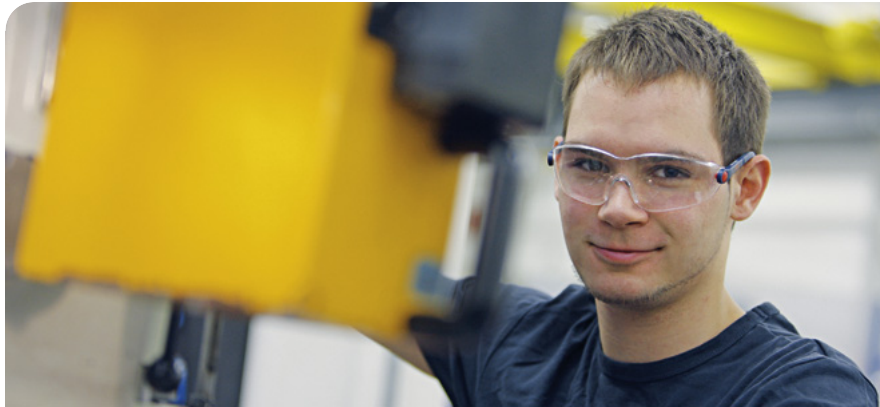


Analysts' and press conference for the financial year 2009

March 17, 2010



Welcome

Walter Gränicher	Chairman of the Board of Directors
Jost Sigris	Chief Executive Officer
Werner Schmidli	Chief Financial Officer

Agenda

Welcome	Walter Gränicher
Strategic Positioning Schlatter	Walter Gränicher
Schlatter Group in 2009	Jost Sigrist
Financial Review of 2009	Werner Schmidli
Outlook	Jost Sigrist
Q&A	
Apéro	

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Schlatter Group kept market position in drastically reduced market volume



Economic crisis has heavily affected our customers

- Our customers have lost significant business volumes and are as a consequence under financial pressure
- High uncertainty affects business and investment decisions
- Financing of equipment has become difficult

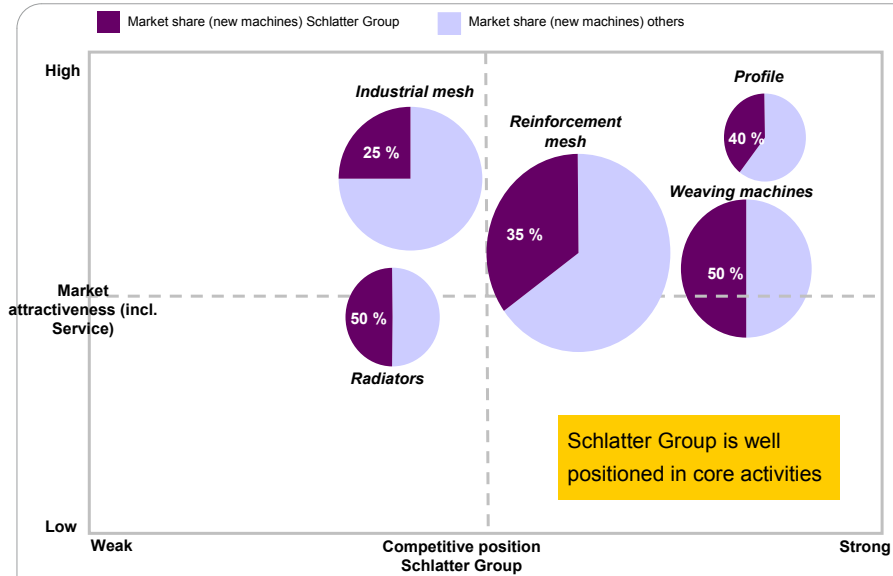
Significant drop of order intake for Schlatter Group

- Ongoing projects with delays
- Limited number of new opportunities

Tightened competitive situation

- Some of our competitors have lost more than 60% of their revenue in 2009
- A few market players are close to bankruptcy
- Desperate moves with drastic discounts to secure short-term survival

Strategic position and growth potential



Wire Welding – strengthen market position in returning market

Schlatter worldwide number one in wire welding

- Operating still in a growing market worldwide
- Many manual welded products are substituted by automation
- Leverage of our competitors weaknesses in the expected upswing

