

SWISSMETAL®

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Agenda

- Introduction and Strategic Considerations
- Financial Report
 - Financial Year 2006
 - First Quarter 2007
- Progress Report on Key Projects and Initiatives
- Questions & Answers

MANAGEMENT CIRCLE EVOLUTION

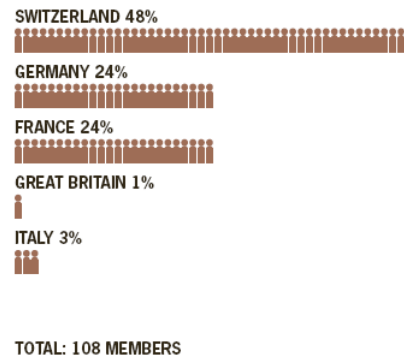
GENDER 2004



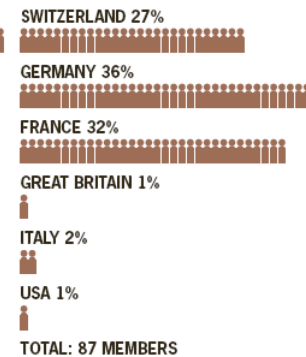
GENDER 2007



NATIONALITY 2004



NATIONALITY 2007



AVERAGE AGE 2004

44.4 YEARS

AVERAGE AGE 2007

46 YEARS

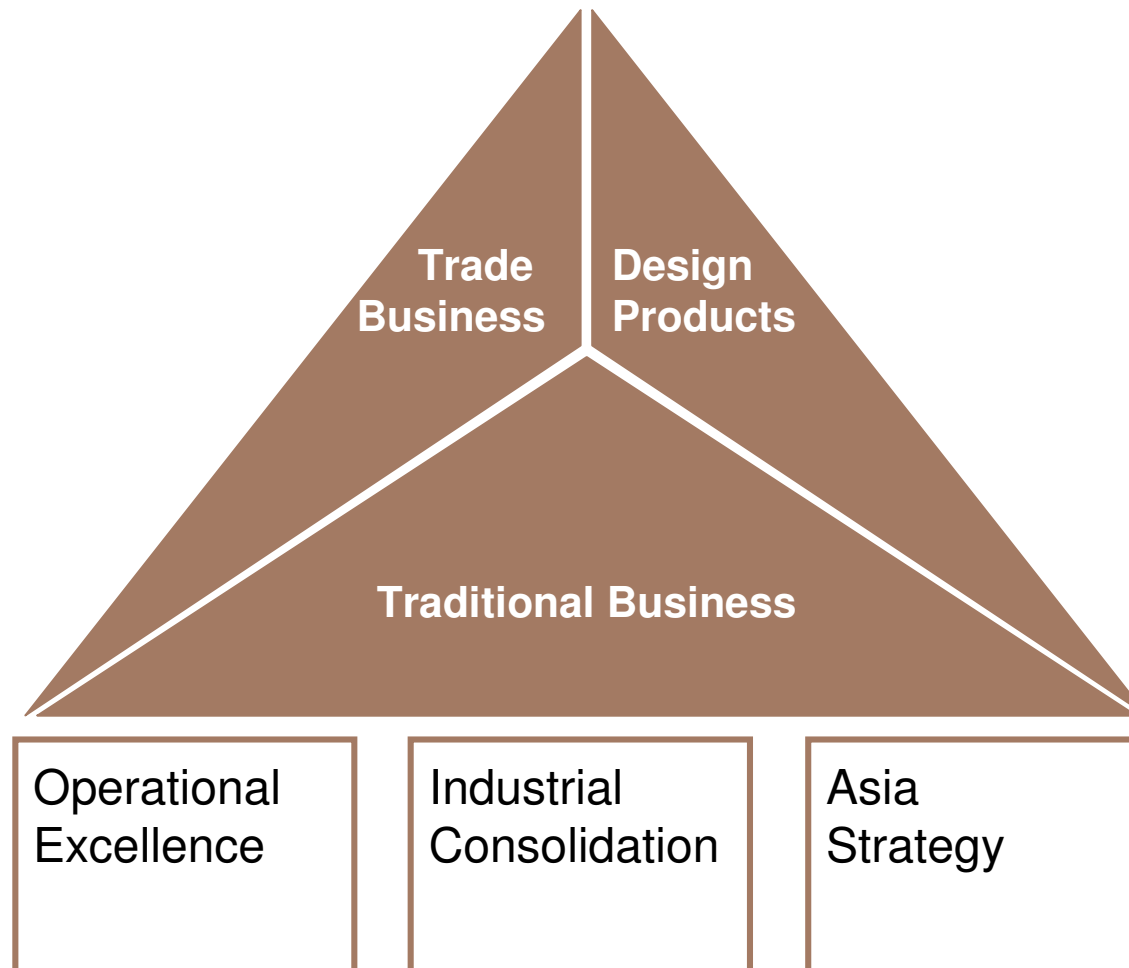
AVERAGE TENURE 2004

17 YEARS

AVERAGE TENURE 2007

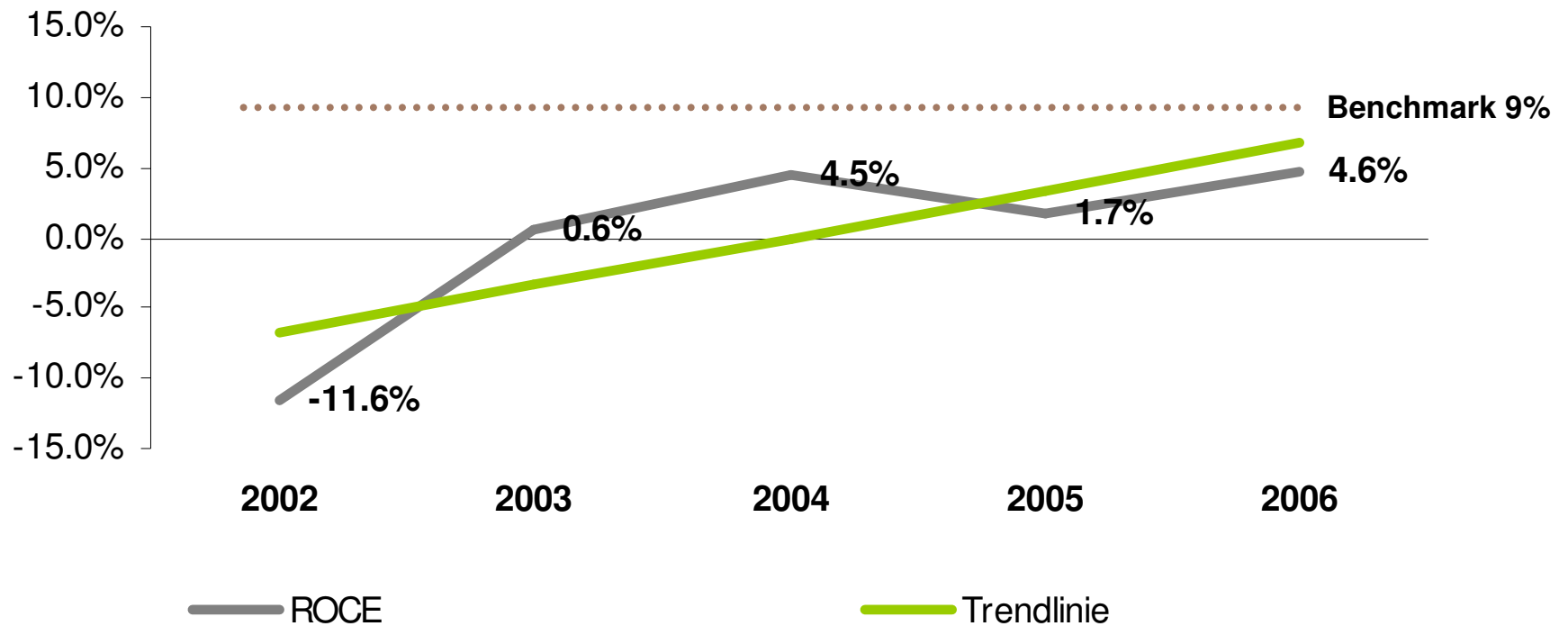
12 YEARS

Our strategy for the traditional business is based on three pillars and new businesses in development opens up additional growth potentials



Swissmetal has achieved a lot in the past years, but is still in the midst of a fundamental repositioning process

ROCE 2002-2006 - Swissmetal



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- Gross sales at CHF 357.6 million => up 80%
 - Mainly due to newly acquired Swissmetal Lüdenscheid GmbH, Lüdenscheid, and significantly higher metal prices
- Gross added value sales at CHF 118.0 million => up 14%
 - Positive development in electrical equipment, construction industries and watches continues
 - Decline in writing instruments (partly compensated through plant Lüdenscheid), connectors and turned parts, partly due to unlawful strike in Reconvilier
- EBIT at CHF 10.2 million => up 198%
 - Significant influence of both positive and negative factors
- Balance sheet at CHF 216.6 million => up 33%
 - Including newly acquired Swissmetal Lüdenscheid GmbH, Lüdenscheid, since February 2006 (CHF 49.5 million)
 - Increased activity and higher metal prices lead to higher working capital and higher short-term debts; reduction of CHF 27.4 million due to factoring facility
- Operating cash-flow at CHF 33.1 million => up 57%
 - Positive impact of net current assets of CHF 10.5 million
- Investment activity at CHF 28.4 million => up 84%
 - New extrusion press, acquisition Swissmetal Lüdenscheid GmbH

