

ENGLISH TRANSLATIONS OF THE GERMAN SPEECHES AND GREETINGS for the Ceremonial Act for the 150th anniversary of Matth. Hohner AG

Opening speech by Mr. Heinz Michael Meier, Chairman of the Supervisory Board, at the ceremonial act marking the 150th anniversary of Matth. Hohner AG on September 8, 2007 in Trossingen

Ladies and Gentlemen!

Today we are celebrating a great event. Nothing less than the 150th anniversary of Hohner has brought us together today. May I thank all of you very much for accepting our invitation.

Matthias Hohner was as much of an entrepreneur as he was a visionary. He laid the foundations for what continues to make the Hohner Group and the town of Trossingen so famous today. Like his own descendants, many of whom we are very glad to welcome here today, we are proud of what he achieved with his courage and far-sightedness, and of what continues to give Hohner its excellent name.

Let me begin by welcoming the most important persons to us, the persons who have kept Hohner going so successfully as a company today: our customers and business partners. You value the quality that Hohner instruments guarantee, you enjoy making music, and you are continuing a culture without which the world would be a far poorer place: music, as a source of enjoyment and as a first-class means of communication.

In the same breath I would also like to welcome the Hohner employees and production partners who are celebrating with us today: the quality for which music-lovers appreciate us is guaranteed on a sustained basis by their good work. We thank them for that.

We would also like to extend our heartfelt thanks to our financiers – the shareholders and loan providers, without whose commitment Hohner, with its varied history, would never have achieved a 150th anniversary in the first place. It is they, with their trust and confidence, who provide us with an important basis for further growth – and, we hope, for many more.

Ladies and Gentlemen, it's been an honour for me to greet many of you personally. Please allow me to greet several of our guests of honour once again in person, not only because their presence today is enriching our celebration but also because they are among the close friends who, we hope, will continue to accompany us for many years to come:

Deputy Prime Minister and Economics Minister of Baden-Württemberg, Mr. Ernst Pfister, with his wife. He is with us today not only as an official representative of the government but also, and perhaps more importantly, as President of the German Harmonica Association. Anyone who has already experienced Mr. Pfister's virtuoso harmonica and accordion playing will know that he really puts his heart into it, and can guess, where he derives his strength when it comes to professionalism in numerous other important functions. Minister Pfister, it is a great pleasure to have you with us today!

We are also very happy to welcome Mr. Volker Kauder, Member of the German Parliament and Parliamentary Chairman of the CDU-CSU party. He's arrived from the centre of power to see us in Trossingen today, but also the other way round of course – because he represents the constituency of Trossingen in the German Parliament. Whenever you need

to get people to listen to you amidst all that arguing in the coalition, Mr. Kauder, we do recommend the melodious tones of a Hohner harmonica. You can celebrate harmony with them and, if necessary, they're very good at drowning out dissonances. All you have to do is to believe in the magic power of Hohner harmonicas.

I warmly welcome Mr. Ernst Burgbacher, Member of the German Parliament, and his wife. He will perhaps support me on my statement addressed to Mr. Kauder. As President of the BDO – the Confederation of German Orchestra Associations – he's a central figure not only in public life but also in musical life. You are helping to encourage our young people to make music with the slogan: "Making Music Makes You Intelligent". At the same time you continue to impress all age groups among your parliamentary colleagues when you perform a virtuoso piece on the harmonica that only a former Trossingen master-harmonica player can provide.

It is a special pleasure for me to mention the name of the President of the Music Council of Baden-Württemberg, Professor Wolfgang Gönnerwein. A special pleasure, because it is highly gratifying to know that we have, in our midst, the doyen of youth music sponsorship in Baden-Württemberg. Professor Gönnerwein has greatly influenced the music scene in Germany not only as a performer, conductor and musical director but also through his political commitment, which includes his encouragement of young musical talent as President of the renowned German Music Contest.

It is also a special pleasure for me to greet my namesake and Mayor of the town of Trossingen, Dr. Clemens Maier and his wife. I hear that shortly after he assumed office he began playing the harmonica – so he certainly made it over the first hurdle as far as "conducting" this musical town is concerned. Tomorrow, of course, he, his colleagues on the town council and his employees will all be helping to set a new world record in harmonica playing. But more about that later.

A hearty welcome to the District Mayor for the Tuttlingen region, Herr Guido Wolf. We are happy to have him with us today and he will certainly join us tomorrow too. As a confirmed music lover, shareholder representative for the Tuttlingen district and sponsor of the Hohner Conservatory he has been closely associated with us for many years.

