

PACO WORLD



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Our International
Wire&Mesh Magazine
for Existing and
Prospective Customers

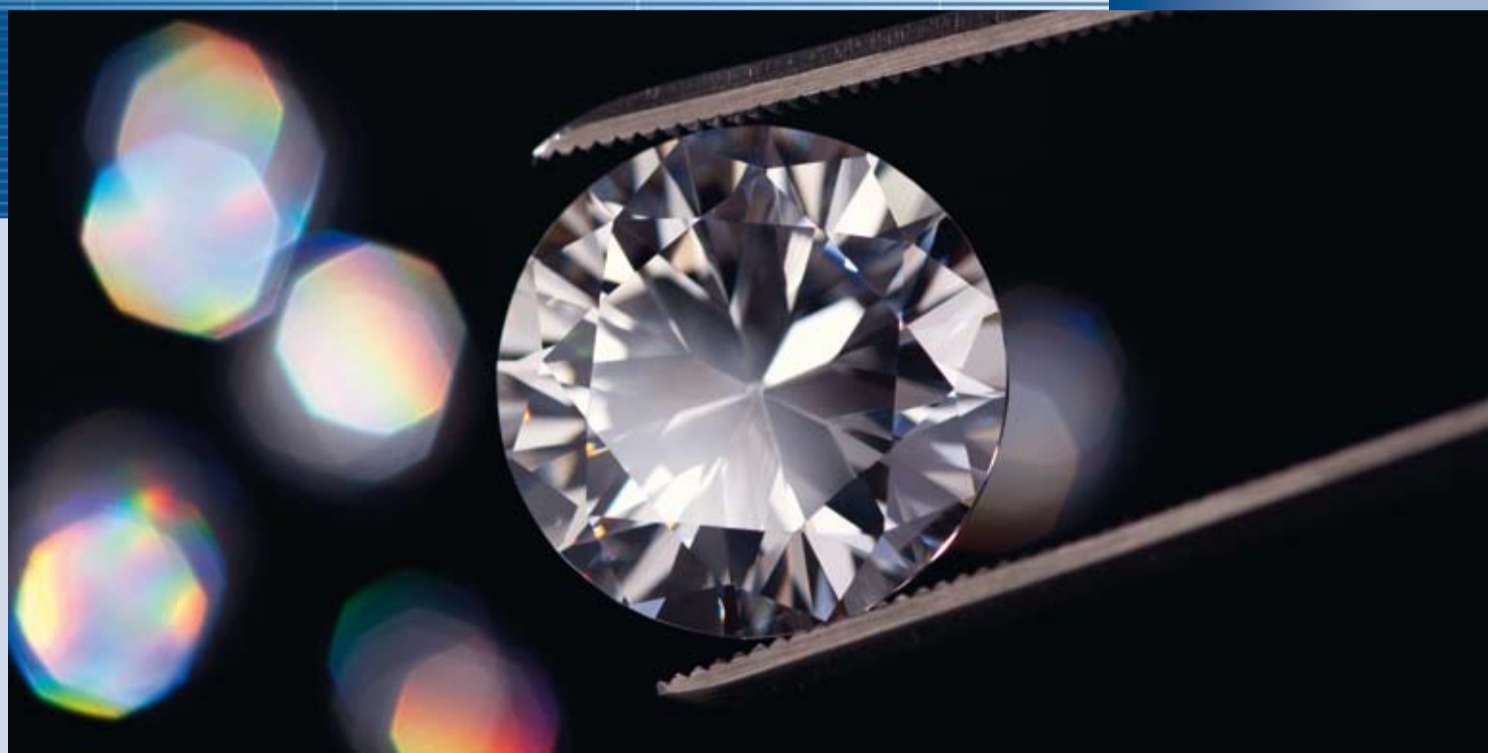
Debt Crisis? Crisis of Responsibility!

Dear Reader!

