

Media Release

Flamatt, Switzerland – August 23, 2012

COMET Group on track – Results for first half of 2012 meet expectations – Full-year forecast confirmed

- Sales of CHF 104.1 million and EBITDA margin of 10.6%, in line with expectations
- Profitability in Systems business improved
- Market share wins with new products (high & low energy x-ray, e-beam)
- Acquired Stolberg business running to plan
- Guidance for 2012 reaffirmed: Revenue and EBITDA at prior-year level

In the first half of the year the COMET Group recorded consolidated net sales of CHF 104.1 million. In local currencies, sales eased by 10.9% from the strong year-earlier period (on a currency-adjusted basis the decrease was 10.8%). This was attributable mainly to the Systems division's weak start into the year after the sales surge in late 2011, and also to reduced demand in the semiconductor market during the second quarter. Geographically the COMET Group remains broad-based, with revenue split fairly evenly between Asia, North America and Europe (at a respective 36%, 34% and 27% of Group sales).

The Group adjusted production capacity to match demand, but maintained the purposeful investment in R&D and in the marketing of technologies with high strategic potential. This in combination with the lower revenue led to an EBITDA margin of 10.6% (H1 2011: 13.3%). Operating income (EBIT) was reduced from CHF 9.4 million to CHF 4.6 million.

Thanks to stable currency relations and lower debt, COMET significantly improved its net financing expense from EUR 4.0 million to CHF 1.9 million. Net income in the first half of 2012 was CHF 2.7 million (H1 2011: CHF 5.4 million).

Free cash flow amounted to CHF 5.2 million (H1 2011: CHF 7.2 million) and the equity ratio was a sound 56.4% (December 31, 2011: 57.2%).

The strategic initiatives of the COMET Group are on track, with further progress made in the profitability of the Systems business, the marketing of new products, and forward integration.

Systems division – Enhanced profitability, high order backlog

In H1 2012 the Systems division registered sales of CHF 51.5 million (H1 2011: CHF 59.6 million). The year-on-year decrease of 13.6% in sales largely represented a base effect in the wake of the high sales of December 2011 (currency-adjusted decrease: 12.7%). Despite the sales reduction, Systems achieved a clear increase in gross margin. The consistent further development of the service business, the focus on higher-margin products and



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applications along with the continual refinement of internal processes all paid dividends. In spite of the lower volume, these improvements were reflected in a somewhat wider EBITDA margin of 7.6% (H1 2011: 6.6%). While demand from the automotive and energy markets in Europe and Asia showed macroeconomy-driven weakness, the aerospace industry in North America picked up. There, Systems, on the strength of its extensive application knowledge among other factors, delivered several customized systems and considerably boosted sales relative to the first half of the prior year. Steady new orders and the high order backlog, which was up 39% year-on-year, justify optimism about the division's sales trend in the second half of the year.

Modules & Components division

In the first six months the Modules & Components division posted a sales decrease of 5.8% to CHF 62.5 million (H1 2011: CHF 66.3 million; currency-adjusted decrease of 5.9%). In industrial x-ray sources, sales and profitability continued to improve from the already strong year-earlier period. At the same time, the weak demand from the semiconductor industry weighed on sales and earnings in Plasma Control Technologies. For the Modules & Components division as a whole, this translated to an EBITDA margin of 13.8% (H1 2011: 18.5%).

Industrial X-Ray surpasses strong H1 2011, buoyed by new products

Industrial X-Ray, at CHF 27.5 million, bettered its strong year-ago sales by 3.8% (H1 2011: CHF 26.5 million). In constant-currency terms, the business grew by 5.2%. The new products (high energy and low energy x-ray sources, and e-beam) impressed customers, leading to attractive design wins and gains in market share. In its core business of non-destructive testing, Industrial X-Ray defended its position. The development of the e-beam business is progressing according to plan. Thus, the field testing of e-beam emitters was concluded successfully. Another key milestone was reached with the presentation of the non-contact sterilization technology by Tetra Pak at Anuga Foodtec 2012. With continued programs to optimize the operating margin, Industrial X-Ray also further improved its profitability compared to the year-earlier period.

