



NEWS 03

We are about to begin an important operative and strategic phase

Though the end of September and as a result of our united efforts and commitment, we have met our expectations. Nevertheless, we are currently experiencing some tension when it comes to orders, particularly in our projects, because there is uncertainty resulting from a number of our markets. Our short-term key drivers here are our ability to win over customers, keep our promises, and carefully manage costs.

We are pressing ahead with our current strategy, which supports innovations and strives to expand the global presence of our activities. Our strategy is to provide an even more extensive service offering and continue development in all of our markets and applications. In the medium term, we aim to grow our company in order to consolidate our market positions. Yet to do this, we need to be determined in developing our business practices and our operations with the following crucial criteria in mind:

- *More time for contact with customers and markets*
- *Targeted use of our workforce and resources in the right areas coupled with simple and flexible procedures*
- *Appropriate use of our tools*
- *A business approach with an awareness of our commitment and our brand*
- *Solidarity in the workplace and the ability to challenge each other in a constructive way*

We need to be more disciplined and braver when we take action.

We can be proud that we are all playing our part in shaping the future. Important times lie ahead. Collectively and individually, we have all we need to achieve success.

*François Bernès
CEO Conductix-Wampfler*

Supplying power to the mobile pitch in Russia for the 2018 World Cup

After the Euros comes the World Cup, and the preparations are well under way for the 2018 World Cup in Russia. Conductix-Wampfler has seen to it that the new Krestovsky Stadium in Saint Petersburg has a pitch that can be completely removed from the stadium.

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Frame Agreements

An Instrumental Tool for Key Account Management

Setting up frame agreements (FAs) with our key customers represents a major tool to handle repetitive business in a fierce competitive environment. Furthermore, larger companies are looking for strategic partners to help them achieve competitive advantages, and an FA is a good way to formalize them.

FAs are not limited to prices and general terms and conditions. Closing a framework contract represents a great opportunity to standardize our scope of supply with mutual benefits:

- Standardized Range – our customer can quickly select a solution without any project specific clarifications and adaptations
- More efficient sourcing process and increased production planning reliability – no need to create new parts
- Optimized costs – reduced variety and increased volumes lead to lower manufacturing costs
- Reduced delivery times – FAs tend to cascade down to agreements with

our suppliers and help to optimize the production / sourcing process and shorten lead times even if forecasts are not part of the FA.

Global customers – global agreements

With a global FA, the buyer gets optimized and harmonized conditions and the seller gets the opportunity to generate business in new countries that are part of the agreement.

A good example of this advantage is our Global Supplier Agreement with Konecranes. This FA generated significant sales in China where local competitors would otherwise have supplied the light festoon systems.

Beyond our products

Logistics agreements have gained in importance over the year with optimization of the complete logistic chain.

In Manitowoc's case, we committed in a logistic agreement to deliver spring cable reels just in time to the serial mobile crane production based on accurate forecasts. This eases manufacturing resource planning for us and provides good added value on customer side, e.g. reduced capital lockup.

As FAs include multiple dimensions, strong internal coordination between SMO, CoE, Product Management, and Focus Markets is crucial. The recent successes shows our ability to manage it and we are close to signing the next ones with major crane builders in Asia.

Finally, setting up FAs provide the possibility to build a tighter relationship with key customers and increase our access to multiple levels on the customer's side. Sometimes it is the small things which set us apart from competition. Implementing FAs represent a strong pillar of a sales strategy to lock in customers.

We recently have signed a frame agreement with Swisslog, one of the key players in the warehouse market and part of the Kuka Group.

This agreement strengthens the relationship with this international key account across several countries and concerns different products, both ours and the customer's.

The main applications are the different types of stacker cranes and shuttles from Swisslog's core portfolio used in projects worldwide. The solutions provided by Conductix-Wampfler include conductor rail systems, buffers, and charging contacts to name a few. During several customer visits and also during an audit conducted by Swisslog at CoE Weil, we convinced the

customer of the key benefits such as a standardized, proven solution, uniform terms & pricing as well as local sales & service.

