

## **Ammann and Yanmar reach a basic agreement on a redesigned cooperation**

**Ammann, global market leader in asphalt mixing plants and road construction machinery, will in future focus on its global activities in road building.**

**Yanmar, a globally active developer and manufacturer of diesel engines for maritime and land-based applications, agricultural and construction equipment as well as energy systems, will strengthen its European activities to become the sole manufacturer of mini-excavators in Saint-Dizier (France).**

**Joint venture partners to retain post-split ties in specific markets.**

**Ammann and Yanmar can look back on a successful collaboration lasting more than two decades. Both companies are now focusing in accordance with market demands of recent years.**

1988 was the year when Ammann and Yanmar decided to join forces and manufacture mini-excavators. The two sides were already on familiar terms from a dealer relationship dating back to 1979 in which Ammann acted as Swiss, French and German distributor for the Japanese mini-excavators. Joint production in Europe came, on the one hand, as a response to anti-dumping suits brought by European competitors. On the other hand, Yanmar products' appeal to burgeoning markets in Europe also presented Ammann with a key to bringing on board first-class dealers for its own range of compaction machinery.

The Ammann-Yanmar joint venture was established in 1989. The production plant in Saint-Dizier (Champagne / France) underwent three phases of refurbishment and expansion (1992, 2001 and 2009), such that there is now sufficient technical capacity available to meet all customers' needs in the upcoming and resurgent markets of Europe. It has been a cooperation based on mutual complementarity: Yanmar was from the outset responsible for the engineering side, while Ammann ran management and marketing in Europe.

The reasons why the co-producing partners are preparing to go their separate ways are based on entirely logical considerations:

In 2005, Ammann acquired a very capable and renowned manufacturer of compaction machines in the Czech Republic. Ammann has been standing on its own strong legs in the compaction segment ever since. In addition, Ammann acquired an Italian manufacturer of road pavers in 2009.

Yanmar's mini-excavator range has developed increasingly in the direction of heavy excavators over recent years. The Saint-Dizier plant can now put out a complete, ultramodern product range from 0.5 to 10 tons for the European market.

A dwindling number of dealers are carrying both Ammann and Ammann-Yanmar products. With the respective product lines now tending to penetrate the market independently of each other, synergies were no longer always present.

Additionally, sales markets have shifted noticeably towards rental markets in recent years. That is an activity which Ammann/Avesco pursues only through its Cat Rent operation in Switzerland.

Ammann and Yanmar are preparing to formally end their joint venture partnership this summer, with Yanmar assuming sole responsibility for mini-excavator production in Saint-Dizier. Moving forward, that will make it possible for the Japanese company to produce and market more of its own range here in Europe.

Ammann is staying by Yanmar's side in the markets of France, the United Kingdom and Russia, with its own sales and marketing organisations as well as service support for the whole Yanmar mini-excavator range.

For Ammann especially, this strategy opens an opportunity to market the asphalt processing, paver and compaction product lines within an overarching concept, through proprietary as well as specialised third-party channels.

Ammann and Yanmar alike consider it important to state that friendly bonds between them are to continue, and that it is in the best interests of all stakeholders that development at both companies is as independently focused as possible.

Yanmar intends to boost activity at its Saint-Dizier plant.

On June, 28<sup>th</sup> 2010 Mr Johann Niklaus Schneider officially transfers the responsibility of the company to Mr Geert Jan Mantel during a ceremony with all the employees, the previous chairmen of Ammann-Yanmar and the officials of the town. The new company Yanmar Construction Equipment Europe S.A.S. is active from September, 1<sup>st</sup> 2010.



*Picture 1 = Yanmar Construction Equipment Europe S.A.S. factory*

*Picture 2 = Ceremony of June, 28<sup>th</sup> 2010: Mr Johann Niklaus Schneider-Ammann, Chairman and Delegate of the Ammann Group and previous Chairman of the Board of Ammann-Yanmar S.A.S.*

*Picture 3 = Ceremony of June, 28<sup>th</sup> 2010: Mr Geert Jan Mantel, President of Yanmar Europe BV, Member of the Board of Yanmar Co. Ltd and new Chairman of the Board of Yanmar Construction Equipment Europe S.A.S. + Mr Benoît Deboos, Managing Director of Yanmar Construction Equipment Europe S.A.S.*

*Picture 4 = Ceremony of June, 28<sup>th</sup> 2010: Attendees*