

Entrepreneurs

A T W O R K



The Entrepreneurs' Group

Entrepreneurs at work.
Every day!

L. Possehl & Co. mbH is a group of medium-sized industrial companies managed in Hanseatic tradition. In our more than

1 | 4 | 0 companies we employ over 10,000 people worldwide, with over half of them based here in Germany. Our companies preserve and maintain their unique identity and continue to operate independently within our Group. As a successful and diversely positioned Group spanning 165 years and counting, the Possehl name stands for

**entrepreneurship, tradition,
and responsibility.**

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Dear Partners,
Friends of Possehl,
and Readers,

“Entrepreneurs at work. Every day!” is the motto we have chosen for this year’s report for three reasons. The first is that it expresses the core of our identity. For some years now, Possehl has been positioning itself explicitly as a group of entrepreneurs that share SME values at heart. Today, more than 140 companies operate independently in their markets under the umbrella of our holding company managed in the Hanseatic tradition. The stable financial environment of our holding company provides them with the necessary freedom to concentrate fully on their work.

The second reason is that entrepreneurship has become something of a buzzword these days. Everything moves at a more rapid pace in today’s world and market developments are difficult to anticipate. Entrepreneurial virtues are needed more than ever to navigate this environment with confidence. Old virtues such as perseverance and caution are needed in addition to newer ones like flexibility and the ability to reduce complexity. Possehl sees itself as a company that successfully combines the virtues of the past with the strengths of the present. In this report, we present our understanding of entrepreneurship.

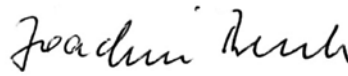
And lastly, we chose this motto particularly because the times have become so unpredictable. Such times call for companies with solid points of orientation to which their employees align their actions – both out in the markets as well as within the Group. This report should provide a point of orientation that makes our actions understandable for our environment.

On the following pages, you’ll gain a deeper insight into Possehl. You’ll read about what we stand for, where we come from, and what course we want to take in the coming months. Beyond this, you will receive an overview of our divisions. You will see that we are broadly positioned as a Group and offer diverse companies a secure and reliable home – both for those already in the Group as well as those that may soon join it.

Yours truly,



Uwe Lüders



Dr Joachim Brenk

Lübeck, Germany, March 2012

Possehl views itself as an SME in the Hanseatic tradition that

successfully combines the
virtues of the past with
the strengths of the present.



Uwe Lüders
Chairman of the
Management Board



Dr Joachim Brenk
Member of the
Management Board

Entrepreneurs at work.



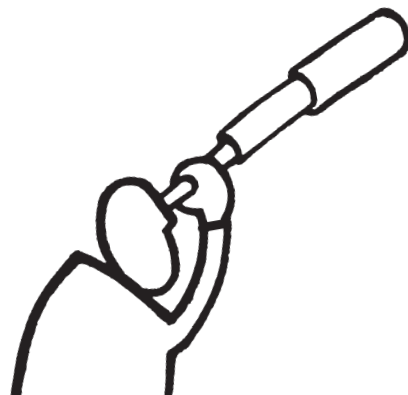
If a company wants to be successful, it should know where it is heading. It needs clear **objectives** and a **strategy** for achieving those goals. Both should be realistic and known throughout the company. Nothing creates a stronger bond than successfully working together towards a common goal. No less important are **standards** that provide the framework for guiding people's actions. After all, many decisions must be made each day and it should be clear whether a potential action is helping the company achieve its goals.

EVERY DAY!

A healthy **history** is also a plus, while a long, successful history is even better. Those that have established themselves on the market have an easier time gaining customers' trust. But all of this is nothing without a healthy foundation. This is made up of the **competencies** with which the company actually delivers what it promises. If this foundation is broad, the company can face future challenges without worry.

Entrepreneurs are

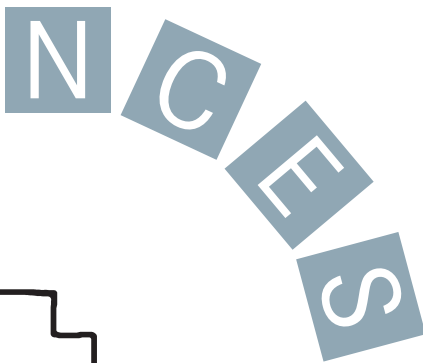
open to new
ideas and
ready to tackle
challenges.



Possehl and its companies are free to act as they deem necessary in the markets. This promotes alertness and entrepreneurial responsibility in every employee, at every level.

Entrepreneurial freedom is one of the main foundations of lasting economic success.

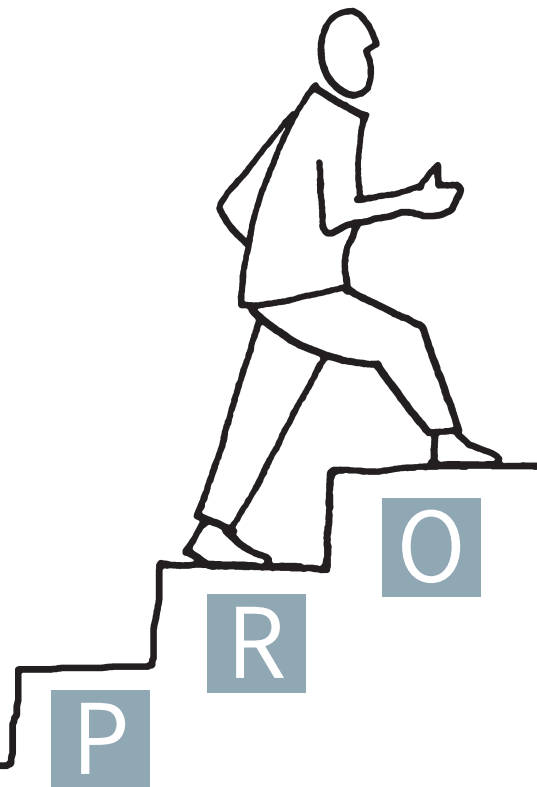
The people in our Group have a precise understanding of their markets and the way they work. They have a keen sense of their environment and a positive approach to change. This is why they see the market as an opportunity, not an element of uncertainty. They use change to tap into new possibilities and reexamine current ideas and approaches. They see hurdles as a challenge to be overcome by demonstrating boldness and determination, and they overcome them on their own initiative.



Entrepreneurs

seek success.

Under the direction of their respective management companies, our companies are given a **high level of operative independence**. This gives our companies the freedom to make the necessary decisions for maintaining positive development in their respective markets. Their objective is to maintain or attain a market-leading position. Our companies strive for success and want to grow, but only when doing so does not compromise the company's health in either the short or long term.



Our Objectives as a Group:

> **Stable income**

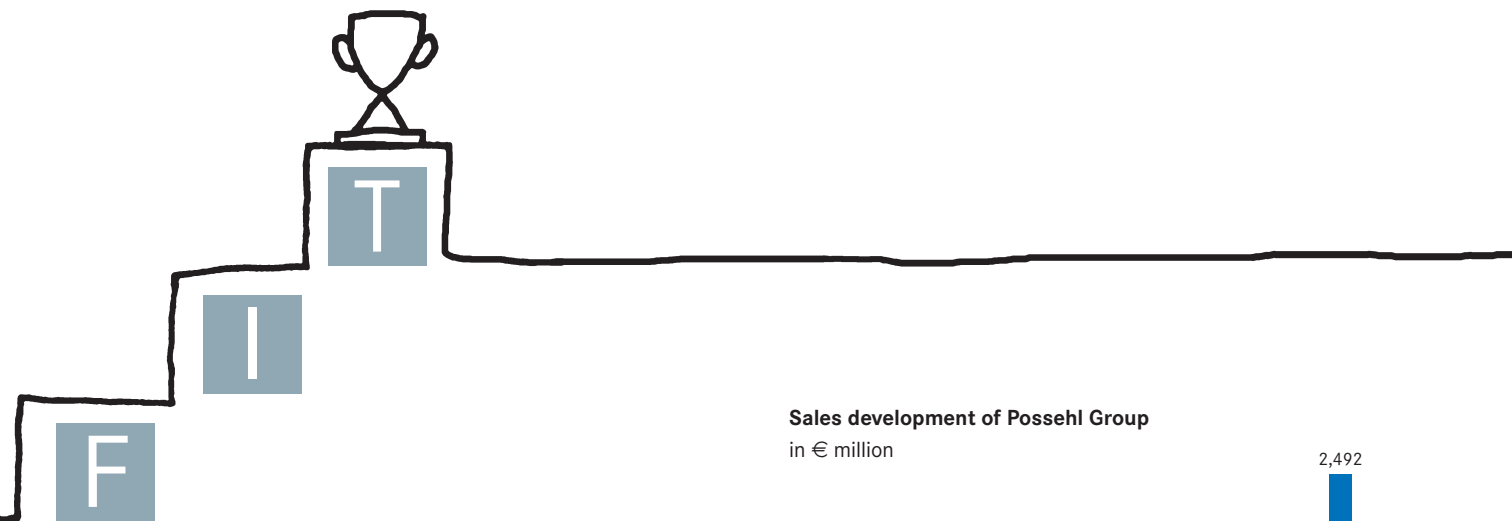
We seek to generate steady dividends.

> **Competitive Group companies**

We want companies with strong operating business that are independently viable on the market.

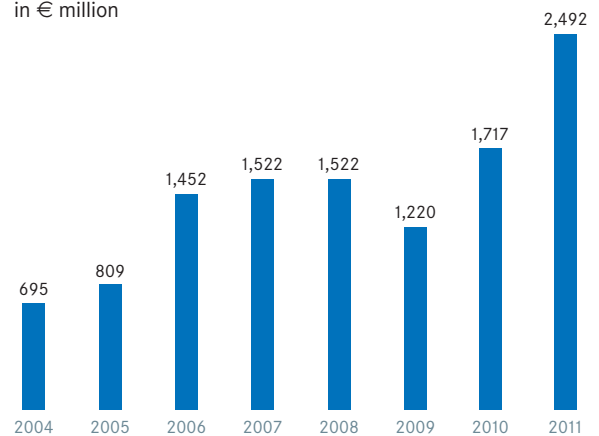
> **Sustainable growth and added value**

We want our companies to develop so that they experience constant positive growth.