We expect the market to recover during 2011 at moderate growth rate

- Achieved cost reductions during the crisis supports competitiveness
- Strengthened market position to capture future growth opportunities
- Adapt portfolio with innovative products and strategically improved scope

Rail Track Welding – Increased market share in 2009 with new positioning in India and China

Schlatter is very successful in the worldwide rail track welding market

- The entry barrier for new competitors is high
- Every new system needs to be officially homologated and must pass high national and international standards

Upcoming opportunities in developing areas

- New partnerships in India and China have been set up
- Schlatter is successfully offering and selling complete systems worldwide

Weaving – Keep competitive edge with innovation and cost management



Schlatter has established leading market position over last years

- Became market leader in an attractive niche market for fabric filter in the paper industry
- We are leveraging the well known “Jäger” brand under Schlatter identity, after acquiring the remaining stake in 2008
- New product has successfully been launched and introduced to the market to maintain competitive edge

Paper industry hit by the crisis but solid mid-term outlook

- Some large orders for the coming 3 years have already been secured
- Cyclical demand in this niche market with few customers worldwide
- There are only two competitors left worldwide, but entry price for newcomers not attractive

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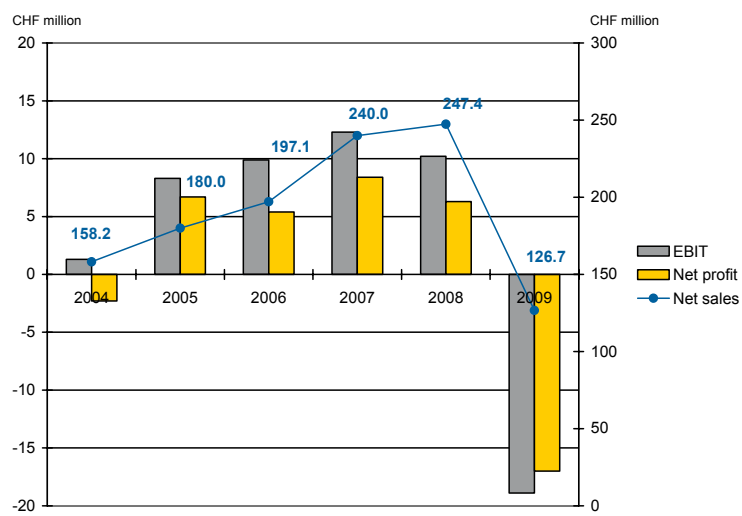
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Schlatter Group in 2009 – Financial Headlines

CHF million	2009	2008
Order intake	85.4	154.1
Net sales	126.7	247.4
Order backlog	48.6	89.9
EBIT	-18.9	10.2
Net profit	-17.0	6.3
Free cash flow	3.4	-16.2
Net cash position (debt)	1.1	-2.2
Equity	34.5	50.8
Equity ratio	36.8%	38.5%

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6-year overview



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Schlatter Group in 2009 – Strategy implementation

Full Integration of Emil Jäger GmbH&Co.KG into Schlatter Deutschland GmbH&Co.KG

- Allows a unified market presence, particularly in the area of wire welding

Integration of NSE Engineering into Schlatter South East Asia

- Platform for regional expansion of activities in welding segment
- Development to regional service hub for weaving segment

New partnerships in India and China for rail welding equipment

- Access to local markets
- Specific products for emerging markets

Investment into new products and innovations for mesh welding and rail welding

- Expansion of customer base through new applications
- Gaining market share by setting new technical standards

Financial Year 2009 – March 17, 2010 – Page 13

Schlatter Group in 2009 – Operational performance

Adjustment of structure to lower volumes

- Significant reduction of costs
- 20% reduction of FTE's

Strong focus on cash and liquidity

- Reduction of NWC and other measures resulted in a positive cash flow

Sustained improvements in internal processes

- Cost overruns have almost completely been eliminated in 2009
- Continuous improvements in project and risk management
- Further development of corporate culture