As Swisslog operates in a growth market driven for example by electronic commerce, we can expect to participate further in the success of this major international Intralogistics general contractor and OEM. As one of the first projects, our new MultiLine 0835 conductor rail system has been ordered for a CycloneCarrier shuttle with 32 vehicles at the end user Alnatura, a retailer for organic food, at their German distribution center.



Supplying power to the mobile pitch in Russia for the 2018 World Cup

After the Euros comes the World Cup, and the preparations are well under way for the 2018 World Cup in Russia. Conductix-Wampfler has seen to it that the new Krestovsky Stadium in Saint Petersburg has a pitch that can be completely removed from the stadium. We carried out a similar project at the Veltins-Arena in Gelsenkirchen, Germany, which is home to Schalke 04 football club. The movable field enables the stadium to be used for a number of events while also protecting the turf.

The new spaceship-esque sports and culture arena is on Krestovsky Island, five kilometres away from the current Petrovsky Stadium, home to Champions League team FC Zenit Saint Petersburg. There will be enough space for 69,000 spectators to be seated in the 287,000 m² Krestovsky Stadium. At 75 metres high, it is Russia's tallest stadium and will offer fans a spectacular view of the pitch. As if these figures weren't staggering enough, with a volume of 486 m³, five times more concrete was used to build this arena than Wembley. The pitch has been fitted with a specially designed ventilation and electric heating system so that the turf's temperature and humidity levels are kept constant.

50 drives for 8,400 tonnes

The removable pitch weighs a total of 8,400 tonnes and can be completely removed from the stadium in just under six hours. Pneumatic stations lift and lower it, and around 50 drives are used to remove it from the stadium and

put it back in place. Conductix-

Wampfler uses the 0813 conductor bar series and the new ProfiDAT data transmission solution with PE conductor rail function to supply power. This means that power can be supplied to several lighting systems and power connections when the pitch is locked in place.

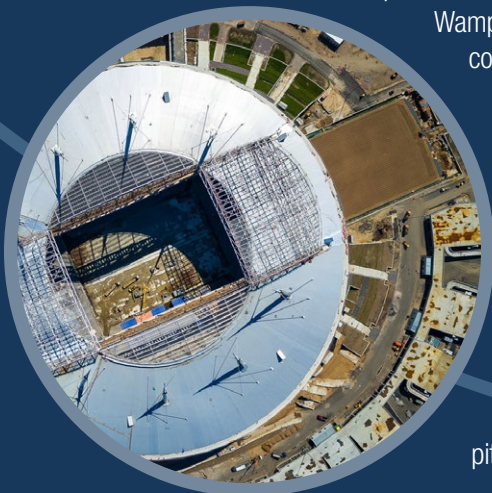
"0813 aluminum conductor bars enable power to be transmitted to move the pitch and 0813 copper conductor bars take on this role when the pitch is locked in place," explained Sergey Dyukov, Project Manager and Deputy General Manager of Conductix-Wampfler in Russia. The ProfiDAT system transmits the signals that control the 50 drives and the various sensors that assure the system is functioning correctly.

The components were delivered back in October. "A total of 210 metres of our four-pole conductor bar system are currently being installed on site by our assembly partner EMSU," said Hermann Thoma from CoE in Weil am Rhein, who is actively supporting Dyukov in Russia. The assembly must be complete by 1 December 2016. It cannot be delayed beyond this date as delegates from the Russian government and FIFA are due to inspect the stadium.

Construction is progressing in all stadiums

The Spartak Stadium in Moscow and the Kasan Arena – home grounds to Rubin Kasan, the biggest football team in Tatarstan – are being prepared for kick-off in the Russian Premier League's new season. The Fisht Olympic Stadium in Sochi is also currently undergoing renovation. FC Zenit Saint Petersburg's stadium will be completed at the end of the year after a few initial "startup problems". Out of all the World Cup stadiums, it has been the problem child for FIFA: Gazprom was originally sponsoring it but backed out of the project and the city of St Petersburg needed to step in. This led to delays in construction and other issues.

The first match in the new Krestovsky Stadium will be a Confederations Cup game on 17 June 2017. The hosts Russia, World Cup champions Germany and the four current continental champions – Chile, Australia, Mexico and New Zealand – have qualified for this FIFA tournament. Portugal, who recently won the European Championships, have also been added to the roster.



