

Hennecke on the right course

PU Magazine:

Mr. Kurt you recently took over the block foam department at Hennecke. One subject that certainly interests not only your customers at the moment is the planned sale of the company. As we learned from Mr. Vanacker, the manager of the polyurethanes business unit of Bayer MaterialScience, he is looking for a machine builder as a strategic partner. What can you tell us about this subject?

E. Kurt:

We at Hennecke can only reiterate the statement from Mr. Vanacker. We are pleased that BMS has decided to transfer us to a strategic partner and see a challenge as well as a big chance to prepare ourselves for the future with a new owner. We are sure that the right partnership will open up brighter times for us.

PU Magazine:

Mentioning brighter times, you already booked a welcome increase in turnover for 2006 compared with the previous year.

E. Kurt:

We succeeded in increasing our turnover to more than 70 million EUR in 2006, a rise of more than 10 %.

The pleasing aspect of this is that we were able to improve our result significantly through internal restructuring and optimisation of the business. The measures we have taken still leave potential for improvement in the future.



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PU Magazine:

Hennecke is one of the few allrounders in the area of PU machine building. What will be the emphasis in the future?

E. Kurt:

As you so rightly say, we are the only company in the market that can offer machinery plant solutions in all PU branches. The turnover increase that we were able to achieve and the consequent improvement in our result are spread over all product lines. We were able to achieve a good increase in revenue in the sandwich panel area. In the area of our moulded foam business unit, which includes moulded foam, reactive injection machines and service, we were even able to beat our forecast figures by a small percentage. Also in the block foam area the goals that we set ourselves were exceeded and a small turnover increase was reached. Across all business units, meaning moulded foam, rigid and block foam, the growth potential was exploited and results were improved by the internal measures mentioned above.

PU Magazine:

Can you give an outlook for the next few years? In which direction will markets move?

E. Kurt:

We believe that, especially in the area of moulded foam, the business will certainly move towards the East. As everybody knows, there is strong investment in the automobile sector in this region. In this connection, plants are being moved from Western Europe towards the East; not only to the Czech Republic and Poland but also further east to Russia. The block foam area is already well established in Western Europe. Modernisation is needed here. We expect only limited new investments in Western Europe. These will more likely be made in Eastern Europe, China or India, where we have been able to book the first complete plant sale. We see it as similar in the rigid area, where we were able to ship the first sandwich plant to India and clinch the first “door opener.” We hope we can achieve strong turnover growth with this in the future in the Asia Pacific region.

PU Magazine:

You just mentioned that plant modernisation is one subject; – another important subject in this area is surely the constantly rising raw material prices. Coupled with that, of course, is innovation in the machine area that machines are conceived and built to save material. Can you tell us something about this, for example, in connection with block foam? You have a relatively new development about to be launched.

E. Kurt:

I am pleased you mentioned it. I can account for it as I am responsible for block foam. We have found that, on the basis of our tests, up to 4 % of the isocyanate can be saved with the Hennecke high pressure technology, and here I mean not only the high pressure dosing but the complete mixing system. This is an extremely important argument for producers in the light of constantly rising raw material prices. Even when a customer produces “only” 5000 t per year this represents a big sum of money. The Hennecke rectan-

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gular block equipment, which brings economies in the block foam sector, is certainly still in discussion and seen as a big advantage in the market. We have now integrated these two outstanding advantages of Hennecke plant technology into our new Multiflex basic plant. This is the plant that you just talked about. We just organised the Multiflex basic days at our site at the beginning of February. We introduced the new plant to potential customers from all over the world, including South America, Africa, Asia and Europe as well as Eastern Europe. I would like to mention at this point as well that high quality block foam goods, or technical foams, can be produced on the Multiflex basic.

PU Magazine:

Technical foams, is that the distinction that sets you apart from your competitors?

E. Kurt:

Naturally we have competitors, but, in our opinion, these operate in other fields. There are several companies that make inexpensive plant for furniture and mattress foams. These can also be made with our plant, but a decisive advantage is that they can also produce high quality technical foams. Let us give the example of a large European foam producer. He decided a few years ago to install only Hennecke plants and to modernise the old plants. So we modernised all his in-

stallations in Europe. There were also previously installations from our competitors. This large foam producer then decided: "We want to produce technical foams. We want to produce special foam products as well." This is exactly where we are market leader. Very fine cells as well as uniform cell structure, to name just a few of the important properties. I think we are the innovative leader in this area; we are the pioneers, because we were the first to start making block foam lines in the nineteen fifties and have thus the most experience.

PU Magazine:

But Hennecke lines are not known as the cheapest in the market.

E. Kurt:

I would say, not cheap but inexpensive. If we consider that a company produces 30,000 t of block foam in a year on one of our lines and each kilo sells, for the sake of argument, for 2 EUR, that is a turnover of more than 60 million EUR just looking at the raw materials. Then an investment figure of 2 million EUR in a top Hennecke line plays only a secondary roll. It is much more decisive to have a reliable plant to save raw material and to be able to produce flexibly. I do not want to appear arrogant, but for ester foam materials and technical foams, Hennecke is the standard by which others are measured.

PU Magazine:

Can you prevail with your quality ethic in markets such as China?

E. Kurt:

Every customer can come to us and request problem solutions. We live by the motto: "We have solutions for everybody and everything"! It is also quite clear that we want to participate in the market of the future, Asia. For example, we opened Hennecke Maruka Shanghai in China in March 2006. This location was first seen as a service and sales office, but is being built bit by bit into a production support centre. The main components are, however, still developed and built here in the St. Augustin location, then shipped to China. Components such as hoppers, steel framework or standard building parts are produced locally or bought. Capacity for assembly, service and for training courses is similarly available locally. For the emerging markets we have to get to the position that customers specialised in the block foam area speak to us and know that we have solutions not only for the high end but that we also offer solutions that fit into smaller budgets.

PU Magazine:

Thank you very much for the discussion, Mr. Kurt. ■

New president and CEO at Amerityre

Gary Benninger, chief operating officer of **Amerityre Corporation**, Boulder City, NV, USA, will serve as president of the company effective mid-June and also assume the title of CEO on 1 September.

Benninger will succeed **Richard Steinke** as CEO. Steinke announced earlier this year that he intends to resign 1 October. Steinke, who

also serves as chairman, founded Amerityre in 1995 as a firm dedicated to developing the use of polyurethane in tyres and other products. After 1 September, Steinke will serve as a full-time technology consultant to the company. The board will select a new chairman after the annual meeting in December. Benninger has served as the firm's chief operating officer since October 2005.

Amerityre also announced it has completed validation trials in the United Kingdom of its 2,500-pound-per-minute polyurethane pour machine. The machine was commissioned for Chinese licensee **Qingdao Qizhou Rubber Co. Ltd.**, which will use it for production of large off-the-road retread tires at its plant in Shandong Province, China. ■