Plasma Control Technologies – Forward strategy begins to yield results

Plasma Control Technologies in the first six months saw a sales decrease of 12.2% to CHF 35.0 million (H1 2011: CHF 39.8 million; currency-adjusted decrease of 13.4%). The reasons were the – expected – low demand from the semiconductor sector in the second quarter, and investment halts and project postponements in the flat panel and solar markets in Asia due to overcapacity. The shortened work hours currently in place help COMET to keep employees' expertise in-house and to stay prepared for the anticipated upswing. Strategically, Plasma Control Technologies remained fully on course and benefited from the acquisition of the Stolberg activities. Thus, in Europe, COMET gained ground thanks to the successful marketing of products outside the semiconductor market (in high frequency applications such as MRI). Despite the currently difficult demand situation, COMET continues



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to invest judiciously in research & development and marketing in order to leverage the potential of important, promising technologies (for example, 450 mm wafers) and expand its market position.

Outlook

The COMET Group reiterates its forecast for the full year 2012: As previously stated, COMET expects the second half of 2012 to be significantly stronger than the first six months. The high existing orders in the Systems business will have a positive effect in the second half of the year. The Group also believes that demand from the semiconductor market will increase in the fourth quarter. For 2012 as a whole, the Board of Directors and executive management are projecting sales and EBITDA operating profit at the prior-year level.

The COMET Group operates in growth markets and has a strong customer network worldwide. With its innovative, high-performing products and technologies, it is superbly positioned to exploit the ample potential for sustained profitable growth offered by applications such as, among others, mobile communication, non-contact sterilization that is environmentally friendly, and 3D imaging.

Media and analyst conference

COMET will present the published financial results for the first half of 2012 today, August 23, at 10:00 a.m. at the media and analyst conference in Zurich (location: SIX Swiss Exchange, Convention Point, Selnaustrasse 30).

Media relations

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Financial calendar for the COMET Group

November 14, 2012	Investor Day 2012
March 14, 2013	Publication of 2012 full-year results

The **COMET Group** is one of the world's leading manufacturers of systems and components for the non-destructive testing, security and semiconductor markets. Since acquiring the YXLON group, COMET has been the global market leader in x-ray-based non-destructive testing and examination. With core competencies in vacuum technology, high voltage engineering and materials science, and core products that include x-ray tubes and vacuum capacitors, COMET is a one-stop provider of a complete and highly flexible range of components, modules, systems and services. The activities are grouped into two divisions: the OEM business (the Modules & Components division, under the COMET brand) and the end-user business (the Systems division, under the YXLON brand).

COMET was founded in 1948 and is based in Flamatt near Berne, Switzerland. The COMET Group has a presence in all world markets. The company operates production facilities in Switzerland, Germany, Denmark, China and the USA and maintains other subsidiaries in the USA, China and Japan. COMET's stock (COTN) is listed on the SIX Swiss Exchange.



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Consolidated Balance Sheet (unaudited)

