
Zurich, 1. April 2010

Presentation of the 2009 Results

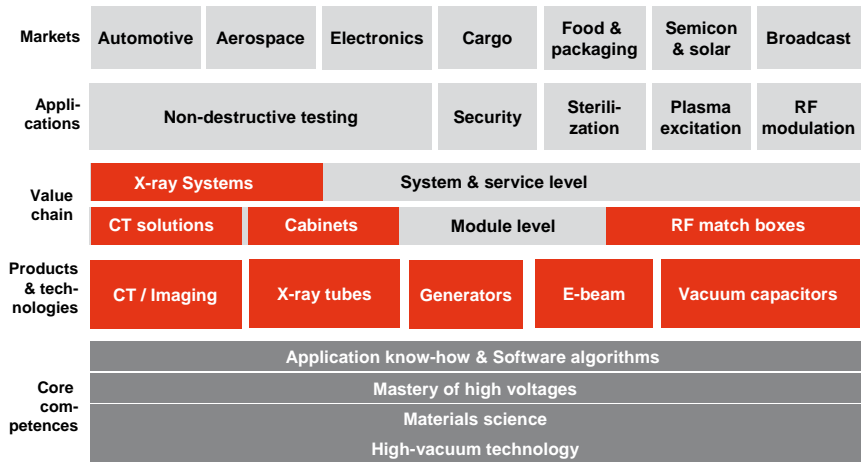


Hans Hess, Chairman of the Board and
Managing Director
Markus Portmann, CFO

Overview

- **Introduction to the COMET Group**
- **The Year 2009**
 - Operational Results
 - Financial Results
- **Outlook 2010**
- **Questions & Answers**

