

Partnership and Growth

Creating better prospects together

ANNUAL REPORT 2014





IT'S THE PEOPLE WHO MAKE THE DIFFERENCE

In this annual report, we will represent the managers of our partner companies and E/D/E employees through their hobbies. They embody patience and endurance, but also speed, team spirit and a sense of responsibility; a number of qualities that together can influence the success of a company; strengths that characterise E/D/E and its partners – and which it needs in hectic times to remain competitive.

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Chair of the Advisory Board
Hans-Jürgen Adorf



Continuity and reliability

At the beginning of 2014, two of the long-term generational changes planned for the E/D/E Group Management Board were successfully completed. After the first change was completed ten years ago, Dr. Andreas Trautwein has now taken on overall responsibility for the E/D/E Group at the beginning of 2014, the third generation of the family to do so. With many years of experience as a member of management, Hans-Jürgen Adorf became Chair of the Advisory Board, and is also an advisor on many national and international subsidiaries' committees. This ensures ongoing continuity and reliability in the E/D/E Group's strategies and policies for our distribution and industrial partners.

The reorganisation planned for E/D/E Group's management was also carried out successfully. Jochen Hiemeyer joined the management team mid-2014, meaning all management level positions are now suitably filled. The important requirements for achieving the ambitious CHALLENGE 2020 goals have therefore been met. All teams and companies will align their operative business with this strategy programme over the coming years.

The operating results in 2014 also reflect this continuity and stability. The intended return to growth in turnover was achieved, but the ambitious targets were not. The economic momentum slowed too drastically following the euphoric first quarter of 2014 and only recovered towards the end of the year. Numerous future projects were started on time, but the expected results will only become noticeable later than anticipated. Expansion in Europe is on target, but economic development in important countries remains strained. These trends had an impact on the results in 2014.

All in all, however, the E/D/E Group enjoyed a stable level of turnover and earnings in 2014. The planned capital increase and the completion of the planned investments were entirely performed with the Group's own means.

4 Report from the members of the Advisory Board

6 Report from the Management Board

The Partner Advisory Board, which has undergone changes in its structure since the beginning of the year, was informed in depth by management of the course of business, investments and the status of future projects. The advice and guidance of the Partner Advisory Board is indispensable to us, not least because of the noticeable structural changes in the industry and the new challenges faced in all sectors due to the growth in online trading. I would like to sincerely thank all Partner Advisory Board members for their active involvement, loyalty and the deep commitment to the systematic development of the E/D/E Group both at home and abroad.

I would also like to thank the management and employee teams, who have helped us to achieve these results with their hard work and expertise. The E/D/E Group is breaking new records with over 900 employees and almost 60 trainees.

Management has set itself very ambitious goals for 2015. They concern both challenging future projects as well as sales and earnings. They are driven by the ambition to close the gap between the actual and target figures for 2014 in this year.

The ECB's macroeconomic economy plans, including a flood of money and zero-interest policies combined with a weak euro, low oil prices and an all-time high in employment, all point to healthy growth in Germany in 2015. We have no doubt that our industry will also benefit. In contrast, the consequences of the geopolitical crises in the Ukraine, Syria, Yemen and North Africa, the dramatic financial situation in Greece, and, last but not least, IS, Al Qaida and Boko Haram terrorism, are all difficult to judge.

In the end, however, the results of the E/D/E Group in 2015 will again depend first and foremost on the consistent and professional implementation of the CHALLENGE project. All management levels and employee teams are called upon to provide their best performance in 2015. At this point we would like to ask our distribution and industry partners to continue to place their trust in us, and support us as they have over the last years.



Hans-Jürgen Adorf
Chairman of the Advisory Board



E/D/E Management Board (from left):
 Dr. Christoph Grote,
 Dr. Andreas Trautwein (Chairman),
 Jochen Hiemeyer,
 Dr. Ferdinand von Alvensleben

Successful return to growth

Together with our members and contracted suppliers, we achieved a trading volume of € 5.3 billion in the past financial year. We therefore exceeded the previous year's satisfactory figures by 2.5 per cent and beat the record high achieved in 2012. Despite the stagnating economy, limited momentum on the market and difficult market conditions, we were able to return to growth after 2013 – a year of consolidation and reorganisation. Due to these conditions, however, we fell short of our total annual target of approximately € 5.5 billion. This has motivated us to do even better. However, we are satisfied with the results overall compared to the previous year.

Strategic investments in the future are on the agenda

Important strategic investments and projects from CHALLENGE 2020 were on the agenda in 2014. They are intended improve performance with targeted measures and will help to secure the future viability of our partners. The Group's very stable financial position has allowed us to invest approximately € 12 million into the development of the Wuppertal location for construction projects on the business premises (daycare, presentation centre and multi-storey car park) as well as future projects (including SAP and IT infrastructure, online marketplace ePVH, data management eDC).

E/D/E Group development in per cent

Type of business	2012	2013	2014	Target 2014
Storage	-9.5	-7.6	+3.4	+15.1
Central payment/chain transactions	+2.5	-2.1	+2.4	+6.6
Total	+2.0	-2.3	+2.5	+6.9

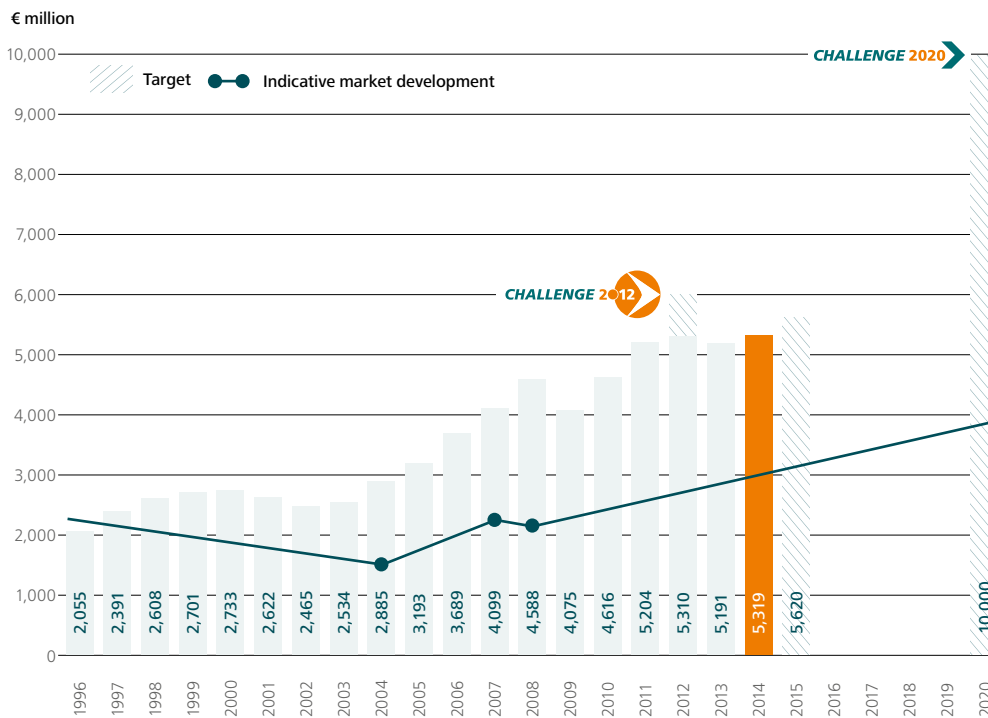
The economic situation in Germany and Europe

Overall, the German economy proved stable on average during 2014. The price-adjusted gross domestic product (GDP) was up 1.6 per cent against the previous year according to information from the German Federal Statistical Office, which was mainly due to relatively high domestic demand in the fourth quarter. This places Germany in a good position, above the majority of other countries in the eurozone.

Germany is enjoying a high level of stability

Although the economic situation is brightening in the eurozone, too. There were signs of an economic recovery in the first few weeks of the current year, after a generally difficult year in 2014. The employment situation in many eurozone countries remains tense, despite the fact that total unemployment figures fell slightly.

Trading volume developments CHALLENGE 2020 – Breaking away from the market



Construction industry enjoys strong last quarter in 2014

The situation in the sector

The overall economic conditions for the sector in the past year show considerable differences. The construction and skilled trades sectors, which together with industry and municipal authorities represent the main customer target groups for our member companies, saw a great start to 2014. However, the skilled trades sector is currently undergoing numerous structural changes due to a drop in vertical integration, which B2B distributors must adapt to. The construction industry was surprisingly stable in the last quarter of 2014, which can be explained by low interest rates, a lack of investment alternatives and housing shortages.

The basic tendency in the building trade sector remained positive in the past financial year. The German Federal Statistical Office indicates turnover in the construction industry of € 100.6 billion (a 4 per cent increase) for 2014, which once more presents growth against the previous year (2013: plus 3 per cent). The trade sector can also look back on a successful 2014. According to the German Confederation of Skilled Crafts (ZDH) turnover increased by 2.4 per cent from € 520 billion to € 533 billion. The German Machinery and Plant Manufacturing Association (VDMA) revised its initial production forecast of plus 3 per cent to plus 1 per cent over the course of the year. The preliminary result for 2014 amounts to 1.1 per cent. The building technology sector on the other hand lost momentum during the course of 2014, following a good first quarter. The German Association of Wholesale Building Suppliers (DG Haustechnik) reports weaker turnover growth against the previous year of 1.1 per cent in 2014 (2013: 2.4 per cent growth).

German economy continues along modest growth path

This points to ongoing modest growth in the German economy. The sturdy labour market with low unemployment is driving an increase in salaries and employment.

E/D/E Group development 2014

Over the course of 2014, the E/D/E Group's trading volume with member companies at least partly reflected the general economy in Germany. Following a strong first quarter with growth of 9.5 per cent to € 1.3 billion, the positive trend dropped noticeably in the second quarter. In the second quarter, E/D/E only achieved growth of 1.7 per cent (€ 1.3 billion). While developments in every month of the first quarter were particularly good year-on-year, increases were only achieved in April and May in the second quarter. In the third quarter (down 0.2 per cent, € 1.3 billion) and fourth quarter (down 0.6 per cent, € 1.3 billion) the E/D/E Group did not grow against the previous year.

Our 7 product areas recorded different developments in 2014. The business division precision tools, hand tools, woodworking tools/machinery (business division I) stood out with double-digit growth in trading volumes. Power tools, construction equipment, operating facilities and welding technology (business division III) achieved mid-single-digit percentage growth, as did occupational safety and technical trade (business division IV). Our business division fastening technology, building components, building and furniture fittings and safety security (business division II) also ended the year on a positive note. Trading volume in the steel sector (UNION STAHL-HANDEL) increased slightly in the 2014 financial year and held on to its top spot amongst the associations. In total, building technology declined slightly against the previous year. However, there was disparate development between different distributor groups and domestic and foreign business.

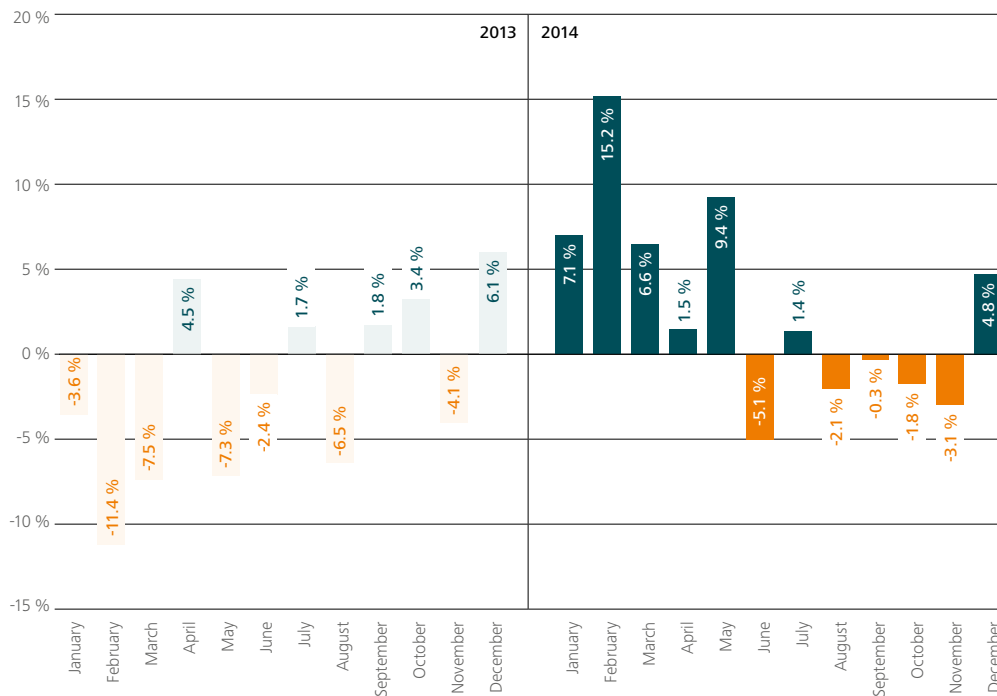
Divergent developments in the 7 E/D/E product areas

Developments in monthly values 2014

Due to the mild winter and an extraordinarily strong first quarter compared to the previous year, monthly developments show a varied picture. Trading volume was in the black in the first 5 months, enjoying particularly strong growth in February and May. Between June and November we were hardly able to grow, if at all, against the previous year. Nevertheless, December provided growth, although in absolute terms it was still a comparatively weak month.

