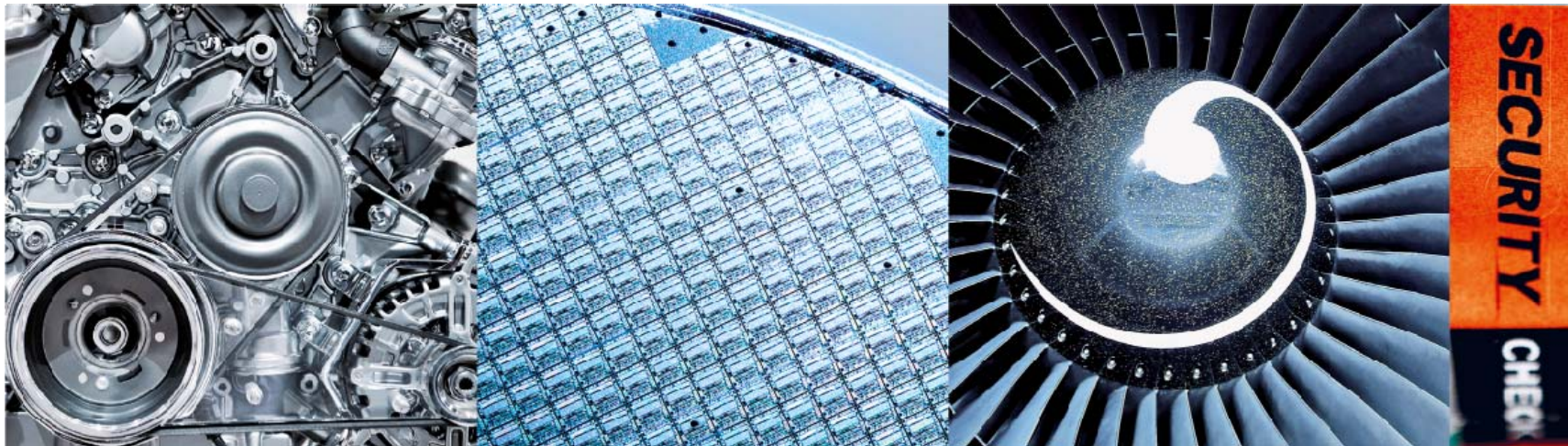


---

Zürich March 15, 2012

# Presentation of the Results 2011



Ronald Fehlmann, CEO  
Markus Portmann, CFO

# Agenda

---

## COMET Group at a glance

### Review FY 2011

- Key Figures
- Highlights
- Markets
- Financial Results


### Outlook 2012

### Questions & Answers

## COMET Group profile

---

Leading global provider of high-quality systems, components and services in industrial x-ray, e-beam and RF technologies

- Founded 1948
- > 700 employees
- 12 subsidiaries / branch offices worldwide
  -     
- Leading position in relevant markets
- Shareholder structure: 100% free float
- SIX SWISS Exchange (2002 COTN)



Headquarters: Flamatt (CH)

# Agenda

---

## COMET Group at a glance

### Review FY 2011




- **Key Figures**
- **Highlights**
- **Markets**
- **Financial Results**

## Outlook 2012

## Questions & Answers




## 2011: Sales on previous year level, net income up substantially

---

<b>Net sales in CHF</b>	from 217.4m to 217.0m + 12.0% (currency adjusted)	
<b>EBITDA margin</b>	from 13.0% to 12.6%	
<b>Net income in CHF</b>	from 7.5m to 10.1m	

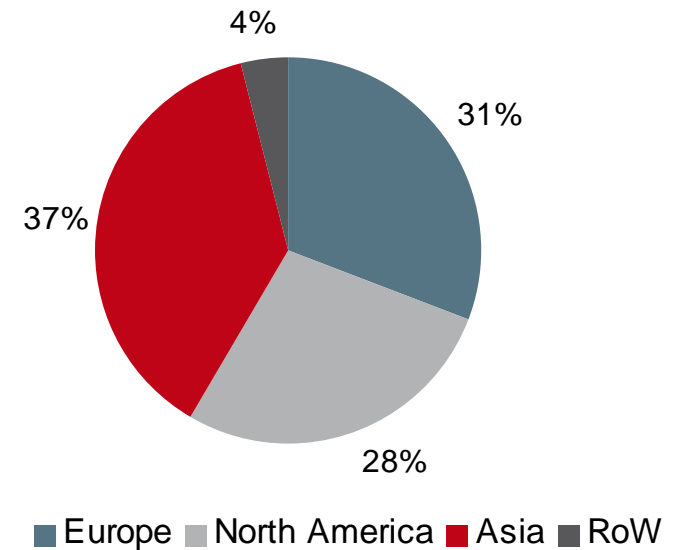
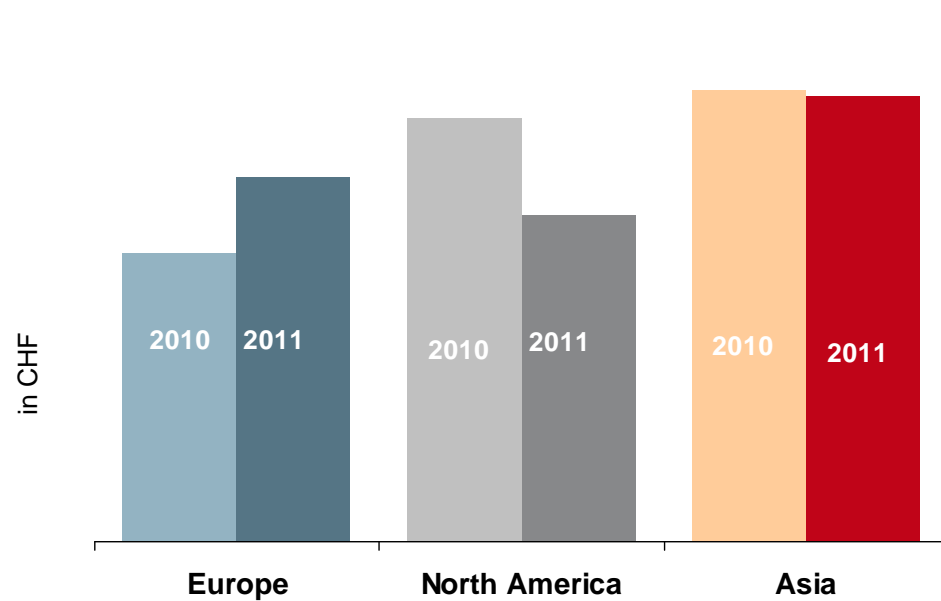
## 2011: Solid financial structure

---

Cashflow in CHF	from 19.2m to 28.2m	
Equity ratio	from 52.0% to 57.2%	
Net debt in CHF	from 44.4m to 32.1m	

## 2011: Well-balanced result of net sales by region

Strong growth in Europe (+27%)



## 2011: Sales development by division and region

---

### Europe:

- Strong demand in automotive and electronics market
- Acquisition of Stolberg HF-Technik

### North America:

- Decreased demand from semiconductor market
- Reduced spending in security market

### Asia:

- Solar projects postponed, stagnating flat panel and LED market
- Net effects of tsunami in Japan
- Continued good demand in automotive and electronics sector
- Reduced investments in energy sector

# Agenda

---

## COMET Group at a glance

### Review FY 2011

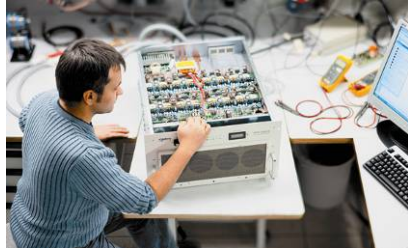
- Key Figures
- **Highlights**
- Markets
- Financial Results

## Outlook 2012

## Questions & Answers

# Highlights 2011

---



- +12 % net sales growth in local currencies
- Forward integration: important milestone reached with acquisition of Stolberg HF-Technik August 2011
- Investment in commercialization of technology: new application center in Heilbronn and San Jose
- Break through innovation: new laminography method developed for inspecting especially large, flat pieces

## Systems 2011: Solid profitable growth

---

- Profitable growth of + 23% in local currencies
- Break through new laminography method
- Sustained demand in automotive and electronics sectors in Europe and Asia
- Significant new orders in aerospace end of 2011
- Initiatives for profitability improvement show results
  - expansion of service business
  - Focus on high margin products & applications
  - Shortened throughput and delivery times



## Modules & Components 2011

### Industrial X-Ray: Market position defended

---

#### Modules & Components

- +2.2% growth in local currencies thanks to innovative products and strong market position

#### Industrial X-Ray

- Market leadership preserved in non-destructive testing despite competitive pressure from US competitors
- Various design orders for high and low energy x-ray and in e-beam
- Profitability further improved