Serving different market segments with core technologies



One company – two brands

COMET Group

COMET-YXLON
Europe
Flamatt, CH
Hamburg, Hattingen
Copenhagen

COMET-YXLON
North America
Stamford, CT
San Jose, CA
Akron, OH

COMET-YXLON
Japan
Yokohama

COMET-YXLON
China
Shanghai
Beijing

Systems
Division

Modules & Components
Division

Industrial
X-Ray

Vacuum
Capacitors



YXLON

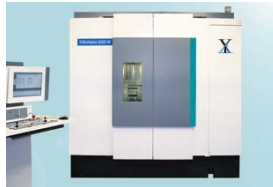


COMET

Products and markets

Systems division

YXLON X-Ray Systems



Non-destructive testing in

- Automotive
- Aerospace
- Pipes & Vessels
- Electronics

Modules & Components division

Industrial X-Ray

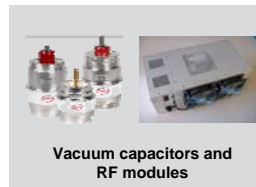


X-ray modules

OEM customers in

- Non-destructive testing
- Security
- Thickness measurement

Vacuum Capacitors

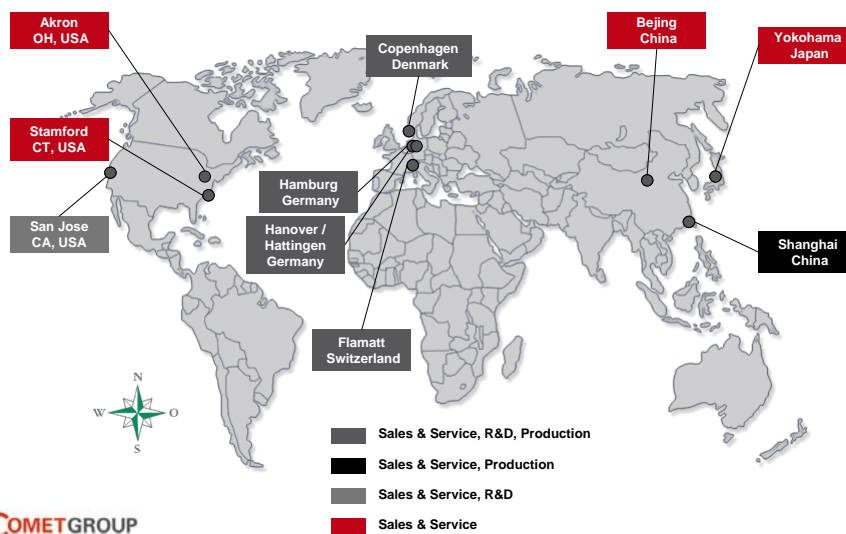


Vacuum capacitors and RF modules

OEM customers in

- Semiconductor, Flatpanel & Solar
- Broadcasting

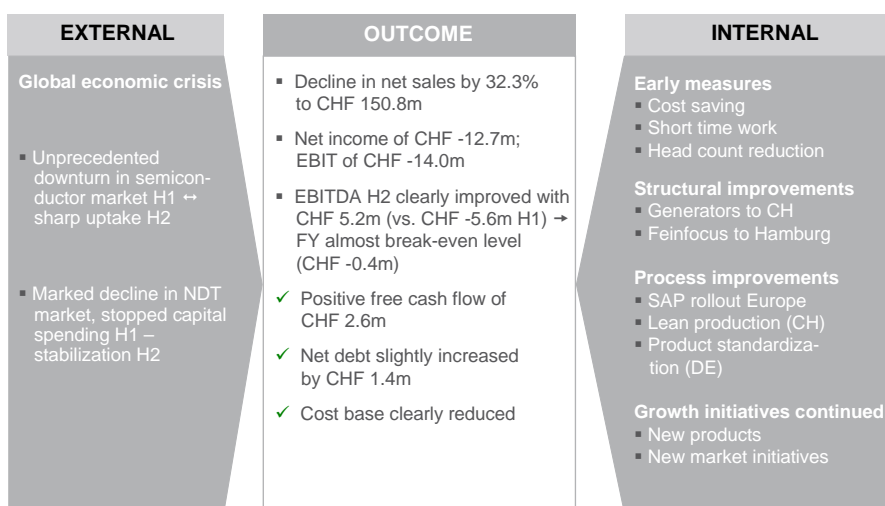
Strong worldwide sales & service network



Overview

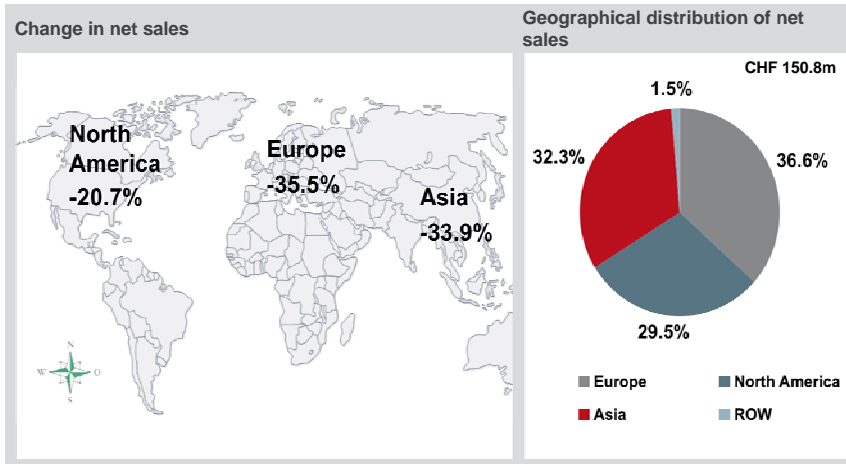
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Review 2009: Successful management of balance sheet and cash flow despite economic downturn