With trading volumes in the black after first 5 months

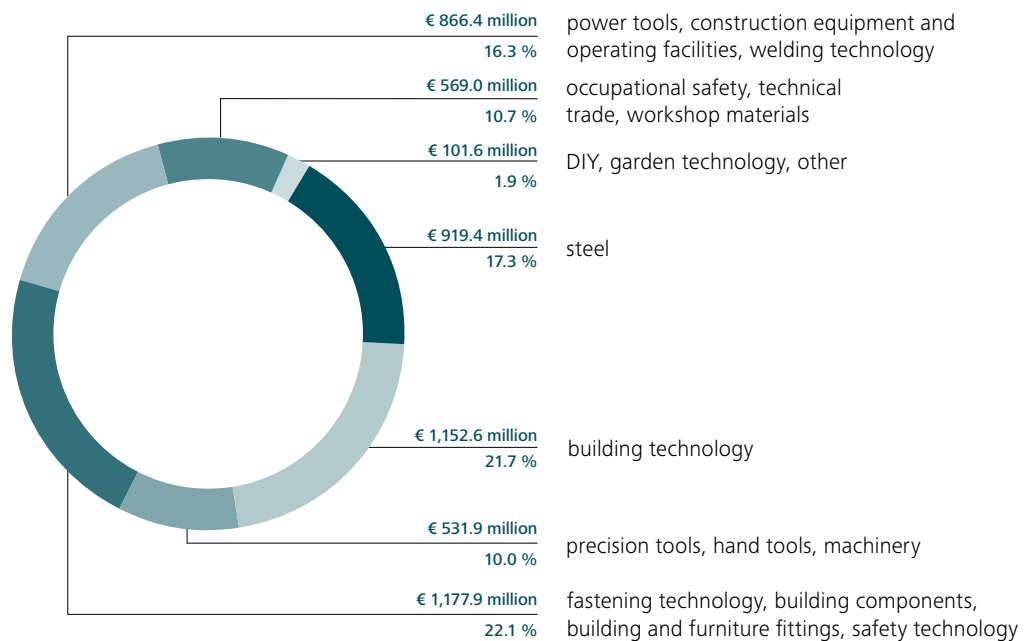
Developments in the individual monthly values



Business divisions' proportion of trading volume

With another increase in the trading volume, the specialist area fastening technology, building components, building and furniture fittings, and security systems (business division II) was once more E/D/E Group's strongest performing division with € 1.18 billion and a share of 22.1 per cent. The product area building technology, with WUPPER-RING and the two important cooperation partners VGH International and mah, followed with € 1.15 billion and a share of 21.7 per cent. Just behind with € 919 million (17.3 per cent share) came the product area steel (UNION STAHL-HANDEL), followed by specialist area power tools, building equipment and tools, company equipment, welding technology (business division III) with € 866 million and a 16.3 per cent share. The spread was evened out by another increase in trading volume in the specialist areas of occupational safety, technical trade, workshop materials (business division IV) to € 569 million (10.7 per cent share) and precision tools, hand tools, machinery (€ 532 million, 10.0 per cent share) in business division I. With regard to our members' main customer target groups, this represents a volume of € 4.116 billion or 77.4 per cent in the construction sector (business divisions II, III, steel, building technology) and € 1.101 billion (20.7 per cent) in industry (business divisions I, IV). The E/D/E Group therefore attained a solid and even spread with the trading volumes achieved by its member companies in the various business divisions. The E/D/E Group's trading volume is reported in the notes for the individual business divisions. This corresponds to the trading volume of the E/D/E Group, excluding the trading volumes from independent foreign subsidiaries.

2014 E/D/E Group trading volume according to business divisions (€ 5,318.8 million)



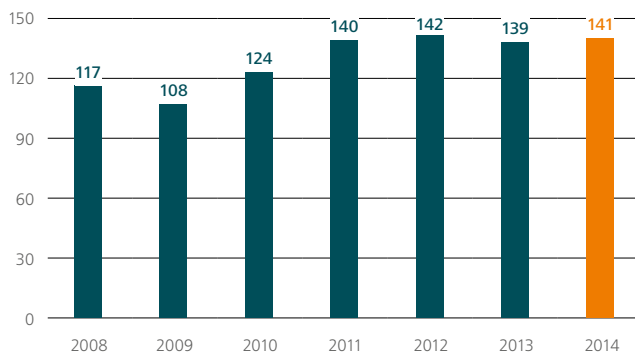
In addition to the important domestic market Germany, we are also focussing on the European market, as planned. International business recorded another increase in 2014. Trading volume rose again by 7.0 per cent against the previous year to € 950 million. However, growth remains lower than the expansion rates of the previous year, and the targets for 2014, due to the strained economic situation in certain eurozone countries. With the strategic shareholding acquired in Swiss e+h Services AG the aim of € 1 billion for 2016 should be achieved prematurely. The upward trend in European business remains intact.

International business target achieved prematurely

Reimbursements 2014

The reimbursements for our member companies were up against the previous year and rose to a total of € 141 million in the 2014 financial year. They therefore remain at the high level seen over the past years. This means that considerable bonus payments are flowing into our distributors' annual results, where they will have a long-term impact.

Member payouts in € million



Company turnover results 2014

The E/D/E Group's company turnover results achieved a respectable level in 2014. Net income at Group level came to € 20.3 million, and the gross cash flow amounted to € 29.6 million in the 2014 financial year. The majority of the net income was retained, as planned, and the equity ratio increased to 45.7 per cent. Equity increased from € 316 million (31/12/2013) to € 336 million as at 31/12/2014. The Group's very stable financial position allows us to remain flexible and independent in our actions and to finance planned future projects unaided.

Future-oriented projects can be financed with own means

Milestones 2014

CHALLENGE 2020 – a clear vision and ambitious targets

CHALLENGE 2020: Implementation of strategic goals

As part of the corporate strategy CHALLENGE 2020, we have defined a clear vision and ambitious goals for the years up to 2020. This challenging strategy programme incorporates numerous core projects for fields identified as promising and partly demands considerable investments, which will strengthen the competitiveness of our members and contracted suppliers. The new strategy programme, which seamlessly followed on from CHALLENGE 2012, achieved a few first milestones in 2014. For one, the new online marketplace ePVH is now in the preparation phase. The electronic data centre eDC was launched in December 2014 and delivers product data in a quality heretofore unknown.

Other milestones from CHALLENGE 2020 that are currently in progress include the expansion of the central warehouse functionality, the extension of the ETRIS BANK activities, the increase of trading volume in Europe and the intensification of networking and association communication.

The successful completion of all of these measures will allow us, together with our members and contracted suppliers, to increase trading volume to € 10 billion, thereby almost doubling current values. For Germany, the target is set at € 7.8 billion and for Europe, € 2.2 billion.

ePVH in the realisation phase

The strategic project ePVH, a central marketplace for online trade between E/D/E members and their consumers, constitutes one core project of CHALLENGE 2020. The technical challenges as well as the basic functionalities of ePVH were compiled in detail with the approval of the Advisory Board last year and laid out in detail in technical concepts. Work on the technical platform has been ongoing since autumn 2014. ePVH will start a test phase with a group of 16 pilot distributors, who were chosen based on defined criteria, such as product range expertise in the areas tools and power tools. The technical and organisational preparations for the pilot distributors to join are under way. All processes will therefore have been prepared in detail for the project to go live, which is planned for the second half of 2015.

ePVH will be launched in second half of 2015

eDC data management expanded further

The data management system eDC (electronic data centre) is also one of CHALLENGE 2020's core projects and was launched last year with data management for the first sector. Data provision for the fixtures segment occurred in December 2014, and the first agreements with members for the provision of eDC data have already been entered into. More sectors will follow in 2015.



WUPPER AKADEMIE established as new business division

The first conceptual cornerstones for the WUPPER AKADEMIE, a newly created business division, were laid and implemented together with E/D/E foundation over the last year. The academy will serve as the first point of contact for training in B2B. A questionnaire aimed at distributors delivered some important information that was included in further project work.

Consistent expansion of international structures

In line with the corporate strategy CHALLENGE 2020, the activities in European business were reorganised and systematically expanded in 2014. One milestone here is the strategic shareholding acquired in the Swiss purchasing association e+h Services AG. In addition to realising synergy potential, the aim is to strengthen the market position in Switzerland. This will contribute to achieving the aim of € 1 billion in trading volume outside of Germany prematurely. In cooperation with the group SOCODA, work has begun on implementing the UNION tool concept abroad, which has already proven itself in Germany, under the name FORUMplus. This path is also being pursued in the Benelux countries with a FORUMplus group.

E/D/E daycare opened

In order to support our employees in achieving a good work/life balance, we have built a daycare facility on the business premises. The daycare facility was officially opened in October 2014. Starting with the new school year (August 2015) all 45 places will be occupied; 15 of these places are intended for children under the age of 3. E/D/E has invested a total of € 2.8 million in the construction of the daycare facility.

€ 2.8 million invested in
E/D/E daycare facility

EURO-DIY expands service offer

The retail trade system centre EURO-DIY, a collaboration between E/D/E and the EK/service-group, considerably expanded its service offer in the past financial year. The system services were refined and aligned more closely with the needs of the specialist retailers organised in EURO-DIY. The number of EURO-DIY contract partners was also increased in 2014. The 500-square-metre concept market in the new E/D/E presentation centre in Wuppertal was also modernised in line with current market requirements.

EURO-DIY

E/D/E creates reliable employment with future-oriented activities

E/D/E again invested in future-oriented activities in 2014. This also resulted in new jobs. As at 31 December 2014, E/D/E Group staff at home and abroad amounted to 922 employees, 27 more than at the end of 2013. The company continues to train staff to cover its needs and again took on 20 new trainees in 2014. That means a total of 58 young people have chosen to start their vocational training with E/D/E. The training quota is 6.33 per cent.

E/D/E employs 58 trainees

E/D/E Group target figures 2015 according to business division

Product area	Actual total 2014 in € millions	Target 2015 in € millions	Difference in € millions	Increase in %	Expected market development in %
Steel	919	963	44	4.8	Not specified
Building technology	1,153	1,249	96	8.4	3.0
Precision tools, hand tools, machinery	532	568	36	6.7	3.5
Fastening technology, building components, building and furniture fittings, security systems	1,178	1,231	53	4.5	2.5
Power tools, building equipment and tools, company equipment, welding technology	866	910	44	5.0	2.5
Occupational safety, technical trade, workshop materials	569	590	21	3.7	3.2
DIY, garden technology, other	102	109	7	7.7	2.8
Total	5,319	5,620	301	5.7	

Outlook for the 2015 business year

After the German economy proved stable overall in 2014, leading economic institutes are expecting similar growth for the German economy in the current year. The forecasts range between just over 1 per cent and 2 per cent. The signs of positive development in Europe are increasing, nevertheless potential for downward risks for the economy remain in the crisis-hit European countries. Construction and industry started into the current year with optimism and are expecting growth of just under (construction) and just over (industry) 3 per cent.

In light of this, we will follow the course of growth started in 2014, and are anticipating further growth in 2015. Our aim is to achieve trading volumes significantly above the previous year's level and above the market developments. Adding all target figures from the specialist areas results in ambitious growth of 5.7 per cent and a trading volume of € 5.6 billion. New distribution and trademark concepts are also expected in Germany and Europe in 2015, which will expand storage business. Within our corporate strategy CHALLENGE 2020, the strategy project ePVH – a central marketplace for online trade between E/D/E members and their consumers – has entered into a vital phase.

**Growth path to be
extended further**

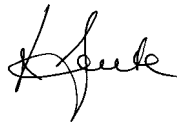
Trading volume has not yet reached the target range in the first few months of the current year. We will continue to work hard on reaching our targets.

Einkaufsbüro Deutscher Eisenhändler GmbH Management Board

April 2015



Dr. Andreas Trautwein
Chairman of the Management Board



Dr. Christoph Grote
Managing Director



Jochen Hiemeyer
Managing Director



Dr. Ferdinand von Alvensleben
Managing Director



» Whether musical society or company –
they only work well when they work together «

RELIABILITY AND TEAM SPIRIT



Being down-to-earth just sets the tone for Elmar Blasius. And that's not just how he feels about the musical society Orenhofen, where he has been playing the trumpet since he was a boy. The 59-year-old has shown the same steadfastness in his career. Today he is the managing director of the company where he started out as a trainee: E/D/E member Hees+Peters in Trier. Both at work and at play he appreciates team spirit, because he knows: Whether music or work, it's only good when you work together.

Growth in storage

B2B business division I: tools, machinery

Trading volume development in B2B business division I (in € million)

	2010	2011	2012	2013	2014	Target 2015
Hand tools	251	277	269	237	245	271
Precision tools	116	136	131	123	128	124
Woodworking tools/ machinery	94	104	100	100	131	135
Fixed machinery (metal)	14	16	17	15	16	16
Total	475	533	517	475	520	546



Good capacity utilisation in skilled trades.

The mild winter provided the construction and the skilled trade sectors a very good start to 2014. And the course of business remained positive in the following months, too. According to information from the German Confederation of Skilled Crafts (ZDH), the skilled trades sector was working at almost full capacity over the entire year. However, constant personnel capacities led to turnover, adjusted for price increases, that only reached the previous year's level.

The German Confederation of Skilled Crafts confirmed the tense overall personnel situation and the general lack of personnel in skilled trades with simultaneous positive developments in the order situation. In light of this, the E/D/E areas hand and power tools, which are most affected by business with skilled trade sector customers, were not able to reach the ambitious trading volume targets for 2014.

Another key industry for the development of business division I, machine building, was only able to grow slightly in 2014. The German Machinery and Plant Manufacturing Association (VDMA) has forecast growth of 3 per cent for 2015. The demand for replacement machines and parts in particular remains high and service business will gain in importance.

The foundations for further growth in business division I in 2014 were a variety of sales promotion measures and concepts. The focus of these activities was a new tools catalogue for the distribution group UNION WERKZEUG-HANDEL and the specialisation concept UNION WERKZEUG-HANDEL pro. The aim was to raise the pooling of turnover on defined key suppliers. This was supported by a promotional vehicle designed specifically for this purpose, which

**New tool catalogue for
UNION WERKZEUG-HANDEL**

18 Product areas

42 Services

64 Subsidiaries

distributors used to visit customers directly and provide special product information. UNION WERKZEUG-HANDEL pro catalogue training for the partners' distribution staff was also carried out and the trainees received comprehensive information about products and product innovations from key suppliers at two marketplaces.

The corresponding tool catalogues were issued onto the market in 2014 as the foundation for the new distribution group with the working title "Pro distribution". The "Pro distribution" partners were informed about the basics of the concept's market orientation, special market development measures and the defined product range focus at regional meetings.

