



Metall Zug Group

Half-year Report 2012

The Metall Zug Group generated sales totaling CHF 407.0 million for the first half of 2012 (previous year: CHF 409.5 million). Owing to the difficult economic environment and increasing pressure on prices, operating income (EBIT) fell by CHF 16.3 million to CHF 25.1 million. The financial result was up on the previous year's figure, standing at CHF 2.9 million (previous year: CHF -9.9 million). Overall, net income was at CHF 21.1 million (previous year: CHF 24.2 million).

Metall Zug Group with stable sales despite pressure on prices

In the first half of 2012, the Metall Zug Group succeeded in generating sales totaling CHF 407.0 million (previous year: CHF 409.5 million). While the situation on the currency markets has eased somewhat with the strengthening of the US dollar against the Swiss franc, foreign market players nevertheless continue to enjoy the benefit of a euro cost structure. The difficult economic environment and resulting pressure on prices have left a mark on the three industrial business units of the Metall Zug Group – particularly in the case of household appliances. As a result, operating income fell from CHF 41.4 million in the same period of the previous year to CHF 25.1 million. At CHF 2.9 million, the financial result was higher than in the previous year (previous year: CHF -9.9 million). Net income came in at CHF 21.1 million; CHF 3.1 million lower than on the previous year's level of CHF 24.2 million.

Household appliances business unit: Swiss market is becoming increasingly competitive

The Swiss construction industry remained in good health in the first six months of this year. The domestic market for household appliances continued to grow in terms of volumes sold. However, the size of the market as a whole is declining in Swiss francs due to increased pressure on prices. The business unit was able to maintain its position in this fiercely competitive environment, generating sales of CHF 269.3 million (previous year: CHF 271.0 million). This was in large part due to V-ZUG and its world-exclusive "Steam Finish" technology for dishwashers and "Vacuisine" technology for steamers, among other factors. Although the business unit was able to defend its price basis more successfully than its peers, operating income was down 38% to CHF 18.7 million (previous year: CHF 29.9 million). Despite the increased pressure on margins, investments to enhance competitiveness continued at a high level. The export business experienced positive development,

with Australia once again posting solid growth. In addition, V-ZUG continues to step up its investments in other markets, in its innovative product range and in technology leadership.

Construction activity in Switzerland remains strong and, thanks to its top quality appliances, V-ZUG is very well positioned. The household appliances business unit is therefore confident of achieving sales in the 2012 financial year on a par with the previous year.

Infection control business unit: Maintains position in challenging environment

The Belimed Group (infection control) also faced considerable price and cost pressure in the first half of 2012. The Group nevertheless succeeded in generating modest growth. Compared with the previous year, it posted sales of CHF 88.0 million (previous year: CHF 87.6 million). The operating loss of CHF -5.7 million was CHF 2.7 million higher (previous year: CHF -3.0 million). Since mid-2011, the Belimed Group has launched a number of measures aimed at sustainably boosting efficiency. For example, the new factory building in Slovenia is progressing according to plan and is scheduled for completion in autumn 2012. New orders rose 7% year-on-year to reach CHF 107.1 million.

The Belimed Group tends to generate higher sales in the second half of the year. Given this fact, and in view of the good order situation, a sales figure for 2012 as a whole that matches the previous year's level seems a realistic prospect.

Wire processing business unit: North America wins back orders

In the first half of 2012, global demand for high-precision wire processing machines stagnated. Asia and Europe, in particular, lost momentum. North America,

on the other hand, demonstrated solid growth. Production capacities in the wire processing industry, which had previously been outsourced to Asia, are now being built up in North America again. As a whole, the Schleuniger Group reported a decline in sales of –2.7% (–3.6% when adjusted from currency translation effects) to CHF 51.2 million (previous year: CHF 52.6 million). Operating income fell 35% from CHF 7.1 million to CHF 4.6 million. At CHF 52.1 million, order intake was 5% down on the previous year.

In spite of the challenging economic environment, the Schleuniger Group continues to build on its market strengths. In part owing to its good positioning in North America, the Schleuniger Group expects sales in the second half of 2012 to match those of the previous year.

Real estate business unit:

Income from rents and services increases

The financial report of the Metall Zug Group for the first half of 2012 includes the former real estate business unit (now Zug Estates Holding AG) in the overall result. The revenues reported in the income statement as other operating revenue rose in the first half of 2012 from CHF 24.7 million to CHF 26.0 million. Operating income climbed from CHF 7.4 million to CHF 7.5 million.