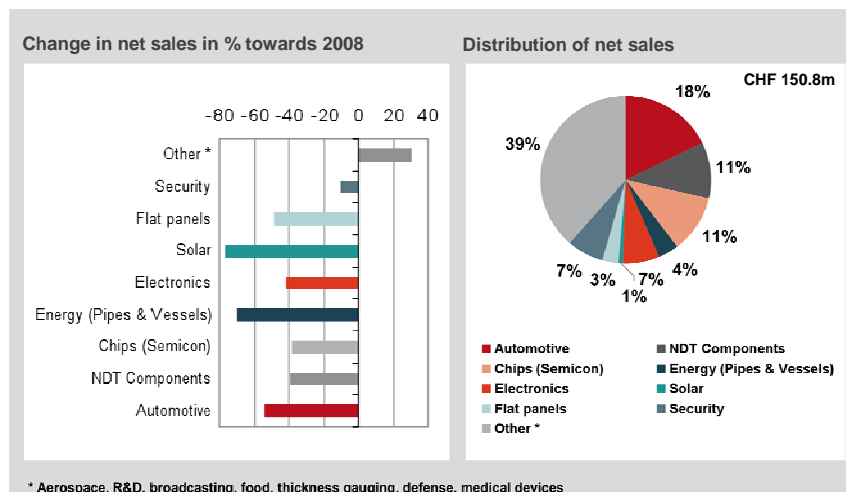


COMET Group 2009 net sales: regional split

North America least affected due to upsurge of Vacuum Capacitors in H2



End user market segment split



* Aerospace, R&D, broadcasting, food, thickness gauging, defense, medical devices

Systems division 2009

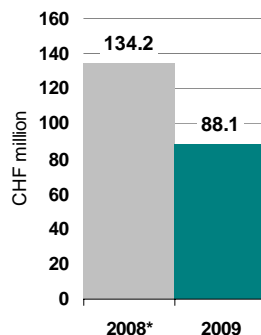
- Sales decline in line with markets: decrease in industrial demand and reduced capital spending lead to pro-forma revenue decline of 34.3% (or 32.4% in local currencies)
- Customized systems (CT systems) almost not affected from downturn and positive development of China business due to government spending towards year-end
- Integration of Garbsen activities in Hamburg completed – higher redundancy payments than expected strain H2 EBITDA
- Loss in volume could not be compensated by reduction of fixed costs; including special charges this led to EBITDA of CHF -8.6m
- Product standardization project: approx. 40% realized → restarted in 2010 after brief suspension in Q4

EBITDA Systems	H1 2009 in CHF m	H2 2009 in CHF m
Before special charges	-3.1	-2.1
Relocation of Garbsen Feinfocus activities to Hamburg	-2.7	-0.8
After special charges	-5.7	-2.9

Loss in volume could not be compensated by reduction of fixed costs

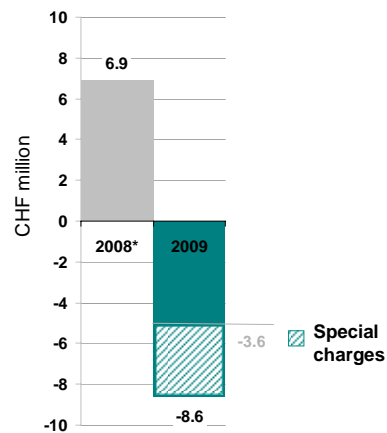
EBITDA burdened by one-off special charges

Net sales



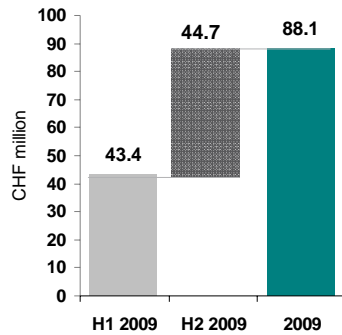
*Restated due to reallocation of generator business

EBITDA



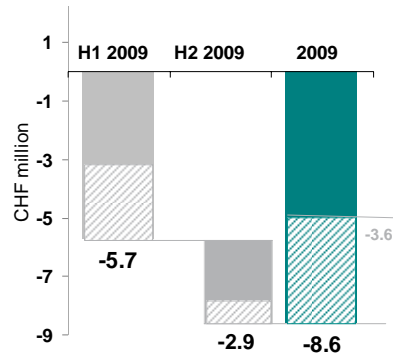
H1 vs. H2 2009: reduced loss in H2 despite sales on H1 level

Net sales



EBITDA

Special charges



Modules & Components division in 2009

Vacuum Capacitors

- Sharp drop in sales in H1 followed by strong uptake in semiconductor industry in H2
- Several new RF module projects with OEMs in semicon, flatpanel and solar realized which will contribute to 2010 business
- Process improvements 2009 allow for shorter lead times, more flexibility and reduced costs