At € 520 million, the business division's total trading volume exceeded the previous year's level by 9.5 per cent. The largest growth spurt was a result of the new cooperation with eumacop eG, a leading group of woodworking machinery distributors. Nonetheless, the ambitious target was missed by a total of 3.6 per cent.

Developments in the E/D/E storage business in particular came in below expectations, mainly because planned projects were delayed and not performed in 2014. Overall, however, B2B partners involved with E/D/E distribution concepts were able to increase turnover, resulting in storage turnover climbing by 5.3 per cent against the previous year's level.

The online distribution, marketing and training tool WERKZEUG TV, produced by E/D/E in cooperation with renowned manufacturers in the sector, has become a model for success. In the 2014 financial year, more suppliers registered for participation.

E/D/E has significantly expanded its sourcing service for the member companies. Since spring 2014, not just standard stock items but also all items from certain contracted suppliers have been available to order from E/D/E storage. Instead of looking for individual items with different suppliers, E/D/E members can now pool orders and optimise processes. The sourcing range is being expanded step by step and approximately half a million items are being uploaded to a sourcing portal.

Specialist area hand tools

The very positive sentiment seen at the end of 2013 was not reflected in developments in the specialist area hand tools in 2014. Business developments only started looking up at the end of the third quarter. Momentum for turnover from skilled trades did not appear despite the pleasing order situation. There was also considerable fluctuation in the business with industrial customers. All in all, the specialist area recorded an increase of 3.7 per cent in trading volume to € 245.3 million. The target was missed by 3.3 per cent, mainly due to weak development



New look for the tools catalogue.

Partners subscribed to concepts increase turnover

in the second quarter. One reason for this was the postponement of important projects to 2015. Storage business was increased by a total of 6.3 per cent through members involved with various concepts.

Specialist area precision tools

The positive sentiment at the AMB, the leading trade fair for machining, in September 2014, did not result in any growth momentum for the sector. Despite new suppliers, a wide-ranging product assortment revision and the further development of distribution concepts, the planned turnover increases did not materialise. The main reason for this is the increasing competitive pressure from national distributors and industry representatives who limit E/D/E member companies' development.

In the year under review, the specialist area recorded an increase of 4.4 per cent in trading volume to € 128.4 million. The target was missed by 6.1 per cent. A clear increase in trading volume is expected in 2015 due to a new distribution concept for precision tools specialists together with a new trademark and new specialist retailers.

New distribution concept promises significant increase



Turnover up 30.4 per cent against the previous year.

Specialist area woodworking tools/machinery

Boosted by a new cooperation with eumacop eG, a leading group of woodworking machinery distributors, the specialist area significantly increased its trading volume in the year under review. At € 130.7 million, earnings were up 30.4 per cent against 2013. A new catalogue for woodworking tools, the expansion of storage business and the first creation of a storage list in 2014 have all formed a solid foundation for further positive developments. In the area of standard machines, there is no noticeable growth at the moment. The greatest momentum is coming from CNC technology, edge-banding machines and sawing technology.

The specialist area woodworking tools/machinery will expand storage business in 2015, include new suppliers in central payment and develop the cooperation with eumacop eG and GEWEMA AG. Additional momentum is expected from the new eumacop catalogue.

Specialist area metal machine tools

Following some difficult years, particularly abroad, sentiment improved noticeably in the machine tools sector in 2014. Although uncertainty regarding developments in the global economy did affect many metal workers' willingness to invest. The specialist area increased trading volume by 3.8 per cent to € 15.6 million. Nevertheless, the target was missed by 1.3 per cent. A volume increase of 5.0 per cent is expected for 2015. This will primarily be achieved with a machine catalogue, which can be adapted to individual specialist retailers' market needs with an electronic catalogue configurator (ECC).

Sentiment is brightening, but uncertainties remain

18 Product areas

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Specialist area industrial services

Due to a closer alignment with the tools business, the specialist area industrial services was assigned to business division I in 2014.

Member companies and industrial customers needs for optimisation concepts for MRO/C-parts increased once more in 2014. The system services for industrial services were again checked and adapted to meet the current market requirements. All industrial services were pooled under the trade mark "MRO effizient" and supplemented with new functions. The success of this measure was verified by the increase in system sales in the second quarter of 2014.

"MRO effizient" leads to increase in sales

Outlook

Business division I is aiming for an increase of 5.1 per cent in trading volume in 2015 to € 546.4 million. The new distribution concepts in Europe will also have a positive impact on storage business. The specialisation in the area of precision tools with a new trademark and new specialist retailers as well as the newly developed tool concept "WERKZEUG PROFIS SHK" will create additional domestic growth. A certain amount of momentum is also expected from the sixth E/D/E Werkzeug FORUM (tool forum), which will be held in Berlin in June.

Positive effects expected in storage business

Stable volume, on continued high level

B2B business division II: Building and furniture fittings, safety technology, building components, fastening technology

Trading volume development in B2B business division II (in € million)

	2010	2011	2012	2013	2014	Target 2015
Fastening technology	145	158	147	132	135	142
Building fittings, safety technology	742	771	769	726	738	767
Furniture fittings	60	60	57	49	48	50
Building components	218	232	231	219	224	234
Total	1,165	1,221	1,204	1,126	1,145	1,193

B2B distributors are having to adapt to structural changes being caused by a drop in vertical integration in many manufacturing skilled trades sectors. Skilled trades are increasingly purchasing semi-finished and finished goods and shifting their focus to assembly services – partially even across trades. This is resulting in changes to sourcing behaviour; electronic order systems with simple search functions and short delivery times based on reliable logistics are expected from industrial wholesale distribution.

The E/D/E specialist group fastening and assembly technology reacted to these new challenges in 2014 by developing distribution and marketing concepts with members, such as practical seminars for craftsmen to avoid accidental damage during assembly, that meet the customers' needs exactly.



eDC market launch in the fittings area.

Since December 2014, building fittings distributors have also been benefiting from optimised product and information data based on new and improved quality standards. The new master data for items provided by many suppliers are often not of the required quality for distribution application areas, such as electronic sourcing and shop systems. For this reason, E/D/E developed and implemented the eDC (electronic data centre). This is where the product data for all relevant contracted suppliers is sourced, and classified, prepared, maintained and continually updated in line with newly defined eDC Cl@ss sector standards. Over 500,000 finished item records from approximately 110 suppliers just for building and furniture fittings are available.

The numerous distribution supporting measures in business division II – such as new storage ranges for building fittings – only had a limited impact of € 1,145 million on total trading

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volume in 2014. Despite the strong start to the financial year caused by the weather with double-digit growth rates, business development dropped off sharply particularly in July, August and September. Overall, trading volume only increased by 1.7 per cent in business division II in 2014, 2.6 per cent below target.

Specialist area building and furniture fittings, safety technology

The specialist area building and furniture fittings recorded a trading volume of € 786 million in 2014, exceeding the previous year's figure by 1.5 per cent. This was primarily due to the pleasing developments in safety technology, which recorded growth of 13.8 per cent. The reason for this was private and commercial consumers' increased demand for security. In light of the advances made in technical development, customers are also demanding more ease of use and automation, which is having a positive impact on turnover. An increase of 1.3 per cent was achieved in the door fittings section. Window fittings recorded growth of 0.3 per cent. Meanwhile furniture fittings recorded a drop of 2.5 per cent.

**Safety technology
carries growth**

The storage concept "Logistik Service" in the fixtures product range was expanded again in 2014. Core ranges from the suppliers KFV, FSB and Jatec were added to the logistics centre (eLC). Goods from the eLC are delivered to member companies or their customers within 24 hours. In this way, E/D/E supports its members in their distribution work and strengthens their proficiency in meeting consumers' expectations of receiving goods quickly and precisely. In addition to a broad product range, the key factor for market success is the immediate availability of products.

Following in the footsteps of the successful web-based training series started in 2013, WERKZEUG TV, business division II transferred the concept to the fittings product range. BESCHLAG TV presents product innovations, application examples and assembly tips. Different training films are produced for different target groups. Development was achieved through BESCHLAG TV with the fact that the training includes more specialist content and focusses on the needs of craftsmen or other users and therefore on members' customers.



BESCHLAG TV presents
product innovations.

EURO Baubeschlag-Handel AG (EBH AG) increased its turnover with contracted suppliers by 3.1 per cent. International activities were also ramped up based on the strategy paper EBH 2016. One result of these activities was that the company gained the French distribution cooperation S.E.B.A. as a member for building fittings. In order to strengthen the area of lighting in furniture fittings a central warehouse concept was designed and implemented with key contracted suppliers. The EBH e-learning platform developed very well in 2014, and is now used by more than 1600 members' employees as a training module. The platform received

**EBH platform receives
e-learning award**

the e-learning award 2015. Five distribution concepts were also compiled in several meetings with the distribution managers of EBH members ("All about doors", "Made to measure forms", "Smoke alarms", "Ventilating rooms naturally" and "Marketing electronic locking systems"). This will allow members to be more successful in niche markets in future.

Growth of 2.5 per cent is predicted for the fittings area in 2015, although price increases are also expected. E/D/E intends to increase trading volume by 4.0 per cent to € 817 million. The expansion of the storage concept "Logistik Service" will form the foundation for this growth.

Specialist area building components

The specialist area building components recorded trading volume of € 224 million in 2014. This equals growth of 2.3 per cent against 2013. Higher increases in the first half of the year led to high hopes for even more growth. But momentum slowed considerably in the second half of the year.



E/D/E members recorded a volume increase of 1.9 per cent with wooden interior doors, 4.8 per cent with steel doors/industrial and garage gates and 5.8 per cent with residential skylights. The restructuring of the E/D/E specialist group PRO.ELEMENT, which was started in 2013, was consistently continued in 2014. The distribution and marketing concept ELEMENTARES was developed further in the expert group exhibition business. Implementation will begin in 2015. ELEMENTARES includes the areas door concepts, building services and industrial gates and is designed to help participating distributors to clearly distance themselves from the competition.



The visitor numbers for BAUWIKI, the online portal for private consumers, were increased by more than 60 per cent in 2014. There are several more measures planned to increase activity here even further in 2015. A pilot project with Tischler NRW will include member companies' end customers in the platform.

Residential building is expected to develop better than commercial construction in 2015. However, there is a lot of uncertainty surrounding high-rise residential building projects. Some regions in Germany are experiencing an excess supply of residential flats, so some building permits will not be acted upon. However, value creation in construction should continue to increase due to higher equipment features. The primary driving force here will be security systems. E/D/E is aiming for total trading volume of € 234 million in the specialist area building components. That is an increase of 4.4. per cent.

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Specialist area fastening technology

The specialist area fastening technology was able to increase trading volume to € 135 million in 2014, representing an increase of 2.0 per cent against the previous year (these changes were adjusted for statistical effects due to a product group shift in the fastening technology area's favour). Nonetheless, the ambitious target was missed by 4.4 per cent. One reason for this was that some members lost market share to direct distributors in 2014.

The focus of activities was the restructuring of the specialist group. The high-performance SME specialist retailers have regrouped under E/D/E Group's leadership in order to expand and optimise the service portfolio for skilled trades, industrial, commercial and local authority customers. Together with the specialist group advisory board, one area that underwent re-development was instruments for sales and marketing systems aimed at target groups. Two competence groups (woodworking skilled trades and metalworking skilled trades) were also established to further specialise the concepts and measures. The new distribution and marketing measures, for example in the area of craftsmen seminars and numerous activities to acquire market share from direct distributors, will be gradually implemented in 2015.

Market expansion of 4.0 per cent is expected for 2015. E/D/E intends to grow significantly and is expecting growth in trading volume of 5.5 per cent to € 142 million. The basis for this growth will be provided by the newly developed specialist and competence group measures outlined above.

Outlook

Leading economic research institutes are forecasting growth of 2.1 per cent for building construction in 2015. Public sector construction projects are expected to drive this growth with an increase of 4.6 per cent. An increase of 2.2 per cent is anticipated in residential building; commercial construction is expected to grow by 0.7 per cent. Given the situation, the building and renovation trades are also expected to be working at high capacity. In this context, the areas of building fittings, fastening technology and building components will continue to grow in 2015 and gain market share. The target is an increase of 4.2 per cent to trading volume of € 1.19 billion.



Premiere of "Profi-Tage Befestigungstechnik".

Public sector construction expected to drive growth in 2015

On the offensive with new ideas

B2B business division III: Construction equipment, operating facilities, power tools, welding technology

Trading volume development in B2B business division III (in € million)

	2010	2011	2012	2013	2014	Target 2015
Construction equipment	122	136	134	126	133	139
Operating facilities	193	222	228	203	206	214
Power tools, compressed air equipment	446	504	499	415	442	456
Welding technology	35	42	42	41	42	43
Total	796	904	903	785	823	852



Business division III records noticeable growth in 2014.

The pleasing order situation in industry and skilled trades as well as high levels of investment in residential building provided business division III with significant growth in trading volume in 2014. From the start of the year, the mild winter caused double-digit growth, but the great performance in the first quarter could not be kept up in the following months, particularly due to a continual slow-down in the general economy starting in the second quarter. With a total trading volume of € 823 million, the target was just surpassed.

The planned intensification of project business in the area of operating facilities as well as the connected packaging expansion was implemented in 2014. Extensive preparations for an additional broadening of the service offer to include office materials were completed and will form the basis for further momentum in 2015.

The planned differentiation between the specialist areas welding technology and construction equipment was implemented in good time with the introduction of the concept "Die Schweiß-Profis" (the welding professionals) and the preparations for the concept "Die Baugeräte-Profis" (the construction equipment professionals), which will be launched in 2015.

Specialist area construction equipment

Construction equipment reached its formidable trading volume target in 2014. At € 133 million, earnings exceeded the previous year's level by 5.5 per cent. The mild winter and low

Good order situation thanks to mild winter

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interest rates resulted in a good order situation for building companies and good sentiment amongst distributors. Record figures in the first quarter even led us to hope for a better result, but growth rates dropped off over the course of the year. Two new members joined the specialist group, thereby expanding the service offer.

The first E/D/E marketplace for construction equipment in 2014 brought distribution experts from trade and industry together in Hattingen. In addition to product presentations, the event also offered sales training and information regarding the new specialist group catalogue, which came onto the market in June with 60,000 copies, featuring a new look and extended to 820 pages.

