

**Press release
Press**



High level of interest despite difficult times

interplastica and UPAKOVKA/UPAK ITALIA 2016 in Moscow recorded considerably more visitors than in the previous year

Western technology for the production of packaging and related processes, as well as for the manufacturing of plastic and rubber goods is still highly valued by Russian companies. However, the political framework conditions, the fall of the oil price, and a continually weak rouble, having an inflation rate of approx. 15.8 percent last year, as well as hesitant lending as a result thereof are making it difficult to make investments, especially for small businesses.

On the other hand, there is still considerable investment needed in Russia and neighbouring countries. Above all, the demand has been placed on the domestic consumer goods industry, the food industry, and the packaging industry to optimise production processes and product quality in order to be able to substitute imports. Therefore staying informed concerning innovative technologies, maintaining business relationships with suppliers, or establishing new ones represented the main focus of visitors to the interplastica and the UPAKOVKA/UPAK ITALIA 2016. From 26 to 29 January, 20,900 specialist visitors from Russia and its neighbouring countries came to the Moscow Expocentre in Krasnaya Presnya - around 1,900 more than in 2015. The atmosphere within the halls was remarkably great. The exhibitors reported there being extremely interested business people, who were also, in part, ready to make orders. A total of 828 companies from 38 countries presented their range of offers at both trade fairs.

“Russia is still a potentially significant market currently experiencing difficult times. At the moment, for small and middle-sized Russian



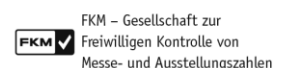
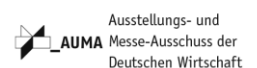
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companies in particular, it is not easy – the problem of financing planned investments is a quite big. However, the market has in no way come to a halt. There is still a high level of interest in high-quality and innovative machinery, systems, and materials. Companies want to invest and are also making effort to realise planned projects. In such a situation, trade fairs play an important role! With their participation, the exhibitors have provided that they do not only have short-term success in mind, but are making endeavours to sustainably maintain relationships. This was clearly rewarded,” commented Matthias Werner Dornscheidt, Chairman and CEO of Messe Düsseldorf. The trade fair company organises both specialist trade fairs, the interplastica and UPAKOVKA/UPAK ITALIA together with its subsidiary, Messe Düsseldorf Moscow OOO, the latter in cooperation with the Italian organiser CPA.

The visitors unanimously expressed positive feedback regarding the versatile range of companies and products, the numerous product debuts, and the presence of many market leaders. Special suppliers and newcomers were also able to be delighted with the lively activity at their trade fair stands.

For German machine manufacturers, Russia is still an interesting sales market, even if figures are currently in decline. During the period from January to November 2015, German export shipments of machinery for processing plastics and rubber to Russia amounted to 118.8 million euros, which is a decrease of 16.7 percent in relation to the same period during the previous year. Despite this decrease in orders, Germany remains the most important supplier in this segment. In 2014 (figures for 2015 are not yet available), the German market share was at 23.9 percent. Italy followed with 12.6, being right ahead of China, whose market share was at 11.6 percent. The world export of plastics and rubber machines to Russia showed an increase of 4.1 percent in 2014 in comparison to the previous year, corresponding to a total value of 666.0 million euros.

Bernd Nötel from the VDMA Association for Plastics and Rubber Machinery (“Fachverband Kunststoff- und Gummimaschinen”) is



pleased that the German-Russian business relations, which have traditionally been full of trust, are continuing even in difficult times. "Machinery made in Germany has a good reputation here, and the service provided by the German companies is highly appreciated. German suppliers have taken advantage of their on-site presence to maintain close contact with their customers and present their innovations. The financing of planned and also necessary investments currently represents the greatest problem. However, there is definitely optimism for the future - especially because it seems that efforts are being taken by the Russian government in order to drive forward the expansion of domestic production. Developing the value-added chain has long been neglected – the current low oil and gas prices have now provided for some movement on this field." Nötel summarised that many German companies came to the interplastica with subdued expectations, but these were clearly surpassed due to the increased number and the high quality of customer leads. On the first evening of the trade fair, this VDMA specialist association, together with the VDMA Association for Food Processing Machinery and Packaging Machinery (Fachverband Nahrungsmittel- und Verpackungsmaschinen), extended an invitation for a social exchange to take place between German suppliers and Russian customers and was very pleased with the positive feedback.