Nobody wants to hear about it any more, but we are all really starting to feel it: the debt crisis among EU member states and the problems with the Euro are influencing global financial markets and having a negative effect on the world economy. This is increasingly hurting both large and small companies, even though they have done nothing to cause it. After all, the debt crisis has largely been due to political errors. These have caused worldwide insecurity – particularly among the financial markets. As a result, our customers find it difficult to get any form of credit or can only get loans at high interest rates, so that they are not able to buy capital equipment. This means that the order books start to get thinner and production decreases. In turn, countries are losing income from taxation, making things difficult for their own economies. Within this climate, increased borrowing appears to be an obvious solution. This is a route that is not available to companies and should only be used with extreme care by politicians. After all, the current debt crisis is due to a crisis of responsibility that has existed among policy makers here in Europe as well as on the other side of the Atlantic for a long time. And there is no patent recipe for turning things around: it is a case of saving and investing at the same time. Impossible? We as a company are permanently in a similar situation. So why should sovereign states not be able to master it? Whatever happens, we will go our own way to overcome each new crisis. That is our responsibility to our customers, our staff and society in general.

Best regards

Peter Ruppel
Managing Director



PACO Plant in Herolz: A Diamond in the PACO Group

In two years the PACO plant in Herolz will be celebrating its 50th anniversary. It's therefore about time that PACO WORLD did a front page feature on this extremely successful pillar of PACO's metal wire weaving activities. This operation that is flourishing in apparent seclusion about 20 km away from the main plant in Steinau is in fact a spectacular success story – doing much more than simply making metal wire cloths. Although the team of 78 people in Herolz prefer to do their own thing without making a big fuss, they have become a very valuable part of the PACO Group.

It all started at the request of a customer

PACO originated as a manufacturer of fine and extremely fine cloths for film and screen printing. The exceptional quality of the products became increasingly appreciated around Europe and on into the USA. One of the most important

ing operations there. The operation was an immediate success so that more products, machines and staff needed to be continually added.

Typical Herolz

When the plant in Herolz was initially set up, the working world was still in order. The workers were recruited exclusively from within the region. For the most part, they came from the village on the factory's doorstep. It is, at this point, important to know that people from Herolz are a very special kind of person: self-confident to the point of stubbornness, loyal to the point of self-sacrifice and, in all respects, extremely reliable workers. They would have gone through fire for the senior boss Wilhelm Ruppel (1927-2008), the person that built "their" factory and provided employment for them. For a long time, the relationship with the main PACO factory in Steinau was characterized by a certain sense of rivalry. A luxury that you can no longer allow in a medium sized enterprise in the day and age of globalization.

Continued on page 2

Peter Ruppel celebrates 40 years!

The PACO CEO Peter Ruppel can now look back on 40 years of service with and for PACO. He explains his views on past and future developments in a PACO WORLD interview on page 3.

customers there, Gerald Daniel Worldwide, then requested the supply of medium-fine and coarser cloths in well-known PACO quality for use in products such as filters and sieves. That was at the start of the sixties. And by 1964 the foundation for the PACO production plant in Herolz had already been laid. The following year, six looms, six male staff and two female staff started weav-

Mesholutions created by PACO





Continued from page 1

PACO Plant in Herolz: A Diamond in the PACO Group



As a result the naturally reclusive natives of Herolz have now also become professional team players within a worldwide active group of companies

How Herolz supports Steinau

Apart from the fact that the Herolz factory makes an important contribution to the operating income of the complete PACO Group, it is also an important supplier of metal wire cloths for PACO filter production. As in 1975 the decision was made that PACO would

that Steinau is taken just as seriously as any other external customer.

Elite team for developing and building looms

When PACO talks about their own mechanical engineering team for building automated looms, they more precisely mean the loom building operations in Herolz. This is the home of a highly specialist team whose engineering capabilities are just as great as their ambition to provide the best possible results. It was this team from Herolz that were behind the change-over from shuttle to rapier machines in the PACO metal wire cloth weaving mill which has signaled the switch to continuous cloth production and a completely new age of economic efficiency. The latest masterpiece produced by the Herolz mechanical engineers is the Wide Loom automated loom



The PACO "Wide Loom" automated loom for weaving widths up to 3,000 mm. A record breaking example of the work of the Herolz mechanical engineering team.

produce their own filter elements as finished products, the plant in Herolz received another extremely promising business opportunity. The various metal wire cloths needed in Steinau could be supplied from within the company with the required quality and extremely tight specifications. This never meant and never will mean that Herolz can sit back and think that it is supplier without competition: the demands on competitive pricing, cost optimization and delivery according to demand mean

for weaving widths up to three meters: and all of their own design! It is not only proficient in a wide range of weaves of various qualities, that can be individually programmed and reproduced as required. It also guarantees extremely high mesh accuracy as well as optimum production reliability.