Prosperous Indian E-RTG market

Conductix-Wampfler continues to dominate the E-RTG market in India with a new major milestone: Winning two major E-RTG projects of AMPT GPPL (Gujarat Pipavav Port Ltd) and DP World MICT (Mundra International Container Terminal). Contract values are 8.02mUS\$ and 3.48m€ respectively.



These successes did not come by coincidence. Our global and local teams have been following up on the GPPL and MICT projects persistently since 2013. They are the positive results from successfully completing the CT2, Mudra South Port 1, Hazira terminal, CT4, and ongoing CT3 and Ennore E-RTG projects, which are all from the Adani group.

Convinced by our unparalleled experience in the Indian E-RTG market and our technical solution, APMT GPPL awarded us with this turnkey contract, covering design and engineering, material supply, installation, commissioning, and testing. Included are five units of large substations, 2700m LV cables and their civil works, 4200m of steel structures, conductor rails and their pre-casted foundations, eight units of conventional RTG modifications, and 10 units of ECO-RTG modifications, on which the latest AIM/ALM will be installed.

The regenerative power will be reused for additional power savings. It is worth highlighting that the Siemens ECO systems on ECO-RTGs will be

removed completely and replaced by the new down-sized genset with power synchronizer and latest SINAMICS drives. This complex technical solution will be the second case worldwide, following the similar work done on 19 ECO-RTGs in PTP. Conductix-Wampfler supplied the total solution for E-RTG power supplies and drives for that project.

DP World, as a GTO (Global Terminal Operator), prefers cable reels for E-RTG applications and Cavotec has benefited greatly from this. This time, at MICT, Cavotec had offered its latest auto plug-in cable reel solution, but the customer believed our solution to be more efficient, economic, and proven. Ultimately, MICT decided to go with our conductor rail solution resulting in our first breakthrough order with DP World terminals for E-RTG solutions. The scope of supply covers design and engineering, material

supply, installation, commissioning and testing for 6,384m steel structure, conductor rails, and 18 units of conventional E-RTGs.

In order to tackle the increasing workloads, SMO India has been enlarging its team, to take on project management, local sourcing and site management, with support from the E-RTG Business Unit. These projects will be challenging, but will offer opportunities for the joint teams' co-development, and thus a foundation for future successes.

Looking into the future, Conductix-Wampfler is actively following Adani CT3 extension and Kattupalli projects. We believe that we will have more successes in the Indian E-RTG market because of our global footprint and local expertise, dominate market position, and the development trend of Indian container terminals.

About...

Giovanni Bonetta

Director of Market Development
Asia-Pacific

On September 01, 2016, Giovanni Bonetta was promoted to Director of Market Development Asia-Pacific. Giovanni joined Conductix-Wampfler Germany in 2006. After completing his executive MBA – partially taking place in Germany and China - he was transferred to our SMO in Shanghai in 2013, where he had the responsibility of Sales Director China from 2014 onwards leading the SMO organiza-

tion. In his new role, Giovanni is responsible for strategic market development, product management in Asia, and marketing communications. Giovanni provides Asia-Pacific market inputs on research & development and innovation as well as takes on additional specific management missions. He reports directly to the Managing Director Asia-Pacific and is part of the APAC Management Team.



Injection moulding activity in Ireland



In August Ireland took possession of a new Arburg Allrounder 470C Golden injection molding machine increasing the Baltinglass site's capability up to 150 metric tonnes.

With the acquisition of this machine Baltinglass now has a modern fleet of molding machines with wide capability across the 150, 110 and 50 metric tonne range. The site can produce a broad range of part sizes having shot size

capability from approximately 3 grams to 300 grams.

August also saw the Baltinglass injection molding operation turnaround a number of unusually large project orders requiring a total of 1350 machine hours.

This undertaking required, in some instances, machines running for 24 hours a day, 7 days per week for 4.5 weeks uninterrupted.

Conductix-Wampfler China Successful in Transit Solutions

Conductix-Wampfler USA has been leading our Transit business within the group for over six decades. Now, with strong support from the Global Transit Group located in Omaha, Conductix-Wampfler China has won its first transit order at the end of 2015 valued at RMB 14 million ¥ (roughly 1.87 million Euros).

