

SWISSMETAL®

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EVP Industry

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**Swiss Equity
smdays 2006**

September 14, 2006



- Company Profile
- Financial Performance
- Reshaping Swissmetal

Swissmetal develops and produces superior-quality, world-leading, high added-value specialty products from non-ferrous metals

- The leader in superior-quality alloys

Swissmetal is a leading manufacturer of exceptional copper-alloy forms and profiles that have to satisfy stringent requirements in terms of electrical and thermal conductivity, strength, corrosion resistance and machinability

- Exclusive modules for growth industries and new markets

With selected modules for suppliers of such consumer and capital goods manufacturers as the watch, computer, automotive, electronic, telecommunications, and aviation industries, Swissmetal has a global market penetration of up to 90%. It aims to secure its stronghold in European manufacturing industry in the long term by means of high service quality and strong delivery capabilities, and to enter attractive markets such as Asia and North America with a greatly expanded sales team

- High innovative drive

Swissmetal intends to grow globally by developing new production processes and applications for the industries of tomorrow, such as medical, automotive and aeronautic engineering. Swissmetal's strong innovative drive is based on close relationships with customers in the manufacturing industries

- Swiss company with an international presence

Swissmetal generated sales of CHF 198 million for the full year 2005 and CHF 158 million for the first half year 2006. It is listed on SWX Swiss Exchange. At the end of July 2006 it employed a workforce of 878 FTEs. With development and production sites in Reconvilier (CH), Dornach (CH) and Lüdenscheid (D), with its own sales offices in Italy, Germany and America, plus a global network of agents and dealers, Swissmetal delivers to clients in Europe, North America and Asia.

Swissmetal's products find their way into technical applications where performance is crucial to the value of our client's end-product



Wires

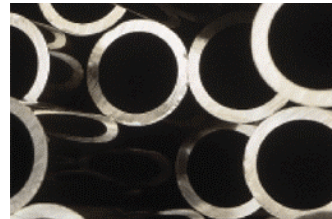
Diameter ranging from 0,5 mm to 8 mm



Rods

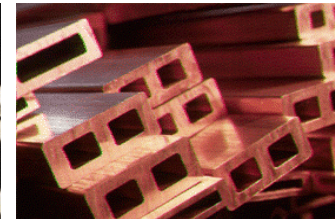
Full rods with diameters from 1.0 mm to 100 mm

Sectional rods with a circumscribed circle from 10 mm to 90 mm



Hollow rods (Tubes)

Hollow rods and tubes with an external diameter from 15 mm to 150 mm



Sections/Profiles

Solid sections with a circumscribed circle from 1.5 mm to 200 mm

Hollow sections with a circumscribed circle from 10mm to 140 mm



Strips

Strips with thickness from 0.2 mm to 5.0 mm and width ranging from 10 mm to 140 mm



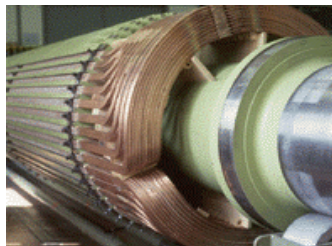
Electronics

Plug connectors



Consumer Goods

Optical parts
Writing instruments
Watch parts



Electrical Engineering

Electrical equipment
Energy production
Energy distribution



Industry/Construction

Mechanical engineering
Lock systems
Metal construction
Fittings and warm pressing
Automotive
Aerospace



