

K-NEWS

Made to move your business.

August 2011 edition

Trends, technologies, and facts.

Kautex blows the starter's whistle.

Kautex Maschinenbau is developing its expertise in the field of consumer packaging with new, pioneering technologies. Stefan Walbroel, Director of IT and Intellectual Properties, is heading up the Task Force and explains the potential it harbors.

How important is consumer packaging to Kautex Maschinenbau?
Progressive consumer packaging holds enormous potential for us. It represents a fundamental marketing factor, it enhances product quality, and it contributes significantly to sustainability. Global demand is growing rapidly. Our pioneering technologies can perform outstandingly in this field.



Stefan Walbroel, Director of IT and Intellectual Properties and head of the Consumer Packaging Task Force



Consumer packaging made by Kautex machines

Why is Kautex an expert in consumer packaging along with everything else it does?

We are the world market leader in the field of blow molding and we offer a complete interdisciplinary range of machines and services – including for consumer packaging. The high demand for our products has motivated us to act.

What do you mean by interdisciplinary?

We build machines for automotive, industrial, and consumer packaging. Our customers benefit from the mutual synergy effects. An example of this is technology transfer.

What products do you offer in the field of consumer packaging?

Kautex develops customized machine solutions to surmount every challenge, thus enabling high-performance production regardless of packaging volume and process technology. We also offer tailored automation depth with our service of designing and supplying upstream and downstream equipment.

And what about service?

Kautex is not only a supplier of machines, we also consider ourselves a service partner offering a global service ranging from the development of a product's design, to preliminary sampling, all the way to small-scale series. There is no one else like us on the market.

What is the job of the new Task Force which you personally direct?

Above all it brings together our expertise in sales, product management, line engineering, and service, combining these into one centralized departmental function. This brings us even closer to our customers, and makes us faster and more powerful. It means we are not just working on new technologies, we are also developing the optimum procedures and structures to go with them. This in the end is what gives our customers a lead in their competitive environments.



Performance is something you can learn.

With its new KLS85-100, Kautex Maschinenbau has presented a revolutionary new type of machine which optimizes its own efficiency in an ongoing learning process, and recoups its investment very quickly indeed.

When the KLS85-100 was presented to the world's public for the first time at the K-Messe, the response was simply overwhelming, with customers unanimous that this was the intelligent

The KLS85-100 at a live performance in 2011

EDITORIAL



Andreas Lichtenauer

Dear business partners and friends,

We are glad you are taking the time once again to find out all the latest from the world of Kautex Maschinenbau, and what I can promise you is that there certainly is plenty going on. Economic conditions are outstanding for the time being: Germany is proving an impressive driving force in the global economy, and we at Kautex are benefiting from this along with others.

It's the perfect time to expand upon our market-leading position by carefully investing and innovating to get a foothold in new markets and set new benchmarks for the future in many areas. Here's just one example: by expanding our R&D department, the Technikum, we will be building further upon our capacity as an all-round service provider. We will be reimplementing the process of rapid prototyping, thus reducing market entry times for our customers once again. We have managed to achieve important results in the development of all our management and process structures. Our new SeCo extrusion head that was developed specially to meet the automotive industry's need for larger sequentially extruded air ducts proves our innovative strength once again. We aim to continue building upon this collaboration over the next few years, and to include our customers even more closely in the development stages involved. Only then will we be able to fulfill our ambitious brand promise of providing the world's best machines together with the most

customer-friendly service to achieve the optimum production process on site. And here's another thing: we have also extended our field of activity at a product level: working together with RIKUTEC we are offering extruded large-scale applications, garden sheds, crash barriers, and kayaks. This decisive move to expand our activities proves that Kautex is always on the move. Our slogan "Made to move your business" did not come out of the blue. On that note we wish you a great read and lots of success in your business – something which we can hopefully assist you in.



machine of the future. Thanks to its innovative data evaluation and control system, the KLS85-100 is able to constantly optimize its consumption of resources, and to reduce its down-times and cycle times to a minimum. The system documents in real time the efficiency of the machine and its peripheral devices, as well as product quality and consumption of energy. It is a system which sets new standards and redefines what is meant by efficient line engineering.

