

SWISSMETAL

Presentation Annual Report 2010

29 April 2011

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Agenda

- Business 2010
- Annual Report 2010
- Outlook

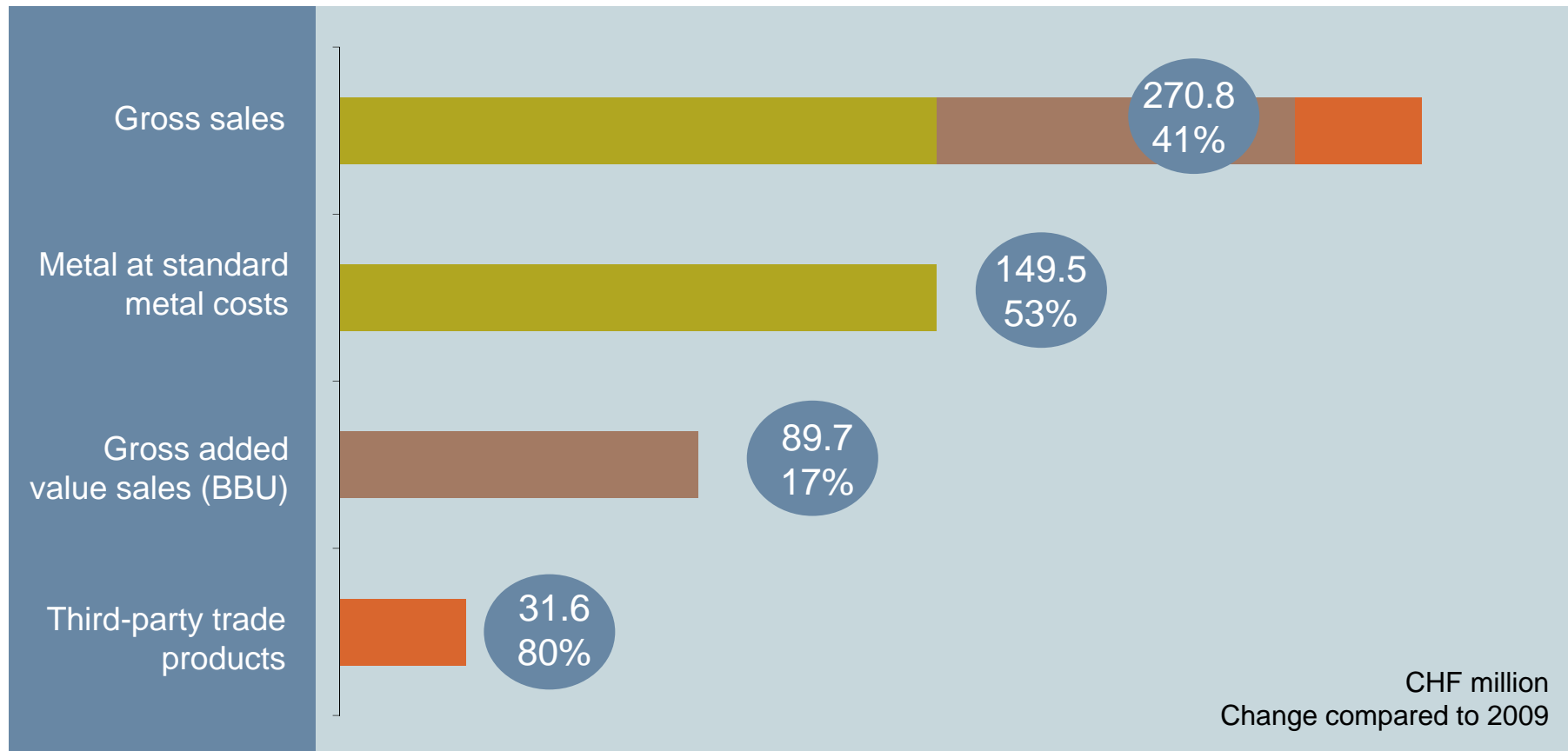
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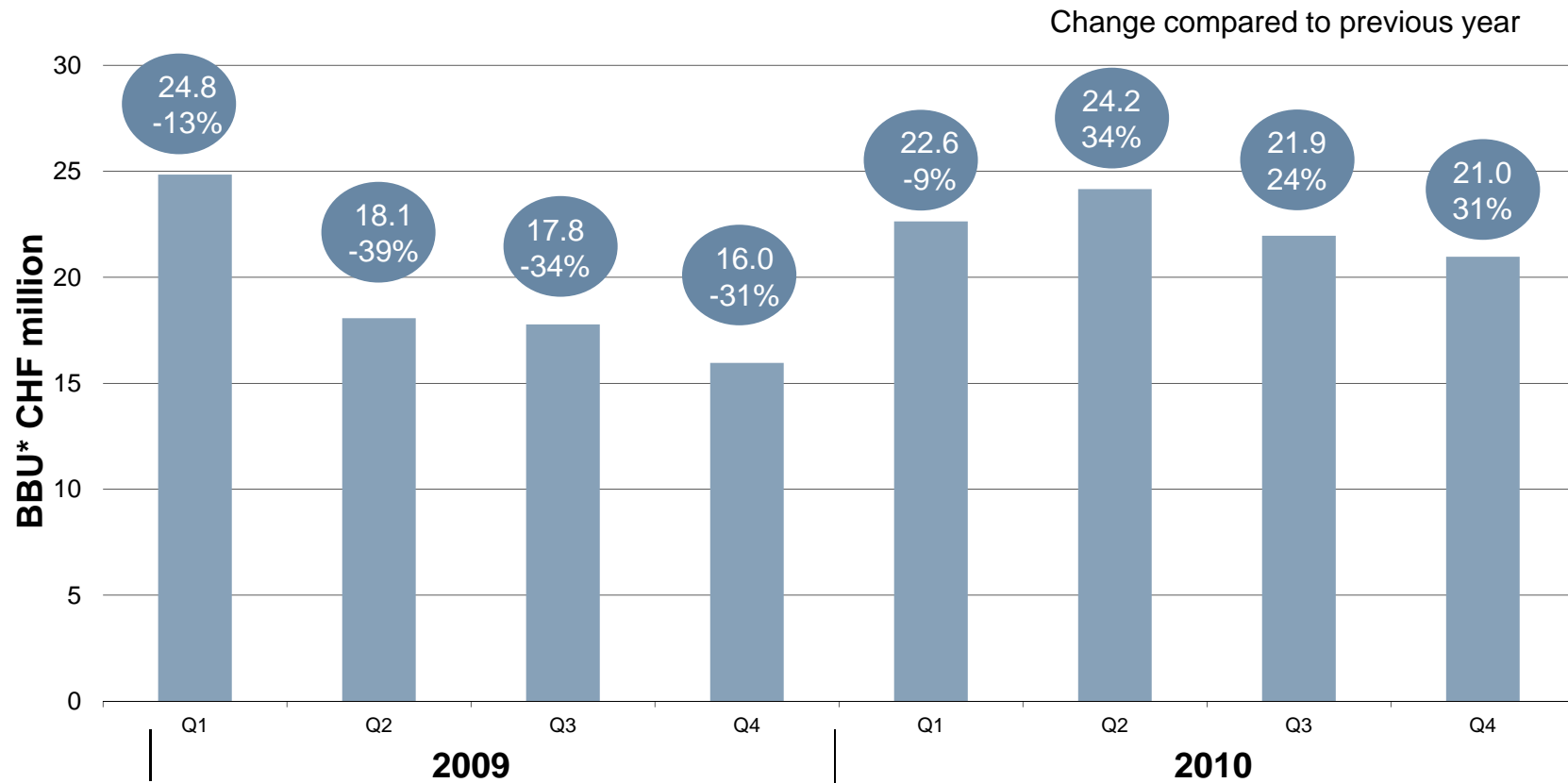
Year 2010: Increased business activity

