

CONVERSIONS

FALL 2006

a Publication of



WINDMOELLER & HOELSCHER CORPORATION

www.whcorp.com

W&H's HELIOSTAR® G Rotogravure Press is in Demand!

...more than 20 presses sold since DRUPA 2004.

The HELIOSTAR® G, W&H's latest generation gravure printing press, was first introduced to the market at DRUPA 2004. In just two years sales of this high-tech press have exceeded 20 worldwide, including 3 in the U.S.

W&H is now positioned as the leading supplier of high specification gravure presses to the global flexible packaging industry. Since the beginning of 2006, we've delivered on average one HELIOSTAR® G press per month.

In response to an upward tick in demand for the HELIOSTAR® G rotogravure press, W&H Corporation has taken several steps to strengthen its presence

in the North American Gravure market.

Our first move has been to name Heine Heininga as Sales Manager – Gravure Printing Presses. W&H has also become an official member of the PLGA (Packaging and Label Gravure Association).

The HELIOSTAR® G range of direct drive gravure presses is available in three variations, the GE with ECOPLUS® auto-rinse and cylinder/ ink pan changeover, the GL with slide-in carts, and the GH for use with hollow cylinder shells.

"The HELIOSTAR® G is a top end press offering the highest level of productivity and reliability," comments Heine, "It features the best dryers and inking system for production speeds up to 2000 ft. per minute (600 m/min.) with no splashing."

"W&H also offers its customers award winning options such as RSP (Register Scan Preset), the easy to use



Print Spread from W&H's HELIOSTAR® G Press

and highly accurate pre-register system that vastly decreases waste and setup time."

For more information on W&H's HELIOSTAR® G range, please contact North American Sales Manager, Heine Heininga, at hheininga@whcorp.com or call (800) 854-8702/ cell (401) 580-2212.



The HELIOSTAR® G press on display at W&H's Technology Center.

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President's Corner

- Airlines & Their Problems

By HANS DEAMER

MY AIRLINE STORY

All of us frequent travelers have horror stories to tell about our experiences with airlines, but what happened on one recent trip I took must be worse than most.

I checked in at American Airlines at T.F. Green Airport in Providence connecting through Chicago on another American Airlines flight to Little Rock, Arkansas. I was given boarding passes with assigned seats for both flights.

Not unusually, there was a 1 hour delay on the flight from Providence, but on arrival in Chicago, running from one terminal to the other, I managed to reach the gate for the connecting American Airlines flight to Little Rock in time, but this flight was also delayed by about half an hour.

When they announced boarding about 30 minutes later, I lined up to board and gave my boarding pass to the gate attendant. The scanner rejected it and I was told to go and see another agent at the desk. This other agent, to my amazement, explained to me that because my flight from Providence was



American Airlines---world's #1 carrier, but far from top on my list.

late, they had given my seat (and I quote here) "to a Platinum member" and I had been assigned a seat on a later flight leaving for Little Rock in two hours from another concourse.

I tried to explain that as I had a valid boarding pass for this flight and had arrived more than half an hour before

the flight started to board, my confirmed seat boarding pass must be valid. She then said (and I quote again), "you don't understand airline lingo, you don't have a seat on this flight."

Irritated by these words and slightly agitated, I tried to explain again that I was given a boarding pass for this flight and that I was on time to take my seat and so she needed to find a way to put me on this flight instead of telling me she had given my seat to someone more important!

Without looking up from her computer, this surly and rude woman told me to "go see the agent at the next desk".

By this time I was becoming (I think understandably) a little angry, although by now I realized that I was not getting on this plane. In a slightly raised voice I made some choice comments about American Airlines and their service (no profanities) but decided to spare my blood pressure and simply go to the other concourse where the later American Airlines flight to Little Rock was to leave from.

Now the real twist.

The next afternoon in Little Rock airport, I was sitting at the gate waiting for my return American connection through Chicago back to Providence. A gentleman sitting next to me introduced himself as

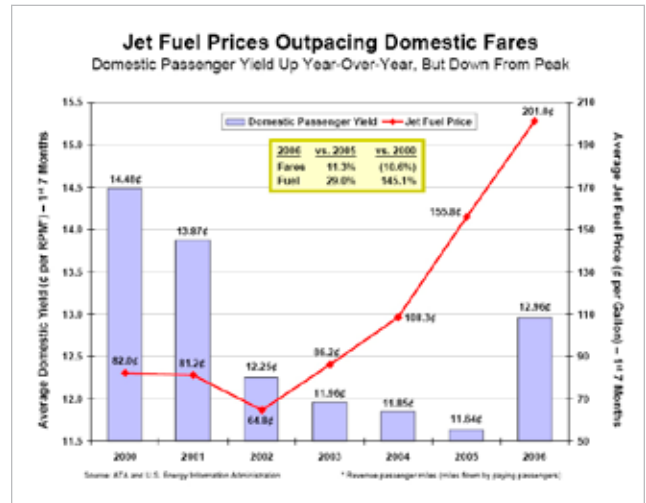
a preacher and said "I was at the American gate in Chicago yesterday when you shouted at the agent. I want you to know that the Lord was watching you and He certainly feels you could have handled the situation better without anger."