New corporate identity for entire group

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Welding segment in 2009

Drop-down of order intake and net sales due to economic crisis

- Order intake started to pick up in second half-year – as it were practically worldwide stop in capital expenditures in the first half-year
- High interest for new equipment in all product areas – however customers confidence in economic recovery is not back yet

Rail welding systems less affected

- Participation in the development and modernization of global railroad network
- Ongoing high demand especially in China for stationary systems

Strong progress in operations and process reliability

Focus on cost reduction

Key figures (CHF million)	2009	2008
Net sales	98.8	180.5
Share of group sales	78%	73%
Order intake	72.7	114.2
Order backlog	38.2	64.3
EBIT	-18.5	6.2

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Weaving segment in 2009

Declining demand in Asian markets

- High capital expenditures in production facilities have been made in the past years
- Economic situation has stopped expansion of capacities

Cost flexibility by use of temporary workforce and third-party suppliers

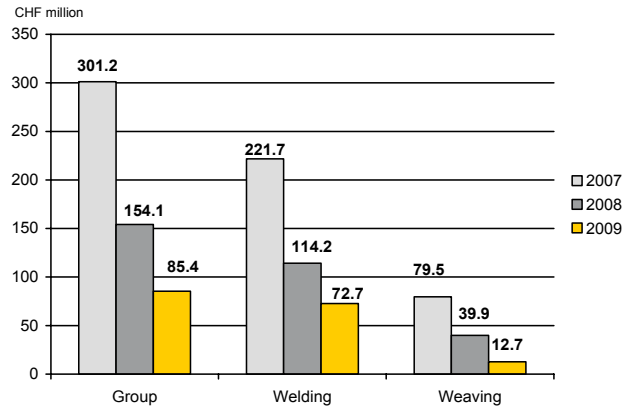
No order intake in first half year but order intake taking up at year end

Focus on cost reduction

Key figures (CHF million)	2009	2008
Net sales	27.9	66.9
Share of group sales	22%	27%
Order intake	12.7	39.9
Order backlog	10.4	25.6
EBIT	-0.5	4.2

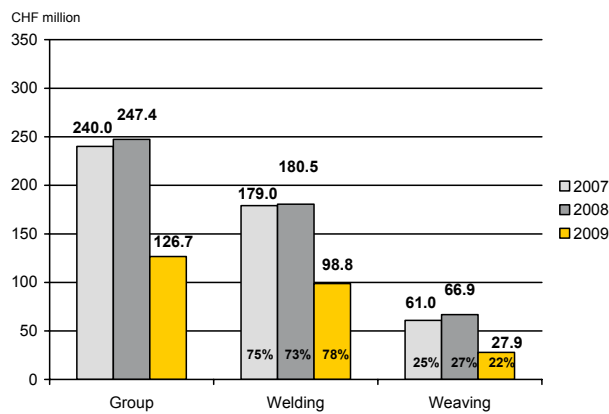
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Order intake



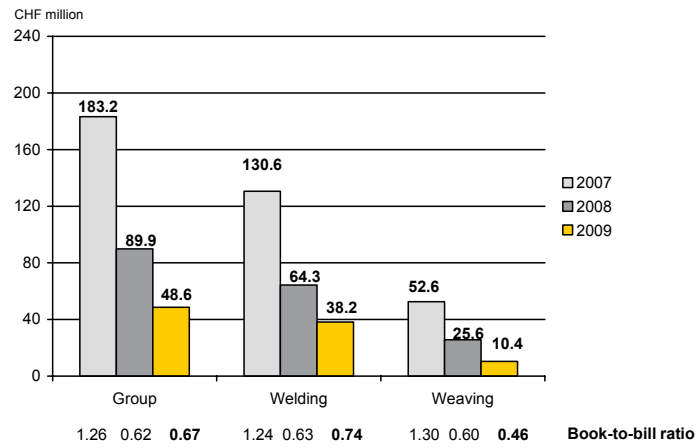
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Net sales



