



Concepts

Products

Service

# 20th Annual Report 2009



**Lindner**

Building New Solutions

# Year-on-year comparison for the Lindner Group

Fiscal year		2000	2007	2008	2009	Change in %
Total output	m EUR	443.8	675.8	739.5	714.7	-3.4
Therefrom foreign proportion		28.7 %	45.3 %	45.4 %	42.6 %	-6.2
Sales	m EUR	396.9	629.2	610.4	768.8	26.0
Personnel expenses	m EUR	89.2	136.0	151.4	148.2	-2.1
Depreciation	m EUR	15.5	17.0	22.6	19.0	-15.9
Profit before tax	m EUR	23.2	19.4	35.5	35.8	0.8
Profit after tax	m EUR	18.7	12.5	25.3	28.7	13.4
Cash flow before profit-rel. taxes <sup>1</sup>	m EUR	38.4	36.6	58.6	57.5	-1.9
Cash flow after profit-rel. taxes <sup>2</sup>	m EUR	34.4	20.3	54.8	46.3	-15.5
Average no. of employees <sup>3</sup>		2,334	3,397	3,659	3,596	-1.7
Apprenticeships		115	158	214	266	24.3
Average employee age			36.6	36.8	37.3	1.4
Total output per employee	T EUR	190	199	202	199	-1.5
Balance sheet total	m EUR	261.9	368.7	409.5	425.2	3.8
Equity	m EUR	125.3	201.0	227.8	228.3	0.2
Equity ratio		47.9 %	54.5 %	55.6 %	53.7 %	-3.4
Investments in tangible fixed assets	m EUR	15.9	31.7	39.9	37.6	-5.8
Orders on hand	m EUR	240.3	427.1	528.2	500.7	-5.2

<sup>1</sup> Change in calculation from 2007: Cash flow **before** taxes paid on income  
<sup>2</sup> Change in calculation from 2007: Cash flow **after** taxes paid on income  
<sup>3</sup> Part-time staff converted into equiv. FT employees

Title page photo:

Dubai Metro Redline, United Arab Emirates

The Lindner-DEPA joint venture receives the major contract for the expansion of 13 metro stations in Dubai.

## Short version of the consolidated balance sheet as at 31 December 2009

ASSETS			Previous year
	€	€	T€
<b>A. FIXED ASSETS</b>			
I. Intangible assets		1.164.808,13	2.083
II. Tangible assets		114.319.887,65	105.759
III. Financial assets		38.179.370,31	96.624
		<u>153.664.066,09</u>	<u>204.466</u>
<b>B. CURRENT ASSETS</b>			
I. Inventories		0,00	0
II. Receivables and other assets		90.026.567,85	79.456
III. Securities		41.537.620,33	26.255
IV. Cash at bank and in hand		138.446.310,87	97.688
<b>C. PREPAYMENTS AND ACCRUED INCOME</b>		1.531.306,69	1.676
		<u>425.205.871,83</u>	<u>409.541</u>
<b>EQUITY AND LIABILITIES</b>			
<b>A. SHAREHOLDERS' EQUITY</b>			
I. Subscribed capital		11.059.200,00	11.059
II. Capital reserve	15.551.828,43		15.429
II.a. Adjustments arising from capital consolidation	<u>0,00</u>	15.551.828,43	-175
III. Revenue reserve		118.970.663,36	107.535
IV. Net profit for the year		2.507.424,48	2.503
V. Separate item for shares belonging to minority interests		80.215.577,96	91.403
		<u>228.304.694,23</u>	<u>227.754</u>
<b>B. ACCRUALS</b>		113.365.946,59	108.660
<b>C. LIABILITIES</b>		83.300.633,06	72.932
<b>D. DEFERRED INCOME</b>		234.597,95	195
		<u>425.205.871,83</u>	<u>409.541</u>

