

SWISSMETAL

Dr. J. Friedrich Sauerländer

Chairman of the Board of Directors

Dr. Olaf Schmidt-Park

Chief Executive Officer

Joachim Blatter

Chief Financial Officer

Sam V. Furrer

Chief Development Officer

**Media Conference
First Half-Year 2009**

14th of August 2009



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Agenda

- **Financial Report Half-Year 2009**
- Outlook on Second Half-Year 2009
- Status Report on the new Extrusion Press
- Special Report on Innovation Projects
- Summary & Outlook
- Questions & Answers

Half-Year 2009 Key Figures

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CHF 000	2009	2008 (restated)	Variance	Variance in %
Gross sales	103'041	181'322	-78'281	-43
Gross Margin	43'168	67'545	-24'377	-36
EBITDA	-2'834	7'880	-10'714	n.a.
EBIT	-9'116	1'170	-10'286	n.a.
EAT	-7'199	-2'478	-4'721	191

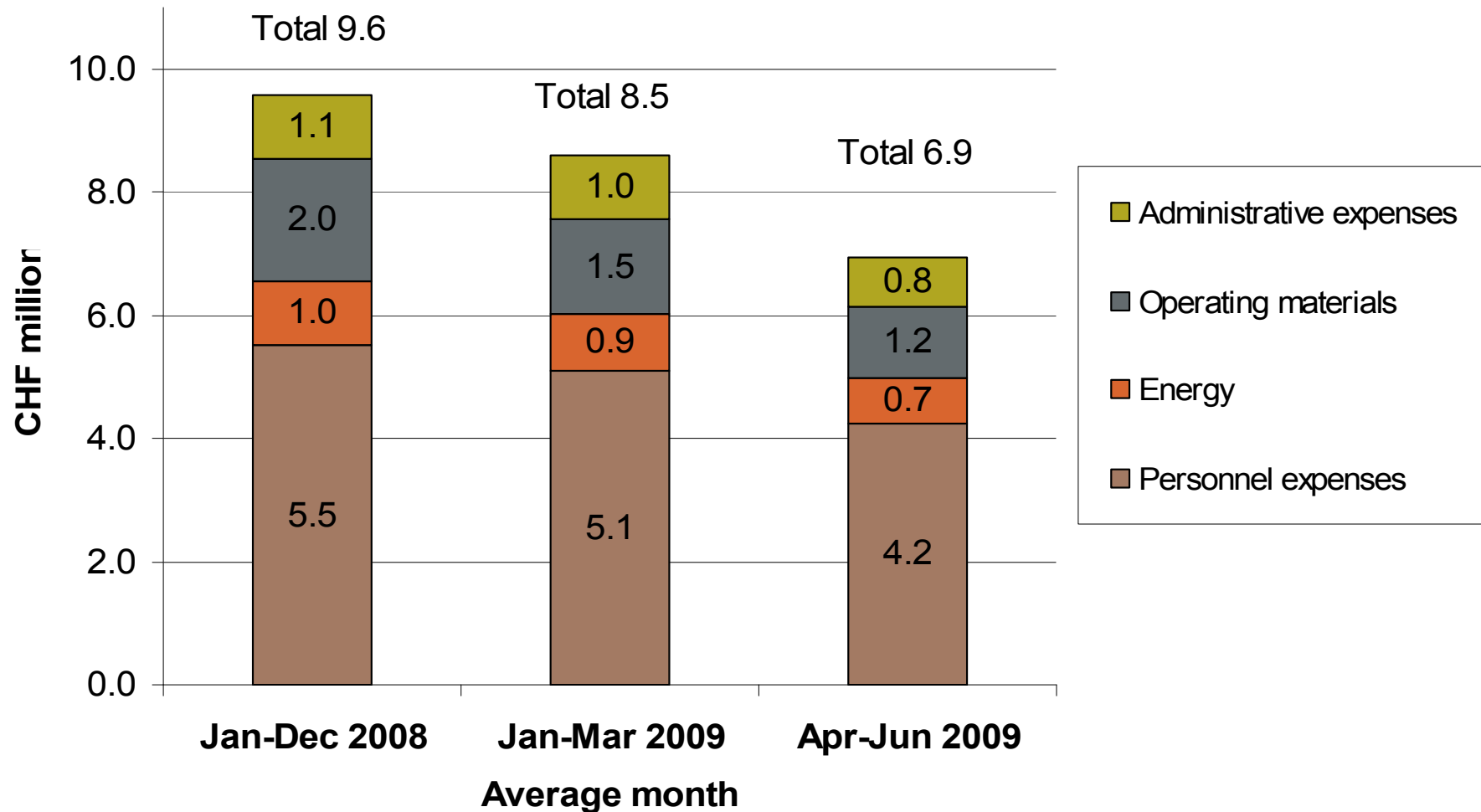
Half-Year 2009 Metal Price Developments

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Substantial metal price increase occurred in the first half of 2009