A number of distribution and marketing activities for the rental concept MIETEplus also raised the potential for turnover. The focus was on a media offensive, extensive promotions and training for field sales staff. This concept is trending: renting building machinery, electrical tools and heating appliances is becoming increasingly popular. MIETEplus now has 20 members with more than 50 locations. The aim is to achieve nationwide coverage with 100 locations.

At the beginning of 2015, work began on rolling out the marketing and distribution concept "Die Baugeräte Profis". A high level of commitment during the implementation of joint measures for the market are the focus of this new concept. Twelve distributors have united under this trade mark for the launch. An attention-catching promotion will create more brand awareness and more momentum for turnover. The distributor group's activities are professionally presented with a uniform corporate design on the new internet site www.die-baugeraete-profis.de.

The operating equipment area expects a further trading volume increase in 2015 of a total of € 138.7 million – taking it up 4.4 per cent against the previous year.

Specialist area operating facilities

The ongoing delay in investment in project business again negatively impacted business developments in operating facilities last year. Particularly in the traditional business, that is, setting up workshops and work places, open projects and offers often did not translate into assignments and therefore generated no turnover. Earnings in this specialist area thus missed the target of € 218 million by a significant amount in 2014. Trading volume of € 205.5 million represented growth of a mere 1.4 per cent against the previous year. The specialist area is anticipating higher growth this year of 4.0 per cent, equal to € 214 million in trading volume. Expected market growth of 3.5 per cent is the basis for this target. The aim is to exceed the target with a purposeful expansion of the existing product range and the introduction of new product ranges.



In-depth discussion at the first E/D/E marketplace for construction equipment.

New distribution and marketing concept



New UNION BETRIEBSEINRICHTUNG catalogue issued.

In the past year, the distribution group UNION BETRIEBSEINRICHTUNG was expanded to include three new partners. In spring 2015, BETRIEBSEINRICHTER TV, an exclusive internet channel for training and product information, was aired for the first time.

The focus of the specialist area's work in 2014 included designing and introducing a new catalogue. 109,000 copies of the PREMIUM BETRIEBSEINRICHTUNGEN catalogue were issued. For the first time, a new 100-page catalogue for packaging materials was issued, with 20,000 copies. A new version is to be released every year. The UNION group included important excerpts in the new UNION BETRIEBSEINRICHTUNG, which has 124,000 copies. The PREMIUM and UNION marketplaces both provided an opportunity to intensify dialogue between industry and trade.

Specialist area power tools

At € 442 million, total trading volume in 2014 for power tools represents growth of 6.4 per cent against the previous year. The target of 3.1 per cent was therefore clearly exceeded. Positive signals came from a new cooperation with eumacop eG, a leading group of woodworking machinery distributors.

Battery technology continues to generate momentum

Additional momentum was provided by battery technology with, for example, high-performance devices and new inductive charging technology. Experts believe this trend will continue: battery technology remains innovative and product cycles are becoming ever shorter – in some cases new devices are coming onto the market every six months. However, the weak economy will dampen the expected growth somewhat in 2015.

E/D/E Group's first international marketplace was held in Dolsk, Poland, in 2014. All Polish members participated, as well as 25 main suppliers from the areas power tools, pneumatic technology, hand tools, precision tools and operating facilities. The first specialised 100-page power tools catalogue for Poland was issued to coincide with the event.

E/D/E's trading volume target for power tools in 2015 is an increase of 3.1 per cent to € 456 million. Considerable momentum is expected from the expansion of supplier contracts in France and Spain.

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Specialist area welding technology

In spring 2014, the E/D/E specialist group welding technology struck out on a new path with the name "Die Schweiß-Profis". The aim is to create more brand awareness on the market with joint distribution and marketing activities, and to present a closed service portfolio and increase customer loyalty. With an appropriate logo, the welding professionals will position themselves as a unique and efficient distribution group. The advertisements will not just be placed in trade magazines, but will also appear at the POS. A joint internet site was also developed: www.die-schweiss-profis.de.

The new welding technology catalogue issued in summer with 50,000 copies also features the welding professionals' new look. New products were also added to the range under the FORMAT trademark. The welding professionals distributors will take stock of the new look at the general meeting in May 2015. The second welding technology marketplace in May brought the members of the specialist group together once more. Around 200 representatives of member companies and all strategic suppliers participated in this outstanding event, which included presentations and a trade fair.

At € 42.3 million the area did manage to increase trading volume by 3.6 per cent against the previous year, but still missed its target by 3.6 per cent. This was primarily due to hesitancy to invest in welding machinery. E/D/E is anticipating growth in welding technology for 2015 of 2.2 per cent to € 43.2 million, despite weak market growth. New members should generate the necessary momentum, in addition to new suppliers.

Outlook

The numerous distribution and marketing measures, new members and stronger international business will support E/D/E business division III in achieving more growth in 2015. The target is set at € 852 million trading volume. This corresponds to growth of 3.5 per cent against the previous year.



Attention-grabbing marketing concept: "Die Schweiß Profis".

Numerous measures result in 3.5 per cent growth



» Angling is more than just waiting. You need a target, concentration – and the right bite «

PATIENCE AND STRATEGY



Anglers need patience. When Torsten Schimmich goes down to the river, he also considers the strategic aspects: Do I have the right bait? The right equipment? Are the fish where I think they are? Once the hunting instinct takes over, other matters fade into the background. The E/D/E employee goes about managing the distribution concept UNION WERKZEUG-HANDEL with the same focus and dedication, because his work also requires level-headedness and tenacity.

Well positioned and looking forwards

B2B business division IV: Occupational safety, technical trade

Trading volume development in B2B business division IV (in € million)

	2010	2011	2012	2013	2014	Target 2015
Occupational Safety	283	332	333	336	354	360
Technical Trade, Workshop Materials, Pneumatics	187	208	207	196	202	213
Total	470	540	540	532	556	573



Business division IV debuted at "Branchentreff total".

E/D/E reacted to the growing importance of the industrial customer product ranges for occupational safety and technical trade back in 2013 by combining the specialist areas in the new business division IV. The internal structures settled into place in 2014 and the cooperation with members and suppliers intensified.

One focus for business division IV in 2014 was product classification and data maintenance for the newly developed electronic data centre eDC. Data was gathered from contracted suppliers for the specialist areas occupational safety and technical trade, a new eDC CI@ss classification standard was developed and finally the supplier data was prepared and continually updated. Starting in 2015, the members will have access to a total of over 2 million finished item records. This will relieve specialists in the areas occupational safety and technical trade from data maintenance and also offer support for electronic sales systems, such as shop or procurement systems. This will build the foundation for further growth momentum, and E/D/E members will be able to secure a competitive advantage with high-quality data particularly for dealings with industrial customers.

Both specialist areas in business division IV recorded growth last year. After a sharp increase in volumes at the beginning of 2014, volume in technical trade slipped under the previous year's level from the summer months onwards. This led to business division IV missing its trading volume target for 2014 by 2.0 per cent, although it still managed to reach € 556 million. This corresponds to growth of 4.4 per cent.

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Specialist area occupational safety

Turnover with the occupational safety product range grew by 5.2 per cent over the year to € 354 million. The basis for this growth was the specialist area's various distribution activities. One of these activities was the release of the first PREMIUM ARBEITSSCHUTZ (PREMIUM OCCUPATIONAL SAFETY) catalogue in 2014. It features 4,000 items on 250 pages, and 46,000 copies were brought onto the market. It was launched with a kick-off event, where the suppliers presented their new products featured in the catalogue, and discussed them directly with PREMIUM members' distribution employees.

The new general occupational safety catalogue was also released. The catalogue features a new layout and modern look. The product ranges were also revised and updated. All product areas are covered with more than 4,000 items on 270 pages. More than 44,000 copies are in circulation. The E/D/E trademark FORTIS was also completely modernised with a new design and will be made available to distributors from 2015.

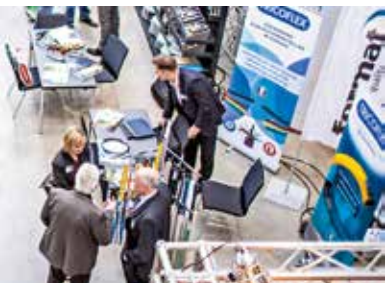
New sales promotion approaches were compiled for specialist group members. The focus is on the new catalogue configurator, which takes into account the strong trend for individual catalogue product ranges based on existing selective distribution concepts in the trade mark industry. An occupational safety primer is also being prepared, which will serve as a reference work for standards, applications and occupational safety regulations. A Personal Safety Manager booklet was also compiled in 2014, with which specialist group members can create documentation for managing risk assessment carried out for customers. These measures will provide further momentum for specialist group members' turnover development.

The leading trade fair for the sector, the A+A in Düsseldorf, will be one of the most important events in 2015, and the FAVORIT group will once more be presenting their exclusive ForSec trademark at the trade fair. Prescription safety glasses, spectacles for people working with monitors and tailored ear protection are all distributed under this trademark. Customers can find more information and see the various models at www.forsec.de. Opticians and hearing aid professionals will also be present to provide information regarding ForSec products. To back ForSec's distribution activities, a FAVORIT target group leaflet was produced and released onto the market. The FAVORIT group celebrated its 10-year anniversary in Berlin in the 2014 financial year and took this opportunity to plan further distribution measures for the ForSec trademark.



Occupational safety catalogue launched.

FAVORIT celebrates 10-year anniversary in Berlin



Lively discussions at the first technical trade distribution forum.

Specialist area technical trade

Specialisation in the technical trade sector is continuing unabated. In order to meet the changing requirements the specialist area hosted the first distribution forum for technical trade at the beginning of 2014. Participants from the specialist group technical trade included internal and field sales distribution staff from the individual companies. In addition, more than 30 suppliers presented innovations and new products from their product ranges. Under the motto "Information and training", suppliers looked to actively engage with distributors from the trade. The event was rounded off with distribution-oriented talks held by a communication trainer.



Mobile trade fair concept
TECHNIK.KOMMT.AN.

Another highlight of the last financial year was the mobile trade fair concept "TECHNIK.KOMMT.AN.". The first practical test of the concept took place in the first quarter of 2014 at a technical trade member's consumer event. Containers form the heart of the mobile trade fair, which are used as exhibition or training rooms, depending on the individual user's requirements, on the consumers' premises. Matched to the interests and expectations at the location, the concept offers targeted information, training and services that can be designed modularly by the member. Altogether events with a number of different focusses were successfully held at 15 locations across the nation – another 20 events are planned for 2015.

Industrial goods catalogue offered as additional service

With the completion of the catalogue for industrial goods in 2014, the specialist area technical trade now provides another service offer. The first issue offers 5,000 core products for technical trade on 300 pages and in six product groups. The E/D/E trade mark E-COLL and the E/D/E storage programme, which will be expanded again this year, are the catalogue's main selling points.

The preparations for the catalogue for chemical technical products with top-selling chemical brands, due to be released in summer 2015, have been completed. The expansion of the existing trade marks FORMAT industrial technology and FORTIS industrial goods as well as new content in the distribution concepts will also occupy an important position in the specialist area's tasks in 2015. Participants from the specialist group will also be organising special offers and activities for the specialist group's 20th anniversary.

The specialist area technical trade is aiming for another increase in trading volume in 2015 of 5.2 per cent, following the increase of 3.2 per cent to approximately € 202 million in the last financial year.

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Outlook

While the leading financial institutes in the sector forecast total growth of 1 to 2 per cent, business division IV is aiming for 3.0 per cent growth in trading volume to € 573 million, based on a variety of measures. Technical trade in particular is aiming for trading volume growth of 5.2 per cent to € 213 million. The specialist area occupational safety is expecting slightly lower growth, partly due to weather reasons. An increase of approximately 1.7 per cent in trading volume to € 360 million is expected.



Outlook 2015: growth
of 3.0 per cent.

Concentration efforts in wholesale dampen business

B2B business division Building Technology

Trading volume development (in € million)

2010	2011	2012	2013	2014	Target 2015
916	1,001	1,089	1,163	1,153	1,249



Fierce competition in sanitary and heating wholesale trade.

Following a good first quarter, momentum in the building technology sector dropped off significantly over the rest of 2014. According to figures from the Institute for Commercial Research (IFH) building technology wholesale recorded an increase in growth of just 1.1 per cent. Developments in the field of heating were particularly disappointing where earnings missed the 2013 level by 0.8 per cent. Developments were better in the fields of wall-mounted sanitary ware (up 4.3 per cent) and installation goods (up 1.8 per cent). The cause of the overall developments was the unexpectedly weak renovation business. Another cause was that the SHK skilled trades were once more working at full capacity. Additional potential orders could not be fulfilled due to the lack of skilled craftsmen.

The concentration efforts in the German sanitary and heating wholesale markets increased again considerably over the last year. The consequences of these efforts and fierce competitive pressure as well as the resulting drop in prices caused many business operators to sell off their operations. The industry's landscape also underwent some changes. Leading suppliers expanded their services through acquisitions. These developments led to competition for qualified employees, the like of which has never been seen before in this sector.

WUPPER-RING

Trading volume development (in € million)

2010	2011	2012	2013	2014	Target 2015
363	386	392	382	353	349

As part of the concentration efforts in the sanitary sector, WUPPER-RING lost some member companies to corporate groups and chains last year. At € 353 million, development in the trading volume therefore significantly fell short of the target by 9.9 per cent. On the other hand, WUPPER-RING has made some significant progress with member companies abroad. Developments in Switzerland and Belgium were particularly pleasing.

Good developments abroad, but under target

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Data management building technology

WUPPER-RING's data portal remains an indispensable information point for many building technology distributors. In addition to data currently being maintained for approximately 1 million items, suppliers' new product ranges are also a focal point. In order to add these new ranges to the data portal as quickly as possible, work processes were re-structured and investments made in software and services. Additional item data is now available to distributors quickly and at the usual high level of quality. The data pool allows members to access more comprehensive information – from stock lists and purchase conditions, to complex data structures for printing catalogues and electronic use in shopping systems, such as the E/D/E Multishop. Particular attention is paid to the accessibility of the over 100,000 images. Another benefit of the online solution is the availability of up-to-date, valid manufacturers' price lists from the more than 300 contracted suppliers, because this negates the need for time-consuming searches for valid manufacturers' price lists.

