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High sales growth 2015, affected by currencies

- ... Sales climbed by **+10.8%** in local currencies, **+3.4%** thereof in organic sales
- ... Currency losses of nearly **-10%** have negative impact
- ... Sales of CHF 378.3 million stand **+0.4%** above previous year, despite currency losses
- ... Most important market Germany maintains strong growth dynamics
- ... Earnings forecast 2015: EBIT due to currency losses slightly below previous year's level
- ... Outlook 2016: moderate organic sales growth, slightly over-proportional EBIT increase

| Sales 2015 | million CHF | Change to previous year | |
|----------------------------|--------------|-------------------------|--------------|
| | | in CHF | organic |
| Food Service | 149.0 | -7.8% | +2.7% |
| Private Label | 78.5 | +1.4% | +14.5% |
| Brand Solutions | 55.5 | -1.1% | +8.0% |
| Food Industry | 32.7 | -10.8% | -10.5% |
| Consumer Brands | 62.2 | +39.5% | -5.9% |
| Other | 0.5 | | |
| Group total | 378.3 | +0.4% | +3.4% |
| Germany | 233.3 | +1.9% | +6.1% |
| Switzerland/Western Europe | 117.2 | -0.6% | -1.6% |
| Eastern Europe | 27.7 | -7.9% | +4.5% |
| Group total | 378.3 | +0.4% | +3.4% |

Swiss Franc revaluation annihilates sales growth in local currencies

Hügli achieved organic sales growth of +3.4% in 2015. This increase is mainly due to higher sales volumes, the price effect was +0.4%. While sales in absolute terms were higher in the second half of the year (H2) than in the first (H1), sales growth declined from +5.6% in H1 to +1.3% in H2 2015. The reason was the previous year's very strong base, which was further improved by a sales increase of +5% in H2 2014. The acquisition of granoVita/EDEN as per 01.01.2015 provided an additional sales plus of CHF 25 million or +6.7% year-on-year, respectively. The integration of the newly acquired brands' sale organisation was completed by the end of 2015 and production synergies as well as the expanded product portfolio are already bearing fruit.

Hügli saw 2015 severely affected by the drastic revaluation of the Swiss Franc in mid-January, especially against the Euro, with a change of -12% in the financial year 2015. Because more than 80% of Hügli Group's sales are not realised in Swiss Francs, the lower exchange rates depress recorded sales by CHF 36 million or by around -10%, respectively. At the same time, more than 80% of Group costs also not occurred in Swiss Francs as Hügli produces mostly outside of Switzerland. The main impact of foreign currency losses thus results from Hügli's international subsidiaries' translation of sales and earnings to Swiss Francs (translation losses).

Private Label Retail and Brand Solutions sales divisions on the rise

The Private Label sales division (food retail organisations) saw a particularly dynamic development, its most significant growth spurts occurring in H2 2014 (+19.7%) and H1 2015 (+22.7%). In the second half of 2015, growth slowed down to +7.7%, generating an increase of +14.5% for the entire year 2015. The customer structure, which mainly comprises large food retailers, along with the frequent listing and delisting typical of this business field place high demands on the company's flexibility and the competitiveness of its products.

After three very satisfactory years with an average growth of +10%, the Brand Solutions division (products for brand companies) again achieved a remarkable sales gain of +8.0%. Products of organic quality were still in high demand.

Food Industry in the slipstream of key accounts

The Food Industry division was affected by changes suffered by key accounts. This impact and the insourcing of production of some key accounts as well as customers' distinct market downturns caused production volumes to drop. Based on a portfolio adjustment we also gave up customer orders with an insufficient gross margin. Overall, these effects resulted in a sales slump of -10.5%. Our well-filled product pipeline, on the other hand, raises our confidence in the business development in 2016.

