

2009

COMPANY PROFILE

Gegenbauer

Facility Management

Gegenbauer – we are ...

- The leading provider of value-adding facility management services, underscored by mature competence and deep roots in the services sector.
- A management run, market-oriented company with a service network in every major metropolitan region of Germany.
- A dependable, solution-driven partner, operating on a platform marked by solidity and competence.
- Interested in our customers and their challenges, because we aim to assist and guide them along value-adding processes.
- Focused on the long-term, resilience, and practicality.
- Aware of our social responsibility for our staff, because we recognize that only their effort and capabilities will help achieve solutions that customers expect from us every day.
- Involved in more than just our daily business, since it is an entrepreneurial given for us to show mutual respect for each other, towards our society, and to value the resources in our environment.



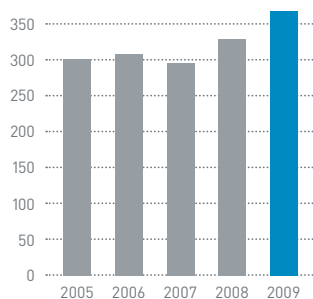
Management's Report

Success in a crisis year through key building blocks – stable customer relations, positive sales growth, and an acquisition strategy

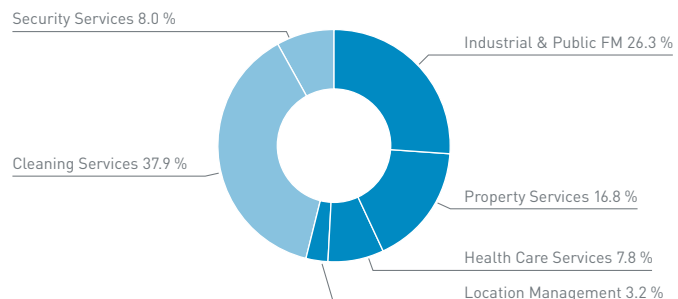
The year 2009 was undoubtedly an extremely turbulent one. The global economic crisis caused post-war Germany's deepest recession and led to major upheavals for many companies. Only at the end of the year did shoots of a general recovery emerge, but the aftereffects of this crisis will haunt us for many years.

Despite such tough conditions, our Group maintained its position and achieved robust growth. Although, all our customer segments felt the consequences of a sustained weak economy, we worked closely with our customers to jointly address the challenges in this difficult economic environment. Our operating margin was smaller than in 2008, yet we grew our consolidated revenues by 12.2 % to a record € 369.4 million.

Consolidated sales 2005 - 2009
(million Euro)



Consolidated sales 2009 by division
(€ 369.4 million)



Our growth was both organic and inorganic. We won several large contracts, including one from a key hospital group in Berlin, another from one of the largest residential property firms in the capital city, one from a world-renowned technology group, and one from the leading real estate firm in Eastern Germany. Our Polish subsidiary, Gegenbauer Polska, also solidified its position through strong growth. It won major contracts from, among others, a European automotive manufacturer in Starachowice and an industrial park in Warsaw. Thereby, it boosted both its revenues and employee count. Moreover, our customers showed great confidence in us by awarding repeat contracts in all services segments. Early in the year, we acquired Heico Service GmbH as a wholly-owned subsidiary, a step to further strengthen our

market position in Germany. We sustained the strategy to broaden our regional presence, through a big move in the economic zone of Rhine-Main and for the first time into the Main-Franconia region.

A reformed shareholder structure creates new prospects

EnBW Energie Baden-Württemberg AG persisted on its strategic path to streamline its corporate structure by focusing on core activities, and in the fall of 2009 completed the long-planned goal of divesting its shares in the Gegenbauer Group. Senior management and the chairman of the board, Werner Gegenbauer, picked up the shares - paving the way for success of the Group over the long-term. This move created excellent prospects, underpinned by clear stockholder relationships, greater ownership by management in a form unique in the sector, and a definitive image as a flexible, market-oriented, and socially responsible corporation.

Specialized FM services tuned to each sector

This fiscal year's transactions in the competitive landscape dropped noticeably in the face of the recession. In particular, the major market participants seemed to have completed their consolidations on the footsteps of spectacular mergers the prior year. At the same time, the current trend to specialize in the facility management market also seemed to have entrenched itself. The focus shifted to offering portfolios of services and tuning them to the specialized needs of each branch. This, however, is predicated upon a process-oriented approach encompassing profitability and parameters like the availability of real estate/facilities and the quality of services. Our Group began walking this path many years ago, and this market development comes as a welcome confirmation of our strategy.

Success in bolstering employee development, procurement, and business processes

As a services-oriented company, qualified and committed employees are our biggest asset. That is why we especially invest in regular training, further education, and modern management instruments. In 2009, we initiated another round on talent management to supplement our employee development program, PEP. As such, we foster high-achievers at all levels of development and prepare them for future assignments.

We constantly strive to better not only activities for customers, but also our internal processes and procedures. In 2009, we further optimized and professionalized our procurement terms and processes by entering into partnerships, bundling supplier relationships, standardizing articles and purchased services, and working with our partners on a fair basis.

In addition to the right mix of individuality and customer orientation, standardized business processes are critical for a company to succeed in today's arena. Therefore, we have been involved in a project to standardize our processes and systems to ensure their fitness for the future. This covers support processes for operational services backed by the latest,

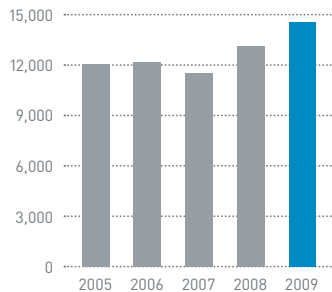
need-driven IT systems. During the fiscal year, we crossed key milestones by setting up uniform user interfaces and common administration of interfaces – the precondition for all our systems to have the desired service-oriented architecture.