WUPPER-RING makes data portal more user-friendly

Sanitary and installation

Adjusted for the extraordinary effects of purchases by member companies from corporate groups and chains, sanitary and installation business was virtually in line with general market developments last year. According to the German Association of Wholesale Building Suppliers (DG Haustechnik), the sector recorded an increase in turnover of 4.3 per cent for wall-mounted sanitary ware and 1.8 per cent on installation goods in 2014. In this segment, WUPPER-RING recorded a decrease, without adjustment, of 6.7 per cent.

The distribution concept "Komfortbad" was developed further. The aim is to support distributors with advice and sales arguments which go farther than just design and price and thus help the distributors to distinguish themselves from online suppliers. The "Komfortbad", a bath booth that demonstrates the topic of comfortable bathing, was already on display in 34 distributor exhibitions in 2014. The trademark FORMAT has been improved with a variety of new products such as designer shower screens, rimless wall-hung toilets as well as additions to the area of bathroom furniture.



Bath booth presents bathroom comfort.

Heating

The DG Haustechnik reported a drop in turnover in the heating range of 0.8 per cent in 2014. The positive trend in the main heat generator group, which started a few years ago, seems to be over. According to figures from the German Industry Association for Building, Energy and Environmental Technology (BDH) the oil and gas heat generator segment recorded a decrease of 3.0 per cent. The sales figures for solar panels dropped sharply once more. Developments in the radiator sector were stable. In contrast, the demand for under-floor heating increased.



WUPPER-RING records drop in heating segment.

WUPPER-RING recorded a disproportionate loss in the amount of trading volume in the heating area with a decrease of 9.8 per cent. This was mainly caused by the unexpectedly high drop in member companies due to operations being sold off. Adjusted for these effects, turnover development was largely in line with the market. Through the centrally controlled purchase of items, WUPPER-RING was able to negotiate additional purchasing advantages for its members once more in 2014. For example, more than 120,000 thermostatic heads, around 520,000 metres of under-floor heating piping and around 10,000 heating pumps were purchased. WUPPER-RING achieved a double-digit increase in trading volumes with the concentration of under-floor heating distributors. A preferred supplier was chosen for distribution cabinets, who can offer members better purchasing conditions. WUPPER-RING has created exclusive sales literature for members in order to allow them to market these products more successfully.

As with white goods, the obligation to label energy consumption and class energy efficiency will come into effect for room and combination heaters, water heaters, boilers and compound systems from 26 September 2015. WUPPER-RING intends to offer members a trademark boiler that meets market demands and has a good cost-benefit ratio.

Cooperation partners VGH International and mah

VGH International pushes on with foreign expansion

Cooperation partner VGH International GmbH saw positive development once more, partly due to its ongoing expansion efforts abroad. The company gained an important member in France and saw exogenous growth in Austria.

VGH achieved 6.6 per cent growth and an E/D/E total turnover volume of € 585 million. Its growth targets abroad remain the main focus for VGH.

Number of cooperation partners VGH International and mah

	2010	2011	2012	2013	2014	Target 2015
VGH	347	390	468	549	585	677
mah	206	225	228	232	214	224

mah, another significant trading group in the building technology sector, was negatively impacted by losing members through the sale of an important company. However, these effects were almost balanced out by the growth achieved by other mah members. With trading volume at € 214 million, mah came in slightly below target in 2014, but will end 2015 above the general market developments.

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Services

WUPPER-RING again supported its member companies with a varied bundle of services in 2014. For example, PROMIS, a qualification concept for sanitary exhibition employees launched in 2011, was redeveloped and a comprehensive and innovative programme was created. The aim is to increase turnover, secure better quality in advisory and sales negotiations and produce close connections between wholesale and skilled trades. The implementation phase of the new PROMIS 2.0 will begin in 2015.

The distribution concept "Bäder sehen.planen.kaufen." is now represented at more than 30 locations. A competition in summer increased brand awareness even more. "Bäder sehen.planen.kaufen." is intended to help involved distributors become the most popular place for bathroom offers in their region by 2020. WUPPER-RING supports this aim with print advertising, audio-visual media, online marketing, events and offers.

Outlook

Economic development in residential building remains positive WUPPER-RING expects that the renovations market will pick up even more in 2015. Nevertheless, limited capacity in skilled trades will prevent any disproportionate growth in the building technology segment. Concentration efforts will also continue unabated, which will also limit growth for WUPPER-RING. WUPPER-RING is therefore expecting trading volume to amount to € 349 million (a 1.3 per cent decrease). From 2015 onwards, WUPPER-RING members will also be able to purchase select ranges via the E/D/E central warehouse eLC, in addition to directly purchasing goods from suppliers. Firstly, ranges from leading brand manufacturers as well as select trademark products will be added to the central warehouse. This range will be gradually expanded to include further suppliers' ranges so that member companies can purchase more of the goods they need from the central warehouse. Bundling required items from different product groups via a central E/D/E logistical system reduces costs and increases distributors' availability.

VGH International GmbH is expecting strong growth in 2015 of over 15.7 per cent in Europe to € 677 million. This would mean exceeding the € 600 million trading volume mark. Providing general market conditions are good, mah is expecting growth of 4.5 per cent to € 224 million.



PROMIS 2.0: the innovative sanitary qualification programme.

**Concentration efforts
expected to continue**

**VGH International expects
strong growth once more**

Leading position defended

B2B business division UNION STAHL-HANDEL

Trading volume development (in € millions)

2010	2011	2012	2013	2014	Target 2015
616	815	884	916	919	960

New record despite difficult market environment

With the coalition of steel distributors, UNION STAHL-HANDEL was able to exploit its strength in a difficult market environment. Trading volume rose again to a record € 919 million, placing the E/D/E business division at the top of the associations once more.

Considerable excess capacities at manufacturers, service centres, storage distributors and bending shops caused a significant price drop, despite good demand over the course of 2014. This pressure can be more easily overcome in a strong association, particularly one that also closely observes the market. This is becoming ever more apparent in the steel industry. New members were gained in 2014, and the steel business division now includes 132 high-performance companies. Its reputation as a base for information exchange and a platform for maintaining contacts between members and contracted suppliers is renewed every two years at the UNION STAHL Forum.



UNION STAHL Forum: Exchange for members and suppliers.

Following impressive monthly turnover with growth rates in the double-digits, price reductions began to increasingly affect turnover in the steel industry from mid-2014. Prices for beams dropped by almost 11 per cent over the course of the year, while prices for reinforcing steel, mesh reinforcement and steel bars dropped by more than 15 per cent.

More suppliers gained for proprietary business

E/D/E was able to gain more suppliers in proprietary business and therefore secure a higher subscription for the members' overall needs. In almost all product areas, such as beams, steel bars, pipes and flat products, national distributors proved the greatest competition. They even offered smaller quantities ex warehouse with low surcharges. Even members took advantage of this, as it hedged against the risk of price drops in acquiring large amounts in drop shipping.

Bending shops were once more unable to push through object prices based on the current replacement conditions in 2014, despite continued good demand. Excess capacities continue to grow due to the constant increase in machinery performance. Speculating on lower prices does not seem to have had the intended effect. Even with prices ranging between € 190 and 230 per tonne, many deals were probably not profitable.

18 Product areas

42 Services

64 Subsidiaries

The calculations may only have worked out following the further decrease in purchasing prices at the end of the year.

The location determinations and open opinion and information exchange between distribution and manufacturing, in a market environment equally difficult for both, made the UNION STAHL Forum in Düsseldorf/Neuss even more attractive. Regional meetings between May and July covered the tense business situation and the developments in purchasing prices. The profile performance team met in spring and autumn. Concentrating needs on UNION STAHL-HANDEL and its strategic suppliers was the main focus of the discussions.

Outlook

Substantial improvement in the market conditions is not to be expected in 2015. The scrap price, which was stable for some time with only slight fluctuation, finally toppled in the last months of 2014 causing even more pressure. Prices are therefore not expected to recover. This has led to a variety of manufacturers abroad, but also some distribution companies, facing financial difficulties. The industry has lost markets in Southern and Eastern Europe as well as Africa. Much more of the material therefore lands on the domestic market. Simultaneous improvement in demand, however, cannot to be expected. Nevertheless, E/D/E expects good quantity utilisation in trade and growth in business volume. UNION STAHL-HANDEL is confident that it will be able to follow up on the positive developments of the last years, and continue to defend its top position amongst the associations. E/D/E is also confident that new members will be gained.



Forecast 2015: good quantity utilisation in trade.

Further education rates highly

Business division Akademie

WUPPER AKADEMIE
Qualifizierungsnetzwerk für den PVH

As part of the corporate strategy CHALLENGE 2020, E/D/E resolved to expand its training and professional development offer. For this purpose, a professional development institute for distributors and suppliers is being designed together with WUPPER AKADEMIE. It will function as a central platform for B2B qualification activities. This will create transparency for the already existing qualification offers in the sector and cover needs that have been identified with innovative learning concepts.

As a qualification partner for B2B, WUPPER AKADEMIE supports and connects cooperating SMEs with selective and sector-specific qualifications, consultations and services and ensures the competitiveness of the distributors over the long term. The E/D/E business division Akademie, created in 2014, has already produced some initial conceptual foundations and begun their gradual implementation.

E/D/E Unternehmer Netzwerk



The experience exchange between companies in the Unternehmer Netzwerk (company network) was pursued further in 2014. Altogether there were nine ERFA groups and one junior/young entrepreneur network group with a total of 120 participants. These ten young B2B entrepreneurs formed a new ERFA group. The existing ERFA groups were boosted by the inclusion of eight new entrepreneurs. The focus was on mutual opinion and information exchange and entrepreneurial training. The groups grew closer together, which made a huge improvement to the experience exchange between the participating entrepreneurs. Last year more than 20 networking events were on offer. The ERFA meetings were enhanced through spontaneous talks held by experienced speakers.

Qualification

**Certification courses for sales
professionals reintroduced**

In 2014, the business division Akademie again drew up programmes with great practical relevance for B2B. One of the focal points was new certification courses for prospective junior and professional sales personnel. Altogether 39 general training courses were offered covering corporate management/personal development, distribution, purchasing and marketing. The introduction of the new certification course for professional sales personnel was particularly popular. Distributors also took advantage of further multi-modular qualification activities. The TEAM qualification has already managed to establish itself as the programme for professional

HR management in B2B. It supports member companies' first and second tier management with important management instruments in the selection, retention and development of employees. The qualifications for junior and young entrepreneurs, for whom personal development management training is the first priority, were successfully completed in 2014. This perfectly prepares the young B2B generation for the later corporate responsibility they will carry.

Outlook 2015

Further service modules for various career paths will be compiled in 2015 for the WUPPER AKADEMIE and supplemented with more E/D/E programmes. Existing offers will be refined, making them even more suitable to meet current needs. New offers and qualifications will also be developed. Finally, WUPPER AKADEMIE will be transformed into an independent company, in order to ensure neutrality and even more transparency. Another ERFA group focussed on steel will also be established in 2015. And a special event entitled "E-commerce developments in B2B" will be on offer.

The "B2B talent" competition, first held in 2013, will be going into its second round in 2015. The deciding factors for the winner will again be personal expertise and abilities of the participating trainees – a consistent performance will be key to winning this multi-module competition. E/D/E will also award the company of the winner of the "B2B talent" competition in 2015.

The training offer will also be developed further. Now that E/D/E has added more important topics to the area "Entrepreneurial and management expertise", new training courses will be offered for members' customers, too. Interested parties can choose from 46 training courses. The corporate network qualification "The TEAM", which consists of several modules, will be relaunched for second tier management, as will the qualifications for junior and young entrepreneurs.



Business division Strategic Member Development

B2B sales systems

Number of distribution partners with B2B sales systems

	2013	2014	Target 2015
HANDWERKSTADT	74	78	81
PLUS 1	63	63	61
Motorisation/GreenMoto	25	38	48
Total	162	179	190

Activities in 2014 were concentrated on expanding motorisation and the HANDWERKSTADT group. An additional 17 companies joined the B2B sales systems, bringing them up to a total of 179 system partners.

The mild weather at the beginning of the financial year provided trade with uninterrupted incoming orders from construction-related trades. This meant an earlier start to the season for motorists. Turnover with contracted suppliers increased by 15 per cent in the first quarter. The order backlogs from the previous year were gradually processed, while current business slowed and growth at the end of June amounted to 10 per cent. The third quarter was on a par with the previous year's level. At the end of the year, sales systems generated an increase in trading volumes with contracted suppliers of 6.6 per cent and benefited from the ongoing positive order situation in skilled trades and increased domestic consumer demand.

Both order situation and consumer climate in skilled trades positive



HANDWERKSTADT: An insight into the diverse product range.

HANDWERKSTADT

The promotion programme with ten contracted suppliers was continued in 2014. At 7.6 per cent, the participating companies achieved disproportionate turnover growth. In September the newly issued 2014/2016 HANDWERKSTADT catalogue was released. It has around 1,500 pages, and 50,000 copies were produced. A trainee marketplace with a total of 152 trainees offered the participants an initial introduction and an overview of a diverse range of product training courses.

PLUS 1

As part of the PLUS 1 distribution concept, 15 suppliers and 82 participants attended the trainee marketplace. The trademark FORTIS active in the tools sector, was significantly expanded in 2014, and the range doubled to 1,600 items. The quality of the products and the services on

offer were made even more apparent with the promotional activities. A matching new layout for print advertisements was also agreed upon.