A showpiece of decisive line engineering.

Line efficiency, energy consumption, product tracking, product finishing, and stacking finished bottles in trays – the KLS85-100 brings together all of the capabilities of modern blow molding technology into one plant model. It is capable of producing the right response to any of the market's demands in every conceivable respect. It boasts remarkable production quality levels and low reject quantities.



Line engineering in action

Performance meets service.

Because even the most futuristic technology is nothing without a service concept surrounding the machine itself, Kautex Maschinenbau has not left that area to chance either. The latest product from the world market leader is once again part of an integral service strategy which crowns even the efficiency of the KLS85-100, making the company a reliable partner to its customers in all matters of production.



Berry Plastics Peosta, USA

On recommendation.

Berry Plastics, of the USA, is one of Kautex Maschinenbau's new customers. After the installation and commissioning of its new production plant in Peosta, Iowa, the Vice President of the development department, Joe Bruchman, explained why he is aiming for a long-term partnership with Kautex, and what goals he is pursuing.

Why did you opt for Kautex Maschinenbau?

It's simple: Kautex presented us with the most competitive and future-proof solution, which combines excellent cost-efficiency with tremendous output.

How did you get to know about Kautex?

By personal recommendation: the customer for whom we are producing using the new plant had already had excellent experience with the brand, and as part of a worldwide screening process we took a closer look at Kautex. We were thrilled by what we saw – not only in terms of the machines' performance, but also about their service, how friendly they were, and the collaborative nature of the overall concept they had to offer.

Can you explain that in more detail?

From the outset we had the feeling we weren't just buying a machine, but rather a complete machine solution. The production facilities were punctual and high-quality and the Kautex crew demonstrated exceptional skills and understanding. From the first minute onwards we had a good feeling about it all, and that of course makes us keen to find out how the service will be from now on.

What do you expect from future collaboration?

Berry Plastics likes proactive suppliers. That means we expect our partners to make suggestions to us continuously about how we can improve our production. We also demand an increasing amount of customized products and services – and in that respect Kautex seems to us to be a world leader.

Upon what do you base your claims?

We are world leaders, and the competition is tough. Only with strong partners who are also leaders in their fields can we assert and expand upon our position.

What has impressed you about Kautex Maschinenbau?

The mentality: they're machine-builders through and through. You can sense the passion they have about their own products, and I love that. I'm looking forward very much to rolling out our business in close cooperation into a successful future.

About Berry Plastics

Berry Plastics is a leading manufacturer and distributor of packaging products made of plastic. Its broad range of products includes open-top and closed-top packaging, polyethylene-based plastic films, and FIBCs. The company's headquarters is in Evansville, Indiana, USA, and it also maintains more than 60 production sites worldwide staffed by almost 13,400 workers.

Kautex Maschinenbau is wrongly named.

To be precise, we should now be called “Kautex Maschinenbau und Maschinenmanagement” since the true strength of our brand lies not only in technological innovation but also in our holistic management strategy.

Why do customers opt for Kautex Maschinenbau? Because they are looking for more than a company which simply builds and erects machines. They are looking for a long-term strategic partner which considers itself part of their company, develops new production processes in close, trusting collaboration, and implements these and supports them in the long term so that they can be constantly improved upon. That, after all, is the only way to satisfy the growing demands of globalizing markets, and to keep offering top performance at the highest level.

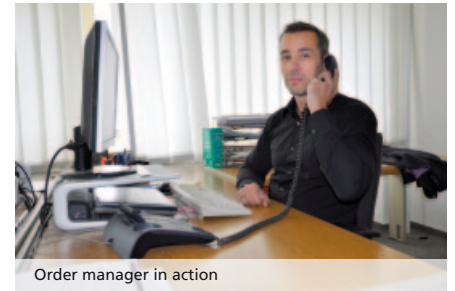
Standard? No thanks!