Financial Report Financial Year 2006

Income Statement

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CHF 000	2006*	2005	Change	Change in %
Gross sales	357'612	198'347	159'265	80
Gross added value sales**	118'000	103'500	14'500	14
Gross margin	141'121	109'223	31'898	29
EBITDA	27'557	15'954	11'603	73
Depreciation	-17'372	-12'533	-4'839	-39
EBIT	10'185	3'421	6'764	198
EAT	4'613	3'302	1'311	40

* The figures for Swissmetal Lüdenscheid GmbH (formerly Busch-Jaeger Metallwerk GmbH), Lüdenscheid, are included for February to December 2006.

** 2006 figure is not exactly comparable to 2005 as the figure for Swissmetal Lüdenscheid GmbH that is included, is not based on the same calculation. The harmonization is still in progress.

Financial Report Financial Year 2006

Balance Sheet

SWISSMETAL®

CHF 000	31.12.2006*	31.12.2005	Change	Change in %
Current assets	130'380	94'835	35'545	37
Fixed assets	86'255	67'953	18'302	27
Total assets	216'635	162'788	53'847	33
Short-term liabilities	57'941	22'867	35'074	153
Long-term liabilities	32'390	16'513	15'877	96
Total liabilities	90'331	39'380	50'951	129
Total shareholders' equity	126'304	123'408	2'896	2
Total liabilities and shareholders' equity	216'635	162'788	53'847	33

* The figures for Swissmetal Lüdenscheid GmbH (formery Busch-Jaeger Metallwerk GmbH), Lüdenscheid, are included for February to December 2006.

Financial Report Financial Year 2006

Cash-Flow Statement

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CHF 000	2006*	2005	Change	Change in %
Cash flow from operating activities before change in net current assets	22'618	15'383	7'235	47
Change in net current assets	10'491	5'701	4'790	84
Cash flow from operating activities	33'109	21'084	12'025	57
Cash flow from investing activities	-28'380	-15'463	-12'917	-84
Free cash flow	4'729	5'621	-892	-16
Cash flow from financing activities	1'893	-1'223	3'116	255
Net change in cash and cash equivalents	6'677	4'414	2'263	51
Cash and cash equivalents as at 1 January	13'721	9'307	4'414	47
Cash and cash equivalents as at 31 December	20'398	13'721	6'677	49

* The figures for Swissmetal Lüdenscheid GmbH (formerly Busch-Jaeger Metallwerk GmbH), Lüdenscheid, are included for February to December 2006.

- Total investments in 2006: CHF 28.4 million
- Apollo 2008 (new extrusion press): CHF 14.2 million, including CHF 8.3 million for the press itself, CHF 5.1 million for the building, CHF 0.4 million for the infrastructure, CHF 0.3 million for tools and CHF 0.1 million for the oven.
- Acquisition of Swissmetal Lüdenscheid GmbH (formerly Busch-Jaeger Metallwerk GmbH), Lüdenscheid, of CHF 10.1 million
- Dornach: CHF 1.3 million for several projects, including CHF 0.3 million for replacement of two piston compressors (“Kolbenkompressoren”), CHF 0.2 million for a pickling system (“Beizsystem”) and CHF 0.1 million for a foundry unit for small quantities of special alloy.
- Reconvilier: CHF 1.0 million for several projects, including CHF 0.6 million for annealing furnace (“Glühofen”) and CHF 0.4 million for spare parts at a press.
- Lüdenscheid: CHF 0.9 million for several projects, including CHF 0.7 million for machines and technical equipment.
- IT: CHF 0.9 million, predominantly for new infrastructure

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- Due to the strike in Reconvilier in February 2006 comparison to previous year not possible
- Gross sales at CHF 116.4 million
- Gross added value sales at CHF 34.3 million
 - Above expectations: Transport system, generators and decolletage products
 - Below expectations: Connectors, architecture
- EBIT at CHF 2.9 million
 - Positive development of personal costs compared to gross margin
- EAT at CHF 2.2 million
 - Positive financial result (CHF 0.7 million)
- Balance sheet at CHF 248.5 million => up 15% compared to 31 December 2006
 - Increase of working capital
 - Including newly acquired Avins Industrial Products Corp., Warren/NJ
- Operating cash-flow at CHF -12.1 million
 - Negative impact of net current assets of CHF 20.8 million (including Avins Industrial Products Corp., Warren/NJ)
- Investment activity at CHF 10.4 million
 - Acquisition of Avins Industrial Products Corp., Warren/NJ (CHF 7.0 million net)
 - New extrusion press (CHF 2.9 million)

