



PRESS RELEASE

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## **RENOLIT to consider closing of location Salzgitter and to discuss on workforce reduction at Plant Frankenthal**

Worms / Salzgitter / Frankenthal, 4 May 2009 – The Salzgitter production site of **RENOLIT AG**, with their headquarters in Worms, may be up for discussion. The Board of Directors has already informed the employee representatives and the Group's economic committee and intends to consider socially responsible and alternative job solutions within the Group for the 102 employees who would be affected by this potential step.

Executive Board Member Axel Bruder explains the background of this measure: "The Salzgitter location has been generating losses for several years. Supported by large investments, we have created a sound technological basis over the past few years. Unfortunately, we have not succeeded in returning the Plant Salzgitter to profitability".

Considerable funds went into the modernisation of the production facilities and the expansion of product developments. In view of the market development in the segments of labelling and packaging films, sufficient improvement of the economic situation cannot be expected in the long run. The currently suffered drop in sales as a result of the economically challenging times has had a particularly dramatic impact on this location because of its already weakened position.

Furthermore **RENOLIT** considers cutting the workforce of its Frankenthal production site by about 50 employees. This already contains 18 employees who will leave the company due to partial retirement or temporary employment. Currently, this location has 387 jobholders. The background of this drastic measure is a fundamental shift within the Business Unit **RENOLIT CONTACT**. About 70 percent of the films manufactured at the Frankenthal location flow into this sales sector, and the remaining 30 percent are allotted to the Business Units **RENOLIT DESIGN**, **RENOLIT EXTERIOR** and **RENOLIT PROFESSION**.



**RENOLIT CONTACT** films are used to produce self-adhesive products for advertising purposes as well as for labelling and product identification applications. The entire market segment is suffering from considerable overcapacities and has additionally fallen under pressure by the current economic slowdown and the resulting drop in sales. Another aspect is a shift in demand for high-quality multi-coloured films in favour of print films.

In addition, the growth markets North and South America as well as Asia used to be supplied, among others, from Frankenthal, but as a consequence of economic constraints in the past, they are today served directly from local production sites of the **RENOLIT** Group.

Due to these factors, the production at the Frankenthal location cannot be run to full capacity any longer. CEO Michael Kundel sees the adaptation of workforce levels to be discussed under long-term aspects: "By this measure we intend to re-establish the economic stability of this production site in the long run and to give a durable perspective to the remaining employees."

### **The company**

**RENOLIT AG** is an international leader in the manufacture of high-quality thermoplastic films and products. This independent family-run business, which has been setting benchmarks for quality and innovation for over 60 years, now employs a workforce of approximately 4,300 employees at 37 production sites and sales companies. The **RENOLIT** brand enjoys a worldwide reputation for technical expertise, modern product design and customer-orientated service.

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