

ARQUES Industries AG

Conference

July 16, 2010

ARQUES



FINANCIAL YEAR 2009 and Q1 2010

Agenda

Company Profile

Subsidiaries

Financial Year 2009

Q1 2010

Forecast

Financial Calendar

PROFILE

ARQUES Industries AG is an equity investment company focusing on the restructuring of companies in transitional situations. ARQUES develops these companies, mainly acquired within the context of company spin-offs, to competitive enterprises with a positive yield in order to sell these afterwards with added value.

2009: STRATEGIC GOALS ACHIEVED

- ✓ Risk reduction in holding company and subsidiaries
- ✓ Consistent realignment of investment portfolio
- ✓ Best possible allocation of restructuring and reorganisation measures
- ✓ Consistent cost management and liquidity management within the group and the holding company

- Halving holding company costs
- Significant reduction in financial debts by some 125 million Euro
- Sale of 13 subsidiaries
- Turnaround at Gigaset

ATTRACTIVE INVESTMENT PORTFOLIO



The **Anvis** Group is a primary developer and manufacturer of innovative functional solutions for the motional stability, comfort and safety of motor vehicles.

euro millions	2009	2010
Revenues	209	➔
EBITDA	positive	➔
ARQUES Shareholding	90 %	



Carl Froh is a leading manufacturer of precision steel tubes and components built to customer specifications.

euro millions	2009	2010
Revenues	34	➔
EBITDA	Slightly negative	➔
ARQUES Shareholding	100 %	



- sold -

Fritz Berger is a leading distributor of caravanning, camping and leisure products in Europe, focusing primarily on Germany where it has a nationwide presence with more than 40 stores and sales partners.

euro millions	2009	2010
Revenues	46	➔
EBITDA	positive	➔
ARQUES Shareholding	90 %	



Gigaset Communications GmbH is a leading manufacturer of fixed-line telephones (particularly cordless telephones) and voice-over-IP models.

euro millions	2009	2010
Revenues	556	➔
EBITDA	positive	➔
ARQUES Shareholding	80.2 %	

ATTRACTIVE INVESTMENT PORTFOLIO



Retail

- sold -

Golf House is the leading specialist retailer of golfing products and services in Germany, with a nationwide presence of 14 outlets.

euro millions	2009	2010
Revenues	26	➔
EBITDA	positive	➔
ARQUES Shareholding	75 %	



Industrial Production

van Netten is a manufacturer of innovative, high quality candies.

euro millions	2009	2010
Revenues	56	➔
EBITDA	positive	➔
ARQUES Shareholding	90 %	



Chemistry

Oxxynova produces liquid dimethyl terephthalate (DMT), an input material used in polyester production.

euro millions	2009	2010
Revenues	56	➔
EBITDA	Slightly positive	➔
ARQUES Shareholding	90 %	



Retail

SM Electronic distributes products under the "Skymaster" brand, including satellite and antenna receivers (digital TV), and electronic accessories.

euro millions	2009	2010
Revenues	26	➔
EBITDA	Slightly negative	➔
ARQUES Shareholding	90 %	



Print

Wanfried-Druck specialises in the production and printing of high quality packaging and labels.

euro millions	2009	2010
Revenues	32	➔
EBITDA	Slightly positive	➔
ARQUES Shareholding	100 %	