## Modules & Components 2011

### Plasma Control Technologies: A year of contrasts

- Decline in demand from semiconductor market in H2 2012
- Strengthening of market position through acquisition of high frequency generator capabilities (Stolberg)
- Higher proximity to customers through establishment of assembly lines for RF matchboxes in San José
- Further gain of market shares of RF matchboxes (design wins)



# Agenda

---

## COMET Group at a glance

### Review FY 2011

- Key Figures
- Highlights
- **Markets**
- Financial Results

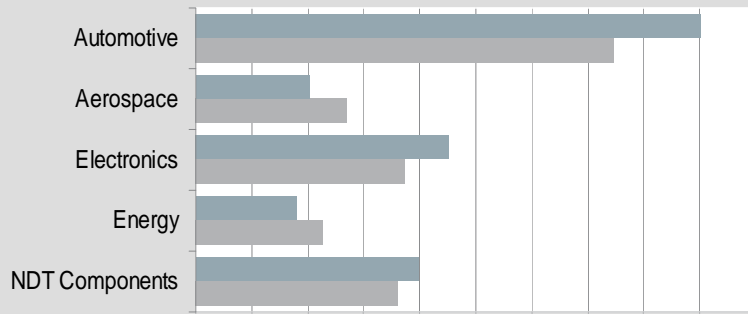
## Outlook 2012

## Questions & Answers

# Development of Market Segments

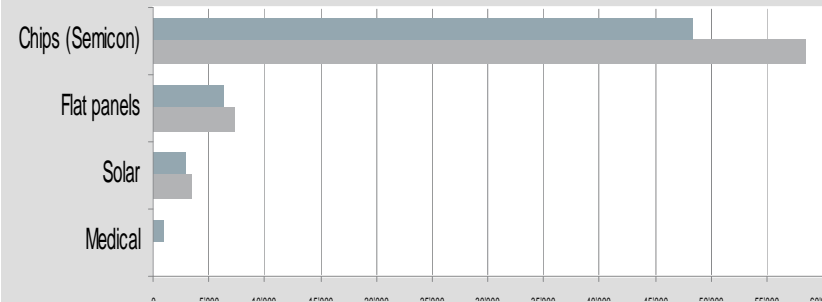
## Non destructive testing (OEM und end customer)

68% of Group sales



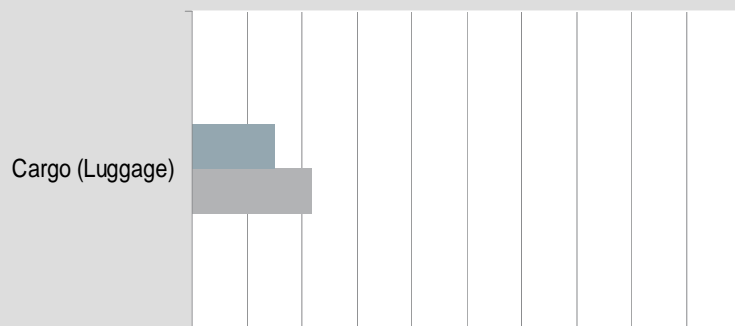
## Plasma excitation (OEM)

27% of Group sales



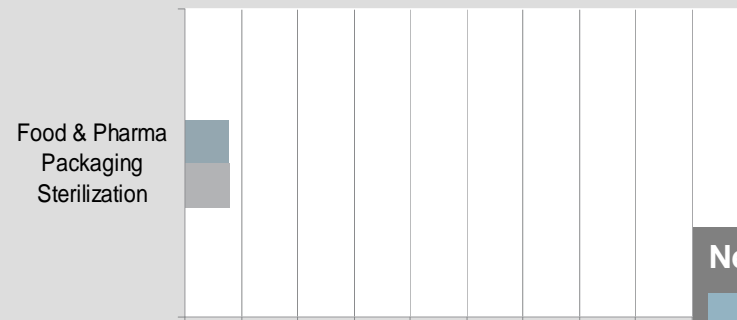
## Security (OEM)

3% of Group sales



## Sterilization through e-beam (OEM)

2% of Group sales



Net sales  
 ■ 2011  
 ■ 2010

## Non destructive testing 2011: Continued growth

---

- Automotive: continued strong demand with Asia gaining importance
- Aerospace: firm replacement in aerospace ⇒ increase in new orders towards end of 2011
- Electronics: strong demand for high resolution microfocus systems and 3D imaging packages ⇒ CT option in 70% of systems sold
- Energy: Investments held back
- NDT Components: Important design awards for high and low energy

*68% of Group sales*



## Plasma excitation 2011: A year of contrasts

---

*27% of Group sales*

- Semiconductor market
  - Investments of consumers in new technologies (tablets-flash memories) could not compensate decreased demand for legacy (DRAM) products in Q3-Q4
  - Higher demand for Built-to-Spec RF match boxes (vs. Built-to-Print)
- Solar: stagnation due to deferral of investments by government; COMET well positioned for upturn
- Flat panel and LED market stagnating; COMET well positioned for ramp up



## Security 2011: Reduced spending

---

- Reduced spending by governments into security sector  $\Leftrightarrow$  intention to invest in next generation technologies with higher efficiency but lower budget
- Development projects started with major customers for next generation inspection systems based on x-ray

*3% of Group sales*



## Sterilization through e-beam 2011

---

*2% of Group sales*

- Liquid food packaging:
  - Life time tests: > 10'000 hours
  - Field tests: > 20m packages produced and sold
    - Biologic results meet expectations
    - Efficiency and costs objectives reached
    - Overall system to be finetuned according to meet special requirements of diaries
  - Preparation together with Tetra for controlled roll out (expected 2012)
  
- Other applications including pharma: 3 new development contracts signed



# Agenda

---

## COMET Group at a glance

### Review FY 2011

- Key Figures
- Highlights
- Markets
- **Financial Results**

## Outlook 2012

## Questions & Answers

## Net Sales Growth at LC\* for all Business Activities

	Net sales in millions of CHF		Growth	
	FY '11	FY '10	CHF in %	LC* in %
X-Ray Systems	115.2	106.2	+ 8.5	+ 22.6
Industrial X-Ray	51.4	55.1	- 6.7	+ 3.9
Plasma Control Technologies	67.7	75.5	- 10.3	+ 0.9
Elimination Intersegment Sales	-17.3	-19.4		
<b>Group</b>	<b>217.0</b>	<b>217.4</b>	<b>- 0.2</b>	<b>+ 12.3</b>

- PCT including 2.0 Mio. CHF from Stolberg acquisition
- Organic growth for COMET Group -1.1% to 215 Mio. CHF, in LC +11% compared to prior year

\* LC at constant average exchange rates 2010

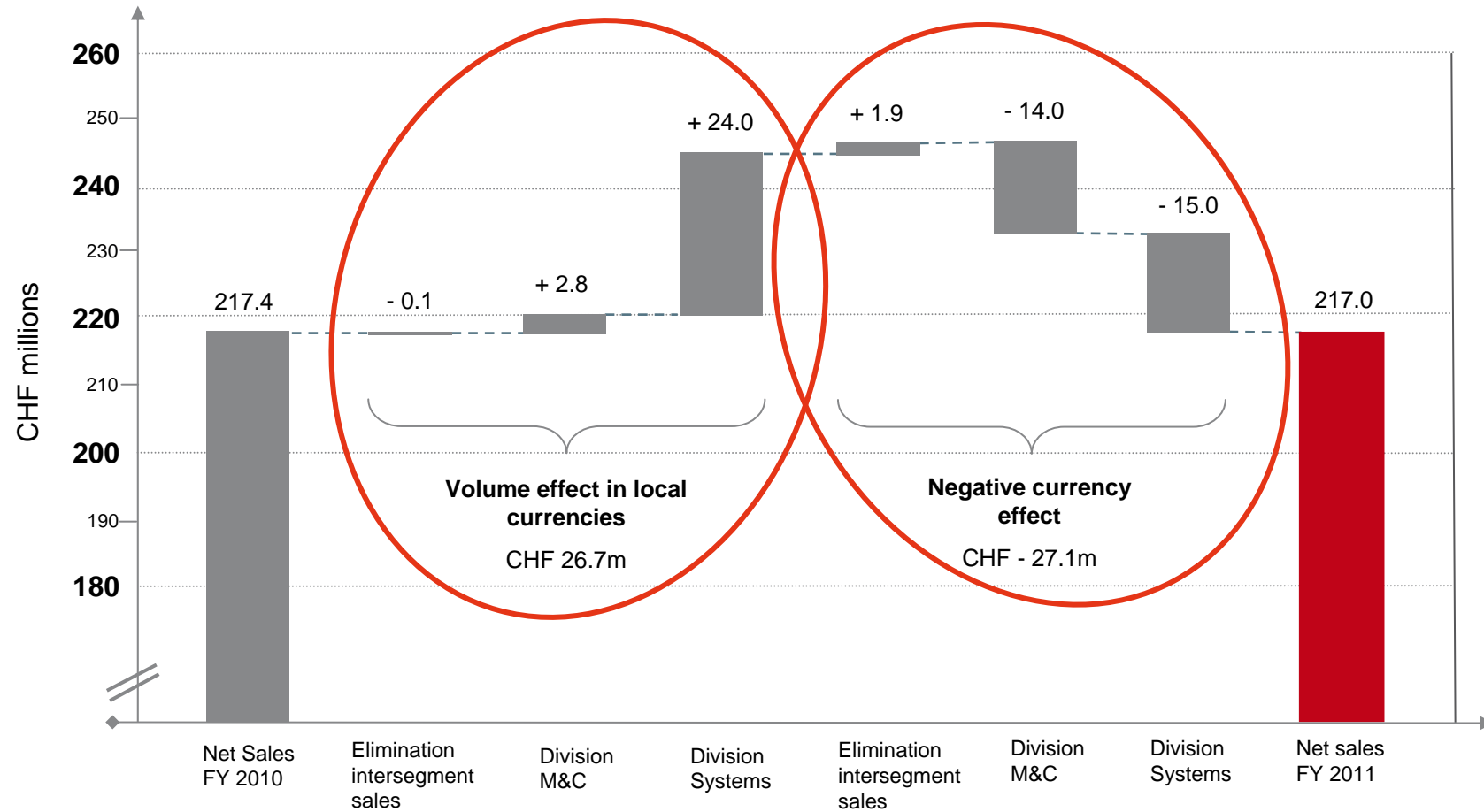
## Net Sales Growth at LC\* for all Regions

