

# CENTRO *text*

| Magazine for employees and business friends of the CENTROTEC Group |

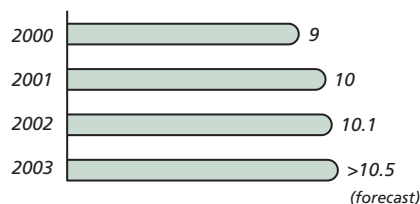


## CENTROTEC EXPANDS INTO MEDICAL TECHNOLOGY: Takeover of MÖLLER Feinmechanik GmbH & Co. KG, Fulda

CENTROTEC Hochleistungskunststoffe AG acquired all shares in MÖLLER Feinmechanik GmbH & Co. KG, Fulda, from the Blum family of entrepreneurs on August 28, 2003. With the purchase of Möller, CENTROTEC is implementing its strategy of systematically shifting its emphasis away from plastic processing and towards systems and final uses.

Möller was established in 1973, currently has 150 employees and generated profitable revenue of EUR 10 million in 2002. The company's clients are leading manufacturers of medical apparatus. The company, which until now has operated predominantly within Germany, is now set to venture into eight foreign countries through the network of CENTROTEC's

### MÖLLER REVENUE, EUR MILLION



own branches. CENTROTEC in addition intends to step up its expansion in the field of medical technology through further takeovers.

### The CEO writes

CENTROTEC is changing its name! Next year we will be changing our name to CENTROTEC Sustainable AG, subject to the approval of the Shareholders' Meeting. This move will be in response to our changing circumstances. The word „sustainable“ is the core concept of our future economic development. We are increasingly aware as a company that our activities should be to the benefit both of future generations and of the environment. CENTROTEC owes its growth to products that contribute precisely to sustainability. Examples are climate control with heat recovery, gas flue systems for condensing boiler technology, super-lightweight fibre composites and an increasing number of components and systems for



the area of medical technology. Health/comfort/energy are the concepts which aptly reflect the CENTROTEC product range. In many households, CENTROTEC products help create a healthy interior climate that combines maximum personal comfort with low energy consumption. So, CENTROTEC Sustainable is the new name for a sustainable approach to health, comfort and energy!

*Gert-Jan Huisman, CEO*



# Engineering Plastics

Möller | Centroplast | Rolf Schmidt Industriplast | Centrotec Composites | Bond Laminates

## More than 20 years of experience

### THE WIZARD OF CENTROPLAST

In theory, components made from plastic can never attain the same degree of precision as metal ones. The challenge is particularly difficult if the geometry is complex. When things get so difficult that our competitors give up, there's one man who knows that his big moment has come: Winfried Metzner. Making complex components out of high-performance plastics is his speciality. Whenever he and his team have been achieving the impossible, the customary saying in Marsberg is: "They've been up to their magic tricks again."



Winfried Metzner

Winfried Metzner started his training at CENTROPLAST as a plastics shaper, in 1982. He gradually assumed more management tasks and took his foreman's qualifying examination as a mechanical engineering fitter in 1997. He is now in charge of prefabricated parts production and a team of over 40 employees. He steadily broadened his horizons, branching out in particular into CAD programming. But it was the hands-on work and the many long hours of "tinkering" that honed his most vital skills. His immense dedication to the company leaves him with only little time for the pursuit of hobbies. He nevertheless uses his weekends for long walks with his dog. Winfried Metzner is also on call day and night for the volunteer fire service in Leitmar.

## "Aiming not to waste a single precious drop!"

### ROLF SCHMIDT INDUSTRI PLAST SUPPLIES FORMAT SETS TO FINNISH VODKA PRODUCER

The Finnish vodka producer Primalco Oy has over 30 different bottle formats for high-proof drinks in its range. When filling the various types of bottle, the Finnish company found that a high proportion of its product was going to waste as a result of breakages and spillage, etc.. This was because the format sets which carry the bottles through the filling plant did not match the shapes and sizes of the bottles properly. This also had an adverse effect on production efficiency and capacity.

This customer problem came to light while we were exploring the Finnish market. ROLF SCHMIDT INDUSTRI PLAST has many years of experience in this area, from individual components and small lots to the construction of complete assemblies and system solutions for the filling industry, mechanical engineering and the pharmaceuticals industry, and is renowned for its speed and professionalism. A rapid solution is likewise available for Primalco Oy.



