversion terms, the convertible loan was recognized at CHF 3.34 million, representing an upward revaluation of CHF 1.98 million. The value of the Silentsoft position as a whole increased by CHF 0.48 million to CHF 6.34 million.

Annual Statement according to IFRS

BALANCE SHEET

Item	Note	3/31/10 CHF	3/31/09 CHF
ASSETS			
Non-Current Assets			
Investments	19.2.	27,130,519	53,530,700
Long-term Convertibles and Loans	18.2/18.3.	17,226,105	5,638,153
Total Non-Current Assets		**44,356,624**	**59,168,853**
Current Assets			
Short-term Convertibles and Loans	18.1.	2,395,150	240,000
Other accounts receivable	17	34,902	65,591
Accruals		203,941	16,262
Cash and cash equivalents	16	31,129,585	7,630,280
Total Current Assets		**33,763,578**	**7,952,133**
Total Assets		**78,120,202**	**67,120,986**
LIABILITIES AND SHAREHOLDER'S EQUITY			
Shareholders Equity			
Share capital paid-in	20	32,872,330	32,872,330
Treasury Shares	20.4.	–1,594,404	–5,231,499
Share premium		20,411,492	22,115,981
Accumulated profit/loss carried forward		25,603,325	15,587,969
Total Shareholders' Equity		**77,292,743**	**65,344,781**
Liabilities			
Short-term Financial Liabilities		0	1,324,800
Deferrals		827,459	451,405
Total Liabilities		**827,459**	**1,776,205**
Total Liabilities and Shareholders' Equity		**78,120,202**	**67,120,986**

INCOME STATEMENT

Item	Note	4/1/2009 – 3/31/2010 CHF	4/1/2008 – 3/31/09 CHF
Income from investments and loans			
Income from sale of investments	19.2.	19,978,702	1,043,816
Unrealised income from investments	18/19.2.	6,595,967	5,371,986
Interest income	23	194,069	239,433
Total income from investments and loans		**26,768,738**	**6,655,235**
Expenses from investments and loans			
Unrealised losses on investments and loans	18/19.2.	–13,516,326	–17,330,686
Realised losses on investments and loans		0	–138,645
Investment expenses		–172,888	–187,131
Total expenses from investments and loans		**–13,689,214**	**–17,656,462**
Operating expenses			
Investment management fee	22	–1,437,015	–1,746,663
External personnel expenses	22	–96,840	–96,840
Expenses Board of Directors	26	–297,981	–152,850
Expenses auditors		–74,876	–65,851
Expenses Communication/Investor Relations		–480,276	–480,079
Consulting costs (Legal and Tax)		–16,023	–27,060
Other administrative expenses		–168,600	–178,824
Tax		–140,366	–105,000
Total operating expenses		**–2,711,977**	**–2,853,167**
Financial income and expenses			
Financial income	23	30,644	92,276
Financial expenses	23	–382,835	–226,707
Total financial income and expenses		**–352,191**	**–134,431**
Earnings before taxes		**10,015,356**	**–13,988,825**
Income tax	24	0	0
Annual profit		**10,015,356**	**–13,988,825**
Other profit or loss		0	0
Overall result		**10,015,356**	**–13,988,825**
Average number of shares outstanding		3,129,174	2,846,545
Result per share undiluted	**25**	**3.20**	**-4.91**
Result per share diluted	25	3.20	-4.91

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