

Press release dated April 3, 2014

Metall Zug Group: Sales and Earnings Growth in 2013

Zug, April 3, 2014 – The Metall Zug Group closes the 2013 financial year with a gratifying result. The innovative range of products and services offered, together with the efficiency enhancement programs in all three business units, led to a significant strengthening of Metall Zug's position. Gross sales rose by 6.1% to CHF 908.6 million. Operating income improved to CHF 69.8 million.

The Metall Zug Group performed well in the 2013 financial year, going from strength to strength despite challenging conditions and persistently high price pressure. Gross sales were up 6.1% to CHF 908.6 million (previous year: CHF 856.4 million). Excluding the contribution from acquisitions (+1.4%) and the currency effect (-0.1%), gross sales rose by 4.8%. The Infection Control Business Unit and Wire Processing Business Unit both achieved marked improvements in their results, even though one-time costs arose in connection with the ongoing restructuring at Infection Control and an acquisition at Wire Processing. Overall, the Metall Zug Group achieved gratifying operating income (EBIT) of CHF 69.8 million (previous year: CHF 66.6 million). Excluding the one-time effect on personnel expenses of CHF 6.3 million in the previous year and the prior-year contribution of CHF 7.5 million from the Real Estate Business Unit, this translates into a rise of 32.0%. The financial result increased to CHF 70.2 million in the year under review (previous year: CHF 8.4 million) and net income doubled to CHF 124.1 million (previous year: CHF 61.5 million). The Metall Zug Group has a sound balance sheet. Equity increased to CHF 747.8 million, or 75.3% of total assets (previous year: CHF 692.0 million or 72.5%), and the net cash position at year-end 2013 stood at CHF 415.8 million (previous year: CHF 349.6 million).

When comparing these figures with the previous year's business units' results, it must be borne in mind that the "Corporate" segment is being disclosed as a new reporting segment for the first time; alongside the costs of the central corporate functions which were previously assigned to the Household Appliances Business Unit, this reporting segment also includes V-ZUG Immobilien AG, which was also previously assigned to the Household Appliances Business Unit.

Household Appliances: Market Leadership Consolidated

For the Household Appliances Business Unit, which includes V-ZUG, manufacturing the whole range of products in Switzerland, 2013 was a year dominated by hefty margin and price pressure once again. V-ZUG was able to consolidate its market leadership in the domestic market thanks to numerous resource-efficient product innovations with extended functionality. Once again, sales of appliances rose year on year.

The continuing expansion of the international business in the year under review was devoted to consolidation in those countries in which V-ZUG is already active, and to preparations for market entry in Turkey and China. In the coming years, efforts to tap into selected foreign markets will be stepped up. SIBIRGroup grew once again and Gehrig Group succeeded in improving its operating income, following a difficult year in 2012. Gross sales by the Household Appliances Business Unit were up 4.0% to CHF 579.4 million (previous year: CHF 556.9 million). Excluding the acquisition of the refrigeration equipment business (1.6%), this is equivalent to organic growth of 2.4%. Despite being negatively impacted by investments in the internationalization of V-ZUG, operating income (EBIT) reached CHF 54.2 million, thus improving by CHF 2.1 million compared with the figure for the previous year (CHF 52.1 million), which was adjusted for purposes of comparison. This basis for comparison takes into account the one-time effect of CHF 6.3 million on V-ZUG AG's personnel expenses in 2012 and the rent increase of CHF 3.8 million in 2013, which brought the amount paid by V-ZUG AG for renting properties from V-ZUG Immobilien AG up to the market level. The latter was previously reported in the Household Appliances Business Unit but is now included in the "Corporate" reporting segment.

Infection Control: Realignment on Schedule

Further progress was made in restructuring Belimed in the year under review. With its Medical, Pharma and Service segments, Belimed currently has three business units that are ideally geared to their client base.

The plant in Slovenia has helped boost productivity significantly. The current programs to enhance efficiency in the value chain and the reworking of various products are being resolutely pursued but continue to have an adverse impact on the Belimed result. Gross sales were up 10.8% to CHF 221.1 million (previous year: CHF 199.6 million). Taking into account the currency effect of 0.6%, gross sales in local currencies rose by 10.2%. Despite the burden of ongoing project and restructuring costs, Belimed markedly improved its operating income (EBIT) to CHF 0.7 million (previous year: CHF – 8.8 million).

