



Welcome at Balda, the technology-company

Press Conference

Bad Oeynhausen, 25 March 2009



Welcome

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- Dr. Dirk Eichelberger, CEO



Definition continued and discontinued operations

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- Continued operations
 - Companies of the business area Infocom in China, Malaysia and India
- Discontinued operations
 - Balda Medical, Balda Grundstücks- und Vermietungsgesellschaft, Brazil
- TPK (shareholding 38%)
 - Since 1.10.08 associated company, net result is incorporated into the financial result, will not be consolidated any longer into the turnover

 Limited comparability of results



Key data 2008 (continued operations)

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- Turnover plus of 11% to 238.0 million Euro
- Operative cash flow increases to 37.1 million Euro
- High depreciations 24.4 million Euro
- Increase of other operating expenses to 46.6 million Euro
- EBT after plus 2.3 million Euro in 2007 minus 9.4 million Euro

➔ EBIT on a low level of 1.4 million Euro



Business development 2008

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- First half-year does not fulfil expectations despite increase in revenues
- Third quarter with significant turnover increase to 103.9 million Euro
- Deconsolidation TPK
- Dimension of financial crisis is clear

 Year under review under redirection



Sale / Buyback of the European Infocom activities

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- Disagreement with the buyer about the reported losses led to buyback of activities
- Investors provide liquidity
- Beginning of May resale („asset deal“-transaction)

➔ Crisis was averted



Realignment of the finance structure

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- Financing costs were considerably above plan in 2008
- Refinancing negotiations throughout the year under review
- End of November agreement with banks about realignment of the finance structure
- Sale of 12% of the shares in TPK

➔ Financing secured until end of 2009



Depreciations (continued operations)

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- Depreciations increase from 16 to 24.4 million Euro
 - Scheduled depreciation around 19 million Euro
 - Extraordinary depreciations around 5 million Euro
- ➔ Significant increased expenses and higher financing costs cause decline of EBIT and EBT



Expenses of the discontinued operations

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- Low turnover level in Brazil
- Depreciations on financial assets due to devaluation of long-term purchase price receivables (around 11 million Euro)
- Depreciations on property in Bad Oeynhausen (around 14.2 million Euro)
- The region America with devaluation of around 1.5 million Euro
- Other operating expenses falling distinctly (around minus 60%)


 Group total: Improvement of the still negative EBT and EBIT



Short- and long-term liabilities

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- Short-term liabilities increase by 7%
 - Repayment of bonded loan
 - Reclassification of TPK liabilities
 - Long-term liabilities reclassified in short-term liabilities
- Long-term liabilities reduced by more than half


 Expenses of past years processed in the balance sheet,
actual business shapes future financial statements



Balda and TPK

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- TPK continues to be a valuable shareholding (38%)
- Touch-production no longer at the centre of the Balda strategy
- Close cooperation of Balda/TPK with joint customers

 Integration of plastic- and touch components



Industry situation

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- Worldwide mobile phone market is flagging
- Market researchers see only minimal increase of mobile sales for 2009

 Balda in an increasingly difficult industry sector



Balda aligns itself again

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- Concentration on total value chain of the Infocom business
 - Production of electronic accessories (Bluetooth technology) increasingly in focus
- ➔ Focus at Infocom with simultaneous development and production of state-of-the-art technological high-quality peripheral equipment



- Balda Medical closes 2008 positively
- No sale reached by end of 2008
- Economic environment has hindering effect

 New solutions for Balda Medical



Outlook 2009 (I)

- As expected, 2009 began at a low level
- Prognosis with exact numbers not possible
- Support of existing and gaining new customers in focus
- Investments: medium, single-digit million amount planned



Outlook 2009 (II)

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- Positive: depreciations, operating expenses and financing costs will turn out lower
- Negative: pressure on prices and reduction of growth rates in the mobile phone sector
- With sales essentially unmodified (without TPK!) disproportionately high reduction of EBIT in the Asian region expected
- Objective 2009 - also in case of declining turnover - at least balanced earnings before taxes

 Balda has big operational potential



Company Profile and Disclaimer

Company Profile

The Balda Group develops and produces highly integrated plastic components and hardware primarily for the communication and entertainment electronics sectors in the growing Asian markets. Our main customers are leading enterprises from the mobile communications market and similar sectors.

Our major strength is in the manufacturing of products using the latest cutting edge technologies. We are now focussing our experience and expertise in engineering and technology on the development of innovative processes and new products.

The Balda Group concentrates on growing organically and profitably to effectively increase shareholder value for employees, business partners and shareholders alike.

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