

## Media release

### Key figures of third quarter 2010

### Recovery reaches StarragHeckert

- Order intake considerably increased in Q3 2010, doubled compared to previous quarters
- Sales revenue currency adjusted 25% below prior year period
- EBIT margin of 4.2% above industry peers
- Profit distribution expected as par value repayment

In the first nine months 2010, order intake of StarragHeckert, listed at the SIX Swiss Exchange, decreased to CHF 135 million, currency adjusted 8% below prior year period (CHF 154 million). Sales revenue amounted to CHF 146 million, currency adjusted 25% below prior year period (CHF 199 million, nominal -27%). Thanks to strict cost management a clearly positive EBIT (earnings before interest and taxes) of CHF 6.1 million or 4.2% of sales revenue was achieved (prior year period CHF 15.8 million). Net income amounts to CHF 4.9 million or CHF 19.97 per share.

While in the first half-year, order intake was 23.8% behind the prior year period, prior year period's level was missed by only 7.9% currency adjusted at the end of the third quarter. In the first nine months order intake decreased from CHF 154 million to CHF 135 million. This decrease is due to insufficient capacity utilization at our customers caused by the general worldwide recession. Since beginning of the year, StarragHeckert has observed a positive development of the service business and of the request for quotes which continued in the third quarter.

Incoming orders which traditionally are subject to considerable quarterly fluctuation clearly recovered in the third quarter. Order intake in the third quarter 2010 reached the whole first half-year's order intake. In particular orders from customers from Asia and especially from the wind energy sector have contributed to this recovery. Due to the negative book-to bill

ratio, the order backlog decreased from CHF 124 million at the end of 2009 to CHF 108 million at the end of the reporting period.

Earnings before interest and taxes EBIT was down to CHF 6.1 million due to declining sales revenue being still on a good level compared to the industry peers, thanks to strict cost management. As the reduction in capital employed contributed to a positive financial result, net income has less declined from CHF 11.3 million in the prior year period to CHF 4.9 million or 3.4% of sales revenue.

Compared to 31 December 2009, total assets decreased by CHF 4 million to CHF 175 million mainly because of lower inventory levels. Compared with the prior year end, net cash increased by CHF 11 million to CHF 21 million. Shareholders' equity was CHF 109 million corresponding to an equity ratio of 63%, thus confirming StarragHeckert Group as a solid and in comparison with the industry very well financed company.

Sales revenue and results for 2010 will in fact be significantly lower than in the prior year, but the margins are also as significantly above the industry average. All in all, StarragHeckert expects the financial year 2010 to close with a positive result and to again be able to pay a dividend in the form of a par value repayment.

StarragHeckert keeps its investment for the development of new products at a consistent high level and presented new machine series for its main target markets on the most important North American machine tool exhibition IMTS in Chicago in August, and on the AMB in Stuttgart in September. Such machines have received great attention and are expected to contribute to higher market shares in the future.

*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 year's 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, 29 October 2010

StarragHeckert Holding AG

## Key figures

	CHF million	30.09.2010	30.09.2009	31.12.2009
Order Intake		135.2	153.5	187.7
Order Backlog		107.9	143.6	124.3
Sales Revenue		145.9	199.2	252.5
Segment Sales Revenue BU 1		78.3	101.3	128.1
Segment Sales Revenue BU 2		75.1	105.5	123.8
Operating Profit EBIT		6.1	15.8	15.4
Net Profit EAT		4.9	11.3	11.5
Cash Flow from Operating Activities		18.8	13.4	34.1
Capital Expenditure		2.7	4.5	5.0
Total Assets		175.8	208.4	179.4
Shareholders' Equity		109.0	115.8	114.7
Net Cash		21.4	-9.8	10.4
Headcount		740	792	783
- thereof Switzerland		298	337	329
- thereof Germany		346	376	363

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### **Forthcoming events**

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|---|-----------------|
| • 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    |
| • Interim information third quarter 2011    | 4 November 2011 |

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*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.*