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Dear business friends,

the forecast for 2007 was good. The past 12 months have not only met the predicted expectations but far exceeded them. The term “sales plus” is the central theme of this annual report. We pinpoint our company’s success in 2007 with a plus of 42.2% regarding the total order quantity for the machinery and plants, 30.6% for the foundry, and a very pleasing 92.3% for the nuclear technology business units.

An order backlog of over one (1) billion euros for the first time secures the utilization of our production facilities at full capacity far into the year 2009.

In all core business areas, the Siempelkamp Group achieved record results. The proof is the total order quantity of 815.7 million euros and the sales volume of 492.7 million euros. With these numbers, we can be sure to have secured our leadership position in our relevant markets.

What is this business success that has been continuing for years based on? A reference to the stable economic conditions which we are experiencing, despite decreasing economic growth, would not portray the complete picture. This context is a welcome tailwind, but not the motor of our development.

Siempelkamp has been relying on its strengths, but we also know how to use the opportunities provided to us by the positive economic conditions.

Siempelkamp’s strength is shown by its undisputed leadership position regarding innovative technologies. It is shown by striving to set benchmarks a little higher each time.

Siempelkamp’s strength is also demonstrated through its employees and their many years of experience.

Strength is having the precise feeling for finding suitable solutions for our customers over and over again, and thus providing them with assertiveness.

Strength is the awareness that the fully-integrated orientation of the Siempelkamp Group is our largest power. Each individual company under our roof is strong in its field. By bundling our performance spectrum into yet more complex orders, our strength rises to a new power each time.

With these success factors, we are optimally positioned to turn 2008, the year of our 125th anniversary, into another record year.

The management would like to thank all managers, employees and employee representatives for their work and commitment to the company.

We would like to thank the advisory board with Dr. rer. nat. h. c. Dieter Siempelkamp as the acting chairman who provided valuable experience and support to us in many areas.

Another thank-you goes out to our partners whose trust in our work made today’s success possible.

Last but not least, we express our thanks to our business friends for the excellent cooperation and for their continuing trust and confidence in the Siempelkamp Group!

Dr.-Ing. Hans W. Fechner
Chairman of the Executive Board

Michael Szukala

Foreword

Executive Board of G. Siempelkamp GmbH & Co. KG
(from left to right): Dr.-Ing. Hans W. Fechner (Chairman), Michael Szukala
According to the shareholders’ agreement, it is the responsibility of the advisory board to oversee the activities of the management and to act as an advisor to the management.

The fundamental activity of the advisory board in 2007, as every year, was the thorough exchange of information with the management of G. Siempelkamp GmbH & Co. KG, the Holding of the group of companies. Intensive and regular reporting of all business matters was the focus of each advisory board meeting.

The management informed the advisory board of all business developments and the current situation of all group companies and their business units. New and significant orders and projects, as well as the profitability, financial situation and position of the company were reported on at the meetings. During several meetings the corporate planning activities, including investment and personnel planning, were discussed and adopted.

One of the main issues resolved in 2007 was the considerable expansion of all three business units, machinery and plants, foundry and nuclear technology. This development includes the acquisition of companies but regards mainly the expansion of the production facilities for the machinery and plants and the foundry business units at the Krefeld location. This construction project represents the largest investment in the history of our company.

This groundbreaking decision was made against the certain background that all three business units are excellently positioned in their markets. We confidently expect continued good development opportunities in the future.

Five meetings took place in 2007, of which two were meetings of the audit committee. Additionally, one special meeting was summoned.

During each meeting the advisory board received a detailed report regarding risk management and the order processing situation. In the process, the board satisfied itself that, as a result of the measures taken, warranty costs remain on a low level.

The board would like to express its thanks to the management and employees for their strong commitment, as well as to the shareholders for their continued confidence in the Group. We would also like to thank the workforce representatives in the various committees for their trustful support and interest in Siempelkamp.
Development of business in 2007

All three business units of the Siempelkamp Group proved in 2007 that opportunities were used and obstacles were overcome. The extraordinary year-end results in the machinery and plants, nuclear technology, and foundry business units speak for themselves. The slightly slowed economic growth, the decreasing dynamic of growth in the United States and the weak impulses from the German construction industry could not slow us down on the road to success. Combined, our business units recorded a total order volume of 815.7 million euros. Compared to the previous year (567.2 million euros), our result increased by 43.8%.

Our sales volume of 492.7 million euros has also far exceeded our goals. The result of the previous year, which was 412.2 million euros, was increased by 19.5%. For each of our three business units, this demonstrates the following:

With high-quality technologies, a good feel for what the customer needs and the innovations resulting from it, our Group achieved top positions in relevant markets.

The machinery and plants unit takes an important role in our company structure. The business unit sold 18 plants to the wood-based products industry, significantly more than last year. In 2005 and 2006, 13 plants each were sold. In 2007, we extended our world market leader position in this industry. The number of plants sold amounts to a 67% world market share.

Just as we successfully penetrate global markets, our orders succeed. The largest single order in the history of Siempelkamp, which we received in 2007, is a complete MDF plant for our customer Russian Laminate. Another milestone is the latest MDF/HDF plant for FBB in Baruth. For the first time in five years, a large plant is being built in Germany! And yet another success story: our newly developed plant concept for Pfleiderer in Grajewo (Poland) breaks all records regarding thin board production. These and other orders demonstrate our ongoing performance power and the unbroken interest of our markets in Siempelkamp products and solutions.

In 2007, we continued to expand our position as the leading supplier of metal forming plants. Our large spectrum of forming presses sets benchmarks with customers all over the world. In 2007 we sold four large metal forming presses.

Another important milestone in the course of the year was the takeover of Metso Panelboard GmbH, Hanover, Germany.
The foundry business unit has experienced a comparable successful development. In 2007, the foundry successfully remained a worldwide leading manufacturer of heavy and large castings in its markets. The high demand of the previous years continued, and resulted in a total order quantity of 168.9 million euros. This corresponds to a plus of 30.6%. The total turnover grew by 15.9% and amounted to 96.4 million euros in 2007.

The profit earners were the areas of mill construction and the energy industry. However, the area of press construction also continued its positive trend.

Numerous developments, always oriented on the customer, have contributed to the foundry’s success. Here, the concepts as well as the general conditions are right. Our research projects advance materials and process technology. Several new projects and retrofits ensure the necessary capacity expansions.

Our nuclear technology business unit has also been successful in 2007. The areas of containers, engineering services and recycling combined achieved a total order quantity of 112.3 million euros. This corresponds to an increase of 92.3% compared to last year! A top output could also be achieved for the sales volume. Compared to 2006, the sales volume reached 74.9 million euros, a plus of 97.6%.

This increase is based partly on the uninterrupted high utilization regarding the production of containers for nuclear waste. In 2007 we produced the 5,000th MOSAIK® container – an impressive number!

As far as the area of engineering is concerned, intensive cooperation with the operators of nuclear power plants has developed into a sustainable interaction. Both for existing as well as for new plants, Siempelkamp remains an important service provider. Our position in the recycling of chemically contaminated metal waste has also strengthened.

In October of 2007, the companies NIS Ingenieurgesellschaft and the French ANSA joined the Siempelkamp nuclear technology business unit.

The international interest in the expansion of nuclear technology to cover growing energy needs continues, and is ensuring successful development in this business area.

A total of 2,391 employees contributed to the success in all three business units in 2007. The workforce of the Siempelkamp Group increased by 331 people and 16.1%.

Additionally, Siempelkamp employs 97 trainees. After a slight decrease in 2006, this number has increased by 6.6%.

### Siempelkamp Group consolidated in million euros

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
<th>Change in %</th>
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<th>Change in %</th>
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<th>2006</th>
<th>Change in %</th>
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<tbody>
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<td>Machinery and plants</td>
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<td>386.3</td>
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<td>52.7</td>
<td>74.9</td>
<td>37.9</td>
<td>97.6</td>
<td>64.2</td>
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<td>11.7</td>
<td>2,391</td>
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<td>16.1</td>
</tr>
</tbody>
</table>

| Trainees                | 97   | 91   | 6.6         | 2,488| 2,151| 15.7        |

*End of period 31.12.
Development of business

Development of the Krefeld location in 2007

In order to develop successful innovative technologies, the general conditions have to be right. The Siempelkamp Group will invest approx. 54 million euros in new means of production at the Krefeld location by 2009. In 2007, we reached important milestones in this project. Our goals include ensuring our sustainability, expanding the value chain, our capacities and both keeping and creating highly trained jobs. With a capital expenditure of 13 million euros, the first investment stage has progressed in 2007, benefiting the machinery and plants business unit. Inside the new 3,000 m² production hall, two machines, regarded as giants of their class, were installed. Both systems can machine large workpieces and are unique in Europe.

The turning lathe by Heyligenstaedt in Giessen is approx. 5 m (16 ft) in height, approx. 20 m (66 ft) in length, and sits on a foundation that is 4.45 m (15 ft) deep. This system will machine parts with a length of up to 12 m (39 ft) and a piece weight of over 100 t (110 US tons). It will be used, for example, for the machining of infeed and outfeed rollers, large cylinders and the main shafts for windmills.

The second machine, a gantry type VMG 6 PS portal milling machine manufactured by Schiess has a mounting length of 22.5 m (74 ft), a working width of 7 m (23 ft) and a height of 6 m (20 ft). This universal machine will lathe, drill, and mill. The milling spindle can machine at a maximum output of 100 kW at high precision. Key data of the Gantry include: 26 m (85 ft) working length and 13 m (43 ft) in height, the workpieces to be machined can be up to 6 m (20 ft) in length and 7 m (23 ft) in width.

Opening ceremony of the expanded foundry
The foundation consists of a monolithic concrete block which was poured in 72 hours from 6,400 m³ of concrete at the end of August 2007. This gantry is the first machine of its kind to be installed in Germany. The other nine predecessors were manufactured for export. Siempelkamp will use the milling machine and its special machining heads to machine many different workpieces in the future, including large press tables for multi-daylight and metal forming presses. The gantry can also machine housings for diesel engines of large vessels, as well as extra-long hotplatens. At the end of 2008, a second portal milling machine will be installed, and will start production in February of 2009.

Siempelkamp Foundry has also invested in the Krefeld location in order to increase productivity. The high sales volumes of the previous years are, to a large part, due to the already implemented measures since the capacities of the company could be decisively expanded. The ongoing demand in the capital goods industry, as well as customer demands for an expansion of the product line for castings, have pressed the need for further building projects in 2007.

The construction of a new production facility was almost completed in 2007. Equipped with the latest technical crane facilities and a pouring ladle transport system, this production shop makes highly economical production processes possible.

A total area of more than 2,100 m² is the reason that the yearly casting capacity for castings up to 50 t (55 US tons) can be increased. The foremost goal was to make the production processes more economical and to improve the working conditions for our employees.

The layout of the new molding shop is also trendsetting. The shop has the following key figures: 1000m² of molding area, 200m² of ramming space, 300m² of storage area as well as a remaining 620m² for circulation space. The new molding shop with a total area of 1000m² can be divided up universally into molding pits. The shop can be divided into a total of 26 pits, and therefore presents a high degree of flexibility.

Next to the molding shop, a new management office with an area of 900 m² is being built. As an extension to the existing core-making shop, a production hall with an area of 1,500 m² will be connected to this part of the building. These measures require 18.4 million euros and are another core part of our investment program.

In 2008, other stages of the Siempelkamp Foundry investment program will be completed. For example, a new pattern storage area with the latest storage technology and a flask store will be built. These investments will require approx. 6 million euros and will cover a total area of 25,000 m².
Machinery and plants business unit

Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG
A total order quantity of 549.3 million euros in 2007 proves that our strategies are working and that we keep hitting the bull’s eye for our customers. This success is based on our 125 years of experience. Our machinery and plants for the wood-based products, metal forming, rubber, and gypsum fiber industries benefit from our experience. Our service is first-class: around the centerpiece of our plants, the press, we plan, design, and build complete, turnkey plants to meet every customer requirement and general condition. Fully automated and equipped with the latest control technology, we supply all components for these plants worldwide and assist all activities from the assembly to the startup, from the dryer to the forming and pressing line to the storage, sanding and cut-to-size equipment.

The same goes for our short-cycle presses for surface laminating wood-based boards which are used in the production of furniture and laminate flooring. Our competence is also demonstrated in our press systems for metal forming, as well as our plants for the production of tire treads for truck tires or conveyor belts for the transport of bulk material. We are also active in the area of building material production. We supply gypsum fiber plants and double belt presses for the production of sandwich elements used in hall construction.

All Siempelkamp Group companies, from the engineering experts to the new energy systems specialists, ensure that all plant components form a successful unit.
In the beginnings of our company as well as today, each generation of Siempelkamp teams was and is aware that tradition can only stay alive with continuous impulses. Only then will innovative products develop that provide our customers competitive edge in their markets. We also provide innovations for older plants. Our upgrade packages help to turn old plants back into high-performing plants. In order to provide our customers with these important performance-enhancing services, we are continuing to expand our service area with retrofits, new upgrades and the supply of spare parts worldwide.

**Uptrend for machine engineering and wood machining – strong positioning for Siempelkamp**

For the machinery and plants business unit, 2007 was one of the best years of recent decades. Ongoing building activities in the private and public sectors influenced the demand for wood-based products positively. Capacities were well utilized despite increasing prices. The sales volume of the German manufacturers of machinery for wood machining increased, according to the Verbandes Deutscher Maschinen- und Anlagenbau (Association of German Machinery and Plant Construction), by 11% in 2007. In the previous year, a plus of 21% was recorded.

