



Annual Report 2004 / 2005

1.4.2004 - 31.3.2005

Your partner for sustained
Private Equity investments
with high potential.

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Preface



Rolf Wägli

The environment

As always, I attempt to avoid listing up political and economical events in the past and their influence on our daily life. However, I do have to mention something that nowadays "preoccupies" me strongly.

The world economy in general and the Swiss one in particular is growing at a very low rate. The number of unemployed remains stubbornly high and many small and medium sized enterprises (SMEs) are at great pain. The cries for political measures to improve the general conditions for the SMEs are loud and impossible to overhear. Often entrepreneurs have the impression that they are misunderstood by the public and I would tend to agree with them. But only waiting for the right conditions is a bad solution. My appeal to entrepreneurs would therefore go in the direction of Robert Musil ("Mann ohne Eigenschaften"; translated "Man without character") whereby reality is treated as our duty and invention and can neither be seen as something unchangeable nor be taken for granted. Rather it is something to be sought with a certain willingness to take risks and openness towards other alternatives. Also when this means that one has to leave the passive comfort of perceiving oneself to be a victim.

Our thanks

The team of our investment advisers EPS Value Plus AG has many of the characteristics that are necessary for the successful leadership of a portfolio of companies. I would like to emphasize their farsighted endeavours and tireless creative power. In close co-operation with the Board of Directors and the co-investors, EPS Value Plus fulfills the role of an active owner. The Board of Directors of New Value AG thanks for the intensive work and performance of the whole team during the reporting year. We would also like to use this occasion to thank our shareholders, who through their investment in the real, tangible economy and here in sustainable companies, equally show farsightedness and a high sense of responsibility.

The investments

To a large degree, our portfolio companies have experienced a strong maturing process during the reporting year. Revenues were expanded both with existing and new products. Innovation and development processes are progressing considerably. The companies do not remain in the *passive role of feeling victimised*, but *struggle with imagination and willingness to take risk towards something higher*.

English version of the Annual Report

New Value AG has this year decided to make an English version of the Annual Report additionally to the German version. The latter is the formal version to be considered in case of diverting interpretations. The English version comprises the main qualitative statements and financial information. For more detail, please consult the German version. We hope that this English version allows New Value to reach a broader audience and hope you will enjoy reading it.

Sincerely,

Rolf Wägli
Chairman



Corporate Governance

Introduction

Transparency and openness are important parts of the enterprise culture at New Value. The company has on a voluntary basis decided to implement the Corporate Governance Guidelines for SWX Swiss Exchange quoted corporations. The Corporate Governance Guidelines shall trigger issuers to make specified key information available in a suitable format.

1. The New Value Group

New Value AG, Zurich

New Value AG was founded on the 23th of May 2000 as a Holding Company according to Swiss law with domicile in Zurich. Since November 2003, New Value is approved by the federal authorities as a risk capital company with preferential tax status.

As an investment company it offers institutional and private investors access to a portfolio of Private Equity investments in growth companies with an ethical-innovative base attitude, which generate values for the different stakeholders. New Value AG invests particularly in Switzerland as well as in Germany and in Austria.

Based on the professional selection process, New Value invests in innovative, growth companies oriented towards the future. These are active in attractive sectors and have high potential. The portfolio companies develop and sell innovative products and have made a market break through or are just about to achieve a large market success. They are coached and monitored in an optimal manner. Their geographical proximity is advantageous for this form of active ownership.

New Value combines financial value-added with ethical surplus, as it only invests in companies that towards customers, overall society, the environment, employees, suppliers and investors take their ethical responsibility - oriented at fundamental values and norms - seriously in a distinguished manner. The most important criteria in this concern are ability to make sense, social compatibility, human dignity and ecological sustainability.

The Board of Directors of the Company

The Board of Directors of New Value AG comprises maximum six members. As a rule these are chosen on the General Assembly for a period of two years. At least four meetings take place annually. The Board of Directors consists as of 31st of March 2005 of the following five members:

Rolf Wägli, Chairman and CEO

Born the 6th of September 1951, Nationality: Swiss, in the Board of Directors since foundation. Rolf Wägli is Chairman of EPS Value Plus AG and R. Wägli & Cie AG asset management, both in Zurich. He has numerous board mandates in Swiss and German growth companies. Rolf Wägli received the Swiss Bankers' Diploma in 1976. He has a well founded insight and a broad experience from global Investment and Private Banking. Rolf Wägli was active for several domestic and foreign banks in Switzerland and England. From 1979 until he founded his own company in the beginning of the nineties, he was trusted with management positions in these financial institutions.

Paul Santner, Vice-Chairman

Born the 2nd of May 1950, Nationality: Austrian, in the Board of Directors since foundation. Paul Santner acquired a broad and international management background in his 23 years at Digital Equipment Corporation (DEC). As former Vice-President (Europe) he had the overall responsibility for the country group Germany, Austria, Central and Eastern Europe. Since 1999 Paul Santner is engaged as a member of boards in numerous sectors. In further mandates, formerly as President of the group "Engineers for the Switzerland of tomorrow" as well as Member of the counsel of GSBA Zürich (Graduate School of Business Administration), Paul Santner fulfils diverse public duties.

Thomas Keller

Born 29th of July 1953, Nationality: Swiss, in the Board of Directors since August 2004. Since 2001 Thomas Keller is owner of the company seed leadership counsels. His main focus is to consult companies as to leadership questions (on the Board of Directors and Management level) and leadership personalities as to their individual career development. Thomas Keller was earlier active in international consulting and leadership functions in companies in the high-tech and executive search sectors. He has extensive experience in personnel management, personnel consulting and management functions. He is also member of the Board of Directors of different young companies. Thomas Keller is an electrical engineer (Dipl. El. Ing. HTL) and has an additional education in business as well as personnel and organisational management.

Jan Larsson

Born the 4th of December 1949, Nationalities: Swedish and Swiss, in the Board of Directors since foundation.

Jan Larsson finished his studies as a dentist at the University of Gothenburg, Sweden, in 1973. In parallel he studied economics, management and organisational science. In 1976 he founded the Dentina dental distribution company in Constance (Europe's largest dental mail order company), which he sold in 1990 to Henry Schein, USA. In 1990, Jan Larsson started the HTC Tägerwilen, close to Lake of Constance. This high-tech centre is today the second largest in Switzerland. Since foundation the HTC has had 86 tenants. Jan Larsson coaches and supports primarily young companies in the technology domain. Through this work he is chairman or member of the board of several Swiss growth companies. He is former Chairman of SwissParks.ch (Club of Swiss Technoparks and Business Incubators) and works closely with the federal authorities BBT, Seco and Osec.

Prof. Dr. Ueli Maurer

Born the 26th of May 1960, Nationality: Swiss, in the Board of Directors since foundation.

Ueli Maurer is professor of Information Technology at the Swiss Institute of Technology, Zurich. In his research he focuses not only on technical and mathematical questions for information security and cryptography, but also on the influence of Information Technology on society and the economy. He is Editor-in-Chief of "Journal of Cryptology" as well as Director of the International Association for Cryptologic Research (IACR). He is active in different mandates for business and public institutions and is member of the Board of Directors of Tamedia AG.

The Investment Committee of the Board of Directors

The Investment Committee, which as a body consults and decides the investments of New Value, comprises three members of the Board of Directors. As of the 31st of March 2004 these are Thomas Keller, Jan Larsson und Paul Santner. The Investment Committee is advised by EPS Value Plus AG Zürich, the Investment Adviser of New Value. The meetings of the investment committee take place every six to eight weeks.

Management

The Board of Directors has delegated the management of the company to Rolf Wägli. The CEO is in particular responsible for the administrative leadership of the company as well as the implementation of the capital transactions (capital increases, etc.). For this role, the CEO has the employees as well as resources of the Investment Advisers EPS Value Plus AG at his disposal.

The Investment Adviser / Management Contracts

EPS Value Plus AG is active as Investment Adviser of New Value AG. Between the parties there is a contractual agreement regarding the co-operation. This contract defines a.o. the services to be provided and the consideration of the Investment Adviser. The contract can be terminated by both parties with a notice period of six months at the end of each calendar year.

Business with related parties and members of the company's bodies

Jan Larsson is member of the Board of Directors of Innoplana Umwelttechnik AG as representative for the former shareholders. Paul Santner is member of the Board of Directors of Idiag AG and TheraSTrat AG. Rolf Wägli is member of the Board of Directors of Bogar AG, Light Vision Group AG and Swiss Sustainable Systems AG, as well as Chairman of Investment Advisers EPS Value Plus AG. For the fulfilment of these mandates the body members are remunerated by the respective companies.

2. The New Value AG share

Capital structure

The share capital of the company amounts to CHF 16'410'000, divided into 1'641'000 registered shares à CHF 10 nominal.

The registered shares (security number 1'081'986; ISIN CH0010819867, Ticker Symbol: NEWN) are fully paid in. The shares are not printed. The capital of the company has developed in the following manner (all amounts in Swiss Francs):

Date	Share capital	Own shares	Additional paid-in capital	Revaluation reserve	Loss carried forward	Consolidated annual result	Total share holders'equity
31.03.01	5'200'000	-342'578	4'673'842	747'830	0	-521'291	CHF 9'757'803
31.03.02	10'250'000	-1'782'944	8'740'262	2'968'199	-521'291	-1'569'508	CHF 18'084'719
31.03.03	12'000'000	-635'573	10'190'977	2'974'872	-2'090'799	-1'122'332	CHF 21'317'145
31.03.04	15'160'000	-1'543'489	12'823'300	0	-238'259	-1'755'483	CHF 24'466'069
31.03.05	16'410'000	-2'192	13'690'839	0	-1'993'742	-2'236'195	CHF 25'868'710

Approved capital

Based on the decision of the General Assembly of 27th of August 2003 regarding approved capital, two capital increases were completed on 20th of April 2004 and 16th of September 2004, where 125'000 new shares à CHF 10 nominal were subscribed and issued. The issuance price was CHF 18.50 per share. The capital increase amounting to CHF 2'312'500 was completed through a payment made in advance of the financial year by shareholders of CHF 1'387'500 and through an additional cash payment of CHF 925'000.

On 14th of June 2005 the company increased its capital in a further capital increase of CHF 1'842'160 through the issuance of 184'216 registered shares à CHF 10. The issuance price was CHF 15.50 per share. The capital increase amounting to overall CHF 2'855'348 took place through the already at the 31st of March 2005 paid-in-capital of CHF 508'780 and through payment in cash of CHF 2'346'568. The stock issuance will be booked in the current year.