Development of the workforce and training

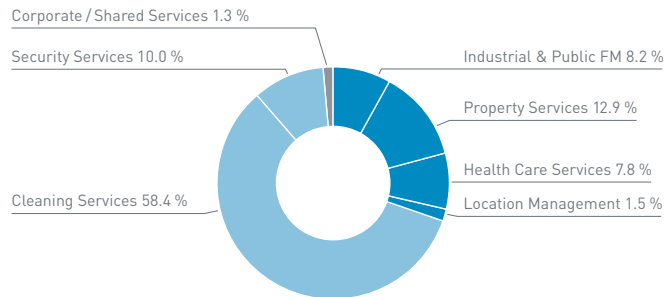
Rising employee count

In 2009, numerous new employees joined the workforce at Gegenbauer. On average, we employed 14,448 individuals from 102 countries, a rise of 1,300 from the prior year. Most of the new employees joined the Building Cleaning and Property Services business units. The push resulted from new staffing needs on projects and from a corporate acquisition early in 2009.

Employees 2005 - 2009



Employees 2009 by division
(Annual average: 14,448)



Bright perspectives for entry-level staff and experienced specialists

This fiscal year, we again underscored our corporate responsibility by providing vocational training to over 300 persons in 13 fields, thus ensuring the supply of qualified young individuals down the road. The program supports at once the career and personal aspirations of these young people. We are also pleased to welcome the 106 new employees who started their training this year at Gegenbauer, and heartily congratulate the 84 who finished. Targeted training and further education programs foster the knowledge and capabilities of employees at all levels, such as technical training for trade workers, coaching and mentoring, and management and social competence training for managers. In addition, we apply our employee development programs to assess the personal capabilities and preferences of managers, who then benefit from focused training and assignments to matching jobs in the company.

Management of our quality and environmental resources

We provide full-scale facility management services to our clients. Consequently, we concentrate on not just the processes and costs, but also the comprehensive quality and environmental impact of our services. We naturally apply internationally recognized management systems and standards as yardsticks to run our firm resolutely. This approach also enables us to function efficiently, legally, and transparently in the eyes of our customers, employees, and the public.

Quality management

Especially in the services sector, quality is a fragile foundation that necessitates a renewed effort to win and retain the confidence of our customers every day. Fully conscious of this at Gegenbauer, we regularly control and optimize our services, processes, procedures, methods, and tools in order to build a solid foundation for succeeding over the long-term in this highly competitive arena. Our quality-oriented approach keeps customers satisfied, bolsters our legal standing, lowers the degree of liability, and fosters performance – a philosophy that is ingrained in our corporation. We are accordingly certified pursuant to the international DIN EN ISO 9001 standard, which requires us to constantly strive for improvements and exercise comprehensive controls across the board.

Environmental management

The majority of our customers have been pursuing an ambitious eco-friendly approach for years. Nowadays it is critical for companies, who wish to succeed over the long-term, to integrate environmental aspects into their processes and goals – and this is increasingly becoming the yardstick for assessing a company's sense of social responsibility. That is why, at Gegenbauer we place high priority on green approaches to using our earth's natural resources.

Our quality and environment management department coordinates and documents all corporate-wide activities to protect the environment, pursuant to the international DIN EN ISO 14001 standard. This means we use eco-friendly products and tools and cooperate with certified suppliers and partners. We also cut our power and other consumption significantly, by increasing our emphasis on paperless processes, for instance for procurement, and by using energy-saver lights in our own buildings. We launched our Clean&Green service as the ideal means to indirectly manage environmental aspects for our customers.

A total of nine of our large divisions were audited again for recertification under the ISO 9001 & 14001 standards, and all lines of business passed, including Gegenbauer Holding SA & Co. KG.

Prospects

FM on the upswing – cautiously optimistic outlook for 2010

The national GDP is projected to grow by 1.3 to 1.7 % in 2010, too small for a self-sustaining upturn in the economy. Although, we do not anticipate the economic outlook for the Gegenbauer Group to change fundamentally, one fears that the positive impact of a recovery in the real estate market could be dampened by certain increases in burdens. These could materialize in the form of higher wages for the building cleaning and security segments, and as a big jump in the employer-financed bankruptcy insurance tax.

Nevertheless, our outlook is cautiously optimistic for the following reasons: despite the current economic crisis, real estate is among the sectors with potential for global growth. In particular, the continued trend towards integrated FM services promises solid opportunities in an improved economy, with FM having become one of the key sectors in the German economy and the pillar of the German labor market. This is underpinned by the fact that over 5 % of the national GDP relates to facility management, marked by over four million individuals on the payroll of service providers or real estate owners.

As an independent, owner-managed company, we are resilient and can make quick decisions enabling us to respond rapidly to the changing needs of our customers. This is the ideal competitive position to be in, especially in a tough economic landscape. A fact is that real estate properties are not profitable for over 90 % of the owners in Germany. But they are being held, because of their critical nature for the business. Once the economy turns around, however, our value-adding services like our technical and infrastructural facility management services will be in great demand - to help boost the value and performance of such properties.

With this backdrop, we predict moving another step ahead in 2010, which means staying focused on raising our corporate bottom line. We appreciate the confidence our customers and partners placed in us during these tough times. At the same time, our committed employees need a solid vote of appreciation for their effort and loyalty demonstrated in 2009.

