

170 sights
INFORMATION FROM THE COMPANY

Trade shows 2
In-house exhibition
with special Tool Technology show

Products

NEW C 30 U with RS 60

3W C 50 U dynamic - 4-

NEW C 20 U - compact and individual

the large-scale machining centre

Haara

Hermle Machines in a practical test

Gompany 1 Hermle 2005

)ates

METAV Munich April 4 - 7, 2006 hall B6 - stand B9

In-house exhibition Gosheim April 26 - 29, 2006

Die and Mold Shanghai / China May 08 - 12, 2006 hall E2 - stand B018

Metallobrabotka Moscow / Russia May 23 - 27, 2006 hall 2.3 - stand C10

METAV Düsseldorf June 20 - 24, 2006 hall 16 - stand C27

IMTS Chicago / USA September 06 - 13, 2006

MSV Brünn / Czech Republic September 18 - 22, 2006

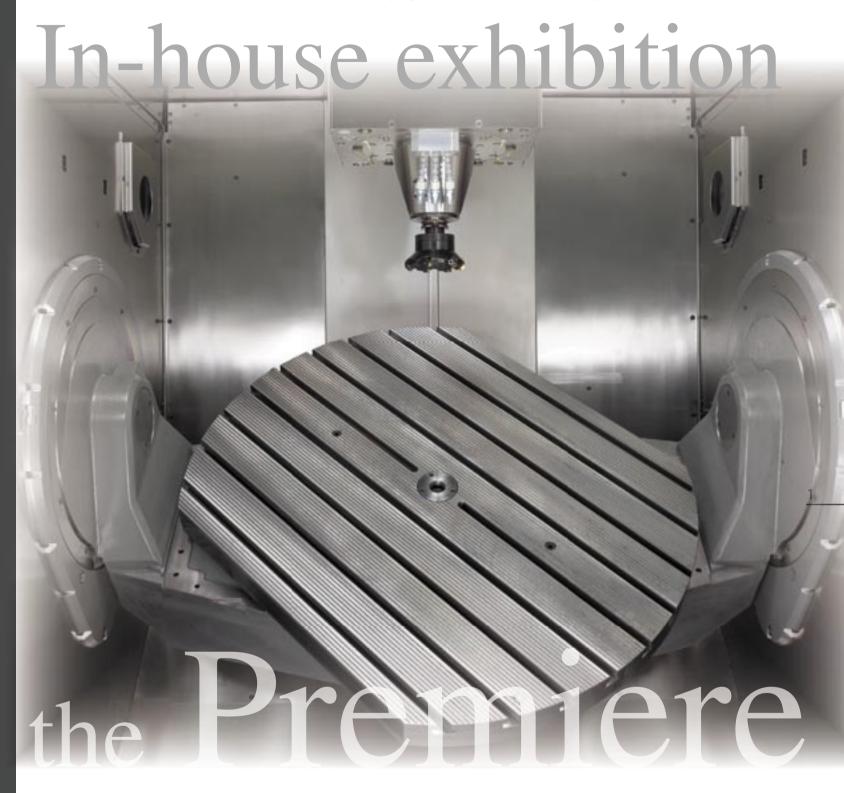
AMB Stuttgart September 19 - 23, 2006

For more participations in trade fairs by Hermle, please go to www.hermle.de

We look forward to seeing you!

To all customers, persons interested, shareholders, employees and friends of company

Edition I. April 2006



dynamic dynamic

C 20 U

RS 60

Fairs

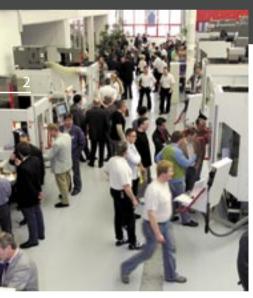
In-hollsten

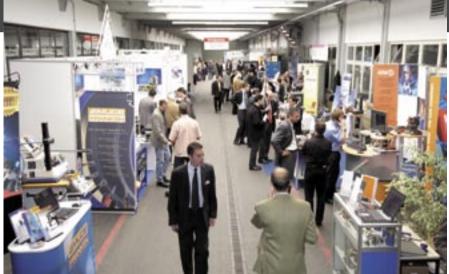
from April 26 to 29, 2006

in the Technology and Training Centre in Gosheim

Daily from 9.00 a.m. to 5.00 p.m. Saturday from 9.00 a.m. to 3.00 p.m.

- Over 20 machines in full protection
- Technical presentations tool steels / product information
- Guided company tours
- Special show featuring many exhibitors from the area of tool technology







Exhibition 2006 - with special tool technology show

The traditional spring exhibition at Hermle AG will be held this year from April 26 - 29 2006 in Gosheim.

Every day from 09.00 a.m. to 5.00 p.m and on Saturday from 09.00 a.m. to 5.00 p.m., the Hermle AG will allow their customers and interested persons to have a look at the assembly and production of Hermle products at the technology and training centre and on guided company tours.

The extensive Hermle machine program will be completed by a special show on more than 700 m² of exhibition area including renowned manufacturers from the field of tool technology. Also exhibiting are the control unit manufacturers Heidenhain and Siemens and many manufacturers of CAD/CAM systems, tool management software and the like.

The topics balancing, shrinking and tool measurement will of course also be shown.

At the technology and training centre, more than 20 machines, more than 90% of which are in the 5-axis design, will be equipped with both automation technology and sector-specific machining options during the four days of exhibition.

