

Changing markets demand adaptation

PERMANENT PRICE AND COST PRESSURE AND STRUCTURAL CHANGES ARE WELL-KNOWN PROBLEMS IN THE BAKERY INDUSTRY

+ These factors have led to reorganization and structural adaptation in the food division of the Horstmann Group. The results are personnel changes in the management and the planned reduction of about 50 employees in Dinkelsbühl, Germany, with the aim of stabilizing and expanding the competitive position and the claim of the Horstmann Group to be the leader of the market for bakery machinery. These changes are especially important, because the Horstmann Group is firmly committed to maintaining its production facilities in Germany. The future markets are however primarily abroad where there is an increasing demand for a complete range of bakery machinery, or complete system solutions from a single supplier. The Horstmann Group has reacted to this market requirement by the systematic development of competence centers and will continue to follow this strategy in the future. Last year 2 million Euros were invested in processing centers at M. Mühl & Co. GmbH. The existing technology and training centre in Tamm will be enlarged for 3 million Euros in 2006. The consultants Dr. Florian Böllhoff, Karl-Heinz Götten und Jürgen Dittert will accompany the creation of a joint sales and service company.

+ Dr. sc. Pol. Florian Böllhoff, born in 1943, has 26 years of experience in management and executive board functions and has worked for the last 9 years as a consultant for medium-sized companies.

+ Karl-Heinz Götten, born in 1948, is a self-employed business consultant, specializing in re-engineering and the reorganization of the order-production-delivery process

chain. He occupied this function for several years at RATIONAL AG in Landsberg and also in other companies.

+ Jürgen Dittert, born in 1950, is the founder and owner of KLD-Dittert, a business consultancy for solution and result-oriented human resource processes. He has 25 years of practical experience in leading functions in the human resource sector and as general manager of international industrial companies.

New developments for our artisan and industrial customers and a significant number of large orders have strained the finances of the group in the last few months. These new technological solutions and outstanding products are now available and will lead to a good cash return in the near future. Of particular importance are developments in the fields of laminating technology, thermo-oil ovens, bread and bread roll dough dividing machines for artisan and industrial bakeries, the automatic system for artisan-style baguette production, automatic mixing systems and solutions in the field of cooling, in particular vacuum cooling. The incoming orders of the Horstmann Group increased by 32% in the last 12 months. Werner & Pfleiderer Industrielle Backtechnik GmbH contributed alone 45 million Euros. Those projects in which the customer was looking for a complete integrated solution involving all the competence centers were especially successful. Jürgen Horstmann: "Living means solving problems. We are looking at the changing markets with a lot of confidence. Every change brings problems, but also many chances. It's an arduous road but it's well worth traveling." **+++**



++ Dr. sc. Pol. Florian Böllhoff



++ Karl-Heinz Götten



++ Jürgen Dittert

Horstmann Group	COMPANY	COMPETENCE CENTER	MANAGING DIRECTOR
	Werner & Pfleiderer Lebensmitteltechnik GmbH, Dinkelsbühl, Germany	Ovens Cooling systems	Mr. Knost
	EMIL KEMPER GmbH, Rietberg, Germany	Mixing / Roll plants	Mr. Peitzmeier
	Werner & Pfleiderer-Haton BV, Panningen, the Netherlands	Bread plants	Mr. Snellink
	PRO-fit-2 GmbH, Sohland, Germany	In-Store baking / Used machines	Mr. Paulick
	Werner & Pfleiderer Industrielle Backtechnik GmbH, Tamm, Germany	Industrial plants / Durable baked goods	Mr. Wittmann
	Werner & Pfleiderer Lebensmitteltechnik Service GmbH, Dinkelsbühl, Germany	Service	Mr. Otte
	M. Mühl & Co. GmbH, Bielefeld, Germany	Manufacture of mechanical components for the whole group	Mr. Dyck