Incl. Avins

Financial Report First Quarter 2007

Income Statement Q1 2007

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CHF 000	Jan - Mar 2007*	%	Jan - Dec 2006**	%
Gross sales	116'384	298	357'612	253
Gross added value sales***	34'343	88	118'000	84
Gross margin	39'040	100	141'121	100
EBITDA	7'414	19	27'557	20
Depreciation	-4'520	-12	-17'372	-12
EBIT	2'894	7	10'185	7
EAT	2'240	6	4'613	3

* Both the figures for Avins Industrial Products Corp., Warren/NJ, and the ones for Swissmetal Lüdenscheid GmbH (formerly Busch-Jaeger Metallwerk GmbH), Lüdenscheid, are included.

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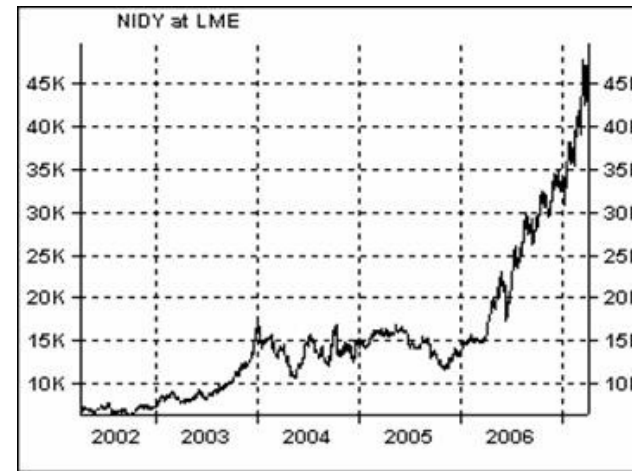
Financial Report First Quarter 2007

Rising Metal Prices

Copper 3-Months USD/tonne



Zinc 3-Months USD/tonne



Nickel 3-Months USD/tonne



Financial Report First Quarter 2007
Balance Sheet as of March 31, 2007

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CHF 000	31.03.2007*	%	31.12.2006**	%
Current assets	158'778	64	130'380	60
Fixed assets	89'712	36	86'255	40
Total assets	248'490	100	216'635	100
Short-term liabilities	67'514	27	57'941	27
Long-term liabilities	49'179	20	32'390	15
Total liabilities	116'693	47	90'331	42
Total shareholders' equity	131'797	53	126'304	58
Total liabilities and shareholders' equity	248'490	100	216'635	100

* Both the figures for Avins Industrial Products Corp., Warren/NJ, and the ones for Swissmetal Lüdenscheid GmbH (formerly Busch-Jaeger Metallwerk GmbH), Lüdenscheid, are included.

** The figures for Swissmetal Lüdenscheid GmbH, Lüdenscheid, are included for February to December 2006.

Financial Report First Quarter 2007

Cash-Flow Statement Q1 2007

SWISSMETAL®

CHF 000	Jan - Mar 2007*	Jan - Dec 2006**
Cash flow from operating activities before change in net current assets	8'652	22'618
Change in net current assets	-20'780	10'491
Cash flow from operating activities	-12'128	33'109
Cash flow from investing activities	-10'376	-28'380
Free cash flow	-22'504	4'729
Cash flow from financing activities	10'540	1'893
Net change in cash and cash equivalents	-11'945	6'677
Cash and cash equivalents as at 1 January	20'398	13'721
Cash and cash equivalents as at 31 March	8'453	20'398

