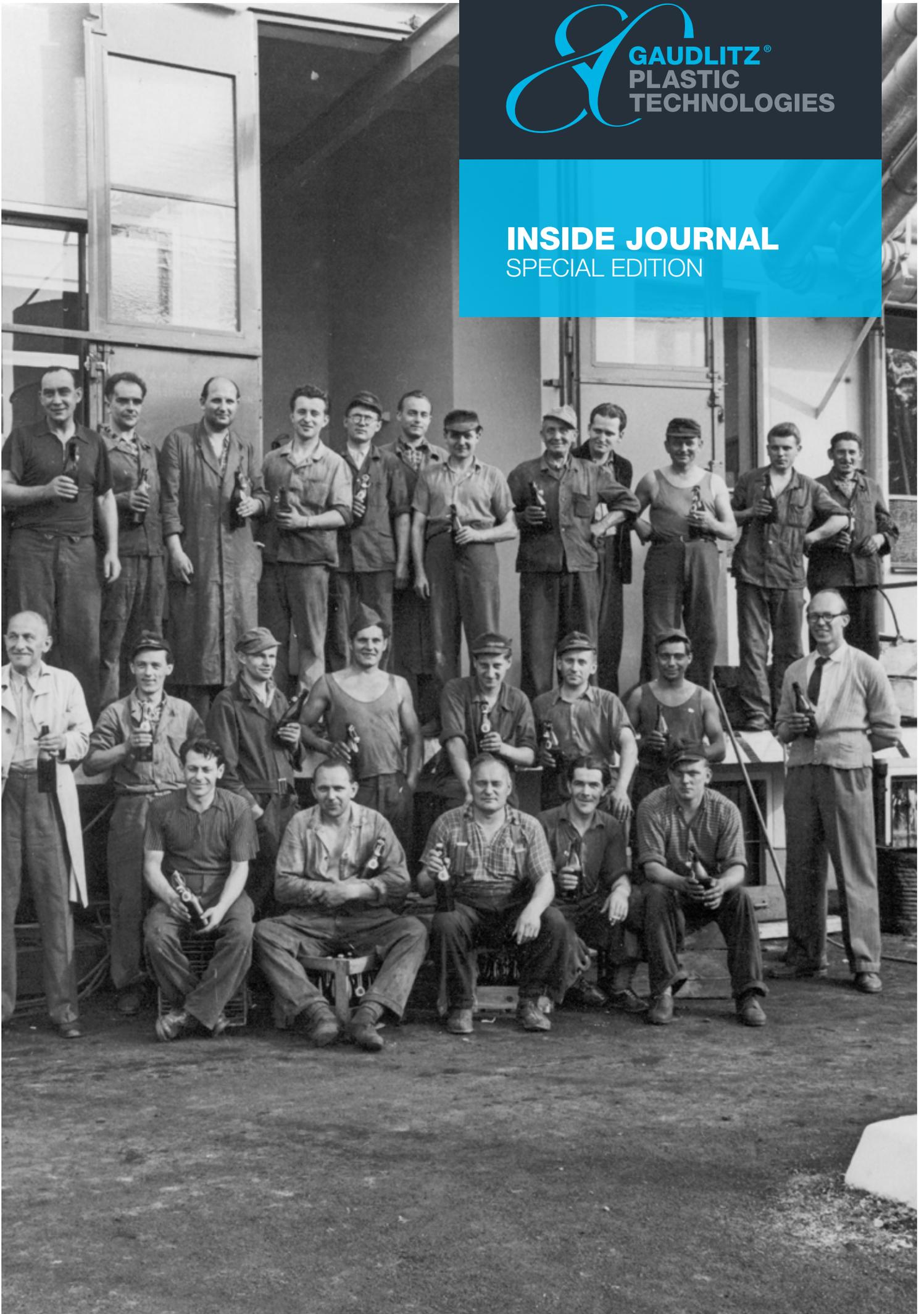




INSIDE JOURNAL
SPECIAL EDITION





Niels Roelofsen,
Group CEO

A collective team performance.

