



2009 Annual Meeting of Shareholders

June 10, 2009

Annual Meeting Agenda

- To elect five directors of the Company, each to serve for terms expiring at the next Annual Meeting of Shareholders

Robert J. Baker, Jr.
Walter J. Doyle
Robert H. Peitz

Daniel Rooney
Edward W. Ungar

- To ratify the selection of the independent registered public accounting firm for the year ending December 31, 2009

Maloney + Novotny LLC

- To transact any other business which may properly come before the meeting or any adjournment thereof.

Business Review

- 2008 Achievements
- Sales and Marketing Activities
- SCI's Markets
- Financial Review

Safe Harbor Statement

This presentation and subsequent discussion contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Those statements include, but are not limited to, all statements regarding intent, beliefs, expectations, projections, forecasts, and plans of the Company and its management, and other risks and uncertainties detailed from time to time in the Company's Securities and Exchange Commission filings, including the Company's Annual Report on Form 10-K for the year ended December 31, 2008. One or more of these factors have affected, and could in the future affect, the Company's projections. Therefore, there can be no assurances that the forward-looking statements included in this presentation will prove to be accurate. In light of the significant uncertainties in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company, or any other persons, that the objectives and plans of the company will be achieved. All forward-looking statements made in this presentation are based on information presently available to the management of the Company. The Company assumes no obligation to update any forward-looking statements.

2008 Achievements

- Appointed CCT-Solar as SCI's exclusive manufacturer's representative for 26 countries in Europe plus Russia and Turkey.
- Awarded a grant from the Ohio Department of Development pursuant to the State of Ohio's Third Frontier Advanced Energy Program for the commercialization of rotatable ceramic sputtering targets for thin film photovoltaic solar cell manufacturing.
- Awarded a two-year contract by the U.S. Department of Energy for Phase II of a Small Business Innovation Research project concerning increased performance in round wire for CO-2212 Round Wire for Very High Field Magnets.
- Entered into a \$1 million business loan agreement with a regional commercial bank.
- Third consecutive year of profitability.

