

Neuchâtel, October 28th, 2008

Quarterly Report September 2008 for Metalor Technologies International SA

Metalor closed the 3rd quarter of 2008 with an excellent result. Revenues, excluding precious metal values, amounted to CHF 252.1 Mio. or 12% higher than the previous year. The Operating Profit (EBIT) was CHF 46.8 Mio. or 42% higher than in the same period of 2007. The Refining Division had a strong improvement in profitability. The gross margins of the other businesses were at a similar level as the previous year. Operating costs increased slightly. The company achieved a total net profit of CHF 53.8 Mio. for the first nine months. The third quarter net result was negatively impacted by a provision for a contingent pension liability in our operations in the UK and Taiwan. The year to date net result contains significant gains from precious metal sales realized in the first quarter. The equity ratio of the company is 66%.

- The **Refining Division** performed exceptionally well for the period. Compared to last year, net sales were 44% higher and the EBIT improved further. Receipts of high-grade precious metal scrap at the three refineries in USA, Switzerland and Hong Kong were strong. Platinum group metal receipts and deliveries reached record levels.
- The **Advanced Coatings Division** sales were on a par with the previous year and profitability increased slightly due to good cost controls. Market-share gains were achieved in the silver powder and flake activities. New plating processes were introduced as substitution for high priced gold processes.
- The **Watch & Jewelry Division** maintained the sales volume but has not yet reached profit expectations. Luxury watch semi-finished parts orders increased and cell phone parts orders declined compared to the previous year.
- The **Electrotechnics Division** had an 8% growth in sales compared to the previous year. Profitability decreased marginally. Markets share gains were achieved in Europe and the sales pipeline remains full. The China project has some delays in implementation adding to costs.

We expect a continued high volatility in metal prices for the next quarter and an easing in metal leasing rates although at significant higher values than the previous period.



Scott Morrison
CEO



Fredy Hiltmann
CFO

Key figures Third Quarter-Year 2008/2007

(Value in CHF Mio.)

	30.09.2008	30.09.2007
Net sales (excluding Precious Metals)	252.1	226.0
EBIT	46.8	33.0
Net Profit	53.8	28.5
Employees (Full time equivalent)	1'382	1'337