

Press release

BINDER+CO signs agreement with STATEC Marked increase in packaging technology business

Joint venture brings a move up to join the top international players

Gleisdorf, November 3, 2008. Last Friday (October 31, 2008), Binder+Co AG, which is listed in the mid market of the Vienna Stock Exchange, signed contracts that will significantly expand its packaging technology business. The company had already announced on October 16 that the conclusion of this transaction was imminent.

The now established joint venture with Statec, a company also located in Gleisdorf, Austria, will create a specialist packaging technology enterprise of international standing. Binder+Co is to bring in its packaging technology business and in return will receive a 50.7% participation in the new STATEC BINDER GmbH. The remaining 49.3% will be held by the former owner of Statec.

As **Karl Grabner** from the Binder Board explains, "I am extremely pleased that we have achieved the goal as planned. With the new joint venture we have not only initiated a constructive co-operation with one of our most important competitors, but at a stroke we have moved up to be among the top international echelon of packaging systems suppliers. Owing to the fact that we offer the world's fastest machinery, this opens up considerable potential. Moreover, we anticipate that this teamwork will also provide us with interesting synergies in the areas of product development, production and sales."

The two partner companies are successful in the high-performance open mouth bagging sector and supplement each other perfectly with regard to both their product portfolios and sales networks. Binder+Co is also active in the field of palletising technology, while Statec offers bag marking and production modules.

In geographic terms, Statec brings in important European markets while Binder+Co has strengths in North and South America, as well as in Asia. As the two companies focus partially on differing branches, this spread offers considerable promise from two perspectives. In the coming years, south-east Asia, India, South Korea, South America, Eastern Europe, the Arab World and Europe will form joint marketing targets, while the emphasis in branch terms will be on the petrochemical industry and feed, fertilizer and sugar producers.

Jörg Rosegger, the Binder+Co Board member with responsibility for sales sees the planned co-operation as providing a decisive extension to the company's scope for action, "As a result of the concentration of experience and know-how and our joint market activities, we will become the global market leader in the high-performance open mouth bagging area, which is our product segment. Consequently, we can employ our recognised position as a trendsetter in the field of innovative and cost-effective industrial packaging to still greater effect. The use of the STATEC brand, which has an extremely strong market presence, will provide additional support in this regard."

In the medium-term, Binder+Co anticipates that apart from an increase in sales, the new joint venture will also provide markedly expanded market access. In the past three years, core business in the packaging technology field has furnished 15 to 20% of Binder+Co AG's total sales. In the medium-term, an increase in the share of sales to 25 to 30% is planned via the joint venture.

Open mouth bagging

The term open mouth bagging is understood as meaning the filling of pre-produced paper, plastic film or synthetic fabric bags with free flowing bulk goods such as fertilizer, plastic granulate, feed or salts. Once filled, the bags weigh 5 to 50 kg and are subject to technical demands that consist mainly of the highest possible packaging capacity, high plant availability and low defect levels.

BINDER+CO

Binder+Co AG is a specialist in the field of processing, environmental and packaging technology and the world market leader in the screening and glass recycling segments. The company has been listed on the Vienna Stock Exchange since December 2006 and in June 2007 was admitted to the new mid market segment. It has been authorised to participate in regulated free trading since July 2007. In 2007, Binder+Co had an average workforce of 214, sales amounting to EUR 53.4 million and EBIT of EUR 4.9 million. The company therefore had a solid EBIT margin of 9.2%.

The nucleus of Binder+Co's packaging technology business activities, which were launched in 1978, has long been formed by open mouth bagging plants. Their concept has been continually refined with the result that increasing demands relating to quality, performance and reliability are always met in full. The plants are characterised by the greatest flexibility with regard to the types of bag, material, size and wear, optimum matching with widely differing products, high performance, maximum plant availability, simple operation and menu guidance. The plants can be employed for artificial fertilizers, salts, chemical and petrochemical industry products, sand, cement, sugar, rice, maize, seeds, animal feed and other free flowing bulk goods.

STATEC

Within just a few years, Statec, which was founded at the end of 1999, has secured a significant role in the packaging technology sector and is respected around the world as a competent partner for all open mouth bagging applications.

Statec machines are designed for high-speed operations, but are nonetheless suitable for universal employment. As a result, a variety of bulk goods can be handled using virtually every type of bag currently available on the market. Moreover, the company attaches special importance to customised solutions, innovation and efficiency and its packaging plants can be fitted with fully automatic labelling and bag marking systems. This not only raises the level of plant automation, but also facilitates the fulfilment of regional legal statutes. Statec recently launched its revolutionary, high-performance "System R" packing system, which represents an absolute market innovation. This system

combines direct bag production from synthetic tubular fabric with proven, fully automatic Statec packing capacity and thus furnishes major advantages with regard to cost-efficiency, productivity and availability.

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