Herolz and the global market

Today, countries such as China, India and other emerging industrial economies can produce metal wire cloths

Klaus Ruppel, the manager responsible for operations at the Herolz plant: "The requirements of our customers are getting more and more difficult and demanding. We enjoy the challenge as it gives us the chance to master it better than others."



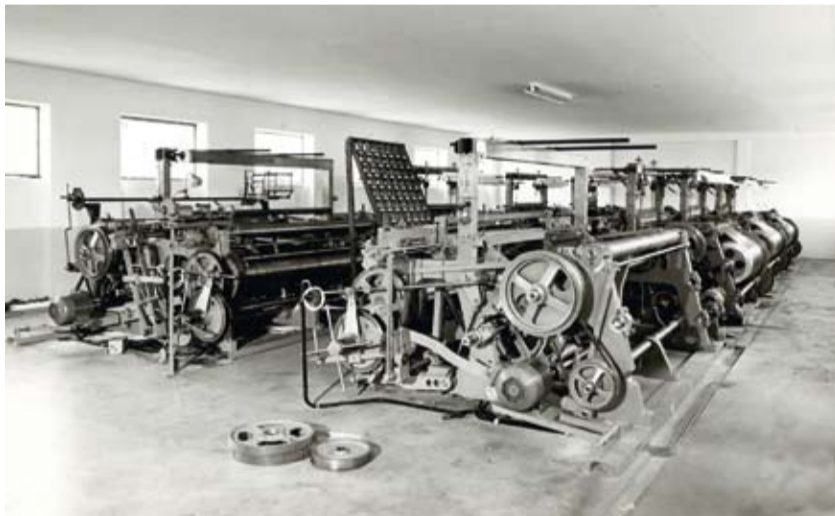
The PACO plant in Herolz: an area of 12,100 m² for production and storage, 80 automated looms and a staff of 78. Equal expertise in production and machine building.

Herolz today and tomorrow

Today the Herolz plant has a workforce of 78 persons. The machine inventory includes 80 automated looms, that largely operate on a 24/7 basis. Depending on the product mix, each month 80-90.000m² of metal wire cloths are produced mainly from stainless steel wire of various specifications as well as out of non-ferrous metals, aluminium and high quality nickel alloys. The range of products consists of 100 different types of cloth that are perfected in different ways according to the specifications and requirements of the customer, for example, through calendaring, annealing and/or coating. The high level of quality and customization capabilities of Herolz cloths means that they are predestined for use in the most promising industries and fields such as the motor industry and production of oil and natural gas. To ensure the future of our workforce, PACO has a special recruitment policy to attract young people from in and around the village of Herolz. After all, the most outstanding feature of the Herolz plant are the people that work there. A situation that has to carry on long into the future.

much cheaper than it is possible to do in Europe including, of course, Herolz. There is no way that we want to go back to the hourly rates of just over a Deutschmark that were paid in the early years of PACO – and are still usual in Asia today. Higher production costs have to be compensated for by continually finding productivity reserves that can be mobilized. For instance, each of the Herolz automated looms can produce a wide range of cloth specifications, meaning that there is almost no limit to their usage. And when it comes to finishing and refining cloths to satisfy the most demanding specifications, the Herolz plant has the capabilities that set the standard that others have to try to reach.

The PACO plant in Herolz started operation with six looms. Today just an episode in the history of the industry.



Peter Ruppels views on his working anniversary

40 Years Responsibility Every Day

PACO WORLD:

Mr Ruppel, forty years of service for PACO. How does that feel?

Peter Ruppel:

To be honest my own working anniversary is not that important to me. But when PACO celebrates its sixty years next year that is something that I can really be pleased and proud about. For me, my own working anniversary is just a matter of course. Particularly as time seems to have gone by so fast. As I was appointed as Managing Director in 1989 and practically took over the responsibility for PACO from my father there was no way that I could have imagined how that would speed up my sense of time. So much happens all at once, I change time zones as often as my shirt and decisions have to be made faster and faster. It's just not normal any more.