Turning Parts

Turning parts < 6 mm
Turning parts > 6 mm



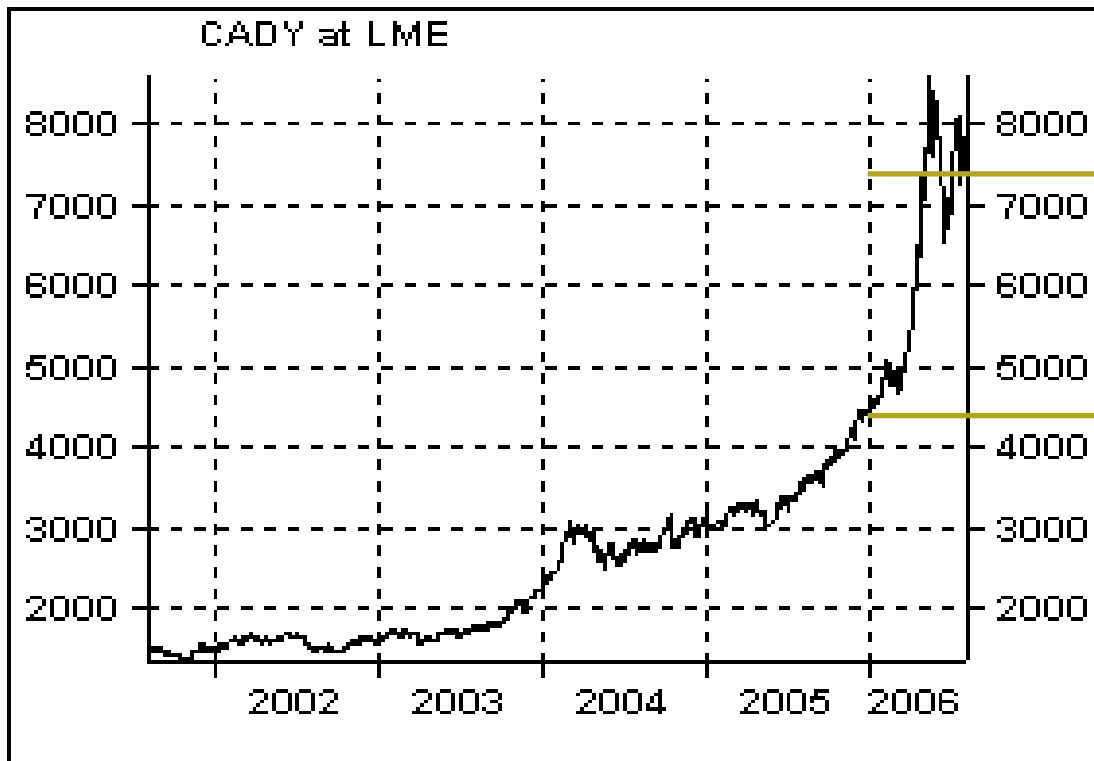
- Joint development of a new material fulfilling the extreme specifications for the aircraft and oil industry
- Some special properties of CN8 are:
 - 30% lower friction coefficient compared with beryllium copper (reference material)
 - High mechanical strength
 - Excellent corrosion resistance
- Typical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

Swissmetal has installed effective incentive schemes in order to align management and leadership behaviour with the shareholder's interest

- Value Added Bonus Plan
 - Long-term bonus plan with bonus bank
 - Incentive for long-term relationship between employer and employee
 - Personnel improvement system without a cap

- Employee Stock Ownership Plan
 - Program in progress – introduction in 2006 planned
 - Program for all employees of Swissmetal
 - Aim
 - Promoting the identification with the company
 - Support for strategy realisation
 - Motivation and thank for big dedication
 - Planned operating mode
 - Contribution of a number of shares for five years in second half year 2006
 - Transfer into ownership in three yearly tranches at year end each
 - Blocking period of 2 years for the transferred shares

Copper 3 months USD/tonne



Date	USD	Increase
31.12.2004	3,154	71.1%
30.12.2005	4,433	100.0%
12.05.2006	8,590	193.8%
30.06.2006	7,431	167.6%

Financial Performance

Half Year Results 2006 at a Glance

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- Gross sales up 53% (CHF 157.6 million)
- Gross added value sales up 13% (CHF 63.1 million)
 - Positive development in watch and construction industries, electrical appliances, lock systems
 - Decline in writing instruments, connectors and turned parts due to unlawful 30 day strike at Reconvilier
- EBIT up 129% (CHF 6.4 million)
 - Reconvilier constantly picking up
 - One-off expenses (positive: sale of metal stock, negative: strike-related expenses)
- Balance sheet total up 30% (CHF 212.3 million)
 - Including newly acquired Busch-Jaeger Metallwerk GmbH
 - Increasing metal prices
- Market value of the total inventory is CHF 125.3 million, being more than two times the book value (CHF 60.4 million)
- Operating cash flow up 15% (CHF 11.8 million)

Financial Performance
Income Statement Half Year 2006

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CHF 000	2006*	2005	Change	Change in %
Gross sales	157,632	102,846	54,786	53
Gross added value sales**	63,059	55,702	7,357	13
Gross margin	68,517	57,785	10,732	19
EBITDA	13,343	9,053	4,290	47
Depreciation	-6,898	-6,233	-665	-11
EBIT	6,445	2,820	3,625	129
EAT	3,124	2,541	583	23

* The figures for Busch-Jaeger Metallwerk GmbH are included for February to June 2006.

