



PRESS

RELEASE

HT TROPLAST AG performs well in testing conditions

With Group sales of €55.3 million worldwide (previous year 847), HT TROPLAST AG (HT) in Troisdorf achieved stable figures in fiscal year 2002 on a still depressed construction market.

Gross sales in the part of the HT Group comprising the consolidated HT affiliates also remained stable at €740.6 million (previous year 743.8). With few exceptions, this presents an accurate picture of the HT Group's European activities. The pre-tax profit after goodwill/tax write-off slipped from €29.4 million in 2001 to €26.1 million in 2002.

In the plastic window profile sector, the TROCAL and KBE brands – particularly as a result of encouraging trends in Eastern Europe – recorded growth in sales. With KÖMMERLING, sales in Germany declined because of the slump in the building industry. TROSIFOL films for laminated safety glass continued the successful trend of recent years.

The fall in profits is largely attributable to the higher cost of raw materials, the squeeze on prices in the profile sector and ailing TROCELLEN foam activities in Germany. Improvements in the result were achieved with TROSIFOL and DYNOS vulcanized fibre for flexible abrasive discs. Business with KÖMMERLING PVC sheets also made good progress despite the departure of products for industrial purposes and developed encouragingly, particularly in the fast-growing US market. As a result of the decision to relocate the administration from Dillingen (Saarland/Germany) to the production site in Germany's capital Berlin, KBE will benefit from enhanced efficiency.

Responsible:
Press/Public Relations
HT TROPLAST AG
D-53839 Troisdorf
Phone 0 22 41/85-44 55
Fax 0 22 41/85-44 50

HT gains a new edge

"Our readiness to pioneer poorly accessible markets early on gave us a further edge over the competition in 2002. In the profile market in Eastern Europe and with our products for international structural glazing, we have taken a big step forward and managed to offset the effects of the gloom in the German building industry," stressed CEO Dr. Hans Werner Kleffner at the HT Annual Press Conference in Berlin on 26th March.

Making ground

The backlog of demand in Eastern Europe is huge. The advantages of modern plastic windows are highly valued, and particularly the possible energy savings. On the market for window profiles, HT is not alone, but occupies a clear leading position not only in Germany, but also beyond Germany's borders in Poland, the Ukraine, Russia, the Baltic states and all of South-Eastern Europe – and in some instances with large shares of the market. The heartening growth here and, more modestly, in Western Europe further reduced HT's dependence on the German market in 2002.

In a project for the future, HT is working with the glass industry on a window that rarely has to be cleaned. Through the application of a photocatalytic surface, cleaning work can be reduced to a minimum.

Initiating expansion

In the structural glazing sector, TROSIFOL polyvinyl butyral (PVB) films for laminated safety glass are the market leader and are very well set for the future. Laminated safety glass is on the advance. Because of its high safety, this type of glass is capturing shares of the market from other types. TROSIFOL's export rate is 85 per cent.

East of Moscow, in Nizhni Novgorod, a new production plant for PVB films is currently being built, in which both recycled and virgin material will be processed. As Russia's only manufacturer, TROSIFOL is thus taking a clear stand.

Since the invention of float glass in 1959, there have been continual attempts at improvement. HT's TROSIFOL is a film that achieves immaculate results and permits trouble-free processing. HT is one of the leading manufacturers that produce this extremely thin film in a width of 3.21 metres. As the glass industry produces glass of the same width,

TROSIFOL runs straight from the roll into glass production. This is an extremely efficient process in which virtually no waste is generated.

Incidentally, TROSIFOL celebrates its 50th anniversary this year! Launched back in 1953, "**TRO**isdorfer **S**icherheits **FOL**ie" (Troisdorf safety film) has accompanied many advances in the glass sector.

Overcoming obstacles

In the foam sector, TROCELLEN has established itself mainly in the automotive and leisure & sports industry. 2002 was a relatively difficult year because the Italian finishing industry has turned its attention increasingly to Eastern Europe. Markets in the automotive industry were also slack, particularly in Italy, although they ought to recover in the course of 2003.

Holding its position

DYNOS has remained a profitable niche product. With a world market share of over 50 per cent, we are in a good position. Business with abrasive discs developed satisfactorily in 2002.

Investing worldwide

The new plant for TROCELLEN in Germany is a move targeted at further growth. Extremely fine-pore, physically crosslinked TROCELLEN foams with a uniform structure are products much in demand for a variety of uses, ranging from window seals through to special products in the medical field and in motor vehicles. HT is the only producer in Europe with all production technologies at its disposal: chemically crosslinked foams, physically crosslinked foams and slabstock.

In the USA, our range of panels for the construction sector has developed highly promisingly. These are PVC panels from KÖMMERLING, for which production in Huntsville, Alabama is to be expanded.