- Increased business activity in all segments
- Discontinuing operation: ATMOVA business to be sold
- Restatement as of 1.1.2009: Stock valuation change from LIFO to weighted average method
- Second half-year negatively impacted by
 - Weak EUR
 - Machine shutdown
- Refinancing opportunities are given

Gross sales (continuing operation) increased by 41% to CHF 270.8 million

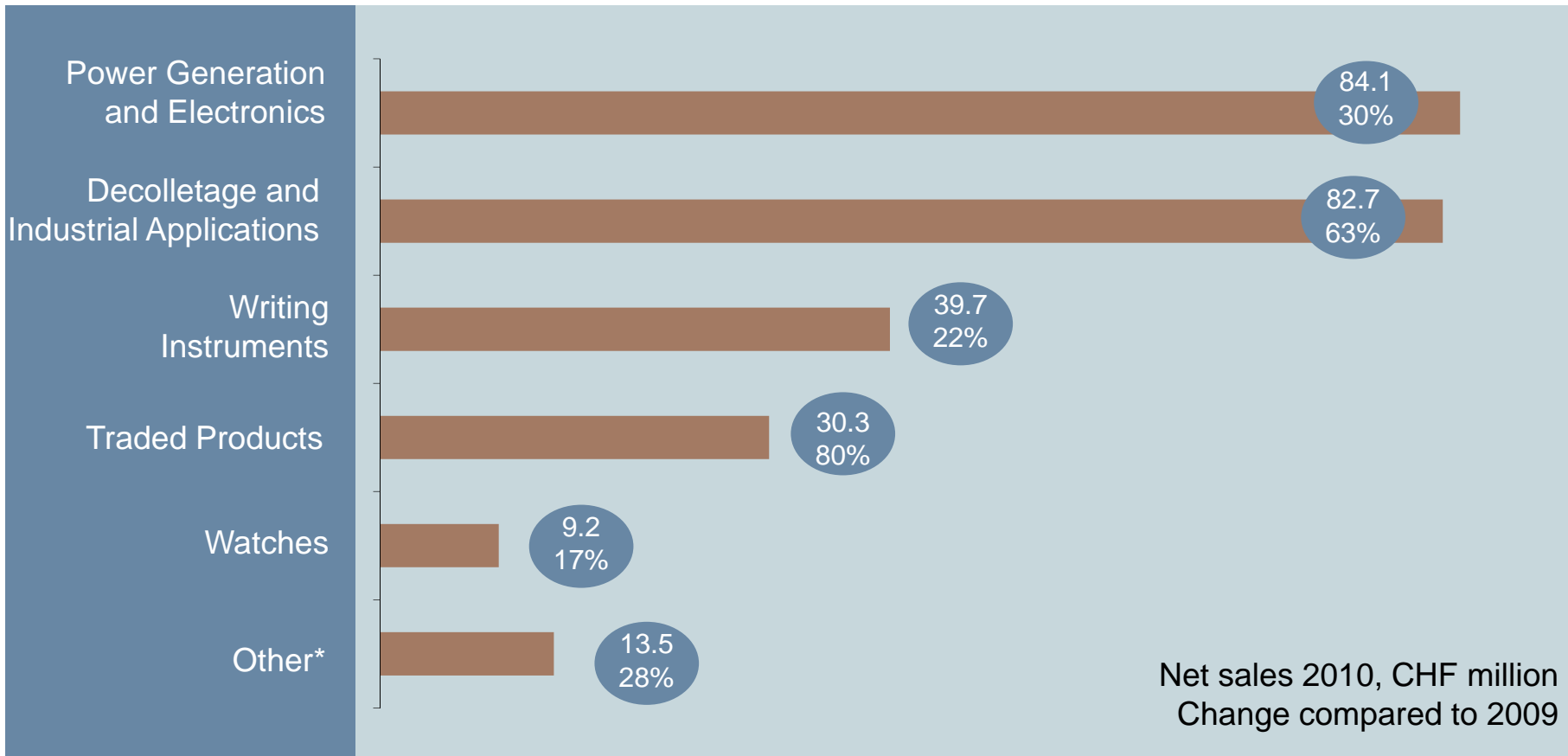


Major increase in second quarter, negative impact in second half-year due to machine shutdown and currency loss