TRANSACTIONS IN 2009

Q1



Q2



Q3



Q4

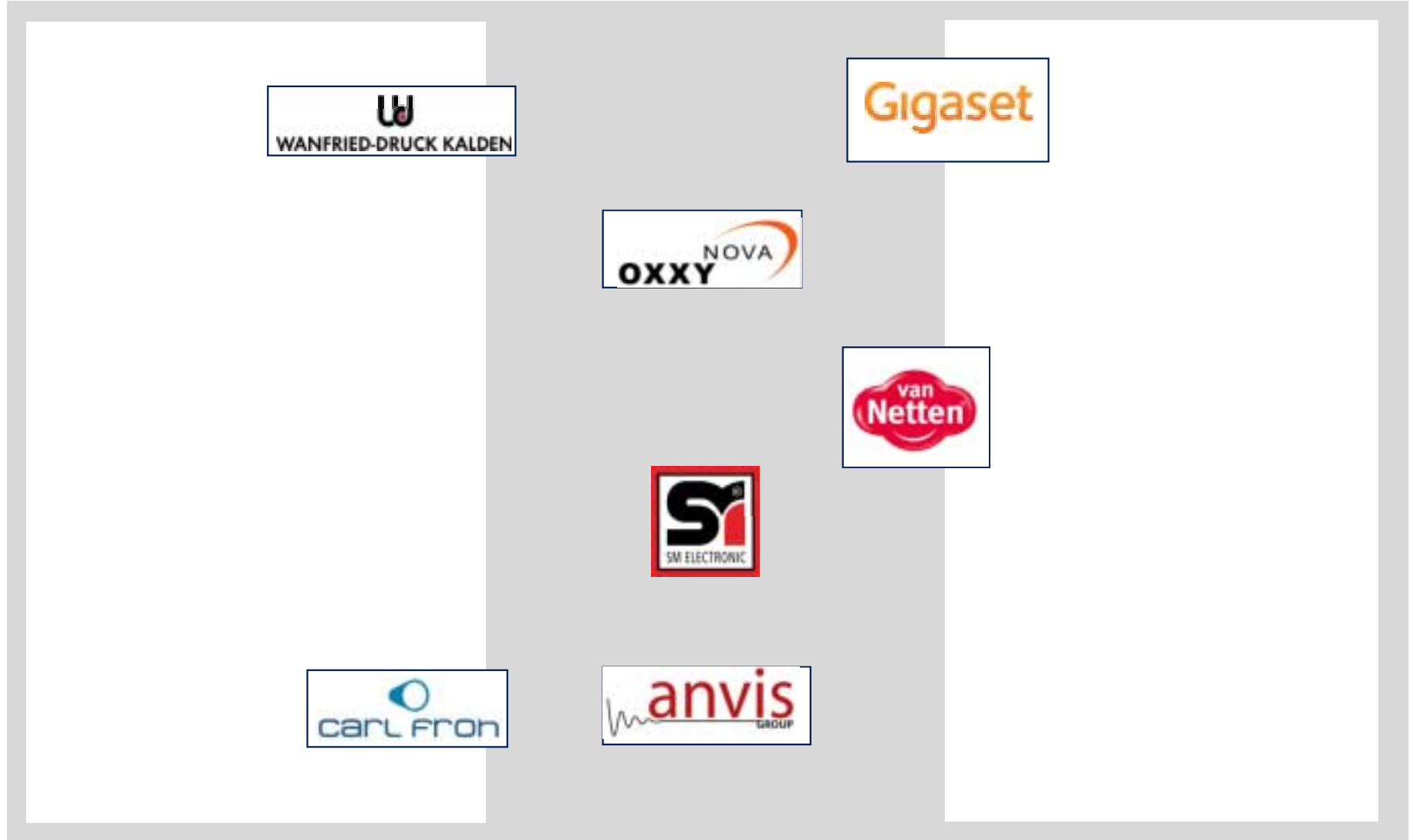


CURRENT PORTFOLIO AS AT JULY 2010

Restructuring phase



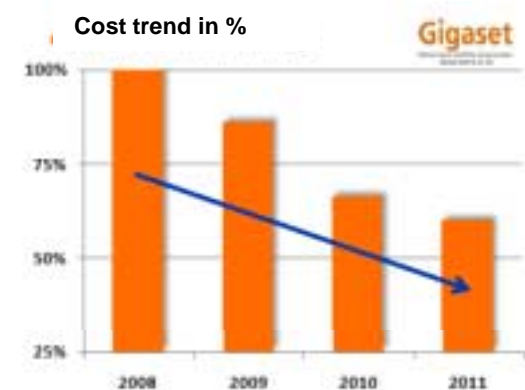
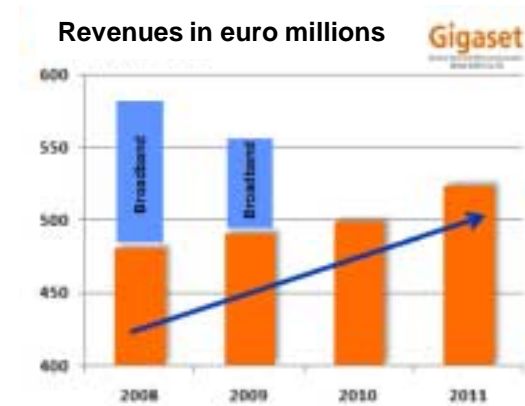
Ready for Exit