Sales development of Possehl Group

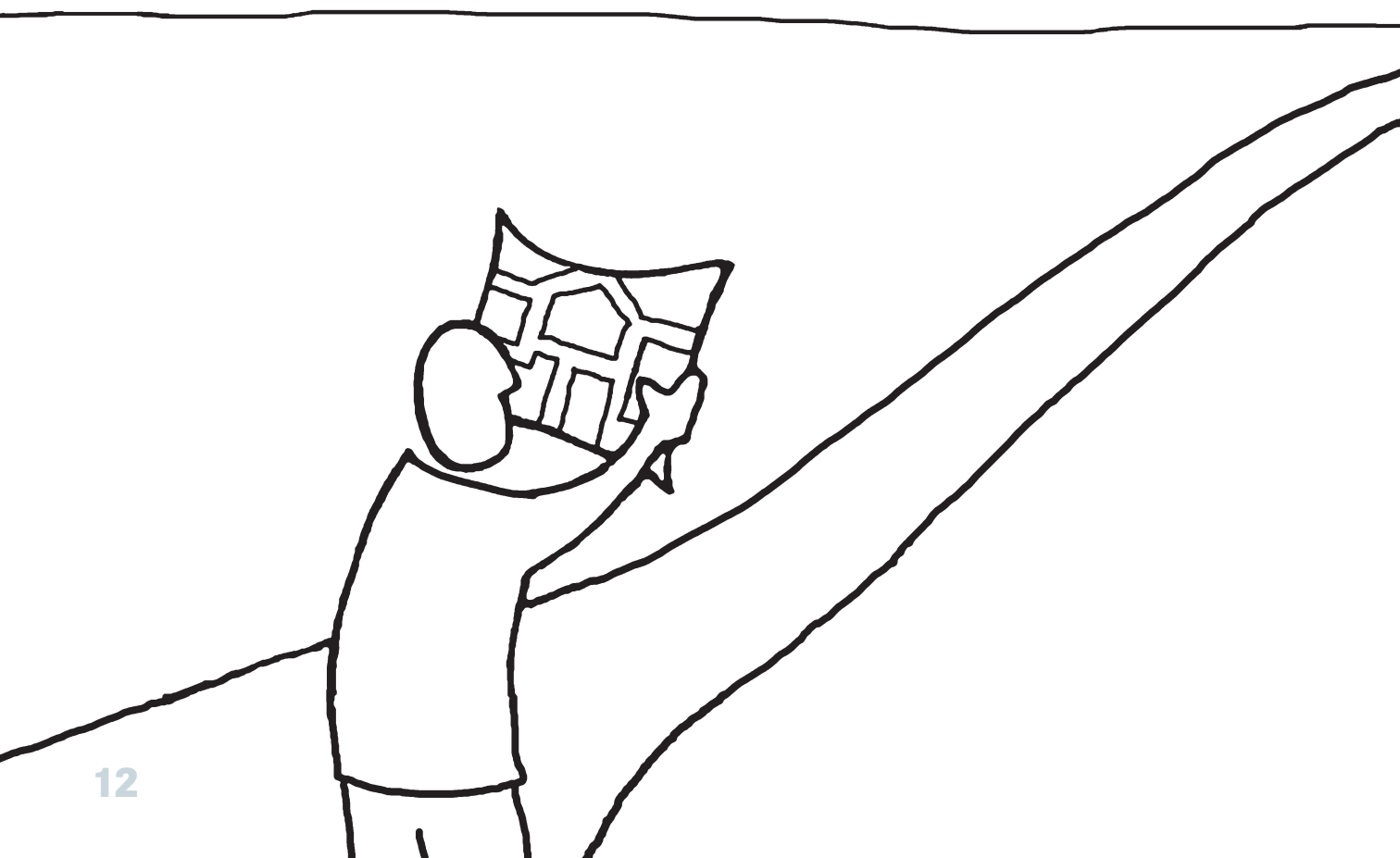
in € million



Entrepreneurs

have a plan.

- > Best owner approach
- > A diversified portfolio
- > Strategic management from the holding company
- > Preservation of the subsidiary's identity





The graphic shows the words 'BEST OWNER' arranged in a pyramid shape. The top row has a single square with the letter 'B'. The second row has three squares with the letters 'E', 'S', and 'T'. The third row has five squares with the letters 'O', 'W', 'N', 'E', and 'R'. A thin black line runs horizontally behind the 'OWNER' row, with some wavy lines extending from the left and right sides.

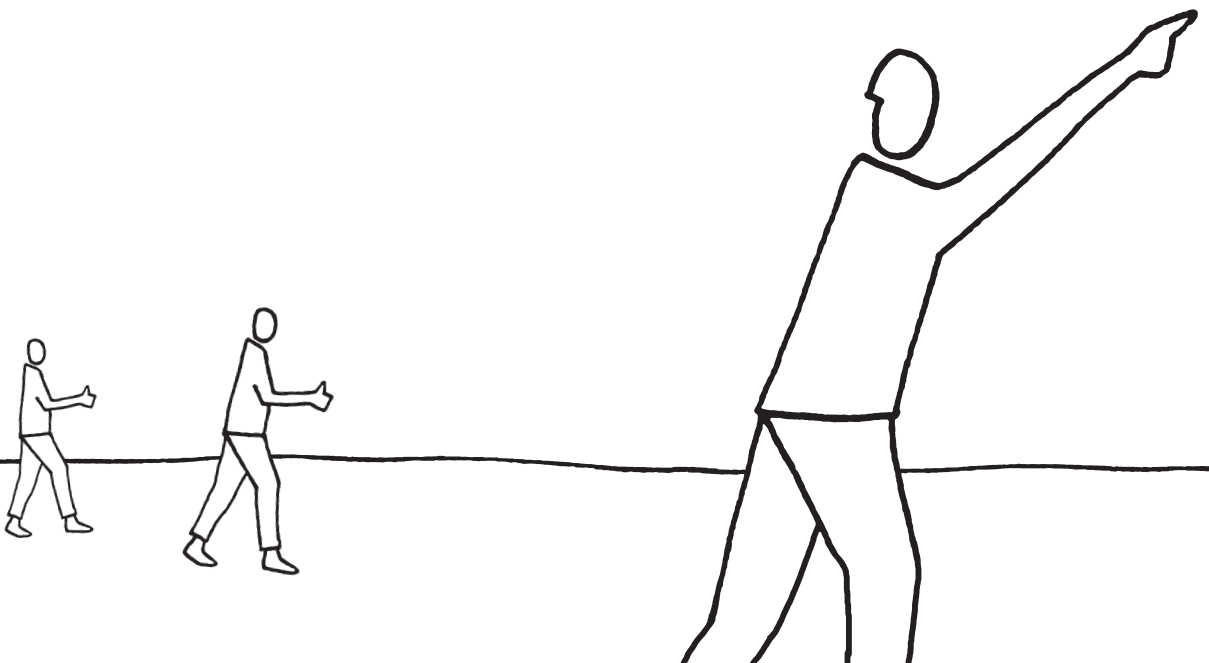
BEST OWNER

We strategically manage our companies according to the “best owner” approach: the core of our strategy focuses on **securing the stability of our companies and supporting their strengths**. We only purchase a company if we are convinced that Possehl is its best owner in the long term. With acquisitions, we follow an established set of guidelines. These include a stable business model, a background in manufacturing or services and trading, a good market position, preferably in a niche market, and a high level of product or service quality.

We maintain a diversified portfolio of companies that are independent of one another and we strive to retain both a financial and structural balance between the individual divisions. Broad diversification helps balance out potential economic fluctuations, such as those from industrial cycles, and makes the Group as a whole more resistant to negative influences.

Entrepreneurs

inspire others.



Possehl and its subsidiaries participate intense in global competition. However, this does not prevent us from maintaining **fair and committed** conduct towards our business partners and employees. We view competition as both a positive challenge and a responsibility to be active and proactive in shaping the future. Our managers in particular are always aware of their **social responsibility** as **role models**.

PERSPECTIVE

The people in our Group are united by shared values.

- > **A sense of identification:** The people in our Group closely identify with their tasks. This helps them perform at a higher level, in turn making them more successful.
- > **Straightforwardness:** In times of extraordinary success, we realize that tomorrow can completely change the playing field – for better or for worse. When we define our targets or prepare our everyday business, we make solid and realistic plans.

- > **Security:** With all of our entrepreneurial spirit, we remain anchored in the principle of safe business at all times in the Group. This means that we only take on risk after carefully considering the opportunities and potential downfalls.
- > **Long-term perspectives:** Possehl focuses on long-term success rather than short-term opportunities. In line with this mindset, Possehl companies seek to build long-term business relationships.
- > **Professionalism:** What we do, we do well. From planning and execution to reviewing the results. Our structured approach ensures that we progress as planned.

stay

Entrepreneurs

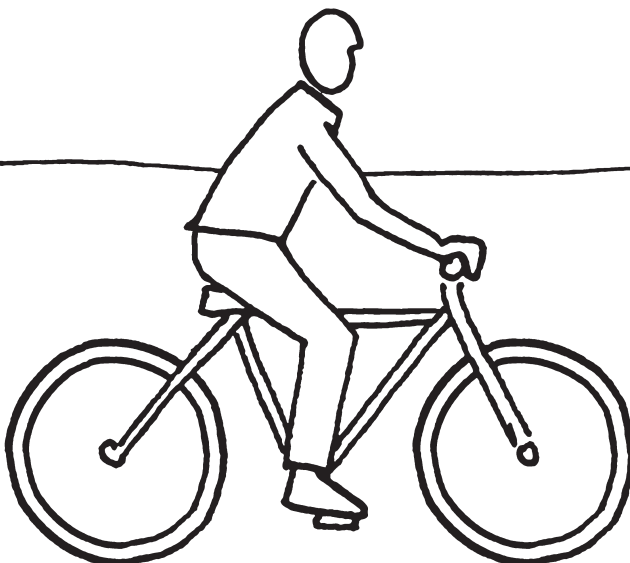
There are many companies that are continually in the public eye regardless of what they do. Possehl is generally only seen when someone comes looking for us. We feel right at home in this arrangement. It matches up well with our character as we navigate the markets with **restraint** and **without much fanfare**. This allows us to keep streamlined structures focused on the **most important** elements: supporting our companies wherever they need it.



humble.

