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Hügli (Hügli Bearer Share: HUE, securities no. 464795) moves to the SIX Swiss Exchange Local Caps segment (Domestic Standard) and will adopt new financial reporting standard Swiss GAAP FER as of the financial year 2009

Hügli has decided to change its financial reporting standard from IFRS (International Financial Reporting Standards) to Swiss GAAP FER (Swiss Accounting and Reporting Recommendations). Both financial reporting standards apply the same conceptual framework and the Hügli Group will continue to publish its consolidated financial statements according to the true and fair view principle. The change of the financial reporting standard will entail only very few modifications in the financial reporting. Wherever they conform to Swiss GAAP FER, the principal accounting and valuations methods as well as disclosures will still be used. The main modification required by the new standard is the valuation of goodwill and intangible assets gained through acquisitions. Swiss GAAP FER requires that goodwill is either depreciated over generally 5 years or offset against equity at the date of acquisition. In order to allow comparability of the Group's income statement Hügli will net goodwill retroactively with equity while disclosing all information on a theoretical recognition in the notes to the consolidated financial statement (acquisition value, book value, depreciation and impairments, if any). All basic reporting information will therefore be preserved. The change to Swiss GAAP FER effective as of the financial year 2009 will probably lead to a decrease of approximately 6% points in the Group's equity ratio and to a slight increase of Group profits by about CHF 0.6 million. Thanks to a favourable operational profitability, the equity ratio of 41.4% (IFRS) as presented at 31 December 2008 is anticipated to return to the range of solid 40% (Swiss GAAP FER) even after a decrease due to the effects of the change at the end of 2009. As the change of financial reporting standards solely constitutes a so-called non-cash item, it does not affect any of the operating cash flows.

The main reason for the change to Swiss GAAP FER is the increasing complexity of IFRS prescriptions that conform less to essential principles of financial reporting and a genuine, also intuitively comprehensible clarity and more to a formalised and exceedingly detailed regulation. This development is expected to aggravate with the anticipated convergence with US GAAP as from 2014. Furthermore, the detailed disclosure requirements also increase the risk of business secrets being revealed, which can have a negative impact on the competitiveness of smaller and medium size companies. Such information often does not enhance the investors', analysts' and creditors' comprehension of a company's financial position and profitability. On the contrary, competitors that are not obliged to comply with similar disclosure requirements may gain a competitive advantage from this information and decrease our profitability. The decision was taken based on thorough discussions with experts. It was determined that IFRS yields no significant added value for neither the Group's management nor its stakeholders, but entails continually rising costs. The change to Swiss GAAP FER therefore holds clear advantages.



With the change of financial reporting standards the Hügli Holding AG bearer share (HUE, securities no. 464795, ISIN CH0004647951) will now be listed under the SIX Swiss Exchange Local Caps Segment (new designation as from 1 July 2009: Domestic Standard). The segment change is likely to take place in August 2009 following the approval by the SIX Swiss Exchange. The share will continue to be traded as before and will remain in the Swiss Performance Index SPI. The Domestic Standard also lists international companies such as Emmi, Bell, Vetropack or Conzzeta, and in the past few months Gurit, Bosshard and Cham Paper Group have as well changed to Swiss GAAP FER.

Further details on the change will be published on 14 August 2009, 07:30 a.m., along with the half-year report 2009. The half-year report will include the consolidated financial statements as of 30 June 2009 in accordance with IFRS, and at that time also precise information on the effects of the change to Swiss GAAP FER as of the financial year 2009, as well as restatements for the financial figures' comparability.

For further information:

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The Hügli Group is one of the leading European groups that operate in development, production and marketing of dry blends such as soups, sauces, bouillons, dry ready meals, desserts and functional foods. More than 1300 employees in 9 countries connect Hügli directly with the customers, and achieve annual sales of about CHF 380 million (GBP 220 million). Hügli is headquartered in Steinach, Switzerland and generates more than 85% of its sales outside of its home country.