

Zürich March 14, 2013

Presentation of the Results 2012



Ronald Fehlmann, CEO
Markus Portmann, CFO



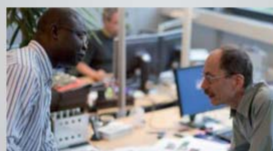
Agenda

- 1 COMET Group at a Glance
- 2 Review FY 2012
 - Key Figures
 - Highlights
 - Market Review
 - Business Review per Division
- 3 Financial Results
- 4 Outlook
 - 2013
 - 2015
- 5 e-beam
- 6 Questions & Answers

COMET Group at a glance

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

- 12 subsidiaries / branch offices worldwide
- CHF 214.4m sales*
- 99% of sales from outside Switzerland
- SIX SWISS Exchange (2002 COTN)



> 750
employees

1948
foundation

Headquarters in Flamatt (CH)



*2012

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2012: Solid result despite weak semicon market

Net sales in CHF	-1% below previous year from 217.0m to 214.4m
EBITDA margin	-0.7% points below previous year from 12.6% to 11.9%
Net income in CHF	Significantly below previous year from 10.1m to 5.9m

2012: Healthy financial structure

Cashflow in CHF	Strong despite difficult environment from 17.6m to 16.0m
Equity ratio	Increased from 57.2% to 58.0%
Net debt in CHF	Reduced from 32.1m to 25.9m

2012: Progress with strategic initiatives

YXLON

Year	EBITDA margin
2010	3.0%
2011	6.0%
2012	9.8%

Improved profitability in systems division: EBITDA margin +3.8%

Tetra Pak commits itself to COMET's innovative e-beam technology at Anuga 2012

Industrial X-Ray: Sales growth by 9.3% with new products

COMET RF generators established in market

Strategic focus adjusted with the "Focusing growth on strengths" program

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Geographical split

North America: Strong x-ray business (+12.8%)

Decline in Asia mainly due to weak semicon / PV / FPD market

Region	2011	2012
North America	~100	~113
Europe	~100	~90
Asia	~130	~110

214.4m CHF




- Europe: 30%
- North America: 31%
- Asia: 35%
- Rest of World: 4%

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Market review

Sales growth in core business NDT

Nondestructive testing	Plasma excitation	Sterilization
OEM and end user business	OEM	OEM business
		
70% of Group sales*	27% of Group sales**	3% of Group sales
+2%	-14%	x1.9

*incl security and thickness gauging; ** including boradcasting

Market review

Non-destructive testing: Growth in North America

- **Aerospace:** Significant orders in North America due to progressing film replacement
- **Electronics:** Trend of miniaturization supported demand for high resolution systems (FineFocus)
- **Automotive:** Reduced demand in Europe and Asia
- **Energy:** Increased sales with portable x-ray systems through focused sales initiatives
- **NDT Components:** Strong growth with high and low energy products, customized solutions and new applications (e.g. sorting)



Market review

Plasma excitation: Reduced spending

- **Semiconductor market:** downswing in demand from the semiconductor market beginning in the second quarter 2012
- **Solar and Flat panel:** stagnation due to deferral of investments; COMET well positioned for upturn



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Market review

Sterilization: Tetra Paks committment

- > 50m packages sold sterilized using e-beam technology
- Technology unveiled by Tetra Pak at Anuga FoodTec 2012
- Overall performance confirmed: biological efficiency, cost efficiency, environmental benefits



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Systems division 2012

X-Ray Systems: Initiatives to improve profitability pay off

- Sales growth by +2.8% fueled by
 - Growth in aerospace with CT systems
 - Portable solutions in Europe and Asia
- Service business fostered with new products (e.g. software upgrades, maintenance contracts)

- EBITDA margin improved: 6.0% to 9.8%
 - high-margin standard products and applications
 - Improved process for customized systems
 - Expanded service business to 24.9% of sales



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Modules & Components division 2012

PCT: Difficult market situation managed

- Sales decline by 14%: no upturn in semicon H2
- RF engineering know-how strengthened and generators established under COMET
- Design-wins with high-quality product solutions in semicon market
- Acquisition of new customers outside semicon market



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Modules & Components division 2012

Industrial X-Ray: Focus on sales initiatives bearing fruits

- +9.3% sales growth with
 - new products (high-/ low-energy)
 - new applications (sorting)
 - customized solutions in NDT and security market

- Design-wins with existing and new customers

- Growth in all regions, especially in Asia and North America



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Missing revenue from semiconductor industry leads to 1.2% lower net sales

