

1ST QUARTERLY REPORT 2009

MONTANA
TECH COMPONENTS

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TECH COMPONENTS



MONTANA

AEROSPACE & INDUSTRIAL
COMPONENTS

Development and manufacture of high quality aluminium profiles for the aerospace industry and other industries



MONTANA

METAL TECH

Special machinery for product identification in the metallurgical sector



MONTANA

VARTA MICRO POWER

Niche player in the market for button cell batteries and rechargeable and non-rechargeable batteries in OEMs



Dear Shareholders,
Dear Ladies and Gentlemen,

The 1st quarter of 2009 was marked by the deterioration of the world-wide economy, which also impacted the subsidiaries of Montana Tech Components AG.

Due to the continuing economic crisis, it is actually difficult to estimate a date for market recovery. This situation led to further reductions of global production capacities. In the 1st quarter of 2009 the gross domestic product of many countries developed negatively. Also the profitability of many industrial groups suffered globally because of this environment and the restrictive credit policy adopted by the banks is further worsening the situation for many companies. In this difficult economic environment and despite suffering a slight decline in sales, Montana Tech Components AG managed to keep its operating profit almost on the same level as in the 1st quarter of the previous year.

In March and April 2009 Montana Tech Components AG successfully completed an ordinary capital increase with the total volume of 14.0 million Euro which - from a current view - will ensure the medium term financing of the Group up to June 2011. Whereas 10.0 million Euro have been paid in cash immediately, a direct payment obligation of the majority shareholder exists for the remaining 4.0 million Euro. The capital increase was registered on May 27, 2009.

Due to the above described general economic conditions sales in the 1st quarter of 2009 declined slightly. In the division Aerospace & Industrial Components reduced sales of industrial components were no longer compensated by increased revenues from aerospace

products. Thus the division in total suffered a slight decrease in turnover. Due to the decreasing demand especially in Asian markets the division Varta Micro Power realised comparatively weak quarterly revenues as well. On the other hand, the division Metal Tech realised sales above average due to numerous deliveries resulting from the substantial order backlog at the end of 2008.

The construction of the new plant in Romania (UAC Europe S.R.L.) proceeds as scheduled. In the 2nd quarter of 2009 the first profiles were pressed and the certification process with Airbus will begin soon. First deliveries to Airbus are planned at the beginning of 2010.

Montana Tech Components AG expects a very challenging situation for the year 2009 in operational terms. Due to declining sales the result level achieved in the 1st quarter will not be maintained for the following months of 2009 despite all cost saving efforts that have been implemented.

Montana Tech Components AG intends to limit the impact of the poor economic conditions by continuing its policy of safeguarding liquidity, consistent working capital management and savings throughout all areas. Despite all these measures, the future strategic direction of the Group will continue to be considered as an important aspect.

Financial review

INTRODUCTION

The report on the 1st quarter 2009 contains for the first time comparisons with the same period of the previous year. In the following explanations the income statement is compared with previous year's first quarter. Regarding the balance sheet comparisons with the values as of December 31, 2008 are made.

INCOME STATEMENT

MTC Group's consolidated balance sheet and consolidated income statement for the 1st quarter 2009 (both prepared according to IFRS and not audited) are listed on page 8 of this report.

Consolidated net sales of the MTC Group in the 1st quarter of 2009 amounted to T€ 85,131 (Q1 2008: T€ 87,794). Whereas this represents a decrease of 3% compared to the previous year, the divisional development was diverse. Major contributor to Group sales was again the division Aerospace & Industrial Components with T€ 41,223 (48%). The division Varta Micro Power achieved sales of T€ 31,941 (38%) and the division Metal Tech sales of T€ 11,967 (14%) respectively.

A particularly sharp decline in sales had to be registered for the industrial component products within the division Aerospace & Industrial Components. This decrease was largely offset by higher sales for aerospace products in the USA. The division Varta Micro Power had to register a drop in sales as well.

Despite the difficult economic environment the division Metal Tech increased net sales by almost 26% compared to the previous year. This was mainly supported by the existing high order backlog at the end of 2008.

Since the invoicing is primarily done in local currency, the development of the U.S. Dollar and the Swiss Franc has no significant effect on the operating business of the companies. The development of the U.S. Dollar and the Swiss Franc, however, leads to positive or negative impacts when the translation from the functional currency to the reporting currency (Euro) is performed.

A separate presentation of EBITDA and EBIT before and after deduction of Private Equity Fund Management Fees (PEFMF) can be omitted from the 1st quarter of 2009 onwards, since the

PEFMF were particular expenses in the income statements of 2007 and 2008. For comparison purposes, EBITDA and EBIT before deduction of PEFMF of the comparable period 2008 are taken into account.

EBITDA for the 1st quarter of 2009 was T€ 9,856 (Q1 2008: T€ 10,120), representing an EBITDA margin of 11.6%. Compared with the 1st quarter 2008 the EBITDA margin was stable.

EBIT in the amount of T€ 5,931 (Q1 2008: T€ 6,610) corresponds to an EBIT margin of 7.0% (Q1 2008: 7.5%).