Our companies can depend on:

- > **our financial stability**
- > **our experience**
- > **our loyalty**

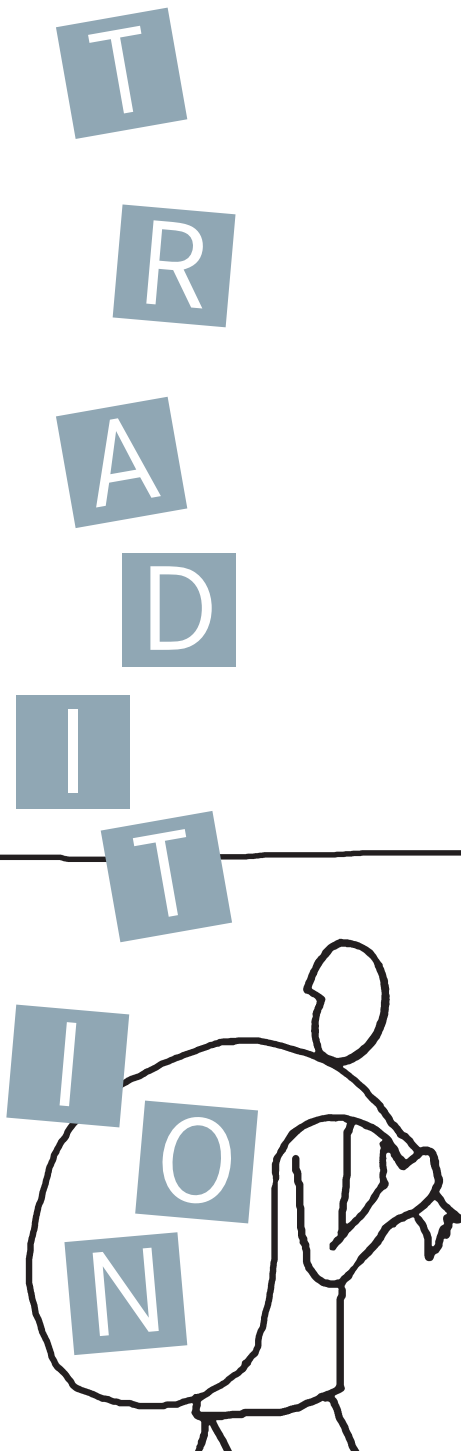


PORTION

Entrepreneurs

know
their roots.





The Possehl Group has enjoyed a long and successful history. The path that brings us to today's Company traces its roots back over **165 eventful years** that consistently presented us with new challenges to be mastered. Each test refined our profile, which is now characterized by experience and reliability. With every decision that we make today as a Group, we ensure that we maintain a solid connection to our history.



1847

1873

1918

1847 Establishment and Development

Ludwig Possehl founds his company L. Possehl & Co. in Lübeck, Germany, on May 1, 1847 and begins trading in iron and coal. At an early stage, it becomes apparent that a broad foundation is the best approach. Improvements to infrastructure soon lead to a boom for the Company. The establishment of Lübeck's harbor and rail connections brings new life to the business. Possehl navigates its first crises thanks to a stable equity base. Conservative capital withdrawal policies mean that the Company's equity grows to seven times the original starting capital, despite the difficult first 15 years of the Company's history.

1873 Growth in Europe

In 1873, Ludwig Possehl's oldest son, Emil, takes over the family business. The German steel industry provides Possehl with a market that offers opportunities throughout Europe. In particular,

Emil Possehl organizes the sale of Swedish ore in Germany and becomes the largest importer of iron ore from Sweden. Up until the start of World War I, Possehl holds investments in iron works, steel works, limestone quarries, and iron pyrite mines. The Company's own shipping business takes over Europe-wide distribution from way up north down to Lisbon and Africa.

1918 The Crucible Years

The First World War leads to a collapse: the Company is able to survive thanks to the domestic coal and fuel business. After the financial turbulence of the 1920s, the Company begins to recover in the 1930s. New branch offices and production companies, freight and insurance agencies join the Possehl Group. The core business with steel, coal, and other fuels is built back up – until the Second World War once again leads to deep wounds: the Company loses all of its foreign holdings and a large part of its sales markets.



1948

2000

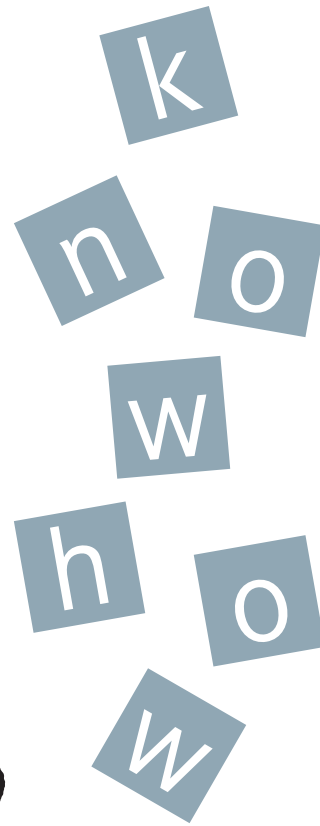
1948 Rebirth and International Growth

Not until the currency reform of 1948 are the conditions in place for the Company to be rebuilt. The Company management gradually rebuilds what remains of old business relationships. New contacts are soon made as well. In the early 1950s, there is a strong spurt in business activities. A highly successful decade for the business follows. In 1965, Possehl records consolidated Group net sales of DM 831 million.

2000 Diversified Group of Companies Operating Across the Globe

Over the last century, Possehl has grown into the company that it is today – a group of companies with strong SME roots in Germany and Europe, a modern management holding company with strategic management and extensive independence for the individual divisions. Over the past six years in particular, the Group has seen a transformation from a company primarily engaging in trading to a group of companies with a focus on the production of capital assets – all the while never abandoning its historical roots.

Entrepreneurs know their



abilities.

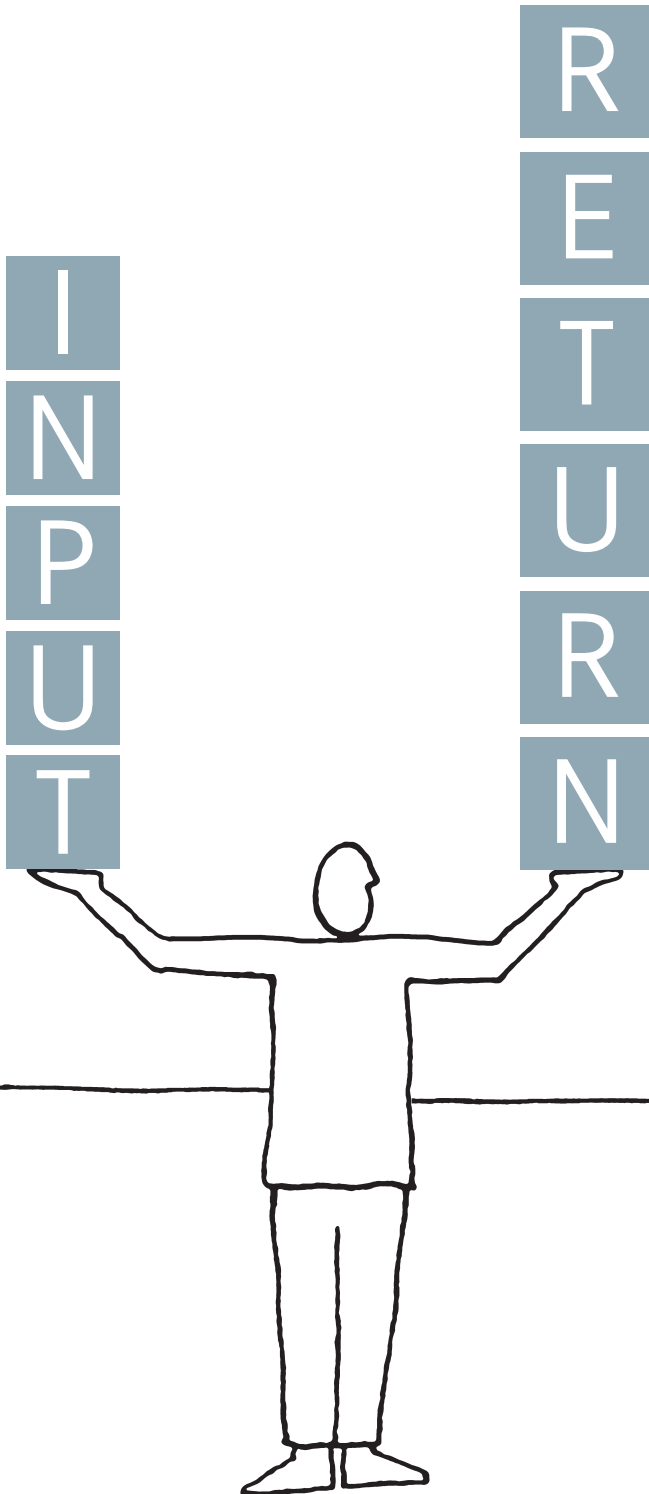
The subsidiaries are the focus of our Group. They have accumulated competencies and established important **specialization advantages** over their competition. Their feel for the pulse of the market allows them to recognize trends and enact corresponding measures to take advantage of them. As a Group, we support our companies on their way with a healthy measure of independence and a view for the larger framework in regards to strategy and finances.

Our Divisions:

- Special-purpose Construction
- Document Management Systems
- Printing Machines
- Precious Metals Processing
- Elastomer Plants
- Electronics
- International Trading
- Cleaning Machines
- Textile Finishing Systems
- SME Investments

Entrepreneurs know their strength.