	Net sales in millions of CHF		Growth	
	FY '12	FY '11	CHF in %	LC* in %
X-Ray Systems	118.4	115.2	2.8	1.4
Industrial X-Ray	56.1	51.4	9.1	7.6
Plasma Control Technologies	58.2	67.7	-13.9	-17.2
Elimination Intersegment Sales	-18.3	-17.3		
Group	214.4	217.0	-1.2	-3.4

* at constant exchange rates

- X-Ray Systems showing growth in USA (aerospace industry), but decreases in Europe and Asia (automotive industry)
- Industrial X-Ray showing increases in all regions across all industries and products
- Plasma Control Technologies with significant decreases related to missing orders from semicon, flat panel and solar industry

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Net sales growth in the USA

	Net sales in millions of CHF		Growth	
	FY '12	FY '11	CHF in %	LC* in %
Europe	64.1	66.7	-3.9	-2.1
USA	65.7	58.3	12.8	6.7
Asia	74.6	82.2	-9.2	-12.1
RoW	10.0	9.8	1.5	0.7
Group	214.4	217.0	-1.2	-3.4

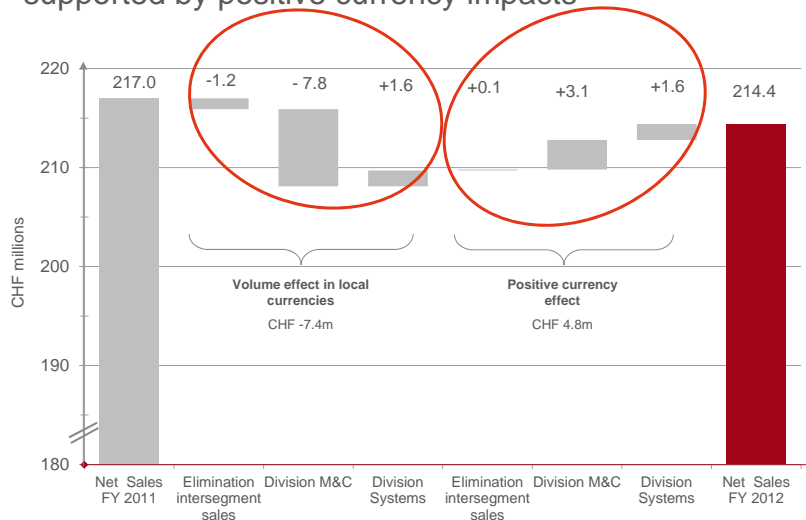
* at constant exchange rates

- Decreasing business in Europe related to automotive and semicon industry, partly compensated by additional sales from Stolberg acquisition
- Increasing USA sales in all businesses with the exception of semicon
- Asia decrease mainly driven by lower sales in both China and Japan

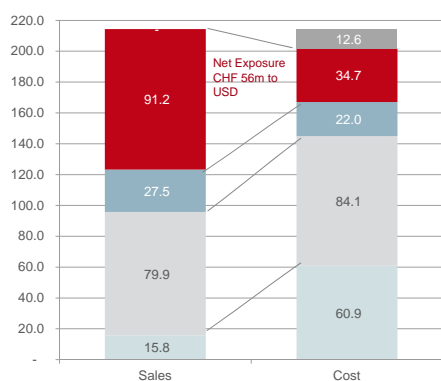
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Lower Group net sales driven by lower sales volumes supported by positive currency impacts



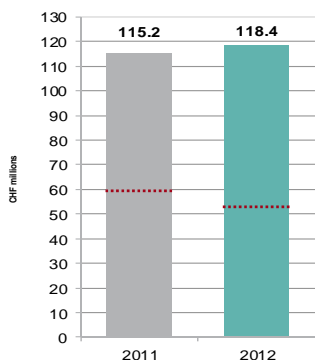
Net exposure of CHF 56m to USD for FY 2012



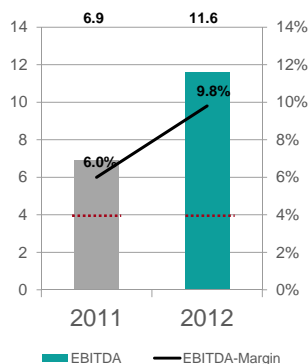
- Stronger USD exchange rate has contributed to an overall positive impact on
 - Net sales:** The positive net impact of all currencies amounted to 4.8 Mio. CHF. (EUR with a negative impact of 1.8 Mio. CHF; all other currencies with a positive impact of 6.6 Mio. CHF)
 - EBIT:** positive net impact of 4.0 Mio. CHF (Limited impact on EUR due to almost natural hedge; all other currencies with positive impact)

