

Press release / Information of significance

Binder+Co 2009 – a soft landing in the crisis thanks to systematic innovation

Gleisdorf, March 2, 2010. At today's presentation of its annual report for 2009, Binder+Co was able to present results, which in view of the tense general economic situation, are worthy of special note. However, a marked fall in order backlog over the preceding year means that 2010 will continue to be characterised by major challenges.

Unsettled market environment

In 2009, the economic environment for Binder+Co's mechanical engineering business presented an very inconsistent picture. While the Environment and Packaging Technology Segments remained largely stable, the Processing Technology Segment was characterised by extreme volatility. During the past year, the European construction and construction sub-supply industry and the iron and steel industry, which Binder+Co serves worldwide, were all extremely reticent with regard to investment decisions. As a consequence, no major system or plant projects were captured. By contrast, complete system contracts were allocated in the recycling sector. Moreover, the packaging industry provided constant demand and thus ensured a solid basis for the development of single machine business.

Sales revenues and EBIT below the level of the preceding year, earnings power higher

In the financial year expired the Binder+Co Group achieved sales revenues of EUR 63.13 million, which in spite solid order backlog at the beginning of 2009, meant that the record figure for 2008 (EUR 73.45 million) could not be repeated. The main reason for this downturn was the marked decline in large volume system and plant business, which in 2008 had boomed. Accordingly, although single machine and spare part business was solid, it was unable to compensate for this shortfall.

At EUR 6.66 million, EBIT also failed to emulate the figure of the previous year (EUR 7.20 million). By contrast, during the period under review, the EBIT margin was raised above the 2008 level (9.8%) to stand at 10.5%. This was due to the increase in sales revenues from the single machine sector, which offers higher margins.

Performance of the individual product segments

Order intake in the Processing Technology Segment in 2009 amounted to EUR 21.86 million. Segment sales revenues totalled EUR 31.18 million (2008: EUR 33.48 million) and the resulting EBIT contribution amounted to EUR 2.90 million (2008: EUR 3.38 million).

New orders worth EUR 17.45 million were obtained in the **Environmental Technology Segment** during 2009. Sales revenues totalled EUR 22.53 million (2008: EUR 28.26 million), but the EBIT contribution only fell slightly to EUR 3.49 million (2008: EUR 3.61 million).

Sales revenues from the **Packaging Technology Segment**, which is managed by the independent subsidiary, Statec Binder GmbH, amounted to EUR 9.42 million (2008: EUR 11.71 million), while segment EBIT was raised to EUR 0.27 million (2008: EUR 0.21 million).

Export business widely spread

In 2009, the Group's international sales revenues provided 85.0% (2008: 90.0%) of total sales and once again underlined the massive importance of export business. With a share of sales revenues of 35.0%, western Europe (excluding Austria) was again the largest sales market.

Innovation as a success factor

A decisive factor in the sustained business development of Binder+Co is its innovation ratio, which in 2009 stood at 17%. This means that 17% of total order intake was achieved with products that Binder has developed in-house and newly launched onto the market within the past three years. This considerable innovative strength not only enhances an excellent reputation among customers, but is also perceived and acknowledged by the general public. A fact evidenced by the company's receipt of the "Fast Forward Award", which represents the innovation prize of the federal province of Styria, and its nomination as one of six Austrian companies for the National Award for Innovation, which will be presented on March 24, 2010.

Difficult order situation

Binder+Co entered 2009 with an order backlog of EUR 31.29 million. The weak order intake in the first nine months of the year was first followed by a slight recovery in the fourth quarter. As a consequence, order intake totalled EUR 49.83 million (2008: EUR 85.25 million) and thus fell to the level of 2006 (EUR 45.98 million). As at December 31, 2009, the Binder+Co Group had secured an order backlog of EUR 17.96 million, which represents a solid cushion for 2010. However, as compared to 2008 (Dec. 31, 2008: EUR 31.29 million) order backlog has been virtually halved and the 2010 figure already contains an order volume of EUR 3.8 million for 2011.

Outlook

Binder+Co traditionally falls into line with the general economic cycle at a relatively late point in time and therefore 2010 is likely to bring

further considerable challenges. On the basis of order backlog of EUR 17.96 million at the beginning of the year and emergent price pressure derived from an intensification of competition, the management anticipates sales revenues and EBIT for 2010 on a par with the average for the past three financial years. However, an economic upturn in the current financial year could pave the way for corresponding growth opportunities in years to come.

The Binder+Co share – solid price trend

During 2009, the price of the Binder+Co share generally followed the prevailing market trend. Starting at a level of EUR 9.45 at the beginning of the year, from mid-summer onwards the price rose markedly and at year-end stood at EUR 11.10. As a result, the share, which in the meantime is listed in the third market within the mid market, gained some 18% as compared to the start of 2009 and was 11% above the initial quotation on December 27, 2006.

The Binder+Co Group

Binder+Co AG is a specialist in the field of processing, environmental and packaging technology and the world market leader in the screening and glass recycling segments. The company has been listed on the Vienna Stock Exchange since the end of 2006 and in the meantime is quoted in the third market of the mid market segment.