Those that lead in our Group know their business well. Our managers don't have to prove themselves with flip charts or theoretical models. They are directly involved in the business and take on challenges **directly and effectively**. Our entrepreneurs assume responsibility for their actions. They have a deep understanding of their business concept and diligently work to make the concept successful. Their absolute focus is on results.



- > **Quick decision-making:** Throughout the Group, we work in lean structures and flat hierarchies. This paves the way for development.
- > **Clear areas of responsibility:** Everyone knows their role and their skills. This reduces friction and promotes individual responsibility.
- > **Consistent communication:** We maintain a modern communications culture that is characterized by direct interactions. This keeps information flowing and motivation high throughout the Group.

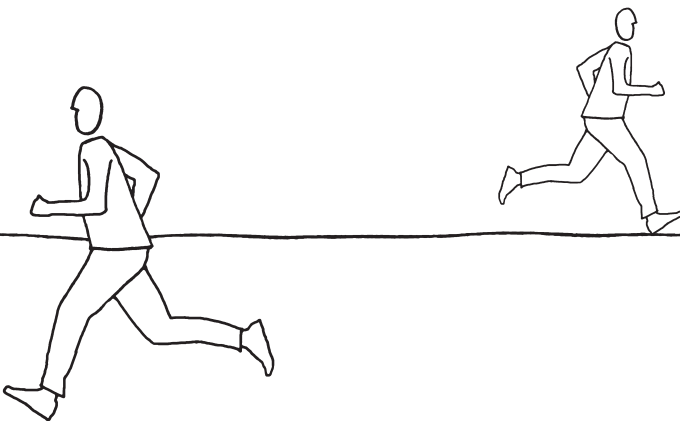
Entrepreneurs

are in it for

Our companies are already long established on the market. They have overcome crises and thrived in competition to achieve success in their markets. From mastering challenges, they have strengthened their **profile** and honed their ability to constantly find new solutions. The entrepreneurs in our Group know that success can only really be measured over the long term and that **patience** and **perseverance** pay off in the end.

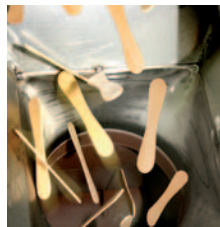


the long haul.



F
I
N
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S
H

Mergers & Acquisitions (M&A)



The companies we purchase are able to develop in a healthy manner **in nearly complete operative independence.** We do not deprive our companies of their independence, and we support them at a strategic and financial level. Our companies grow because they are able to concentrate on that what they do best – **providing excellent services and goods** based on their particular expertise and long-standing experience.

Sticking Together, Because Together We Are Stronger

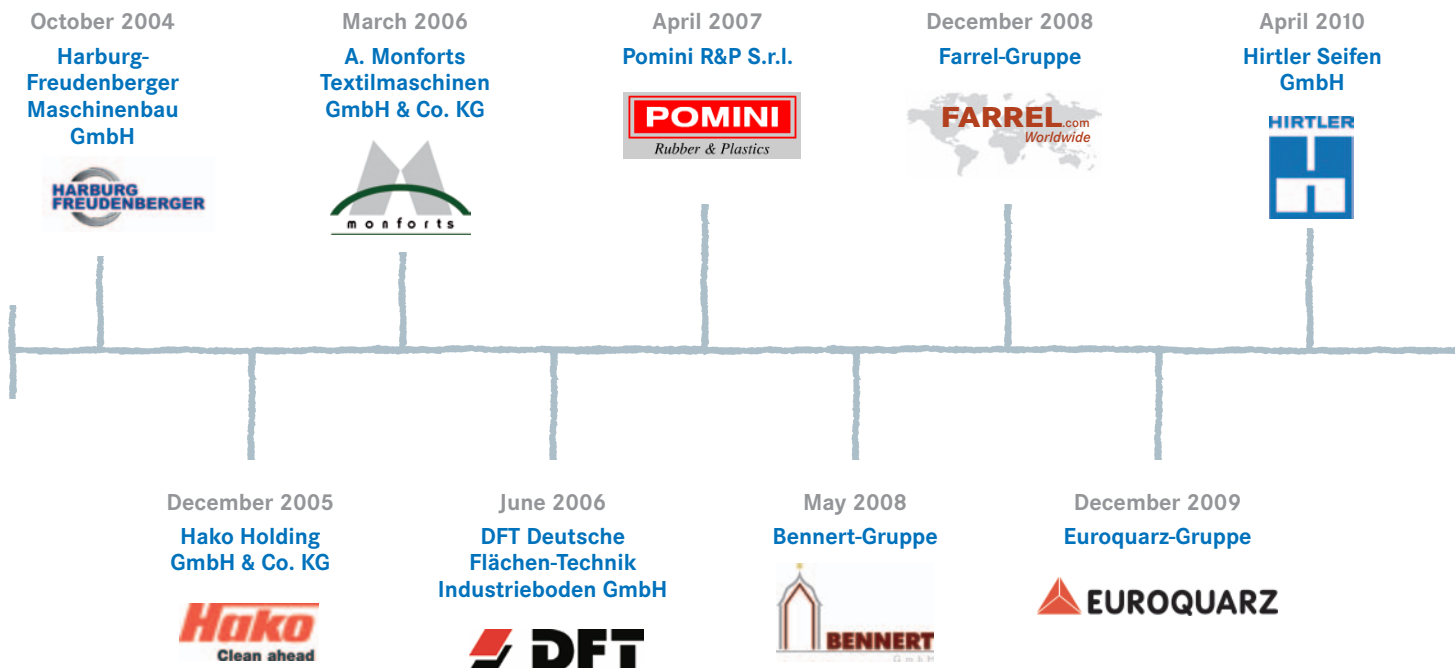
The Possehl Group strives to achieve long-term, sustainable growth. As well as organic internal growth in the individual Group companies, our objective is also to grow by way of acquisitions.

Acquisitions are generally attractive for us if they represent

- A new field of business (with sales of more than around € 100 million)
- An additional acquisition to enlarge an existing field of business
- An acquisition in the SME segment (sales between € 10 million and € 80 million)

We act according to the “**best owner**” principle whenever we acquire new companies: our approach is focused on longevity and sustainability. We acquire companies with the aim of keeping them and helping them expand their business activities. This is in line with the philosophy and approach of our proprietor, the Possehl-Stiftung charity. And we have been operating this way now for over 165 years.

Acquisitions of Possehl-Group since 2004



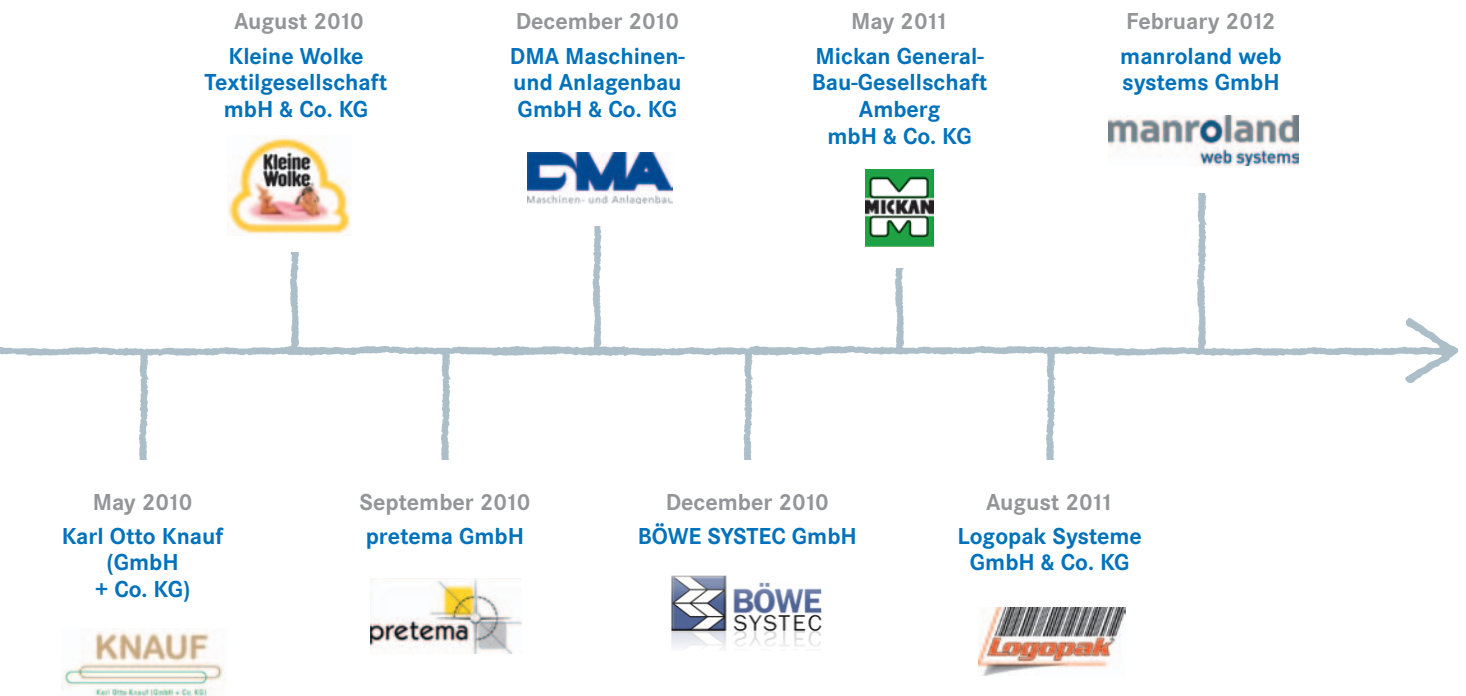
On this basis, we have developed the following acquisition criteria as a guideline for ourselves:

- Stable business model and high dividend capabilities
- Primarily businesses in manufacturing (such as machinery and component manufacture) or services/trading
- Good market position, preferably in a niche, and high product quality
- Takeover of management – in phases if appropriate


We are particularly excellent investors for the following reasons:

- We finance company acquisitions from available liquid funds
- Offer a high level of transaction security
- We retain acquired companies for the long term and preserve their identity

We are also an experienced and reliable partner for carve-out transactions involving companies from larger corporations and the resolution of issues of succession in family companies.



