

Media Release

Starrag Group acquires Bumotec SA – Investment in attractive growth markets

- **Leading supplier to watch and jewellery, medical technology, aerospace and connecting industries**
- **Enlarged product range opens up new market opportunities**
- **Continuation with proven management team**

Ideal supplement

In the context of a succession plan, Starrag Group acquired from the founder and sole owner Bernard Ballif all the shares of Bumotec SA which is domiciled in Sâles (Canton Fribourg/Switzerland) as of 29 May 2012. Founded in 1973, the company develops and manufactures high-precision multi-functional machine tools for complete machining of small work pieces as well as offering the full range of after-sales services. Bumotec SA, which has its own subsidiary in China, is a leading European supplier in its market segments. Its customers are mainly companies from growth sectors such as watch and jewellery, medical technology, aerospace and micro mechanics in Europe and Asia.

Bumotec SA – debt-free, with attractive profitability and lean organisation – employs 150 employees and achieved a turnover of over CHF 40 million in fiscal year 2011. Thanks to a high order backlog, full capacity utilisation is guaranteed mid-term. Starrag Group finances the acquisition entirely from its cash on hand. The parties agreed not to disclose the purchase price

Reinforcement of sales and service network

The acquisition gives Starrag Group access to additional technology know how. Bumotec SA in turn will benefit from Starrag Group's strong sales and service network in the USA, Europe and Asia. Synergies are also expected in supply chain and manufacturing. Bumotec SA meets all of Starrag Group's requirements for an ideal acquisition candidate: Strategic and cultural fit, as well as an interesting market and product position.

Bumotec SA has a proven management team, which will continue autonomously at the existing location and with its own product line under the well-established brand Bumotec. Bumotec founder Bernard Ballif commented: “I am delighted that an industrial solution for the continuation of my life’s work could be found, and this with a solid and experienced partner who has already realised a successful acquisition in the French speaking part of Switzerland with the prestigious SIP in Geneva some years ago.”

Company profile Starrag Group:

Starrag Group is a global technology leader in manufacturing high-precision machining tool for milling turning, boring and grinding of mid-sized to large workpieces of metallic and composite materials. Principal customers are internationally active companies in the aerospace, energy, transport and industrial engineering sectors. In addition to its portfolio of machine tools, Starrag Group provides integrated technology and maintenance services that significantly enhance customer productivity.

Starrag Group products are marketed under the following strategic brands: Berthiez, Bumotec, Dörries, Droop+Rein, Heckert, Scharmann, SIP, Starrag, TTL, WMW. Headquartered in Rorschach/Switzerland, the Starrag Group operates manufacturing plants in Switzerland, Germany, France, the UK and India and has established a network of sales and services subsidiaries in numerous other countries.

Starrag Group is listed on the SIX Swiss Exchange (STGN).

Rorschacherberg, 30 May 2012

Starrag Group Holding AG

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Forthcoming events

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| • Half-year report 2012 | 27 July 2012 |
| • Interim information third quarter 2012 | 2 November 2012 |
| • Preliminary information on annual results | 25 January 2013 |
| • Key figures 2012 / Annual report | 8 March 2013 |
| • Media and analysts conference in Zurich | 8 March 2013 |
| • Annual general meeting | 12 April 2013 |
| • Interim information first quarter 2013 | 6 May 2013 |

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