Division Systems: Profitable growth driven by increased gross profit margin of 5%

Net sales (Increase 2.8%; 1.4% in LC*)



EBITDA

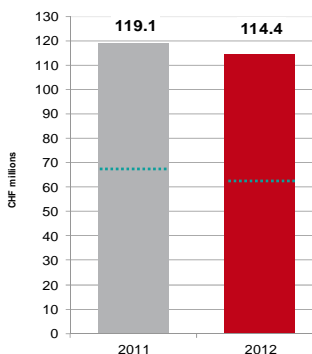


* at constant exchange rates

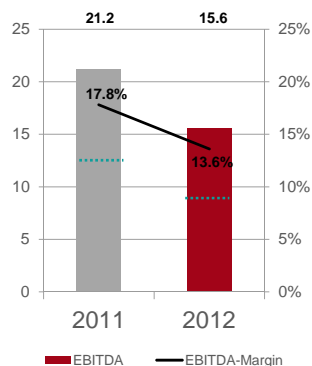
..... H1

Division Modules & Components: Decrease in profitability related to lower sales and higher investments in front-end for future business

Net sales (Decrease 4.0%; 6.5% in LC*)



EBITDA



* at constant exchange rates

..... H1

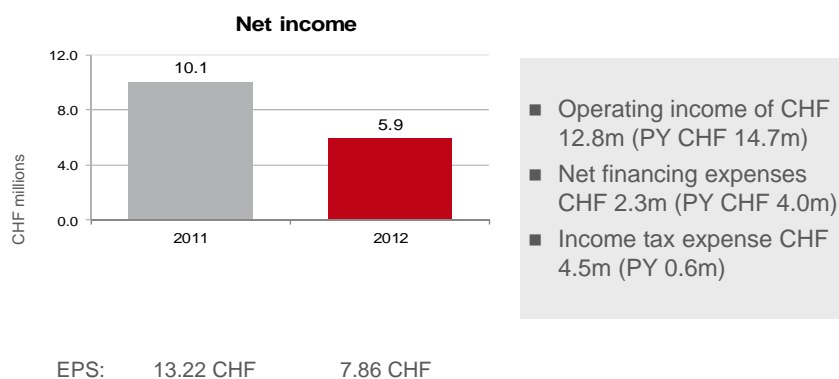
Improved gross profit margin in challenging market environment

in thousands of CHF	2012	2011	Absolut	in%
Incoming Orders	215'298	213'335	1'963	1%
Net sales	214'401	216'965	-2'564	-1%
Cost of sales	-131'119	-136'568	5'449	
Gross profit	83'282	80'397	2'885	
Gross profit margin in %	38.8%	37.1%	1.7%	
Other operating income	3'928	3'009	919	
Development expenses	-26'815	-22'518	-4'297	
SG&A	-47'634	-46'221	-1'413	
Operating income (EBIT)	12'761	14'667	-1'906	
Financing result and income taxes	-6'837	-4'612	-2'225	
Net income	5'924	10'055	-4'131	
EPS in CHF	7.86	13.22	-5.36	
EBITDA	25'442	27'325	-1'883	
EBITDA margin in %	11.9%	12.6%	-0.7%	

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Net income in 2012 below prior year driven by an increase in income tax expenses



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Financing items improved due to lower interest-bearing debt and stable currency exchange rates

Net financing items amounted to an expense of CHF 2.3m (PY CHF 4.0m), reflecting the following factors:

- Interest expenses were CHF 2.0m (PY CHF 2.5m) related mainly to senior debt and mortgage on building in Flamatt
- Due to the stable Swiss franc, the net currency transaction loss recorded in the income statement was reduced to CHF 0.3m (PY CHF 1.5m)
 - Almost naturally hedged position in EUR
 - Net exposure in USD hedged by means of forward exchange contracts