Sales and Marketing

- Direct sales force
- Manufacturers' representatives



CCT-Europe

Europe, Russia and Turkey



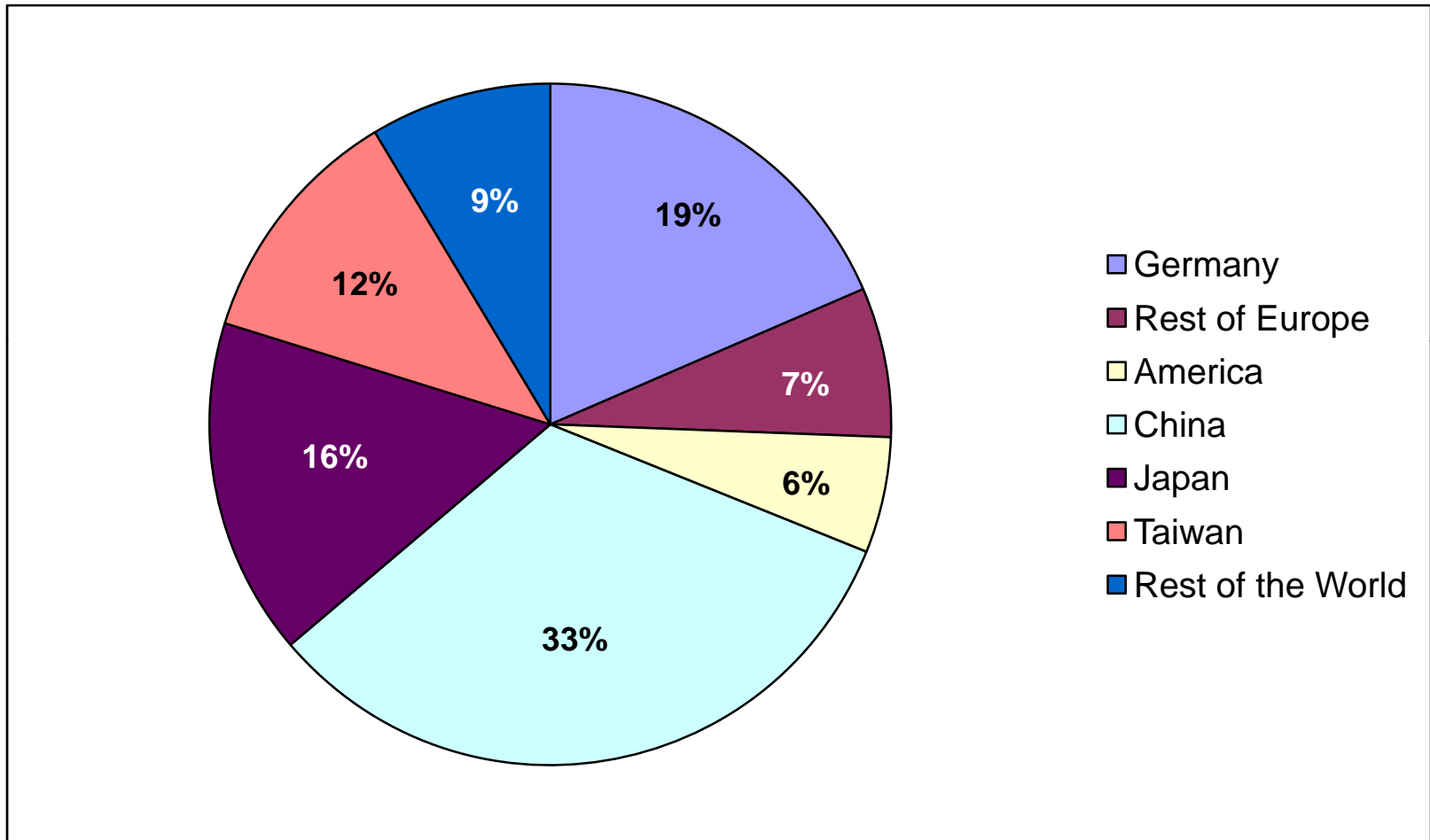
Itochu Corporation

China, Japan and Taiwan

K-Met Co. Ltd.

Korea

Global Photovoltaic Cell Manufacturing by Region 2008



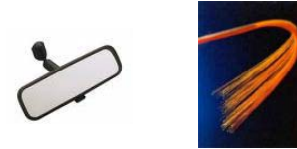
2009 Expo Schedule

Expo Name	Dates	Venue	Location	Notes
Northern California AVS Vacuum Equipment Expo	February 11	Wyndham, San Jose	San Jose, California, USA	Booth Shared with SemiWest and NuGen Tech
Photovoltaic Technology Show Europe	March 4-6	New Munich Trade Fair Center	Munich, Germany	Booth Shared with CCT Europe
Society of Vacuum Coaters	May 11-12	Santa Clara Convention Center	Santa Clara, California, USA	
Intersolar 2009	May 27-29	New Munich Trade Fair Center	Munich, Germany	Booth Shared with CCT Europe
Semicon West/ Intersolar North America 2009	July 14-16	Moscone Center	San Francisco, California, USA	
European Photovoltaic Solar Energy Expo	September 21-24	CCH-Congress Center and International Fair	Hamburg, Germany	