The highlights are in particular:

- The new 5-axis large-scale C 50 U dynamic machining centre for processing 2000 kg with 5 axes
- The new 5-axis C 20 U machining centre compact, modular, and automatable
- A 5-axis C 30 U machining centre with RS 60 robot system the robot system for transport weights up to 60 kg
- Other machining centres with interesting processing features
- Special Tool Technology show with over 30 exhibitors

EXPOITOL

Tool Technology BOTEK PRÄZISIONSBOHRTECHNIK GMBH EMUGE WERK-RICHARD GLIMPEL GMBH U. CO. KG HITACHI TOOL ENG. EUROPE GMBH INGERSOLL WERKZEUGE GMBH ISCAR GERMANY GMBH **KELCH & LNKS GMBH** KENNAMETAL GMBH & CO. KG KOMET GROUP GMBH LMT DEUTSCHLAND GMRH MMC HARTMETALL GMBH OSG GMBH PAUL HORN GMBH POKOLM FRÄSTECHNIK GMBH & CO. KG SANDVIK GMBH SCHRENK GMBH / SECO TOOLS SCHUNK GMBH & CO KG WILLY TRAUB GMBH & CO. KG **WOHLHAUPTER GMBH**

Software - CAD/CAM
ALPHACAM GMBH / UGS
CAMPLETE SOLUTIONS INC.
CAMTEK GMBH / PEPS CAD/CAM SYSTEME
CGTECH DEUTSCHLAND GMBH
CIMCO INTEGRATION
COSCOM COMPUTER GMBH
DELCAM GMBH
OPENMIND TECHNOLOGIES AG
SESCOI GMBH
SOLIDCAM GMBH
TEBIS AG
TRANSCAT PLM GMBH & CO KG / IBM
UNICAM SOFTWARE GMBH / MASTER CAM

Control technology DR. JOHANNES HEIDENHAIN GMBH SIEMENS AG

Products

C 30 U with RS 60

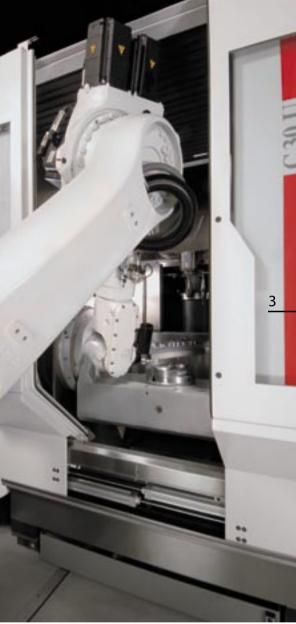
RS robot cell for fully automatic loading and unloading of pallets and components

The Hermle Automation Offensive of 2005 is followed early in 2006 by the large robot cell RS 60, adapted to our C-series. The RS 60 robot system is designed as a modular cell and is created specifically for each customer. Pallets and/or workpieces can be outfed or fed into from the unloading and loading station in the magazine. The pallets are "hooked" in place on a storage shelf in the cell shown here. The advantage of this is that there is room for numerous pallets and pallet size can be selected individually. The robot arm has been arranged so that the machine operator has direct access to the working area at all times through an access door on the side and is even able to intervene in the work process manually. This is part of Hermle's philosophy and is consistently implemented in all robots systems, handling systems, and pallet changers.

