

HOCHDORF Group Press Release for the Annual General Meeting of 9 May 2014

Dividend increase to CHF 3.20 confirmed

Hochdorf, 9 May 2014 – **The 325 shareholders in attendance at the HOCHDORF Holding Ltd. Annual General Meeting approved all the motions submitted by the Board of Directors. The dividend increase to CHF 3.20 was therefore accepted, as was the recommended capital increase by a nominal CHF 4.5 million, which is equivalent to 450,000 registered shares at a nominal value of CHF 10.0.**

The AGM was led by Hans-Rudolf Schurter, outgoing Chairman of the Board of Directors of HOCHDORF Holding Ltd., and a total of 325 shareholders with a total of 515'125 votes (66.9 per cent of the votes) were in attendance. The ballot was conducted electronically for the first time. These and other changes were undertaken in the context of the "Ordinance Against Excessive Compensation in Listed Stock Corporations" (VegüV) that came into effect on 1 January 2014.

All the motions tabled by the Board of Directors were endorsed by the shareholders. The 2013 Annual Report, group accounts and annual accounts for HOCHDORF Holding Ltd. as of 31 December 2013 were all ratified and the actions of the members of the Board of Directors were approved. Furthermore, the capital increase requested by the Board of Directors from CHF 9 million to CHF 13.5 million share capital in the form of approved capital was also accepted.

Dividend increase

The shareholders also voted in favour of the request to provide a dividend of CHF 3.20, which is a dividend increase of CHF 0.20 per registered share. As in previous years the dividend will be paid out of capital investment reserves. The dividend will be paid out on 16 May 2014.

Changed conversion price of the conversion loan

In accordance with point 4.5.4 of the terms and conditions of the HOCHDORF Holding Ltd. conversion loan, the conversion price for the conversion loan will be adjusted in the context of the higher dividend with effect from 13 May 2014. The new conversion price is now CHF 123.80 (previously CHF 124.00). A bond of CHF 5,000 nominal value can be converted, exempt from charges and at any time up to and including 12 May 2016 or up to five working days before the time of an early repayment, into registered shares of HOCHDORF Holding Ltd. at the new conversion price of CHF 123.80.

Elections

A new Board was elected this year in accordance with the Group's statutes. Each member was only elected for a period of one year in office, in line with the Ordinance Against Excessive Compensation in Listed Stock Corporations (VegüV). Meike Bütikofer, Josef Leu, Urs Renggli and Anton von Weissen-

The HOCHDORF Group, based in Hochdorf, achieved a consolidated gross sales revenue of CHF 376.1 million in 2013. It is one of the leading foodstuff companies in Switzerland, employing 362 staff as of 31.12.13 (338 full-time staff). 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. Its customers include the food industry and the wholesale and retail sectors and its products are sold in over 70 countries. The shares are traded on the SIX Swiss Exchange in Zurich (ISIN CH0024666528).

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fluh were confirmed in their roles as members of the Board of Directors. Josef Leu was also elected as the new Chairman of the Board of Directors. Dr Walter Locher, Niklaus Sauter and Prof. Holger Till were all elected as new members of the Board of Directors.

The shareholders also voted Anton von Weissenfluh (chairperson), Josef Leu and Niklaus Sauter onto the Compensation Committee. Dr. Urban Bieri was elected as independent proxy for the period up to and including the 2015 Annual General Meeting. The AGM also confirmed Ernst & Young AG, Lucerne, as the new auditing agency for the same period of time.

Well-earned retirement

The Annual General Meeting respectfully confirmed the retirement of Hans-Rudolf Schurter (Chairman of the Board of Directors) and Rolf Schweiger (Board of Directors). Hans-Rudolf Schurter and Rolf Schweiger are retiring after 18 and 12 very active years respectively. Both have devoted considerable time to the HOCHDORF Group during their time in office and led the Group through some very intensive changes.

Review and outlook

The HOCHDORF CEO, Dr Thomas Eisenring, outlined the main strategic objectives for 2014 – 2018 and explained the reasoning behind the request for a capital increase. He highlighted the very successful start made by the HOCHDORF Group in the new business year: "In the first three months of the year we have significantly exceeded both projected turnover growth of around 10 per cent at Group level and the nominal EBIT value." As one example, the Group processed 114.1 million kg of milk, whey and permeate in the months January to March (previous year: 96.9 million kg; +17.8%).

HOCHDORF Group key figures (unchecked)

CHF (thousands)	Jan-March 2014	Jan-March 2013	Change
Gross sales revenues	111,578	88,317	+26.3%
Gross results	24,053	19,979	+20.4%
Earnings before interest, tax, depreciation and amortisation (EBIDTA)	6,379	2,419	+163.7%
as % of production revenue	5.4	2.6	
Earnings before interest and tax (EBIT)	4,585	451	+916.0%
as % of production revenue	3.9	0.5	
Company results	3,439	-1,687	n.a.
as % of production revenue	2.9	-1.8	
Earned capital (cash flow)	6,032	1,294	+366.2%
as % net sales revenue	5.48	1.48	

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