The Board of Directors is authorised to increase the share capital of the company until the 27th of August 2005 with maximum CHF 4'407'840 nominally through the issuance of 440'784 registered shares à CHF 10 nominal.

Contingent capital for employee participation

The share capital of the company can be increased with a maximum amount of CHF 750'000, through the issuance of maximum 75'000 registered shares to be fully liberated at nominal

CHF 10, through the exercise of options or subscription rights that employees have been granted, including members of the Board of Directors of the company or group companies.

Limitations to the transferability

The Board of Directors can block the transfer of shares in cases where the purchaser holds more than 5% of the overall number of outstanding registered shares and when the purchaser on demand of the company can not testify that the shares are bought and held in his own name and for his own account.

Shareholders / Registration in the share registry and voting rights

The share registry of New Value AG is managed by SAG SIS Aktienregister AG, Olten, Switzerland. Every registered shareholder has the right to exercise its voting rights. Shareholders, who hold their shares through nominees, do not have any voting rights.

New Value AG currently has 77 registered shareholders. The company does not have any dominating shareholders or shareholder groups. The company has both institutional and private shareholders, whereby one shareholder holds 7.6%, one shareholder 10.1 % and one shareholder 22.6% of the overall share capital of the company. All shareholders, who are registered upon the date of sending the invitation (at the latest 20 days in advance) for the General Assembly, receive an invite. In exceptional cases shareholders that have purchased their shares

short-term can be invited to the General Assembly.

General Assembly

The General Assembly is called upon through an invitation in letter form at least 20 days in advance of the assembly day. The invitation includes next to day, time and the place of the assembly also the topics and the requests of the Board of Directors as well as the information of the shareholders, who has insisted on a General Assembly or demanded an agenda item. If the items have not been announced correctly, no decisions can be made subject to the provision of the universal assembly, other than over the request for an extraordinary General Assembly or through the implementation of a special audit.

This year's General Assembly takes place the 15th of August 2005 at 16:00 in Hotel Widder in Zurich. The invitations will at the latest be sent the 26th of July 2005.

Articles of Association

Decisions of the General Assembly that necessitate two thirds of the present voting rights and the absolute majority of the present nominal share value are:

- in Art. 704 Abs. 1 OR Swiss Code of Obligations mentioned cases;
- the easing or abolishment of the limitation for the transferability of the registered shares;
- the conversion of registered shares into bearer shares;
- the dissolving of the company through liquidation;
- the dismissal of the Board of Directors according to Art. 705 Abs. 1 OR in the Swiss Code of Obligations;
- changing Art. 13 of the Articles of Association regarding election and tenure of the Board of Directors; and
- attempts to evade the Articles of Association's rigidity as to decision making during the General Assembly, in particular such as listed in Art. 12.

Stock market quotation

The share of New Value AG is quoted on the Berne eXchange (earlier telephone stock market Berne) since the 28th of August 2000. The stock market course at 31st of March 2005 was CHF 16.00.

Depository / Bank connection

Credit Suisse Zurich is the depositary of New Value AG, over which all other banking business as well as both capital increases in 2004 were dealt with.

The company has a trading account with the Cantonal Bank of Berne, which is used for the care of the stock market quotation.

3. Remuneration and share ownership of the body members

Remuneration of the Board of Directors

The members of the Board of Directors receive for their activity a fix yearly remuneration. The Chairman receives CHF 20'000, the Vice-Chairman CHF 17'500 and the other members CHF 15'000. Additionally, an option model exists, whereby in the years 2001, 2002 and 2003 options with a maturity of 5 years and with a retention period of 4 years were issued. No options in 2004 were issued and for the years 2005 until 2007 a new option model with similar parameters is being developed. Maximum number of shares to be issued for the Board of Directors is not allowed to exceed 1% of the share capital per year.

Remuneration of the Investment Committee

The members of the Investment Committee do not receive a fix remuneration, but are instead remunerated on an hourly basis with CHF 200 per hour and upon expenses. The members of the Investment Committee received during the reporting period a total remuneration of CHF 42'500.

Remuneration of the Investment Adviser

According to the Investment Advisory Agreement New Value AG pays the Investment Adviser EPS Value Plus AG, Zurich, a quarterly investment management fee. This amounts to 0,5% quarterly of the consolidated overall Net Asset Value (NAV) of the company at the beginning of the business year and is to be paid quarterly in advance.

At the end of each business year New Value AG pays the Investment Adviser a staggered success fee, which is based on the share course development of the company at the main stock exchange according to the following formula:
≥ 10% p.a. value increase: 10% success participation
≥ 15% p.a. value increase: 20% success participation
During the reporting period the Investment Adviser EPS Value Plus AG did not receive any success fee.

Share ownership of the body members

As of 31st of March 2004 the members of the Board of Directors and other related persons were in possession of totally 4'885 shares of New Value AG, which represents 0.3% of the share capital. The Board of Directors is in possession of 35'288 options through the participation plan of New Value AG.

4. Auditing firm

The General Assembly elects the firm to audit the company's accounts every year. Since foundation KPMG Fides Peat, Berne, has been the group auditor and auditing firm of the company. The audits were led by Mr. Dieter Widmer since foundation of New Value AG and by Mr. Christoph Andenmatten since the business year 2004/2005.

For the auditing of the company and the consolidated accounts KPMG Fides Peat received CHF 54'919 during the reporting period.

5. Information policy

The company publishes yearly an Annual Report, a half-yearly report and three quarterly reports (March, June and December). Official channel for publication of the company is "Schweizerische Handelsamtsblatt" (SHAB). The Net Asset Value of the company is published monthly on the company's website (www.newvalue.ch).

Further sources of information are "Bloomberg" and "Reuters" as well as the financial journal "Finanz und Wirtschaft".

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Investment policy

1. Investment strategy

The core of our activity is to develop middle- to long-term investments stakes. The investments concentrate on unquoted companies that based on a promising product development show a high market and growth potential. The objective is to realise capital gains at an optimal point in time through a trade sale or a flotation on the stock market after an intensive period of active value-added. New Value AG invests with emphasis on Switzerland, Germany and Austria in growth companies with an ethical-innovative base attitude, which generate values for the different stakeholder groups (see overview page 14). A broad sector approach is consciously pursued and it is invested both in high-tech and more traditional sectors.

Positive criteria for investment are:

- identifiable competitive advantages that promise high market shares and substantial growth;
- a large existing or potential market volume;
- a qualified, more or less complete management that is willing to be supplemented further in case circumstances change;
- motivation of the entrepreneurial team to achieve the agreed objectives together with an active investor;
- The integration of ethical concerns in the company policy

The central ethical criteria sense making, social compatibility, human dignity and ecological sustainability shall basically be understood as positive guiding principles for an innovative and constructive company policy; possible negative criteria can be derived from these.

Ethics orients itself towards fundamental values and norms like respect for life, avoidance of harmful disturbances, fair distribution, sustaining the foundation of life, responsibility for the overall good, solidarity and human dignity. The policy of New Value is directed towards a positive correlation between ethics and profit based on the expectation that ethics are quality enhancing and that this is increasingly perceived so by customers and investors.

Science understands ecological sustainability as the relationship between value added and creation of harmful side effects. The ethical concept of New Value aims at an increase in the enterprise value through optimisation of this relationship based on business concepts that open new market potential with lower environmental and resource utilisation. Ecological sustainability is an essential competitive advantage in order to be successful in global markets.

The following stakeholder groups are important for the portfolio companies and New Value AG:

- investors
- customers
- employees
- suppliers and subcontractors
- the environment
- society at large

Investments can be made in:

- Private Equity (unquoted companies from start-up to Pre-IPO financings)
- Companies, quoted on a supervised stock exchange

2. Private Equity investments

Private Equity is the direct investment with equity in promising growth companies, which shares are not traded on the stock exchange. In particular young companies need this kind of growth financing. This way of investing counts as one of the oldest way of financing companies altogether.

Not all growth companies achieve high returns and multiply their market value. A careful selection and a close strategic coaching and control are absolute prerequisites for profitable investments. Therefore it is surely advantageous to use the knowledge and experience of a specialised Private Equity company. The specifically trained knowledge holders work under strict control with professional methodology and guidelines.

The simultaneous investing in several companies in different sectors diversifies and limits the risks and optimises the profit. The coaching by the Private Equity specialists increases the market value of the portfolio companies.

3. Investment targets

The company endeavours to achieve medium- to long-term over-average return based on value increase with a low correlation to traditional capital markets.

New Value invests the funds at its disposal to a high degree in investment stakes under consideration of the economic and capital market situation. The liquidity of the company shall as a rule not lie over 10% of the available funds.

4. Investment style

The investment style of New Value AG is to develop middle- to long-term investments stakes. The investments concentrate on young, unquoted companies that possess trendsetting innovations.

Investments take place either in form of equity or equity related financial instruments (e.g. convertible loans, loans with option rights). Either significant minority stakes or committed co-investments together with other Private Equity investors are acquired. Possible majority stakes are only of an intermediary nature and no industrial control is sought. In exceptional cases investments can also be supplemented through credit related instruments (e.g. bridge financings).

The objective is to make commitments in companies with exceptional value increase potential. Through active coaching of the portfolio companies, risks are controlled and it is contributed actively to the value increase over time.

Realisation gains, dividends and other revenues are reinvested.

5. Distribution of investments

5.1 Distribution according to sector

A broad sector approach is consciously pursued and it is invested both in high-tech and more traditional sectors. No sector shall represent more than one third of Net Asset Value.

5.2 Distribution according to region

New Value AG invests primarily on Switzerland, Germany and Austria. In principle it can also be invested all over Europe and in exceptional cases also overseas.

5.3 Distribution according to development stage of the company

- Up to maximum 100% of funds in Private Equity
- Up to maximum 50% of funds in quoted companies; relevant in case of an IPO of a portfolio company

5.4 Distribution according to financing form

- Up to 100% of funds invested in equity and equity related financing forms
- Up to maximum 20% of funds in loan financings (combined with existing or planned equity financings)

6. Selections of investments

New Value AG continuously screens the market and identifies companies that fulfil the criteria. An evaluation under consideration of chances and risks is completed as to aspects like the product, market, management, financial performance and ethics.