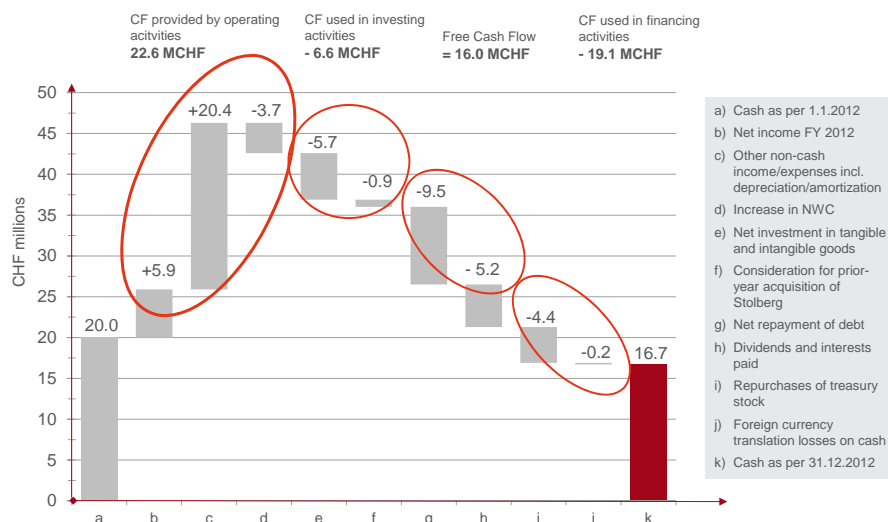
Currency impact on balance sheet:

- A currency translation loss of CHF 1.1m was recorded directly to equity, mainly related to the net asset exposure in Euros

Income tax rate above prior year due to uneven distribution of profits between subsidiaries

- Applying the expected Group tax rate, the EBT of CHF 10.4m would lead to an expected tax expense of CHF 2.9m
- Total income tax expense reported sums up to CHF 4.5m (PY CHF 0.6m). The difference to the expected tax expense of CHF 1.6m is explained as follows:
 - Tax exemption by canton of Fribourg CHF -1.1m
 - Non-recognition of tax losses CHF 2.1m (no DTA recognized)
 - Impact of tax exemption of COMET HOLDING CHF 0.4m
 - Other effects (focus on portable business in Copenhagen), net CHF 0.2m
- The consolidated tax rate of 43% is clearly above prior year's 5%, mainly due to an uneven distribution of EBT between the different subsidiaries in 2012 and the recognition of a DTA in 2011
- The base income tax rate for normalized profits is at 28%. The expected tax rate for 2013 is at approx. 35%

Strong free cash flow based upon a profitable business



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Sound balance sheet ratios and decrease of total assets amount

In millions of CHF	FY 2012		FY 2011	
Current Assets	94.9	46.7%	92.6	44.4%
Non-current Assets	108.1	53.3%	115.8	55.6%
Total Assets	203.0	100.0%	208.4	100.0%
Liabilities	85.2	42.0%	89.1	42.8%
Equity	117.8	58.0%	119.3	57.2%
Total Liability and Equity	203.0	100.0%	208.4	100.0%

- Improved equity ratio to 58% driven by profitability and despite posting treasury stock of CHF 4.4.m to equity
- Reduction of total assets amount related to repayment of debt, amortization of intangible assets (PPA) and repurchases of treasury stock
- Increasing balance sheet positions in working capital and accruals

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Stable working capital ratios

Working capital ratios

- Total net working capital increased by CHF 3.7m. Monthly average net working capital in % of net sales reached 26.1% (PY 26.8%) reflecting our efforts to optimize capital employed
- Increase in trade receivables to CHF 36.0m (PY CHF 30.9m) reflecting strong net sales volumes towards year-end. DSO (monthly average days sales outstanding) reached 38 days (PY 43 days)
- Inventories remain at CHF 35.4m (PY CHF 35.4m) reflecting an expected slight increase in business for 2013. DIO (monthly average days inventory outstanding) reached 75 days (PY 73 days)

Liquidity on a comfortable level

- Liquidity decreased by CHF 3.3m driven by the purchase of treasury shares of CHF 4.4m, continuous investments in fixed assets, dividend payment and substantial repayment of interest-bearing debt (undrawn credit facilities of CHF 21.8m)

Non-current assets influenced by amortization of intangible assets (PPA)

Non-current assets decreased by CHF 7.7m or 6.6%

- Compared to prior year-end property, plant and equipment and intangible assets decreased by CHF 7.8m
 - Cash capital expenditures as a mixture of replacement and capacity increases totaled CHF 5.7m and the net effect of demo equipment recognized was CHF 0.3m
 - Non-current assets included depreciation of CHF 7.6m and amortization of CHF 5.1m (including CHF 3.2m from purchase price allocation of YXLON and Stolberg)
 - Negative translation effects from strong Swiss franc totaled CHF 1.1m
- Pension assets increased to CHF 3.2m (PY CHF 2.8m)
- Deferred tax assets decreased to CHF 0.8m (PY CHF 1.5) due to the use of deferred tax assets on tax loss carry forwards mainly in Germany