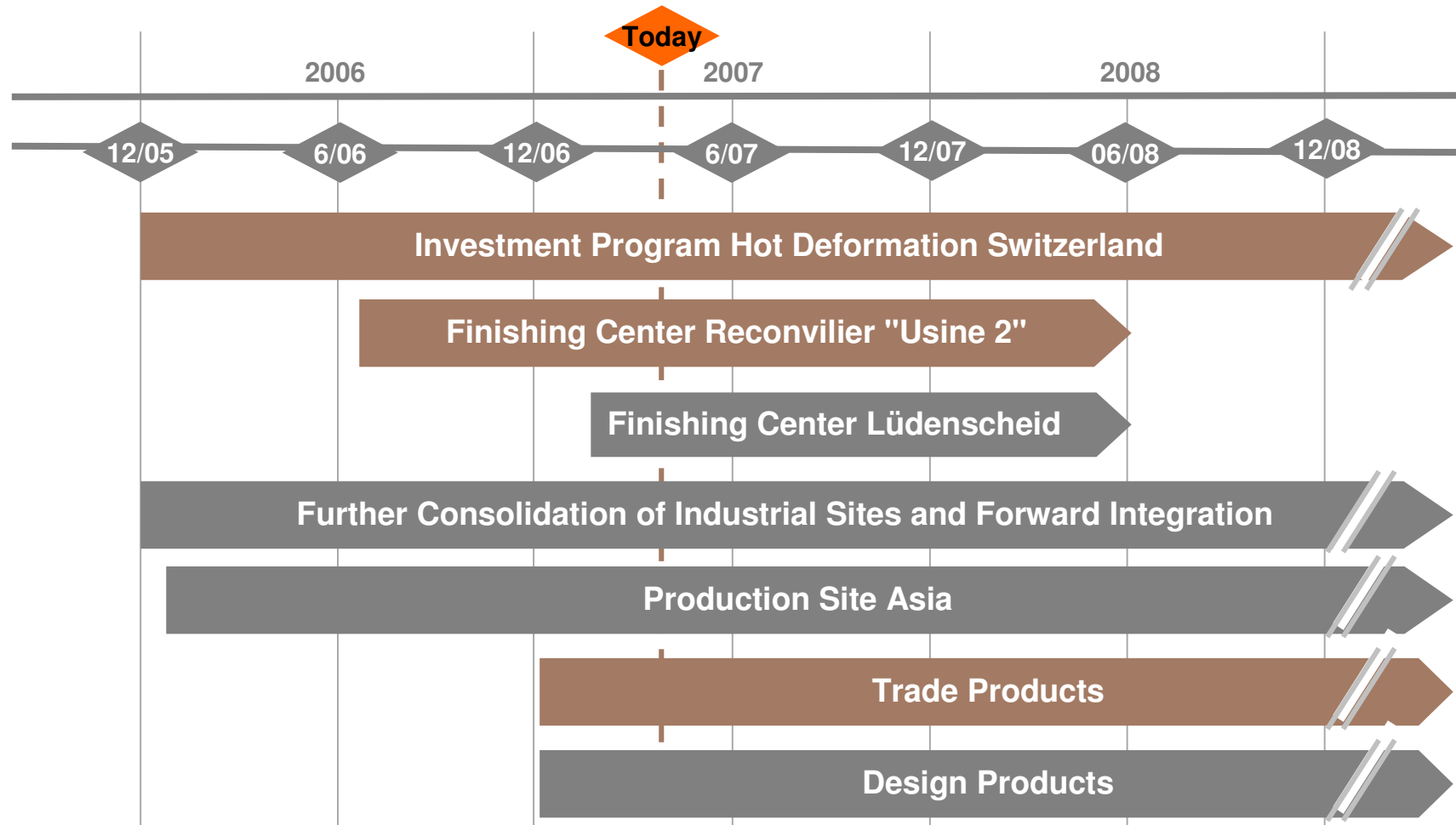
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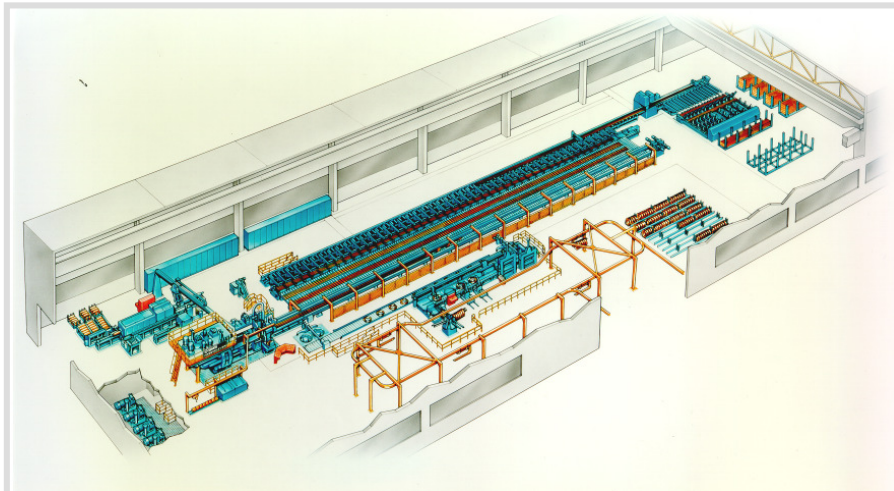
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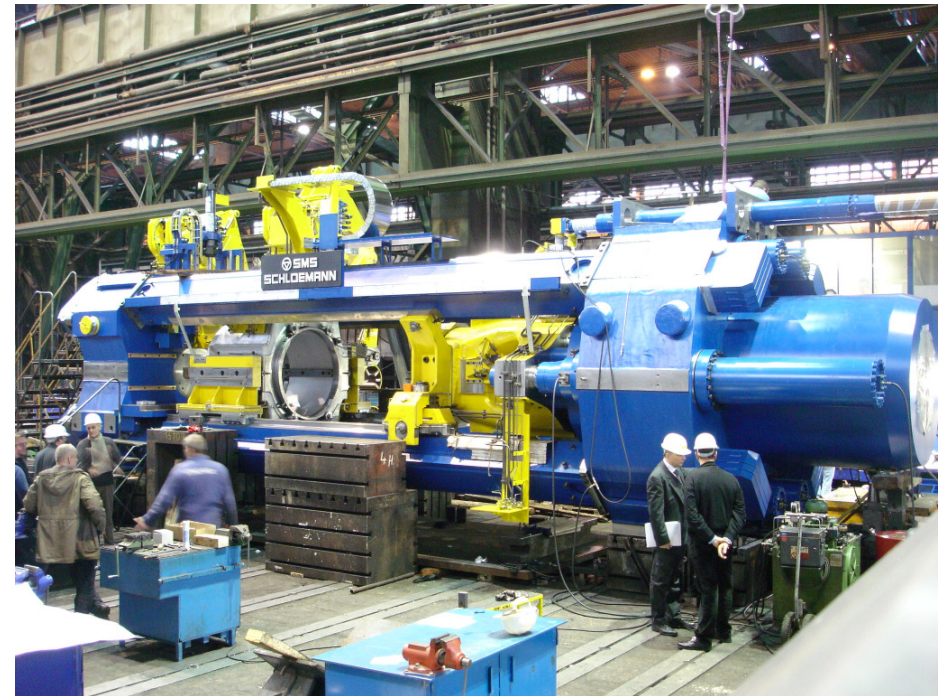
Key Projects focusing on our three pillars