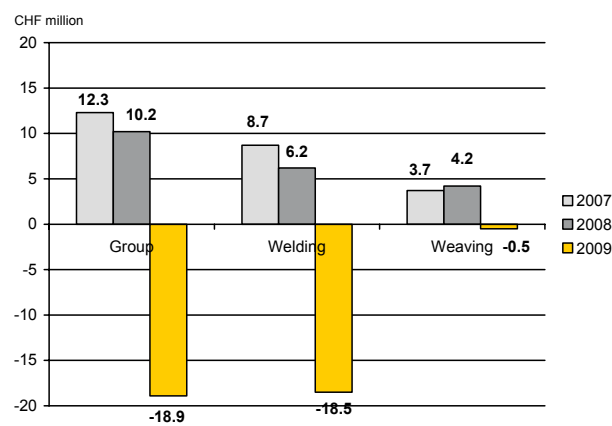
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Order backlog (as of December 31)



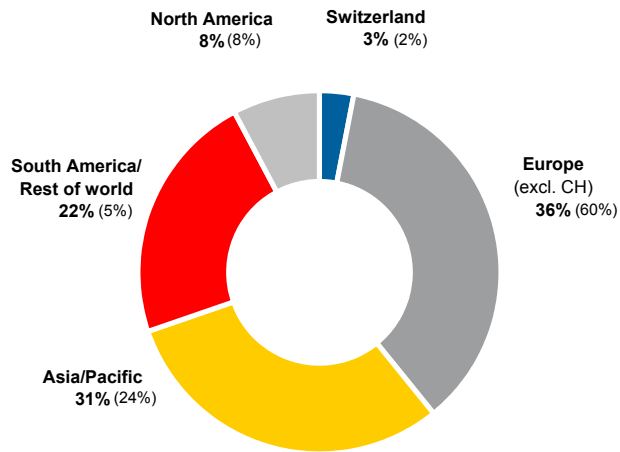
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EBIT



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Net sales by region 2009 (2008)



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Financial review of 2009 – General remarks

Both consolidated income statement and balance sheet reflect effects of global economic crisis

- Significant decline in net sales and order intake
- Strong Swiss Franc burdens profitability of order intake

Strict focus on net working capital

Net debt changed to net cash position

Total assets reduced / equity ratio on year-back's level

Financial Year 2009 – March 17, 2010 – Page 23

Consolidated income statement

CHF 1,000	2009	%	2008	%
Net sales	126,698	100.0	247,372	100.0
Change in work in process and finished goods	313	0.2	12,428	5.0
Other operating income	733	0.6	7,459	3.0
Net company earnings	127,744	100.8	267,259	108.0
Material and service costs	-74,255	-58.6	-167,712	-67.8
Personnel costs	-51,721	-40.8	-65,798	-26.6
Other operating expenses	-17,560	-13.9	-20,763	-8.4
Depreciation and amortization	-3,156	-2.5	-2,788	-1.1
Operating result (EBIT)	-18,948	-15.0	10,198	4.1
Financial income	2,819	2.2	661	0.3
Financial expenses	-1,043	-0.8	-4,655	-1.9
Profit before tax	-17,172	-13.6	6,204	2.5
Income tax expenses	192	0.2	111	0.0
Net profit (incl. minority interests)	-16,980	-13.4	6,315	2.6
Attributable to equity holders of the parents	-16,980		5,291	2.1
Attributable to minority interests	0		1,024	0.4

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Operating result deteriorated in 2nd half-year 2009

CHF 1,000	1st half-year 2009	2nd half-year 2009	Full-year 2009
Order Intake	30,115	55,285	85,400
Net sales	68,332	58,336	126,698
Operating result (EBIT)	-5,083	-13,865	-18,948
EBIT margin	-7.4%	-23.8%	-15.0%

Financial Year 2009 – March 17, 2010 – Page 25

Comments to the consolidated income statement (1/2)

Net sales in 2nd half-year (CHF 58.4m) weaker than in 1st half of 2009 (CHF 68.3 m)

- Cutback in order intake in 1st half of 2009, improvement in 2nd half 2009

Work in process and finished goods drop from CHF 12.4 to CHF 0.3 m

- Significantly lower workload
- Downsized inventories

Other operating income decreased from CHF 7.5 m to CHF 0.7 m

- Year-back: Gross book gain before transaction costs of CHF 5.9 m from sale of property in Münster

