



# Because

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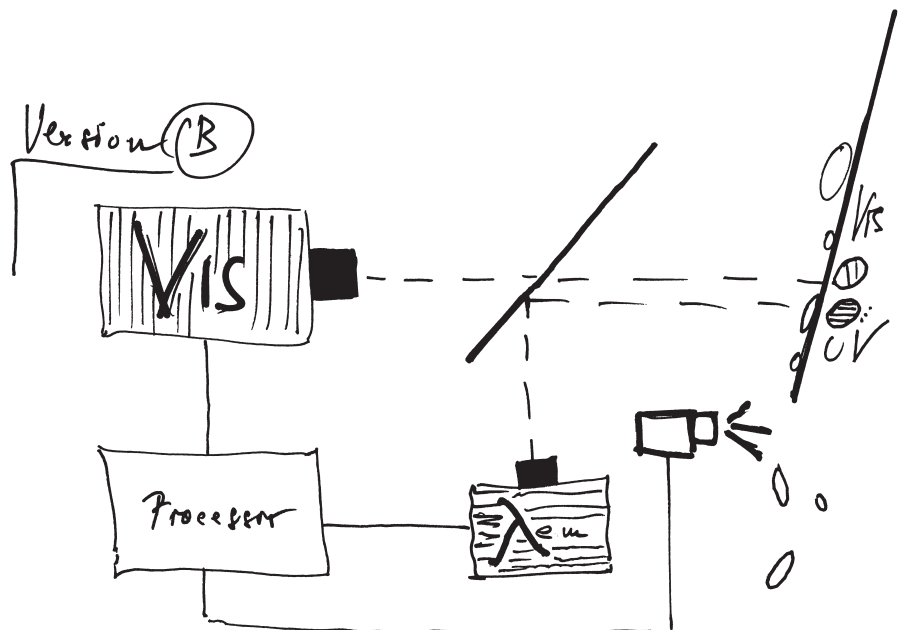
Annual Report 2009

**binder+co**

we are a

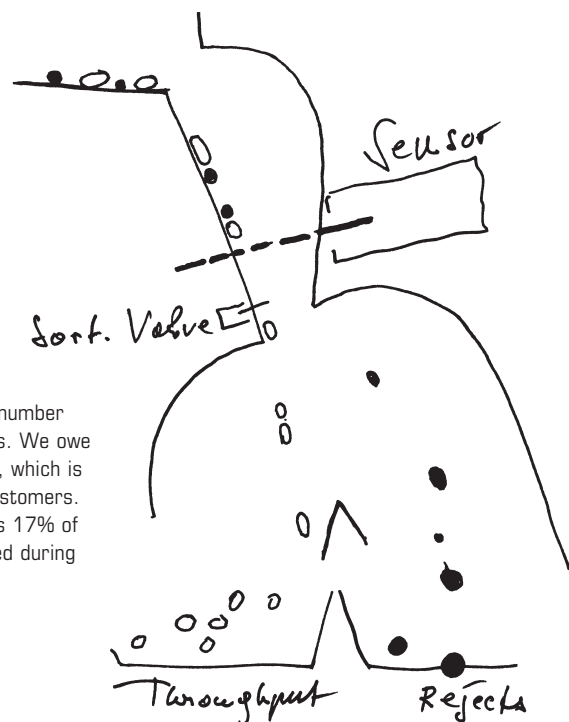
# strong team,

**A company is only as good as its employees** and ours constitute one of the secrets of Binder+Co's success. They are committed, motivated and team-oriented. Indeed, in our company, creative thinking is a matter of course and not merely limited to the R&D department.



# innovation is

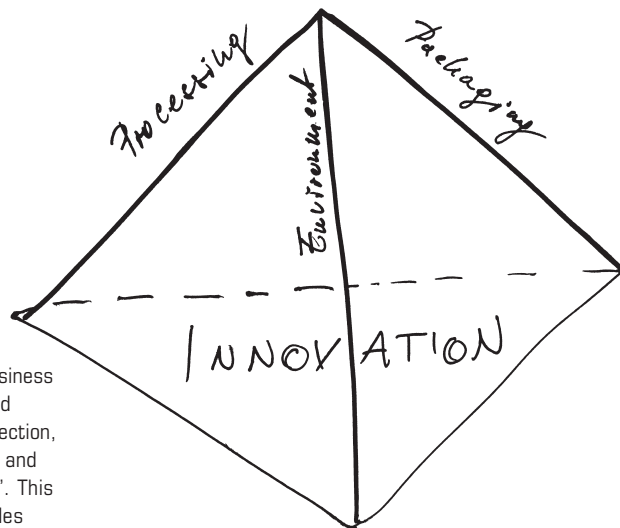
**Ahead of the field.** With our first-class products, we number among the world's top 3 in all our business segments. We owe our technological leadership to systematic innovation, which is tailored to the frequently complex demands of our customers. Our high levels of innovation speak for themselves, as 17% of our sales revenues derive from new products launched during the past three years.



on our daily  
agenda and

with our  
**segments,**  
appointed,

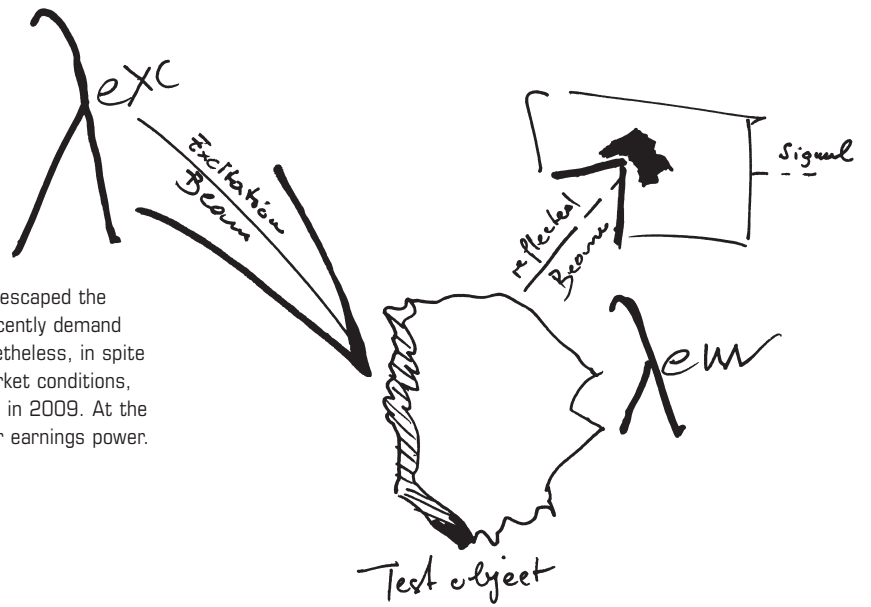
# three business we are well



**Nothing is more stable than a tripod** and our three business segments composed of Processing, Environmental and Packaging Technology supplement one another to perfection, serving a variety of markets with differing conditions and developments under the joint heading of "bulk goods". This not only increases our opportunities, but also provides balance and risk distribution.

**even in 2009**

**A soft landing.** We have not escaped the crisis unscathed. Indeed, recently demand has tangibly slackened. Nonetheless, in spite of the clearly depressed market conditions, overall we held our own well in 2009. At the same time, we enhanced our earnings power.



we achieved  
a good result.

# Binder+Co Group

## Key business development indicators – IFRS

<b>Earnings</b>		<b>2009</b>	2008	<b>Q4/2009</b>	Q4/2008
Sales revenues	EUR m	63.13	73.45	15.09	22.42
thereof Processing Technology	EUR m	31.18	33.48	9.06	11.14
thereof Environmental Technology	EUR m	22.53	28.26	3.78	9.17
thereof Packaging Technology	EUR m	9.42	11.71	2.25	2.11
EBIT	EUR m	6.66	7.20	1.91	2.27
thereof Processing Technology	EUR m	2.90	3.38	1.49	0.67
thereof Environmental Technology	EUR m	3.49	3.61	0.80	2.12
thereof Packaging Technology	EUR m	0.27	0.21	-0.38	-0.52
EBIT margin	%	10.5	9.8	12.7	10.1
Result for the period	EUR m	5.15	5.40	1.48	1.68
Earnings per share (undiluted)	EUR	1.37	1.42	0.43	0.44
Earnings per share (diluted)	EUR	1.37	1.42	0.43	0.44
Investments	EUR k	2,800	2,142	1,296	621
Operating cash flow (OCF)	EUR k	6,105	8,266	1,715	-1,366
Employees	Number on the closing date	236	252	236	252
Sales revenues/employee	EUR k	268	291	64	89
EBIT/employee	EUR k	28	29	8	9
Order intake	EUR m	49.83	85.25	17.27	12.22
thereof Processing Technology	EUR m	21.86	48.11	11.15	8.00
thereof Environmental Technology	EUR m	17.45	29.13	3.46	2.68
thereof Packaging Technology	EUR m	10.52	8.01	2.66	1.54
Order backlog	EUR m	17.96	31.29	17.96	31.29
thereof Processing Technology	EUR m	13.41	22.75	13.41	22.75
thereof Environmental Technology	EUR m	2.38	7.47	2.38	7.47
thereof Packaging Technology	EUR m	2.17	1.07	2.17	1.07

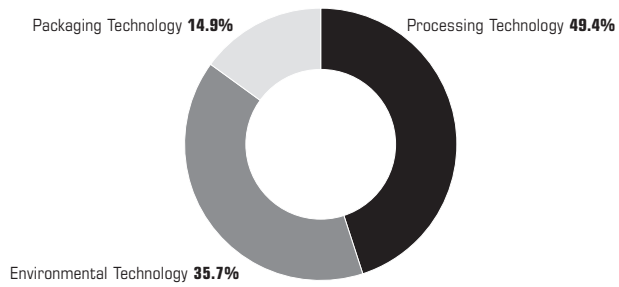
## Key balance sheet indicators – IFRS

<b>Assets</b>		<b>Dec. 31, 2009</b>	Dec. 31, 2008
Non-current assets	EUR m	15.68	14.45
Current assets	EUR m	27.04	32.44
<b>Liabilities and shareholders' equity</b>			
Equity	EUR m	20.41	18.00
Non-current debt	EUR m	6.58	6.07
Current debt	EUR m	15.73	22.82
Total assets	EUR m	42.72	46.89
Equity ratio	%	47.8	38.4
Return on equity (ROE) <sub>EBIT</sub>	%	32.6	40.0

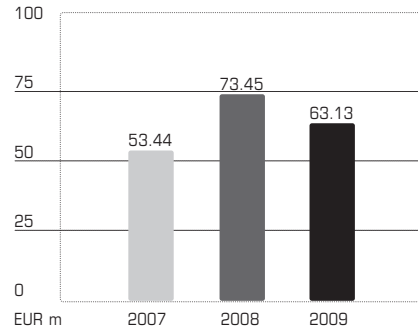
## Key share indicators

		<b>2009</b>	2008	<b>Q4/2009</b>	Q4/2008
Highest price	EUR	11.90	12.79	11.90	12.79
Lowest price	EUR	9.25	9.00	10.87	9.00
Closing price as at Dec. 31	EUR	11.10	9.45	11.10	9.45
Market capitalisation as at Dec. 31	EUR m	41.63	35.44	41.63	35.44

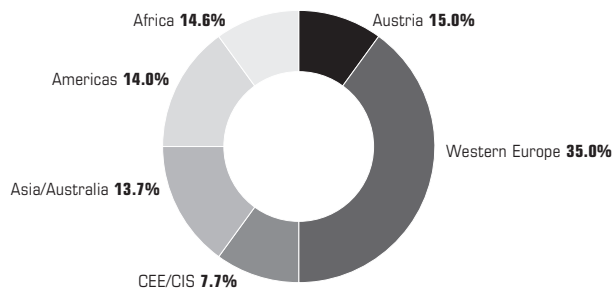
### Sales revenues 2009 by segment



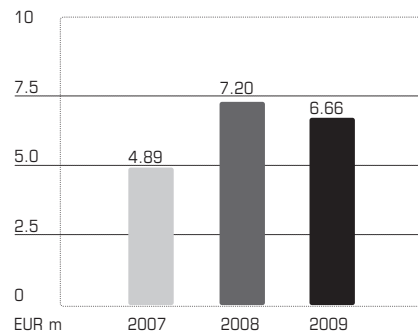
### Sales revenues



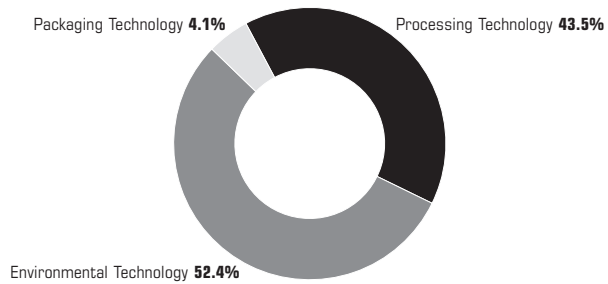
### Sales revenues 2009 by region



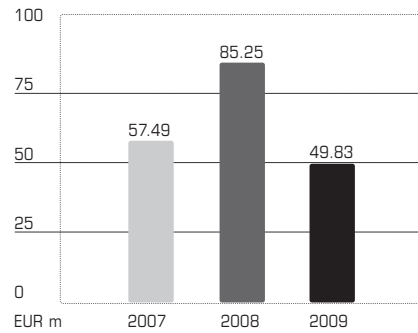
### EBIT



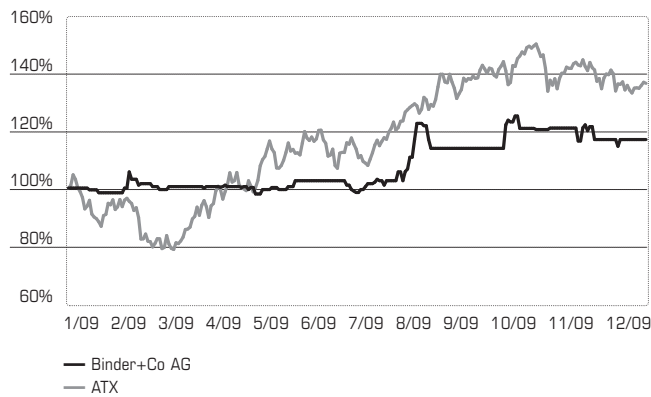
### EBIT 2009 by segment



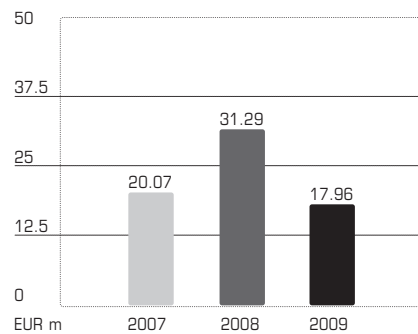
### Order intake

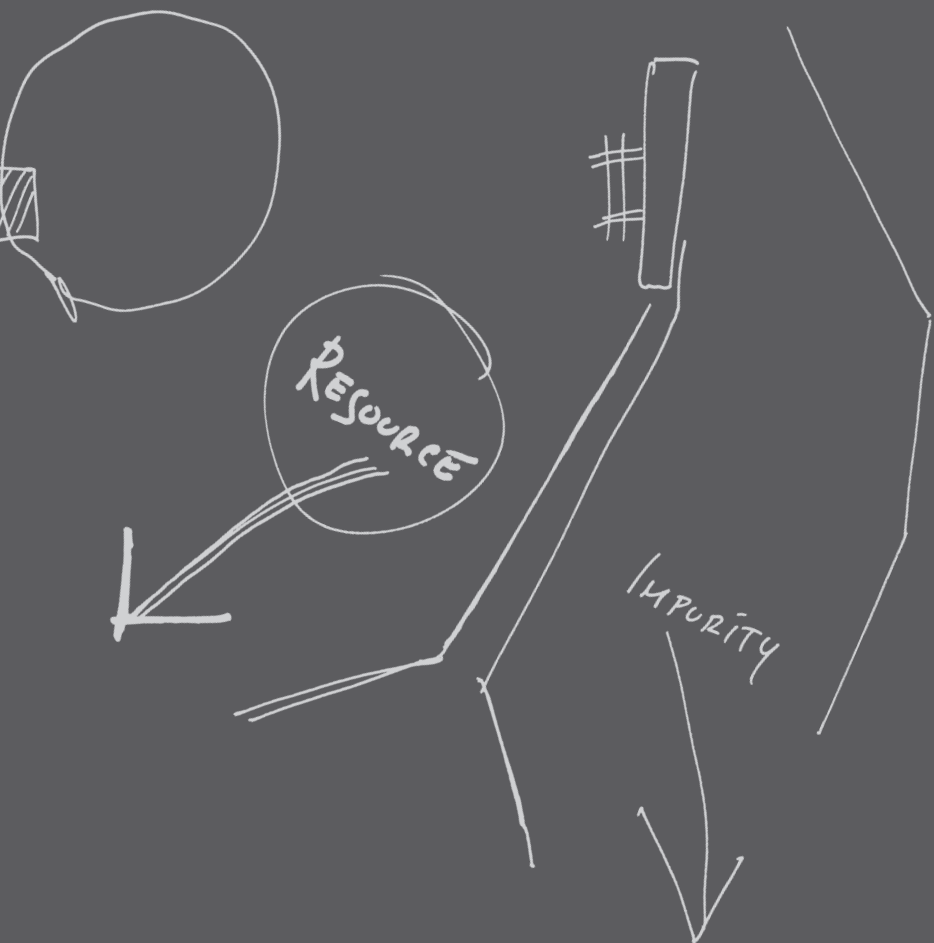


### Binder+Co as compared to the ATX



### Order backlog as at December 31











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# Highlights 2009

-  **Stable demand for single machines and spare parts**
-  **Economic downturn affects system and plant business**
-  **At EUR 63.1 million, sales revenues some 15% below those of the record year 2008**
-  **EBIT down by 10% to EUR 6.7 million**
-  **At EUR 49.8 million, order intake at the 2006 level**
-  **Internal structures for 2010 adjusted to the average sales revenues levels of 2007/2008**

# » A soft landing thanks to systematic innovation «

## A conversation with the members of the Management Board, Karl Grabner and Jörg Rosegger

*When we talk about the 2009 financial year, the first question virtually poses itself. What has the crisis done to Binder+Co and what has Binder+Co done in the crisis? The sales revenues and result of your company present a generally positive picture.*

**Grabner:** There can be no doubt that the economic crisis 2009 provided the ideal stress test for the reorientation of the company completed during the past decade. We can clearly state from the outset that Binder+Co's basic strategy has also demonstrated its excellence in this phase of economic turbulence. The concentration on innovative mechanical engineering products of a high technological standard, extensive regional market access and the successful initiation of increased productivity in all areas of the company, have furnished Binder+Co with stability in a difficult business period.



