



High Q Packaging

# Edelmann Group

Press Release

## **Edelmann reports slight fall in sales in 2009**

### **Focus on continuing expansion for national and international plants strengthens and secures the group`s market position**

**Down 3.7 percent to € 180 million / Continuing systematic expansion scheduled for national and international plants / Constant training ratio of 5 percent in Germany / International award for sustainable packaging solution.**

Heidenheim, 15 May 2010. The Edelmann Group, one of the leading folding carton manufacturers in Europe, achieved a turnover of €180 million in the financial year 2009. This represents a drop of 3.7 percent compared with the previous year (€ 187 million), falling just short of the forecast turnover. "The crisis year of 2009 did not pass by Edelmann without leaving its mark, even though our drop in sales turned out to be relatively modest," says Dierk Schröder, spokesman for the Edelmann Executive Board. As a result of the continuing uncertainty regarding the economic situation in the industry, the Edelmann Group also forecasts a fall in turnover to about 175 million euros for the current financial year. With the expansion of the national and international plants the group wants to strengthen and secure its market position.

The pharmaceuticals sector accounted for around 60 percent of sales in 2009, as it did in the year before. The remaining percentage of sales was achieved by the premium segment, which includes folding cartons for cosmetics, hair colorants, confectionery and cigarettes. The new package insert business achieved growth in sales.

In 2009 the Group achieved over 40 percent of its sales in France, the Benelux countries, Poland, Great Britain, Mexico and China. Despite a difficult market environment, the domestic pharmaceuticals and premium markets remained comparatively stable. On the international front, things looked different in some cases: in France, Edelmann suffered significant falls in sales. Capacity at the Pontoise plant near Paris was reduced by 15 percent in January and adjusted to the lower market volumes.

### **Konstant number of employees, no short-time work**

The number of employees in the Edelmann Group currently stands at 1,532. There was a slight fall in the number of people employed at the headquarters in Heidenheim and at the Weilheim plant, down to 754. Despite that there were no operational redundancies or short-time work. The training ratio in Germany remains steady at around five percent. There are currently 40 apprentices working in Heidenheim, Weilheim and Bitterfeld.

### **A boost to locations in Germany**

The Heidenheim company currently has a total of ten plants in Germany, France, Poland, Mexico and China. The last financial year saw the acquisition of H. Koopmann KG in Leverkusen, and the existing package insert business was continued under the new name of Wepack Druck und Papierverarbeitung GmbH. This acquisition has provided the Edelmann Group with a useful addition to its range of goods and services, in both the pharmaceuticals market and the premium market. Edelmann already produces package inserts for the pharmaceuticals industry at its plants in Poland and China.

Edelmann also invested just short of € 10 million in new machinery and technical systems during the previous financial year. One key element of this was the relocation and expansion of the subsidiary Artur Theis

GmbH & Co. KG in Wuppertal. New, extended production areas were created, and investments were also made in the modernisation of machinery that is required for the necessary expansion of the safety sector, for the provision of safety features on pharmaceuticals packaging.

At the headquarters in Heidenheim, investments were made in a new printing press as well as in a new technology for surface finishing, known as holographic image transfer. Edelman is the first company in Germany to offer this innovative surface finishing process, marketed under the name of Ceholo, thus underlining its leadership in terms of innovation. In 2010 Edelman will make investments on a similar scale to the previous year, including, for example, a new-generation of punching machines for Bitterfeld.

### **Expansion of the international presence**

In 2009 Edelman acquired a majority holding in the Mexican folding-carton manufacturer Graphopak GDG, S.A. de C.V.. This company, which is based in Mexico City, specialises in the manufacture of high-quality packaging, employing a workforce of 187 and producing approx. 200 million folding cartons per year for the American markets.

Edelman is planning to expand capacity in 2010 at its subsidiary Edelman Poland Sp.z.o.o.. "Edelman customers have been successful for many years in Poland, and they expect localised deliveries to their production plants," stresses Schröder. This year the Polish subsidiary will move into new, expanded production facilities in Warsaw and commission a new printing press.

In addition to the new machinery for the subsidiaries in Warsaw and Mexico City, Edelman will also introduce an additional punching machine at the Beijing plant.

## **There is a demand for sustainable packaging concepts**

Thanks to the use of cardboard as the raw material, the manufacture of folding cartons does indeed follow the principle of sustainability per se. As a result of the FSC and PEFC certification of the Heidenheim plant, and more recently of the plant in Pontoise, Edelman can guarantee that its folding cartons are made of cardboard materials that come exclusively from sustainable forestry.

"There is a great desire for climate-friendly concepts. For many companies, the protection of resources is no longer the sole focus. The entire package manufacturing process should be climate-neutral – i.e. have an harmonious CO<sub>2</sub> balance," explains Klaus D. Breitbach, Sales Director of the Edelman Group. Edelman's customers have been able to demonstrate this by means of a new logo on their packaging since 2009. The folding carton manufacturers from Heidenheim are the first to offer the logo "Packaging CO<sub>2</sub> compensated". As a partner in the climate initiative of the Bundesverband Druck und Medien e.V. (bvdm) [the German Federal Association of the Printing and Media Industry] and First Climate, Edelman has developed this together with the Association specifically for the packaging industry. The result of this collaboration is primarily the software program, which is used for the calculation of CO<sub>2</sub> emissions on an individual customer/order basis using a climate computer. With accurate information about these emissions, Edelman's customers can now systematically and sustainably finance appropriate climate-related projects in order to compensate their CO<sub>2</sub> emissions.

## **Award for sustainable packaging**

The fact that the Edelman Group is on the right track with its comprehensive sustainability approach was demonstrated in 2009, when it won the Pro Carton / ECMA Award in the "sustainability" category for its "Synergy B6" packaging solution for dental equipment and consumables from Coltène/Whaledent AG. This valuable contribution to sustainability was achieved by replacing a large number of deep-drawn plastic parts with cardboard. The reasons given by the jury for its decision were as follows: the folding carton made of 100 % cardboard is more sustainable, easier to recycle and has considerable advantages over its predecessor made of plastic. They said that the Coltène packaging was a good example of how a package can be replaced by a more sustainable alternative.

### Photos:



*Caption: Dierk Schröder (left), spokesman for Edelman's Executive Board, and Klaus D. Breitbach, member of the Executive Board.*



*Caption: Folding cartons for such things as cosmetics, pharmaceuticals or hair colorants form the core business of the Edelman Group*



*Caption: The new location of the Edelman subsidiary Artur Theis GmbH & Co. KG in Wupperta, Germany. New, extended production areas have been created and investments were made in the modernisation of the machinery.*



*Caption: With its takeover of H. Koopmann KG in Leverkusen; Germany and the continuation of the package inserts business under the new name Wepack Druck und Papierverarbeitung GmbH, the Edelmann Group has obtained a useful addition to its range of goods and services in both the pharmaceuticals market and the premium market.*

**Packaging  compensated**

*Caption: Documentation of an harmonious CO<sub>2</sub> balance: Edelmann is the first folding carton manufacturer to offer the logo "Packaging CO<sub>2</sub> compensated".*



*Caption: Edelman won the renowned ECMA/Pro Carton Award 2009 for its sustainable "Synergy D6" packaging solution for Coltène.*

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