

Press release

BHS tabletop AG keeps 2009 losses within limits

Limited losses in spite of drop in turnover / Effective structural measures / Solid finances and assets / Further investments in new technologies

Selb, Germany, 22nd February 2010. The turnover for the BHS tabletop Group for the 2009 business year proved to be unsatisfactory, due to the continuing economic crisis. The consolidated sales dropped by 14.9 percent to EUR 76.1 m (2008: EUR 89.4 m). In spite of this drop in turnover, which affected the brands Bauscher, Tafelstern professional porcelain and Schönwald equally, BHS tabletop AG nevertheless managed to retain its position as the world market leader for professional porcelain for the hotel and catering industry as well as for communal catering. This industry as a whole suffered from a worldwide sales collapse in 2009 and registered an overall reduction in sales of 17.4 percent based on data provided by the Association of the German Ceramic Industry (VKI).

Limited losses thanks to effective structural measures

The effects of the drop in turnover to the annual result were limited by structural measures, stringent cost management and adjustment of costs to the downwards trend in turnover.

For the last business year the group income before interest, taxes, depreciation and amortization (EBITDA) aggregated to EUR 3.5 m compared to EUR 8.7 m for the previous year. The earnings before interest and taxes (EBIT) amounted to minus EUR 0.6 m compared to EUR 4.6 m for the 2008 business year. The earnings before taxes (EBT) in 2009 came out at minus EUR 2.2 m (previous year: EUR 2.9 m).

There is a deficit of minus EUR 4.9 m in income after tax for the 2009 business year, following EUR 2.9 m in income after tax for the previous year. This high negative difference between the income before and after tax of minus EUR 2.7 m results from the IFRS financial reporting standards requirement for the

adjustment to the level set for latent taxes, which, however, do not result in any cash outflow.

Socially tenable reduction in personnel

In 2009, an average of 1,140 people were employed by the BHS tabletop Group (previous year: 1,214). The reduction in the number of personnel that became necessary due to the drop in turnover was implemented in a socially tenable manner, by taking advantage of natural fluctuations and by not appointing new employees to vacant positions. Elderly employees were offered the option of taking an early retirement with financial aid. Redundancies as a result of the business situation were largely avoided.

Large-scale investment in Schönwald in 2009

In 2009, the BHS tabletop Group continued to invest further in its leading technological position. Following on from EUR 4.3 m in the previous year, EUR 4.9 m were invested in 2009, mostly in the modernization of the kiln technology at the Schönwald site. The new fast-firing kiln became operational in 2009, as planned. The volume of investment for the past ten years was about EUR 46 m.

Solid finances and assets

The finances and assets for the Group remain solid, regardless of the drop in turnover and the negative annual result. The introduction of early and stringently implemented structural and cost measures allowed losses to be kept to a minimum and the future growth of the BHS tabletop Group was guaranteed based on a secure cashflow situation. Furthermore, BHS tabletop AG has a sound equity base which is at EUR 30.3 m (previous year: EUR 37.0 m). The equity ratio was reduced from 44.5 percent in 2008 to 38.6 percent in 2009.

Based on the negative income situation, the management board proposes to the shareholders' meeting that no dividends are paid out for the 2009 business year.

Prospects for 2010: Market situation continues to be difficult

BHS tabletop AG expects the market situation to remain difficult for the 2010 business year, probably with only a small stimulation of business. A more accurate prognosis for turnover and income for 2010 is currently not possible. "The aim of the management board is to achieve at least a balanced income for 2010," states Hans G. Beckmann, chairman of BHS tabletop AG. "After a slight improvement in business in the second half of 2009 we are confident that we have come through the lowest point in negative business development."

Bauscher, Tafelstern professional porcelain and Schönwald will be launching new collections of porcelain at the Internorga hotel and catering fair in Hamburg from 12th to 17th March 2010.

For further information:

Christian Horwedel, Engel & Zimmermann AG
Agency for Business Communication 82131 Gauting
Tel: 089-89 35 63 3, Fax: 089-89 39 84 29
Email: info@engel-zimmermann.de