

Media Release

StarragHeckert with net profit in Q1 2010

- **Positive results in Q1 2010: net profit of CHF 1.5 million**
- **Increased net liquidity**
- **Declining order intake and sales revenue**
- **Flexible capacity adjustment with short-time work**

StarragHeckert booked CHF 34 million new orders in Q1 2010. This represents a decrease of 28% compared to prior year period due to the recession. Sales revenue declined by 33% to CHF 49 million. Accordingly, earnings before interest and taxes EBIT went back from CHF 6.4 million to CHF 2.1 million. Net income amounts to CHF 1.5 million or 3.1% of sales revenue.

Order intake which is subject to considerable quarterly fluctuations, decreased from CHF 47 million to CHF 34 million compared to the first quarter 2009. This decrease, currency adjusted -27%, is due to an insufficient capacity utilization at our customers caused by the general worldwide recession. Appropriate investment decisions are still held back, delayed or not effected. Order backlog as per 31 March 2010 reduced to CHF 108 million (13% lower than CHF 124 million reported at year-end 2009).

Thanks to a tight planning process, the capacity and the cost structure could be adapted to the reduced plant utilization in particular with short-time work in a challenging market environment. Despite the significant sales decline by one third, an EBIT margin of 4.4% could be achieved in the first quarter 2010 which is very good compared to the industry.

Programs for the reduction of net current assets to the lower business volume were also continued. This resulted in total assets being reduced by CHF 4.4 million to CHF 175 million and in a clearly positive cash flow from operating activities of CHF 7.1 million. Net

cash as per 31 March 2010 increased to CHF 15.8 million (58% higher than CHF 10.4 million reported at year-end 2009).

In the current environment reliable forecasts are very difficult. The production capacities of the StarragHeckert plants remain still insufficient used to capacity. To maintain profitability, a considerable amount of short-term work continues to be necessary. Overall in 2010, sales revenue and results will be significantly below prior year.

StarragHeckert globally provides a comprehensive range of technologically advanced precision milling machines, as well as productivity enhancing software and engineering solutions, engineering and process optimisation projects and a wide range of special tools for customers in the aerospace, energy, transport and precision machine industry. The company brings to bear a nearly 150 years old heritage of technological innovation to help its customers to be more productive, efficient, precise and innovative.

StarragHeckert includes production plants in Rorschacherberg/Switzerland (Starrag), Chemnitz/Germany (Heckert), Geneva/Switzerland (SIP) and Haddenham/UK (TTL), as well as sales and service companies in China (Shanghai and Beijing), the USA (Cincinnati, Dallas and Seattle), Canada, France, the UK, India, Russia, Spain and Turkey. The shares of StarragHeckert are quoted on the Swiss Stock Exchange SIX (symbol: STGN).

Rorschacherberg, 10 May 2010

StarragHeckert Holding AG

Key Figures

in million CHF	31.03.2010	31.03.2009	31.12.2009
Order Intake	33.6	46.5	187.7
Order Backlog	108.0	165.2	124.3
Sales Revenue	48.7	73.2	252.5
Segment Sales Revenue BU1	26.6	34.2	128.1
Segment Sales Revenue BU2	23.9	38.7	123.8
Operating Profit EBIT	2.1	6.4	15.4
Net Profit EAT	1.5	4.8	11.5
Cash Flow from Operating Activities	7.1	-8.2	34.1
Capital Expenditures	1.3	2.7	5.0
Total Assets	175.0	225.3	179.4
Shareholders' Equity	113.6	114.2	114.7
Net Debt	15.8	-24.4	10.4
Headcount	753	814	783
- thereof Switzerland	308	344	329
- thereof Germany	359	388	363

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Forthcoming events

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| • Half-year report 2010 | 6 August 2010 |
| • Interim information third quarter 2010 | 19 October 2010 |
| • Preliminary information on annual results | 26 January 2011 |
| • Key figures 2010 / Annual report 2010 | 4 March 2011 |
| • Media and analysts conference | 4 March 2011 |
| • Annual general meeting | 9 April 2011 |
| • Interim information first quarter 2011 | 6 May 2011 |

This news release includes “forward-looking statements” that involve risks, uncertainties and changes in circumstances, which may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Political, economic, climatic, currency, tax, regulatory, technological, competitive and other factors could cause actual results to differ materially from those anticipated in the forward looking statements. Additional information regarding these risk factors and uncertainties is published from time-to-time, including in but not limited to its annual report.