

Media Release

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Corporate Communication

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A media conference is being held today for interested persons at which the restructuring of the Aarberg site will be explained. The conference will be held at 11.00 at the Feintool head office in Lyss (Industriering 8).

Feintool Group: 2002-03 financial year begins as expected. Restructuring of the Assembly/Automation division initiated. Reto Welte appointed as new CFO.

Feintool, the technology group based in Lyss/Switzerland which acts in the Systems business and as a global supplier of parts and components, posted sales of CHF 85.3 m in the first quarter of the current 2002-03 financial year (previous year: CHF 95.7 m). Although the Group companies active in the parts and components business exceeded their budgets, delayed orders meant that the presses and systems business fell short of its targets. However, since the first quarter is usually the weakest in Feintool's financial year and accounts for only a handful of major systems orders, these figures are of limited significance. Order intake was better than expected: it rose about 20% over the year-back figure to CHF 110.3 m in the first quarter. Moreover, orders in hand total CHF 135.4 m, a year-on-year rise of 15%. These figures suggest that Feintool is on track to post sales of approx. CHF 400 m and to return an earnings figure close to break-even. The package of measures announced by the Board of Directors has been defined and will now be rapidly implemented. In the medium term, the Group expects to grow its sales by 5-8% and to achieve an operating margin of approx. 8%.

Assembly/Automation division adapts structures

As part of the IPO strategy review, it had been decided to evaluate the Assembly/Automation division, which produces and markets automation systems and system modules. This review has now been completed.

Growth strategy for United Components

The United Components business unit, which sells modules and components, intends to become a global supplier to systems manufacturers and end-customers. Its growth strategy has been confirmed. This growth will be achieved through innovation within the existing offering, through the addition of new product lines and through a stronger market presence. A few step in this direction was the inauguration of the new marketing organization in France on 1 October 2002.

Better focus for Automation Systems

The Automation Systems business unit started the first quarter with a healthy level of new orders. This business unit intends to focus on modular equipment for flexible automation and to capitalize on the respective strengths of its three locations: Aarberg, Amberg and Berlin.

An analysis of these locations has shown that the German companies in Amberg and Berlin are operating successfully and efficiently, and have established a solid presence both domestically and within the EU. However, the Aarberg site – whose strengths lie in the development and engineering fields – has relatively high costs and is not working to capacity. In response to a management proposal, the Board of Directors has thus decided to concentrate the assembly of automation systems at Amberg and Berlin in order to make better use of the capacity at those locations.

Aarberg site to be restructured as development & engineering competence centre.

In line with its key strengths, Aarberg will be restructured as a competence centre for development and engineering. Customer Support will also remain at Aarberg, ensuring that customers continue to receive support with existing or new systems.

This restructuring will involve the elimination or transfer of about 40 jobs. While regretting these job losses, Management will as far as possible ensure that the staff affected are offered positions within the Group, primarily in Amberg and Berlin. Group Management intends to announce the redundancies at the end of February and has already worked out a welfare plan.

Fourth-year trainee automation technicians will be able to complete their apprenticeship, and suitable positions will sought in the region for the other apprentices. The competence centre, with its remaining 20 or so employees, will be proactively strengthened so that the development projects initiated can be rapidly implemented. The restructuring project, for which provisions were set aside in the last financial year, is to be completed by the end of the current (2002-03) financial year, i.e. by 30 September 2003.

New CFO for the Feintool Group

Reto Welte, who occupied senior posts at Alstom for many years and was recently involved in the attempt to rescue the ailing company Gretag Imaging, is joining Feintool as its new CFO on 1 March. He will be initiated to the job by Paul Häring before taking responsibility for finances as of 1 April.

Based in Lyss, Switzerland, Feintool is a leading technology and systems provider in fineblanking/forming and assembly/automation as well as a global supplier of metal and plastic components. Feintool's 1700 employees – working at its own facilities and branch operations in Switzerland (where 900 staff are based), Germany, France, Italy, Great Britain, the United States, Japan and China – are committed to customer satisfaction.

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