	Net sales in millions of CHF		Growth	
	FY '11	FY '10	CHF in %	LC* in %
Europe	66.7	52.5	+ 27.2	+ 39.4
North America	59.8	77.6	- 23.0	-9.5
Asia	82.2	82.8	- 0.8	+ 10.2
RoW	8.3	4.6	+ 83.0	+107.1
<b>Group</b>	<b>217.0</b>	<b>217.4</b>	<b>- 0.2</b>	<b>+ 12.3</b>

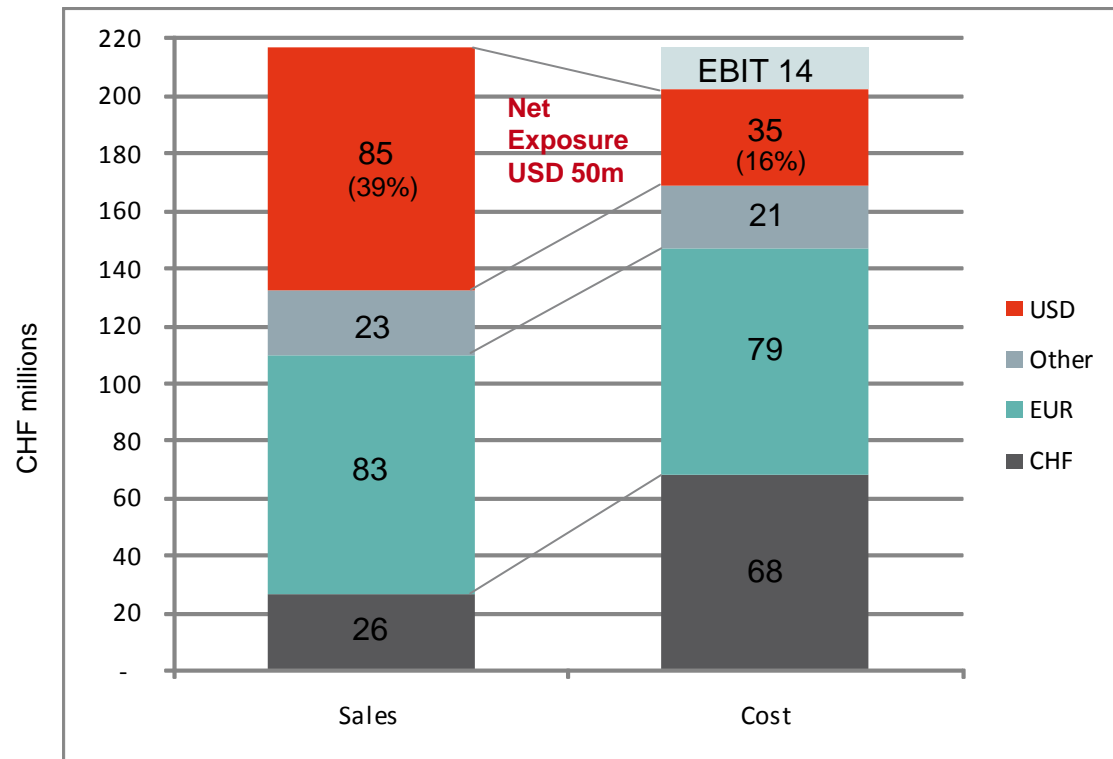
- PCT including 2.0 Mio. CHF from Stolberg acquisition
- Organic growth for COMET Group -1.1% to 215 Mio. CHF, in LC +11% compared to prior year

\* LC at constant average exchange rates 2010

# Group net Sales increased by 12% in local currencies



## Net Exposure of USD 50m in FY 2011, natural Hedge for EUR



### Activities to mitigate the net exposure include

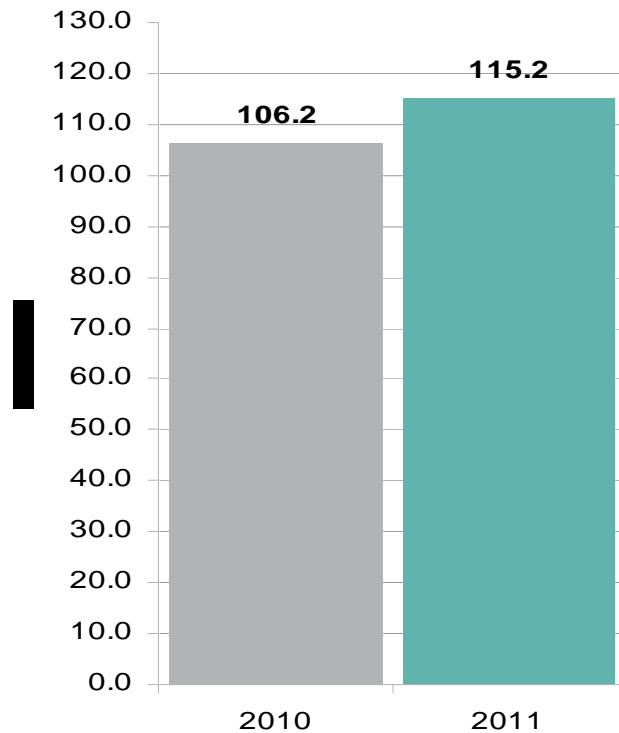
- Sourcing in USD / EUR, exchange rate clauses
- Increase efficiency (processes, automation, cost management)
- Increase or transfer cost base outside of Switzerland
- Financial hedging using forward exchange contracts

- At constant average currencies and compared to the prior year period
  - Net sales would have increased by an additional ~ CHF 26m
  - EBIT would have increased by an additional ~ CHF 8m

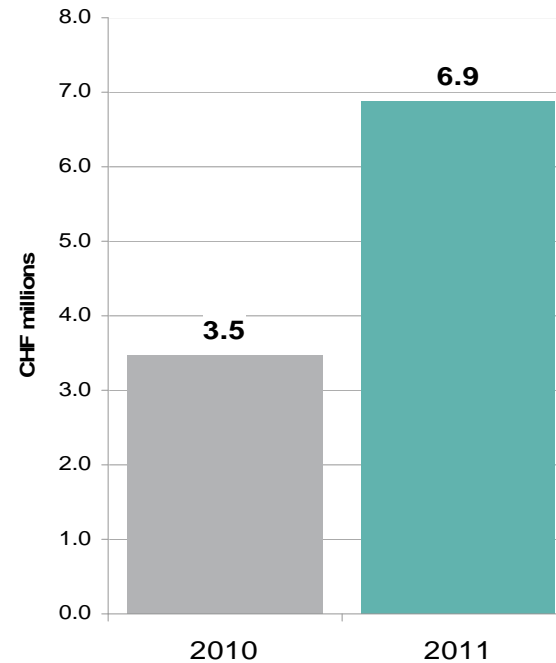
# Increase of net Sales by 8.5% and EBITDA by CHF 3.4m

