

Press release

Business year 2009 results

METALL ZUG GROUP: innovative strength helps increase market share

Zug, 15 April 2010 – For the METALL ZUG GROUP, the 2009 business year ended on a good note, despite economic unrest and increased competition. The group generated gross sales of CHF 790.2 million, a drop of only 2.3% compared to the previous year. Due to the positive financial result, the group's net income increased by 125.3% to CHF 71.7 million. The cash flow reached CHF 120.0 million in the reporting year and was significantly higher than in 2008 (CHF 66.8 million).

On the whole, the METALL ZUG GROUP performed well in the 2009 business year despite the global economic crisis. The group was able to acquire additional market shares in key segments. As a result, gross sales remained stable compared to the previous year, at CHF 790.2 million. However, the group's operating income (EBIT) of CHF 61.8 million was 31.7% lower than in 2008 (CHF 90.5 million). The Schleuniger Group was particularly affected by the economic slump and suffered the sharpest decline. Financial market recovery led to a financial result of CHF 22.7 million for the reporting year (previous year: CHF -47.1 million). Despite the somewhat lower operating income, the group's net income thus increased from CHF 31.8 million in 2008 to CHF 71.7 million in 2009 (+125.3%). Due to the higher net income and increased depreciations, the cash flow reached CHF 120.0 million in the reporting year, a considerable increase compared to 2008 (CHF 66.8 million).

Household appliances: growth through innovation

In 2009, the household appliances business unit increased sales revenues by 4.7% to CHF 522.6 million. In particular, V-ZUG AG again acquired additional market shares in a slightly regressing market due to its innovative products, thus further strengthening its leading position in Switzerland. Based on the acquisitions made in the previous year, SIBIRGroup AG improved its market position with the washing and drying sector showing considerable growth, while Gehrig Group AG's sales remained stable in a highly competitive market. The household appliances business unit achieved an operating income of CHF 58.7 million, slightly below the previous year, due to V-ZUG AG's costs for the establishment of international business operations and increased development expenses, as well as integration costs incurred by its subsidiaries.

Infection control: stable sales figures

Last year, the Belimed Group achieved its second-best figures ever for new orders and sales. The group generated sales revenues of CHF 186.1 million, a drop of 4.3% compared to the record year 2008. New orders witnessed a similar decrease of 3%. But although sales figures for the reporting year were favorable overall, Belimed had to report a decreased operating income of CHF 4.4 million. Among other things, this was due to the strong Swiss franc and to product mix changes resulting in low utilization of individual sites in the first quarter. The group was unable to make up this deficit in the latter part of the year.

Wire processing: adjustment of cost structures

The Schleuniger Group was hit hard by the economic crisis in 2009. Sales revenues fell to CHF 85.7 million, a drop of 28.1%, or even as much as 34.3% if the positive impact of the acquisition of Schleuniger Solutions AG (formerly PAWO) is not taken into account. This resulted in an operating loss of CHF 13.1 million, a decrease of CHF 19.1 million compared to the previous year. Due to the sharp decline on the markets, together with the forecast indicating a slow recovery of the markets, the Schleuniger Group had to adapt its cost structures. The related costs for restructuring measures of CHF 5 million were included in the 2009 annual financial statements. For the 2010 business year, the Schleuniger Group expects a positive operating income.

Real estate: a substantial portfolio expansion

In 2009, MZ-Immobilien AG generated a rental income of CHF 23.4 million, which is 10.6% more than in the previous year. This development was aided by the integration of new real estate properties, the consistently high occupancy level of rented properties (99%) and the signing of new rental contracts. The real estate business unit achieved an operating income of CHF 11.8 million. The METALL ZUG GROUP includes the real estate business unit's land and buildings in the balance sheet at historical cost. At the end of 2009, these amounted to

CHF 262.5 million, while the real estate portfolio's corresponding fair values reached CHF 643.4 million. Accounting of real estate properties on the basis of fair values would result in a considerably higher operating income of CHF 32.9 million for the reporting year (CHF +21.1 million) due to positive revaluation effects.

Proposal to pay unchanged dividend

Given the group's positive annual figures, the board of directors proposes the general meeting of shareholders to distribute an unchanged dividend of CHF 20.3 million, i.e. CHF 4.50 per registered share of type A and CHF 45.00 per registered share of type B. In addition, it is proposed that the general meeting of shareholders reduce the term of office of the members of the board of directors from three years to one year.

Changes in the board of directors

With regard to enabling a continuous development of the board of directors in the long term and to diversify the expertise among the board members, it will be proposed to the general meeting that Dr. Peter Terwiesch (1966), Dr. sc. techn. ETH, Chief Technology Officer at ABB Group, and Martin Wipfli (1963), lawyer, Managing Partner of Baryon AG, be elected as new members of the board of directors. To allow gradual renewal of the board of directors, Günter F. Kelm (1940) has decided to resign from his position at the 2010 general meeting of shareholders. The board of directors wishes to thank him for his outstanding commitment and his successful contribution over the last five years.

Outlook for 2010

For 2010, the METALL ZUG GROUP again expects a challenging economic environment. In Switzerland, the overall demand for household appliances is unlikely to increase significantly and competition will become stiffer on international markets. Moderate sales growth and improved results are to be expected from the infection control business unit and the wire processing business unit. Due to the expansion of its portfolio, the real estate business unit will probably also be able to increase revenues. All in all, the METALL ZUG GROUP expects a sales volume of more than CHF 800 million and an operating income in the order of CHF 85 million in 2010.

The METALL ZUG GROUP employs a staff of about 3 000. The holding company METALL ZUG AG is listed in the Domestic Standard at SIX Swiss Exchange in Zurich (registered shares of type B: securities number 3982108, ticker symbol METN). In addition to the Swiss market leader V-ZUG AG, the household appliances business unit comprises SIBIRGroup AG and Gehrig Group AG. The Belimed Group (infection control), the Schleuniger Group (wire processing), MZ-Immobilien AG, Parkhotel Zug AG and ZEW Immobilien AG (real estate) are other members of the METALL ZUG GROUP.

Disclaimer

Please note that any expectations expressed in this press release are based on assumptions. Actual results may vary from those anticipated. This press release is published in three languages. The German version shall be binding.

The annual report 2009 is available in electronic format at www.metallzug.ch.

Upcoming events:

7 May 2010	General meeting of shareholders
17 May 2010	Payment of dividend
30 August 2010	Publication of half-year results

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