RESTRUCTURING SUCCESS AT GIGASET

Restructuring areas

- Competitive ability business areas (products)
- Optimising cost structure
- Realignment of distribution (particularly countries)



EUR MILLIONS	2008	2009	2010 PLANNED
Revenues	588	556	498
EBITDA (adjusted)	-23	33	45-50
EBITDA margin (adjusted)	-4%	6%	9-10%
Workforce (full time equivalent as at Dec. 31)	2,116	1,787	1,700

ANNUAL FINANCIAL STATEMENTS 2009

CONSOLIDATED INCOME STATEMENT

euro millions	2009	2008
Revenues	3,492	5,505
EBITDA	17.7	111.5
-thereof bargain purchase	11.3	108.4
EBIT	-139.8	-115.5
Net loss for the year	-153.0	-145.7

Comments

- Decrease in revenues due to adjustment of the portfolio of holdings (annualised revenues of subsidiaries sold more than euro 4.8 billions)
- Value adjustments to the value of euro 77.8 millions in connection with optimisation of portfolio and the effects of the crisis on the expected earnings of the subsidiaries
- Halving holding company costs

ANNUAL FINANCIAL STATEMENTS 2009

CONSOLIDATED BALANCE SHEET

euro millions	2009	2008
Long-term assets	256	476
Short-term assets	402	1,243
Total assets	658	1,719

euro millions	2009	2008
Equity	121	266
Long-term liabilities	140	317
Short-term liabilities	396	1,136

Comments

- Reduction in financial debts by euro 124.3 millions to euro 87.7 millions.
- Cash and cash equivalents as at 31.12.09: euro 77 millions.
- Increase in equity ratio from 15.5 % to 18.5 % as at 31.12.09 within group

BUSINESS OBJECTIVES 2010

1. Turnaround of ARQUES and securing sufficient financial liquidity
2. Increasing M&A activities
3. Sustainable and value-added further development of subsidiaries
4. Solving conflict with Siemens

Q1 2010: OPERATING TURNAROUND

- Positive operating results above expectations
- EBITDA at euro 24.0 millions, compared to euro -13.7 millions in previous year's quarter
- Revenues at euro 266.9 millions. In previous year's quarter at euro 1.2 billions.
- EBIT at euro 6.8 millions, compared to euro -37.5 millions in comparative period
- Net profit after tax also positive at euro 1.0 million, compared to euro -38.5 millions in comparative period in previous year
- As at March 31, 2010 the ARQUES Group's cash and cash equivalents amounted to approx. euro 60.5 millions

FORECAST 2010

- Reaching positive EBITDAs at all subsidiaries
- Securing liquidity and positive organisation of ARQUES Industries AG's cash flow
- A holding company almost free of debt by the end of the year
- M&A: 1-2 acquisitions and exits

FINANCIAL CALENDER & CONTACT

Information	Date
Quarterly Report Q2/2010	August 19, 2010
Annual General Meeting 2010	August 26, 2010
Quarterly Report Q3/2010	November 18, 2010
German Equity Forum	November 22–24, 2010

ARQUES Industries AG

Investor Relations
Hubert Wiedemann
Arnulfstraße 37-39
80636 Munich, Germany
Phone: +49 (0)89 – 25 55 00 - 330
Fax: +49 (0)89 – 25 55 00- 200
hubert.wiedemann@arques.de

EXECUTIVE BOARD



Hans Gisbert Ulmke
Chairman of the Executive Board

- Member of the Executive Board since 02/2009, Chairman of the Executive Board since 08/2009
- Departments: finances, human resources, legal, corporate communication
- Extensive experience in financial areas in banks and industrial enterprises
- Fully authorised representative and managing director of well-known enterprises (e.g. VIAG, Schmalbach-Lubeca, E.ON)
- B.Sc. in business sciences, M.A. English and French, University of Manchester