Of all sectors of the wood machining and processing industry, the wood-based products industry is recording the highest gains. The building industry recorded only weak impulses while the growth trend in the furniture industry continued in 2007. These developments resulted in an increase of the German gross domestic product by 2.5% compared to the previous year. Plant construction has the best opportunities on international markets. Turkey remains an important market for Siempelkamp. The economic upswing of the country continued in 2007, as well as the increasing market-oriented push for reforms. We have profited from five plant orders from Turkey and completed the startup of one MDF plant.

Russia, also an important market for our company, experienced increasing economic growth from 5% in 2006 to 7.75% in 2007.

The country with the largest wood reserves uses its wealth of resources as an economic incentive. Russia will increasingly produce within the country in the future. This opens up opportunities for new plant locations, as well as for increasing the efficiency of existing plants.

South America is also recording solid growth rates. Analysts recorded economic growth of 4.5% for Brazil in 2007. We received the three orders which became available in 2007. One of these orders includes the world’s longest continuous press for wood-based products with a length of 77 m. This press will be delivered to our customer Duratex.

The demand from China continues to be strong. China has for some time been one of the world’s fastest growing economies. Since 2003, the gross domestic product has grown in double-figure percentage rates. The positive experiences of many operators have resulted in a clear increase of our market share in 2007, at a generally increasing price level. Our largest Chinese customer, the Dare Group, has ordered a fourth

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<td>–43.4</td>
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<td>355.7</td>
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Trainees

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<th>59</th>
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*End of period 31.12.
almost identical MDF plant. The important Lishui and Yingang Groups also count on Siempelkamp technology.

Our metal forming division has taken a leading role in its market with its spectrum of metal forming presses. Four large presses were sold including a crimping press for Europipe, Mülheim, a manufacturer of large pipes. One 2-column open-die forging press each went to two Chinese customers. An 8,000 t (8,818 US ton) bending and flanging press was also sold to our customer BHEL in India.

**Milestones**

With a very profitable 2007, the machinery and plants business unit clearly emphasized its position as the world market leader for plants used in the wood-based products industry. Compared to the previous year, during which 13 plants were sold, 18 plants were sold in 2007. With this number, we represent 67% of the entire world market. Additionally, we sold four large presses in the area of metal forming.

Constantly improving solutions for a permanently fine-tuned product spectrum are important decision criteria for our customers. Here, we made an important gain in 2007. In October of 2007, Siempelkamp Energy Systems GmbH (SES) became part of the Siempelkamp Group. The specialist for energy plant concepts, located in Hanover, arises from the takeover of Metso Panelboard GmbH. This acquisition has expanded our portfolio with energy technology for the wood-based products industry. An energy plant from SES is part of the scope of supply of the largest single order in Siempelkamp history, which started with a design contract in May of 2007. Our machine building group, including SHS, Büttner, Sicoplan, and the new subsidiary SES, will build one of the world’s largest MDF plants for Russian Laminate close to Smolensk, Russia, in the course of the next two years. This plant will be turnkey-ready, including steel and pipe construction. The order is a milestone, not only for our positioning in Russia, but also for our entire business activities.

Another benefit from the gain of SES to our Group:

Some customers that have used Metso systems in the past will now order Siempelkamp press lines for their expansion projects, among them the companies Ugra Plit, Russia and Vanachai, Thailand.

For the first time in five years, a large plant has been built on German ground. Siempelkamp supplied the latest MDF/HDF plant to FBB. The plant which is part of the Classen Group was erected in Baruth in record time and was started up in the summer of 2007. This also goes for the thin MDF plant for Pliederer at the location in Grajewo, Poland. All existing records were exceeded by more than 30%. Nowhere else are such thin boards (1.5 mm) produced at such high speeds (2,000 mm/sec)! This newly developed plant concept resulted in a further expansion of our leadership position. Four new lines based on this concept were already sold in 2007. At the same time, the extension of our production hall in Wuxi, China, has been a success. More than 150 employees are now working at this location. For almost all projects, the components are produced in Wuxi with a higher share of manual labor, leading to a significantly better cost position.

Aerial photo of Satipel, Uberaba, Brazil
Course of business

Two large areas shape the operative business of Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG:

- Construction of new plants (78.4% totaling a sales volume of 200 million euros in 2007)
  This area represents the complete business for new plants including sales organization, construction, production, assembly and project management.

- Service (21.6% totaling a sales volume of 55 million euros in 2007)
  Service is the part of our business that starts after the warranty for new plants expires. It includes spare parts sales and retrofits.

The relation between both areas was 74% to 26% in 2006. In 2007 this relation shifted in favor of new plant constructions.

Development of sales: another increase

The positive business development of the previous years continued in 2007. Compared to 2006, we increased our turnover by 58.9 million euros to 255.6 million euros, 29.9% growth. The largest part of this amount, at 189.3 million euros or 49.4% growth compared to the previous year, was obtained in the wood-based materials industry. We started up nine ContiRoll® press lines (2006: five) and one multi-daylight press.

In the area of new short-cycle presses, we can account for one plant in Russia and orders for four plants which we received from our subsidiary SHS, including one plant each in the USA, Russia, South Africa, and the Middle East. In the rubber industry we sold a tire tread press to the USA and a repair press for conveyor belts to Poland.

With an increase from 52.1 million euros to 54.9 million euros, our service area recorded a turnover increase of 5.4% compared to 2006. This turnover increase is largely a result of the positive development of previous total order quantities which paid off during 2007.
Order volume confirms uptrend

The total order quantity in 2007 amounted to 443.9 million euros and was 51% above the level of the previous year. These numbers confirm an impressive uptrend. The order situation ensures the utilization of some of our business areas at full capacity way beyond 2008.

In the area of new constructions for board production, 15 continuous press lines sold (2006: 13) and three multi-daylight presses (2006: none) exceeded the previous year’s values. Of the 18 plants sold, five each went to Turkey and China, and one plant each to France and Thailand.

Our subsidiary Siempelkamp Handling Systeme (SHS) sold six short-cycle press lines and placed the order for the manufacture of the short-cycle presses with the machine factory in Krefeld. Additionally, the machine factory has received two orders for short-cycle press lines directly.

In the area of metal forming, we received an order from a German customer for a crimping press for the production of pipeline pipes and for two forging presses from customers in China. The area of rubber presses sold a conveyor belt press to Australia.

The total order quantity in the area of service slightly increased compared to the previous year. As in 2006, due to the increasing business for new plants, fewer orders for retrofits were placed.

Employees

The number of employees increased in the machinery and plants business unit. On December 31, 2007, 1,510 employees were part of our team (2006:1,403). For one thing, this number helps us cope with the high order volume. On the other hand we can create new jobs within the scope of upcoming large investments.

Siempelkamp Energy Systems, part of the Group since October of 2007, gained 67 new employees. We also increased our personnel at Wuxi, China, by 50 individuals, and at SHB in the Czech Republic by 6.
Flexible ContiRoll® press infeed section
ContiRoll® Presses

Developed by Siempelkamp 24 years ago, in use worldwide today, the continuous ContiRoll® press is the centerpiece of a forming and press line for the wood-based materials industry. It has made us the market leader in the field of continuous presses for the wood-based products industry. Due to its design principle, the quality of the components, and our service throughout the entire lifespan of the line, many of our first ContiRoll® presses are still operating to this day. Four unbeatable reasons are the foundation of the ongoing success of the ContiRoll®: short assembly times, quick startups, stable ramp-up curve, and high availability. Accordingly, the demand is high. In 2007 we sold 15 ContiRoll® presses. In order to meet the needs of our customers more quickly, we have expanded our production capacities. We have developed a new concept for the production of thin MDF with a feed rate of 2,000 mm/sec, representing another success for the ContiRoll®. The ContiRoll® is a central component of continuous press lines. In addition to the press, other Siempelkamp products, including e.g. the forming line with special high performance machines, the pre-press for the compacting of the mat, and the ContiTherm® preheater, complement our position as the world market leader in the area of continuous presses for the production of wood-based products.

The ContiRoll® press is produced and marketed by Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG, Krefeld, Germany.

Milestone

With the ContiRoll® press, we have realized our philosophy of maintaining market leadership with the highest technical standards and continuous developments. Our way of thinking has paid off. In 2007, nine continuous press lines were accepted by our customers, three more than in 2006. Two of these lines went to customers in China and one each to our customers in Turkey, Germany, Poland, Slovenia, Lithuania, Great Britain, and Chile. As in previous years, the number of orders has demonstrated that wood processors worldwide trust in ContiRoll® technology.

The first line in 2007 was accepted by our Chinese customer Dare Sanming in April. The customer had ordered an 8 ft x 42.1 m ContiRoll® for the production of particle board. The second line that we delivered to China was accepted by Luyuan II in November of 2007. This order was for an 8’ x 23.8 m MDF/HDF line. The acceptance test for an 8’ x 38.7 m particle board line was also carried out in April for our customer Giriu Bizonas in Lithuania.

Our Chilean customer Masisa received a 9’ x 38.7 m ContiRoll® for MDF production; Pfeiderer in Poland received the latest thin MDF line, which has established a record production speed of 2,000 mm/sec.

With a length of 55.3 m, the ContiRoll® for the production of MDF for our Turkish customer Yildiz Entegre was the longest line installed in 2007. This line is the third Siempelkamp line for this customer. Another ContiRoll® (8.5’ x 23.8 m) for the production of thin MDF started up at Fantoni Lesonit, Slovenia. This line, which is equipped with distribution plates in the press, meets the customer requirements regarding thickness tolerances. An 8.5’ x 48.7 m ContiRoll® for the production of particle board was started up at Egger Hexham in Great Britain. Last but not least, at FBB Fiberboard in Baruth, Germany, an 8.5’ x 48.7 m ContiRoll® passed the acceptance test in December of 2007. This plant will produce HDF boards used in the production of laminate flooring. Five additional ContiRoll® presses manufactured their first boards in 2007. In November and December of 2007, this milestone was reached for our customers Lishui II (China), Tolko and Tafisa (Canada), PG Bison (South Africa), and Egger (Rumania). These customers are now one step closer to passing the plant acceptance test.

New orders

15 new orders for ContiRoll® presses revived our business in 2007 and clearly exceeded the previous year’s value. We received four orders each from customers in China and Turkey, three from Brazilian customers, two from customers in Russia, and one order each from customers in France and Thailand.

ContiRoll® presses for the production of thin boards are well represented with two orders from our Turkish customers Turanlar Group and Starwood and one order from Yingang (China). Our ContiRoll® presses produce thin MDF boards with excellent quality at high speeds.

Of the 15 orders for ContiRoll® presses in 2007, MDF lines were in the highest demand. In addition to the three thin board lines, eight more continuous presses for the production of MDF will be supplied to our customers Weihua, Dare and
Lishui II (China), Starwood (Turkey), Duratex and Satipel (Brazil), Vanachai (Thailand) and Russian Laminate (Russia).

The order for Russian Laminate represents the largest order in the history of Siempelkamp. A design contract in May of 2007 convinced the customer to order a complete MDF plant extending from the wood yard to the packing line. The centerpiece of this plant will be the forming and press line with a 9’ x 50.4 m ContiRoll® press.

Another record is achieved by a jubilee press – our 200th ContiRoll® press. Our customer Duratex, the largest wood-based materials manufacturer in Brazil, ordered the world’s longest continuous press. The order includes a 9 ft x 77 m ContiRoll® press. Through this press, which is supported by 93 frames, a mat with a thickness ranging from 2.5 to 37.3 mm (0.098 to 1.47 in) can run at a maximum speed of 1,400 mm/minute (4.6 ft/minute). The press has the outstanding capacity of 760,000 m³ of board per year!

To date, only Siempelkamp has built presses of this scale and capacity. With this order, we have confirmed our pole position in the market.

Another highlight in ContiRoll® technology is the press for our Chinese customer Lishui II. With a width of 4 ft, we will supply an extremely narrow-sized press which attracts special attention in our Asian markets. Highly functional and easy to implement on local markets, this concept emphasizes our ability to react to any customer requirement and market condition.

Next to these different presses for MDF production, we have received four orders for ContiRoll® presses from particle board manufacturers. Our Turkish customer Yildiz Entegre...
ordered a particle board line with ContiRoll® press technology for its Kocaeli location. The 7’ x 42.1 m press is designed for a capacity of 2,000 m³ of particleboard per day. Egger ROL in France will receive a 7’ x 42.1 m ContiRoll® press for particle board production.

A very high-performance ContiRoll® press for particle board will be supplied to our Brazilian customer Fibraplac. The 9’ x 33.8 m press is designed for a production capacity of 500,000 m³ of particle board per year. Last but not least, Ugra Plit (Russia) ordered a 7’ x 18.8 m ContiRoll® customized press for particle board production.

A total of 29 plants with ContiRoll® press technology in different stages of completion are currently being implemented. We have recorded the highest demand for our technology from customers in China with nine projects, followed by Turkey with six projects, Brazil with four projects as well as the Middle East and Russia with three projects each.
One Concept, Three Designs – The ContiRoll®

The Siempelkamp ContiRoll® press is the most successful system on the international market for the continuous production of wood-based boards. Its sophisticated design concept has matured over the past 20 years and is now able to meet even the most complex requirements. Today, there are three designs available. This means customers can select a ContiRoll® designed to fit their requirements for board size and production capacity.

One concept

No matter which ContiRoll® you select, you buy a superior concept.

Particle board, MDF/HDF, OSB, and CSL: consistent technological quality is ensured using ContiRoll® presses for the whole range of products.

All three press designs are equipped with the same patented flexible press infeed section which is perfectly suitable for conveying speeds of up to 2 m/sec (6.5 ft/sec). This results in an optimal board density profile.

The pressure profile is always adjusted over the entire nominal hot platen length and crosswise to the working direction.

