Media Release

Flamatt, Switzerland – March 15, 2012

COMET Group 2011 results: Strong profitability in a challenging market environment

- Sales of CHF 217.0 million as in prior year, representing currency-adjusted growth of 12%
- Significantly profitable growth in Systems business
- EBITDA margin of 12.6% in line with prior year
- Net income up substantially to CHF 10.1 million thanks to good net financing items and low taxes
- Equity ratio raised to 57.2%, free cash flow increased to CHF 17.6 million
- Proposed dividend increase through distribution of CHF 4.00 per share from paid-in capital

In 2011 the COMET Group vigorously executed on its strategy and, despite negative currency effects, generated results matching the prior-year levels. COMET delivered consolidated net sales of CHF 217.0 million, or CHF 215.0 million excluding the acquisition of Stolberg HF-Technik AG. In local currencies this represents attractive sales growth of 12% (or an organic 11%), with positive contributions from both divisions and all regions except North America.

The largest share of sales continued to be generated in Asia, at 37.9% of the Group total (2010: 38.1%). In Europe the share rose to 30.7% (2010: 24.1%) thanks to strong growth in the Systems business. In North America, competition from local vendors intensified as a result of the currency relations, leading to a decline in the region’s revenue share in Swiss francs to 27.5% (2010: 35.7%).

Strong profitability in a challenging environment

Profit margins were held at 6.8% at EBIT level and 12.6% at EBITDA level (2010: 7.5% and 13%, respectively). The combination of innovative solutions, a focus on high-margin market segments and cost discipline helped to largely cushion the negative exchange rate effects. With the short work hours introduced from October at Plasma Control Technologies in Flamatt, COMET was also able to soften the impact of the demand decline in the semiconductor industry during the latter part of the year. As a result of improved net financing
items and lower taxes, Group net income grew to CHF 10.1 million, or CHF 13.22 per share (2010: CHF 9.89 per share). The equity ratio rose to a sound 57.2% (2010: 52%). The good operating cash flow allowed all capital expenditure – including the company acquisition – to be funded internally, while delivering a high free cash flow of CHF 17.6 million (2010: CHF 14.3 million).

In the major thrusts of its strategy, the Group reached important milestones (forward integration through the acquisition of Stolberg; strengthening of the Asia business; investment in innovations; and expansion of consultative direct sales) and is thus in an excellent position to continue to act on its operational and strategic opportunities in the future.

**Systems division – Profitable growth**

In 2011 the Systems division realized significant growth of 8.5% in total net sales year over year, to CHF 115.2 million (2010: 106.2 million). Excluding currency effects, the growth amounted to 23%. With the expansion of the service business, new product features and software upgrades, the division strengthened its market position and took advantage of the sustained good demand for x-ray systems especially in the European and Asian automotive and electronics sectors. Toward the end of the year the aerospace segment registered a significant increase in new orders. Shortened throughput and delivery times and the focus on innovative and high-margin products, together with the investment in customer consulting excellence and capacity, all paid for themselves. This led to a near-doubling of earnings at EBITDA level to CHF 6.9 million (2010: CHF 3.5 million) and strongly improved the EBITDA margin to 6.0% (2010: 3.3%). By developing a groundbreaking new laminography method for the inspection of especially large, flat pieces, the division demonstrated its innovative power and created new potential for applications.

**Modules & Components division – Market position defended in an adverse environment**

In the Modules & Components division, it was primarily the reduced demand in the latter half of the year from the semiconductor and security markets, as well as the strong Swiss franc, that caused total net sales to ease by 8.8% to CHF 119.1 million (2010: CHF 130.6 million). Measured in local currencies, the division saw sales growth of 2.2%. Even in this demanding environment, the strong market position and consistent implementation of projects for further efficiency improvement enabled Modules & Components to post EBITDA of CHF 21.2 million (2010: CHF 27.3 million) and an EBITDA margin of 17.8% (2010: 21.0%).
Industrial X-Ray
In its core business of non-destructive testing, despite competitive pressure from local vendors in the dollar region, Industrial X-Ray preserved its global market leadership in 2011. With innovations, tailor-made solutions, product improvements and competitive prices, the product area was able to grow in local currencies across the whole spectrum of technology. At the same time, easing investment by governments in the inspection of baggage and air cargo (especially in the USA) led to a sales decline in the security market. Through various design orders, Industrial X-Ray gained a foothold with well-known global companies for its technologies in high and low energy x-ray and in e-beam and thus unlocked future revenue potential. An important role in this was also played by the newly expanded application center in Stamford, Connecticut. Thanks to a determined cost reduction drive, Industrial X-Ray further boosted its productivity and raised its profitability.

Plasma Control Technologies
2011 was a year of contrasts for Plasma Control Technologies (PCT). After a positive start to the year, the product area felt the decline in demand from the semiconductor market in the third quarter. This led to the introduction of shortened work hours in the operations section at Flamatt from October 2011. The solar business was flat at a low absolute level. PCT used the slower period to prepare for the upswing with fresh innovations and new customer projects. With the purchase of Germany’s Stolberg HF-Technik AG in fall 2011, Plasma Control Technologies expanded its capabilities in high frequency plasma control processes. COMET also established itself with leading suppliers to the semiconductor industry as a partner for the development of the current and next generation of semiconductors, and moved into the number-one position in the market for RF matchboxes. Another milestone was the expansion of the development center in San José, complete with a production line for RF Matchboxes. Its key benefits for PCT’s customers are short time to market and a complete portfolio of services on site.

Distribution from paid-in capital
In view of the good results, the Board of Directors will propose to the Annual Shareholder Meeting to pay a distribution of CHF 4.00 per share from distributable paid-in capital (prior year: CHF 3.50). This proposed payment to shareholders is exempt from Swiss anticipatory tax and represents 30% of the Group’s net income in 2011.

Outlook
The Group expects a continuing challenging environment in the first half of the 2012, with results significantly weaker than in the first six months of 2011. For the full year 2012,
assuming stable currency relations and no serious market disruptions, the Group is projecting sales and EBITDA operating profitability at the prior-year levels.

**Annual Report 2011**

**Media and analyst conference**
COMET will present the published financial results for 2011 today, March 15, at 10:00 a.m. at the media and analyst conference in Zurich (location: SIX Swiss Exchange, Convention Point, Selnaustrasse 30).

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**Financial calendar for the COMET Group**

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<th>Date</th>
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<tr>
<td>March 15, 2012</td>
<td>Publication of 2011 annual financial statements</td>
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<tr>
<td>April 18, 2012</td>
<td>Annual Shareholder Meeting</td>
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<tr>
<td>August 23, 2012</td>
<td>Publication of 2012 half-year results</td>
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<td>November 14, 2012</td>
<td>Investor Day</td>
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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.