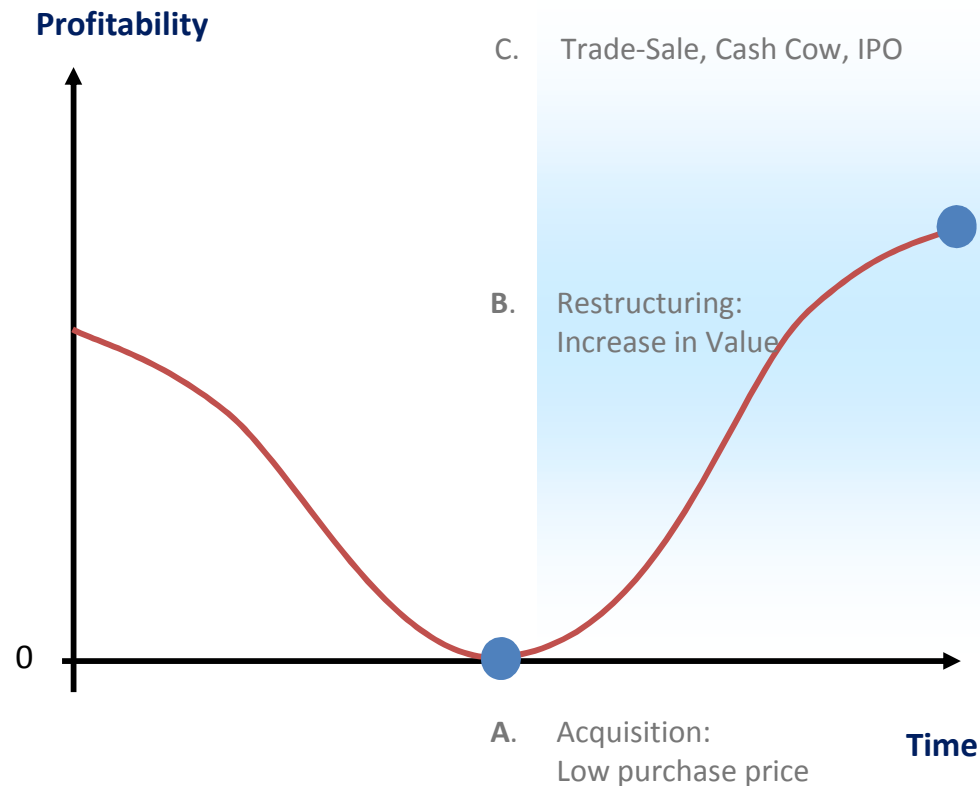


Michael Hütten
Member of the Executive Board

- Member of the Executive Board since 07/2009
- Departments: operations, subsidiary controlling, acquisitions, exits
- Extensive experience in the management, restructuring and reorganisation of industrial enterprises
- Member of the executive board and managing director of well-known enterprises (e.g. Klöckner & Co. AG, Metro Cash & Carry, Bombardier Transportation)
- Graduate in business administration, Universities of Mainz and Cologne

PROMISING BUSINESS MODEL

Phases of Added Value



Acquisition Criteria

- Company spin-offs and companies in need of reorganisation
- Revenues euro 50–500 millions
- Acquisition below net asset value
- Added value potential
- Balanced opportunities/risks ratio

Portfolio

- Stable portfolio of 8–12 subsidiaries
- Flexible holding time (opportunistic sales)
- Sustainable development of subsidiaries

DISCLAIMER

This document contains future-oriented statements and information, i.e. statements regarding incidents in the future and not in the past. These future-oriented statements are recognizable by formulations such as "expect", "intend", "anticipate", "propose", "plan", "believe", "strive", "estimate", "become" or similar terms. Such prognostic statements are based on our current expectations and certain assumptions. They therefore contain various risks and uncertainties. The business activities, the success, the business strategy and the results of ARQUES are affected by numerous factors, many of which are outside of ARQUES' sphere of influence. These factors may cause the actual results, success and achievements of the ARQUES Group to substantially deviate from the information regarding results, successes or achievements explicitly or implicitly contained in the future-oriented statements. Such uncertainties result in particular, and among others, due to the following factors: changes in the general economic and business situation (including developments regarding margins within the most important business areas), challenges regarding the integration of important acquisitions and the implementation of joint ventures and other essential portfolio measures, changes in exchange rates and interest rates, the introduction of competitive products or technologies by other enterprises, the lack of acceptance of new products and services on the part of the customer target groups of the ARQUES Group, changes in the business strategy, the outcome of pending enquiries and pending legal disputes. Should some or several of these risks or uncertainties occur, or should the underlying assumptions prove to be incorrect, the actual results can substantially deviate both positively and negatively from the results expected, intended, planned, believed, projected, anticipated or estimated in the future-oriented statements. ARQUES assumes no obligation and also does not intend to update these future-oriented statements or to correct these should the development not be as expected.