

Media release

Stabilization in the markets, recovery expected

StarragHeckert continues to achieve clearly positive results

- **Growing service business and increasing requests for quotes allow to expect recovery**
- **Positive results and strong cash flow thanks to consistent resource planning and strict cost management**
- **EBIT margin of 4.0% above industry peers**
- **Still declining order intake as a result of downturn, order intake -27%**

Order intake of StarragHeckert listed at the SIX Swiss Exchange decreased by 27% to CHF 68 million compared to prior year period. Due to the lower order intake, sales revenue decreased currency adjusted by 31% to CHF 96 million. Thanks to consistent cost management a clearly positive EBIT (earnings before interest and taxes) of CHF 3.8 million or 4.0% of sales revenue was achieved. Net income amounts to CHF 3.0 million.

Order intake decreased from CHF 93 million in the first half-year 2009 to CHF 68 million (-27%; currency adjusted -24%). The decrease is due to insufficient capacity utilization at our customers caused by the general worldwide recession. Despite the weaker Euro, order intake has stabilized on a low level for the past three quarters. The Asian markets and the aerospace industry are currently supporting our order intake while the European and North-American markets do not yet show a recovery

Due to the high order backlog at the end of 2009, sales revenue of CHF 96 million is clearly higher than order intake. Therefore, order backlog decreased from CHF 124 million at the end of 2009 to CHF 93 million at the end of the reporting period.

Earnings before interest and taxes EBIT decreased to CHF 3.8 million as a consequence of the reduced sales revenue, still representing a good EBIT margin of 4.0% compared with the industry. As the reduction in capital employed contributed to a positive financial result, net income has less declined from CHF 8.3 million in prior year's period to CHF 3.0 million or 3.1% of sales revenue.

Compared to 31 December 2009, total assets decreased by CHF 6 million to CHF 173 million. This is mainly caused by lower receivables and inventories. Compared with the prior year end, net cash increased by CHF 11 million to CHF 22 million. Shareholders' equity amounts to CHF 111 corresponding to an equity ratio of 64%, thus confirming StarragHeckert Group as a solid and in comparison with the industry very well financed company.

Since the first quarter of the year, StarragHeckert observes a positive development of the service business and of requests for quotes. Quote backlog has significantly recovered. It remains however uncertain how many necessary investment decisions continue to be delayed or not to be taken. Based on the industry statistics, StarragHeckert expects that order intake will recover in the second half of 2010. As a result of the lower order backlog at mid-year, nevertheless a further decrease of sales revenue and operating margin are expected in the second half-year 2010. Nevertheless, StarragHeckert expects the full financial year 2010 to close with a net profit.

In June 2010 StarragHeckert welcomed around 200 customers to the "Titanium Technology Days" in Rorschacherberg. With practical demonstrations StarragHeckert showed successfully how cost-effective production of complex titanium structures on a precision level not reached so far becomes possible.

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 (Beijing and Shanghai), the USA (Cincinnati, Dallas and Los Angeles), Canada, France, India, the UK, Russia and Turkey. The shares of StarragHeckert are quoted on the Swiss Stock Exchange SIX (symbol: STGN).

Rorschacherberg, 6 August 2010

StarragHeckert Holding AG

Key figures

million CHF	30.06.2010	30.06.2009	31.12.2009
Order Intake	67.9	92.5	187.7
Order Backlog	92.5	145.2	124.3
Sales Revenue	96.1	138.8	252.5
Segment Sales Revenue BU 1	52.0	67.8	128.1
Segment Sales Revenue BU 2	44.0	70.6	123.8
Operating Profit EBIT	3.8	11.7	15.4
Net Profit EAT	3.0	8.3	11.4
Cash Flow from Operating Activities	15.1	8.8	34.1
Capital Expenditure	2.1	4.4	5.0
Total Assets	173.2	217.5	179.4
Shareholders' Equity	110.6	113.3	114.7
Net Cash	21.7	-13.8	-10.4
Headcount	746	809	783
- thereof Switzerland	303	339	329
- thereof Germany	346	387	363

The Half-Year Report 2010 is available for download on:

<http://www.starragheckert.com/sh/index.php/en/investoren/annual-reports> .

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Forthcoming events

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| • Interim information third quarter 2010 | 29 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 |
| • Half-year report 2011 | 29 July 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 the annual report.