## Division Systems

Net sales



EBITDA

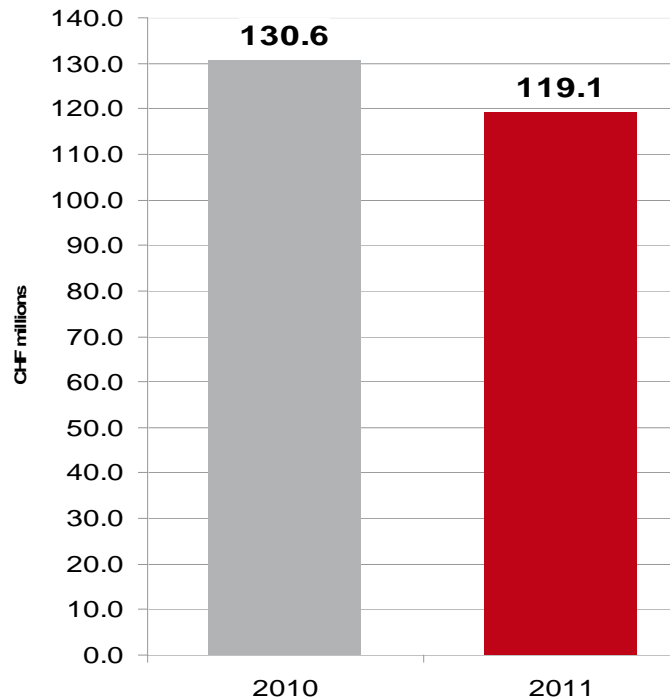


EBITDA Margin: 3.3% 2010      6.0% 2011

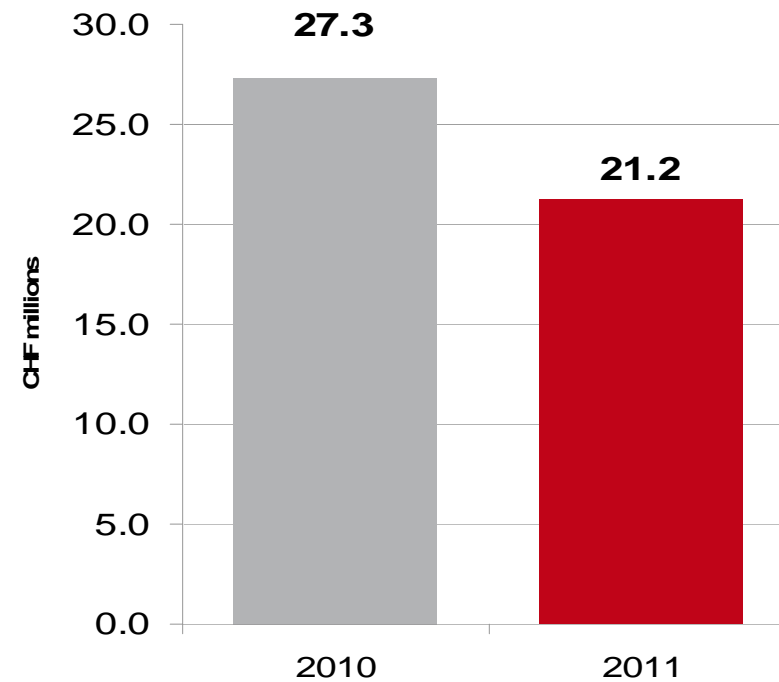
# Decrease in net Sales by 8.8% and EBITDA by CHF 6.1m

## Division Modules & Components

Net sales



EBITDA

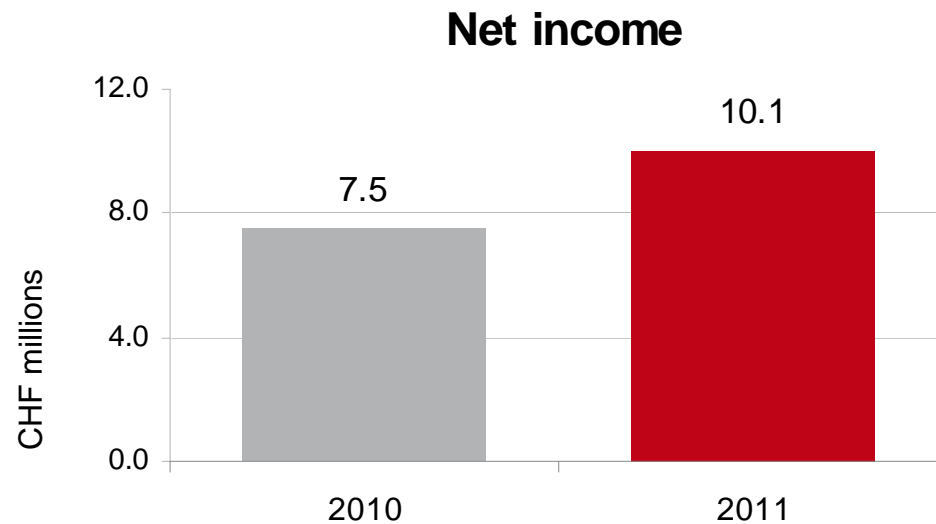


EBITDA Margin: 20.9% (2010) and 17.9% (2011)

## Strong profitability despite challenging markets

in thousands of CHF	FY		Change	
	2011	2010	Absolut	in%
<b>Incoming Orders</b>	213'335	230'686	-17'351	-8%
<b>Net sales</b>	216'965	217'395	-430	0%
Cost of sales	-136'568	-135'831	-737	
<b>Gross profit</b>	80'397	81'564	-1'167	
<b>Gross profit margin in %</b>	37.1%	37.5%	-0.4%	
Other operating income	3'009	2'764	245	
Development expenses	-22'518	-20'573	-1'945	
SG&A	-46'221	-47'516	1'295	
<b>Operating income (EBIT)</b>	14'667	16'239	-1'572	
Financing result and income taxes	-4'612	-8'750	4'138	
<b>Net income</b>	10'055	7'489	2'566	
<b>EPS in CHF</b>	13.22	9.89	3.33	
<b>EBITDA</b>	27'325	28'333	-1'008	
<b>EBITDA margin in %</b>	12.6%	13.0%	-0.4%	

## Strong growth in Net Income in 2011



- Operating income of CHF 14.7m (PY CHF 16.2m)
- Net financing expenses CHF 4.0m (PY CHF 6.3m)
- Income tax expense CHF 0.6m (PY 2.4m)

EPS: 9.89 CHF

13.22 CHF

## Impact of net Financing Items on net Income for the Period

---

**Net financing items amounted to an expense of CHF 4.0m (prior year: CHF 6.3m), reflecting the following factors:**

- Interest expenses were CHF 2.5m (PY CHF 3.4m) related mainly to senior debt and mortgage on building in Flamatt
- Due to the strong Swiss franc, the net currency transaction loss recorded in the income statement added up to CHF 1.5m (PY CHF 2.8m)
  - Almost naturally hedged position in EUR
  - Net exposure in USD hedged by means of forward exchange contracts