I excused myself, got up and moved to

another area of the gate.

THE STATE OF OUR AIRLINES

With Delta, Northwest and other U.S. airlines in bankruptcy, and with



United, Continental, US Airways and others operating under bankruptcy reorganization, the aviation industry in the U.S. is in a mess. Some of this is due to 9/11, but not all of it.

U.S. airlines have eliminated 160,000 jobs since 2001, which is a 37% reduction, so I guess I should not be surprised if some airline employees are surly, unhelpful and rude.

Commercial aviation in the U.S. provides about 11 million jobs, which is about 9% of our total employment, so the health of this industry is really important to the U.S. economy.

We all know what has happened with oil prices over the last few years and their effect on airline fuel costs, but the good news is that fuel efficiency with the newer planes added to U.S. fleets over the last few years is up 18% since 2000 while the fleet itself is 22% smaller. Passenger fares in 2005 averaged 19% less than in 2000 although, during the same time, the consumer price index has increased 13%, so this really does not make much sense, especially bearing dramatically increased fuel costs in mind.

W&H People In The News

(President's Corner cont'd...)

Only the very strong survive price wars.

Our airline industry lost about 6 billion dollars in 2005, but things are getting better with projected losses of around 1 billion dollars for 2006 and some profit forecasted for 2007.

Total U.S. airline losses between 2001 and 2005 totaled more than 35 billion dollars.

American Airlines is the largest airline in the world, with other U.S. airlines like United, Delta, Continental, Northwest, Southwest and US Airways being in the top ten (see table).

Interestingly, other airlines like British Airways, Lufthansa, Air France, Air Canada, Southwest and America West have been profitable over the last few years and have faced the same much higher fuel costs, but perhaps not the same extreme airfare pressures that U.S. airlines have had to deal with.

A HEALTHY INDUSTRY

For sure the American economy depends on a healthy and profitable airline industry, but it could be that

some of the "legacy" airlines that can't get their costs under control will disappear just as PanAm, TWA and Eastern (once the world's biggest airline like American Airlines is today) did.

RANK	AIRLINE	RPKs (000)
1	American	91,998,425
2	Air France/KLM	78,275,000
3	United	76,261,755
4	Delta *	72,926,248
5	Continental	50,486,350
6	Northwest	46,973,375
7	British Airways	46,206,000
8	Southwest	43,400,372
9	Lufthansa Group	42,843,000
10	US Airways	41,352,035
11	Singapore	34,756,600
12	Japan Airlines ¹	29,690,086
13	Cathay Pacific	28,636,953
14	Air Canada	28,365,000
15	Emirates ¹	22,948,882
16	Qantas ¹	22,634,000
17	Iberia	20,781,000
18	SAS Group	14,825,000
19	Alitalia ¹	11,378,800
20	Virgin Atlantic ¹	11,232,300

¹ January-April. ² January-March

*Includes Regional operations.

Source: ATW Research.

Top 20 Airline Carriers (Jan. - May 2006)

RPK = Revenue Passenger Kilometers

HELLO Hanna!

W&H Corporation is delighted to have Hanna Rossocha join us in Lincoln, RI as Technical Sales Support Manager in the Printing Press department. She comes to us from W&H Lengerich, where she has worked six years in the Offer/Order department focused on sales in Latin America, as well as Spain and Portugal. As Hanna herself says, "If it weren't for W&H, I wouldn't be here." Her father began working for W&H at the age of 14 and was a service technician for many years. It was on an installation



Hanna keeping busy in her new office.

job in Finland that he met Hanna's mother. Hanna grew up in Finland and would spend most of her summers in Lengerich. She eventually moved to Germany and received a degree in Foreign Languages. She obviously has quite the knack for languages as she is fluent in German, Finnish, English, Spanish and Swedish. Hanna, we hope you fall in love with Rhode Island and stay here with us for a long, long time!

FAREWELL Martin...

Sadly, we just had to say good-bye to Martin Voss, who was with us since January 2005 and just returned to W&H Lengerich. Martin has done a fabulous job as Technical Sales Support



Martin hoping he got some W&H golf balls.

