

Dedicated production plant planned in Salvador de Bahia

Lapp Group invests in Brazil

Stuttgart/Salvador de Bahia, 16 July 2013

The Stuttgart-based Lapp Group is further expanding its sales activities in Brazil. This year, the leading supplier of integrated solutions and branded products for cable and connection technology is launching their very own production plant in Camaçari, in the state Bahia. Contractual agreements between Lapp Holding AG and Cabos Lapp Brasil, and the contractor – the MGX group of companies – were recently signed in Salvador de Bahia. "With a population of almost 200 million, Brazil is the largest economic power in Latin America and represents the driving force of economic development in the entire region. This is exactly why we want to make our branded products as accessible as possible for our clients," explains Siegbert Lapp, Board Member of the Stuttgart-based Lapp Group.

The Lapp Group has operated successfully in Brazil for over 10 years. Cabos Lapp Brasil was originally set up in São Paulo as a representative office in 2002; soon afterwards, sales and marketing began. Today's office premises include a 1,500 m² warehouse located in Osasco (São Paulo), which currently employ 29 members of staff. "Cabos Lapp Brasil has established a positive brand image in Brazil as a result of its recognised high product quality and excellent applications advice. In order to win larger market shares, we must now ensure our offer is competitive. This can only be achieved if we manufacture on site ourselves and by doing so, avoid high import levies," states Wolfgang F. Schulte, Managing Director of Cabos Lapp Brasil.

The new plant in Bahia will now allow us to tap into the North and North East of the country, where there is currently the greatest potential for

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growth. Initially, the production area will equate to 5,000 m²; an area which is set to double in size within two years. Furthermore, an office space of 1,100 m² is to be added. There, ÖLFLEX[®] connecting and control cables, as well as more basic cables and lines, are to be manufactured for mechanical engineering companies, plant construction firms, and the mining and petrochemistry industries in particular. Production is set to start as early as the end of the year. In the early stages at the new site, around 80 employees will be employed, which will increase to 180 in the end phase. Total investment amounts to 18 million euros.

Cabos Lapp Brasil expects a turnover of around 7 million euros for the current financial year 2012/13. In fact, it is hoped that with the start of production, turnover will surpass the 40 million euro mark. Long-term, production is to extend to Brazil's neighbouring countries in South America.

About the Lapp Group:

Headquartered in Stuttgart, Germany, the Lapp Group is a leading supplier of integrated wire, cabling and connector products and solutions. Its offering includes electrical and fibre optic cables, industrial plug-in and screw connectors, cabling solutions, automation technology and technical accessories. Lapp Group's core markets are in the mechanical and plant engineering and electronics manufacturing sectors, with rapid market expansion in the renewable energy, mobility and life science industries.

Lapp Group has remained in continuous family ownership since it was founded in 1959. In the 2011/12 financial year, it recorded total consolidated sales of 860 million euros. It employs some 3,150 people,

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operates 17 production sites and 41 sales companies and cooperates with approximately 100 national partners worldwide.

Lapp Group North America:

As part of the worldwide Lapp Group, Lapp Group NA offers a complete one-stop automation solution for cable and connector needs. Lapp has the broadest range of products, including OLFLEX®, UNITRONIC®, and SILFLEX® flexible and continuous-flex cables, SILVYN® cable track and accessories, EPIC® rectangular, circular, and Pin & Sleeve Connectors, SKINTOP® strain relief cable glands, FLEXIMARK® Cable Marking Systems, remote access ports, and custom harness assemblies. From its state-of-the-art manufacturing facilities in Florham Park, NJ, Lapp Cable Works manufactures custom cables for unique applications.

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