To satisfy the demand for profiles in Russia, production is being extended in Woskresensk, 80 kilometres south of Moscow. The HT Group's Chinese activities are concentrated in Tianjin, not far from Peking. A totally new production plant was officially opened here at the end of February 2003.

Showing initiative

HT leads the way not only in the development and positioning of brands, for it also breaks new ground in recycling and in the elimination of certain additives. When it comes to UV stabilizers in plastic windows, it is substituting lead with calcium-zinc stabilizers much faster than demanded by law. This is a pivotal aspect of the voluntary undertaking by the PVC industry, in which HT has had a large hand. Last year 75 per cent of PVC products were changed over, and the whole process will be completed by the end of 2003.

Over and above this, and independently of competitive ambitions, HT has promoted dialogue within the industry and favours voluntary undertakings from market participants in the field of recycling as well. The REWINDO window recycling scheme launched at the beginning of 2002 together with leading competitors is intended to raise PVC recycling rates.

Extending the lead

Recent years have demanded a high level of willingness to accept change from staff of the HT Group. "This hasn't always been easy, but it's helped our company enormously. We sell good products packed with excellent technology – products that are used worldwide to conserve energy and increase safety. These are important benefits for all people. We are therefore on the right course, a fact impressively demonstrated at the world's biggest window trade fair, Nürnberg's "fensterbau 2002," underlines Kleffner. Dr. Thomas Büttner, HT Executive Board member and head of Profiles, adds: "We documented here our aspiration to be the No. 1 and made it plausible to our customers, the market and our competitors. It also had a very positive effect on our workforce."

Muted prospects of a turning point

There are still no indications of an economic recovery in Germany in the immediate future. Against the background of the current income situation and the overall economic and political environment, the HT Group is concentrating on boosting profitability and improving its financial structure. To this end, the initiated restructuring and efficiency-enhancing measures throughout the Group will be consistently continued. In view of our strong initial position, there are plans to expand business in the burgeoning markets of Eastern Europe, China and the USA. In the profile sector, we intend to build on our leading position on the European market. Furthermore, the cost structure will be improved with ongoing efficiency

boosting programmes and with organizational and site optimization by realizing all the benefits of size and synergies combined with the simultaneous exploitation of the advantages and positive synergies from the multi-brand strategy.

TROCELLEN aims to improve its market position with new foam types in Europe and to improve its cost situation. With its new production site in Timisoara (Romania), TROCELLEN is following the Italian foam processors' shift in focus to Eastern Europe.

Attractive TROSIFOL business will be expanded further. There are plans to significantly extend business with KÖMMERLING plastic panels in the growing US market.

HT will continue to build on its lead and focus its resources to a large degree on foreign markets.

Well equipped for the future

The successful implementation of the wide-ranging measures and programmes, combined with a number of new ideas and innovations, e.g. the "self-cleaning window", are expected to impart a sustained boost to business and give the Group a promising outlook for the future.

