

INFORMATION

Industrial Group Schwan-STABILO takes over Outdoor-Specialist Deuter

Family company publishes latest figures: exceptional results in regular business and investment in growing market as a new business field

Heroldsberg, September 2006. The Schwanhäuser Industrial Group buys the Outdoor-Specialist Deuter Sport GmbH. With this acquisition, Schwan-STABILO, a family company with 150 years of tradition, extends its business fields Writing Instruments (STABILO) and Cosmetics (Private Label) with a third pillar in an internationally growing market.

In the past financial year 2005/06 (Closing balance 30th June) the Schwanhäuser Industrial Group achieved a total turnover of € 288 Mio. An encouraging turnover growth of five percent was reached compared to the previous year. The number of employees worldwide rose to over 3100.

With € 123 Mio. (previous year € Mio. 110) the STABILO Division was remarkably successful against the industry trend and sees its long term strategy confirmed. Both the focus on a young target group with constantly growing purchasing power as well as ergonomically innovative writing and drawing instruments turned Germany into the strongest growing market.

The Cosmetics Division was also able to more than compensate for planned turnover losses due to changes in the range structure: with the market introduction of very successful new products, the turnover was able to be increased by 1% to € 165 Mio. The ever closer integration of the foreign production subsidiaries with the central technology and development resources at the Heroldsberg Head office is also increasingly bearing fruit.

As a new Division in the Group, the Outdoor-Business with Rucksacks under the Deuter Brand will be managed independently. The position of Managing Director will be taken over by Bernd Kullmann, for many years a manager at Deuter Sport GmbH. Other personnel changes are not planned in the very successful company.

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With rucksacks to the top

The Deuter Sport GmbH, a company which is leader both in Europe and in innovation in the high value price segment for rucksacks, was founded in 1898 and was owned by Michael Franke since 1990, who decided to sell for personal reasons. A turnover of approx. € 25 Mio. was achieved. The Head Office in Gersthofen (Bavaria) employs approx. 45 people. The main emphasis is on Product Development, Marketing and Sales. The main market is Western Europe, however, the company is also already internationally active and has been represented by an own subsidiary in the USA since 2002.

A broad market coverage was achieved with products for the fields of Hiking, Trekking, Bike, Travel through Alpine to carrying babies.

Active for Customers

Matching core competences such as proximity to end consumer, level of innovation and brand management as well as a know-how transfer were important criteria for the purchasing decision. With consistent orientation towards customer requirements as well as with high quality products, Deuter und STABILO succeeded in the past years in asserting themselves in hard fought markets. Both were able to establish themselves as relevant Brands with a high innovation level and good price-performance ratio with the end consumer. In future, both Brand companies should profit from this high degree of match of Brand management and internationality.

Above all, STABILO is particularly interested in a know-how transfer from the Outdoor-Fashion field. While short product life cycles and high advanced-order orientation are already fixed dimensions there for the Trade, they still play a secondary role in the writing instrument industry. Sebastian Schwanhäüßer, member of the board, stresses emphatically: „The individual Divisions and all companies will continue to work strategically and operatively independently. But of course we look forward to interesting experiences and mutual potential for learning for both Brand companies!“ .