Lower Liabilities and strong equity ratio

Current liabilities increased by CHF 4.9m, mainly driven by:

- Increase in accrued expenses (bonus, vacation and overtime credits)
- Decrease in other financial liabilities (derivatives for FX hedging)

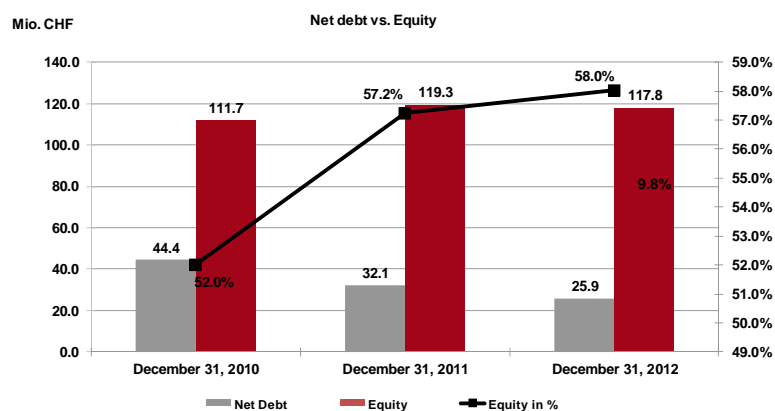
Non-current liabilities fell sharply by CHF 8.8m, mainly due to:

- Repayment of interest-bearing debt
- Slight increase in deferred income tax liabilities

Increase in equity ratio from 57.2% to 58.0%:

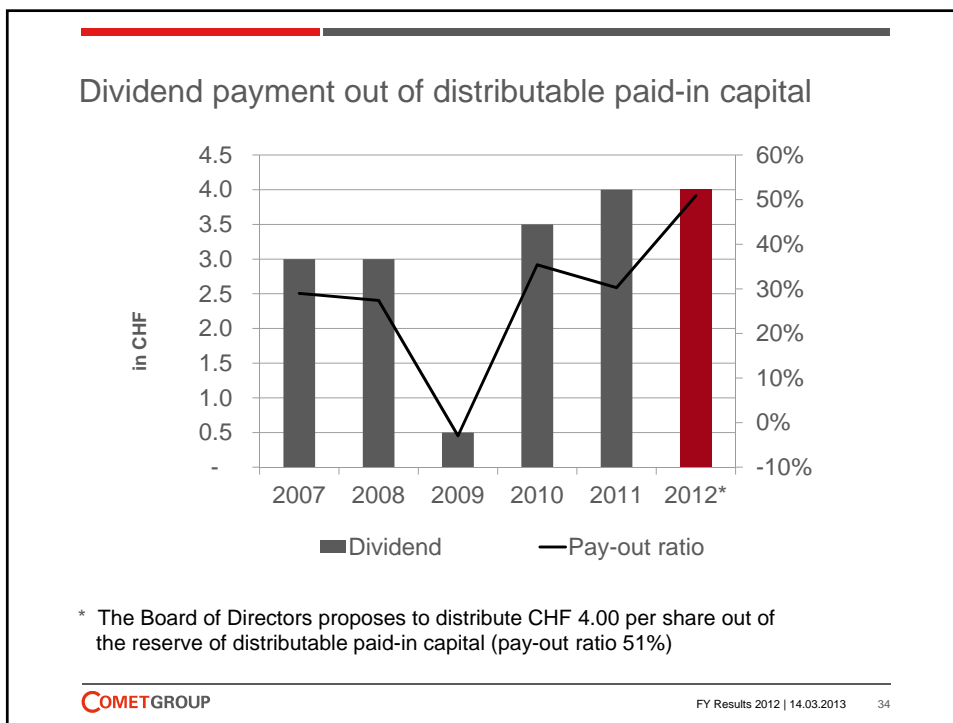
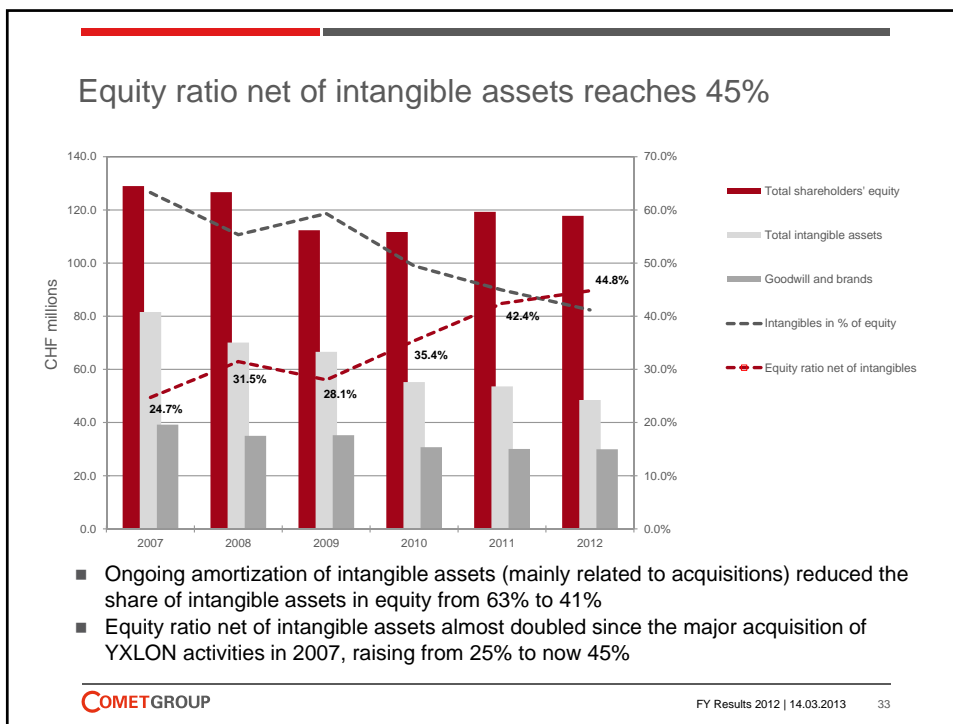
- Net income of CHF 5.9m for the FY 2012
- Share-based payments of CHF 1.1m
- Distribution to shareholders of CHF 4.00 per share totaling CHF -3.1m
- Foreign currency translation differences CHF -1.1m
- Repurchases of treasury stock of CHF -4.4m