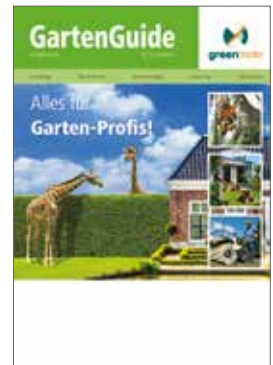
GreenMoto

The motorisation concept GreenMoto has become even more popular. The number of members in this area has increased from 25 in 2013 to 38. This means another stable foundation for further growth in the Group has been established. The first GreenMoto annual general meeting was held in Gothenburg, Sweden, in October. Around 40 retailers specialising in motorised tools met to discuss current topics relevant to the industry. The distributor trip was also the inaugural meeting for the new distribution concept. The motorists involved in the coalition also adopted the marketing concept for 2015 at their annual general meeting. The distributor catalogue remains the most important instrument, which has both expanded the depth of its product range as well as added new product groups since the first issue.

Outlook 2015

The planning for B2B sales systems for 2015 includes a dynamic expansion of the motorisation segment as well as the introduction of a new business type to meet craftsmen's immediate needs. Another HANDWERKSTADT marketplace will contribute to exchanges between around 30 suppliers and 80 member companies. The Group's market penetration will also be driven via other channels – such as a new internet site – and boosted by joint marketing activities. The trademark FORUM will be celebrating its 10-year anniversary in 2015. This will be supported by special marketing activities and comprehensive advertising measures.

A new specialist catalogue for the PLUS 1 distribution concept will be issued in 2015 with approximately 1,000 pages, 15,000 items and a new look. A marketplace including around 30 suppliers and 60 member companies is in the planning. A significant increase in member numbers is being pursued for the GreenMoto distribution concept. E/D/E is presenting the successful concept at all significant industry trade fairs. The 160-page specialist catalogue is now in its second edition – including alternative versions with appropriate premium manufacturers.



New edition of GreenMoto catalogue issued.

**FORUM celebrates
10-year anniversary**



» Everyone is different. I have to accept this if I want to teach someone. «

KNOWLEDGE AND EXPERIENCE



As an employee at ETRIS BANK, Marina Tessari's professional life is governed by numbers. But her passion in her personal life is dancing. She began classical ballet training as a young girl. Today she passes her wisdom on to dance students, which she has been doing with great pleasure for many years. Passing on her experience and dealing with different personalities is something that particularly fascinates Marina Tessari. And this doesn't just apply to her spare time, but also to her job.

Full service provider also for third-party customers

Business division Marketing

The E/D/E Marketing business division is an important provider for the E/D/E specialist areas and subsidiaries. It is also increasingly garnering orders from external customers. With the optimisation and expansion of the services for marketing in B2B last year, the foundations were laid to increase business with third parties.

In the organisation and process optimisation area the division was able to significantly improve processes in both the editing and data groups in B2B catalogues, thereby considerably improving competitiveness. Graphics capacities were also extended in the B2B advertising team. The high level of market orientation in this business division is reflected in the increase in service volume. 760 projects were processed, including 59 catalogues, with a total of almost 50,000 pages and 1 million copies. 13 catalogues were issued on the European market.

One million copies of catalogues issued

B2B catalogues

Catalogues as a supplement to field sales remain the most important distribution tool for industrial wholesale distribution. They provide a quick overview of the product range, and they are not at risk of becoming obsolete any time soon. At the same time, it is important to constantly optimise the catalogue service portfolio as well as the efficiency of processes and the effectivity of the catalogues. In 2014, the catalogue design concepts were comprehensively optimised to be more user oriented. Last year, employees in both specialist teams (editing, data & image management and database publishing and production) were busy managing catalogue projects. From 2015 onwards a new function will be added with the expansion and commissioning of a product photo studio.

At the Branchentreff in Leipzig, E/D/E introduced a new marketing service: the electronic catalogue configurator (ECC). This will allow companies to produce individual catalogues even in small quantities, and access more than 60,000 items from the E/D/E warehouse range. The potential demand is high: in addition to tried-and-tested range catalogues, many members require special editions or a combination of certain product ranges for key customers who demand customised purchasing solutions. New catalogues were issued for the distribution concepts WERKZEUG PROFIS SHK, PREMIUM ARBEITSSCHUTZ, FORUMplus tools for the co-operation partner SOCODA and FORUMplus tools for the Netherlands. The publications check tool was also optimised (standardised catalogue evaluation).



A new layout: E/D/E company equipment catalogue.

B2B advertising

The team for B2B advertising has managed to improve its position as a full service provider last year and was involved in several marketing concepts. More than 650 individual projects were completed in 2014. Such as "TECHNIK.KOMMT.AN.", a concept for technical trade, with which distributors can present their service offers to customers using a mobile container concept. The B2B advertising team created a completely new image for E/D/E member Rommelmann, and created an anniversary logo and issued corporate and product brochures. While providing distribution support for individual subprojects, as part of CHALLENGE 2020 (particularly L500, eDC), holistic marketing concepts, including elements such as system brands and target-group-specific system brochures, were developed and implemented.

**Positioned on the market
as a full service provider**

Trade fairs and events

An example of an important and successful project was the organisation and execution of the first industry event hosted by GEWEMA AG in the Jahrtausendturm in Magdeburg. But the "Building components forum" in Bonn, with speakers such as Dr. Norbert Blüm, was also a special event for participants. And another important event was the Branchentreff at the end of September/beginning of October with over 2,000 participants from member companies and suppliers. At the European level, the team also designed the entire stand for FORMATplus at the trade fair BIEMH in Bilbao.



More than 2,000 participants attended the Branchentreff.

Outlook

The Marketing business division intends to again increase services provided to third parties in 2015. By doing this, the division will profit from further process optimisation, increased vertical integration and the expansion of the marketing service portfolio. The new photo studio, among other things, will also guarantee an improved service for clients who have particularly high expectations for product images – such as customers who have an online shop. Images produced in-house also give E/D/E the opportunity of reusing the images for other purposes. Print catalogues, even in digital format, will remain valuable in the marketing mix. The business division will therefore concentrate on meeting the requirements for creating marketing tools for multi-channel product merchandising in 2015. Further optimisation of publication data management and print publishing as well as the expansion of the electronic catalogue configurator (ECC) will ensure that E/D/E's product efficiency and the variety of product publications are increased.

**Print catalogues remain valuable
in the marketing mix**

Storage business gains in importance

Business division Logistics

The ordering behaviour of E/D/E customers is changing. Goods are increasingly ordered in smaller amounts and at shorter intervals. This more frequent ordering pattern requires responsive logistics with perfect processes. In 2014, E/D/E improved supply chain management further and has made good progress in high-speed logistics, as laid out in the corporate strategy plan CHALLENGE 2020.

All processes along the entire supply chain are now faster. The division was able to shorten all process times from receipt through order picking to shipping of the goods, and therefore able to serve customers faster. And it was not only the productivity that was boosted by the improved processes and reduced costs. The division was also able to lower the error rate to 22 per cent. With an increase in the number of shipping packages of 10 per cent the warehouse business's turnover grew by 3.7 per cent. Despite this increase in turnover and the higher volume of shipping, personnel costs were kept stable thanks to processes optimised in many areas.

Parcel shipping and delivery to consumers

E/D/E customers are decreasing their own storage and relying more heavily on the logistics location in Wuppertal. The parcel shipping figures there increased once more by 10 per cent. Almost two thirds of all deliveries were sent by the E/D/E central warehouse directly to consumers on behalf of the members. While on busy days almost 5,200 parcels were sent on their way, the average number lay at almost 3,900 shipments per day. Overall, 960,000 parcels were shipped. The number of shipped items amounted to 5.6 million. E/D/E sent out shipments every working day – including the days between Christmas and New Year. The customers were glad of this, since this service allows them to distinguish themselves from other business models. Deliveries are made within 24 hours in Germany and within 48 hours across Europe. The delivery quota in parcel shipping was 98 per cent. The central warehouse currently has 87,500 items ready for dispatch. The E/D/E strategy has determined an increase in the number of items to 150,000 with the expansion of the electronic logistics centre (eLC) in the next years.



A look at the eLC: Expansion to 150,000 items in the planning.

Employees

E/D/E continues to make great efforts in training and providing qualification for its employees, particularly those in logistics. With shop floor management training the quality of management was improved. The aim of the training courses were to prepare the team, including man-

agement, for the higher handling speed and a more precise management of the warehouse. This even covered planning for ideal work places and shift times for individual employees.

Thanks to improvements in health management, the rate of sick leave was considerably reduced over the last few years and has now settled at a low level. During the winter months, the employees receive fresh fruit to help fight off colds as part of a vitamin initiative. It is also important for the employees' health that ergonomic work practices are in place at the 14 order picking locations in the warehouse. With this in mind, and considering productivity, these work places were redesigned. For example, the zip lock bags were repositioned in order to avoid any turning and stretching that is particularly strenuous. New special keyboards, which are significantly smaller than PC keyboards, can be placed individually by the employees.



Fresh fruit for logistics employees.

Freight forwarding

The division worked on optimising parcel shipping further in 2014. An average delivery quota of 98.8 per cent was achieved.

Outlook

The aim for 2015 is the expansion of the logistics infrastructure. The measures taken will be the doubling of storage capacities in freight forwarding and parcel shipping. This is the key to improving delivery quality, and therefore increasing customer satisfaction. With this in mind, the division will be launching a service and quality offensive. The entire supply chain will be analysed, and any potential for improvement will be proactively addressed. As part of supplier management, individual discussions with suppliers will take place and improvements will be discussed and even initiated at the discussion. At the same time, the start of the ePVH marketplace poses a particular challenge for E/D/E logistics.

Logistics infrastructure aims to double capacities

Planning forecasts an increase in turnover for the logistics business division of 17 per cent, a clear acceleration against the previous year.

Data classification sets industry standard

Business division eBusiness

As part of the CHALLENGE 2020 corporate challenge, the electronic data centre (eDC) core project takes on a significant role. 2014 was all about preparing for the launch of data management for the E/D/E business division eBusiness, which started at the end of the year in the fixtures segment. E/D/E continued to work on important developments for the Multishop, which is being used by a growing number of member companies for their e-commerce activities.

Core project eDC

eDC stands for electronic data centre. In future, it will bring the B2B sector exactly what it urgently needs: ideal product data for sales. In addition to the traditional catalogues, end consumers, such as customers in the industry, craftsmen, municipal authorities, planners and architects, expect product advice and useful information from distributors, and that means much more product data from the manufacturers – preferably all of it. And consumers want access to this information at all times, everywhere, and across all distribution channels. But complete manufacturer data, in a uniform quality, structure and standard, is not yet available to distribution across the manifold distribution channels.

The eDC will therefore provide distribution with central access to complete manufacturer product data in a new comprehensive classification standard for all manufacturers, prepared to the highest quality by product experts. The eDC will relieve both E/D/E B2B members as well as industry partners with this central data pool.

E/D/E will also ensure that the complete product data is integrated into the distributor systems and the various electronic sales systems can be used optimally. The classification standard has been compiled for the fixtures, occupational safety and technical trade segments, and, with this as a foundation, the first complete manufacturer data records have been prepared. All these activities, which also include implementation, operation and developing the new IT infrastructure, require a high level of HR resources. 45 E/D/E employees are exclusively working on the eDC project.

Data provision for the fixtures segment took place as early as December 2014, and the first agreements with members for the provision of eDC data have already been entered into. The occupational safety and technical trade segments will follow from mid-2015. Other segments, such as tools, power tools and company equipment, will complete classification work in 2015



Excerpt from eDC communication.

and begin preparing the manufacturers' ranges. Another focus this year will be the advisory services for individual B2B companies regarding in-house data organisation and its use in the various electronic sales systems.

Developments in e-commerce

After 35 member companies joined last year, Multishop is now used by more than 320 specialist retailers. E/D/E released a new Multishop version in 2014, focussing on item searches and hit lists as well as modern layouts. The Multishop was also made compatible with mobile devices. With a new order app, orders can now be placed with a mobile device from the building site or production facility. The app is available for all current Android (Google) and iOS (Apple) devices in the respective store under the name "Scan24 – the order app".



Mobile applications
for all devices.

In cooperation with Bosch, E/D/E has developed a special online configurator for the clic&go system, that allows the creation of a striking look in the Multishop and simplifies the ordering process. The Hettich company's drawer configurator has also been integrated into the Multishop.

In addition to the continual improvements in logistics processes, E/D/E also improved the ordering process for members with the electronic logistics centre (eLC).

Outlook

Taking into account the commercial value and the needs of our partners, the business division eBusiness will continue to expand the automated process platform for the exchange of business data. Today, and even more so in future, companies must offer customers the right sales channel, in order to increase customer loyalty and address new target groups. Because customers do not use the channels in alternation, but rather in parallel. E/D/E will continue to invest in digital solutions and offer advisory services in order to maintain the competitiveness of the distribution companies in this segment.

**Process platform for data
transfer will be expanded**

Great successes with training and professional development

Business division Personnel

E/D/E needs specialists and highly qualified personnel in many positions in order to ensure efficient and smooth business processes. Over the last years, the Group has been taking steps to combat the economy's fear of a general lack of trained personnel due to demographic changes with training offensives and targeted professional development initiatives. And the Group managed to fill almost all management positions and posts for skilled personnel in 2014. E/D/E has also placed great emphasis on health management across the Group.

The number of E/D/E employees increased again in 2014 as part of the business area expansions. At the end of the year, the Group has 922 employees. And another 20 new trainees were taken on. That means a total of 58 young people have chosen to start their vocational training with E/D/E, principally in the wholesale and foreign trade areas of business. The training quota is 6.33 per cent.



Junior staff: 58 E/D/E trainees.

The number of applicants for trainee positions is very high thanks to the many activities at various schools in the region, so E/D/E had a pool of more than 600 applicants to choose from. With additional in-house lessons, the cost of educating the trainees lies above the average. But it is worth it. Almost all trainees pass their exams with the best grades and remain with the company following their training. E/D/E also offers dual courses of study, that run for six semesters. At the end of 2014, there were six graduates in the specialist areas trade, marketing, business information and logistics.

In addition to initial vocational training, E/D/E also values professional development highly. Employees can only meet the growing demands in a quickly changing technical environment with the right qualifications. And thanks to the targeted further development of employees, E/D/E is able to fill open positions internally. Employee's interest in further training is high. The group received over 900 registrations for various offers. Even the after-work training courses, including language lessons, health training and even sociopolitical topics like, "Civil courage! Preventing violence", were very much in demand. More than 90 employees participated.

