

## Media release

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**90<sup>th</sup> ordinary Annual General Meeting on 9 April 2011**

## **StarragHeckert shareholders approve capital increase**

- **Increase of share capital at the ratio of one new to three existing shares for the refinancing of the acquisition of Dörries Scharmann**
- **Dividend of CHF 10 per registered share as a withholding tax-free distribution from capital contributions**
- **Pro-forma key figures 2010 including Dörries Scharmann: 5.7% EBIT margin on CHF 392 million sales revenue**
- **Positive outlook**

**At the Annual General Meeting of the StarragHeckert Holding AG the shareholders voted for all the proposals of the Board of Directors. The assembly approved in particular the proposed increase in share capital by 84'000 registered shares combined with a stock split at a ratio of 1:10 to facilitate the trading of the shares of StarragHeckert.**

### **Capital increase**

The General Assembly approved the request of the Board of Directors to increase the share capital to refinance the acquisition of the Dörries Scharmann group. 84'000 new shares with a nominal value of CHF 85.00 shall be issued. The first trading day of the new shares is expected to be on 29 April 2011, when at the same time a stock split at a ratio of 1:10 is introduced to facilitate the trading of the StarragHeckert share.

Three existing shares grant the holder the right to purchase one new share. New shares for which the subscription rights have not been exercised will be offered together with existing shares to new investors in an offering.

Walter Fust as the majority shareholder has committed himself to fully exercise his subscription rights and to take over those new shares which will not be placed with investors. Eduard Stürm AG will not exercise their subscription rights, leading to an increased free float.

The subscription and offer price is foreseen to be fixed on 27 April 2011 - based on the number of new shares for which subscription rights were exercised, the demand of investors in the offering, the market price of existing shares and general market conditions – by the Board of Directors of the Company in consultation with the Bank Vontobel AG in their capacity as Lead Manager. It will not be higher than the closing price of that day for the StarragHeckert shares already traded on the SIX Swiss Exchange nor above the volume weighted average share price (VWAP) of 26 and 27 April 2011.

### **Ordinary Agenda for the Annual General Meeting**

The General Assembly also approved the annual report and the financial statements and elected the current Board Members Walter Fust, Valentin Vogt, Prof. Dr. Christian Belz, Dr. Hanspeter Geiser and Adrian Stürm for another term of three years. In addition, the General Assembly approved a dividend of CHF 10 per registered share as a withholding tax-free distribution from capital contributions. It will be paid out on or after 15 April 2011 (ex-date 12 April 2011).

To further strengthen shareholders' rights, the General Assembly decided to lower the threshold for convening an extraordinary General Meeting to 5% of the share capital and removed the not needed conditional capital. In total, 290 shareholders and 85% of the share capital were represented at the Annual General Meeting 2011.

### **New members of the Group Management**

The Board of Directors of StarragHeckert Holding AG has appointed the two managing directors of Dörries Scharmann, Dr. Norbert Hennes and Daniel Rosenthal, into the Executive Board of the StarragHeckert group.

Dr. Norbert Hennes has been responsible for the new Business Unit 3 in Moenchengladbach since January 2011. Previously, he was Managing Director Technology since 2002 and from 2005 with additional responsibility for production and

purchasing, before he became CEO of Doerries Scharmann in 2006. From 1999 to 2002, he had various management roles in research, design and development at Dörries Scharmann. Dr. Norbert Hennes studied mechanical engineering and obtained his PhD at the Institute for Machine Tools (WZL) of the University of Aachen, Germany.

Daniel Rosenthal has been Chief Financial Officer (CFO) of the new Business Unit 3 since January 2011 and also responsible for the post merger integration since February 2011. Previously, since 2006 he was CFO and since 2005 finance director of Dörries Scharmann. From 2000 to 2004 he was CFO of a software company, after he worked from 1997 to 2000 in investment banking. Daniel Rosenthal studied mathematics at the University of Munster and has a MBA from the Simon School at the University of Rochester, NY, USA.

