New Turnover Record for PLANSEE

In the 2004/2005 business year, which ended on 28 February, the PLANSEE Group was able to maintain its long-term growth, with consolidated group turnover up by 19% to 680 million Euros. This increase can be put down to considerably higher worldwide demand, changes in the product mix and raw material-induced sales price increases. From a regional perspective, Germany with its strong export industry as well as USA, Japan and Taiwan showed the largest growth rates. All important sales sectors of the PLANSEE Group, such as the automotive and electronics industries as well as lighting, medicine and power technologies contributed to the record year 2004/2005 with double-digit growth rates.

At the year end consolidation the Austrian industrial grouping had 4,600 employees (up from 4,340 in the previous year) at 58 companies in 20 countries.

Earnings Satisfactory
According to a statement by Dr Michael Schwarzkopf, Chairman of the Executive Board of PLANSEE Holding AG, satisfactory earnings were achieved, thanks to high loading of manufacturing capacity and significant productivity improvements, despite increases in the Euro against the dollar and the yen, and the dramatic increases in world-market prices for molybdenum and tungsten raw materials.

80 Million Euro Invested
According to Schwarzkopf the growth trend results not least from continuous investment and globalisation strategies over several years. In the last business year 80 million Euros, or 12% of turnover, were invested in plant and equipment, production processes and improvements and additions to the product portfolios.

Expansion of the Sinterstahl factories in Spain and USA, capacity increases in powder production at CERATIZIT and PLANSEE High Performance Materials as well as the bringing together of finishing operations for hardmetal rods for the European market in a new facility at the Breitenwang location in Austria were the main investment activities.

Market Presence in USA increased further
Moreover at the beginning of 2005 the SINTERSTAHL Corp. Powertrain in Dayton, Ohio was taken over under the framework of an asset deal. The strategic background for the takeover was entry into the American market for sintered components for automatic transmissions. SINTERSTAHL Corp. Powertrain has 140 employees and is the sixth production facility of the PLANSEE Group in North America.

Innovation Success
Consistent investment in new product development was recently recognised by the Metal Powder Industries Federation (MPIF) with the grand prize award in the overseas category. The chosen product is a complex component for an engine application, made for the first time in a new material.

Business Outlook Past the Peak
The first quarter of the new business year fell in line with the high level of the previous three months. Schwarzkopf is pleased with the continued growth, but warns against too much euphoria. Current business indicators point to a definite weakening and important branches such as the automotive, electronics and semiconductor industries are giving no impulse for growth. Looked at today Schwarzkopf would be satisfied with a stabilising of the business position at the current high level.

Globalisation Continues
In spite of this PLANSEE will make further steps to expand in the current business year. As well as the plans for extending the factory at the Breitenwang/Reutte site, the focus for internationalisation lies in North and South America, Eastern Europe and Asia. During the current business year four new sales offices will be opened, in Latin America, the Czech Republic, Hungary and Poland. Also being considered is to expand the production programme of the existing factories in Bulgaria, China and India by transferring cost sensitive products and to strengthen the regional market presence.

The most important internationalisation step will be the planned merger of the PM business of SINTERSTAHL with that of Mitsubishi Materials Corp. A corresponding letter of intent was signed at the end of May, with planned completion by the end of September, subject to approval. In Schwarzkopf’s view the new grouping, with 2,000 employees and a turnover of 350 million Euros, would be the first established global PM undertaking with production facilities in the three largest economic regions USA, Japan and Europe.

About the Plansee Group
With its three business divisions PLANSEE High Performance Materials, CERATIZIT and SINTERSTAHL, PLANSEE is one of the world’s leading manufacturers of powder-
metallurgical products. Ignoring differing shares of ownership, global turnover in 2004/05 amounted to 900 million Euros, with 6,800 people employed in the total grouping.