K. Grabner, J. Rosegger

**Rosegger:** Order intake, primarily with regard to system and plant building business, was the only area that clearly failed to live up to expectations in the first three quarters of 2009. Profitable single machine business had an equally stabilising effect in all three segments. However, in total, order intake in the first nine months of 2009 was markedly below the level of 2008. It was first possible to create an order cushion of just under EUR 18.0 million for the 2010 financial year in the fourth quarter.

In order to be ideally equipped to deal with what is certain to be a challenging year in 2010, we again streamlined our fixed cost structure during the second half of 2009. This has proved to be highly effective and we were already able to handle the latest orders received using the new system. We were thus able to even slightly raise the quality of our result in spite of a fall in sales revenues.

*Have the market and, in concrete terms, your market position changed as a result of the crisis?*

**Grabner:** Even before the crisis, we successively opened up new markets and intensified our presence in existing ones. Our geographical focus is on western and eastern Europe, as well as south-east Asia, while our branch emphases are on recycling, industrial minerals, coal and potash. During the 2009 financial year

Binder+Co continued to concentrate considerable efforts on market expansion in the CEE and CIS regions, although to date, these endeavours have not been rewarded with corresponding sales revenues. This strategy derives from the fact that even in the currently less favourable market climate, we rely on continuity and the cultivation of our partnerships. We were able to profit from the boom years and therefore, we are ready to support our customers during periods of difficulty, in order to be on the pace when the economic barometer again starts to rise.

**Rosegger:** The continued improvement in our position is already indicated by the fact that in 2009, we were still able to raise our sales revenues in our key and target account areas. The probity of our two years of development work in the Chinese coal market has been confirmed by initial orders, while a further major order from South Africa meant that we were able to successfully defend our existing market share of almost 100% in the glass recycling sector. At the same time, our development of a sensor system for glass sorting on the basis of lead content enabled us to maintain our technological market leadership in western Europe.

**» Binder+Co's basic strategy has also demonstrated its excellence in this phase of economic turbulence. «**

Last, but not least, Binder+Co Packaging Technology selected the support of major customers from a diversity of branches as the spearhead of its activities. First and foremost, it placed an emphasis on the Indian and south-east Asian regions and in 2009 was thus able to record significantly higher order intake than in 2008.

*In all its product segments, Binder+Co numbers among the world's top 3 and in the screening technology and glass recycling areas is actually the global market leader. Therefore, in view of the "Darwinian year" 2009, several questions arise. Has your company been able to emerge from these difficult times relatively unscathed because in recent years it has successfully established itself as a niche player? Furthermore, is innovation, involving the targeted solution of new challenges, your most important success factor?*



K. Grabner

**Grabner:** As a medium-sized company, Binder+Co has long been successfully anchored in product and market niches. However, the sudden change in business conditions at the end of 2008 also gripped some of the areas that we serve, especially with regard to system and plant business. Nonetheless, due to the partial shift in demand to single machine orders, seen overall the general market trend only affected us to a more moderate extent. This demonstrated that the continuous analysis of the processing procedures used by our various customers and customer segments and the early recognition of shifts in environmental policy have both paid dividends and provided a solid contribution to the successful mastery of deteriorated market conditions. This is because, as a result of these measures, we are in a position to make a timely start with the development of product innovations.

For a number of years, we have defined the success of our development work using the so-called innovation ratio, which in 2009 showed an average of 17%, although there were some major differences between the individual product segments. This means that in the past financial year, 17% of total order intake derived from products that Binder+Co has newly launched onto the market as in-company developments during the past three years.

The innovation ratio is therefore a measure of the extent to which we have correctly adjudged and answered the needs of the market. For us, it is the cornerstone of Binder+Co's sustained business development.

***This means that the innovation ratio will continue to be an important key indicator for Binder+Co in years to come. Do concrete plans and ideas already exist for new products and applications?***

**Rosegger:** With the introduction in 2009 of a new generation of sensors for the identification and sorting of special glass qualities in line with their lead content, Binder+Co's Environmental Technology Segment again defended its technological leadership in the glass recycling area. In 2010, the main priority will be the product's rapid market penetration, although at the same time we are also currently intensifying our efforts with regard to sorting processes and separation technologies for used plastics.

In the Processing Technology Segment, the central focus of interest during the past financial year was on the new development of a minerals sorting module and at the end of 2009, an initial industrial prototype was completed under the name MINEXX. This system is based on our successful glass sorting developments and thus combines our experience in the processing technology branch with our technical expertise in the environmental technology field. The market launch of the MINEXX system is planned for the first half of 2010.

In the Packaging Technology Segment, a decisive step towards another increase in performance and efficiency was taken with the transfer to serial production of the System R, the first fully automatic packing plant to operate directly from woven polypropylene tubing. In another development, we are also working in close co-operation with a customer on a further advance in the bag handling area. A prototype should be available by the end of 2010.

***Many companies were forced to shed personnel during the past year. What is the situation regarding Binder+Co workforce?***

**Grabner:** Following solid growth during the 2008 financial year, which was reflected by an 18% increase in employee numbers, in 2009 we had to use every option at our disposal in order to adapt our workforce to the fall in order intake. Therefore, in mid-2009 we began to adjust our personnel structure to match the demands of a challenging 2010 by means of a reduction in the large number of leasing staff used to date and moderate alterations with regard to our core team.

Simultaneously, young employees were informed of the possibilities available for educational sabbaticals and long-term staff of the opportunities related to age-related, part-time working models. Part of the capacity adjustments were completed with the assistance of these programmes, which also support the concurrent augmentation and transfer of knowledge and thus help to supplement and retain know-how within the company. In total, at year's end the workforce was approximately 6% smaller than in the preceding year, whereby six employees are taking an educational sabbatical.

**» In mid-2009 we began to adjust our personnel structure to match the demands of a challenging 2010. «**

***In the autumn of 2008, you considerably strengthened your competitive position in the Packaging Technology Segment through the launch of a joint venture. Should the crisis present favourable acquisition possibilities, will you use them, or are there already defined plans in this connection?***

**Rosegger:** After more than a year, a thoroughly positive balance can be drawn up regarding Stacac Binder, for in spite of the difficult market conditions the sales revenue and result quality of this segment was retained in 2009 and order intake was actually raised considerably. We are gaining important experience from this joint venture, which furnishes us with optimism regarding similar undertakings.

Accordingly, following 2009, which was still characterised by the integration of the new joint venture, during the new financial year we will certainly step up the evaluation of acquisition possibilities. One focus will be on the search for partners in the processing and environmental technology areas and we will also focus on the augmentation of our product portfolio and new market openings in the Mediterranean, CEE and CIS regions.

**» One focus will be on the search for partners in the processing and environmental technology areas. «**

*In September 2009, the Binder+Co share was accepted into continuous trading and from mid-summer, the price of the share again moved markedly upwards. At the end of the year, while staying in the mid market segment, you decided to switch from regulated free trading to the third market. What were the reasons?*

**Grabner:** At present, seven companies are listed in the mid market. Binder+Co numbers along the pioneers and has been part of the market since its inception in mid-2007. As a result of the company's extremely stable ownership structure, in spite of the turbulence in the stock markets, we have succeeded in maintaining the share price at the level of the listing on the stock exchange. From our perspective, the limited liquidity of the share represented a certain advantage. Nonetheless, the decision to move to the third market within the mid market as per January 15, 2010, was taken primarily with the general optimisation of our resources in line with the strategic further development of Binder+Co in mind. However, we will remain loyal to the mid market.

*Following the purchase of a 13.2% stake in Binder+Co by the grosso holding in March 2009 as a new shareholder, the free float currently stands at around 30%. What role do long-term investors play in your strategic orientation?*

**Rosegger:** Our stable ownership structure contributed greatly to the positive development of the share price during the turbulent year 2009 on the stock exchanges. At the same time, the long-term perspectives of our investors constitute a guarantee of the sustained, strategic course of the company. They serve to clearly cushion major disruptive influences emanating from the economy as a whole, as it is non-current topics that determine the firm's strategic orientation.



J. Rosegger

*Serious forecasts concerning the future course of business are barely possible at present, but may we nonetheless risk a look into the future?*

**Rosegger:** Subject to the premises that Binder+Co traditionally follows the economic cycle with some delay and that in 2009 we succeeded in clearly outstripping average branch performance, from a business viewpoint, for us 2010 will constitute a special challenge. In addition, as compared to last year, our order cushion is clearly smaller. All in all, we assume that in 2010 sales revenues will come to rest at the average level achieved in the 2007 and 2008 financial years, albeit with reduced result quality. However, a rapid economic recovery could furnish positive impulses in this regard and our three-segment approach offers us the widest conceivable risk distribution.

**» Our stable ownership structure contributed greatly to the positive development of the share price during the turbulent year 2009 on the stock exchanges. «**

*In closing, a question concerning your most important strategic projects for the coming years. What can we understand as your vision for Binder+Co 2010/2011?*

**Grabner:** A major growth factor is our key account management, which from a regional viewpoint is focused on western and eastern Europe and Asia, and in branch terms on coal and potash mining, industrial minerals, recycling, petrochemicals and feedstuffs. As far as products are concerned our emphasis is on screening technology (BIVITEC), sorting technology (CLARITY) and high-performance packaging (PRINCIPAC).

In the long-term we are also planning joint ventures in the overseas markets for processing and environmental technology, in order to also locally support our key account management in the best possible manner and to further enhance our proximity to the customer.

At the same time, we will attempt to further consolidate our market access in western Europe, the CEE and CIS regions and to supplement our product portfolio with new products that have been efficiently launched onto the market. In this regard, in the medium-term we are considering an acquisition in the areas of processing and environmental technology.

**» A major growth factor is our key account management. «**

*Thank you for your time.*

# Internationally present

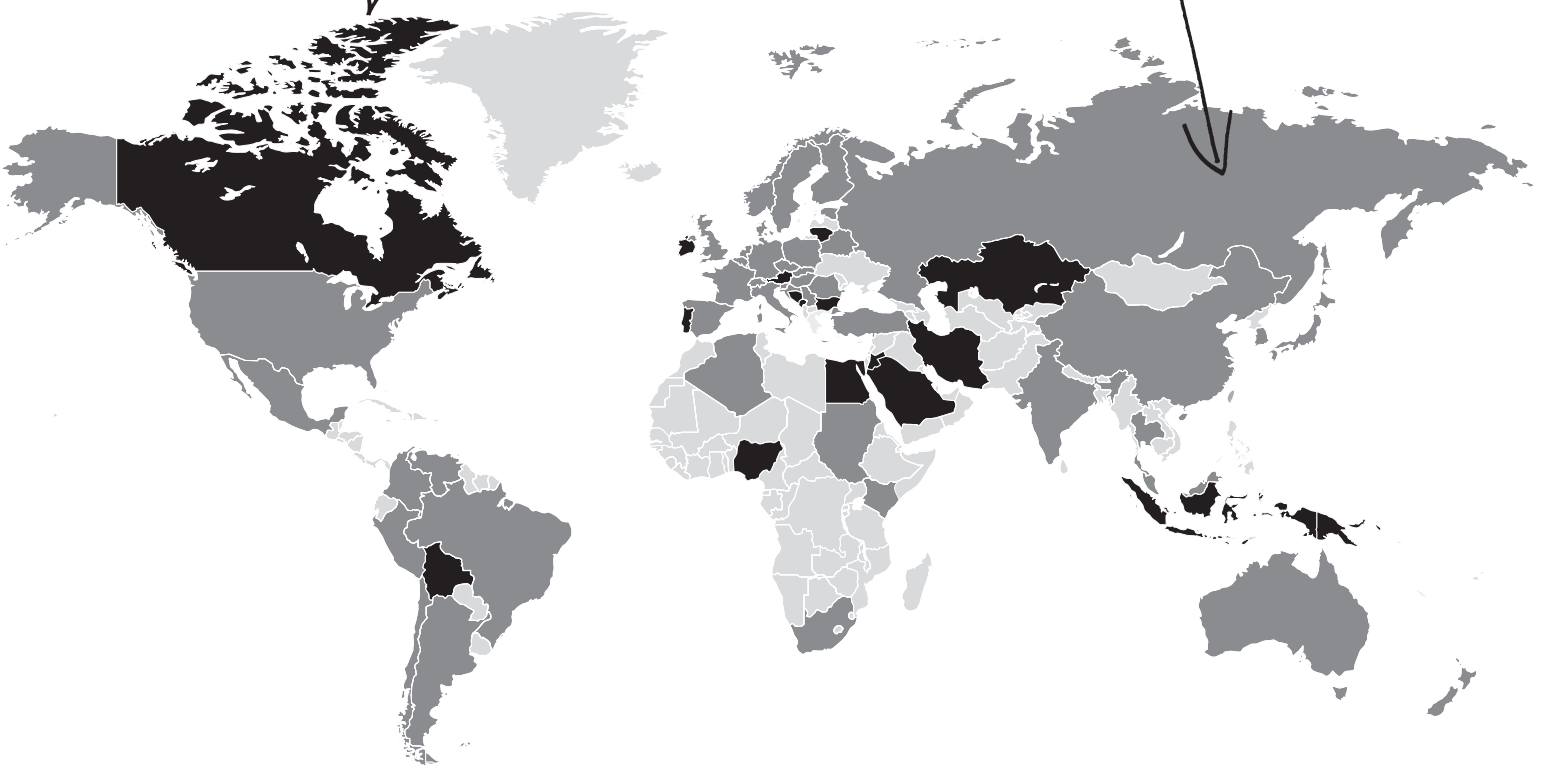
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In these countries, Binder+Co has completed projects from their headquarters in Gleisdorf.

*gray*

In these countries, Binder+Co is represented by a sales partner.



The Binder+Co Group is an internationally successful specialist in the field of machinery and complete systems for the screening, wet processing, drying, sorting, bagging and palletizing of all types of bulk goods (building materials, ores, coal, cullet and other recyclates, foods and feedstuffs, plastic granulate, chemical products etc.).

The company, which is located in Gleisdorf, Austria, focuses on three segments comprised by processing, environmental and packaging technology and is the global market leader in the screening technology and glass recycling sectors.

# Our mission



## **Value creation, value added**

Binder+Co technologies create the ideal preconditions for the sustainable conservation and utilisation of valuable resources. The company's technologies generate additional value through the sorting of secondary raw materials such as cullet, waste paper and plastic waste, which is processed and made suitable for recycling. Moreover, these technologies also add value through the efficient utilisation of primary raw materials such as coal, ores, sands or minerals by means of wet processing, screening or drying.



## **Setting benchmarks with innovation**

With its innovative top products, Binder+Co numbers among the top 3 global suppliers in its business segments. As a pioneering innovator, the company sets new benchmarks in the fields of processing, environmental and packaging technology.



## **Achieving profitable growth**

Modular design products facilitate the provision of customised solutions with an optimum price-performance ratio. Binder+Co's top products are the key to profit-driven growth in new markets.



## **Employees a key factor to success**

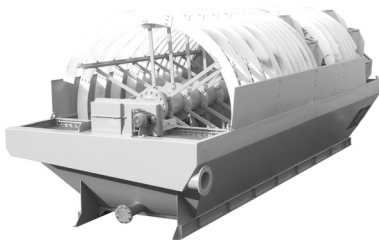
An efficient and motivated workforce powers company success.

# Products



With BIVITEC, a special screening machine developed for particularly challenging tasks, Binder+Co is the world's leading supplier of equipment for the screening of primary and secondary raw materials such as ores, coal, industrial minerals and recycled materials.

**BIVITEC** stands for the efficient screening of difficult to screen materials by means of dynamically excited screen mats.



With SANDEXX, Binder+Co is an internationally sought-after supplier of machinery and systems for the cost efficient wet processing of construction materials and industrial minerals.

**SANDEXX** is a synonym for the efficient cleaning and dewatering of sand and water mixes to provide sand that is suitable for bagging and transport.



In the drying technology sector Binder+Co attaches special value to the gentle and simultaneously efficient drying and cooling of bulk goods by means of its DRYON system and thus offers first class product quality.

**DRYON** is a name for the efficient and equally protective drying and cooling of materials such as coal, potash, recycling materials, foods and feedstuffs, and chemical products.



Binder+Co is the leading specialist in the field of sensor-aided, culet sorting. With CLARITY, Binder+Co launched onto the market the first, revolutionary three-way solution for the removal of contaminants and sorting of culet according to colour in a single process.

**CLARITY** is a system for colour sorting and the removal of foreign bodies using a revolutionary three-way system, which turns culet into a secondary raw material that demonstrates maximum purity levels.

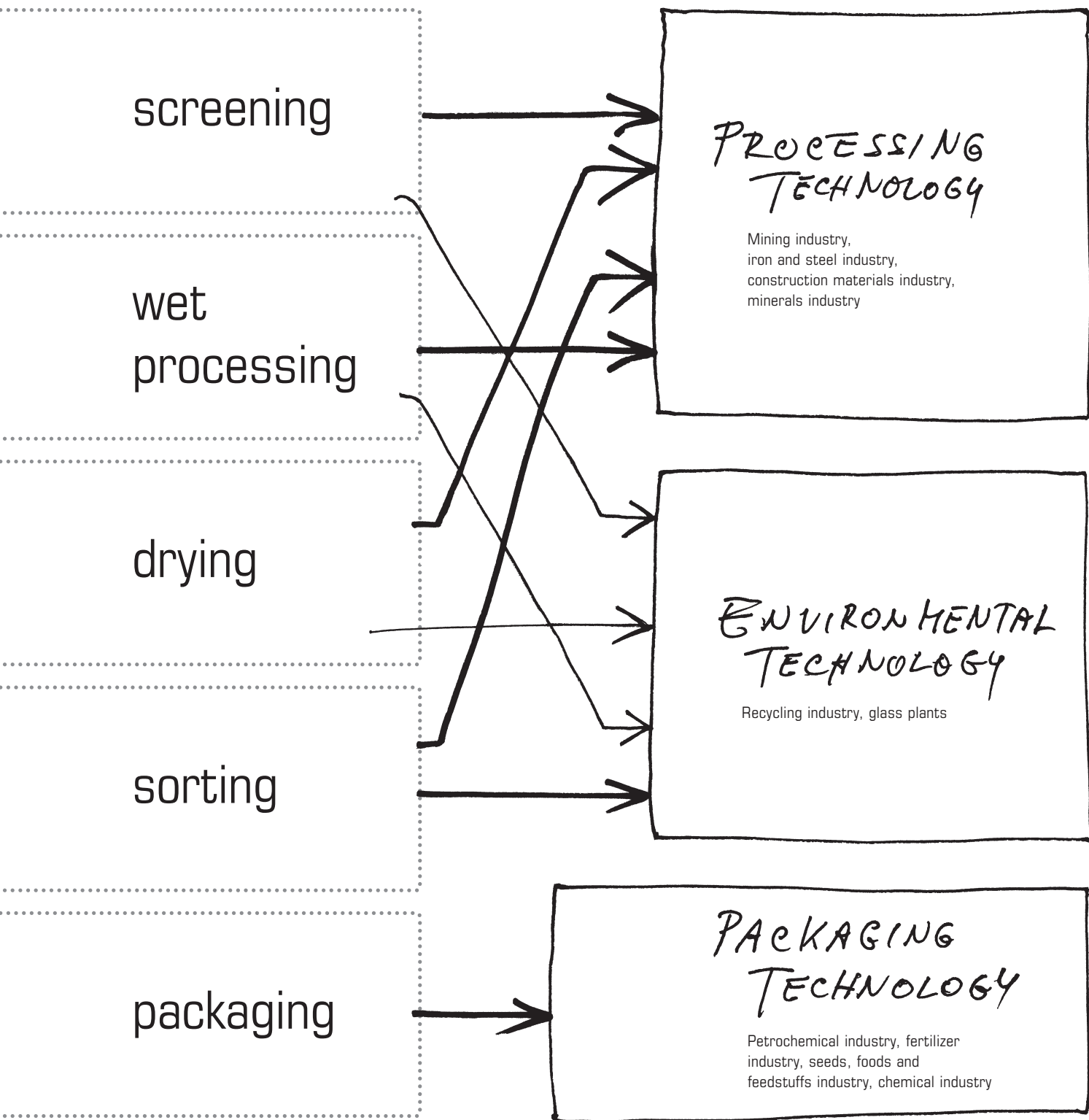


Under the Stavec Binder brand, Binder+Co offers its customers packaging technology of the highest quality. Moreover, with the PRINCIPAC open mouth bagging system, the packaging technology specialist has focused on top speed and quality.