Ongoing reduction in net debt and increase in equity ratio



Strong increase of the equity ratio from 52% to 58% in three years

Excluding repurchases of treasury stock: Net debt at CHF 21.5m; equity ratio at 58.9%



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Outlook 2013

- Board of Directors and Management confirm:
 - CHF 230-250 million sales
 - 12% to 14% EBITDA margin
- Slight recovery in semiconductor industry in H1 2013 is expected to increase in H2 2013
- Other segments with continued growth
- H1 2013 on H1 2012 level expected
- H2 2013 with significantly stronger development vs. H2 2012

2013: H2 significantly stronger than H2 2012

		Sales development	
		H1 2013 vs. H1 2012	H2 2013 Vs. H2 2012
Group	H2 stronger than H1	➡	➡
Systems division	Stable organic growth with FeinFocus, CT and Service especially in Asia expected. Difficult business environment in automotive	➡	➡
Modules & Components division	Industrial X-Ray Stable development with new products (High & low energy) as well as new applications e-beam Preparation of rollout for Tetra Pak and targeting of new applications. No significant contribution to sales in 2013 yet.	➡	➡
	Plasma Control Technologies H1 2013 flat due to strong H1 2012, H2 recovery in semicon, significant contribution from RF generators	➡	➡

Outlook 2015

Strategic Roadmap 2013 to 2015

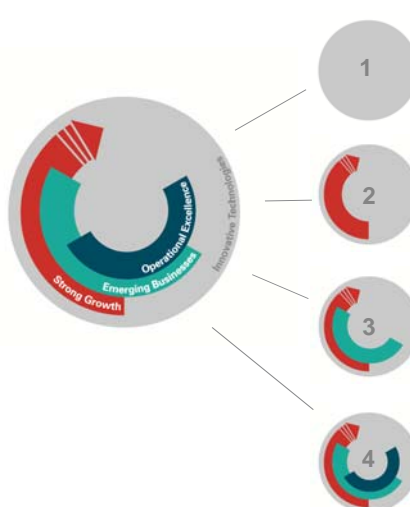


Focusing growth on strengths

	2012	2013	2015
Sales in million CHF	214.4	230-250	300
EBITDA (%)	11.9%	12-14%	15%

Outlook 2015

Strategy 2015: Focusing growth on strengths




- 1 Build on innovative technologies**
Exploiting global market trends
- 2 Promote strong organic growth**
Based on scaling of existing products and technologies, exploiting global market trends
- 3 Accelerate emerging businesses**
To fully exploit the high potential (e-Beam, HF generators, Portable x-ray)
- 4 Enhance operational excellence**
Increase productivity and profitability

