

Sennheiser subsidiary created for consumer electronics business

Wedemark, 10 July 2007 – Sennheiser headphones were major sellers last year. The audio specialist increased sales of these fine-sounding products by 39.8 per cent to 93.3 million euros. To build on this great success the company believes the time is right to take a new approach: “Our consumer business has been enjoying constant growth for a few years now,” explained Volker Bartels, President, Manufacturing and Logistics and Speaker for Sennheiser’s Executive Team. “The leap in sales over the past year reveals a dynamism that we’d like to exploit to really develop our headphone business. That’s why a separate subsidiary, Sennheiser Consumer Electronics GmbH, is going to be focusing exclusively on headphones from September 2007 to enable us to identify trends early on and rapidly translate them into outstanding headphone solutions for our customers.”

“The consumer electronics world is very fast-moving and processes are quite different from those in project-based business,” explained Volker Bartels. “Large quantities of headphones have to be produced within the shortest of timescales and delivered within a very small time window. Identifying future trends and implementing them in a functional design are a must. This presents challenges to product management, purchasing, production and supply chain management which Sennheiser Consumer Electronics GmbH will allow us to tackle in a more targeted way and with shorter reaction times. The rate of innovation in this division will accelerate and new developments will be picked up quickly.”

A German company, Sennheiser Consumer Electronics GmbH is split between two branches, Ireland and Singapore. Tullamore in Ireland is still where transducer manufacturing, assembly of Sennheiser’s high performance headphones and worldwide fulfilment is based, headed up by Managing Director Peter Callan: “In Ireland we’re developing our capacity for making high performance headphone transducers, and so strengthening our core competency. Our close ties to acoustic development in Germany are also contributing to this. There is another emphasis in the form of customer satisfaction – providing a service that is as outstanding

as our products." Singapore is home to product marketing, part of product development and purchasing, and comes under Managing Director Stijn Jans: "In Singapore we're at the heart of the consumer industry, in an exciting city which offers the perfect blend of Western and Asian culture, and are close at hand when new trends emerge that could impact our consumer electronics value propositions. Numerous companies in entertainment electronics are based here, and the large number of universities ensures a very healthy climate for research and development." Both Managing Directors have worked for the company for a long time and or have had many years' experience in other companies in the CE sector, respectively. They report directly to the Executive Team at Sennheiser's head office. Volker Bartels: "Sennheiser Consumer Electronics is going to create unique headphone solutions dynamically and efficiently, offering consumers worldwide that something extra in terms of design and function – together with the legendary Sennheiser sound of course."

The Sennheiser Group is one of the world's leading manufacturers of microphones, headphones and wireless transmission systems. A family firm established in 1945 and based in Wedemark near Hanover, the company recorded sales of over 356 million euros in 2006, 82% of which was generated abroad. Sennheiser employs over 1,800 people worldwide, around 55% of whom are in Germany. The Group has manufacturing plants in Germany, Ireland and the USA and is represented worldwide by subsidiaries in France, the UK, Belgium, the Netherlands, Denmark (Nordic), Russia, Hong Kong, India, Singapore, Canada, Mexico and the USA, as well as through trading partners in other countries. Also part of the Sennheiser Group are Georg Neumann GmbH, Berlin (studio microphones), K + H Vertriebs- und Entwicklungsgesellschaft mbH (Klein + Hummel studio monitors, installed sound) and the joint venture Sennheiser Communications A/S (headsets for PCs, offices and call centres).

You can find out the latest information on Sennheiser by visiting www.sennheiser.com or by contacting:

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