

## **Combined Berner Group**

### **Provisional Financial Statement 2009/10: Profits up despite the crisis**

**Künzelsau, May 04, 2010 – The business of the Berner Group of Companies in fiscal year 2009/10 (1.4.09-31.3.10) was influenced by the effects of the world economic crisis on the automotive and construction industries. Despite the difficult economic conditions Berner did well and finished the crisis-ridden year with just a slight fall in sales of 3.6 percent according to the professional financial statement.**

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 fiscal year 2009/10 the Combined Berner Group had to accept a slight fall in turnover due to the economic crisis. Sales fell from 888 mio. euros to 856 mio. euros, of which the Group earned 306 mio. euros through domestic sales and 550 mio. euros abroad. Without the purchase of the Maurer Group in Austria, turnover fell by 4.6 percent.

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By contrast earnings and cash flow increased compared to last year. The final results will be published together with the approved audited figures in September of this year.

“The economic crisis has badly affected the construction and automotive sectors in all European countries. With this in mind we can be satisfied with the performance of the company,” commented CEO Jörn Werner. “The Combined Berner Group has managed to maintain its market share even in economically difficult times. The trend of the results shows that we are on the right track.”

During the economic crisis, securing jobs and earnings were the focus of our attention. “As a family business safeguarding jobs is a particularly important priority for us,” underlined Jörn Werner. “Only in Spain, where the market has been particularly hard hit by the economic crisis, did we have to cut jobs, out of respect for the rest of the company. “On the closing date of the balance sheet, 31.03.10, the Group had 8126 employees in total (8002 on 31.03.09), 5034 of whom work in field sales. The slight reduction in the workforce is due to the fact that positions which became vacant due to fluctuation were not filled.

### **Net sales by divisions**

The worldwide economic crisis had different effects in each country on the construction and automotive sectors. In total the construction division with about 439 mio. euros (2008/09: 462) accounted for the largest part of overall turnover in the past fiscal year.

The automotive division contributed with net sales of about 297 mio. euros (2008/09: 310) to the success of the Group. The Chemical Division developed positively and achieved net

sales of 69 mio. euros (2008/09: 63.8). Net sales through other distribution channels – such as the specialist mail-order business and the industry division of Bernier France – accounted in total for about 51 mio. euros (2008/09: 52).

### **Bernier companies continue to trust in the Bernier GO21 strategy**

The corporate strategy introduced in 2007 has proved its worth. The strategy focuses attention on chosen attractive customer groups. Trends in net sales and earnings prove that the Bernier AG has set the right course for the long-term successful development of the company and profitable growth. In the past fiscal year, the Bernier trading company achieved net sales of 638.4 mio. euros (2008/09: 669.1), of which 115.5 mio. euros were earned in the domestic market and 522.9 mio. euros (incl. Hsin Ho) abroad. While Bernier Germany suffered a slight drop in sales of 4.9 percent, its continued to streamline its operations and was able to increase earnings. Bernier France also had to bent to the crisis and saw sales drop by 5.2 percent to 180 mio. euros. With this in mind the increase in earnings was even more satisfying.

With net sales of 80.9 mio. euros Bernier Italy recorded a fall of 6.9 percent. Bernier Spain continues to be particularly hard hit by the crisis and sales fell by 12.2 percent to 30.8 mio. euros. Bernier Portugal was again able to grow slightly by 1.8 percent. Bernier Switzerland developed very positively: with a growth of about 12 percent (6.9 percent in Swiss Francs), net sales rose to 21.6 mio. euros. The Region North (Denmark, Sweden, Norway), too, was hit hard by the crisis with sales falling by 11.6 percent to 34.4 mio. euros.

Within the region, however, some very positive growth was recorded in Sweden with an increase of 3.8 percent. The Region West (the Netherlands, Belgium, Luxembourg) with sales of 45.4 mio. euros was only slightly below the levels of last year. Here Belgium continues to be very successful and once again was able to increase its turnover. The Region Southeast, which has increased in size through the merger with the Region East and is now made up of 10 countries (Austria, Czech Republic, Hungary, Slovakia, Romania, Croatia, Poland, Turkey, Latvia, Litauen) , was able to maintain the turnover from last year of 90 mio. euros. Berner Austria closed up 4.4 percent and Berner Turkey grew disproportionately by 29.9 percent.

New investments in modern technology should ensure Berner's success in the future. In the past fiscal year the company invested 15.5 mio. euros in expanding the logistics facilities at St. Julien-du-Sault in France. The new fully automated pallet store satisfies the strict environmental standards and for this was the first logistics platform in France to receive the HQE Certificate of the French 'Association Haute Qualité Environnementale'.

Berner continues to expand and has founded new strategic partnerships, for example Berner of Kuwait, from where we aim to service other countries in the region such as the United Arab Emirates, Saudi Arabia and Bahrain.

### **Caramba to return to its former strength**

The Caramba Chemicals Group continues to develop very positively. Turnover of the chemicals division rose from 63.8 mio. euros in fiscal year 2008/09 to 68.9 mio. euros in

2009/10, of which 54.7 mio. euros were earned in the domestic market and 14.2 mio. euros abroad. As well as the Maurer company, the Caramba Chemicals Group also includes the companies Caramba, Wigo and Tegee-Rumler. In 2009 Caramba received the award of "Brand of the Year". "We aim to restore the century old brand Caramba to its former glory and make it a leading system provider of chemical products and services for cleaning, care and maintenance applications throughout Europe," said Jörn Werner. The first step in this direction was the introduction of the new Caramba Profi range in July 2009.

### **BTI Concern expands its distribution channels**

Besides individual products, BTI also offers system solutions to facilitate work at the building site for the worker.

Turnover of the BTI concern fell from 155.2 mio. euros in 2008/09 to 148.7 mio. euros in 2009/10, of which 135.8 mio. euros were earned in the domestic market and 12.9 mio. euros abroad. Reasons for the drop in turnover were the closure of BTI Greece and the difficult situation of the Spanish company. BTI Germany on the other hand was able to slightly increase its turnover to 111.9 mio. euros. In the past fiscal year the focus of the company has been above all on the expansion of the distribution channels as well as catalogue sales.

### **Future prospects**

The Combined Berner Group is holding on to its affirmed strategic: In its core business – the direct sales business – Berner focuses its resources on the most attractive customer groups in the construction and automotive aftermarket and plans its marketing and sales activities

accordingly. In addition, the company will continue with its expansion in Europe. The Caramba Chemical Group will continue to pursue its vision to become the leading supplier in the fields of cleaning products for care and maintenance applications. With strong brands, well qualified employees and great development expertise the Group is confident of meeting its targets.

The BTI Group is concentrating on further strengthening its competence in existing markets. Since taking over the specialist direct seller Krähe, BTI has expanded its work-wear business.

“In the future, too, we will continue to systematically manage our costs and margins, in order to ensure satisfactory profitability of all companies in the Combined Berner Group and thus come safely through the crisis,” said Jörn Werner. “Our focus as a family business is on safeguarding jobs and increasing the probability through moderate growth.”

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