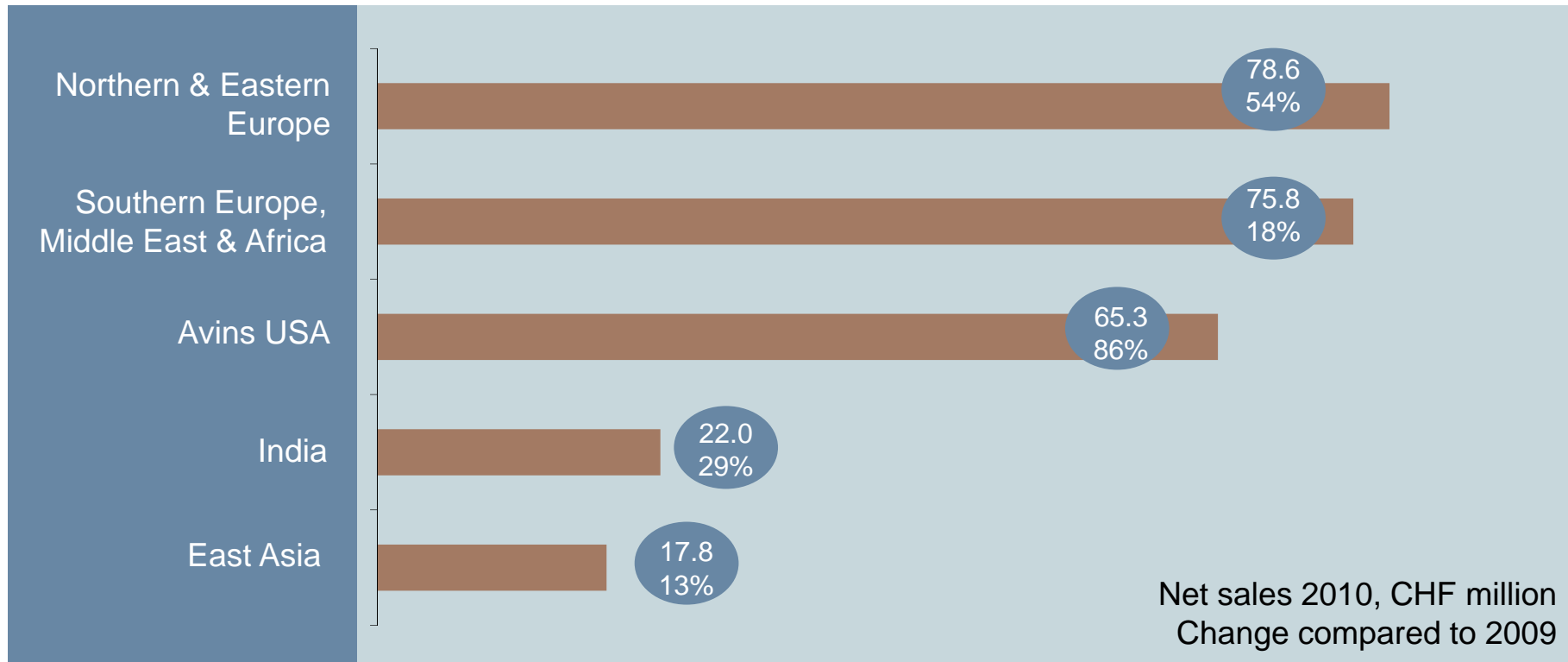
*BBU: Gross added value sales, i.e. gross sales less metal at standard metal costs (production plants)

