

INSIGHT 2011

Würth's Annual Magazine



The energy and drive to tackle new things. Let's go!

AN ENTERPRISING SPIRIT

Up into the mountains and to some of the world's most remote places: we go to wherever our customers are. Würth is present on all five continents. But does that necessarily mean "one Würth for all"? Each market involves different challenges. Our customers include large industrial companies and small businesses alike, all of whom have specific wishes and requirements.

Our response is to offer the flexibility and drive to tackle new things. More than 30,000 sales representatives are at our customers' service every day. They are specialists in their fields and therefore able to provide the advice needed. Direct sales via the sales force is one of our strengths and has made the Würth Group what it is today. The successful history of our company is based on a very special corporate philosophy, which guides our actions every day and spurs on our more than 62,000

employees. It is our enterprising spirit: actively accepting challenges, looking at things from a different angle, thinking outside the box, and giving our all to make the project a success. In a way, every employee is their own boss in their area of responsibility, putting their creative ideas into practice – always with the goal of acting as a partner for our customers by relieving their daily workload and helping them to move forward.

EDITORIAL



Dear Readers,

I am sure you know that feeling when you can't wait to get out there and do something, when you are raring to go. Why should you wait? Why not start out right away?

That is the enterprising spirit that has made Würth what it is. We celebrated this and the company's 65 years in business in 2010, together with the 75th birthday of my father Reinhold Würth, who built up the Würth Group and has given it this special spirit.

Putting ideas into practice pays off, of that we are sure. Our business development in 2010 is evidence of this, too. The global economic crisis had put us back like most other companies, yet we did not lose momentum entirely. On the contrary, we continued to invest in our key success factor, the sales organization, regaining dynamism at just the right time, and we intend to continue in this way in 2011.

This enterprising spirit is present in all areas of the Würth Group. We encourage our employees to take responsibility as if they were their own boss, and to develop new ideas and implement them. This is vital for us to keep our customers satisfied and continue inspiring them with new services.

This issue of InSight shows you what we can achieve when we put our minds to it and gives you a taste of the new projects ahead. Enjoy your reading – and keep the enterprising spirit alive!

Sincerely,



Bettina Würth
Chairwoman of the Advisory Board
of the Würth Group

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GROWTH IS THE BEST MEDICINE

Interview with **Robert Friedmann**, Chairman of the Central Managing Board of the Würth Group



Mr. Friedmann, how did the Würth Group perform in 2010?

› From March 2010, the dynamics of our business did justice to our internal motto BACK TO GROWTH. The development in Germany in particular was much more positive than we had expected at the beginning of 2010. Outside Germany, not all the companies were able to keep pace on the same scale. Some of our markets have not yet settled down again after the global economic crisis. Overall, however, we reported double-digit growth.

Reliable delivery and advice for our customers

What led to the recovery?

› We focused all our energy on the sales function. That was the key success factor in 2009 and 2010. For example, we further enlarged the sales force,

thus offering our customers a reliable delivery service and advice.

The enterprising spirit that pervades the company will help us

What will be the Central Managing Board's main focus of attention in 2011?

› The year 2011 will not be a sure-fire success. We cannot forecast how the economies in the various countries will perform. The markets are in a transitional phase, one way or the other. Our main task will therefore be to respond to these different situations with the requisite flexibility. Our decentralized organization is certainly an advantage in that respect.

What is the sales target for 2011?

› We are definitely planning double-digit growth again and we aim to grow faster than the competition.

How do you plan to achieve that despite all the uncertainty surrounding economic developments?

› We need to reset our benchmarks. We need to return to the mindset before the crisis.

We can only achieve future success together

What does that mean?

› In 2009, we were racking our brains about where we could make cuts but not about new projects. We needed to stop the negative spiral. We are fortunate that we operate in a huge market in which even we, as global market leader, only have a small share. The potential for growth is therefore also huge. We must bear this in mind at all times and set our sights high. Add to that creativity, perseverance and customer centricity and we will be successful. The enterprising spirit that pervades the Würth Group will help us.

At first glance, an enterprising spirit is a rather intangible concept. What does it actually mean?