Spin-off of the real estate business unit a success

At the general meeting of June 22, 2012, the shareholders of Metall Zug AG approved the proposal of the board of directors to spin off the real estate business unit from the industrial business and to operate it as an independent listed company. Since July 2, 2012, the former real estate business unit of the Metall Zug Group has been listed on SIX Swiss Exchange under the name of Zug Estates Holding AG (type B registered shares, securities number 14 805 212, ticker symbol ZUGN). In addition to the regular cash dividend, the following

book values were distributed to shareholders in the form of ZUGN shares:

| in CHF thousands | Zug Estates Holding AG |
|-------------------------|------------------------|
| Current assets | 128 723 |
| Fixed assets | 383 793 |
| Current liabilities | –11 766 |
| Non-current liabilities | –261 890 |
| Net assets | 238 860 |

Outlook

The Metall Zug Group expects the market environment to remain challenging in the second half of 2012.

In particular, pressure on prices and thus also on margins is likely to continue. Nevertheless, the Metall Zug Group still expects sales to remain stable. Operating income is expected to be in the order of CHF 64 million.



Jürgen Dormann
Chairman of the
board of directors



Dr. Jürg Werner
Chief executive
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Metall Zug AG

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Key figures at a glance

Metall Zug Group

| In CHF million | 06/30/2012 | 06/30/2011 |
|---|-------------|-------------|
| Gross sales ¹⁾ | 407.0 | 409.5 |
| Net sales | 398.1 | 400.0 |
| Operating revenue | 431.1 | 435.5 |
| Operating expenses | -406.0 | -394.1 |
| Operating income (EBIT) | 25.1 | 41.4 |
| in % of gross sales ¹⁾ | 6.2 | 10.1 |
| Financial result | 2.9 | -9.9 |
| Income before taxes | 27.9 | 31.5 |
| Net income | 21.1 | 24.2 |
| in % of gross sales ¹⁾ | 5.2 | 5.9 |
| Consolidated cash flow | 50.8 | 51.2 |
| in % of gross sales ¹⁾ | 12.5 | 12.5 |
| Investments (excl. financial assets) | 62.1 | 49.9 |
| Employees | 3 198 | 3 148 |

| In CHF million | 06/30/2012 | 31/12/2011 |
|-----------------------------|--------------|----------------|
| Current assets | 647.7 | 754.7 |
| Fixed assets | 300.3 | 625.3 |
| Current liabilities | 214.5 | 191.2 |
| Non-current liabilities | 68.1 | 333.6 |
| Shareholders' equity | 665.3 | 855.2 |
| as % of total assets | 70.2 | 62.0 |
| Total assets | 948.0 | 1 380.0 |

¹⁾ Gross sales do not include the revenues of the real estate business unit.

Business units

| In CHF million | Net sales to third parties | | Operating income | | Operating profitability | |
|----------------------|----------------------------|--------------|------------------|-------------|-------------------------|------------|
| | 06/30/2012 | 06/30/2011 | 06/30/2012 | 06/30/2011 | 06/30/2012 | 06/30/2011 |
| Household appliances | 262.2 | 263.0 | 18.7 | 29.9 | 7.1% | 11.4% |
| Infection control | 85.9 | 85.2 | -5.7 | -3.0 | -6.6% | -3.6% |
| Wire processing | 49.9 | 51.8 | 4.6 | 7.1 | 9.3% | 13.6% |
| Real estate | * | * | 7.5 | 7.4 | * | * |
| Total | 398.1 | 400.0 | 25.1 | 41.4 | | |

* Net revenues from the real estate business unit of CHF 25.8 million (previous year: CHF 24.7 million) are reported as other operating revenue and not as sales. The total operating margin has no informative value for the real estate business unit.

Values per registered share of type B

| in CHF | 06/30/2012 | 06/30/2011 |
|---------------------------------|------------|------------|
| Shareholders' equity | 1 478 | 1 842 |
| Net income (six months only) | 48 | 55 |

General

The Metall Zug Group's unaudited interim financial statements as per June 30, 2012 were prepared in compliance with Swiss GAAP FER 12 and on the basis of acquisition values. The exchange rate at the balance sheet date is uniformly applied to balance sheets while the average exchange rate during the period under review is used for income statements. The principles of consolidation and valuation are unchanged compared to the previous year. The half-year report is published in German and English. The German print version shall prevail.

Changes in the scope of consolidation

Pursuant to the resolution of the general meeting of June 22, 2012, the real estate business unit was spun off. The assets and liabilities of the real estate business unit (see page 3 for details) are no longer a component of the consolidated balance sheet as at June 30, 2012. The income statement for the first half of 2012 includes the figures for the spun-off business unit and is comparable with the previous year. Effective May 1, 2012, Schleuniger Holding AG acquired a 35% ownership interest in the German company DiIT AG. Valuation was carried out using the equity method.