

## Media Release

### **Starrag Group: Reorganization targeting strategic market segments for more growth and profitability**

- **Consistent focus on attractive market segments**
- **Four new operating units with greater entrepreneurial responsibility**
- **Reduced complexity and better use of synergy potential will lead to more growth and higher profits**

#### **Addressing the market needs and challenges of tomorrow**

In view of future market challenges, Starrag Group is bringing its organizational structure into even closer alignment with its target customer groups and their specific needs and demands. Instead of the former Business Units 1–4, the new structure will consist of the following operating units: *Aerospace & Energy*, *Transportation & Industrial Components* and *Precision Engineering*. Each business area will have full responsibility for its designated market segments (see appendix) and its product brands.

The existing regional sales networks are also being structured to promote clear lines of responsibility in congruence with the new operating structure. The fourth operating unit, *Customer Service*, will continue to be responsible for all after-sales activities throughout the Group, ranging from spare parts to maintenance and repair, and for the development and deployment of new service products.

#### **Even closer to the customers**

The new organizational structure will enable Starrag Group to exploit the full potential of its target markets even better. Following the significant reduction in complexity, synergies will be exploited more systematically than before and decision-making processes will become shorter and faster. This should also foster an entrepreneurial mindset and bolster the company's innovative capabilities. An additional benefit for customers is that Starrag Group's specialists will be allowed to concentrate entirely on their specific market segments. Having accumulated years of experience in meeting the often unique demands of their particular business areas, Starrag specialists are very familiar with their specific

target groups and therefore proficient at creating and implementing best-in-class solutions for customers, quickly and efficiently.

### **For more growth and profit**

Starrag Group's new organizational structure is designed to ensure the enduring attainment of the company's medium-term goals for sales and profits. Average sales growth of at least 5 % per annum and a consolidated EBIT margin of at least 8 % throughout the cycle are targeted in the coming years.

The new organization, which will be introduced on January 1, 2015, will be accompanied by a reduction of the number of Executive Board members. Under the aegis of CEO Walter Börsch, operational responsibility for the four operating units is with Norbert Hennes (Aerospace & Energy), Eberhard Schoppe (Transportation & Industrial Components), Jean-Daniel Isoz (Precision Engineering) and Günther Eller (Customer Service). Bernhard Bringmann, former Head of Business Unit 1, will continue to be responsible for managing the Starrag factory in Rorschach within the new operating unit Aerospace & Energy segment, and will be responsible for the Aero Engine and Power Turbine market segments as well as for key functions within the Aero Structure business. Gerold Brüttsch will continue to be responsible for the Corporate Center as CFO and Georg Hanrath will manage Operations.

## **Appendix: New organizational structure of Group operating segments**

### **Company profile Starrag Group:**

Starrag Group is a global technology leader in manufacturing high-precision machine tools for milling, turning, boring and grinding of small, medium-sized and larger workpieces of metallic, composite and ceramic materials. Principle customers are internationally active companies in the Aerospace, Energy, Transportation, Industrial Components and Precision 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, and 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, 12 December 2014

Starrag Group Holding AG

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**Forthcoming events**

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|--|-----------------|
| • Preliminary information on annual results 2014 | 26 January 2015 |
| • Key figures 2014 / Annual report               | 6 March 2015    |
| • Annual analyst and media conference in Zurich  | 6 March 2015    |
| • Annual general meeting                         | 24 April 2015   |
| • Interim information first quarter 2015         | 8 May 2015      |
| • Half year report 2015                          | 24 July 2015    |
| • Interim information third quarter 2015         | 3 November 2015 |

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The economic projections and predictions contained in this information relate to future facts. Such projections and predictions are subject to risks, uncertainties and changes which cannot be foreseen and which are beyond the control of the issuer. The Starrag Group is therefore not in a position to make any representations as to the accuracy of economic projections and predictions or their impact on the financial situation of the Starrag Group or the market in the securities of the Starrag Group.

## Appendix to 12 December 2014 Media Release

### Starrag Group - New Organization

<b>Board of Directors</b> Walter Fust, Chairman Prof. Dr. Frank Brinken, Vice-Chairman Prof. Dr. Christian Belz Daniel Frutig Adrian Stürm		
<b>CEO</b> Walter Börsch		
<b>Aerospace &amp; Energy</b> <b>Dr. Norbert Hennes</b> <b>Market Segments:</b> - Aero Engine - Aero Structure - Power Turbine - Large Components - Oil - Gas - Fluids <b>Brands:</b> - Berthiez - Dörries - Droop+Rein - Scharmann - Starrag - TTL	<b>Transportation &amp; Industrial Components</b> <b>Dr. Eberhard Schoppe</b> <b>Market Segments:</b> - Heavy Duty Vehicle & Engines - On-Road Vehicles - Industrial Components <b>Brands:</b> - Heckert - WMW	<b>Precision Engineering</b> <b>Jean-Daniel Isoz</b> <b>Market Segments:</b> - Luxury Goods - Micromechanics - Med Tech <b>Brands:</b> - Bumotec - SIP
<b>Customer Service</b> Günther Eller		
<b>Regional Sales</b> Walter Börsch		
<b>Operations</b> Dr. Georg Hanrath		
<b>CFO / Corporate Center</b> Gerold Brüttsch		