Kautex Maschinenbau does of course offer standard services, but with us they are not the be-all and end-all of things, they are simply the basis upon which we

then build up carefully chosen additional services for our clients. Development, maintenance, spare parts acquisition, retrofitting, and quality assurance – all of these things are a matter of course. Things get really exciting when whole production lines and their process data need to be actively managed. That is when we at Kautex are driven by our own promise to be number one in terms of personal service, and to achieve the lowest production costs per unit.

The order manager is the key.

At Kautex, an order manager looks after his customers 24 hours a day, seven days a week, ensuring that customers receive everything they need from a single source with a minimum of effort. These central order managers are the spearhead of Kautex’s management, and each of



Order manager in action

them has at least 15 years of professional experience coupled with the utmost expertise in installation, commissioning, modification, production, and maintenance of our systems.

Saving all along the line.

Here is just one example of the importance of this position: following close consultation with the lead manager, a customer has all his production lines fitted with automatic in-mold-deflashing. The result is a weight reduction of 15% per item, a reduction in the cycle time by one fifth, and a drop of almost 13% in production costs. Return on investment was achieved in only eight months. We understood the bigger picture – and achieved efficiency.

“Made in Germany” – made in Brazil.

Kautex Maschinenbau will soon be producing KCC machines at its Brazilian agency, the company ZETTATECCK. Thanks to a strategic alliance with the ZETTATECCK brand, German quality will then be available in Brazil at unbeatable prices.

Global markets demand international solutions: in order to offer our South American customers German quality engineering with the benefits of production on location, Kautex Maschinenbau has entered into a partnership with its agent ZETTATECCK.

Using the label “Kautex Maschinen made by ZETTATECCK”, products are manufactured in Brazil, with hydraulics and controllers, using German extruders and blow molding heads in accordance

with our worldwide quality standards. As well as the price benefits, producing near to the market also brings logistical advantages and an immediate transfer of expertise. Spare parts are quicker to supply, and the particular requirements of the South American market can be met directly. Regular checks and the intensive training of all staff safeguard the quality and performance of the products. This collaboration also envisages an expansion of the South American service network. We will keep you posted.



Planned ZETTATECCK building

ZETTATECCK – Global Player

This Brazilian company specializes in the development of electrical engineering and industrial automation products, and offers mechanical and electronic solutions. It imports and exports technologies worldwide, supporting its customers with specialized machinery, electrical panels, and design solutions. ZETTATECCK has been an exclusive Kautex agent since 2007.



View of the new Technikum

Top Technikum.

Kautex Maschinenbau is equipping itself for the challenges of the future by modernizing its infrastructure. The new Technikum will be the center of research and development work in Bonn. The intention is to elevate global partnerships with leading raw materials and mold manufacturers to new levels, and to accelerate the innovation process for the benefit of customers.

When it comes to the development of future materials and technology, the Kautex Technikum has always been at the center of the extrusion blow molding industry. World-leading suppliers compete for development partnerships with Kautex so that they can benefit from the Technikum's realistic conditions and the world's best machines in its laboratory, where they test the latest materials, develop new products until they are ready for series production, and help make their customers more competitive. This is where ideas evolve to market maturity, a unique center of expertise which itself is now undergoing a new phase of development.

Building up capacity.

The Technikum will further increase Kautex's research and development performance. We will be reimplementing our rapid prototyping process in order to accelerate the production of prototypes. Our experienced team, which comprises six process technicians and two engineers, will then have even more ways of serving application areas in the fields of consumer packaging, industrial packaging, automotives, and specials. Whether prototypes of small-scale series

production, the future begins in the Technikum. With our extruder testing unit, every possible material can be tried out, while a laboratory facilitates the checking of all kinds of extrusion blow molding applications.