PACO WORLD:

Nevertheless, could you please tell us about how things started for you at PACO.

Peter Ruppel:

It all started a lot earlier than my first official day at work in 1972. My father made sure of that by introducing my two brothers, Klaus and Gunther, as well as me to the company at a very young age. As you can probably guess we jobbed in the company during our school holidays which meant that we very quickly got to know the various aspects of making metal wire cloths. My schooling and apprenticeship also served to prepare me for a career with PACO, or to be more precise, as a successor in the management of the company. First of

all, the commercial high school in Fulda and then, after my military service, an apprenticeship as an industrial clerk. After passing my exams I spent time in virtually every manufacturing department within our company which helped me get to know a lot about how our products are made as well as applied. After all, know-how is absolutely essential in our business.

PACO WORLD:

A lot of family companies have difficulty finding a suitable successor. Was your father just particularly fortunate with you and your brothers?

Peter Ruppel:

Maybe. But I've still got to pass the company in good shape onto the next generation! Anyway, my brothers and I didn't make things very hard for him. For my brother Klaus and I it went without saying that PACO should carry on as a family company. And my other brother Gunther, who is now in the management team of a leading auditing company, remains a qualified contact person. As far as I am concerned, I have taken responsibility for the Paul GmbH & Co. KG every day for the last forty years regardless of the position that I served at the time.

PACO WORLD:

What do you see as your most important responsibility today?

Peter Ruppel:

There is far more involved than just one single area of responsibility. A number of areas are particularly important. I would like to start with the responsi-

bility of taking care of a consistently efficient and qualified workforce. Our future success is entirely dependent on our ability to recruit talented young people and make sure that our staff remain well qualified. It is predicted that the German employment market will lose 2.6 million skilled workers by 2020-through retirement. If we don't start to take corrective action soon enough we are not going to be able to remain successful.

The next responsibility is our permanent commitment to increasing efficiency and innovation. We are competing with competitors that have significantly lower labour costs than we have. That is why we have to take a close look at this area. At the same time we have to make sure that we keep ahead of the competition and safeguard our margins by increasing efficiency and maintaining our technological leadership.

The third area is the diversification of our product portfolio. The more that we can broaden our base, the more market segments and niches that we can serve, the greater the opportunities for growth.

PACO WORLD:

You have already indirectly mentioned it: competitors with lower labour costs. How do you view the competition from China, India and other emerging industrial economies?

Peter Ruppel:

We have to take them extremely seriously. At the same time we don't want to forget that these nations are also important sales markets for us. We have to offer a level of quality and inno-



Peter Ruppel is keeping his feet firmly on the ground about his own 40 years of service. On the other hand he is very much looking forward to the company's 60th anniversary next year.

vation that these nations can't provide themselves.

