

## **REDUCTION ENGINEERING BUYS SCHEER PELLETIZER BUSINESS IN INTERNATIONAL EXPANSION OF SALES AND PRODUCTION**

### ***Company Now Supplies Pelletizers, Pulverizers and Rotomolding Machines Worldwide***

KENT, OH, U.S.A., November 7th, 2008: Reduction Engineering, Inc. has purchased the pelletizer business of C.F. Scheer & Cie, GmbH, the world's largest manufacturer of strand pelletizers, it was announced today by Reduction Engineering president Robert Sly. The acquisition will operate under the name Scheer Reduction Engineering GmbH.

C.F. Scheer was founded in 1890 and has manufactured pelletizers since 1962. It builds strand and underwater pelletizers at its headquarters in Stuttgart, Germany and maintains a facility in Shanghai to provide sales, service, and parts. Ludwig (Richard) Zollitsch, who retired from Scheer in 2007, has accepted the position of president of Scheer Reduction Engineering.

The move is part of a series of initiatives that has given Reduction Engineering broad international marketing and manufacturing capabilities for pelletizers, pulverizers, and rotational molding equipment, starting with the purchase of the Conair line of strand pelletizers in 2006. Last year Reduction Engineering completed construction of a new \$3.5-million headquarters plant in Kent, OH. At the same time, it signed an agreement with Austria-based ECON GmbH to provide sales and service throughout the Americas for ECON underwater pelletizers. Reduction Engineering has also expanded production of its range of pulverizers by starting up manufacturing at the Brazilian headquarters of its Rotoline operations, which is an international supplier of rotomolding equipment.

“Reduction Engineering is building a worldwide presence through a strategy of acquisition, strategic partnerships, capacity expansion, and investment in R&D,” said Sly. “Part of this strategy is to carry out technology transfer by, for example, starting up production of our pulverizer line at the Scheer facility in Germany while beginning production of both Scheer and ECON pelletizers at our headquarters in Kent, Ohio.”

The new Reduction Engineering facility in Kent includes 85,000 sq.ft. (7,900 sq.m) of factory space and 6,800 sq.ft. (630 sq. m) of offices. There is a large training area and a laboratory equipped with compounding extruders and designed to do trial runs with all types of pelletizing systems.

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REDUCTION ENGINEERING, INC. is a worldwide supplier of pelletizers, pulverizers, and rotational molding equipment, and it also engineers and commissions turnkey production systems. Founded in 1994 as a builder of pulverizers for converting pellets to powders, the company began machining rotor knives for Conair pelletizers in 2000, took over assembly of the pelletizers in 2002, and purchased the line from Conair in 2006. Rotational molding equipment manufacture is carried on by a Brazilian affiliate, ROTOLINE INDUSTRIAL EQUIPMENT LTDA, for which Reduction Engineering operates a sales office and service center in Kent, OH, U.S.A.

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