Manager in our Printing Press dept. We thank him for all his help and wish him the best back in Lengerich!

QUOTES:

"Don't pray when it rains if you don't pray when the sun shines."

- Satchel Paige

"Sometimes when I look at my children, I say to myself, 'Lillian, you should have stayed a virgin.'"

- Lillian Carter, mother of Jimmy Carter

"I had a rose named after me and I was flattered. But I was not pleased to read the description in the catalog, 'No good in bed, but fine against a wall.'"

- Eleanor Roosevelt

"In all things do your best. The man who has done his best has done everything. The man who has done less than his best has done nothing."

- Charles Schwab

"We are here for just a spell and then pass on. So get a few laughs and do the best you can. Live your life so that whenever you lose, you are ahead."

- Will Rogers

"Santa Claus has the right idea. Visit people only once a year."

- Victor Borge

"Whenever possible, information should go directly from sender to receiver."

- Don L. Kirkpatrick

What's NEW at W&H

World Cup '06: An American Perspective

By JON CARSON

Earlier this year, a good friend and former associate who worked stateside in Lincoln (but has since returned to Germany), told me he had



World Cup pride at W&H: (l-r) Martin Voss; Heine Heininga; Ludgar Forsthoff; Jon Carson; Christoph Stein

a ticket for a World Cup game and it was mine for the taking. The game would be Brazil vs. Japan held in Dortmund. My friend is a long-time (and recently suffering) Dortmund fan, which is one of the oldest clubs in the German Bundesliga. His "Cathedral" had been selected as one of the 12 venues to host World Cup games.



Don't be fooled---those are Brits, disguised as Cariocas!

I flew in to Paris, mostly because of the prohibitive costs associated with flights to anywhere close to the country where the world's greatest sporting event was being held. Early the next day, I left for Germany to meet my hosts, well equipped with

a bottle of Brazilian *cachaça* and a dozen limes for the preparation of Brazil's national drink, the *caipirinha*. I was also bearing the uniforms of Ronaldinho, world footballer of the year, and that of rising star and recent Real Madrid acquisition, Robinho.

We arrived by train at the Dortmund station, after donning our tribute to the "Seleção Brasileira" and paying homage to their drinkologists. Entering Dortmund's central square, we were met by policemen distributing self-adhesive replicas of the German flag. Fans from all nations (myself included) were happy to don a little display of German patriotism and goodwill. Scribes from around the world took note of this phenomenon: German pride and patriotism had risen to an unprecedented level since WWII. The warmth and accommodation of the German hosts was more like that you would expect from Brazil, or a Caribbean nation. Even Grinsy Klinsky (Jurgen Klinsmann, former striker extraordinaire for the German national team and coach of the '06 World Cup squad) had won over even his most skeptical naysayers. Although I hate to admit it, I was a little sad for the Germans when they were knocked out by Italy, albeit with two textbook finishes at the end of a tense encounter. I had put up with months of torture from my German co-workers, including phony newspapers, and predictions of victory ("...by the time you get home and read this email, the Germans will be World Champions").

My personal first choice, of course was our own Stars & Stripes, but I think that Bruce Arena's approach was a little stale. It's time for fresh blood at the helm, someone with more international experience. Second choice had to be Portugal---through

marriage. My wife was born in Angola, raised in Cape Verde and Lisbon, and is a hardcore *Benfiquista*. And of course, everyone who loves football loves the *jogo bonito*... à la Brazil. But Brazil disappointed us from the start. The incredible *maestri* that fascinate and amaze us in their world-renowned club teams were unable to deliver the promise of their individual talents to a homeland



Soccer isn't the only thing Ronaldinho's famous for!

that considers anything but the championship a dismal failure.

Although Italy won that final encounter with the French on July 9th, the greatest winners of this mundial were the gracious, affable hosts---who warmly welcomed the world to one of the best parties on the planet.

Jon Carson is W&H Corporation's IT Manager.

What's NEW at W&H

Multiwall Success Story...

The recently introduced AD[®] 8310/AD[®] 8320 Bottomers and the AM[®] 8115 Tuber have been a hit on the global market, as well as in the U.S.

Packaging companies from South Africa, Russia and Brazil, to those in Greece, Italy and the U.K., as well as a large customer base in the U.S., have been placing orders at break-neck speed for W&H's latest generation tuber and bottomers.

"Sales of our newly introduced machines have exceeded expectations," states Heine Heininga, North American Sales Manager for Multiwall and Rotogravure. "This proves that packaging companies across the globe are actively investing



W&H's AD[®] 8320 Bottomer----a Multiwall sensation!

in the most advanced multiwall equipment on the market."