### **Impact on balance sheet:**

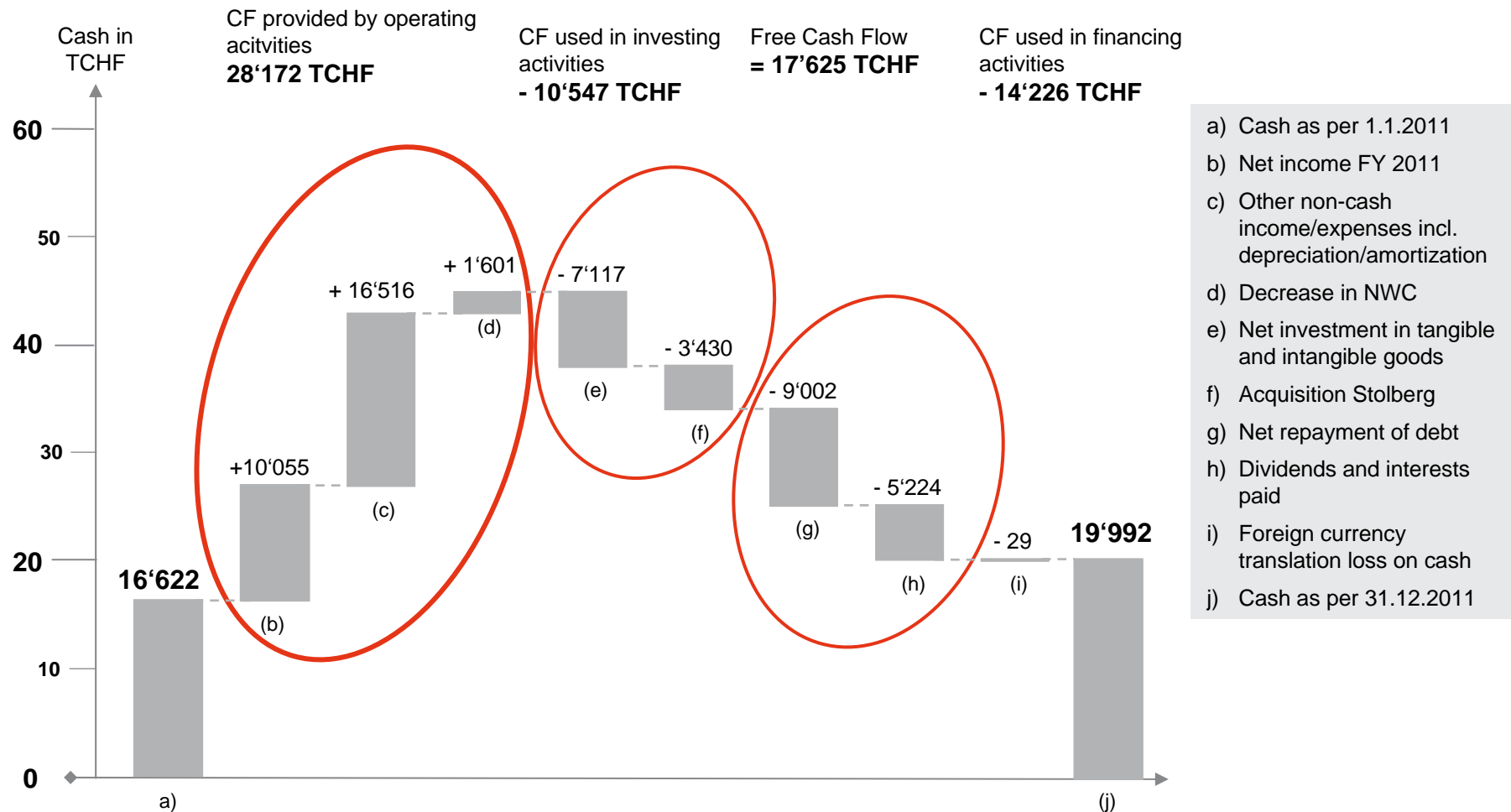
- A currency translation loss of CHF 0.7m was recorded directly to equity, mainly related to the net asset exposure in Euros

## Impact of income Taxes on Net Income of the Period

---

- Applying the expected Group tax rate, the EBT of CHF 10.6m would lead to an expected tax expense of CHF 3.0m
- Total income tax expense reported sums up to CHF 0.6m (PY CHF 2.4m). The difference to the expected tax expense of CHF 2.4m is explained as follows:
  - Tax exemption by canton of Fribourg CHF -1.9m
  - Use of previously unrecognized tax losses CHF -1.6m
  - Non-recognition of tax losses CHF 1.1m (no DTA recognized)
- The base income tax rate for normalized profits is expected to remain unchanged at approx. 28%

# Investing and Financing Activities were fully paid out of strong Cash Flow provided by Operating Activities



## Sound Balance Sheet Ratios and Decrease of total Assets Amount

In millions of CHF	FY2011		FY2010	
<b>Current assets</b>	<b>92.6</b>	<b>44.4%</b>	<b>99.5</b>	<b>46.3%</b>
<b>Non-current assets</b>	<b>115.8</b>	<b>55.6%</b>	<b>115.3</b>	<b>53.7%</b>
<b>Total assets</b>	<b>208.4</b>	<b>100.0%</b>	<b>214.8</b>	<b>100.0%</b>
<b>Liabilities</b>	<b>89.1</b>	<b>42.8%</b>	<b>103.1</b>	<b>48.0%</b>
<b>Equity</b>	<b>119.3</b>	<b>57.2%</b>	<b>111.7</b>	<b>52.0%</b>
<b>Total Liability and Equity</b>	<b>208.4</b>	<b>100.0%</b>	<b>214.8</b>	<b>100.0%</b>

- Reduction of total assets amount by CHF 6.4m or 3% including assets from acquisition driven by repayment of debt and lower working capital (despite business upswing in local currencies)
- Strong increase in equity ratio related to high net income and low negative impact of currency translation adjustments.

## Improvement on Working Capital Management

---

### Working capital ratios

- Total net working capital decreased by CHF 5.1m reflecting our efforts to optimize capital employment
- Decrease in trade receivables to CHF 30.9m (prior year: CHF 35.4m) despite strong net sales volumes towards year-end. DSO (monthly average days sales outstanding) reached 43 days (prior year: 48 days)
- Inventories decreased to CHF 35.4m (prior year: CHF 38.7m) reflecting high year-end business. DIO (monthly average days inventory outstanding) reached 73 days (prior year: 72 days)

### Liquidity on a comfortable level

- Liquidity increased by CHF 3.4m despite the acquisition of Stolberg, continuous investments in fixed assets, dividend payment and substantial repayment of interest-bearing debt (undrawn credit facilities of CHF 19.8m)

## Non-current Assets influenced by Stolberg Acquisition

---

### Non-current assets increased by CHF 0.5m or 0.5%

- Compared to prior year-end property, plant and equipment and intangible assets decreased by CHF 1.1m
  - Capital expenditures as a mixture of replacement, capacity increases and SAP investments totaled CHF 8.2m. The Stolberg acquisition added another CHF 4.2m of assets to the balance sheet (thereof CHF 3.6m as intangible assets)
  - Non-current assets included depreciation of CHF 7.2m and amortization of CHF 5.4m (including CHF 3.8m from purchase price allocation of YXLON and Stolberg)
  - Negative translation effects from strong Swiss franc totaled CHF 0.6m
- Pension assets increased to CHF 2.8m (prior year: CHF 2.3m)
- Due to the recognition of deferred tax assets in Germany and in China DTA increased to CHF 1.5m (prior year: CHF0.3m)

## Repayment of Debt and strong Equity Ratio

---

### **Current liabilities decreased by CHF 4.3m, mainly driven by:**

- Decrease in accounts trade payable
- Decrease in accrued expenses (bonus)
- Increase in other financial liabilities and income tax payable
- Increase in current provisions (warranty, restructuring)

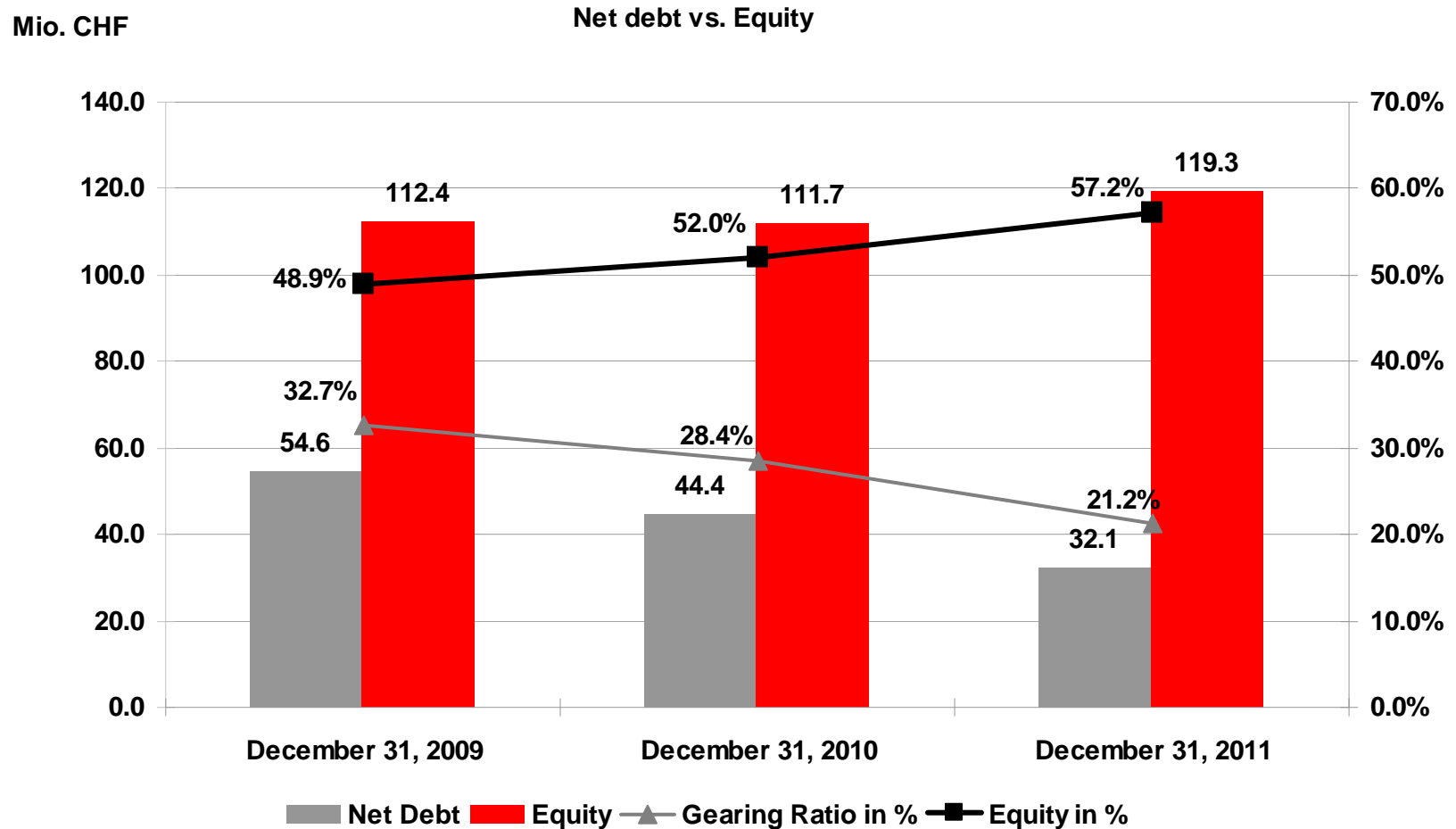
### **Non-current liabilities fell sharply by CHF 9.7m, mainly due to:**