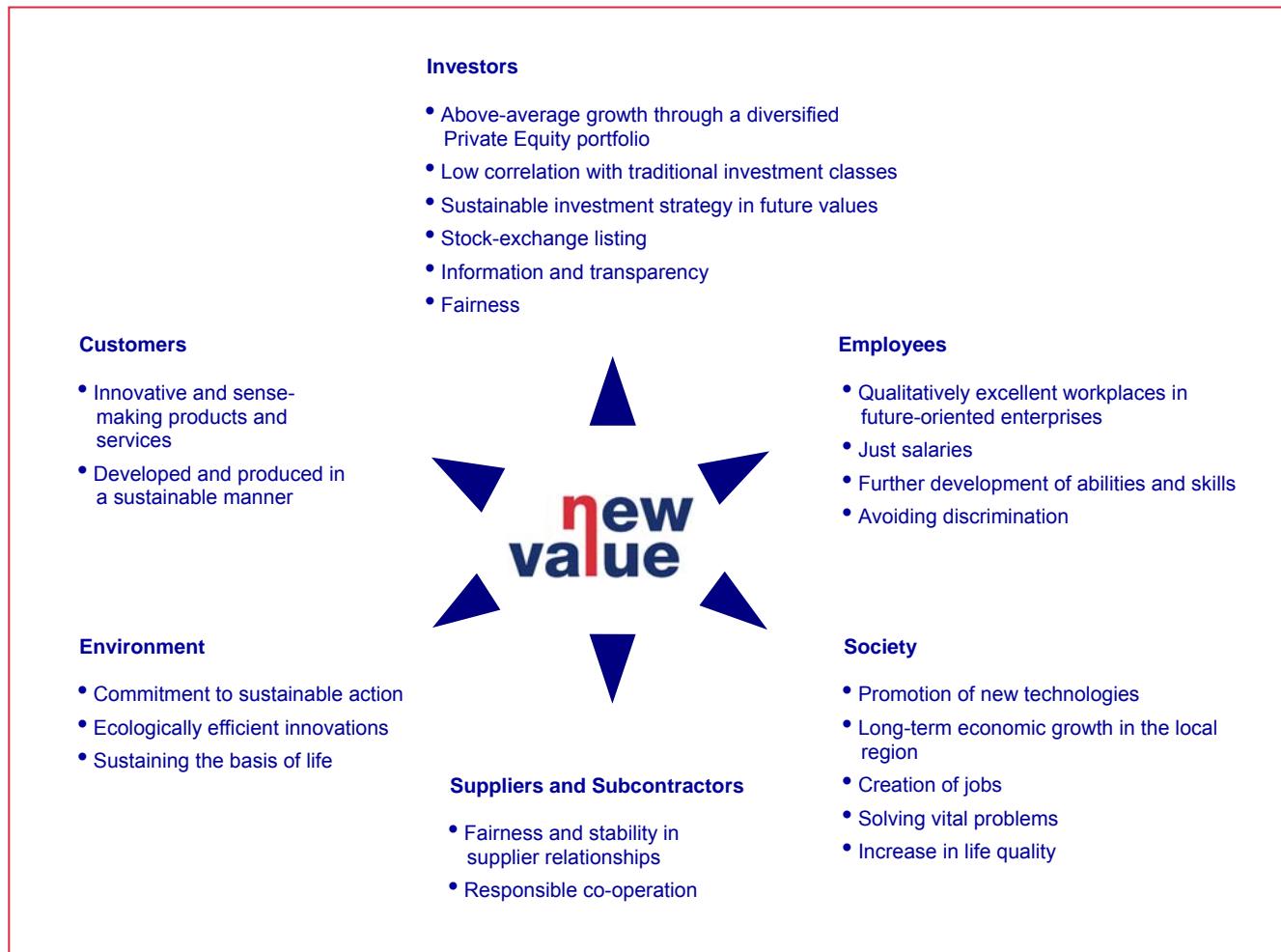
The following considerations are of particular importance for an investment:

- Conformity with the investment guidelines of New Value
- Development potential both from a technological and market point of view
- Certain continuity in and confirmation of the strategic position under consideration of chances and risks
- Balanced risk-/reward profile
- Reasonable price
- Consideration of ethical selection criteria

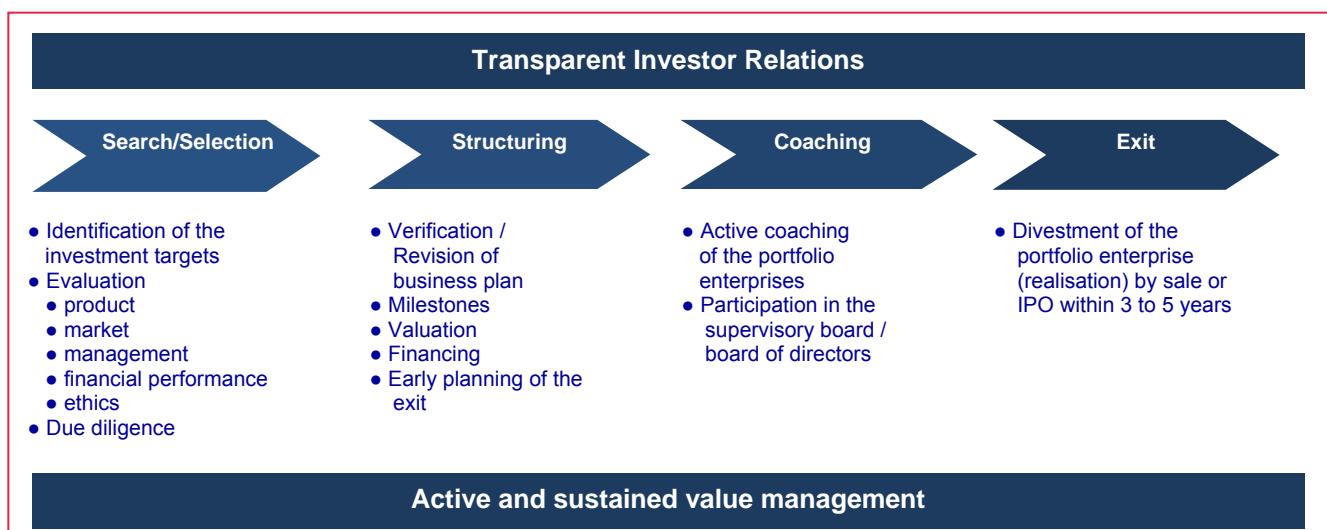
7. Risk distribution

Any single investment shall as a rule not make up more than 20% of the Net Asset Value of all investments. The value is calculated based on the purchase value of the respective stake.

New Value generates value for the stakeholders



Investment Process





The portfolio companies



Review of the business year 2004/2005

The Net Asset Value (NAV) of New Value was CHF 15.77 per share at the end of the reporting period and thereby decreased with 7.5% compared to the 31st of March 2004. The current course development is typical for Private Equity portfolios; thereby one speaks of a J-curve, where the NAV consolidates before a phase of value increase and exits begins. The stock market price has during the reporting period converged somewhat with the NAV and the premium has decreased. The course at the stock exchange was CHF 16.00 the 31st of March 2004 (-14.7% compared with 31st of March 2004). The New Value share was again one of the most traded titles at the BX Berne eXchange. New Value pursues the objective of fulfilling high specifications in reporting and transparency. Accordingly, the for Private Equity investment companies relevant revised IFRS-accounting standards IAS 28, 32 and 39 were implemented on a voluntary basis already one year in advance of the requirement in this Annual Report. New Value fulfills the formal criteria for a Swiss Exchange SWX quotation. The attractiveness of the New Value share has increased further through attention from several financial service providers. The Cantonal Bank of Zurich (ZKB) has reviewed New Value AG and decided to include the New Value share both in the traditional as well as the sustainable investment universes. Oekom Research, an independent rating agency for sustainable investments based in Munich, has researched New Value and recommends its customers the New Value share as a "Potentials" company for investment.

The portfolio companies of New Value were able to achieve important objectives in their company developments: Idiag extended for example its product offering, Mycosym made an important patent filing, SAF increased its revenues significantly and is in a sustainable manner profitable, 3S could show nice successes also in the US photovoltaics market and was able to enter into an important industrial partnership. The portfolio of New Value has overall reached a certain maturity level and we expect to realise attractive divestments in the coming 6 to 18 months.

Peter Letter

As of the General Assembly the 23th of August 2004 the two members of the Board of Directors Mr. Eugen Bartholdi and Dr. Alfred Stingelin withdrew from their positions. Both gentlemen provided fundamental service to New Value AG in the founding and build-up phase. To increase the competence of the Board of Directors in the domain "Human Resources" we were able to attain Mr. Thomas Keller as a professional with a wide and relevant background. He will be helpful for New Value in the complex challenge of finding the right leadership personalities for the portfolio companies, something that is fundamental for successful business development.

From the 21st to the 28th of October New Value AG completed a series of events in Basel, Berne, Zug und Zurich under the topic "Investing entrepreneurially in Switzerland – being the decisive breaths in front". Guest were the Swiss sport stars Karin Thürig, Franco Marvulli as well as Andrea Clavadetscher, who held short presentations and told the interested audience about their lives as top notch sport athletes and their training methods with the respiratory training device SpiroTiger® that is developed and marketed by Idiag AG. The portfolio companies Bogar, Idiag, SAF and Swiss Sustainable Systems were presented by their respective CEOs. Altogether 200 persons participated in the breakfast presentations and thereby showed their interest in New Value. The innovation potential of SMEs in Switzerland is large and there are currently favourable entry conditions for Private Equity. For the investors of New Value AG an exciting market opportunity opens up. Still there is a certain hesitation of financing companies at a relatively early development stage, something that leads to a buyer's market. That means that New Value can participate in high potential, innovative and professionally led companies at very favourable conditions. In order to take advantage of these opportunities and to finance the expansion of the existing portfolio companies, New Value AG has between April 2004 and July 2005 in three steps increased its equity with totally CHF 5.1 Mio. In the coming months a further increase of the capital basis is planned.

Peter Letter
CEO, EPS Value Plus AG

Bogar AG

www.bogar.com

Sector: Animal health

Share New Value of company: 15.4%

Short description

Bogar is a pharma company that is specialised in the development, production and marketing of modern, high-value plant-based pharmaceuticals, feeding supplements and care products for a gentle, natural and future oriented animal health and feeding. The company was founded in 1998 and has its domicile in Zurich-Wallisellen (CH). On the basis of its extensive plant-based pharmaceutical know-how with modern scientific methods and by applying strict quality criteria, Bogar has developed as a pioneer in veterinary-medical phytotherapy a growing assortment of plant-based products for an effective nutrition as well as for the prevention and treatment of different disorders and diseases in pets and livestock. The products are proven to work and well documented in scientific publications. Target groups of Bogar AG are veterinaries, pet and sport-oriented animal keepers, agro-businesses active in conventional and ecological production and breeding as well as nutrition industry for pets and livestock.

