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Group Interim Report – Third Quarter 2011

Core markets at VBH remain stable – adjustments in country portfolio drag on results

Consistent focus on core business; main regions Germany and Eastern Europe with clearly positive result; one-off effects negatively impact consolidated balance sheet

Kornthal-Münchingen, 15 November 2011

VBH Holding AG, Europe's largest trading house for window and door fittings, is focusing more strongly on its strategic core business and on markets promising long-term success. In the first nine months, sales from continuing operations rose by 2.7% year-on-year from € 562.3 million to € 577.4 million. The consolidated balance sheet was negatively impacted by one time effects resulting from streamlining the country portfolio.

Order overhangs and encouraging signals from the general economy pushed VBH Holding AG's sales and results in the first six months of 2011. In the third quarter of 2011, the economic environment changed considerably. Momentum declined significantly year-on-year with a 2.3% drop in sales. Adjusted operating EBITDA fell from € 21.8 million in the previous year to € 18.9 million. Adjusted EBT amounted to € 8.7 million after € 11.7 million in the previous year. One-off effects totalling € 31.2 million due to impairment losses in Western and Southern Europe and Asia and the disposal of companies in Italy, Cyprus, Malaysia and Kuwait as part of the concentration on core regions had a non-recurring negative effect on the consolidated result. The loss in the Group (EAT) including all one-off effects amounted to € 22.4 million following a € 5.8 million profit in the previous year. All processed measures had only a minor effect on liquidity. The Group's equity ratio will return to a value above 30% at the end of the year.

Major differences in the regions

Development in individual markets and regions differed greatly and was marked by the current European debt crisis and the accompanying uncertainty on the European financial markets. As a result streamlining the country portfolio was driven by medium term economic trends and forecasts for the regions and markets in which VBH operates. VBH's main regions, Germany and Eastern Europe, in which more than 80% of sales are generated, posted stable growth in the first three quarters of 2011 (Germany 3.2%, Eastern Europe 5.4%). On the other hand, it is not possible to make a prognosis about further economic development of Western and Southern Europe. In the Asian markets, too, VBH reported only low growth rates. Therefore, the VBH Holding AG Executive Board made a strategic decision to discontinue the loss-making mass aluminium business in Italy and to subject Asian companies in this area to close scrutiny. Trading companies in Cyprus, Malaysia and Kuwait that are not profitable in the long term will be

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closed or sold. In addition, impairment was taken on the goodwill of the companies in Western and Southern Europe (Greece, Spain, Belgium, Ireland) and in Asia (Singapore, Thailand, UAE, China, India).

VBH shares are currently trading at € 3.80. The measures taken resulted in fully diluted earnings per share (EPS) from continuing operations falling from € 0.21 to € -0.20. For 2011 the Executive Board will be unable to present a proposal on the appropriation of net profit providing for a dividend distribution.

Outlook

VBH Holding AG remains on a stable course. The measures taken and the non-recurring impairing allowances serve to strengthen future development and only have a minor impact on the liquidity of the Group. The market in Germany is currently benefiting from increasing construction permits and interest rates remaining favourable. The current discussion in the German Federal Government on ambitious energy-saving targets and the accompanying subsidies for energy modernisation of buildings makes the Executive Board confident that structural measures in the area of renovation will support VBH sales in the medium term.

Note for editors:

The full interim report for the third quarter of 2011 is available immediately for download at www.vbh-holding.com.

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