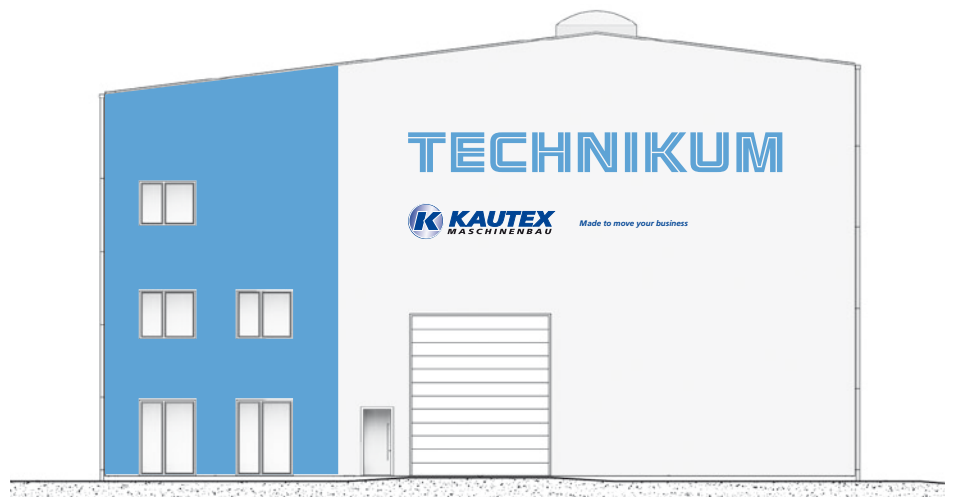
Relief and efficiency.

Kautex customers benefit from the Technikum because they can conduct development work on external machines without reducing their own production

capacity, and without causing production downtimes. At Kautex modern machines with a whole host of technical features are available, and customers can benefit from the latest trends and technologies involving materials and hardware development. This is an enormous advantage, as competition is getting more fierce. The Technikum is something of an extended workbench for R&D department throughout the industry. From optimizing color changes all the way to small-scale series production, everything is coordinated and planned centrally via a single interface. It doesn't get more efficient than that.

Bonn – and the world.

The Technikum itself is situated at the German headquarters of the Kautex Group of Companies in Bonn. However, the processes and technologies tested there are exported by the development teams and perfected for series production at facilities all over the world. The Technikum therefore acts as a global headquarters for all kinds of research and development projects. It is the place of ongoing technology transfer. By extending it, we are developing our capacity to accelerate and perfect a global exchange of experience. We are already looking forward to seeing the new ideas that will emerge next from the Kautex Technikum.



Facade design of the Technikum

Innovation begins with your own identity.

Kautex Maschinenbau has shown the shape of things to come by revising and modernizing its own brand image. Assisted by marketing specialists at the Berndt & Partner agency in Berlin, the entire corporate identity has undergone a subtle but noticeable “rejuvenating cure”, and its visual look, key messages, brochures, exhibition styles – and much more besides – have all been improved. The results are something to be proud of. See for yourself, and read what Mr. Lichtenauer has to say about it.

Mr. Lichtenauer, Kautex has improved its image – why?

The verbal and visual image of our brand gives expression to the values which Kautex represents, in which innovative capability and future-orientation play a major role. We have modernized our image accordingly, keeping abreast with the company’s vision, so to speak. This is not a process which ever ends, it is continuous; a brand has to move with the times.

Where will customers notice the new image?

Look for instance at our latest series of brochures. Everything you see there in terms of the new look and language can also be seen at our trade fair booths, in our postal correspondence, and so on, and in future also on our website – the communication medium of the future. Kautex sees itself as a systematic thinker, which is why the brand marketing is also systematic.

“Made to move your business” is the new brand slogan. What does it mean?
We live in a dynamic world with ever-accelerating development processes. Kautex sees itself as a catalyzer. We are there for our customers, for the benefit of our customers, and to put things into action for our customers. Efficiency is a central aspect of this. “Made to move your business” sums up this philosophy.

It almost sounds as if you and your staff share in your customers’ excitement.
That’s true. Of course, we keep a professional distance and we know the limits, but you can only achieve something in an alliance if you can

identify with the aims of the other side. Enthusiasm is the key to motivation.

Does this mean that you maintain close contact with your customers after the sale is done?