Highlights

Bogar was able to broaden its product assortment substantially again. Towards the end of 2004 the herb shampoo product family bogahair® C was launched and received strong customer interest. In June 2005 Bogar additionally presented bogadapt® H as a feeding supplement for the interesting horse market.

In connection with the focusing of the sales activity on the pet market, the company was able to engage the experienced Michel Pascal Ferrari as new Head Sales & Marketing. He will push the professional positioning and marketing of Bogar products domestically and internationally forward. For the sales of the products in Switzerland, the company will set up its own sales organisation. After the positive decision of the WEKO, the Swiss Commission on Competition, regarding the possibility to deliver animal pharmaceuticals to pharmacies henceforth, Bogar is actively pursuing this new sales channel. Additionally, several well-established local distributors for the veterinary and professional whole sale channel could be won.

With the approval of Bogamove® in South Africa and the closing of a sales agreement with Formevet in Italy, important progress could be made in these two countries. Further partnerships were closed in the Scandinavian countries, Austria, Germany, France and Greece, but did not result in substantial sales so far.

On the occasion of the General Assembly of Bogar AG the 1st of June 2005, the composition of the future Board of Directors of the company was formulated anew. Mr. Urs Kamber, head of Incentive Private Equity Holding AG, Zurich, could

be won for the position as Chairman, replacing the resigned founder Prof. Georg Frater. Kamber was Chief Financial Officer of Centerpulse Ltd., a leading, quoted Med-Tech company for artificial knee and hip joints and implants. In this function he led the sales process of Centerpulse to Zimmer Holdings, Inc. Furthermore, Mr. Helmut Elkuch was chosen as a new member of the Board of Directors of Bogar, being a professional with sound experience in the pet nutrition industry as well as in the leadership of quoted companies. Elkuch led as CEO the restructuring of Sihl Holding AG and was a.o. also marketing manager for animal nutrition and member of the management of Effems AG (Mars Group, USA), with world brands like Whiskas and Frolic for pet food. Ms. Ana Patricia Rahn, a lawyer, was voted into the Board of Directors as representative of the Rahn-Group. Mr. Rolf Wägli, Chairman of New Value AG, continues to represent the interests of New Value in the Board of Directors of Bogar AG as Vice-Chairman.

Outlook

Bogar has a highly interesting product assortment with the existing feeding supplements for pets bogamove® N, bogadapt® N und bogariat® N, the pharmaceutical for dogs bogaskin® as well as the herb shampoo product family bogahair® C and the new feeding supplement for horses bogadapt® H. The products for the livestock domain (calves and farrows) are in a well advanced development stage, but will first be market mature in 2-3 years. Bogar has gotten off to a good start in 2005 and the implementation of a proprietary distribution organisation in Switzerland shows first positive results. The revenue figures show continuous growth from month to month. With the establishment in the home market and new distribution partnerships, Bogar has got an excellent position for a successful international marketing of its products. In June 2005 Bogar managed to complete an expansion financing with three institutional investors with the participation of New Value AG. The strengthening of the Board of Directors is an important measure to prepare Bogar for the upcoming expansion phase.

Valuation

The valuation of CHF 360.00 per share equals the last capital increase in June 2005.

Colorplaza S.A.

www.colorplaza.com

Sector: Online photo services

Share New Value of company: 13.3%

Short description

Colorplaza S.A. was founded in 1999 with domicile in Vevey (CH) and is active in the internet-based photo-servicing sector on a pan-European basis.

The company offers e-commerce digital imaging services in 10 languages and a worldwide mail delivery. Due to modern picture processing based on digital exposure, the ecologically questionable development of negative pictures can be avoided. The selection and ordering of pictures can comfortably be completed with the own computer. Consumption of disposables like photo paper and printing cartridges can be significantly reduced in comparison with printing at home. Delivery is by post within 2 to 4 days. With the international premium photo service Colormailer®, the company introduced its first product to the market five years ago. In the mean time it has positioned successfully two further proprietary labels next to Colormailer: Fastlab® (lower price segment) and ColormailerPro® (professional customers). Colorplaza operates for Sony Europe B.V. the printing service of www.sony-imaging.com. Colorplaza has been able to widen its product offering with further higher margin products like for example individually printed greeting cards, mouse pads, calendars or cups.

The platform technology of Colorplaza is leading the market for digital picture services and distinguishes itself in particular through integration of the whole value chain and high flexibility. This was also proved by the launching of innovative offerings like individual photo albums, PanoramaMaker or "www.photo-2-phone.com" (digital pictures from the PC on the cellular phone).

Highlights

Colorplaza closes the year 2004 with break even. Revenues increased slightly in comparison with last year and a positive cash flow was generated. In comparison with most competitors, Colorplaza is not operating a loss making volume business, but could rather through focus on margin strong products and markets achieve good financial results.

During the first quarter of 2005, Colorplaza was able to achieve growth of more than 20% in the number of prints for the low-price brand Fastlab® as well as the "Sony Print Service". The premium brand ColorMailer® showed stagnation, however. Colorplaza estimates that ColorMailer® through targeted marketing measures and a broadening of the offering can be brought back to a growth path.

An important element of the Colorplaza strategy is partnerships in the domains of market multiplication and technology. The service "www.fastlab.com" is still offered as official service of the Microsoft® Windows XP Platform in 11 European countries and shows strong growth. Next to the existing co-operations with Microsoft, Sony-Ericsson or Agfa, the co-operation with Sony-Europe B.V. could be deepened end of 2004: The Sony print service of the web portal "www.sony-imaging.com" is now actively operated by Colorplaza.

Outlook

In the seasonal printing sector, the summer and Christmas business is of particular importance. Colorplaza has structured its product offering accordingly and emphasises strongly focus on the profitable products and markets in the year 2005. In the second quarter of 2005, Colorplaza focussed the operative management, in order to be able to react more forcefully to the dynamics of the market. Through the increasing sale of digital cameras and the shift from analogue to digital photography, the market volume of online photo services is rising strongly. Colorplaza operates with a limited marketing budget, but has nevertheless been able to get a strong position in this interesting market Europe-wide.

Valuation

The valuation equals the entry price.

Idiag AG

www.idiag.ch

Sector: Medical technology

Share New Value of company: 39.2%

Short description

Idiag develops and sells products and concepts in the domains of medical, therapeutic and sport applications. The by Idiag offered product families are positioned in spinal and joint diagnostics (MediMouse®), in the treatment, reconstitution and endurance training of the pulmonary muscles (SpiroTiger®) and the function analysis of the pulmonary organs.

MediMouse® (or SpinalMouse®) is a new handy measurement device for the computer aided presentation and X-ray-free examination of the form and flexibility of the spine and body joints. In comparison to customary examination equipment, MediMouse® offers important advantages as to accuracy, objectivity and the presentation of the measured values and it represents good value for money.

The endurance training of the pulmonary muscles with SpiroTiger® Medical rehabilitates and reintegrates the human being in his full integrity. SpiroTiger® Medical is a device for the targeted reconstitution and endurance training of the pulmonary muscles (it reduces breathlessness, improves slime detachment, strengthens the posture, the physical performance and can offer a therapy against snoring). SpiroTiger® Sport trains endurance, muscle strength, co-ordination, speed and flexibility of the pulmonary muscles and of the upper part of the body. Top athletes like Karin Thürig (World champion and Olympic medal winner in speed cycling and duathlon) or Franco Marvulli

(Olympic medal winner in track cycling) train successfully with the SpiroTiger® Sport.

Highlights

The year 2004 was used for further technical development and the preparation of the market introduction, whereby the revenues and profitability remained under expectations. The budget targets were not fulfilled. Towards the end of 2004 the update business for the spinal diagnostics started to develop positively again. The budget for the first quarter of 2005 was achieved and the quarter could be closed with a profit. Revenues were increased with 50% in comparison with the last quarter of 2004.

In the product family MediMouse®, Idiag could completely update the version with additionally integrated applications. The device is now equipped with Bluetooth technology. At the same time significant functionalities were added to the software. This opens up an update business for Idiag with existing customers and a broader scope of applications. With the acquisition of two high value product families, Idiag makes the decisive step towards becoming a highly qualified systems provider in its domestic market in the areas of respiratory training/pulmonary functions and spinal diagnostics/training and can take advantage of synergies in the already established sales channels. Idiag will exclusively distribute the high value pulmonary function testing devices of the Italian COSMED (spirometry, ergospirometrics and cardio pulmonary exercise testing) in Switzerland and thereby complements the offering around SpiroTiger®. Furthermore, Idiag closed the contract for the exclusive distribution of Zeptoring® in Switzerland. The "Zeptor" is a modern training device for sports and therapeutic applications. The patient or the athlete thereby stands on a vibrating plate. The neurochemical reflects used to assure equilibrium are a superb therapy for many physical human deficits. Applications are foreseen in training to increase posture, balance and muscle strength, therapy of osteoporosis, follow-up treatment of sport injuries and Parkinson.

The company successfully completed the 4th idiag symposium in March 2005. The professional symposium was organised under the title: "Prevention and rehabilitation during youth and with age; opportunity - or risk?" in the Paraglacial centre in Nottwil. Internationally renown scientists and practitioners showed their newest findings from science and clinical studies to the more than 200 participants from the therapy and diagnosis domains. Emphasis was on the two topics "respiratory muscles" (physiology and diagnosis; therapy and training), where SpiroTiger® from Idiag represents one of the leading devices, as well as "Spine and joints" (physiology; muscle strength and further measurements; diagnosis healing and therapy process), where MediMouse® from Idiag is applied successfully as a diagnosis device.

During the reporting period New Value has strengthened its position in Idiag through an increase of the convertible loan of CHF 0.6 Mio.

Outlook

Idiag is well positioned for the coming business year: the cost structure has been made more flexible, the product assortment could be advanced to the newest technical level, further product innovations are in the pipeline and the necessary sales structures in the important market Germany could be put into place. Through a combination of direct sales through a proprietary German subsidiary and sales partners, all targeted customer segments in spinal diagnostics and respiratory training can be addressed. The company has filed an application for the devices to be covered by health insurance policies.

