



The Colbond acquisition

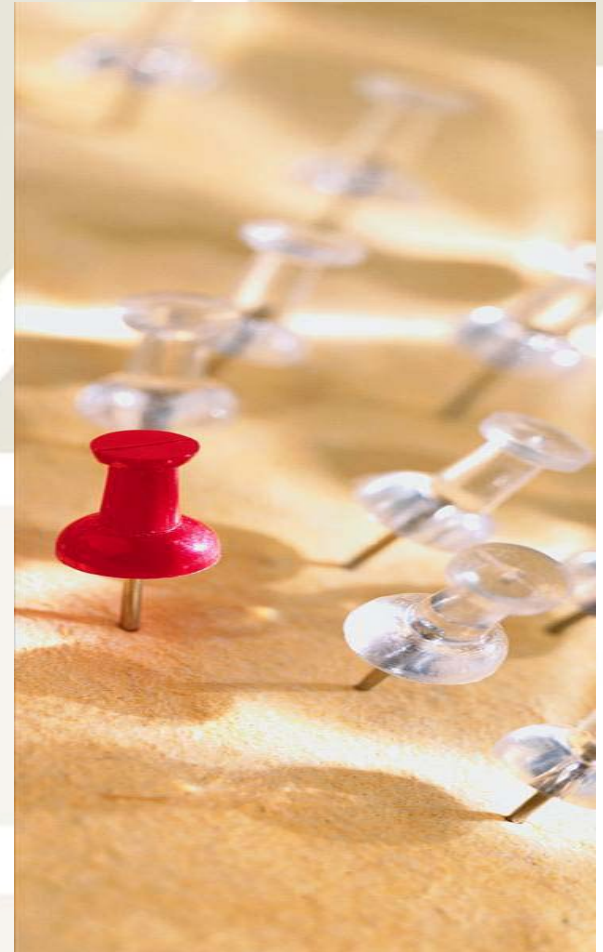
Performance • Innovation • Growth

Steve Good , MD Technical Textiles Division



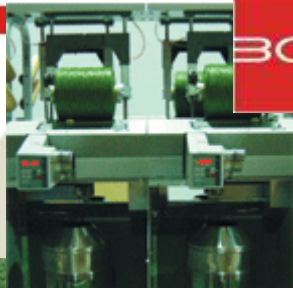
Presentation overview

- Technical Textiles background
- Colbond
 - Company Overview
 - Markets
 - Innovation
 - Post merger integration





Technical Textiles an increasing part of our existence



BONAR XRION



BONAR TF



YIHUA BONAR

“Performance fabrics, yarns or fibres where functionality, not aesthetics, is key”