Our Divisions

A decorative graphic on the left side of the page consisting of ten horizontal bars of varying lengths, stacked vertically.

Our broad positioning is a key component of the Possehl Group's strength. A further component is our readiness to expand in industries we are closely acquainted with. We are also open to new challenges that come our way. Our actions over the past few years readily show this. In 2009, we established the SME Investments division to create a space for smaller SME businesses in our portfolio. This year, in 2012, we established a new division on the other end of the size spectrum with the takeover of the web-fed offset printing business from manroland. With this new division, our management companies now oversee ten divisions. And more could be added in the future.

Our Divisions At a Glance

Special-purpose Construction	Document Management Systems	Printing Machines	Precious Metals Processing	Elastomer Plants
<ul style="list-style-type: none"> → Highway construction → Above and below ground construction → Industrial and aviation surfaces → Monument renovation/restoration → Construction chemicals/specialized mortar → Silica sand/quartz gravel 	<ul style="list-style-type: none"> → Enveloping machines → Card mailing systems → Personalized mailing systems → Sorting equipment 	<ul style="list-style-type: none"> → Web-fed offset newspaper printing → Web-fed offset commercial printing → Digital printing 	<ul style="list-style-type: none"> → Precious metals recycling → Jewelry industry → Dental laboratories → Construction material and electronics industry 	<ul style="list-style-type: none"> → Tire- and plastics industry → Technical rubber goods → Oil mill and food industries
L. Possehl & Co. mbH				
Electronics	International Trading	Cleaning Machines	Textile Finishing Systems	SME Investments
<ul style="list-style-type: none"> → Automotive suppliers → Semiconductor industry → Telecommunication 	<ul style="list-style-type: none"> → Minerals → Ores → Plastics → Metals → Chemicals 	<ul style="list-style-type: none"> → Industrial and commercial cleaning → City cleaning → Municipal vehicles → Property maintenance → Transport logistics 	<ul style="list-style-type: none"> → Knitted and woven fabrics → Tenting frames → Dryers → Dyeing ranges → Technical textiles → Heat recovery and exhaust purification 	<ul style="list-style-type: none"> → Environmental protection → Insurance brokers → Specialized products (soaps, popsicle sticks, bathroom rugs) → Conveyor and process technology → Labeling systems

Special-purpose Construction

General construction services and special-purpose services in certain niche areas

Document Management Systems

High-performance enveloping facilities

Printing Machines

High-quality web-fed offset printing machines for the global printing industry

Precious Metals Processing

Precious metal goods for sophisticated application areas

Elastomer Plants

Tire production machines for the global market

Electronics

Semiconductor component carriers (leadframes) and electromechanical components

International Trading

Raw materials for industry

Cleaning Machines

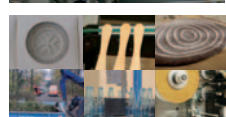
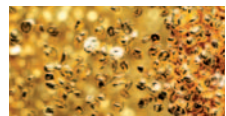
High-performance technology for indoor and outdoor cleaning

Textile Finishing Systems

Production of technologically sophisticated textile finishing machines

SME Investments

Especially focused on succession solutions for smaller SMEs





SPECIAL-PURPOSE CONSTRUCTION

> General construction services and special-purpose services in certain niche areas

Our Special-purpose Construction division is managed by the **Possehl Spezialbau Group**. The division is focused on general construction services as well as construction services in selected niche areas, particularly surface treatment. The spectrum of services within the division ranges from the renovation of transport and industrial surfaces, to traditional above ground and below ground construction, as well as the preparation and processing of silica sand and quartz gravel.

Key figures

	2011
Total sales 2011 (in € million)	295
Number of employees 2011	1,283
Founded in	1929
Joined the Possehl Group in	1929

> Special-purpose Construction

Document Management Systems
Printing Machines
Precious Metals Processing
Elastomer Plants
Electronics
International Trading
Cleaning Machines
Textile Finishing Systems
SME Investments

The division has grown considerably over the past few years. Many of the companies that now belong to the division have been added within the past four years. Most recently, the acquisition of Mickan Generalbaugesellschaft Amberg mbH & Co. KG in 2011 provided a substantial growth impulse. The domestic and foreign companies that make up the division currently employ around 1,300 employees, who generate Group sales of about € 300 million.

The strengths of the various companies are diverse and multifaceted. What unites them is their reliability regarding their services and their specialized knowledge in their respective fields:

→ **Possehl Spezialbau Group**, Sprendlingen (www.possehl-spezialbau.de)
Specialized construction services in the maintenance and improvement of road, industrial, business, and airport surfaces

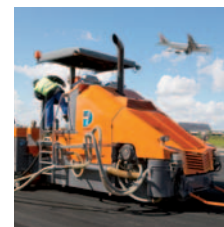
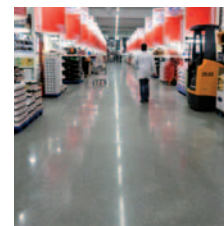
→ **DFT Deutsche Flächen-Technik Industrieboden**, Bremen (www.dft-bremen.de)
Production and laying of seamless and partially ground (terrazzo) rolled concrete industrial surface systems for large-area production plants

→ **Bennert Group**, Hopfgarten (www.bennert.de)
Renovation and maintenance of historically important buildings such as classical constructions and monuments

→ **Euroquarz Group**, Dorsten, (www.euroquarz.de)
Preparation and processing of silica sand and quartz gravel

→ **Pagel Group**, Essen (www.pagel.com)
Production and global sales of mortar casting systems and cement renovation systems

→ **Mickan Generalbaugesellschaft Amberg & Co. KG**, Amberg (www.mickanbau.de)
Construction services including above and below ground construction and turnkey projects



Further information available at:

See company information listed above.



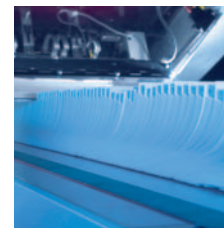
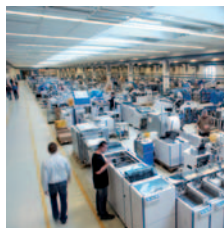
DOCUMENT MANAGEMENT SYSTEMS

> High-performance enveloping systems

BÖWE SYSTEC GmbH, with sites in Lübeck and Augsburg, is a globally active supplier of highly automated printing and mailing centers, known as mailrooms. BÖWE SYSTEC is the European market leader with its main product, enveloping machines. In addition to the high-performance enveloping facilities, its product portfolio encompasses mailing systems for plastic cards, highly efficient software for managing and supervising individual plants and processes in document management, and all the services associated with these products.

Key figures

	2011
Sales 2011 (in € million)	117
Number of employees 2011	1,121
Founded in	2010
Joined the Possehl Group in	2010



The main customers for such services include banks and insurance companies, telecommunications firms, public authorities, and mass-mailing service providers.

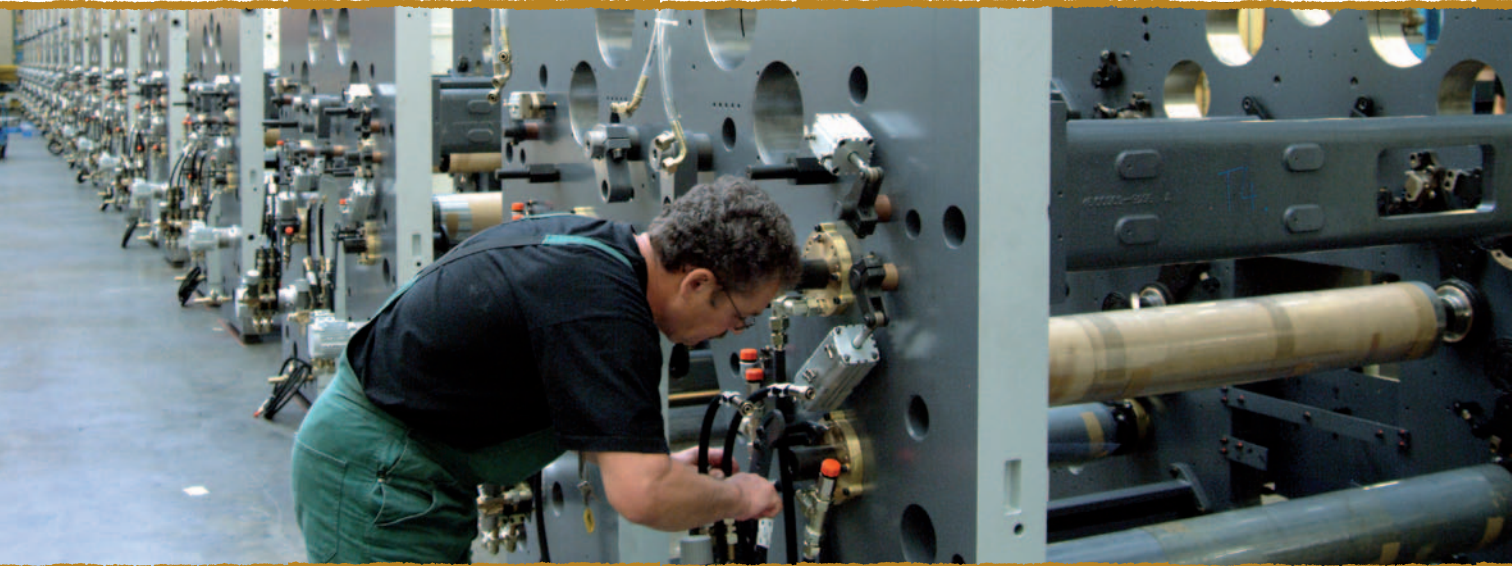
In addition to its headquarters in Augsburg, the company also comprises numerous sales and service companies in Europe, in the US, and in Japan. BÖWE SYSTEC has a full-time worldwide workforce of over 1,100 employees, including around 450 at its headquarters in Augsburg.