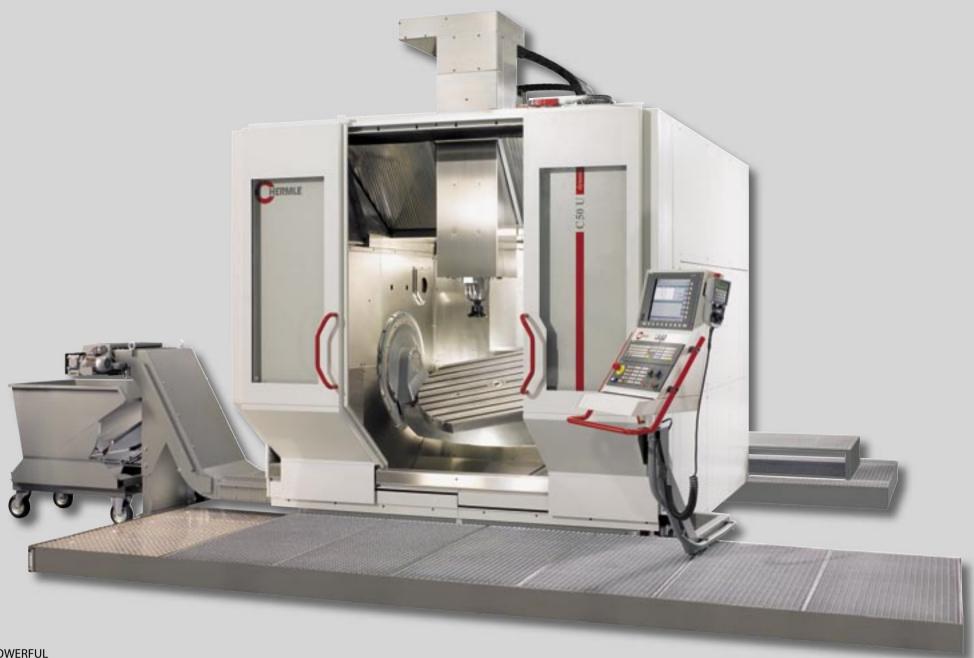


- Fully automatic pallet and/or workpiece loading, i.e. the system can also be configured for flexible pallet handling and direct workpiece handling
- Can be extended to form flexible manufacturing cell or system
- Inexpensive transport and simple installation by means of "hook-ready" designs of the machine, and also of the robot cell
- Can be used 7 days a week in multiple shifts
- Integrated software for flexible order management
- Further processing of the components on the 6th side and/or chamfering, grinding, washing, monitoring, inspecting, testing, etc.
- Customer-specific grippers and/or double gripper solutions
- Set up station for loading and unloading also during the manufacturing process (parallel to core time frame)
- Customer-specific workpiece / pallet storage
- Four transport weight classes 6, 16, 30 or 60 kg
- High system competence through a single manufacturer









POWERFUL

Hermle is opening up new dimensions with the new large-scale machining centre C 50 U dynamic. For tool and mould construction, but also for part manufacturers processing workpieces with Ø 1000 mm at a height of 810 mm and a maximum workpiece weight of 2000 kg with highest precision in 5-axes simultaneously.

Basic machine structure in reliable modified gantry design with optimal main axis support. Tandem drive in the Y-axis for high machine dynamics. Forces are ideally absorbed by three guideways, each with one

Two NC swivelling rotary tables with integrated torque motor (C-axis) and tandem drive

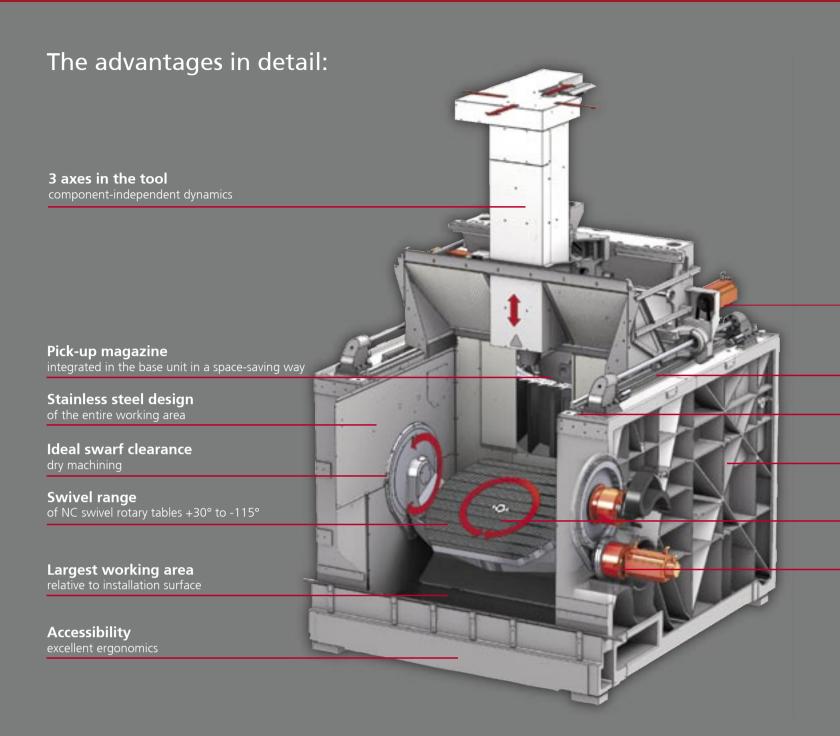
(A-axis). Swivel ranges from $+30^{\circ}$ / -115° for flexible use in the 5-axis sector. High machine dynamics for fast tool changing times and dynamic milling processes, and all that with precision in the single-digit µ range. Proven control unit technology combined with the most modern bus technology for reliable milling strategies.

Useful details such as access platforms in front of and beside the machine, automatic top, chip conveyor, cassette lining with integrated central cable routing, service doors in front of all fluid units, stainless steel covered working area plus options such as internal coolant supply, oil mist extraction, and much more make for ideal use in the manufacturing area.



Technical data:	
Traverse X–Y–Z:	1000-1100-700 mm
Speed:	18.000 rpm
Rapid traverse linear X-Y-Z:	60-60-50 m/min
Control:	iTNC 530 / S 840 D
NC swivelling rotary tables:	
Clamping surface:	Ø 700 mm
Swiveling range:	+30°/-115°
Speed - swivelling axis A:	20 rpm
Speed - rotary axis C:	30 rpm
Maximum table load:	2.000 kg
Clamping surface:	Ø 1150 mm
flattened to:	900 mm
Swiveling range:	+30°/-115°
Speed - swivelling axis A:	20 rpm
Speed - rotary axis C:	30 rpm
Maximum table load:	2.000 kg