Geo Tiptex

Kft



COLBOND

BONAR Y&F





We are building our Technical Textiles position



Pre 03

Y&F division operated with Belgian and Dundee businesses

July 04

JV with Sinopec to form Yihua Bonar

Dec 04

Acquisition of Adfil

Jul-05

Acquisition of Xirion

Mar-06

Acquisition of Geotiptex

Jul-06

Acquisition of Colbond

Dec-06

Tech Textiles Division formed

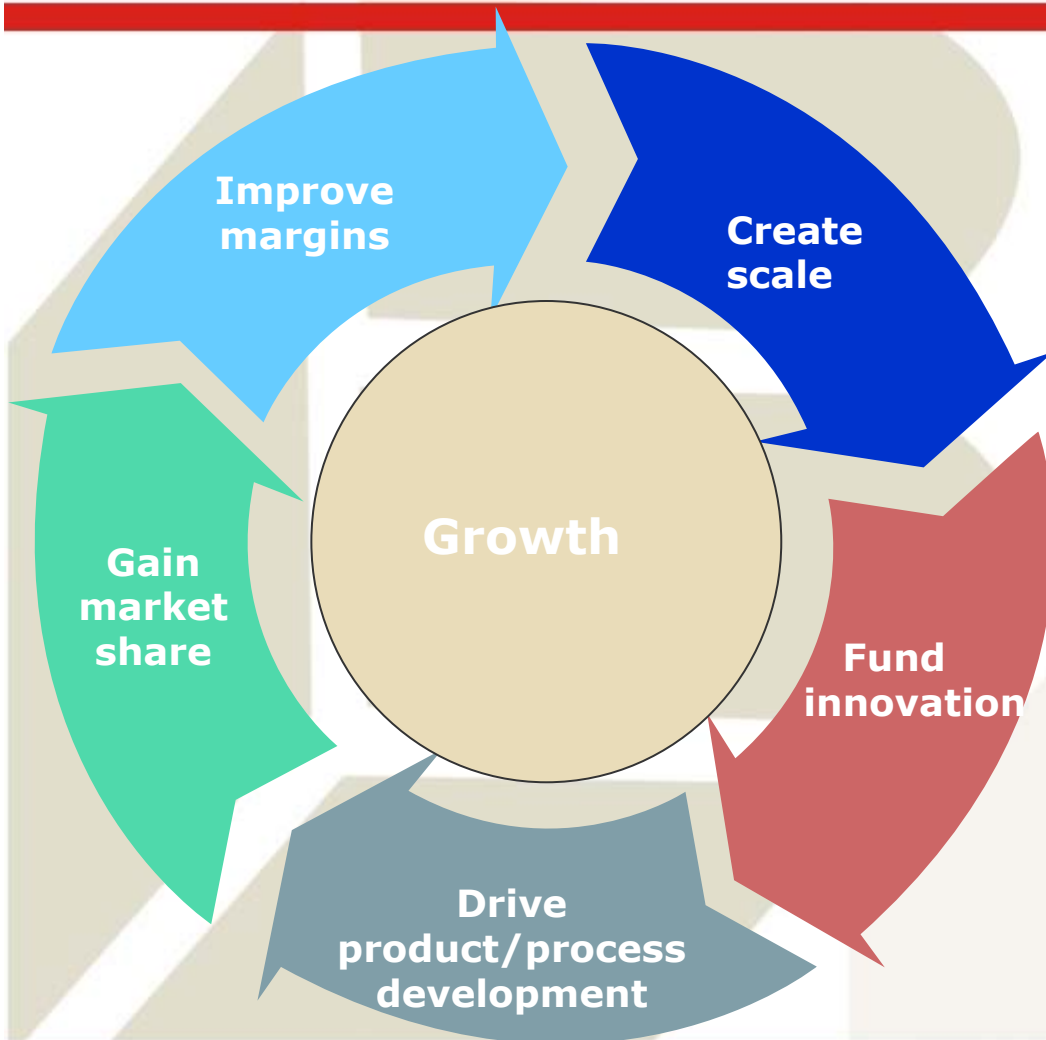


Technical Textiles

- Very large and fragmented industry
