

## PRESS RELEASE N° 01-2013

Oderzo, January 10th 2013

### **Coated abrasives, today the union between LBA and Abratech. One of the main industrial actuality in this sector is born.**

Today the third Italian producer and converter of coated abrasives, polishing pastes and industrial products for the packaging borns in the province of Treviso, from the merging of two local companies: LBA (Oderzo) and Abratech (Meduna di Livenza). This union was presented today at Palazzo Giacomelli, headquarter of Unindustria Treviso. "It has took a year of hard work, with some difficulties that we luckily overcame successfully - but in the end, the 'wedding' between our companies has been signed, thanks to UNINT (Consortium sponsored by Unindustria to encourage alliances and the merging of companies) and to the financial advisor Studio Faldini e Rossi and legal advisor Studio Legale Cappiotti."

The newco is named LBA and counts: 43 employees, 10 millions of aggregate turnover (20% from export), more than 1400 customers from the industries of wood, metal, composites, automotive, leather. It is one of most important European companies of this sector in terms of turnover and productivity, and it can lean on a privileged factory - Napoleon spa, Verona - with the aim of design, develop and industrialize all the new products that the market may need. The Company governance will be composed by a Board of Directors of 4 members (2 from LBA and 2 from Abratech). The current team management of the two companies will maintain the strategic and operative leadership. The current LBA CEO, Flavio Longo, will be confirmed as CEO and he will assume the role of President, with the support of Paolo Marchetto (Abratech CEO), who will become Operations Director, and Mirko Longo (current Technical & Sales Manager), now Sales & Marketing Director.

All the current staff (45 people) will be confirmed, to provide further confirmation that this union is made between two solid and autonomous companies.

The base of Operations will be in Oderzo, where the production will be centralized in a productive hub of 10.000 square meters, further enhanced through a substantial investment plan, already approved, confirming the strong orientation towards manufacturing of this new reality.

"The real heart of this new reality will be the modern productive center - said Paolo Marchetto, Operative Director - which is designed with a 'lean' logic and will be further enhanced with a new automatic plant for the production of longitudinal belts with any type of joint, in addition to the six automatic lines already existing: three for the production of longitudinal belts and three for the production of narrow belts.

Big multinational corporations in the sector of finishing products are looking for dedicated facilities with a big production capacity and for products that could be customizable in their technical features and in packaging. Thanks to this skills, we are going to become one of their main partner, as we actually already are for final users".

"We have one of the more important commercial offer today on the market - states Mirko Longo, Sales & Marketing Director - thanks to the commercial support of prestigious German producers as VSM, Starcke, Ersta and Klingspor (for which LBA represents an important distribution platform in the Italian market) and thanks to our two innovation LABS Finishing Lab (special finishes realized with innovative abrasive belts) and IBS (Innovative Backing System, patented abrasive belts characterized by an innovative Pet film backing combined with velcro or paper) and the division Abratech, which will handle the outsourcing for big retailers.

"The importance of the agreement is remarkable - said the President Flavio Longo - within a year the two companies will be fully integrated and then we will begin to benefit from the cost synergies that will enable us to face the market with even greater strength and efficiency".

"Let's start from concrete actions like this, from the integration of business plans where no one prevails the others, and - what is most important - with governance and employment set in local area - said the Vice President Michele Gottardelli - we hope that other companies in our industrial sector understand the importance of this project, which aims at reaching the critical mass which is necessary to take advantage of all the challenges of globalization, while ensuring the satisfaction of each customer, which is not to be taken for granted nowadays".

**LBA srl**