

Press release / Important company information

Binder+Co: Ongoing Difficult Market Environment

The first quarter of 2014 resulted in a perceptible decline in sales revenues and earnings on the part of the Gleisdorf-based international specialist for processing, environmental and packaging technology. The company had somewhat more success in attracting new business, although demand was also restrained.

Gleisdorf, May 14, 2014

Generally the prevailing trends towards a perceptible dampening of demand and a significant increase in competitive pressure which were already noticeable in 2013, especially in Europe, the domestic market of Binder+Co, continued in the first quarter of 2014. Nevertheless, in the first three months of the year Binder+Co succeeded in acquiring new orders to the amount of EUR 19.68 million, thus slightly surpassing the level of EUR 19.37 million in the prior-year period. The total order backlog as of March 31, 2014 was EUR 39.53 million, a rise of 5.6% from the previous year (March 31, 2013: EUR 37.43 million). However, this order volume includes a large-scale multiyear order totaling about EUR 18 million which will not yet make any contribution to sales revenues in 2014. For this reason and as a consequence of the restrained order intake in the first quarter, sales revenues of the Group declined by 24.2% to EUR 16.73 million. EBIT reflected this development and was negative at minus EUR 0.74 million.

Karl Grabner, Member of the Management Board of Binder+Co: *"In the first quarter of 2014 we were still confronted with losses generated by the Chinese subsidiary we first established last year as well as our Italian subsidiary. In addition, the parent company has also been unable to make a positive earnings contribution so far this year. This can be mainly attributed to orders we acquired in 2013 at low margin levels as a consequence of the unfavorable market situation. Accordingly, we are in the process of adjusting our own and leasing capacities to reflect the lower sales revenues. With respect to new business, one positive development is that we were contracted right at the beginning of the year to supply another BUBLON facility. This is further evidence that this completely new technology is beginning to establish itself on the market. As this shows, top companies also consistently invest in innovation and further development of their own products, even in economically turbulent times. Moreover, we succeeded in penetrating interesting new markets and customer segments in 2013, such as the coal mining sector in China or potassium chloride (potash) processing in Canada. This not only opens up new potential but enables us to reduce our dependency on our domestic market of Europe."*

Segments: Decreases in sales revenues and earnings, but more orders for the most part

The **Processing Technology** Segment generated sales revenues of EUR 9.18 million in the first three months of 2014, which was once again the largest though somewhat reduced share of the Group's sales revenues. However, earnings were negatively impacted by the above-mentioned losses in the young subsidiaries assigned to this segment as well as the lack of a positive earnings contribution from the parent company. In contrast, the order intake of the segment could be increased by a solid 12%. The sales revenue contribution of the **Environmental Technology** Segment focusing on sorting machines for glass, paper and plastics recycling totaled EUR 4.04 million, a considerable drop from the comparable prior-year figure. Segment earnings were also negative as a consequence of the decline in sales revenues. First-quarter sales revenues of the independent subsidiary Statec Binder GmbH, which coordinates the business of the **Packaging Technology** Segment, decreased. Segment EBIT was also weaker, whereas the order intake of the segment could be increased by about 25%.

Outlook

As previously mentioned, the order backlog of Binder+Co as at March 31, 2014 was higher than in the previous year, but includes a large-scale multi-year contract in the Processing Technology Segment valued at EUR 18 million which will not make a contribution to sales revenues in the current financial year. The management expects earnings margins to decline due to the difficult economic conditions in Europe. Nevertheless, earnings in 2014 should remain at the previous year's level due to the disproportionately high share of the business with single machines.

Slight reduction of the workforce

The increasing internationalization of Binder+Co led to an increase in the number of employees of close to 9% to 370 as per the end of 2013, the highest level to date. The workforce declined slightly to 367 as at March 31, 2014, and should continue to decrease slightly in the upcoming quarterly periods.

Further investments at the Gleisdorf site

In the first quarter of 2014 Binder+Co invested a total of EUR 1.692 million. The focus of this spending continued to be the construction of the new Group headquarters at the Gleisdorf site.

The Binder+Co share – Share price maintained

The share price of the Binder+Co share traded on the mid market of the Vienna Stock Exchange increased by 6.5% in the first quarter of 2014 from EUR 21.40 to EUR 22.79. Most recently the Binder+Co share was traded at a price ranging between EUR 22 and EUR 23.

The Binder+Co Group

Binder+Co 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 was listed on the Vienna Stock Exchange at the end of 2006 and is now part of the Third Market in the mid market segment. The Binder+Co Group consists of Binder+Co AG, the three fully owned subsidiaries Comec-Binder S.r.l., Bublön GmbH and Binder+Co Machinery (Tianjin) Ltd., as well as the Statec Binder GmbH joint venture (50.7%). In 2010, Binder+Co was awarded the Austrian National Innovation Prize for its successful implementation of inventive capacity. Moreover, in 2011 it received both

the Austrian National Prize for Work Safety for its introduction of special safety measures for apprentices, and the Best Open Innovator Award of the Zeppelin University Friedrichshafen as the top SME in the D-A-CH region. In 2012, the company was also presented with the TRIGOS Styria in the Ecology category for its efforts in the resource conservation area.