- Many attractive industrial segments with high growth rates and margins
- Low and Bonar have developed strong market positions
- Clear strategy to further develop our position



Technical Textiles strategic summary



- Building our position
 - current markets
 - new markets with similar profiles
- Focus on value-added commercial propositions



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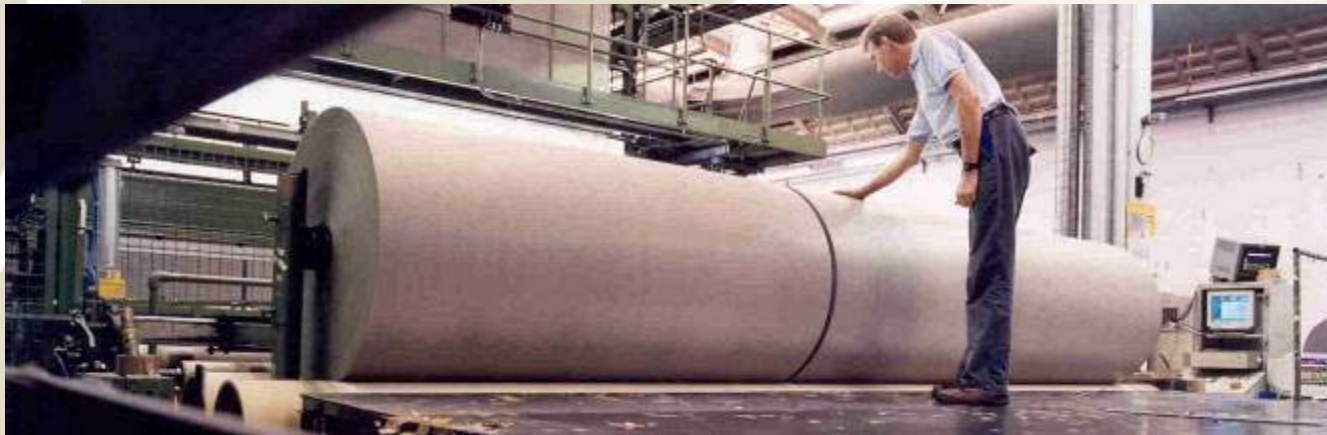
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Colbond at a Glance 1/2