80 years ago, in an era when plastic had barely been explored, Oskar Gaudlitz laid the foundation stone for our specialization today.

Dear colleagues, generations of GAUDLITZ employees have shaped our company into what it is today since our foundation in the year 1937 – a globally sought-after plastics specialist. With the greatest of respect, pride but also appreciation for this chosen path, our staff magazine looks back in this special edition on 80 exciting years of pioneering spirit, technological change, but also on one or two unforgettable stories, which took place in or around our production halls.

As in every magazine, we will also be taking a look at our locations. We will be reporting on the reorientation of our IT department in the Coburg headquarters, in Wuxi, we have successfully implemented the first project with a cross-continental tooling concept and our Czech plant in Dačice is taking first steps in the right direction with an international project management spanning three locations.

The incentive of our new trainee campaign is to take a clear stance. A perceptible new spirit of optimism, which also has an impact on various other corporate areas and making us grow even closer together. I cordially invite you to join us on this exciting path and embark with us on the next GAUDLITZ era.

With this in mind, to the next 80! ●

1.876

Employees with GAUDLITZ
since the foundation

693

Successfully trained trainees

1.101

Supplied customer locations

107

Supplied countries all over the world

207

Supplied product areas

Still the same plastics enthusiasts today as 80 years ago.

A journey back through time to our historical beginnings with a generous helping of motivation for what lies ahead of us.

We have achieved, changed and moved a lot in 80 years. During that time one of our most important strengths was, and still is the ability to accept the challenges and opportunities on current day markets – to develop solutions, where others have given up long since. Our long but also courageous path, ranging from the first thermoset press parts up to today's fully automated serial production is representative of the positive development and tremendous potential of the GAUDLITZ Group. We have grown from our experiences and learned from our setbacks. Today, we can look back proudly on eight decades of plastics expertise. A success story that becomes even more tangible with a few significant numbers, memories and images. ●







**That's what happens
when three veterans start
telling their stories – the
GAUDLITZ Round Table.**

Unforgettable stories that should not be lacking in any review but still haven't been told until today.



Right on time for the 80-year anniversary, the GAUDLITZ Inside editorial team invited three of our most experienced GAUDLITZ employees to the major beer garden Round Table. With over 125 years of experience from the fields of Tool Shop, Production and Development, Werner Ritz, Udo Wohleben and Walter Franz tell many a story that you definitely haven't heard in that form in any review before.

Nobody felt like going to school even then!

The colleagues look back with pleasure on their initial beginnings as trainees, where short-term bouts of flu on school days did not always have a medical cause. "None of us liked going to school even then, so it would be a lie for us to maintain that none of us every played hooky during our training", states Mr. Franz. He adds: "When they threatened to call my home, I always said: "but Mr. Stadter, we don't have a telephone." In response to the question of where the next phone was then located, it then got a bit tricky, and it was not uncommon for us to decide to avoid arguments with our parents: "Mr. Stadter, maybe, I wasn't ill after all." After



being suitably chastised, detention along the lines of cleaning lamps, the basement, sorting out screws or similar activities then followed. “The worst kind of work, after a weekend spent dancing, was planing in the basement. If we occasionally dropped off during that kind of work, we were quickly woken up by a light slap on the back of the head.” Mr. Ritz mentions that problems were solved there and then with different kinds of impositions. “Nobody was kicked out because of any error or silly behavior, but we were held strictly and fairly called to account for our behavior – and that worked.” Some of those who allowed themselves one or two pranks during their training are now in leading positions.

The small corner shop in the cafeteria.