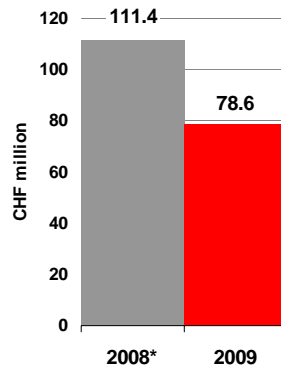
Industrial X-Ray

- Positive results on EBITDA level thanks to strict cost management and despite decrease in net sales by 20.8% in local currencies
- New products and forward strategy from component to modules helped to compensate part of downturn in classic non-destructive testing
- Transfer of the generator business from Hamburg to Flamatt completed

EBITDA	H1 2009 in CHF m	H2 2009 in CHF m
Before special charges	1.6	6.8
Discontinuation of mini-tube activities	-1.0	0.1
Relocation and restructuring of generator business	-1.3	-0.1
After special charges	-0.7	6.8

Net sales down by 29.4%, positive EBITDA despite special charges

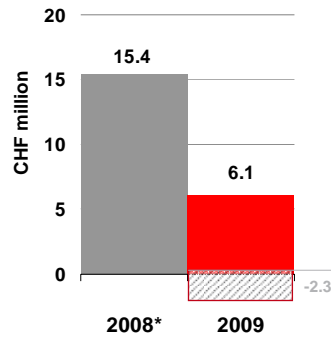
Net sales



*Restated due to reallocation of generator business

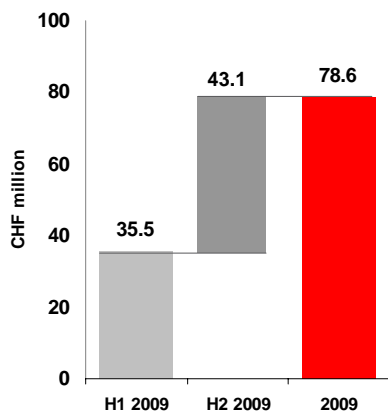
EBITDA

Special charges



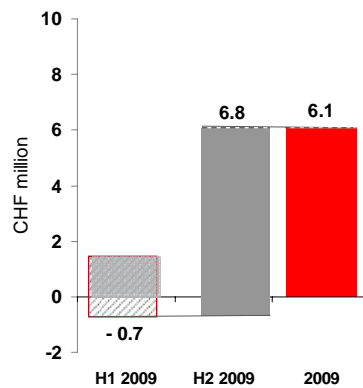
Clear EBITDA improvement thanks to rising sales in H2 combined with cost savings in absence of special charges