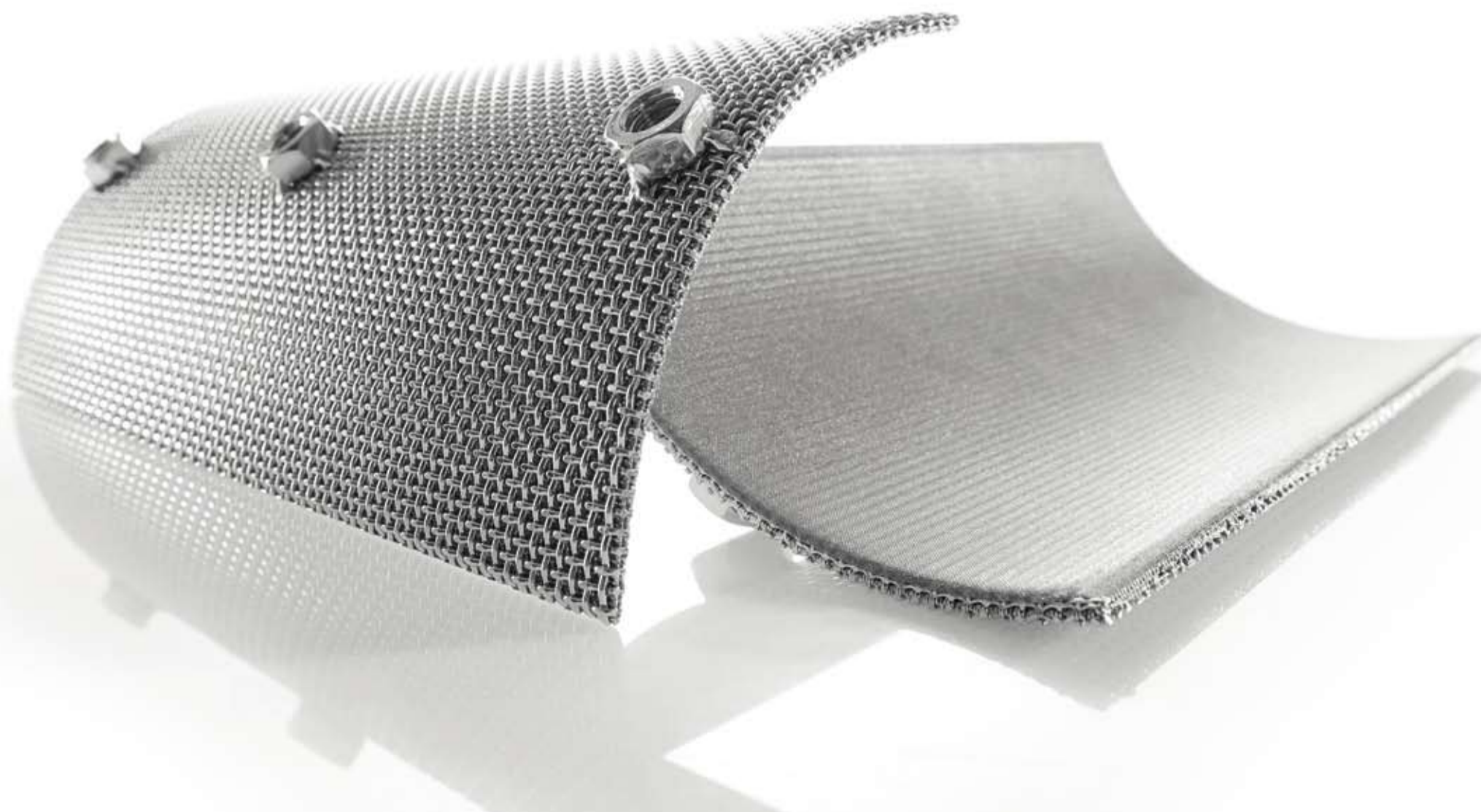
PACO WORLD:

You once said that, in particular, success is what awaits us tomorrow. What do you think is awaiting us tomorrow?

Peter Ruppel:

At some point the third generation will take over the responsibility for the PACO Group. My nephew Garwin is being prepared for this change-over in just the same way that our father prepared my brothers and me. He not only has the talent and ability that is needed, but also the motivation to ensure that the continuity, that is so important for our company, will be maintained.

I am not at all worried about the future of metal wire cloth. With our innovation capability we will continue to be able to offer attractive solutions to our existing and potential customers in all fields. And finally: you might be able to slowly phase out atomic energy. But if you get rid of metal wire cloth, the lights will go out all around the world.



DF – Dillinger Fabrik gelochter Bleche GmbH

“The Most Powerful Special Perforator in Europe.”



Hans-Ulrich Koch took over the responsibility for Dillinger Fabrik from his father. He also plans to hand-over the responsibility for the company to the next generation in the family at some time in the future.

Interview with Hans-Ulrich Koch, managing partner of DFgB GmbH

PACO WORLD:

Mr Koch, you know that we are presenting portraits of our most important suppliers in the PACO company magazine. In this issue it is Dillinger's turn. How long has your company been working together with PACO?