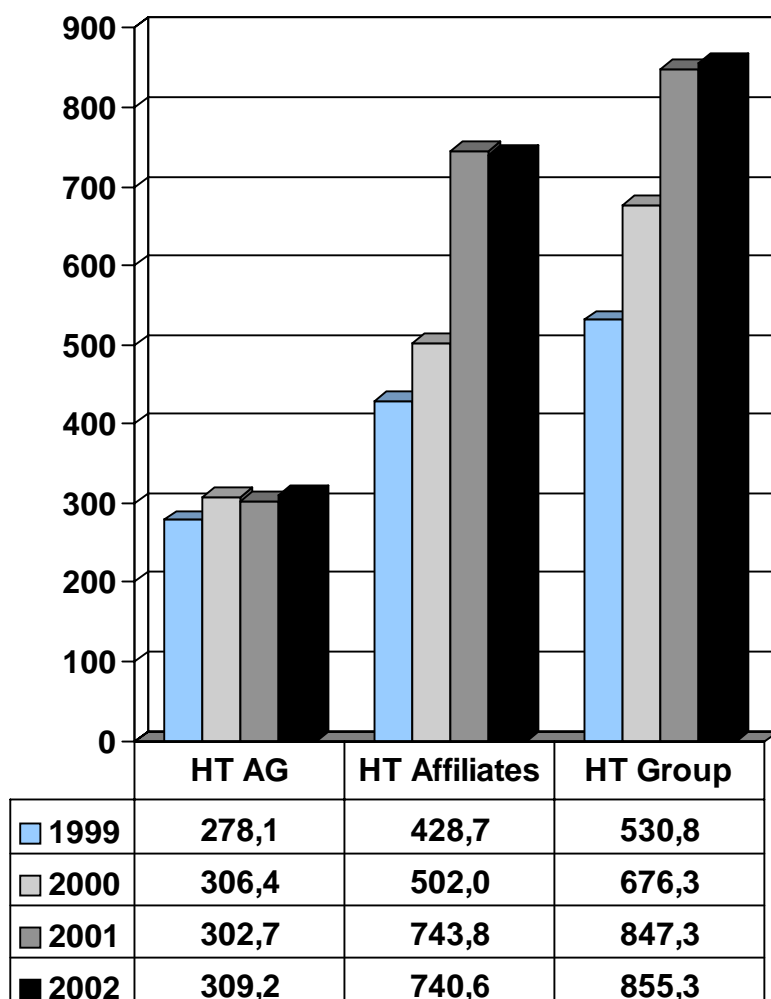
26th March 2003

This text comprises 9,113 characters in 170 lines. You can also download it from the Internet at: www.ht-troplast.com

Press contact:	Rainer Hardtke,	Phone	0 22 41 / 85-44 55
		Fax	0 22 41 / 85-44 50
			rhardtke@ht-troplast.com

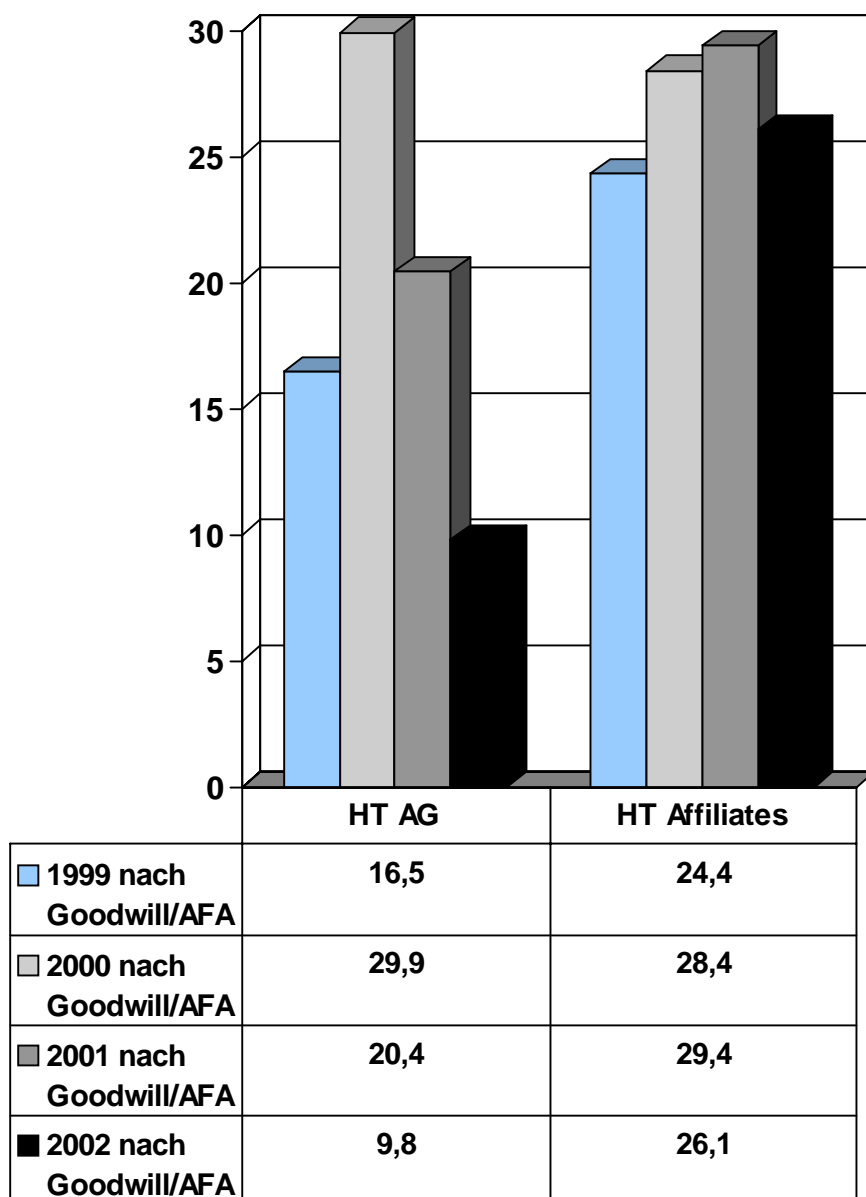
HT TROPLAST AG Group

Gross sales in €million



HT TROPLAST AG Group

Pre-tax profit in €million



1999 after goodwill/tax write-off

Further information:

www.ht-troplast.com

HT TROPLAST AG press contact:

Rainer Hardtke,

Phone

+49 / (0) 22 41 / 85-44 55

Fax

+49 / (0) 22 41 / 85-44 50

E-Mail

rhardtke@ht-troplast.com



PRESSE

RELEASE

HT opens new production plant in China

Plans for 55,000-tonne annual capacity in the long term

On 28th February 2003, in the presence of the Mayor, regional government representatives, employees and customers, HT TROPLAST AG (HT), Troisdorf (Germany), opened a new production plant for KÖMMERLING plastic windows in Tianjin (China), a city with a population of ten million about 150 kilometres southeast of Peking. "HT is happy to be able to stay here and continue working at the new site not only for geographical and economic reasons," said HT CEO Dr. Hans Werner Kleffner in his opening address, "but also because of the industrious and friendly people of Tianjin."