In 2014, the colleagues from the US-based Global Transit Group contacted Conductix-Wampfler in Wuhan regarding a transit opportunity to provide Shanghai Subway Line 8 with transit conductor rail systems. One of the main requests from the customer was to have the material locally produced in China. To translate this into action, the Transit Team from Omaha and Wuhan worked together in close collaboration; first to land this contract, and second, to localize the production.

Mike, Sean, Keith, Larry, Ryan, Quentin from the US and Luo Yong, Cao Susan, Pengtong Li, Xia Zhang, Jingtao Deng, Wei Yuan, Wenjie Shu, Feifei Wang, Fu Haidong, Wang Yirong, Liu Zhikai, Chen Hongyi, Gao Hanqiao, Liu Yong, Zhang Tao from China made good progress and achieved key milestones in the last months: most of the components have been successfully transferred for local production to Wuhan which has led to lower prices and therefore higher competitiveness in China's transit market.



Two batches of collectors have been delivered to the customer and have passed FAI (First Article Inspection) and FAT (First Article Testing). The first batch of transit conductor rail systems will be delivered end of October.

The teamwork between US and China has been well recognized by the customer



Safety at work



We continue to improve but are not on target yet. In all COEs' initiatives have been started to prevent working accidents.

Company	FROt*
Michelin	1.8
Arcelor Mittal	2.3
Vallourec	7.8
Schneider Electric	9.8
Conductix-Wampfler	10.0

*"Lower numbers are better"

The last quarter performance has been impacted by 5 working accidents. With an ongoing survey we want to highlight the best practices and weaknesses across the group.

Safety at work is the role of each of us. Respect the rules and if you see a situation at risk, please react!

which actually opens up new potential business for the group. With the experience of this first transit project in China, we are confident that transit will be a source of future opportunity for Conductix-Wampfler China.

Web goes SEA

Targeting new customers!

Just under 50,000 website visits on 22 different sites. This is the monthly report for the Conductix-Wampfler websites, which are currently available online in 14 different languages.

Unfortunately the website visitors are not evenly distributed: the Conductix-Wampfler websites for the American and European continents perform better than the Asian ones.

In addition to cultural differences relating to Internet usage or the Internet infrastructure available in the respective countries, the language barrier is certainly a major reason for this result.

Vietnamese has additional characters in its alphabet and Thai has a completely different script to Latin-based languages.

This means that users in these countries usually have two separate scripts on their computers or mobile end devices. The ability to switch the keyboard layout is thus crucial in determining the language used to perform a search request in a search engine.

Search engines do not translate the search terms entered – this is vital as only the websites indexed in the search term's language will appear in the search results.

The assumption should be that users search in their native language and do not switch keyboard layouts before every search request in order to use English terms. This was the reason why we added more languages to the conductix.asia website.

Over the past few weeks, the website has been made available in Malaysian, Indonesian, Thai, Vietnamese and Chinese. This increases our online linguistic diversity to 18 languages.

The aims of updating the languages are to increase website traffic, target new customers in markets with growth potential and raise our profile in individual countries.

Ice cream time

at CoE Weil am Rhein!

Just after 11 am, an SWR3 ice cream van brimming with tasty treats turned up at the courtyard outside CoE Weil am Rhein. The first ice cream lovers soon gathered around the van and waited longingly for the delicious refreshment

Marcus Barsch, a presenter at SWR3 radio station, got staff and visitors into the party spirit with a set list of cool pop songs and some karaoke fun. There was ice cream for all at 12 o'clock on the dot. This lunch break on a gloriously sunny day was enjoyed by all 300 or so colleagues at the company, around 300 employees from nearby companies as well as families from Weil am Rhein and the surrounding area.



Conductix-Wampfler beat two other companies in the "SWR3 Ice Cream Challenge" the day before and was rewarded with all-you-can-eat ice cream the following day.



