

Essen, August 16, 2010

Strong half-year results at Coveright are leading to acceleration of growth plans. New investors for Coveright Americas are being sought.

The Coveright Group has again achieved excellent results in the first half of 2010. Volumes in the first half of the year were around 19% above prior year, driven by growth in the emerging markets of Brazil (65% above prior year) and Russia (27% above prior year).

Although impregnation capacity in Brazil was increased by over 50% in 2008, the plant is again running at full utilization. Surplus demand for South America is temporarily being serviced from North America and Europe. The strong economic indicators suggest that future growth in this region will be substantial, and therefore management has developed an investment plan to both expand the existing plant near Curitiba as well as develop a second plant in South or Central America.

The two North American plants are also expected to benefit from additional capacity as growth returns to the housing market. The demand is being further driven by increases in orders for Coveright's customized, speciality products. Management's investment plan anticipates a regional shift in production, especially towards South and Western USA. Equipment will be upgraded and new production lines installed as demand requires. In addition, equipment will be modified to better service the growing specialty segments.

In Europe, the plants in Spain and Germany are continuing to develop their markets successfully. Management believes that growth in Europe will continue to lag behind other regions, with Coveright's investments in this region primarily focussed on modernisation and upgrading of production equipment.

During the recent process to divest the plants in Malaysia and Russia, Management has received approaches from a number of investors who are interested in further developing parts of the Coveright Group, especially the subsidiaries in North and South America. After more than 7 years involvement with Coveright, the current private equity shareholders Deutsche Beteiligungs AG and Harvest Partners have decided that this is the correct time to pass the reins to a new partner, who can support Management during the next expansion phase. William Blair and Company, a leading advisor in international financial transactions, has been retained to advise Coveright during the search for new investors for the North and South American businesses.

About Coveright

Coveright Surfaces is the world's leading independent producer of melamine and phenolic resin surfacing materials for the furniture, flooring, building, woodworking and automotive industries. Headquartered in Germany, Coveright has further operations in North America, South America and Europe.

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