

Press Release Schlemmer GmbH

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Company

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## **Bavarian dynamics with worldwide response**

### **The technology enterprise Schlemmer GmbH reports growth, innovations and global goals**

**Schlemmer GmbH, the leading supplier of intelligent plastic systems signals dynamic activities at all levels. The medium-sized enterprise with head office in Poing near Munich looks back upon a successful business year 2007 and predicts best prospects for 2008. A change in the management board, more than 15 percent sales growth, numerous innovations and the establishment of 3 international locations is reported in the balance sheet for 2007. It clearly shows, Schlemmer has increased its determination in view of global market leadership for its core business fields. The Schlemmer group generated a turnover of 114 million euros in 2007 through its 33 worldwide locations.**

With beginning of May, a fresh new wind blew at the Walch Lake in Austria! The new CEO of the Schlemmer Group Josef Minster explained the key figures for 2007 as well as the strategic course of the Bavarian global players in a press conference on the sideline of a worldwide marketing meeting in the midst of a meditative spring landscape.

The Schlemmer Group expects a sales turnover growth of more than 15 percent consistent with 2007 and therefore showing the future direction of the company. CEO Minster who took over the total responsibility of the Schlemmer Group from the long-term Managing Director Adolf King in April 2007 convincingly declared that this is not "just any kind of sweeping starting announcement" for him. CEO Minster rather connects this statement with a promising future strategy for the enterprise. Together with his management team, he wants to lead Schlemmer mutually from a parts supplier to a unit supplier and with this approach to decisively increase the benefits.

In 2007, Schlemmer generated a sales turnover of 114 million euros in the worldwide sale of protection, glands, and media-leading systems as well as with Mechatronic components. The automotive branch with its reputable enterprises generated 84 percent of the business while 16 percent was generated in the industrial, mechanical engineering, and electrical wholesale fields.

With a product assortment of 35.000 articles with selling prices often, ranging around a few euro-cents the annual turnover has, however, little informative value about the actual performance of the enterprise. For Schlemmer this means an annual output in 2007 of 300 million meters of corrugated and multi-layered tubes as well as approximately 295 million injection-moulded parts in its core business. More than 1.100 worldwide employees today contributed to this achievement with their impressive efforts and customary team spirit. Compared to the previous year Schlemmer created 230 new jobs and training positions in just only 12 months. Even though the growth of the enterprise refers to the global situation, with every international engagement abroad new jobs arise also in Germany, assures General Manager Josef Minster who is fully committed to the German location.

### **Schlemmer lives for its Bavarian globalization**

„Live and let live" is the simple globalization formula given out by Josef Minster. Therein he specifies not only an impression of the Bavarian cosmopolitan behaviour, but from his own experience also, an extremely successful globalization strategy. „When entering a new market we mostly set on intensifying local partnerships. Without any kind of ethnocentric affectations and with our confidence in reaching common goals we establish our engagement with the employees on site," declared CEO Minster. This path to globalization so far was so successful for the Schlemmer Group in 33 countries with only two exceptions, that it is regarded as the globally best-represented medium-sized supplier.

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In 2007, Schlemmer GmbH expanded its global presence by establishing new locations in Dubai, Russia and China. Today the enterprise supplies its customers of the industrial and automotive branch in China from altogether 10 locations. For Schlemmer business is booming since 2007 not only in Asia but also in Russia. „After three years of structuring, we are currently enjoying three digit growth rates in this large market. „ declared CEO Minster.

In addition, countries such as the USA are in view of the global marketing process for Schlemmer in 2008. Although the automobile supplier has a market share between 35 to 80 percent for corrugated tubes in many countries, the market share in America and in some NAFTA countries is distinctly lower. There is a reason for that.

„American car manufacturers prefer to buy from national manufacturers, yet still have other demands regarding quality than we do in Europe“, Minster knows. “However, we do not make any kind of compromises regarding quality in any country of the world; moreover we supply highest quality the world over.“ However, the 44-year-old manager has already initiated first measures for success in America.

#### **Four business fields, many innovations, and a system**

The core business for Schlemmer GmbH still, after establishment 50 years ago is in the production of corrugated and protective tubes. The corresponding business field Protection Systems contributed about 60 percent of the total turnover in 2007. The consistent expansion of the enterprise also in the business fields of connection systems with fastening and gland parts, Mechatronic Systems with flow probes and sensors as well as the field of air and fluid system with media carrying systems and receptacles increasingly play an important role. All business fields achieved their turnover and development goals in 2007. Further innovations and product optimizations shall maintain these sales figures for the future.

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In 2007, Schlemmer set a new standard in the field of protection systems for cables in corrugated tubes with the introduction of the Ultra Flat Wave profile. In the business field, Mechatronic Systems the engineers of Schlemmer developed a trail-blazing innovation for liquid level measuring system of individually shaped fluid reservoirs such as wiper water or fuel tanks. The patented level probe that can measure tank contents according to the resonance method was ready for use in 2007 after its first field tests.

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Josef Minster visions the future and exclusivity of Schlemmer in the combination of products from all four business fields. Intelligent plastic parts or components are integrated into holistic assemblies with a clearly higher benefit, instead of only manufacturing single components. Another strong advantage for Schlemmer within the global competition shall become important in 2008. Minster and his executive team can react much quicker to market situations and customer demands than many other global competitors with a corporate structure due to their high flexibility and cultural power of free decision. The management team would like to use this advantage together with their employees to keep on growing in the shadow of the big names.

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