

# ARQUES Industries AG

Company Presentation  
August, 2010



# COMPANY PRESENTATION - AGENDA

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# 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 to 88 million euro
- Sale of 13 subsidiaries
- Turnaround at Gigaset

# TRANSACTIONS IN 2009

Q1



Q2



Q3



Q4



# TRANSACTIONS IN 2010

Q1

Q2

 Berger

 Golf  
House

# 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 %	



**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 %	

\* Including broadband, WiMax, home media business

# ATTRACTIVE INVESTMENT PORTFOLIO



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 %	



WANFRIED-DRUCK KALDEN

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 %	



# CURRENT PORTFOLIO AS AT AUGUST 2010

Restructuring phase



Ready for Exit



# RESTRUCTURING SUCCESS AT Gigaset

## Restructuring areas

- Competitive ability business areas (products)
- Optimising cost structure
- Realignment of distribution
- Focus on cordless voice

## Market leader

with increasing share of the European market in cordless voice business (DECT phones)



euro million	2008	2009	2010 Plan
<b>Revenues</b>	588	556	498
<b>EBITDA (adjusted)</b>	-23	33	45-50
<b>EBITDA margin</b>	-4%	6%	9%-10%
<b>Workforce (full time equivalent as at 12/31)</b>	2,116	1,787	1,700

# RESTRUCTURING SUCCESS AT

## Restructuring areas

- New, experienced management appointed
- Focus on core competence
- Optimising cost and company structures

**Tier one supplier**  
of notable automotive  
manufacturer (e.g. Volkswagen,  
Renault, Peugeot/Citroen, Daimler, Ford, ...)  
and industry



euro million	2008	2009	2010 Plan
<b>Revenues</b>	259	209	222
<b>EBITDA</b>	4	7	13
<b>EBITDA margin</b>	1.5%	3.5%	5.7%
<b>Workforce (full time equivalent as at 12/31)</b>	2,020	1,795	1,790

# H1 2010 CONSOLIDATED INCOME STATEMENT - OPERATING TURNAROUND

euro million	H1 2010	H1 2009	2009	2008
Sales revenues	525	2,361	3,492	5,505
<b>EBITDA</b>	<b>38.2</b>	<b>-16.0</b>	<b>17.7</b>	<b>111.5</b>
Thereof bargain purchase	0	9.7	11.3	108.4
Depreciation and Amortisation	-29.1	-46.4	-79.8	-93.3
Impairments losses	-7.8	-52.2	-77.8	-133.7
<b>EBIT</b>	<b>1.3</b>	<b>-114.7</b>	<b>-139.8</b>	<b>-115.5</b>
Net result	-8.1	-117.0	-153.0	-145.7
EPS (diluted in euro)	-0.33	-4.37	-5.51	-5.09

## Comments on H1 2010

- Revenue decrease due to portfolio optimization
- EBITDA is substantially higher than the corresponding year-ago figure
- Positive operating trend continues
- Impairment losses of euro 7.8 million in discontinued operations
- Depreciation and amortization of property, plant and equipment and intangible assets amount to EUR 29.1 million
- EBIT is EUR 116.0 million better than the corresponding year-ago figure

# H1 2010 CONSOLIDATED BALANCE SHEET

euro million	30.6.2010	31.12.2009	31.12.2008
Long-term assets	235	256	476
Short-term assets	374	402	1.243
Cash and cash equivalents	69	75	142
Total assets	609	658	1.719

euro million	30.6.2010	31.12.2009	31.12.2008
Equity	115	121	266
Equity ratio	18.9%	18.5%	15.5%
Long-term liabilities	125	140	317
Short-term liabilities	369	396	1.136

## Comments on H1 2010

- Cash and cash equivalents amount to EUR 69 million, as compared to EUR 61 million at March 31, 2010
- Equity ratio holds steady between 18% and 19%
- Liabilities repaid according to plan

# BUSINESS OBJECTIVES 2010

- Turnaround of ARQUES and securing sufficient financial liquidity
- Increasing M&A activities with regard of a appropriate chance to risk situation
- Sustainable and value-added further development of subsidiaries
- Solving conflict with Siemens

# 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

# 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



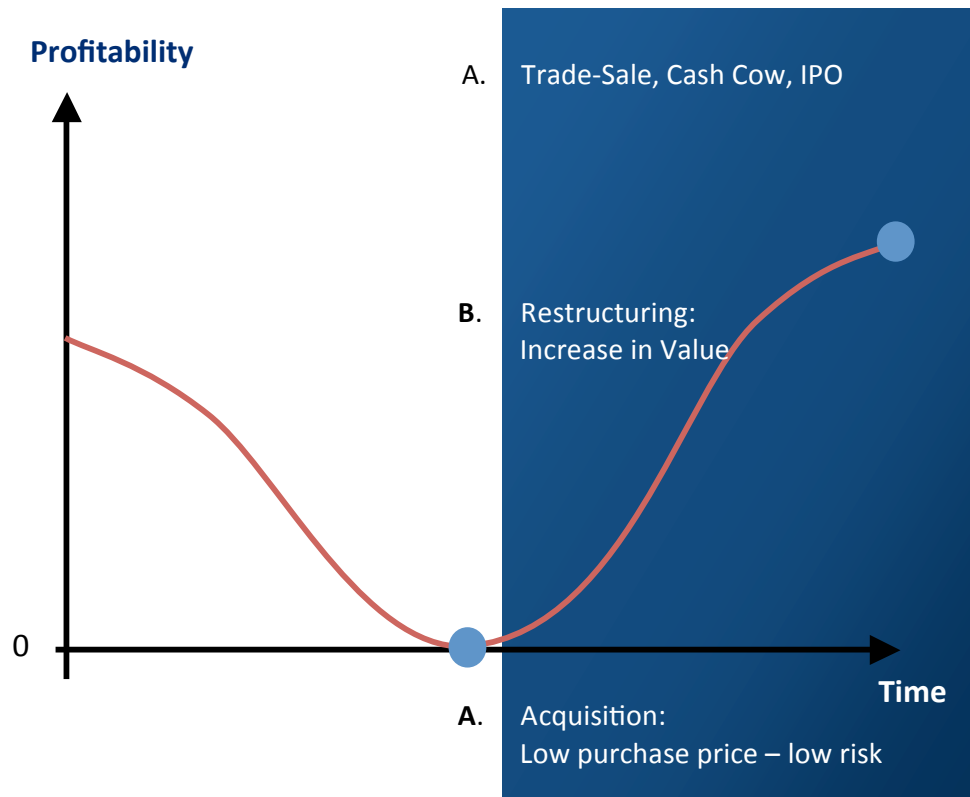
**Michael Hütten**  
**Member of the Executive Board**

- 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 million
- 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

# 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**

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