

## Press Information

## European Aluminum Tube Manufacturers Report Gains in First Half of 2007: 2007 demand exceeds high water mark of previous year. Historical sales record in spite of high manufacturing costs.

On the heels of a three percent growth in sales in 2006, European manufacturers of aluminum tubes continue to see increasing demand. In the first half of 2007, the production index climbed an additional three percent over the same period last year.

**Düsseldorf, 15 October 2007:** Europe's aluminum tube manufacturers presented their sales figures for the first half of 2007 in Düsseldorf today. With a further increase in production of three percent compared to the previous half-year, the manufacturers presented an up-beat picture of the past six months of the current fiscal year. "Demand is at an all-time high, in spite of the current high production costs," said Gregor Spengler, Secretary General of the European Tube Manufacturers Association (ETMA). The gain in sales was primarily due to increased demand for packaging solutions in the key cosmetics, pharmaceutical and food industries.

### Product innovation as growth motor of the industry

Particularly gratifying for the aluminum tube manufacturers is the fact that the high production level of 2006 was exceeded mainly thanks to new and innovative product solutions. This year's growth results primarily from the fact that industries are increasingly recognizing and exploiting the innovative potential of this premium packaging material for differentiating their products. "The qualitative uniqueness of aluminum tubes was never in question in the industry. Consumer-goods manufacturers are now witnessing for example how a leading European manufacturer of herb butter is utilizing the differentiating potential of this premium packaging material. Herb butter in an aluminum tube becomes an entirely new product with unique sales arguments," explained Spengler, citing an example for the success factors in the first half of 2007.

### Regional key industries ensure good demand situation

The extreme versatility of aluminum tubes serves the needs of virtually every industry with packaging requirements, whether they are Swedish food processors, French cosmetics makers or Swiss pharmaceutical companies. The leading manufacturing countries are Germany, Italy, France, Spain and Switzerland with the key industries cosmetics, pharmaceuticals and food. Production in the first half of 2007 exceeded 1.37 billion in these sectors and amounted to 2.2 million in the overall market, considerably ahead of comparable figures for the previous year. In discussing the half-year figures, Spengler stated, "If the fiscal year continues at this level – and it certainly looks that way thanks to full order books – we will be able to surpass the excellent figures of the previous year significantly in our key industries and countries in 2007."



### Industry investing to keep pace with market growth

The further increase over 2006's lively demand drove the already excellent capacity utilization to its limits in some cases. "In spite of the present very high price level with regard to raw material and manufacturing costs, some of our members reported production bottlenecks in the first half of 2006," Spengler said. To avoid supply squeezes and out-of-stock situations in customer operations, the industry is thus committing to investments. In view of the boom in quantity, the industry is optimistic about the 2007 fiscal year, given that aluminum tubes continue to gain in attractiveness for both customers and consumers. At the same time, many companies in the industry are reporting greater pressure on earnings, as not all cost hikes can be passed on to the market. In discussing the strategic orientation for the future, Spengler said, "The key lies in the companies' innovation potential and in further gains in product attractiveness in the form of ever higher-quality features that convince both manufacturers and consumers." Accordingly, Europe's aluminum tube manufacturers are looking forward to the second half of 2007, and to 2008, with optimism. With the innovative skill demonstrated in the past and the courage to address new markets, aluminum tubes will remain the first choice for packaging high-quality products.