



CAPE



technology and industry hold the key to the continued improvement of mankind's well-being - now and into the future.



A

DISTINGUISHED PAST

AND A

CONFIDENT FUTURE

A SHORT HISTORY OF CAPE PLC • 1893 - 1993

s century has seen a continuous acceleration of the pace of technological change - and it has been driven by

INTRODUCTION

*Cape PLC celebrates its centenary on
Tuesday 28th December 1993 and this short history has
been compiled to mark the event.*

*It is being presented to all the company's employees and
pensioners together with a commemorative medallion
which has been struck by the Royal Mint.*



industry, as the primary focus of modern human endeavour. The social importance of this technological revolution is



The Cape Asbestos Company Limited was incorporated in London on Thursday 28th December 1893 with an issued share capital of £45,000.

The primary objectives of the company were to acquire and exploit deposits of blue asbestos which had been found near Prieska in the Orange River Valley in South Africa and to acquire a factory in Italy to produce heat resisting textile products incorporating the blue asbestos mined by the company in South Africa. The Registered Office was established at 8, The Minories in the City of London and a local agency was set up in Kimberley.

The company had a slow start because the production at the mines in South Africa was interrupted by enemy action during the Boer War and 1900 was the first year in which the company recorded a profit. A factory was established in Barking in 1912 and there was a strong demand for the company's products during the first world war to provide heat shields for use in the gun turrets of ships. The war was a profitable period and the company paid its first dividend in 1916.

The real growth of the company started in 1925 when the amosite asbestos mines in the Transvaal were purchased. Amosite soon proved its value as a high temperature insulation material and many new uses were found for it. There was a strong demand for the company's products during the second world war and the company expanded into areas which used asbestos in the manufacturing process.



ard to over-estimate. It has transformed the way we relate to our environment - even the way we think. We have

In 1953 when the company celebrated its diamond jubilee there were extensive manufacturing operations in the UK supplying products to the motor industry, the building industry, the shipbuilding industry, the power generation and petro-chemical industries and for general engineering purposes. There was an active factory in Italy with sales offices throughout the world and the activities in South Africa included the production of insulation materials as well as the mining activities. At this time the company made its first moves into industrial services by establishing a thermal insulation contracting activity.

In 1968 when the company celebrated its 75th Anniversary it was organised into four divisions which covered insulation, building products, engineering (including automotive products) and the mining and marketing of asbestos.

In 1969 Charter Consolidated made a partial offer for the shares of Cape and became the majority shareholder.

As the dangers associated with asbestos fibres came to be more fully recognised, further steps were taken to reduce the risks to the health of employees and to members of the public. The company embarked on a massive programme of research to develop a range of asbestos-free products which met the standards for insulation and fire protection. This programme was successful and the company now has a range of insulation and fire protection products based on calcium silicate technology to supply the requirements of commerce and

adapted to mass communications - telephone, cinema, radio and television. With the advent of automobiles, aeroplanes

industry. Safe techniques for stripping asbestos from buildings and other installations have been developed and the company has become a major international asbestos removal contractor. At this time the company changed its name to Cape Industries to signify its move away from reliance on asbestos.

Having developed products which contained no asbestos the company decided to sell its mines in South Africa in 1979 and to use the proceeds to purchase additional factories and to exploit new technology for the manufacture of insulation materials and building products.

A number of investments failed to realise their potential and in 1984 it was found that the company owed some £40 million to its bankers and was making heavy losses on the manufacture of insulation products. This was a time for radical reorganisation: the insulation division was closed and two of the factories manufacturing insulation products were sold, the automotive division was sold, a number of factories making building products were shut, the manufacturing activities were consolidated into one division and the head office was moved out of London. In order to reduce borrowing to an acceptable level there was a rights issue of convertible preference shares which was supported by Charter Consolidated the majority shareholder.

Cape was left with two divisions, Building Products and Industrial Services, a debt of £15 million and a consortium of bankers with a mortgage on the company taking a close interest in

the company's activities. For the next four years Cape concentrated on the elimination of its debt and the growth of its remaining businesses.

In 1989 a new Chief Executive was appointed and the company is now organised into six divisions: Cape Building Products, Cape Industrial Products, Cape Contracts Europe, Cape Scaffolding Europe, Cape Durasteel and Cape East. In the same year the company's name was changed to Cape PLC. The remaining businesses in South Africa were sold in 1989 and the company ceased to manufacture or sell any product containing asbestos when the factory at Bowburn was closed in 1990.

Expansion has been achieved by a combination of acquisition and organic growth during the past four years and a strong emphasis has been placed on the development of overseas business. During this period Cape's sales overseas have increased from 20% to 45% of the total reflecting the effectiveness of the decision to direct resources into the development of business outside the UK.

This is a brief history of a company which has survived for 100 years and is now in a good position to enter the second century of its existence.



are within living memory. In the process, we have found to our cost that technological change can generate unforeseen

CAPE IN 1993

Cape is a market leader in the production of high performance fire protection boards, insulation materials, external cladding and ceiling systems and in the provision of thermal insulation and scaffolding services to the power generation and petro-chemical industries.

It has manufacturing operations in the United Kingdom, France and Germany and the products from these factories are used in many countries throughout the world.

The company is the leading industrial insulation and scaffolding contractor in the United Kingdom and has significant operations supplying these services to Continental Europe, the Middle East,

South East Asia and the Pacific Basin.

The major objective of the company's growth during recent years which has been achieved organically and by acquisition has been to reduce its reliance on the UK market and to take advantage of the rapid expansion taking place in the economies of South East Asia.

problems - but the imperative to resolve these problems itself spurs even greater achievements. Together, science,