Statement regarding the article published in the NZZ on 18.11.2019

Berne, 18.11.2019. On 18 November 2019, the "Neue Zürcher Zeitung" (NZZ) published an article criticising the areas of Do228, Business Aviation and Military Aviation (NH90) and the relevant divestment activities at the Munich-Oberpfaffenhofen site in Germany. For RUAG, it's important to clarify the following:

- On 15 March 2019, the Federal Council decided to transform the internationally active part of RUAG into an aerospace group comprising the core aircraft structure construction and space, among other measures. The RUAG Board of Directors was instructed to divest all units not belonging to these two areas. This also affects the Do228, Business Aviation and Military Aviation business units at the Oberpfaffenhofen site (near Munich). RUAG has started the sales process and is in discussions with interested parties. RUAG has always provided the owner with regular and transparent information on the status of its business activities and divestments. The NZZ headline suggests the opposite.

- The article paints an inaccurate picture of the business situation in Oberpfaffenhofen. Business performance in the areas of Do228 maintenance and NH90 helicopter inspection is positive. In addition, results in business jet maintenance have improved considerably in recent years. Only in the area of Do228 production has there been a decline in performance.

- Since the completion of the first NH90 inspection in spring 2019, RUAG has continuously carried out inspections on NH90 machines and has thus quickly grown into an OEM-independent and reliable supplier of NH90 MRO services. RUAG expects orders to double over the next few years.

- RUAG particularly denies the allegation that over the years excessive invoices have been issued to the Swiss Air Force for the maintenance of its aircraft fleet. The Swiss Federal Audit Office (SFAO) found no manipulation in the accounting entries and certifies that RUAG is conducting itself in accordance with its contractual obligations.

- RUAG also denies the statements that it "negotiated a sale of the division with Chinese investors" and that "the plans were outdated". The statement that RUAG is not "dependent on profits from the commercial business" is also unfounded.

- When estimating the costs of a possible discontinuation of the business, the NZZ refers to documents dating from 2015, i.e. before the unbundling decision was taken. RUAG also notes that the amounts stated are based on estimates by third parties. The company has never published information on these scenarios, nor has it ever given figures.

- RUAG signed a sales contract with Venezuela for ten Do228s at the end of 2013. This contract is still valid and RUAG strictly adheres to it. Not all contractual obligations have been fulfilled yet on both sides. RUAG is in discussions with representatives from Venezuela. The SFAO reviewed the business in 2017 and found no contractual liabilities on the part of RUAG – contrary to what was reported in the media.

This statement may be found here: https://www.ruag.com/news

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RUAG develops and markets internationally sought-after technology applications in the fields of aerospace, security and defence for use on land, in the air and in space. Of RUAG's products and services, 56% are destined for the civilian market and 44% for the military market. The Group is headquartered in Berne, Switzerland. It has sites in Switzerland and 14 other countries in Europe, the USA and Asia-Pacific. RUAG generates sales of approximately CHF 998 million and employs more than 9,100 people – of whom 400 are apprentices.