A screen return can be added for OSB production.

The use of our ContiTherm® preheater may even raise the output of the press by 20 – 30%, depending on the product.

An integral concept has been developed to enable adequate press housing, regardless of the press design.

Design “2”

• Nominal press width of up to 12 ft and extremely high specific pressure profiles 500 N/cm², to 70 – 80% of the length
• Nominal hot platen length from 50 to over 80 m
• Hydraulic function beam supported by a platform
• Board thickness ranging from 2 – 60 mm
• Extraordinarily stable operation requires extremely little intervention by control elements

Design “1”

• Nominal press width ranging from 6 – 10 ft
• Nominal hot platen length up to 50 m
• Hydraulic function beam supported by a platform
• Board thickness ranging from 2 – 40 mm
Design “0”

- Nominal press width 4 and 5 ft (5 ft adjustable to 4 ft)
- Nominal hot platen length up to 30 m
- Self-supporting hydraulic function beam installed next to the press
- Board thickness ranging from 2 – 40 mm
Assembly of a large multi-daylight press
Multi-daylight presses

Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG is the specialist for the design of hydraulic presses such as single or multi-daylight presses and steam injection presses. Single or multi-daylight presses are mainly used when there is no need for varying board sizes or if special production processes do not allow the use of continuous press systems. Our single and multi-daylight presses can produce the complete product range of wood-based boards – MDF, HDF, particle board, OSB, and CSL. At the same time, this press technology offers a wide range of sizes. Our single daylight presses can even reach a length of up to 80 ft. The largest installed multi-daylight press to date achieves a maximum production capacity of up to 2,400 m³ of board per day. Technically even larger capacities are possible. Our range of products also includes single-daylight steam injection presses, as well as multi-daylight presses with up to 30 daylights for wet-manufactured products. We also offer matforming systems, pre-presses, and loader and unloader units which are synchronized to our presses. Our main focus is on our service activities. Planning and production are on one side; an economical plant startup that saves our customers time and money and ensures a competitive advantage is the other side. Finally, our after-sales service guarantees long-term product quality.

Milestones

The acceptance test for the 16-daylight press for our customer Norbord Cordele (USA) was carried out in March of 2007. Assembly start for this press was in 2006. The 8’ x 24 m press for OSB has a capacity of 1,800 m³/day and uses a new design concept for closed window frames. The matformers, forming line, and the loader and unloader unit are state-of-the-art! The quick ramp-up to 100% capacity in three-shift operation was highly satisfying to our customer Norbord.

New orders

With orders for three multi-daylight presses for customers in Russia, Brazil, and China, 2008 will be an active year for us. In July of 2007, we signed a contract for the supply of a forming and press line with our customer IMAL in Russia. This 6-daylight 6’ x 24.6 m press for the production of MDF with a board thickness of 8 and 9 mm will have a capacity of 75,000 m³/year.

Our Chinese customer Taizhou Xinyuan was also interested in one of our multi-daylight presses. In August of 2007, the press mold specialist ordered a 12-daylight 3 m x 6 m press from us for the production of transformer plates. Our new subsidiary Wuxi will carry out a large part of the production for this order. Consequently, our production site on the Asian market will increase in importance for us. This press will produce boards with a thickness ranging from 1 to 8 mm. In October of 2007, we received an order from Yildiz Entegre for a door skin production line. The 12-daylight 1.8 m wide press will expand the production spectrum of the Turkish family-owned business with over 100 years of experience in the wood industry. The press has a production capacity for two million door skins per year. The forming line and dryers will be supplied in early summer, the press in summer of 2008. The production of the first board is anticipated for October of 2008.
Laminating Plants

The surface-finishing of wood-based products nowadays requires more particular demands than ever before. Surface-finished particleboard, MDF or HDF panels are increasingly being utilized for multi-faceted products, i.e. laminate flooring, wall panels and furniture products. Therefore, performance requirements of short-cycle presses are likewise increasing.

The laminating division of Siempelkamp Handling Systeme GmbH (SHS) designs and markets short-cycle presses. SHS specializes in handling equipment designed for handling panels, decorative papers, paper lay-up systems, loader and unloader units, as well as storage system technology. Further core competences in the area of laminating lines include the control technology and hydraulic hot presses. These two areas were integrated into Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG.

The Siempelkamp short-cycle presses are impressive, with high outputs and high flexibility at the same time. Around the short-cycle press, the centerpiece of a laminating plant, we design and build all system components and provide a quick start-up for the equipment.

We supply custom short-cycle presses according to customer requirements. Our multi-piston press has a strong position in the market. This press features an even pressure distribution, even for high board size variations.

In addition to storage technology, we can equip our press lines with logistics systems for the connection of adjacent production areas such as an order and warehouse management system and a material flow control system. We are a single-source supplier for complete laminating plants.

Our short-cycle press is made by Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG, Krefeld, and sold by Siempelkamp Handling Systeme GmbH, a solely owned subsidiary of Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG. All core components for the press are manufactured by the parent company and affiliates of the Siempelkamp Group. Another product of our Laminating Division is our high-pressure laminating press lines (HPL lines), for example, for the production of decorative laminates. These high-quality and highly resilient laminated panels are used in interior design as well as for siding material in construction.

Milestones

2007 was marked by two important start-ups. For our customer PG Bison in South Africa, we put a fully integrated line for furniture panels with a capacity of above 180 press cycles per hour into operation. This line includes an automatic paper pallet storage system with direct feed, an additional crosswise paper lay-up system for small lots and a directly connected packing and strapping line.

The second line was started up for our customer Flakeboard (USA). In order to extend the market position of Flakeboard after the takeover of the Weyerhaeuser locations, the customer asked for a short-cycle laminating line. Our plant concept utilizing a multi-piston press was convincing. This press has a capacity of above 180 press cycles per hour and is ideally suited for frequent board size changes. The automatic “Super-Scan” surface inspection system, provided by the customer, was mechanically and control-wise integrated into the line by SHS.

We also supported our customers in the field of technical developments. Our new loader and unloader unit started successful operation at the plants of our customers PG Bison and Flakeboard. Feeding times of less than 8 seconds are no longer a problem for the continuous operation. The use of many common parts makes it possible to easily adjust the design to different board size requirements.

Further improving our products, is important to ensure our future competitiveness. Our competence center constantly focuses on these goals. In 2007 we further optimized the performance features of our short-cycle press. Next to numerous improvements for reduced maintenance of the press, we focused on the press synchronization control and a new heating system.
New Orders

In 2007 we maintained our market position, which was already reclaimed in 2006. Our Brazilian customer Fibraplac ordered for the plant in Glorinha/Porto Alegre our short-cycle press lines no. 2 and 3, both use our multi-piston press design concept.

We have sold a total of 29 multi-piston presses to date. Duratex, Agudos in Brazil purchased a press with special design features. With a higher specific pressure of 550 N/cm², this press can add deep surface structures to melamine paper during the laminating process of hard wood fiber board. A precise positioning of the decorative paper on the embossed plate with the help of a camera system (embossed-in-register process) allows for the production of laminate surfaces that are difficult to distinguish from genuine wood products.

To increase capacities, our customer Egger ordered two more laminating plants for the locations Rion des Landes, France and Shuja, Russia. Kronospan Schweiz AG extended their laminating plant with an additional press line.

All plants mentioned above will be equipped with the proven Siempelkamp inline paper lay-up system.
We are a leader in the international metal forming systems market. We specialize in complete system solutions and offer the largest spectrum of metal forming presses. We are setting benchmarks in both plant and process engineering. The demand is high for customized solutions in the field of metal forming utilizing hydraulic presses. We assist our customers from planning to startup and from process development to quality assurance. We also offer reliable services in regard to modifications, upgrades, and inspections.

Our ALLFORM technology has set standards in the area of high-pressure metal forming. Presses for the economical production of complex workpieces such as frames and engine cradles for the automotive industry are based on this technology. In the field of solid forming, we support our customers with the development of processes and production plants for closed-die forging, precision and isothermal forging, and open-die forging.

Siempelkamp is one of the leading press manufacturers in the area of sheet metal forming. Our scope of supply includes pipe forming, heat exchanger plate, draw, and special plate forming presses.

Metal forming products are manufactured by Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG, Krefeld. They are sold and distributed by Siempelkamp Gesellschaft für Pressensysteme mbH, Krefeld. Development was further adjusted to meet market demands in 2007. Since November of 2007, the metal forming unit has been an independent division within the company. Sales and project planning offer excellent services to the market.

**Milestones**

The 40,000 t (44,092 US ton) hydraulic closed-die forging press was accepted by ADH, France, in 2007. After the successful production start and the preliminary acceptance of the press in October of 2006, the conventional reliability test was performed. ADH announced the official acceptance in October of 2007 and celebrated the event in December.

Another milestone was reached with the pipe forming press for our customer Baosteel, China. The first pipe was formed in December of 2007. The eight press cylinders of the down-stroke press form pipes with a force of 72,000 t (79,366 U.S. tons). 500,000 t (551,155 U.S. tons) of metal plates can be processed on this O-forming press each year, which corresponds to a pipeline length of 360 km (224 miles).

The deflection compensation of the crossbeam represents a true quantum leap. The deflection line of this 20 m (66 ft) long beam is measured via a sensor system and adjusted by means of a control system so that the deflection of the beam is kept to a minimum.

In 2006 the areas sales, project planning, and construction of Siempelkamp Press Systems were integrated into Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG. This
New Orders

Five new orders in 2007 demonstrate that we have an excellent reputation in the area of metal forming and can look forward to a bright future.

In April of 2007, we signed the contract for a 75/85 MN 2-column open-die forging press which was ordered by our Chinese customer Ronghai Shanghai. Siempelkamp will supply the engineering, the hydraulics, the electrical engineering, and the mechanical equipment. Additionally, our technical drawings will provide essential support in manufacturing mechanical components.

Another open-die forging press (type 35/40 MN) will also be supplied to a Chinese customer. The contracts with Dongbei Special Steel Dalian were signed in September. Once again, Siempelkamp will be in charge of the complete engineering for this press with 2-column design including the hydraulic system, the electrical engineering and the mechanical equipment. The startup for this press, which produces ring, flat, and round forgings, is scheduled for midyear 2009.

The order from a world market leader in the field of large pipe production confirmed our success on the German market. Europipe in Duisburg ordered a large pipe-bending press. The startup for this press is scheduled for 2008. In the first of three forming steps, the press will perform the initial bending of sheet-metal. Two subsequent presses (U-forming and O-forming presses) will carry out the final forming of the sheet to a pipe.

The crimping press will replace an old press within a network of presses. With a maximum force of up to 11,000 t (12,125 US tons), this press is capable of bending sheets with a length of approx. 18 m (59 ft) and a thickness of 7 to 50 mm at the longitudinal sides. The scope of supply includes the complete hydraulic station as well as the modification of the existing roller conveyor. This order is a compliment to our experience in the field of bending presses for pipe production and the high reliability of our presses.

In December we signed two more contracts. BHEL, India, ordered an 8,000 t (8,818 US ton) plate bending and dishing press for the production of dished ends and heads (half-shells). The highlight of this press is that it can process plates with a thickness of 205 mm (8 in) and a length of 12,000 mm (39 ft). Alcoa (Hungary) placed an order for two 50 MN, and one 80 MN press. These presses are used for the production of aluminum parts, in this case wheels for commercial road traffic.

Several more projects that we focused on in 2007 provide us with a positive outlook for 2008.
O-forming press at Baosteel with a pipe produced.
Siempelkamp provides a broad spectrum of metal forming

Siempelkamp is one of the leading manufacturers for metal forming presses. We supply single presses and complete press lines including the planning, design, engineering, manufacturing, and startup. Lifelong service for all our press systems complements our range of products.

Siempelkamp plants are characterized by their reliability, precision, and long lifespan. Through tailor-made modification concepts, we are able to provide older plants with the competitive edge they used to have.

Our range of products

- Open-die forging presses with a press capacity of 6 to 160 MN and high stroke cycle and repeat accuracy
- Gas cylinder forging presses for the production of seamless gas cylinders up to 2,000 mm long (6.6 ft)
- Heat exchanger plate presses for the production of heat plate exchangers

The Siempelkamp Engineering Team

- Lothar Sebastian
- Klaus Wollny
- Klaus Schuermann
- Frank Bloemke
- Ralph Ludwig
presses

Closed-die forging press for the economical production of forgings with a press capacity of up to 400 MN

Pipe forming press line consisting of initial forming (crimping), U-forming, and O-forming presses with a press capacity of 720 MN for the production of pipes for pipelines

Internal high-pressure forming lines for the economical production of complex workpiece shapes

Rubber pad press with a press capacity of 225 MN, used for airplane and automotive engineering and technical consumer products
Siempelkamp Handling Systeme GmbH, Wolfratshausen (SHS), a solely owned subsidiary of Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG, Krefeld, produces and markets handling systems, storage and cutting stations, and double-belt systems.

Milestones

2007 has been an outstanding business year for Siempelkamp Handling Systems. We expanded our role as a cutting edge specialist for material handling lines for panel-type products. The number of orders from the wood industry and orders for our double belt lines increased. We also successfully positioned ourselves in the laminate and glass industries.

Numerous orders ranging from short cycle press lines to finishing lines to packing lines from our customers in the wood industry set important milestones. For Egger Suceava (Romania), we started up the intra-logistics for the handling system before and after the cooling and stacking line including an impregnating system and packing line. We also started up the cooling and stacking equipment for the MDF lines for our customers Yildiz Integre (Turkey), Lishui and Luyuan II (both in China). At Luyuan II, this the second line that we have put into operation!