Hans-Ulrich Koch:

Oh, that must go back more than thirty years. Back then my father Dr. Walter Koch and Wilhelm Ruppel, the father of Peter Ruppel, started their close working relationship that has continued on into the next generation. The two companies were a good match for each other through their complementary range of products as well as their extremely

Hans-Ulrich Koch:

There is, but it is quite a long one. At one time both companies worked together with a company in Belgium called Gondrexon. The manager of this company, André Brassine, was a real sales professional. But Gondrexon sacked him. My father as well as Wilhelm Ruppel were both worried about losing an important contact. So they decided to set up a new sales company together with Mr. Brassine, the company called Canal. This meant that the valuable contact remained intact down to this day and Canal has, for a long time, been an extremely successful and profitable company.

PACO WORLD:

Your company is a specialist for perforated sheets. What special skills are needed to make it?

Euro and a workforce of 380 in a number of companies. We have manufacturing sites in Germany, Holland, Denmark and Bulgaria. Our subsidiary in Germany, Preziehs, specializes in tubes for the hydraulic and air filter industry. These often also require other materials such as expanded metal mesh and metal wire cloth.

PACO WORLD:

And what makes PACO attractive to Dillinger?

Hans-Ulrich Koch:

PACO is extremely proficient when it comes to specialist applications for the chemical industry and understands a lot about the refinement and finishing of stainless steel wire cloths. The integration of HETA Verfahrenstechnik into the

„Our working relationship is extremely cooperative and based on mutual trust. We take ourselves seriously as a partner and look at ways of creating synergies for both sides.“

similar sales channels. Some of the agents of PACO and Dillinger Fabrik sell both ranges of products.

PACO WORLD:

Is there an interesting story about how the relationship between both companies got started?

Hans-Ulrich Koch:

The holes in the perforated sheets – or to be more precise perforated plates – are produced on extremely large capital-intensive machines with a working pressure of up to 500 tonnes. Essential to this operation is tool making expertise. As stamping can strongly deform the sheets, they have to be subsequently processed in a straightening machine until they exactly flat again. Depending on the sheet thickness or width, various straightening machines are required. There are inherent risks in the downstream processing of the perforated sheets, even when they are perfectly flat, as hitherto unrecognizable tensions may be released which can cause distortion of the sheets. This can, for instance, occur when heat is applied during welding. Tight tolerances of the finished product can only be maintained when the complete manufacturing process is kept under strict control. And this is something that we know how to do.

PACO WORLD:

What makes Dillinger and Dillinger products so attractive to PACO?

Hans-Ulrich Koch:

Apart from the personal relationships, there is no better source. Dillinger Fabrik is the largest perforated plate manufacturer in Germany with a wide range of products from the thinnest sheets up to the thickest plates. In addition, we are the most powerful special perforator in Europe with revenues of 65 million

PACO Group also shows that PACO sees good market opportunities for specialist filtration applications. A viewpoint that we also share!

PACO WORLD:

What do you think characterizes the cooperation with PACO?

Hans-Ulrich Koch:

Our working relationship is extremely cooperative and based on mutual trust. We take ourselves seriously as a partner and look at ways of creating synergies for both sides.

PACO WORLD:

And how will the cooperation with PACO continue on into the future?

Hans-Ulrich Koch:

We at Dillinger Fabrik are convinced that it will continue to develop positively, where possible, on into the next generation. They should be able to share the same positive experiences that we have and our fathers before us. PACO and Dillinger Fabrik have a lot in common. Both are family companies with a long history. Both think in the long term and act on behalf of their workforce, sustainable company development and their investments. Both see their chances in specialist market niches and know that success is the reward for a lot of hard work.

PACO WORLD:

Mr Koch, thank you for talking to us.



Successful Debut: PACO and HETA at the ACHEMA 2012

The ACHEMA 2012 claimed that it would be the most international of all time. Which didn't stop a new exhibitor from Germany joining in: PACO together with HETA, the subsidiary within the group that specializes in complete filtration solutions. The considerable interest shown to both companies on the stand was particularly encouraging and – as experience has already shown – not just fleeting. Now all that is needed is to intensify and develop the contacts that have been made. The participation at the next ACHEMA 2015 is already being planned.

From the specialized to the metashow
In the past PACO concentrated on specialized shows and events for processors and final users of stainless steel cloths and filter elements. The integration of HETA process technology into the PACO Group has opened up new possibilities to directly get in touch with plant constructors, planning offices and plant operators. Whereby the ACHEMA as an all-encompassing "metashow" provided an extremely beneficial platform. This meant that, on one hand, HETA could present complete filtration solutions and, on the other hand, the various PACO sales divisions could

show their products and services to the trade visitors.