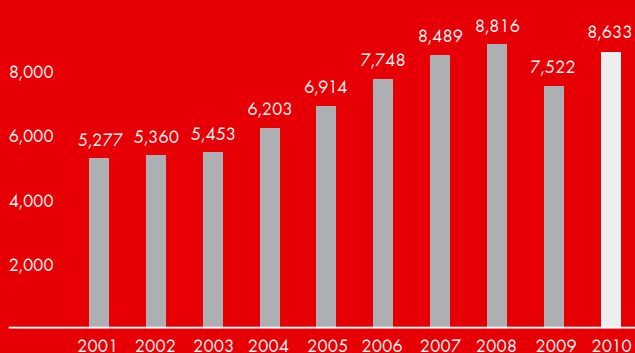
› What sets the Würth Group apart is that we enjoy trying out new things, we are interested in innovation and we want to be successful. Our employees put this into practice in their everyday work. And because we have the backing of the owner in these pursuits, it works. Reinhold Würth is not interested first and foremost in optimizing earnings, which is perhaps what the owner of a private equity company would do. He wants the company to grow. Growth is the best medicine for a number of "diseases" that may spread through a company. It demands creativity, ideas, motivation and – at the end of the day – the commitment of every single member of staff. We can only achieve future success together.



DEVELOPMENT OF THE WÜRTH GROUP IN FIGURES

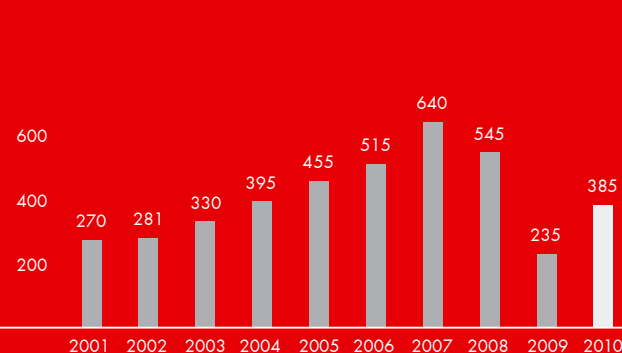
Sales

in millions of EUR



Pre-tax operating result

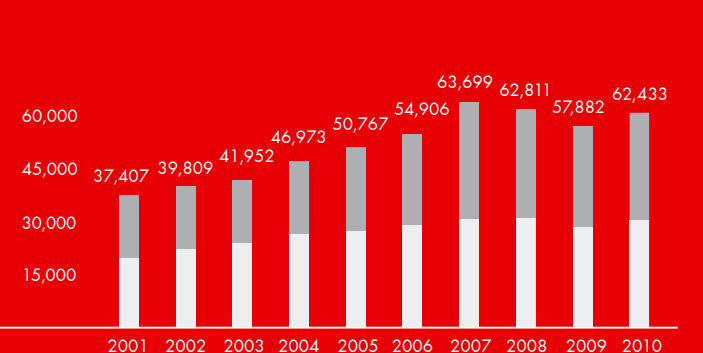
in millions of EUR



Employees

as of 31 December

thereof ■ sales staff



WE ARE A FAMILY BUSINESS

Würth started small. Adolf Würth GmbH & Co. KG was founded in 1945 as the first company of the Würth Group. Today, the Group is the global market leader in its core business of selling assembly and fastening materials. How did we manage it? By progressing step by step – and always with an ear to the

market and an eye for our customers' needs. Ambitious, enthusiastic and addicted to success. At the same time, we remain a family business with regional roots and branches reaching out all over the world.



Reinhold Würth celebrated his 75th birthday: "I would like to take the opportunity today to thank everyone around me. First and foremost, the employees of the Würth Group for their enthusiastic involvement and loyalty, the three million customers worldwide who rely on Würth as their supplier of choice and, of course, the manufacturers and suppliers with whom we enjoy such a trusting relationship."

our customers, but also inspiring them and relieving the workload in their daily business. Here, we demand creativity of every one of our employees, and give them the freedom to implement their ideas. Our guidelines include being proactive, working together to find new solutions, and pursuing goals with commitment. And there is one particularly important quality in all this which motivates the employees: an enterprising spirit.

One example of this was seen in April 2010. Adolf Würth GmbH & Co. KG, the founding company of the Group, looked back at its 65-year history, and the entrepreneur Reinhold Würth celebrated his 75th birthday. These two milestones gave rise to examine the development of the company and the life of Reinhold Würth at various events held at Adolf Würth GmbH & Co. KG in Künzelsau in southern Germany.

This special philosophy has characterized the family business from its very beginnings. It has been shaped by Prof. Dr. h. c. mult. Reinhold Würth, Chairman of the Supervisory Board of the Würth Group's Family Trusts. He took over the business at the age of 19, following the death of his father Adolf Würth, and the two-man business as it was back then developed into a trading group with operations worldwide. "You cannot put together a corporate culture like a mathematical system. It would be ridiculous to try to create this based on theory alone. Our corporate culture is something that has evolved over time. The interest of the company revolves around people," says Reinhold Würth.