The formerly publicly traded company was taken over by Possehl at the end of 2010 after it went bankrupt due to a substantial weakening of the market following a previous stage of expansion. Today, we manage BÖWE SYSTEC as we do all of our other companies – according to SME principles. After just one year with Possehl, the company has regained its profitability.

BÖWE SYSTEC has a long history. The company was founded after the end of the Second World War by Max Böhler and Ferdinand Weber, and has grown into a global full-service provider of highly automated printing and mailing centers over the course of its 65-year history.

Further information available at:

www.boewe-systec.de



PRINTING MACHINES

> High-quality web-fed offset printing machines for the global printing industry

In February 2012, Possehl took over the web-fed offset printing business from manroland's Augsburg site. The acquired services will be assigned to the newly formed Printing Machines division and managed by the newly founded **manroland web systems GmbH**. The company is one of the world's top three manufacturers of newspaper and publication printing systems.

Key figures

	2012
Expected sales 2012 (in € million)	250
Number of employees	approx. 1,400
Founded in	2012
Joined the Possehl Group in	2012

> **Printing Machines**

Precious Metals Processing
Elastomer Plants
Electronics
International Trading
Cleaning Machines
Textile Finishing Systems
SME Investments

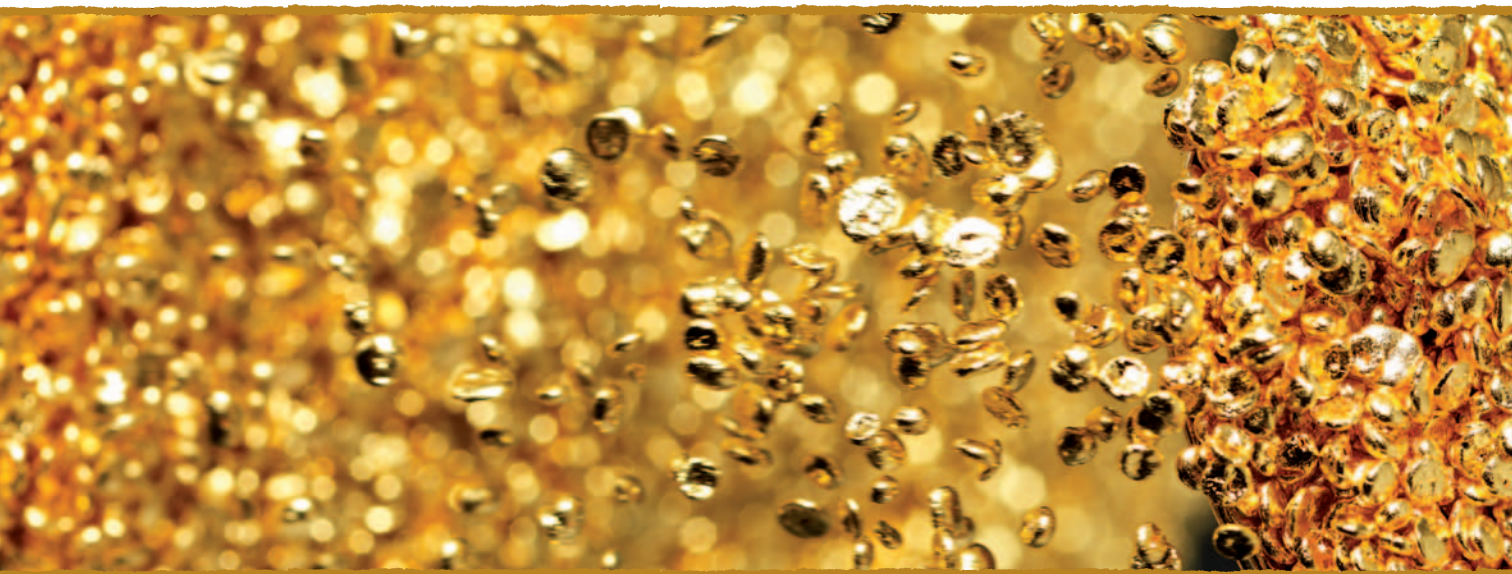


Nearly 1,400 people are employed by the new company with the vast majority working at the headquarters in Augsburg. As with BÖWE SYSTEC, we will manage manroland's web-fed offset printing business according to SME principles, which means lean structures and compact communication and decision-making hierarchies. With the purchase of manroland, we have shown that companies can operate profitably in the long term even in stagnant markets.

manroland web systems GmbH has outstandingly well-trained staff, a good market position, and up-to-date, high-performance products. Additionally, manroland has a customer structure that is normal in a reliable partner. In the future, the new company will generate estimated annual sales around the € 300 million mark.

Further information available at:

www.manroland.com



PRECIOUS METALS PROCESSING

> Precious metal goods for sophisticated application areas

The Precious Metals Processing division is represented by **Heimerle + Meule GmbH**. Headquartered in Pforzheim, the company is a leader in the precious metals industry. With cutting-edge process technology, Heimerle + Meule recovers refined metals from residues containing precious metals and processes them into high-quality products. The buyers of its precious metals and products are the jewelry, electric, electronic, and dental industries.

Key figures

	2011
Sales 2011 (in € million)	678
Number of employees 2011	225
Founded in	1845
Joined the Possehl Group in	1960

> **Precious Metals Processing**

Elastomer Plants
Electronics
International Trading
Cleaning Machines
Textile Finishing Systems
SME Investments



Heimerle + Meule has a reputation for high quality and competence around the world. Thanks to its leveraging of available synergies, the company can react quickly, efficiently, and flexibly to customer-specific requirements from various industries.

It reliably serves customers in the following three areas:

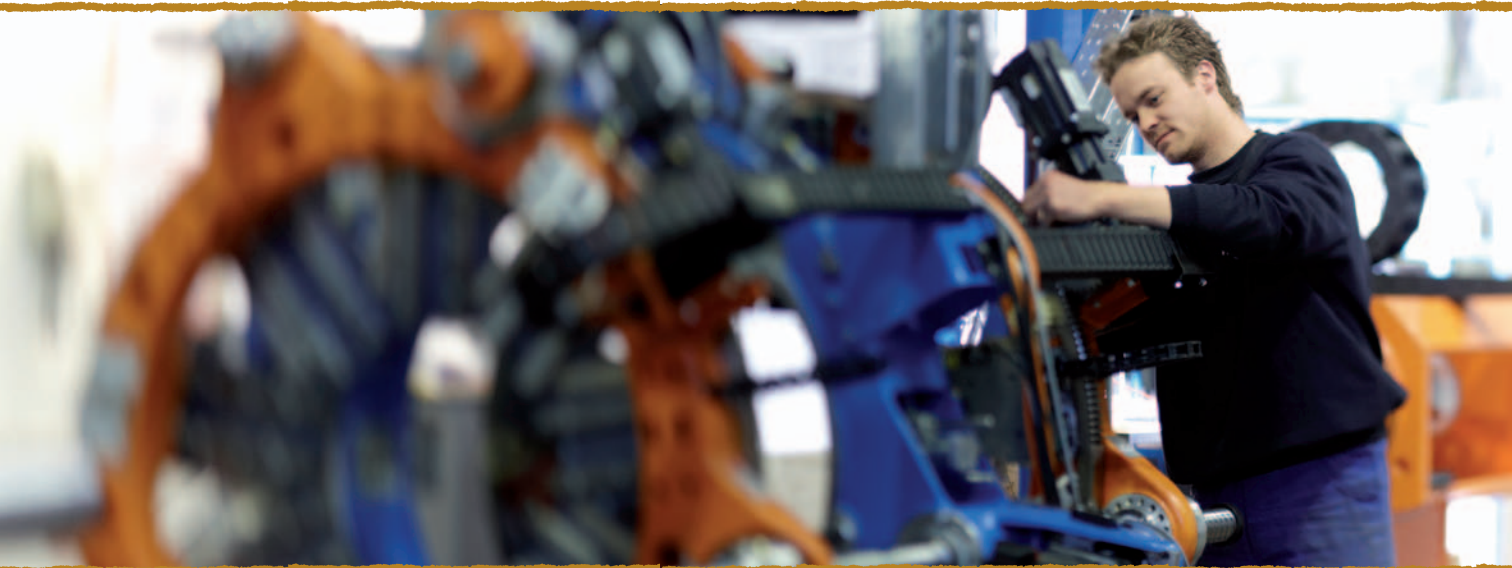
- Precious metal-based semi-finished products/recycling
- Dental
- Surface technics

The collection of products and services provided by Heimerle + Meule range from precious metal recycling and surface electroplating to the production of semi-finished jewelry, plant and investment products, dental products, and contact materials, while also including the supply of equipment, plants, and baths for electroplating and dental technology.

The company was founded in 1845. This makes Heimerle + Meule Germany's oldest gold and silver refinery. During its 167-year history, the company's range of products and services has continued to expand.

Further information available at:

www.heimerle-meule.com



ELASTOMER PLANTS

> Tire production machines for the global market

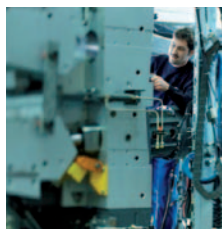
Harburg-Freudenberger Maschinenbau GmbH, with sites in Hamburg and Freudenberg, is a leading developer and producer of specialized machines for the rubber and tire production industry as well as the cooking oil industry. The company produces and supplies a machine program for all essential production stages from raw material preparation to tire manufacturing and vulcanization from a single source.

Key figures

	2011
Sales 2011 (in € million)	305
Number of employees 2011	1,350
Founded in	1855
Joined the Possehl Group in	2005

> **Elastomer Plants**

Electronics
International Trading
Cleaning Machines
Textile Finishing Systems
SME Investments



Harburg-Freudenberger has a history that stretches back over 150 years. The company joined Possehl in 2005. With the acquisitions of Farrel (USA/UK) and Pomini (Italy), Harburg-Freudenberger rose to the status of global player in the supplier industry for tire production while becoming the global market leader at the same time.

