

KHD Humboldt Wedag International AG: Partnership with CATIC

Beijing of China creates new growth opportunities

- **KHD Humboldt Wedag International AG successfully completes capital increase**
- **Trading for new stocks begins today**
- **KHD and CATIC foresee immense growth potential**

Köln – February 21, 2011: KHD Humboldt Wedag International AG („KHD“), one of the leading suppliers of industrial plants and services for the global cement industry has successfully completed its planned capital increase. Trading for the new stocks starts today. Raising share capital by EUR 16,561,021 from EUR 33,142,552 to EUR 49,703,573 was one of the main pre-requisites for the partnership with Chinese state-owned CATIC Beijing Co. Ltd. The successful conclusion of the capital increase and CATIC's resulting 20% equity holding (through its indirect subsidiary Max Glory Industries Ltd.) clears the way for the two companies to expand their global business together.

The partnership utilizes the strengths of both companies: KHD and CATIC will now be able to offer selected competitive turn-key solutions for the cement industry by combining the strengths of KHD's technology and CATIC's construction experience and competitive cost platform. An increasing amount of new cement plant projects are requesting a turn-key solution. Until now CATIC has been working mostly with Asian partners for non-CATIC technology. KHD adds strong process knowledge, engineering "made in Germany", equipment design and over 150 years of cement industry experience to the partnership. This strengthens both CATIC's and KHD's position as a provider of competitive turn-key cement plants, and consequently their collective market presence.

The partnership with CATIC also allows the Cologne-based group to tap into the huge growth potential in China. Accounting for over 50% of global cement consumption, China is the world's largest market for cement plant construction.

„The circumstances in China could not be better. The Chinese government is actively pushing for more environmentally friendly technologies and products and with our innovative

and energy-efficient technologies we are striving to gain a strong portion of this market”, explains KHD CEO Jouni Salo. Cornerstones for partnership strategy include access to competitive equipment and parts sourcing as well as mutual investment in both manufacturing and design facilities in China. These investments will be able to provide services to the entire group on a global level.

„The opportunities that the CATIC partnership offers are huge. CATIC and KHD are already working on several major proposals together and therefore we hope to see the effect in our revenues and profits within the next 24 to 30 months”, Salo goes on to say.

CATIC Beijing CEO Diao Weicheng also sees the partnership as the basis for long-term success for both companies. „Working with a strong technology partner like KHD means that we can increase our cement activities inside and outside of China and we are now in the position to bid on projects, which were closed to us in the past.”

Company Profiles

KHD Group

KHD is a global leader for cement plant technology, equipment and services with over 150 years of experience in the cement industry. Process engineering and project management are among the core competencies of the technology-focused group. KHD offers a wide spectrum of products and aftermarket services for the cement industry and is a leader in energy-efficient and environmentally friendly products for the cement grinding and pyro processing sections of the plants. The holding company KHD Humboldt Wedag International AG is based in Cologne, Germany. The group has over 770 employees worldwide with customer service centers in growing markets like India and Russia. Other major customer service centers include the USA covering both North and South America and Cologne home to the EMEA (Europe, Middle East and Africa) customer service center. KHD Humboldt Wedag International AG (ISIN: DE0006578008, WKN: 657800) is listed on the Frankfurt stock exchange (General Standard).

More information: www.khd.com

CATIC Group

The CATIC group is a state-owned industrial conglomerate based in Beijing, China. CATIC has a well-established sales network with 56 overseas subsidiaries in more than 30 countries around the globe. Group subsidiary CATIC Beijing Co., Ltd enjoys partnerships with numerous design institutes, suppliers and fabricators. The company has already proven itself as a competent partner for international turn-key cement plant projects. For the partnership with KHD, CATIC Beijing Co., Ltd. has acquired a 20% stake in KHD Humboldt Wedag International AG share capital through its Hong Kong-based subsidiary Max Glory Industries Ltd.

Further information: www.caticbj.cn

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