Wire Processing: Excellent EBIT Growth

The measures introduced in 2012 to broaden the customer base, extend the product range and optimize processes have made their mark. Furthermore, there were significant productivity improvements at the Radevormwald site in Germany, where cost reductions were achieved in the various business processes as a result of an efficiency enhancement program. Schleuniger performed well in the core markets for wire processing machines. The trend in business with key accounts in the automotive industry was gratifying. In addition, thanks to the partnership with TELSONIC, Bronschhofen (Switzerland), Schleuniger has reinforced its competence in ultrasonic welding solutions and, thanks to the acquisition of the business of Tianjin Haofeng Electrical Equipment Co., Ltd., taken an important step in its target market of China.

Overall, Schleuniger increased its gross sales by 7.6% to CHF 110.9 million (previous year: CHF 103.0 million). Excluding the acquisition (+2.7%) and the currency effect (-1.7%), this is equivalent to a rise of 6.6%. Operating income (EBIT) rose by a notable 70.1% to CHF 15.0 million (previous year: CHF 8.8 million).

Good Financial Result

When the Real Estate Business Unit was spun off in 2012, shareholders were distributed one Zug Estates Holding AG share for each Metall Zug AG share. Furthermore, Metall Zug AG received 60,000 type B registered shares in Zug Estates Holding AG, following a capital increase at the latter company, in order to put up a cash component for the spin-off. The sale of the larger portion of these shares in the year under review and the revaluation of the remaining shares made a major one-off contribution to the financial result of CHF 70.2 million. The special dividend paid to shareholders in May 2013 marking the occasion of the double anniversary reflects this one-off effect attributable to the spin-off of the Real Estate Business Unit. Income and gains from securities held invested in connection with asset management mandates also made a pleasing contribution to the financial result thanks to positive developments on the capital markets.

Dividend Increase

Thanks to the gratifying result and continuing growth opportunities, the Board of Directors will propose to the General Meeting of Shareholders of May 2, 2014, the distribution of a dividend of CHF 6.10 gross per type A registered share and CHF 61.00 gross per type B registered share. Following the previous year's special anniversary dividend of CHF 14.00 gross per type A registered share and CHF 140.00 gross per type B registered share, this is equivalent to an increase of 10.9% compared to the ordinary dividend for the 2011 financial year (CHF 5.50 gross

per type A registered share and CHF 55.00 gross per type B registered share). In addition, Metall Zug intends to raise the previous payout ratio from around 20 – 30% of net income to 20 – 40%.

Amendments to the Articles of Association

The Board of Directors proposes that the Articles of Association be revised so that the new legal requirements of the Ordinance against Excessive Remuneration in Listed Companies can be implemented immediately despite the two-year transitional period. It also proposes other amendments. The latter include entering shareholders in the share register, so that legally required evidence can be provided.

Outlook

The Metall Zug Group expects the market environment to remain challenging in 2014. In particular, the pressure on prices is unlikely to ease. In 2014 the Metall Zug Group will continue to implement its growth and internationalization strategy and to optimize its business processes systematically. If there are no significant changes in the market environment and the currency situation, operating income should be slightly higher in 2014 than it was in 2013.

Key Financial Figures

In CHF million	2013	2012	Change
Gross sales	908.6	856.4	+6.1%
Operating income (EBIT)	69.8	66.6	+4.8%
Operating income (EBIT) prior year adjusted	69.8	52.8	+32.0%
Financial result	70.2	8.4	+739.5%
Net income	124.1	61.5	+101.6%
Cash flow from operating activities	162.3	113.0	+43.6%
Total assets	993.3	954.7	+4.1%
Consolidated equity	747.8	692.0	+8.1%
Equity ratio	75.3%	72.5%	
Net income per type B registered share (EPS) in CHF	275.7	136.8	+101.6%
Number of employees	3,507	3,233	+8.5%

About the Metall Zug Group

The Metall Zug Group focuses on its three core businesses and is managed as an industrial group. It is headquartered in Zug and has a staff of over 3,500 employees. The Household Appliances Business Unit includes the Swiss market leader V-ZUG AG, SIBIRGroup AG and Gehrig Group AG. The Infection Control Business Unit is represented by the Belimed Group, and the Schleuniger Group makes up the Wire Processing Business Unit. The holding company Metall Zug AG is listed in the Domestic Standard of SIX Swiss Exchange, Zurich (type B registered shares: securities number 3982108, ticker symbol METN).

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 German and English. The German version takes precedence.

The Annual Report is available in electronic format at www.metallzug.ch.
Path: www.metallzug.ch

Key Dates

May 2, 2014	General Meeting of Shareholders
August 25, 2014	Half-year results

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The new 2013 annual report is available in electronic format at www.metallzug.ch/report
The media release is available at www.metallzug.ch/media.