The characteristics of the thin board production line, which was started up for our customer Pfleiderer Grajewo (Poland) in 2007, are especially innovative. The world’s fastest line permits the handling of thin boards at speeds of 2,000 mm/sec (390 ft/min). A rotary clipper cuts the endless board after the press to a length of 600 mm (2 ft). The newly implemented operation mode, which is able to handle large amounts of boards including the safe transport of the boards to the newly developed stacking line, is also impressive.

We also focused on our US and Canadian customers and started up different projects in 2007. ATC (USA) received a fully automatic high-bay storage system and Tafisa (Canada) a new double diagonal trimming and dividing saw unit for the...

Finishing Lines

Siempelkamp Handling Systems is the expert for finishing lines. We supply the equipment necessary to finish wood-based panels after the press including cooling and stacking, sanding, and cut-to-size lines, high-stack storage, gantry crane systems, and ASRS type storage systems, packing and laminating lines.

Key advantages of our finishing lines are their high reliability combined with a degree of automation which allows for low labor utilization and minimum maintenance costs. The combination of our equipment with highly efficient logistics, for example by integrating ERP systems, is an extra benefit.

One of our main focuses is on our double belt lines for the production of sandwich panels. These lines can process different surface materials. Sandwich panels can be used, for example, in the construction of industrial buildings.

Another innovative product complementing our portfolio is lines for the continuous production of frameless lightweight panels with a paper honeycomb structured core. This inexpensive product conserves raw materials and is increasingly used in the furniture industry.

Short cycle laminating lines have been part of our program since 2005. New plant concepts for the complete subsequent processing of water and fire resistant insulation boards complete our portfolio.

We achieved excellent results with our wide variety of products in 2007. Our equipment is used worldwide. This is proven by numerous deliveries and startups for and new orders from customers in the wood, metal, laminate, and glass industries.
existing cooling and stacking line. A new feature for this line is the non-impact thickness measurement system “Sico conti-scale”. For Tolko (Canada) we put an OSB plant with a cooling and stacking line into operation, as well as a gantry crane storage system and packing line. The new triple diagonal saw is the highlight at this plant. Even at high speeds it enables the cutting of the boards to size already in the cooling and stacking line.

To round off our full range of products for the wood industry, we started up a cooling and stacking line, an intermediate storage system and a finishing line for particle board for our customer PG Bison (South Africa). We also supplied a cooling a stacking line, including a finishing line for MDF to the Middle East.

In the area of double belt lines, we put a second line into operation for the production of PU sandwich panels for our customer Izopol/Kingspan (Turkey). The special feature of this line is the automatically controlled 10-component dosing system with recipe administration.

Last but not least, our German customers asked for special solutions in the area of laminate and cellular glass panel production. We started up a foiling, commissioning and packing line for high-pressure laminates at Thermopal (Leutkirch). This fully automatic line enables the flexible and order-related production of small lot sizes. A finishing line for cellular glass panels including a book saw was supplied to our customer SG Schaumglas (Rahden). The acceptance test for this line was successfully carried out in 2007!

**New orders**

In 2007 we again succeeded in positioning several of our finishing lines on the international market. We received five orders for six lines in China, including very fast thin board production lines. Our customer Guangong Weihua ordered a cooling and stacking line for MDF with an automatic high-stack storage system. Two cooling and stacking lines with a large automatic high-stack storage system, a finishing line and a book saw will be supplied to Guodong. A double diagonal trimming and dividing saw unit will be delivered to our customer Lishui. A remarkable feature is the newly developed 4ft MDF line.

Another innovation is our new two-pass-saw system, which we were able to sell to Dare, Suifhene, as part of a finishing
line. We will also supply a cooling and stacking line for MDF and an automatic high-stack storage system to this customer. Our customer Yingang will also receive a cooling and stacking line for MDF, which will run at speeds of up to 2,000 mm/sec (390 ft/min).

A glance at the Turkish market shows that our cooling and stacking lines for MDF score high. One line was sold to the Turanlar Group and our customer Starwood ordered two lines. A cooling and stacking line for particle board, including a high-stack storage system and a finishing line with an inline cut-to-size system, was purchased by Yildiz Sunta.

After successful business activities in 2006, our Brazilian customers continue to trust in our products. Duratex has ordered several high-performance lines. Next to a cooling and stacking line with an automatic high-stack storage system, we supplied to Duratex our fastest sanding line with speeds of up to 125 m/min (410 feet/min)!

Also part of the scope of supply is a cut-to-size line for book heights of up to 260 mm (10 in). This line has a daily output of 2,500 m². Two packing lines were also ordered. These lines use our new and highly efficient book feeders. The operation cycles of the book saw are also accelerated.

We also supplied a package deal to Satipel, Taquari, in Brazil including a cooling and stacking line for particleboard, an automatic high-stack storage system, a finishing line with book saw and a packing line. This is the second order for equipment from this customer within a single year!

Another cooling and stacking line for particleboard, including an automatic high-stack storage system and a finishing line, will be supplied to our customer Fibraplac in Brazil. This system will be incorporated in three lines.
Büttner is Siempelkamp’s specialist for customized dryer solutions. We are the world leader in this market with more than 1,800 dryer systems sold worldwide.

The development of custom-designed solutions for the wood-based products industry is only one of our specialties. We also provide concepts and solutions for other industries such as the sugar and chemical industries.

Our range of products includes directly and indirectly heated drum dryers and flash tube dryers as well as the corresponding control systems. From drum dryers for particles to MDF flash tube dryers to the “Single Path” concept for OSB strands, we are setting benchmarks – excellent safety standards go without saying.

Our innovations meet and exceed the technical and logistical challenges of the market. At the same time we keep the environment in mind. Environmentally friendly systems for energy production and emission control are also part of our scope of supply.

In 2007 we were able to expand our position as the market leader with numerous successful start-ups. The new orders demonstrate that Büttner dryer systems are in high demand. These orders also show that many customers keep coming back to us and buy several of our products!

**Milestones**

We started up a total of 14 dryers in 2007:

- At Fiberboard GmbH, part of the Classen Group, in Baruth, Germany, the world’s largest 2-stage MDF dryer started production in the summer of 2007. This dryer has a total dryer capacity of 50 t/h.

- Egger UK received two particle dryers with a water evaporation capacity of 36 t/h each for their location in Hexham (Great Britain). The dryer systems were supplied turnkey, assembled and started up.

- For BASF AG in Ludwigshafen, Germany, we replaced a drum dryer for their fertilizer production.

- Pfleiderer Russia ordered an upgrade of two of their particle dryers at the Novgorod location in Russia from us. The upgrade will result in a performance increase for both dryers and will optimize the dryer control system. The retrofit of one dryer has already been successfully completed.

- At the end of the year the flue gas heated high-efficiency particle drum dryer for our customer Green River Panels (Thailand) started operation.

- The two Belarusian sugar factories OAO Slutz Sugar Refinery and OAO Skidel Sugar Factory were each supplied with complete dryer systems for sugar beet shavings. Part of the scope of supply was a single path drum dryer with hot gas generator to each location as well as pellet presses, pellet cooler, and all handling devices.

In order to expand the plant in Cordele, GA (USA) our customer Norbord received two OSB dryers with a length of 28 m and a diameter of 5.8 m each.

- For Giriu Bizonas (Lithuania), we started up a particle dryer system with a water evaporation capacity of approx. 45 t/h. The single path drum dryer is equipped with a natural gas/dust combination burner and is additionally heated with exhaust gas from a gas turbine at the customer’s location.

We also installed MDF dryer systems, which were part of Siempelkamp orders, for our Chinese customers Jiangyang (Lishui II MDF) and China Zhejiang (Luyuan II MDF), as well as for Yildiz Entegre (Turkey).
New orders

Our markets are versatile and our dryers have proven themselves. This is confirmed by numerous projects in which customers all over the world decided to utilize our dryers.

When Pfleiderer Prospan decided to invest in a new high-performance particle dryer for their location in Wieruszów (Poland), the company decided on a Büttner single path drum dryer. This new dryer will replace the production of the existing, thirty-year-old, Büttner jet dryer as well as the two other dryers.

The Belgium particleboard manufacturer Unilin BV ordered a new type R Büttner high-performance particle dryer from us with a drop box. The dryer will be installed at the Bospan location in Belgium. Büttner will be responsible for the complete supply, including the heating system, control system, and steel structure. The dryer will start operation in the summer of 2008.

Arkaim (Russia) ordered a complete type NH Büttner single path drum dryer for a new particleboard plant in Vanino, Khabarovsk region. The dryer is directly heated with flue gases from a furnace. The plant will start up in the fall of 2008.

Our customer Satipel (Brazil) ordered two dryers in 2007. Within the scope of an order for a complete plant for the production of MDF, the Brazilian board manufacturer Duratex ordered its third Büttner fiber dryer from Siempelkamp. With a flash tube diameter of more than 3 m, this dryer is one of the world's largest. Including the particle dryer for the plant in Itapetininga, which was delivered in 2000, this is the fourth Duratex order in a row.

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The Turkish particle board manufacturer Starwood is starting its own MDF production with a complete plant by Siempelkamp and a high-performance fiber dryer from Büttner. The line is designed for the production of thin MDF and will start operation in the spring of 2008.

The Brazilian company Fibraplac ordered a large particle dryer with a capacity of 50 t/h on short notice. The high-performance drum dryer Type NH – the deep set version – will be installed next to two existing Büttner fiber dryers. The particle dryer will be supplied with a flash tube pre-dryer and will be heated with flue gases from a furnace.

The Turkish fiber board and door manufacturer Yildiz Entegre has now ordered a fourth Büttner fiber dryer for the existing plant in Kocaeli.

From the Finnish Metso Panelboard Oy Büttner received an order for the supply, assembly, and startup of a high-performance particle dryer for the company Ugra Plit in the West Siberian Khanty Mansisk. The key component of this order is the single path drum dryer type NH. This dryer will start operation in 2008.

The company PT Rimba Partikel (Indonesia) placed an order for a single path drum dryer type LS including heating system and pre-dryer.

Our customer Masstas (Turkey) purchased a single path drum dryer for a particle board plant in Bolu. The startup is scheduled for early summer 2008.

One of the largest sugar producers in Russia, Prodimex, placed an order for two single path drum dryers for the drying of sugar beet shavings at two plants in the Voronezh region. These dryers are to start operation in 2008.
Siempelkamp Energy Systems GmbH, Hannover (SES), a solely owned subsidiary of Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG, Krefeld, supplies complete concepts for energy plants.

Milestones

In 2007 we completed the smooth transition into the new company structure. Metso Panelboard became SES! We started the last quarter of 2007 without any order backlog.

Fortunately, our service business immediately received several excellent orders. Despite the short time period of only three months in 2007, a very pleasing order backlog could be recorded during our first business year within the Siempelkamp Group.

Integrated into the new structure, we are now concentrating on our products and sales. We were able to make our construction capacities immediately available to the machine plant in Krefeld.

After joining the Siempelkamp Group, we streamlined our product portfolio. We now exclusively offer energy plants for new buildings. We will continue our service and aftermarket business for Metso/Küsters presses, energy plants and existing Bison products.

The last quarter of 2007 was marked by many new processes that position SES as a flexible, future-oriented and market-driven engineering company.

New Orders

As a new Siempelkamp company, we are very pleased about the business development during the short business year.

The rebuilding of a press at Evergreen in Malaysia that had been severely damaged by a fire, several orders for press control upgrades, and a continuing profitable spare parts business laid the foundation for this positive business development.

The trust of our customers in the technical design of our supplied plants remains as high as ever. The demand for our products continues to be high in the area of energy systems.

The trust of the market in our products is rewarded with a significantly higher amount of requests since we joined the Siempelkamp Group. As part of the Group, SES opened up more sales opportunities as a result of the large Siempelkamp clientele. On the other hand we can use many synergies with Büttner Gesellschaft für Trocknungs- und Umwelttechnik mbH. The Büttner products can be precisely fitted to our energy systems.

Due to the numerous requests and positive feedback from our customers, we look forward to 2008 with confidence.
Implementation of planning work at the construction site
Plant Engineering

Siempelkamp supplies complex plant installations. Starting with the material preparation and ending with the shipping of the finished boards, all system components must be coordinated precisely to ensure smooth operation of a plant. Our planning experts are Sicoplan N.V. (Belgium) and Dr. Schnitzler. These offices have the expertise to handle complex projects. Their know-how includes the initial planning, the material flow diagram, the general layout, the final parts list for the entire installation, and the technological start-up of the plant. Even the integration of a new system into an older installation is no problem for the planning specialists. Our plants are custom-made to meet our customers’ needs. Numerous completed engineering projects and start-ups in 2007 as well as continuing and newly started projects for 2008 are proof of our good reputation and broad area of competence. The experience of many years in the area of project planning and a constant exchange between practice and engineering are the foundation for our success. Our team can carry out the planning and engineering work for a plant in record time, provide quick project completions, minimum start-up times and steep ramp-up curves!

Milestones

Sicoplan, part of the Siempelkamp Group since 1974, is the planning office most experienced in MDF technology. Our Belgian subsidiary maintained its worldwide reputation in 2007. The proof is a number of planning and engineering projects, start-ups, and acceptance tests.

We started up a total of five MDF plants in 2007 for our customers F.B.B. (Germany), Fibraplac (Brazil), Pfleiderer Grajewo (Poland), Luyuan (China), and Masisa (Chile). These examples demonstrate that our clientele is international.

In the area of project planning we can list several projects for 2007 in different stages of completion. We completed the planning work for our Brazilian customers Satipel and Berneck (both thin MDF). New projects were started for our customer Weihua in China and three more Brazilian customers, Duratex, Fibraplac and Satipel Taquari.