The products of Idiag have a high market potential with broad application spectrums in an environment of increasing spinal grievances and breathing disorder. The exceptionally good coverage through independent clinical and scientific surveys, patent protection, a modular system for continuous product innovations over the whole life cycle (hard- and software based), good value for money and conformity with the trends in the health care (e.g. therapy costs, preventive medicine) contribute to the attractiveness of the company.

The company has pursued innovative ways in the financing of the working capital through a bank independent mezzanine capital raising.

Valuation

The valuation of CHF 600.00 per share equals the price of the important capital increase before last (the capital increase at CHF 750.00 per share was not considered as a matter of prudence).

Innoplana Umwelttechnik AG

www.innoplana.ch

Sector: Environmental technology

Share New Value of company: 7.6%

Short description

Innoplana Umwelttechnik AG with domicile in Dübendorf (CH) was founded in 1997 and is specialised in the realisation of systems for the treatment and drying of sludge, for which it has developed a patented process. The company offers complete solutions for sludge treatment for municipal and industrial applications. The process is exclusive world-wide and offers unique product advantages like higher energy efficiency, lower utilisation and maintenance costs, the resulting residual is a more stable and dust-free granulate, no explosion danger and lower disruption probability. During the investment period of New

Value, Innoplana was able to sell and install reference projects all over Europe on a commercial basis. Thereby Innoplana achieved the necessary market presence and acceptance in order to be able to work with partners like Degrémont. Today, Innoplana is a part of the Degrémont-Group within the French Suez conglomerate.

Highlights

The position in Innoplana Umwelttechnik AG was sold in November 2002 by New Value at a profit to Degrémont, a company in the Suez-Group. 82.4% of the by New Value held share position was sold. For the rest there is a put-option until at the latest the end of 2006 within a price range, which is dependent of the order intake. New Value was before the sale lead investor with a 39% stake in the company.

The integration of Innoplana in the Degrémont Group during the last two years did not go according to plan. The management team put in place by the mother company has in the mean time been completely changed and the expected synergies in the international distribution have not paid off sufficiently yet. Degrémont has published a notice of forthcoming warranty claims. After thorough consideration, New Value has evaluated these claims to be without substance.

During the reporting year 2004, Innoplana moved its domicile from Tägerwilen to Dübendorf, in order to take more advantage of the synergy potential with the Degrémont-daughter Ozonia AG. Certain market successes could be achieved, in Scandinavia in particular, towards the end of 2004 and in the beginning of 2005. The development of the order intake has improved and Degrémont invests more in the further development of the technology and in business development.

Outlook

New Value will until complete exit from the company take its role as representative of the former shareholders seriously and is for the further surveillance of the company represented in the Board of Directors.

In the mean time, Degrémont has declared the drying technology of Innoplana as a key technology for the whole company. The formerly suspended product development programme is now actively continued. We expect that Innoplana through the world-wide presence of Degrémont will use the distribution channels more and realise good growth.

Valuation

The valuation of CHF 12.00 per share equals the lower price span of the put option towards Degrémont.

Light Vision Group AG

www.lightvisiongroup.com

Sector: Illumination technology

Share New Value of company: 56.5%

Short description

Light Vision Group AG (LVG) develops, produces and sells products in the high-tech electroluminescence (EL) illumination domain. LVG is technology leader in the development and roll-to-roll-production of extremely long, very flat, flexible light strips. The company was founded in December 2001 with domicile in Dottikon/AG (CH). The Light Vision product "Light of the reel" is an illumination element consisting of 300 µm thin, flexible strips. "Light of the reel" is produced in a continuous roll process and can be offered as an inexpensive standard product in the market. Applications areas are e.g. in furniture, trade fair and shop decoration, interior design, textiles, publicity and security technology. The strip is produced as a standard with a breath of maximum 23.5 cm and in a length up to 200 metres. The maximum illuminated length or surface is solely dependent of the performance of the inverter. The strength of LVG lies in the impeccable production of light strips. The production plant in Dottikon operates a roll-to-roll process in a rotation printing facility in a clean room (D-class), which enables a faultless quality. The solvent absorption through an active charcoal filter allows a nearly emission-free production. Advantages are the compact nature, form flexibility, light homogeneity, ex-post cut ability, water compatibility, warmth-, vibration-, shock insensitivity, touch ability, impact strength as well as simple installation of the product. Additionally comes the high energy efficiency, no use of mercury (in comparison to neon tubes), the long life duration, environmental compatibility as well as low electricity consumption. Most of the product advantages lead to cost savings compared to customary neon, fluorescent tube, LED and fibre optic solutions.

Highlights

LVG is currently in the market introduction phase for different concrete application solutions of the light strips with partners from the interior design, hospital installation, textile, automotive supply, construction industry and security technology sectors. The scope of production applications could be broadened in 2004 and targets areas with multiplication character.

The sales expectations for 2004 could not be fulfilled. Revenues are generated through ongoing smaller orders and increasingly from development orders for new strategic projects and are on a low level. Light Vision Group foresees for 2005 a gradual revenue increase. The positive feedbacks from potential customers based on the participation at the trade fair Designer Saturday in November underlines this expectation. One of the successful orders was the delivery to a renown aquarium with

illuminated signs. Furthermore, the promotion of new projects for the French market was strengthened through a new distributor.

A capital increase through a new investor was realised in September 2004 in order to finance the ongoing and new strategic projects. As part of this capital increase, New Value converted CHF 533'000.00 – most of its outstanding convertible loan – into equity. Through a further capital injection of another investor in July 2005, New Value's share of LVG retarded to 47.1%.

Outlook

LVG expects for the current year gradually increasing revenues at a still fairly low lever and for 2006 the first orders with a series character. The activities in France are developing positively after the first realised orders. Accordingly, the company pursues comparable projects in the surrounding markets.

Valuation

The valuation remains unchanged compared with the previous reporting period and equals the price of the capital increases through the co-investors.

MYCOSYM International AG

www.mycosym.com

Sector: Agro/Biotech

Share New Value of company: 48.4%

Short description

MYCOSYM International AG is a plant technology company that utilises symbiotic effects for its customers in the agro-business. Focus is on applications in high value crops in the international agro-market. Mycosym has its headquarters in Basel (CH) with an operative subsidiary for production and sales between Malaga und Seville in Spain.

MYCOSYM develops, produces and markets novel biologic soil additives using mycorrhiza (natural symbiosis between plants and soil fungi). There are many different application opportunities in agricultural intensive cultures, within the domain of recultivation and in professional as well as hobby gardening. The soil additives improve the growth of the plants (vitalisation, root volume), which leads to high productivity, quality improvements and less loss in intensive cultures as well as enables growth in extreme places (drought, salinity, contamination in the biological segment).

Scientifically, the manifold use of mycorrhiza for plant growth is indisputable. In the development of a technology that actually allows a commercial utilisation, Mycosym is however a pioneer. Generally, qualitatively acceptable products with the ability to be stored and be produced in larger quantities have not existed. High quality, stable

basis products are produced by Mycosym in its own production facility with a proprietary, scalable and cost-efficient process. Based on this basis product many formula possibilities for special applications exist (like different plant cultures, cultivation method or problem solutions). Mycosym has developed three formula and filed one process patent. The company is about to start the market introduction.

Highlights

As part of the financing round in 2004, the company structure could be simplified. MYCOSYM International AG, Basel, now acts as holding company under the leadership of Dr. Michel de Rougemont as CEO. The German holding company was renamed as CROP Innovation AG and does not perform any business activity anymore. In parallel the German daughter company was made independent through a Management Buy-out under the name of AMycor GmbH. Apart from publicly supported R&D activity, the company will principally be active with solutions for contaminated soil and the local distribution of MYCOSYM products. MYCOSYM and AMycor will continue the close co-operation on a contractual basis. Through these measures, MYCOSYM could significantly reduce its cost structure without loosing its market potential. The proximity to the market in Spain could be improved additionally to the existing production facility near Malaga by the opening of an operative subsidiary within the life sciences oriented business park close to Seville. In addition to the office facilities, the company has modern laboratories at its disposal. Dr. Rut Calvente was won as new Head of R&D and Production. She wrote her dissertation at the University of Granada, a renown centre for plant technology, and has many years of experience in applied mycorrhiza research. At the beginning of 2005, a Head of sales for Spain could be recruited as a supplement to the operative management team. First marketing measures in the local Spanish market for plant-nursery companies were commenced. In co-operation with independent certification units and test customers, the field development program with the newly developed formula is well underway. The application methodology and dose is defined for the first plant cultures and the focus of the ongoing trials is on constant performance results. These trials represent the preparations for the planned market introductions during the running and beginning of the upcoming year. The formulation developments led to a patent application, which should assure MYCOSYM lasting competitive advantages in the segment of mycorrhiza technology for commercially oriented agronomic applications.

For the financing of the investments for the ongoing product development, a financing round amounting to CHF 1.25 Mio. could be closed with a co-investor. The share of New Value was CHF 0.875 Mio. The outstanding loan towards the MYCOSYM-Group could be converted into equity of MYCOSYM International AG, Basel.

New Value has sold 15'500 shares of the MYCOSYM position to a German Private Equity investment company during the first quarter of 2005. The sales price corresponds to the current valuation of the position in the portfolio of New Value. The new co-investor will equally participate in the financing round of Mycosym in the third quarter.

Outlook

MYCOSYM addresses as a pioneer company a broad, hardly developed market with a huge potential. Thanks to a cost-efficient production process, attractive margins are realisable upon a successful market entry. The products are within the trend towards more environmentally compatible products in plant and in nutrition production. The market introduction currently in preparation is based on intensive field survey programmes with independent certification and clearly formulated statements as to customer benefit. The barriers to entry for potential competitors are high due to long development cycles. MYCOSYM plans a market introduction in certain niches with small quantities towards the end of 2005 and after completion of the field survey programme on a broader basis in 2006.

Valuation

The valuation equals the cost price.

SAF Simulation, Analysis and Forecasting AG

www.saf-ag.com

Sector: Software

Share New Value of company: 12.1%

Short description

SAF AG was founded in 1996 with domicile in Tägerwilen (CH) and develops, markets and implements software for the automatic disposition and scheduling in retailing. Best know-how as to statistics, mathematics, business and modern technologies are united. These software products automatically disposition the branches or the warehouses and optimise the merchandise stock. The offering of SAF builds on the three columns: software products (development and sales), project management (pilot installation, rollout and support) and analysis services (concepts for the optimisation of merchandise flows in retailing). The products automate the ordering either in the branch (SuperStore®) or in the distribution centres (SuperWarehouse®).