- Global producer and supplier of synthetic nonwoven fabric products and three-dimensional polymeric mats
- Headquarters in Arnhem, the Netherlands
- 580 employees (plus temporary) worldwide
- Production facilities in Europe and North America





Colbond at a Glance 2/2

Sales : \approx €150mln
Capacity : \approx 300mln m²
Employees : 580



Plants

Arnhem	(Netherlands)
Emmen	(Netherlands)
Obernburg	(Germany)
Asheville	(USA)

Sales Offices

Arnhem	(Netherlands)
Obernburg	(Germany)
Paris	(France)
Asheville	(USA)
Singapore	



Company Profile

- **Core competency**
 - extrusion, spinning and fleecing of various synthetic materials.
- **Value-added solutions**
 - Customised products to a broad customer base
- **Growth strategy**
 - Continous development of innovative products for existing and new applications and markets.
- **Taking leading positions** in all markets served.



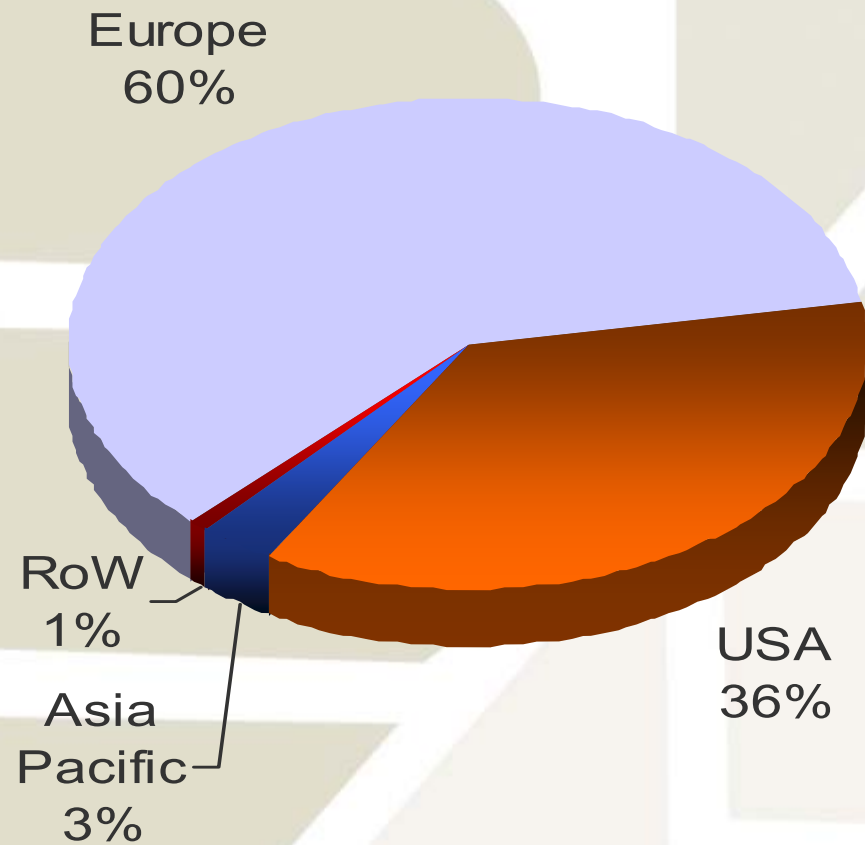
Markets

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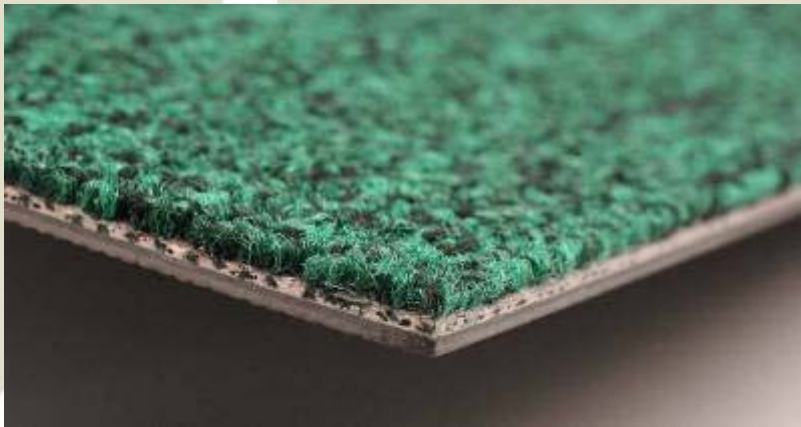


Sales by Geographic Region





Flooring



- Colback® mainly used as primary backing in
- Carpet tiles
- Walk-off mats
- High grade patterned broadloom carpeting
- Main market drivers are office building and renovation



Automotive



Colback® used as high-grade backing for

- Molded car carpets
- Option mats
- As support medium for cabin air filters
- Main market driver is light vehicle production



Construction Industry



- Colback® is used as reinforcement for waterproof bituminous membranes in roofing
- Main market drivers are new commercial buildings the substitution of glass mats by polyester carriers



Building & Industry



Enkamat® type products are used in building and industrial applications

- Roofing and siding
- Flooring
- Fibre-reinforced plastics
- Leisure (e.g., sports fields)
- Cooling towers, filtration
- Main market drivers are building and renovation of houses



Civil Engineering



Geosynthetic products used for

- Drainage
- Erosion control
- Soil reinforcement
- Waste containment
- Soil consolidation
- Main market drivers are governmental spending on civil and infrastructural projects



Innovation

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Striving for innovation in three dimensions

1 Product/market

Protection of existing and creation of new business
=> modified/new products, new applications and markets

2 Technology

Efficiency drive in manufacturing
=> modified and new technologies

3 Organization

Strive for innovations in the organization
=> new structures, business processes and models



Market/Product Innovations, some examples

		Current markets		New markets
		Current applications	New applications	
Current technology	Current products	Process improvements		EnkaFusion
	New products	Colback Pro	New build. products	Cushion vinyl
New technology		NewDrain	X	X