In thousands of CHF	June 30, 2012	%	Dec. 31, 2011	%	Change	June 30, 2011
Assets						
Cash and cash equivalents	13 653		19 992		-6 339	15 551
Trade and other receivables	33 388		33 647		-259	38 324
Other financial assets	6		-		6	386
Tax receivables	131		-		131	2
Inventories	41 690		35 394		6 296	39 769
Net assets from manufacturing contracts	5 598		1 579		4 020	2 636
Prepaid expenses	2 659		1 982		677	1 105
Total current assets	97 126	46.9%	92 594	44.4%	4 531	97 774
Property, plant and equipment	55 654		57 963		-2 309	56 543
Intangible assets	50 518		53 605		-3 087	51 387
Employee benefit plan assets	2 786		2 786		-	2 334
Deferred tax assets	1 169		1 474		-305	855
Total non-current assets	110 127	53.1%	115 828	55.6%	-5 701	111 119
Total assets	207 253	100.0%	208 423	100.0%	-1 170	208 893
Liabilities and shareholders' equity						
Current debt	10 924		13 340		-2 417	11 577
Trade and other payables	21 992		19 044		2 948	20 548
Other financial liabilities	300		860		-560	15
Tax payables	1 671		3 051		-1 380	1 682
Net liabilities from manufacturing contracts	524		144		380	-
Accrued expenses	11 512		6 238		5 273	10 397
Current provisions	3 808		4 122		-313	3 646
Total current liabilities	50 730	24.5%	46 799	22.5%	3 931	47 865
Long-term debt	36 246		38 800		-2 554	45 881
Non-current provisions	166		165		1	87
Employee benefit plan liabilities	1 502		1 578		-76	1 551
Deferred tax liabilities	1 616		1 783		-167	1 059
Total non-current liabilities	39 530	19.1%	42 326	20.3%	-2 796	48 578
Total liabilities	90 260	43.6%	89 125	42.8%	1 135	96 443
Capital stock	7 663		7 625		38	7 625
Additional paid-in capital	59 938		62 180		-2 242	64 831
Treasury stock	-2 483		-		-2 483	-
Retained earnings	71 034		68 415		2 619	60 674
Foreign currency translation differences	-19 161		-18 922		-239	-20 680
Total equity attributable to shareholders of COMET HOLDING AG	116 992	56.4%	119 298	57.2%	-2 306	112 450
Total liabilities and shareholders' equity	207 253	100.0%	208 423	100.0%	-1 170	208 893



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Consolidated Statement of Income

(unaudited)

In thousands of CHF	Six months to June 30		Change	
	2012	2011	Absolute	%
Net sales	104 082	116 754	-12 672	-11%
Cost of sales	-63 487	-72 556	9 069	-12%
Gross profit	40 594	44 198	-3 604	-8%
Other operating income	2 376	1 128	1 248	111%
Development expenses	-14 591	-10 745	-3 846	36%
Marketing and selling expenses	-14 423	-12 947	-1 476	11%
General and administrative expenses	-9 366	-12 215	2 849	-23%
Operating income	4 590	9 419	-4 829	-51%
Net financing expense	-806	-4 077	3 271	-80%
Income before tax	3 784	5 342	-1 558	-29%
Income tax	-1 088	36	-1 124	-
Net income	2 696	5 378	-2 682	-50%
Amortization	2 965	2 594	371	14%
EBITA	7 556	12 013	-4 457	-37%
Depreciation	3 485	3 482	3	0%
EBITDA	11 041	15 495	-4 454	-29%
Earnings per share				
in CHF, diluted and basic	3.55	7.09	-3.54	-50%

Consolidated Statement of Comprehensive Income

(unaudited)

In thousands of CHF	Six months to June 30		Change	
	2012	2011	Absolute	%
Net income	2 696	5 378	-2 682	-49.9%
Other comprehensive income				
Foreign currency translation differences	-239	-2 418	2 179	-90.1%
Total other comprehensive loss	-239	-2 418	2 179	-90.1%
Total comprehensive income	2 457	2 960	-503	-17.0%



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Consolidated Statement of Cash Flows

(condensed and unaudited)

	Six months to June 30		Change
	2012	2011	
Net cash flows from operating activities	7 666	10 742	-3 075
Net cash used in investing activities	-2 467	-3 515	1 048
Free cash flow	5 199	7 226	-2 027
Net cash used in financing activities	-11 608	-7 491	-4 117
Currency translation gains/(losses) on cash	69	-805	874
Net decrease in cash and cash equivalents	-6 339	-1 070	-5 269
Cash and cash equivalents at January 1	19 992	16 622	3 371
Net decrease in cash and cash equivalents	-6 339	-1 070	-5 269
Cash and cash equivalents at June 30	13 653	15 551	-1 898