The new extrusion press is making progress according to plan



- Hall construction completed in December 2006. Dimension: 90 x 40 x 12 m
- Extrusion press weighing 480 tons delivered and in assembly now. First pressing June 2007
- Press force: 5.000 tons
- From fall 2007 until summer 2008 products will be transferred step by step from old presses to the new one. First significant productivity impact in Q1/Q2 2008



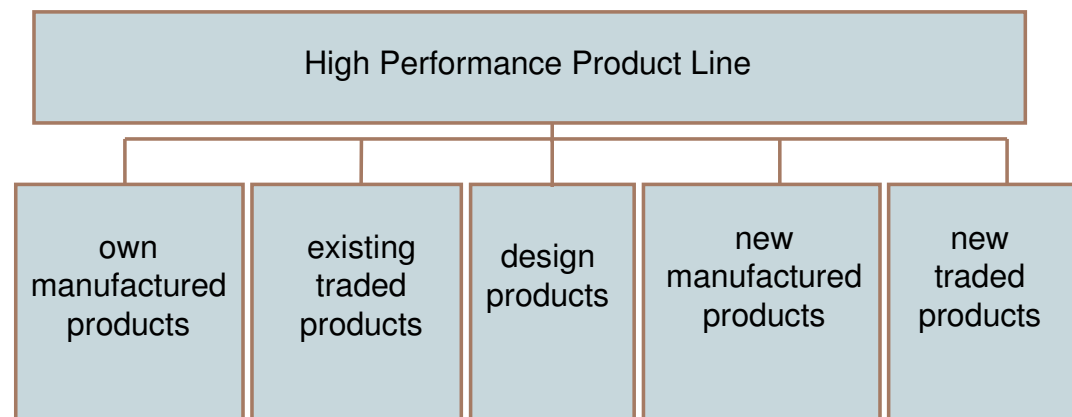
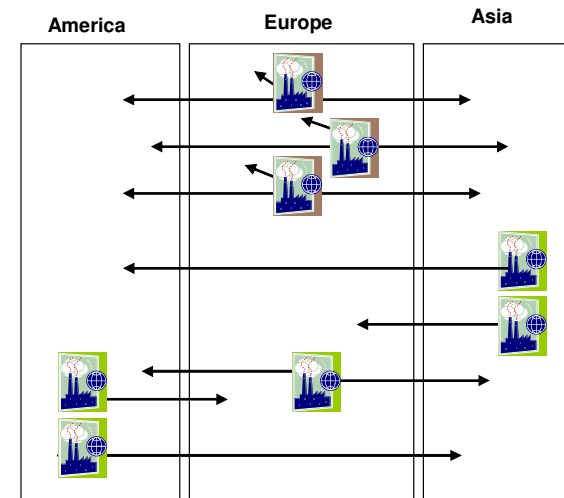
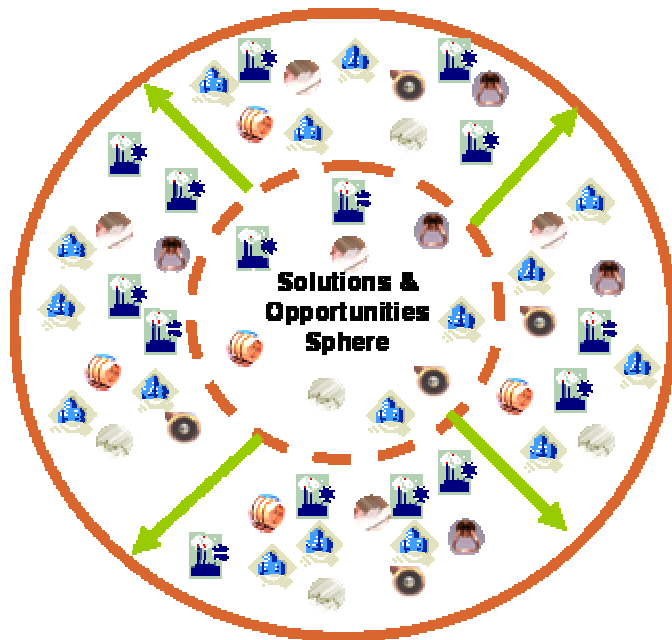
By end of 2008 all industrial activities in Reconvilier will be concentrated in Usine 2