dynamic



Tandem drive

for high machine dynamics in the Y-axi

Force characteristics

3 guideways with one guideshoe for ideal force balance

Linear axes

above the working area

Modified gantry design with ideal main axis support

with ideal main axis suppo

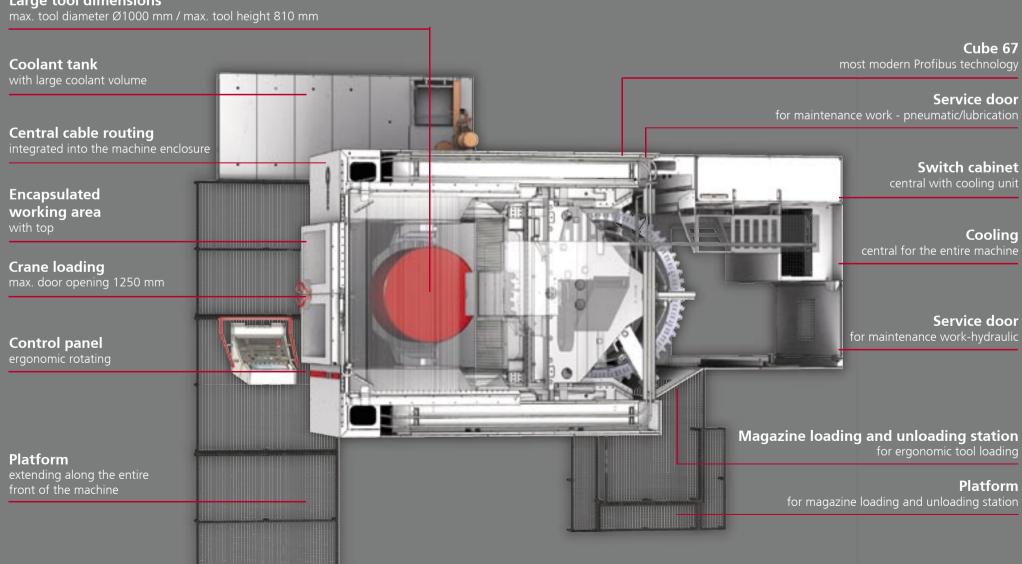
Torque motor (C-axis)

for high dynamics

Tandem drive (A-axis)

prevents torsion with high accuracy

Large tool dimensions



C 20 U - compact



COMPACT

The C 20 U represents a smaller model in the Hermle AG C-series. Modular layout with different types of tables ideal for a range of parts up to 300 kg (5-axes) and 1000 kg (3-axes). Small space requirement with comparatively large traverses in the X/Y/Z-axes. Tool magazine integrated into the basic machine body i with 30 tool pockets.

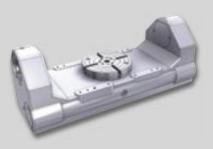
Basic machine structure in reliable modified gantry design. Centre drive in the Y-axis for high machine dynamics. Forces are ideally absorbed by three guideways, each with one guide shoe.

The NC swivel rotating table with swivel ranges of +/- 115°, ideal for 5-axis simultaneous processing. The rigid clamping table with its clamping surface of 800 x 465 mm can receive heavy, bulky workpieces

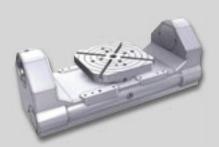
The C 20 U can be expanded with a pallet changer and pallet storage, combined with a chip conveyor, internal coolant supply and an additional tool magazine to form a smart production machine.

Additional automation features are possible for the C 20 with the HS 30 handling system or RS 6 to RS 60 robot system. Of course extensive options are available for a wide range of applications such as graphite processing, carbide machining, etc. .

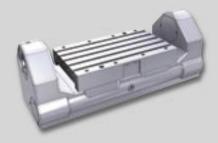
Table variants:



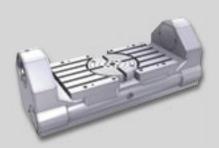
NC swivel rotary table Ø 280 mm



NC swivel rotary table Ø 280 mm with clamping plate (option)



NC swivel rotary table Ø 280 mm with upper clamping plate (option)



NC swivel rotary table Ø 280 mm with adjacent clamping plate (option)



Rigid clamping table 800 x 465 mm

Technical data:

Technical data:	
Traverse X–Y–Z:	600-450-450 mm
Rapid traverses linear X-Y-Z	45 m/min
Speed:	10.000, 16.000, 40.000 rpm
Torque:	up to 200 Nm
Main power:	up to 32 kW
Magazine pockets:	30 pieces
Control:	iTNC 530 / S 840 D
NC clamping rotary table	
Clamping surface:	Ø 280 mm
Swivel range:	+/- 115°
Speed - swivelling axis A:	25 rpm
Speed - rotary axis C:	25 rpm
Maximum table load.:	300 kg
Adjacent table plate (option):	650 x 370 mm
Upper clamping plate (option):	600 x 370 mm
Clamping plate (option):	Ø 450, 370 x 370 mm
Rigid clamping table	
Clamping surface:	800 x 465 mm
T-grooves parellel	7 / 14 H7
Maximum table load:	1.000 kg

The advantages in detail:

