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A NEW YEAR MESSAGE FROM THE CHAIRMAN

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OUR REF: ³BD/EB
10.1.75
YOUR REF:

As we enter 1975, I feel that a new year message to all employees is timely and I do hope will indicate our objectives for 1975.

The year of 1974 was an extremely difficult one, for most of the period we had plenty of orders, the problems all lay in getting sufficient supplies of essential components - diesel engines and axles, and 1001 other things - and this put a considerable strain on Management. Consequently we were unable to hit our planned production and that, coupled with rocketing costs, gave us a very difficult time indeed.

During the last part of 1974, the severe depression in the building and construction industries caused a virtual collapse in the home market for machines, and we were lucky to be able to divert a much larger part of our output to exports, especially to the Middle East. We can all be proud of the firm's export achievements in recent months.

This of course changed the balance of production requirements - calling for more two wheel drive dumpers, and a reduction in four wheel drive machines.

In 1975, the home demand for our products is waiting for the government to do something about the wretched state of the building industry, and our efforts are concentrated mainly in trying to get more export orders. The export trade is, however, very price sensitive, and it was particularly unfortunate that we ran into substantial cost increases in December - so we must wait and see how successful we can be at the new prices. At the moment, we are mostly able to export our production, but a few difficult spots have now appeared - especially in the case of the LJ model - where we may have to reduce production a little. On the other hand, there is still a good demand for two cylinder dumpers, if only we can get enough engines.

From this it is obvious that 1975 will be a very testing year - our success in making it a prosperous year for all of us - employees and company alike - will depend mainly how successful we are in offsetting the increased costs we have to face, and making our selling prices right by maintaining and increasing productivity. In this connection I am pleased to say that we have made some progress, as the levels achieved in September, October and November were better than the earlier months of the year.

May I wish all of you health and prosperity during the difficult year ahead.

Yours sincerely,

(P. B. Dearden)

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