Net sales



EBITDA

Special charges



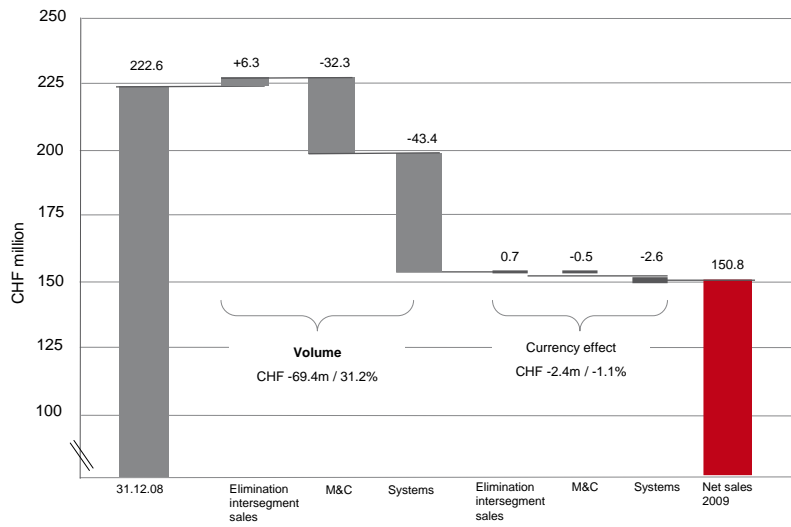
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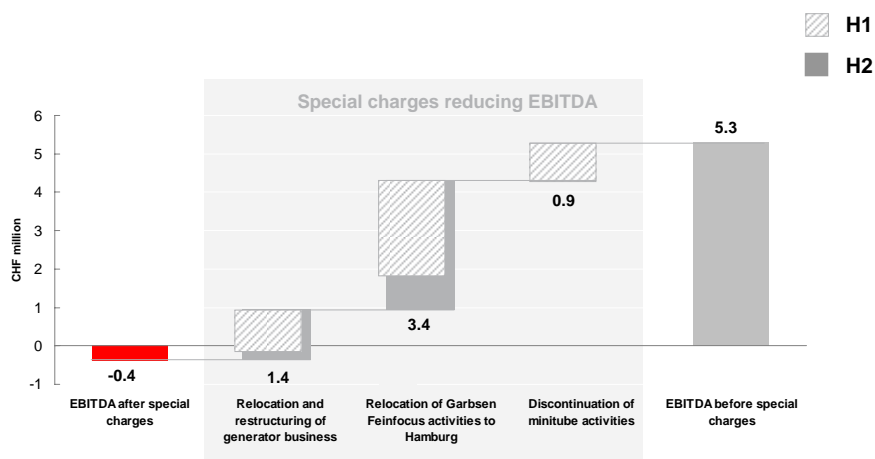
Consolidated statement of income reflecting impact of economic crisis

in millions of CHF	2009	2008	Change
Net sales	150.8	222.6	-32.3%
Operating income (EBIT) before special charges	-7.0	11.0	-163.2%
in % of net sales	-4.6%	5.0%	-9.6%
Special charges	-7.0	0.0	-
Operating income (EBIT)	-14.0	11.0	-226.8%
in % of net sales	-9.3%	5.0%	-14.2%
EBITA	-7.5	17.3	-143.7%
in % of net sales	-5.0%	7.8%	-12.8%
EBITDA	-0.4	24.6	-101.8%
in % of net sales	-0.3%	11.0%	-11.3%
Financing expenses and income	-3.3	-4.2	-21.7%
EBT	-17.3	6.8	-352.9%
in % of net sales	-11.5%	3.1%	-14.5%
Income tax	4.6	1.4	216.2%
Net income	-12.7	8.3	-253.9%
in % of net sales	-8.4%	3.7%	-12.2%
EPS (in CHF)	-16.86	11.04	-252.7%
EBITDA before special charges	5.3	24.6	-78.3%
in % of net sales	3.5%	11.0%	-7.5%

Group net sales decreased by CHF 71.8m or 32.3% (mainly volume related, currency effects negligible)



Group EBITDA 2009 reached 3.5% before special charges



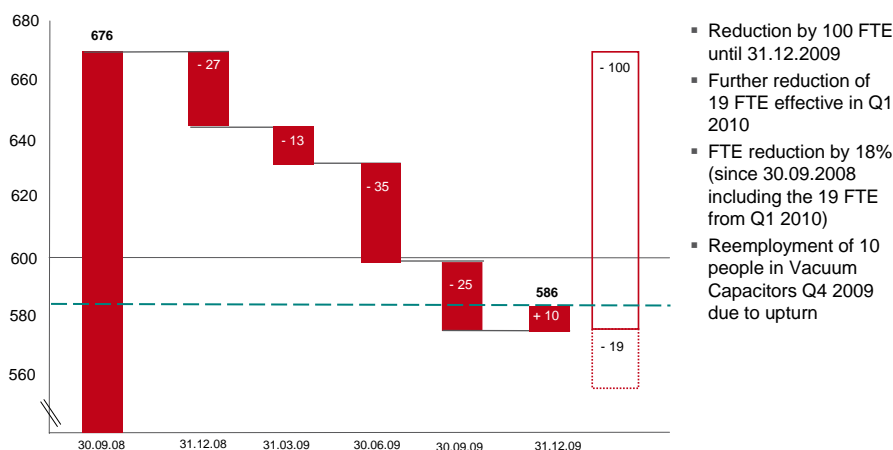
Special charges recorded 2009

Special charges reduce EBIT by CHF 7.0m and EBITDA by CHF 5.8m

In thousands of CHF	Modules & Components division		Systems division	Total special charges
	Relocation and restructuring of generator business	Discontinuation of mini-tube activities	Relocation of Garbsen Feinfocus activities to Hamburg	
Redundancy benefit plan	1'110	-	1'968	3'078
Property leases	-	-	1'026	1'026
Other costs	328	882	455	1'666
Impairment of PP&E	9	444	108	561
Impairment on intangibles	8	678	-	686
Total special charges	1'456	2'005	3'561	7'021