Substantial increase in Decolletage and Industrial Applications

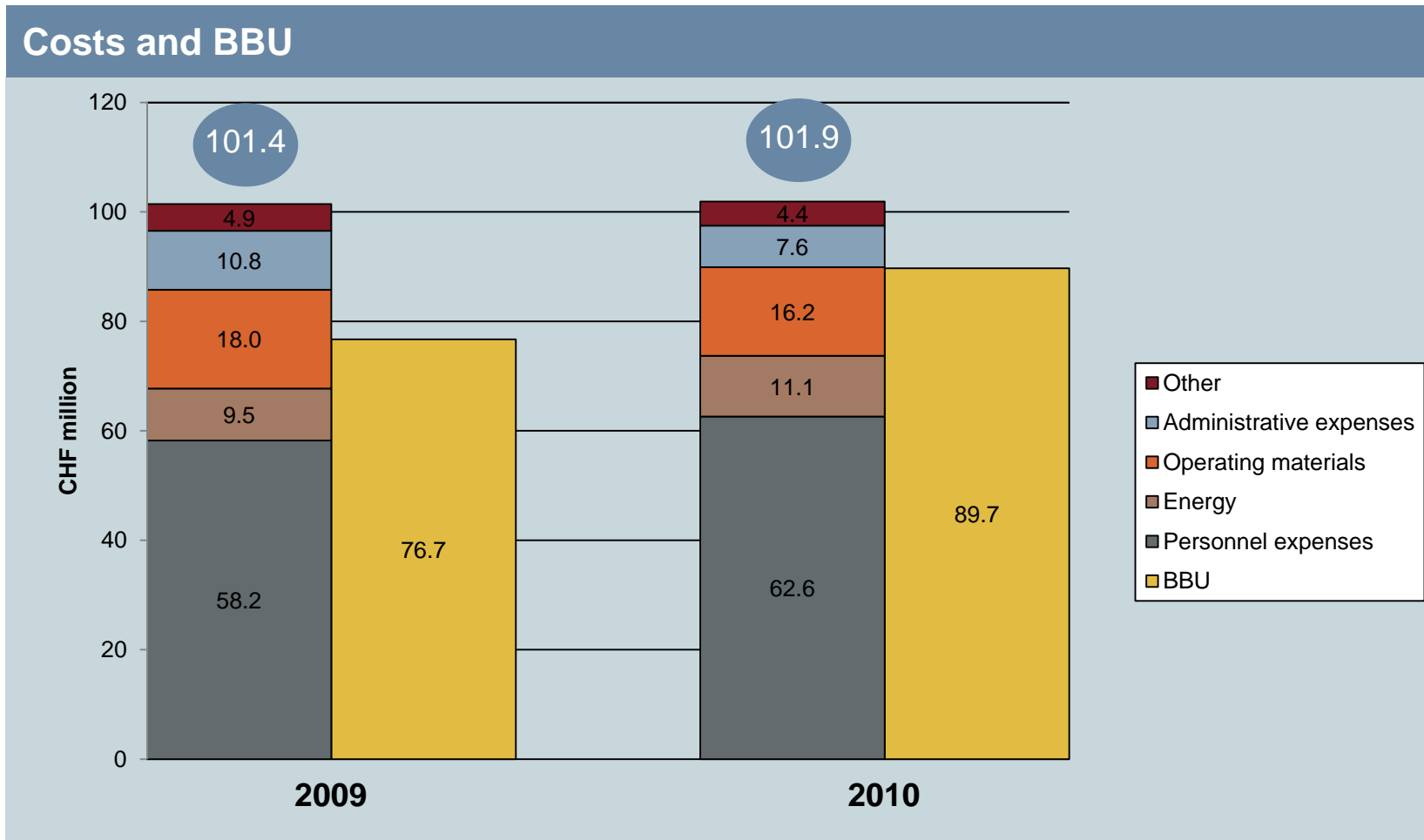


*contains Transportation, Designed Energy and Architecture

Double-digit growth in all sales regions



Improved cost structure in relation to BBU



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**Continuing operation 2010:
EBIT (operative)* improvement by CHF 21.7 million**

CHF million	2010	2009	Change	Change in %
Gross sales	270.8	191.7	79.1	41
EBITDA	3.7	-1.6	5.3	n.a.
EBIT	-7.7	-14.3	6.6	46
Metal valuation impact	5.8	20.9	-15.1	-72
EBIT (operative)*	-13.5	-35.2	21.7	62
EAT	-10.0	-15.3	5.3	35
Equity ratio**	44%	54%	-10%pt	n.a.
Net debt**	51.8	37.6	14.2	38
Free cash flow	-7.0	-2.9	-4.1	-141
Cash and cash equivalents**	1.9	5.7	-3.8	-67

