

January 25, 2008

RHI inaugurated its new smelting plant in South Africa

On January 23, RHI CEO Dr. Andreas Meier cut the “red ribbon” in order to commission the new RHI smelting plant in Isithebe, South Africa. More than 100 guests attended the inauguration in the Mandeni area.

After a building period of only seven month, two fusion lines started production of high-quality fused refractories raw materials. The two lines will have an annual production capacity of 30,000 tonnes. In addition to inexpensive electrical power and locally available raw materials, this location is situated very close to the harbours of Richards Bay and Durban. The total investment of the new plant amounts to ZAR 100 million (€9 million). RHI's existing production in South Africa will also be integrated in the new plant, which will then employ 80 people.

The Isithebe plant will make an essential contribution to a sustainable self supply of raw materials. Roughly 50 % of the needed raw materials are self-produced, in 2007 more than 1.2 million tonnes of magnesite and dolomite in Austria, Italy and Turkey. Currently, a further plant in Dashiqiao, China, is under construction, which will increase total capacity significantly in 2008. This explicit strategy of backward integration of raw materials has given RHI a major competitive edge because of increasing prices and tight availability especially of high grade raw materials.

Social project sponsorship

Within the opening ceremony, Dr. Andreas Meier presented an initial cheque worth ZAR 200,000 (€19,000) to Father Gérard of “Brotherhood of Blessed Gérard” to start a long-term sponsorship of an AIDS project in the Mandeni area.

AIDS is a tremendous problem in Southern Africa. No other country has more people living with HIV than South Africa with more than 5.3 million people infected. Public and private health care systems are overwhelmed by the great number of patients. The Mandeni area (where RHI's plant is located) has gained a sad record even in the region. A representative test amongst factory workers in the industrial complex of Isithebe showed an HIV infection rate of 88%.

For these reasons, RHI will support the “Brotherhood of Blessed Gérard”, a relief organisation of the Order of Malta, which is dedicated to the common good and welfare of the people in the Mandeni area. The Brotherhood works in three main ways: AIDS Education programmes, Hospice (Up to five patients a day are dying from AIDS in this hospice in dignity, thousands have received home based care yet), and Children's Home (The Brotherhood can accommodate up to forty orphans and sick children on their premises).

Within the next two years, RHI will sponsor the construction of urgently needed new buildings for the public benefit organisation with a total amount of ZAR 442,000 (€42,000). The sponsorship is part of the global CSR activities of RHI.

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