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Since 2006 Swissmetal has been focusing on a bonus system orientated towards sustainability

Swissmetal is following the current debate on bonus payments orientated too much towards the short term with a certain amount of astonishment. In the public debate, it is above all the level of bonuses that figures and their aims less so. However, it is not the former but the latter that is crucial to sustainability in general, as is management conduct sufficiently focused on opportunities and risks.

Swissmetal has defined an appropriate five-year bonus scheme for its 80 or so top managers based on its company strategy to 2010. The individual bonuses have no ceilings. But the bonus achieved in one year is credited to what is known as a "bonus bank account" and only 30% of that is paid out to the employee. The balance is blocked and can even be lost again in subsequent years. Year by year only 30% of the account balance is ever paid out. So Swissmetal is already operating a positive and negative bonus system orientated towards stability of the sort, for instance, currently being debated by the banking sector.

Long-term sustainable growth in return on capital is of crucial importance to the remuneration of the entire Swissmetal management team. This gives management enough of an incentive to make decisions that adversely affects the result short term when these contribute in the long run to an improvement in performance. On the other hand, there is no opportunity to favour short-term optimization and thereby to pocket a big bonus since this will be due for payment mainly in subsequent years, is blocked till then and will be lost again without sustainable improvements.

Performance-related and long-term-orientated payment of management employees is a foundation stone of Swissmetal's company culture. Swissmetal is convinced that it set the right course several years ago.

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 October 2008, the company had 704 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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