Interest in E/D/E further training offers is high

E/D/E significantly expanded health management. This covers a broad training programme, with topics such as time management, the right way to deal with psychological burdens, and back exercises at the employee's work space. In practice, logistics employees should learn proper posture and the correct movement sequences for their physically demanding warehouse work. Promoting company sports activities, healthy food in the company restaurant, flu shots and operational integration management complete the benefits on offer.

With the daycare facility "EDEFanten", which opened in October 2014, E/D/E also tackled an important social issue: improving the work/life balance. With this new facility, E/D/E has increased its attractiveness as a family-friendly employer and places an important focus on future oriented personnel development. The daycare opposite the head office has room for 45 children. From the very beginning demand was high for places.



Outlook

E/D/E has modernised HR administration and payroll. A special program will go live in 2015 that will allow employees to print pay slips themselves or hand in holiday and sick leave notifications electronically, rather than in writing as is currently the case. The program also allows employees to see the current holiday list for their department on the PC. For employees without a PC at their work place a kiosk system will be put in place, as will the option of accessing the program via internet using a private computer. The application management system will also be expanded in order to simplify the search for specialists.

Fit for the future

Business division Organisation/IT

As a central service provider for the E/D/E Group, the business division Organisation/IT is particularly heavily involved in the CHALLENGE 2020 corporate strategy. Last year, the focus of activities especially lay with supporting the strategy's core projects and the further expansion of project and process management. With the project management manual 2.0 E/D/E's own project management methodology was consistently developed and implemented throughout the Group. As an important feature of the corporate strategy, the renovation of the computer centre was continued. The IT strategy for the entire Group was determined together with the management.

Project management

As scheduled, a highly effective platform for monitoring and centrally managing projects within the Group was created in 2014. Every employee involved in projects has access to the portal and therefore a constant overview of project details. The training offer for the employees was also expanded. In 2014, more than 48 projects were managed and supported by central project management. The focus was on managing the entire E/D/E Group project portfolio.

Process management

With the new concept listed in the manual the foundations have been laid for defining business processes and improving management of these processes. The concept will be rolled out to all company areas in December. The aim is to introduce the new role and process concept across the Group in 2015. At the same time, business processes in catalogue production, various company areas and in the ETRIS BANK were adopted, analysed together with participants, and optimised in 2014. The quality management system was also developed further. The high standard in 2014 was once more confirmed with AGQS certification. As part of the surveillance audit, the auditors focussed on various areas such as sourcing, warehouse and shipping logistics, order processing, project management, item master data organisation, catalogue production, central bonus processing, personnel recruitment, the digital computer service "electronic signature" and central payment processes.

Quality management system developed further

Application management

The standardisation of the Group was driven forward with the business division UNION STAHL-HANDEL switching its entire processes to SAP. At the same time, application management also had to implement a number of legal requirements. Important milestones in the core project "Central payment 2020" were reached. A new IT service concept was compiled to aid bilateral cooperation within the E/D/E Group. It is due to be implemented across the Group in 2015.

IT business teams

The IT infrastructure, which has been revised in previous years, was consistently optimised in 2014. The majority of physical servers were turned off and their function transferred to a virtual environment. IT business is now able to work more rationally, and towards the economic and ecological goals of the E/D/E Group by saving energy. A company-wide "printer savings competition" was announced as a sustainability initiative. Thanks to the enthusiastic participation of all employees, the number of pages printed was reduced by 600,000 pages, reducing print volume by 10 per cent. Another reduction of 10 per cent is expected in 2015. The renovation of the computer centre has also been coming along. The centre is expected to become an important pillar of further growth in the coming years. The strategy for a uniform system platform was created for E/D/E core systems. The main issue is the consolidation of the operating systems and databases with the aim of optimising costs. Together with the E/D/E data protection officers, new data protection and security guidelines were compiled.



Printer savings competition:
Reducing print volume.

Idea management

The improvement suggestions provided by employees as part of the idea management system idea! have been delivering ideas on how to improve operational processes, amongst other things. We received 60 suggestions in 2014.

Outlook

E/D/E will invest heavily in IT infrastructure over the coming years in order to improve performance. Operating system and data storage consolidation will begin in 2015. Another focus of this business division is the implementation of the role and service concept. Basically this involves supporting professional planning, design and implementation of projects and encouraging the adaptation and optimisation of processes. It will require a continued high level of investment. More than 40 projects are planned across the company, with a focus on the CHALLENGE 2020 core projects.

**Considerable investment
in the IT infrastructure**

New marketplace for B2B companies

Strategy project ePVH

The establishment of a central online marketplace named ePVH is one of the core projects of the E/D/E CHALLENGE 2020 corporate strategy. The professional and technical requirements for the launch of the platform in the second half of 2015 were met in 2014 with considerable effort.

Online trade has permanently changed the face of trading. Especially internet-only players have set standards in speed, item availability, service and, last but not least, prices that customers now expect outside B2C. These pure internet traders are also increasingly setting their sights on various sectors in the B2B area. And not just the general traders amongst the internet-only players are causing concern among traditional traders. Pure online specialists trading in sanitary, for example, are also drawing sales away from stationary trade. These market conditions and the changes in user behaviour on the internet have resulted in the need for a central online marketplace for B2B.

Cornerstones of the business model

With ePVH, E/D/E is establishing a central internet platform for trade between B2B and their consumers. Only E/D/E member companies who meet the defined participation requirements are invited to become suppliers. Germany has been chosen as the initial target market. The platform is aimed at professional craftsmen as well as small and medium-sized companies in the industry. This new distribution channel combines the advantages of stationary, regional distributors with the opportunities of high-end e-commerce with national reach.

With ePVH E/D/E has designed a model where the participating distributors deal with consumer business themselves. They determine prices as well as ranges and generate turnover. ePVH follows the logic of the partner business model as well as the tried-and-tested role model that has been successfully used in B2B for decades. As a link in the three-tier distribution system, E/D/E maintains this system. The association provides the technical platform, guarantees safe, reliable and simple processes, ensures wide reach, and provides a payment guarantee for all turnover generated on the new online marketplace via ETRIS BANK. The consumer business, however, is dealt with exclusively by E/D/E specialist distributors. B2B unequivocally maintains jurisdiction over prices and ranges. Logistics will initially be processed via the electronic logistics centre (eLC). B2B pays the usual market fee for the services enlisted.



Online platform preserves the tried-and-tested business model

Advantages of the online channel

With this new marketplace E/D/E is ensuring the competitiveness of its member companies. Using ePVH they will increasingly be able to cover online demand, increase their reach and gain access to new target groups. They will benefit from an additional sales channel and be able to increase their competitiveness against national providers and mail-order companies. Processing logistics via the eLC Wuppertal will guarantee high availability, stock transparency as well as reliable and fast delivery for customers. Due to the payment guarantee from ETRIS BANK, E/D/E members are also protected against non-payment, which cannot be excluded in business with anonymous new customers. Payment processing via ETRIS BANK also takes away some of the administrative burden from members.

The benefit for the consumer is fast and round-the-clock access to a broad and deep product range, combined with first-rate product descriptions and depictions. The manufacturers profit from an additional sales channel and increased presence on the market. ePVH also contributes to strengthening the companies in the B2B distribution system and ensures their future. Suppliers will continue to benefit from the successful cooperation with E/D/E and E/D/E members that they enjoy today with the ePVH distribution channel.

Outlook

E/D/E will continue to make the ePVH strategy project a top priority in 2015. ePVH will be launched with 16 hand-picked pilot distributors in the second half of the year. To begin with, a vertical marketplace with a relevant tool product range will be created for the pilot distributors. E/D/E will choose the starting product range for this first phase. B2B will determine which products from the range will be marketed and at what price. The consumers will receive deliveries from the eLC in Wuppertal on behalf of the participating distributor. Then more distributors and more vertical marketplace with different ranges will be activated. The next part of the plan calls for the inclusion of the distributors' logistics.



ePVH ensures members' competitiveness.

**ePVH will go live with
16 pilot distributors**



» Sometimes, those who want to succeed,
need to be patient «

STAMINA AND DEDICATION

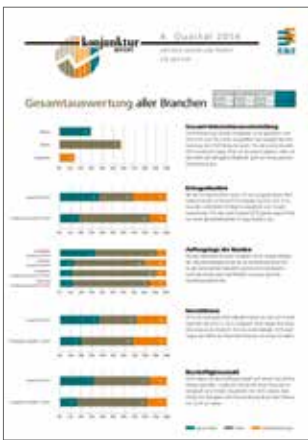


At the end of the day, Michael Stiegert regularly laces up his trainers to enjoy a jog through the beautiful landscape of the Swabian mountains. For the 50-year-old, one of three Managing Directors at E/D/E contracted supplier KÜBLER Workwear, the most important thing is the simple joy of physical activity. Of course, you need a certain amount of stamina and dedication to do it. But that doesn't just apply to jogging, but also work. And especially for a successful SME.

Economic barometer supports E/D/E members

Central division Service/Member Support

Last year E/D/E offered its members more services to help them stay competitive, such as the economic barometer.



Economic report shows current figures and trends.

eumacop transfers central payment to E/D/E

35 new B2B members with trading volume of € 79 million

E/D/E launched a new service at the beginning of 2014: For the first time, a quarterly economic report was published. The basis for the reports were own surveys conducted in the industry. E/D/E requested an evaluation of the business situation from members every three months. Followed every six months with a survey regarding investment behaviour and developments in employee numbers. An always up-to-date economic report was created with the replies that has no equal in the industry. Previously these surveys were sent out once a year. That is why the new overview has become very popular.

The concentration efforts that have long been observed in industrial wholesale distribution continued unabated last year. The consequences for E/D/E were limited since many operations are sold amongst the members. The trend toward greater units will continue over the coming years, because size is increasingly becoming a factor in competition. The central division's work was particularly characterised by the integration of several new members. eumacop eG, an important trading group for woodworking machinery and tools, for example, transferred central payment to E/D/E at the beginning of 2014 and is now fully integrated in the E/D/E Group. Before this eumacop was already working with E/D/E as a warehouse partner.

Member development

In 2014, we were once more able to recruit major specialist wholesalers to E/D/E. A total of 35 companies with trading volume of € 79 million joined E/D/E. 18 of these companies are based in Germany. They represent turnover of approximately € 42 million. 17 companies, with trading volume of € 37 million, are based outside of Germany. The additional trading volume of the new members is principally divided over the product areas building technology, steel, hand tools, occupational safety and woodworking tools and machinery.

Last year, 18 companies left the B2B group. At the end of the year, the number of B2B members amounted to 1016 companies. Among the members who are retailers E/D/E recorded losses of 21 members last year. The main reasons for this were again the abandonment of operations due to succession problems and selling off operations. At the end of 2014 E/D/E had 301 retailers amongst its members.

E/D/E framework agreement (SPARPLATZ)

An increasing number of members are entering into agreements that E/D/E previously entered into exclusively with 26 service providers. Last year the number of companies taking advantage of this service offer was already up to more than 900. In December 2014 two more service providers joined. Since then members have been able to choose from an even greater range of offers. This will especially become more apparent in the third edition of the SPARPLATZ catalogue, due to be issued in 2015.

Planning and scheduling

The level of automation for planning and scheduling has now been increased to 75 per cent. Another important topic in 2014 was the electronic information exchange with suppliers. This will be expanded further in 2015.

Outlook

E/D/E is confident that it will again be able to convince more specialist wholesalers and retailers, both in Germany and abroad, of the benefits of membership in 2015. The concentration efforts in specialist wholesale is expected to continue at the same speed. We are also expecting a few more retail members to leave due to financial problems or unresolved succession problems.

The increasing competition has resulted in E/D/E members being even more interested in timely information regarding the situation in the sector and their own position amongst the competition. E/D/E's economic report will meet members' needs in this regard. Due to the high level of participation amongst members in the quarterly surveys, it is a representative mood barometer. The informative value of the data collected in 2015 will rise again, as this is when the first annual comparison becomes possible.



New SPARPLATZ catalogue will be issued in 2015.

Economic report as mood barometer

Presence in Europe consistently expanded

EDE International

Trading volume development (in € millions)*

2010	2011	2012	2013	2014	Target 2015
518	599	634	888	950	1,095

* trading volume achieved abroad; since 2013 cp volume, standardised across the Group, plus legal value added tax

Next to the important domestic market Germany, E/D/E is also focussing more strongly on the European market with its activities, as planned. For E/D/E subsidiary EDE International AG, 2014 was all about the personnel and organisational restructuring. In line with the corporate strategy CHALLENGE 2020, the activities in the neighbouring countries were systematically expanded in 2014. On top of that, the implementation and development of the successful distribution concept on the European market was consistently pursued together with our partners. The establishment and expansion of central payment via DELCREDIT companies was also driven forward. Another milestone is the strategic shareholding acquired in the Swiss purchasing association e+h Services AG, based in Däniken.

This shareholding is linked to interesting prospects for developing the market strategy and clear synergy potential. e+h Services AG is the leading Swiss distribution company for brand-name household items, gifts, tools, garden furniture and garden technology.

E/D/E also exported the idea of a marketplace as a successful distribution concept last year. The first marketplace outside of Germany was held in Poland. EDE International also considerably boosted distribution cooperation in the former core markets.

The company currently has existing business relationships, with varying degrees of closeness, in 24 countries where market penetration in the tools business as a core expertise is the focus. In the individual countries there are differences in the markets where E/D/E is well established, for example in the Benelux states, in Austria, France, Spain and Poland, and then the other regions where the Group has more work to do



First marketplace abroad organised in Poland.

to establish itself. At the end of 2014, there were 195 direct members in the E/D/E Group. Other distributors are connected indirectly via cooperations to E/D/E and its member companies.

For the subsidiaries DELCREDIT France and DELCREDIT España recruiting more members was the focus of activities. For the suppliers the close and systematic cooperation with EDE International had a positive impact. For example, in France and Spain more than 30 new contracted suppliers were recruited in 2014.