Strong cost control management is in place



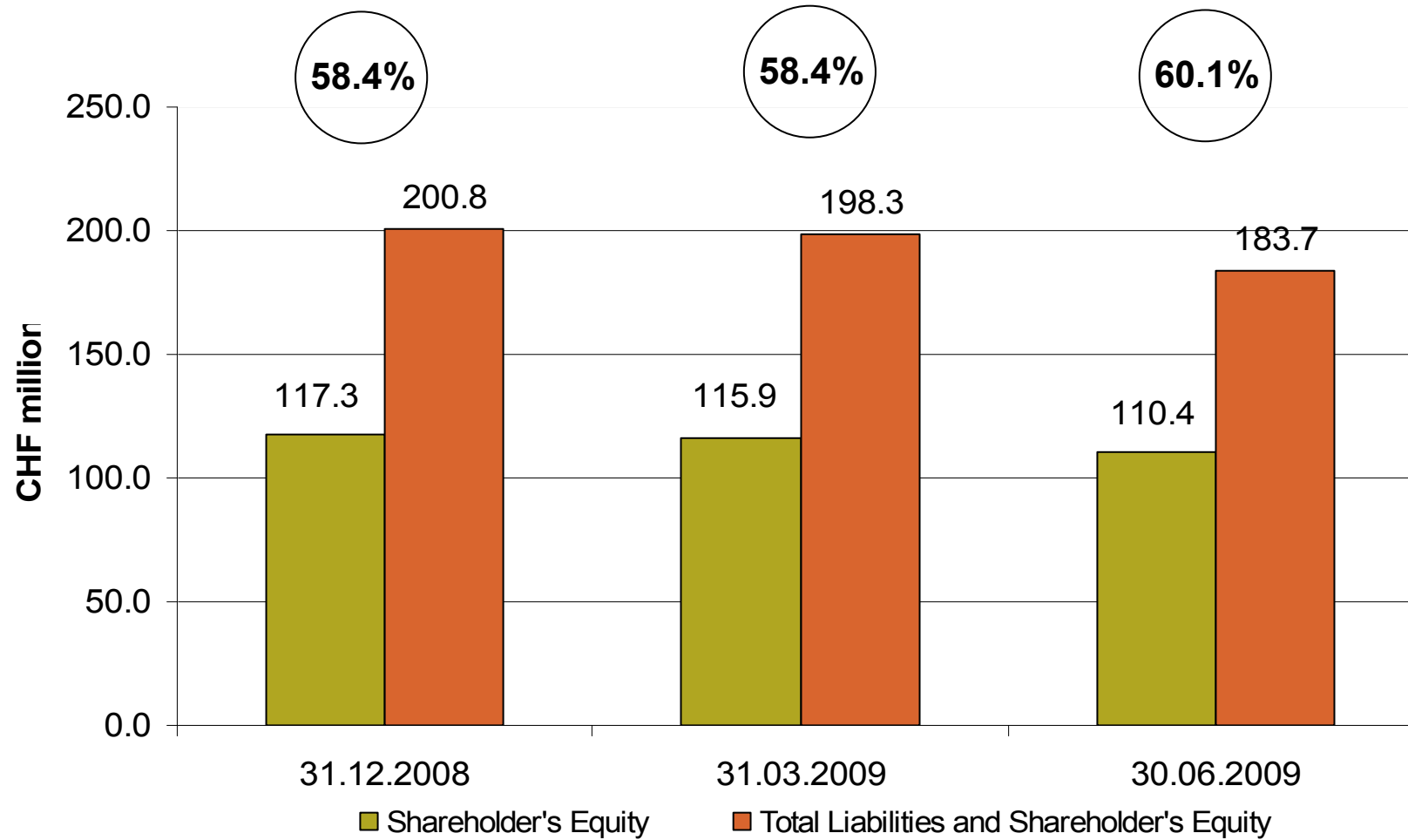
Significant Working Capital reduction could be achieved

