Dear Colleagues,

In 2006, we in Europe enjoyed a strong increase in powder sales of about 10%, following a decline in the previous year. However, over a 5-6 year average, we see steady growth, which is a sign of good health. It was a more difficult year for our North American colleagues because changes in the automotive sector caused a decline of tonnage sold in their market. Needless to say that the peak performance on a percentage basis happened in Asia, which continues to be a very promising and dynamic area.

Still, even with a healthy growth in volume, the structural parts sector’s finances did not go as well as one might expect, mainly due to some extraordinary increase in raw materials prices, and the time lag between the raw materials price increases and the actions to pass those costs on down the value chain. This is bound to create further economic tensions, but on the positive side, there are positive actions aimed at research on alternative materials that would reduce the impact of the high-priced metals. The industry sector which performed best in 2006 was Hard Materials, which enjoyed very healthy growth, with expectations for this to continue.

With all of these changes, EPMA has continued to play its role of facilitator and representative of the industry, promoting our solutions and lobbying before the authorities. We must keep in mind that the REACH legislation was finally approved and that it will have consequences and requirements for our industry, in which our coordinated action will definitely be needed.

Some of the most prominent actions and events of EPMA in 2006 included the very well attended annual conference in Ghent, and the selection of the successor to Peter Brewin for the post of Technical Director, which was awarded to Dr. Olivier Coube. I would like here to formally express gratitude to Peter for the many years of dedication, service, enthusiasm and contagious energy that he brought to the Association. His name will remain deeply engraved in the history of EPMA. Also a warm welcome to Dr. Coube, for whom we have lots of work. We are sure that he will also be a source of ideas and a great coordinator of our industry’s technical capabilities.

Finally, as my second term will expire after the General Assembly in Istanbul, this will be my last report as President. I want to thank all of the members of EPMA and more particularly the members of Council and the Board for having given me the honour and pleasure to coordinate such a fine group of people and such an exciting Association. I think we all have managed to consolidate EPMA as a very serious, efficient and friendly organization. We have made great strides in cooperating with emerging countries and at a worldwide level. I cannot thank all of you enough for the continuous help and support during these last six years. And obviously, these thanks must also go to the Secretariat team, old and new, who have shown such a great and friendly professionalism.

I can only ask everyone to give the same support to my successor, as by working together, we are really helping our companies in the best possible ways. I will, of course, continue to give my best support to EPMA in whichever way I can and look forward to celebrating the continued work and success of our industry with all of you for many years to come. Thank you all again for your support.

With my most respectful and friendly salutation,

Cesar Molins
For EPMA, 2006 was foreseen as a difficult year, with the DIENET project having finished and our conference in Ghent being a smaller and more specialist affair. These factors coupled to tough market conditions in industry did not bode well for our results. It is therefore pleasing to report positively on the year.

Critical from EPMA’s viewpoint was the success of the EuroPM 2006 Congress and Exhibition, which exceeded expectations in both attendance and financial performance. With some 500 attendees and 45 exhibitors it was by far one of the most successful of our events focused on the Hard Materials, Diamond Tools, and MIM industries.

The Global PM Property Database activity has continued, with work starting on the extension of the database to include non-ferrous and MIM materials, and the impact of these new sections will be seen during 2007. Much remains to do in developing and promoting this unique resource for our industry and we will be investing time and money to do this in the years ahead.

We continued to promote PM in a variety of other ways, and during the year we attended both the Busan World Congress and the MACH06 Expo in Birmingham where a number of new end user contacts were made and their details distributed to members. The EPMA’s own website remains a key resource for promotion and a complete overhaul of the site was completed during the year to ensure that it remains one of the key Internet resources for the PM industry and an valuable tool for our organization.

The year also saw the start of the Leonardo funded project called "DesignforPM" which will create important promotional material for the industry in the form of e-learning courses for end user designers and engineers. This two year project has thirteen members and will offer a new way to promote the PM industry to our key targets in the engineering and automotive sectors.

As ever the threat of EU environmental legislation in the form of REACH loomed over us. This badly flawed legislation comes into effect in 2007 and will no doubt have a negative impact on competitiveness and employment in industry across the EU. EPMA will continue to work actively in this area. The second of the four "PMTraining Courses" took place, which was successfully hosted by INPG in Grenoble.

Jonathan Wroe
Our efforts to introduce scientific and technological realities into the structuring of EU environmental legislation (REACH) have met with some significant success.

Once again EPMA’s efforts to punch “above its weight” continue to be recognised by both members and outside agencies. We are now working to support our members with the implementation of this complex legislation.

