



Media Release

Media and Analysts Conference of April 28, 2005

StarragHeckert in Turnaround Situation

Board and Management look back on a dissatisfying business year 2004. Walter Fust, majority shareholder and Chairman of the Board is convinced that StarragHeckert will return to profitability in 2006 due to the actions taken. He declared his full support in accompanying the enterprise on this path.

The past business year closed with a disappointing loss, mainly due to major deviation from the budgeted booking figure in spring 2004. The anticipated surge in bookings did not materialise in the following months, which finally resulted in an operative loss of -6.8 million CHF. Detailed results were published on March 11, 2005.

Recognizing the major deviation from plan, the Board conducted a quick comprehensive analysis of the situation, supported by a renowned consulting company and initiated swiftly necessary actions. These actions had an effect on the top management, as well as on headcount figures of the Rorschacherberg, Chemnitz and Brackley locations. In the interest of a fast turnaround of the group, alternatives to the headcount reduction of 120 employees had to be discarded.

Mr Fust, Chairman of the Board, expects an improvement of the business conditions in 2005 and beyond. Increasing bookings and the beginning of the cost optimisation programs in the second quarter 2005 will lead to substantial operational improvements in 2005. He expects that the group will return to profitability in 2006, unless external factors like a deep economic recession in the served markets create a new situation.

As replacement for Dr. Franz Betschon, the Board of Directors proposes the election of Mr Valentin Vogt as new Board member at the Annual General Meeting on May 28, 2005. Since 2002, Mr Vogt has been CEO and Executive Member of the Board of Burckhardt Compression AG. After tenure as CFO and Head of Administration in the USA, Mr Vogt held various positions at Sulzer AG, first as Division Controller and then as Head of the Coating Process Automation Division. He was then promoted to join the Executive Board of Sulzer AG and took over responsibility for the Sulzer Burckhardt division. In 2002, he initiated the management buy-out of the division. Mr Vogt has an MBA from St. Gallen University, Switzerland.

Within the reporting period, StarragHeckert strengthened its management team by a new experienced CEO. Dr. Frank Brinken took over on March 1, 2005. He joins StarragHeckert from Maag Pump Systems Textron, where he led the turnaround and achieved a sustainable above average sales and profitability increase.

StarragHeckert is a globally active machine tool group with its holding head office in Rorschacherberg (Switzerland) and production sites in Rorschacherberg and Chemnitz (Saxony, Germany), as well as distribution subsidiaries and offices in all its key sales markets. The company manufactures milling centers and flexible machining systems for the aerospace, automotive and other industries. It also supplies technology packages (software, processes, tools, etc.) for its customers. StarragHeckert's shares are listed on the SWX Swiss Exchange.

Rorschacherberg, April 28, 2005

StarragHeckert Holding AG

Key figures for 2004

	million CHF	2004	2003	Change
Order Intake		160.0	153.3	+4.4 %
Order Backlog at Year End		52.7	45.2	+16.5 %
Sales Revenue		151.9	167.3	-9.2 %
Segment Sales Revenue:				
Chemnitz		89.9	94.7	-5.1 %
Rorschacherberg		59.2	66.4	-10.9 %
Operating Result ¹⁾		-6.8	1.3	
Earnings after Special Expenses and before Interest and Taxes (EBIT)		-23.0	1.3	
Net Result		-22.9	0.7	
Cash Flow from Operating Activities		-1.6	18.7	
Capital Exenditure		3.3	5.4	
Total Assets		136.4	156.1	
Net Equity		48.2	71.7	
Net Debt		40.8	34.2	
Staff Count as off 31.12.		676	705	
- thereof Chemnitz		323	328	
- thereof Rorschacherberg.		315	345	

¹⁾ EBIT before special expenses and additional charges due to conservative valuation of project risks and inventory (compared to the annual average of 2001 to 2003).

Further information

Dr. Frank Brinken
CEO StarragHeckert Holding AG
Phone: +41 71 858 82 01
Fax: +41 71 858 82 09
E-Mail: FBrinken@ch.starragheckert.com

Gerold Brütsch
CFO StarragHeckert Holding AG
Phone: +41 71 858 84 62
Fax: +41 71 858 82 30
E-Mail : GBruetsch@ch.starragheckert.com

Diary 2005/06

- | | |
|---|-------------------|
| • Annual general meeting | May 28, 2005 |
| • Preliminary information on 1st quarter 2005 | May 30, 2005 |
| • Preliminary information on half-year results 2005 | July 22, 2005 |
| • Half-year results 2005 | August 19, 2005 |
| • Preliminary information on 3rd quarter 2005 | November 11, 2005 |
| • Preliminary information on annual results 2005 | January 24, 2006 |
| • Key figures financial year 2005 | March 10, 2006 |
| • Media and analysts conference on annual results | April 7, 2006 |

Disclaimer

This media release contains forward-looking information which is subject to certain risks and uncertainties. The actual results may differ substantially from these estimates.