

Dornach, 24 June 2008

Swissmetal arranges for the manufacturer to make technical adjustments to the new extrusion press

The production capacity should reach the desired level in the second half of the year – After the current technical challenges have been surmounted, the effects of the now complete restructuring process will become visible – Foregoing operational shutdown this summer – Project SolarTiles: The second generation of roof tiles for energy production currently under development

The new extrusion press at the Dornach site, which is to supply the Swiss manufacturing plant of Swissmetal with primary products and which was officially commissioned in January 2008 following a two year construction period, is to undergo technical alignment. The extrusion press manufacturer will deliver a new, technically optimised wire line in the coming weeks. This will replace the original design, which has not been functioning as planned. Following installation, the production transfer will also resume for those wire products affected. Swissmetal anticipates that the manufacturer's adjustments to the extrusion press will facilitate the production of the affected wire products. It is therefore predicted that the transferral of production to the new extrusion press will be completed in September 2008. This means a delay of three months with respect to the original planning. Swissmetal will provide information on the forthcoming stages of the product transfer in due course.

The complete transferral of production to the new extrusion press should be completed in June 2008, in accordance with the original planning. Various problems, including the previously mentioned non-functioning wire line and the recurrent interruptions to the regulation and control engineering, have delayed transferral and led to supply bottlenecks since the start of the year. Despite intensive support provided by technical staff from the supplier, during the first months of the year it was not possible to achieve the requisite capacity for Swissmetal to fulfil all of its customer orders in a timely manner. This is particularly regretful because the orders received were in excess of those in the previous year and it was possible to successfully complete restructuring programme as planned. The restructuring will not however take effect until the aforementioned production-side supply bottlenecks have been alleviated.

No operational shutdown this summer

In order to improve Swissmetal's capability to supply its customers, and to quickly process the existing high number of orders, the company is foregoing its customary operational shutdown this summer. Instead, it will be working throughout the summer, sometimes with additional support from temporary staff during the holiday period. Furthermore, the hot deformation plant in Dornach will receive personnel reinforcements in the form of experienced staff from the Lüdenscheid and Reconvilier Swissmetal sites. Swissmetal would like to thank its personnel sincerely.

Swissmetal anticipates that the planned technical optimisation coupled with a bundle of agreed compensation measures will result in financial improvements in the second half of 2008. Following the demanding production transfer, the company is currently forecasting balanced results at the end of the 2008 financial year. In particular, Swissmetal is anticipating that the positive company development witnessed since the start of the restructuring process four years ago, will resume in 2009 and that this will create a platform for sustainable, profitable growth.

Project “SolarTiles”

The innovative “SolarTiles” project is making headway. This is a roof tile manufactured from the optically pleasing and durable Swissmetal architectural bronze. The roof tiles are connected with a heat pump by way of a heat transportation medium and thus make the environmental energy available for the heating and cooling of buildings. The first prototypes were in test operation last winter, where they proved themselves fully functional and energy-efficient. The second generation is currently under development and will be installed at a range of test sites in the coming weeks.

Swissmetal produces and sells worldwide high-quality special products made of copper and copper alloys which are mainly used in the electronics, telecommunications, air travel, petroleum, automobile, stationery and watch/clock industries and in the architectural sector. In financial year 2007, Swissmetal achieved turnover of CHF 407.0 million. As at end of May 2008, the company had 646 full time-employees. Swissmetal, with its registered office in Dornach (Switzerland) is quoted on the SWX Swiss Exchange as Swissmetal Holding AG.

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