*without metal valuation impact

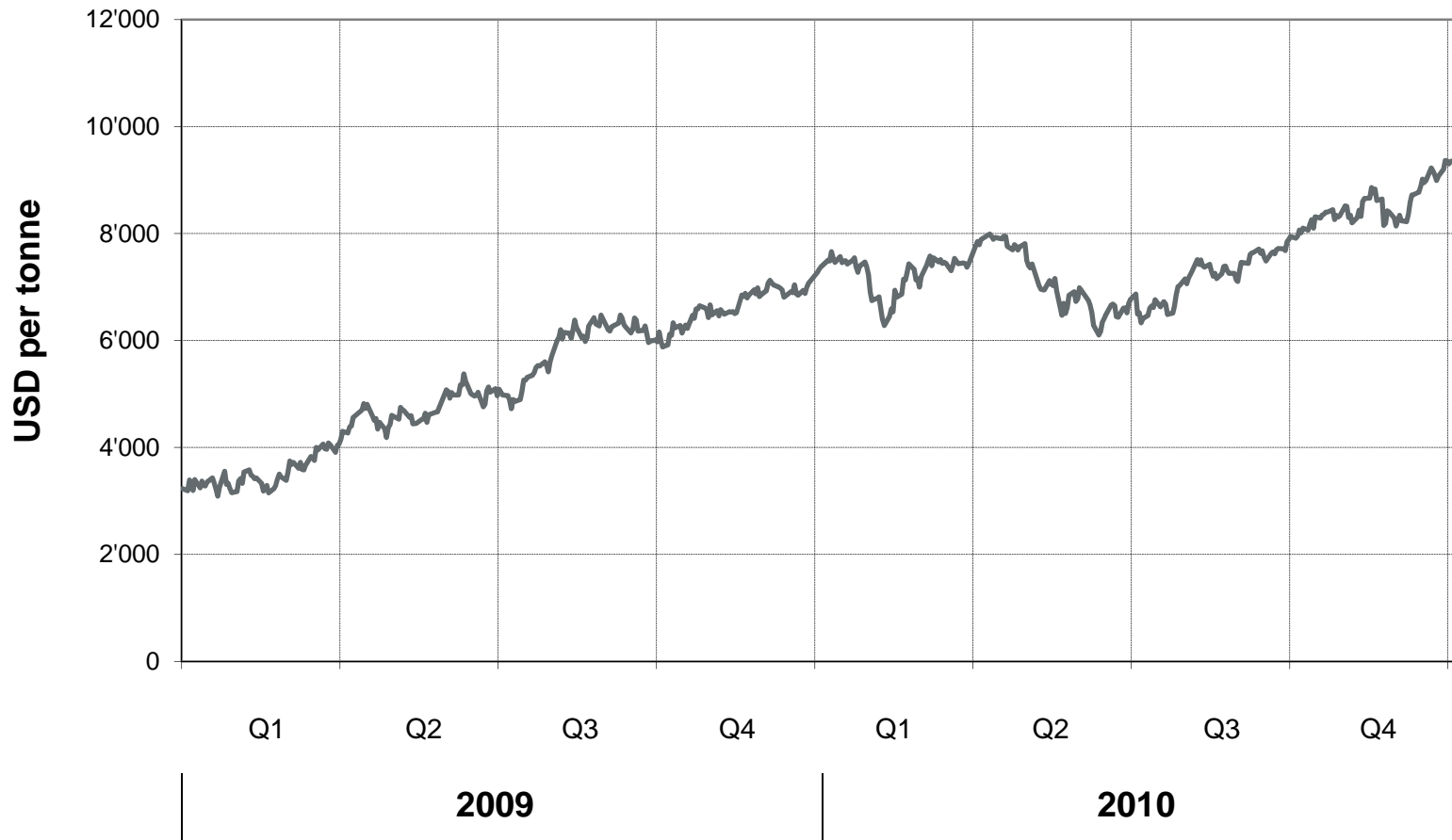
**as at 31 December 2010 and as at 31 December 2009, respectively (continuing and discontinuing operation)

Continuing operation 2010: Operational improvements

CHF million	2010	2009	Change
<i>EBIT (previous year; LIFO)</i>	-16.7	-29.9	13.2
Impact change to weighted average method	9.0	15.6	-6.6
<i>Operating income (EBIT)</i>	-7.7	-14.3	6.6
Metal valuation impact	-5.8	-20.9	15.1
<i>EBIT (operative)</i>	-13.5	-35.2	21.7

The 2010 and 2009 columns do not include the discontinuing operation (ATMOVA business) effects on the EBIT in the amount of CHF -11.7 million and CHF -0.9 million, respectively.

