Hügli Holding AG
Bleichestrasse 31
CH-9323 Steinach
www.huegli.com

Media Release 27 January 2010, 7.30 am: Sales 2009

Increased organic sales growth in H2
Pleasing increase in earnings

The Hügli Group recorded sales totaling CHF 390.4 million in financial year 2009. This corresponds to a growth rate in local currencies of 4.0%, while a downturn of 2.6% was recorded in CHF as a result of currency translation. Stronger revenues and earnings in the second half of the year mean that the increase in EBIT and profit will be higher than the forecast 10% year-on-year.

Sales growth by geographic regions and customer segments/divisions is broken down as follows:

Sales 2009	CHF million	Growth in CHF	Growth in local currencies
Germany	204.7	-4.7%	+0.1%
Switzerland/Rest of Western Europe	132.9	-0.6%	+5.1%
Eastern Europe	52.8	+1.2%	+16.8%
Group total	**390.4**	**-2.6%**	**+4.0%**
Food Service Division	160.8	-3.0%	+2.2%
Private Label Division	83.9	-3.9%	+4.3%
Industrial Foods Division	72.1	+2.1%	+11.4%
Health and Natural Food Division	53.4	-3.4%	+1.4%
Other	20.2	-7.0%	-2.3%
Group total	**390.4**	**-2.6%**	**+4.0%**

Despite the continuing poor economy, the Hügli Group succeeded in lifting organic sales growth from +2.7% in the first six months to +4.1% in the second half of the year, which means that organic sales growth over the year as a whole was +3.6%. Volume growth totaled 1.1%. A further +0.4% was due to an acquisition. The negative impact of the weak Euro, British Pound and Eastern European currencies totaled a high -6.6%, which led to the disclosed downturn of 2.6%. In view of the poor underlying conditions and the strategic segment adjustments, we believe that the organic sales growth, which we worked hard to attain, is an excellent result.

All of the **Group's geographic segments** enjoyed positive growth, the largest segment, *Germany*, which is key for the Hügli Group's success, recorded high sales growth of +11.6% in 2008. 2009 was a year of consolidation, during which less profitable sales were foregone in order to increase earnings. Sales in the first six months were down -2.2%, however the strong second half resulted in sales for 2009 as a whole being up slightly year-on-year.

The segment *Switzerland/Rest of Western Europe* grew by a pleasing +5.1% in local currencies. In particular the UK company Contract Foods, which was acquired in February 2008, was a strong growth driver. Hügli entered the Italian market in mid-2007 by acquiring Ali-Big, and worked hard to grow its business on this market, however sales and earnings growth are not yet satisfactory. Hügli Switzerland was able to increase its earnings again compared to the excellent results in the previous year. Sales growth in *Eastern Europe* accelerated in the second half of the year, which resulted in a pleasing increase of +16.8% in local currencies for the year as a whole. However, the weak Eastern European currencies (Czech Crowns, Hungarian Forints and Polish Zloty) compared to Swiss Francs meant that the increase in CHF was only 1.2%.

Sales in the divisions which process the individual **customer segments**, and which have an international structure, were all up-year-on-year with the exception of the "Other" group.

The *Food Service* division, which sells products to hotels, restaurants, caterers, hospitals and other away-from-home institutions, recorded organic sales growth of 2.2% thanks to stronger growth in the second half of the year. We believe that this is an excellent result in view of the economic headwind, in particular in the sectors linked to tourism and corporate catering. Food Service continues to be the Hügli division with the highest sales and with strong sales organizations in eight countries that provide end consumers with direct support.

Sales in the *Private Label* division, which sells products to major retail companies under their own brands, soared by high 24.3% last year. However, in 2009 the focus was on increasing income by streamlining the product range and customer structure. Sales in Western Europe were down slightly, however Eastern Europe enjoyed excellent growth, with a result that sales for the entire division were up 4.3% in local currencies. The trend to products with a favourable costs/benefits ratio is providing additional impetus for this division.

Sales in the *Industrial Foods* division, which sells finished and semi-finished products to the food industry, enjoyed a clear organic upswing of +9.2% year-on-year. A high level of expertise and the rapid realization of customer requirements allow this division to competently use the general outsourcing trend, which is also to be found in the food industry.

The *Health and Natural Food* division, which sells products to the European organic and whole food store sector, successfully defended its very high market share in Germany and was also able to lift its exports by a pleasing amount. However, the unpleasant economy caused the key German market to suffer from a certain degree of unwillingness to accept higher-priced premium products. However, sales were still up by 1.4% in local currencies. Over the longer term, we believe that the trend to organic products has not been interrupted.

As already mentioned in the introduction, our activities which are geared to increasing sales and earnings over the long term already started to bear fruit in the second half of the year. That is why, in our H1 report, we slightly surpassed the sales we had forecast of CHF 385 million despite the renewed deterioration in exchange rates. This figure totaled CHF 390.4 million, and we are also forecasting EBIT and profits to grow more strongly than the 10% that we forecast in August 2009.

Our medium-term objectives have not changed. Our strategy has also proved to be successful in difficult times, and we have an excellent team of highly qualified, motivated employees to put this into practice – at a profit. On average, we aim to continue to record sales growth of at least 5% with an above average increase in earnings.

Detailed information on financial year 2009 and our forecast for 2010 will be published at the media and analysts' conference on 15 April 2010.

For further information please contact:
Andreas Seibold, CFO, Tel. +41 71 447 22 50, andreas.seibold@huegli.com

Financial diary

15 April 2010	7.30 a.m.	Media Release: Annual Report 2009
	10.30 a.m.	Media/Analysts' Conference, Widder Hotel, Zurich
19 May 2010	4.30 p.m.	General Meeting, Seeparksaal, Arbon
13 August 2010	7.30 a.m.	Media Release: Half-Year Report 2010

www.huegli.com
The Hügli Group is one of the leading European companies for the development, production and marketing of dried mix products such as soups, sauces, stock, ready-to-eat meals, desserts and functional food. Hügli has more than 1,300 employees in 9 countries, who provide a direct link between Hügli and its customers, and generate annual sales of around CHF 390 million. Hügli is headquartered in Steinach, Switzerland, and records more than 85% of its sales abroad.

The original of this Media Release is written in German. The German version prevails.