

Press Release June 30, 2006

GfE Gesellschaft für Elektrometallurgie mbH acquires strategic stake in FNE Forschungsinstitut für Nichteisen-Metalle Freiberg GmbH.

Close cooperation between FNE and the Metals and Materials section of GfE to be established.

With retroactive effect to January 1, 2006 GfE Gesellschaft für Elektrometallurgie mbH (GfE) located in Nuremberg, Germany has acquired a strategic interest in Forschungsinstitut für Nichteisen-Metalle Freiberg GmbH (FNE) located in Freiberg, Germany.

This transaction underlines GfE's role as a leading supplier of coating materials and high performance materials in general. GfE intends to strengthen its position in the growing Large Area coating materials market using the technological competence of FNE regarding research and development and production. FNE has state-of-the-art production capabilities for rotatable targets, a key to Large Area coating requirements.

Another reason for the transaction is the interesting portfolio of FNE research and development projects. These projects represent unique growth potentials for both firms.

"We are very pleased with this strategic transaction, FNE fits perfectly in the growth strategy of GfE" said Dr. Thomas Jobsky, Chief Executive Officer of GfE. "We also see high potentials in the bundling of our activities in the automotive and aerospace industries. Regarding this cooperation, both companies can expect sustained benefit".

For the commercialization of their products, FNE will immediately have access to GfE's worldwide network of distributors and sales offices. The brand names FNE and FREMAT will be promoted in this worldwide product expansion.

This announcement includes management changes within the FNE Group. Mr. Heino Pachschröll and Prof. Dr. Jäckel will be retiring from the management of FNE as of June 30, 2006. Both will be retained by FNE as senior advisors. Their successors will be Dr. Thomas Jobsky (CEO) and Mrs. Melanie Hammerschmidt-Broman. Dr. Joachim Holze remains in his position as managing director of the manufacturing unit Fremat GmbH & Co KG.

About FNE

The FNE Group offers research & development, analytics, diagnostics and production in several areas of material and environmental technologies for a wide range of industrial applications.

FNE's product offering includes sputtering targets, special semi-finished products from high melting non-ferrous metals, light metals, coating of components by thermal spraying and joining technology in general. Main markets for FNE include glass, automotive and aerospace industries. FNE also provides mechanical engineering services.

Besides the parent company FNE (Forschungsinstitut für Nichteisen-Metalle Freiberg GmbH), the FNE Group also own Zentrum für Material und Umwelttechnik GmbH (a research company) and Fremat GmbH & Co KG (a manufacturing company).

About GfE

GfE is a leading worldwide manufacturer and supplier of high performance metals and materials. Founded in 1911, the company is located in Nuremberg. Employing approximately 240 employees, GfE reported 75 Million € revenues in 2005.

In the area of thin film coatings, GfE Coating Materials is a leading producer of sputtering targets, arc cathodes and evaporation materials. GfE Coating Materials produces pure metals, alloys, oxides and cermets used in a number of thin film applications. Some of these thin film applications include special functional layers for architectural and automotive glass, flexible substrates, thermal solar and photovoltaics films and on wear parts.