Tianjin was carefully chosen. The city is currently growing at a breathtaking rate of 12 per cent per annum. In addition, the region is being developed into a financial centre for Northern China. In the last few years alone, 45 million square metres of green-field building land has been created. Together with an additional 15 million square metres of modernized buildings, the total demand for window units comes to 12 to 15 million!

The Kömmerling Tianjin Kunststoffwerke Company Ltd (KTK), which has belonged to the HT Group since 2002, has been manufacturing plastic window profiles for the Chinese market since 1995. The restructuring of Tianjin's industrial geography and the building of a

Responsible:
Press/Public Relations
HT TROPLAST AG
D-53839 Troisdorf
Phone 0 22 41/85-44 55
Fax 0 22 41/85-44 50

new university plus the expansion aspirations of the Troisdorf Group demanded a move last year for the existing production plant within the city. The construction of the new production plant, which took place at an unaccustomed speed, even by European standards, is taking place in the Jinnan development area on the southern fringe of Tainjin. The move has now created the necessary conditions for participating more effectively in the rapid growth on the Chinese construction market. The capacity of the plant in its present state is almost 10,000 tonnes p.a. and is to be raised to 20,000 tonnes in the medium term. The envisaged target on the overall 80,000 square metre site is an output of 55,000 tonnes of profiles and an extension of mixing facilities to 65,000 tonnes in the year 2007.

KTK's 140 employees are currently working towards this goal. Karl Heinz Freund, KTK Managing Director, is optimistic. "The emphasis until 2006 will be on expanding sales at KTK. In the four target regions, we want to establish five sales offices with 40 employees."

The strategic goal for the next four years is the improvement of the market share to over five per cent. According to the current growth forecasts for the Chinese market, this would amount to sales of over 47,000 tonnes.

Boom-nation China

Government promotion of PVC construction products by the Chinese government and the expectations associated with the 2008 Olympic Games have given the profile market in China massive impetus. In the run-up to the Olympics, an additional US \$ 9 billion is being pumped into the Peking region alone. The market volume for PVC windows alone has risen from 200,000 tonnes in 1998 to 530,000 tonnes last year in China's four most important regions: the North

East; the region around Peking, Tainjin and Shanghai; the area around Gaungdong and Hainan in the south; and the six adjacent provinces in the west with Sichuan, Chongqing, Shanxi usw. This is where 90 per cent of the Chinese population lives.

China's economy has been growing at a rate of seven to eight per cent for several years now. The exchange rate for the national currency RMB is stable, which is partly due to the prudent currency policy of the Chinese People's Bank.

In addition, the privatization of the economy continues. For instance, China's four latest state-owned banks plan to seek stock exchange listing in the next three to five years.

Automotive industry

The rapid expansion of the Chinese economy is particularly manifest in the automotive industry. While car registrations in China in 1990 came to 240,000, this figure had risen to 3.65 million by the year 2000. In the same year, China produced 3.3 million cars, 38 per cent more than a year earlier. This means that China as a car producer has advanced from eighth to fifth position worldwide within a year. For the VW Group, China is today the biggest quantity market after Germany.

Plastics

Each year over two million tonnes of plastics are used in the construction of Chinese buildings. However, China itself can only produce half a per cent of this. The materials have to be imported at high cost, with a large portion coming from its Asian neighbours. China needs about 25 per cent more plastic each year in order to realize its huge construction projects. China is therefore turning

increasingly to foreign companies above all for the production and development of high-grade plastics.

Joining the WTO

Having joined the WTO, China's industry is now rapidly coming into line with international standards. This is being accompanied by ongoing liberalization of the market and an accelerated legislation process.

Today, Germany is China's biggest trading partner in Europe, and for Germany China occupies a central position in its strategy for Asia. Over 1,600 German companies have settled so far in China, investing a total of 7.6 billion. The Transrapid magnetic levitation railway that went into operation in Shanghai in December 2002 symbolizes the good relations between the two countries.

26th March 2003

This text comprises 5,377 characters in 103 lines. You can also download it from the Internet at: www.ht-troplast.com

Press contact:	Rainer Hardtke,	Phone	0 22 41 / 85-44 55
		Fax	0 22 41 / 85-44 50
			rhardtke@ht-troplast.com