

## **GKD: Programmed for further growth**

### Greatest investments in company history

**"We made the most of the positive industrial climate and increased group revenue by 12 percent to 76 million euros (2010: 67.8 million euros)." Dr. Stephan Kufferath, director at GKD – Gebr. Kufferath AG, reflects on the company's business development in 2011 with a sense of optimism and satisfaction. The medium-sized, non-listed corporation manufactures fabric-based media and system solutions for a diverse spectrum of applications. With investments of €10.5 million, GKD has now laid the foundations for further growth. In the company's two divisions – WORLD WIDE WEAVE (technical meshes) and CAPITAL EQUIPMENT (filter and systems manufacturing) – three of the four independently managed business units were able to record increased revenue. With 8% EBIT and 13% EBITDA, the mildly improved profit situation was satisfactory. On the reporting date, GKD employed 591 staff members worldwide, including 24 trainees. The HQ in Düren continues to employ 388 staff members.**

The new production lines in France for the *Licorne* solar protection fabric and in South Africa for the polyurethane *Leomega* screens contributed 6% to the increase in group revenues. The revenue generated by GKD AG increased by 5%. However, due to special issues in the year-on-year comparison, the SOLID WEAVE business unit (filtration and separation technology) suffered a 19% decline. The WEAVE IN MOTION unit (process belt technology) continued along its growth course and recorded an 11% increase. With a 63% rise, the CREATIVE WEAVE unit (architecture and design) recorded by far the greatest growth in the group. This can primarily



be attributed to the transparent *Mediamesh* media facade systems. The core business in the field of architecture remained stable.

In the country analysis, GKD USA Inc. recorded particularly encouraging growth of 30%. Media facades were also the main drivers of this growth. GKD Buismet (PTY) Ltd. in South Africa and GKD Beijing Ind. Technologies Co., China recorded slight project-based declines. However, the English subsidiary GKD UK Ltd. succeeded in recording a pronounced increase in revenue once again following a weaker previous year.

### **Foundations laid**

With unprecedented investments of €10.5 million, GKD laid the foundations for further success in an increasingly challenging market environment. At the HQ in Düren, new factory halls, machines and systems for the production of both new and further developed products were established for technically sophisticated growth markets. "This is part of a higher-level innovation strategy and clearly underlines the fabric manufacturer's consistent further development to become a provider of tailor-made, complex solutions and industrial services," explains Ingo Kufferath, also a director at GKD.

### **Further growth in sight**

For the current fiscal year, GKD is targeting a 15% increase in revenue. The architecture and filtration technology units are likely to be the largest contributors here. The SOLID WEAVE unit is also forecasting significant growth, both in the oil business and in its role as an automotive supplier. Solutions for food processing represent another focus in this field. With the new heat setting machine, commissioned within the scope of the investment programme, the WEAVE IN MOTION business unit has set the

conditions for increased revenue in the field of process belts made of plastic fabric. Special applications made of new materials or coated metallic mesh belts are also set to provide further positive impetus in terms of revenue development. In the CREATIVE WEAVE unit, system solutions are the top priority. Acoustic ceilings, sun protection systems, media facades, optimisation of building energy consumption and parapets are the key topics here. In its business with media facades, GKD also considers the recent introduction of the third generation of LEDs, which offer significantly increased brightness at lower prices, particularly promising.

#### **Expansion of market proximity**

GKD is continuing its successful strategy of market proximity on an international basis. In Spain, the former minority holding in FINSA Arquitectura S.L., Barcelona, is now a 100% subsidiary following acquisition of all shares. Restructuring is currently taking place here to align Finsa optimally to the altered market conditions in Spain. The Chinese subsidiary GKD Beijing is set to move into new production facilities in the current fiscal year, thereby catering to increased space requirements. GKD Buismet in South Africa is expanding business with the *Leomega* product line, which was purchased in the last fiscal year and integrated into its own manufacturing facilities. Since 1 April 2012, GKD is also represented in India with a dedicated production site. GKD India Ltd. in Jaipur has now commenced work for all four business units. On 1 September 2012, GKD LatAm S.A. will begin operations as a production site for all business units in Santiago de Chile as a further subsidiary.

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WORLD WIDE WEAVE



CAPITAL EQUIPMENT

### **GKD – Gebr. Kufferath AG**

The owner-run technical weaver GKD – Gebr. Kufferath AG is the global market leader for metal and plastic woven solutions. Under the umbrella of GKD – WORLD WIDE WEAVE the company combines four independent business units: SOLID WEAVE (industrial meshes), WEAVE IN MOTION (process belt meshes), CREATIVE WEAVE (architectural meshes) and CompactFiltration (compact filter systems). With its eight plants – including the headquarters in Germany and other facilities in the US, Great Britain, France, South Africa, China, India and Chile – as well as its branches in Spain, Dubai, Qatar and worldwide representatives, GKD is never far from its customers.

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