What a difference a year makes, there couldn’t have been a better way to celebrate Manuli Rubber Industries’ 75th year of growth and independence.

During the course of the year the market shifted back into growth mode, timidly at first but, as momentum picked up, the engine begun to roar again in the latter part. Only time will tell if the recent bust was just an accident in the longer term growth curve, or if wild swings in either direction will become a regular feature of our market demand pattern.

All the indicators of the MRI Group have therefore evolved positively, starting with consolidated sales, which grew by more than 32% over the previous period. Thanks to the cost cutting measures implemented during the crisis EBITDA increased significantly, reaching 18% of sales. Last but not least, we decreased our debt level over the previous period and settled at a NFP/EBITDA ratio of 1.9 and NFP/NE of 0.8.

However, not all areas and sectors experienced the same rate of growth. Europe in particular, despite the improvements, was still lagging behind the pre crisis level, while in Asia Pacific, Africa and the Americas we experienced record setting sales. As a consequence non-European sales increased to more than 46% of total sales, the highest level ever achieved by our company.

The very strong rebound in demand from some OEM customers has been a welcome change, but has also brought new challenges to our manufacturing and supply chain organizations, which had been geared for another year of subdued volumes. Despite the inevitable tensions, we managed to satisfy our customers’ requirements thanks to an increased level of cooperation and trust on both sides. Increased cooperation with key customers featured prominently also on the Wholesale side of our business, with the establishment of our Golden Partner programme which has generated a high level of interest.
MESSAGE FROM THE Dardanio Manuli Chairman and Chief Executive Officer

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Our Fluiconnecto network benefited from a strong refocusing effort on our core values, as a result sales grew across all markets and all companies achieved positive economic results.

Unfortunately strong growth also generates strong cost increases and this is particularly being felt on the raw materials and energy fronts, being a small link in the global chain of events we will have no choice but to pass on to the market most of these increases. The current picture is also being clouded by international events such as the political turmoil in North Africa and the natural disaster in Japan. This latter situation in particular is likely to disrupt the supply chain of our OEM customers resulting, at least in the short term, in a contraction of demand.

Nevertheless, the recent past has taught us that we should concentrate on doing what is right regardless of contingent events, we will therefore continue to implement our strategy based on cost control and new product development, believing that it will pay dividends in the future.

Finally I wish to spend one last word to thank our management team all over the world for it’s exceptional contribution in pulling the company forward during these very difficult times.

Dardanio Manuli
Chairman and Chief Executive Officer