

Media release – March 19, 2003, 7:30 AM

Mikron postpones annual media conference and annual general meeting

Annual general meeting also to approve of the balance sheet's restructuring

Mikron is negotiating with its lenders and interested investors about restructuring its debt and a capital increase. As a prerequisite, a reduction of shareholders' equity is to be proposed to the shareholders. With these measures, the Mikron Group is to be returned to a healthy financial base. Negotiations are at an advanced stage. In order to present a firm proposal to the shareholders, Mikron has decided to postpone the annual general meeting.

The discussions with the lenders became necessary as the existing agreements are due to expire at the end of April, and efforts to reduce Mikron's indebtedness were only partially successful. Net liabilities were reduced by CHF 34 million during 2002 by means of smaller divestitures, a positive cash flow as well as foreign currency exchange effects. The targeted goal of reducing liabilities by CHF 150 million to some CHF 200 million was not attained, because the scheduled sale of the «Machining Technology» division was not realized, and the Mikron Group – mainly due to the economic environment – did not reach the budgeted operating results. In order to continue to operate on a solid financial base, the Board of Directors is seeking a restructured balance sheet securing long-term financing for the group.

Mikron has drawn up restructuring solutions in detail and is negotiating them with its lenders and interested investors. Negotiations are at an advanced stage. All parties involved are anxious to find a solution giving Mikron a solid base for the future. However, the negotiations require more time.

The restructuring solution can only be carried out with the annual general meeting's consent. In order to present viable proposals to the annual general meeting, Mikron's Board of Directors has decided to postpone the annual general meeting and the annual media conference.

During the first two months of the current year, business has developed according to plan and better than in the previous year.

For reasons of confidentiality, Mikron is unable to make any further announcements about the ongoing negotiations at this time.

Current FAQs on the Mikron website

In order to make all the additional information available to all market participants at the same time, Mikron continuously publishes all questions asked and the corresponding answers under "Investor Relations/FAQ" on the Mikron website www.mikron-tg.com. If you have any questions, please refer to the FAQs first.

Additional questions and management interviews

For any questions please contact Mrs. Sandra Oesch, PR department at 032 321 72 15 or at mikron.news@ch.mikron-tg.com for coordination.

Additional investor relations information and a selection of photos are available on the Mikron website www.mikron-tg.com.

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