

Storopack Group Annual Statement 2007

Storopack is a leading manufacturer and service provider in the field of protective and transport packaging, as well as molded parts made of expanded foams. The business divisions Molding, Packaging and Logistics together make up the service portfolio of this globally active company group based in Metzingen, Germany.

Confirmation of innovation strategy

Metzingen. The Storopack Group of Companies, represented in 52 locations around the world, closed the 2007 financial year at a turnover of 311.9 million Euro, with the operating result falling just short of target. This is due largely to the collapse of the private consumer market in the USA, the impact of shifts in foreign exchange rates and the increases in energy costs. A strategy of investment in new technologies brought about an improvement in the potential for generation of additional revenues.

Total turnover for 2007 fell just short of the previous year's figure at -0.9 per cent, and was slightly below the company's own target. Employment figures remained practically unchanged in 2007, with an international workforce numbering 2,579. Storopack is set to match its projected operating result for the first half of 2008.

The company's mission to continuously review and expand its product portfolio is being successfully implemented, according to Hermann Reichenecker, representing the fourth generation of family management at Storopack. Managing Director Reichenecker envisages a reduction of energy consumption as one of the company's focal objectives.

**Storopack
Hans Reichenecker GmbH**

Untere Rietstrasse 30
72555 Metzingen
Germany

Telephone +49 (0)7123 164 227
Fax +49 (0)7123 164 49 227
press@storopack.com
www.storopack.com

Commissioned with Public Relations Work
Schott Relations / Markenwerke AG
Postfach 104663
70041 Stuttgart
Telephone +49 (0)711 164 46 16
Fax +49 (0)711 164 46 11
info@schott-relations.com



Turnover for 2007 within Europe was 198.1 million Euro, representing a rise of 1.2 per cent, with the national companies maximizing on the benefits of a buoyant economy. Given the impending launch of a number of additional products, some of them offering a substantial edge over the competition, this positive trend seems set to continue.

Bucking the trend in the USA, Storopack succeeded in matching the previous year's turnover in local currency, although after conversion into Euro this figure represents a drop of 8.3 per cent to 76.9 million Euro. Gains in market share are largely due to the success of products such as newly upgraded Pelaspan™ Bio, which got off to an extremely successful start. The vegetable starch-based packaging chips are produced with a beneficial S-shape which is otherwise only found with loose fill made of plastic. Despite a sluggish consumer market, Storopack is recording satisfactory trends in terms of both turnover and operating result during the current financial year to date.

With a good 5 per cent increase, Storopack achieved a turnover of 36.9 million in Asia. The sales center in Hong Kong has been successfully established, serving South Korea, Thailand, Vietnam, the Philippines and Australia. Storopack is making further additions to its sales network again in 2008.

Turnover development according to regions in million Euro

	Actual 2007	Actual 2006
Europe	198,1	195,8
North America	76,9	83,9
Asia	36,9	35,1
TOTAL	311,9	314,8

Turnover in the Molding Division was up 7.2 per cent in a year-on-year comparison, amounting to 132.0 million Euro. Due to the high energy costs, this positive trend was not matched in the earnings figures.

Alongside optimizing cost efficiency, another key factor for success is to stay ahead of the market by drawing maximum benefit from competence in the product development sector. One example of this is the development of a transport packaging system made of EPP (expandable polypropylene) for laptops: One mould can be used to protect over 100 model variants for packaging in a single box size.

Turnover in the Packaging Division amounted to 165.2 million Euro in 2007. The nominal drop of 3.9 per cent is due to the fact that just under 50 per cent of turnover in the Packaging Division is generated in the dollar zone. The company's leading technological edge and further development of the sales organization were both positively and unmistakably reflected in the operating result.

The product portfolio within the core brands PAPERplus®, AIRplus® and FOAMplus® is being continuously further

developed. The latest model to be launched in the market is PAPERplus® Shooter, whose characteristic feature is its outstanding operating speed. Storopack is confident of the same positive reception to the launch of Pelaspan™ Bio in Europe as it received in the USA.

In the Logistics Division, the company succeeded in meeting its projected operating result for 2007. The drop in turnover is down due to discontinuation of the company's contract logistics activity at the end of 2006. In the freight logistics sector, turnover increased in 2007. For the current financial year, Storopack is assuming a positive development in both turnover and income, and is continuing to renew its truck fleet.

Turnover for the business divisions in million Euro

	Actual 2007		Actual 2006	
Molding Division	132,0	42,3%	123,1	39,1%
Packaging Division	165,2	53,0%	171,8	54,6%
Logistics Division	3,6	1,2%	11,6	3,7%
Holding	11,1	3,6%	8,2	2,6%
TOTAL	311,9	100,00%	314,8	100,00%

Text size: appr. 4,200 characters

Author's copy requested:
 Schott Relations / Markenwerke AG
 Lindenspürstraße 22, 70176 Stuttgart
 Tel. +49 711 / 16446-16
 Fax: +49 0711 / 16446-11
 uta.keilhauer@schott-relations.com