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**SYNOVA SECURES CHF 10 MILLION (USD 8.1 MILLION) TO DRIVE
GLOBAL EXPANSION EFFORTS**

***Swiss Banks Back Synova's Worldwide Micromachining Center (MMC) Growth Strategy to Enable
Localized Customer Support and Promote Adoption of Laser MicroJet® Technology***

LAUSANNE, Switzerland, Aug. 15, 2006—Synova, the world pioneer and patent holder in water jet-guided laser technology, today announced it has closed financing in the amount of 10 million Swiss francs (CHF), or USD 8.1 million. Synova will use the new funds, put up largely by Swiss banks, for the development of micromachining centers (MMCs) located in key high-tech regions around the world, providing local access to customer support and application labs offering on-site product demonstrations.

The new MMCs are designed to fuel the adoption of Synova's Laser MicroJet® technology. With more than 50 full-production machines at 30 different customer sites, the company is committed to developing these localized centers to allow quick, highly responsive support for the growing number of global customers employing Laser MicroJet technology. With Synova's technology already qualified in the electronics market, the new financing will allow the company to delve into other industries and application areas.

"This funding comes at a pivotal time for Synova," said its chief executive officer, Bernold Richerzhagen. "Laser MicroJet has experienced phenomenal traction in recent years, and our global expansion efforts are aligned with the market's demand for innovative cutting technology. Our MMCs will allow us to effectively anticipate and serve the needs of our global customer base as we further penetrate not only the semiconductor market, but also burgeoning, precision-centric sectors such as inkjet print-head MEMS, hard disk drives (HDDs) and organic light-emitting diodes (OLEDs)."

Synova's proprietary Laser MicroJet technology achieves unparalleled accuracy, reliability and productivity advantages compared to traditional cutting technologies, such as conventional lasers and diamond blade saws. According to leading market research firm IDC, the expected compound annual growth rate for the inkjet print-head MEMS and HDD markets are forecast at 8.8 percent through 2008 and 15.5 percent through 2009, respectively. In addition, the OLED market is forecasted to grow at a phenomenal compound annual rate of 74 percent by next year alone. Synova anticipates that implementing its water jet-guided laser technology will enable customers in these sectors to further capitalize on the markets' potential.

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Last month, Synova announced that its first MMC, located in the Silicon Valley, will open in January 2007. This MMC will feature an applications laboratory with Synova's most recent Laser MicroJet tool—the LDS 300 A. Future MMCs, planned to open throughout 2007 and 2008, will house similar tools.

Earlier this year, Synova announced that in production environments, its water-driven laser has proven superior to competitive approaches for high-speed slotting of silicon wafers that are diced into barrier chips for inkjet print heads. Cutting time is just 2.6 seconds per slot—faster than any previously implemented slotting technique, and with no damage.

About Synova

Founded in 1997, Synova is a leading supplier of state-of-the-art laser solutions for the semiconductor, electronics, flat panel display (FPD) and industrial micromachining industries, among others. As the inventor of laser dicing technology, Synova—through its proprietary Laser MicroJet[®] (water jet-guided laser) technology—is fast emerging as the ideal provider for addressing the exacting manufacturing specifications and low cost-of-ownership (CoO) requirements associated with the volume production of today's advanced electronic devices. Headquartered in Lausanne, Switzerland, Synova is a privately held company with subsidiaries located in Hong Kong, South Korea, Japan and the United States. Additional information about the company is available on the Internet at: www.synova.ch

Laser MicroJet is a registered trademark of Synova.

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