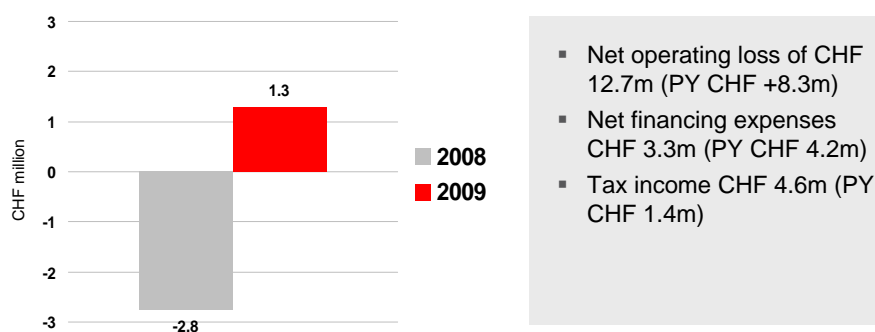
- Redundancy benefit plans and property lease costs in Hannover lead to restructuring provisions (CHF 1.2m as per 31.12.09)
- Other costs include items such as consultancy fees, costs arising from outplacement and the move from Garbsen to Hamburg including valuation adjustments on inventory
- Impairments include write-offs on production equipment and patents

Staff reduction of 18% during the economic crisis



- Reduction by 100 FTE until 31.12.2009
- Further reduction of 19 FTE effective in Q1 2010
- FTE reduction by 18% (since 30.09.2008 including the 19 FTE from Q1 2010)
- Reemployment of 10 people in Vacuum Capacitors Q4 2009 due to upturn

Impact on net income related to net losses



Impact of net financing items on net income for the period

Net financing items amounted to an expense of CHF 3.3m (prior year: CHF 4.2m), reflecting the following factors:

- Interest expenses were CHF 3.1m (PY CHF 3.1m) related mainly to senior debt and mortgage on building in Flamatt
- Despite the volatile development of the USD and the EUR, the currency translation loss recorded in the income statement could be contained to CHF 0.2m (PY CHF 1.1m)

Impact on balance sheet:

- Another CHF 0.2m of translation profit was recorded directly to equity, down from a profit of CHF 2.4m in H1

Impact of deferred taxes on the net income of the period

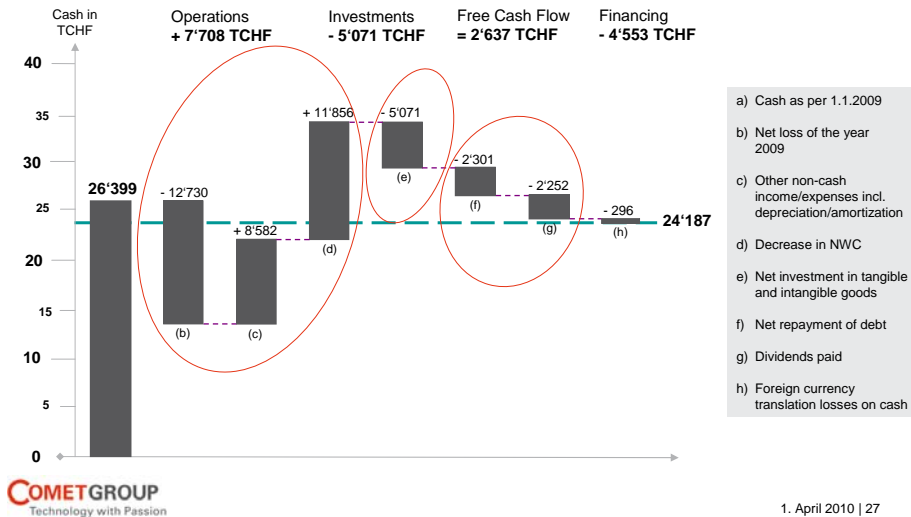
- Applying the local tax rates, the negative EBT of CHF 17.3m would lead to a tax income of CHF 5.8m
- Total income tax reported sums up to CHF 4.6m (prior year CHF 1.2m). The difference to the expected tax income can be explained as follows:
 - Non-recognition of tax loss carry-forwards CHF -1.8m (prior year CHF 1.0m)
 - The sum of all other effects increased tax income by CHF 0.6m
- Due to losses current income tax expense decreased to CHF 1.0m (prior year CHF 2.1m)
- The base income tax rate is expected to remain at approx. 28%

