

Top figures after restructuring

Berkenhoff back on the road to success

Heuchelheim, 1 February 2011 – Following the conclusion of its restructuring programme for its bedra umbrella brand, Berkenhoff, the wire manufacturer based in Hesse, is once again reporting top figures. The results now recorded for the 2010 financial year indicate that the future will see high earnings!

The restructuring measures already started to take effect throughout 2009 but significant increases in current sales figures confirms that the company has turned the corner. Tonnage, for instance, increased by 22% in the financial year 2010 while turnovers rose by 39% compared with the previous year to 90.2 million euros – these successes were achieved with a workforce of 472. All three areas of business reported considerable improvements on the previous year's figures. Growing sales and turnovers resulted in a healthy improvement to operational profits (EBIT) totalling 16 million euros compared with the previous year. „The positive trend in EBIT shows that the company's long-term future has now been secured“, said a happy Askan Duhnke, CEO at Berkenhoff. „The crisis has now been weathered. Even if we haven't yet quite achieved the levels of the past.“

Best Practice“ restructuring

The restructuring experts at Nexpert AG in Hamburg assumed control of the ailing company from a financial investor. Nexpert's crisis managers then chose to implement the „Driver's Seat“ model of restructuring, i.e.



Askan Duhnke and Thomas Kresse (Nexpert AG) at the Berkenhoff factory

About Berkenhoff

Under the umbrella brand of bedra, Berkenhoff GmbH manufactures high-quality precision wires for use in spark erosion, welding and soldering, electronic components and special applications. As the sole manufacturer of precision wires, bedra carries out all aspects of production itself: from casting and rolling through drawing and annealing to galvanizing.

For customers, this means consistent quality and processing reliability at the highest of levels. The company's two factories in Germany manufacture more than 30 million kilometres of precision wires in more than 100 different alloy varieties. More information is available online at www.bedra.com

PRESS RELEASE

Topic: New facts and figures, restructuring a success

bedra
intelligent wires

a model that would allow responses to be rapid and appropriate. „We saw that the company had a very healthy core, one that had to be freed up immediately through the implementation of targeted measures,“ explained Mr Duhnke. „The company was therefore purchased so as to create the independence that would allow us to take all decisions as the sole shareholders.“ Besides being able to successfully negotiate with the creditor banks, the restructuring experts were thus able to win a guarantee from the Hesse state government at the end of 2009.

This prepared ground for the restructuring measures to be rapidly implemented. These measures included the modernization and expansion of machines and equipment, the optimization of production and inspection processes and the intensification of project-related cooperation with service providers and suppliers. The interim management also introduced a business-ratio system for production, expanded the total-quality management system and improved order processing and the monitoring of procurement processes. It also optimized the IT infrastructure and streamlined standard organization procedures.

At the same time, marketing and sales instruments were honed. New target markets were developed with the market focus being intensified with the aim of developing innovative customer-specific product solutions and creating win-win sales strategies. Customer satisfaction was also improved through regular customer surveys and the introduction of a

customer-relationship-management system (CRM) – all of which were rounded off with additional advertising and sales-promoting activities.

All areas within the company were rigorously reorganized, which led to the turnaround being achieved in 2010 with a healthy growth in turnovers. The restructuring concept helped visibly reduce the company's debt structure and improved equity ratios. „We pushed investments through, increased sales activities and streamlined both internal flows and production processes,“ said Mr Duhnke in summary. „People are now more aware of our high-tech precision wires as a result of which demand has increased.“ We unfortunately had to let some workers go during the crisis. But as a result of the continuing positive developments, the company is now not only employing new workers but is also inviting previous employees to return to work. Besides optimizing processes and increasing sales activities, Berkenhoff in future intends to position itself in new markets and win additional market shares with more innovative products. It gives us great satisfaction to be able to present Berkenhoff as an example of targeted restructuring and secured growth through „Quality Made in Germany“.



*Bedra high-tech
precision wires
are used worldwide*

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