The EuroPM 2006 International Congress, organised in Ghent in October by EPMA, was highly successful with over 500 people attending this specialist event. The half-day workshops on “MIM Titanium” and “Nano and Ultrafine Hard Materials” proved to be particularly popular with industry attendees. As a truly international event, it was an ideal opportunity for the promotion of the Global PM Property Database, and also other EPMA promotional activities, including the newly revised “Excellence in PM’ Awards. In addition to these highly visible items, the Secretariat’s resources were also involved over a wide range of activities, as can be seen from this report.

The second of our four PM Training Courses supported by the Marie Curie Programme was successfully completed in Grenoble, France and we are optimistic for the next event in Kosice, Slovakia in 2007.

October saw the launch of our “DesignforPM” Project which will provide multi-lingual e-learning courses aimed specifically at end users and designers. This two-year project is being 74% funded by the EU and represents an input to the partners of €360,000 over two years.

The picture for the EU’s FP7 programme has now been clarified and our lobbying efforts have produced some results in that advanced materials other than nano-technology are now recognized within the relevant guidelines. Despite an increase in funding levels competition is likely to become more intense than in FP6. We have already, via the PMRADNET group, evolved four potential projects and we are now looking at some of the training and SME based actions for other opportunities to support members’ requirements.

Corporate membership fell slightly during 2006, at least in part as a result of the completion of the DIENET project. However overall numbers continue to be boosted by the increased number of junior members who, in many ways, represent the future of our association. Increased efforts are being made to attract new corporate members. The membership totals by category at year-end are shown in the membership panel.
As the EPMA’s reserves have been maintained at the required level, membership fees will once again be linked to the OECD consumer price index for the EU. Therefore the membership rates for 2006 show an increase of around 2.2% over last year, compared to 2.5% in 2005.

**EPMA Membership**

**New members in 2006**
EPMA was pleased to welcome the following into membership during the year:

**FULL MEMBERS**
- Graphite Kropfmühl AG
- Maxon Motor GmbH
- NCS Protech Ltd

**ASSOCIATE**
- Acelent Technologies Pte Ltd
- Ficosa International
- Fraunhofer Institute - IWS
- Porite Taiwan Co Ltd
- Ultrafine Powder Technology Inc

**INDIVIDUAL**
- Dr I Apachitei
- D Fedorov
- M Janousek
- J Kazior
- N Saad Aldin
- C Selcuk

Plus 69 Student Members from Grenoble Training Course

**Membership Subscription Rates**

As the EPMA’s reserves have been maintained at the required level, membership fees will once again be linked to the OECD consumer price index for the EU. Therefore the membership rates for 2006 show an increase of around 2.2% over last year, compared to 2.5% in 2005.
The EPMA has, through a process of ongoing lobbying and positive contributions to debate, been able to position itself to participate in and influence the EU’s formulation of regulations and legislation. While EPMA naturally supports the belief that industry has a central role to play in improved human health and environmental conservation, there is a widespread conviction that there is a parallel need for all such legislation to avoid, exerting a negative effect on the competitiveness of European manufacturing capability, which many feel is steadily being eroded by critical and often insufficiently informed social and environmental legislation.

**EU: Influencing Regulations and Legislation**

The EPMA has continued to lobby the EU and monitor developments in the draft legislation, which will now become law in mid-2007.

A workshop attended by 26 powder producing companies was held in December 2006 and we are planning a major REACH workshop for other members in 2007. Decisions will then be taken about the role, and the additional funding of the EPMA Secretariat relating to this issue. We continue to cooperate closely with Brussels lobbying organisation Eurometaux as well as several other industry trade associations. The EPMA continues to contribute to the REACH Technical Guidance activities. Articles on REACH prepared by our Technical Director, Peter Brewin, were recently published in The Journal of Powder Metallurgy, Metal Powder Report and other industry relevant titles.

**REACH**

The most prominent case in point at present, which has occupied significant effort on the part of EPMA and its members, is REACH (Registration, Evaluation and Authorisation of Chemicals). The EPMA has continued to lobby the EU and monitor developments in the draft legislation, which will now become law in mid-2007.

**EU Framework 7**

The EPMA has been active in lobbying the Commission in Brussels to implement changes in FP7, that would make it easier for the PM industry as a whole to submit projects with a realistic chance of success into industry relevant activities, and we are pleased to report that some significant changes have been made to allow the inclusion on non-nano related materials and processes.
Marie Curie "PM Training Courses" Programme

The four-year series of events consisting of linked summer schools and short courses has reached its mid point on budget. The second event took place in Grenoble, France during June and was attended by 72 young graduate engineers and scientists.