On the occasion of these anniversaries, the logos of the international Würth Group entities, which operate under the Würth brand, and of the Würth Group as a whole were modernized after 20 years.

Keeping our enterprising spirit

The Würth Group generated sales of EUR 8.6 billion in its anniversary year 2010. However, this success is not a reason for us to rest on our laurels. We are constantly moving forward, committed to developing our products and services to support our customers as best we can. Because supporting customers in their business success long-term is born of an enterprising spirit, the ability to think outside the box and to look at things from a different angle.

The Würth Group operates in 84 countries with over 62,000 employees worldwide, of whom more than 30,000 are permanently employed sales representatives. In its core business, the Würth Line, the product range for the trades and industry offers more than 100,000 products: from screws, screw accessories, dowels and fittings to tools and chemical-technical products as well as industrial safety. The Allied Companies, which operate either in business areas adjacent to the core business, or in diversified business areas, round off the range by offering products for DIY stores, material for electrical installations, electronic components, as well as solar modules and financial services.

Pursuing goals together, celebrating success together

More than three million customers worldwide place their trust in Würth. At Würth, we carry out our everyday activities with the aim of not only satisfying



2010 Spring Festival in Künzelsau: Adolf Würth GmbH & Co. KG celebrated 65 years in business and the 75th birthday of Reinhold Würth with a festival for its employees and the entire region.

WÜRTH COMMITMENT

Entrepreneurship and assuming responsibility are inseparable. That is why we are involved in many aspects of society: to help, to assist, to make things happen. We look left and right, beyond our core business, and we see much that is beautiful and inspiring through our initiatives.



“I always felt a fundamental need to share my good fortune. Making sure that nobody is excluded is an essential part of my attitude to life.”

Carmen Würth, initiator of the Hotel Restaurant Anne-Sophie and Vice President of the Executive Board of Special Olympics Deutschland

“You don’t need art to survive. But it adds a little quality of life.”

Prof. Dr. h. c. mult. Reinhold Würth, Chairman of the Supervisory Board of the Würth Group’s Family Trusts



In order to bundle the company’s social commitment, Reinhold and Carmen Würth founded the Charitable Würth Trust in 1987. It promotes projects in the fields of art and culture, research and science, as well as education. In addition, individual companies of the Würth Group in over

80 countries worldwide are involved in a wide variety of local social projects.

Supporting people with disabilities has emerged as one of the focal points of our corporate citizenship in the past few years. For instance, we are involved

in the largest sports organization for people with intellectual and multiple disabilities, the Special Olympics. As part of the Würth Group, the Hotel Restaurant Anne-Sophie integrates people with intellectual disabilities into working life. This concept originated from an initiative of Carmen Würth.

Born out of an initiative by Reinhold Würth, 14 museums and associated galleries at locations of the Group throughout Europe have been set up. The entrepreneur has been collecting works of art since the 1960s. The museums and associated galleries do more than simply present the Würth Collection, they invite the public to meet the company and its employees. It is an ideal opportunity to gain insights into and fuel a passion for art through dialog. Supplementary to the exhibitions, visitors can avail themselves to educational and information opportunities. Visitors can both broaden their minds and explore the concept of a museum as an experience.



Focusing on children’s desire to learn motivated Bettina Würth to establish Freie Schule Anne-Sophie. The private day school for all kinds of educational paths, from elementary to high school, is based on its own educational concept. The aim is to create an atmosphere in which children can freely pursue their innate instinct to learn. The learning attendants (teachers) accompany each child on his or her individual learning journey.

“Learning should be fun, it should be about discovering something new every day and having lots of questions answered. It should prepare our children for life and give them the opportunity to discover their strengths and balance out their weaknesses.”

Bettina Würth, Chairwoman of the Advisory Board of the Würth Group and founder of Freie Schule Anne-Sophie

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Headquarters:
Reinhold-Würth-Straße 12-17
74653 Künzelsau, Germany

Secondary Headquarters:
Hauptstrasse 78
9400 Rorschach, Switzerland

Contact details
Press and Public Relations of the Würth Group
Phone +49 7940 15-1186
Fax +49 7940 15-4400
presse@wuerth.com

Content responsibility
Robert Friedmann

Editorial responsibility and coordination
Sarah Rummel, Mara Wawer

Graphics design, typesetting and lithography
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Lorie Burns, Ina Christov

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