**PRINCIPAC** furnishes the high-speed open mouth bagging of free-flowing bulks such as fertilizers, plastic granulate, seeds, foods and feedstuffs, and salts.

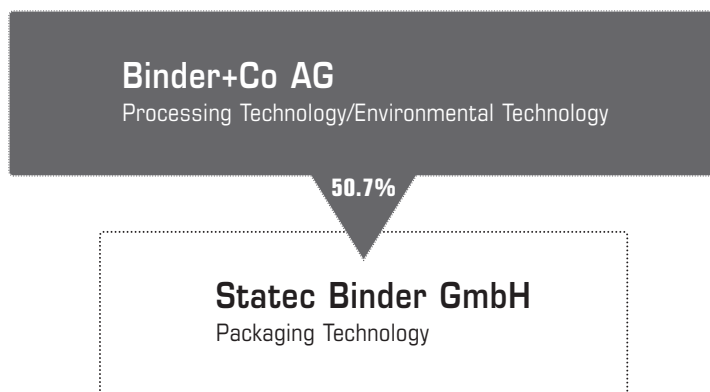
# Processes

# Segments



Binder+Co offers its various customer groups five process steps in three market-oriented and differentiated segments, which are tailor-made to their needs. The allocation of sales revenues and results to the individual segments follows primary customer access.

# The Group



## Regarding company law structure

At the end of 2008, the activities of Binder+Co's Packaging Technology Segment and Statec Anlagentechnik GmbH were merged to form a separate subsidiary: Statec Binder GmbH. Binder+Co AG has a majority holding in this joint venture with a 50.7% of shareholding. 2009 was the first full financial year for the new subsidiary.

# Strategy

## Our objective – further growth

Even under the current difficult market conditions, Binder+Co is continuing to pursue a clearly defined growth strategy. Starting from a strong position as a technology and market leader in important product areas and markets, the company is building on four primary growth areas.

## Our approach – first class performance and a clear focus

### Product leadership – growth through innovation and product development

Binder+Co relies on first class products, the foundation for new developments being provided by the ongoing analysis of the processing procedures used by our various customers and customer segments, and the early recognition of shifts in environmental policy in order to facilitate a rapid and optimum response to new customer demands. In particular, Binder+Co focuses on the creation of new products and machine concepts with multiple applications, which can be utilised in differing combinations. An optimised product portfolio, which offers customised solutions on the basis of a diversity of individual modules, secures Binder+Co's strong market position as a technology leader.

### **Market reach – growth through focused market activities**

Binder+Co secures market access through a globally active sales team, which increasingly provides customers with process consultancy. The range on offer includes technically mature conceptual solutions, which competently support the economic optimisation of customer processes. Indeed, as a result of its professional key account management, Binder+Co constitutes a respected partner and advisor for its customers.

The company's regional focus lies on western Europe, central and eastern Europe (CEE and CIS states), as well as Asia with an emphasis on India and south-east Asia. In China, for the time being activities are limited to the coal mining and glass recycling sectors, while in western and eastern Europe, Binder+Co is increasingly supplying the customer segments comprised by construction and construction subsupply, mining, industrial minerals, recycling and feedstuffs industries.

The intention is that the share of sales revenues of the CEE and CIS states should continue to rise (2009: 7.7% of total sales revenues) and at the same time, an increase to over 30% (2007–2009: on average 16.5%) is foreseen for the sales revenues from the key and target accounts in all branches.

### **Operational excellence – growth through supply chain optimisation**

As a systems supplier and process consultant, the securing and transfer of specialist know-how are of great significance to Binder+Co. In addition to the optimisation of the internal supply chain, know-how management and solid personnel development form the most important basis for sustained growth. In combination with optimum order handling, improved internal procedures secure the shortest possible machine delivery times and thus create a significant competitive advantage.

### **Acquisitions – growth through company purchases**

In order to extend the company sales and distribution network and supplement its product programme, apart from organic growth, strategic company purchases represent a further Binder+Co option.

For Binder+Co, companies are of interest that have annual sales revenues of EUR 20–50 million, offer an intelligent addition to the product programme, and simultaneously complement the existing distribution network. The focus of related searches is primarily on partners in the processing and environmental technology areas. Multi-branch additions to the product portfolio and new market openings are being sought in the Mediterranean area and in the CEE and CIS regions.

Depending on the scale of the investment involved, both a capital increase and conventional loan financing constitute feasible alternatives for the securing of the necessary funding.

- **Product leadership**
- **Market reach**
- **Operational excellence**
- **Acquisitions**

# Corporate governance

Binder+Co AG is a joint stock company according to Austrian law listed in the mid market segment of the Vienna Stock Exchange. As a consequence, the company and its Board members are subject to the statutes of the Austrian Corporations Act.

Above and beyond the legal statutes, Binder+Co AG committed to the principles and recommendations contained in the January 2009 version of the Austrian Corporate Governance Code for the 2009 financial year. All Legal Requirements (L), the majority of the Comply or Explain Rules (C) and most of the Recommendations (R) were fulfilled. The following list contains all those regulations that are either not adhered to, or only with minor deviations, due to the fact that in view of the current size of the company, strict adherence would serve no purpose.

The current version of the Austrian Corporate Governance Code can be obtained from the website of the Vienna Stock Exchange under [www.wienerborse.at](http://www.wienerborse.at)

Pursuant to **Article 16 (C)** the Management Board should comprise several persons and have a chairperson. The Management Board of Binder+Co consists of two members with equal rights and to date, the appointment of a chairperson has been waived. However, an internal regulation exists, which organises precisely the allocation of business responsibility and co-operation within the Management Board.

Pursuant to **Article 18 (C)** a company should install an internal auditing department, or outsource the related activities to a suitable institution. Owing to the size of the company, Binder+Co does not have an internal auditing department.

Pursuant to **Article 30 (C)** information concerning the overall fixed and performance-related salary payments made to the Management Board, especially with regard to the principles and criteria applied in connection with profit sharing, is to be published in the Annual Report. Profit sharing by the Binder+Co Management Board is based on the result from ordinary business activities and contains a component derived from the level of equity.

In 2009, the salaries paid to the Binder+Co AG Management Board totalled EUR 459k (2008: EUR 397k). The fixed part amounted to EUR 312k, the variable part to EUR 146k.

Pursuant to **Article 36 (C)** the number of Supervisory Board meetings held is to be published. During the 2009 financial year, six Supervisory Board meetings took place (including two audit committee meetings). At these meetings, the Management Board reported to the Supervisory Board and thus informed it of the status of the company.

Pursuant to **Article 38 (C)** the articles shall stipulate an age limit for members of the Management Board. No age limit is contained in the current version of the company articles.

Pursuant to **Article 39 (C)** a company shall install committees in order to raise the efficiency of the Supervisory Board. Apart from the mandatory accounts committee, which consists of all the members of the Supervisory Board, and a Human Resources Committee, comprised by the Supervisory Board presidium, the company has not created any other committees.

Pursuant to **Article 40 (L)**, an audit committee shall be installed irrespective of the size of the listed company. In 2009, two audit committee meetings were held.

With regard to **Articles 41 and 43 (C)** the company invokes the exemption clause, which states that in the case of a Supervisory Board with not more than six members (including the employee representatives), the Nominations Committee and the Salaries Committee may be formed by the entire Supervisory Board.

Pursuant to **Article 49 (C)** contracts with the members of the Supervisory Board are to be published. In this connection, legal advice to the company is provided partially by a group legal practice of which Kurt Berger, who is a member of the Supervisory Board, is a partner. There are no other business links with members of the Supervisory Board.

Pursuant to **Article 51 (C)** the remuneration scheme for Supervisory Board members is to be published in the Annual Report. At the Annual General Meeting on March 25, 2009, payments to the Supervisory Board of EUR 6,000 per member were agreed for the 2008 financial year.

Pursuant to **Article 53 (C)** the Annual Report should show which members of the Supervisory Board can be classified as independent on the basis of criteria drawn up by the Board itself. Accordingly, all the members of the Supervisory Board appointed as shareholders' representatives may be regarded as independent.

#### **Issuers compliance directive**

The company has drawn up guidelines for internal information transfers to prevent insider trading and has taken precautions in order to ensure that the issuer compliance directive is implemented.

External partners of importance, who receive information for the realisation of commissioned assignments that is not available to the public, are required to sign confidentiality agreements.

#### **Directors' dealings**

During the 2009 financial year, two transactions occurred, which pursuant to §48 (4) of the Austrian Stock Exchange Act, require publication. On June 20, 2009, Karl Grabner and Jörg Rosegger, the members of the Management Board, each purchased 2,000 Binder+Co AG shares in the course of the initial allocation of share options within the scope of the current stock option programme.

# Board members

## Supervisory Board

(Current mandate until the Annual General Meeting, which decides on the granting of a discharge for the 2012 financial year).

**Erhard F. Grossnigg**, b. 1946  
Chairman (since March 25, 2009)  
Initial appointment: 2009

**Kurt Berger**, b. 1966  
Vice Chairman (until February 24 and since March 25, 2009)  
Chairman (from February 24, 2009 until March 25, 2009)  
Initial appointment: 2007

**Wolfgang Auer von Welsbach**, b. 1956  
Chairman (until February 24, 2009)  
Initial appointment: 2007

**Herbert W. Liaunig**, b. 1945  
Vice Chairman (from February 24 until March 25, 2009)  
Initial appointment: 2008

**Gerhard Heldmann**, b. 1939  
Initial appointment: 2008

Staff Council delegates:

**Alfred Gschweidl**

**Johann Voit**

## Management Board

### **Karl Grabner**

Member of the Management Board since January 1, 2000. Responsible for finance and general administration, engineering, production, public and investor relations, Board spokesman and member of the general assembly of Statec Binder GmbH.

Current appointment period until December 31, 2010.

b. 1959 in Pöllau/Styria,  
married, three children

Following studies in mechanical engineering from 1986–1990, Karl Grabner completed a doctorate (experimental work in the conveying technology field) parallel to working as a university assistant at the Institute of Conveying Technology and Design Methods at the Leoben University of Natural Resources and Applied Life Sciences.

Karl Grabner came to Binder+Co AG in 1991 within the scope of the “Scientists for Business” scheme of the Austrian Ministry of Science, and from 1992–1999 filled the post of senior sales manager in the field of material handling systems. From 1997 onwards, he also served as the head of design and sales for the materials handling and silo technology product area.

### **Jörg Rosegger**

Member of the Management Board since January 1, 2007. Responsible for sales at Binder+Co and for the business management of the Statec Binder GmbH subsidiary.

Current appointment period until December 31, 2012

b. 1966 in Bruck an der Mur,  
married, two children

During his business management studies at the University of Graz (specialisation in marketing and industrial management), Jörg Rosegger spent a year at the Butler University in Indianapolis, IN, USA, within the scope of the International Student Exchange Program.

Following graduation, Jörg Rosegger joined Binder+Co AG in 1993 as an assistant to the Management Board and head of marketing. In 1995, Jörg Rosegger was appointed as the Packaging Technology Segment product manager before assuming overall responsibility for the segment in 1997. In 2000, Jörg Rosegger became the overall head of sales and marketing and received the power of attorney.

# The Binder+Co share

## General situation

### The ATX

Following a marked fall at the beginning of 2009, from March onwards, the Viennese benchmark index ATX (Austrian Traded Index) began to recover steadily and thus followed the prevailing trend among the international stock exchanges. However, a marked tendency to volatility mirrored the general atmosphere of uncertainty. All in all, the ATX rose by around 38% in 2009 and by year-end had thus returned to the level at the end of 2004. During the same period, the DJ Euro Stoxx 50, which contains the euro zone's most important companies, was only up by around 17%.

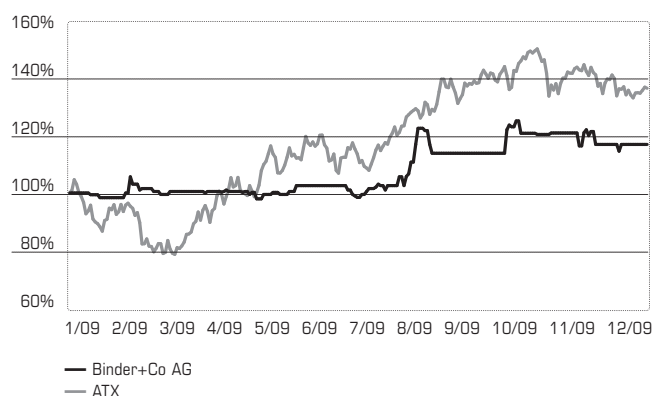
### The mid market segment

The mid market was launched on June 18, 2007, as a new Vienna Stock Exchange market segment that allows companies with limited capital needs to acquire equity via the markets. Binder+Co AG numbers among the mid market pioneers and from the outset was listed in this new segment. In the course of 2009, four additional companies switched to this market. The mid market contains stocks (including ADCs – Austrian Depositary Certificates), which have an authorisation for official, regulated OTC, or third market trading. With effect from September 21, 2009, the Binder+Co AG share was accepted into mid market continuous trading. However, in the course of resource optimisation with a focus on strategic further development as per January 15, 2010, Binder+Co moved from the regulated free trading area into the third market.

## Solid price trend of the Binder+Co share

During the period under review, the price of the Binder+Co share corresponded generally with the overall market trend. Starting from a level of EUR 9.45 at the beginning of the year, the price picked up markedly from mid-summer onwards and at year-end 2009 stood at EUR 11.10. As a result, it was some 18% up on the figure at the beginning of the year and 11% above the value of the initial quotation on December 27, 2006.

### Binder+Co as compared to the ATX

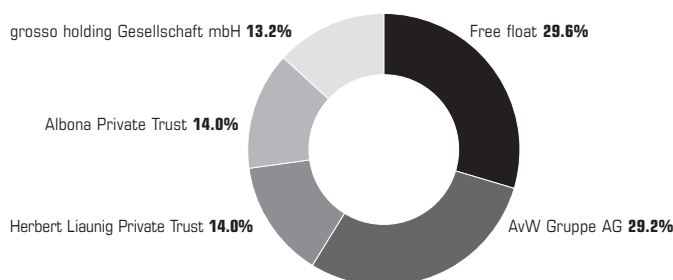


### Changed ownership structure since the beginning of 2009

In the first quarter of 2009, the ownership structure of Binder+Co underwent a fundamental change. In March 2009, grosso holding Gesellschaft mbH became a new owner with a stake of 13.2%. According to the latest notifications, the AvW Gruppe AG continues to hold 29.2% (Dec. 31, 2008: 29.2%) of company stock and both the Herbert Liaunig Private Trust and the Albona Private Trust, currently have holdings of 14.0% (Dec. 31, 2008: 10.0% each). This meant that as at December 31, 2009, 29.6% of shares were in free float.

### Ownership structure

As at December 31, 2009



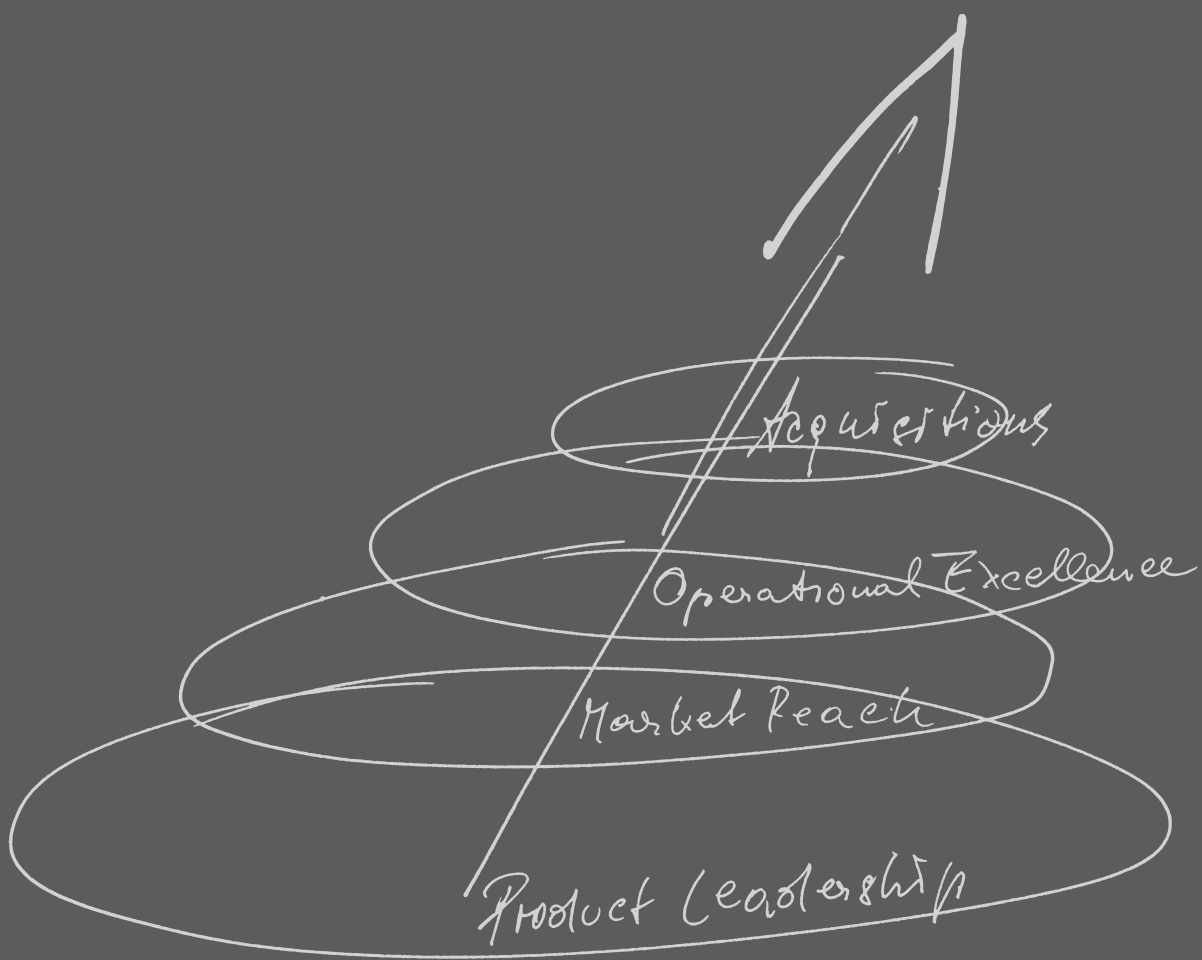
Within the scope of the first share buy-back programme, approved by the Annual General Meeting on March 26, 2008, a total of 100,997 shares, or 2.69% of stock, was acquired at an average price of EUR 10.99. In the course of the second buy-back programme, approved by the Annual General Meeting on March 25, 2009, a further 8,267 shares were purchased at an average price of EUR 9.97. As a result, a total of 109,264 shares were obtained via both buy-back programmes at an average price of EUR 10.92.