Wide Range of Products in Focus

HETA's range of solutions were structured into three main areas on the show stand:

- Complete solutions for water treatment, particularly for the cooling water of power stations, refineries and industrial plants
- Edge-type filters for applications in the chemical industry and process technology
- Demister and coalescer for the oil and gas industry

At the same time PACO product ranges such as filter candles, strainers and cloth laminate filters were at the centre of interest of the show visitors.

The main advantage of focussing the presentation on these two areas was that it enabled comprehensive practical applications which convincingly demonstrated the potential to provide extremely attractive solutions. For instance a Bernoulli filter that was shown is a relatively new HETA system that has already been sold a number of times around the world and has proved its excellent performance figures in everyday working environments. And a wide range of successfully implemented customer and application-specific projects prove that the edge-type filter has become a mature product.

Positive visitor feedback

The number of exhibitors (3,773) and visitors (167,000) at the ACHEMA 2012 remained constant. Despite PACO and HETA exhibiting at the show for the first time, the considerable activity on the stand fully exceeded our expectations. A number of interesting initial contacts were able to be made. What was also surprising and very pleasing was that a number of visitors to the PACO stand had made a special point of going there. The numerous talks showed that, apart from solutions already implemented by PACO and HETA, there is still a lot of remaining potential to satisfy the needs and wishes of customers.



Visit us in internet!
www.paco-online.com



The contribution of the ACHEMA 2012 for making and intensifying customer contacts will have a long-lasting effect on all areas of PACO and HETA business.

**PACO.
EXPORT.REPORT.**

PACOMosaic

Steinau an der Straße: The Palace and the Steinau Zwinger

Steinau an der Straße is a town where it always pays you to take a closer look. What at first glance appears to be "just" the Brother Grimm Museum is, on closer examination, an extremely attractive renaissance palace.

Once upon a time there was a castle
The palace in Steinau started off as a medieval stronghold, even though nobody today knows what it looked like. Nevertheless, even after the major rebuild, the fortified nature of the impressive complex of buildings has remained. It even has a Zwinger – a term that is usually only used in connection with the city of Dresden. And one that is derived from the German word for the outer ward of a concentric castle. In other words, the Zwinger is not a building, but the space between the castle

and the outer curtain wall. This was the space in which, for example, festivals were celebrated in times of peace.

Walk into the 16th century

The counts Philip 2nd and Philip 3rd of Hanau-Münzenberg built the Steinau palace around the year 1525. Although it was primarily built for residential purposes, it was still provided with a line of defence that included fortress walls and moats. Inside, visitors are taken through the large palace kitchen with its giant chimney, the big parlour and opulently ornated stately rooms. If you would like to know more about the palace and its opening times, take a look under www.steinau.eu/smap---2622---.html or one of the German web sites such as www.schloesser-hessen.de/78.html and http://de.wikipedia.org/wiki/Schloss_Steinau.





The PACO hooked screen range includes versions with different screen cloths, types of hook and special finishes.

PACO Screening Technology Our Hooked Screen Range: Shaking Up Quality and Cost-Effectiveness

There are products that are indispensable even if their performance appears to go unnoticed. A typical example of this are hooked screens: they don't look that spectacular. But you can't do without them if you want to make sure that your screening machines provide precise screening results together with the required productivity and cost-effectiveness

PACO cloths as basis, hooks made to measure

It was only a small step from the wide range of PACO sieve cloths to the development and production of complete hooked screens. In the process, PACO benefitted from the application knowledge that already existed in the company as well as the close working relationship with screening machine manufacturers and users. Today, the PACO range of side tensioning and end-tensioning hooked screens is one of the most diverse and qualitatively sophisticated ranges on the market. The high quality sieve cloths are complemented by hook edges, that are specified entirely according to requirements, optimum mounting technology, and special versions such as rubber or silicone lip seals as well as reinforcement through polyurethane foils, baffle plates, deflectors and supporting cloths etc.. Regardless of the exact configuration, the result is always a high level of economic efficiency based on precise screening results, long lifetimes, easy cleaning, simple re-tensioning and fast exchangeability.

