



**C. BECHSTEIN**  
PIANOFORTEFABRIK AG

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**An alliance is becoming a partnership – Board members Küpper/Schulze increase their shares in Bechstein pianoforte, Inc., Berlin/Germany**

*(Berlin, 2.Feb. 2006)* In December 2002, C. Bechstein Pianofortefabrik AG, Berlin/Germany and Samick Musical Instruments Co. Ltd., Incheon/Korea implemented a comprehensive reciprocal investment. Bechstein's main shareholder, the Schulze family, transferred 57% of the Bechstein shares to Samick and in return took on shares of Samick, Korea. In the beginning of 2003 both companies started an alliance in all areas of this business co-operation concerning Research & Development (R&D) division, production and sales. Bechstein assumed responsibility for R&D as well as market development for Europe; Samick assumed the responsibility for the Suppliers management, the distributor network in Asia and the Sales for Asia/Oceania and the American market.

Notwithstanding the cultural differences between Asia and Europe the alliance has achieved significant synergies and success for both parties.

In line with the capital increase during the period of November 2004 to July 2005, Samick's share in Bechstein has been reduced to 39%. This capital increase performed in mutual agreement between Samick and C. Bechstein led to an increase of the free float.

Following a six months trial period, on October 20th, 2005 the Bechstein-Samick joint venture in Shanghai/China has officially been launched. The new production plant 'Berlin Bechstein Piano (Shanghai) Co., Ltd.' in Pudong produces pianos for the Chinese market.

On February 1st, 2006, after co-operating for more than 3 years, another step has been taken to further tighten this sustainable partnership. The good business relationship and confidence between Bechstein & Samick has been underlined by the C. Bechstein's board members Küpper/Schulze's decision to take over half of Samick's remaining shares in Bechstein.

The married couple Küpper/Schulze is assuming the main shareholder role with more than 25% of the shares; Samick, being the second largest shareholder, now holds 19.5% of the shares. By concentrating Küpper/Schulze's and Samick's stake in Bechstein the company's management has been strengthened and can thoroughly lead the brand and the enterprise C. Bechstein in to the future.

Bechstein and Samick will hold on to the current successful split of business segments. The 2006 business plan continues with a focus on expanding the business as well as the plan to grow the mutual business network (e.g. new joint ventures or additional C. Bechstein Centres).

The preliminary figures for the results of the financial year 2005 will be published by February 10, 2006.

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About Bechstein: The C. Bechstein Pianofortefabrik AG, which is headquartered in Berlin, Germany, is one of the largest German manufacturers of Upright and Grand pianos selling 5,119 instruments worldwide in 2005. The only C. Bechstein and Bechstein Academy production location, based in Seifhennersdorf Saxony, Germany, is one of the most state-of-the-art production facilities in Europe where the Upright and Grand's are made. Additional manufacturing locations for other brands are in China, Indonesia, Korea and Czech Republic. Among C. Bechstein centres in China, Australia, Japan, South-Korea and The Netherlands Bechstein is covering Germany with its own seven centres.

For further information please visit our website <http://www.bechstein.de>