Our engineering business branch Dr. E. Schnitzler also performed successfully in 2007. Amongst other things, the branch office carried out two important start-ups. After the complete planning and engineering by Dr. Schnitzler, a particleboard plant started operation for Giriu Bizonas in Lithuania. In cooperation with Sicoplan, a particleboard plant was started up for our customer Dare Sanming (China).

Next to plant start-ups, the planning and engineering of plants are the core business for Dr. E. Schnitzler. Four such projects started in 2006 and were completed in 2007. We finished the planning work for Egger Hexham (Great Britain), Egger Suceava (Rumania) as well as for our two Turkish customers, Yildiz Entegre and Kastamonu Entegre. We also carried out the complete project planning for a thin MDF line for our customers Starwood (Turkey) and Pfleiderer Thermopal (Germany) in 2007. Here, we extended an existing line for the processing of recycled wood. Within the scope of a service order from Siempelkamp, we performed a technological consulting service for our customer Pfleiderer Thermopal. This consultation focused on an analysis discussing the potential for optimization of a plant.

New Orders

Both planning and engineering companies of the Siempelkamp Group have numerous new orders for 2008. Some projects already started in 2007 and are continuing into 2008. A new MDF plant for Lishui (China) and particleboard plants for PG Bison (South Africa) and Taflsa (Canada) resulted in additional start-ups for Sicoplan. The acceptance tests are scheduled for 2008.

Waiting for the “first board”, Grajewo, Poland
The largest single order in Siempelkamp history was received in March of 2007. Russki Laminat ordered a complete MDF plant including the preliminary project engineering and planning, the delivery of machinery and an energy plant. This order is a unique opportunity for our Sicoplan experts to complete a project of significant volume for our Russian customer. Sicoplan also started the project planning for our Chinese customer Weihua, as well as for the three Brazilian customers Duratex, Fibraplac, and Satipel Taquari.

Numerous additional planning and preliminary project engineering orders make our Belgian company feel confident about business activities in 2008. We received a project planning job from our customer RPI in Indonesia. RPI has requested an increase in capacity for an existing plant. For two Russian customers, Fankom and Donbass, we will perform preliminary project engineering work. We also secured new orders from our Chinese customers Guodong and Lishui for 2008. Additionally, the Sicoplan specialists will provide consultations regarding a production increase for an MDF line at Sumalindo (Indonesia). Last but not least, we will provide our services to the Dannenberg company. This project includes working on a steel structure for our customer FBB Fiberboard.

Dr. E. Schnitzler looks forward to a bright future. In 2007 the team started the project planning for a door-skin line for our Turkish customer Yildiz Integre. This project will be completed in 2008.

The number of planned projects that have resulted in orders for Siempelkamp is very pleasing. These orders confirm the strong connections within our Group. Here, Dr. E. Schnitzler scored highly with the project planning of a thin MDF line for the Turanlar Group (Turkey). In cooperation with Metso Panelboard we planned a particleboard plant for our Russian customer Ugra Plit. Two more particle board lines including the Dr. Schnitzler know-how will be supplied to Satipel Taquari (Brazil) and Yildiz Sunta (Turkey).

Additionally, we wrapped up nine more projects. Examples of these projects are an extension of a line that processes recycled wood for our customer Glunz, as well as planning and engineering projects for two insulation board lines.
Siempelkamp plants and presses are the hardware and our experts for automation and control technology are the know-how to provide complex IT solutions for industrial processes and system integration. Our services begin with the first consultation and continue through production, startup and after-sales service. We make every effort to combine control system processes, control tasks, operation, and visualization into a performance-strong concept. Our main focus is on plant safety and machine reliability, as well as providing our customers with standardized, user-friendly interfaces. Our process control system Prod-IQ® is tailored to the specific requirements of our customers and helps to save resources. The system’s large number of modules increases the reliability of a plant and improves quality as well as cost transparency. The modules cover such areas as production data management, quality control, maintenance, and service. Customers that use this system can see a return on investment within a short period of time.

Our products and services are the foundation for our success. In 2007, we once again met all technical challenges in the area of automation and control technology!
This newly improved concept is in high demand. We already sold 8 SicoScan systems in 2007, which will all start operation in 2008.

In our three core businesses, we confirmed our competence in the field of automation:

- **Rubber presses**: We equipped the complete automation technology of a 2 x 8 punching press including loader and unloader unit for Michelin (USA) with our proven PLC components in combination with a Rockwell based GuardLogix control system. The new system now complies with North American safety requirements. The technology installed was successfully put into operation and sets new standards for the degree of automation for these types of machines.

- **Metal forming technology**: Based on the Siemens System WinCC, we developed the visualization for the automation of an O-forming press for our Chinese customer Baosteel. To maintain a high standard of operation, we concentrated on the usability and failure diagnostic tools of our existing equipment. Our system supports the user in the elimination of failures.

- **Wood**: Our newly developed drive technology based on Rockwell components (DriveLogix with Powerflex drives for two ContiRoll® lines) was used in North America in 2007. With this, we laid the foundation for a consistent use of the latest technologies based on Rockwell products for ContiRoll® lines.

According to the request of two North American customers, we developed and supplied, for the first time, a new user interface for a ContiRoll®, as well as for a daylight press based on the Wonderware Industrial Application Server Technology (IAS). The start-ups took place at the end of 2007.

Everyone talks about EthernetIP at the peripheral level: based on Rockwell components, in 2007 we developed and delivered a system with EthernetIP—peripheral coupling. Instead of using different bus systems, the entire communication is based on Ethernet technology. The network has been put into operation successfully.

In the area of modernization, next to three double diagonal saws that already started operation, we sold two more saws with standard PLC controls. The concept intends to keep the existing mechanical equipment and replace only the control system. The universally developed interfaces for the drive functionality allow the integration of the respective drive concept.
2007 was marked by upgrading PLC controls in older plants. The retrofitting of control components in older systems has become one of our core competences. Our short down-times for upgrades are a decisive factor when our customers decide they need a control upgrade.

We also experienced a high demand for upgrades of outdated analog drive controls for which spare parts have become hard to find. We were able to convince our customers to replacing the 19-inch drive control with standard drive control components using PLC technology. This concept brings the entire drive control functionality of a press line up-to-date using electrical components available today. The upgrade requires a minimum downtime of only two days including the start-up. So far we have performed this upgrade for two of our customers.

Prod-IQ®: New success in 2007

Once again in 2007 many customers recognized the advantages of the Siempelkamp Prod-IQ® system. This process control system provides the essential tools for continuously improving and quick operation of Siempelkamp plants. The highlights are:

- Generation of reliable and up-to-date key management numbers (plant availability, performance, consumption, costs)
- Online quality forecast, which could otherwise only be determined through destructive material testing (e.g., tensile and bending strength, thickness swelling)
- Condition-based maintenance and service

We offer three different types of our process control system. Every new ContiRoll® plant is equipped with Prod-IQ.basics. Siempelkamp uses this system to perform the efficiency statement of the plant all the way to the acceptance procedure. According to the aspect “TCO – Total Cost of Ownership”, the customer has access to all consumption and performance data needed for a performance evaluation.

Prod-IQ.business provides detailed, customer-specific evaluations. These include shift, day and month evaluations, as well as special evaluations such as management, formaldehyde, and dryer reports. Company-wide standards are thus realized in a simple and automated way. Egger in Hexham started up a Prod-IQ® system with all three Prod-IQ programs (Prod-IQ.basics+business+quality).

Prod-IQ.basics is the foundation that is used to evaluate the connection between the process parameters and the resulting product quality. Prod-IQ.quality (also called SPOC) is able to “learn” which processing conditions lead to a certain product quality and incorporates this “experience” into a mathematical model. These models allow for the safe and reliable online quality forecast of features for particleboard, MDF and OSB which otherwise would only be possible through destructive material testing in a laboratory. Our customer Laminex (Australia) realized the benefits of such a system and ordered the Prod-IQ.quality system for a plant in Gympie.

In 2007 we entered the North American market with Prod-IQ®. Tafisa in Canada will use Prod-IQ.basics at a new plant in Lac-Megantic. In addition to Prod-IQ.basics, Tolko, Canada, also purchased Prod-IQ.business and Prod-IQ.quality for use with the world’s largest continuous press for OSB production.

We received orders from four plants for upgrades from PROMACS to Prod-IQ® and additional Prod-IQ® modules. Fiberboard in Baruth extended its Prod-IQ® system to incorporate the sanding line. Pfeifer ordered an extension of Prod-IQ® to include the painting line in Grajewo (Poland) and an upgrade from PROMACS to Prod-IQ® in Gütersloh. Unilin (France) generates its formaldehyde reports with Prod-IQ® in both plants.

The new Prod-IQ.maintenance modules started operation in four plants. While concentrating only on the essentials, these modules optimize the maintenance and service of a plant. Because maintenance and service documents and measures are already pre-configured by Siempelkamp in the system, the customer saves time and money. The system determines when and which components have to be serviced and maintained.
Industrial Automation

Within Siempelkamp, ATR stands for highly specialized performances in the areas of automation and system integration. ATR Industrie-Elektronik focuses on advancing technologies in industrial electronics and the production of control cabinets. Our control cabinet division manufactures electrical equipment for Siempelkamp plants according to international standards. Our services are primarily performed for the following industry sectors: energy and environmental technology, the automotive industry, and metal and plastics technology. However, all industry sectors that need innovative and market-driven products to control production processes can benefit from our services.

Milestones

The focus in 2007 was the integration of ATR into the Siempelkamp Group. In January the head office of the company was moved from Viersen to Krefeld. This year’s objective was to incorporate ATR into the portfolio of the Group in order to ensure customers receive the best synergy effects.

The core competences for ATR Industrie-Elektronik GmbH & Co. KG are in the areas of electronic components and the production of control cabinets. The business areas of machine and process engineering ceased to exist in 2007 because they no longer correspond to the strategic orientation of the company. ATR products are sold worldwide and are manufactured in compliance with ISO 9000/9001 standards.

The business development in the areas of production and industrial electronics took a very positive course in 2007. Our new, market-driven products have a high industry demand. Compared to the previous year, this development is reflected in a sales increase of 26 percent in the area of production and 6 percent in the area of industrial electronics. Our service business achieved a significant increase of 40 percent.

The electronic products of our catalogue business were customized to meet customer needs and market demands. Current examples of our product developments are the Switchboard Mounting Industrial PC KPE and the Boxed Industrial PC KME. We also customized our electronic components to meet the requirements of our customers. The Slim-Line design for measuring transformers and amplifiers is only one example of cost and performance optimization.

The result: our portfolio is growing, stronger market penetration is achieved and the needs of our customers are met. All developments are based on demands and are cost-optimized. Even our standard business of industrial PCs depends on close cooperation with our key customers.

The company-related restructuring measures that started in 2005 not only resulted in a general cost reduction for our products and in synergies and cost savings in the area of electronics. We also gained new customers in the area of control cabinet production. This demonstrates that German production processes can be cost efficient and maintain high quality. Consequently, our order quantity increased by more than 10 percent.
Service

When buying a new plant, customers pay special attention to the quality of the support and after-sales services. Our services, including maintenance, upgrades and repairs, ensure that our customers can count on us even after the sale is complete. Our spare parts warehouse, which was established in 2006, contributes to quick support by shortening delivery times and making parts accessible online. The integration of modifications and upgrades into our area of service has proven successful. Since this integration, we have focused on expanding our service competences in the area of metal forming. In 2007 we gave up the business of new machinery in order to concentrate on our main tasks. With the establishment of a branch office in Mannheim, we successfully incorporated the area of industrial services into our program.

Our customers benefit from the advantages of our worldwide service network. As a worldwide operating company, we perform quick, reliable and competent support to save our customers time, money, and extended downtime. In 2007, we extended our service activities in China and in Kuala Lumpur, Singapore.

Milestones

Siempelkamp’s record results in 2007 are also reflected in the area of service. Since the establishment of the service sector as a separate business unit, we have recorded the highest total order quantity in our history. We profit from a high number of new orders for the Group because these orders result in the supply of the corresponding spare parts packages.

We set several milestones in Asia in 2007. Our new branch office, TG Singapore in Kuala Lumpur, enables us to offer efficient technical support, specific consultations, quicker spare parts supplies, and affordable services for our Asian customers. In Beijing, we have established a managing director. This action represents another step towards expanding our service business in what is currently the largest and busiest market worldwide. The sale of many new plants in China requires an ongoing expansion of our customer service presence at this location.

Networking is another factor for our success. In the area of after-sales business and services, we have intensified our cooperation between our offices in Beijing, Melbourne and Singapore. For example, to further increase our efficiency all offices use the same standard ERP software.

The human factor is most important when it comes to our service strategy. Our services depend on a specialized team. All upgrades are carefully prepared and planned, including a fixed set-up time (downtime). Each upgrade involves the following activities: the precise analysis of the plant status, the determination of the functionalities to be realized, the planning and building of the new control room, the development of the required software, the comprehensive system test before shipping the new equipment to the plant, the actual retrofit and re-startup at the plant in the shortest time possible, the production monitoring, and finally, the orientation for the operators.

Each modification is administrated by a project leader whom the customer can contact at any time during the project. We provide our customers with a deadline, financial planning reliability, and a quick restart. Depending on the type of retrofit, plant availability is increased, quality improved and raw material use reduced.
In 2007 we performed the following modifications and upgrades:

For ATC Panels (Canada), we incorporated a Starformer mat forming head into the equipment from another supplier, which included three mat forming machines. In order to reduce operational costs and emissions, one of three mat former bunkers was used and complemented by a Siempelkamp Starformer mat forming head which forms and levels the mat mechanically. Two mat formers were decommissioned. The retrofit was carried out in only 10 days. The customer was fully satisfied with the time frame and results of this modification.