There was a small corner shop in our cafeteria until the mid-90s, where everything ranging from bread, cookies and culminating in beer and small bottles of prosecco was available, and the entry level trainees were allowed to buy various things for the departments where they were currently working. Even though drinking beer during working hours was allowed, some of the department managers were not so fond of the idea. “Of course we also found a way around that situation as well”, relates Mr. Franz: “Whenever our shopping lists were checked for alcohol, we used specific code words, such as e.g. “dark chocolate” for a refreshing blond beer”.

Never boring!

When some troublesome youngsters started working in the company as a means of reintegrating them in 1975, everybody had to keep their eyes open. “They often tried to run away during the lunchbreak, so the supervisors of the youngsters then had to chase after them to catch them. Since it was a pure masculine institution, their eyes nearly dropped out of their so-



ckets when a woman walked by. It was thus never boring”, explains Mr. Ritz. Not even during the train journey to ‘Prien am Chiemsee’ (lake southeast of Munich) for the 50-year corporate anniversary. Karl Gaudlitz had rented a train solely for the staff and closed the company for a whole day. A monumental company outing that employees still rave about decades later.

Always mad about plastics.

Being part of the GAUDLITZ team was and still is something very special. Mr. Wohlleben explains: “We have always fought for each other, held together and sorted things out. We have always found a solution for our customers.” Mr. Ritz recalls how he received a phone call on a Friday night during the birthday party of his father-in-law and immediately leaving the party because no more mass was running in the tool. Mr. Franz tells us, how he skipped a silver wedding anniversary because the samples weren’t correct. And Mr. Wohlleben acknowledges the Tool Shop team back then that delivered a tooling to production after four days instead of the requested three weeks. “Because the guys worked from 6:00 am until 8:00 pm every day. Today this is still the case, even though we have very other requirements that we have to adhere to, solely from a legal perspective.”

In closing, Mr. Wohlleben recalls another story about Mr. Franz, who came to the Production department table after dinner at 9:00 pm because he badly wanted an additional set of samples to measure. After a longwinded discussion, the Production team agreed to fire up the machines again for 50 Deutsche Marks. However, after checking his wallet, Mr. Franz was only able to cough up 2 Marks. Thanks to the General Manager at the time sponsoring 100 Marks, Mr. Franz was able to get his samples at 9:45pm and had the rest of the night to measure them. ●





Leader of the pack, motivator and plastics expert.

When you hear the name GAUDLITZ, you automatically associate it with Walter Franz (62) as well – a true specialist and one of the most senior employees.

For almost 50 years he has been investing his entire passion, experience but also creativity in the company. In doing so, the Gemünden-born father of three has also achieved a lot during his career and witnessed numerous groundbreaking milestones in our history. Today, Walter Franz is Head of the Research & Development department and a sought-after problem solver and pacesetter for both young and old. Shortly before he celebrates 50 years with the company, we look back together on some selected situations and memories during his professional career.

Mr. Franz, GAUDLITZ and you are celebrating your golden wedding anniversary next year, so to speak. How should we imagine the first date almost 50 years ago?

(Grinning). I finished school in 1968, back then I'd just turned 13 and was looking for a technical trainee program. After a plant tour given by the then Training Supervisor I learned for the first time that a hammer and chisel were not meant when talking about a plastic tool. As soon as I'd examined the training workshop, I was completely swept off my feet by the company; it was "love at first sight!" so to speak.

What happened next?

After completing my training to be a tool maker, I started in the Measurement Center in 1972. A couple of years later, I decided to further qualify myself as a master toolmaker. Once I had the degree in my pocket in 78, I was assigned Head of Measurement Center just under a year later. At the age of 25 I then suddenly had full responsibility and had to enter into discussions with experienced department managers on a level playing field – who were twice my age on average. Not always an easy task, especially as discussions back then weren't always as objective and calm as nowadays, and instead everyone tried to force their point by using a somewhat different tone and vocabulary. We already placed special emphasis on quality, even then, and I was able to learn an inordinate amount from my boss at the time, the Technical Director, as well as from the General Manager.

