

Press release

KIEFEL Extrusion on a successful growth path

Worldwide demand for blown film lines from Worms / shortened delivery times with improved quality and reasonable prices

Worms, 29th June 2005 – At KIEFEL Extrusion GmbH, a development is presently taking place that is not typical for the rest of the plastics machinery manufacturing industry. While the industry complains of a general decline in incoming orders and reductions in turnover, KIEFEL, as a supplier of blown film lines based in Worms, is recording record results in the sales of its machines. This latest development at KIEFEL is further proof that a medium-sized company in Germany can also follow a successful path in challenging times.

CEO Edgar Gandelheidt, Director of Sales Worldwide Kurt Freye and Technical Director Dr Jochen Hennes are proud to announce that KIEFEL Extrusion has managed to increase its turnover by 50% since 2001. The company brought its new KIRION[®] machine generation to the market in 2001. The lines are made in a modular design to offer an extensive system solution for any possible challenge and the company has since sold 126 of them throughout the world.

In 2003 alone, for example, 32 lines left the production halls in Worms for destinations in all five continents. It was 46 lines in 2004, and already 20 complete lines have been ordered by the end of May this year. The customers include a number of film producers that have already ordered their second or third multi-layer line with KIEFEL as their system supplier. Many new customers have additionally been

gained in 2005, from such countries as Egypt, Argentina, Korea and Malaysia, to name just a few

Edgar Gandelheidt was able to announce at the end of 2004 that his company had exceeded the turnover target that it had set for the year, and he can now state that the ambitious targets set for the entire year in 2005 have already been met in June. Despite high capacity utilisation, the company still retains full delivery capability.

“Naturally we have also noticed among all these satisfying figures that our customers have had to increasingly battle with serious problems, especially last year, such as the enormous price pressure in raw materials and energy”, Edgar Gandelheidt admits. In addition, the KIEFEL CEO adds, there is worldwide pressure on profit margins due to competition from low-cost suppliers, for example in mono-layer lines for simpler applications, or the decline in the value of the dollar against the Euro, that has made access to markets more difficult – and not only in North America.

The management has reacted to these challenges in a timely way with a series of strategic measures. KIEFEL has, for example, rationalised production to such a large extent that it has been able to shorten delivery times and despite this, to also maintain costs. The company has had to adjust its prices only moderately, if at all, while simultaneously offering enhanced and improved technology. This has been possible because strict quality control has been followed in engineering design and production. The retrofitting business has also been systematically expanded, as many KIEFEL customers are no longer aiming at immediate purchase of a new line, but choose the route of modernising existing equipment. The technical department and customer service department have also been markedly upgraded. 40 technicians are occupied just to support the company's customers worldwide in the installation of new lines and in problem solving during operation. Finally, KIEFEL has further expanded its international sales network. New offices in 8 further countries have recently been added to the existing 50 sales representations. This way, the company can provide increasingly important additional support apart from the sales of hardware.

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