

The ELSTER-AMCO Group

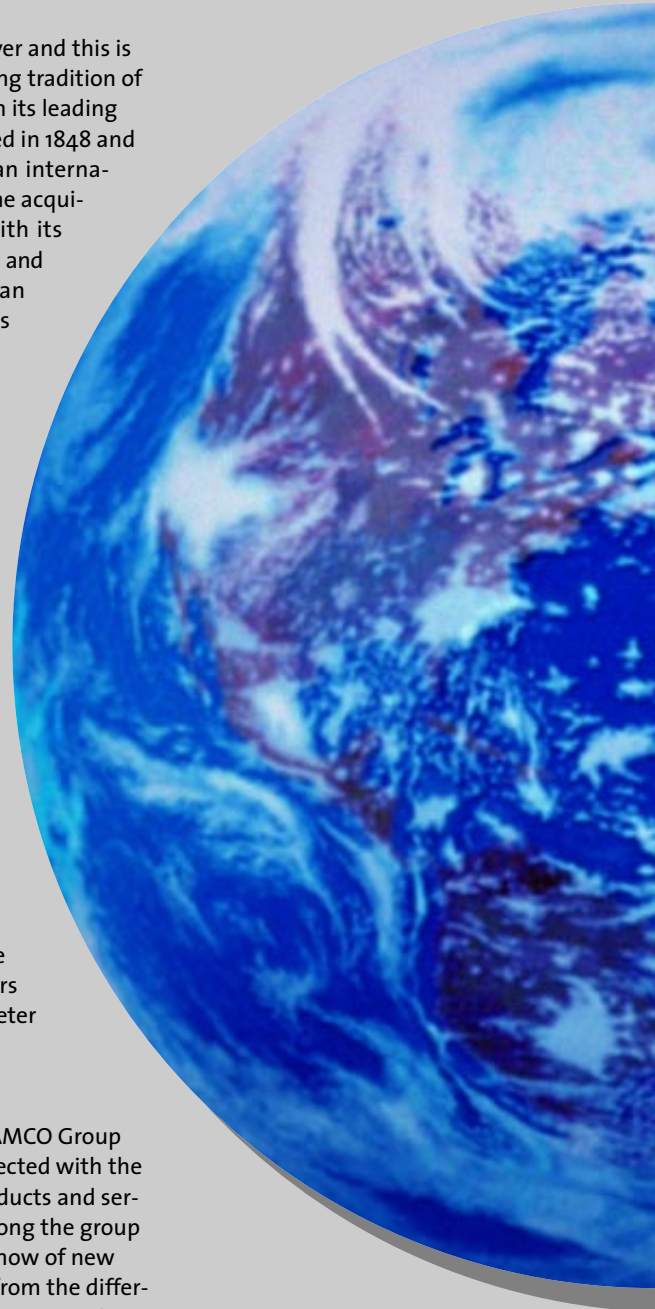
The Elster and American Meter companies have a long tradition of international business.

The Elster family founded international subsidiaries in Austria, Switzerland and the Netherlands way back in the 19th century.

The gas world is changing nowadays more than ever and this is also true for the ELSTER-AMCO Group. With this long tradition of internationalisation in mind, the Elster Group, with its leading companies Elster AG and Kromschroder AG founded in 1848 and 1865, have strategically expanded the group on an international scale over the last 15 years. A big step was the acquisition of the American Meter Company along with its subsidiaries in 1988. With the successful integration and leading position of American Meter and Canadian Meter on the North American gas markets, it was only a small and logical step to rename the group ELSTER-AMCO. However, this step not only involved a new name, but also a new strategic vision to reposition the ELSTER-AMCO Group in the world gas markets and in so doing introduce a whole new range of products and services. With the slogan "Focus on Gas", the ELSTER-AMCO Group continues to show its dedication to the international gas industry.