The repurchased shares are used for the stock option programme for the company workforce. Following the initial allocation of stock options on March 31, 2009, by June 20, 2009, 4,000 shares had been sold at an average price of EUR 9.49 during the subsequent exercise window.

### Investor relations

In 2009, Binder+Co again met the requirements of regulated free trading by measures, which included the publication of a half-year report. In addition, voluntary, interim reports were also issued for the first and third quarters.

At the same time, the company website offers comprehensive information to investors, while the investor relations programme is rounded off by regular press releases concerning important events and developments, as well as numerous information meetings with institutional investors.



# Group management report



### Reporting/scope of consolidation

With effect from October 1, 2008, the Binder+Co Packaging Technology Segment was brought into the subsidiary Statec Binder GmbH. Binder+Co AG has a 50.7% shareholding in Statec Binder GmbH, which has thus been fully consolidated within Binder+Co's consolidated financial statements. As was previously the case with Packaging Technology, from October 1, 2008, the sales revenues and results of Statec Binder GmbH were allocated to the Packaging Technology/Other Segment.

### Generally difficult and unsettled market environment

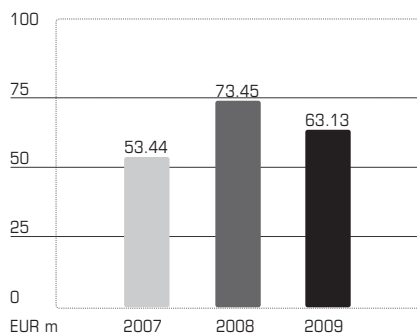
The economic environment for Binder+Co's mechanical engineering business presented an extremely inconsistent picture. While the Environment and Packaging Technology Segments remained largely stable, the Processing Technology Segment was characterised by extreme volatility. During the past year, the European construction and construction sub-supply industry and the iron and steel industry, which Binder+Co serves worldwide, were all extremely reticent with regard to investment decisions. As a consequence, no system or plant projects were captured. By contrast, complete system orders were allocated worldwide in the recycling sector. Moreover, the packaging industry provided constant demand and thus ensured a solid basis for the development of single machine business.

# Business development

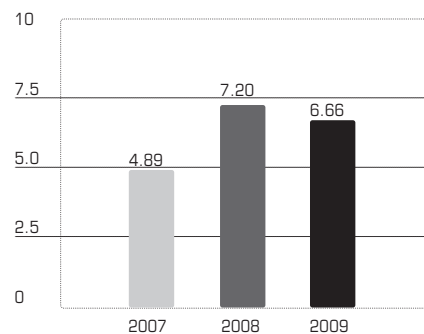
## Sales revenues and EBIT below the level of the preceding year

Despite the positive order backlog at the beginning of the year, in 2009 the Binder+Co Group was unable to repeat the record sales revenues of the preceding financial year (2008: EUR 73.45 million) and achieved sales revenues of EUR 63.13 million. The main reason for this downturn was the marked decline in the contribution to sales revenues from large volume system and plant business, which in 2008 had boomed. Accordingly, although single machine and spare part business was solid, it could not compensate in full for this shortfall.

### Sales revenues



### EBIT



At EUR 6.66 million, EBIT also failed to emulate the EUR 7.20 million of the previous year. By contrast, during the period under review, the EBIT margin was raised above the 2008 level to stand at 10.5%.

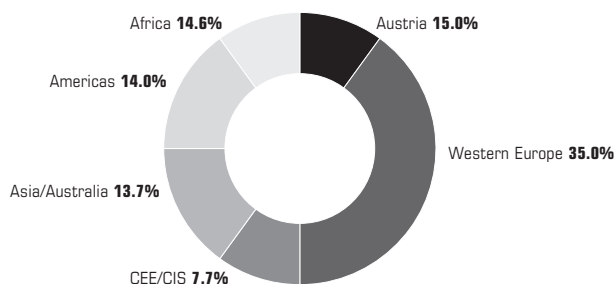
The optimisation programme for a reduction in the delivery times for all mechanical engineering products launched in 2007 had a positive effect for Binder+Co. Moreover, at the same time, productivity in all company segments was again increased further. Nonetheless, as a consequence of stiffer competition, it must be assumed that in future it will not be possible to maintain the result quality achieved to date.

*EBIT margin  
10.5%*

## Export business continues to be of major significance

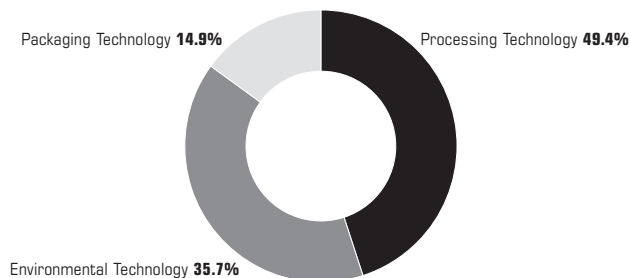
The Group's international sales revenues during the period under review provided 85.0% (2008: 90.0%) of total sales revenues, which underlined the massive importance of export business. With a share of sales revenues of 35.0%, western Europe (excluding Austria) remained the largest sales market, followed by Africa with 14.6%, where in the course of the year the supply of machinery for a major project in the environmental technology area was concluded. The Americas furnished 14.0% of sales revenues, Asia and Australia 13.7% and eastern Europe (CEE and CIS), 7.7%.

### Sales revenues 2009 by region

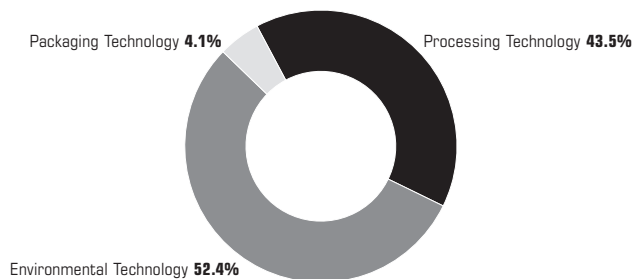


## Performance of the individual product segments

### Sales revenues 2009 by segment



### EBIT 2009 by segment



### Processing Technology Segment

In 2009, the Processing Technology Segment profited from the sizeable order backlog at the end of 2008. However, in the course of the financial year, new project demand slowed markedly in all the branches served by Binder+Co, particularly in the CEE region. Large volume system business was especially hard hit and

therefore order intake in this segment amounted to EUR 21.86 million. Segment sales revenues in the period under review totalled EUR 31.18 million (49.4% of total sales revenues) and the resultant EBIT contribution amounted to EUR 2.90 million.

### Environmental Technology Segment

Demand in the Environmental Technology Segment remained stable at a satisfactory level. During the period under review, Binder+Co again succeeded in acquiring interesting, international projects and at the year-end recorded new orders of EUR 17.45 million. With sales revenues of EUR 22.53 million, the segment provided 35.7% of total sales revenues. It also furnished an EBIT contribution of EUR 3.49 million (52.4% of total EBIT).

### Packaging Technology Segment

In spite of the difficult global market situation, in 2009 the Packaging Technology Segment, which is managed by the independent subsidiary, Statec Binder GmbH, was able to bring in sales totalling EUR 10.52 million, which derived mainly from single machines and small systems. Segment sales revenues in the past financial year amounted to EUR 9.42 million (14.9% of total sales revenues), while the EBIT contribution amounted to EUR 0.27 million.

- Processing Technology Segment profited from the sizeable order backlog at the end of 2008
- Environmental Technology Segment remained stable at a satisfactory level
- EBIT contribution of Packaging Technology Segment was positive

## After Sales Service strengthens its market position

The significance of the After Sales Service was clearly demonstrated in the past financial year by its share of sales revenues, although at 17.4% this was below the level of previous years (around 20%). In the course of the period under review, the clear orientation towards the servicing of own products and the supply of related spare parts greatly strengthened the market positions of the business segments. During the year under report, the online store for frequently required spare parts, which is now well established, was used primarily by European customers and by individual overseas customers for the first time. All in all, to date over 40 customers and sales partners have taken advantage of this offer.

## Difficult order situation

Binder+Co started 2009 with an order backlog of EUR 31.29 million. The weak order intake in the first nine months of the year was first followed by a slight recovery in the fourth quarter. As a consequence, although at a total of EUR 49.83 million, order intake was EUR 35.42 million or 41.5% below the record level of the previous year (2008: EUR 85.25 million), it nevertheless virtually corresponded with the level of 2006. As at December 31, 2009, the Binder+Co Group had an order backlog of EUR 17.96 million. This figure also already contains an order volume of EUR 3.80 for 2011.

## Stable earnings, assets and financial situation

Against the background of the decline in sales revenues, Binder+Co's result also fell from EUR 7.20 million to EUR 6.66 million. However, owing to the increased share of total sales revenues derived from single machine, spare part and service orders with their strong margins, as well as improved productivity, the fall in EBIT was disproportionate to the drop in sales revenues, with the result that the profit margin ( $ROS_{EBIT}$ ) for 2009 amounted to 10.5% and thus surpassed the 9.8% of the preceding year.

At 32.6%, return on equity (ROE<sub>EBIT</sub>) corresponded with expectations (2008: 40.0%). The equity ratio totalled 47.8% and was thus well above the consistently solid level of recent years (2008: 38.4%). The reasons for this situation relate to the generally stable balance sheet structure of the company and its conservative dividend policy. In recent years, the distribution quota amounted to around 50%.

## Working capital, cash flow

At December 31, 2009, working capital had risen slightly from EUR 9.62 million to EUR 11.31 million.

Operating cash flow (OCF) amounted to EUR 6.11 million in the period under review and was therefore considerably below that of the previous year (2008: EUR 8.27 million). The main influences on this development were provided by the tax payments for 2008 and the shift in the balances of inventories, receivables and payables.

At EUR 2.79 million, cash flow from investing activities was above the average of roughly EUR 1.5 million in past years. The focus of investments in 2009 was on the modernisation of production systems and office fittings. All in all, investments in tangible and intangible assets during the 2009 financial year totalled EUR 2.80 million (2008: EUR 2.14 million).

As a result of the payment of dividends by Binder+Co AG for the 2008 financial year, the cash flow from financing activities in 2009 amounted to EUR 2.34 million.

Cash and cash equivalents remained at a solid level throughout the financial year and on December 31, 2009, had a value of EUR 6.02 million.

## Production

At its Gleisdorf location, Binder+Co possesses its own production facilities, which are focused on the manufacture of core products and components. Steel construction and secondary mechanical engineering components are largely purchased in eastern Europe, although sourcing also takes place in target markets such as India, South Korea, South Africa and the USA.

# Human resources

## Employee numbers down slightly

As at December 31, 2009, Binder+Co employed a workforce of 236, which was some 6% smaller than at the end of the 2008 financial year (252 employees).

In view of the marked deterioration in the economic climate during the period under review, this reduction in Binder+Co's in-house capacity is extremely moderate and underlines the strategy of binding a core team of highly qualified employees to the company. Within this context, for a number of years, 1.0–1.5% of the wages and salary sum have been consistently invested in ongoing training and further training, whereby in addition to higher professional qualifications, Binder+Co also supports the personal development of its employees by measures such as the training of communicative capabilities.

The overall educational level of the Binder+Co workforce is good. 22.0% of the salaried staff at Binder+Co are graduates from universities or colleges of applied science, while around 40% have attended academic

secondary school or a vocational college. Of the blue-collar personnel, 82.8% have been trained as skilled workers and 13.8% possess a master's certificate. Binder+Co also attaches great value to apprenticeships and at present, twelve apprentices are employed at the Gleisdorf plant and completing their education.

## Research and development

In the past financial year, Binder+Co continued to work intensively on the new and further development of products. The goal of these measures is the consolidation of the company's technological leadership and not only the securing of the technical superiority of its machines on a long-term basis, but also the further strengthening of this position. As a result of ongoing product development, in autumn 2009 Binder+Co presented an innovative sensor generation for the recognition of the lead content in cullet and thus became one of the first suppliers of a new technical solution aimed at adherence to the upper limits regarding the lead contained in bottle glass products demanded by the EU with effect from January 1, 2009. The new process, which is based on UV light, constitutes an extremely attractive alternative to the X-ray systems employed to date.

In a parallel move, towards the end of the year, the company prepared a series of machines for mineral sorting, which will be sold under the MINEXX brand label.

The Packaging Technology Segment was also able to present the market with a new product in the shape of the System R, which combines bag production directly from woven synthetic tubes with proven, fully automatic open mouth bagging systems. This results in considerable advantages with regard to cost efficiency, productivity and availability.

For many years, the company has assessed the success of its development work on the basis of an innovation ratio. In 2009 this averaged 17%, although there were to some extent major differences between the various product segments. This innovation ratio means that in 2009 around 17% of total order intake was achieved with new company products, which Binder+Co has introduced to the market within the past three years. Binder+Co intends to raise the innovation ratio to a level of 20–25% in the coming financial years, thus consolidating one of its major strengths.

### A network of respected know-how sources

Binder+Co is well aware of the importance of competent partners in the basic research sector and during 2009 continued its teamwork with internationally respected research institutes, universities and colleges of applied sciences. These research co-operations are important for lasting Group success, as they facilitate the direct translation of the results of basic research into machinery suitable for practical application.

At present, co-operations exist with Graz University, the Leoben University of Natural Resources and Applied Life Sciences, the Fraunhofer Institute in Karlsruhe and private institutes and companies, which specialise in the development of the latest sensor, screening and packaging technologies.

- **MINEXX – series of machines for mineral sorting** prepared
- **System R delivers considerable advantages** with regards to cost efficiency, productivity and availability
- **2009 innovation ratio** averages **17%**

Innovation  
ratio  
17%

# Non-financial performance indicators

## Environmental report

Binder+Co Group company engineering is completed in offices and is therefore of limited environmental relevance. In addition, Binder+Co disposes over its own production capacity with an officially approved waste management concept. Corrosion protection constitutes a major environmental consideration and in this area the Binder+Co Group falls into line with official directives, which are adhered to in full. On-site assembly largely takes place without any residues.

Apart from the annual supervisory audit pursuant to EN ISO 9001:2000, an SCC certification audit took place in autumn 2009 during which the company was examined with regard to its basic health, safety and environment principles.

## Sick leave statistics

For many years, the sick leave statistics have demonstrated a low level of days lost amounting to 2.3–3.0% of available working time. In the blue-collar area, the figures range between 3.5 and 5.0% and among white-collar workers to between 1.0 and 2.0%.

## Adherence to legal statutes

For a manufacturer of machinery and plants, the upholding of the relevant statutory regulations, especially in a technical regard, is a vital prerequisite for sustained success. The company also has a production plant licence, which is subject to regular audits. Moreover, work safety is regarded as an especially important issue and adherence is therefore primarily monitored and documented by the production management. The products themselves are evaluated as to their CE conformity by a quality management system.

# Risk management

## General risk report

The Binder+Co Group designs and manufactures single machines and uses combinations of its own, third-party and purchased products and parts to build complete plants. The high levels of engineering skills required are associated with a variety of technical, legal, managerial and financial risks.

As a result of its strong export orientation, Binder+Co Group invests intensively in the expansion of its sales and distribution network. At present, the Group delivers to more than 50 countries and in general, it can be said that fluctuations in the global economy may have a negative effect on the company and its course of business.

Furthermore, Binder+Co Group is active in a highly competitive branch in which order intake and sales revenues continue to depend on a few individual decisions. This situation can result in considerable fluctuations, which however are standard to this business area. Moreover, changes to legal statutes and other regulations that lead to stricter requirements, especially in the environmental and human resources sectors, can also generate increased costs and thus lower income.

The company endeavours to identify possible risks at an early stage and then manage them with the aid of internal and external audits, reviews, and the services of experts. Binder+Co Group employees are among the acknowledged experts in their fields, but residual risks cannot be eliminated.

## Special risk report

### Price change risk

Contracts and agreements with suppliers and customers frequently contain price alteration clauses, in order to limit the impact of risks that Binder+Co Group cannot control. For its part, the Binder+Co Group endeavours to only conclude lump sum contracts with its suppliers. However, sudden changes in purchasing prices and/or the necessity of an unscheduled switch of supplier are virtually impossible to control and could have a negative influence on the earnings situation.

### Payment default risk

As Binder+Co Group is dependent upon a small to medium-sized clientele, it seeks to avoid cluster risks. Consequently, with few exceptions, the Group avoids the provision of more than 5% of annual sales revenues from a single order and/or customer. In addition, Binder+Co limits the payment default risk by means of the appropriate insurance, bank guarantees, or pre-payments.

### Liquidity risk

Delays in payment or defaults in the case of individual major projects can exert a major influence on Group cash flow and thus entail corresponding risks. Reports concerning payment arrears relating to the most important debtors in value terms are discussed at the regular meetings of the Management Board and liquidity forecasts prepared. If required, measures are then initiated for an improvement in liquidity.