***Can we imagine the work as Head of Measurement Center to be similar to that today?***

Not quite. Back then I was also a sort of “Assistant of the Technical Director” and was not only responsible for the measurement work and the coordination with the Tool Shop, instead I also actively looked after the large renowned automotive customers. I assisted in the development work, advised customers from a technical point of view and supervised the entire project, so to speak, starting with the idea and culminating in the serial release.

You have worked almost 15 years for Karl Gaudlitz. What juicy snippets can you tell us about him?

Well, his leadership style may often have been tough but it was also fair at all times. He was ahead of his time, an absolute pioneer, who always wanted the latest and best available on the market. And not just professionally, but also privately. For example, he brought back a brand-new camera from his trip to Japan, which was not yet available in that form on the German market. It was quite commonplace for such items to land on my desk with the instructions. “Walter, show me how this thing works by tomorrow.” Mr. Gaudlitz really challenged me a lot



during these years, so that time had a great influence on me. There is no comparison with today. When he called me about some issue at 4:00 pm in the evening, the matter had to be solved the next morning, with very little heed being paid to prior appointments.

I particularly remember one story as if it was yesterday. When I began as Head of Measurement Center I had marked some parts as "OK", but had mixed up the sides in the measurement data. This mistake cost us hundreds of Deutschmarks after the fact. When having to report to the General Managers office with my boss, he said: "Walter, I will subtract that amount from your next paycheck, off you go!" Then he called after me: "Walter, today I will pay the bill; it's your turn next time."

Were you ever bored in the past 50 years at GAUDLITZ?

Has it really been almost 50 years already? Unbelievable, time really does fly, which is probably due to the fact that I have always been lucky enough to have very exciting and thrilling projects to manage here, throughout my entire career. Whether selecting a partner for the entire setup of the Measurement Center, the first development phases of gearhousings or the support of our overseas subsidiaries in China and Czech Republic – there was always enough work to do. We were always one step ahead of the competition with our product developments for our customers. We didn't ever clock-watch, the clock simply hung on the wall, ticking away but completely ignored. Whether on Friday night, Saturday morning or Sunday, we were always here. If the then HR Manager were to read this today, he would throw his hands up in despair. ●



In former days still unimaginable, but indispensable today.

Our long and winding road from plastic part producer to system supplier and sector specialist.

No matter whether parts for toasters, flat irons, washing or coffee machines – any company in the early days that prided itself as a plastic supplier availed itself of as many industrial branches as possible, in order to boast a particularly wide product portfolio. Today all applications and sectors have become a bit more specific and more complex. Therefore, the focus of our company has shifted from generalist to specialist. And that happened in three selected core sectors in the course of time: Automotive, Industry, and Medical.

Today we support our customers as a sought-after knowhow carrier and often bring our competence to the table in highly specific areas. Unlike 30 years ago, that allows us not only to offer a shoot and ship product, but also to advise the customer, propose potentials for optimization and offer a scalable vertical range.



We have always produced our parts according to customer drawing. In contrast to today's CAD-Design, formerly, sketches of tools were made on transparent paper on a drawing board or with chalk on the blackboard during meetings. Even if we still work according to customer drawing, we now see ourselves as a development partner of our customer.





Cheers with a glass of Cognac! From analogous exhibitions at trade fairs to customer communication in the digital age.

Up until the mid-90s, project acquisitions at trade fairs were a popular acquisition tool. For decades, we were present at the major trade fairs in Duesseldorf, Hanover or Munich, in order to present our product portfolio. Here, customers already approached suppliers with specific solutions or ideas. In contrast to today, the customers had often even brought the corresponding drawings with them. Accordingly, a project could be tangibly discussed and assigned in an adjoining room over a glass of Cognac or Gin Tonic.

