



DIATEC GROUP EXPANDS SIHL AG ACQUIRES STAR COATING AG

DIATEC GROUP, GLOBAL LEADER IN COATED MEDIA FOR DIGITAL PRINT APPLICATIONS, ANNOUNCED TODAY THAT IS HAS ACQUIRED STAR COATING AG. THE ACQUISITION WILL ENHANCE ITS EUROPEAN INDUSTRIAL BASE, AND GIVES DIATEC ENTRY INTO LIGHT SENSITIVE FILMS FOR THE ELECTRONICS INDUSTRY.

1. HOW WILL THIS ACQUISITION STRENGTHEN DIATEC?

Star brings complementary competencies in technology, product assortment and coating process knowhow which fill open spaces in our product assortment and geographic coverage.

2. HOW WILL STAR BE INTEGRATED WITH, AND ORGANIZED UNDER DIATEC OWNERSHIP?

Diatec policy is to bring acquisitions into the group in a way that maintains acquired company independence with respect to customers, business fields, income statement and balance sheet. At the same time, Diatec integrates the acquired company into the Group in a way that shares strengths and eliminates redundancies. The goal is to minimize disruption to the customers and suppliers of the acquired company, doing all possible to grow.

3. HOW WILL THIS ACQUISITION HELP THE CUSTOMERS OF EXISTING GROUP COMPANIES?

As the unique technology, products, and relationships of Star are integrated with Group companies ... in the USA, Arkwright and Sihl USA ... we expect to be able to build these unique products, features and benefits into our assortment, making them more widely available to American markets. We are early in the planning process for bringing Star into our local markets, but anticipate expansion into a few niche markets where we either lacked technology or products, or for which we were blocked by other constraints that the Star acquisition will super-cede.

4. SHOULD CUSTOMERS EXPECT ANY IMMEDIATE CHANGES?

For the moment, it is business as usual. Customers of Star Coating should continue to work with their speaking partners, and place orders just as before. Customers of Arkwright and Sihl should work with their partners, and place orders as before. As changes develop, we will do our best to bring these to market in an orderly and transparent manner.

5. IS DIATEC LOOKING AT OTHER ACQUISITIONS?

We are an industrial enterprise, at the center of which is value-creation by manufacturing, in contrast to value-trading on goods manufactured by others. Long term success builds on achieving "critical mass" in manufacturing competence. In our case, this technical competence is coating science, and the processes for applying coatings to flexible substrates. We search constantly for ways to add to our manufacturing enterprise.