### Interest rate risk

Fluctuations in market interest rates with regard to external loans constitute a certain risk, which in the case of borrowings, is kept to a minimum by means of periodic controls. Appropriate measures are coordinated between the Management Board and the Finance and Controlling Department.

### Exchange rate risk

As far as possible, the Group endeavours to transact all foreign business in euros. Where this is not possible, foreign currency transactions are hedged by measures such as currency futures transactions.

## Internal risk system

The Binder+Co risk system is structured as follows:

### Core process – project acquisition

Quotations are prepared using standardised templates, which have been subjected to commercial and legal examination. Depending on the level of financial risk, a process-related review by specially designated, product segment experts is completed in each area, in addition to the commercial review by the company's authorised officers. Part of the process review is a risk analysis, which if required, forms the basis for additional measures.

**Core process – order realisation**

Projects are undertaken by selected teams with differing compositions, which are headed by a responsible project manager, who reports to the executive management at regular meetings. These meetings also review standardised reports concerning liquidity, financing and any current litigation.

In the case of risks posing a major threat, such information is provided immediately. Decisions concerning the measures to be initiated are either taken directly during project conferences, or at the regular meetings of the Management Board and senior managers, and are then documented in a protocol.

**Core process – innovation and development**

Rapid shifts in market requirements demand constant further and new product development. Technological changes and the short life cycles of new products can lead to the failure of individual development projects to achieve full amortisation.

Attempts are made to minimise risk prior to the commencement of a development project. Relevant market data is collected, the level of difficulty of the development is established through the appropriate cost evaluation, and a forecast of the potential sales volume is prepared. The success of a new development is assessed on the basis of the innovation ratio defined by Binder+Co itself. The order intake of new products in the first three years after their market launch constitutes a major element in the calculation of the innovation ratio, which is established on a yearly basis. During quarterly meetings, both progress and risk reports are presented to the management. The necessary measures are co-ordinated with the Management Board.

# Outlook

Economic developments in Europe have a decisive influence on Binder+Co growth. Therefore, the financial crisis, which started in the USA and severely affected European economies during 2008 and 2009, has had a markedly depressive effect on Binder+Co's operating conditions. For the 2010 financial year, the EU Commission currently anticipates a slight recovery with an increase in GDP of 0.7% for the euro area, following a fall in 2009 of 4.0%.

For Binder+Co, which belongs to the group of companies that traditionally fall into line with the general economic cycle at a relatively late point in time, 2010 is likely to bring further considerable challenges. On the basis of the order backlog of EUR 17.96 million at the beginning of the year, for 2010 the management anticipates sales revenues and EBIT in line with the average levels of the 2007 and 2008 financial years. However, should the economic situation improve rapidly, corresponding growth possibilities could materialise.

The decline in the large volume systems business and the simultaneous weakening in demand from the construction and construction subsupply industries in 2009 resulted in an order cushion at year-end 2009, which was much smaller than that at the end of 2008. Furthermore, especially in the Processing Technology Segment, profitable single machine business should have a stabilising effect. This also applies to the core markets and branches of the recycling area, where 2010 is primarily expected to bring investments in new machines for existing recycling plants, which will raise both performance and end product quality. In the Packaging Technology Segment, the general fall in demand during 2009 was compensated for by the broad market positioning of the Stavec Binder GmbH joint venture founded at the end of 2008. This could also prove to be a major advantage during 2010.

## Long-term target – profitable growth

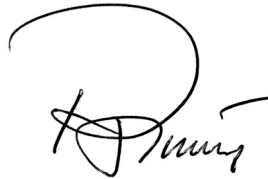
In view of the aftershocks emanating from the economic and financial crisis, far-reaching predictions concerning business development are difficult at present. Nonetheless, the Binder+Co management assumes that stable progress will continue and is aiming for medium- and long-term growth rates of 5–15% p.a. in combination with a return on sales of 8–10%. The earnings situation, which remains solid, is to be used in order to finance strategic measures parallel to organic growth.

As a result of the rapid implementation of current development projects, the further growth of the CEE sales network, and continuous increases in productivity at the Gleisdorf location, active countermeasures have already been initiated against a possible weakening in current markets. The aim is the securing of growth and result quality that are markedly above the branch average.

Gleisdorf, February 2010



Karl Grabner



Jörg Rosegger

# Consolidated financial statements

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AT: 2.90 m EUR

UT: 3.49 m EUR

VT: 0.27 m EUR

EBIT: 6.66 m EUR

# Consolidated balance sheet

## – IFRS

as at December 31, 2009

Assets	EUR k	Notes	Dec. 31, 2009	Dec. 31, 2008
<b>A. Non-current assets</b>				
<b>I. Intangible assets</b>				
1. Capitalised development costs		(1)	2,099	1,490
2. Industrial property rights		(1)	832	787
			2,931	2,277
<b>II. Tangible assets</b>				
1. Land and buildings, including buildings on non-owned land				
Land		(2)	2,347	2,347
Buildings		(2)	6,147	5,883
			8,494	8,230
2. Plant and machinery		(2)	1,275	954
3. Other equipment, factory and office equipment		(2)	856	858
			10,625	10,042
<b>III. Financial assets</b>				
1. Securities held as non-current assets		(3)	391	392
2. Other loans		(3)	1,736	1,736
			2,127	2,128
			15,683	14,447
<b>B. Current assets</b>				
<b>I. Inventories</b>				
1. Raw materials and supplies		(4)	2,937	3,059
2. Finished goods		(4)	891	742
Advance payments made		(4)	0	81
			3,828	3,882
<b>II. Receivables and other assets</b>				
1. Trade receivables		(5)	13,640	21,380
2. Other receivables and assets		(5)	3,270	1,889
3. Other accruals		(5)	281	249
			17,191	23,518
<b>III. Cash and cash equivalents</b>				
		(6)	6,020	5,043
			27,039	32,443
<b>Total</b>			<b>42,722</b>	<b>46,890</b>

<b>Liabilities and shareholder's equity</b>	EUR k	Notes	<b>Dec. 31, 2009</b>	Dec. 31, 2008
<b>A. Equity</b>				
I. Issued capital		(7)	3,750	3,750
II. Reserves		(7)	15,815	13,538
III. Non-controlling interests		(8)	846	712
			20,411	18,000
<b>B. Non-current debt</b>				
<b>I. Provisions</b>				
1. Provision for severance payments		(9)	3,129	3,135
2. Provision for pensions		(9)	822	696
3. Deferred tax liabilities		(10)	1,923	1,500
4. Other non-current provisions		(9)	608	604
			6,482	5,935
<b>II. Liabilities</b>				
1. Other liabilities		(13)	95	130
			6,577	6,065
<b>C. Current debt</b>				
<b>I. Provisions</b>				
1. Current tax liabilities		(10)	1,238	1,781
2. Other current provisions		(10)	7,541	9,705
			8,779	11,486
<b>II. Liabilities</b>				
Liabilities to banks			0	0
1. Prepayments received			267	4,907
2. Accounts payable trade		(12)	5,267	4,856
3. Other liabilities		(13)	1,421	1,576
			6,955	11,339
			15,734	22,825
<b>Total</b>			<b>42,722</b>	<b>46,890</b>

# Consolidated income statement – IFRS

for the period from January 1 to December 31, 2009

EUR k	Notes	2009	2008	Q4/2009	Q4/2008
1. Sales revenues	(14)	63,125	73,445	15,088	22,413
2. Changes in inventories of finished goods and work in progress		53	293	-90	314
3. Own work capitalised		996	289	482	119
4. Other operating income	(15)	1,275	1,086	910	635
5. Raw materials and consumables used	(4)	-31,643	-41,211	-7,617	-13,768
6. Staff expenses	(17)	-16,806	-16,234	-3,906	-4,353
7. Depreciation and amortisation expense	(1, 2)	-1,558	-1,387	-411	-369
8. Other operating expenses	(16)	-8,784	-9,079	-2,547	-2,690
9. Operating result (EBIT)		6,658	7,202	1,909	2,301
10. Finance costs	(18, 19)	166	-29	28	-88
11. Earnings before tax (EBT)		6,824	7,173	1,937	2,213
12. Income tax expense	(11)	-1,671	-1,777	-449	-529
13. Profit for the year		5,153	5,396	1,488	1,684
Thereof attributable to:					
Parent company shareholders		5,019	5,311	1,583	1,599
Non-controlling interests		134	85	-95	85
		<b>5,153</b>	5,396	<b>1,488</b>	1,684

# Consolidated statement of comprehensive income – IFRS

for the period from January 1 to December 31, 2009

EUR k	2009	2008	Q4/2009	Q4/2008
1. Profit for the year	5,153	5,396	1,488	1,684
2. Exchange differences on translating foreign operations	0	0	0	0
3. Actuarial gains/(losses) on defined pension/benefit schemes	0	0	0	0
4. Available for sale financial assets	0	0	0	0
5. Other comprehensive income, net of tax	0	0	0	0
6. Total comprehensive income for the year	5,153	5,396	1,488	1,684
Thereof attributable to:				
Parent company shareholders	5,019	5,311	1,583	1,599
Non-controlling interests	134	85	-95	85
	<b>5,153</b>	5,396	<b>1,488</b>	1,684

# Consolidated cash flow statement – IFRS

for the period from January 1 to December 31, 2009

EUR k	2009	2008
(+/-) Earnings before tax	6,824	7,173
(+/-) Profit/loss on sales of non-current assets	-3	4
(+/-) Depreciation/revaluation of non-current assets	1,558	1,387
(+/-) Changes in non-current provisions	547	399
(+/-) Change due to initial consolidation	0	-54
Net cash flow	8,926	8,909
(+/-) Changes in inventories including prepayments	54	-1,342
(+/-) Changes in trade receivables, other receivables and accruals	6,327	-8,633
(+/-) Changes in trade payables, other liabilities and accruals	-4,418	5,826
(+/-) Changes in deferred taxes not affecting cash flows	-423	-205
(+/-) Taxes paid	-1,781	0
(+/-) Changes in equity not affecting the result	-406	-550
(+/-) Changes in current provisions	-2,174	3,881
(+/-) Change due to initial consolidation	0	380
Net operating cash flow (OCF)	6,105	8,266
(-) Investments in tangible and intangible assets	-2,800	-2,142
(-) Investments in financial assets	-50	-330
(+) Cash flow from sales of tangible and intangible assets	7	39
(+) Cash flow from sales of financial assets	50	371
(+/-) Change due to initial consolidation	0	-36
Net cash flow from investing activities	-2,793	-2,098
(+/-) Proceeds from and repayment of financial liabilities	0	-500
(+/-) Dividends to shareholders	-2,335	-1,896
Net cash flow from investing activities	-2,335	-2,396
Net change in cash and cash equivalents	977	3,772
(-) Cash and cash equivalents at the beginning of the period	5,043	741
(-) Cash and cash equivalents at the beginning of initial consolidation	0	530
(+) Cash and cash equivalents at the end of the period	6,020	5,043
<b>Change</b>	<b>977</b>	<b>3,772</b>

# Consolidated equity statement – IFRS

EUR k	Issued capital	Capital reserves	Revenue reserves	Other reserves	Own shares	Binder+Co shareholders	Non-controlling interests	Total equity
Balance at								
Dec. 31, 2007	3,750	0	10,444	0	0	14,194	0	14,194
Profit for the year	0	0	5,311	0	0	5,311	85	5,396
Payment of dividends	0	0	-1,800	0	0	-1,800	0	-1,800
Repurchase of own shares								
	0	0	0	0	-550	-550	0	-550
Sale of own shares	0	0	0	0	0	0	0	0
Option reserves	0	0	0	0	0	0	0	0
Change in the scope of consolidation								
	0	0	133	0	0	133	627	760
Change in non-controlling interests								
	0	0	0	0	0	0	0	0
Balance at								
Dec. 31, 2008	3,750	0	14,088	0	-550	17,288	712	18,000
Balance at								
Dec. 31, 2008	3,750	0	14,088	0	-550	17,288	712	18,000
Result for the year	0	0	5,019	0	0	5,019	134	5,153
Payment of dividends	0	0	-2,335	0	0	-2,335	0	-2,335
Repurchase of own shares								
	0	0	0	0	-510	-510	0	-510
Sale of own shares	0	0	0	0	38	38	0	38
Option reserves	0	65	0	0	0	65	0	65
Change in non-controlling interests								
	0	0	0	0	0	0	0	0
Balance at								
Dec. 31, 2009	3,750	65	16,772	0	-1,022	19,565	846	20,411



# Notes to the consolidated financial statements as at December 31, 2009

The subsequent notes to the accounts are an integral part of the Group's consolidated financial statements.

## 1. The company

Binder+Co AG is an Austrian joint-stock company with headquarters in A 8200 Gleisdorf and is registered at the Graz Provincial Court under the number FN 187837 g.

Binder+Co AG is principally engaged in the processing and recycling, as well as the packaging of primary and secondary raw materials via its subsidiary, Statec Binder GmbH, and operates a production facility in Gleisdorf, Austria. Its international sales and distribution network is tailored to serve three industrial branch segments composed of processing, environmental and packaging technology. Western Europe, the CEE states, Asia, Australia, Africa and North America constitute the Group's main sales markets.

The average number of employees in the Group in 2009 was 248, as compared to 236 in 2008.

On June 18, 2007, Binder+Co AG was admitted to the newly created mid market segment of the Vienna Stock Exchange, having previously been part of the unregulated third market. Subsequently, on July 16, 2007, the company was re-listed as part of regulated OTC trading.

In the first quarter of 2009, the ownership structure of Binder+Co underwent a fundamental change as a result of the taking of an interest by grosso holding Gesellschaft mbH. As far as the new ownership structure is concerned, pursuant to §91 (1) of the Austrian Stock Exchange Act, the company is in receipt of the following notifications: On the reporting date, the AvW Gruppe AG continued to hold 29.2% (Dec. 31, 2008: 29.2%) of company stock and both the Herbert Liaunig Private Trust and the Albona Private Trust, holdings of 14.0% (Dec. 31, 2008: 10.0% each) and the grosso holding Gesellschaft mbH 13.2%. As at December 31, 2009, the remaining shares amounting to some 29.6% of stock were in free float.

As a result of the bringing in of its Packaging Technology Segment activities, with effect from October 1, 2008, Binder+Co AG has a 50.7% interest in Statec Binder GmbH

The consolidated financial statements are the responsibility of the Management Board and are presented to the Supervisory Board.

## 2. Accounting principles and summary of the presentation and valuation methods

### 2.1. Accounting principles

Pursuant to §245a Austrian Commercial Code (UGB), the consolidated financial statements as at December 31, 2009, were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and include the interpretations of the Standing Interpretations Committee (SIC) already requiring application. The consolidated financial statements include

the parent company Binder+Co AG and the subsidiary, Statec Binder GmbH, in which a controlling interest of 50.7% is held. The consolidated financial statements concur with the related European Union directives (Directive 83/349/EWG).

The accounts of the companies included in the consolidated financial statements are subject to the uniform accounting directives of the Binder+Co Group.

Binder+Co AG employs the euro as its functional and reporting currency. The annual financial statements and notes are presented in euros, rounded to thousands (EUR k) in accordance with commercial rounding methods. As a result of the use of automatic calculating machines, differences derived from rounding may occur in the addition of rounded sums.

With the exception of the valuation of provisions, the valuation of the individual items in the consolidated financial statements is in line with the historical cost principle. Provisions (including provisions for personnel) are basically reported at present value.

## 2.2. Methods and scope of consolidation

Capital consolidation takes place through the elimination of historical costs (= book value) and the newly valued pro rata equity of the participation at the time of purchase. Resultant asset-side differences are reported as goodwill.

IFRS 3 is employed with regard to goodwill, which is not subject to scheduled depreciation, but an impairment test in line with IAS 36.

As at December 31, 2009, the scope of consolidation included the following companies:

Parent company	Binder+Co AG	Gleisdorf, Austria	
Subsidiary	Statec Binder GmbH	Gleisdorf, Austria	50.7%

As a result of the bringing in of its Packaging Technology Segment activities, with effect from October 1, 2008, Binder+Co AG has a 50.7% interest in Statec Binder GmbH. Therefore, full consolidation is possible.

## 2.3. Currency translation

The Group currency is the euro, which is also the functional currency of the consolidated companies.

### Business transactions in foreign currencies

In the individual financial statements of the consolidated companies, transactions in foreign currencies are translated into the functional currency of the company at the exchange rate on the date of the transaction. Exchange rate gains and losses derived from the translation at the time of the transaction and the balance sheet closing date are recognised in the income statement. In the 2009 financial year, recognised foreign currency gains amounted to EUR 3k (2008: EUR 79k), while recognised foreign currency losses totalled EUR 19k (2008: EUR 26k).

As a rule, the companies endeavour to complete all international business in euros. However, should that not be possible, exchange rate hedging is undertaken.

## 2.4. Accounting and valuation principles

### 2.4.1. Goodwill and liability-side differences

In accordance with IFRS 3, goodwill may no longer be subject to scheduled depreciation. In order to establish the need for possible writedowns, goodwill is subjected to an impairment test at least once a year.

In line with IAS 36, an impairment test is completed, which in the case of a recognisable goodwill impairment, results in extraordinary depreciation.

After March 31, 2004, liability-side differences derived from the consolidation are no longer foreseen. A balance surplus leads to a new assessment of fair value. Remaining negative goodwill is recognised as income and eliminated.

### 2.4.2. Tangible and intangible assets

Purchased intangible assets are recognised at cost of acquisition net of scheduled and extraordinary depreciation and amortisation.

In the case of internally generated intangible assets, the period during which these were accrued is divided into a research and a development phase. Costs incurred during the research phase are immediately recognised as an expense. Costs incurred in the development phase are capitalised as intangible assets, subject to the proviso that the future economic benefit of the expenses incurred and, above all, the technical feasibility of the product or process can be demonstrated. Internally generated intangible assets are recognised at the cost of production, net of scheduled and extraordinary depreciation and amortisation. In 2009, capitalised development costs amounted to EUR 609k (2008: EUR 127k).

Tangible assets are recognised at the cost of acquisition or production net of scheduled and extraordinary depreciation and amortisation.

The production costs of internally generated intangible and tangible assets consist of direct costs and an appropriate portion of overheads. Subsequent expenditure on an asset is only capitalised where it results in a significant enhancement of the future economic benefit associated with the asset, e.g. through additional applications, or a significantly prolongation of useful life.

The depreciation and amortisation of intangible assets, property, plant and equipment occurs on a straight-line basis over their expected useful economic lives. The following useful lives are assumed for calculating the related rates:

	Useful life (years)	
	from	to
<b>Intangible assets</b>		
Capitalised development costs	5	5
Industrial property rights, licences and software	5	10
<b>Tangible assets</b>		
Land and buildings, including buildings on non-owned land	4	50
Plant and machinery	3	15
Other plant, fixtures, fittings, tools and equipment	1	10

Where assets are used for more than six months in the financial year of acquisition, depreciation and amortisation is to the full annual amount. In the case of a shorter period of use, half the annual amount is recognised.