Sincere thanks are given to the INPG and in particular, Dr Didier Bouvard for his assistance in organising the event. The next events are scheduled in respectively Kosice and Alessandria in 2007 and 2008. The price for students is a nominal €195 per person. Full details of the courses are available on the our website www.epma.com/pmtrainingcourse

The EPMA again records its gratitude to the RET Group in general and to Dr Bob Moon in particular, for their efforts in running this project.

Leonardo "Design for PM" Project

October saw the launch meeting in Düsseldorf of the new "Design for PM" project. This two-year programme has 13 partners from industry, academia and training centres who will develop a series of e-learning modules. These compact modules will be aimed at increasing the knowledge of designers and engineers from across industry, who are interested in specifying PM products.

The online courses will cover the Structural Parts, Hard Materials and MIM sectors. The EPMA led project has a budget of nearly €500,000 and forms a key part of the Association's ongoing promotional efforts on behalf of the PM industry. Some 74% of the cost is being contributed by the EU's Leonardo vocational training programme, with the balance provided by the EPMA and the other partners.

Research and Development Projects

As far as research and development work is concerned, the year could be divided cleanly in two. Those projects where funding has been coordinated on a private basis by the Secretariat and using members' direct funding, has produced a number of smaller scale, but successful projects. These include the ongoing 'Bioavailability' and 'Nano Technology Projects'. In terms of the larger EU funded projects, the successful applications for training and education projects in Framework 6 (FP6) were somewhat offset by the failure to gain any R&D based funding for the sector. However, with a success rate across FP6 being in the region of only 5%, our strike rate over the last three years is still well above average.
The medieval city of Ghent was the home of the EuroPM 2006 International Congress, organised and hosted by the EPMA. The specialised event, focusing on Hard Materials, Diamond Tools and MIM, included delegates from some 44 countries in all regions including the Far East, Africa and the Americas. Its appeal meant that it attracted well over 115 Oral and Poster presentations and over 500 participants. The Exhibition was a sell out with over 45 exhibitors representing companies from all parts of the PM supply chain. During the Congress plenary session, EPMA President Dr. Cesar Molins presented the EPMA Distinguished Service Awards for 2006 to Mr Juan Cortiguera from MIMECRI SA and Dr Björn Uhrenius formerly of Sandvik Hard Materials. The Congress Dinner at the Handelsbeurs Concert Hall provided an excellent evening at the end of a dynamic and productive event. The EPMA extends its sincere thanks to the many people who worked on the organisation of EuroPM 2006.

The 3 volumes of Congress Proceedings contains the text and key figures of the papers presented, both oral and poster, along with author details and references. Volumes can be purchased separately or as a complete set. A CD-ROM version of the specific volume is available free with all hard copies purchased. Details are available on the EPMA website in the Publications section.

PM Thesis Competition 2006

The EPMA Thesis Competition 2006, whose prizes were again kindly sponsored by Höganäs AB was well supported. The winners received their awards and made presentations during the EuroPM 2006 plenary session. They were, in the Doctorate/PhD category: Dr Fernando Simoes from the Engineering Institute of Coimbra, Portugal and in the Diploma/Masters category: Mr Baris Yazici from Fraunhofer IWM, Freiburg, Germany.

This popular biennial competition is designed to promote and develop an interest in PM among young scientists at European academic establishments and to encourage PM research at under-graduate and postgraduate levels.
EPMA Awards for Excellence in PM

This year in order to broaden the range of entries, our annual industry competition was relaunched as the "EPMA Awards for Excellence in PM" and the judging criteria changed to focus on commercial exploitation as well as technical excellence.

The inaugural Award of Merit was won jointly by Hilti AG from Liechtenstein and Ceratizit SA from Luxembourg for their entry of the "TE-C3X Drillbit", whose key feature is that it is the world's first truly mass produced, functionally graded hardmetal part.

This enables the following benefits:

> Separation of functions within a single component.
> Metallurgical and geometrical control to tolerances at least as tight as monolithic hardmetals.
> 15% material weight saving versus the previous head geometry.
> Energy savings due to the specially developed sinter cycle.

Finally, and most importantly for the customer, the performance of the TE-C3X bit has been increased measurably. This newly implemented PM technology will now be applied to other components that require locally adapted properties, such as cutting and wear parts.

Two entries were Highly Commended:
AMES SA, in Spain for their entry of a "Journal Bearing" for a composite crankshaft. This component overcomes the problem of induction hardening large PM parts made in Iron-Copper-Carbon material, without producing cracks and micro cracks. It exploits an increasingly important application with great future potential.

and GKN Sintermetals GmbH of Germany for their entry "Shock Absorber Piston". For this application, a piston had to be designed that allows an optimal adjustment of the shock absorber to be made for different vehicles and settings. This is only possible via slanted flowthrough openings, which also allow the largest possible quantities of damper oil to pass through. This type of combination is not possible to produce economically via any manufacturing process other than PM.