Typical format set at a bottling plant

This is how the project will proceed step by step: Week 50/2003: an engineer will measure in situ all individual plastic components that need to be exchanged. Based on this data, new design drawings will be produced in week 51. The plastic parts will then be manufactured in Kolding in week 52. The parts will be shipped from Denmark in week 1/2004. The individual components will be installed in week 2, during the scheduled maintenance phase. The ensuing trial run will then reveal whether the design and production departments have been able to come up with a product that meets the customer's requirements. Only thanks to such a meticulous procedure, in conjunction with many years of experience, is ROLF SCHMIDT INDUSTRI PLAST A/S able to complete such orders in record time.



ROLF SCHMIDT INDUSTRIPLAST headoffices, warehouse, design centre and production shop in Kolbing, Denmark



# Medical Technology

## MÖLLER Medical, the latest pearl in the group portfolio

We took over the Fulda-based MÖLLER Feinmechanik (MFF), a company with a history going back over 50 years, this September. Adolf Möller Feinmechanik (AMF) was established in 1949 and subsequently renamed MÖLLER Feinmechanik Fulda (MFF). Over the years, the small company evolved into a medical technology specialist. Following this year's takeover by CENTROTEC Medizintechnik, the company was given the new, more adequate name of MÖLLER Medical.



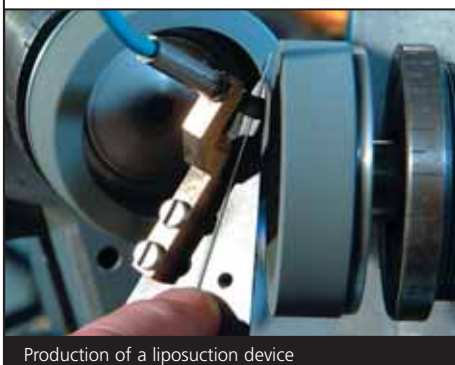
Headquarters of MÖLLER Medical in Fulda

Even if MÖLLER is far from being a new venture, the "MÖLLER" companies in their various guises have always kept pace with new technological departures. Take for instance the Lasag laser processing centre, which was the first processing centre of its kind in the State of Hessen at the time it was purchased in 1988. The current trend towards nanotechnology is likewise nothing new for MÖLLER. Whereas many companies emblazon this buzzword on their websites and product literature, MÖLLER has long since been supplying tried-and-tested products; for example, it applies a nanocomposite non-stick coating resembling Teflon, but much more temperature-resistant and scratchproof, to the insides of ultra-thin hollow needles.



DNA analysis boxes

MÖLLER's technological diversity is one of its key strategic strengths. The extensive range of equipment includes plants for machining, injection-moulding and tool-making, assembly, electronics and much more. The product range comprises apparatus and components for analytical procedures, medical technology and precision mechanics. The flagship products in its range of apparatus are a blood blending weigher with patented documentation feature and a liposuction system with electronically controlled infiltration pump and suction needle. MÖLLER's clients include the major players in the field of medical technology in Germany.



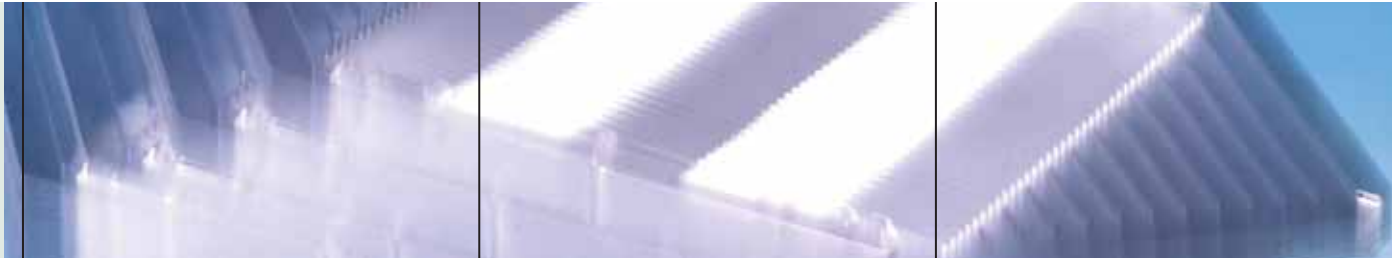
Production of a liposuction device

## What does a takeover actually involve?

Before an acquisition becomes public knowledge, the takeover process has already passed through many stages, and the acquisition of MÖLLER Medical was no exception in this respect. Initial contacts with MÖLLER were established in 2002, because the owner wanted to pull out of the company for reasons of age. Following an initial rough analysis, we were able to conclude that MÖLLER concurred with our profile for takeover candidates. The cornerstones for the takeover were then formulated in a letter of intent.