The ELSTER-AMCO Group, as part of the international Ruhrgas Industries Group, is today an active partner for gas utility companies in all continents of the world. With production facilities in more than 20 countries, and sales and service organizations in more than 70 countries throughout the world, ELSTER-AMCO can truly consider itself a global player. And the development is ongoing. In 1999, new companies were founded in Mexico (ELSTER-AMCO de Mexico), Russia (Elster Rusgas Pribor), a regional sales office for Asia in Singapore, the acquisition of Compteurs Magnol in France and the founding of American Meter Automated Systems as a leading supplier of AMR solutions in the US.

The market-oriented development of the ELSTER-AMCO Group based on the motto "Focus on Gas" is closely connected with the further development and improvement of our products and services. The group is continuing to use synergies among the group members and to utilize the talents and the know-how of new group members as well as the experience gained from the different applications in the worldwide markets. The international cooperation of the many talents in the ELSTER-AMCO Group throughout the world has been intensified over the last few years.



a Global Player in the Gas Utility Industry

A short overview of the main activities in the worldwide regions :

Western Europe is one of the two home regions of the ELSTER-AMCO Group. The group is active in all markets in Western Europe and has its own production facilities in 10 countries, producing products for the specific markets. A strategic feature of the group is that all companies are managed by local people with strong connections to industry. This enables us to supply products and services specifically developed for the market needs. Services have been developed starting with an intensive product support, repair facilities, development of customer-specific solutions, commissioning, calibration services, etc. All sales or production organizations are supported by the centers of competence for the specific products and can utilize the special support for the benefit of the customers.

The second home region of the Elster-AMCO Group, **North America**, is served in the USA and in Canada by American Meter Company, Canadian Meter Company, Perfection Corporation, H&H Molded Products, and American Meter Automated Systems.

These companies offer the full range of products and services for gas measurement and control, including the installations for plastic pipes, fittings and risers. Most products are developed, produced and marketed through our own organizations and resources.

Additionally, American Meter Automated Systems offers products and services as one of the leading suppliers for automated meter reading solutions to cope with the demands the new utility age. All of these products and services are based on a long tradition of an outstanding record of product and service quality reaching back as far as 1836, the founding year of American Meter Company.

The presence of the Elster-AMCO Group in **Central and Eastern Europe** has been expanded rapidly over the last 10 years. With production facilities and market organizations in Poland, Russia, Belorussia, and Slovakia, as well as subsidiaries and sales partners in all of the other countries, ELSTER-AMCO has actively supported the development of the gas industry in these countries from

the first days after the fall of the iron curtain with large scale investments and a long-term commitment. Even in periods of economic difficulties the investments by ELSTER-AMCO have been expanded and the building up of the metrological organizations in many of the newly independent countries has been supported. This has led to a leading position in the majority of these interesting and growing markets.

The **Middle East** and **Northern Africa** are supported directly by the Elster Handel trading organization, our representatives in the markets and through our station builders, the "IGA's". After a period of economic difficulties and conflicts, the markets are recovering rapidly with the increased oil and gas prices and are gaining confidence to further invest in the expansion of the gas networks and the industrial use of gas as a source of clean energy.

The two strongest growth regions are **Asia** and **Latin America**. ELSTER-AMCO has significantly increased its commitment in both regions. The founding of the new Asian agency in Singapore has been the basis for the intensive support of the region. We will continue to build on this foundation, both with regard to technical expertise as well as further sales support. China and Japan are covered by local sales offices with the backup support from Singapore and the production and development facilities in Europe and the US. For more than 16 years now, from day one in fact, the ELSTER-AMCO Group has actively helped build up the natural gas industry in South Korea through its Joint Venture Sejong-AMC, as the leading station builder in the market. A further expansion of the activities in the Asian markets, including further production facilities, will take place. The privatization of the major gas utilities in Latin America in Brasil and Mexico along with the substantial investments of several major European and American Gas utility companies has created an environment for significant growth in this region. ELSTER-AMCO is represented by a production Joint Venture for domestic meters in Argentina and has founded a new company, ELSTER-AMCO de Mexico, in Mexico for the production and marketing of all kinds of products for the fast-growing Mexican market. Based on the further growth in the region, ELSTER-AMCO will continue to support this development actively.