Sound balance sheet ratios and decrease of total assets amount

In millions of CHF	Dec. 31, 2009		Dec. 31, 2008	
Current assets	100.8	43.9%	113.7	45.5%
Non-current assets	128.8	56.1%	136.2	54.5%
Total assets	229.6	100.0%	249.9	100.0%
Liabilities	117.2	51.1%	123.2	49.3%
Equity	112.4	48.9%	126.7	50.7%
Total Liability and Equity	229.6	100.0%	249.9	100.0%

- Strong equity ratio maintained despite net loss
- Reduction of total assets amount by CHF 20.3m or 8% driven by lower net working capital, release of deferred tax liabilities and repayment of debt

Positive free cash flow despite high special charges



Comments on balance sheet (assets part 1)

Total balance sheet assets decreased by CHF 20.3m or 8%.

- Liquidity decrease could be contained to CHF 2.2m due to the positive free cash flow achieved and refinancing activities
- Net working capital ratios
 - Working capital ratios (DSO/DIO) were strongly influenced by the slump in sales
 - Decrease in trade receivables to CHF 39.5m (prior year: CHF 43.3m) was driven by focus on accounts receivable management. DSO (days sales outstanding) increased to 94 days (prior year: 70 days)
 - Inventories decreased to CHF 35.5m (prior year: CHF 43.2m). DIO (days inventory outstanding) increased to 85 days (prior year: 70 days)

Comments on balance sheet (assets part 2)

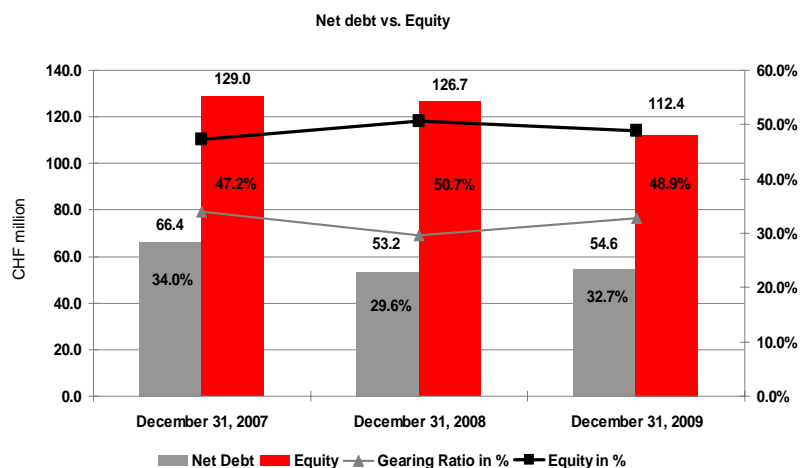
Non-current assets decreased by CHF 7.5m or 5%.

