



ENGEL at K 2010 – Inject the Future

ENGEL grows by 35 percent worldwide

Schwertberg/Austria – May 2010. The economic crisis visibly impacted 2009 and also hit ENGEL hard in the fiscal year 2010. However, targeted measures helped us absorb most of the impact. New products and services, financing concepts and investment support for customers, accompanied by innovative sales activities and strategies are already driving an upswing at ENGEL that will lead to growth of more than 35 percent in the new fiscal year.

ENGEL is planning strong growth of 35 percent worldwide for the fiscal year 2010/11. Now that ENGEL's market share on the continents has grown to a historic peak, receipts of orders are stabilising at a higher level. The production facilities in Korea and China are already working at full capacity. The utilisation rates at the Austrian facilities are developing also very positively, mainly due to the reactivation of the European Market and the market launch of new attractive products like the ENGEL duo pico and e-max machine series and the ENGEL viper robot series.

From the boom to the crisis

Willingness to invest in capital goods is extremely low in times of crisis. Last year, existing machine capacities of the manufacturers were not fully utilised, which thus led to the postponement or cancellation of investments in new machinery. The crisis was clearly felt in the demand for injection moulding machines and hit this branch of industry extremely hard. ENGEL's business year was also characterised by a massive drop in demand for injection moulding machines.



This highly recessive development started in some eastern European countries in the spring of 2008 and is still continuing in some countries, e.g. in Scandinavia. The initial signs of the crisis were identified in Poland in May 2008. At the end of the year, many regional economies collapsed. Sweden was one of the last countries in Europe to be hit by the crisis in March 2009. By now, some regional economies have recovered (e.g. Russia, Poland or Austria). There were very few markets (such as Brazil) in which the economic crisis and its effect on the demand for injection moulding machines had virtually no impact.

Since October, the signs of a recovery of the economic situation in general have been pronounced. However, stabilisation is still uncertain.

The situation on the markets

All told, the injection moulding market in Europe collapsed by about 50 percent from 2008 to 2009. Standard machines and the Automotive and Technical Moulding market segments in particular were most severely affected by the downward cycle. While the standard machine segment plummeted by around 70 percent, the demand for injection moulding machines in the Automotive market segment dropped by around two thirds, and by about half in Technical Moulding. The Medical and Packaging segments were far less severely affected by the crisis: demand for injection moulding machines dropped by about one third here.

The ENGEL package of measures

The difficult economic situation worldwide hit ENGEL hard. However, ENGEL responded with numerous internal, sales and product policy related measures to successfully compensate for the subdued level of incoming orders. In addition to a shorter working week (between April and November 2009), deferment agreements and sabbaticals, it was mainly due to boosting global sales activities and to a number of innovative solutions in our product portfolio and in our system solution provider business that we were able to substantially mitigate the effect of the crisis.



Innovative solutions for the future

During the last years ENGEL focused particularly on energy efficiency and creates thereby possibilities to strengthen the success and the competitiveness of its customers. With numerous concepts and solutions regarding energy saving and efficient production ENGEL is able to deliver the best efficiency for nearly every application. Furthermore ENGEL developed three innovative concepts to facilitate customer investments despite the poor market situation. Besides our portfolio of global leasing models and financing via ENGEL as a principal bank, ENGEL introduced a scrap bonus which was used by nearly 200 satisfied customers by the time the offer expired in December 2009. Additionally, numerous new products and productive solutions were developed and launched. Besides the release of a custom series of the tie-bar-less ENGEL victory spex machine, ENGEL set a clear course in particular thanks to the ENGEL duo pico series and the new ENGEL viper linear robot series. In addition to this, a sales drive including activities such as the ENGEL Symposium, the ENGEL Automotive Conference trend.scAUT, the ENGEL Medical Conference med.con, or the ENGEL Road Show iQ.tour 2010 made major contributions to the success of the past few months. After all, customer proximity and familiarity with specific market requirements form the basis for long-term success – even in times of crisis. Some 1,000 visitors took part in the IQ Tour of ten European markets in spring 2010. The visitors experienced how to achieve quality production and save energy in a meaningful manner, thus enabling them to produce less expensively, but more efficiently and successfully than their competitors. Strategic sales partnerships such as the partnership with Mitsubishi Heavy Industries in the field of the ENGEL duo combi multiple component large-scale machines in Japan also facilitated the entry into new markets and enhanced our ability to respond to customer requirements.

And last but not least, ENGEL focused on its system solution provider business in recent months. For example, Mould Engineering has enhanced system competency in the strategic target industries Medical and Packaging thanks to highly capable mould making partners.



With expert support from both business units and our own mould project planning team, customers benefit from comprehensive advisory services and competent, best-of-class guidance in their own projects. Based on the introduction of the ENGEL viper robot series and the clear focus on custom automation solutions, we have also been able to substantially strengthen our system provider competency in the field of automation.

"As you can see, people who do their homework, such as ENGEL does - this means positioning your company well, developing targeted measures and reinforcing system integration - will survive a crisis without needing to fear for their existence. You could also say that, if you understand your customers and act accordingly, you will be able to weather a crisis", says Christian Pum, CSO ENGEL Holding.

ENGEL AUSTRIA GmbH

The ENGEL brand denotes the world's biggest manufacturer of injection moulding machines and, at the same time, one of the world's leading plastics processing machine manufacturers. Today, the ENGEL Group offers a full range of technology modules for plastics processing as a single source supplier: Injection moulding machines for thermoplastics and elastomers, and automation, with the assurance that individual components are also competitive and successful in the world markets. With eight production plants in Europe, North America and Asia (China, Korea), subsidiaries and representatives in over 85 countries, ENGEL offers its customers the optimal global support they need to compete and succeed with new technologies and leading-edge production systems.

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