## Group profit and loss account for the fiscal year 2009

	€	Previous year
	€	T€
1. Sales	768.831.831,77	610.431
2. Decrease/Increase in finished goods, inventories and work in progress	-54.427.506,56	128.786
3. Own work capitalized	344.959,53	293
	<u>714.749.284,74</u>	<u>739.510</u>
4. Other operating income	23.615.612,55	33.065
	<u>738.364.897,29</u>	<u>772.575</u>
5. Cost of materials	429.415.072,95	465.041
	<u>308.949.824,34</u>	<u>307.534</u>
6. Personnel expenses	148.230.044,10	151.403
7. Depreciation and amortization	18.969.541,63	18.383
8. Other operating expenses	107.894.549,94	102.019
	<u>33.855.688,67</u>	<u>35.729</u>
9. Income from participations	0,00	2.800
10. Income from other investments and long term loans	32.796,46	11
11. Other interest and similar income	4.415.115,58	4.473
12. Depreciation on financial assets and short term investments	1.105,23	4.259
13. Interest and similar expenses	1.797.397,29	2.143
14. Results of ordinary activities	<u>36.505.098,19</u>	<u>36.611</u>
15. Taxes on income	7.073.774,09	10.154
16. Other taxes	746.518,32	1.146
17. Profit after taxes	<u>28.684.805,78</u>	<u>25.311</u>

# Responsibility in leadership

## Supervisory Board, Lindner Holding KGaA

**Rolf Schäfer:** Chair, Regensburg

**Dr Hans Nuißl:** Deputy Chair, Regensburg

**Baldwin Knauf:** Deputy Chair of the Shareholders' Committee at Gebr. Knauf  
Verwaltungsgesellschaft KG, Iphofen

**Hartmut Wagner:** Managing Director, Wagner & Partner Real Estate Consulting GmbH, Starnberg/Leutstetten

**Johanna Lindner-Sonderfeld:** Managing Director, Schlossbräu Mariakirchen GmbH, Arnstorf

**Elisabeth Lindner:** Executive Board, Hans Lindner Foundation, Arnstorf

## Supervisory Board, Lindner AG

**Rolf Schäfer:** Chair, Regensburg

**Dr Hans Nuißl:** Deputy Chair, Regensburg

**Baldwin Knauf:** Deputy Chair of the Shareholders' Committee at Gebr. Knauf  
Verwaltungsgesellschaft KG, Iphofen

**Hartmut Wagner:** Managing Director, Wagner & Partner Real Estate Consulting GmbH, Starnberg/Leutstetten

**Siegfried Böschl:** Works Council, Arnstorf

**Rosemarie Kagerer:** Technical Officer, Arnstorf

## Managing General Partner, Lindner Holding KGaA

**Hans Lindner**

## Executive Board, Lindner AG



**Hans Lindner (left)**  
Chairman

**Veronika Lindner (2nd left)**  
Executive Director Finance

**Helmut Lang (2nd right)**  
Executive Director  
International

**Heinrich Büchner (right)**  
Executive Director  
Domestic and Production

# Encouraging performance in the year of the economic crisis

Sales revenue for the Lindner Group showed strong growth, rising from EUR 610.4m in the previous year to EUR 768.8 m: an increase of EUR 158.4 m (26.0 %). Inventory stocks of finished and unfinished products fell sharply by EUR 54.4 m for the reporting period (previous year: increase in inventory stocks of EUR 128.8 m). The reason for this reduction was due to several major contracts being completed in 2009.

Total output for the Group fell to EUR 714.7 m. The previous year's figure of EUR 739.5 m was not met, the shortfall being EUR 24.8 m (3.4 %). As a result of the economic crisis, a number of major domestic and international projects did not come to fruition. Domestic output showed a slight increase of 1.6 %, from EUR 403.9 m to EUR 410.2 m. In contrast, international output decreased from EUR 335.6 m to EUR 304.5 m, a fall of 9.3 % (EUR 31.1 m). The international output shortfall in the 2009 fiscal year was attributable in part to the withdrawal of the French insulation engineering subsidiary from the consolidated group in November 2008 and the sale of Lindner AG's Hungarian subsidiary in May 2009. This has resulted in a foreign proportion of total output of 42.6 %, 2.8 percentage points lower than the previous year's figure of 45.4 %.

In the 2009 fiscal year, the Fit-Out Division – including trading, services and doors – achieved operating income of EUR 594.6 m, after recording a figure of EUR 611.5 m for the previous year. The Doors division was reported separately in the previous year but integrated into the Fit-Out Division in the 2009 fiscal year as a result of strategic considerations. Contract values are increasing steadily. The trend in interior work is towards turnkey orders and major projects, which the Lindner Group handles either as a general contractor or through joint ventures with trusted partners. While this creates additional opportunities it also involves greater potential risks in costing and construction site handling.

