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EANS-News: Balda AG / Balda plans total dividend payment of around 77 million euros for 2011

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Company Information

- Subtitle: - Proposal to Annual General Meeting: 1.30 euros per share
- Shareholders to quickly share in the proceeds from the partial sale of the shareholding in TPK
 - Consolidated sales of 66.3 million euros in 2011, EBIT below expectations at minus 6.0 million euros
 - Pleasing performance in the Medical segment, Electronic Products below target
 - Short financial year from January to June 2012 planned
 - Annual General Meeting to create conditions for growth finance

Bad Oeynhausen (euro adhoc) - Bad Oeynhausen, 29 March 2012 - The Supervisory Board of Balda AG today approved in its meeting in which it adopted the annual financial statements the Board of Directors' proposal that a dividend of 1.30 euros per share for the 2011 financial year be proposed to the Annual General Meeting on 11 May 2012. This would result in a total payout of 76.6 million euros. As a result almost all of Balda AG's currently distributable profits would be utilised.

The dividend proposal is in line with the goal of allowing the shareholders of the specialist for high-quality plastic solutions to quickly share in the proceeds from the sale of shares in TPK Holding Co., Ltd. Balda AG had reduced its non-strategic shareholding in the chinese touch screen manufacturer held by a Group company from 16.1 percent to 7.6 percent in February 2012 and realised 238 million euros from the partial sale.

The Board of Directors and Supervisory Board will also propose to the Annual General Meeting to have a short financial year for the period of 1 January 2012 to 30 June 2012. As a result the shareholders could receive further proceeds from the partial sale of the TPK shareholding in the current calendar year. In addition to this, a new set of comprehensive corporate capital authorizations will be proposed to the Annual General Meeting. This includes new authorised capital of up to 50 percent of the share capital and the authorisation to issue common financial instruments such as convertible and bonds with warrants attached, profit participation rights and profit related bonds. The authorizations are purely authorizing shelf resolutions. They are to provide Balda with appropriate financial tools to allow the company to grow after the planned complete withdrawal from TPK Holding.

Dominik Müser, Chief Executive Officer of Balda AG since 1 January 2012: "With the proposals for the dividend and the short financial year we are keeping our word that we will allow the shareholders to benefit financially as quickly as possible from the withdrawal from TPK Holding. It remains our goal to dispose of the remaining shares in TPK after the transaction in February at the best price without any time pressure in the coming months."

Key sales and earnings figures for the Balda Group in 2011

The Supervisory Board today approved the 2011 consolidated financial statements of the Balda Group.

- The Group achieved consolidated sales in its continued business divisions of 66.3 million euros in the 2011 financial year, an increase of 5.6 % compared to the previous year's figure of 62.8 million euros. The figures do not include the proceeds from the sale of the MobileCom segment (mobile phone business) in 2011.

- Consolidated earnings before interest and taxes (EBIT) improved from -13.9 million euros to -6.0 million euros. The original goal of reporting a positive EBIT was not achieved due in particular to the performance of the Electronic Products segment being below expectations.

- The continued business divisions closed 2011 with consolidated earnings after taxes of -3.0 million euros. The previous year's profit of 119.6 million euros was influenced by high one-time income.

- The earnings of the discontinued business divisions, which include the MobileCom segment which was sold in 2011, totalled -36.1 million euros after taxes (2010: -25.2 million euros). They include the cumulative operational losses of MobileCom and depreciation of fixed assets and inventories.

- The Balda Group therefore reports consolidated earnings after taxes of -39.1 million euros for 2011 (2010: 94.4 million euros).

- The earnings per share (based on 58.89 million shares) were -0.67 euros following 1.72 euros in the previous year.

Mixed performance for the Group segments

The Medical segment based in Bad Oeynhausen recorded a pleasing business performance in 2011 thanks to its innovative technological set up and a stable customer base. Sales rose from 27.5 million euros by 45.0 percent to 39.9 million euros, in part due to the settlement of a major order for tools and equipment. Earnings before interest and taxes (EBIT) improved from 2.4 million euros to 2.7 million euros.

The performance of the Electronic Products segment based in Malaysia was, though, well below expectations in 2011. This is attributable in part to a shortfall in the supply of electronic components as a result of the nuclear disaster in Japan and the tsunami in Thailand and in part to internal shortcomings in structures and processes. As a result the segment's sales were at 26.5 million euros 25.1 percent below the previous year's figure of 35.4 million euros. The EBIT totalled -5.0 million euros (2010: -18.1 million euros).

The Central Services segment, which primarily comprises the holding costs and financing activities of Balda AG, recorded an EBIT of -6.8 million euros in 2011 (previous year: 1.8 million euros). It includes expenditure of 2.5 million euros which is attributable to the discontinued business divisions.

Very sound balance sheet ratios

The Balda Group again reported as of 31 December 2011 very sound balance sheet ratios and had comfortable liquid funds.

- The balance sheet total fell compared to 31 December 2010 by 320.0 million euros to 490.5 million euros. The significant fall reflects the drop in the price of the TPK share in the past year and the sale of the MobileCom business.

- The Group's equity ratio rose to 94.4 percent following 92.5 percent one year

before. The Group had virtually no financial liabilities at the end of 2011.

Outlook for 2012

As previously reported, the Board of Directors is currently working on a detailed strategy to make the Group's operational business profitable as quickly as possible. This also includes identifying acquisition targets to strengthen the Medical segment. At the same time the restructuring and realignment of the Electronic Products segment will be continued.

For the 2012 calendar year Balda is expecting consolidated sales to be roughly at the previous year's level. A negative consolidated EBIT in the single-digit millions is once again expected. However, due to the proceeds from the partial sale of the shareholding in TPK Holding, a significant consolidated profit before and after taxes is expected.

Chief Executive Officer Dominik Müser: "The Board of Directors has the clear goal of establishing Balda as an innovative plastic processing company whose business segments are sustainably profitable and growing. We have no time to lose, as Balda must not be allowed to live off its reserves. We consider 2012 to be a year of transition on this path."

Note to the editorial teams:

The consolidated financial statements of Balda AG for 2011 can be downloaded from the company's website at www.balda.de.

Further inquiry note:

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