

Waiblingen, 19 September 2014

STIHL Group to establish new ZAMA production facility in the Philippines

ZAMA – a member of the STIHL Group which manufactures carburetors for small off-road engines – is to build a new production plant in the Philippines at a total cost of €40 million. The symbolic groundbreaking ceremony to be performed by the STIHL executive board chairman Dr. Bertram Kandziora and Dr. Lilia B. de Lima, the managing director of the Philippine Economic Zone Authority (PEZA) will mark the beginning of the construction project on 30 September 2014. “This is ZAMA’s biggest building investment to date and a milestone in the history of our subsidiary,” said Dr. Kandziora. The plant is to be operational by the beginning of 2016. The new production plant will be built on a site of almost 60,000 square meters. In a first step, production, logistics and office buildings of about 22,000 square meters will be built. This new site, called Santo Tomas, is located in an economic zone in the province of Batangas, i.e. the “First Philippine Industrial Park” (FPIP), and is about 70 kilometers from Manila.

Further growth in carburetors expected

The demand for carburetors has grown continuously in the past few years. In the meantime, ZAMA has reached the capacity limits of its existing production plants. Executive board chairman Dr. Kandziora points out: “We expect further worldwide growth and will create additional capacity with the new facility. It will enable us to consolidate and increase our present market share, minimize risks and satisfy our customers with high quality at the same time.”

Philippines: An attractive production location

The Philippines is one of the fastest growing economies in the Asia-Pacific region and is developing into an attractive industrial location. In addition, the Philippines has a relatively high level of political and social stability compared to other countries in the region. Other advantages are: very few trade barriers for exporting companies and a well structured edu-

cational system with English as an official language. Credit-rating agencies show the strength of the country: Standard & Poor's gave the Philippines a "BBB" rating in May 2014. Dr. Kandziora explains: "Cooperating with PEZA means that ZAMA has a government agency on its side which supports investments for exporting companies, facilitates the establishment of businesses for investors in certain export zones and creates tax incentives."

ZAMA Group is a world leader

ZAMA is the world's largest manufacturer of diaphragm carburetors and a technology leader. As the present time the ZAMA Group has plants in Japan, Hong Kong, China and the United States. The company supplies carburetors to a number of manufacturers of gasoline powered, handheld outdoor power tools. Today, ZAMA has 2,400 employees who produce more than 14 million carburetors in about 350 different versions.

Company Portrait

The STIHL Group develops, manufactures and distributes power tools for professional forestry and agriculture as well as for garden and landscape maintenance, the construction sector and the demanding private user. The range of garden power tools from VIKING complements the product line. Products are distributed exclusively through authorized dealers, including 34 marketing subsidiaries, about 120 importers and more than 40,000 dealers in over 160 countries. STIHL has been the world's top-selling chain saw brand since 1971. The company was founded in 1926 and is based in Waiblingen near Stuttgart. In 2013, STIHL achieved a worldwide sales volume of 2.81 billion euros with a workforce of 13,844.

This press release and pictures are available for downloading from the STIHL website at <http://www.stihl.de/tages-wirtschaftspresse.aspx>

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