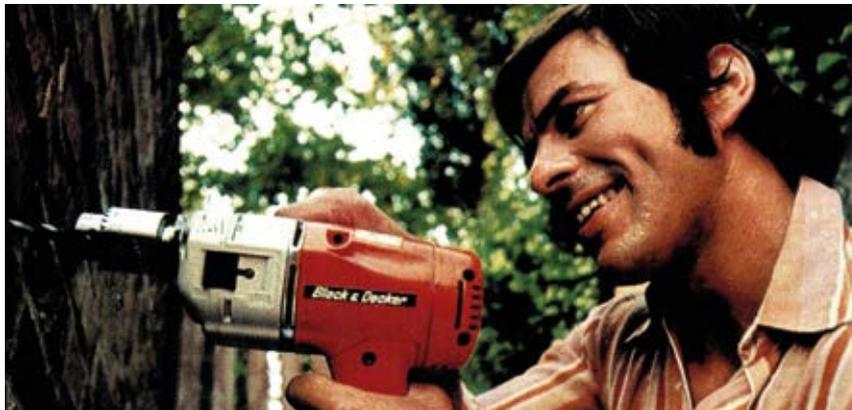
The extensive part spectrum presented to the customer onsite enabled the latter to quickly get a good idea of our efficiency and competences. Consequently, it was quite commonplace for contracts to be signed while still at the fair. One thing however was crystal clear – nothing worked without a smart suit.



Of course, with the advent of the internet and the versatile communication possibilities of the modern era, our customer communication also drastically changed. Now, before exchanging views by phone or in person, the potential supplier is thoroughly researched in the internet. Numerous meetings, technical discussions, diverse project planning phases and audits take place until a project is won.

Our products through the ages.

In the 60s, an era when GAUDLITZ was still mainly producing household products, parts for circuit breakers or electricity meters in the millions, more than 700 employees worked at the location in Coburg. These were mainly responsible for the downstream processing stages. In the course of globalization and the economic rise of low-wage countries, such as e.g. the Philippines or Taiwan, such personnel-intensive projects were increasingly outsourced.



Due to the growing demands from industry for light and increasingly small products, very delicate components were produced in the 70s – such as, e.g., components for electrical razors or safety parts for brakes. Since the 80s, we have also been producing all sorts of housings for world renowned mobile phone manufacturers. Additionally, we began producing our first gear housings and gear wheels in the mid-80s, thus setting the course for our current core competence in the precision area. For the first time, we consciously attempted to gain the competitive edge in this field over our market competition and to establish a lead by tackling issues such as material substitution and additional development services. The corresponding software options and the necessary measurement equipment were added over time.

The future is on the road.

The focus of our product portfolio in the years to come is clear: away from single- part production and towards pre-assembled units or complex plastic-based system solutions. A specific focus will be on the automotive landscape, which is rapidly developing and continuously changing. It will be particularly important in this segment to take on the market dynamic and further develop and position our products just as dynamically as we have done for the past 80 years. Material substitution will play a huge role, especially in the area of autonomous driving and electric mobility. Therefore the trend is clearly towards lighter, more complex, but also more functional parts, which can be introduced to the market as integral system solutions, thanks to the automatic assembly possibilities. ●



It Bosch'es at GAUDLITZ!

Sebastian Löllgen (31) has been building the relationship with our A-Customer Bosch from scratch since 2014. The first projects are already running.

Since 2015, Sebastian Löllgen has been responsible for Business Development, a department established for the purpose of building and further developing vital business relationships within the GAUDLITZ Group. The likable Rhinelander started his career in Coburg as a commercial trainee in 2007. Three years later, he made his first inroads into order management where he initially managed our medical customers in the serial business. Shortly afterwards he switched to the BU II & III where he was commercially responsible for the major automotive customers. Thanks to his experience and good personal relationship with the contact persons at Bosch, he

made a decisive contribution towards continuously and independently building this ever so important customer relationship. In his central Key Account function and in close collaboration with our plants in China and the Czech Republic, he managed to win projects for all three plants as early as in 2016. "I had already got along very well with Bosch on a personal level during the supervision of the serial business. A clear advantage that is very important to me when it comes to daily business life and that made the project a real personal matter for me." ●



A new look, a clear message.