Individual assets with an acquisition cost of less than EUR 400 (low-value assets) are fully written down in the year of acquisition and shown as disposals in the non-current assets movement schedule.

### 2.4.3. Leased and rented assets

Where all the main risks and benefits associated with leased and rented non-current assets have been transferred to Binder+Co AG Group (financial leasing), the related items are recognised as intangible or tangible assets. The amount recognised upon conclusion of the agreement is the lower of the market value at the time, or the present value of the future minimum leasing commitments. At the same time, the market value of the future minimum leasing commitments under the agreement is recognised in the balance sheet as a financial liability. As at December 31, 2009, the liabilities from leasing agreements, classified as financial leasing, amounted to EUR 0k (2008: EUR 0k).

#### **2.4.4. Financial assets**

No financial assets (securities) are held for trading purposes. Where the Group intends and is able to hold bullet maturity securities up to maturity, these are reported at the cost of acquisition. Differences between the cost of acquisition and the repayment amount (premium, discount) are spread over the entire life of the security in line with the effective interest method.

In accordance with IAS 39, the valuation of securities classified as available for sale takes place at amortised cost. Value impairments are reported directly in equity. In the 2009 financial year, no additions occurred (2008: EUR 0k).

#### **2.4.5. Value impairments**

Assets are tested on the respective balance sheet date in order to ascertain whether indications of an impairment exist. Should such indications exist, the Binder+Co Group determines the useful value or the higher selling price of the asset in question. If this value is below the carrying value of the asset, this amount is subjected to extraordinary depreciation and amortisation.

The Binder+Co Group determines the useful value as the present value of the estimated future surpluses derived from the use of the asset on the basis of a standard, pre-tax market interest rate. Should no independent surplus be determinable for the affected asset, it is included in the next largest unit for which an independent surplus can be established (Cash Generating Unit).

The selling price corresponds with the realisable value less selling costs, which can be obtained for the affected asset in the market from third parties, who are independent of one another.

The calculated extraordinary depreciation is recognised. Except in the case of transaction values and goodwill, a subsequent removal of the value impairment results in a recognised value addition up to the amount of the original amortised cost of acquisition or production. In line with IFRS 36, goodwill is subjected to an impairment test.

#### **2.4.6. Inventories**

Inventories are recognised at the lower of the cost of acquisition or production, or net realisable market value (market price) at the balance sheet date.

Acquisition costs include all the costs incurred in bringing the inventories to their respective locations in the required condition. Production costs include all direct costs together with an appropriate proportion of production overheads based on the average use of capacity of the production facilities. Interest on borrowings is not included. Unit costs are calculated on a sliding average cost basis and the FIFO process.

The realisable market value results from the expected sale proceeds less the expected costs of production, administration, sale and distribution, established on the basis of experience.

#### **2.4.7. Manufacturing contracts**

Long-term manufacturing contracts, for which earnings can be estimated reliably, are recognised as a proportion of the expected revenues less an appropriate allowance for risk (percentage of completion method), so that the income is treated as realised based on the stage of completion. The stage of completion is estimated on the basis of the ratio between costs incurred and the awaited total cost of the contract (cost-to-cost method). Where the outcome of a manufacturing contract cannot be reliably estimated, contractual revenues are only recognised up to the amount of the costs incurred that will probably be recoverable. Where it is likely that the total costs of the contract will exceed the total revenues, the expected loss is recognised immediately as an expense.

In 2009, the contract revenues thus recognised amounted to EUR 14,874k (2008: EUR 9,737k). Payments on account for ongoing projects received as at the balance sheet date, totalled EUR 8,093k (2008: EUR 9,258k). Bank guarantees are used to release agreed retentions.

#### **2.4.8. Trade payables, other receivables and other assets**

In accordance with IAS 39, trade payables and other receivables are reported at nominal value less specific allowances for amounts considered to be irrecoverable. Other assets are shown at the cost of acquisition less extraordinary depreciation (please see item 2.4.5. Value impairments).

#### **2.4.9. Cash and cash equivalents**

The cash and cash equivalents reported as "cash in hand and bank balances" are evaluated at fair value on the balance sheet date.

#### **2.4.10. Obligations to employees and third party pension obligations**

Binder+Co AG has commitments under individual agreements to pay pension benefits in respect of two beneficiaries. The defined benefit obligations are not matched by any appropriated funds, and are therefore fully provided for as a provision. These obligations consist exclusively of pensions payable to retired employees or their widows.

The required provision is calculated for the respective balance sheet date on the basis of an actuarial expertise and takes into account the regulations relating to such calculations contained in IAS 19.

The calculation of entitlements is based on the following assumptions:

	<b>2009</b>	2008
Interest rate	5.25%	4%
Pension increases	Contractually linked to Austrian CPI	Contractually linked to Austrian CPI
Life expectancy	AVÖ 2008-P	Ettl-Pagler

Any difference between the amounts of the provisions as calculated in advance on the basis of the above assumptions and the actual amounts (actuarial gain/loss) is recognised to the full amount in profit or loss.

#### **Severance benefits obligations**

Statutory regulations require the company to render established severance payments to employees, who joined the company before January 1, 2003, when their employment is terminated by notice or retirement. The size of payment depends on the number of years of service and remuneration level at the time of severance, and amounts to between two and twelve monthly salaries. A provision is made for these obligations.

The provision is calculated using the projected unit credit method, the present value of future payments over an employee's projected period of employment being aggregated by means of actuarial principles. The required provision is calculated for the respective balance sheet date on the basis of an actuarial expertise.

Employees who leave voluntarily, or are dismissed for good cause, are not entitled to severance payments.

Employees whose contracts of employment began after December 31, 2002, are subject to the provisions of a new Austrian severance payments scheme. This foresees that for every month of an employment relationship and certain non-contributory periods, the employee receives a vested entitlement to benefit, irre-

spective of length of service and the reason for the termination of employment. This represents a contribution-oriented scheme, in which the funds required to cover the obligation are transferred to an employees' severance pay and pensions fund. In 2009, the contributions to the employees' severance pay and pensions fund totalled EUR 57k (2008: EUR 43k) and are reported under the expenses for severance benefits.

The calculation of entitlements is based on the following assumptions:

	2009	2008
Interest rate	5.25%	5.25%
Increases in remuneration	3%	3%
Pensionable age – women	60 <sup>1</sup>	60 <sup>1</sup>
Pensionable age – men	65 <sup>1</sup>	65 <sup>1</sup>
Life expectancy	AVÖ 2008-P	AVÖ 2008-P

<sup>1</sup> Taking into account the interim stipulations of the supplementary finance bill to the 2003 budget.

#### Other long-term obligations to employees

Binder+Co AG has obligations under collective bargaining agreements to pay long-service benefits to employees, who achieve a certain specified length of service (from 25 years onwards). A provision is made for this obligation.

Basically, the provision is calculated using the same methods and assumptions as those utilised for severance payments obligations, with the difference that a 25% reduction is applied to reflect staff turnover.

#### 2.4.11. Other provisions

Other provisions are made where there is a present legal or other obligation to a third party as a result of a past event and it is probable that the obligation will result in an outflow of resources. The amounts provided are based on the best estimates possible at the time that the annual financial statements are prepared. Where the amount cannot be reasonably estimated, no provision is made. Where the present value of the provision calculated according to a market interest rate differs materially from the nominal value, the present value of the obligation is recognised.

#### 2.4.12. Taxes

The amount recognised as an income tax expense for the 2009 financial year consists of the tax payable on taxable income using the applicable rate of corporate income tax (actual taxes), together with adjustments with respect to liabilities for earlier years and adjustments to accrued and deferred taxation.

Provisions for deferred taxation are calculated for all temporary differences between the carrying amounts of balance sheet items in the IFRS financial statements and their values for tax purposes using the balance sheet liability method.

Deferred tax assets are only recognised where it is probable that the tax benefits will be realisable. In calculating the provisions, the tax rate applied in Austria was 25% (2008: 25%).

#### 2.4.13. Financial liabilities/liabilities to banks

Liabilities are reported at the amounts actually incurred. Any differences between the amounts received and amounts repayable such as premiums or discounts are spread over the lifetime of the liability using the effective interest rate method and recognised in financial profit or loss.

#### 2.4.14. Trade payables and other liabilities

Trade payables and other liabilities are included at the amounts repayable.

### 2.4.15. Revenue realisation

Revenues for goods and services supplied are realised when all the material risks and benefits associated with the supply have been transferred to the purchaser. Revenues other than those from services in connection with major projects are recognised in proportion to the services rendered as at balance sheet date. For the realisation of production contract income, please see item 2.4.7. Manufacturing contracts.

### 2.4.16. Finance costs and income from financial investments

Finance costs include interest accrued on debt finance, similar charges and expenses, and losses from the disposal or extraordinary depreciation and amortisation of financial assets.

The income from financial investments includes income from the investment of short-term funds and interest, dividends and similar income from the investment of non-current financial assets, together with income from the disposal or write-up of financial assets.

Interest for the period is accrued using the effective interest rate method. Dividends are recognised at the time of the passage of the resolution authorising the payment of the dividend.

### 2.4.17. Estimates

To a certain extent, the preparation of the annual consolidated financial statements requires estimates and assumptions to be made, which can affect the reported values of assets and liabilities and other obligations on the balance sheet date, and of income and expenses for the year under review.

As a rule, estimates relate to the degree of completion of individual orders. A basis is provided by the time reports relating to engineering, production, installation and commissioning, as well as the material costs registered via the ERP system, which consist of orders of supplied components and internal material lists from stores.

## 3. Notes to the consolidated balance sheet

### (1) Intangible assets and goodwill

EUR k	Capitalised development costs	Licences and industrial property rights	Goodwill	Total
<b>Acquisition costs</b>				
As at Jan. 1, 2009	1,710	2,587	0	4,297
Additions	877	305	0	1,182
Disposals	0	-6	0	-6
<b>As at Dec. 31, 2009</b>	<b>2,587</b>	<b>2,886</b>	<b>0</b>	<b>5,473</b>
<b>Accumulated amortisation</b>				
As at Jan. 1, 2009	220	1,800	0	2,020
Additions	268	256	0	524
Disposals	0	-2	0	-2
<b>As at Dec. 31, 2009</b>	<b>488</b>	<b>2,054</b>	<b>0</b>	<b>2,542</b>
<b>Carrying value as at Dec. 31, 2008</b>	<b>1,490</b>	<b>787</b>	<b>0</b>	<b>2,277</b>
<b>Carrying value as at Dec. 31, 2009</b>	<b>2,099</b>	<b>832</b>	<b>0</b>	<b>2,931</b>

**(2) Tangible assets**

EUR k	Land and buildings	Technical plant and machinery	Factory and office equipment	Total
<b>Acquisition costs</b>				
As at Jan. 1, 2009	19,774	7,644	3,838	31,256
Additions	849	501	268	1,618
Disposals	0	-14	-34	-48
<b>As at Dec. 31, 2009</b>	<b>20,623</b>	<b>8,131</b>	<b>4,072</b>	<b>32,826</b>
<b>Accumulated depreciation</b>				
As at Jan. 1, 2009	11,544	6,690	2,980	21,214
Additions	585	180	269	1,034
Disposals	0	-14	-33	-47
<b>As at Dec. 31, 2009</b>	<b>12,129</b>	<b>6,856</b>	<b>3,216</b>	<b>22,201</b>
<b>Carrying value as at Dec. 31, 2008</b>	<b>8,230</b>	<b>954</b>	<b>858</b>	<b>10,042</b>
<b>Carrying value as at Dec. 31, 2009</b>	<b>8,494</b>	<b>1,275</b>	<b>856</b>	<b>10,625</b>

**(3) Financial assets**

EUR k	Acquisition costs Jan. 1, 2009	Recognised disposals/ additions 2009	Carrying value Dec. 31, 2009	Carrying value Dec. 31, 2008
Securities	392	-1	391	392
Loans	1,736	0	1,736	1,736
Total	2,128	-1	<b>2,127</b>	2,128

The securities consist of shares in funds amounting to EUR 341k and fixed income securities to the value of EUR 50k (Dec. 31, 2008: EUR 392k). They serve exclusively to cover the provisions for severance payments and pensions under §§ 14 and 116 Austrian Income Tax Act.

The loans related to the acquisition costs of rental rights purchased in 2006 relating to a property in Gleisdorf.

**Fair values (stock market prices)** at the balance sheet date were as follows:

EUR k	Dec. 31, 2009	Dec. 31, 2008
Investment fund shares	341	342
Fixed income securities	50	50
Total	<b>391</b>	392

In accordance with IAS 39, available-for-sale securities are reported at market values. Changes in value are reported directly under equity. Due to immateriality, in 2009 no adjustments were made for the difference between the fair and carrying values.

**(4) Inventories**

EUR k	Dec. 31, 2009	Dec. 31, 2008
Raw materials and consumables used	2,937	3,059
Finished goods	891	742
Advance payments made	0	81
Total	<b>3,828</b>	3,882

The expense for **raw materials and consumables used** reported in the consolidated income statement were as follows:

EUR k	2009	2008
Materials	24,939	33,646
Purchased services	6,704	7,565
Total	<b>31,643</b>	41,211

#### (5) Receivables and other assets

EUR k	Dec. 31, 2009	Dec. 31, 2008
Trade receivables	13,640	21,380
Other receivables and accruals	3,551	2,138
Total	<b>17,191</b>	23,518

There were no general provisions made against trade receivables (Dec. 31, 2008: EUR 0k).

**Trade receivables** include:

EUR k	Dec. 31, 2009	Dec. 31, 2008
Trade receivables	6,592	16,075
Receivables for goods and services not yet invoiced	14,874	9,737
less: prepayments received	-7,826	-4,432
Total	<b>13,640</b>	21,380

EUR k	Dec. 31, 2009	Dec. 31, 2008
Production contracts (not yet invoiced)		
Costs incurred at the balance sheet date	12,134	8,055
Profits recognised at the balance sheet date	2,740	1,682
Prepayments received	-7,826	-4,432
Total	<b>7,048</b>	5,305

The scheduled completion dates for all production contracts are within one year of the balance sheet date. There were no material retentions.

**Other receivables** include:

EUR k	Dec. 31, 2009	Dec. 31, 2008
Financial authority balances	1,311	1,071
Severance payments liability insurance	503	540
Receivables from creditors	53	88
Receivables from employees	13	21
Grants receivables	44	15
Receivables from insurance companies	421	0
Receivables from suppliers	642	0
Premiums for apprentices, research and training	125	100
Accruals	281	249
Other sundry receivables	158	54
Total	<b>3,551</b>	2,138

**(6) Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and bank balances available at call.

EUR k	<b>Dec. 31, 2009</b>	Dec. 31, 2008
Bank balances	6,020	5,043

**(7) Equity**

As there was no change in the issued share capital of Binder+Co AG as opposed to the preceding year, nominal capital is reported with EUR 3,750k. This consists of 3,750,000 no-par bearer shares with a value of EUR 1.00 each.

Pursuant to §169 of the Austrian Stock Corporation Act, a resolution passed by an extraordinary Annual General Meeting held on December 12, 2006, empowered the Management Board to increase the share capital of the company, to a maximum nominal amount of EUR 1,875,000 by December 20, 2011, and if so determined, in several tranches. The increase is to take the form of an issue of 1,875,000 no-par value, voting shares in proportion to the existing no-par value shares in the share capital, in exchange for cash or a contribution in kind. The Management Board is authorised, with approval by the Supervisory Board, to fix the issue price and the other terms and conditions of the issue (authorised capital). The new shares will participate in the profits of the company from the beginning of the financial year in which they are issued. The Supervisory Board is authorised to determine changes in the articles of incorporation as required by the issue of new shares in the authorised capital.

The rights conferred on the holders of the new shares are those normally conferred under the Austrian Stock Corporation Act. They include the right to the payment of dividends pursuant to a resolution of the Annual General Meeting on the basis of the individual financial statements of the company prepared in accordance with the Austrian Commercial code (UGB), together with the right to vote in Annual General Meetings.

In the period up to December 31, 2009, within the scope of the resolution approved by the 9<sup>th</sup> ordinary Annual General Meeting, a total of 100,997 shares were acquired at an average price of EUR 10.90. Moreover, in line with the resolution approved by the 10<sup>th</sup> ordinary Annual General Meeting, a further 8,267 shares were purchased at an average price of EUR 9.97. The repurchased shares are intended to serve the stock option programme and in the financial year expired, 4,000 were issued, which as at December 31, 2009, resulted in a holding of own shares of 105,264.

As at December 31, 2009 the reserves, including own shares, amounted to EUR 15,815k (Dec. 31, 2008: EUR 13,358k).

**(8) Non-controlling interests**

The item "Non-controlling interests" contains the share of equity in the Statec Binder GmbH subsidiary, held by external companies.