- Repayment of interest-bearing debt
- Lower employee benefit plan liabilities

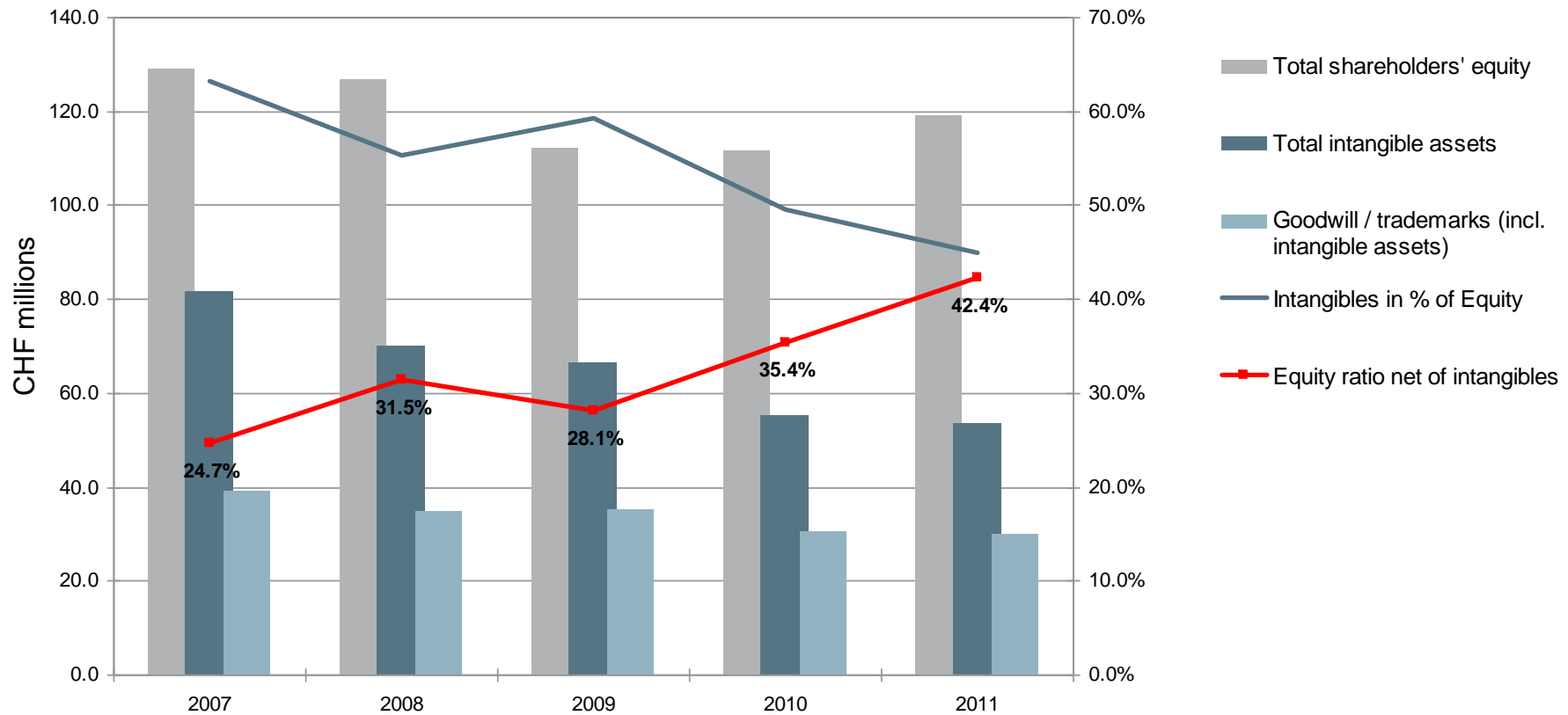
### **Increase in equity ratio from 52% to 57.2%:**

- Net income of CHF 10.1m for the FY 2011
- Share-based payments of CHF 0.8m
- Dividend payment of CHF 3.50 per share totaling CHF -2.7m
- Currency translation adjustments CHF -0.7m

# Strong Reduction in Net Debt; Increase in Equity Ratio

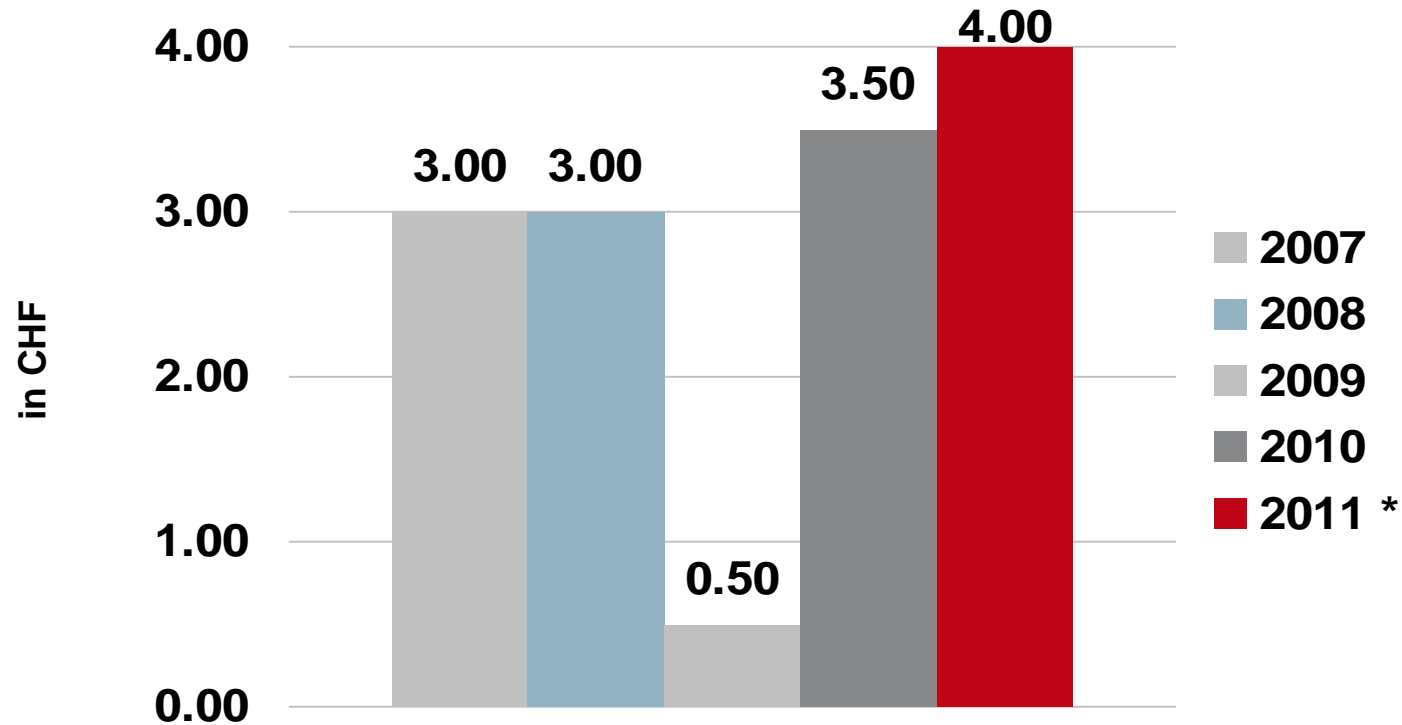


# Equity Ratio net of Intangible Assets reaches 42%



- Ongoing amortization of intangible assets (mainly related to acquisitions) reduces the share of intangible assets in equity from 63% to 45%
- Equity ratio net of intangible assets almost doubled since the major acquisition of YXLON activities in 2007, now reaching 42%