Material and service costs compared to net company earnings reduced by 4.6% to 58.1%

- Improved proceedings
- Favorable product mix due to rail-welding projects and increased share of spare parts sale (though drop in nominal sales)
- Partly set-off through higher adjustments on inventories with weak turnover

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Comments to the consolidated income statement (2/2)

Personnel costs reduced by CHF 14,1 m

- Reduction of workforce
- Reduction of overtime and holiday
- Short-time work contributes with CHF 3,1 m

Lower operating expenses

- Cost reduction programs
- Reduction of adjustments for doubtful debts
- Less costs for fair trades

Net negative EBIT mainly due to break-in in volume

- No special items in 2009 but adjustments in inventories as well as weak Euro burden result additionally

Financial result includes currency translation gains of CHF 2.3 m

- Out of which CHF 1.5 m are due to chosen methodology of currency exchange rates in projects

Consolidated income statement - no one-offs in 2009

CHF 1,000	2009			2008		
	Reported	One-off	Adjusted	Reported	One-off	Adjusted
Net sales	126,698		126,698	247,372		247,372
Operating result (EBIT)	-18,948		-18,948	10,198	1,281	11,479
EBIT in % of net sales	-15,0%		-15,0%	4.1%		4.6%
Net profit (incl. minority interests)	-16,980		-16,980	6,315	-754	5,561

Consolidated balance sheet

CHF 1,000	2009	%	2008	%
Current assets	68,520	73.2	105,976	80.4
Thereof cash & cash equivalents	16,392	17.5	11,144	8.5
Non-current assets	25,118	26.8	25,766	19.6
Thereof intangible assets	4,213	4.5	2,831	14.4
Total assets	93,638	100.0	131,742	100.0
Current liabilities	52,697	56.3	72,032	54.7
Thereof current interest-bearing liabilities	13,489	14.4	10,534	8.0
Non-current liabilities	6,472	6.9	8,887	6.8
Thereof non-current interest-bearing liabilities	2,108	2.3	3,108	2.4
Total liabilities	59,169	63.2	80,919	61.4
Total equity	34,469	36.8	50,823	38.6
Total liabilities and equity	93,638	100.0	131,742	100.0
Equity ratio	36.8%		38.5%	
Net working capital	16,813		36,281	
Net cash (debt)	1,074		-2,178	
Gearing	0.0%		4.3%	

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Comments to the consolidated balance sheet (1/2)

Decrease in current assets of CHF 37.5 to CHF 68.5 m, whereby cash and cash equivalents increase from CHF 11.1 to CHF 16.4 m

- Strict management of receivables and inventory

Decline in trade receivables due to lower volume

Other receivables include VAT receivables for exports executed through german borders

- Change in procedure lead to significant reduction

Receivables from production orders in progress decreased by CHF 8.0 to CHF 18.7 m

- But compensated by decrease in liabilities from production orders in progress from CHF 21.1 to CHF 14.1 m
- Underfinancing of clients projects slightly reduced

Efficient management of inventories has positive effect on net working capital and liquidity

Financial Year 2009 – March 17, 2010 – Page 30

Comments to the consolidated balance sheet (2/2)

Current interest-bearing liabilities increased by CHF 2.5 to CHF 13.0 m

- Increase in cash and cash equivalents to CHF 16.4 m
- Decline in non-current liabilities of CHF 1.9 m

Financial debt of CHF -2.2 m turned to net cash position of CHF 1.1 m

Significant decline of

- Accounts payable for goods and services
- Liabilities from production orders in progress