The Facade Construction division contributed operating income of EUR 54.4 m to total output in the 2009 fiscal year (previous year: EUR 49.3 m).

In the Insulation Engineering and Environmental Protection Technology division, operating income fell to EUR 65.7 m from the previous year's figure of EUR 78.7 m. The withdrawal of the French subsidiary ISOTEC, which contributed approx. EUR 15 m to total income in 2008, was the main reason for the reduction in operating income for 2009.

## **Pre-tax result held at previous year's level**

The encouraging contributions from the Fit-Out and Insulation Engineering divisions have had a positive influence on Group operating income for the 2009 fiscal year. In the fourth year since its acquisition, the Facades division reported its first positive result of TEUR 388 (previous year EUR -2.3 m). Overall, Lindner Group's consolidated profit before taxes rose from EUR 35.5 m to EUR 35.8m: this constitutes an increase of EUR 0.3 m (0.9 %) and maintains the level achieved in the previous year. However, one should also take into account the fact that the previous year's result was predominantly affected by the results of the sale of shares in the Galvaniho 3 project development company in Slovakia, a positive contribution of EUR 14.7 m.

The Fit-Out division – including trading, services and doors – contributed EUR 36.0 m to total income (previous year EUR 41.2 m) and the Insulation Engineering & Environmental Protection Technology division made a positive contribution of EUR 1.4 m to the result for the fiscal year (previous year EUR -3.2 m).

Income from investments was not generated in the reporting period. In the previous year, this pertained to a dividend payment and the special write-off of the Commerzbank Europe Ireland financial holding. Despite a marked fall in interest rate levels, the financial result of EUR 2.7 m shows a slight improvement on the previous year's figure (previous year: EUR 2.3 m).

Pre-tax earnings from the ordinary business activity of the Lindner Group were EUR 36.5 m and hence almost at the level of the previous year (EUR 36.6 m). Profits after taxes for the year amounted to EUR 28.7 m, surpassing last year's

figure of EUR 25.3 m by EUR 3.4 m (13.4 %). Income tax expenditure decreased in the reporting period to EUR 7.1 m, a reduction of EUR 3.1 m compared to the previous year. However, income tax expenditure is influenced in part by effects from external audits.

Lindner Holding KGaA achieved net income of TEUR 4 in the 2009 fiscal year, compared to EUR 1.0 m in the previous year.

#### **High level of investments continues as before**

Group cash flow before income taxes paid was EUR 57.5 m and thus slightly lower than the previous year's figure of EUR 58.6 m.

During the reporting period, total fixed asset investments amounted to EUR 37.6 m. The figure was EUR 2.3 m lower than in the previous year (EUR 39.9 m).

Therefore, all resources required to finance investment activities could be sourced from ongoing business operations.

The income realised by the disposal of Hibernia Beta GmbH in December 2009 provided a considerable boost to the Company's liquid funds of EUR 138.4 m at the balance sheet date (previous year: EUR 97.7 m). Furthermore, liquid funds of EUR 41.5 m (previous year EUR 26.3 m) were invested in near-liquid securities. Bank liabilities were approx. EUR 1.4 m lower than the previous year EUR 0.4 m.

#### **Balance sheet ratios significantly better than industry average**

In 2009, the balance sheet total increased by EUR 15.7 m to EUR 425.2 m.

Non-current assets decreased from EUR 204.5 m in the previous year to EUR 153.7 m, a fall of EUR 50.8 m (24.8 %). Current assets have increased significantly from their prior-year value of EUR 205.0 m to EUR 271.5 m, a rise of EUR 66.5 m.

The group equity ratio continues to remain high, at a figure of 53.7 % (previous year: 55.6 %). With these values, Lindner Group's equity base surpasses the industry average.