Major EBIT contributor was again the division Aerospace & Industrial Components with T€ 3,591 (Q1 2008: T€ 4,858), where the geographic area USA achieved a better result than in the comparable period of last year. The negative result of the geographical area Switzerland is clearly marked by the very poor demand for industrial components.

EBIT of the division Metal Tech was T€ 1,079 (Q1 2008: T€ 748), representing an increase of 44%. The resulting EBIT margin was

9.0% (Q1 2008: 7.9%). The division Varta Micro Power contributed with T€ 1,610 (Q1 2008: T€ 1,842) to the EBIT of the Group. Finally, EBIT in the Corporate Center and eliminations resulted in a consolidated amount of T€ -349 (Q1 2008: T€ -838).

The normalised tax rate of the MTC Group has significantly improved in the 1st quarter of 2009 and is now 46%. Negative contributions arose again from partially non-deductible interest expenses and from currently not capitalisable tax loss carry-forwards, especially in Switzerland.

BALANCE SHEET AND FINANCIAL POSITION

Group equity increased slightly from its level at year end 2008 (December 31, 2008: T€ 100,235) to T€ 101,727. This was due to the positive quarterly result which, however, was partially offset by foreign exchange effects and negative impacts from the measurement of derivative financial instruments recognised directly in equity. The equity ratio at March 31, 2009 amounted to 26.6% (December 31, 2008: 26.3%).

Increase in property, plant and equipment is primarily caused by the investment in the “green-field project” in Romania (division Aerospace & Industrial Components). Property, plant and equipment of this entity increased by T€ 4,509 in the 1st quarter of 2009.

Inventories decreased by T€ 3,048 due to working capital improvements, while trade receivables increased by T€ 5,316 due to high invoicing.

Cash and cash equivalents amounted to T€ 23,508 and were well below their value at balance sheet date 2008 (T€ 30,343). The decline is due to payments of purchase price liabilities using proceeds from the convertible bond.

The capital increase is not yet reflected in the figures of March 31, 2009, but will be considered in the half-year financial statements.

Regarding the development of liabilities against financial institutions, it should be noted that the increase of bank loans is caused by financing the “green-field project” in Romania and by the partial use of a working capital line in the division Aerospace & Industrial Components.



As of 31 March 2009, net debt in a narrow sense¹ is T€ 96,179 (net gearing in a narrow sense is 95% relative to total equity). Net debt in a wide sense² is T€ 142,786 (net gearing in a wide sense is thus 140% relative to total equity).

Due to the implementation of the restructuring plan in the division Varta Micro Power, current provisions decreased.

Trade payables and advances received slumped by T€ 6,256 in relation to their high value as of December 31, 2008.

OUTLOOK

Order backlog in the division Metal Tech and in the sector Aerospace of the division Aerospace & Industrial Components shows a declining trend. Therefore a less satisfactory development of MTC's business performance is to be expected for the remaining quarters of 2009. Consequently, for the time being, we cannot disclose result expectations for 2009.

Already initiated cost savings and the restriction of capital expenditure to replacements, necessary improvements and projects with short payback periods will be continued. If required and depending on the business development, additional flexibility measures for staff in all divisions are possible.

1) Net debt in a narrow sense - Liabilities to financial institutions minus liquid funds

2) Net debt in a wide sense - Financial liabilities (including convertible bond) minus liquid funds

CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2009

ASSETS (in T€) unaudited according to IFRS	Dec. 31, 2008	Mar. 31, 2009
Intangible assets	80,595	82,670
Property, plant and equipment	131,810	134,909
Other non-current assets and receivables	10,662	10,982
Non-current assets	223,067	228,561
Inventories	71,496	68,448
Trade receivables	40,492	45,808
Other current assets and receivables	15,325	15,881
Cash and cash equivalents	30,343	23,508
Current assets	157,656	153,645
Total assets	380,723	382,206

LIABILITIES AND SHAREHOLDERS' EQUITY (in T€) unaudited according to IFRS	Dec. 31, 2008	Mar. 31, 2009
Shareholders' equity MTC AG	61,580	64,094
Minority interests	38,655	37,633
Shareholders' equity	100,235	101,727
Liabilities to financial institutions	55,571	62,634
Other non-current financial liabilities	39,210	39,579
Deferred tax liabilities	22,738	23,050
Post employment benefits and other employee benefits	13,354	13,500
Other non-current liabilities and provisions	5,351	5,348
Non-current liabilities	136,224	144,111
Liabilities to financial institutions	57,092	57,053
Other current financial liabilities	6,668	7,028
Provisions	19,027	17,388
Trade payables and advances received	30,602	24,346
Accruals	16,179	18,140
Other current liabilities	14,696	12,413
Current liabilities	144,264	136,368
TOTAL LIABILITIES	280,488	280,479
Total liabilities and shareholders' equity	380,723	382,206