3 axes in the tool

Collision protection with collision inquiry

Easy to service ideal accessibility to the auxiliary units

Central drive centrally arranged Y axis main drive

Force characteristics
3 guideways with one guideshoe
for ideal force balance

Linear axes above the working area

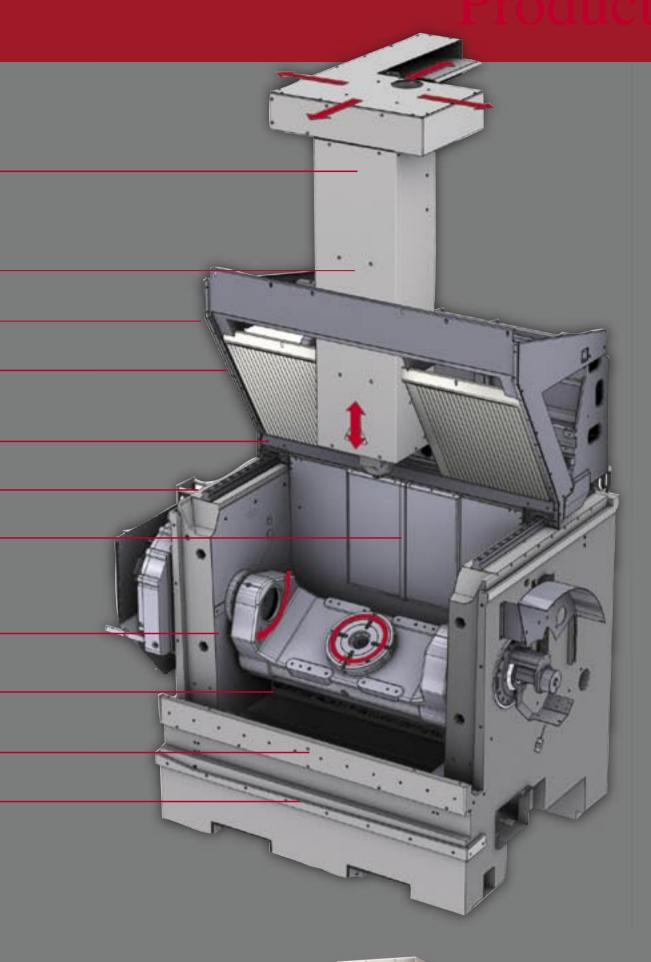
Pick-up magazine integrated in the base unit in a space-saving way

Ideal swarf clearance

Accessibility excellent ergonomics

Modified gantry design with ideal main axis support

Mineral casting excellent vibration damping properties





NC swivelling rotary table	: Ø 280 mm	
Swivel range:	+/-115°	
Pallet dimensions:	320 x 320 / Ø 400 mm	
	400 x 400 / Ø 500 mm	
Number of pallets without storage: 3 p		
Number of pallets with 4-fold storage: 7 pallets		
Transport weight per side including pallet: may 160 kg		



Repeating accuracy < 0,01 mm



5-axis machining centres area at toolcfraft



Toolcraft company president Bernd Krebs in front of a C 30 U

toolcraft

In Dimensionen denken!

Central Activation Field:

5-Axis Milling

Sample case with a representative range of tools related to 5-axis simultaneous/complete machining

Highly complex geometries, ultra-exotic materials, highest precision and shortest action and reaction times - these form the common denominator of company philosophy at MBFZ-toolcraft GmbH, Georgensgmünd, Germany. The slogan "think in dimensions" certainly applies when seen in this way, as the four companies currently belonging to the group combine enormous know-how, creative problem solving competence and much experience in reference to CAD-/CAM technology, digitising technology, 3D programming, precision part manufacturing, 5-axis simultaneous / complete processing and laser labelling. Since the mid 90s, MBFZtoolcraft has been rethinking its philosophy in the direction of "technology as a competitive factor", which is why they became involved in 5-axis machining in 1996. After some initial experiences, company president Bernd Krebs and his employees took a look at the market,

which was then still relatively sparsely occu- centre with a C 600 U. It was followed in 2001 we are technology service providers, actively pied in terms of powerful 5-axis machining centres and learned to know during a trade show the machining centres of Hermle. As the first manufacturer of CNC universal milling machines and CNC machining centres, Hermle had developed a complete new generation of machines especially for multi-axis/ 5-axis complete machining, which promptly created a sensation in markets. Instead of competitors' machines equipped for 4- and 5-axis machining, the concept of multi-axis/ 5-axis complete machining took over with all C-series machines and is still the basis of today's concept. Naturally this greatly improved work speed and accuracy as well as increasing free space for positioning of tools and workpieces. They tried out the system, tested it extensively, found it excellent and decided it was the way of the future. In 1998, MBFZtoolcraft acquired the first 5-axis machining





by a larger C 800 U machining centre and an additional C 600 U. The great success with 5-axis simultaneous / complete machining caused great enthusiasm and was much discussed by customers. In 2003 the company invested in a CNC C 30 U high-performance machining centre, the following year in another C 30 U and in a larger C 40 U sister-unit, and again in 2005 in a CNC C 40 high-performance machining centre. The seven Hermle machining centres still do not represent the end of the run, since corporate group members Formenbau Spalt and YPTI in Indonesia now rely on the machining centres from Gosheim as well. Thus the three locations together are currently using 10 Hermle machines in multi-shift operation. There's a reason for that, as Bernd Krebs explains: "We don't see ourselves as suppliers or even as just an extended workbench. We understand that

solving customers problems from the deve lopment phase through to the preseries or small series phase. Generally we work in the range between 1 and 100 with our part numbers, with prototypes and development parts representing our main business. Thanks to the high-performance machine park with the most modern 5-axis machining centres, we are capable and always prepared to respond quickly to the most demanding requirements and extreme schedules of customers. We have to be able to rely especially on the 5-axis machining centres, which are indispensable for quick conversion. That's why we work in the area of Hermle machines, because of the extreme demands of us and our customers".