## **Employees**

#### **Slight fall in workforce numbers in 2009**

The total number of employees at Lindner decreased in the reporting period. On the balance sheet date, Lindner Group employed a total of 3,862 employees. Compared to the prior-year figure of 4,015 employees, this represents a shortfall of 153 employees, or a workforce shrinkage of 3.8 %. The withdrawal of the French insulation engineering subsidiary from the consolidation group was alone

responsible for the reduction of 151 jobs.

The number of people employed in Germany fell by 10 persons, from 2,622 to 2,612 employees. This represents a 0.4 % decrease in the workforce.

At the balance sheet date, the international workforce totalled 1,250 persons, some 143 employees (10.3 %) less than the prior-year figure.

The proportion of domestic employees in the total workforce amounts to 67.6 %, while internationally employed workers make up only 32.4 % of the total workforce.

## **Proposal for appropriation of earnings**

The Managing General Partner proposes to the General Assembly that the retained profit of Lindner Holding KGaA in the amount of EUR 2,507,424.48 be carried forward.

## **Strategic outlook**

#### **Continued expansion of international activities**

We will continue to persevere with our goal of strong international growth, supported by our "Strategy 50+". We aim to increase the international share of our business by over 50 % in the coming years.

Our business with Dubai, the Arab Emirates and the Asian zone, begun in 2008, will continue to be pursued. We have strengthened our Chinese distribution units so as to maximise the capacity of the production plant in Taicang (China), which became fully operational mid-2009.

We have now acquired our first promising orders in the Brazilian and Australian markets.

Specialist global teams are now successfully working on our "key accounts": airports, airlines, rail stations and tunnels. We have been able to acquire highly respected customers – such as the Emirates airline – who place value on top quality which provides a basis for long-term collaboration.

#### **Major follow-up order for Dubai joint venture**

The Lindner-DEPA joint venture has proved to be the perfect tool for taking a commanding position in the United Arab Emirates growth market. The metro station expansion is now being complemented by other major projects of interest. Supply business is also developing well in the Arab market.

#### **Continued investment in production plant worldwide**

The establishment of a double-floor production plant near Moscow, Russia, will further strengthen our ability to compete. Construction is due to begin in mid-2010.

### **Good utilisation of domestic and international capacity by approved major projects**

The trend towards large contracts persists: Lindner Group bids to complete these either as a general contractor or as a joint venture with trusted partners. Accordingly, we not only added new major projects of interest to our order books in the first month of the current fiscal year – such as the Heydar Aliyev Cultural Centre in Baku (order value EUR 8.9 m) and the Philharmonie in Paris (order value EUR 25 m) – but also signed framework agreements with long-standing customers. As well as the opportunities, we also recognise the risks, which we subject to intensive risk evaluation in the preliminary phase.

### **"Green Building" construction – sustainability as a further corporate core value**

By declaring its commitment to the "Green Building" philosophy, Lindner Group is taking an active part in maintaining and improving the conditions for people and the environment. We also honour this responsibility within the company, having assigned it its own governance principle in our company policy: "Acting sustainably – acting responsibly for the generations to come".

With its range of companies, Lindner Group is not only able to follow DGNB and LEED regulations during construction but can also manufacture its products to these standards: in the future, the Group will profit from global developments in sustainability.

### **Facades division to continue expansion of business operations**

The Facade division has resisted any disruption to its plans from the difficult economic climate and will continue the expansion of its business operations. Positive development seems likely following the submission of a number of promising quotations for major domestic and international facade projects, plus the awarding of a number of projects already in 2010. The division is well-positioned and is eager to get off the mark and enjoy a successful future.

### **Positive outlook for growth in Insulation Engineering and Environmental Protection**

The Insulation Engineering and Environmental Protection division was able to record a solid influx of orders in the first months of the new year. The potential for international growth is especially strong. The division has earned itself a good reputation worldwide in the last few years and proven its capability to compete. Accordingly, we are now involved at the earliest stages of the tender process, even with major projects, and can offer our high-quality insulation and disposal services. The Insulation Engineering and Environmental Protection Technology division expects business to remain stable during the next few years.

### **Concentration of financial activities within a dedicated company**

Lindner Finanz GmbH began business operations in 2010, and will now consolidate all of Lindner Group's finance and treasury activities within a single company. The remit for the company's team of experts includes controlling and managing overall liquidity more effectively, saving on bank margins, optimising in-house transactions, currency management and guarantee/surety management, and providing a consultancy service to advise on any financial topic within the Group.