Effective immediately, the building at our main plant in Coburg is resplendent in new colors.

Even after 80 years, our plant in Coburg is still picture perfect. On the occasion of our anniversary celebrations and the updated corporate design, we have now transferred the new company colors anthracite and middle gray onto the inner and outer areas of the building. Thanks to the active support of the architect 'Planungsbüro Kaya' and our two enthusiastic colleagues from the facility management, the walls were uniformly coated in our new color concept. The big metal tiles on the east side of the building were also put into shape for the next eight decades: a boost for both inside and outside, as well as an important signal that our GAUDLITZ staff never stops moving. ●

Lunch is served!

The culinary cooperation with our neighboring company KAPP is a complete success.

Another important concern of our management was to establish contact with our neighboring company KAPP. After a friendly initial meet and greet and the invitation to the in-house cafeteria, Mr. Roelofsen came up with the idea of joint use. A few weeks later, the first hungry GAUDLITZ employees arrived punctually for lunch at the KAPP Casino to test the menu. "The dishes are very divers and always freshly prepared, altogether very, very delicious!", confirms an anonymous eater of the GAUDLITZ Group. An in-house GAUDLITZ branded electronic card that is rechargeable and enables guests to make cashless payments. As a special highlight, the cafeteria food will be subsidized from now on. Accordingly the three meals of the day will only cost EUR 3.20, EUR 3.60 and EUR 3.90 when paying with the cafeteria card. ●



In shape for the digital future!

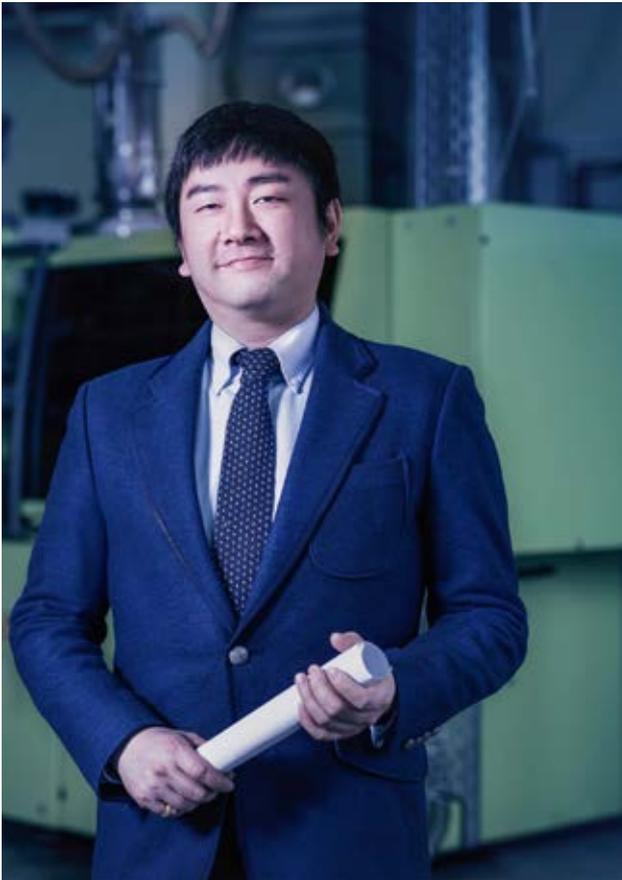
Since March this year, our new IT Manager Dominik Kainath has been in charge of the reorientation of our entire IT infrastructure.

Dominik Kainath (32) has been the new manager for our IT department since March 1, 2017. Along with Mr. Kainath we also welcome the two new colleagues in his team: Nikos Nater (31) and Denny Nixdorf (32), who also became brand-new company employees on May 1, 2017.