E/D/E already offers three different and independent distribution concepts with various partners in Spain. In addition to the established FORMATplus trademark concept, the cooperation with the Spanish B2B association ASIDE is set to launch a nationwide introduction of FORUMplus onto the market. This means E/D/E will be able to access more, industry-oriented customer groups.

The trademark FORUMplus was also presented by FORMATplus members at the renowned tools trade fair BIEMH in Bilbao for the first time. The exhibition, which takes place every two years, was attended by all member companies in the Spanish FORMAT group in order to raise brand awareness in Spain and to establish the brand on the market.

In the 2014 financial year, the introduction of CircumPRO Plus was launched in cooperation with the strategic partner CECOFERSA, as well as a new catalogue for CECOFERSA members, which was issued in November. This means another milestone in the cooperation with strategic partner CECOFERSA was implemented and achieved as part of E/D/E's European strategy.

Trading volume abroad rose sharply once more in 2014. With significant growth of 7.0 per cent to € 950 million – due to a considerable extent to the support of successfully expanded cooperation partner VGH International – growth in international business came in below the expansion rates seen in previous years and below the ambitious target for 2014. This development is again due to the tense economic situation in some eurozone countries that are in the limelight, such as France.



FORMAT stand at BIEMH trade fair in Spain.



Exclusive catalogue for CECOFERSA members.



Catalogue issued by cooperation partner SOCODA.

In contrast, following a long lean period, developments in the Netherlands are looking up again. Growth of 9.0 per cent was achieved. And, in terms of content, the cooperation with long-term partner Ferney is outstandingly successful. Business was even better in Denmark, where, thanks to VGH activities, trading volume increased by 11.0 per cent. In Southern Europe business in Spain recovered slightly, while Italy's economy remained in poor shape. This was, however, balanced out by the good development of Italian cooperation partners. The markets in Central and Eastern Europe are currently undergoing consolidation.

In cooperation with the group SOCODA, work has begun on implementing the UNION concept in France, which operates under the name FORUMplus in Europe. To begin with, 20 distributors are participating. This was accompanied by comprehensive training measures involving more than 200 people in a total of five cities. This is one of the highlights of our successful and long-term cooperation with SOCODA, which began back in 1995. This path is also successfully being followed in the Benelux countries with 9 distributors.

The implementation of the E/D/E Multishop, as a means of efficiently connecting with existing customers digitally, is advancing especially well with our foreign partners. Following its start in France, Spain and Switzerland, members in Austria, Poland, and the Netherlands are now also enthusiastically using this specialised service.

Outlook

In 2015, growth in Europe will once more be driven by recruiting new members and suppliers. The catalogues, which in addition to German are published in five other languages, will soon also be published in English as the seventh language. This will lay the foundations for targeting the British market more effectively, which EDE International has made its goal. After the complete restructuring of editing for the European catalogues by E/D/E in 2014, a big roll-out of 100,000 catalogues in seven languages is planned for September 2015.

Following the success of the first international marketplace in Poland, more such events will be offered in Austria (Salzburg) and for power tools in the Benelux region. Cooperation partner Ferney in the Netherlands will soon begin paperless invoice processing.

Focus on targeting the British market

With the strategic shareholding acquired in Swiss e+h Services AG, EDE International's CHALLENGE 2020 target of € 1 billion for 2016 should be achieved prematurely. The e+h shareholding substantiates the expansion course target. But before the volume target of € 2 billion is reached in 2020, as determined in the growth strategy, there is still some work to be done and some steps to be started. In the coming year, a target has been set for trading volume of almost € 1.1 billion for international business.

**Target volume for 2016
exceeded prematurely**

Laying the foundations for further growth

ETRIS BANK



ETRIS BANK: the corporate bank for B2B SMEs.

As the specialised institute for central payment, payment transactions and trade financing, ETRIS BANK successfully accompanied the E/D/E Group's growth last year. In 2014, the bank continued to work on offering additional banking products and financing services for the members and contracted suppliers of E/D/E and other associations. In future this will also include factoring business.

Regardless of the additional services, ETRIS BANK will not be changing its long and established business model: It will remain a corporate bank for industrial wholesale distribution SMEs and will therefore not enter into competition with regional banks, but rather views its position in future as a sensible complement to these institutions.

The bank's employees have many years of experience in the products as well as the financial sector, which makes ETRIS BANK a corporate bank with in-depth knowledge of the market and great proximity to the market.

Central payment

High levels of automation in central payment

In 2014, automation of central payment was advanced another step further. This is an ongoing process because central payment must be lean, transparent and standardised. This also included shifting payment transactions to the standard SEPA method used across Europe. Within the SEPA area, payments made within Europe are now faster, partly because any amounts must be credited to the recipient by the end of the next working day at the latest. They are also cheaper, because the costs for international payments are not allowed to exceed the costs for national payments.

Member rating/industry comparison

Over 400 trading companies profit from industry comparison

More than 400 trading companies once more took up the offer of comprehensive analysis and professional rating reports and industry comparisons and allowed experts at ETRIS BANK to compare them with other companies in the sector in 2014. This was included in a comprehensive assessment of the creditworthiness and future sustainability of their company with regard to market environment, strategy and risk management. This service represents a unique selling

point for the institution, which no other purchasing association or sector institution offers. With this report, the E/D/E Group provides members with an efficient management tool, which allows them to better recognise the strengths and weaknesses of their own business. Company discussions on site complete this service.

Internationalisation

As part of the further internationalisation of business activities, E/D/E's European subsidiaries will carry out central payment via the bank in the coming years. DELCREDIT España, for example, already began making preparations for this together with ETRIS BANK in 2014. All of the benefits of central payment valued by contracted suppliers and member companies in Germany – lower process costs, time savings, security – will also be enjoyed by DELCREDIT España's partners in 2015.

DELCREDIT
España

Spain to be included
in central payment.

Outlook

The ETRIS BANK believes it is solidly positioned for its future tasks and confident that it will continue to grow successfully within this defined range of tasks. It has a good foundation and is due to its specific focus well positioned to handle its tasks.

Further improvements to central payment technology will be made in 2015, and the existing business adapted to match. At the same time, the foundations will be laid to process new markets and offer additional services.

In the coming years, the bank will take on new and additional tasks. Such as in association with the ePVH strategy project, or as part of the inclusion of third-party business, that is, taking over central payment for other associations. This will prove a great challenge both in terms of the technical equipment and processes and the performance of the employees.

**Third-party business
provides new prospects**

Factoring specifically designed for the challenges of internet business will be made available for the ePVH strategy project – the new online marketplace. The bank will take on payment, payment guarantees and receivables management for the purchases made on ePVH.

**Factoring for online
marketplace ePVH**

As part of the growth path set by the E/D/E Group, ETRIS BANK will continue to be a reliable partner in future.

Retail subsidiary has established itself in the sector

EURO-DIY



In its second year, the retail headquarters EURO-DIY, a joint activity between E/D/E and EK/servicegroup, has considerably expanded its service offers and established itself on the market. The system services on offer were refined and aligned more closely with the needs of the more than 500 specialist retailers involved. In order to better meet customer demands the range modules were revised and several new products included – such as garden technology and LED lighting in the battery technology segment.

The concept for advertising inserts, which was changed at the beginning of 2014, has received a very positive response from members. Members can now choose between a four-page and eight-page insert. This also allows distributors at smaller locations, with a smaller range, to create momentum with advertising.

Developments in the DIY sector

The DIY sector recorded the second recession in a row in 2014. The reason for this was the bad weather. A mild spring did create a positive start to the year, but the rainy summer months put a strain on consumer spending and an end to the growth trend. And the aftermath of a large DIY chain store disappearing from the market in the previous year could still be felt in 2014. Adjusted for the retail space lost as a result of this, the DIY sector did record growth. The German market continues to display a high amount of DIY stores. And providers outside the sector are continually expanding their ranges to include DIY items. And online trade is also presenting an increasing amount of DIY products. Online purchases are also increasing, which is affecting the competition situation particularly in cases where a visit was made to a store for advice and the purchase was then made online.

Online business the cause of fierce competition

Activities of EURO-DIY

EURO-DIY functions as a headquarters and offers a range of services based on the needs of associated retail members of the E/D/E and EK/servicegroup with small to medium retail space. Despite individual operations closing for sector-specific reasons, the number of members remained largely stable at around 500. Together with its parent company, EURO-DIY has managed to establish itself firmly on the market. The number of contract partners was increased again in 2014. The company now has purchase agreements with 500 suppliers. The

members therefore have access to the performance data for more than 350,000 items. The content of the range modules was partially revised by the company last year in view of positioning itself as a specialist distributor.

The 500-square-metre concept market in the new E/D/E presentation centre in Wuppertal was also completely modernised in order to reflect current trends in the sector. At the werkmarkt conference in February new distribution activities were presented to the concept partners, which they can use to boost their competitive position. One of these tools is the location analysis. The analysis provides members with information regarding the demographic structure, income, construction plans and competitive situation in their catchment area. Regional events were also organised last year, in addition to the werkmarkt conference. The first local ERFA meetings were held. These events proved highly popular and will be offered again in 2015.

In the hand tools product area, items from the own-brand CircumPRO are now in the ranges of more than 120 members. From spring 2015, CircumPro will also replace the previous trademark E-FLOR in the growth market for gardening.

Outlook

The competitive situation remains tense. EURO-DIY can only grow together with its members and will once more put everything into increasing its retail partners' competitiveness in 2015. Together with the retail partners, EURO-DIY intends to concentrate on activities that will increase the frequency of customer visits to the stores. Events such as barbecuing courses, craftsmen's breakfasts or late opening hours will play a central role.

Due to the situation in the sector more losses are expected, but new members with new locations will join. Overall, the number of members is expected to rise considerably. An important milestone is the inclusion of EVG from Erkheim as a new member in the group; the company has 17 locations. And the distribution concept werkmarkt remains very much in demand. Four new members are expected to join this system concept in 2015. A new analysis tool, based on scanning or sales data, will allow werkmarkt partners access to further key indicators from 2015, and thus to improve their economic management of the business.



The werkmarkt concept is on display across 500 square metres.

**EVG Erkheim added,
with 17 locations**

E/D/E is helping: in the region, for the region

Social responsibility

E/D/E is continuing to meet its social responsibilities in 2014, and supporting a number of projects and institutions. E/D/E's social work has been focussed on the Bergisches Land Children's Hospice, the Junior Uni and the Station Natur und Umwelt. The E/D/E Foundation once again trained talented junior staff in the B2B sector in specialist training courses.

For E/D/E, a family firm with more than 80 years of history, social commitment forms an important part of the corporate philosophy. Since its foundation, the association has focussed on sustainability issues in its home town of Wuppertal. E/D/E and the E/D/E Foundation support numerous projects, which aid children in need and disadvantaged children and youths in the Wuppertal region. Facilities and institutions in the town that offer solid support and points of contact for young people in need are particularly favoured. The Group values sustainable partnerships where it can provide long-term support for projects.

E/D/E Foundation

Since 2002, the non-profit E/D/E Foundation has been providing talented and dedicated young employees in the industrial wholesale distribution sector with stipends and grants. The recipients participate in sector-specific courses offered by the ZHH Bildungswerk education and training centre and are able to apply the knowledge and skills they gain there in their own companies. Last year the Foundation, which was established by Dr. Eugen Trautwein, funded the training courses specialist advisor field sales, technical merchant for building components, technical merchant for tools/machines and technical merchant for connecting and fastening technology, together with the ZHH Bildungswerk. In 2014, 32 students began their vocational training at the ZHH Bildungswerk.



Junior Uni Wuppertal

The Junior Uni Wuppertal shows children and youths that learning can be fun, and that they can expand their knowledge independently. The privately-run educational facility works with many different institutions that pursue the same goals. The E/D/E Foundation continues to actively promote this educational facility as one of the three founding companies. E/D/E and the Foundation helped the finance the Junior Uni's new building, which was opened in autumn of 2013.



Support for Junior Uni's new building.

Bergisches Land Children's Hospice

E/D/E is supporting the construction of the Bergisches Land Children's Hospice in a project jointly managed by the Diocese of Wuppertal and the charitable organisation Caritas. The Bergisches Land Children's Hospice has set itself the tasks of providing hospice facilities, care and support for children with serious diseases and disabilities. E/D/E made a major contribution to the building of the children's hospice, with a donation of € 600,000. Following the first symbolic cutting of the turf in December 2012, the facility opened its doors in March 2015.

Children's daycare centre "Die EDefanten"

In order to support E/D/E employees in achieving a good work/life balance, E/D/E opened a daycare centre on the business premises. The daycare centre has space for 45 children in three groups. A third of these spaces are reserved for children under the age of three. Around half of the available places are earmarked for children of E/D/E employees, the remaining places will be for children from Wuppertal. The daycare centre will officially open in August 2014 at the start of the new school year.

Other projects

In 2014, as in previous years, E/D/E organised a "Wishing-star" campaign for children in emergency paediatric units in Wuppertal and for children of the child, youth and family care organisations run by local churches. In the course of the campaign, E/D/E staff were able to grant the Christmas wishes of almost 200 children in need. In 2014, E/D/E again supported the City of Wuppertal "Kältebus" (cold bus) project, which takes homeless people to accommodation in winter and provides them with a hot meal and something to drink. And because of the help provided by E/D/E, the City can now offer advice to homeless people all year round. The E/D/E Foundation supports the Wuppertal Diocese "Do it! Transfer" project, which offers young refugees the opportunity to learn German. E/D/E's third sustainability report will be published in 2015, which covers the company's activities in the areas of sustainability and social responsibility.



The E/D/E daycare facility opened in autumn 2014.



» You need to have fast reactions in order to remain competitive «

SPEED AND FAST REACTIONS



Speed and fast reactions are what's needed when Kai-Uwe Meyer gets behind the wheel of his sports car. Together with his sons Julian and Pascal and two other drivers, the Managing Director of E/D/E member company Lerbs AG, regularly competes with his team "2EY's" in the club sport slalom race. All drivers have already achieved the front positions. The manager also proves the speed of his reactions every day at work, which ensures that the company remains ahead of the competition. And Kai-Uwe Meyer has mostly made good decisions so far.

Photo credits

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