	<b>Dec. 31, 2009</b>	Dec. 31, 2008
Statec Binder GmbH	49.3%	49.3%

**(9) Obligations in respect of employees (social capital)**

EUR k	<b>Dec. 31, 2009</b>	Dec. 31, 2008
Provisions for severance payments	3,129	3,135
Provisions for pensions	822	696
Provisions for long-service bonuses	608	604
Total	<b>4,559</b>	4,435

**Provisions for severance payments**

EUR k	2009	2008
Present value of severance payment obligations (DBO) as at Jan. 1	3,135	3,051
Service cost	152	145
Interest cost	163	151
Severance payments	311	252
Actuarial gains/(losses) on defined pension/benefit schemes	-10	40
Present value of severance payment obligations (DBO) as at Dec. 31	<b>3,129</b>	3,135

**Provisions for pensions**

EUR k	2009	2008
Present value of pension obligations (DBO) as at Jan. 1	696	734
Change	126	-38
Present value of pension obligations (DBO) as at Dec. 31	<b>822</b>	696

**Provisions for long-service bonuses**

EUR k	2009	2008
Present value of long-service bonus obligations (DBO) as at Jan. 1	604	601
Service cost	38	34
Interest cost	31	29
Long-service bonus payments	66	55
Actuarial gains/(losses) on defined pension/benefit schemes	1	-5
Present value of long-service bonus obligations (DBO) as at Dec. 31	<b>608</b>	604

**(10) Other provisions**

EUR k	Current taxes	Payroll	Open contracts	Other	Total
As at Jan. 1, 2009	3,281	2,355	7,176	174	12,986
Consumed	-1,781	-2,355	-4,981	-152	-9,269
Reversed	0	0	-444	-8	-452
Accrued	1,661	2,119	3,381	276	7,437
As at Dec. 31, 2009	3,161	2,119	5,132	290	10,702
Thereof short-term	1,923	0	0	0	1,923
Thereof long-term	1,238	2,119	5,132	290	8,779

**(11) Income tax expense**

The income tax expense is structured as follows:

EUR k	2009	2008
Current income tax expense	1,248	1,573
Change in accrued and deferred taxation	423	204
Total	<b>1,671</b>	1,777

Temporary differences between the carrying amounts in the consolidated financial statements according to IFRS and the respective values for tax purposes had the following effects on the tax deferrals reported in the consolidated balance sheet:

EUR k	Dec. 31, 2009	Dec. 31, 2008
<b>Asset-side differences</b>		
Tangible assets	502	481
Current assets	90	0
Provision for severance payments	289	4
Provisions for pension obligations	157	60
Other provisions	1,057	1,216
	2,095	1,761
Netting of asset- and liability-side differences	-2,095	-1,761
	0	0
<b>Liability-side differences</b>		
Tangible assets	7,049	6,047
Current assets	2,739	1,681
Provision for severance payments	0	34
	9,788	7,762
Netting of asset- and liability-side taxation differences	-2,095	-1,761
	7,693	6,001
Deferred taxation (net)	<b>-1,923</b>	-1,500

The difference between the notional tax charge and the reported income tax expense is explained as follows:

EUR k	2009	2008
Profit before tax (incl. subsidiary result)	6,824	7,173
Notional tax charge	1,706	1,793
Taxes per income statement	1,671	1,777
Difference to be reconciled	-35	-16
Reasons for difference:		
Reduction of tax burden as a result of		
Sundry tax allowances and other permanent differences	-46	-29
Increase in the tax burden as a result of		
Non-deductible expenses	11	11
Other	0	2
Reconciled difference	<b>-35</b>	-16

## (12) Trade payables

EUR k	Dec. 31, 2009	Dec. 31, 2008
Creditors	5,267	4,856

Of the trade payables, a sum of EUR 0k (Dec.31, 2008: EUR 0k) is to be regarded as long-term.

**(13) Other liabilities and deferrals**

EUR k			Dec. 31, 2009	Dec. 31, 2008		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Financial authorities	0	292	292	0	392	392
Health insurance funds	0	319	319	0	317	317
Personnel netting	0	369	369	0	350	350
Accounts receivable with credit balances	0	226	226	0	216	216
Partial retirement	28	102	130	83	44	127
FFG loans	67	58	125	47	123	170
Other	0	55	55	0	134	134
<b>Total</b>	<b>95</b>	<b>1,421</b>	<b>1,516</b>	<b>130</b>	<b>1,576</b>	<b>1,706</b>

**4. Notes to the consolidated income statement****(14) Sales revenues and segment reporting**

Segment reporting is based on business and customer segments (primary segmentation) and geographical regions (secondary segmentation).

The segmentation by business and customer segments corresponds with internal Group reporting. Assets and liabilities and income and expenses are only allocated to individual segments to the extent that this can be completed directly, or on a reasonable basis. Items not attributable or allocable in this manner are disclosed under "Reconciliation". These consist mainly of administration and production assets and expenses, which cannot be allocated to individual segments with certainty. In general, transfers between the individual segments are carried out according to the arm's length principle.

The regional segmentation of sales revenues is based on the destinations for delivery.

Sales revenues in the principal segments not only include product sales but also sales of spare parts. The segments used in segment reporting are as follows:

Primary segments 2009	Secondary segments 2009
Processing Technology (AT)	Austria
Environmental Technology (UT)	Western Europe
Packaging Technology/Other (VT)	CEE states
Reconciliation	Asia/Australia
	Africa
	Americas

In spite of the integration of packaging technology activities into Statec Binder GmbH on October 1, 2008, the primary Packaging Technology Segment was retained in its original form, as this company is fully consolidated in the consolidated financial statements.

**Primary segmentation – business segments 2009**

EUR k	AT	UT	VT	Recon- ciliation	Dec. 31, 2009
					Total
External sales revenues	31,180	22,528	10,464	0	64,172
Internal sales revenues	0	0	-1,047	0	-1,047
<b>Total</b>	<b>31,180</b>	<b>22,528</b>	<b>9,417</b>	<b>0</b>	<b>63,125</b>
Operating segment result (EBIT)	2,887	3,502	269	0	6,658
Finance costs					166
Earnings before tax					6,824
Income tax expense					-1,671
Profit for the year					5,153
Thereof Parent company					5,019
Thereof Non-controlling interests					134
Segment assets	16,698	11,531	4,286	10,207	42,722
Segment liabilities	9,787	6,265	1,763	4,496	22,311
Investments – PPE & IA	1,376	1,164	260	0	2,800
Investments – financial assets	0	0	0	50	50
<b>Total investments</b>	<b>1,376</b>	<b>1,164</b>	<b>260</b>	<b>50</b>	<b>2,850</b>
Depreciation – PPE & IA	734	680	144	0	1,558
Writedowns – financial assets	0	0	0	0	0
<b>Total depreciation</b>	<b>734</b>	<b>680</b>	<b>144</b>	<b>0</b>	<b>1,558</b>

**Primary segmentation – business segments 2008**

EUR k	AT	UT	VT	Recon- ciliation	Dec. 31, 2008
					Total
External sales revenues	33,472	28,260	13,530	0	75,262
Internal sales revenues	0	0	-1,817	0	-1,817
<b>Total</b>	<b>33,472</b>	<b>28,260</b>	<b>11,713</b>	<b>0</b>	<b>73,445</b>
Operating segment result (EBIT)	3,376	3,613	213	0	7,202
Finance costs					-29
Earnings before tax					7,173
Income tax expense					-1,777
Profit for the year					5,396
Thereof Parent company					5,311
Thereof Non-controlling interests					85
Segment assets	14,103	17,161	7,315	8,311	46,890
Segment liabilities	13,075	7,720	4,454	3,641	28,890
Investments – PPE & IA	1,020	845	277	0	2,142
Investments – financial assets	0	0	0	330	330
<b>Total investments</b>	<b>1,020</b>	<b>845</b>	<b>277</b>	<b>330</b>	<b>2,472</b>
Depreciation – PPE & IA	607	509	271	0	1,387
Writedowns – financial assets	0	0	0	0	0
<b>Total depreciation</b>	<b>607</b>	<b>509</b>	<b>271</b>	<b>0</b>	<b>1,387</b>

**Secondary segmentation – geographical regions 2009**

EUR k	Austria	Western Europe	CEE states	Asia/Australia	Africa	Americas	Dec. 31, 2009	
							Total	
Sales revenues	9,448	22,080	4,839	8,660	9,200	8,898	63,125	

**Secondary segmentation – geographical regions 2008**

EUR k	Austria	Western Europe	CEE states	Asia/Australia	Africa	Americas	Dec. 31, 2008	
							Total	
Sales revenues	7,401	34,784	18,543	8,118	963	3,636	73,445	

**(15) Other operating income**

EUR k	2009	2008
Income from the release of provisions	384	64
Cross charged expenses	344	503
Grants	124	48
Income from the sale of equipment	7	39
Licences	91	90
Premiums for apprentices, research and training	125	100
Rental agreements	101	169
Other	99	73
<b>Total</b>	<b>1,275</b>	1,086

**(16) Other operating expenses**

EUR k	2009	2008
Transport and freight costs	1,298	1,198
Maintenance and repairs costs	479	455
Rental and leasing expenses	469	471
Advertising	616	630
Travel expenses, allowances for assembly personnel	1,797	1,660
Commission	1,948	2,548
Management fees	40	102
Money transfer and bank charges	192	193
Insurance charges	485	346
Legal and consultancy fees	257	286
Telephone and postage charges	271	264
Patents	152	132
Guarantees	64	699
Provisions for bad and doubtful debts	224	631
Other expenses	492	377
Clearing position for the bringing in of Packaging Technology	0	-913
<b>Total</b>	<b>8,784</b>	9,079

The auditing expenses incurred during the financial year 2009 amounted to:

EUR k	2009
Auditing of the consolidated and annual financial statements	39
Audit review of the half-year financial report	10
Taxation and other consulting	8
<b>Total</b>	<b>57</b>

### (17) Staff costs

EUR k	2009	2008
Wages and salaries	12,815	12,526
Social security contributions	3,163	2,993
Pension expenses	239	72
Expenses for severance payments	373	335
Other employee benefits	216	308
<b>Total</b>	<b>16,806</b>	16,234

In 2009, remuneration to the members of the Management Board of Binder+Co AG amounted to EUR 459k (2008: EUR 397k). The fixed sum in this amount totalled EUR 312k, the variable sum EUR 146k.

Remunerations to the Binder+Co AG Supervisory Board in 2009 totalled EUR 24k (2008: no payments).

The average number of employees, including the members of Management Board, was as follows:

	2009	2008
Salaried staff	149	132
Non-salaried staff	88	91
Apprentices	11	12
<b>Total</b>	<b>248</b>	236

### (18) Financial expenses

EUR k	2009	2008
Interest and similar expenses	35	52
Expenses for marketable securities	0	132
Other expenses from financial assets	0	2
<b>Total</b>	<b>35</b>	186

### (19) Income from financial investments

EUR k	2009	2008
Interest and similar income	182	140
Realised gains on the disposal of securities	19	17
<b>Total</b>	<b>201</b>	157

## 5. Notes to the consolidated cash flow statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents consist entirely of cash in hand and bank balances. Interest receipts and disbursements form part of the operating cash flow. There are no material non-cash transactions. Details are shown in the cash flow statement.

## 6. Supplementary information

### 6.1. Other obligations and contingent liabilities

#### Rental and leasing agreements

The Binder+Co Group has concluded operating rental and leasing agreements for buildings, factory and office equipment with a number of partners. The minimum payments to be made in future under existing agreements are as follows:

EUR k	2010	2010–2014	From 2015
Rental agreements	191	588	0
Leasing agreements	247	782	0
Total	438	1,370	0

#### Pending litigation

As at December 31, 2009, there was no pending litigation with a material effect on the annual financial statements.

#### Contingent liabilities

As at December 31, 2009, no contingent liabilities existed, which due to a lack of the appropriate concretisation, are to be reported in the consolidated balance sheet.

### 6.2. Business relationships to related companies and personages

Since October 1, 2008, a services relationship has existed with the subsidiary, Statec Binder GmbH. Binder+Co AG provides contract manufacture, which is cleared according to the arm's length principle.

### 6.3. Earnings per share

The earnings per share are calculated by dividing the profit for the year attributable to the shareholders of the parent company by the weighted ordinary share average.

The diluted earnings per share are calculated by dividing the profit for the year attributable to the shareholders of the parent company by the weighted ordinary share average, taking into account the share options. The calculations are as follows:

EUR	2009	2008
Profit for the year attributable to the parent company	5,019,000	5,311,000
Weighted ordinary share average	3,652,916	3,717,920
Undiluted earnings per share	1.37	1.43
Profit for the year attributable to the parent company	5,019,000	5,311,000
Weighted ordinary share average	3,657,416	3,719,683
Diluted earnings per share	1.37	1.43

#### Proposed distribution of profits

In accordance with the provisions of the Austrian Commercial Code (UGB), the proposed distribution of profits is based on the individual financial statements of Binder+Co AG.

The individual financial statement of Binder+Co AG shows distributable profits of EUR 3,124,666.36 for the financial year 2009.

The Management Board proposes to the Annual General Meeting that the balance sheet profit be used for the payment of a dividend of EUR 0.32 (2008: EUR 0.32) and a bonus of EUR 0.28 (2008: EUR 0.32), which amounts to a dividend of EUR 0.60 per share. The balance would be carried forward.

#### 6.4. Stock option programme

On the basis of resolutions passed at the 9<sup>th</sup> and 10<sup>th</sup> ordinary Annual General Meetings, pursuant to §65 (1), 4 of the Austrian Stock Corporation Act, the Management Board was empowered to repurchase own stock to an amount equalling 10% of share capital and thus 375,000 shares, by September 25, 2011. The repurchased shares are intended for issue to the workforce, executive managers and members of the Management Board.

During the financial year a total of 44,800 options for the purchase of Binder+Co shares with an exercise price of EUR 9.49 were issued. The following distribution key was employed:

Management Board:	4,000 shares
Executive management:	6,000 shares
Segment managers:	9,000 shares
Group managers:	8,400 shares
Other employees:	17,400 shares

Two exercise windows were made available for these options, whereby the first was established for the period from May 20–June 20, 2009 and the second for May 19, 2010–June 19, 2010.

During the first window, all the options allocated to the Management Board were exercised.

As at December 31, 2009, the 40,800 unused options were allotted an intrinsic value of EUR 66k. The intrinsic value of the option resulted from the difference between the exercise price and the share price of the valuation date.

## 7. Differences between Austrian and IFRS accounting principles

### Development costs

Under IFRS, the period in which internally generated intangible assets are accrued is divided into a research phase and a development phase. Costs incurred during the research phase are immediately recognised as an expense. Costs incurred in the development phase are capitalised as intangible assets, provided the future economic benefit of the expenses incurred and, above all, the technical feasibility of the product or process can be demonstrated. This option is not available under Austrian law.

### Goodwill

Austrian law provides a number of options for the treatment of goodwill. It may be offset directly against reserves, capitalised and amortised over five years or, in the case of purchased goodwill, amortised over its expected useful life. Under the IFRS, goodwill must be capitalised, and, under IFRS 3, no amortisation is permitted. Instead, under IAS 36, scheduled impairment tests must be carried out and depreciation and amortisation undertaken to the extent appropriate.

### Tangible assets

Under Austrian accounting tangible assets are to be recognised at cost of acquisition or production. Depending on through wear and tear, or impairment losses, the costs are then reduced by scheduled or extraordinary depreciation and amortisation. Revaluations are not permitted, whereas under the IFRS, they are permissible.

### Securities

Securities not intended to be of permanent use to the business (available for sale) are disclosed at market prices on the balance sheet date (market-to-market) or at repurchase prices. As opposed to Austrian accounting, under the IFRS revaluations in excess of the cost of acquisition are permissible. Changes in value prior to disposal are recognised as equity and do not affect profit and loss.

### Deferred taxes

In Austrian accounting, deferred tax liabilities may only be recognised to the extent of temporary differences, which have been included in profit or loss, while for deferred tax assets there is the option of recognition as assets. The prevailing opinion is that no deferred tax assets may be recognised in respect of loss carryforwards. Under IFRS provisions, deferred tax assets and liabilities calculated using the current tax rate are to be recognised for all temporary differences and this also applies in relation to tax loss carryforwards to the extent that they can be expected to be offset against future taxable profits.

### Obligations to employees

Austrian accounting regulations require these obligations to be recognised in the form of provisions calculated on actuarial principles using the entry age normal method without taking into account salary increases (discount rate: 4.0%). Under IFRS, obligations to employees are calculated using the projected unit credit method and a market interest rate of 5.25% (2008: 5.25%), a projected rate of salary increases of 3.0% (2008: 3.0%) and appropriate discounts to reflect staff turnover.

### Other provisions

The IFRS and the Austrian Commercial Code (UGB) interpret the principle of prudence in relation to provisions in a fundamentally different way. IFRS tends to attach greater importance to the likelihood of the events in question and the degree of certainty with which the necessary provision can be determined.

### Translation of foreign currencies and currency hedges

There are differences between the two systems of accounting with respect to the recognition of unrealised gains on the valuation of foreign currency amounts as at the balance sheet date. Under Austrian law, only unrealised losses are recognised in line with the imparity principle, while under IFRS unrealised gains must also be taken into account.

No reconciliation of equity and the profit for the year is made, as IFRS figures were already published in previous years.

## 8. Events after the balance sheet date

No events of material importance to the annual financial statements as at December 31, 2009, occurred between the closing date for the financial statements and their release by the Binder+Co AG Management Board on February 8, 2010.

Gleisdorf, February 2010



Karl Grabner  
Member of the Management Board



Jörg Rosegger  
Member of the Management Board

# Statement of legal representatives

pursuant to §82 (4), 3 Austrian Stock Exchange Act

We confirm that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development, business performance and position of the Group, together with a description of the principal risks and uncertainties that it faces.

We confirm that to the best of our knowledge, the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development, business performance and position of the company, together with a description of the principal risks and uncertainties that it faces.

Gleisdorf, February 2010



Karl Grabner  
Member of the Management Board



Jörg Rosegger  
Member of the Management Board

# Auditors' Report

## Report on the consolidated financial statements

We have audited the consolidated financial statements of Binder+Co AG, Gleisdorf, for the financial year from January 1, 2009 to December 31, 2009 with reported equity of EUR 20,411,000. These consolidated financial statements incorporate the consolidated balance sheet as at December 31, 2009, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in equity for the financial year ended December 31, 2009, and other explanatory notes.

## Management responsibility for the consolidated financial statements and for the accounting system

The company management is responsible for the Group accounting system and for the preparation of consolidated financial statements that present a true and fair view of the assets, finances and earnings of the Group in accordance with the International Financial Reporting Standards (IFRS) applicable in the EU. This responsibility includes the design, implementation and maintenance of an internal control system appropriate to the preparation of consolidated financial statements and the presentation of a true and fair view of the assets, finances and earnings of the Group, which are free of material misstatements irrespective of whether these are the result of intentional or unintentional errors, the selection and application of appropriate accounting and valuation methods, and the making of estimates, which appear reasonable under the given circumstances.

## Auditors' responsibility and description of the type and scope of the statutory audit

Our responsibility is to express an opinion concerning these consolidated financial statements on the basis of our audit. We conducted our audit in accordance with the laws and regulations applicable in Austria and the Austrian Standards on Auditing, as well as in accordance with the International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). These standards require that we comply with professional guidelines and that we plan and perform the audit in a manner that allows us to state with reasonable certainty that the consolidated financial statements are free from material misstatement.

An audit involves the performance of procedures to obtain audit evidence relating to the amounts and disclosures in the consolidated financial statements. The procedures selected depend upon the professional judgment of the auditors, taking into account their assessment of the risks of material misstatements irrespective of whether these are the result of intentional or unintentional errors. In making these risk assessments, the auditors take the internal control system into consideration to the extent that it affects the preparation of the consolidated financial statements and the presentation of a true and fair view of the assets, finances and earnings of the Group, in order to apply audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls. An audit also includes an evaluation of the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by the management, as well as an evaluation of the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reliable basis for our audit opinion.

## Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements for the financial year from January 1, 2009 until December 31, 2009, involving reported equity of EUR 20,411,000, comply with legal requirements and give a true and fair view of the assets, finances and earnings of the Group, as at December 31, 2009 and of its financial performance and its cash flows for the financial year from January 1, 2009 to December 31, 2009 in accordance with the International Financial Reporting Standards (IFRS) as applied within the EU.