Markets

Applications

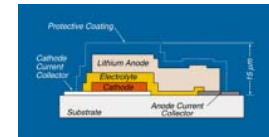
Photonics



Thin Film Solar



Thin Film Battery



Semiconductor



High Temperature Superconductor



Photonics

Photonics is currently SCI's largest product line

- Automotive industry
- Lighting applications
- Military applications

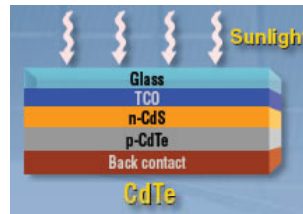
Thin Film Solar Technologies



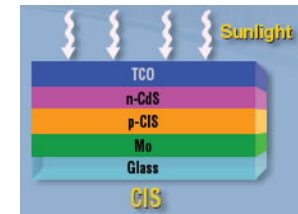
Amorphous Silicon



Cadmium Telluride



Copper Indium Gallium Selenide



Thin Film Solar

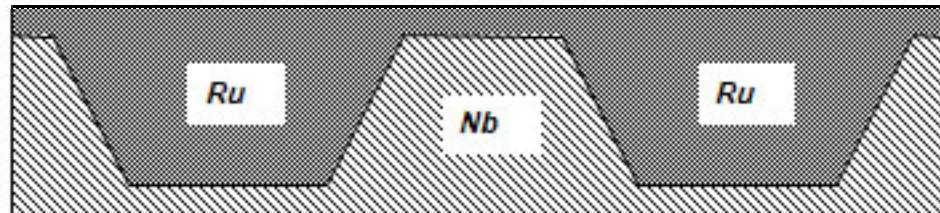
- The Thin Film Solar market grew to approximately 10% of the photovoltaic market during 2008.
- This market is forecasted to grow to 34% of the photovoltaic market by 2012.
- Thin Film Solar sales represented about 8% of SCI's revenue in 2008 and are expected to be higher in absolute dollars and as a percentage of SCI's revenue in 2009.

Semiconductor

- Received initial product trials during 2008. Unfortunately, those factories are now closed.
- Difficult market conditions exist in the industry with many operations working at 50% of capacity. Availability of development funding from our potential customers has been reduced.

Cross-section of Ru-Nb Composite Target

SCI has applied for a patent to reduce the amount of expensive metal required for certain applications.



High Temperature Superconductors

- SCI continues using funded research to move the technology forward
- U.S. Department of Energy (DOE) awarded SCI two Small Business Innovative Research (SBIR) grants in 2008 totaling approximately \$850,000 to continue funding product development.

Condensed Statements of Operations

\$ in millions, except per share amounts

	2004	2005	2006	2007	2008
Total Revenue	\$ 2.2	\$ 3.5	\$ 8.0	\$10.8	\$9.6
Gross Profit	0.2	0.9	1.8	2.1	2.2
General & Administrative Expense	0.9	0.8	0.9	0.9	1.0
Research & Development Expense	-	0.2	0.2	0.4	0.5
Marketing & Sales Expense	0.2	0.2	0.4	0.5	0.6
Income (Loss) From Operations	\$ (0.9)	\$(0.3)	0.3	0.3	0.2
Income (Loss) Applicable to Common Stock	\$ (1.1)	\$(0.4)	\$ 0.3	\$ 0.3	\$ 0.1
Net Income (Loss) Per Common Share After Dividends on Preferred Stock	\$(0.51)	\$(0.13)	\$ 0.07	\$ 0.07	\$ 0.02
Weighted Average Shares Outstanding (millions)					
Basic	2.2	2.7	3.4	3.5	3.5
Fully Diluted	2.2	2.7	4.0	4.2	4.0

Reconciliation of GAAP to Non-GAAP Measures

\$ in millions

	2004	2005	2006	2007	2008
Net Income (Loss) After Dividends on Preferred Stock	\$(1.1)	\$(0.4)	\$0.3	\$0.3	\$0.1
Interest Expense, net	0.03	0.01	0.03	0.02	0.1
Income Tax Expense	-	-	-	-	-
Depreciation and Amortization Expense	0.2	0.2	0.2	0.3	0.4
EBITDA	\$(0.9)	\$(0.1)	\$ 0.5	\$0.6	\$ 0.6
Stock-based Compensation Expense	-	-	0.01	0.1	0.1
Adjusted EBITDA	\$(0.9)	\$ (0.1)	\$ 0.5	\$0.7	\$ 0.6

Condensed Balance Sheets

\$ in millions

	2004	2005	2006	2007	2008
Total Current Assets	\$0.9	\$2.1	\$1.9	\$2.2	\$3.3
Property & Equipment, at cost-less accumulated depreciation	0.9	0.8	1.1	2.3	2.3
Other Assets	0.05	0.04	0.3	0.1	-
Total Assets	\$1.8	\$2.9	\$3.3	\$4.5	\$5.6
Total Current Liabilities					
Total Current Liabilities	1.2	0.6	0.7	0.7	1.5
Current Lease obligation, net of current portion	0.04	0.1	0.1	0.8	0.6
Note Payable, net of current portion	-	-	-	-	0.4
Shareholders' Equity	0.6	2.2	2.5	2.9	3.1
Total Liabilities and Shareholders' Equity	\$1.8	\$2.9	\$3.3	\$4.5	\$5.6



SCI Engineered Materials, Inc.