www.toolcraft.de



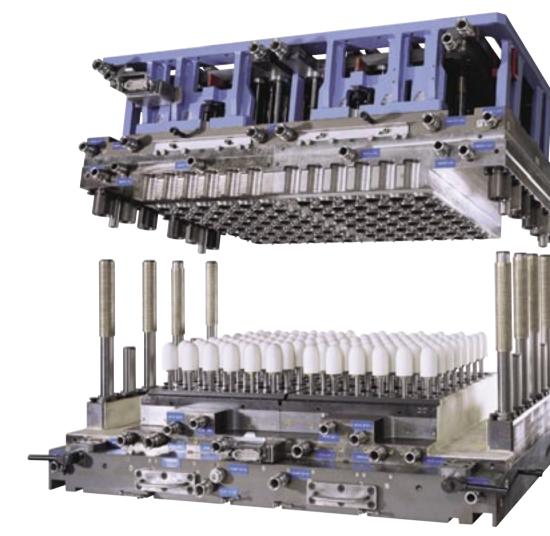
Leap Forward

The technology-based company Marbach Werkzeugbau GmbH, Heilbronn, was founded in 1923 as a tool manufacturing business that produced band steel segments for the shoe industry. Over a good 80 years it developed into a tool manufacturing group active worldwide in the areas of band steel and die cutting systems for folding cartons used for packaging as well as thermoform tools for buckets and containers similar to buckets for filling and packaging a wide variety of products.

Today the entire Marbach Group has 1000 employees, of which 350 work in cutting die technology. The relatively simple cutting dies are manufactured at 15 different locations in Germany, Europe and Asia for their respective regions. On the other hand, tool manufacturing for thermoform tools involves complex tool systems with up to 140 cavities. These tools are only manufactured in Germany. There are also service locations in Poland and the USA. Marbach sees itself as the largest produ-

cer of die cutting tools for the packaging industry in the world, and they claim technology leadership in the area of thermoform tools. These top positions are the result of both creative engineering and know how. They are also the result of the highest toolmaker quality and adequate workshop equipment.

Hans Masche, Director of Operations for Tool Manufacturing in Heilbronn comments: "We invest continuously in the most modern technology, which allows us to offer our customers advantages in both technology and service. Whereas we focussed earlier on manufacturing band steel segment and rotation roller tools, customers are now asking for complete systems for thermoform tools delivered ready to use. Earlier, we were able to concentrate on manufacturing rotation parts because manufacturing of cubic parts played hardly any role at all and was also outsourced in some cases. Today, everything has changed. Demand for complete manufacturing means we have



 $Thermoformwerk zeug \ f\"{u}r\ Becher-kombiniert\ oder\ getrennt\ formend\ und\ stanzend$

with 5-Axis Complete Machining

made a complete turnaround and acquired more competence in cubic processing, and especially in multi-axis complete machining." That led Masche and his colleagues to search for high-performance machining centres for complete multi-axis machining.

Initial milling tests led to the decision to acquire series C 40 U machining centres from Hermle and accordingly two were ordered in 2003. Starting with the strategy, "away from simple turning and on to moulding milling technology" the C 40 U series proved entirely convincing, since it is designed from the ground up for integrated 5-axis complete machining in one clamping operation. With close team work, the company very quickly established a 5-axis milling technology so that more and more orders came in for the two C 40 U machining centres, specifically carbide machining of inserts for cylinder rollers as well as manufacturing of complex shaped aluminium parts for thermoform tools. It

works so well and successfully that Marbach made additional investments in 5-axis complete machining and universal milling processing in 2005. They purchased another C 40 U machining centre with a 420 mm diameter NC swivel rotary table as well as a C 600 U machining centre with a 200 mm diameter rotating clamping device for flexible machining of small workpieces in small to medium-size series. The two machines have the same Heidenhain iTCN 530 control units as their predecessors, which means there is a single control unit standard at Marbach. The current Hermle machine park allows for very flexible usage, according to Hans Masche: "Thanks to 5-axis complete machining, we are capable of meeting our customers needs both technologically and economically. Naturally this represents a competitive advantage for us".

www.marbach.com



Selection of thermoform buckets made of PP, for which Marbach Werkzeugbau GmbH manufactures a wide range of complete thermoform tool systems



Multi-part thermoform tool system with bucket outer contour and flanges to reinforce the base of the bucket



Two-part thermoform tool system

10

Schnurr

Präzisions-Formenbau Precision moulds Kunststoff-Spritzguß Plastic injection moulding



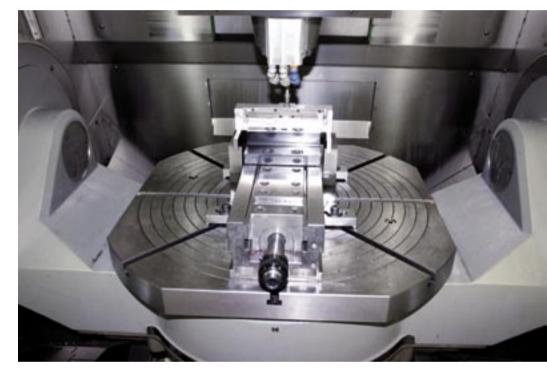


From left to right, Hermann Luckmaier - Director of AV, Helmut Schnurr - Founder and owner of Helmut Schnurr GmbH