Tawda (Russia) received mechanical mat forming equipment including a surface layer crown former and a core layer cage forming head to improve the quality of their particle board production. After only 5 days, the line resumed production at full capacity. It produces 240 m³ of first-class furniture board per day.

For our customer Intasa (Spain), we carried out a service modification package for improved thickness control by integrating the thickness gauge signals into the distance control in the press calibration zone. Additional distance sensors, which were integrated into the existing control system, achieved great benefits at a small cost: improved thickness distribution, smooth control behavior, user-friendly handling, and economy of surface layer material.

Urupanel (Uruguay) had an interesting project for us. We overhauled a Siempelkamp ContiRoll® press with a capacity for producing 180 m³ of wood-based boards per day. After a complete inventory by an experienced service technician and the determination of which parts were needed, we overhauled the hot platens and integrated a new power press infeed. Before the overhaul, the old press infeed area was removed and bolted to the remaining hot platen. Afterward the overhaul, we performed surface finishing work on the hot platen to increase the contact area of the platen surface to the roller rods. Furthermore, we supplied all necessary mechanical and hydraulic spare parts. The startup is scheduled for 2008.

The modernizations at Juken Nisho (New Zealand), which were started in 2006, were continued by installing the complete set of press frames delivered that year and by replacing the press cylinders. The assembly was carried out in the third quarter of 2007 by our Australian subsidiary.

A big challenge in 2007 was the modernization of the ContiRoll® press for our customer Egger Rambervillers (France). We developed a modernization concept for this press which started production at the beginning of the nineties. This concept included the implementation of all functional principles of our latest press generation. By improving plant availability as well as increasing productivity and product quality, our customer was convinced to install this retrofit.

For Kronofrance Sully (France) and Annovati (Italy), we streamlined the microprocessor control systems which manage the pressure and position control of the presses. This retrofit, which we have performed on Siempelkamp ContiRoll® presses more than twenty times, includes the replacement of the old control electronics with modern SPS control systems. The result is an improved control mode (e.g., mat weight control, belt tracking).

Our customer Pfleiderer Gütersloh decided to replace the saw control for their ContiRoll® line. The old control system for the double diagonal saw was replaced with a modern motion-control system based on Siemens components. This system enables more precise saw cuts.

For the same customer, we replaced the controls of the fiber resin application system for a ContiRoll® line in Nidda. The up-to-date control system based on S7 offers a more precise dosing, lower fluctuations, and resin savings. For Pfleiderer in Leutkirch and Gütersloh, we streamlined the drive control systems for their ContiRoll® lines by replacing them with electronics that can be more easily maintained.

We also performed a service upgrade on the ContiRoll® press of our customer Glunz Nettgau. We improved the thickness control by integrating the thickness gauge signals into the distance control in the press calibration zone. The results include: higher availability of the new system, better spare parts availability, as well as quicker trouble-shooting and replacement of components.

In December of 2007, we retrofitted the control technology of a side member press for Press Kogyo in Japan. The new modern connection improves productivity, maintenance, and trouble-shooting.

We also completed an order for the upgrade of a forging press for our customer Durgapur in India. We replaced the crossbeam (cast construction) and the center support (forged steel construction) as well as miscellaneous attachment and replacement parts.

New Orders

In December of 2007, we received an order from Egger in Brilon for the installation of a new drive concept for the areas forming line, pre-press, intermediate belt and press for a ContiRoll® line from 1991. This concept includes an increase in speed and the equipment of several Egger plants with identical gear sizes and drive motors. The result is a more favorable and central stockpiling of parts. The project is part of a long-term objective to increase plant availability and productivity.
Our Italian customer **SAIB** signed a contract with us to supply a new power heating system for the press infeed area including an infeed hot platen. This order will result in a performance increase in the plant.

**BHEL** (India) ordered a new moving beam and upper tool from us for a plate bending and dishing press. The modification is scheduled for December of 2008.

For **Helwan Factory 99** (Egypt), we will be repairing a 2200 t upsetting and piercing press as well as a 500 t ironing press for the manufacture of gas containers. This order includes parts for the hydraulics, mechanical equipment, electronic system (Siemens S7), and programming, as well as the induction furnace, assembly, and startup. Delivery is scheduled for the fall of 2008.

After the successful modification of the customer’s first press in 2007, **Press Kogyo** (Japan) ordered the modification of a 45 MN axle housing press for manufacturing automotive parts. The existing Allen Bradley control system will be replaced with an S7 control system. The customer will profit from numerous optimizations which will have a positive influence on productivity, maintenance, spare parts availability, and troubleshooting.

For our Russian customer **Kronostar**, we integrated a modern pre-press equipped with 4 pressure rollers and with a linear load of 800 N/cm into a particle board line from a different manufacturer.

The following modernizations will provide us with numerous additional tasks in 2008:

- **Egger St. Johann** (Austria): replacement of microprocessor system for the process control with SPS
- **Pfleiderer Gütersloh**: replacement of VME system for process control with SPS
- **Egger Brilon**: replacement of DC drive technology with rotary current drive technology for the areas forming line and press
- **Luyuan** (China): replacement of the pressure and position control system of the press (SPC) with an up-to-date system (SPC Gen.II)
- **Fundermax** (Austria): replacement of the automation system for the double diagonal saw with SPS

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*Top: A new gearbox is installed on a ContiRoll®*

*Center: New parts are installed*

*Bottom: Modification of a dryer*

(all photos from Egger, Rambervillers, France)
Opening ceremony of a flow assembly line based on the RoundTrack® Floor Rail system at Deckel Maho, Germany
Machinery and Plants Business Unit _ Strothmann Machines & Handling

Strothmann Machines & Handling

For more than three decades, Wilfried Strothmann GmbH Maschinen- und Handhabungstechnik has been one of the leading international manufacturers of handling and automation systems. Strothmann designs, builds and implements high-quality automation systems for customers mainly in the automotive, machine tool, and aircraft industries. These systems ensure the material flow in many different product applications. As a DIN EN ISO 9001 certified company, we provide customers with complete packages including planning, design, and production of supplied equipment, setup of electrical control systems, programming, assembly, startup, training, spare parts, and after-sales service. Numerous successfully completed and newly started projects in 2007 demonstrate that our technology is convincing. Our products and services turn new customers into loyal customers!

W. Strothmann Machines & Handling GmbH, a solely owned subsidiary of the Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG, Krefeld, produces and markets solutions in machine engineering and handling technology.

Milestones

After a period of two years, we completed the single largest order for a RoundTrack® Floor Rail system in our company’s history. More than 4 km of RoundTrack® rails as well as 40 identical heavy duty transport carts with a load capacity of 30 t (33 US tons) were assembled and started up for Bergrohr in Siegen, a manufacturer of longitudinally welded pipes.

We also completed a project for Deckel Maho in Seebach. Turning lathes on a flow assembly line based on our RoundTrack® Floor Rail system enable this customer a quicker production system with higher flexibility.

Our technology turns new customers into loyal customers: for the Chinese utility vehicle manufacturer JMC (Jiangling Motor Company) from Nanchang, we produced a blank loader used with a press line for body parts. After an order in 2006, this is the second blank loader system for JMC.

The automobile manufacturer Chery Automobile Co from the Chinese province of Anhui also relies on press automation systems from Strothmann. This customer ordered blank loaders and press feeder robots including the complete control technology for two press lines.

We demonstrated our flexibility and system competence to the automotive supplier Tower Automotive in Zwickau when we equipped an existing press line with Strothmann feeders. In only a short period of time a complete new control system was started up by our specialists, including the necessary hardware wiring, which was carried out by a press builder in the team.

An increasing number of manufacturers for construction equipment convert to synchronized flow assembly systems. To Liebherr France, we delivered transport carts capable of carrying top sections and cabins for caterpillar type excavators with a weight of up to 25 t (27.5 US tons) through the assembly shop, on either the RoundTrack® Floor Rail system or on heavy load ball bearing rollers. We also supplied and started up complete flow assembly line systems based on our RoundTrack® Floor Rail system for our customers Vögele (manufacturer of road building machines), Komatsu/Hanomag (manufacturer of excavator shovels), and Weidemann (manufacturer of farm vehicles and wheel loaders).

In 2007 we handled our projects and distribution activities more efficiently. We focused on our three business sectors including press automation, RoundTrack® Floor Rail systems, and industrial automation. We also put people in charge of each individual business unit. We hired additional people for our control and electronics department. Thus, we increased the engineering competence in the area of control and visualization technology.

Transfer simulator for offline test runs of new press dies
To increase our sales potential in China, we converted our representative office to an independent sales and service company in 2007. With local employees in our first subsidiary in Shanghai, we are well prepared for system installation and integration tasks in China.

A special highlight in 2007 was the new development of the FEEDERplus™, a press feeder robot which combines all the advantages of the feeder technology with the flexibility of a robot. After a development time of only four months, the prototype was the attention-getter at our open house in December. A select circle of press operators for auto bodies from Germany, other European countries and China took a close look at this innovation.

**New Orders**

The number of new orders in 2007 was 40% higher than our forecast. All business units have exceeded their target figures. The trend towards replacement investments continued in Europe in 2007. The Asian market continued to invest in new equipment.

In the area of press automation, Chery Automobile and JMC requested follow-up orders. BMW Dingolfing ordered a transfer simulator for the first time. This simulator enables the customer to test the automation of parts outside the press. Thus, the capacity of the press remains available to process orders.

The developments for our RoundTrack® Floor Rail system, our innovative and practice-oriented concept for flow assembly lines and transports of heavy loads on rails, continued to remain positive.

After implementing synchronized flow assembly systems in machine tool building, we were able to successfully place these systems in the area of plastic injection molding machines.

The manufacturers of construction equipment and agricultural vehicles demonstrated a high demand for our products in 2007. New users of our technology are producers of wood working machinery. Next to the HOMAG-Group, the Italian BIESSE-Group ordered its first synchronized flow assembly system.
Machinery and Plants Business Unit – Affiliated Companies

Affiliated companies

Siempelkamp offers complete plants to customers of the wood-based products industry. In addition to our presses, many other machines are required. Important processes for the production of wood-based panels include strand preparation, screening of particles, as well as resin preparation and application. In order to provide our customers with complete system engineering, we have been a shareholder in specialized companies for over 25 years. This partnership combines our knowledge and synergies and makes us a strong partner for the wood-based products industry. The founding and takeover of new companies in 2007 offers continued mutual perspectives for CMC Texpan and Siempelkamp. Numerous startups and deliveries demonstrate our success on the international markets. It has already become apparent that this development will continue in 2008.

For more than 25 years Siempelkamp Maschinen- und Anlagenbau and CMC Texpan in Colzate (Italy) have been shareholding companies. This relationship has been the foundation for a successful cooperation.

Milestones for CMC Texpan

With a total sales volume of 18 million euros in 2007, the company has achieved its highest sales result ever. Together with an engineering company, CMC Texpan founded a new company. This new business will develop technologies used in plants processing limestone and limestone products.

The takeover of 50% of the Rumanian companies Cosmec S.r.l. and Dimeco S.r.l. has expanded our opportunities for the production of mechanical units and machine parts and opens up additional synergies between CMC Texpan and Siempelkamp in the area of short-cycle presses.

In 2007, CMC Texpan supplied many different mat formers to the wood-based products industry. New CL mat formers and forming stations for particle board lines were started up at Frati, Pomponesco (Italy), PT Kutai Timber (Indonesia), Tafisa (Canada), PG Bison (South Africa), Tawda (Russia), and Egger Suceava (Rumania).

CMC Texpan demonstrated its competence regarding new mat formers for MDF plants with six deliveries. These machines were supplied to F.B.B. in Germany, Yildiz Entegre, Kastamonu and Turanlar in Turkey, as well as to our Brazilian customers Berneck and Satipel. A limestone hydrating plant was successfully started up in July of 2007 for W & P Wietersdorf in Austria.

New orders

CMC Texpan started into 2008 with a well filled order book and the outlook for several startups of equipment following their delivery in 2007. The assembly and startup of a rebuilt Bison forming station for particleboard lines at Eucatex (Brazil) is scheduled for February. Additional new forming stations will be supplied to our Brazilian customer Fibraplac and to Egger Rol in France in 2008.

New mat formers for MDF plants will be delivered to Starwood Betül and Yildiz (both in Turkey), Asatryan Abinsk (Russia), and Duratex (Brazil) in 2008. Proven quality in regard to laminating lines will be provided to our customers Flakeboard (USA) and Egger in Russia and France in 2008.

With a quicklime grinding mill for Bhushan (India) and a hydrating plant for Segura (Spain), we will continue to be present in the field of limestone plants. After we produced two submarines for a Venezuelan power supplier in 2006, we will supply a mini-submarine to GSE Trieste (Italy) in 2008. Thus, we make our mark in a completely different business sector.

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Testing of the blending system for dry fibers in the research and development center, Krefeld, Germany
Research and Development

125 successful business years in our markets would not have been possible without ongoing research and development. In our business we primarily concentrate on the following questions: how can we improve the quality of our products? And how can we increase capacities and lower energy and raw materials consumption?

Our research and development center in Krefeld works on finding the answers to these questions. To do so, we research new and optimize existing processes, technologies and systems that can be used with our equipment.

Customer-related analyses are carried out on existing equipment. Prototypes, on the other hand, are checked under actual manufacturing conditions in our testing facility. Raw materials and board-type products are analyzed in our laboratory. Our mobile and stationary instrumentation can test machine functions, as well as the environmental protection and occupational safety status of machines.

