

Proseat intends to close Belgian plant in Hulshout

During a Special Works Council meeting that was held today, the management of the Proseat Group, a joint venture of Recticel and Woodbridge, explained the poor financial results for 2010 and the pessimistic prospects for the coming years. The management says it deeply regrets this situation, but had no other choice than to announce to the members of the Works Council its intention to close the Belgian plant in Hulshout.

In recent years the Hulshout cold-moulded foam production plant, which manufactures foam cushions for cars, has borne the full impact of the crisis in the automotive sector. 153 personnel are employed there today, 133 with a permanent contract and 20 with a temporary contract.

According to the company, this announcement of intention is the unavoidable consequence of evolutions on the sub-contracting market in the automotive sector, particularly in Belgium. For several years now, even more car manufacturers and car seat manufacturers have decided to produce foam cushions themselves (insourcing).

Proseat says it has always followed the strategy of producing in close proximity to the customer(s), and in this sense the plant's location in Hulshout was ideal for distribution to the two large auto manufacturers in the region, namely **General Motors** in Antwerp and **Ford** in Genk. However, the former closed its doors and the latter has put its entire production of car seats, including the production of foam cushions, into the hands of **Lear Corporation**.

It is within this changing context that Proseat attempted for as long as possible to maintain a profitable activity in Hulshout, regrettably without success. In 2010, the management of Proseat still attempted to attract production volumes to Hulshout, from Ford (Cologne) and Toyota Boshoku (Valenciennes) among others, but these efforts went unrewarded. Given that all alternatives have been exhausted, the financial prospects for the Hulshout plant are problematic. The Proseat management now wishes to meet with the members of the Works Council as soon as possible in order to initiate the information and consultation procedure.

Proseat, a joint venture of Recticel (51 %) and Woodbridge (49 %) with a market share of 22 %, is one of the European market leaders in the production of moulded foam cushions for the auto industry. The company operates eight sites in Europe (located in Belgium, Germany, France, Poland, Spain, the Czech Republic and the UK) and employs around 2.100 people. According to the company, each year 4 million cars are produced containing Proseat components. In 2010, the total annual turnover of Proseat amounted to EUR 233 million. The annual turnover of Proseat Hulshout last year amounted to EUR 17 million.

Adresse:

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