- Investment plan focusing on Usine 2, the more modern of the two industrial buildings in Reconvilier*
- Surfaces freed due to concentration of hot deformation activities in Dornach
- The entire cold deformation can be concentrated in one single building
- Machines positioned in-line in order to minimize internal transportation distances
- Machines grouped according to product groups
- Transports between the two factories eliminated
- Usine 1 can be emptied for other uses
- Significant cost savings for infrastructure

* Plant 1, center of town, 12.000 m²; Plant 2 24.000 m²

What is the Trade Products initiative all about?

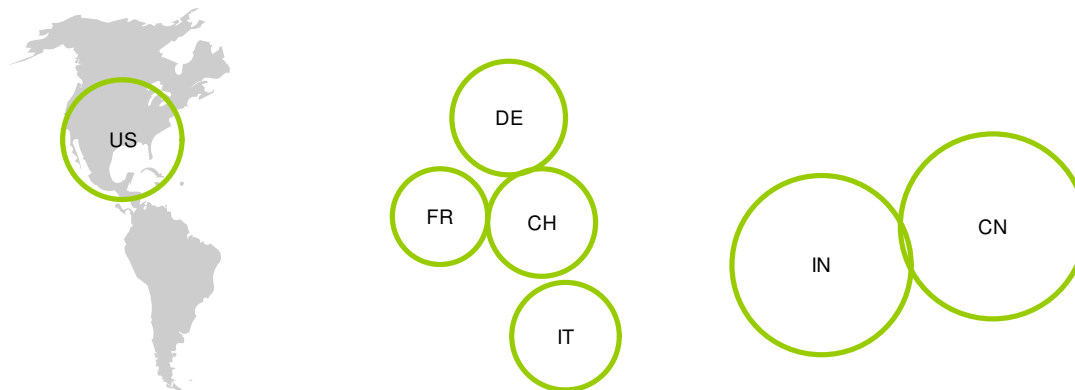
- Expanding our Sphere
- Complimentary Products
- Industry Partnering
- Focusing on Customer Service
- Regional Market Orientation



