



Media Release

COMET grows in 2008 despite weak economy

FLAMATT, Switzerland, April 2, 2009. In 2008 the COMET Group, one of the world's leading manufacturers of components and systems for the growth markets of non-destructive testing, security and semiconductors, resisted the difficult economic environment, achieving growth of 30% in sales and an increase of 44% in net income. Excluding acquisition effects, sales growth in local currencies was 3.3%. Shareholders will be asked to approve a dividend of CHF 3.00 per share, unchanged from the prior year.

Including YXLON International, consolidated from the acquisition date in July 2007, sales grew from CHF 171.1 million to CHF 222.6 million and EBITDA earnings rose from CHF 22.2 million to CHF 24.6 million. Despite difficult market conditions, COMET delivered pro-forma growth of 3.3% in local currencies (a decrease of 0.9% in CHF) and an EBITDA margin of 11.0% (prior year: 12.2%), with the weak US dollar having a substantial negative effect on sales and EBIT operating income. Earnings per share were boosted from CHF 8.57 to CHF 11.04. The Group has a sound balance sheet with an equity ratio of 50.7%.

Modules & Components division

The product areas in the Modules & Components division showed a heterogeneous performance. Industrial X-Ray grew by a robust 15.1% in local currencies (or 10.6% in CHF), driven by higher demand in the security industry. However, it was not possible to entrench the minitube technology in the analytics market, as the previously booming market for lead detection is now largely saturated. In a portfolio streamlining, COMET has therefore decided to discontinue this product initiative.

For the Vacuum Capacitors side of the division, the fourth quarter brought a downturn of unprecedented severity for customers in the semiconductor and solar sectors. Although the environment for vacuum capacitors and RF (radio frequency) modules deteriorated significantly and further sales growth proved elusive last year (at a decrease of 0.1% in local currencies and of 5.1% in CHF), COMET remains fully committed to the forward strategy pursued in the area of RF modules. In this product segment, extensive preparations have been made to position COMET to participate disproportionately strongly in the industry's next upswing. The Modules & Components division as a whole attained sales growth of 6.6% in local currencies (or 1.9% in CHF) and an EBITDA profit margin of 13.3% (prior year: 17.6%).



Systems division

The Systems division felt the declining demand from the automotive sector in the second half of the year, but performed well overall. With pro-forma growth of 2.3% in local currencies (contraction of 1.4% in CHF) and a constant EBITDA margin of 6.9%, the synergies targeted in connection with the acquisition were fully achieved; the Feinfocus product line as well generated a small profit after substantial losses in the prior years. As a result of the higher gross margin and reduction of functional costs, EBIT profit improved by CHF 2.3 million. Further, this division incurred restructuring costs of CHF 1.1 million, such as for the merging of the German subsidiaries. The merger permitted the recognition of one-time tax income of CHF 3.3 million in 2008. Except for the ongoing harmonization of the ERP systems, the integration projects for the YXLON group are successfully completed.

Future business activity: e-beam

Next to the existing core technologies of industrial X-ray sources and vacuum capacitors, an additional product area for opening up new markets is currently being established in the form of e-beam technology. COMET is working with well-known industrial partners to develop this technology to market readiness. With the world market leader in food packaging, Tetra Pak, COMET has been collaborating closely for years toward the goal of introducing e-beam as the next-generation packaging sterilization technology. The technology is currently in the validation stage.

A further use for e-beam is the sterilization of pharmaceutical packaging, with early field trials being conducted by the Packaging Technology division of Robert Bosch GmbH. In the medium term, another emerging application is the rapid curing of printing ink. Using e-beam-based curing technologies from Ciba AG, manufacturers of printing equipment are expected to be able to increase throughput in their production significantly in the future.

Dividend

The Board of Directors of COMET HOLDING AG decided at its meeting on March 20, 2009 that it will propose to shareholders at the Annual Meeting being held on April 23 in Berne to pay an unchanged dividend of CHF 3.00 per share.

Outlook

The difficulties of customers in the semiconductor and automotive industries will have a significant effect on sales and earnings in the 2009 fiscal year. The COMET Group was quick to take cost reduction measures. Among other steps, the number of employees is being reduced by 17% since



the middle of 2008 through the measures initiated thus far. For several reasons – the seasonally weaker period in the first half of the year, the lag before the cost reduction initiatives gain traction, and exceptional expenses for restructuring – an operating loss is likely in the first half of 2009. As it remains difficult to forecast business performance in 2009 and 2010, operations are currently being geared to a level of sales approximately 20% below the prior-year level.

Thanks to a healthy balance sheet and sufficient liquidity, however, COMET is able to continue the important capital expenditures in the areas of research & development, processes and market development.

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Important dates:

23. April 2009

Annual Meeting

24. August 2009

Publication of Semiannual Report 2009

The COMET Group is one of the world's leading manufacturers of systems and components for the growth markets of non-destructive testing, security and semiconductor fabrication. Since acquiring the YXLON group, COMET has been the global market leader in X-ray-based non-destructive testing and examination. Drawing on its core competencies of vacuum technology, high voltage engineering and materials science, as well as the core products of X-ray tubes and vacuum capacitors, COMET supplies a complete and highly flexible range of components, modules, systems and services.

COMET was founded in 1948 and is based in Flamatt near Berne, Switzerland. The COMET Group today has a presence in all major markets worldwide. The company manufactures in Switzerland, Germany and Denmark and maintains subsidiaries in the USA, China and Japan. The business segments are reflected in divisions for OEM and end customer business. COMET's stock (COTN) is traded on the SIX Swiss Exchange.

COMET – Technology with passion.