CHF 000	30.06.09	31.12.2008 (restated)	Variance	Variance in %
Net working capital	61'765	74'580	-12'815	-17
Interest-bearing liabilities	39'714	44'142	-4'428	-10
Shareholders' equity	110'366	117'280	-6'914	-6

Half-Year 2009 Analysis of Equity Ratio

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The equity ratio remains stable at a high level



The free cash flow could be improved significantly

CHF 000	2009	2008 (restated)	Variance	Variance in %
Cash flow from operating activities	9'714	-2'823	12'537	n.a.
Cash flow from investing activities	-3'015	-6'825	3'810	56
Free cash flow	6'699	-9'648	16'347	n.a.
Cash flow from financing activities	-4'811	-2'439	-2'372	-97

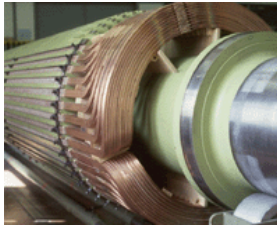
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Outlook on Second Half-Year 2009 Market Segments

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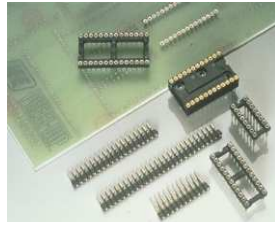
Some of the most important market segment clusters show signals of a upswing in the coming months



