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*Preliminary results of the Mikron Group for the business year 2003:*

## **Net sales increased and positive operating result achieved**

**The Mikron Technology Group, worldwide active in the market segments «Production Equipment» and «Components» reports on the preliminary results for 2003 and the outlook for 2004. In the business year 2003 net sales increased by 9% to CHF 434 million while orders reached CHF 416 million and were slightly below the previous year. The operating result (Ebita) before exceptional expenses will be positive. For 2004 Mikron expects an increase in net sales, a further improvement of the operating performance and a positive result.**

### **Mikron Group in the 4<sup>th</sup> quarter of 2003 – clear upturn in business, strong increase in orders**

In the 4<sup>th</sup> quarter of 2003, the Mikron Group was able to book orders of CHF 111 million meaning that the previous year's quarter was exceeded clearly by 16%. After the weak summer quarters, an upturn in business could be seen. In the division «Machining Technology», the order book had improved clearly after a long barren period.

With CHF 105 million, net sales stayed 8% below the previous year's quarter. This figure is also low in comparison with the other quarters of 2003. The weak order entries of previous quarters had left their traces. The figures were influenced positively by a higher output of moulds for the optical storage media (DVD) and continued growth in net sales in the mobile telephone business.

### **Business year of 2003: the Group – growth in net sales and balanced operating performance (Ebita)**

With CHF 416 million orders received stayed 2% behind the previous year's figures. In local currency, there is weak growth of 1%. In the segment «Production Equipment», the divisions «Machining Technology» and «Axxicon Mould Technology» were able to increase their orders received compared with the previous year while, on the other hand, «Assembly Technology» fell clearly short of the previous year. The orders in the segment «Components» were reduced by 9%. While the Infocom joint venture in Asia almost doubled its volume currency-adjusted, the division «Plastics Technology» was not able to reach the previous year's level.

The net sales could be increased over the previous year by 9% to CHF 433 million. In the segment «Production Equipment», «Axxicon Mould Technology» achieved strong growth in net sales because of high demand for tools for the production of DVDs and large orders for customer specified moulds which had been acquired in the previous year. «Assembly Technology» was able to keep turnover at the previous year's level thanks to the big orders in hand at the beginning of the year. «Machining Technology», starting at the beginning of the year with a low order backlog and confronted with lasting weak orders received up to and including September, lay clearly below the previous year's figures. The increase in net sales in the segment «Components» is borne by the Infocom joint venture in Asia; in this area, net sales could be doubled due to the very strong growth currency-adjusted in the mobile telephone business. «Plastics Technology» had to accept losses in net sales in the course of adjustment of the production locations and the customer portfolio.

For the business year 2003, the Mikron Group expects a balanced operating result (EBITA) before exceptional expenses.

**Business year 2003: the business segment «Production Equipment» – pleasing development of «Assembly Technology», change of trend in the division «Machining Technology» in the 4<sup>th</sup> quarter. Sharp increase in turnover for «Axxicon Mould Technology» borne by the demand in the segment of optical storage media (DVD).**

Net sales in the division «Machining Technology» was marked by a lack of lust for investment and was reduced relevantly compared with the previous year. The weak business with machines could not be compensated by the very good development of cutting tools. From September onward altered investment behavior has been noticed, above all in the car industry. The orders received in the 4<sup>th</sup> quarter achieved figures which had not been achieved in the previous two years.

In 2003 «Assembly Technology» did very well in a difficult economic environment. Thanks to good orders in hand at the beginning of the year and repeat orders which were received in the 1<sup>st</sup> quarter of 2003, net sales could be increased in Europe. Conditioned by the disappointing business trend in the U.S.A., the division fell clearly short of the previous year's figures for orders but missed the previous year's net sales by little. The activities in the medical industry sector could be further developed.

«Axxicon Mould Technology» was able to increase sharply its volumes in 2003. Two major projects for customer-specific tools (acquired in 2002) contributed to this growth. The year was marked however clearly by a record demand for tools for the production of optical storage media (above all DVD). The actions taken in the previous years to improve the products, service and cost structure led in this environment to above-average results.

The orders received for customer-specific tools did not develop as expected with the exception of the mobile telephone industry.