The forecasting and optimisation software of SAF are based on modern statistical methods and the Demand Chain Management concept (DCM) developed by SAF. DCM starts with demand respectively the customer, in comparison to traditional Supply Chain Management, where one

starts with the offering or the production. The SAF software is designed for huge quantities of data and for the operative use in branches, central co-ordination locations or distribution centres. The calculation of the optimal stock of products in the assortment of the customer, automatic ordering, reduced logistics costs, higher customer satisfaction through higher availability of the products at point of sale and quicker flow through count as customer benefits. SAF has international customers like Metro, dm-drogeriemarkt, Holiday Quality Food (US), etc. The company closed a strategic partnership two years ago with SAP AG, Walldorf (D) for sales and distribution as well as product integration in SAP-R3.

Highlights

SAF saw a highly successful business year in 2004 with 60% growth in revenues. Since the beginning of 2004, SAF could realise a sustainable profit in every quarter. In particular, the licensing business assured the high revenue growth. The number of employees at the company domicile in Tägerwilen was increased to over 45.

The company is very successful with the expansion of the business activity in the US; with the Californian Holiday Quality Foods, Inc., SAF was able to win a second large US customer for its automatic disposition system SuperStore®. SAF works with the co-operation partner SofTechnics in the US market. This Mettler-Toledo group company is one of the leading providers of software solutions for the retailing sector in USA und is represented at 15 locations. SAF plans to intensify the activities in the US market further and build up its own presence over time.

Through the market introduction of the new product Corporate Configuration Managers, SAF was able to expand its offering further. This new steering instrument allows the full and structured care of the whole configuration of numerous branches at the centre of SAF retail customers.

Outlook

2005 was started with a highly satisfactory order backlog. The expectations for the first five months could be exceeded and the profit of the period was further increased. For a further expansion of the business and the market position, SAF is excellently positioned. The company has strong partnerships in Europe and the US that ensure good distribution, it has an international customer basis and a broad offering. Additionally, the strategic partner SAP is introducing the SAF solution under the label "SAP® Forecasting und Replenishment" as part of the SAP Retail Application during the running year in its international distribution channels for existing and new customers. The licensing business with SAP could in the first months of 2005 be increased substantially again.

Valutaion

The valuation is CHF 1'912.11 per share and could be increased according to the third-party transaction price of a company stake sale during the year 2004.

Somaco AG

www.somaco.ch

Sector: New working materials

Share New Value of company: 53.8%

Short description

Somaco AG was founded in 1998 in Sins (CH) and develops, produces and sells special plastic solutions, in particular within the domain for environmentally compatible formulation development for batches and mixtures of compounds. Important strategic projects are in the production of high value recycled base materials (e.g. rubber granulate from old tires). The production is completed in the plant in Sins.

The current product offering of Somaco includes compounding and production of colour master batches, additive systems, TPEs and PP-compounds according to its own specifications. Increasingly, Somaco concentrates itself as qualified specialist on the development and production of demanding plastic compositions according to customer specifications for niche markets. Focus is on high margin products with high value added (e.g. reduced waste in the production process by customers of Somaco), where Somaco is the exclusive know-how bearer of the plastics compositions. To this end, Somaco completes development projects in advance.

Thermoplastic elastomeres: The combination of thermoplastics with elastomeres leads to compounds with elastomerical properties that can be treated and used like thermoplastics. The TPEs "SOMATEL" with rubber powder from tire recycling as base material allow a cost efficient production of finished products with excellent characteristics. The products distinguish themselves through their ecological potential, as they allow the replacement or the reuse of critical materials like soft PVC (in PVC embedded chlorine) and rubber (critical as a natural product, due to limited supply).

Plastic compositions: Mixture of plastics with thermoplastic and elastomere compositions for the production of products with special features.

Highlights

The strategic reorientation of Somaco as a specialist in niche markets was positively received by the market and first revenues with new customers could be realised. Somaco is underway to develop from a pure compoundinger to a specialist for demanding plastics for niche markets.

The start in the year 2004 was as expected modest due to the winter period in the construction industry.

The lacking revenues led to a liquidity shortage that in the mean time could be solved. The following revenue growth was not sufficient to compensate for the loss in the first quarter, so that the company was not able to break even. Overall, the revenue level was below the preceding year, because additional substantial efforts had to be made in R&D due to the strategic reorientation and some orders from existing customers came in later than expected. Additionally, the application trials with new Somaco formulations necessitate a longer development before market maturity as the quality preconditions in this domain are higher, but they do however also promise higher future margins.

Revenues in the first quarter of 2005 have not yet reached the targeted level. There are however positive signals in the segment for quality formulations for new customers. In a key project in the high quality domain with proprietary formulations, for which high development costs were booked, the company has achieved revenues ahead of the budget. Slowly increasing numbers with very good margins are expected. The development of new Somaco formulations on the basis of recycled rubber powder is also progressing successfully. First sample trials with both existing and new customers have been completed. After different and necessary test series, it is assumed that first revenues can be generated in the beginning of 2006.

Outlook

The company stands by its revenue growth projections based on the positive sample trials with the project partners and the successful reorientation. A project with a Swiss tool maker is foreseen to have particular potential. The specific Somaco composition replaces the existing standard mixture and leads to a significant reduction of the production waste. Somaco was able to fulfil the 37 quality requirements of the customer in the development process.

For the further development of the new Somaco formulations, in order to expand the laboratory infrastructure and to reduce the short term liabilities of the company, the shareholders decided a capital increase at the General Assembly in June 2005 and the Board of Directors is strengthened with Mr. Beat Stähli as new Chairman. Third party investors have approved their participation in the financing. After implementation of this capital increase in July 2005, New Value's share of the capital of Somaco will be reduced to 40.9%. An ISO 9001/2000-certification is also planned in July.

Valuation

The valuation equals the cost price.

Swiss Sustainable Systems AG

www.3-s.ch

Sector: Renewable energy (photovoltaics) / Special machinery construction

Share New Value of company: 71.9%

Short description

Swiss Sustainable Systems AG (3S) with domicile in Berne (CH) develops and sells electricity producing construction materials on the basis of photovoltaics technology (PV) as well as production processes and machinery for the production of these construction materials. The company was founded in 2001 by a team of experienced specialists that possesses distinctive technological know-how as well as many years of track record with product development and demanding reference projects. Through the fact that 3S combines the knowledge of the module production with the knowledge of the application of the end product in the building shell, the company achieves a high degree of innovation with a distinguished customer orientation and cost optimisation of the overall system.

In the domain for electricity producing construction materials 3S develops, produces and sells photovoltaics modules for the integration in the building shell (BIPV). MegaSlate® and MegaSlate® CIS are patented photovoltaics roof systems that can be independently installed by any roof coverer. Conventional construction materials like facade plates are modified or can be fully replaced, so that the PV-module represents an integrated part of a new element. These multi-functional construction elements allow contractors and architects an unlimited scope of application possibilities to build cost efficient and simultaneously aesthetic facades or roofs. Already after a few years the energy used to produce the solar energy installation has been won back.

In the domain for special machinery and process technology 3S develops, produces and sells laminators, module testing devices, string soldering tables and complete systems as well as the key components for the PV-module production, thereunder e.g. an innovative heating/cooling system. The excellent properties of the heating system developed and patented by 3S represent an opportunity to laminate large glass surfaces for facade applications and to increase the productivity through a shortened processing time in the series production of standard modules.

Highlights

With a doubling of the revenues in comparison to the year before 3S was able to close the business year 2004 very positively. Both business areas building integrated photovoltaics and special machinery and process technology for the PV-industry contributed each around 50% to revenues. The laminator S2821CP was made ready for serial production and could be assembled within the production facilities of the company in Berne during

the first quarter of 2005. This laminator was substantially developed on during the last months. The result of this evolutionary step is a significant reduction of production costs without compromising the process security or the quality. Within a short time span, 3 machines of this type could be sold. This positive fact underlines the substantial market potential of the machine, which represents the core of a PV-module production. In July 2005 3S was able to close a strategic co-operation agreement with the company Gebr. Schmid GmbH + Co, of Freudenberg/Germany (www.schmid-online.de), active in the production of process technology and automation machinery on a worldwide basis. The co-operation with Schmid allows 3S to address an increasing number of customer enquiries from Europe, the US and Asia for PV-module-production lines in the booming market for solar energy with the complementing overall offering including automation and the necessary service network of Schmid.

In the PV domain, 3S won in 2004 an order to realise a technically advanced photovoltaic roof in the entrance area of the new "Water and Life Museum" in Los Angeles, California. In this prestigious project, the company was able to excel despite strong international competition. The order was placed by an established American roof and facade installation company. After 3S was able to sell a PV laminator in the strongly growing American market in the beginning of 2004, this last order proves that the company also has established itself in the building integrated PV market in the US. 3S counts on further order closures in the year to come. Additionally, the company was able to get a TÜV Certification for MegaSlate®, which is an important precondition for a successful presence in the German market.

3S is pursuing an innovative route in its financing. Private investors are allowed to participate in the long-term success of the company through a mezzanine loan structure. New Value added another CHF 0.1 Mio. of convertible loan to its position during the reporting period. End of 2005, the investors including New Value converted their outstanding loan to equity. New Value subscribed CHF 0.1 Mio. in shares and was additionally able for CHF 0.5 Mio. to take over the shares of an institutional investor at attractive terms.

Outlook

3S has through the strategic co-operation with Schmid been able to strengthen its market position. Based on the current order backlog, the attractive pipeline, the technological leadership and the predicted continuous double-digit growth in the international PV-market, the prospects for 2005 and the coming years are excellent. 3S is pursuing a doubling of revenues again for 2005. In parallel to the growth of the solar sector, the share prices of solar companies on the German and American stock exchanges have increased by 100% to 500% during the last 18 months.

Valuation

The valuation equals the cost price.

TheraSTrat AG

www.therastrat.com

Sector: Pharma/Knowledge management

Share New Value of company: 47.3%

Short description

TheraSTrat was founded in the year 2000 by a team of highly competent researchers in Allschwil close to Basel (CH). This young company is active in the domain for predictive drug security and develops knowledge management systems that make it possible to identify severe Adverse Drug Reactions (ADRs) already at an early stage in the development of new drugs. Further business fields are risk management for drug security in human medicine and personalised medicine.