May I also welcome His Excellency, the Honorary Consul of the Republic of Namibia, Mr Georg Quandt, with his wife. With his Africa Relief Fund, Mr Quandt is giving special support to the education and music-making of young people in Namibia. He is thus creating an important basis for education, and his special affiliation with Hohner is also reflected in his regular work as an ambassador for Hohner in Africa, where he personally presents children with our instruments.

A very warm welcome, to our Music Academy Director, Professor Elisabeth Gutjahr. We thank her most especially for the new – and very blue - extension building for the Music High School in Trossingen town centre. She has kindly made the building available for our instrument exhibition, anniversary concerts and events.

We are also most indebted to the Head of the German Harmonica Association, Arnold Kutzli – may I wish you and your wife a warm welcome. Mr. Kutzli has a heartfelt interest in promoting young harmonica players, and his association numbers over 100,000 members. He not only supports projects such as school-class music-making and the sponsorship of new accordion and harmonica compositions, but has also successfully transformed the

International Music Festival Innsbruck into one of the largest meeting-points for harmonica music, with over 10,000 participants from 20 nations.

May I also extend a warm welcome to my colleagues on the Supervisory Board, the Members of the Management Board of Matth. Hohner AG and the Managing Directors of our Group's subsidiaries – not least because of their significant contribution towards the success of the Hohner Anniversary Year.

Ladies and Gentlemen, heavy work loads are inevitable, and not all the guests we invited are able to be with us today. They regret that, as we do. I would like to cite two extracts from written responses we received, because they express appreciation for the company from the highest Representatives of Germany.

The German Federal President wrote me on August 31st:

"Dear Mr. Meier,
Thank you very much for your letter and for the wonderful harmonica you sent me.
My wife and I were most gratified by your invitation to attend the anniversary ceremony of Matth. Hohner AG and the accompanying music festival and town fair in Trossingen.
150 years is a most respectable anniversary for any company. The name Hohner is instantly associated with the success of the harmonica as a popular instrument all over the world. German folk melodies, blues or tunes from Westerns – the handy instrument has firmly established itself everywhere."

No-one could have put it better and more accurate. When the Federal President personally wishes us a successful Anniversary Celebration and a lot of enjoyable music-making, we thank him – not only with enthusiastic applause, but also because we're going to make his wishes come true!

The Music Plays in Trossingen!

This is the motto of our Anniversary Celebration, Ladies and Gentlemen, but also a good description of the importance of Hohner to this town.

The Federal Chancellor Angela Merkel wrote to me personally on August 23 in response to my invitation to the anniversary celebrations:

"I was very pleased to receive your kind invitation, especially since on the weekend in question the music is being played in Trossingen literally as well as proverbially. I therefore regret all the more having to disappoint you. Unfortunately, my heavy schedule will make it impossible for me to accept your invitation."

If our Chancellor cannot be present in person, we do of course understand that. As regards the last line of her letter:

"Naturally I am fervently hoping that a new world record in mass harmonica playing will be set in Trossingen."

we are deeply indebted to her. She not only deserves applause from us, but applause from the entire region. We interpret her good wishes not only as an encouragement to set a new world record from scratch, but to shatter the old one by miles, Ladies and Gentlemen, if the weather gods are with us!

Ladies and Gentlemen, if both the Federal President and the German Chancellor congratulate us in person, this should be an inspiration to us to lead the Hohner company on a solid basis and with excellent prospects into the future.

What do I personally consider important in that respect, Ladies and Gentlemen?

The Motto: The Music Plays in Trossingen!

makes it clear, how proud we are of our roots in Trossingen, and how much we're hoping that those roots will also give us the necessary strength in the future for further healthy and profitable growth.

We should however, further enhance our main motto with the statement:

The World is Our Stage.

Hohner is increasingly facing international competition, like any other German company. We must live up to fierce competition, and we can only be successful in the long term if we regard the division of labour in this world both as a challenge and as an opportunity. Qualified partner firms can help us to achieve this.

There is one thing we should not forget, however, when we recall where Hohner is today, and the direction we want to go to.

Ever since the firm was founded 150 years ago by Matthias Hohner, the Trossingen company has not only been a musical instrument maker, it has also sponsored musical education and shaped musical life worldwide. Our main goal is still the same: To provide everyone with high-quality yet affordable instruments that bring happiness to the player as well as to others. Active and collective music-making makes people happy, but also promotes intelligence and team spirit. This is important, but is frequently forgotten in these hectic days and in the social solitude that the Internet sometimes creates. We have to make this point far more clear in our schools. Our interests coincide with the social interest of supporting active music-makers rather than just music consumers.