As is customary, Italy was strongly represented during the interplastica. In halls 1 and 3, numerous individual exhibitors and the large community stand offered an extensive overview. And, although Italian manufacturers were not able to sell as many machines and tools to Russia as in 2013, companies are relying on good customer contacts that have endured for many years as well as the quality of their products. That was confirmed by Mario Maggiani, CEO of the Italian machinery manufacturer's association, Assocomplast: "Exports of plastics and rubber machinery as well as moulds dropped by 12 percent in 2014 in relation to the previous year, i.e. from 119.5 to 105.3 million euros. And if we take a look at 2015, we have to even assume a decline of 20 to 30 percent in light of the existing figures to date for the first three quarters. Thereby, Russia has fallen into eighth



place in our export statistics after being one of the five most important sales markets for Italian manufacturers of plastics and rubber machinery for many years.” However, Maggiani further commented, although no quick improvement had been expected in the face of the difficult economic environment, in particular, the weak rouble, the fall of the oil price, and the sanctions, the great visitor turnout at the interplastica as well as the specific discussions were clearly far beyond the expectations of the Italian exhibitors.

The range of offers of interplastica exhibitors was complemented by an expert supporting programme. At the “Raw Materials Meeting Point” on the Polymer Plaza located in trade fair hall 1, lectures and rounds of discussions took place where raw materials, the recycling of plastics, and additive production were the topics of focus. In addition, exhibitors presented innovative products and processes during the course of open seminars.

The next interplastica in Moscow will take place from 24 to 27 January 2017, again running in parallel with UPAKOVKA/UPAK ITALIA. More information is available online at www.interplastica.de and at Messe Düsseldorf GmbH, Mr Thomas Franken, tel. 0211/4560-7739, e-mail: FrankenT@messe-duesseldorf.de, and Ms Claudia Wolfgram, Tel. +49 (0) 211-4560-7712, E-mail: WolfgramC@messe-duesseldorf.de



February 2016

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Upon publication, a reference copy would be appreciated.

Exhibitor's comments about interplastica 2016:

Albena Vasiljeva, Head of Communication, Government and Public Relations, COVESTRO

We are representing a new name among the exhibitors at the interplastica 2016. COVESTRO, previously BAYER MATERIAL SCIENCE, has entered the market. The days of the trade fair were very effective. For us, the year is starting off with good impressions.

Klaus-Peter Welsch, Head of Sales and IT at Geiss AG

Our expectations for the interplastica 2016 were extremely low. However, we were positively surprised: It was the best first day of the trade fair since we started participating in the interplastica. On the second day of the trade fair, our stand was at its full visitor capacity level; it only somewhat calmed down on the third day of the trade fair.

For the first time, we had a material supplier present at our stand, which had a certain show and demonstration effect. Customer demand and the expertise of the visitors were exceptionally high. The customers approached us with specific requests at the stand, and business transactions were concluded directly at the trade fair. Our visitors came from all over Russia, ranging from St. Petersburg all the way to Uzbekistan.

Andrey Seleznev, Commercial Director at HAITIAN RUSSIA

We did not expect such visitor numbers. For our company, interplastica 2016 was a much greater success than the trade fair held in the previous year. The market somewhat dropped, however, customers are prepared for a year that will offer an exciting range of perspectives. They are already approaching us with solidly planned projects. Up until the time of our trade fair participation, the outlook on business development in 2016 was not especially optimistic. However, after the four active and successful days of the trade fair, we have become confident with regard to our future. Thanks to the trade fair, we have acquired new potential customers. That helps us in making positive forecasts for next year.