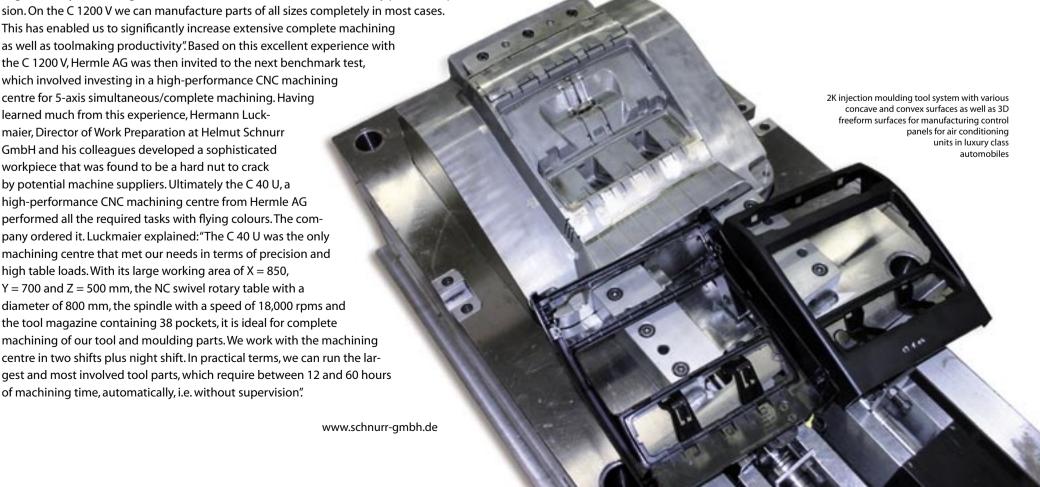
Giving shape to customers' wishes...

When Helmut Schnurr founded a mould and toolmaking business in 1980 in Bischofswiesen in the Southern German State of Bavaria, he may hardly have imagined the company would grow into a mid-sized business with 60 employees. In the beginning, he concentrated especially on mould and tool manufacturing and produced die cutting tools as well as injection moulding tools. Schnurr soon recognised that by specialising in injection moulding and plastic tools, he could find more opportunities for business development and began concentrating entirely on that area of business as early as 1981. This specialisation led to establishing a second entity involved in the production of parts from a wide range of plastics. Thus Helmut Schnurr GmbH, Bischofswiesen became a precision mould building and plastic injection moulding company. The in-house plastic injection moulding facility at Schnurr is not only important for producing precision moulds, it is also the ideal development partner for testing ideas, technologies and detailed/system solutions. Today Helmut Schnurr GmbH also sees itself as a specialist for 2K and multi-component tools, for demanding metal injection moulding and ceramic injection moulding tools and for special tools used to produce silicon mould parts. As a complete supplier, and also for reasons of quality, the company relies on the maximum amount of in-house manufacturing, and has thus developed all its own technologies for milling, turning, grinding, eroding and laser processing, as well as measurement technology, of course. Special attention is paid to milling, since customers are always demanding ever more complex tool systems for function-integrated injection moulding parts, which have also become larger. As a result, we had to acquire larger and more powerful milling machines or machining centres. Company President Stefan Schmid describes the process: "To meet our customers' needs for more complex injection moulding parts and correspondingly larger precision forms, we required ever larger milling machines. We performed extensive tests and were very disappointed with this result or that. Finally we decided in favour of the C 1200 V Universal Machining Centre of Hermle. We found the machine concept and the milling trials fully convincing and the visits to reference customers left a very positive impres-

as well as toolmaking productivity". Based on this excellent experience with the C 1200 V, Hermle AG was then invited to the next benchmark test, which involved investing in a high-performance CNC machining centre for 5-axis simultaneous/complete machining. Having learned much from this experience, Hermann Luckmaier, Director of Work Preparation at Helmut Schnurr GmbH and his colleagues developed a sophisticated workpiece that was found to be a hard nut to crack by potential machine suppliers. Ultimately the C 40 U, a high-performance CNC machining centre from Hermle AG performed all the required tasks with flying colours. The company ordered it. Luckmaier explained: "The C 40 U was the only machining centre that met our needs in terms of precision and high table loads. With its large working area of X = 850, Y = 700 and Z = 500 mm, the NC swivel rotary table with a diameter of 800 mm, the spindle with a speed of 18,000 rpms and the tool magazine containing 38 pockets, it is ideal for complete machining of our tool and moulding parts. We work with the machining centre in two shifts plus night shift. In practical terms, we can run the largest and most involved tool parts, which require between 12 and 60 hours of machining time, automatically, i.e. without supervision".

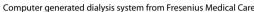


Working area of the C 40 U machining centre with an NC swivel rotary table with a diameter of 800 mm for flexible 5-axis complete machining of tool manufacturing parts in a single clamping operation















Pictures from left to right:

Heater and multifunction blocks made of PP

Ralf Cimander - Director of production for machining and Dietmar Döhner machine operator

C 600 U with handling system HS 30

Economical production of medical parts

From the Hirsch Apothecary founded in Frankfurt in 1462 to today's largest provider worldwide of products and services for dialysis – Fresenius Medical Care stands for the development of medicine and the progress of medical technology like hardly any other company.

The centre of this work is, as it has always been, people and their health. Key areas of emphasis today are dialysis devices, dialysis clinics and accompanying therapies. The most important target group is people with chronic or acute kidney failure. Dialysis systems of Fresenius Medical Care replace the lost functions of the body's own kidneys, thereby saving the patient's life. About 1.4 million people receive regular dialysis treatment today worldwide. The figure grows by about 6% annually. Most of them are connected to a dialysis device 3 to 4 times a week for 4 to 5 hours. It follows that sufficient capacity must be available to meet this demand.