Drugs often have to be withdrawn from the market or can not be launched as they might provoke life-threatening side effects in an often small share of the population, although for the vast majority these would assure an efficient treatment. The products of TheraSTrat enable pharmaceutical companies to target the development of medicines towards specific patient groups and to identify patients at risk already before a therapy. This can be of enormous benefit to human health, as severe side effects can be avoided and more efficient medicines can be developed.

SafeBase™: Java-based knowledge management and expert system for theragenomics consisting of a) a knowledge browser for interactive search and graphical presentation of theragenomic connections and correlations and b) knowledge base, the data basis for the knowledge browser. SafeBase™ is a knowledge-based system for drug security and shows connections between genetic predispositions and pharmaceuticals and can from that basis estimate side effects.

AdeCon™: Professional expertise and consulting business, based on the application of SafeBaseTM for specific customer problems (risk evaluation, support in pre-clinical and clinical trials as well as lead selection and -optimisation of the drug development).

SafePatTM: Finger prints with combinations of genetic and chemical-structural risk factors for the recognition of ADRs; implementation of personalised medicine with bio-chip based analysis tools (Market introduction from 2007/2008 onwards).

Highlights

After the complementation of the Board of Directors by Dr. Jürg Poschet (ex-CIO Ciba-Geigy Ltd.) and Dr. Urs Regenass (CEO Discovery Partners International AG), both renown industry experts, in August 2004, TheraSTrat was able to strengthen

itself on an operational level during the first quarter of 2005. At the General Assembly end of January Dr. Hans-Christen Ulrichs was chosen as delegate of the Board of Directors and took up the function of CEO. After his dissertation in medicine he has had several leadership positions in the pharmaceutical industry within the domains of clinical research, drug safety and IT. Prof. Dr. Gut, the founder of TheraSTrat, who during the last months held the positions of CEO and Chairman on an interim basis, will as member of the Board of Directors and Chief Scientific Officer in the future focus on R&D as well as complex customer projects. Dr. Poschet was chosen as Chairman.

Revenues in 2004 were still at a low level and behind expectations. TheraSTrat has achieved both technical and scientific progress and was able to make contact with interesting business partners and customers. The market introduction could however not be made in a broad manner yet. With the American Food & Drug Administration (FDA), the company was able to gain an important partner. FDA will use the SafeBase™ system of TheraSTrat during several months of practical testing. The system SafeBase™ was used successfully for two contracts by a reinsurance company end 2004/beginning of 2005 for the risk estimation of pharmaceuticals. Insurers and Life Science investors are customer segments with immediate priority, as their risk conscience has increased substantially. Furthermore, a co-operation with Discovery Partners, Inc. (DPI) was begun. DPI will use SafeBaseTM in their sales channels and in their own development work.

In order to finance the continued growth of the company, a financing round of over CHF 1.3 Mio. equity and CHF 1.4 Mio. loan conversion into equity could be successfully signed in the fourth quarter. The capital flow to the company will take place in two tranches in 2005. New Value subscribed as lead investor CHF 0.5 Mio. equity and will convert CHF 1.0 Mio. of the convertible loan. The remaining subscriptions were completed by co-investors, a.o. Novartis Venture Fund und ErfindungsVerwertung AG (EVA).

Outlook

The acquisition of new customers progresses slowly and the immediate revenue prospects for the running business year are difficult to estimate. Through pharmaceutical call-backs and warnings during the last months (e.g. Lipobay, Vioxx, Celebex and Iressa), TheraSTrat's activity has received increasing attention. This trend will continue with the increasing demand of the pharmaceutical regulators, the insurance industry, doctors and patients as to drug safety. TheraSTrat will take advantage of the market opportunity arising from this development. The company will use the knowledge won and its systems in order to bring pharmaceuticals with strictly restrictive indications to the market that were withdrawn from the market due to severe side effects or where their

development was brought to a halt. The result of this activity is to readmit a combination of a pharmaceutical with a diagnosis. The implementation of this midterm strategy necessitates industrial partnerships, which have not yet been established.

Valuation

The valuation equals the price in the last capital increase in January 2005.

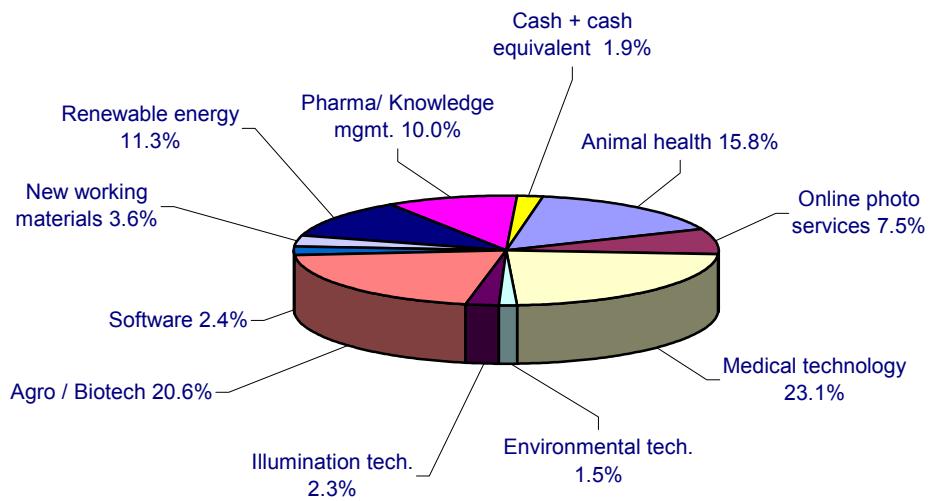
Investment portfolio as of 31.03.2005

Company	Industry	Title	No. of shares	Currency	Value per share as of 31.03.2005	Change since 31.12.2004 in %	Invested capital in CHF	Market value CHF	1) in % of Portfolio	in % of Company
Bogar	Animal health	Shares	11'725	CHF	360.00	0.0%	3'441'200	4'221'000	15.8%	15.4%
Colorplaza	Online photo services	Shares	5'144	CHF	194.40	0.0%	999'994	999'994	7.5%	13.3%
		Convertible loan		CHF		0.0%	1'000'000	1'000'000		
Idiag	Medical devices	Shares	8'227	CHF	600.00	0.0%	2'763'980	4'936'200	23.1%	39.2%
		Convertible loan		CHF		0.0%	1'250'000	1'250'000		
Innoplana	Environmental technology	Shares	32'478	CHF	12.00	0.0%	551'720	389'736	1.5%	7.6%
Light Vision Group	Illumination technology	Shares	282'536	CHF	1.89	0.0%	1'758'000	533'001	2.3%	56.5%
		Convertible loan		CHF		0.0%	92'000	92'000		
Mycosym International	Agro / Biotech	Shares	169'500	CHF	32.49	0.0%	5'507'055	5'507'763	20.6%	48.4%
SAF	Software	Shares	334	CHF	1912.11	0.0%	1'000'000	638'645	2.4%	2.1%
Somaco	New working materials	Shares	74'808	CHF	12.70	0.0%	950'000	950'000	3.6%	53.8%
3S	Renewable energy	Shares	223'002	CHF	13.56	0.0%	3'025'020	3'025'020	11.3%	71.9%
TheraStrat	Pharma /Knowl. Mgmt.	Shares	133'684	CHF	20.00	0.0%	3'311'700	2'673'680	10.0%	48.5%
Total							25'650'669	26'217'039	98.1%²⁾	

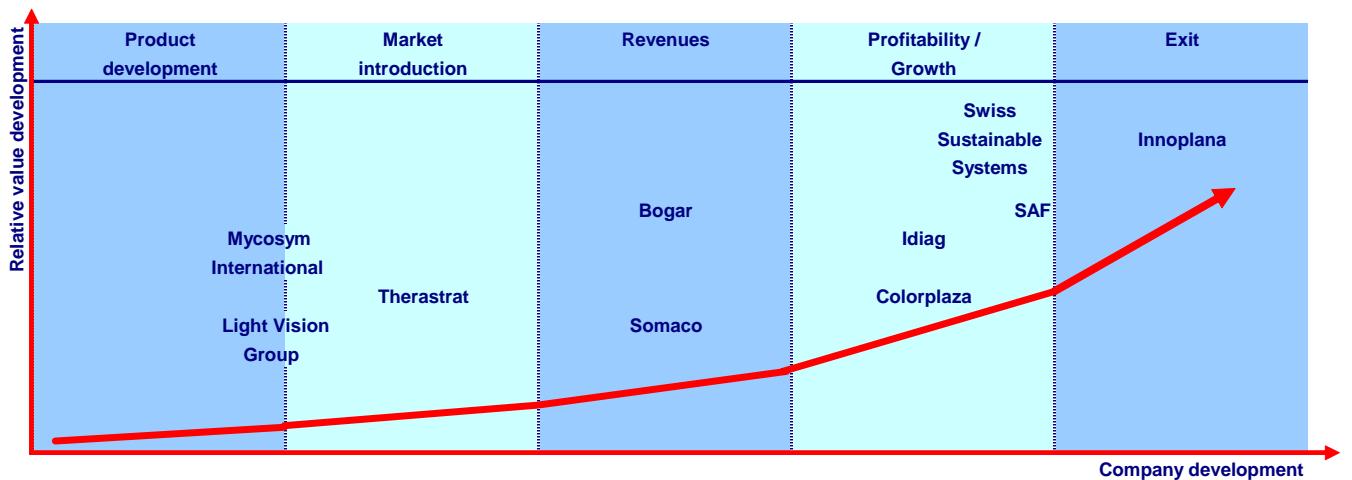
1) Based on market values incl. consideration of liquid assets

2) Current value / Net Assets (Investment level)

Investment portfolio according to sector



Diversification according to development stage



Transactions 01.04.2004 - 31.03.2005

Engagements (Purchase, capital increases, conversions, divestments)

Company	Currency	Price	Capital flow in CHF	Type of transaction
Light Vision Group AG	CHF	1.89	+533'000	Conversion
Mycosym International AG	CHF	32.49	+875'000	Capital increase
Mycosym International AG	CHF	32.49	+5'138'250	Conversion
Mycosym International AG	CHF	32.50	-503'750	Sale
Swiss Sustainable Systems AG	CHF	10.00	+826'240	Conversion
Swiss Sustainable Systems AG	CHF	10.00	+508'780	Purchase
Swiss Sustainable Systems AG	CHF	10.00	+100'000	Capital increase
TheraStrat AG	CHF	15.00	+1'014'145	Conversion
TheraStrat AG	CHF	20.00	+250'000	Capital increase

