



VBH Holding AG posts positive performance in financial year 2008 despite financial crisis

Korntal/Münchingen (Germany), 30 March 2009 – Despite the global financial crisis, VBH Holding AG, listed in the Deutsche Börse AG SDAX, ended financial year 2008 with positive results, generating the second best operating earnings in its Group history. In comparison to the previous year, Europe's leading trading company for architectural hardware grew its consolidated sales in financial year 2008 by 6.7% to euro 862.8 million. In the period under review, organic growth amounted to 3.6%. Due to restructuring measures in Western Europe, increased costs in some growth markets and negative currency effects, operating earnings (EBIT) are 15.4% lower than the previous year, amounting to euro 41.8 million. The EBIT margin is 4.8% (previous year: 6.1%). As a result of decreased interest expenses, EBT fell only by 11.5% to euro 33.8 million.

As of 31 December 2008, net indebtedness decreased from euro 118.2 in the previous year to euro 107.6 million currently; the equity ratio amounts to 37.4% (previous year: 31.0%). Working capital rose by euro 6.9 million to euro 186.0 million and the ratio of working capital to sales improved from 22.2% to 21.6%. The operating cash flow climbed from euro 31.5 million to euro 33.8 million and the free cash flow decreased from euro 22.8 million to euro 16.3 million as a result of increases in capital expenditure. The Executive Board will propose to the VBH Holding AG Supervisory Board to resolve a dividend distribution of euro 0.19 (previous year: euro 0.15) per ordinary share for financial year 2008 at the Annual General Meeting on 10 June 2009. In doing so, the distribution ratio would increase to approximately 40% of the earnings per share (previous year: 22.4%).

The global effects of the financial market crisis on the construction industry resulted in VBH Holding AG being unable to maintain its growth rate of the first nine months thus not reaching its sales and earnings forecast of October 2008. However, Rainer Hribar, Chairman of the VBH Holding AG Executive Board, is looking positively into the future: "In the current difficult market environment, we are benefiting from our strategy of having many healthy legs to stand on". Here, Rainer Hribar referred to strategies such as VBH Holding AG's international positioning in 40 countries, its strong market position in Germany as well as the Company's extensive service offering which is complemented by its successful product range and its own-brand policy.

In March 2009, VBH began its new brand communication on a global scale. With its slogan "Simply everything. Everything simple.", the trading company for window and door fittings is communicating its extensive product range as well as numerous services with which VBH

VBH HOLDING
AKTIENGESELLSCHAFT
POSTFACH 1449
D-70810 KORNTAL-MÜNCHINGEN
TEL.: 07150 / 15-200
FAX: 07150 / 15-331
INTERNET www.vbh.de
EMAIL i.brimmers@vbh.de

EDITORIAL DEPARTMENT CONTACT

SYMPRA GMBH (GPRA)
STAFFLENBERGSTRASSE 32
70184 STUTTGART
TEL.: 0711 / 94767 - 0
FAX: 0711 / 94767 - 87
INTERNET: www.sympra.de
E-MAIL: vbh@sympra.de

PRESS-RELEASE



Alles einfach.

Einfach alles.

makes the lives of its customers and suppliers easier. "As the market leader, we see our challenge as developing future-orientated strategies. For this reason, our new positioning enables us to show strength and to set a clear signal in these particularly difficult times," commented Rainer Hribar.

Another positive aspect for VBH Holding AG is that it has been listed on the SDAX selection index of the Deutsche Börse in Frankfurt since 3 March 2009. In addition to fulfilling extensive international transparency requirements in terms of stock exchange turnover and market capitalisation, listed companies must be one of the 110 largest companies outside DAX companies in order to be admitted to the SDAX. The SDAX selection index contains 30 companies listed in the Prime Standard. "VBH is very pleased about its admission to the SDAX selection index on short notice. The Company's stated goal was to be admitted to the SDAX during financial year 2009," commented Dr Ralf Lieb, Chief Financial Officer of VBH Holding AG. Ralf Lieb puts the fact that the Company already achieved their goal by 3 March 2009 down to the Company significantly improving its reputation on the capital market in recent months despite the weak stock exchange environment – something that VBH shares were also unable to avoid.