EPMA thanks and acknowledges the Sponsorship of this event by the international trade journal Metal Powder Report.
EPMA 2006 - The EuroPM 2006 - Ghent

Prof. Paul Beiss - winner of the Ivor Jenkins Award, October 06- with Dr. Bryan Roebuck

EPMA'S Technical Director - Peter Brewin - with the JPMA in Japan

Dr. Martin Bloemacher
Plenary Speaker

Dr. Fernando Simoes
Thesis Winner

Annual General Meeting - Majorca

The Nixe Palace, Palma, Majorca

The International Congress Centre
Venue for EuroPM 2006

General Assembly Council
Majorca, 2006

EPMA Showcase at Euro PM06, Ghent
The Year in Pictures

06 - Ghent, Belgium

Mr Baris Yazici
Thesis Winner

Dr. Hank Van Den Berg
Plenary Speaker

Josse Coudre
Plenary Speaker

Hilti AG & Ceratizit SA
EPMA Awards for Excellence Winners

2006 Summer School - Grenoble

Summer School Campus - Grenoble 2006

Evening Dinner in Grenoble

Summer School Class
EPMA Working Groups meet regularly to discuss and organise trade association response to industry wide issues. Typically, they concentrate on matters best handled on an industry-wide basis, rather than those that are more appropriately addressed at individual member company level. The Groups are, in general, permanent and have a regular membership, but temporary committees or groups can be set up to handle single issues. There continues to be strong support for the Open Meeting principle in which all interested can mix with the permanent membership of the Groups, understand what they are doing and offer ideas. This concept will be developed alongside more traditional working meetings with attendance restricted to EPMA members.

**Research Education Training Group (RET)**

This group has a wide scope covering EPMA activities in Research, Education and Training. Research involves monitoring potential for public funding through Brussels Framework programmes, as well as encouraging “club” projects funded internally by EPMA members, normally within the industry sectoral groups or major EPMA projects such as the GPMD or REACH. With the Brussels bias against research support for traditional industries, these club projects have assumed greater importance. Along with the annual Thesis Competition, the EPMA Summer Schools and the Leonardo e-Learning Projects are currently the major Education and Training activities stemming from this group.

The RET Group is responsible for ensuring that the EPMA Roadmap is updated regularly. This is an important membership benefit, useful for company planning and for supporting submissions to public bodies for research funding. The document is used by EPMA Council in forward planning including conferences and workshops, and is updated mostly through the industry Sectoral Groups. Where topics are identified (perhaps through Annual Conference Special Topic Workshop), the RET Group sets up subcommittees to organise continuing activities until such time as a separate Sectoral Group can be justified by industry support.

It has a relatively large Steering Group (14 persons) representing equally industry and the Academic/Research Communities.

The Open meeting at Palma in May welcomed Dr Pierre Blanchard as new co-chairman representing industry. The main subjects discussed were

> plans for promoting PM technology through end user seminars

> Presentations on priority research needs by representatives of the 3 EPMA Industry Sectoral Groups

> Research topics being proposed to industry by the EPMA RADNET Group

> Reports from Nano and PM Titanium subgroups and plans for Special Topic Workshops at Ghent on both topics

**Environment, Health and Quality Group (EHQ)**

The main functions of this group are: European legislation including REACH (see separate item), Member Benchmarking, Quality Accreditation, Standards Activities. Much of the EPMA work on European Health, and Environmental legislation is done in conjunction with Brussels’ industry lobbying organisation Eurometaux. Apart from REACH, the EPMA has continued to support:

> European industry activities on classification of alloys (the legislative authorities still need persuading that alloys are not simple mixtures of the constituent metals)

> Global industry activities on the application of the Globally Harmonised System for classification and labelling (“GHS”) which, besides alloys, has important implications for the legislative treatment of powders

Jointly with Eurometaux, the EPMA has provided the chairmanship of the European Powders Group, a network of 14 European and International trade associations concerned to share information on particulates. The second meeting of this group was held in Brussels in July.