"Speed and quality are exactly what our customers

are looking for in this technology. The machines meet market expectations by performing within customers' size requirements. Furthermore, they increase efficiency which can lead to a reduction in costs."

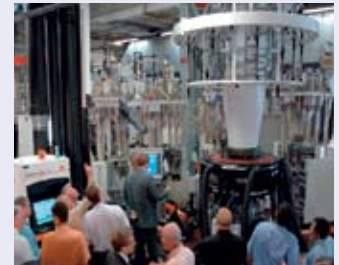
Besides the positive development in machine sales we also would like to draw attention to the automation solutions found in W&H's inline storage system: TRANS-TOWER.

The TRANS-TOWER can increase outputs in excess of 10% when compared with conventional transystems. The extensive tube storage system utilizes tuber and bottomer uptimes and minimizes wait times both during and after set-up.



REINHOLD's High Speed Tuber Open House

W&H's Reinhold Group recently hosted over 30 visitors at their High Speed Tuber Open House in Germany. Customers from the USA, Canada, Asia, Middle East and various locations within Europe traveled to Lengerich for the two-day event.



Step 1: W&H's VAREX[®] blown film line

First step was the theory – a technical update on W&H's high performance co-ex blown film equipment given by Robert Wirtz, our General Manager – Extrusion Equipment, followed by an explanation of Reinhold's resin saving Tuber technique of gusseted sack tube production given by Reinhold's Gerd Kasselmann.

Theory was followed by practice. A high performance VAREX[®] co-ex blown film line with MULTICOOL[®] D dual air-rings extruding more than 30 lbs./hr./in. of die circumference was used to produce 47" dia. rolls of sack film flat sheeting, wound on a pair of FILMATIC[®] TX winders.



Step 2: Reinhold's High Speed Tuber

The jumbo rolls of blown film sheeting were then transported to the assembly shop where a customer's High Speed Tuber line had been setup for a final inspection run. The High Speed Tuber produced 59" diameter rolls of gusseted heavy duty sack tube at 1000 fpm, with a full roll being completed every 9 minutes.

Finally, the 59" rolls of gusseted tube were transported to the FFS[®] laboratory where a TOPAS[®] FFS machine formed, filled and sealed the sacks full of resin pellets. The final step of the Open House was drop testing the filled sacks from the required height of 2 metres followed by an unofficial, but completely successful, 7 metre (23 ft.) drop test from the roof of the laboratory.



Step 3: W&H's TOPAS[®] FFS machine

For more information, contact David Beddus at BeddusReinhold@aol.com or call: 978-282-0343

NPE Wrap-Up



To show, or not to show?

That is the question we confront ourselves with every 3 years.

By ANDREW WHEELER

NPE has become the 2nd largest (and certainly 2nd most significant) plastics machinery show in the world after the K show in Duesseldorf, Germany. What used to be a predominantly "American" show, now boasts 24% attendance (not including exhibitors) from outside the US.

As a global concern, W&H sees this as an excellent opportunity to showcase its expertise as THE finest supplier of machinery to the flexible packaging industry. On the other hand, the costs associated with such a show are not to be laughed at. Show costs are the reason why most of our competitors got weak in the knees and decided to have static displays of non-functioning machinery. Understanding that customers want to "see" how well a machine functions, and not just hear about it, W&H has invested

millions of dollars in shows and our demonstration facilities. Our 50,000 sq/ft "Technikum" is larger than many production plants, with 3, 5, 7 and 9 layer blown and cast film lines, Flexo and Gravure printing presses, not to mention multiwall and FFS machinery. W&H has bought fully into the idea of "don't tell me what you can do... show me."

Of course, the end results of such a show can only be measured over a period of time, but the feedback that we received was spectacular. The W&H sales team was busy from start to finish and the turnout and response from customers was excellent. Compared with the K show, which runs for 10 days, this 4 day show is a true challenge. Installing a tower and a running blown film line in 6 days requires perfect coordination and an almost superhuman effort by the riggers and technicians. They did not let us down... the line ran superbly.

ask where the edge trim was? They were then shocked to hear we were running with only edge slitters and without trim at all.



W&H's NPE show line: a 3-layer VAREX®

Congratulations to the entire team and SPI, for putting on a great show.

Andrew Wheeler is W&H Corporation's Vice President.



W&H's NPE show team.

Running a lightly tinted material (to show off the superior mixing capabilities of our extruders and die), we ran over 1000 lb/hr (without chilled air) and gauge tolerances below +/- 2%. Customers looking at the excellent roll edge uniformity, continued to

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Published by

WINDMOELLER & HOELSCHER CORPORATION

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