

HOCHDORF Group press release for the first 4 months of the year 2009

HOCHDORF Group shows slight growth in turnover

Hochdorf, 12 May 2009 – The HOCHDORF food stuffs group has made a good start to the new year. Milk production stabilised at a high level. In the first four months of the year, HOCHDORF processed a total of around 130 million kg of milk (-4.8% compared to the previous year). Additional contracts were sealed in the baby food area and construction of the spray tower line 8 is on schedule.

In the first four months of this year the HOCHDORF group processed 129.1 million kg of milk, just slightly under the figure reached in the same period last year. By committing itself to a project aimed at relieving the pressure on the milk market, HOCHDORF is playing its part in achieving market stabilisation. The international market prices for skimmed and full-cream milk powder have shown a slight increase in recent weeks – the first signs of market recovery.

In the first four months of the year, the HOCHDORF group achieved a non-consolidated gross turnover of CHF 140.5 million (+4.4% compared to the previous year). This was achieved despite a slightly lower price level. Sales in kilogrammes showed a correspondingly higher increase: A total of 34'556 tonnes of products were sold (+9.0% compared to the previous year).

New contracts in the baby food area

HOCHDORF Nutricare AG managed to conclude interesting new contracts in the baby food area. Thanks to its Egyptian partner Liptomil, the HOCHDORF group delivered to the United Arab Emirates and Qatar for the first time. An agreement was signed with a fourth partner to strengthen our position on the Chinese market. Nutricare has also recently joined forces with the Italian company BioPharm to deliver baby food to various African countries.

Large investment on target

The HOCHDORF group is investing approximately CHF 60 million in various investment projects at its Sulgen location. A substantial amount of this figure is going on the spray tower line. Construction work is currently on schedule to allow baby food production to go ahead in January 2010, subject to various test runs.

The HOCHDORF group is preparing for a possible agricultural free trade deal with greater investment and increased efficiency projects. Process efficiency and effectiveness were increased by a range of new measures. The closure of the Steinhausen site announced in February is also on schedule.

We remain cautiously optimistic

Consumer confidence is at its lowest ebb in years according to the Consumer Confidence Index, and the danger is that the cautious approach adopted by consumers will make itself felt across the food stuffs industry. However, demand for baby food and top-quality food stuffs remains high. For this reason, the HOCHDORF group sees grounds for «cautious optimism» in the current financial year. Thanks in part to its high equity ratio (54.6% at the end of 2008) and its high liquidity, the HOCHDORF food stuffs group is well-placed to weather the current economic crisis.

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The HOCHDORF group, based in Hochdorf, achieved a consolidated gross turnover of 392.5 million CHF (+19.7% compared to the previous year). It is one of the leading foodstuff companies in Switzerland, employing 402 full-time staff as at 31 December, 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's shares are traded on the Berne stock exchange and are distributed among over 1,100 shareholders. The annual general meeting takes place on 15 May 2009 in Hochdorf.

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