The 2006 benchmarking was successfully carried out, incorporating data on 3 new aspects. The Secretariat continue to advertise member quality accreditation status. With the appointment of EPMA Council Member Jan Tengzelius to the chairmanship of ISO TC119, the EPMA continues to maintain close links with ISO and with several committees.
Sectoral Groups

European Structural Parts Group (ESPG)

Structural parts production constitutes the largest number of members within the Association. In 2006 as part of a 4 year cycle, the Association ran a specialist conference on Hardmetals, Diamond Tools, and MIM. In view of this, it was decided not to hold an Open meeting of the group during the year. However, a well attended steering group met at the Management Seminar in Palma in May. The main topics reviewed were:

> Promotion: a strong desire was expressed to restart seminars for end users in which neutral speakers present latest developments in PM technology
> Research Needs - these were refined suitable for publication to the European PM research communities including the new EPMA PM RADNET Group.
> The ESPG saw the Global PM Database as a major step forward in PM promotion. However concern was expressed at the need for more fatigue data, as well as a section on Non Ferrous Materials.
> End Users were increasingly requesting data on the "environmental footprint" of PM processes, and the group asked the Secretariat to carry out a brief survey of available publications
> The annual EPMA Benchmarking service was continued in 2006, and a quorum of structural parts producers participated. Suggestions for additional parameters made at the Palma meeting were incorporated in this; these included data on tool turnaround, numbers of employees and absenteeism.
> The group continued to monitor European energy costs and global raw material costs

European Hard Materials Group (EHMG)

In February, the EHMG held the third in its series of annual "Winterev" events at Fraunhofer IKTS, Dresden, on the subject of "Structure-Property Relations and Near-Surface Characterisation". Much of the discussion focused on thermally sprayed hardmetal coatings, their potential, and the need for improved understanding of the complex structures obtained.

In October, the EHMG took advantage of Euro PM2006 Ghent to hold an Open Meeting, the main points of which were:

> The new EPMA Brussels funded e-learning project was presented, aimed primarily at educating end user designers to take better advantage of Powder Metallurgy including hardmetals
> Dr van den Berg (Kennametal) gave a preview of his State of Business conference plenary talk highlighting especially the growth of Chinese production, but emphasised that German production had also increased (albeit more modestly)
> Dr Roebuck (joint chairman) reviewed the status of the Nano Project Stage 3
> There was a discussion of the possibility of starting a new Hardmetal section in the Global PM Database
> The priority areas for research were refined suitable for publication to the European PM research communities including the new EPMA PM RADNET Group
> The REACH Regulation was discussed; it was clear that this could pose important challenges to the European Hardmetal industry

EuroMIM

Two meetings were held during the year one for members only at the General Assembly which was attended by over 20 people and the Open Meeting in Ghent with a total of 38 people present. Reports were given on the three main activities of the group being Promotion of European MIM, Standards and Legislation, Technology and Quality development. In the first case, the start of the Leonardo project, the extension of the GPMD to cover MIM, and an agreement to attend a series of competitor and end user events over the next four years were the key items. For standards the problems of the now abandoned draft MIM ISO standard were outlined. It is hoped that a new committee can be formed in due course, and that the various trade associations who cooperated closely before can this time take a more active part in the activities. Dr Vicenzi gave an update on the expanded benchmarking activity, and it is pleasing to see that we are steadily increasing both the number of companies taking part and the scope of the questions. This growth reflects the growth of the EuroMIM group which comprises over 40 organisations from all parts of the supply chain. Finally, a discussion took place regarding potential MIM R&D activity under FP7 where it was agreed that the SME and collaborative programmes held most promise.

EuroPMRADNET

The group now numbers thirteen after the invitation to the Politechnic Krakow was accepted. It now represents at least 70% of known active PM researchers in Europe. During the second meeting a series of four proposals were raised to form the basis for potential FP7 projects. These were based on feedback from members’ sectoral groups matched against the requirements of the themes under the call for proposals. It is anticipated at least one will proceed to application.
Global PM Property Database

Since the Global PM Property Database went online in October 2004, it has attracted more than 4700 registered users of which some 35% are from end user companies. Backed by EPMA, MPIF, and JPMA, it provides a common, permanently available database for PM materials worldwide covering over 3300 lines of data on several hundred different grades. The database itself is based upon the 'Iceflow' system developed by nCode International Ltd a software company with experience in fatigue analysis and testing. It is mounted on its own registered website (www.pmdatabase.com) where users can register and access the database free of charge.

Registered users enter the database via a Windows-style interface, and in a very user friendly format are offered search options for the type and level of properties. Tabulated data and automatically plotted graphs relate variables such as UTS, yield strength, fatigue endurance limit to density for example. Graphs are downloadable in the form of graphics for insertion, for example into a MS Word document. Specific properties (e.g. Young’s modulus, density, coefficient of linear thermal expansion) are available for export to popular Finite Element Analysis system materials databases such as NASTRAN, ANSYS, and Abaqus.

Data supplied takes the form of typical and statistical ranges and not guaranteed minimum properties. Considerable effort has been expended on input data quality, but the database alone cannot be a substitute for direct contact with manufacturers. Therefore, information is included on the member companies who produce parts from the specific grades the user has identified. The database first phase covered: PM steels and stainless steels from 6.4 gm/cc upward, powder forged steels and bearing alloys. Work on extending the database continued in 2006 to include non-ferrous and MIM materials and these new sections are being launched early in 2007.

