

Press release: first figures for the 2009 business year (consolidated but unchecked)

HOCHDORF group: stronger in the future

Hochdorf, 26 January 2010 – In the last business year, the HOCHDORF food stuffs group processed the second largest quantity of milk in its history. At 320 million kg of milk, the quantity is about eleven per cent less than in the previous year (at just 360 million kg). The consolidated gross turnover is CHF 360.8 million (previous year: CHF 392.5 million; -8.1%). The reduced turnover is mainly due to the lower milk and cream prices as well as the sale of business areas that are no longer part of core business.

Lest we forget: The 2008 business year saw record figures in the areas of gross turnover and milk processing. The gross turnover increased by 19.7% and the processed milk quantity went up by 21.8% compared to 2007. So the bar was set high. The figures are somewhat lower for the 2009 “crisis year”, in which the epochal system change also took place in the milk market. However, a gross turnover of CHF 360.8 million and a processed milk quantity of 320 million kg meant that the HOCHDORF group still achieved the second highest values in its history and, in terms of sales volume, it was even a record year.

Milk price has strong influence on gross turnover

The reduction in consolidated but unchecked gross turnover is due to the sold business areas “infant formula in jars” and “sugar coating” (turnover reduction of CHF 8 million) as well as the significantly lower milk and cream prices and the resulting drop in sales prices. The price for contractually-ordered milk was about 23 per cent lower at the end of 2009 compared to the previous year (62 cents as of 31.12.2009 vs. 81 cents as of 31.12.2008). This price difference can explain the CHF 50 million reduction in gross turnover. In summary: the HOCHDORF group has achieved organic growth and increased its market share despite lower prices overall. This can also be seen in the volume of finished products sold. They increased by 5.4% to 90,680 tonnes compared to the previous year’s 86,047 tonnes. This was also due to the sale of the relatively large milk powder warehouse at the beginning of 2009. There would have been a turnover plus of over 6% with the milk price and the divestment adjusted.

Globalised food stuffs industry

In the 2009 business year, the HOCHDORF group undertook intensive preparation for the growing process of globalisation and openness in the food stuffs industry. This is shown by the focus on core business and the construction of the new tower line 8. The new focus meant that over the course of the year three business areas “infant formula in jars”, “sugar coating” and “Top Cup” were given up. However, the costs of these restructuring measures and further exceptional costs will impact on the company performance for 2009. Staffing levels fell by around 60 people at the end of the year to 370 (previous year 431).

Optimistic and in a strong position for the future

The HOCHDORF group can look to the future with confidence, and from a position of strength, thanks to the focusing, optimisation and restructuring measures it has implemented in 2009. A particular and crucial goal for 2010 is to get the spray tower line 8 in Sulgen working to capacity as soon as possible. The high capacity target should be attainable on the basis of contracts agreed and enquiries taken so far. The HOCHDORF group is therefore expecting a more than satisfactory business year in 2010.

The HOCHDORF group, based in Hochdorf, achieved a consolidated gross turnover of CHF 392.5 million in 2008. It is one of the leading foodstuffs companies in Switzerland, employing 402 full-time staff as of 31.12.2008. Made from natural ingredients such as milk and wheat germ, HOCHDORF products have been contributing to our health and wellbeing since 1895 – from babies to senior citizens. Our customers include the food industry, the retail industry, bakeries and the catering trade. Our products are sold in over 60 countries. The HOCHDORF group is quoted on the Bern stock exchange.

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Important dates

Annual Media Conference: Thursday 7 April 2010 in Hochdorf

General Meeting: Friday 7 May 2010 in Hochdorf

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