

# SWISSMETAL Media release

Dornach, 14 May 2009

## **Gross sales total CHF 59.3 million in Q1/2009 – poor economic situation continuing to impact on Swissmetal – short-time work at all sites**

In the first three months of 2009, Swissmetal generated consolidated gross sales of CHF 59.3 million. The CHF 32.4 million (35%) drop in sales results due to the current poor economic situation.

The gross margin totalled CHF 26.7 million, which is CHF 8.7 million or 25% lower than the same period last year.

First-quarter operating income before depreciation and amortization (EBITDA) was CHF 5.6 million down on the previous year at CHF 0.8 million. The operating result after depreciation and amortization (EBIT) fell CHF 5.5 million to CHF -2.4 million (previous year: CHF 3.1 million). While personnel expenses fell by CHF 2.5 million to CHF 14.6 million, operating expenditure rose by 5% to CHF 11.3 million. Energy costs account for a reduced proportion of operating expenditure due to the introduction of short-time working. Essential maintenance of machinery remains the major part of operating expenses. Earnings after tax (EAT) amounted to CHF -2.0 million compared to CHF 0.4 million in the previous year.

Swissmetal's equity was CHF 115.9 million on 31 March 2009. The equity ratio remains unchanged at 58% compared to 31 December 2008. The net debt had fallen from CHF 46.6 million to CHF 38.3 million.

Swissmetal generated an operating cash flow from CHF 8.5 million (previous year: CHF 1.0 million). This gives a free cash flow of CHF 7.0 million (previous year: CHF -1.7 million) in the first quarter 2009.

During the global economic crisis, Swissmetal will continue to reduce costs to a minimum and can respond to the current situation by introducing short-time work.

In contrast to the annual report for the fiscal year 2008, Swissmetal changed the stock valuation method into the LIFO system with no longer considering the purchase and delivery obligations. With this change, Swissmetal is in line with Swiss GAAP FER and with standards commonly applied in the copper industry. It does not affect the risk management which is handled the same as under the previous method. With this change, the balance sheet total 2008 decreased by CHF 9.0 million; in the first quarter 2008, the EAT is positively affected by CHF 0.7 million.

Swissmetal manufactures and sells high-quality speciality products made from copper and copper alloys in markets around the world. Its products are mainly used in the electronics, telecommunications, aviation, petroleum, automotive, stationery and watch industries and also for architectural purposes. In the 2008 financial year Swissmetal generated sales of CHF 325 million. At the end of April 2009 it employed a workforce of 648 FTEs. Based in Dornach, Switzerland, Swissmetal is listed on the SIX Swiss Exchange as Swissmetal Holding Ltd.

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