Let me briefly describe the structure of Matth. Hohner AG. Nowadays it is the holding company of a successful group of companies. This worldwide group owns the following subsidiaries:

- in Germany, the Hohner Musikinstrumente GmbH & Co. KG in Trossingen, and the Sonor GmbH & Co. KG in Aue,
- overseas, the Hohner SA in France, Hohner, Inc. in the USA, Hohner-Sonor AG in Switzerland and Hohner Pisek in the Czech Republic.

Two joint ventures should also be mentioned: the world-famous Hohner Conservatory in Trossingen, and Hohner-Lansheng, Ltd. in Shanghai.

Sometimes people ask us what is still being manufactured in Trossingen.

For an answer to that, don't just rely on what journalists say. Here's an example, which sounds funny but is also a serious remark:

Don't believe the Frankfurter Allgemeine Zeitung, which on May 26th provided a portrait of Hohner which is worldwide being read although stating that 150 years after the company's foundation, reed-plates were the only product still being manufactured in Trossingen ...

That statement of course is incorrect: the 200 Hohner employees do a great deal more. Traditionally, our main Hohner products in Germany continue to be high-quality harmonicas, accordions, recorders and melodicas. The same applies to drums and Orff instruments at Sonor.

But we are also a globally connected enterprise, of course. After all, it was our company founder Matthias Hohner himself who correctly said:

“Die Welt ist mein Feld!”
"The world is my market!"

That applies all the more to today's globalized economy.

Our products are not only sold worldwide, but also have to satisfy customer expectations that vary from one country to the next. To achieve that objective, we have increased our core competencies at our main German companies Hohner in Trossingen and Sonor in Aue, because the marketing, design and development of our products are very important to us. Worldwide, we are constantly in search of new resources to improve our traditional products and to develop new product ideas. This way we ensure that each core product bearing the Hohner name also conforms to German quality standards.

Harmonicas and accordions will remain the most important Hohner products also in the future. An expansion of our product portfolio is, however, unavoidable. With a well-developed international sales network, Hohner is in a position to serve musicians all over the world. The rapidly increasing demand in Eastern Europe, the Far East and South America presents a challenge, but also an opportunity for future success. We will have to continue adjusting our global resources for production and logistics in particular in order to master this challenge.

A further important criterion of success will be, how innovatively we shape our business. Attractive product innovations are being demanded by our customers all over the world. That is why our experienced product managers and developers are working closely together with the world's best musicians. Only this way can we generate high-interest projects and help to shape the market of the future. Our aims of product modernization combined with thorough research into new technologies and materials are serving the ever more sophisticated requirements of our musician customers, which we want to fulfil.

A new corporate body we want to place alongside the Board of Management and the Supervisory Board on the basis of a recent change in our statutes is the International Hohner Advisory Board. For this board we aim to win artists and managers with proven expertise in the music industry and international experience, who will help to shape product development and marketing, and who will further the company's interests worldwide as "Hohner Ambassadors".

It is a special honour for me, on the occasion of today's anniversary celebration, to announce the appointment of the first two "Hohner Ambassadors": they are Mr. Yoichi Minagawa from Japan and Mr. Steve West from the USA. Mr. Minagawa for more than 40 years has done great services, in his own country as well as outside, for promoting the

harmonica with young and old alike. He is also the active Chairman of the F.I.H. Japan (Fédération International de l'Harmonica). Mr Steve West promotes through his company in particular the early musical education of children and young adults and he supports the name Orff also on the American continent.

Mr Minagawa is with us today in person. I am very pleased that we were able to win Mr. Minagawa for our Hohner International Advisory Board. It is a great honour for the Supervisory Board to appoint Mr. Minagawa as a "Hohner Ambassador". And it is a great honour for me personally, in the presence of all of you, to present Mr. Minagawa with the letter of appointment at the official ceremony in honour of the 150th Anniversary of Matth. Hohner AG.

Ladies and Gentlemen, I would like to close by making a reference to a famous book title about Hohner and tell you what vividly springs to my mind whenever I see an accordion. As a wish for the future, it could be phrased as follows:

"May Hohner remain ever young, despite numerous wrinkles and creases!"

With that remark let us start this weekend celebrations! Thank you all very much for your cooperation!
