

Welcome to the 19th Annual ICF Congress in Moscow

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Ladies and Gentlemen, good morning and welcome to the ICF Congress in Moscow.

This is our first conference in this important country. It has been talked about for some years. I am glad to say: We are here. It is well organized and I am looking for some good days ahead.

Last year our meeting in Dubai came just weeks after the Lehman Brothers collapse, a time of maximum uncertainty. Happily, the credit markets have begun to heal but demand for our products remains very weak, down in many markets between 35-50 %. These are massively catastrophic numbers. We are managing a business that according to some estimates is down 50% from the 2007 peak in the industry.

Many analysts expect a slow recovery for the wire and cable industry as we tend to lag behind the general economy by 6 – 18 months. This is true for construction related products which is the bulk of our business. How well we survive and prosper during this time depends greatly on how well we prepared for the unknown that we just walked through and continue to prepare for the uncertainty ahead of us. This meltdown was an outlier to all our forecasting.

I guess Nouriel Roubini, who was one of the few who saw this coming and has become very famous for calling it. But broadly speaking, many companies did not plan well and this crisis will test our internal fortitude as well as our organizational and cost structure.

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As in many industries the maximum of capital spending in wire and cable was probably reached in 2008, just as the markets were collapsing. We go through cycles like this regularly.

This conference is designed to help us think about and prepare for the unknown ahead. To stimulate our thinking as leaders and help us wisely place the appropriate long term bets. As CEOs and senior leaders, I am sure that you have all learned that these jobs are lonely ones, which seem much simpler looking at them from the outside. Everyone has an opinion, but we must decide and allocate resources.

Before we start the presentations, I would like to attract your attention to the fact that all the speakers of this congress are going to share with us forward-looking statements and of course they should not be considered responsible, if in the future, their forecast should not be fulfilled.