

## Melos GmbH – special compounder goes one better in 2011

As in preceding years, our consistent focus on niche applications in association with innovative products has further driven up the development of sales. During the first 6 months of the current 2011 financial year, the company generated a 16.1% increase in turnover. During the previous financial year 2010, we were able to achieve an increase of 19%. Total sales in 2010 amounted to 61.5 million Euro.

"Our sales and development processes have become highly efficient and now generate steady growth potentials which we exploit fully", says managing director Jörg Siekmann. In recent years, operational value-added activities have been consistently improved and refined, and have included making available sufficient investment funding. This investment provides guaranteed long-term support for growth as well as enabling the development of new products and production processes. During the past 5 years, more than 7.5 million Euro were invested in the production site located in Melle, Germany. The company's average rate of growth for the last 5 years has been 11% (CAGR).

"We continue to see very good growth potential in export markets. We have considerably strengthened our US market position for granules applied in sports and leisure areas. We see the same trend in the Asian markets, where we have achieved great improvements in our competitiveness. More and more people are getting to hear about the quality of our products", says managing director Jörg Siekmann. A very good example of this is the 'Meydan Racecourse' project in Dubai. More than 500 tons of granules were delivered and processed within a very short period of time. This project had a signalling effect in the region, and the company is now providing over 1,200 tons for another prestige project in Qatar. This is where the worldwide largest contiguous area with elastic synthetic granules is being built.

### **Shortage of raw materials results in pricing pressure**

As a result of the extremely difficult situation in the raw materials' markets and constant price corrections, Melos GmbH is forced to revise its cost-based pricing on an almost weekly basis. The current market situation must therefore be rated as difficult and very demanding, especially as there are no reliable market development forecasts available for the medium term. "We have to deal with the new environmental conditions on an increasingly short-term basis", says managing director Jörg Siekmann. The company with its 150 employees at the Melle production site is confident and expects to achieve a turnover of approx. 68 million Euro for the current financial year 2011.

Melle, 08.2011

### Pictures

-

**Contact person for the press:**

Melos GmbH, Thomas Kubitza

Bismarckstraße 4-10

D-49324 Melle

Tel: +49 5422 94 47-82

Fax: +49 5422 59 81

thomas.kubitza(at)melos-gmbh.com