

## **UK-based PEX compounding group AEI Compounds invests £2.5m in new UK facility**

(Wire and Cables, PE-Xb pipes + fittings) UK-based specialist thermoplastics and PEX compounding group AEI Compounds is investing £2.5m (€2.7m) **to relocate its manufacturing and technical operations** to an 8,300 square metre facility in Sandwich, Kent. The investment includes transfer of the company's existing six compounding lines from its Gravesend location, as well as installation **of a new 1,500 kg/hr line that will be dedicated to production of Low Smoke and Fume (LSF) grades for the cable industry.**

The **new compounding line will increase the company's overall production capacity by around 30%**, taking it to **15,000 tonnes a year**, but will triple its capacity for LSF products. It will begin operation this month.

"The new line is **specifically for LSF cable grades**," said AEI Compounds managing director Mark Shaw. "It is our **fastest growing market** with production primarily for sheathing and insulation of power cables." The new facility will allow the business to develop all of its current activities, he said, **including PEX-b markets for hot and cold water pipe and fittings** as well as its cable products. It will also house its R&D and technical centre. **Transfer of the company's existing production lines began in September** and is scheduled for completion by the end of February 2010.

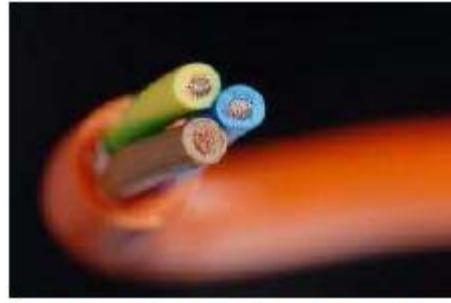
"This investment in our business and technical capability is critical to our strategy of continuing to lead in the supply and development of high performance flame retardant solutions to the polymer industry," said Shaw. "Despite the current challenging market conditions, **the business has continued to perform well** with a strong operating profit performance in the last financial year backed by revenue growth of 27% and **volume growth of 21%**," he said.

**AEI Compounds is part of the UK-based TT Electronics group.** It employs 57 people and generated sales of around £17m (€18.4m) last year. Around **60% of its production is exported from the UK**, with around **half of this going to the fast growing markets of the Middle East and North Africa.** Shaw said that the **company's strong position in the Middle East market** in particular has helped **reduce the impact of the downturn in the European construction markets.** He expects volumes to be **down by just 7% for this financial year.**

The relocation has been supported by grant funding from the South East England Development Agency.

### **About AEI-Compunds:**

**AEI Compounds is a world leader** in the development and manufacture of **specialised crosslinkable and thermoplastic polymer compounds.** "We combine technical & partnering skills to tailormake specialist materials for our clients including fire retardant halogen and halogen free, semiconducting and electrical tracking resistant.", said a spokesman. For many years, they have been **at the forefront of Compound development for the wire and cable and hot water pipe industries.**



The expertise gained has enabled them **to diversify into Compound development for other industries** and processing techniques such as injection and blow-moulding, film production, heat shrink applications, automotive and many others.

### **Pipes and Fittings**

The **last two decades** have seen **the trend move away from the use of copper as the material of choice for hot and cold water pressure pipes towards newer, easy to use, plastic materials**. AEI Compounds have been at the forefront of this change and have been supplying silane crosslinkable polyethylene, commonly called **PEX-b, to the single layer and multilayer pipe markets** as well as the **underfloor heating markets for over 20 years**. The products, being based on the Sioplas silane crosslinking route, are able to be processed on standard polyethylene extrusion equipment with little modification and extra capital investment. **Crosslinking of the pipe** is conducted post extrusion in a **steam atmosphere or by pumping hot water** around the pipe.

### **Wire and cable**

After developing and manufacturing **wire and cable compounds for over 30 years, AEI is able to offer** a comprehensive range of compounds to **meet many of the main wire and cable applications** for the European, Asian, Middle Eastern and Far Eastern markets.

The products include **insulation and sheathing compounds** and have an extensive range of halogen free grades. Manufacturing both **thermoplastic and crosslinkable types**, AEI can offer the cable designer a wide choice of products to fulfil the requirements of most common cable constructions. A general overview about the standard range of compounds can be found at the internet pages. Also AEI will be helpful to develop compounds the satisfy exact requirements.

**Contact:** [www.aeicompounds.co.uk](http://www.aeicompounds.co.uk).

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