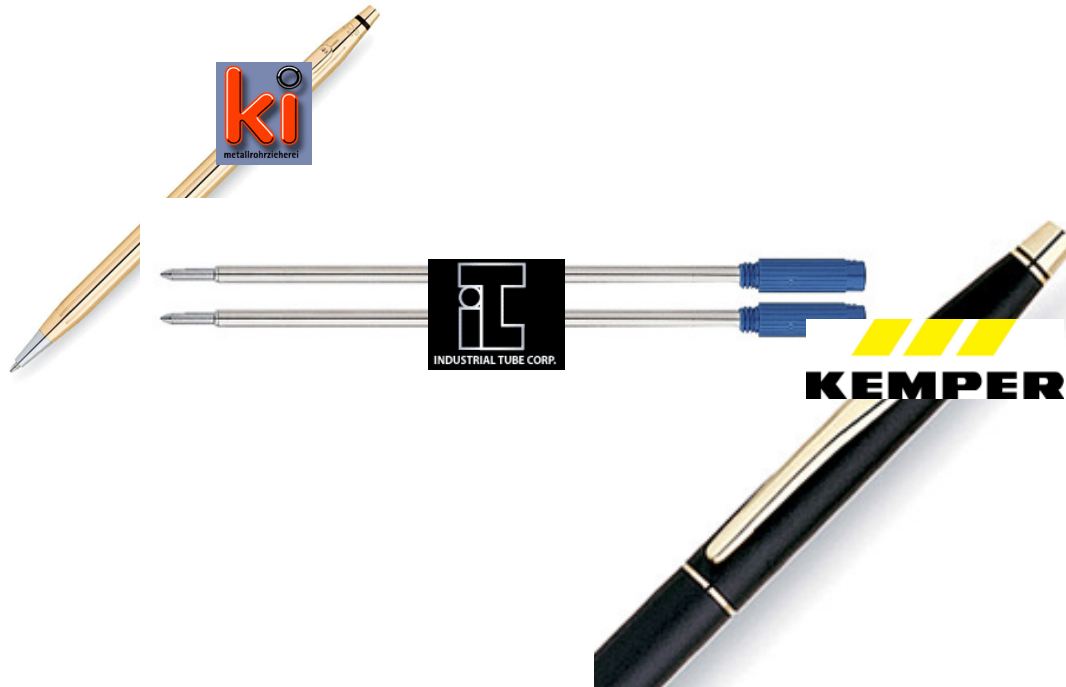
Why Traded Products?

We make money on Distribution!

- National sales teams in the markets
- Flexibility to construct customer solutions
- Connected to future opportunities
- Increased Supply Chain Responsiveness



Example of Trade Products

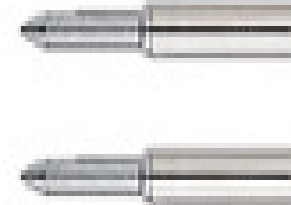


Relationship Evolution

Selling Across Product Line

Following Customer From USA To China

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Focusing on what is Important ...

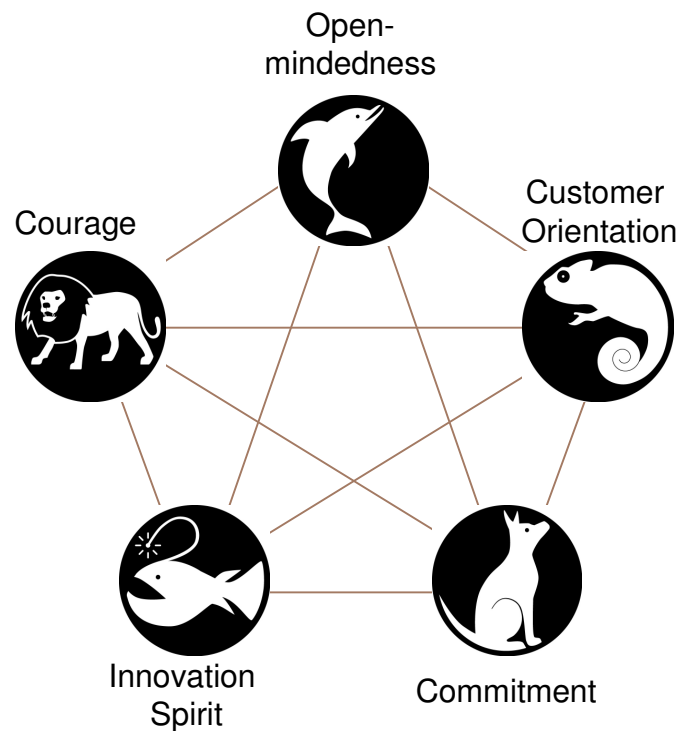
- Who has the customer?
- Who has the best product & service options?
- Who has the best responsiveness?
- Who has the best relationships?
- Who has the best financial discipline?

Swissmetal has launched a number of initiatives for the performance-oriented development of the corporate culture

Internal Communication

New communication tools:

- On-line information tool with screens in all factories
- Swissmetal News internal monthly newspaper
- Intranet
- Interactive program to ingrain Swissmetal Vision and Core Values



Performance-oriented Development of Corporate Culture

- Bonus program "Nordstern" based on economic value added since 01/2006
- Employee stock participation plan as of 04/2007
- Management Development Program

Key Messages

- Diversity, team spirit and a good balance between solid tenure and new impulses are important success factors to us
- The financial year of 2006 was a year of solid operative performance
- The first quarter of 2007 continued with strong demand in our key markets
- Swissmetal must relentlessly continue with the repositioning to pursue a path of sustainable, profitable growth
- For the traditional business, we continue to focus on our three main strategic objectives
 - Operational Excellence
 - Industrial Consolidation
 - Asia Strategy
- We see further growth potentials in our new initiatives
 - Trade Business
 - Design Products

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Questions & Answers