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

Financial Performance

Balance Sheet

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CHF 000	30.06.2006*	31.12.2005	Change	Change in %
Current assets	128,268	94,835	33,433	35
Fixed assets	84,055	67,953	16,102	24
Total assets	212,323	162,788	49,535	30
Short-term liabilities	63,352	22,867	40,485	177
Long-term liabilities	23,118	16,513	6,605	40
Total liabilities	86,470	39,380	47,090	120
Share capital	58,910	58,910	0	0
Reserves	66,943	64,407	2,536	4
Minority interests	0	91	-91	-100
Total shareholders' equity	125,853	123,408	2,445	2
Total liabilities and shareholders' equity	212,323	162,788	49,535	30

* The figures for Busch-Jaeger Metallwerk GmbH are included.

Financial Performance

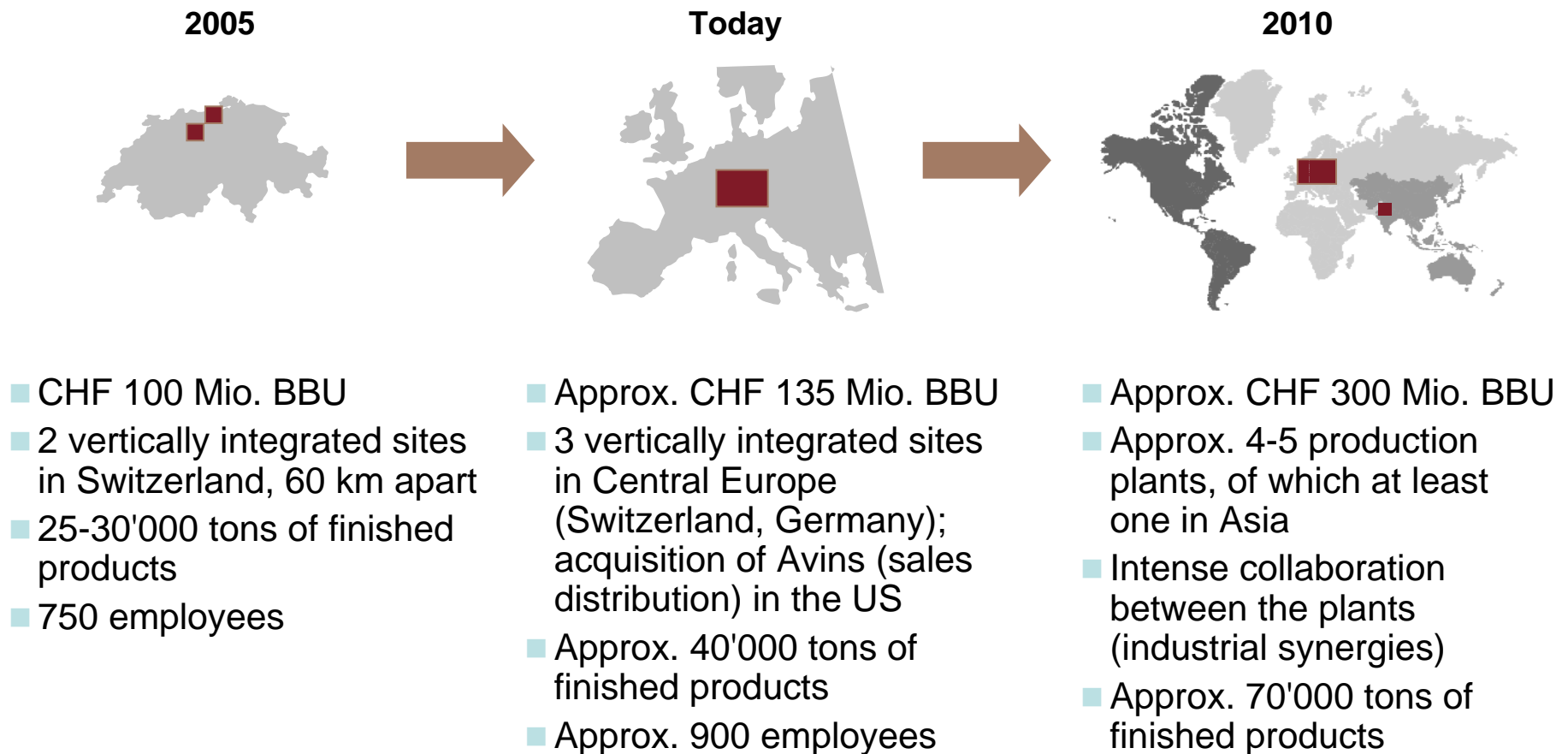
Cash Flow Statement Half Year

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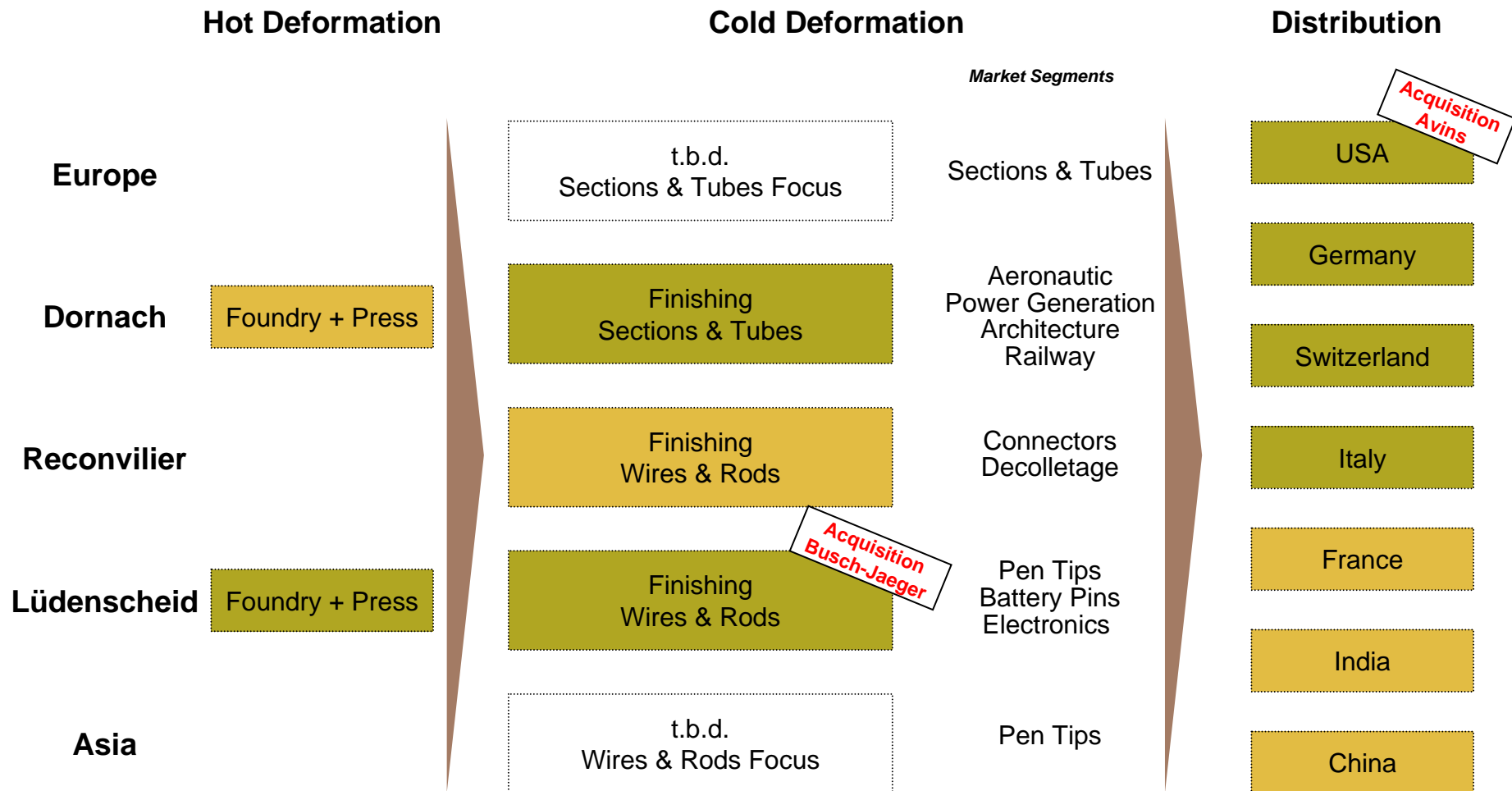
CHF 000	2006*	2005	Change	Change in %
Cash flow from operating activities before change in net current assets	8,437	8,986	-549	-6
Change in net current assets	3,343	1,223	2,120	173
Cash flow from operating activities	11,780	10,209	1,571	15
Cash flow from investing activities	-16,133	-4,358	-11,775	-270
Free cash flow	-4,353	5,851	-10,204	-
Cash flow from financing activities	2,541	130	2,411	1,855
Net change in cash and cash equivalents	-1,794	5,986	-7,780	-
Cash and cash equivalents as at 1 January	13,721	9,307	4,414	47
Cash and cash equivalents as at 30 June	11,927	15,293	-3,366	-22