This whole process is seen as a major contribution to end user understanding of PM materials and their capabilities. Therefore a fundamental principle underlying the database is that it provides information to a designer on optimum use of PM for existing and new applications. The collection and generation of new data for the database will continue in 2007. Its role as a provider of independent advice and information on both trade association members and their products has been established. The need for increased promotional activity both by the trade associations and their members is seen as critical for future success.

PowdermatriX

EPMA continued as a partner in a UK government funded programme PowdermatriX. PowdermatriX is a network in particulate engineering, focused mainly on the advanced ceramic, powder metal, hardmetal and magnetics industries. Over 150 companies and 25 UK universities form the network. A revised version of Powdermatrix managed by CERAM, was launched in 2006 as part of the new Materials Knowledge Transfer Network directed by the Institute of Materials, Minerals and Mining (IOM3).

During the year the EPMA was invited to join as a dissemination partner in two further projects both related to the MIM sector. The first being the PIMSIM Project coordinated by Dr Rudi Zauner at the ARC Seibersdorf. This is a four region pilot project worth €1 million over two years. Its aim is to adapt PIM software by developing and implementing modules that describe PIM-characteristic material features using components where mould filling issues cause long development times, and costly alterations of the moulding tools.

The second originates from Sheffield University, England coordinated by Dr Ian Todd. Its objective is the development of the “Advanced Manufacturing Research Centre” which will have special development and scale up facilities for the MIM sector focused on aerospace applications. Its funding of €6m over three years is mainly from a regional development agency and the industry partners include Boeing and Rolls Royce.
Annual Meeting

The 2006 EPMA General Assembly took place at the Nixe Palace Hotel in Palma de Mallorca and was attended by well over forty people from some thirty-six companies. The two-day event included the EPMA Annual Dinner at the nearby La Mediterranée Restaurant as well as Board, Council and Committee meetings.

The delegates heard two keynote papers, the first a well detailed overview on the local Spanish PM industry by Dr Alberto Escribano, chairman of the European Structural Parts Group and Managing Director of Fersint/Metasint SA. The second being a particularly interesting paper by Javier Pujol, Chairman of Ficosa International, a major Tier 1 supplier to the automotive industry based in Spain.

Government and Management

Authority of the General Assembly

Under the Constitution, authority is vested in the General Assembly of members, which meets annually. A Council, directly or through its Executive Board, implements policies and decisions of the General Assembly and ensures effective operation between Assemblies.

EPMA Secretariat

Day-to-day management is in the hands of the Executive Director and his staff. During 2006, the Secretariat was joined by Reena Sharma, who replaced Beverly West as Graphic Designer. We welcome Reena and wish her well in her new post. At the same time we would like to thank Beverly for her contribution to the Association where she first started work in 1989. In December, the appointment of Dr Olivier Coube was announced as successor to our Technical Director, Peter Brewin, who will retire at the end of April 2007.
The EPMA Constitution requires the Council to be composed of a minimum of seven individuals with voting power and appointed by the General Assembly. In practice, the Council has always been larger than its permitted minimum. Initially, it was constituted with 12 members. In line with increases in the range and number of members it has subsequently been increased to the present 16.

Seats on Council are allocated according to the number of Full Members in each of the sectors making up the EPMA’s spectrum of interest; at the same time, consideration is given to ensuring an equitable geographical spread of Council members around Europe. Members in 2004 represented 25 countries in Europe (and 10 outside Europe). The 15th Assembly elected a new Council and Executive Board for the period 2004-2007.

**Representing PM Parts Sector**
- Dr Volker Arnhold (GKN Sinter Metals, Germany)
- Dr Michael Krehl (PMG Füssen, Germany)
- Dr César Molins (AMES SA, Spain)
- Hannes Moser (Sinter Austria GmbH, Austria)
- Mr Kelvyn Williams (Federal Mogul Sintered Products, UK)

**Representing Powder Sector**
- Mr John Boyle (QMP Metal Powders Ltd, Germany)
- Mr Philippe Gundermann (Eurotungstene Poudres, France)
- Mr Per Lindskog (Hoeganaes Corp Europe GmbH, Germany)
- Mr Jan Tengzelius (Höganäs AB, Sweden)

**Representing Equipment Sector**
- Mr. Ingo Cremer (seconded as the replacement for Mr Daniel Pfister in November 2005)
- Mr Thomas Lambrecht (Dorst Technologies, Germany)