It’s the same in marketing as it is in real life. Pre-sales and sales are only part of what we do. Maintaining long-term customer relationships, shaping information processes, and including customers actively in that – this is a much greater part of our work. It is also what leads to those friendships which go far beyond the scope of business.

How did you arrive at this way of doing things?

You know, Kautex Maschinenbau has been around for more than 75 years. Many of our employees have been working here for years, some for decades, and we have a very low staff turnover rate. These are people who identify with their company. They embody its philosophy because in a way they also love it. You should see how enthusiastically our people tackle their work on a daily basis! As a businessman there’s nothing greater you can achieve, it’s something to be really proud of.

Back to marketing – and in particular digital media.

It’s good you mention that. As an innovative industry leader, Kautex also leads in terms of digital media. We are currently considering launching our very own Kautex app, which our global sales team could use on a daily basis. We have made our trade fair presentations multi-media, in which the Internet plays a key part. You can expect to see



Kautex Maschinenbau iPad app

lots of new developments in that field in the near future.

What role did your partner agency play in all of this?

We have had a long and fruitful relationship with Berndt & Partner for many years now. This agency specializes in managing complex technical brands, and with them we consider ourselves to be in the best of hands. It’s hard to find knowledge of the industry coupled with the qualities of a creative agency. We are lucky enough to have found a suitable partner.

What does the Kautex image look like globally?

The secret of our company’s success is its global identity. Kautex is driven and characterized by the same values in China and the USA as it is here in Germany. In that respect the brand image is identical worldwide. We do accommodate local peculiarities here and there of course, but the general framework is a global one.



Newly designed trade fair image



Logo with new slogan



Kautex headquarters in Bonn



Kautex Maschinenbau trade fair booth at Interpack 2011

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An exhibition of strength.

After the K-Messe 2010 trade fair, Interpack in Düsseldorf was the next big exhibition in 2011 – and it was an industry gathering at which Kautex once again posted exceptional results and enjoyed huge interest. As well as its European guests, Kautex also welcomed many delegates from India, South America, and the United Arab Emirates into its booth.

With 19 halls, 2,700 exhibitors and 166,000 industry visitors, Interpack 2011 lived up to its reputation as one of the packaging industry's most important trade fairs. Interest focused on specific new projects and on the technical feasibility of conventional as well as some more innovative new blow molding products. Visitors were also keen on themes such as article traceability, efficiency, and the recent critical analysis of energy consumption – all subjects in which Kautex Maschinenbau specializes and which, visitors agreed, look set to acquire even more significance in the future. The excellent feedback we received was therefore no surprise, and attendants also went away impressed by Kautex's thoroughly thought-out overall concept.

Shuttle service to Bonn.

Visitors who wanted to see more than just a trade fair booth were taken by our dedicated shuttle service to our headquarters in Bonn, where they could experience the Kautex brand live on location.



Visitors to the live performance

As well as a live performance by the KLS85-100, our guests took a look at the Technikum, including its newly extended facilities. Whereas a trade fair booth is only ever temporary in nature, customers who visited Kautex's company premises gained an altogether different impression of the brand and its capabilities. The whole product range was available to give impressive working performances, from the KLS through to the KEB and the KCC, while managing staff on location were able to build excellently upon their relationships with their clients. The interest was overwhelming.

Trade fair calendar 2011/2012

Trade fairs 2011:

Pack Expo/Las Vegas:	09/26 - 09/28
Interplas/Birmingham:	09/27 - 09/29
Plastimagen/Mexico:	10/04 - 10/07
Equiplast/Barcelona:	11/14 - 11/18

Trade fairs 2012:

Interplastica/Moscow:	01/24 - 01/27
Plast India/Delhi:	02/01 - 02/06
Open House/Bonn:	03/20 - 03/22
NPE/Orlando:	04/01 - 04/05
Chinaplas/Shanghai:	04/18 - 04/21
Plastpol/Kielce:	05/29 - 06/01
Argenplas/Buenos Aires:	06/18 - 06/22



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