**Business year 2003: the business segment «Components» – strong growth in the joint venture with Balda in Asia**

Net sales in «Plastics Technology» are slightly below the previous year. The restructuring of the business continues and comprises adjustment to the portfolio of production orders and the review of the production capacities and locations. In spring of 2003, a production plant could be opened in China; preparations for the opening of the factory in Czech Republic are well on the way. The build up of the production process for a customer in the medical industry is progressing well; validation is intended for the 2<sup>nd</sup> quarter of 2004.

The joint venture with Balda in Asia has doubled its turnover currency-adjusted. This first big growth step was managed well. The company in China has established itself as supplier for plastic sub-systems for mobile telephones.

**Preview for the complete year of 2004 – increasing volumes and positive net earnings**

Due to the improved economic situation and the re-stabilized situation of the Mikron Group, an increase in volumes will take place in the business year of 2004 looking at it from today's standpoint. Combined with a further improved cost structure, a clearly positive operating result and, thanks to lower interest costs and significantly lower goodwill amortization a positive result of the year is expected.

Since the majority takeover of Mikron by an investor group, a review of the business portfolio is in process. The possibly resulting actions could influence volumes, earning power and the balance sheet.

**New group management complete**

As announced in September 2003, Dr. Eduard Rikli began his job as the CEO at the beginning of the year. The Board of Directors of the Mikron Group has appointed Mr. Andreas Moser as the Chief Financial Officer. Andreas Moser joined Mikron in 1998 as the Controller for the Machining Technology division. From 2001, he was Business Controller for the Group and was, in addition, the managing director of the Holding and Management companies in Biel. Since June 2003 he has carried out interim management of the finance department. Since 1<sup>st</sup> January 2004, he has taken over the job of CFO permanently and is the right-hand man of the new CEO as an experienced Mikron insider and a competent financial specialist.

**Preliminary key figures for the Mikron Technology Group for the business year of 2003:**

CHF million	Accumulated as of the end of the year (01.01. – 31.12.)			▲	
	2003	2002 normalised <sup>1)</sup>	2002	% normalised <sup>1)</sup>	%
<b>Orders</b>	<b>416E</b>	<b>424</b>	<b>442.6</b>	<b>-2%</b>	<b>-6%</b>
Production equipment	269E	280	291.5	-4%	-8%
Components	148E	162	167.9	-9%	-12%
<b>Net sales</b>	<b>434E</b>	<b>398</b>	<b>414.7</b>	<b>9%</b>	<b>5%</b>
Production equipment	285E	266	276.9	7%	3%
Components	157E	135	140.9	17%	11%
<b>Orders in hand</b>	<b>125E</b>	<b>n/a</b>	<b>144.9</b>	<b>n/a-</b>	<b>-14%</b>
Production equipment	102	n/a	120.0	n/a-	-15%
Components	25	n/a	38.0	n/a-	-33%

<sup>1)</sup> normalized by:

- spun-off companies (New Ingenia SA, Axxicon Moulds Faarevejle A/S, Mikron Tunsberg AS, Mikron TecStar LP)

**Only «normalized» volume figures comparable with previous year**

In this media release, the previous year's figures have been adjusted for purposes of comparison by the company sales which have taken place. The whole text refers to normalized figures. The figures have not been adjusted by currency influences. If necessary, attention is drawn in the text to important currency influences.

**Additional questions and management interviews**

CVs and photos of Messrs Rikli and Moser can be found on the web site under:  
<http://www.mikron-tg.com/news/news-photos.htm>

Please contact the Mikron PR department under the telephone number  
 032 321 72 15 or under [mikron.news@ch.mikron-tg.com](mailto:mikron.news@ch.mikron-tg.com) as the contact and co-ordination point.

Further investor relations information can be found on the Mikron web site:  
[www.mikron-tg.com](http://www.mikron-tg.com)

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**Investor relations calendar 2004 of the Mikron Technology Group:**

30 <sup>th</sup> March 2004:	presentation of the annual results for 2003
22 <sup>nd</sup> April 2004:	1 <sup>st</sup> quarter 2004 and annual shareholder's Meeting
24 <sup>th</sup> August 2004:	Half year results
29 <sup>th</sup> October 2004:	3 <sup>rd</sup> quarter 2004

Except for the historical information contained herein, the statements in this press release are forward-looking statements that involve risks and uncertainties.

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