**Representing Refractory and Hard Material Sectors**
- Dr Günter Kneringer (Plansee SE, Austria)

**Representing PM Semi Sector**
- Dr Gérard Raisson (Aubert et Duval Holding, France)

**MIM Producers**
- Dr Martin Blömacher (BASF AG, Germany)
- Dr Bruno Vicenzi (MIMitlia, Italy) (seconded as Italian representative in May 2005)

Contact details for Council Members can be found on the EPMA website www.epma.com Executive Board (2004-2007)

Five Council members have been elected to the EPMA Executive Board for the period.
> Dr César Molins, President (re-elected)
> Dr Volker Arnhold, Vice-President (re-elected)
> Mr Thomas Lambrecht, Vice-President (re-elected)
> Dr Hannes Moser, Vice-President (2004 election; served as Treasurer 1998-2004)
> Mr John Boyle, Treasurer (2004 election)
Outlook

With car sales remaining effectively static across Europe, the structural parts industry will continue to feel the pressure of any further increases in raw material prices, and imports from Turkey and elsewhere will continue to develop at the commodity end of the market. However, at the same time the Hard Materials sector and those looking at construction or aerospace applications are expected to continue the significant growth in volumes and in many cases margins shown during 2006.

From the EPMA point of view, we will continue to work to recruit new members and to regain the upward growth of our corporate membership numbers. The prospects for EuroPM 2007, which this year is an all topic event are good, as at least two thirds of all stand space is already reserved. The success of the two new working groups covering Titanium and Nano technology was pleasing, and we will look to further workshops and other activities where appropriate.

The REACH legislation implementation will move into gear during 2007, and the EPMA's ability to operate as a multi-material 'single industry voice' means we must positively take hold of opportunities to develop services and support where required by our members. The importance of coordination at a European level will be shown as consortia are formed for data testing and generation.

The expansion of the Global PM Property Database, to include non-ferrous and MIM data, will give a further opportunity to promote its use to end users. This promotion will increasingly need to be undertaken, not only by the three trade associations supporting it but also by EPMA members. Our two EU funded programmes will be running throughout the year, with much work to be done on the development of e-learning materials as part of the ‘DesignforPM’ project. The PMTraining Courses will continue to offer a tremendous, bargain-price opportunity for training promising young people employed by member companies.
### Financial Statements

#### Income

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<th>2005 (€)</th>
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<td>Publications and promotions</td>
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</tr>
<tr>
<td>Miscellaneous income</td>
<td>17,271</td>
<td>14,096</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>916,591</strong></td>
<td><strong>1,088,987</strong></td>
</tr>
</tbody>
</table>

#### Expenditure

<table>
<thead>
<tr>
<th></th>
<th>2006 (€)</th>
<th>2005 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, social charges and pensions</td>
<td>309,584</td>
<td>318,759</td>
</tr>
<tr>
<td>Office overheads</td>
<td>38,426</td>
<td>44,217</td>
</tr>
<tr>
<td>Subsistence and travel</td>
<td>25,258</td>
<td>23,773</td>
</tr>
<tr>
<td>Publication costs</td>
<td>1,533</td>
<td>3,524</td>
</tr>
<tr>
<td>Conferences, seminars and courses</td>
<td>214,834</td>
<td>280,379</td>
</tr>
<tr>
<td>Professional and membership fees</td>
<td>22,744</td>
<td>28,182</td>
</tr>
<tr>
<td>Council and meetings expenses</td>
<td>8,032</td>
<td>11,002</td>
</tr>
<tr>
<td>Annual report</td>
<td>1,911</td>
<td>3,165</td>
</tr>
<tr>
<td>Competitions and awards</td>
<td>3,793</td>
<td>10,996</td>
</tr>
<tr>
<td>Promotions and internet</td>
<td>13,282</td>
<td>16,471</td>
</tr>
<tr>
<td>Newsletter &amp; PM journal</td>
<td>12,276</td>
<td>9,504</td>
</tr>
<tr>
<td>Working group support expenses</td>
<td>-</td>
<td>4,969</td>
</tr>
<tr>
<td>Bank and credit card charges</td>
<td>9,189</td>
<td>10,889</td>
</tr>
<tr>
<td>Taxation on interest received</td>
<td>2,850</td>
<td>2,326</td>
</tr>
<tr>
<td>Exchange rate differences (note 4)</td>
<td>(1,942)</td>
<td>3,082</td>
</tr>
<tr>
<td>Printing, stationery, postage and sundries</td>
<td>18,508</td>
<td>23,133</td>
</tr>
<tr>
<td>EU and other projects</td>
<td>228,646</td>
<td>275,633</td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,566</td>
<td>6,102</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>914,490</strong></td>
<td><strong>1,071,288</strong></td>
</tr>
</tbody>
</table>

**Surplus of income over expenditure**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Surplus</strong></td>
<td>2,101</td>
<td>17,699</td>
</tr>
</tbody>
</table>