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Outlook 2015

Strategic implications



Focusing growth on strengths

Sales

- M&C division, and especially Plasma Control Technology with more than proportional growth
- e-beam with significant contribution to Group sales growth after 2015
- Expected sales split of 60% (M&C division) to 40% (Systems division) from today's 50% to 50%

Profitability

- M&C division with improved profitability 2015 mainly due to higher sales volume
- Improvement of EBITDA margin to above 10% in Systems division expected
- Investments in e-beam business development will have an adverse effect on profitability

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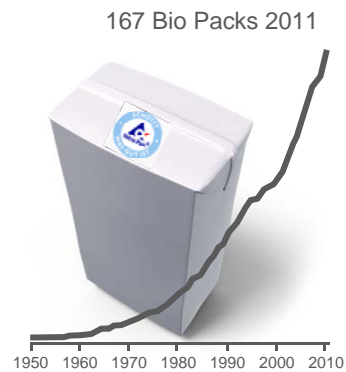
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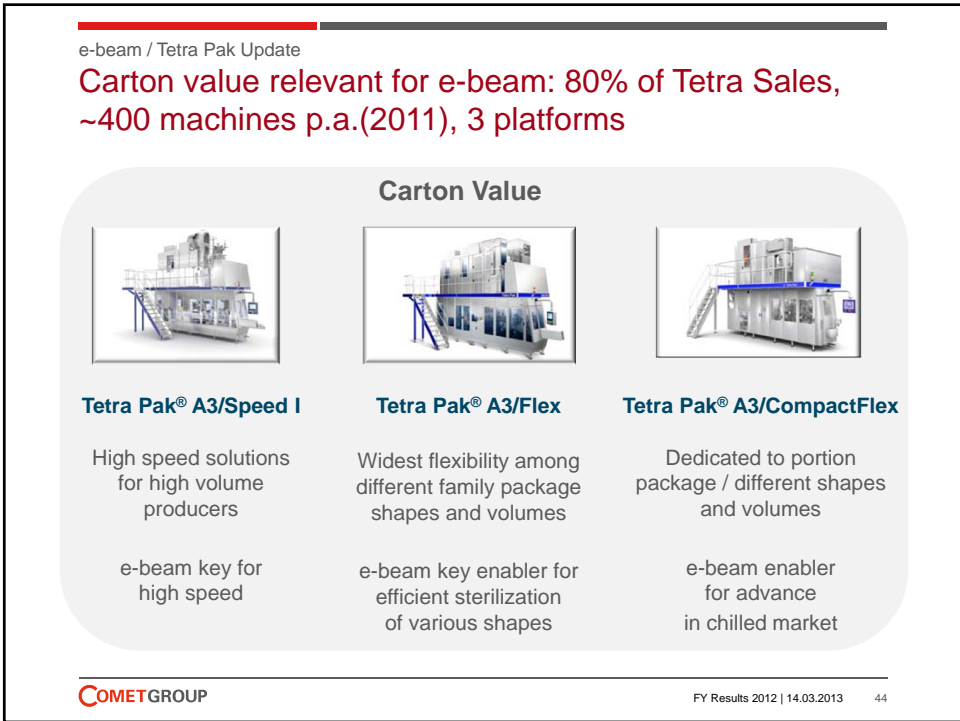
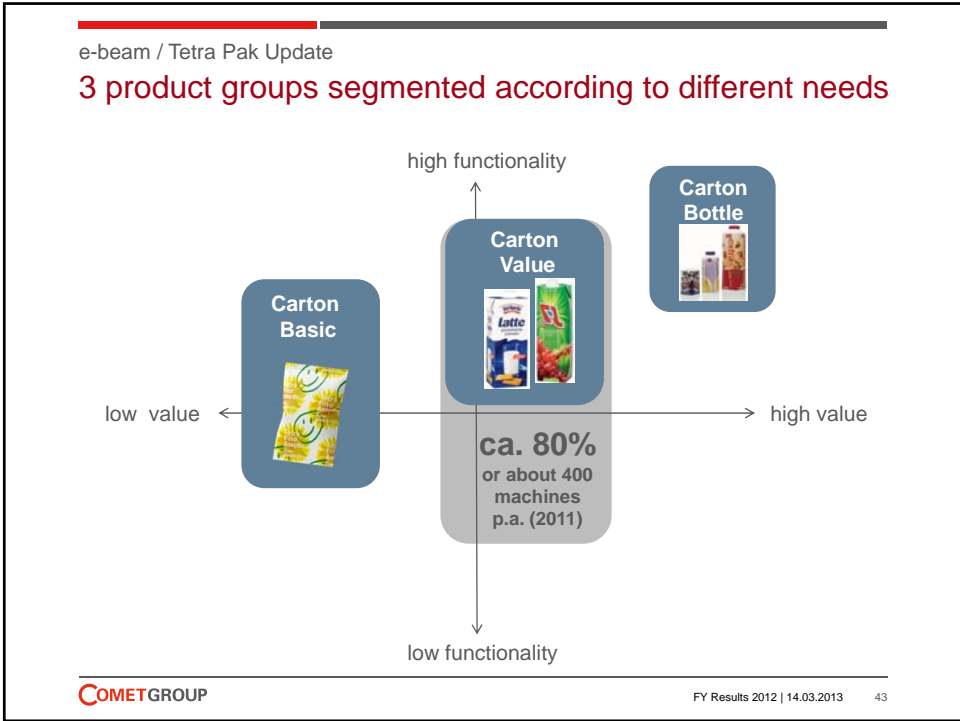
e-beam / Tetra Pak Update

