

Press Release

March 3, 2008

Day 1 for Sumitomo and Demag

The agreement signed at the beginning of February for the sale of Demag Plastics Group to the Japanese Sumitomo Heavy Industries, Ltd. will enter into force on March 3, 2008.

After the German Cartel Office granted its approval of the sale of the injection moulding machine builder Demag as early as January 28, 2008, today's payment of the purchase price of 77.558.000€ fulfils the last condition of the agreement.

In 2006, Sumitomo Heavy Industries recorded sales to the tune of Euro 3.6 billion and employs 11,300 people world-wide. The company was founded 1888 and is today listed on the Tokyo Stock Exchange. Sumitomo is one of the leading manufacturers of injection moulding machines in Asia and the globally dominating firm in the field of electric injection moulding machines. Its annual sales in this sector amount to more than Euro 350 million.

Demag Plastics Group ranks among the pioneers in the injection moulding industry in Europe and America and looks back on more than 50 years tradition in this field. In Germany, Demag has production facilities in Schwaig near Nürnberg and in Wiehe, Thuringia. In addition, the Group has production sites in Ningbo, China, and Chennai, India as well as a world-wide sales and service network. Yearly sales of the Demag Plastics Group top Euro 250 million.

The merger of Sumitomo and Demag creates the first really globally operating company in the injection moulding industry which, with a market share of some 12 %, is expanding its presence world-wide for effective customer service.

Dr. Klaus F. Erkes, Demag Plastics Group's CEO, comments: "It is not size alone that matters to us. If you want to play a leading role in the future in a dynamically growing plastics market, you must have the potential for excellent technical developments and a thorough knowledge of the markets and their requirements. Moreover, it is mandatory that one should be able to follow one's customers to sites all the world over. And a certain critical mass is needed to succeed in doing so."

In future, Demag and Sumitomo will be offering electric, hydraulic and hybrid injection moulding machines on a common platform as well as total solutions with integrated automation centred on these machines. The established Demag brand will live on.

"Our joint strategic work has long begun because we are having great plans." says Sumitomo Chief, Katsuhiko Taniguichi. "We will be integrating our companies wherever this makes sense and allow each one of us to develop its strengths. We will be acting on an equal eye level and as partners. The yardstick of all our decisions will invariably be our customers' interests."



*Katsuhiko Taniguichi (Sumitomo) und
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