Consolidated Statement of Changes in Equity

(unaudited)

in thousands of CHF	Capital stock	Additional paid-in capital	Treasury stock	Retained earnings	Foreign currency translation differences	Total shareholders' equity
December 31, 2010	7 575	63 745	-	58 677	-18 262	111 735
Net income				5 378		5 378
Other comprehensive loss					-2 418	-2 418
Total comprehensive income	-	-	-	5 378	-2 418	2 960
Distribution to shareholders of COMET HOLDING AG				-2 651		-2 651
Repurchases/sales of treasury stock, net				3		3
Increase in capital (for stock compensation for 2010)	50	1 086		-1 018		118
Share-based compensation				285		285
June 30, 2011	7 625	64 831	-	60 674	-20 680	112 450
December 31, 2011	7 625	62 180	-	68 415	-18 922	119 298
Net income				2 696		2 696
Other comprehensive loss					-239	-239
Total comprehensive income	-	-	-	2 696	-239	2 457
Distribution to shareholders of COMET HOLDING AG		-3 035				-3 035
Repurchases of treasury stock			-2 483			-2 483
Increase in capital (for stock compensation for 2011)	38	793		-698		133
Share-based compensation				622		622
June 30, 2012	7 663	59 938	-2 483	71 034	-19 161	116 992



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Notes to the Consolidated Financial Statements

(condensed and unaudited)

1 Significant accounting policies

The half-year report for the six months ended June 30, 2012 presents the consolidated financial statements of COMET HOLDING AG and its directly or indirectly controlled subsidiaries. The report was prepared in accordance with IAS 34, Interim Financial Reporting, which forms part of the International Financial Reporting Standards (IFRS). The half-year report does not contain all information included in the annual accounts and should therefore be read in conjunction with the consolidated financial statements for 2011. The half-year report has not been audited by the independent auditors.

Changes in accounting policies

The significant accounting policies applied in the half-year report are unchanged from those described in the 2011 consolidated financial statements, with the exception of the changes below.

With effect from January 1, 2012 COMET has applied the following new or revised IFRS/IAS for the first time:

- IAS 12 – Income Taxes (Amendments)
- IFRS 1 – First-time Adoption of IFRS (Amendments)
- IFRS 7 Financial Instruments: Disclosures (Amendments)

The first-time application of these revised and new standards had no effect on the financial statements in this half-year report.

The other issued new and revised IFRS, which become effective after 2012, were not adopted early and, based on a preliminary assessment, will have no effects on the consolidated financial statements of COMET, with the exception of the amendments to IAS 19, Employee Benefits.

The elimination of the option to defer the recognition of actuarial gains and losses (known as the “corridor method”), and the new requirement to use as the rate of return on plan assets the discount rate rather than the expected rate of return, will increase the pension cost and decrease the recognized net employee benefit plan asset, thus reducing shareholders’ equity.

Basis of consolidation

During the first half of 2012, as in the first six months of 2011, no businesses were acquired or divested.

Estimates

The preparation of the half-year report requires assumptions and estimates to be made by management on the basis of the best knowledge and of all information available at the time. Adjustments to assumptions and estimates can have a material impact on future results, as such adjustments are recognized in the reporting period during which the assumptions and estimates change.

Seasonality of business

COMET's business is not subject to material seasonal fluctuations. Details on the course of business by segment are provided earlier in this report.

Foreign currency translation

The following exchange rates were used to translate the major currencies into Swiss francs:

			Closing rate			Average rate six months to	
			June 30, 2012	Dec. 31, 2011	June 30, 2011	June 30, 2012	June 30, 2011
USA	USD	1	0.956	0.935	0.831	0.928	0.908
Europe	EUR	1	1.201	1.214	1.206	1.205	1.271
China	CNY	1	0.152	0.149	0.129	0.147	0.139
Japan	JPY	100	1.205	1.215	1.034	1.165	1.107
Denmark	DKK	1	0.162	0.163	0.162	0.162	0.170

2 Segment reporting

For the purpose of reporting to management the Group is divided into two divisions, based on the products and services offered. The Group has the following operating segments:

- The Modules & Components division develops and markets components and modules for industrial x-ray applications, and components and RF modules for a wide range of applications in vacuum capacitors and for semiconductor fabrication plants.
- The Systems division is a global vendor of systems and services for non-destructive testing using x-ray technology and computed tomography.