In a market that is becoming increasingly complex, Harburg-Freudenberger stands out with its wide range of strengths. These include a wealth of engineering expertise, precision, and flexibility in creating custom solutions, a high level of innovation, and top-notch global service.

The company is divided into three segments:

→ **HF TireTech**

Mixing rooms and mixing equipment

→ **HF Mixing Group**

Extrusion systems, tire-building machines, heat presses

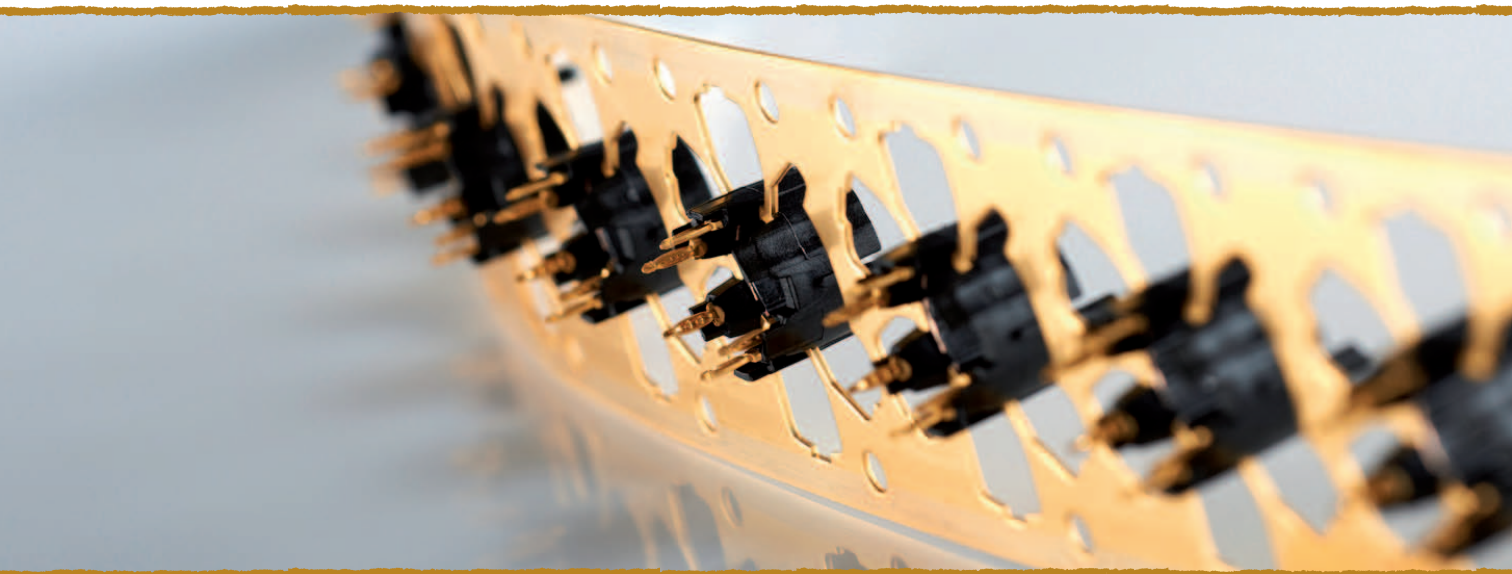
→ **HF Press+LipidTech**

Screw extrusion presses, refinery facilities, oil seed processing, and replacement parts

Further information available at:

www.hf-group.com
www.hf-mixing-group.com

www.hf-tiretechgroup.com
www.hf-press-lipidtech.com



ELECTRONICS

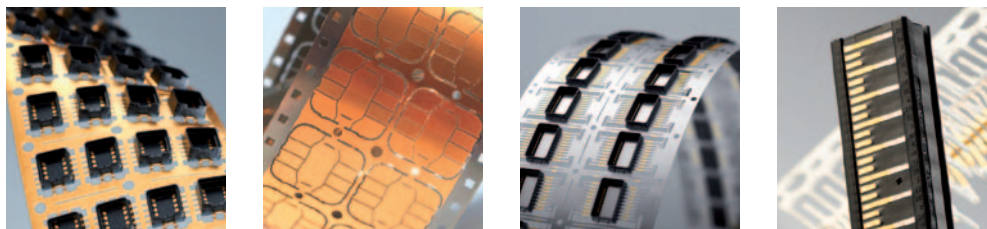
> Semiconductor component carriers (leadframes) and electromechanical components

Possehl Electronics is one of the leading manufacturers of leadframes for the semiconductor industry. These are mainly copper-based conducting elements that are attached to silicon chips. Leadframes are primarily used in the electronic components of data processing devices, communications technology, measurement and control technology, household equipment, and entertainment devices. They are also used in automobile electronics.

Key figures

	2011
Sales 2011 (in € million)	253
Number of employees 2011	2,087
Founded in	1954
Joined the Possehl Group in	1954

> **Electronics**



Possehl Electronics also manufactures laminated leadframes (LamFrames) at select sites – particularly at the German company pretema GmbH and in Hong Kong. These elements are needed for the manufacture of smart cards. Following the acquisition of **pretema GmbH** in 2010, Possehl Electronics became the world's number 2 manufacturer of laminated leadframes.

The business activities of Possehl Electronics also include coating plug-in connectors and light diodes (LEDs) with precious metals, particularly gold and silver. The German plant also produces precise electromagnetic components for the automobile supply industry. The components produced by pretema are built into products such as airbags and automatic gearboxes.

Further information available at:

www.possehlelectronics.com

www.pretema.com



INTERNATIONAL TRADING

> Raw materials for industry

The **Possehl Erzkontor Group** is among the leading providers of mineral raw materials in the traditional trading business. Possehl Erzkontor has selectively deepened and expanded the value creation chain in the past through the addition of subsidiaries. Processing capacity at various locations also complements pure trading activities. Customer and industry-specific special processes are also becoming increasingly important.

Key figures

	2011
Sales 2011 (in € million)	288
Number of employees 2011	150
Founded in	1915
Joined the Possehl Group in	1915

> **International Trading**



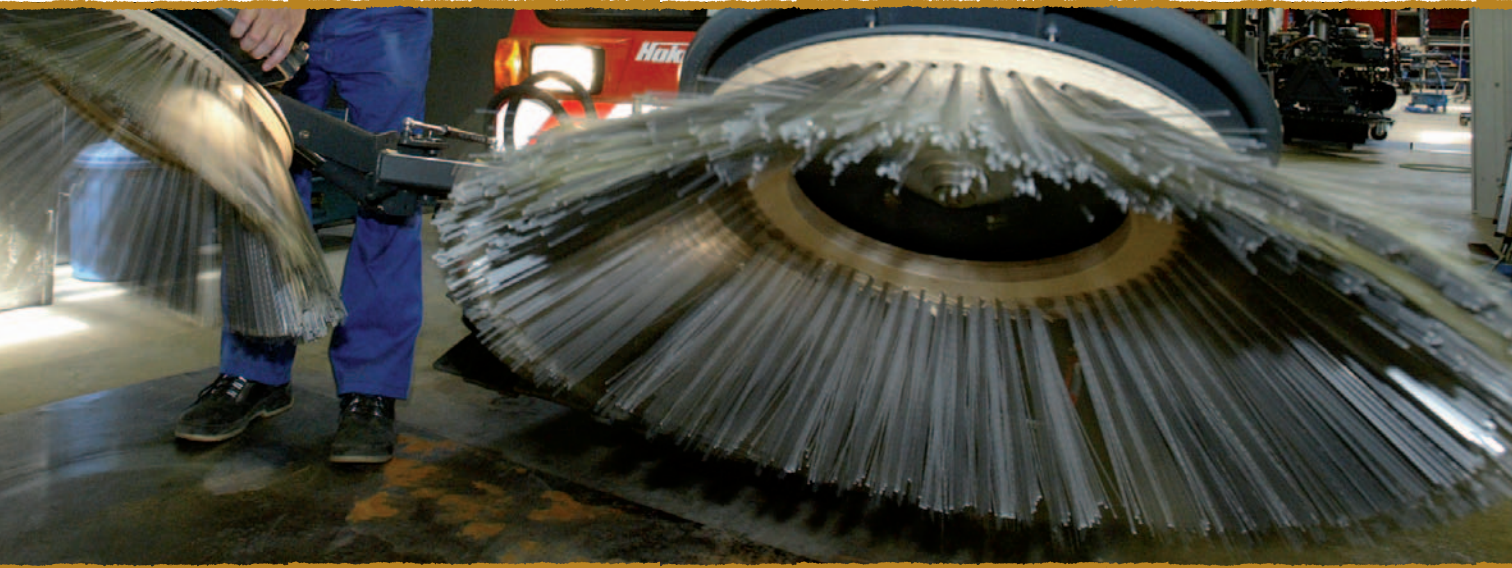
The most important buyers of traded and partially processed products are from the global fireproofing industry, and the most important products traded are various magnesium raw materials and bauxite. The companies of the Possehl Erzkontor Group supply the metallurgical, casting, cement, and construction materials industries, as well as the chemical and plastics processing industries, with the importance of the latter as a customer group having increased in recent years.

The international trading business is the original foundation of the Possehl Group. From its origins in ore trading, Possehl Erzkontor has built up an international trading business over more than 90 years into a varied business with mineral raw materials. The international trading division currently comprises nine companies with locations in Europe and Asia as well as North and South America.

Since March 2012, we manage the division as a joint venture together with Peter Cremer Holding GmbH & Co. KG, an established Hamburg-based trading house. The goal of the merger is to better utilize the strengths of Possehl Erzkontor, in particular its expansive global customer and supplier contact base, and supplement the trading business with additional markets and products.

Further information available at:

www.erzkontor.com



CLEANING MACHINES

> High-performance technology for indoor and outdoor cleaning

Hako-Werke GmbH based in Bad Oldesloe is among the world's leading manufacturers of high-performance technology for indoor and outdoor cleaning and site maintenance. The Hako product range also includes multi-purpose special vehicles for use by municipalities marketed under the Multicar brand.