Market success for Food Service – except in Switzerland

Food Service, the largest division, achieved a total organic sales growth of +2.7%. Intensively working the market, our sales teams in Germany and our Eastern European countries (Czech Republic, Slovakia, Poland, Hungary) generated over-proportional increases. This success is owed to longstanding experience in the out of home market and a product line that is precisely tuned to customer needs and culinary expertise. In Switzerland, however, Hügli was faced with a considerable downturn in sales due to the strong Swiss Franc and its mostly heavy impact on the diminishing base of gastronomy customers at tourist destinations and regions close to the Swiss border.

Consumer Brands affected by decline in trade goods

The Consumer Brands division specialises in the production and sale of own brand products and sells trade goods under its own brands. The impact of market changes and competitive pressure on this non-strategic product range significantly slowed down sales, resulting in a sales decrease of overall -5.9%. While fully occupied with integrating the newly acquired brands granoVita and EDEN, the division invested considerable effort – since November 2015 under the management of a new division head – in realigning the product line and sales channels, thus safeguarding Hügli's future participation in the over-proportionally growing market for organic, vegetarian and vegan foods.

Sustained strong growth dynamics in Germany

Germany, the largest country segment, once again distinguished itself with a high growth rate of +6.1% that follows the rates of +7.3% and +4.9% achieved in the previous two years. This increase is mainly owed to the Private Label division but also to Food Service and Brand Solutions. The geographic segment Switzerland/Rest of Western Europe suffered a drop of -1.6%, which mainly results from the economic consequences of the Swiss Franc revaluation and the subsequent loss in sales in Switzerland. Austria and the UK came to



stand above the previous year's figures. The segment Eastern Europe achieved a remarkable result with +4.5% in local currencies owing to all countries' continued excellent performance in Food Service.

Earnings situation 2015 – currency losses annihilate operating performance

Although the main effect of currency loss due to the revaluation of the Swiss Franc accumulates through the translation of earnings attained in foreign currencies, Hügli Switzerland is also prone to transaction losses (exports) and the depression of earnings caused by the strong Swiss Franc's economic consequences (sales losses, price reductions). At Group EBIT level, currency loss thus clearly exceeds -10%. The profit contribution achieved in operating terms by organic sales growth and the already profitable acquisitions, that could have clearly increased EBIT at Group level had foreign currency rates remained constant, was overcompensated by the currency losses. EBIT and net profit 2015 are therefore expected to lie slightly below the previous year's level.

Outlook 2016

For the year 2016, we anticipate moderate sales growth alongside a slightly over-proportional EBIT increase.

Detailed information on the financial year 2015 (Annual Report) and the sales of Q1 2016 will be published and commented at the media and analysts' conference on 13 April 2016.

Financial calendar

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|----------------|------------|--|
| 13 April 2016 | 07.30 a.m. | Media Release: Annual Report 2015 / Sales Q1 2016 |
| | 10.30 a.m. | Media / Analysts' Conference, Widder Hotel, Zurich |
| 25 May 2016 | 04.30 p.m. | Annual General Meeting, Seeparksaal, Arbon |
| 19 August 2016 | 07.30 a.m. | Media Release: Half-Year Report 2016 |

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Further financial information, information on corporate governance and on the Hügli share listed on the SIX Swiss Exchange (HUE / security no. 464795) can be retrieved from our Investor Relations website:
<http://www.huegli.com/en/investor-relations>

Translation: The original of this Media Release is written in German. In the case of inconsistencies between the German original and this English translation, the German version shall prevail.

Hügli – Culinary expertise. Creativity. Speed.

Hügli was founded in Switzerland in 1935. Today, it is one of the leading European companies for the development, production and marketing of dry blends in the convenience segment such as soups, sauces, bouillons, ready to serve meals, desserts, functional food as well as Italian specialities. Hügli caters to the kitchens of the professional out of home market (Food Service), manufactures products for brand companies (Brand Solutions) as well as for food retailers (Private Label). With its flavour-adding semi-finished products, Hügli partners with food manufacturers (Food Industry) and sells own brands, mostly of organic quality, to consumers (Consumer Brands). More than 1'400 employees in 9 countries link Hügli directly with its customers, and generate annual sales of over CHF 370 million.