* The figures for Busch-Jaeger Metallwerk GmbH are included for February to June 2006.

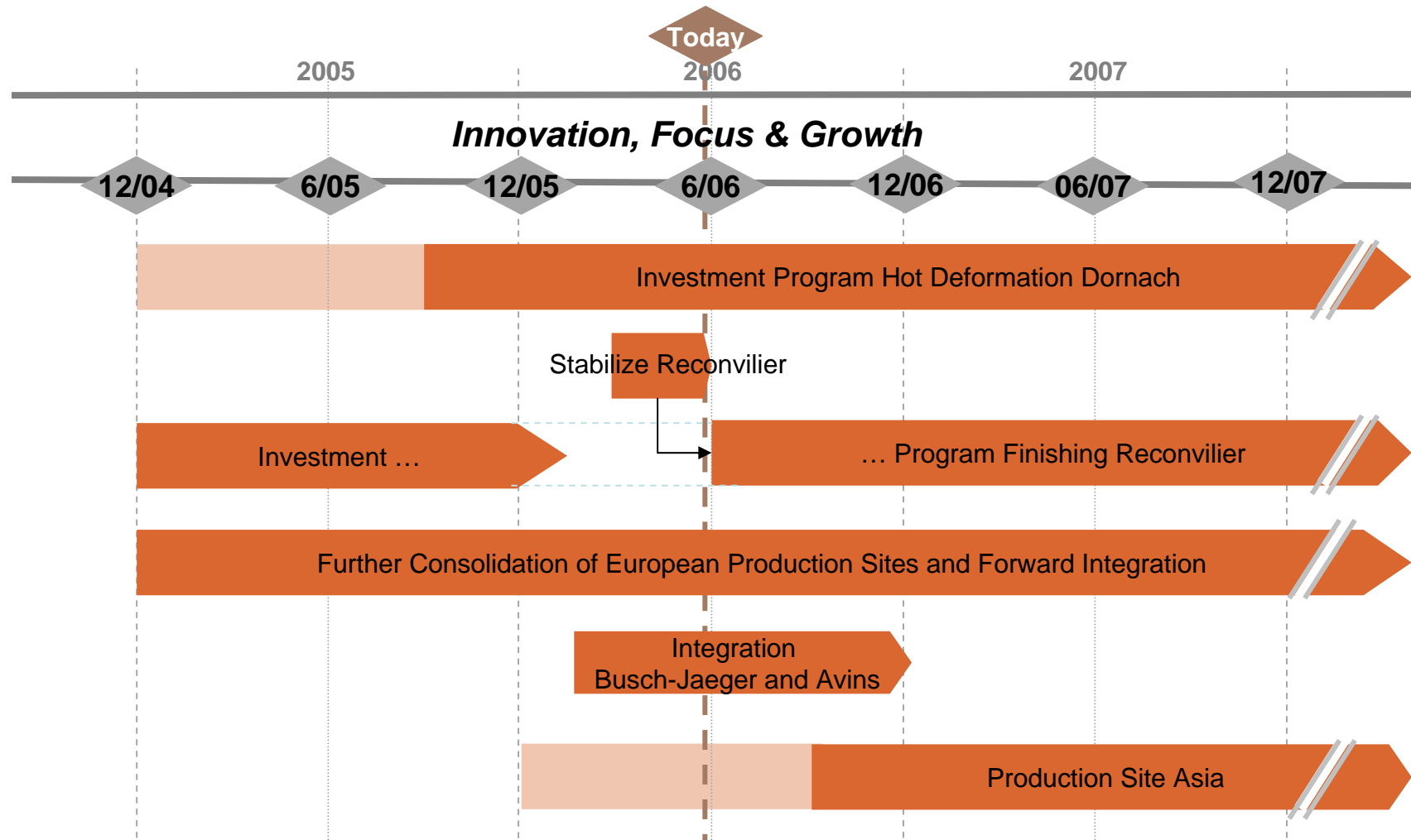
Swissmetal progresses with the realization of its long-term vision remarkably