Key figures

	2011
Sales 2011 (in € million)	415
Number of employees 2011	2,121
Founded in	1948
Joined the Possehl Group in	2006



Hako has an extensive product range and can provide customized solutions for the cleaning of buildings, factories, and outdoor areas, as well as site maintenance and transport logistics. The product range extends from ultra-compact scrubber-dryers for cleaning small areas to sweepers for road and walkway cleaning.

In addition to cutting-edge technologies, the products manufactured and sold by Hako always focus on solving individual problems and providing excellent service. This is ensured by means of a comprehensive global sales and service network.

The Group manages production sites in Germany, Poland, the US, and China from its headquarters. The machines produced in the US are marketed under the brand names Minuteman and PowerBoss.

Further information available at:

www.hako.com



TEXTILE FINISHING SYSTEMS

> Production of technologically sophisticated textile finishing machines

Headquartered in Mönchengladbach, **A. Monforts Textilmaschinen GmbH & Co. KG** produces textile machines and equipment to finish and coat weaved and knitted goods for over 125 years. The company is among the world's leading providers in this market. The company's product line includes relaxation dryers, coloring machinery, and shrinking machinery alongside its main product, tenters, which is machinery used to dry impregnated or wet-dyed materials.

Key figures

	2011
Sales 2011 (in € million)	45
Number of employees 2011	184
Founded in	1884
Joined the Possehl Group in	2006



This machinery, which is marketed by Monforts, is developed at the company's headquarters in Mönchengladbach and manufactured by its Austrian subsidiary Montex. Over 90% of products are exported. The main sales markets are China, India, Bangladesh, and Turkey.

The division also includes the Chinese joint venture Monforts Fong's Textile Machinery Co. Ltd. The company was established in collaboration with Fong's Industries Co., Ltd., Hong Kong, in 1999. Its success in combining German engineering with Chinese manufacturing has resulted in the joint venture becoming the world's leading producer of tenters. The machines produced by the two companies are sold outside South-East Asia via the German parent company.

Further information available at:

www.monforts.de



SME INVESTMENTS

> Especially focused on succession solutions for smaller SMEs

Possehl Mittelstandsbeteiligungen GmbH & Co. KG, Lübeck, manages the SME Investments division that was founded in the fall of 2009. This makes it possible to offer long-term, dependable prospects under the Possehl roof to smaller companies with annual sales in the € 10 – 80 million range.

Key figures

	2011
Total sales 2011 (in € million)	97
Number of employees 2011	647
Founded in	2009
Joined the Possehl Group in	2009

Our management strategy includes the full operative independence of the individual companies' management, security from the financial solidity of the Possehl Group, operative support (as far as necessary), and maintaining the existing corporate identity and culture.

The portfolio of smaller SMEs is to be regularly expanded over the coming years. The industry in which the companies operate is only of secondary interest. The decisive factor is that the target company operates in a stable market environment, enjoys a good market position, and generates sustainable profits.

The following companies belong to this division:

- **DMA Maschinen- und Anlagenbau GmbH & Co. KG**, Höxter (www.dma.de)
 Producer of high-quality conveyor technology for the container glass and food industries
- **Hirtler Seifen GmbH**, Heitersheim (www.hirtler.com)
 Leading European manufacturer of body care soaps
- **Karl Otto Knauf (GmbH + Co. KG)**, Stockelsdorf (www.knauf-sticks.de)
 One of Europe's biggest manufacturers and supplier of popsicle sticks
- **Kleine Wolke Textilgesellschaft mbH & Co. KG**, Bremen (www.klenewolke.de)
 Specialized provider of bathroom and bedroom products
- **Logopak Systeme GmbH & Co. KG**, Hartenholm (www.logopak.de)
 Premium manufacturer of logistically integrated labeling systems in Europe
- **Lubeca Versicherungskontor GmbH**, Lübeck (www.lubeca-teutonia.de)
 Insurance broker for property and transport services
- **Possehl Umweltschutz GmbH**, Lübeck (www.possehl-umweltschutz.de)
 Remediation of environmental damage, tank cleaning operations, waste materials processing, mining and sale of gravel products
- **Teutonia Fracht- und Assekuranzkontor GmbH**, Lübeck (www.teutonia-shipping.de)
 Insurance broker, freight and logistics services

Further information available at:

See company information listed above.

The Possehl-Stiftung

“It is my greatest wish that the fruits of my life’s work should benefit my beloved home, the **Free and Hanseatic City of Lübeck.**”

Emil Possehl

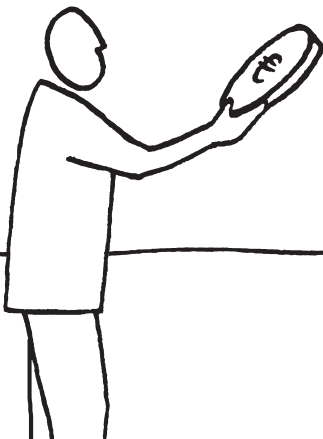


According to the wishes of its founder, the Possehl-Stiftung has promoted »everything that is good and beautiful« in the Hanseatic city of Lübeck for over 90 years. With its work, the foundation seeks to maintain the picturesque beauty of the city and its grounds, supporting young people, promoting the arts and sciences as well as providing relief to those in need.

... and entrepreneurs

give back.

Although the L. Possehl & Co. mbH Group of companies strives for economic gain, it is also involved in charitable work. The Lübeck-based Possehl-Stiftung is the sole shareholder. The work done by the foundation is made possible by the success of Possehl's companies. The foundation manages the income paid out each year by the L. Possehl & Co. mbH, utilizing it solely for charitable projects in Lübeck as outlined by its founder. The foundation's Management Board ensures that Emil Possehl's wishes are upheld.



RESPON



Cityscape: The maintenance of the city's scenic character and its grounds is one of the foundation's purposes and is an especially diverse task in a city with as many historic and protected buildings as Lübeck boasts. Many homeowners renovate their homes with great care, as the history of the house often reaches back into the Middle Ages. Since 1950, nearly 600 historic buildings characteristic of the cityscape have been renovated with funding provided by the Possehl-Stiftung.

The Possehl-Stiftung also supports contemporary redesign projects for streets and plazas in downtown Lübeck. At the end of 2011, preparatory construction measures finally began for the European Hanseatic Museum after a planning and coordination phase spanning nearly seven years. The museum is scheduled to open just in time for the Hansetag (Hansa Convention) in Lübeck in 2014.

The past economic superpower Hansa, how people lived, business, networks, churches, magnitude, riches, the plague, its decline, and the lessons that Europe can learn from its past, are just a few of the topics that the European Hanseatic Museum will cover when it opens in Lübeck.

Young people: The support of young people was a topic of particular importance to founder Emil Possehl. Today, political actions, such as the creation of all-day schools and merging schools, often present supporters with financial challenges too great to overcome on their own. Upgrading and refreshing schoolyards for daycare nurseries and schools is something that the foundation has often comprehensively supported.

The Lübeck Educational Fund is the result of a joint action between communities, Federal government, and the Stiftungsverbund Lübecker Bildungsfonds (Group of Lübeck Educational Funds) which focuses on combating educational poverty. The education and participation package from the Federal Ministry of Labor and Welfare, which came into effect at the start of 2011, confirmed what all involved already knew: That Lübeck is on the right track. The package comprises the exact





measures that Lübeck had already adopted in 2008 through the Educational Fund (lunches, field trips, school materials, afternoon activities at school). The Lübeck foundations have taken on a pioneer role together with the Hanseatic city of Lübeck in this area. They gave momentum to measures which now have been widely adopted into the broader school system.

Science: The Possehl-Stiftung promotes excellent research and teaching at Lübeck's universities and assists them in competing for highly qualified researchers and students. Lübeck University and the Lübeck University of Applied Sciences are not just close on the map – they cooperate on a number of projects in various areas. They help create a healthy balance between theoretical knowledge and practical experience at Lübeck's institutes of higher education.

One of the foundation's aims these past two years was helping preserve Lübeck University, which was on the verge of being closed down. The entire city took to the streets in the summer of 2010 to fight for the University's continued existence. This act of solidarity, of putting aside individual interests, was surely a reason for the panel's decision to name Lübeck the "City of Science 2012" in summer 2011. The honor is bestowed annually by the Stifterverbandes für die Deutsche Wissenschaft (Group of Foundations for German Science & Research).

Art and Culture: There are 300 registered nonprofit organizations in Lübeck providing volunteer assistance in various areas. The promotion of volunteer work by Lübeck's citizens is a central concern of the foundation as it enhances social cohesiveness and represents a valuable augmentation of public services. The following projects are a sample of those that the foundation supports:



- > Young people
- > Science
- > Art and Culture
- > Charitable Institutions

Charitable Institutions: There are 300 registered nonprofit organizations in Lübeck providing volunteer assistance in various areas. The promotion of volunteer work by Lübeck's citizens is a central concern of the foundation as it enhances social cohesiveness and represents a valuable augmentation of public services. The following projects are a sample of those that the foundation supports:

Artificial turf fields for Lübeck sport clubs

One major project that the foundation has helped support in a joint effort with Lübeck sport clubs and the city of Lübeck is the equipping of five sport clubs with artificial turf fields. The clubs were unable to generate the funds needed for such a large investment on their own. The Possehl-Stiftung hopes to generate even more enthusiasm for sports among its fellow Lübeck citizens with its support.

Scholarship funds

Lübeck also is seeing a growing amount of young people trying to finance their studies with side jobs, which often leads many to delay starting their studies. The University wants to counteract this development in the form of a scholarship fund. Students will receive a micro-scholarship to help fill gaps in their educational financing and keep their debt risk to a minimum. The scholarship fund also functions on a principle of solidarity: Having secured their first job following graduation, those assisted by the fund are to make a contribution that is based on their level of income. This in turn will help other future students. With this model, the University of Lübeck is taking a pioneer role among public universities in Germany.





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Notes

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