Well positioned in Germany and continuing international expansion

Sales and earnings performed extremely well in Germany where the high growth rate of 6.3% was maintained through to the end of the year. Earnings rose by 21.2%.

The situation in Western Europe was more difficult, where VBH boosted sales growth in absolute terms in comparison with one year before, however, it also recorded a decline in sales in organic terms. In addition to sales losses in the UK and Spain, this is also attributable to depreciation of the British pound and to restructuring in Italy which has lasted longer than anticipated. Operating earnings in the Western Europe segment are almost 50% less than the previous year.

With a 6.9% growth in sales, the Eastern Europe region still plays an important role for VBH Holding AG. In Russia, Belarus and the Ukraine, sales continued to show double-digit growth in local currency. However, negative currency effects had restrictive consequences through to the end of the year. VBH significantly improved its presence in Bulgaria. A slackening of the sales momentum in the well-established Central Eastern European markets (Poland, the Czech Republic and Hungary) became evident. Due to increasing pressure on margins and unfavourable exchange rate adjustments as well as increases in costs, operating earnings in the Eastern Europe segment dropped by 11,4% compared with the same period of the previous year.

VBH HOLDING
AKTIENGESELLSCHAFT
POSTFACH 1449
D-70810 KORNTAL-MÜNCHINGEN
TEL.: 07150 / 15-200
FAX: 07150 / 15-331
INTERNET www.vbh.de
EMAIL i.brimmers@vbh.de

EDITORIAL DEPARTMENT CONTACT

SYMPRA GMBH (GPRA)
STAFFLENBERGSTRASSE 32
70184 STUTTGART
TEL.: 0711 / 94767 - 0
FAX: 0711 / 94767 - 87
INTERNET: www.sympra.de
E-MAIL: vbh@sympra.de

PRESS-RELEASE



Alles einfach.

Einfach alles.

In the Other Markets segment, VBH Holding AG achieved its goals. Sales doubled at euro 12.3 million and positive earnings before taxes were generated in the segment for the first time. A very important strategic move was the acquisition of the majority interest in Winkhaus S.A. of Turkey signed at the end of 2008, as VBH sees high growth potential for the future in this market and intends to develop the neighbouring markets in a targeted manner using Turkey as a base. In addition, another intention is to tap into new sales areas in Asia, such as Vietnam. More attention will also be paid to the South and Central America region in the future.

greenteQ – VBH's new own brand

At the beginning of 2009, VBH expanded its range by basic essential everyday products with its own brand greenteQ. For the Company, this represents an advantage, particularly in developing new markets. greenteQ focuses on simple yet high-quality consumer products such as glues or silicone for window construction and window assembly with a good price-performance ratio. The name greenteQ is derived from the brand colour green and the terms technology and quality. However, greenteQ is not intended to be set up as a competitor to the existing strong brands. In five years, VBH estimates a sales share of around 10% for greenteQ. The brand range is expected to contribute 90% to overall sales in the future.

Outlook

Any form of outlook for financial year 2009 is subject to a high level of forecast uncertainty at the moment. The VBH Group is also unable to elude completely the significant decline in orders and sales in all sectors of the economy. The ongoing course of VBH's business will be highly dependent on the impact of global economic stimulus programmes accompanied by steadier sales markets, particularly in Eastern Europe. Whatever scenario the market sends our way, VBH is prepared to act quickly and flexibly and to challenge all relevant cost positions should the economic crisis persist.

Contact:
Dr Ralf Lieb CFO
Telephone: +49 (0) 7150 / 15-200

VBH HOLDING
AKTIENGESELLSCHAFT
POSTFACH 1449
D-70810 KORNTAL-MÜNCHINGEN
TEL.: 07150 / 15-200
FAX: 07150 / 15-331
INTERNET www.vbh.de
EMAIL i.brimmers@vbh.de

EDITORIAL DEPARTMENT CONTACT

SYMPRA GMBH (GPRA)
STAFFLENBERGSTRASSE 32
70184 STUTTGART
TEL.: 0711 / 94767 - 0
FAX: 0711 / 94767 - 87
INTERNET: www.sympra.de
E-MAIL: vbh@sympra.de