



Combined Berner Group

Fiscal Year 2006/07:

Optimal benefit from the boom in Europe

***Künzelsau, 12 September 2007* – The combined Berner Group, Künzelsau, Germany, grew faster than the market in fiscal year 2006/07 (to 31.03.07) and increased its net sales by 8.8 percent to 779.5 million euros. Revenues at 37.3 million euros were on a par with last year's results.**

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 fiscal year just ended we benefited optimally from the boom in Europe", was the conclusion drawn by Jörn Werner, CEO of the combined Berner Group. "We are pleased to have achieved our net sales targets in almost every country. We are very satisfied since this has been the strongest increase in years and the business has grown dynamically.

And the management is also content with the revenues achieved: "The very positive development of revenues last year was due among other things to the liquidation of reserves. We achieved a good result in the fiscal year 2006/07 – although we invested above average in the expansion of personell and in the restructuring of our chemicals business", commented Lothar Aulich, CFO of the Berner Holding.

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P R E S S R E L E A S E

Combined in the group accounts are the two groups Berner GmbH, Künzelsau, and BTI Befestigungstechnik GmbH & Co. KG, Ingelfingen.

Positive development in the construction industry gets the market going

The world economy in 2006 recorded a growth of 5.0 percent. With an increase of 2.7 percent the growth of the gross domestic product in Europe almost doubled in the same period. Germany was able to keep up with its European neighbors and also recorded a growth of 2.7 percent.

After ten years in decline, the construction industry is now booming again. Investments have increased for the second year in succession. In the automotive industry the consolidation process continues. The number of companies actually decreased due to the trend among car dealerships to represent different brands.

In this environment the Construction Division achieved net sales of 407.7 million euros while the Automotive Division added 302.9 million euros. The overall net sales of the Berner Group were 779.5 million euros, including 44.0 million euros from the sale of chemical products. The net sales of the other distribution channels account for the remaining 24.9 million euros.

Growth in Germany

In Germany the Berner Group achieved a growth of 6.6 percent and increased its net sales to 283.8 million euros (last year: 266.3 million euros). Berner Germany increased its net sales in the fiscal year 2006/07 by 3.6 percent to 128.8 million euros. The Wigo Group succeeded in increasing last year's net sales by 3.5

percent to 44.0 million euros. During the last fiscal year the Berner Group increased its share in the Wigo Group and now is sole shareholder. The German sales organization of the BTI holding also continued its positive development during the last fiscal year and achieved a very commendable rise in net sales of 13.9 percent to 110.8 million euros.

On the road to success in Europe

Berner sales companies in neighboring European countries grew on average by 10 percent, thus making a very positive contribution to the development of the Group. In all, European group companies achieved net sales of 495.7 million euros (last year: 450.5 million euros), corresponding to 63.6 percent of overall net sales.

With an increase in net sales of 13.8 percent the Southeastern Region (Austria, Czech Republic and Hungary) outperformed last year's growth rate by far. In so doing it recorded the highest growth rate of all regions in the Berner Group in fiscal year 2006/07. Worthy of special mention is the subsidiary in the Czech Republic which increased its net sales by a remarkable 30.7 percent.

In fiscal year 2006/07, the Central Region (Germany, Poland, Switzerland and Turkey) achieved net sales of 153.4 million euros, a rise of 6.4 percent. With its growth of 41,1 percent, Berner Poland achieved the highest percentage increase in sales in the whole of the Berner Group.

Last fiscal year, Berner France, the largest individual company in the Group with almost 1400 employees, succeeded in more than doubling its growth rate which increased to 10.5 percent; net sales rising to 170.6 million euros.

The Mediterranean Region (Italy, Spain and Portugal) continued its positive development in the fiscal year just ended. Net sales rose by 11.7 percent to 132.2 million euros. The Western Region (Netherlands, Belgium and Luxembourg) managed to record a modest increase of 2.8 percent to 42.7 million euros. By contrast, due to the high fluctuation among field sales staff, net sales in the Northern Region (Denmark, Sweden and Norway) decreased.

More employees – higher investments

The positive development of the Group is reflected in the 8.7 percent increase in the number of employees: from 6545 (on 31.03.06) to 7113 (on 31.03.07). 4619 employees now work in sales (compared to 4210 on 31.03.06).

With a capital ratio of 49 percent the family owned Berner business continues to run on a solid foundation, even though with an investment of 50 million euros more has been invested in the business than ever before. These investments also include the extension of the logistics center in Künzelsau.

Successful expansion in Europe

In fiscal year 2006/07 Berner continued to expand its activities in Europe, taking over companies in Slovakia, Finland and Romania (April 2007) . "Growth in Europe combined with further development of the markets in

existing countries will also remain the focus of our activities during this fiscal year", emphasized Jörn Werner.

Berner Group expands the chemicals sector

With the takeover of all shares in the chemicals group Wigo-Caramba, the Berner Group strengthened the foundation for further expanding its competence in the field of specialized chemical products. "Above all we want to expand the marketing of the Caramba brand all across Europe", declared Jörn Werner. A further step in this direction is the recent takeover of the Tegee-Chemie company in Bremen.

50 years of Berner

In 2007 the Berner Group celebrates its 50th anniversary. In 1957 at the age of 22 years, Albert Berner founded his first screw business in the basement of a house in Künzelsau with 3000 Mark and an old car as start capital. With this he established the basis for the development of a dynamically growing international group. In the meantime, as a specialist in fastening and joining technology, Berner sells directly to more than half a million customers all over Europe. During the opening event of the 50th Jubilee, in April 2007, the German Minister of Economic Affairs, Michael Glos, and First Minister of the State of Baden-Württemberg, Günther Oettinger, congratulated Albert Berner on his lifetime achievements. The highlight of the Jubilee Year was the festival weekend held at the company's headquarters in Künzelsau in July, when 3700 employees from 21 countries came to join in the celebrations with Albert Berner.

Future prospects

The combined Berner Group has set itself high growth targets for the years to come: "We are on course to continue two-digit growth and expect to exceed annual net sales of one billion euros by fiscal year 2008/09", says Jörn Werner.

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