

Half-year figures for the LMT Group

Turn-around to sustained growth complete – new orders up 25 per cent!

Oberkochen, 6 August 2010 - After a satisfactory first quarter to 2010, the business climate in the global market for precision tools and machine construction noticeably improved in the second quarter once again. For the LMT Group, this meant that incoming orders were above average, while utilization of production facilities increased. If this trend continues, the target for 2010 of about 240 million euros for 2010 will be exceeded.

New orders for the group as a whole – precision tools on the one side and tableting machines from pharmaceutical specialist Fette Compacting on the other – grew in the first half of 2010 by more than 25% to reach 125 million euros, and was therefore well above the planned budget. The tool group achieved growth of 38%, with even sharper increases recorded in China, India and the USA. The LMT Group's machine construction company, Fette Compacting, suffered less from the economic crisis last year than did the rest of the sector. New orders for the first half of 2010 rose by 11%. In this area as well the growth in Asia was more than proportionate.

Nevertheless, the group is sticking to the plan of about 240 million in incoming orders for 2010, conservative as this appears in the light of the trend to date this year. "We are indeed feeling more optimistic", says Dr. Heinrich, Chairman of the Group's Management Board, "but the global economy has not yet thoroughly settled down after the dramatic crisis of 2008 and 2009. We want to keep our figures in the black even if things slide backwards again, so we are staying on the cautious side. On the other hand, we are in a position nowadays to be able to respond to a significantly higher demand at short notice."

Sales a bit better than planned, positive result

And with total sales of 112.5 million euros for the first half of the year, the Group is doing better than planned and is above the previous year's figure of 107 million euros. It must be borne in mind that both rising and falling figures for incoming orders are not reflected in sales until some time later. For the year as a whole, the business is maintaining planned sales of about 240 million euros.

On the key date of June 30, 2010, the LMT Group had 1679 employees, as against 1910 in the previous year. The training quota remained constant at 5 %. It has been possible to reduce personnel costs in comparison with the same time last year by a further 5% through a high proportion of short-time working. Dr. Michael Heinrich pointed out that "With the present structure we can work a good deal more efficiently and can achieve a higher performance. In the first months of the year, many of our staff had to become familiar with new tasks as the restructuring went ahead. In the second half of the year, productivity will be significantly better, and with more orders on the book we will be able to achieve higher sales."

Turn-around to sustained growth achieved

Dr Heinrich explains that, as the Management Board sees it, the figures for the first half of the year show how successful the comprehensive reorientation and restructuring of the LMT Group has been: "We haven't just made cuts, but we have invested and prepared ourselves for the future. Our order book for tool technology is at present even somewhat better than that of the competition. And what I find particularly pleasing is that we are gaining an advantage abroad, particularly in Asia. That is why I believe that the turn-around will last for the LMT Group: we have got our costs under control, we are implementing new kinds of close, intercontinental cooperation, and we have focused on what we know best."

About the LMT Group

The LMT Group of companies manufactures precision tools for metal machining, and is the world's leading manufacturer of tableting machines. The LMT Group was founded in 1993 as a part of the Leitz group of companies. The group has been independent since the middle of 2009. Within the LMT Technology Group, tool making activities are grouped in the companies Belin, Fette, Kieninger and Onsrud, along with LMT Tools Systems, the international marketing company. Machine construction activities are integrated into Fette Compacting. LMT's commercial management is based in Oberkochen, while the technological center is in Schwarzenbek. With more than 20 factories, branches and service centers, the group is also represented in every relevant market around the world.

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