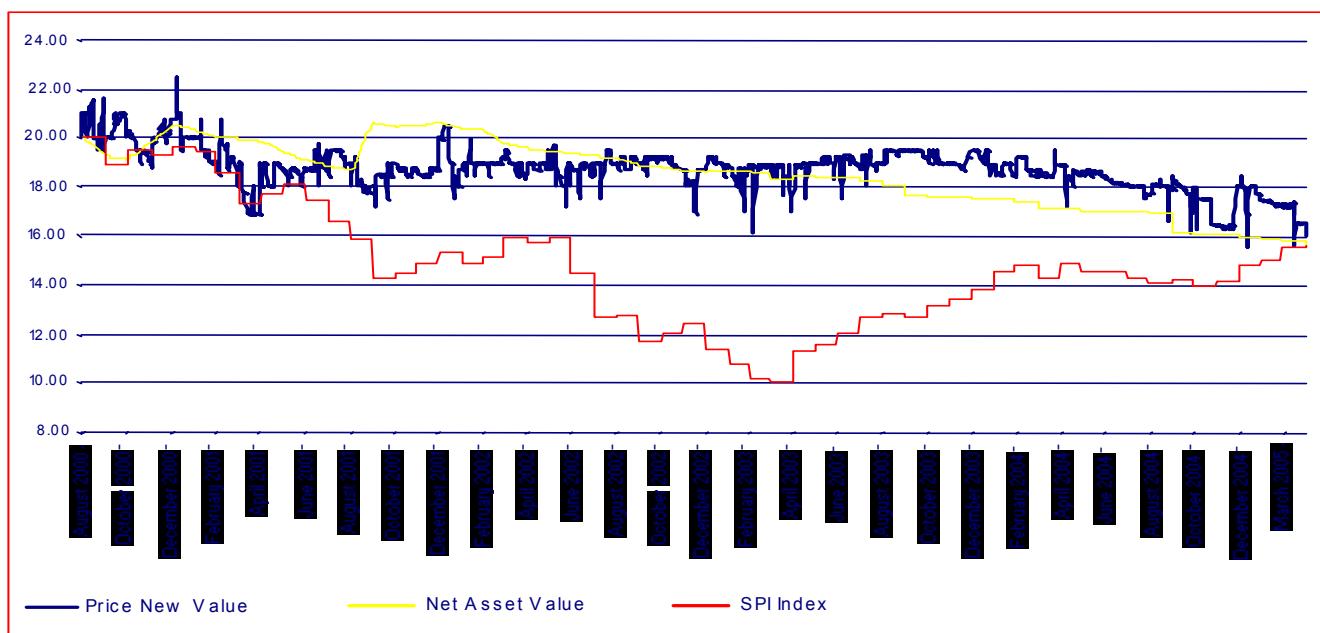
Convertible loans and loans

Company	Currency	Capital flow in CHF	Type of transaction
Idiag AG	CHF	+600'000	Convertible loan
Light Vision Group AG	CHF	-508'000	Conversion
Mycosym AG	EUR	-1'350'000	Reorganisation /Conversion
Mycosym AG	EUR	-400'000	Reorganisation /Conversion
Swiss Sustainable Systems AG	CHF	+100'000	Darlehen
Swiss Sustainable Systems AG	CHF	-300'000	Conversion
Swiss Sustainable Systems AG	CHF	-500'000	Conversion
TheraStrat AG	CHF	+580'000	Convertible loan
TheraStrat AG	CHF	-1'000'000	Conversion

Commitments as of 31.03.2005

Company	Currency	Price	Capital flow in CHF	Type of transaction
TheraStrat AG	CHF	20.00	+250'000	Capital increase

Price New Value AG share 28.08.2000 – 31.03.2005 in comparison with SPI Index





Consolidated Financial Statements

Consolidated Balance Sheet

Item	31.03.2005 CHF	31.03.2004 CHF	Item	31.03.2005 CHF	31.03.2004 CHF			
Assets								
Non-Current Assets								
Investments	23'875'040	18'388'290	Share capital	16'410'000	15'160'000			
Long-term loans and convertible loans	1'342'000	4'456'000	Stock of own shares	-2'192	-1'543'489			
Total Non-Current Assets	25'217'040	22'844'290	Additional paid-in capital	13'690'839	12'823'300			
Current Assets								
Short-term loans and convertible loans	1'000'000	1'669'000	Loss carried forward	-1'993'742	-238'259			
Other accounts receivable	547'999	92'758	Consolidated annual loss	-2'236'195	-1'755'483			
Deferred expenses (and accrued income)	10'198	104'762	Total Shareholders' Equity	25'868'710	24'446'069			
Cash and cash equivalents	6'355	1'331'900	Liabilities					
Total Current Assets	1'564'552	3'198'420	Accounts payable	208'102	4'103			
Total Assets	26'781'592	26'042'710	Prepayments by shareholders	508'780	1'387'500			
			Other short-term liabilities	0	33'038			
			Accrued expenses	196'000	172'000			
			Total Liabilities	912'882	1'596'641			
			Total Shareholders' Equity and Liabilities					
			26'781'592					
			26'042'710					

Consolidated Income Statement

Item	Financial year 2004/2005 CHF	Financial year 2003/2004 CHF	Item	Financial year 2004/2005 CHF	Financial year 2003/2004 CHF
Income from investments and loans					
Income from sale of investments	90	20'205	Financial income	49'753	55'875
Unrealised gains from investments and loans	138'645	168'506	Financial expenses	-98'868	-52'344
Interest income	63'574	120'117	Total financial income and expenses	-49'115	3'531
Total income from investments and loans	202'309	308'828	Earnings before taxes	-2'236'195	-1'755'483
Expenses from investments and loans			Income tax	0	60'711
Unrealised losses on investments and loans	-1'062'683	-949'999	Consolidated annual loss	-2'236'195	-1'755'483
Total expenses from investments and loans	-1'062'683	-949'999	Average number of shares outstanding	1'568'311	1'368'166
Operating expenses			Loss per share	-1.43	-1.28
Investment management fee	-617'795	-576'414			
External personnel expenses	-96'840	-98'992			
Expenses Board of Directors and Investment Committee	-160'308	-129'633			
Expenses auditors	-54'919	-78'380			
Expenses communication / IR	-246'533	-150'955			
Consulting expenses (Tax, Legal)	-28'098	-76'126			
Other administrative expenses	-107'213	-68'141			
Capital tax	-15'000	326			
Operating expenses related to other periods	0	-239			
Total operating expenses	-1'326'706	-1'178'554			

Consolidated Statement of Changes in Equity

For the financial year 2003 / 2004	Share capital	Own shares	Additional paid-in capital	Revaluation reserve	Loss carried forward	Consolidated annual loss	Total shareholders' equity
	CHF	CHF	CHF	CHF	CHF	CHF	CHF
Equity as of 01.04.2003 (before restatement)	12'000'000	-635'573	10'190'977	2'974'872	-3'213'131	0	21'317'145
Changes in accounting policy (IAS 39)	0	0	0	-2'974'872	2'974'872	0	0
Equity as of 01.04.2003 (after restatement)	12'000'000	-635'573	10'190'977	0	-238'259	0	21'317'145
Capital increase 07.05.2003	3'160'000		2'844'000			6'004'000	
Capital increase expenses 2003			-262'229			-262'229	
Purchase and sale of own shares		-907'916	50'552			-857'364	
Consolidated annual loss 2003/2004						-1'755'483	-1'755'483
Equity as of 31.03.2004	15'160'000	-1'543'489	12'823'300	0	-238'259	-1'755'483	24'446'069

For the financial year 2004 / 2005	Share capital	Own shares	Additional paid-in capital	Revaluation reserve	Loss carried forward	Consolidated annual loss	Total shareholders' equity
	CHF	CHF	CHF	CHF	CHF	CHF	CHF
Equity as of 01.04.2004	15'160'000	-1'543'489	12'823'300	0	-1'993'742		24'446'069
Capital increase (April and July)	1'250'000		1'062'500				2'312'500
Capital increase expenses 2004			-76'921				-76'921
Purchase and sale of own shares		1'541'297	-118'041				1'423'256
Consolidated annual loss 2004/2005						-2'236'195	-2'236'195
Equity as of 31.03.2005	16'410'000	-2'192	13'690'839	0	-1'993'742	-2'236'195	25'868'710

Consolidated Cash Flow Statement

Item	Financial year 2004/2005	Financial year 2003/2004	Item	Financial year 2004/2005	Financial year 2003/2004
	CHF	CHF		CHF	CHF
Cash Flows from operating activities					
Consolidated annual loss	-2'236'195	-1'755'483	Proceeds from capital increases (nominal)	500'000	3'160'000
Adjustment interest expense	18'309	1748	Proceeds from capital increases (additionally paid-in capital)	425'000	2'844'000
Adjustment interest income	-63'924	-121'363	Proceeds from prepayments of shareholders under subscription	508'780	1'387'500
Unrealised profits from investments and loans	-138'645		Payment of fund raising costs	-76'921	-262'229
Unrealised losses from investments and loans	1'062'683	949'999	Sale of own shares (+) / purchase of own shares (-)	1'423'256	-857'364
Realised profits from sale of investments	-90	-20'205	Interest payments	-18'309	-1'748
Unrealised income from income tax	0	-60'711	Net cash from financing activities	2'761'806	6'270'159
Movement other liabilities	-455'241	-43'908	Net change in cash and cash equivalents	-1'325'545	1'325'969
Movement deferred expenses	138'138	70'087	Cash and cash equivalents at beginning of financial year	1'331'900	5'931
Movement accounts payable	203'999	-84'559	Net change in cash and cash equivalents	-1'325'545	1'325'969
Movement other short-term liabilities	-33'038	-78'115	Cash and cash equivalents at end of financial year	6'355	1'331'900
Movement accrued expenses	24'000	57'000			
Net cash used in operating activities	-1'480'004	-1'254'016			
Cash Flows from investing activities					
Loans granted	*	-600'000	-2'346'125		
Amortisation of loans	*	0	506'000		
Purchase of investments	*	-2'531'447	-1'891'499		
Sale of investments	503'750	20'205			
Actually received interest payments	20'350	21'246			
Net cash used in investment activities	-2'607'347	-3'690'173			

* Additionally, loans amounting to overall CHF 4'383'000 were converted to equity investments in the portfolio companies (non-cash transactions).

New Value invests in
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