Who is Tetra Pak?

Privately owned / the world's leading food processing and packaging solutions company in packaging of liquid food

Sales 2011 (MEUR)	10'360
Head counts 2011	22'896
Machines in operation 2012	8'688
Machines delivered p.a. 2011	520





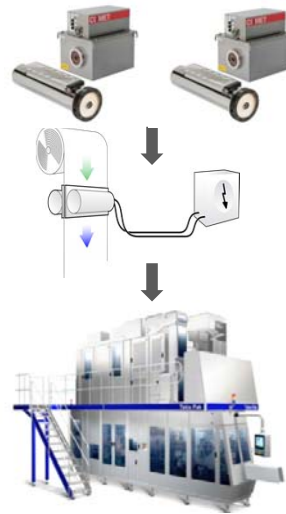
e-beam / Tetra Pak Update

Rollout plan is being substantiated - e-beam set as standard

- e-beam will be introduced first in the product platforms A3 Speed/ Flex/ Compactflex
- New business: 2 e-beam sources per machine
- Replacement: 2 e-beam emitters per machine

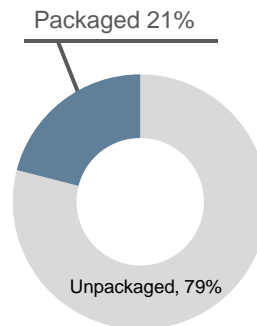
Variables

- Product mix: emitters of 270cm and 400cm
- Lifetime of emitter
- Pricing model: Cost plus
- Current price e-beam sources: high 5-digit number per machine
- Volume drives reduction of price per emitter



The liquid food market

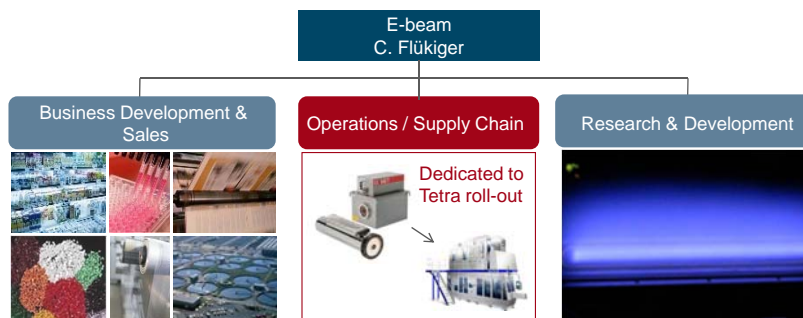
**e-beam business driven by huge potential of Tetra Pak:
> 2 billion extra consumers by 2020**



*Based on appr. 5,000 bio litres

e-beam / Tetra Pak Update

COMET with new organization to assure roll-out at Tetra Pak and tap new market segments with growth potential



- e-beam split from Industrial X-Ray business effective April 1, 2013 and will operate independently
- e-beam business unit headed by C. Flükiger, President Industrial X-Ray and e-beam technologies

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Financial calendar of the COMET Group 2013

March 14, 2013	Publication of 2012 annual financial statements
April 18, 2013	Annual Shareholder Meeting
August 22, 2013	Publication of 2013 half-year results
November 14, 2013	Investor Day 2013