

METALL ZUG GROUP

Annual Report Summary 2007

Key Figures

At a Glance

The METALL ZUG GROUP consists of several industrial subsidiaries and companies in the real estate sector. In 2007, with 2' 251 employees, the Group posted consolidated sales of CHF 641.5m (+11.4%).

The main focus of the industrial subsidiaries is on household appliances, which account for 72% of Group sales. Manufactured and distributed by V-ZUG AG, the Group's household appliances hold a leading position in Switzerland's kitchen and laundry markets. The infection control activities, accounting for 28% of Group sales, are incorporated in the

Belimed Group, a full-range supplier of cleaning, disinfection and sterilization equipment.

METALL ZUG AG participation certificates are listed in the local caps segment of the SWX Swiss Exchange in Zurich. The financial reporting of the METALL ZUG GROUP is in compliance with Swiss GAAP FER Accounting and Reporting Recommendations. In line with the directives issued by the SWX Swiss Exchange, the complete Annual Report of the METALL ZUG GROUP (available in German only) contains a chapter devoted to corporate governance.

METALL ZUG GROUP

in CHF millions	2007	2006 ¹	2005	2004	2003
Group sales	641.5	576.1	543.6	513.7	482.7
Group net income	84.6	98.4	82.0	61.5	56.5
Cash flow ²	114.3	119.3	105.2	91.6	87.3
in % of sales	17.8	20.7	19.4	17.8	18.1
Total assets	1' 060	997	894	813	791
Current assets	738	719	613	532	506
in %	70	72	69	65	64
Fixed assets	322	280	281	281	285
in %	30	28	31	35	36
Liabilities	249	228	209	203	233
in %	24	23	23	25	29
Shareholders' equity ³	811	771	685	609	558
in %	76	77	77	75	71
Investments	76.1	33.2	31.6	24.6	19.9
Employees	2' 251	2' 021	1' 956	2' 034	1' 991
Market price per participation certificate (high/low) in CHF	8' 010/5' 440	5' 700/4' 121	4' 368/3' 120	3' 180/2' 355	2' 600/1' 620
Dividend	20.3⁴	20.3	14.6	11.3	8.8

1 The balance sheet 2006 was restated in order to comply with Swiss GAAP FER 2007

2 The cash flow also contains earnings from the real estate business unit

3 Incl. minority interest until 2004

4 Proposed to the annual general meeting

Organization

As of December 31, 2007

	Business Unit Household Appliances	Business Unit Infection Control	Business Unit Real Estate
METALL ZUG AG			
V-ZUG AG, Zug	■		
SIBIR Haushaltstechnik AG, Schlieren	■		
Gehrig Group AG, Ballwil	■		
Hildebrand France S.a.r.l., La Boisse (FR)	■		
Belimed AG, Zug		■	
Belimed Inc., Charleston (US)		■	
Belimed Ltd., Shipley (UK)		■	
Belimed GmbH, Fehring (AT)		■	
Belimed GmbH, Mühldorf am Inn (DE)		■	
Belimed Technik GmbH, Mühldorf am Inn (DE)		■	
Belimed Deutschland GmbH, Mühldorf am Inn (DE)		■	
Belimed d.o.o., Grosuplje (SI)		■	
Belimed Sauter AG, Sulgen		■	
Belimed B.V., Beneden-Leeuwen (NL)		■	
Belimed SA, Ottignies (BE)		■	
Belimed SAS, Sausheim (FR)		■	
Belimed Medical Equipment Co. Ltd, Shanghai (CN)		■	
MZ-Immobilien AG, Zug			■
Parkhotel Zug AG, Zug			■
ZEW Immobilien AG, Oberentfelden			■

All companies are fully consolidated. V-ZUG AG is the mainstay of the METALL ZUG GROUP and the parent company of all the subsidiaries in the Household Appliances business unit. V-ZUG AG has 1' 147 employees and is the market leader in the Swiss kitchen and laundry sectors.

SIBIR Haushaltstechnik AG, with 89 employees, is a one-stop shop, supplying a complete range of appliances for kitchens and laundries, as well as services for other brands.

Gehrig Group AG, established in 2007, resulted from the integration of two acquisitions into F. Gehrig AG. It has 144 employees and is active in the hotel and restaurant sector, where it supplies dishwashing systems and ovens. It specializes in the preparation and processing of food and beverages, and hygiene.

The Belimed Group has 775 employees and focuses on infection control technology for hospitals, research facilities and the pharmaceutical industry. A complete range of cleaning, disinfection and sterilization equipment is manufactured in Switzerland, Germany and Slovenia and distributed worldwide through Belimed's sales subsidiaries and agents.

MZ-Immobilien AG is part of the Group's real estate business unit with 91 employees. It owns prime-location residential and commercial real estate in the center of Zug. The company also offers facility management services for major residential and business complexes and owns the well-known Parkhotel Zug.

ZEW Immobilien AG is the owner of an industrial property.