## Comments on the Group management report

Pursuant to statutory provisions, the Group management report is to be audited in order to determine if it is consistent with the consolidated financial statements and whether the other disclosures are not misleading with respect to the Group's affairs. The auditors' report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to §243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to §243a UGB (Austrian Commercial Code) are appropriate.

SOT Wirtschaftsprüfung GmbH



Friedrich Spritzey

Markus Brünner

Auditors

Graz, February 8, 2010

The publication or dissemination of the consolidated financial statements bearing our opinion may only take place in the approved version. This opinion relates exclusively to the German language version of the complete consolidated financial statements including the Group management report. For any other versions, the regulations contained in §281 (2) UGB (Austrian Commercial Code) are to be observed.

# Supervisory Board report

During the 2009 financial year, the Supervisory Board met on six occasions, which included two audit committee meetings. At these meetings, the Supervisory Board received reports from the Management Board concerning the status of the company.

The annual and consolidated financial statements for 2009, including the notes and the management report were audited by SOT Wirtschaftsprüfung GmbH, Graz, the company appointed for this purpose, and given an unqualified report.

The Supervisory Board approved the annual and consolidated financial statements prepared by the Management Board, which in accordance with §125 (2) of the Austrian Corporations Act, are thereby adopted. The Supervisory Board also approved the proposal of the Management Board for the appropriation of the profit for the year.

In accordance with §270 (1) of the Austrian Commercial Code, the Supervisory Board proposes the appointment of unitreu Wirtschaftsprüfungs- und Steuerberatungs GmbH, as the auditors of the annual and consolidated financial statements for the 2010 financial year.

Gleisdorf, February 2010



Erhard F. Grossnigg  
Chairman

# Binder+Co's company history

## **1894**

The master metalworker, Ludwig Binder, founds a small building and artistic metalworking shop in Graz-Eggenberg. The focus of company activities in the following decades is on steel constructions.

## **1926**

Alois Sernetz, the son-in-law of the founder, assumes the management of the company and guides it through the turmoil of the world economic depression.

## **from 1940**

Following years of recession, an economic upturn commences at the beginning of the 1940s and a medium-sized industrial company emerges with a workforce of over 150.

## **1954**

The revolutionary "System Binder" for vibratory screening machines is developed. It is used initially for the foods industry.

## **1960**

The company moves from Graz to newly built premises in Gleisdorf, where the first processing systems are produced for the construction industry.

## **1971**

In order to secure the global marketing of Binder+Co machines, the company is integrated into the voestalpine Group. The first large systems for the minerals and mining industries are designed and manufactured.

## **1978**

Binder+Co develops its first packaging systems for free flowing bulk goods.

**1989**

The first recycling machines are produced. They are employed for the sorting of cullet.

**1991**

Binder+Co is re-privatised and subsequently comes under the majority ownership of Auricon Beteiligungs AG, an investment group headed by the industrialist Herbert Liaunig.

**1998**

Linkage to the Waagner-Biro Group, which is also owned by Auricon.

**2006**

Since December 2006, Binder+Co AG has been listed on the unregulated Third Market of the Vienna Stock Exchange.

**2007**

In June 2007, Binder+Co AG is accepted into the newly created mid market segment of the Vienna Stock Exchange and in July is relisted in regulated OTC trading.

**2008**

Total withdrawal of the Waagner-Biro Group in early March 2008. As a result of the integration of Packaging Technology Segment activities into a joint venture, in October 2008 Binder+Co AG becomes the majority shareholder of Statec Binder GmbH with 50.7% of company stock.

**2009**

At the end of 2009, Binder+Co AG applies for a switch from regulated free trading to the Vienna Stock Exchange's Third Market. The desired change takes place on January 15, 2010.



# Glossary

## Company specific

### Bulk goods

**Bulk goods** are designated as consisting of sand, gravel and cement, raw materials (e.g. ores, coal) and foodstuffs (grain, sugar, salt, coffee, granulates, etc.).

### Complete systems

From the outset, Binder+Co's strategy was not only directed towards the manufacture of **> single machines**, but also their combination to form **complete systems** for precisely coordinated processes. In the case of these customised solutions, the priority is to achieve both technical and economic optimisation.

### Difficult to screen materials

Damp and sticky materials or matted substances are regarded as being **difficult to screen materials**. They block the perforations in the screens of conventional machines and thus render efficient screening impossible. With its **BIVITEC** system, Binder+Co offers a basic solution for these demanding tasks, as the screen linings are subject to constant vibration, which prevents perforation clogging.

### Dynamically excited screening mats

When handling damp and/or glutinous goods, the perforations in the screen linings of conventional screening machines tend to become clogged with the fine content of the material. The **BIVITEC** system from Binder+Co stands out due to the fact that the screen lining itself is set in vibratory motion (= **dynamically excited screen mats**). As a result, any material adhering to the screen lining is shaken free by acceleratory forces, thus preventing perforation blockage.

### High-performance packaging

In the case of bags with a content of 10kg and above, **high-performance packaging** is defined as the filling of at least 1,200 bags per hour. This means that at a maximum, a bag must be automatically filled and sealed after three seconds. In order to achieve this target, several plant processes have to be completed in parallel operations. With its **PRINCIPAC** series, the Binder+Co Group offers fully automatic packaging machines, which can handle up to 1,600 bags hourly.

### Industrial minerals

**Industrial minerals** (e.g. processed calcium carbonate) play an indispensable role in industrial processes, as they constitute a vital constituent of dyes, electronic products, cast metals, paper, plastics, ceramics, cleaning agents, pharmaceuticals, cosmetics, construction materials, agricultural goods, etc. and are also employed as additives in the foods and feedstuffs industries.

### Innovation ratio

Binder+Co assesses the success of its R&D by means of an **innovation ratio**, which in 2009 averaged 17%. This means that one-sixth of total order intake was attained with products that Binder+Co has launched onto the market as new in-company developments during the past three years.

### Multi-sensor technology

With **CLARITY**, Binder+Co has not only developed the first **> three-way system** for the sorting of cullet, but has also succeeded in augmenting standard colour sensors with metal sensors and UV-light camera systems. This combination of differing identification systems is designated as multi-sensor technology.

## Open mouth bagging

**Open mouth bagging** is understood to mean the filling of pre-produced paper, plastic and synthetic woven bags with free-flowing bulk goods such as fertilizers, plastic granulate, seeds, foods and feed stuffs, or salts. When filled, the bags weigh between 10 and 50kg. The main technical challenges in this regard are the combining of high packing performance with excellent plant availability levels and low susceptibility to errors.

## Primary raw materials

As opposed to > **secondary raw materials**, **primary raw materials** are working and process materials, which are not obtained from waste, but from natural resources.

## Resonance screening machines

**Resonance screening machines** are characterised by the fact that the vibratory system is operated close to the resonance frequency (system immanent frequency). As a result, the required screen vibrations can be maintained with markedly less energy. **Resonance screening machines** are also used when products with closely graded grain distribution (same sized grains) are to be produced.

## Secondary raw materials

As opposed to > **primary raw materials**, **secondary raw materials** are obtained from the recycling of waste (e.g. cullet, used paper, plastic waste). They frequently serve as the basic material for new products. The employment of **secondary raw materials** opens up and protects valuable resources and thus contributes to sustainable development.

## Single machines

In addition to > **complete systems**, Binder+Co also develops and manufactures **single machines** for the screening, wet processing, drying, sorting, bagging and palletizing of all types of bulk goods. The most important company products are: **BIVITEC** screening machines, **SANDEXX** machines for economic wet processing, **DRYON** machines for efficient drying and cooling, the revolutionary **CLARITY** glass sorting machine, the **CRITERION** plastics sorting machine, the **PRINCIPAC** open mouth bagging system and the **PRINCIPAL** palletizing system.

## Special glass

**Special glass** is designated as consisting of those glass qualities that possess special characteristics due to the inclusion of additives (e.g. lead, aluminium silicate, borosilicate). For example, the addition of aluminium silicate raises the melting point of the glass and thus allows the production of heat-resistant material.

## Stone and earth industry

In the **stone and earth industry**, > **industrial minerals** are utilised to obtain basic materials for differing industrial branches, such as the production of construction materials, as well as materials for the ceramic, chemical and pharmaceutical industries.

## Three-way system

With **CLARITY**, Binder+Co has developed the first **three-way system** for the sorting of cullet. Using a sensor system, differing characteristics (colour, electrical conductivity, etc.) are logged and determined and the glass to be sorted classified accordingly. As opposed to standard sorting systems, which emit the cullet in two material flows, e.g. mixed glass (white, green, brown) and contaminants (ceramic content), the Binder+Co machine is able to sort the material according to three characteristics in a single process, e.g. white glass, coloured glass (green, brown) and contaminants (ceramic content).

## Business and financial

<b>Actual taxes</b>	<b>Actual taxes</b> represent the amount of income tax due/claimed during an accounting period. As a rule, it relates to the tax expense for the respective financial year.
<b>ADC</b>	An <b>ADC</b> (Austrian Depository Certificate) is a certificate that facilitates trading in foreign registered shares on the Vienna Stock Exchange.
<b>Agio, disagio</b>	<b>Agio</b> is a surcharge, which can be defined as the difference between the rated value of a security or fund share and the actual price to be paid. <b>Disagio</b> is a deduction from the rated value.
<b>ATX</b>	The <b>ATX</b> (Austrian Traded Index) is a share price index calculated by the Vienna Stock Exchange, which contains the stocks of the 20 largest listed companies.
<b>Available for sale</b>	<b>Available for sale</b> securities are classified as investments that are not intended to serve company operations in the long-term.
<b>Cash flow</b>	<b>Cash flow</b> serves to define a company's financial health and also indicates its financial flexibility and independence.
<b>Cash Generating Unit</b>	A <b>Cash Generating Unit</b> (CGU) is the smallest organisational unit within a company for which an individual surplus can be determined.
<b>Cash value</b>	The <b>cash value</b> corresponds with the current worth of a future payment flow.
<b>Compliance guidelines</b>	<b>Compliance guidelines</b> are rules of behaviour laid down for the prevention of insider trading, market manipulation, money laundering and corruption.
<b>Comply or Explain/C-rules</b>	The <b>Comply or Explain</b> or <b>C-rules</b> contained in the Austrian <b>&gt; Corporate Governance Code</b> are to be followed. Any deviation must be explained and the reasons stated in order that compliance with the Code is maintained.
<b>Contingent liabilities</b>	<b>Contingent liabilities</b> are hypothetical liabilities, which may occur but are unlikely.
<b>Corporate Governance/ Corporate Governance Code</b>	<b>Corporate Governance</b> is the internationally employed term for the responsible management and control of a company. The <b>Corporate Governance Code</b> collates all the relevant rules on this topic. Except where individual rules are legally binding, adherence to the Code is basically voluntary.
<b>Cost-to-cost method</b>	The <b>cost-to-cost method</b> defines the ratio between the costs emanating from product manufacture and the anticipated total costs.
<b>Directors' dealings</b>	<b>Directors' dealings</b> are share dealings completed by members of the management of listed companies, which are subject to obligatory reporting.
<b>EBIT</b>	<b>EBIT</b> (earnings before interest and taxes) is the end sum derived from the financial result, taxes and minority interests.
<b>Equity ratio</b>	The <b>equity ratio</b> is an indicator of the relative proportion of equity used to finance a company's total assets.
<b>ERP system</b>	An <b>ERP system</b> (Enterprise Resource Planning) is a software application, which supports resource management throughout a company.
<b>Fair value</b>	<b>Fair value</b> is the amount calculated in accordance with standard market methodology, at which an asset can be bought or sold between willing parties. In the case of listed stocks, fair value represents the current stock exchange price of the market value.
<b>FIFO method</b>	In the <b>FIFO method</b> (first in, first out) assumes that initially stored inventory will be removed from warehousing first. The valuation of the final inventory takes place using the cost price of the latest purchases.

<b>GDP</b>	<b>GDP</b> (gross domestic product) is the total output of final goods and services produced within a country in one year, and is hence the benchmark by which national economic performance and development are measured.
<b>Goodwill</b>	<b>Goodwill</b> is the difference between the purchase price and the sum of the fair value of the net assets of a company.
<b>Held to maturity</b>	The term <b>held to maturity</b> documents the intention of a company to retain a long-term security until its date of maturity.
<b>Impairment test</b>	<b>Impairment tests</b> serve the assessment of the value of asset items. Periodic evaluations of possible indications of a lasting reduction in value are stipulated by the > <b>International Financial Reporting Standards (IFRS)</b> .
<b>International Accounting Standards Board (IASB)</b>	The <b>International Accounting Standards Board (IASB)</b> is an independent body of international accountancy experts, which is responsible for the creation and amendment of the > <b>International Financial Reporting Standards (IFRS)</b> .
<b>International Auditing and Assurance Standards Board (IAASB)</b>	The <b>International Auditing and Assurance Standards Board (IAASB)</b> is responsible for the drawing up, maintenance and further development of internationally recognised principles for financial auditing.
<b>International Federation of Accountants (IFAC)</b>	The <b>International Federation of Accountants (IFAC)</b> is an international body representing the accounting profession.
<b>International Financial Reporting Standards (IFRS)</b>	The <b>International Financial Reporting Standards (IFRS)</b> are auditing regulations, which ensure internationally comparable annual and consolidated annual reports and financial statements.
<b>International Standards on Auditing (ISA)</b>	The <b>International Standards on Auditing (ISA)</b> represent internationally recognised, basic accounting principles.
<b>Key accounts</b>	<b>Key accounts</b> are important clients, who in total account for 50–60% of sales revenues/contribution margins, have an important customer value for the company, and in general, are served by their own key account managers.
<b>Legal Requirements/L-rules</b>	The <b>L-rules</b> contained in the Austrian > <b>Corporate Governance Code</b> refer to mandatory legal requirements.
<b>mid market</b>	The <b>mid market</b> is a segment of the Vienna Stock Exchange equity market. The <b>mid market</b> contains the stocks of companies admitted to > <b>official trading</b> or > <b>regulated free trading</b> , or that are included in the > <b>Third Market</b> and have given a contractual obligation to fulfil increased transparency, quality and publicity criteria.
<b>Moving average price method</b>	Using the <b>moving average price method</b> , following each addition to inventory, the average price is newly calculated and then applied to the next article sold.
<b>Official trading</b>	Admission to <b>official trading</b> on the Vienna Stock Exchange depends upon the fulfilment of stringent preconditions.
<b>Organic growth</b>	<b>Organic growth</b> is designated as being the expansion achieved by a company using its own resources.
<b>Percentage of completion method</b>	The <b>percentage of completion method (PoC)</b> is a method of reporting income from long-term contracts based on the percentage of the contract completed during the financial year.
<b>Projected unit credit method</b>	Using the <b>projected unit credit method</b> , the cash value of future payments is established in an actuarial procedure via the estimated employee working time.
<b>Recommendations/R-rules</b>	The <b>R-rules</b> contained in the Austrian > <b>Corporate Governance Code</b> have a recommendatory character. Non-compliance with these rules does not require disclosure or explanation.
<b>Regulated free trading</b>	<b>Regulated free trading</b> is a form of admission to the Vienna Stock Exchange that is subject to less stringent preconditions and publicity regulations than those applying to > <b>official trading</b> .

<b>Return on equity (ROE<sub>EBIT</sub>)</b>	<b>Return on equity</b> or <b>ROE</b> shows the interest earned on reinvested equity within a financial year.
<b>Return on sales (ROS<sub>EBIT</sub>)</b>	<b>Return on sales</b> (ROS) represents the ratio of income to total sales during a financial year and serves as a measure of a company's profitability.
<b>Share buy-back</b>	Binder+Co is buying back its own shares in order to serve a > <b>stock option programme</b> for company employees.
<b>Standing Interpretations Committee (SIC)</b>	Before being replaced in 2001, the <b>Standing Interpretations Committee (SIC)</b> acted as the predecessor to the <b>International Financial Reporting Interpretations Committee (IFRIC)</b> and dealt with the discussion of current auditing questions and comments upon standards.
<b>Stock option programme</b>	A <b>stock option programme</b> offers employees, executive managers and board members options, which give them the right to purchase shares in their own or an affiliated company within a determined period and at a pre-arranged price.
<b>Third market</b>	The <b>third market</b> of the Vienna Stock Exchange is a multilateral trading facility (MTF) for financial instruments, which do not comply with the rules for > <b>official trading</b> or > <b>regulated free trading</b> .
<b>UGB</b>	<b>UGB</b> is the abbreviation used for the Austrian Company Code. With effect from January 1, 2007, the Austrian Commercial Code (HGB) was extensively revised through the Commercial Law Amendment Act (HaRÄG), Federal Law Gazette no. 2005/120 and renamed as the Austrian Company Code ( <b>UGB</b> ).
<b>Working capital</b>	<b>Working capital</b> results from the difference between current assets and short-term liabilities. This key indicator measures the liquid assets available to a company to build its business and hence its manoeuvrability.

# Capital market calendar 2010



<b>March 2, 2010</b>	Results for the 2009 financial year
<b>April 7, 2010</b>	Annual General Meeting
<b>April 9, 2010</b>	Ex-dividend day
<b>April 12, 2010</b>	Payment day
<b>May 18, 2010</b>	Results for Q1 2010
<b>August 17, 2010</b>	Half-year results 2010
<b>November 16, 2010</b>	Results for Q1–Q3 2010

## Address/contacts

### **Binder+Co AG**

Grazer Strasse 19-25  
8200 Gleisdorf  
Austria  
Telephone: +43/3112/800-0  
Fax: +43/3112/800-320  
office@binder-co.at  
www.binder-co.com

### **Inquiries/Investor Relations**

Karl Grabner  
Telephone: +43/3112/800-363  
Fax: +43/3112/800-320  
karl.grabner@binder-co.at

## Imprint

### **Publisher**

Binder+Co AG, Gleisdorf

### **Concept, editing**

be.public Werbung Finanzkommunikation, Vienna

### **Illustrative concept, artwork, layout**

Alexander Rendi, collaboration Eugen Lejeune, Vienna

### **Photos**

outline pictures, Vienna

### **Printing**

REMA print, Vienna

This Annual Report has been prepared with the greatest possible care and every effort has been made to ensure the accuracy of the data that it contains. Nevertheless, rounding, typographical and printing errors cannot be excluded. The use of automatic calculating devices may result in rounding-related differences during the addition of rounded amounts and percentages.

This Annual Report contains assessments and assertions relating to the future made on the basis of all the information currently available. Such future-related statements are usually introduced with terms such as "expect", "estimate", "plan", "anticipate", etc. We would draw your attention to the fact that various factors could cause actual conditions and results to deviate from the expectations outlined in this report.

This Annual Report is published in German and English. In cases of doubt, the German version shall take precedence.

Editorial closing date: February 23, 2010