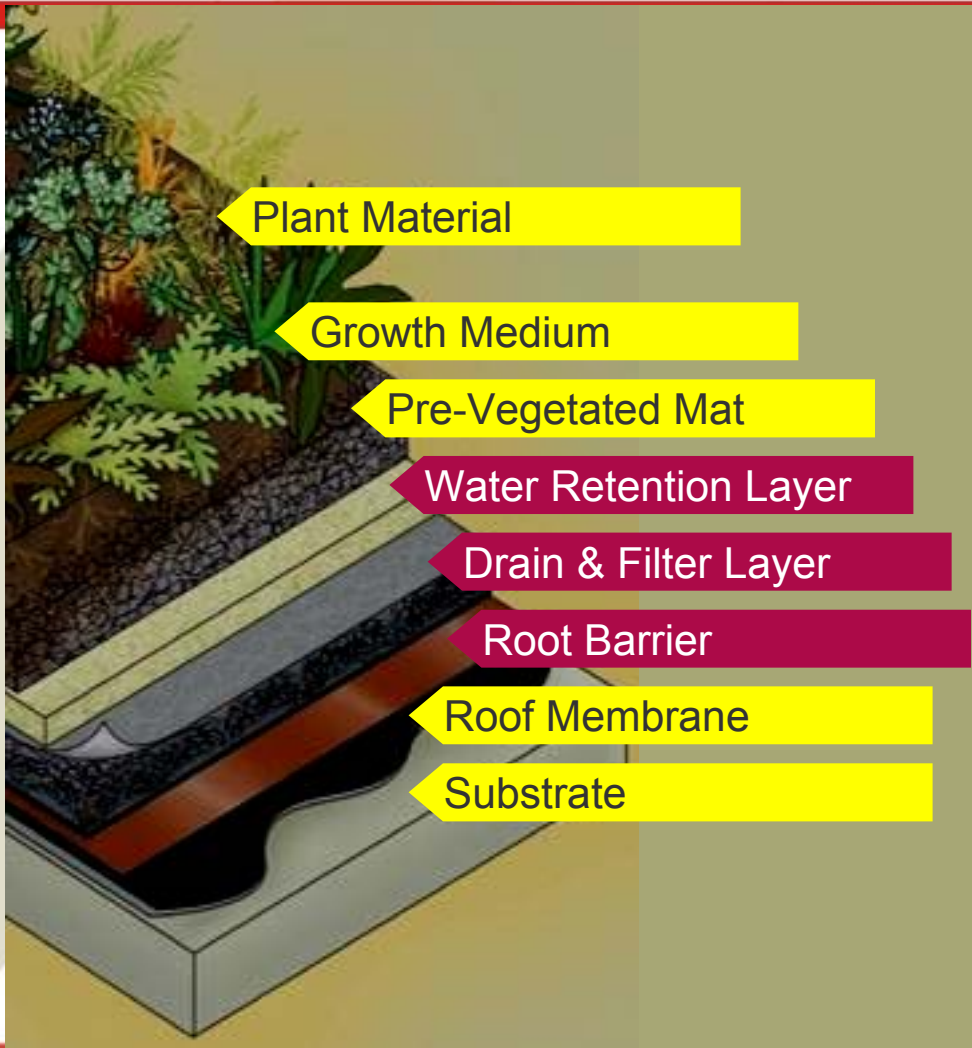


Example New Market/Product Innovation (1/2)

- Enter North American green roof specialty market
 - Growing ecological awareness, subsidized industry
- Aim is to become market leader
- Product development to suit demands of new market
 - Composite made of post-industrial recycled PP
 - Multiple component => function product
 - Outstanding performance
 - Development work with partners



Example New Market/Product Innovation (2/2)