Straight-forward planning – complete service

Regardless of whether as original equipment or as a replacement – it is always worth planning the use of a PACO hooked screen. To simplify the compilation of data for the individual speci-

fication of the hooked screens, PACO has developed a special questionnaire which can be downloaded from the web site www.paco-online.com. When completed, this provides a practical basis for system planning requirements together with the hooked screen specialists at PACO.

PACO products are complemented by an all-round service offering everything from the supply of new screens to re-screening. This includes diagnosing the root cause of damage and advising how to get the most out of each screen. Detailed and additional information about the PACO hooked screen range including service can also be found online, for example in the product folder, that is available as a PDF file for downloading.

Imprint

All information in this edition of PACO WORLD has been carefully checked prior to publication. Nevertheless, we can make no guarantee for completeness, accuracy and up-to-dateness.

Publisher:

PACO PAUL GmbH & Co. KG
Metallgewebe und Filterfabrik
Industriegebiet West
36396 Steinau a.d. Straße
Germany
Telephone: +49 66 63 - 97 80

Editor, copywriter: ralf.geisler@t-online.de

Layout: info@knoechel.info

Printer: Druckerei Chmielorz,
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Bits and Pieces:

If everything was so easy ...

Many feel that life – whether at work or at home – has become so complicated that the common homo sapiens is increasingly calling out for simplicity and guidance. In particular those among us that hold training courses for optimum self management or write books about such subjects. In one of these we have found a check list originating from someone that, according to unconfirmed reports, has been served an injunction order by a divorce judge.

Check list for a happy day

- Did I start the day with a positive attitude and a joyful outlook?
- Did I have a leisurely breakfast with my partner talking optimistically about the day ahead?
- Did I affectionately bid farewell?
- Did I show understanding for the needs and concerns of my partner and provide constructive comments and suggestions on the basis of my own personal experience?
- Have I thought of making a small gift to my partner to show my appreciation and affection?
- Did I show real appreciation for my partner even though we had a difference of opinion?
- Did I share with my partner their senses of achievement and prove how much I feel for them and want to be part of their happiness?
- Do I often think about my partner and our children?
- Have I acted in a conscious and disciplined manner at home?
- Have I found the time to have at least one meal together with my family during which there is real conversation where each member has the chance of saying something?
- Have we talked to each other about the events of the day, our experiences and our feelings?
- Can I talk openly with my partner about unpleasant situations without beating about the bush or telling white lies?
- Have I shown patience and understanding to my partner without showing negative reactions or making accusations?
- In case of differences of opinion, have I clearly stated my point of view while showing understanding for the way of thinking of my partner ?
- If I have lost my temper or shown an uncontrolled reaction, have I apologised to my partner for my lack of self control?
- Have I inwardly reflected and drawn my conclusions on the events of the day and spoken about this with my partner?
- Have I fondly said “good night” to my partner and gone to sleep with a positive outlook and gratefulness for the day that I have experienced?

Source: Gunther Feyler, 140 Checklisten (140 check lists), Wilhelm Heyne Verlag, Munich



✓ Brilliant Minds

Charles Babbage, the Father of the Computer

There are scientists, researchers, mathematicians and other brilliant minds to which PACO is deeply indebted because their contributions positively influence the way that we carry out our day to day business. Theme related, we would like to introduce our readers to them in a series appearing periodically in various issues of PACO WORLD.

Because mathematical tables were too erroneous for him

It was the British mathematician Charles Babbage that had the ingenious idea of getting a machine to do the calculations. When correspondingly designed and programmed, such a device wouldn't make the mistakes that people frequently make when, for instance, using logarithmic tables to calculate. This motivated Babbage to invent a “difference engine” in the first half of the 19th century that was particularly intended at making marine navigation safer. Together with the contribution of his co-worker Ada Lovelace, who back then developed the theory of using a binary system to program machines, this is seen as the forerunner of the modern computer.

Although the development of this first computer got through the equivalent amount of money as twenty steam locomotives, it was never able to run – the technical implementation was simply too complicated for the available resources of the time. However, the ingenious idea remained, was developed by others, and finally made a breakthrough with the technology of the 20th century.

