

January 2008, Kottlingbrunn, Austria

PRESS RELEASE

Battenfeld sees its future in restructuring

Battenfeld Kunststoffmaschinen Gesellschaft m.b.H., pioneer and leading manufacturer of plastic injection moulding machines and factory automation machines, submitted a request to open insolvency proceedings at the Regional Court Wiener Neustadt on 3 January 2008.

This step had become necessary because a surprising and unexpected change in ownership had endangered the existence of the company which is renowned for its large number of innovations and state-of-the-art machine technology. The management of the company – with its 472 employees the biggest employer in the district of Baden, near Vienna – is making every effort to assist the liquidator appointed by the court in ensuring that the proceedings are dealt with quickly and that the company can be re-launched on a solid basis, possibly with new investors. As Georg Tinschert, since 1 December 2007 the acting managing director, says, the company has an extremely good product portfolio, a large number of faithful customers, and employees who do their utmost to satisfy the customers. Mr. Tinschert adds that the order situation is good: Battenfeld's books are completely filled for the next 3 months. All sales orders will be fulfilled as agreed. The preliminary Group turnover for FY 2007 is approx. €85 million. Some 630 staff are employed worldwide.

After the long-term owners SMS Group, Düsseldorf, pulled out of the plastics technology business and the Battenfeld plant in Meinerzhagen was closed in late 2005, Adcuram Group AG, an investor group based in Munich, took over the location in Kottlingbrunn with 14 worldwide sales and service companies and the sales and service company in Germany.

During the ownership of Adcuram Group AG it has not been possible to consolidate and concentrate production successfully in Kottlingbrunn. In August 2007 the service and spare parts

business was spun off as the Battenfeld Kunststoffmaschinen Service GmbH, which even after the sale of Kunststoffmaschinen GmbH is still owned by the Adcuram Group.

The new owner of Battenfeld Kunststoffmaschinen Ges.m.b.H., the British company OOD Private Equity Limited, London, has so far issued no statement regarding the future of the company. An injection of equity capital, which has been needed for some time, has not been provided by either the former or the present owner. The management therefore considers itself obliged to take the aforementioned action.

The corporate management of Battenfeld Kunststoffmaschinen Ges.m.b.H. sees good chances of re-floating the company with the appropriate support of investors, bridging assistance from the Land Lower Austria and the labour market service. The decisive factors here will be the success in regaining control over the service and spare parts service which was recently spun off and reducing the production costs by concentrating on the main product areas and increasing the company's value added. The Viennese lawyer office FWP Fellner Wratzfeld Partner have have been nominated to assist Battenfeld with the restructuring measures.

The management and staff are doing everything to justify the customers' faith, even in these difficult times. Battenfeld's successful appearance at the recent plastics fair K'07 in Düsseldorf and the extremely positive customer response showed that Battenfeld will continue to be important and interesting for the plastics industry in the future.

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