In its development work, Siempelkamp maintains close contact with higher education establishments and research institutions which are involved in the various aspects of forestry and woodworking, metalworking, plastics processing, textiles, paper and minerals. We frequently issue research contracts to these institutions.

Order Trend for Customers Worldwide
Siempelkamp technologies are convincing. The proof is in our order trend. The number of orders is not only increasing in our traditional markets, but we are also becoming established in new market segments and are gaining customers in these areas. In 2007 we focused on the following developments:

- Various resin developments
- Developments for different insulation concepts
- Optimization of sandwich panel technology
- Use of high-performance fibers in different applications
- Production of plastic plates and wood-plastic composite boards for different customers and applications
- Development and manufacturing of rubber and rubber granulate plates
- Concept developments for suppliers of the automotive industry

The Research and Development Center is an integral part of the Siempelkamp Maschinen- und Anlagenbau GmbH & Co. KG, Krefeld.

Milestones

Our research and development activities concentrate on introducing new technologies and machinery to the market, with the help of our customers. We increased our work efforts in 2007 in order to provide our customers with a higher competitive edge.

Our portfolio is strong. We gained new customers from many different market segments in 2007. As far as the development of new products is concerned, we focused on the following activities:

Further Development of our Blending System for Dry Fibers
The Gutex plant for the production of wood-fiber insulation boards using the newly developed Siempelkamp dry-manufacturing process has become an outstanding example of an insulation board plant. The plant for the leading German manufacturer of wood-fiber insulation boards started up in 2006. The demand for similar plants has since increased. The Siempelkamp dry-blow line used in the dry-manufacturing process leads to continuous positive gluing results and lowers resin consumption.

We completed the optimization of a dry-blow-line for the MDF plant of our customer Finsa (Spain). This plant is now back in regular operation. The Finsa dry-blow line achieves the material throughput for which it is designed and can carry out a completely spotless application with UF and MUF resins.

Testing OSB at the laboratory in Krefeld, Germany
Casting Technology

Siempelkamp Giesserei GmbH

Production of a casting
Siempelkamp Foundry is an international market leader for heavy and large castings made of cast iron with spheroidal and flake graphite.

In 2007 we recorded a higher demand for our products and services, especially in the areas of mill construction, the power industry and the nuclear technology industry.

Our close cooperation with Siempelkamp Nuclear Technology continued in 2007. The number of orders for the production of shielding containers grew. Many of these orders have been successfully completed.

The positive trend from 2006 in the field of press construction continued in 2007, and even exceeded the expectations for this business year.

A decrease in the number of orders was recorded in the areas of plastic injection-molding machines, machine tools, turbines and compressors. We were able to compensate for this trend with our high number of orders in other areas.

Our total order amount of 169 million euros was a notable 30.7% higher than in 2006. These numbers demonstrate that the positive market development for cast iron components continues and that the Siempelkamp Foundry has learned to use this development to its advantage.

The above average order increase in the areas of mill construction, wind energy plants, nuclear technology and press and motor construction resulted in new record high sales of 96.5 million euros. Compared to 2006, this corresponds to an increase of 15.9%.

In 2007 we produced 54,903 t (60,520 US tons) of “good castings” and sold a total of 3,962 castings.
Innovations in 2007

It is the future objective of the Siempelkamp Foundry to continue on the road to success and to advance further. In order to do so, we need to initiate innovative processes and lead them to success.

Our engineers and scientists are working on different research projects. The goal of these projects is to further develop materials and process engineering. In 2007 our research activities focused on the following four projects:

- We successfully completed the REGIE project (efficient use of energy in foundries).
- The MEGAWIND project (material development for offshore wind power plants in the multi-megawatt range) was initiated.
- The FORM III project helped demonstrate that we can achieve a high casting quality using optimized production methods and materials with a higher recycling quota. We will continue our research in this area.
- Special attention was paid to detailed preparation work for the ERP project which was started in 2006. The changeover to the new ERP system did not take place in 2007 for a good reason. Continued process optimization research shall ensure the successful introduction of this new system in 2008. We intend to complete the implementation of the system and go live in 2008.

The new construction and modification activities, which are to expand our capacities, were continued and partly completed in 2007. In the spring we finished the new management and social building.

Another milestone was reached with the modernization and expansion of molding shop area 312 in June of 2007 – a central part of the investment and development activities of the Siempelkamp Foundry. The use of the area is exemplary: the pouring ladle transport was optimized and the area offers all prerequisites for the introduction of the new rail transport cart.

With our innovative and customer-oriented expansion and production optimization in the molding shop, we have reacted directly to the increasing customer demand for higher casting capacities.

The extensive investments provide a sound basis for the planning of strategic partnerships with some of our customers. Therefore, they also present the basis for our company’s future success.
2008 Objectives

The high volume of orders at the end of 2007 and the promising order forecast for 2008 are an excellent starting position for 2008. The positive business trend continues into 2008 at an even higher level.

It is imperative for us to implement our ambitious objectives: Here, it is our top priority to further optimize our customer orientation. That means producing innovative and high-quality products on time.

We are also concentrating on opportunities in the European and North American markets. We plan to make use of the strong demand coming from these market areas.

Based on a continuing positive market development, it is the goal of the Siempelkamp Foundry to remain a recognized and reliable partner to our customers for products made of cast iron with spheroidal graphite.
Cleaning inside an engine block
Employees

The number of employees at Siempelkamp Foundry once again increased, and was 470 at the end of 2007. Compared to last year, we created 33 new jobs (including trainees). The highest number of jobs was created in our production area.

Education and training programs were again an integral part of our company strategy in 2007. Employees from our production area and sales departments completed such programs successfully.

Quality, Environmental Protection and Safety

It is our company’s top priority to secure the quality of our products. Quality is the prerequisite for satisfied customers as well as for follow-up orders.

Needless to say, Siempelkamp Foundry has all the essential as well as nationally and internationally relevant certification and accreditation.

Our result-oriented quality management system, combined with the know-how of our engineers and technicians, will help us to attain all quality objectives and guidelines.

Other important issues of our company policy include environmental protection and occupational safety. Once again in 2007 the Siempelkamp Foundry was certified for their environmental management.

Motivated and committed employees are the most important asset of a company. It is imperative to keep, protect and constantly develop this resource. Therefore, we focus on health maintenance and promotion. We have assigned people who are responsible for maintaining and promoting health among our employees. Their work helped reduce the number of employees who were off sick in 2007. For our successful projects and measures pertaining to health management, Siempelkamp Foundry received an award from one of the main German health insurance providers in 2007.

We have started another development by initiating a project in the area of communication. The project will help to demonstrate the means, objectives, and results of customer and goal-oriented communication to our employees in all areas of the company. The work of the project group has successfully started and will continue in 2008.
Nuclear Technology
Siempelkamp Nukleartechnik GmbH
All divisions of the Nuclear Technology business unit achieved positive results in 2007. This demonstrates that our company continues to grow.

The high capacity utilization for the production of containers for nuclear waste continues, mainly CASTOR® and MOSAIK® containers. Another highlight was added to our success story when the 5000th MOSAIK® container was manufactured in December. We have applied for the internationally recognized ASME certification. Adding this element of an extended quality management system, we can expect to improve our worldwide market position, especially for CASTOR® and MOSAIK® containers. Regarding our engineering division, close cooperation with the operators of nuclear power plants has developed. This concerns the retrofitting of and upgrades for existing plants, as well as the supply of equipment and other components to new plants, for example in Finland and France.

Despite delays in decommissioning projects for political reasons, the market position of the two melting plants, CARLA and GERTA, has strengthened. With long-term contracts for the treatment of contaminated scrap metal and an extended approval for CARLA, we made an essential contribution in securing the future of our recycling plants. The increase of acceptance limit values for CARLA will strengthen our market position, especially outside of Germany.

The present capacity utilization for 2008 and beyond allows us to plan the future of our company in many areas with confidence.
Market Development

The worldwide interest in expanding nuclear technology to secure the increasing energy demand continues to be strong. It should be noted that not only countries with existing nuclear power plants consider capacity expansions, replacements of and longer life-spans for their equipment. Also countries that have so far never operated nuclear power plants show an interest in an energy mix integrating nuclear power and have started appropriate planning strategies. The discussion about the future use of nuclear power for power generation in Germany has been influenced by the incidents in Krümmel and Brunsbüttel. Despite no negative safety-related influence on the nuclear power plant itself, the incidents were used to fuel the controversy.

In spite of the proposals submitted by the energy providers regarding electricity transmissions, the upcoming legal review does not give hope for a decision in favor of the Brunsbüttel and Neckarwestheim locations. Both locations have been hoping for an extension of their operational life.

Next to an extension of operational life, final waste disposal is an important issue in Germany. While the decision of the Federal Administrative Court of Germany has allowed the technical realization of the final storage facility Schacht Konrad to begin, political disputes about the Gorleben final storage facility are still ongoing. These disputes include the necessity of a location comparison and for the selection criteria to be defined. The startup for this area, scheduled for 2030, must now be considered a very ambitious objective.
Milestones 2007

Siempelkamp Nuclear Technology continues to be supported by the three divisions Containers and Production, Engineering, and Recycling and the two subsidiaries Wenutec and Siempelkamp Prüf- und Gutachtergesellschaft. Additionally, the companies NIS Ingenieurgesellschaft and the French ANSA have been part of the Nuclear Technology business unit since October of 2007 and complete our portfolio.

Containers and Production
The positive business development for the production of CASTOR® containers continued in 2007. Our facilities are scheduled to be utilized at full capacity until the end of 2009.

Following a low order volume in the previous year, the execution of an order for the production of 260 MOSAIK® containers in 2007 became a true challenge. This order could only be processed by expanding capacities in the areas of machinery and personnel. In the course of completing this order, we celebrated a special event. The production of the 50000th MOSAIK® container adds another milestone to our long-term success story, and made it the most popular of this type of container on the market.

For other types of containers, such as cast containers and granulate concrete containers, business continued as usual.

Engineering
The Engineering division considerably exceeded its forecasted sales volume in 2007. We are very pleased about the high number of orders for plants abroad. Examples include the modernization of the fuel element charging machine for the Mühleberg nuclear power plant (Switzerland), the delivery of a 170 Mg KTA crane for the interim storage facility of the Beznau nuclear power plant (Switzerland), and the production completion of the Core Catcher elements for the new nuclear power plant in Olkiluoto (Finland).

The new orders that we received also confirm our chosen business direction. We have made the right decisions. Next to selected projects in the area of nuclear decommissioning, we have focused on the delivery and retrofitting of components and equipment in existing and new nuclear power plants.

A look at the order backlog demonstrates that the Engineering Division has been able to further strengthen its market position.
Recycling
As in the previous year, delayed decommissioning and refurbishment projects of the German energy providers prevented orders from increasing at the CARLA melting plant. Once again, orders from domestic research centers within the scope of decommissioning projects helped out so that the total order level could be maintained. A positive notice from the nuclear regulating authority to our petition requesting to increase the acceptance limit values strengthened our position in international markets.

The order situation for the GERTA chemical melting plant continues to be on an upswing. GERTA achieved a record waste quantity melted. The disposal of contaminated metal from the Dutch natural gas industry was booming and has secured the capacity utilization of the plant until 2010.

Innovations 2007

We continued the development of the SHARK project and verified our ability to produce an optimized protective coating against corrosion and wear by means of high-speed flame spraying. We succeeded, for the first time in the field of nuclear applications, in coating the inside of a real-life final storage component with this new technology.

In the FORM III project, the activities for further optimizing the quality of casting containers were continued using optimized production methods and materials with a higher recycling quota.

Employees and Social Commitments

Our decision to increase our staff not only accommodated a higher order volume in the areas of production and engineering, it also optimized the age structure of our workforce and secured the company know-how.

Due to economic conditions, the availability of qualified specialists in the field of nuclear technology is an exception. Therefore, we introduced training programs focused on educating and training young engineers in the field of nuclear technology, as well as continuing education programs for our in-house specialists and management.
To procure the necessary personnel in the area of production, we decided to launch our own apprentice training scheme at the Mülheim location in 2008.

We also continue to support the commitment of the younger generation in the field of nuclear technology, for example, by supporting the PhD student competition at the yearly nuclear conference.

**Objectives for 2008**

Following a successful business year with a high order backlog and high capacity utilization, it is our objective to secure this position for our company in the long-term.

For the areas of waste container production and sub-contracting, this basically means the completion of all supply orders on time. This, in turn, requires a further expansion, as well as optimization of the production capacities.

The Engineering unit will continue its international orientation by offering an extended range of products. This development is emphasized by the acquisition of NIS Ingenieurgesellschaft as well as the French ANSA.

We will also continue our international business developments for our two recycling plants CARLA and GERTA.
Milestones in 2007

Again in 2007, Wenutec benefited from a worldwide interest in increasing energy production by using nuclear technology. Next to new systems, we were able to convince plant operators of the advantages that plant upgrades provide. By reducing operating times, upgrades will help lower the costs for revisions.

Despite a tight time schedule, the completion of two projects went according to plan and allowed us to record their revenue in 2007. We completed an upgrading project for a German nuclear power plant according to schedule and supplied two stud tensioning machines to the Czech Republic.

The total order quantity far exceeds all forecast expectations. A total of 20.4 million euros was not only a new record but also raised the order backlog to a remarkable 21 million euros. These numbers are a safe foundation for continuing positive company development.

The spare parts business contributed 10% and the service business 20% to our total sales volume. New equipment sales continue to be the supporting pillar of our business. Our excellent product references from previous years helped to strengthen our position in the key markets for nuclear technology. We received orders for large machines from customers in Russia, China, South Korea, and France.