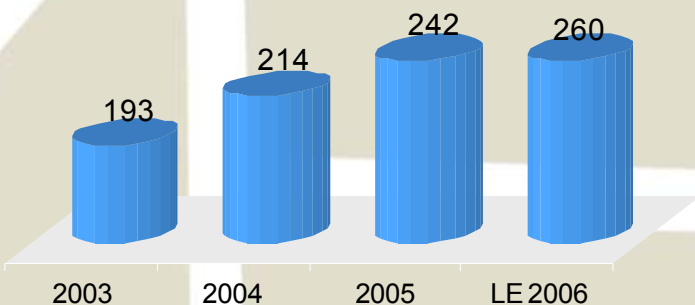
Colbond product



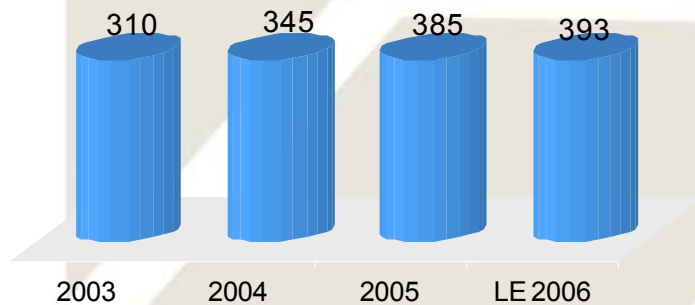


Technology and organisational innovation driving improved efficiency

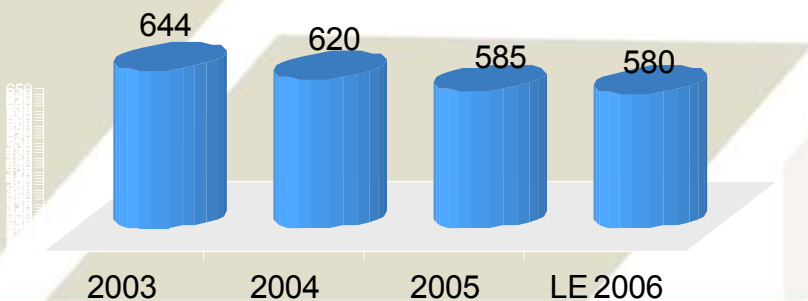
Sales per employee (in 1,000 €)



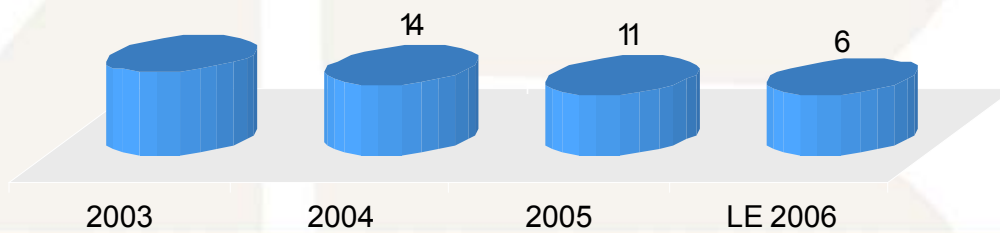
Sqm per employee (x1,000)



Number of employees



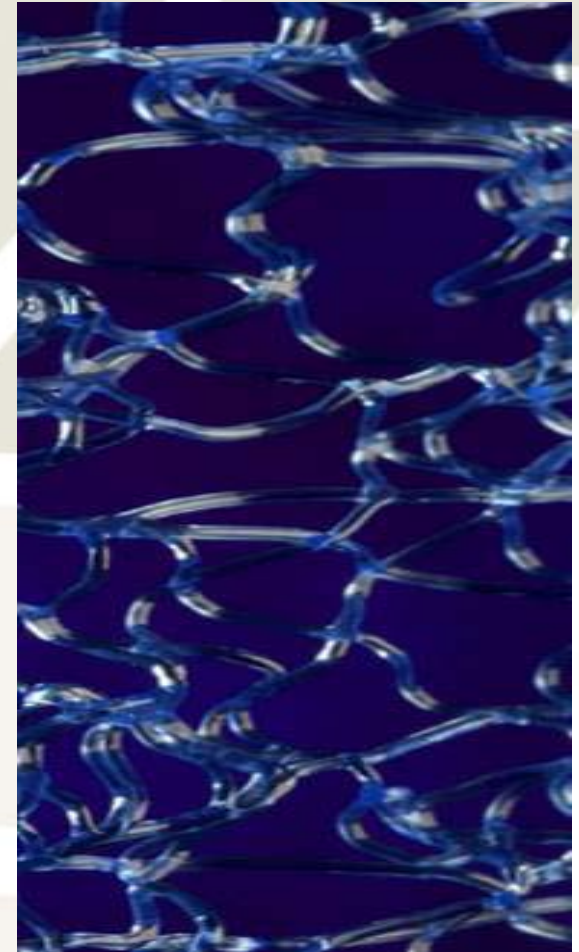
Reduction fixed production costs vs. previous year (% per m²)





Post-Merger Integration

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Post-Merger Integration (PMI) on track

- Colbond standalone business within the TT Division
- Reporting and financial control processes all integrated
- Synergies continue to be developed, and measure favourably against our deal model
 - captive use, cost reduction, and efficiency actions
 - cross-selling in civil eng, use of Asian and US platforms, and capability transfer
- R&D coordination across TT is a current focus



Colbond...

- Financially sound with improving profitability
- Strong management
- Balanced business portfolio with potential beyond incremental growth