Despite Economic Challenges SMO Canada Pulls Ahead

It's been a rough few years for the Canadian economy and SMO Canada. In early 2014, in the midst of their SAP conversion, SMO Canada saw the Canadian dollar (or the "Loony", as they call it) go from parity with \$US to near historic lows. Low commodity demand, a rapid decrease in oil prices, and depression in the mining sector caused Canadian energy exports to fall and many of our markets went into a tailspin.

SMO Canada was forced to impose an 8% and 10% price increases in successive years to adjust.

But like the phoenix rising from the ashes, SMO Canada refocused its efforts towards new, non-traditional opportunities.

Of the nine tracked projects for 2016, SMO Canada has won them all. As a result, they expect to be about 20% over budget in sales. Some of the projects were unusual. For example, lamgold ordered 1000 amp bar to power a gold mine shaft people mover. And after seemingly losing a large, Show Canada "dark ride" bar order to Vahle, SMO Canada was able to save the order with reduced lead times.

Out west in Vancouver, new rep Bret Bromhead (Precision Crane) was instrumental in securing motor driven reel and festoon orders for the Westshore Terminals upgrade, Pacific Coast Terminal at Port Moody, BC, and Neptune Terminals. At Neptune, the Berth 3 Shiploader has a new stainless steel festoon to replace the previous cable chain system.

In Ontario, the focus is on infrastructure improvements to support population projections. In 2008, SMO Canada began working with Toronto Transit (TTC) on maintenance stinger systems.

This year, 24 more stinger trolleys were added and the 33 existing trolleys were upgraded to match. More business is expected in 2017 through 2025. Metro North (NYC) visited TTC to see their stinger systems, and as a result, our transit group scored our first US order for stingers.

General Manager of SMO Canada, Richard Danis plans to retire at the end of this year after 42 years with the company. Richard started in 1974 welding rails for Railtech Canada (previously called Alfex and later, Railwel).

Richard rose to a sales position in 1992 and to GM of the SMO in 2012. He and his wife are planning to take their RV to Texas to tour the USA Southwest.

Richard is proud to end his career on a high note as he passes the torch to newly designated SMO Canada general manager, Kyle Kraudy.



SPEED-UP INNOVATION

Innovation Days
2 0 1 6

In a team building event on Sunday, before the official start of the meeting, the Conductix-Wampfler Innovation community built their own soapbox race carts and raced against each



other in the nearby Black Forest. The winner was the Australian/American "Blue Bullet".

During the official part of 2.5 day event, the strongest focus was on SMART products and Energy Storage Solutions. One of the main drivers of SMART products is the Internet of Things, also referred to as Industry 4.0. With integrated sensors and wireless communication modules, products and components constantly send data on relevant parameters like wear, temperature, vibration, and/or acceleration.

With this information, operators have full visibility on all components of the machine at any time. This data also helps to optimize maintenance of the equipment and gives remote access to machines and components from all over the world.

A dedicated task force team has been set-up during the Innovation Days to jointly decide the next steps for this activity.

Participants followed with great interest the presentation of Frank Chen from R&D China. Frank is our battery expert in the group and is one of the main drivers of our Full E-RTG development (refer to the article in NEWS 02 about PTP). The topic of energy storage is seen as one of the biggest opportunities for Conductix-Wampfler, but at the same time as a threat to many of our traditional continuous power supply solutions such as conductor rails and cable reels.



Aside from the ongoing Full E-RTG development there will be several new applications for battery and energy storage systems. With our third party technology partner in Europe and several supply partners in Asia, we will further develop our position in the market as a solution provider for energy and data transmission systems. Innovation is a key element of our growth plan for the coming years.

The division is fully committed to innovation and will dedicate even more resources in the coming years to "Speed-up Innovation".

About...

Kyle Kraudy
General Manager SMO Canada

Upon Richard Danis' retirement, Kyle Kraudy will take over as GM, SMO Canada. Kyle graduated from Brigham Young University in 1994 with a BS in Manufacturing Engineering. He joined then Insul-8 Corporation in 1995 as Transit Design Engineer, and since has held several technical positions ending up as Director of Engineering for CoE

USA. Kyle is married with five children, two in college. He and his wife and three daughters plan to move to Canada to assume his new post as General Manager of SMO Canada. We all wish Kyle well as he pursues this latest challenge.