Innovations in 2007

In the field of product developments, we focused on material issues and production methods for essential components of stud tensioning machines. First tests using alternative materials were carried out and will be continued in 2008. Our goal is to find more cost-effective alternatives in order to counteract the increasing cost pressure.

Innovative consideration is also being given to special tools and devices used in the area of service, and to how their use can be optimized.

Employees

Compared to 2006, the number of employees at Wenutec increased slightly to 57. The main reasons for this increase include a higher order quantity, the replacement of retirees and new hiring as part of the medium-term succession planning.

For upcoming service tasks, our French subsidiary SNT-Wenutec also increased its number of employees to a total of 7.

The professional qualification and training of our personnel is carried out through specific individual measures and the early integration into order processing or on-site service activities. By doing so, we assure a continuous information exchange between office and service team on-site.

Objectives for 2008

Based on our positive order backlog, we aim to secure Wenutec’s market position and to extend our worldwide presence. Here, we are not only focusing on the growth markets in the field of nuclear technology (e.g., France, Eastern Europe, and East Asia), but also on the USA. It is our goal to extend the field of nuclear technology in order to secure the increasing energy demands of the future.

Next to new businesses, we continuously strive to extend our customer service. In the near future, Wenutec will compete for the placing of long-term service orders.

The familiar planning activities of the energy providers and the favorable position of our company in the market allow us to look forward to the future business development of Wenutec.
Milestones/Orders in 2007

Plant Inspections
The area of plant inspections benefited from a very positive economic development in Germany in 2007. This development resulted in numerous external orders for plant inspections. However, we also supported the Siempelkamp Machinery and Plants business unit within the Siempelkamp Group. One important order from within the Group was the on-site production inspection of O-forming press components for the customer Baosteel. This inspection was performed by several of our certified employees at the Chinese production facilities.

The number of reports and inspections of liability cases increased in 2007. Unfortunately, in most cases, this increase can be attributed to the poor production and material quality of worldwide manufactured plant components. Arising from this situation, we expect further activities for our engineers and technicians.

We also processed orders in the field of conventional power plants. Some orders involved the planning and execution of test programs for recurring inspections according to an effective rule base. Other services evaluated the remaining service lives of high-temperature stressed power plant components. In the fields of chemistry and petrochemistry, we accepted several inspection orders. Our long-term customers DOW Olefinverbund Böhlen, Mineralöllaufflämmer Oberhein (MiRO) Karlsruhe, PCK Schwedt, TOTAL Raffinerie Mitteldeutschland, and SKW Piesteritz continue to be fully satisfied with our work.

Age Management for Nuclear Power Plants/Strength Calculations
Once again, in 2007, the main focus of our staff in charge of strength calculations was on the area of nuclear technology. Long-term fatigue monitoring activities were performed for the Bibis, Grafenrheinfeld, and Grohnde nuclear power plants as a significant component of age management. Within the scope of the integrity concept stated in the nuclear safety regulations, we concentrated on two aspects: on the one hand, the detailed stress-oriented evaluation of temperature monitoring results accompanying the operation; and on the other hand, the stress and fatigue evaluations for fatigue-prone components.

With our wide portfolio, we also performed many tasks outside the area of nuclear technology. These tasks included arithmetical evaluations of connecting pieces used at the Schwarze Pumpe brown coal plant and a damage analysis on a forging press.

The revision of our QS system based on No. 1401 of the nuclear safety regulations as well as the assessment criteria of the “contractor assessment” working group resulted in an extension of our certification. Next to arithmetical and experimental stress and fatigue analyses and damage inspections, this certification now also includes destructive and manual non-destructive tests.

Material and Component Testing
In cooperation with the Paul Scherrer Institute PSI (Switzerland), we completed the PLiM II (Plant Life Management) research project. This project addressed thermal fatigue as a result of cyclic thermal shocks.

The development of materials for new power plants was advanced with the cooperation of many different national and European research programs (e.g., ECCC, COST 536). SPG has taken an active part in these projects and will continue to do so.

The manufacturers of power plant components are now bound by law to verify the long-term properties of their components and materials. The new law resulted in an increased number of orders for stress fracture tests from Germany as well as many other European countries (e.g., Denmark (Avedare), Italy (Morandini), France (Vallorec), Great Britain (Serco) and Austria (Böhler Bleche). Our investments in...
modern testing and measurement technology in the past years have, to a large extent, contributed to the positive development in the area of stress fracture tests. Further upgrades are planned.

We continued our research for E.ON on flow simulations with the help of container and pipe models. Additionally, we applied further strain measurement strips as part of the fatigue tests on the Airbus A380 and, as a new order for the Airbus A440M.

Objectives for 2008

SPG continues to benefit from the effects of the ongoing positive economic situation in the areas of power engineering, machine and plant construction, metallurgy, and welding technology. This favorable development was reflected in a high order quantity in the previous months.

For our customer E.ON, we will continue to perform additional hydrothermal flow simulations with the help of model containers inside our component testing laboratory. Together with our partner PSI, we plan to proceed with the experimental testing of cyclic thermal shocks in Project PLiM III until 2009. ARGE HIM-SPG will concentrate on continuing the sensor application work for the Airbus A400M in 2008. Additional new orders are to be expected in the area of stress fracture tests.

To continue our company’s positive development, we are investing in the training of our personnel and the employment of new staff and trainees. These investments are necessary due to the upcoming personnel reorganization caused by retiring employees. Our objective is to increase the performance in all our business sectors and carry forward the positive development of the previous years.
NIS Ingenieurgesellschaft mbH

Milestones in 2007

As of October 1, 2007 Siempelkamp Nukleartechnik GmbH acquired NIS as part of an “asset deal”.

Important projects were the general contractor order for the dismantling of the multi-purpose research reactor in Karlsruhe, Germany, the provision of staff and the construction supervision for the dismantling of the experimental nuclear power plant in Kahl, and the conditioning of filter sludge with our own equipment for the nuclear power plants Gundremmingen B and C.

In the area of process data processing, NIS supplies the equipment for the online core simulator in Gundremmingen and the simulator PRAG for the PowerTech training center in Essen, Germany.

For the radiation protection of all E.ON nuclear power plants, NIS provides the process computers for the individual monitoring systems. Other highlights are the stationary turbine condition monitoring systems (STUDIS) for the conventional nuclear power plants of RWE Power AG.

Further, NIS engineers perform consulting services in the area of reactor physics in Biblis, Gundremmingen and Emsland. NIS expertise is also in high demand when it comes to planning and carrying out the construction of container storage facilities and waste treatment centers in Eastern Europe.

NIS is the only provider that can determine the costs for dismantling nuclear facilities for energy providers in Germany.

NIS customers reacted positively when the ownership of the company transferred to Siempelkamp Nukleartechnik GmbH. The order volume increased.

The positive business development is also reflected in the sales volume which with 21.2 million euros exceeded all expectations for the short business year from October to December 2007.

The 2007 result emphasizes the good start of NIS within the Siempelkamp Group.

2007 Innovations

The performance of the STUDIS system is continuously being optimized and developed due to service orders from our customers.

The same goes for the optimized use of certain dismantling tools for the dismantling of nuclear power plants. Furthermore, we advance developments in the area of NIS supplied environmental monitoring systems in order to achieve cost savings for future orders.

2008 Objectives

Next to the further expansion of consulting services in the areas of operational support, reactor physics, and the determination of dismantling costs, NIS has two important goals for 2008.

On the one hand, NIS wants to win against international competition and sell a first computer-based monitoring system abroad. The Mühleberg nuclear power plant in Switzerland has set an international competition for the placement of an order for such a system.

One the other hand, NIS is competing for the placement of an order for the dismantling of reactor pressure vessels of high-performance reactors from E.ON.

NIS is expecting an increase in business volume for 2008.

Employees

NIS employed a total of 162 people at the end of 2007. Next to the constant training opportunities for our employees, it is our goal to optimize the age structure and ensure long-term know-how in our company.

Since 1969 NIS Ingenieurgesellschaft mbH (NIS) has been an independent service provider in the areas of nuclear physics, process data processing and information technology for the dismantling of and waste treatment in nuclear facilities.

NIS has the special expertise to determine the costs for dismantling nuclear power plants of German energy providers as well as nuclear power plants of neighboring countries.

Through constant consulting with customers, NIS is able to provide customized solutions.

Carrier ring and carrier system at multi-purpose research reactor
Turnaround achieved in teamwork

The positive business developments in all three business units in 2007 also had a pleasant effect on our workforce. The number of employees grew from 2060 in 2006 to 2391 in 2007. The number of trainees increased from 91 to 97. This growth equals a total increase in staff of 16.1 percent.

Our business activities and the company restructuring measures of the previous years have led to successful results in our machinery and plant business unit. Consequently, our workforce increased by 107 to a total of 1,510 for this unit. Furthermore, we hired 59 trainees. The additional staff is not only needed for the current high order volume, but will also fill new jobs within the scope of the upcoming large investments.

The staff expansion is partly distributed over the production area itself, with an additional 68 employees including the integration of personnel from Siempelkamp Handling Systems GmbH (SHS) and ATR Industrie-Elektronik GmbH & Co KG (ATR).

The founding of Siempelkamp Energy Systems GmbH (SES) in Hanover due to the acquisition of Metso Panelboard GmbH added 62 employees. The continuing development of the Wuxi location in China added another 50 employees. 6 new employees started at our SHB location in the Czech Republic.

In contrast to these personnel expansions, there were personnel reductions at ATR (55 employees), SHS (28 employees) and Siempelkamp Canada (8 employees).

In order to cope with the continuing high order volume, the workforce at Siempelkamp Foundry increased by 7 percent in 2007 compared to the previous year. The Foundry now employs 446 and has 24 trainees.

Beyond the staff expansion, we concentrated on redesigning jobs and job environments. Building activities such as the rebuilding of workshop 312, the new House of Technology, and the redesign of the entrance to the factory eliminate bottlenecks and optimize working conditions for our employees.

The Nuclear Technology business unit grew by 197 to a total of 430 employees and 14 trainees. This increase is the result of 19 new employees, as well as the gain of 162 employees from the integration of NIS Ingenieurgesellschaft.

The total workforce of the Holding was 5 in 2007 compared to 6 in 2006.

The Siempelkamp Group companies are tied to labor agreements. One dominant subject in 2007 was the introduction of a new salary agreement. The agreement offers a standardized pay scale grouping for all jobs. The previous distinction between wage and salary earners has been suspended. The new agreement includes 14 pay groups.

During the introduction of the new pay scale, 500 job tasks were described and assessed and more than 1000 employees were assigned to these tasks.
In response to the current business situation, the number of new trainees was increased to 97 positions in many different technical, commercial, and industrial areas. We are happy to announce that all trainees were hired after completing their training.

We are also pleased to announce that our traditional and high quality training was once again recognized in 2007. The Siempelkamp Foundry was awarded the title “Best Apprenticing Company 2007” by the Krefeld chamber of commerce and industry. One trainee of the field of foundry mechanics graduated with the best possible grade and became regional champion of the state of North-Rhine Westphalia.
Outlook

After several years of above average growth rates, the development of the world economy is slowing down. Nevertheless, the World Bank forecasts a global economic growth rate of 3.3% for 2008. Even though the economic recession in the USA has touched the economies of other developed countries, the economies of developing countries are continuing to experience high rates of growth. The World Bank recorded a total growth of 7.4% in 2007, which is forecast to settle at 7.1% in 2008 for developing countries.

China and India are markets important to us, and they are developing positively. An economic growth rate of approx. 10.8% is forecast for China, and India’s economy will grow by approx. 9%. A slight acceleration in economic development is also expected for Turkey, another important market for us.

Within these general conditions, our business units are positioning themselves with numerous strong points which let us look forward to a profitable 2008. In general, we take a top position in all growth markets relevant to our Group of companies. The order backlog in all three of our business units gives us every reason to believe we will further expand this position in 2008.

The machinery and plants business unit is recording a very promising order situation, which will ensure the full utilization of our production capacities in different areas into 2009. In view of the preliminary calculations carried out for the realization of these orders, we again expect positive results for 2008.

The role of our service and upgrade business is increasing in importance. Our customers can fall back on a closely knit and reliable service network in all important markets worldwide. We will continue to fine-tune this service competence by expanding our spare parts storage capacity, strengthening our local branch offices, and shortening our reaction times.

A large additional gain is the new Siempelkamp Energy Systems GmbH (SES), which became part of our Group in October of 2007. We took an important step and expanded our portfolio with energy technology for wood-based products plants. With this new company, we also strengthen our position in customer support for old plants. With their broad existing base, we opened up a large amount of potential in this field.

Another benefit: customers that have used Metso systems in the past are now ordering Siempelkamp press lines for their expansion projects.

Siempelkamp Foundry is also well prepared for 2008. The basis for this outlook is a high order backlog from 2007 and a promising order forecast for 2008. The positive trend of the previous year is thus continuing at an even higher level.
All efforts are being made to recognize our international opportunities which will arise from the stable demands from the European and North American markets.

After a prosperous business year in 2007, the nuclear technology business unit continues to expand the position of the company. The current order backlog allows for a promising forecast. The worldwide interest in covering the increasing energy demand with nuclear technology continues to be high. This not only applies to countries that are already operating nuclear power plants, but also to those which have not yet used nuclear technology for energy generation and are now interested in the use of nuclear energy.

The business areas of containers and production, engineering and recycling are supporting pillars of the Siemenskamp nuclear technology business unit. The engineering area will reinforce its international orientation with an extended portfolio in 2008. Since October of 2007, the companies NIS Ingenieurgesellschaft and the French ANSA have become part of the nuclear technology unit and now play an important role for the company.

For all three Siemenskamp business units, a clearly positive development is predicted for the coming business years, which we will use to consolidate the trend of the previous years.
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