CONSOLIDATED INCOME STATEMENT AS OF MARCH 31, 2009

(in T€) unaudited according to IFRS	1-3/2008	1-3/2009
Net sales	87,794	85,131
Change in finished and unfinished goods and other operating income	3,039	3,029
Cost of materials, supplies and services	-40,809	-37,837
Personnel expenses	-25,583	-26,943
Depreciation and amortisation	-3,510	-3,925
Other operating expenses	-14,321	-13,524
Operating result before private equity fund management fees	6,610	5,931
Private equity fund management fees	-1,774	0
Operating result after private equity fund management fees	4,836	5,931
Interest income and expenses	-2,090	-2,534
Other financial result - net	-1,941	1,424
Income before tax	805	4,821
Income tax expense	-1,758	-2,227
NET INCOME FOR THE YEAR	-953	2,594

Divisional Presentation



MONTANA
AEROSPACE & INDUSTRIAL
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AEROSPACE AND INDUSTRIAL COMPONENTS

The division Aerospace & Industrial Components had to accept a slight decline in sales compared to the same quarter of 2008. The aerospace products could not compensate the decline in sales of industrial components. The weak demand in the area of industrial components and the associated reduction in sales and earnings will be met by human resource measures and strict working capital management. As in the previous year the construction of the new plant in Romania led to start-up losses in the 1st quarter 2009. This effect will continue for the whole year 2009 during the course of the certification process and the start of production. In 2010 MTC expects the break-even.

Aerospace

The Aerospace sector did not yet suffer significant reductions in market demand in the 1st quarter, but in the course of the year a substantial decrease in demand is expected. The price level is usually fixed for several years due to long-term contracts; ongoing productivity improvements will be mainly based on technical optimisation of production equipment. Furthermore, in the USA and in Switzerland human resource measures have been already implemented.

Beside the necessary investments for the construction of the plant in Romania, the presses of UAC in the US locations will gradually be converted from direct to indirect technology in the coming years. This will result in an expected productivity increase of up to 25%. Furthermore, in the medium term the construction of a billet casting house in Romania as well as an investment in a heavy press in the USA will be examined.

Industrial Components

Since July 2008 the weak economic environment led to a slump in demand throughout all customer sectors of up to 45% and thus margins and volumes came under pressure. This trend has continued in the 1st quarter of 2009. A capacity utilisation of less than 9,000 tonnes in 2009 is still expected.

Medium to long term, however, aluminium components should continue their successful development in virtually all industrial sectors. Additionally the focus on six strategic business areas for the sector Industrial Components will show positive results.

(in T€) unaudited according to IFRS	1-3/2008	1-3/2009
Net sales	42.616	41.223
EBITDA	6.337	5.692
EBIT	4.858	3.591





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METAL TECH

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This division was able to continue its positive earnings development in the 1st quarter of 2009 and margins even increased in comparison to last year.

MNI Holding GmbH is the only global supplier of all existing technologies for marker systems in the steel industry and dominates with sites in Regau, Austria, and Stenløse, Denmark, the world market. MNI is therefore in a position to retain or expand its position - also concerning price level - with plant engineering companies and/or final customers.

Despite the encouraging quarterly results, order backlog decreased significantly and therefore substantial decreases in earnings are expected in the following months. Due to the unused capacity in the steel industry the "Life Cycle Business" (repairs, spare parts, colours etc.) has recorded a lower demand as well.

After the reduction of flexitime balances, remaining overtime and holidays, additional human resource measures are actually implemented to compensate for the lower capacity utilisation.

(in T€) unaudited according to IFRS	1-3/2008	1-3/2009
Net sales	9.504	11.967
EBITDA	1.005	1.311
EBIT	748	1.079





MONTANA
VARTA MICRO POWER

VARTA MICRO POWER

Sales declined compared to the 1st quarter of last year. This was mainly due to a lower demand in the Asian market. However, the margin quality remained stable (EBIT margin was unchanged at around 5%).

The restructuring program due to the closure of the Lithium Polymer (LP) plant will be fully implemented in the 1st half of 2009. The main payments for human resource measures are being processed in March and June 2009.

The closure of the LP plant strategically leads the division away from a cell producer towards a solution provider with its own research & development. Now LP cells are externally purchased and tailored engineering and packing in the LP sector are enhanced.

The Board also decided that the development of LP in the core area will be continued in order to stay connected to other technologies. In this regard a Varta internal technology group was established which will provide development capacity for both the solution provider area as well as defined external research projects.

In this context, the division is currently in advanced negotiations concerning the participation in a joint venture to develop further technological competence.

(in T€) unaudited according to IFRS	1-3/2008	1-3/2009
Net sales	35.674	31.941
EBITDA	3.602	3.182
EBIT	1.842	1.610



Information about the Company

FINANCIAL CALENDAR 2009

June 30, 2009	Annual General Meeting in Zurich
September 11, 2009	Report on the 2 nd quarter of 2009
December 11, 2009	Report on the 3 rd quarter of 2009

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The terms 'Montana Aerospace & Industrial Components', 'Montana Metal Tech' and 'Montana Varta Micro Power' are used respectively for Alu Menziken Holding AG respective UAC Europe, MNI Holding GmbH and Varta Microbattery GmbH.

IMPRESSUM

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