The genuine Coburg native studied IT Management and has impressive expertise in the fields of collaboration, IT-safety and project

management. Whether small and medium-sized enterprises or international corporations – he has met and managed them all from an IT perspective. The 32 year old had received insights into our company from very early on because of to his grandfather, who had already been working for us for 45 years. On the look-out for his next career challenge, we were eventually able to offer him his absolute dream job with lots of room for creativity, own project management responsibility, and all this in a future-oriented company wanting to strongly expand in the Industry 4.0 field.

“The type of IT department that only ordered and set up a PC vanished a long time ago. Based on the future company strategy, I want to provide the right solutions across the entire process chain. The central issues are flexibility and collaboration. What if we always had our office with us and had all the data of the entire production flow available to us?” He is certain: “with our new IT-Team, GAUDLITZ is well on the way to a Smart-Factory.” ●



A cross continental pilot project for more competitiveness

Design in Germany, construction and production in China – how we are tackling the increasing cost pressure with a flexible tooling concept.

The costs and lead-time requirements of our customers in China are continuously increasing. While they were willing to pay the costs of tooling “Made in Germany” in the past, they now expect a tool with European quality and subject to even better conditions. In order to meet the demand of the Chinese market and to distinguish ourselves from the competition, we bundled the resources of our group plants. Within the scope of a pioneering pilot project, we constructed a follow-up tooling for a European customer in China. Under the supervision of a German-Chinese project team, the main

plant in Coburg assumed the design, and the tool itself was built by a tooling partner in China. “We cut the delivery time by 50% and reduced our costs by at least 30%. A real win-win situation for us and our customer, as we have not only learned a lot on the technical side but also from the project management perspective”, describes Hu Bin, Chief Operating Officer – GAUDLITZ China. The second cross continental tooling project for another European customer is already running – this time, however, it is a completely new project. ●



Successful project management across three locations

Our Czech measurement expert Tomáš Mareček (32) is proving his capabilities in our Measurement Centers in Coburg and Wuxi.

The Hanon project is a textbook example of the flexibility, collaboration and competence within our group. In the course of the 9-part project, plastic components for passenger vehicle air management systems were put into serial production across different locations. Our Coburg colleagues won the contract, the tools were built in China, and the series will be produced in the Czech Republic. The customer will then receive the parts at different locations in Europe.

It goes without saying that a project of this magnitude can only work with a well-coordinated project management team. Tomáš Mareček

in the Czech location was responsible for the measurement technology in the project team: a really mammoth task, which initially led him to Coburg for three weeks, where he wrote the CMM programs for measuring the parts. Afterwards he supported our Measurement Center in China on sight. There he successfully measured the first samples of our toolmaker from Shanghai.

A really impressive effort, bearing in mind that Mr. Mareček is a lone wolf at the location in the Czech Republic. He was especially impressed and motivated by the technical discussions and cooperation with the colleagues in Coburg and Wuxi: "You miss out on so much



when you do nothing but stay in your own four measurement-laboratory-walls. The exchange with my international colleagues has really helped me personally as well as professionally.”

Anything but a globetrotter, a completely fresh cultural breeze in China blew around our measurement specialist’s nose. “When you come from a small Czech village, as I do, Shanghai is just pure madness. We have approx. 10.5 million inhabitants in the entire Czech Republic, whereas Shanghai alone has twice as many. After getting off the plane in Prague again, the few thousand people walking at the airport seemed almost soothing.” ●

Tomáš Mareček (32) was born in Jihlava and lives with his wife and two children in Telč. In 2013 the graduate mechanical engineer came to GAUDLITZ Dačice as a Measurement Specialist, after working at Bosch Diesel s.r.o. for eight years.

The wind of change

Marek Multuš (37) alias Mr. Multitask is the new Project Manager at the Dačice plant.