As an internationally leader in dialysis, Fresenius Medical Care produces especially dialysis devices, dialysers (artificial kidneys) and products for dialysis. At two locations in Germany and the USA, 22,000 dialysis machines are manufactured annually. Half of all machines come from the plant in Schweinfurt, while the other half are produced in Walnut Creek California based on assembly kits delivered from Germany. All functions, user convenience and

especially component/device quality are subject to demanding standards. Of course this is an especially important consideration in mechanical manufacturing. As Ralf Cimander, Director of Production for Machining Manufacturing in the Schweinfurt plant notes: "We have a modern CNC machine park with 18 units for turning, boring, and milling. Due to the high number of units processed, we place 30% to 40% of our order volume externally, but we keep the core components of the dialysis device in our own manufacturing. We want to have the expertise available in our own house for processing of critical PP full material." To ensure the required quality and economical manufacturing, the majority of CNC machines are equipped with fully automatic workpiece feeding mechanisms. For drilling/milling processing of heater and multifunction blocks, Ralf Cimander relies on machining centres of Hermle, "because they are able to meet our high demands in terms of performance capability, functionality, flexibility in application and usage, precision and user friendliness".

Currently the plant in Schweinfurt is using a CNC C 800 U machining centre series acquired in 2003, a CNC C 600 U machining centre with automatic workpiece magazine/handling system HS 30 dating from 2001/2002 and a CNC C 30 U high performance machining centre ordered in 2005. The C 800 U machining centre is equipped with an NC swiveling rotary table with a diameter of 280 mm and

an ICS high-pressure coolant system. Workpieces are fed or removed here automatically by industrial robots. The new CNC C 30 U high-performance machining centre also has an NC swiveling rotary table with diameter of 280 mm plus an ICS device and is prepared for fitting with workpiece handling by robot. The C 600 U machining centre occupies a special place with HS 30. It processes orders with high part numbers fully automatically. Ralf Cimander: "We manufacture a good 70 different milled parts from a wide variety of materials involving varying degrees of difficulty. The intensity of the machining also varies. Runtimes range from a few minutes to a maximum of 13 minutes. A maximum of 25 minutes is still required with the conventional machine park, which means we save about 50 % on time by using the Hermle C 600 U and the HS 30 automatic workpiece magazine and handling systems.

This figure vividly illustrates how CNC precision machining centres plus automatic part handling can drastically reduce non-productive times and increase performance. The HS 30 and the robot system also help to protect our jobs, since they allow us to design series manufacturing economically and thus keep it at this location."

www.fresenius.de



Hermle corporate sales rise 10 % in 2005 to 156.1 million Euro



Dear customers, interested persons, shareholders, employees and friends of the company,

I hope very much the positive trend in the German economy continues instead of being whittled away again by negative marginal phenomena. Germany would be well advised not to grow just abroad and thereby run the risk of producing only where there are markets. After all, we have become what we are today in Germany, but that also includes the corresponding general conditions - something that is easily forgotten.

Maschinenfabrik Berthold Hermle AG was able to finish the last fiscal year with a better than expected result and, according to preliminary calculations, further improve orders received, sales volume and bottom line. Orders received company wide for the reporting period climbed around 11.5 % to 160.7 million Euro (previous year 144.1). After an especially difficult start in Germany, demand quickened significantly towards the end of the year, contrary to expectations. Despite the late upswing, orders received in Germany for the entire year were still slightly below the previous year at 81.1 million Euro (previous year 82.4), while new orders outside Germany rose by 29 % to 79.6 million Euro (previous year 61.7). Orders received as of 31.12.2005 came to 30.8 million Euro (previous year 26.1).



Hermle sales volume rose 10 % company-wide to 156.1 million Euro (previous year 142.3). Since the higher volume of orders received first makes itself felt with a delay in sales, sales volume in Germany was 7.5% below the previous year at 76.9 million Euro (previous year 83.1). On the other hand, sales outside of Germany rose 34 % to 79.2 million Euro (previous year 59.2), thus contributing almost 51 % of total volume (previous year 42 %). The additional sales volume in addition to the extremely efficient and flexible company structure of Hermle ensured that the group's annual surplus after IFRS increased 12.3 million Euro to over 16 million Euro. As previously announced, Hermle is also planning on paying a special bonus in addition to the fixed dividend of 0.85 Euro per preferred share and 0.80 Euro per regular share. The supervisory board and management board will advise in May as to the amount of this bonus.

As of the end of the period, 31.12.2005, Hermle employed 647 company-wide, 33 more than one year ago. New positions were created especially in the areas of sales and customer service. The total number included 74 apprentices. The figure was the same last year and represents a high trainee quota of over 11 %.

Capital investment of the Hermle Group increased 23 % in 2005 to 8.0 million Euro (previous year 6.5). Investment centred around construction of a new production hall and the expansion of the shipping centre at the Gosheim location.

We will be presenting our traditional in-house exhibition again this year, and I'm pleased to extend a warm invitation to you today to attend.

New products such as the large-scale machining centre C 50, the compact C 20, and other automation solutions will be presented. You can take a guided tour and see for yourself the results of our investments in 2005. We hope Hermle will convince you and we can establish a long-term partnership to ensure productive cooperation in the future.

Sincerely



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Dietmar Hermle