MÖLLER was subsequently put through a thorough due diligence process by auditors, lawyers and market experts. While this was going on, we were talking to banks to arrange the financing of the company on a new, broader basis. Even though many banks are currently reluctant to finance mid-caps in the wake of various crises, we were able to find a lender in the guise of Fortis Bank.

One particular feature that is somewhat out of the ordinary is that our own employees already started to plan the post-takeover phase while due diligence was still in progress. This enabled us to ensure that the subsequent integration of the company would progress successfully. This aspect is unfortunately all too often neglected. The actual purchase contract for the company was drafted after completion of due diligence. The 30-page document plus annexes grew to over one hundred pages long in the course of negotiations. The contract was read out by the notary public and signed on August 28, 2003 in a ceremony that took an entire day.



# Climate Systems

Brink | Ned Air | Ubbink



## Rob Slemmer celebrates 25 years at BRINK

Our Dutch colleagues at BRINK celebrated Rob Slemmer's 25th anniversary with the company on November 6. To mark the occasion, the canteen was adorned with huge posters sporting some of Rob's typical remarks. Speeches by Gert-Jan Huisman, Wim Brink, Wim Hijmissen and Rob's sister unearthed various interesting aspects of Rob's personality. The festivities culminated in a sing-along of the traditional BRINK company song. His colleagues had of course clubbed together to give Rob a fitting present for the occasion: a golfing weekend in France.

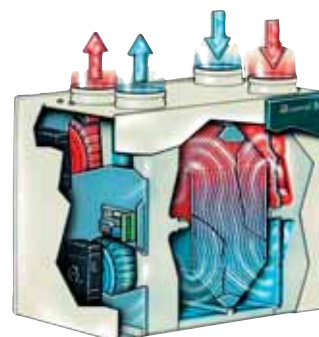


The employees singing the traditional BRINK song at the anniversary celebrations for their boss

Rob Slemmer started his career as a director of the Golu company in Soest in 1978. He then moved to BRINK in Staphorst. Thanks to his work, BRINK is now among Europe's leading suppliers of climate control and heat recovery systems.

## WRG Renovent HR – a device with many different facets

BRINK Climate Systems is enjoying considerable success with the heat recovery device Renovent HR. What not many people know is that the device is available in a variety of versions, with just the right one available for any house or room. A heat recovery system can be combined with any form of central heating. There are special versions for combining with air heaters, to match BRINK Climate Systems' own products. In this instance, the heat recovery system is installed on the hot-air generator and the fresh air led into the hot-air generator. The dimensions of Renovent HR are matched to those of the hot-air generator, resulting in a modular heat recovery and hot-air generation device.



The Renovent HR heat recovery system from BRINK.

The following versions are available:

- A. 4 connections on the top
- B. 2 connections on the top and 2 connections on the base.
- B. 3 connections on the top and 1 connection on the base.
- D. 1 connection on the top, 1 connection on the base and 2 at the side.

All the above versions are also available in mirror image. Versions A, B and C are available with two airflow rates:

- 90 m<sup>3</sup>/h to 260 m<sup>3</sup>/h (Renovent 250) and
- 90 m<sup>3</sup>/h to 340 m<sup>3</sup>/h (Renovent 325)

## Opening of the new Ubbink building in Doesburg, Netherlands

At the official inauguration, on April 4, 2003 there were short addresses by Martin Beijer, Doesburg's Mayor Overweg, State Minister Aalderink and Carl Krass, son of CENTROTEC's Chairman of the Supervisory Board. Carl Krass then proceeded to cut the ribbon and declare the building officially open.

To commemorate the opening, the Chairman of the Works Council Gerie Schunck presented a designer clock, which took pride of place in the entrance foyer.



Opening of the new UBBINK building in Doesburg, Netherlands

The celebration drew to a close with a reception with snacks and a competition for the employees to win a trip in a balloon.



## Ubbink UK Ltd. thanks Jean Bebbington for her faithful service

Jean Bebbington will be retiring from Ubbink UK on November 30. She has been working with our colleagues in England for over 27 years, for much of that time as Product Promotion Manager.