Artur Shamkalov, Sales Director at Heitz GmbH & Co.KG

Being present on the Russian market is extremely important to Heitz. The expertise of interplastica visitors is very high. Our customers do not only come from the Moscow region, but from Finland, Belarus, and the Baltic states. Business negotiations from the interplastica 2014 are just about to be concluded now in 2016.

Anastasija Selekhanova, Senior Specialist at the Nonprofit Partnership INNOKAM association

Summarising the results of the trade fair, we can say that all days of the trade fair were running at full blast. We are convinced that 40 percent of all meetings and negotiations were successful and will end up in contracts being signed. For us, that is a very good result – for the first time, we are presenting a new generation of a plant for manufacturing large-scale thermoplastic formed parts. Nowadays, the industry suffers from raw material supply shortages; prices going up and down, and people are looking for new suppliers. However, on the one hand, every crisis signifies difficulties for a company, but on the other, it represents opportunities to find new customers and set a new course.



Raj Kumar Lohia, Chairman & Managing Director, Lohia Corp.

I have been travelling to Russia since the late eighties when the system was that of Soviet Union. Also in 1990's when it was a transition system and was not robust and there was apparent chaos.

I visited interplastica 2016 at Moscow after a gap of 10 years and I was very pleasantly surprised. Despite the crisis in commodities and the devaluation of the rouble I found the attitude of the people much more positive and business like. They showed confidence in their leadership and have confidence that the country was moving forward.

We had many more customers from Russia and the CIS countries at our stall in interplastica 2016 than we had anticipated. Our team was always busy attending to prospective buyers and we will definitely participate in the next show. Russia has a large area and interplastica gives a good opportunity to meet customers from different time zones at one place. Our company is particularly well placed to do very good business in Russia.

Olga Zholobnjuk, Head of the Press Centre, OOO TD Plastik

We are presenting our company for the first time at interplastica and were positively surprised with the rush of people at our stand. Now the time for Russian raw material manufacturers has come. Material processors are looking for reliable partners with whom lucrative cooperation would be possible irrespective of market fluctuations. The import market for plastics is shrinking, while the number of Russian manufacturers is growing. Last year alone, our company grew by 10 percent. It brought us 27 percent of Russia's entire plastics market. Essentially, we took a niche which had previously been reserved for foreign companies. We are currently in the process of launching a new material onto the market that is orientated toward electronics and household technology. That will be a worthy import substitute!

Taking part in this trade fair will give our company the required image as well as a reputation with regard to the polymer business community. During the course of the four days of the trade fair, productive business meetings can be held and it is possible to meet new customers. Marketing, logistics, and equipment brought together at the trade fair platform to form a balance. For us, this is the possibility to simultaneously clarify all matters at hand and help interested customers with their search for new business and new opportunities!

Sign of the times: From Iran, there is new competition growing for Russian companies.

Stephen Fahr, Key Account Manager at A. Schulman

We are experiencing cautious optimism. From customer requests, it was noticeable that quality played a leading role. Business relationships with Russia are very good and, on the second day of the trade fair, which was quite busy, there was a steady flow of customer visits from the morning on. There was business potential. Development emerges here and can be continued at the K 2016 in Düsseldorf.

The clientele comes from the Uljanovsk region as well as St. Petersburg, among other places.



Nikolaj Proporov, Managing Director of OOO SOLAN-D

Our company endeavors to be a single-source supplier for a variety of business equipment solutions. Despite the instable economic situation, we are noticing an active level of business growth and an increase in capacity. Last year, we strengthened our engineering sector; this year, the assembly department will follow suit. We have also expanded our warehouse, started our own metal processing production, and developed new equipment. We would like to highlight the trade fair's great organisation as well as the high level of specialist visitors to the interplastica 2016!