The acquisitions of Busch-Jaeger and Avins support the realization of the industrial concept

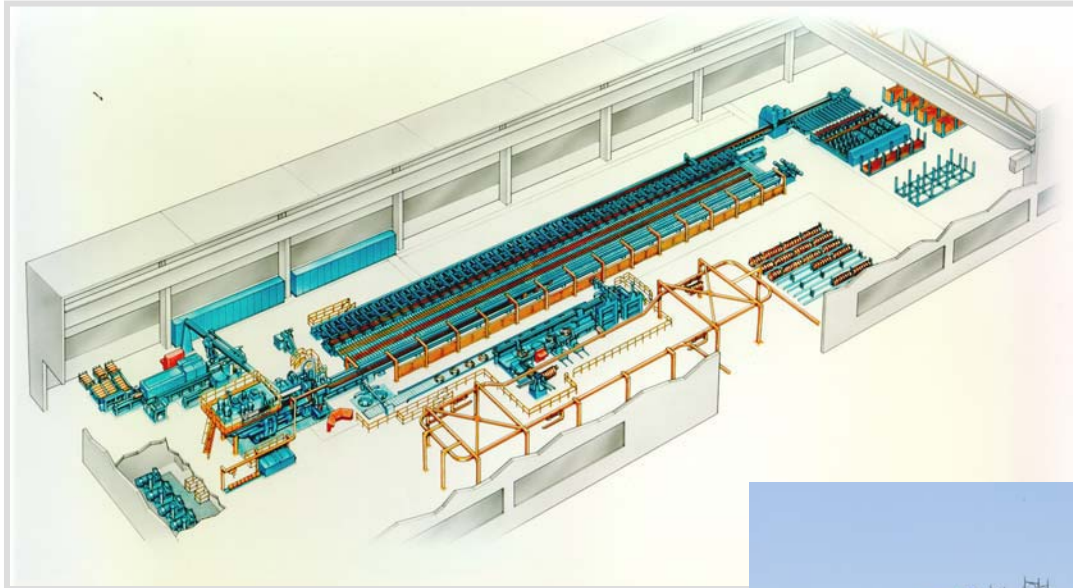


Current projects are built up on the three pillars of the strategy



Reshaping Swissmetal New Extrusion Press in Switzerland

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**Arrival Date:
End of 2006**

**First planned
regular production:
Mid 2007**

- Hall dimension: 90 x 40 x 12 m
- Steel construction: about 371 tons
- Extrusion press: 480 tons
- Press force: 5,000 tons



- Solid progress in the repositioning of the company
- Strong drive towards innovation
- Very satisfying result in a good economic environment in our industry
- Taking part in the industrial consolidation – two acquisitions
 - Production Site Busch-Jaeger (Lüdenscheid/Germany)
 - Distribution Company Avins (New Jersey/USA)

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Questions & Answers