Copper price (3 months) development led to increased financing requirements



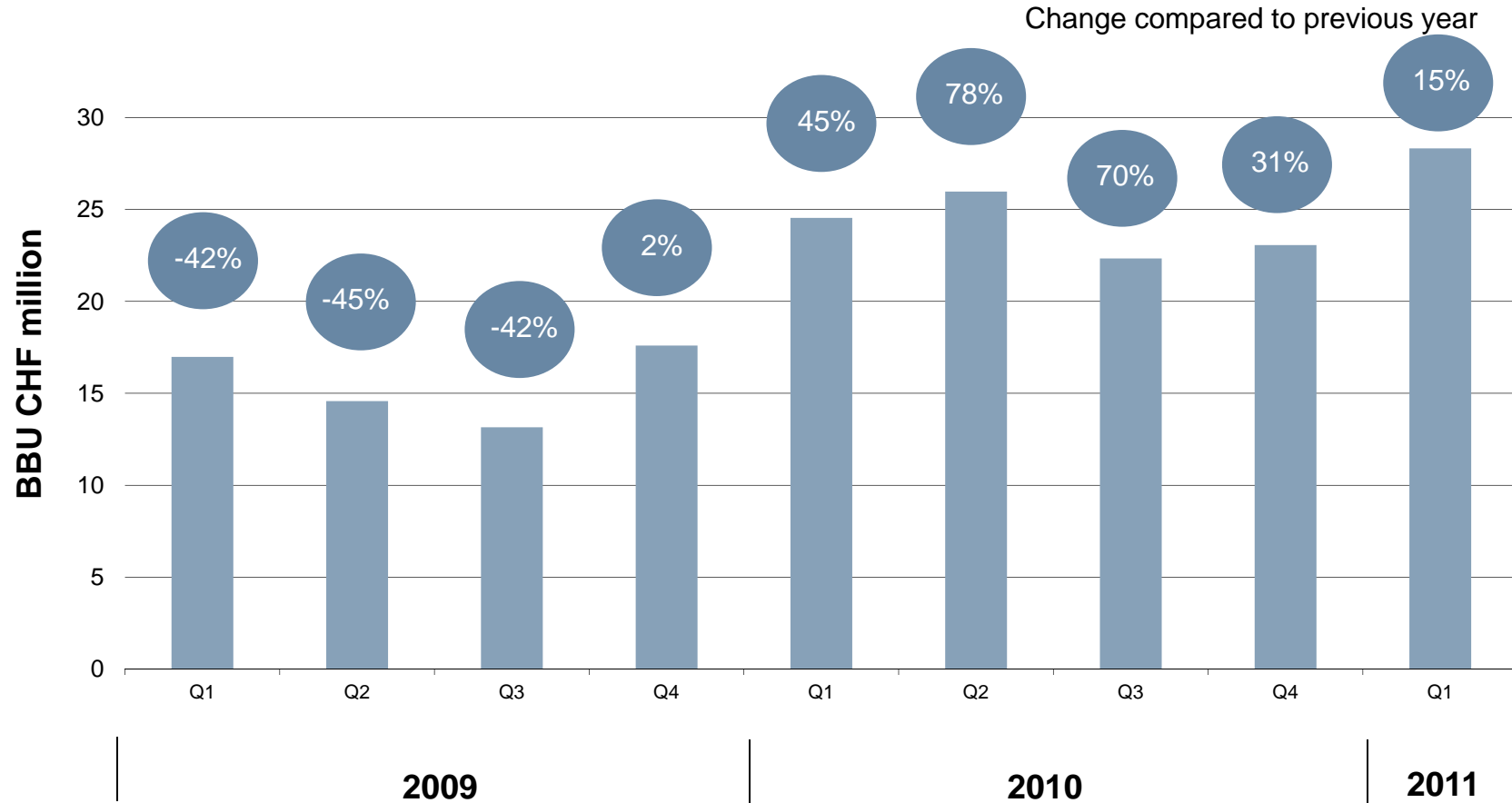
CHF/EUR 2010: Currency loss is calculated at CHF 3.2 million



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Due to the high order entry Swissmetal remains optimistic



Optimistic Business Outlook

- Robust order entry
- Cost saving programs on track

Refinancing

- Refinancing in Germany up to 2014
- Refinancing in Switzerland in progress
 - The bank agreed on the prolongation of the warehouse facility of another two years (until mid-2013) depending on the sale and lease- back/buy-back agreement.
 - Sale and lease-back/buy-back in process

Next Steps

- Portfolio realignment towards strategic higher value added products
- Selective transfer of production to Germany
- Further cost structure improvement and production process optimization