

Media release

Strong growth, results increase faster than sales revenue

Order intake of StarragHeckert group – listed on the SWX Swiss Exchange – increased to CHF 146.2 million in the first half-year 2007, up 72% over prior year period. Sales revenue could be increased by 22% to CHF 109.7 million. Earnings before interest and taxes (EBIT) rose by 50% from CHF 5.0 million to CHF 7.5 million. The net income amounts to CHF 5.7 million (+58%).

In the first half-year, order intake developed very positively in a favourable economic environment to CHF 146.2 million (+72%), supported by a lively demand for new products introduced in 2006. All market segments and sales regions contributed to this positive development. Thus, order backlog could be doubled to a record of CHF 119.4 million at 30 June 2007 (CHF 59.9 million at 30 June 2006).

Due to the order backlog at the beginning of the year which was significantly higher than one year earlier, sales revenue could be increased from CHF 90.0 million to CHF 109.7 million (+22%, currency adjusted +19%). The higher volume together with the ongoing internal improvement programs, leaner and thus more efficient business processes and the utilization of synergies between the plants led to a rise in earnings before interest and taxes EBIT from CHF 5.0 million to CHF 7.5 million or 6.8% of sales revenue.

The measures initiated in the first half-year in order to increase capacity, are being implemented as planned. Hence, the new manufacturing hall for larger machines currently under construction will already be available for use by the end of November 2007. In the meantime, the Geneva plant is providing capacities to work off the order backlog of five axis machining centers.

Our target markets energy, aerospace, precision machine and transport show positive tendencies. In Europe, the USA and China capital expenditures in our target markets are planned long-term and executed timely. From the current point of view, we are therefore confident of a further solid order intake development in the second half-year 2007. So has a major order for large machining centers for the wind power industry, amounting to CHF 19 million, been received in third quarter 2007.

Thanks to the positive order situation and the ongoing continuous improvement programs, StarragHeckert will reach further earning improvements in the second half-year 2007. It may be assumed that the mid-term target corridor for an EBIT margin of seven to eight percent of sales revenue may be achieved or even surpassed unless a sudden economic downturn or further severe distortions within the raw material market create a new situation.

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); USA (Cincinnati, KY, Dallas TX and Laguna Hills, CA); France, the UK, Russia and Spain. The shares of StarragHeckert are quoted on the Swiss Stock Exchange SWX (symbol: STGN).

Rorschacherberg, 17 August 2007

StarragHeckert Holding AG

Key figures

	million CHF	30.06.2007	30.06.2006	31.12.2006
Order intake		146.2	85.2	206.2
Order backlog		119.4	59.9	81.1
Sales revenue		109.7	90.0	190.0
Segment sales revenue BU 1		42.2	37.7	80.8
Segment sales revenue BU 2		72.0	57.3	108.4
Earnings before interest and taxes (EBIT)		7.5	5.0	10.9
Net result		5.7	3.6	7.5
Cash flow from operating activities		2.8	8.0	22.1
Capital expenditure		3.0	5.2	9.4
Total assets		163.2	140.1	153.2
Net equity		83.2	75.3	79.6
Net debt		5.3	11.6	2.1
Staff count		644	579	594
- thereof Switzerland		278	271	272
- thereof Germany		310	259	281

The letter to the shareholders is available for download on www.starragheckert.com.

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Forthcoming events

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| • Interim information third quarter 2007 | 16 November 2007 |
| • Key figures financial statement 2007 | 7 March 2008 |
| • Media and analysts conference | 11 April 2008 |
| • Annual general meeting | 17 May 2008 |
| • Interim information first quarter 2008 | 19 May 2008 |
| • Half-year report 2008 | 15 August 2008 |

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.