## Dividend: Pay-out ratio of 30% proposed



\* The Board of Directors will propose to distribute CHF 4.00 per share out of the reserve of distributable paid-in capital (pay-out ratio 30%)

# Agenda

---

## COMET Group at a glance

### Review FY 2011

- Key Figures
- Highlights
- Markets
- Financial Results

## Outlook 2012

## Questions & Answers

## Prof. Dr. Gian-Luca Bona nominated for election to the Board of Directors

---

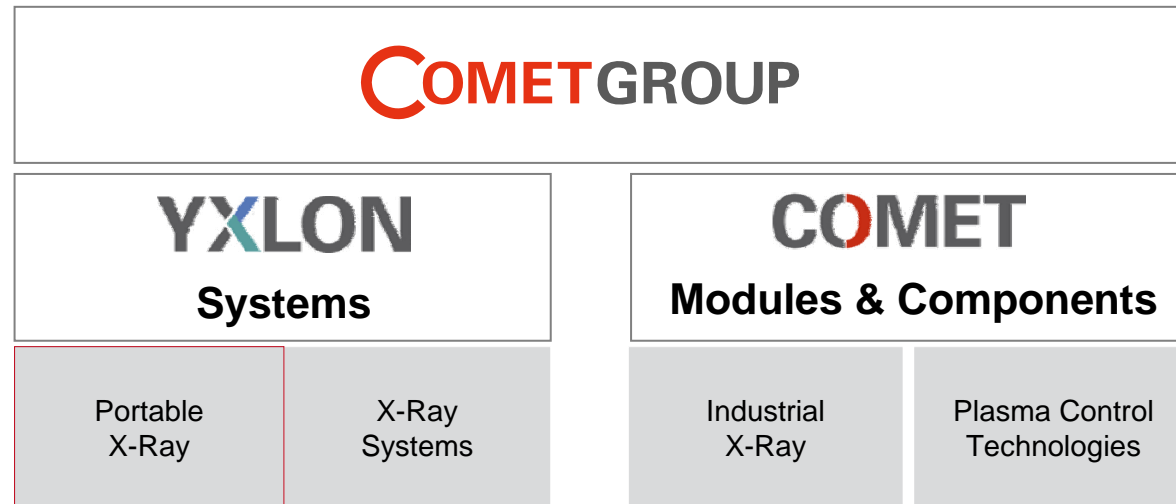
**Born 1957, Swiss citizen, Dr. sc. nat, ETH**

- |              |  |
|--------------|--|
| 2009 – today | CEO of Empa Dübendorf, St. Gallen, Thun and professor at ETH Zurich und der EPF Lausanne |
| 1988 – 2009  | Various R&D functions at IBM   |
| 1998 – 2004  | IBM Research Staff Member, Rüschlikon  |
| 2004 – 2008  | IBM Research Manager Photonic, Rüschlikon  |
| 2008 – 2009  | IBM Research Functional Manager, Science and Technology, San Jose, Kalifornien, USA      |
| 1984         | Degree in physics at ETH Zurich  |
| 1987         | Dr. sc. Nat. ETH   |



# Portable X-Ray Business under new Leadership

---



## Portable X-Ray

---

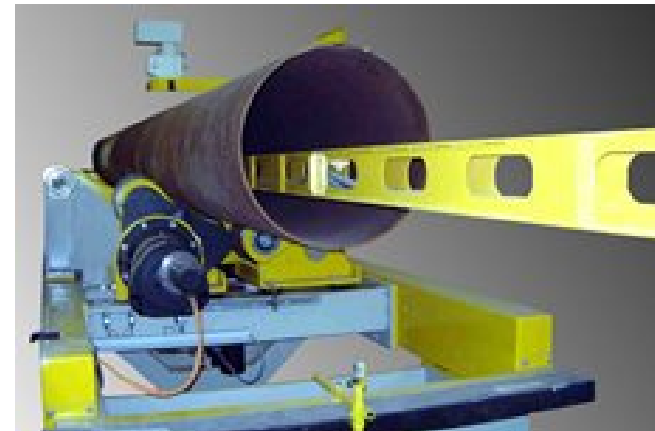
- **Portable X-Ray systems** (in-field inspection) for testing welded seams in pipe production
- **Mobile X-Ray systems** (mounted on a trolley) for high powered inspection of weldings in areas with limited space

### Main Applications

- Testing pipes & vessels
- Inspection of castings, aircrafts, luggage and food

### Business Opportunities

- Trend of replacing film based inspection with digital solutions
- Growing need for testing on site



# Outlook 2012

Division	Product Area	Key Initiatives
<b>Modules &amp; Components</b>	<b>Plasma Control Technologies</b>	<ul style="list-style-type: none"> <li>▪ Launch of new RF generators</li> <li>▪ Development of new IP for power units (matchboxes and generators)</li> <li>▪ Work in 450 mm dev. programs with major customers</li> <li>▪ Development of global support &amp; repair strategy</li> <li>▪ Improvement of operational excellence and cost flexibilization</li> </ul>
	<b>Industrial X-Ray</b>	<ul style="list-style-type: none"> <li>▪ Commercialization of new products (high / low energy, vario focus)</li> <li>▪ Introduction of new generator product line</li> <li>▪ Validation of ebeam emitters in field tests and controlled roll out Tetra</li> <li>▪ Application development projects with major global players in different markets</li> </ul>
<b>Systems</b>	<b>X-Ray Systems</b>	<ul style="list-style-type: none"> <li>▪ Strengthening leading position through best image quality on the market and related software packages for automated inspection</li> <li>▪ Concentration on CT with focus on automation / usability</li> <li>▪ Film replacement in aerospace</li> <li>▪ World-wide roll-out of new service concept</li> </ul>
	<b>Portable X-Ray</b>	<ul style="list-style-type: none"> <li>▪ Getting started in new set up</li> <li>▪ Market introduction of smart+</li> <li>▪ Prepare ground for new Product Developments</li> <li>▪ Investment in market reach with focus China and US</li> </ul>

## **COMET Group 2012: net sales and EBITDA on 2011 level expected**

---

- For 2012 the Group expects a continued challenging environment in the first half of the year, with results significantly weaker than in the first six months of 2011.
- For the full year 2012, on the assumption of constant currency relations and an absence of serious market disruptions, the Group is projecting sales and EBITDA operating profitability at the prior-year level.

## Financial calendar for the COMET Group 2012

---

March 15, 2012	Publication of 2011 annual financial statements
April 18, 2012	Annual Shareholder Meeting
August 23, 2012	Publication of 2012 half-year results
November 14, 2012	Investor Day 2012

# Agenda

---

## COMET Group at a glance

### Review FY 2011

- Key Figures
- Highlights
- Markets
- Financial Results

### Outlook 2012

### Questions & Answers

## Disclaimer

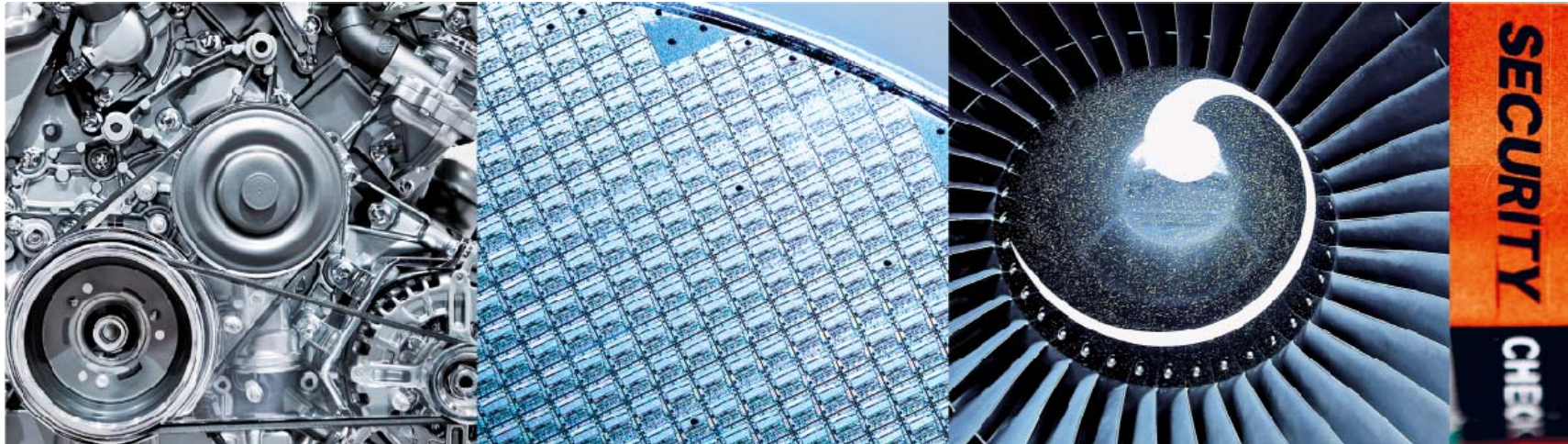
---

This document contains forward-looking statements about COMET that may be subject to uncertainty and risk. Readers should therefore be aware that such statements may deviate from actual future outcomes or events. Forward-looking statements in this document are projections of possible future developments. All forward-looking statements are made on the basis of data available to COMET at the time of preparation of this document. COMET assumes no obligation whatsoever to update or revise forward-looking statements in this document, whether as a result of new information, future events or otherwise.