Equity reduced to CHF 34.5 m due to negative net profit of CHF -17.0m

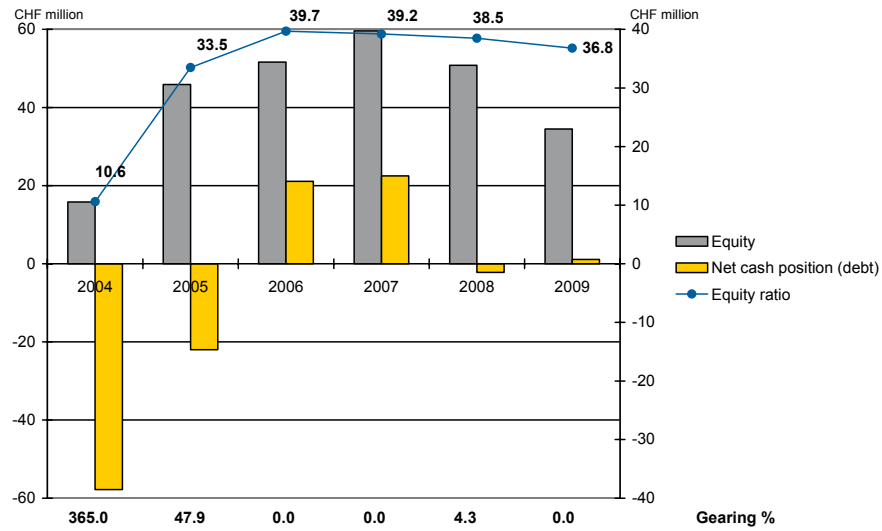
Total assets reduced from CHF 131.8 to CHF 93.6 m

Equity ratio decreased from 38.5 to 36.8%

Consolidated cash flow statement

CHF 1,000	2009	2008
Net profit after tax	-16,980	6,315
Cash flow from operating activities	5,970	-5,948
Cash flow from investment activities	-2,624	-10,300
Cash flow from financing activities	1,927	3,463
Change in cash & cash equivalents	5,273	-12,785
In-/divestment in fixed and intangible assets	-2,489	-10,252
Free cash flow	3,481	-16,200

Equity and net cash position (debt) (as of December 31)



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Schlatter - Priorities

We will manage this crisis successfully

- Secure market position and new orders
- Cost management -> break even
- Focus on cash and liquidity
- Keep cool; motivate employees

We want to improve our business

- We do not cut on innovation, we invest into new products
- We keep the know-how
- We want to gain market share

We plan the future

- We use opportunities to consolidate the industry
- We plan strategic acquisitions to improve market position

Outlook for 2010

- Customers still very cautious to invest
- Slight recovery in order intake since fall 2009
- Still high uncertainty in all markets and all business segments
- Rail Welding segment profits from worldwide infrastructure programs

We expect to achieve a positive operative result in 2010

- Sale of land in March supports turnaround

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Annual General Meeting

May 11, 2010, 4 pm

Schlatter Holding AG

Brandstrasse 24

8952 Schlieren

Q&A



Discussion

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Invitation to Apéro



Forthcoming dates

- Annual General Meeting: May 11, 2010
- Half-year Report: August 19, 2010

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Annex

Examples of Schlatter products

Organization

Board of Directors

Major shareholders

Capital structure

Investor relations contact

Schlatter Group

- Founded 1916 in Switzerland
- Listed at SIX Swiss Exchange: STRN
- Approx. 500 employees in CH and D
- Revenue CHF 127 million in 2009 (2008: CHF 247 million)

World market leader in design and production of:

- Resistance welding (~75% of net sales)
 - Machines for production of reinforcement mesh
 - Machines for production of industrial mesh
 - Machines for production of radiators
 - Welding machines for railway tracks
- Weaving (~25% of net sales)
 - Machines for production of paper machine clothing
- Spare parts and service business (~25% of net sales)
- Production facilities in Switzerland, Germany and Brazil
- Global sales and service organization
- Schlatter systems run in more than 100 countries

Reinforcement mesh welding

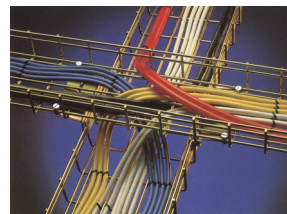
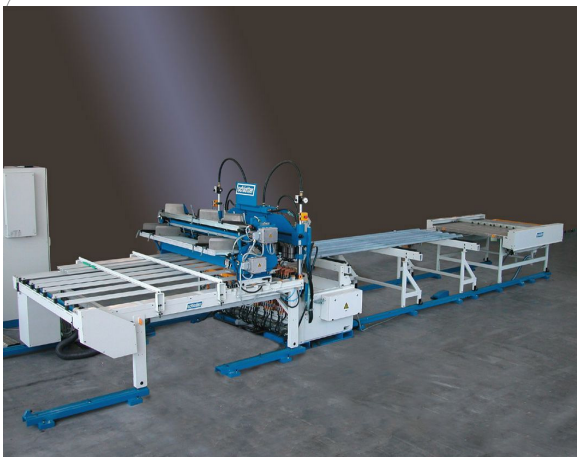
schlatter
the secure connection