**SURPLUS/DEFICIT AFTER ADJUSTMENT FOR 2004/2005 EXPENSES**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure relating to 2007/2010</td>
<td>14,511</td>
<td>-</td>
</tr>
<tr>
<td>Expenses relating to 2006/2007/2010</td>
<td>-</td>
<td>78,092</td>
</tr>
<tr>
<td><strong>Surplus (Deficit) of income over expenditure</strong></td>
<td>(12,410)</td>
<td>(60,393)</td>
</tr>
</tbody>
</table>

---

EPMA is governed by Belgian Law of 25 October 1919, as amended by that of 6 December 1954. The Association, un Association internationale poursuivant un but scientifique, is therefore exempt from Belgian income tax. The Secretariat, situated in the UK, registered for UK VAT on 1st December 1993, in order to regularize the situation with regard to new Single Market regulations. EPMA works to a calendar year. The Articles of Association require that members contribute towards the expenses of the EPMA through an annual subscription; the generation of funds from other sources and activities compatible with its objectives is permitted. Belgian law requires that the EPMA Council shall submit the accounts for the past year and the budget for the following year for the approval of the General Assembly. Set out above are the accounts for 2006, with those of 2005 for comparison.

**ACKNOWLEDGEMENTS:**

Accounts prepared and audited by Turner Peachey Chartered Accountants, Shrewsbury, UK.
## BALANCE SHEETS AS AT 31 DECEMBER 2006

<table>
<thead>
<tr>
<th>NOTES</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>16,704</td>
<td>18,307</td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>2</td>
<td>387,602</td>
</tr>
<tr>
<td>Bank accounts</td>
<td>5</td>
<td>582,250</td>
</tr>
<tr>
<td></td>
<td></td>
<td>969,852</td>
</tr>
<tr>
<td>CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors</td>
<td>3</td>
<td>496,097</td>
</tr>
<tr>
<td></td>
<td></td>
<td>473,285</td>
</tr>
<tr>
<td></td>
<td></td>
<td>490,489</td>
</tr>
<tr>
<td>REPRESENTED BY:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated fund at 1st January 2005</td>
<td></td>
<td>502,899</td>
</tr>
<tr>
<td>Adjustment re: PM2004 expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Surplus of expenditure over income</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Add: Surplus of income over expenditure</td>
<td></td>
<td>(12,410)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>490,489</td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS -
YEAR ENDED 31 DECEMBER 2006

<table>
<thead>
<tr>
<th>1. FIXED ASSETS</th>
<th>2006 (€)</th>
<th>2005 (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment brought forward</td>
<td>18,307</td>
<td>14,260</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>3,963</td>
<td>10,149</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22,270</strong></td>
<td><strong>24,409</strong></td>
</tr>
<tr>
<td>Less: depreciation @ 25%</td>
<td>5,566</td>
<td>6,102</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16,704</strong></td>
<td><strong>18,307</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. DEBTORS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales ledger balances</td>
<td>381,641</td>
</tr>
<tr>
<td>Other debtors</td>
<td>5,961</td>
</tr>
<tr>
<td>EU projects</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>387,602</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. CREDITORS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PM conference amounts due</td>
<td>1,475</td>
</tr>
<tr>
<td>Purchase ledger balances</td>
<td>11,355</td>
</tr>
<tr>
<td>Membership fees received in advance</td>
<td>369,709</td>
</tr>
<tr>
<td>Other fees in advance</td>
<td>-</td>
</tr>
<tr>
<td>Owed to customs &amp; excise</td>
<td>312</td>
</tr>
<tr>
<td>PAYE owed to inland revenue</td>
<td>13,491</td>
</tr>
<tr>
<td>Taxation</td>
<td>7,068</td>
</tr>
<tr>
<td>Professional fees</td>
<td>8,311</td>
</tr>
<tr>
<td>Other sundry creditors</td>
<td>58</td>
</tr>
<tr>
<td>VAT on PM2006 conference</td>
<td>22,300</td>
</tr>
<tr>
<td>EU and other projects</td>
<td>62,300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>496,067</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. EXCHANGE RATES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The figures in the Balance Sheet are converted at the closing rate of £1 to €1.4552 (2005 - £1 to €1.4552)</td>
<td></td>
</tr>
<tr>
<td>The figures in the Profit &amp; Loss account have been converted at the actual rate of exchange during the month the expenditure was incurred.</td>
<td></td>
</tr>
<tr>
<td>The differences arising, due to the use of different exchange rates, is shown in the Income &amp; Expenditure account under 'exchange rate differences'.</td>
<td></td>
</tr>
</tbody>
</table>