

Press release

BHS tabletop AG with export growth in 2007

Profitable again/Stable employment situation/Major investment and training programme started/High dividend again

Selb, February 27th, 2008. The BHS tabletop Group can look back on a positive business year in 2007 in which it outperformed the German porcelain industry in the area of professional porcelain. The world market leader for the hotel and gastronomy industry as well as for large-scale catering increased its Group sales to € 94.0 m (2006: € 93.8 m). In doing so, the BHS tabletop Group with its three brands, Bauscher, Tafelstern professional porcelain and Schönwald, further extended its leading market position – above all internationally.

According to the Board of Management, the reasons for successful development over the past few years have to do with the consistent strategy of positioning BHS as a problem-solver for customers as well as the new and innovative products and solutions combined with effective logistics. The export business above all contributed to the success: Here, BHS succeeded in boosting sales by 3.3 percent compared to the previous year. The export quota increased to 51.8 percent (previous year: 50.6 percent). "With this result, we have once again shown that porcelain manufacturers producing exclusively in Germany can succeed even in the face of global competition and can operate profitably," says Hans G. Beckmann, Chairman of the Board of Management of BHS tabletop AG.

Positive results again

According to the provisional figures (based on IFRS), the net income for the year of the BHS tabletop Group amounted to € 2.7 m (2006: € 4.5 m). The pre-tax result (EBT) amounted to € 3.6 m (previous year: € 5.1 m), the earnings before interest and tax (EBIT) were € 5.4 m (previous year: € 7.1 m). The earnings before interest, tax and depreciation (EBITDA) were € 10.2 m (2006: € 12.4 m).

Before special effects (2006: including the sale of shares in Hutschenreuther-Keramag GmbH as well as a property; 2007: including the introduction of Tafelstern professional porcelain), the net income for the year 2007 was € 2.6 m, therefore € 0.1 m more than in the previous year (2006: € 2.5 m).

<u>Figures in € m</u>	<u>2006</u>	<u>2007</u>
Special effects (SE)	1.9	0.1
Net income for the year	4.5	2.7
Net income for the year before SE	2.5	2.6
EBT	5.1	3.6
EBT before SE	3.2	3.4
EBIT	7.1	5.4
EBIT before SE	5.2	5.2
EBITDA	12.4	10.2
EBITDA before SE	10.4	10.1

BHS introduces a new investment programme for technological leadership

The BHS tabletop Group continued to invest in expanding its technological leadership during 2007, and also announced a new investment programme. In addition to the investments of about € 4 m that will be channelled into new technologies this year, BHS will be investing around € 7 m in the coming years for new kiln technology at the Schönwald location. Even today, BHS has the most modern porcelain production facility in Europe.

"Thanks to continuous investments over recent years, BHS is currently an internationally competitive technological leader which is expressly committed to production in Germany. The new investment programme will also contribute to retaining jobs in Upper Franconia and the Upper Palatinate," says Chairman of the Board of Management Hans G. Beckmann.

Secure jobs

In 2007, an average of 1239 people worked in the BHS tabletop Group (2006: 1.244). In contrast to the situation at many other German competitors, BHS exclusively produces at locations in Germany, with almost all employees working at the sites of Selb, Schönwald and Weiden. Opposing the trend in the industry, BHS tabletop AG maintained all special benefits for its workforce.

New training programme at BHS: "Intelligence achieves greatness"

To gear up for the future, the BHS tabletop Group will be undertaking an extensive training programme over the next few years under the title of "Intelligence achieves greatness" in order to prepare the workforce better to the challenges they will be facing in their workplaces.

Attractive dividend yield of 3.7 percent

In the 2007 business year, the BHS tabletop Group once again succeeded in increasing its equity from € 34.8 m to € 35.8 m. The equity ratio improved from 39.7 percent to 42.5 percent. The return on equity in 2007 amounted to 7.6 percent compared to 12.8 percent in the previous year. Due to the positive development, the Board of Management proposes to the general meeting that BHS tabletop AG should pay a dividend of 20 percent on the capital stock, i.e. € 0.51 per share. Given the year-end price of € 13.80 per share, this represents a dividend yield of 3.7 percent.

Outlook for 2008: Continuous growth

The BHS tabletop Group is expecting a cautiously positive business development in the 2008 business year. Positive contributions can be expected from the export business in particular. It is not expected that there will be any improvement in the domestic investment climate – in particular not in large-scale catering due to continuing cost-cutting activities in the health system and the care business. On the other hand, the export activities of BHS will benefit from the growth in high-class tourism. "We are confident that our innovations and attractive new products will enable us to extend our lead over the competition even further," says Hans G. Beckmann.

Bauscher, Tafelstern professional porcelain as well as Schönwald were represented with new porcelain collections at the Internorga hotel and gastronomy show held from March 7-12, 2008 in Hamburg.

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