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Financial Year 2006 of the Würth Group

- Consolidated sales increase by 12 percent to EUR 7.75 billion
- Operating result goes up by 13 percent to EUR 515 million
- Equity capital rises to EUR 2.28 billion
- End of 2006: 54,906 employees worldwide

Künzelsau/Stuttgart. On Wednesday, May 9, 2007, the Künzelsau-based Würth Group presented the consolidated financial statement for the financial year 2006 in Stuttgart. "The active and professional way in which we are acting in the market as well as the dynamic development of the economic situation contributed greatly to a very successful year 2006 for the Würth Group", said Robert Friedmann, Chairman of the Central Managing Board of the Würth Group.

30 years of continuous growth

The Würth Group, comprising 370 companies in 83 countries worldwide, has been able to close the financial year 2006 with consolidated annual sales of EUR 7.75 billion which corresponds to an increase of 12.1 % compared to the previous year. Without acquisitions this is an increase in growth of 10.4 % compared to the previous year. In LC, sales growth comes to 12.3 %. With the exception of the year 1975, the Würth Group has been able to increase its sales every year since the company was founded.

The operating result before tax of EUR 515 million constitutes a new record, thus exceeding last year's result (2005: EUR 455 million) by 13.2 %. Already the fifth year in a row the Würth Group thus succeeded in increasing the operating result disproportionately. The return on sales improved as well: from 6.6 % in 2005 to 6.7 % in 2006.

Excellent two-digit growth in Germany and abroad

The Group's individual business fields developed very positive without exception. The German companies of the Würth Group alone generated sales of EUR 3.1 billion, which corresponds to an increase of 12.3 % compared to the previous year. More than 40 % of the overall sales volume has been achieved in Germany, which represents the market within the Würth Group that traditionally shows the highest value in the fields of sales and number of employees.

With an increase of almost 10 %, the parent company Adolf Würth GmbH & Co. KG (AWKG) achieved an external sales volume of EUR 814 million and thus generated 26 % of the German total sales. Consequently, AWKG continued its outstandingly successful company development.

The growth of Würth Industrie Service GmbH & Co. KG was impressive as well. The company offers industry customers individual supply and service concepts in the fields of logistics and materials planning. An increase in sales of 23.2 % compared to the previous year and external sales of EUR 140 million in 2006 underline the company's growing importance.

The international Würth Group companies increased their sales by 11.9 % to EUR 4.6 billion. The region Southern Europe has been especially successful in the financial year 2006. With a sales growth of 13.2 % and sales of EUR 449 million, Würth Spain clearly surpassed the Würth Group's already high growth level.

High growth rates in the Construction Division

Of the 128 companies of the Würth Line specializing in assembly and fastening material, the core business of the Würth Group, the Construction Division benefited most from the economic upswing. Compared to last year, it reported an increase of 20.3 %. In absolute terms, however, the Metal Division was the best performer within the Würth Line (EUR 1.3 billion).

The 242 Allied Companies of the Würth Group, which mainly operate in related business fields, generated worldwide sales of EUR 3.2 billion, which corresponds to an increase of 14.7 % compared to the previous year. With an increase in sales of 13.4 % to EUR 753 million, the business unit 'electrical wholesale' reported the highest growth rates.

Driving force sales representatives

The Würth Group continues to hire new employees. At the end of 2006, the Group employed 54.906 people worldwide. Compared to the previous year, the number of employees thus increased by 4,139 (+ 8.2 percent). The number of employees grew strongly in the international companies, namely by 8.5 % to 39,608 employees. It is especially good to hear that more than 1,000 jobs have been created within the German Group, which corresponds to an increase of 7.3 %.

The number of in-house staff increased by 11.2 % to a total of 25,886 employees. This figure includes 753 jobs which were added on account of company acquisitions. However, the sales force of the Würth Group is still the driving force – which is the reason why the number of sales reps will be increased also in future. In all, the number of sales reps increased by 5.6 % to 29.020 employees last year. When adding in-house sales employees as well as the employees of the branch offices, the percentage of employees working in sales comes to 67.0.

The Würth Group is deeply involved in education and promotion of junior staff. In Germany alone, 768 employees of the individual Group companies are still in training.

Investments in the core business and innovative power in the market

In 2006, the Würth Group invested a total amount of EUR 425 million. The Würth Group especially focused on constructing or extending logistics buildings and thus further developed its core competence in the field of logistics. The highest amount was invested in Germany. An overall investment volume of EUR 55 million flew into the erection of the CISfab in Schwäbisch Hall, a Würth Solar production site for CIS solar modules. EUR 10 million were already allotted to the year 2005. This first large-scale production of this new generation of solar modules underlines the Würth Group's innovative power.

In the financial year 2006, the Würth Group was in the position again to finance the investments required for growth by means which it had generated itself. The proportion of investments (EUR 425 million) to the gross cash flow (EUR 605 million) is 70.2 % - a value which underlines the company's financial stability.

Excellent rating

In 2006, the equity capital of the Würth Group went up by EUR 229 million to EUR 2.3 billion. On account of the increased balance sheet total of EUR 5.1 billion (previous year: EUR 4.1 billion) the equity ratio decreased to 44.8 % (previous year: 49.5 percent). This is due to the initial consolidation of Internationales Bankhaus Bodensee AG which reports a balance sheet total of 560 million.

According to the latest assessment of the financial situation of the Würth Group in 2006 by the leading rating agencies Standard & Poor's and FitchRatings the credit standing and the development chances of the company are positive. Furthermore, the agencies confirmed the former rating "A/outlook stable".