Jean Bebbington

On the very day that she started work there 27 years ago, October 6, 1976, the company Telmrose Properties, which distributed various makes of roofing systems, was taken over and renamed Ubbink Telmrose. From that day on, the company became the exclusive distributor of Ubbink products. Ubbink Telmrose was

## Ubbink France to move into new premises

Ubbink France needs more space for its expansion next year. It is therefore building new premises near Nantes: a warehouse with an area of approx. 4457 m<sup>2</sup> and an office building with approx. 875 m<sup>2</sup> of floor space. The move is scheduled for February 15, 2004.

later renamed Ubbink UK. Jean started her career as personal assistant to the former Managing Director John Hathaway-Bates. Thanks to her professional work, she was soon entrusted with more product-specific tasks and was appointed Sales Coordinator after only one year. In this new position, she was responsible for all product brochures and also produced the detailed documentation.

While Wally de Jong was at the company's helm, Jean was appointed Product

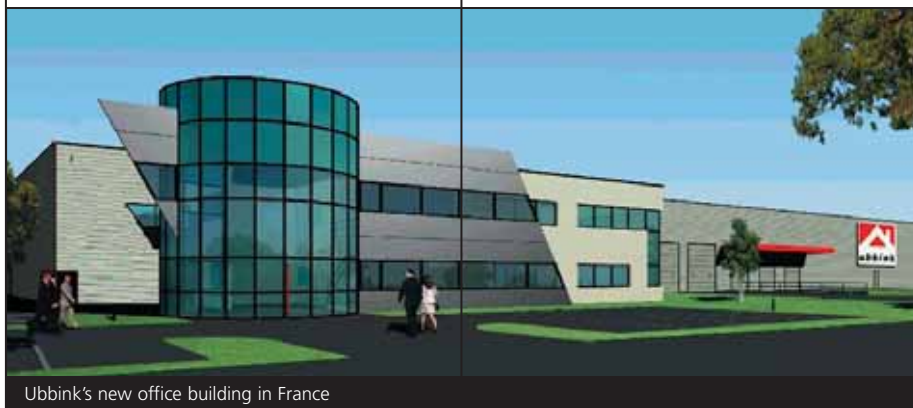
## "Avis-Technique" for Ubbink France

Ubbink France, and therefore also CENTROTHERM, was awarded the "Avis-Technique" by the Centre Scientifique et Technique du Bâtiment (CSTB) in September. Ubbink is consequently the first – and hitherto only – supplier of gas flue systems in France to have been granted a permit for PP (rigid and flexible, single-shell and concentric). It is believed to enjoy a lead of twelve months over other suppliers.

Promotion Manager in 1982, a position that combines marketing and technical tasks. She has been performing this task right up until now. So expertly, in fact, that Ubbink boss John Donovan has not had to dispense entirely with her services even now that she has officially retired: she will be organising the company's stand at Interbuild 2004.



CENTROTHERM will also be supplying the French market in future from the central store in Brilon



Ubbink's new office building in France



# CENTROTEC AG

Shares

## CENTROTEC shares bounce back

The mood on the stock markets is slowly but surely recovering. The DAX share index has risen by 25% since the start of the year. This may sound like a very steep increase, but it needs to be put into perspective: the DAX had previously fallen to a very low level. Along with the general recovery, CENTROTEC too has bounced back – and in fact fared better than average. CENTROTEC shares have risen by all of 80 % since the start of the year.

CENTROTEC shares have appreciated sharply of late, so will they ease off again or continue to rise? That's of course a question we can't answer, but we can refer to the company's financial indicators as a guideline: CENTROTEC will probably earn slightly more than one euro per share in 2003. Last year, this "earnings per share" figure (before goodwill amortisation) reached EUR 0.76. Since we went public, this figure and revenue, employee total and assets on the balance sheet, have risen by an average of around 60% per year. Expressed in figures, earnings per share at the time of the IPO were EUR 0.11 and are now

almost ten times that level. So CENTROTEC has demonstrated a remarkable capacity for growth. However, because the company is so much larger now than it was then, future growth rates will probably be slightly lower. We nevertheless expect growth averaging 15 - 25% over the next few years, too. In operating terms, the company is healthy. The question is how to value it. At the present share price of around EUR 10.00 and earnings per share of around EUR 1.00, the price/earnings ratio (P/E) is about 10. A rule of thumb states that the P/E ratio should be approximately the same as the medium-term growth rate in profit. According to this principle, a P/E ratio of 15 to 25 for CENTROTEC would still be acceptable. In other words, there is still scope for the share price to rise.

Those who take the longer-term view focus less on the current P/E ratio and more on the company's strategic positioning, its growth prospects and its sound state. So if we succeed in further enhancing the inner value of the company over the next few years, the price of the shares should continue to rise despite short-term fluctuations in the stock market.



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Production:  
MetaCom Corporate Communications GmbH