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Industrial mesh welding

schlatter
the secure connection



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Rail welding



Rail welding machine (stationary)



Rail welding machine (mobile)



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Radiator manufacturing



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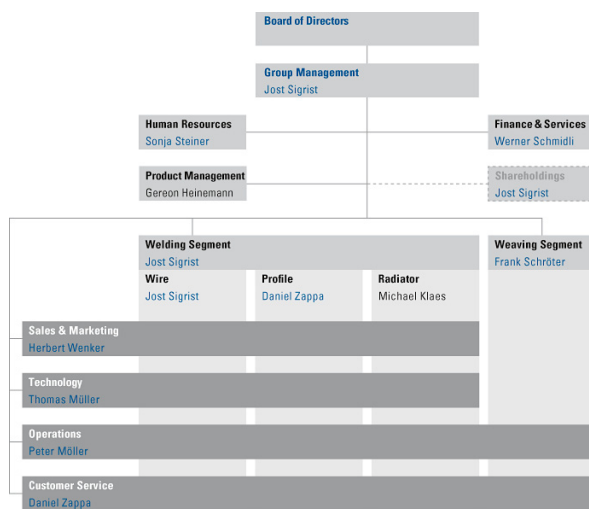
Weaving machines for industrial fabrics

JÄGER



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Schlatter Group – Organisation



Member of the Group Management

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Schlatter Holding AG – Board of Directors

			since	until AGM
Walter Gränicher		RAC		
Chairman	non-executive	NCC	15.01.2010	2010
Peter H. Müller				
Vice Chairman	non-executive	NCC	16.06.2006	2010
Hans Ziegler		RAC		
Member	non-executive	NCC	16.06.2006	2010
Walter T. Vogel				
Member	non-executive	NCC*	29.10.2007	2010
Paul Zumbühl				
Member	non-executive	RAC*	29.10.2007	2010

RAC = Risk and Audit Committee
 NCC = Nomination and Compensation Committee
 * Chairman

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Major shareholders (as of December 31, 2009)

	No. of shares	%
HMZ Beteiligungen AG, Heerbrugg (CH) ¹	133,239	45.49
Main Line Development Inc, Hamilton (BM)	27,247	9.30
Brita Meier-Birkel, Uitikon (CH)	12,702	4.34
Vontobel Fonds Services AG, Zurich (CH)	11,440	3.91
Civen Ltd., Kingstown, St. Vincent & The Grenadines	9,030	3.08

¹ Group of shareholders: Metall Zug AG, Zug (CH), Huwa Finanz- und Beteiligungs AG, Heerbrugg (CH)

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Capital structure (as of December 31, 2009)

Ordinary share capital: CHF 17,575,020

- Divided into 292,917 registered shares with a par value of CHF 60.00
- Share capital is fully paid up
- Each share grants the owner one vote at the AGM
- All shares not held by the Company or one of its subsidiaries are dividend-bearing

No conditional share capital

Investor relations contact

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werner.schmidli@schlattergroup.com

Caution regarding forward-looking statements

This presentation contains certain forward-looking statements including statements using the words “believes”, “assumes”, “expects” or formulations of a similar kind. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which could lead to substantial differences between the actual future results, the financial situation, the development or performance of the Company and those either expressed or implied by such statements. Such factors include, among other things: competition from other companies, the effects and risks of new technologies, the Company’s continuing capital requirements, financing costs, delays in the integration of acquisitions, changes in the operating expenses, the Company’s ability to recruit and retain qualified employees, unfavorable changes in the applicable tax laws, and other factors identified in this communication. In view of these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company accepts no obligation to continue to report or update such forward-looking statements or adjust them to future events or developments.