

Combined Berner Group

Fiscal Year 2008/09: Performing well in the face of crisis

Künzelsau, September 8, 2009 – Although the business has already been influenced by the effects of the global economic crisis, the combined Berner Group in Künzelsau increased its net sales by 2.1 percent in the closed fiscal year (01/04/08 – 31/03/09).

The combined Berner Group is one of the leading direct sellers in Europe in the small parts business to professionals in the construction and automotive industries as well as other industries. In the group accounts, the results of the two groups – Berner GmbH, Künzelsau, and BTI Befestigungstechnik GmbH & Co. KG, Ingelfingen – are shown together.

In the fiscal year 2008/09 the combined Berner Group managed to grow slightly in spite of the economic crisis. Including acquisitions – Montex (Croatia), Metaplan (Finland), Rumler (Germany) and Maurer (Austria) – the net sales increased from almost 870 to 888.1 million euros. Thereof Berner achieved 318.1 million euros net sales in Germany and 570 million euros in other European countries. Adjusted for the acquisitions, the Group had to accept a slight minus of 0.8 percent. The economic crisis also influenced the profit situation of the combined Berner Group.

The Berner Group

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Although the results from ordinary activities were positive, they were 26 percent below those of last year.

„The above average net sales increase of the previous fiscal year 2007/08 could not be continued because of the extremely difficult business conditions. Still, we stood our ground and the acquisitions have further strengthened our market position,“ says Jörn Werner, CEO of the combined Berner Group. „With an equity-to-assets ratio of 43 percent the Group has still a solid basis.“ On the closing date of the balance sheet, March 31, 2009, the Group had 8126 employees in total (8002 on March 31, 2008), 5227 of whom work in field sales.

Net sales according to divisions

The economic situation influenced the business of the combined Berner Group particularly in the second half of the closed fiscal year, whereas the worldwide economic crisis affected the automotive and construction aftermarket differently in each country. With net sales of 462 million euros, the Construction Division accounted for the largest part of the Group's turnover. The automotive division contributed with net sales about 310 million euros to the Group's success. The Chemical Division developed positively and achieved net sales of 63.8 million euros. Net sales through other distribution channels – such as the specialist mail-order business and the industry division of Berner France – accounted in total for about 52 million euros.



The Berner Group: Development of the core markets and the European regions

As Berner Germany has ceased some non-profitable marketing and sales activities, the company registered a slight decrease in net sales about 3.3 percent to 121 million euros. However, the measure did influence positively the company's results. Berner France, the largest individual company in the Group, managed to sustain its last year's performance level with net sales about 190 million euros. Berner Italy was not able to continue its positive development and ended the year down slightly by 2.7 percent with net sales amounting to 87 million euros. After several years of growth above average, the net sales of Berner Spain decreased about 14.4 percent to 35 million euros, because of the Spanish housebuilding sector's collapse. On the other hand, Berner Portugal managed to increase its net sales about 3.3 percent. Berner Switzerland developed very positively: with a growth about 12.7 percent (6.9 percent in Swiss Francs), the net sales rose up to 19 million euros.

Due to the breakdown of the housebuilding sector in Scandinavia, the Region North (Denmark, Sweden, Norway) registered a decrease of net sales about 7.2 percent to 39 million euros. In contrast, the Region West (the Netherlands, Belgium, Luxembourg) managed to increase its net sales about 2.5 percent up to 46.5 million euros. The Region Southeast (Austria, Czech Republic, Hungary, Slovakia, Rumania, Croatia) ended the fiscal year with a pleasant double-digit growth



(10.9 percent) raising turnover to 75.4 million euros. The Region East (Finland, Turkey, Poland, Lithuania, Latvia) increased its turnover – amongst others due to the acquisition of the company Metaplan – about 17.1 percent to 34.9 million euros.

The Chemical Division grows

The Caramba Chemical Group, was strengthened decisively by the acquisition of the company Rumler (Germany and the Netherlands) and the participation in the company Maurer, which is based in Austria and has subsidiaries in Hungary and Rumania. The turnover of the Chemical Division grew by 23.3 percent to 63.8 million euros. Adjusted for the acquisitions, the net sales were slightly below the previous fiscal year 2007/08. Apart from Maurer the companies Wigo, Caramba and Tegee-Rumler are numbered among the Caramba Chemical Group.

The BTI Group in total positive

Last year the BTI Group increased its sales by 3.7 percent up to 157 million euros in total. BTI Germany has developed positively growing about 4 percent up to 111 million euros in spite of the crisis. Affected by the collapse of the Spanish house building market, BTI Spain had to accept a minus of 21.7 percent. BTI Greece sustained its last year's performance level.

Future prospects

Berner holds on to its main strategic direction: in the core business, the direct sales business, Berner



focuses its resources on the most attractive customer groups in the construction and automotive aftermarket and adjusts its marketing and sales activities accordingly. In addition, the company will proceed with its expansion in Europe.

The Caramba Chemical Group will further pursue its vision to become the leading supplier in the product fields cleaning, care and maintenance. With strong brands, qualified employees and great development competence the Group will tackle that target.

The BTI Group concentrates on further strengthening its competences in existing markets. Since the takeover of the specialist direct seller Krähe, the BTI expands the workwear business.

„With consequent cost and margin management we are going to achieve or rather re-establish a satisfactory profitability for all companies in the combined Berner Group“, says Jörn Werner. A cyclical personnel cutback is not on schedule. „Especially in these times, it is important that we are well positioned once the current economic difficulties are over, and above all this includes a qualified team,“ explains Jörn Werner.

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