Consolidated Income Statement

in CHF thousands	2007	2006
Gross sales	641' 494	576' 072
Sales deductions	- 13' 645	- 16' 814
Net sales	627' 849	559' 258
Change in inventories	6' 912	5' 645
Other operating earnings	38' 914	36' 300
Operating earnings	673' 675	601' 203
Cost of materials	- 246' 436	- 215' 884
Wages, salaries and social insurances	- 214' 381	- 192' 814
Depreciation	- 30' 857	- 26' 316
Other operating expenses	- 87' 814	- 71' 961
Operating expenses	- 579' 488	- 506' 975
Operating income (EBIT)	94' 187	94' 228
Financial income	4' 101	16' 575
Non-operating income	2' 512	6' 992
Income before taxes	100' 800	117' 795
Taxes	- 16' 239	- 19' 409
Net income	84' 561	98' 386

Consolidated Balance Sheet

Assets

in CHF thousands	31.12.2007	31.12.2006
Cash and cash equivalents	194' 124	260' 624
Securities	319' 150	269' 512
Trade receivables	81' 063	71' 976
Other receivables	22' 174	11' 720
Inventories	117' 713	101' 101
Prepaid expenses	3' 815	4' 030
Current assets	738' 039	718' 963
Property, plant and equipment, net of depreciation	287' 035	261' 917
Financial assets	32' 682	16' 093
Intangible assets (software)*	2' 222	2' 334
Fixed assets	321' 939	280' 344
Total assets	1' 059' 978	999' 307

Liabilities and shareholders' equity

in CHF thousands	31.12.2007	31.12.2006
Current liabilities*	180' 727	159' 191
Long-term liabilities*	68' 738	68' 682
Total liabilities	249' 465	227' 873
Share and participation certificate capital	11' 250	11' 250
Capital reserves	342' 170	342' 170
Company's own participation certificates	– 15' 600	0
Retained earnings*	472' 693	418' 014
Shareholders' equity	810' 513	771' 434
Total liabilities and shareholders' equity	1' 059' 978	999' 307

* For these balance sheet items values as per December 31, 2006 were restated in order to comply with the new Swiss GAAP FER 2007 regulations.

Business Unit Report

Net Sales to third parties

in CHF millions	2007	2006	Changes in
Household Appliances	449.2	424.5	+ 5.8 %
Infection Control	178.6	134.8	+ 32.5 %
Real Estate	*	*	
Total Net Sales	627.8	559.3	+ 12.3 %

* Sales from Real Estate units are shown as other operating earnings.

Strong sales growth

Against an encouraging economic backdrop, gross sales were up by CHF 65.4 million, or 11.4%, to CHF 641.5 million. Organic growth stood at 9.8%. ATPM SA, the FCC Group AG and the operative business of Hildebrand AG, which were acquired in the course of the financial year, contributed 1.6% towards the increase. Operating profit (EBIT) stood unchanged at CHF 94.2 million, despite the sharp increase in material cost, higher expenditure in connection with major investment projects and non recurring cost in the real estate sector. The net result was down by 14.1% to CHF 84.6 million. This was accounted for by an inferior financial result and lower non-operating income than in the previous year.

Household Appliances

Initial successes with exports

In a positive, but stiffly competitive market environment, V-ZUG AG posted yet another year of record sales in 2007. Once again, the highest growth rates were achieved with steamers, where the top-of-the-line model is the Combi-Steam SL. With a market share of around 40%, V-ZUG is the undisputed Swiss market leader. On 22 August 2007, the groundbreaking ceremony took place for the new logistics center on the V-ZUG AG premises in Zug. The company also reported its first successes with exports. In Russia and Western Europe, for instance, sales were up markedly, and the USA took its first delivery of appliances. The position of SIBIR Haushaltstechnik AG (household technology) was strengthened by organizational changes. F. Gehrig AG took over the FCC Group AG in Glattbrugg and the operative business of Hildebrand AG in Aadorf. These two acquisitions signal the seriousness of Gehrig's continued focus on the hotel and restaurant business. The company is now known by its new name, Gehrig Group AG.

Infection Control

Belimed Group reports another sharp increase in sales

With sales rising by 29% to CHF 184 million, Belimed Group operations developed very encouragingly. There were double-digit increases in turnover for all segments, the pharmaceuticals segment posting the biggest improvement. Incoming orders were likewise up. Regionally speaking, the 61% rise in sales in the USA was the largest. Sales in 2007 were driven mainly by the Belimed Group's geographic expansion, which was in turn made possible by the outstanding quality of the Group's products. Particularly noteworthy were the sales increases in Spain, Eastern Europe (especially Russia), Asia and the Pacific rim, and in China, where a new branch was founded. In the fourth quarter, the Belimed Group took over ATPM SA, a French-owned distribution and customer service company. Overall, the Belimed Group created more than 100 new full-time jobs.

Real Estate

Favorable new agreements

MZ-Immobilien AG rented business and residential properties for third parties, affiliated companies and from its own real estate holdings. Good conditions were negotiated for all new agreements for office and retail space. Parkhotel Zug AG's performance figures showed a further improvement on its record year in 2006.

Acquisition of the Schleuniger Group

In January 2008, the METALL ZUG GROUP took over the internationally active Schleuniger Group, which will now form the new Wire Processing business unit. Schleuniger is one of the world's leading companies in the development, production and distribution of wire and cable stripping and crimping machines. The acquisition will only be reflected in the Group's financial statements for 2008.

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The complete Annual Report 2007 including Corporate Governance and Financial Report is available in German and can be downloaded at www.metallzug.ch. The German version is binding.

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 **ZUG** MINAIRCOMFO