

## Press release

2010 half-yearly report of the METALL ZUG GROUP

### Improved results for METALL ZUG GROUP

**Zug, 30 August 2010 – In the first half of 2010, the METALL ZUG GROUP posted gross sales of CHF 397.8 million, representing a year-on-year increase of 9.1%. All business units increased their operating income (EBIT). Overall, the METALL ZUG GROUP reported operating income of CHF 44.2 million, corresponding to a year-on-year increase of 121.3%. Net income rose by 51.2% to CHF 35.1 million.**

In the first half of the year, the METALL ZUG GROUP benefited from the general market recovery, reporting gross sales of CHF 397.8 million, an increase of 9.1%. All business units contributed to the sales growth and improved their operating results compared with the previous year. At the end of the first half of 2010, the METALL ZUG GROUP reported EBIT of CHF 44.2 million, which represents an increase of 121.3% compared with the first half of 2009.

As a result of the correction on the financial and equity markets in the second quarter, the performance of the securities portfolio was significantly lower than in the first half of 2009. In addition, the debt-financed expansion of the real estate portfolio led to an increase in interest expenses. This resulted in a negative financial result of CHF –2.3 million which represents a decline of CHF 11.4 million compared with the previous year.

Net income advanced by 51.2% from CHF 23.2 million the previous year to CHF 35.1 million.

**Household appliances: robust Swiss market**

The household appliances business unit generated a sound result in the first half of 2010, with sales of CHF 264.6 million. This represents a year-on-year increase of 6.7%. V-ZUG AG turned in a particularly positive performance, raising its sales by 9.0%, with the kitchen and laundry appliances making equal contributions to this growth. In addition, V-ZUG AG continued to implement its strategy of expansion into selected foreign markets and is now also represented in Hong Kong and Singapore. Faced with strong price pressure, SIBIRGroup AG was not quite able to match its year-back sales (down 3.5%). Gehrig Group AG was able to substantially expand the textile cleaning and hygiene segments and increased its sales by 2.6% overall.

**Infection control: growth in order intake**

At the end of the first half of the year, the Belimed Group (infection control business unit) had increased its sales by 8% year-on-year to CHF 87.0 million. During the first six months of the year, new orders increased by 21.9% year-on-year, reaching CHF 105.8 million. The German, US and Chinese markets played a particularly important role in this positive trend. With the sale of the silo heating product segment at the end of May 2010, Belimed exited the market for silo heating and cooling systems used in concrete production. The alignment of the Belimed Group's product range is a further step in the implementation of Belimed's focus on its core business as a systems provider in the infection control segment. The alignment will enable Belimed to position itself in a promising growth market.

**Wire processing: clear market recovery**

In the first half of 2010, the Schleuniger Group (wire processing business unit) benefited from a general recovery in all market segments for standard machines. On the other hand, there is so far no indication of an upturn in the late-cyclical project business, where sales and new orders are well below the levels reported in the previous year. Overall, the business unit saw its sales grow by 26.0% to CHF 48.0 million. Order intake also revived significantly and rose by 62.2% to CHF 50.8 million, with the strongest momentum stemming from the Asian region. The North American market also posted considerable growth rates after the severe slump in 2009.

**Real estate: portfolio expansion**

Thanks to continuing high demand for residential, office and commercial properties in Zug, the real estate business unit reported a vacancy rate of less than 1%. In the first six months of 2010, income from properties, hotels and service provision increased by 35.2% year-on-year to CHF 22.4 million. This increase was mainly due to the moves by MZ-Immobilien AG to expand its portfolio. January 2010 saw the opening of the City Garden Hotel in the centre of Zug. The additional hotel accommodation will make it possible to hold larger conferences and seminars at a central location in the Zug area. With ground broken at the "Suurstoffi" site in Rotkreuz in June, MZ-Immobilien AG launched one of the most important development projects in the canton of Zug.

