News release
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COMET now global market leader in industrial x-ray technology

Takeover of German firm YXLON International Group Holding GmbH, Hamburg

Flamatt, 1 June 2007. COMET Holding AG, Flamatt (FR), a leading supplier of industrial x-ray components and modules for applications in the fields of security and non-destructive testing of materials, is acquiring the Hamburg-based high-tech company YXLON International Group Holding GmbH. YXLON is a leading player in non-destructive testing. The two companies are an ideal match, with their respective focuses on components and systems. Combining the two businesses will create the clear global market leader in non-destructive testing based on x-ray technology. It will enable COMET to build its worldwide market presence. The acquisition will more than double the revenues of COMET Holding AG: on the basis of the two companies’ 2006 results, combined annual sales will total CHF 200 million. From both a strategic and a financial viewpoint, the takeover of YXLON stands as the most significant acquisition in the history of the COMET Group.

The complete purchase price for all shares in YXLON International Group Holding GmbH is € 47.5 million (CHF 78.4 million). The seller is the private investor group Andlinger & Company. COMET is financing the acquisition through bank credits of CHF 45 million as well as the issue of new equity. For this purpose, the Board of Directors will table a proposal at the Extraordinary General Meeting on 27 June 2007 for the creation of further authorized capital through the issue of 120,000 new shares. This new equity is to be used exclusively for the acquisition, shareholders’ subscription rights will be granted. The takeover of YXLON will take effect retroactively from 1 January 2007 and is due to be completed by the end of July 2007.
COMET and YXLON have both been involved for decades in the market for non-destructive materials testing based on x-ray technology. While COMET has concentrated on the manufacture of high-tech components, which it has long supplied to YXLON, the latter is focused on providing entire systems, including software and service, a business in which it is a world leader. The main growth potential for COMET lies in its FEINFOCUS Business Unit, which makes microfocus x-ray systems for the analysis of microfine structures. COMET already produces systems for such applications; thanks to synergies with YXLON in the areas of sales and innovation, it has the potential to open up new markets and customer segments. COMET is evolving from a component to a system manufacturer in the field of x-ray technology, and the acquisition will bring a significant forward integration of the value chain.

The strong positions of COMET and YXLON in their respective markets mean the combined Group, as global market leader, will derive most benefit from the rapid growth of the non-destructive testing market. Commenting on the acquisition, Hans Hess, Chairman of the Board of Directors of COMET Holding AG said: “The importance of the security market is growing all the time. The market for components and systems capable of testing objects of all kinds for security and quality purposes using x-ray technology is therefore a highly promising one.” CEO Roland Zarske added: “In strategic terms, COMET and YXLON are an excellent fit. The joint strength of two successful companies in the x-ray field will further enhance the attractiveness of the business for our customers, employees and shareholders.”

In 2006, YXLON’s 245-strong workforce generated sales of € 66.1 million (CHF 103.8 million) and an EBIT of € 4.0 million (CHF 6.3 million); with 380 employees worldwide, COMET returned sales CHF 96.2 million and an EBIT of CHF 3.1 million. Rapid integration of the two operations is planned. Synergies are expected to contribute as much as CHF 5 million on EBIT level. YXLON, along with COMET’s FEINFOCUS Business Unit, will be integrated into the planned X-Ray Systems Division, under the leadership of YXLON’s former CEO, Joseph Kosanetzky. He will serve in this position as a member of COMET’s management, which will be headed by CEO Roland Zarske.

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Note for editorial offices

COMET Holding AG invites you to a

News conference on Friday, 1 June 2007, at 10 am,
in the Marriott Hotel, Neumühlequai 42, 8001 Zurich

concerning the takeover of YXLON International Group Holding GmbH. Hans Hess (Chairman of the Board of COMET Holding AG) and Gerhard Unterganschnigg, partner in Andlinger & Company, the vendor, will explain the reasons behind the transaction and the outlook for the future strategy of the COMET Group.

COMET is a successful technology company in the growth markets of security, inspection, electronics and communication. The group is a leading supplier of industrial X-Ray components and modules for security and non-destructive testing applications as well as Microfocus X-Ray Systems for quality assurance of miniature components and electronics. COMET is also the market’s principal vendor for vacuum components and modules used in plasma deposition, etching and broadcasting equipment. As an expert in the fields of industrial X-Ray and radio frequency engineering, COMET provides a complete and highly flexible portfolio of components, modules, systems and services from a single source.

COMET was founded in 1948 and is based in Flamatt near Berne, Switzerland. Production is carried out in Switzerland and Germany; the sales subsidiaries in the U.S. and China are complemented by a worldwide network of representatives. COMET’s stock (COTN) is listed on the SWX Swiss Exchange.

In 2006, COMET recorded net sales of CHF 96.2 million with 380 employees worldwide.

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Forward looking statements

This press release includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections about the acquisition, the financing thereof, potential synergies, and the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, opportunities and the industries in which it operates. Forward-looking statements involve all matters that are not historical fact. Such
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