

Press release

Half-yearly report 2009 of the METALL ZUG GROUP

The METALL ZUG GROUP increases net income

Zug, 31 August 2009 – In the first half of 2009, the METALL ZUG GROUP managed to keep sales (CHF 364.5 million) near the previous year's level and, at the same time, to increase net income from CHF 12.0 million in the previous year to CHF 23.2 million. The operating income (EBIT) decreased from CHF 37.3 million to CHF 20.0 million while the financial result of CHF 9.1 million was clearly higher than in the previous year.

In the first six months, the METALL ZUG GROUP generated gross sales of CHF 364.5 million, thus almost matching the previous year's level of CHF 369.1 million. The group succeeded in holding its ground despite difficult economic conditions. The household appliances business unit and the infection control business unit increased sales, but not surprisingly the wire processing business unit was seriously affected by the economic crisis and reports a rather dissatisfying half-yearly result.

The challenging economic conditions did not stop the METALL ZUG GROUP from continuing to invest considerable amounts in logistics, globalization as well as research and development in order to safeguard the group's future. These investments, along with the fierce competition for new orders and the impact of the ongoing crisis in the automotive industry on the wire processing business unit resulted in a decrease in operating income (EBIT) of CHF 17.3 million or 46.5%.

Due to the recovery of the financial markets, the METALL ZUG GROUP achieved a positive financial result of CHF 9.1 million, thus enabling an increase in net income from CHF 12.0 million to CHF 23.2 million (+ 93.0%), in spite of a lower operating income.

Household appliances: successful new kitchen line

In Switzerland, the construction sector and the real estate industry have so far largely escaped the current crisis. The household appliances business unit recorded a growth in sales of about 3%, even though the competition for customers willing to invest has further intensified. Along with the positive demand for the new FutureLine range in V-ZUG's kitchen sector, the acquisitions of ESCO Schönmann and Novelan AG, both completed in the previous year, encouraged growth.

Infection control: growth in sales compared to a weak previous-year period

Belimed recovered from the slowdown in the corresponding period of the previous year and reports a growth in sales of about 10%, after currency adjustments. The implementation of the global growth strategy begins to take effect – Belimed succeeded in vitally expanding its market position in the Netherlands through the acquisition of Sanamij B.V. and in Germany through the acquisition of the service and spare parts business of BHT Hygienetechnik GmbH. Both acquisitions will be completed and start to affect net income in the second half of 2009.

Wire processing: considerably decreased transaction volume

Despite the positive effects of acquiring PAWO, sales of the entire Schleuniger Group were more than 30% below the corresponding previous year's value by mid-year. Adjusted for acquisition and currency effects, the decrease even amounts to 46%. Only the sales company in China is on track; however, it only marginally affects the overall result. Despite the cost-saving measures already adopted, the Schleuniger Group expects a further loss for the second half-year. In order to prepare for a positive result in 2010, further measures to adapt costs to the lower transaction volume are inevitable.

Real estate: full occupancy of all properties

All of MZ-Immobilien AG's residential properties, office properties and commercial properties are fully occupied. In the first six months, the real estate business unit's income from properties, hotels and service provision increased by 0.4% compared to the previous year. MZ-Immobilien AG's development projects are making good progress. For example, construction of the City Garden Hotel in the immediate vicinity of Parkhotel Zug has started. The new building with 82 additional guest rooms will be ready for occupation in spring 2010.

Expected improvement in the second half-year

For the second half-year, the METALL ZUG GROUP expects an improvement in the results of the household appliances business unit and the infection control business unit compared to the first six months. In addition, the cost-saving measures that have already been taken in the wire processing business unit, as well as the continued favorable development of financial markets, currency exchange rates and commodity prices, are likely to have positive effects on the group. From a present-day perspective, the METALL ZUG GROUP therefore considers it possible to achieve sales of more than CHF 750 million and an operating income of about CHF 60 million for the full year.

The METALL ZUG GROUP employs a staff of about 3 000. The holding company METALL ZUG AG is listed in the Domestic Standard of SIX Swiss Exchange in Zurich (registered shares of type B: securities number 3982108, ticker symbol METN). The household appliances business unit comprises the Swiss market leader V-ZUG AG, 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.

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