Power Generation



High significance and steadiness in upward movement



Connectors



Slight growing upward trend, some customers regaining confidence



Turning Parts



Slightly weakening order entry



Pen Tips



Unchanged stability



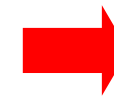
Watch Industry



Slightly weakening order entry

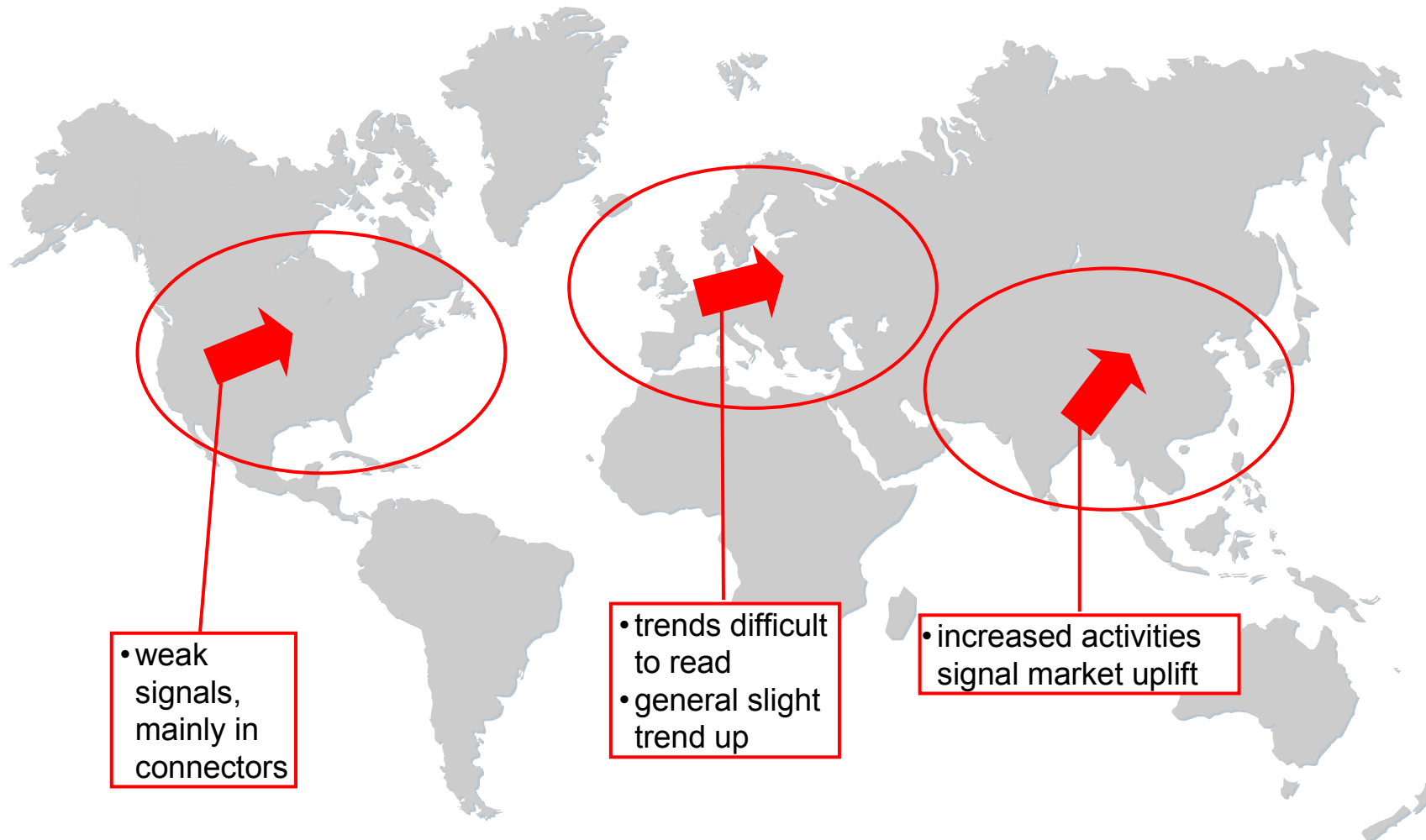


Industrial Goods Infrastructure



Segment stable (very heterogenous)

We observe increased business activity and other weak signals pointing towards a potential upswing of the economy



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We've made a lot of progress on the new press but we're not at the end of the learning curve



- The transfer of the different products is completed, apart from a few minor exceptions
- The new press shows an enormous performance potential
 - Output up 58% since beginning of 2009
 - Doubling it by mid 2010 seems feasible
- There is still room for improvement
 - Efficiency can be improved (larger billets, smaller extruded diameters, and shorter changeover times)
 - Setup-times and change-over times can be further shortened
 - Some technical modules must be further developed, especially at the interfaces

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As of June 18th, Swissmetal's new alloy is qualified by Boeing (Swissmetal's name mentioned in Boeing's specs!)



- Joint development of a new material fulfilling the extreme specifications for the aircraft and oil industry
- Some special properties of CN8 are:
 - 30% lower friction coefficient compared with Beryllium copper (reference material)
 - High mechanical strength
 - Excellent corrosion resistance
- Typical applications
 - Bushings and bearings for landing gears for aircraft
 - Drilling tools in oil exploration
- In some applications CN8 can substitute Beryllium copper alloys (Beryllium having difficult environment / health implications)

Innovative alloy further improved in collaboration with Ecole Polytechnique Fédéral Lausanne, material science department



- The joint R&D project with the EPFL made further progress on the influence of small impurities to the mechanical properties of high-performance alloys (patent pending)
- Properties of Swissmetal's patented alloy NP6, with applications in the connectors and watch industry, have been improved
- Special properties of NP6 are:
 - High mechanical strength
 - Combined with easy machinability on automatic turn machines
 - Environmentally friendly machining since chips are readily recycled without any special protective measures
 - Substitute for certain Beryllium copper alloys



+ Projects:

Stuttgart, Dornach and Lucerne are active pre-release installations. Here the customers can see and experience the ATMOVA system at work. The control systems of these installations are equipped with on-line access, so that the actual performance can be monitored live, even from a remote site



+ Performance:

Performance data at the reference installations are very promising. Further optimization of the operation of ATMOVA systems at the different weather conditions are being tested.

+ Marketing:

Market launch is due beginning of 2010, first in Switzerland, then in Germany and other European countries

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- We will reinforce the technical presence in front of our customers and strengthen co-developments
- Despite the crisis we continue to invest in our innovative product lines like CN8 and ATMOVA and further strengthen our R&D activities
- Our industrial concept surrounding the new press will allow us to produce much more efficiently in the future
- Building upon a foundation of solid core business (pen tip, watch industry and décolletage etc.) we will focus on growing markets like the energy sector and mobility segments
- Based on a healthy balance sheet we have successfully managed our cost and liquidity and expect to continue to do so in the future

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Questions & Answers