After successfully passing his High School Diploma, the Třebíč-born gained valuable experience in quality- and project management at various renowned companies, such as Bosch, ITW and Valeo. Since January 1, 2017, he has been responsible for the Project Management at our Dačice plant where he contributes his 15 years of experience in the automotive industry. “In contrast to the major OEM’s and Tier 1 groups, you can’t hide at GAUDLITZ. Here, the performance of every single employee has a big influence. I can really influence and create something here”, Mr. Multuš enthuses after only a few weeks. ●

Jump on the bandwagon and produce the best plastic parts in the world!

How the new trainee campaign inspires, polarizes and accelerates the entire company. Our young talent is in the starting blocks.

It's not the norm to transform a production hall into an Olympia track. Nor is it the norm to place a provoking slogan with an ambiguous but also plastic production 'slang' connotation on a trade fair booth or to create a trainee brochure that clearly distinguishes itself from the competition. It is also not the norm for young employees to so unselfishly involve themselves in an entry-level trainee campaign. However, that was exactly what made it such a huge success!



On time for the first big trainee fair of the year, we were well equipped from the very start with a new booth as a main attraction, the new trainee flyer and our new campaign image. A big thank you and complements go to our hardworking athletic aces, who gave star performances at the trade fairs (career-finding fairs at schools, Chamber of Industry and Commerce training fairs, FAMOS trade fair in Sonneberg, trainee scout, HSC handball speed dating) and introduced the trainees of the future to the world of plastic processing. The result: in the first weeks after the trade fair alone, we received numerous applications, lots of inquiries about internships and thus the confirmation, that the idea, which was so passionately implemented, is worth a mint. ●



One more thing...

“Plan your dive, and dive your plan.”

In accordance with a favorite guideline frequently cited by our Group CEO, which originates from the diving sport, we would like to give you a brief glimpse of our roadmap for the upcoming six months. Even after the first GAUDLITZ plastic part 80 years ago, we still can't get enough and have a lot on our joint agenda. ●

Mission South Korea

After the completion of the persuasive market analysis, our plant in China is now supervising the establishment of our first sales office in South Korea. The search for qualified employees is currently ongoing.

Mission Thailand

In the course of the first successful meetings with the German Chamber of Commerce in Thailand, the preparatory activities for the market entry in the southeast kingdom are now in full swing.

Façade design, number 2

With the last brushstrokes on our company façade, the preparations for the installation of our new GAUDLITZ logos on the building have started.

Building expansions

Alongside the expansions in our Tool Shop, new Human Resources department offices will be built in our main building in the coming months. The relocation is expected to be already finalized during the summer.

Mission NAFTA

In the meantime, concrete meetings have taken place in Canada and Mexico with partners as well as with existing customers. The first benchmarks have already been achieved.

Personnel

In addition to our planned new hires in Coburg at the beginning of October, we are eliminating our staff shortages in the Czech Republic (sales) and in China (engineering). In the second half of the year, we are showing stronger presence at the sinojobs recruiting fairs in Munich and the Coburg Campus Fair.

THE BIG 'PLAYING HOOKY'

RAFFLE

Win a
**DAY
OFF**

Send us your personal success story or an exciting experience from your everyday GAUDLITZ life and win a day off with a bit of luck.

You have a story that is a must for our next staff magazine? Then simply send us an e-mail by October 1, 2017 to blaumachen@gaudlitz.de, with an exciting story and all the associated photos. And this is what you can win:

1

1 day off to play hooky officially

Time for you, your hobbies or your family. Kick back for a day without feeling guilty.

2

Our give-away: the Coburg gift voucher

On top of all that, we will give the proud winner a shopping and activity gift voucher worth EUR 40.00 for our lovely Coburg.

3

A place in the sun

The winning story will be published in the coming edition of our GAUDLITZ Inside Journal magazine.

MOTIV(E)ation

Anticipation of the big finale! Already at the test shooting for our new trainee campaign, every hundredth of a millimeter was a hard-fought battle.

The motivation picture of the edition with our forerunners, Thomas Durst and Stefan Leifhelm.