### **Outlook for the Group**

The effects of the crisis on the overall economic situation will continue to be felt in the current fiscal year. It is too soon to know with certainty how these global disturbances will affect the Lindner Group and its constituent companies. Eroding sales markets for the supply business, stagnating markets (particularly in Eastern Europe) and the postponement of agreed plans for large-scale investment in industrial or public construction have also clearly left their mark on various areas within the Lindner Group.

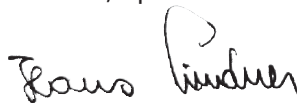
However, since order books are currently well-filled, the Managing General Partner of Lindner Holding KGaA is confident that the Group can weather these difficult times without undue harm. The Company has excellent liquidity at its disposal and is thus not dependent on credit. Projects pending can be financed in advance by the Group itself. As a result of its excellent credit rating, Lindner Group has high guarantee lines available at its principal banks, ensuring reliable completion for even the largest construction projects.

The Company is also well-positioned internationally and expects to see further growth here in the current fiscal year, despite the minor setbacks of 2009. Since major projects have already been secured, one is justified in assuming that 2010 will see an increase in performance when compared to the previous year. The operating income is expected to achieve the prior-year figure in the current fiscal year.

Company management would like to express its heartfelt thanks to all of our executives and employees – who support Lindner Group on its journey and on whose shoulders the fortunes of this company rest and will continue to do so in the future:

Together – for shared success!

Arnstorf, April 2010



Hans Lindner  
Managing General Partner

# Your global partner

## Lindner Holding KGaA, Arnstorf

Lindner AG Ceiling, Floor & Partition Wall Systems Arnstorf	Lindner Isoliertechnik & Industrieservice GmbH Arnstorf	Lex Beschlage- und Baubedarf Han- dels GmbH Arnstorf	Lindner Objektde- sign GmbH Arnstorf	Lindner Rein- raumtechnik GmbH Arnstorf	Lindner Fassaden GmbH Arnstorf
Lindner Finanz GmbH Arnstorf	Lindner Entwick- ler.Planner.Ing- enieure GmbH Arnstorf	Lindner RIDO Fas- sadentechnologie GmbH Berlin (50% holding)	IWS Lichttechnik GmbH Essenbach- Mettenbach (36% holding)		
Lindner Nederland B.V. Ede Netherlands	Lindner plc London England	Lindner Schmidlin Facades Ltd. London England	Lindner France S.A.S.U. Cergy-Pontoise France	Lindner Luxem- bourg S..r.l. Kopstal Luxembourg	Lindner Welsy S.p.r.l. Wavre Belgium
Drafi Sourcing Aps Copenhagen Denmark	Lindner Iberia S.L. Madrid Spain	Lindner GmbH Baden Austria	Goldbach Bodensysteme GmbH Baden Austria	Lindner Iso- liertechnik & Industrieservice GmbH Baden Austria	
Lindner Turen – Fassaden s.r.o. Ostrov Czech Republic	Lindner Slovakia s.r.o. Bratislava Slovak Republic	Lindner Mobilier s.r.o. Madunice Slovak Republic	Lindner Polska Sp. z o.o. Warsaw Poland	Lindner Zagreb d.o.o. Zagreb Croatia	Lindner Izolacija i Industri- jski Servis d.o.o. Zagreb Croatia
Lindner d.o.o. Podgorica Podgorica Montenegro	Lindner d.o.o. Beograd Belgrade Serbia	Lindner Bulgaria EOOD Sofia Bulgaria	Lindner SRL Bucharest Romania	Lindner o.o.o. Moscow Russia	OOO Lindner Voskresensk Voskresensk, Russia
Lindner USA, Inc. Tucker Georgia USA	Lindner Building New Solutions Co. Ltd. Taicang China	Shanghai Lindner Innovative Interi- ors Co. Ltd. Shanghai China	Lindner Facades Design Consulting (Shanghai) Co. Ltd. Shanghai China	Lindner Depa Interiors L.L.C. Dubai United Arab Emirates (49% holding)	Lindner Saudi Arabia Ltd. Al Khobar/ Saudi Arabia

As at May 2010, operative companies only