



## **PRESS RELEASE FOR IMMEDIATE PUBLICATION**

### **HERO LOOKS BACK ON A GOOD YEAR**

**Lenzburg, March 21, 2003 – Hero was able to complete a successful 2002. A strong focus on branded business, the acquisition of Schwartau and other businesses all contributed to a clear improvement in profitability.**

Earnings before interest and taxes (EBIT) rose by 61.7% to CHF 144.9 million. The operating margin – for the first time in excess of 10% - increased by 1.3 %-points to 10.3%. Net income rose by 67.6% to CHF 69.3 million. Total net sales grew by 17.5% to CHF 1,386 million. Despite a weak economy and a poor Christmas season, organic growth of 2.7% was achieved.

The return on capital employed improved by 3.6 percentage points to 15.8%. In spite of heavy acquisition activities, net debt fell by CHF 60 million to CHF 368 million. Operating cash flow rose by 82% to CHF 182.2 million.

2002 can be characterized as a year of strategically important acquisitions and divestitures. The group has been able to significantly strengthen its strategic positioning as a result of the acquisition of majority shareholdings in Schwartauer Werke and Egypt's Vitrac, as well as the foundation of a new joint venture in Turkey with Ülker. Business in the group's core categories developed positively in almost all markets; non-core businesses, such as the Dutch Industrial business, were successfully divested.

Stefan F. Heidenreich, Chief Executive Officer of the Hero group commented: *"From a strategic and financial perspective, we are on the right track. Our strong brands enable us to focus on growth and international expansion."*

The Board of Directors will recommend to the Annual General Meeting, to be held on April 30, 2003, an unchanged dividend of CHF 4.75 per share. This corresponds to 35% of the year's net income.

Further information can be obtained from:

**Hero**

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**About Hero**Hero (Swiss Exchange: HER) is an international consumer foods group with a clear focus on branded products. Its key categories are fruit-based spreads, cereal bars, baby food and baking & decorating products. Hero is the European market leader in Europe in fruit-based spreads, and the global market leader in baking & decorating products. Hero achieved total sales in 2002 of CHF 1.386 billion. Hero - with its headquarter are in Lenzburg (Switzerland) - employed during 2002 approximately 4,500 people in more than 12 countries.