2008 will be remembered as a year of two extremes, with the first part being characterized by robust demand and the second part sliding towards the economic crisis in which the world now finds itself.
From an operating perspective negotiating both conditions has posed significant challenges. Raw materials and energy costs reached a historical peak during the first semester, while in the second semester demand begun to falter leaving manufacturers with inflated costs and shrinking sales. On the human resources front an ongoing shortage of skilled workers suddenly turned into a surplus, with which both companies and individuals have had to painfully deal with.

Manuli Rubber Industries registered consolidated sales of € 317.4 million, up 4.2% over the previous year, in part thanks to the contribution of three newly acquired companies: Hebu (The Netherlands) – now operated by Fluiconnecto, Powerforce (South Africa) – now re-branded Fluiconnecto and SIN AA (Singapore) – also re-branded Fluiconnecto.

Due to the above mentioned adverse macro economic conditions EBITDA decreased 21%, settling at € 42.3 million.

Capex of € 16.8 was concentrated mainly in the Suzhou plant (China) and the Myslowice plant (Poland) as well as in the Ascoli Piceno plant (Italy), health and safety being one of the main recipients of such capex.

The R&D activities allowed the Group to expand the portfolio of fluid connectors it offers to its customers, a highlight being the Q.Safe range of quick couplings, which has been
Ambassador Sun Yuxi and Dardanio Manuli at the Lombard Elite Awards ceremony

The Ambassador Sun Yuxi with Dardanio Manuli

Manuli Hydraulics Suzhou China
developed relying only on internal resources and which now covers the full ISO A and ISO B ranges. The Q.Safe product family has been received very positively by our initial target markets in Europe and is now available worldwide.

MRI’s successful expansion into the Chinese market was recognized at the 2008 China Awards, promoted by the Italy China Foundation, where it received the Lombard Elite Award, as the most dynamic Italian SME in China, from the hands of Sun Yuxi, The People’s Republic of China Ambassador in Italy.

After years of managing growth during the last quarter of 2008 management turned its focus on restructuring, in order to successfully steer the company through the economic storm that we are still facing today, as a result numerous cost cutting and cash generating initiatives have either been successfully completed, or have been launched and will reap results in the upcoming months.

For this reason we remain confident that, despite the extremely adverse market conditions that we are facing, our Group will emerge from the crisis in sound financial health and better equipped than ever to pursue profitable growth in the future.

Dardanio Manuli
Chairman and Chief Executive Officer