### **Pro Forma Financial Information 2010**

Together with the Dörries Scharmann Group (as if the acquisition had taken place on January 1, 2010 already) the StarragHeckert Group achieved in 2010 pro forma sales revenue of CHF 392 million. Pro forma order intake in 2010 was with CHF 332 million below sales revenue. Particularly in the fourth quarter of 2010, order intake for Dörries Scharmann dropped significantly as a result of the uncertainty about the future ownership of the Dörries Scharmann Group. Overall, the pro forma operating result EBIT 2010 amounts to CHF 22.5 million or 5.7% of sales revenue. The pro forma net income 2010 amounts to CHF 14.4 million or CHF 42.87 per share.

### **Positive Outlook**

The increasingly attractive investment climate in 2011 is estimated to generate a higher order intake than the pro forma order intake 2010. Sales revenue in 2011 however will be adversely affected by the low order intake of Dörries Scharmann in the fourth quarter 2010 and therefore will be below the pro forma sales revenue 2010, this despite a positive book-to-bill ratio since the second half of 2010 at StarragHeckert. The same effect may cause the EBIT margin 2011 to be lower than the pro forma EBIT margin 2010 of 5.7%.

**StarragHeckert together with Dörries-Scharmann is the global leading supplier of technologically advanced machine tools for boring, turning, milling and grinding of medium to large metallic or composite workpieces.**

**Principle customers are internationally active companies in the aerospace, energy, transport and engineering sectors. The products, together with the technology and service offerings allow customers to achieve significant productivity gains. Group products are marketed under the Starrag, Dörries, Heckert, Scharmann, SIP, Droop+Rein, TTL, Berthiez, WMW and Ecospeed brands.**

**Headquartered in Rorschacherberg/Switzerland the group operates manufacturing plants in Switzerland, Germany, France, UK and India, as well as service and sales companies in various other countries.**

**The holding company is listed at the SIX Swiss Exchange (Symbol: STGN).**

Rorschacherberg, 9 April 2011

StarragHeckert Holding AG

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## **Pro Forma key figures 2010**

<b>in million CHF</b>	<b>Starrag-Heckert</b>	<b>Dörries Scharmann</b>	<b>Adjustments</b>	<b>Pro forma 2010</b>
Order intake	188.3	144.1	-	<b>332.4</b>
Order backlog (Dec. 31)	103.9	155.3	-	<b>259.2</b>
Sales revenue	199.2	192.7	-	<b>391.9</b>
Gross profit	106.7	117.2	-	<b>223.9</b>
EBITDA	16.3	20.1	-	<b>36.4</b>
Operating profit EBIT	10.1	14.6	-2.2	<b>22.5</b>
Net profit	8.1	7.9	-1.6	<b>14.4</b>
Net cash (Dec. 31)	31.1	20.1	-19.9	<b>31.3</b>
Employees (Dec. 31)	739	700	-	<b>1'439</b>

The pro forma accounts show the impact of the acquisition of the Dörries Scharmann Group and its refinancing by capital increase on the consolidated financial statements 2010 of the StarragHeckert Holding AG, as if these transactions had taken place already on January 1, 2010.

## **Indicative time-table capital increase**

- Dividend payout (ex date) 12 April 2011
- Dividend payout (payment date) 15 April 2011
- Start of subscription and bookbuilding period 18 April 2011
- End of subscription period (subscription offering) 26 April 2011 12:00 h
- End of bookbuilding period 27 April 2011 16:00 h
- Determination of subscription / offer price 27 April 2011
- First day of trading in new shares / stock split 29 April 2011
- Delivery and payment 2 May 2011

## **Agenda**

- Interim information first quarter 2011 6 May 2011
- Half-year report 2011 29 July 2011
- Interim information third quarter 2011 4 November 2011
- Preliminary information on annual results 25 January 2012
- Key figures 2011 / Annual report 9 March 2012
- Media and analysts conference in Zurich 9 March 2012
- Annual general meeting 20 April 2012

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