- Compared to prior year-end, property, plant and equipment and intangible assets clearly decreased by CHF 7.1m
 - Non-current assets included depreciation of CHF 6.5m and amortization of CHF 7.1m (including CHF 1.2m from special charges and CHF 4.3m from purchase price allocation of YXLON and Feinfocus)
 - Capital expenditures including finance leases totalled CHF 6.7m and divestments CHF 0.1m
 - Negative translation effects from strong Swiss franc totalled CHF 0.2m
- Pension assets decreased to CHF 2.1m (prior year: CHF 2.2m)
- The recognized deferred tax asset decreased to CHF 0.7m (prior year: CHF 0.9m)

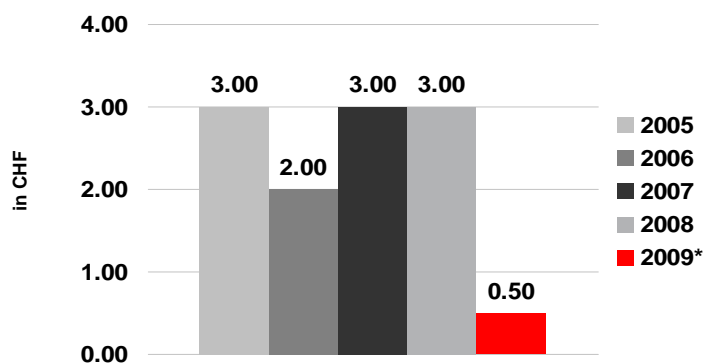
Comments on balance sheet (liabilities)

- Current liabilities increased by CHF 4.9m, driven mainly by:
 - Assumption of new interest-bearing debt
 - Increase in accounts payable trade
 - Reduction in accrued expenses (vacation and overtime credits)
- Non-current liabilities fell sharply by CHF 10.8m, mainly due to:
 - Repayment of interest-bearing debt
 - Lower deferred tax liabilities in Systems division (from PPA, net loss)
- Equity strongly decreased by CHF 14.4m, resulting in equity ratio of 48.9% (prior year-end 50.7%), driven by:
 - Net loss for the period CHF 12.7m
 - Dividend payment of CHF 3.00 per share (totaling CHF 2.3m)
 - Currency translation adjustments and share based payments CHF 0.6m
- Net debt increased to CHF 54.6m (prior year: CHF 53.2m)

Net debt and equity ratio below 2008, but above 2007



Proposal to pay a reduced dividend for 2009






* In view of the significant loss recorded for 2009, and given the continuing macroeconomic uncertainty in 2010, the Board of Directors will propose a dividend of CHF 0.50 per share. This also reflects the more positive outlook for the Group compared to the year completed.

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COMET 2010: sales target of CHF 170m to CHF 180m

	Division	Situation	Key themes 2010	Outlook Net sales
Systems	X-Ray Systems	<ul style="list-style-type: none"> ▪ Overall stabilizing demand ▪ Improving market for standard solution and CT as inspection & measurement tool 	<ul style="list-style-type: none"> ▪ Expand sales in CT and establish position in film replacement market ▪ Software (work-flow concepts & automated defect recognition) ▪ Increase standardization and efficiency to lower base cost level 	 up to 5%
	Vacuum Capacitors	<ul style="list-style-type: none"> ▪ Clear recovery in semiconductor market ↳ New RF module projects ready for volume production ↳ Vacuum capacitors sales back on nominal volume 	<ul style="list-style-type: none"> ▪ Expand sales of RF modules up to 50% of total sales ▪ Launch solacon productline ▪ Ramp up of China factory for volume production RF modules 	 50% to 75%
Modules & Components	Industrial X-Ray	<ul style="list-style-type: none"> ▪ Encouraging level of incoming orders and projects 	<ul style="list-style-type: none"> ▪ New products (high/low energy, vario focus) ▪ Design to cost of existing generator product line ▪ Validation of e-beam emitters in field tests 	 up to 10%

Outlook 2010

- Robust new orders indicate positive start into 2010, but sustainable recovery to be confirmed during the course of the year
- In view of the current market outlook, management:
 - targets sales of 15% to 20% above 2009
 - expects a small profit on net income level

Conclusion

- Earnings leverage - homework done
 - Solid structural footing
 - Lean processes
 - Reduced cost base
 - Solid equity ratio
 - Leading position in key markets
 - Innovative products with attractive growth opportunities
- COMET in good position to benefit from market recovery**

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Disclaimer

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Thank you for your attention.



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Technology with Passion

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