---

© 2012 COMET HOLDING AG

**Thank you for your attention.**

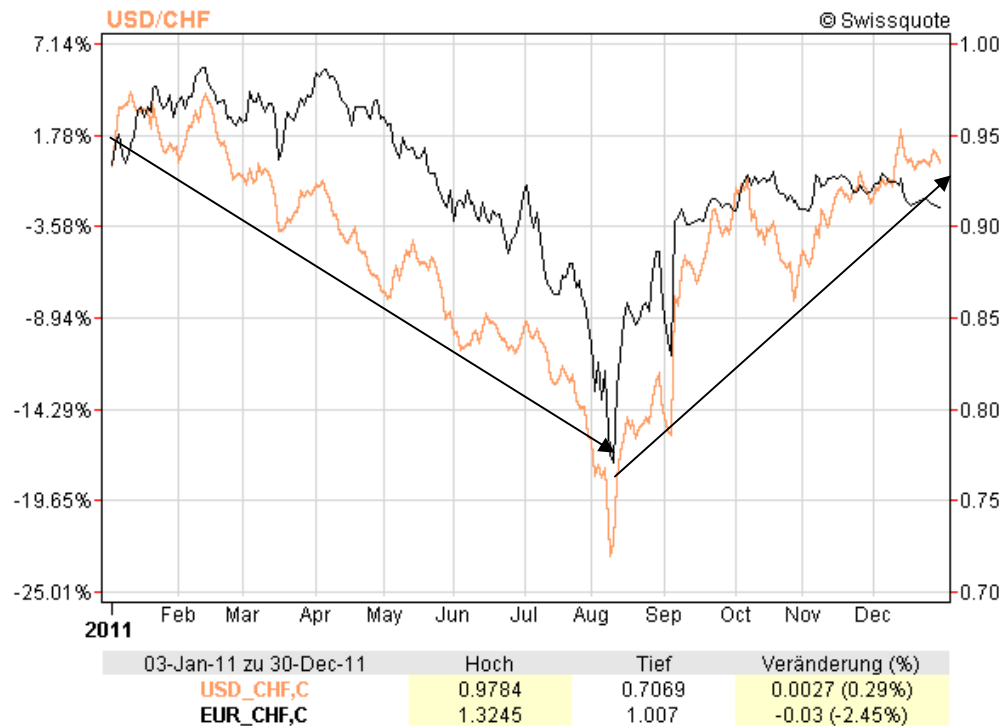


**COMETGROUP**  
Technology with Passion

COMET HOLDING AG  
Herrengasse 10, CH-3175 Flamatt  
T +41 31 744 90 00, F +41 31 744 90 90  
info@comet-group.com, www.comet-group.com

# Volatile development of Swiss Franc throughout 2011

	Average Rates			Spot rate		
	YTD 12.10	YTD 12.11	Diff in %	Dez 10	Dez 11	Diff in %
<b>EUR/CHF</b>	<b>1.38</b>	<b>1.23</b>	<b>-11%</b>	<b>1.25</b>	<b>1.21</b>	<b>-3%</b>
<b>USD/CHF</b>	<b>1.04</b>	<b>0.89</b>	<b>-15%</b>	<b>0.93</b>	<b>0.94</b>	<b>0%</b>
JPY/CHF	1.19	1.11	-7%	1.15	1.22	6%
DKK/CHF	0.19	0.17	-11%	0.17	0.16	-3%
RMB/CHF	0.15	0.14	-11%	0.14	0.15	5%



- **Strong CHF has a significant negative impact on profitability:** Transaction losses summed up to 1.5 Mio. CHF (PY loss of 2.9 Mio. CHF). Translation losses in the balance sheet summed up to 0.7 Mio. CHF in 2011 (mainly EUR related)
- Impact on net sales = 26 Mio. CHF or 12%
- Impact on EBIT = 8 Mio CHF

## FX – transaction risk, shown in CHF

### Dec 2011 YTD

in CHF million	CHF	USD	EUR	JPY	CNY	Other	Total
Switzerland	25.7	7.8	9.8	-	-	1.0	44.3
Germany	-	14.0	72.5	-0.0	-	-0.0	86.5
United States	-	62.6	-	-	-	-	62.6
Denmark	-	0.0	1.1	-	-	0.8	1.9
China	0.7	0.2	-	-	12.3	-	13.2
Japan	-	-	-	8.5	-	-	8.5
<b>Total sales</b>	<b>26.5</b>	<b>84.6</b>	<b>83.4</b>	<b>8.5</b>	<b>12.3</b>	<b>1.8</b>	<b>217.0</b>
<i>in % of total sales</i>	<b>12.2%</b>	<b>39.0%</b>	<b>38.4%</b>	<b>3.9%</b>	<b>5.7%</b>	<b>0.8%</b>	<b>100.0%</b>
Operating cost by location	-87.9	-18.8	-73.7	-4.1	-7.8	-9.5	-201.8
Natural hedging in FLA	20.7	-11.0	-9.7				-
Natural hedging in HAM		-4.4	4.4				-
<b>Net exp. based on EBIT</b>	<b>-40.7</b>	<b>50.4</b>	<b>4.4</b>	<b>4.4</b>	<b>4.4</b>	<b>-7.3</b>	<b>15.6</b>

## Akquisition Stolberg – Kaufpreis und Zahlungen

in Tausend	EUR	CHF *)
Basispreis Kaufvertrag	5'263	6'205
Net-Cash-Ausgleich gem. Vertrag	267	315
<b>Vertraglicher Kaufpreis</b>	<b>5'530</b>	<b>6'520</b>
Abzüglich erworbene flüssige Mittel	-425	-501
<b>Cash Kaufpreis</b>	<b>5'105</b>	<b>6'019</b>
Bezahlter Preis für Beteiligung netto erworbene flüssige Mittel	-2'909	-3'430
Lohnanteil 2011 aus 1. Kaufpreiszahlung	-306	-377
Lohnanteil 2012 aus 1. Kaufpreiszahlung	-530	-654
Beratungskosten in Zusammenhang mit Akquisition	-123	-152
<b>Total Cash Flow 2011 **)</b>	<b>-3'868</b>	<b>-4'613</b>
<b>Zahlungen/Cash Flow 2012/2013</b>	<b>-1'360</b>	<b>-1'673</b>

\*) historic and average exchange rates used

\*\*\*) Cash Flow 2011: 3.4 Mio. CHF im Geldfluss aus Investitionstätigkeit; 1.2 Mio. im Geldfluss aus Geschäftstätigkeit

## Akquisition Stolberg – IFRS Kaufpreis und Aufwand

in Tausend	EUR	CHF
<b>Vertraglicher Kaufpreis</b>	<b>5'530</b>	<b>6'520</b>
Davon IFRS Beteiligungswert	-4'008	-4'725
Davon Fair-Value-Adj. bedingter Kaufpreis (Rückstellung)	-143	-169
<b>IFRS Lohnaufwand (Sep. 2011 bis Feb 2013)</b>	<b>1'379</b>	<b>1'626</b>
Beratungskosten	123	152
<b>Total als Aufwand aus Akquisition</b>	<b>1'502</b>	<b>1'778</b>
Aufwand 2011: Beratungskosten	123	152
Aufwand 2011: Lohn 4 Monate	306	377
<b>Total Aufwand 2011</b>	<b>429</b>	<b>529</b>
Aufwand 2012: Lohn 12 Monate *)	919	1'070
Aufwand 2013: Lohn 2 Monate	154	179

\*) Netto Auswirkung auf Erfolgsrechnung 2012 vs Aktivierung Kaufpreis: Lohnaufwand abzgl. (fehlende) Amortisation aus PPA / Latente Steuern ergeben 0.7 Mio. CHF beim Reingewinn und 1.1 Mio. CHF beim EBITDA