Segment disclosures are consistent with data from internal management reporting and encompass all revenues and costs that can be directly allocated to a segment. Only the costs and revenues of COMET HOLDING AG as well as financing expenses, financing income and income taxes are not allocated to the divisional results.

Segment assets include all operating assets of the divisions. The following items are not allocated to the divisions: cash and cash equivalents, financial assets, assets related to income taxes, and all assets of COMET HOLDING AG.

Six months to June 30, 2012	Modules & Components division	Systems division	Elimination of intersegment sales	Corporate	Consolidated
Net sales					
External net sales	54 929	49 153		-	104 082
Intersegment sales	7 588	2 342	-9 931	-	-
Total net sales	62 517	51 495	-9 931	-	104 082
Earnings					
Segment operating income	4 358	1 777	-905		6 135
Unallocated costs				-639	-639
Operating income	4 358	1 777	-905	-639	4 590
Net financing expense					-806
Income before tax					3 784
Depreciation and amortization	4 292	2 159	-	-	6 451
EBITDA	8 649	3 936	-905	-639	11 041
Segment assets	114 270	78 284	0	14 699	207 253
Additions to non-current assets					
Property, plant and equipment	1 882	362	-	-	2 244
Intangible assets	182	57	-	-	239

Six months to June 30, 2011	Modules & Components division	Systems division	Elimination of intersegment sales	Corporate	Consolidated
Net sales					
External net sales	58 093	58 661		-	116 754
Intersegment sales	8 245	966	-9 211	-	-
Total net sales	66 338	59 627	-9 211	-	116 754
Earnings					
Segment operating income	8 565	1 542	-169		9 419
Unallocated costs				-519	-
Operating income	8 565	1 542	-169	-519	9 419
Net financing expense					-4 077
Income before tax					5 342
Depreciation and amortization	3 719	2 357	-	-	6 076
EBITDA	12 284	3 899	-169	-519	15 495
Segment assets	112 830	78 961	-0	17 101	208 893
Additions to non-current assets					
Property, plant and equipment	2 751	491	-	-	3 242
Intangible assets	185	155	-	-	341

3 Current and long-term debt

In the first half of 2012, COMET repaid a net CHF 4.9 million of debt.

4 Shareholders' equity

Authorized capital for equity-based compensation

In the first half of 2012 the unissued capital which the Board of Directors is authorized to issue, without time limit, in order to meet existing or future obligations under share-based payment plans to staff and management, was reduced by the number of shares issued under the incentive programs. A total of 3,796 shares were issued in the first six months of 2012 in payment of a portion of the compensation of the Board of Directors and the 2011 performance-related compensation for the Board of Directors and management. The unissued authorized capital for equity-based compensation now amounts to 8,688 shares or CHF 86,880.

Distribution to shareholders

The Annual Shareholder Meeting on April 18, 2012, approved payment of a distribution of CHF 4.00 per share (prior year: CHF 3.50) from distributable paid-in capital. COMET HOLDING AG paid the distribution totaling CHF 3,035 thousand on April 25, 2012.

5 Events after the balance sheet date

There have been no events after the balance sheet date with a material effect on the amounts in this half-year report.

6 Release of the interim financial statements for publication

At its meeting on August 14, 2012, the Board of Directors approved these interim financial statements for publication.

Disclaimer

This document contains forward-looking statements about the COMET Group that may be subject to uncertainty and risk. Readers should therefore be aware that actual future outcomes or events may deviate from such statements. Forward-looking statements in this document are projections of possible future developments. All forward-looking statements are made on the basis of information available to COMET at the time of preparation of this document. The COMET Group 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.



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