LEAD STORY:

1 MDC DAETWYLER CHINA’S RELOCATION

2 SWISSTEC INTERNATIONAL SALES MEETING 2016

4 AN AMERICAN ADVENTURE

LIFE.
THE COMPANY MAGAZINE

Daetwyler
CHANGE OF GENERATIONS AT DAETWYLER.

As you all already know, there is a generation change happening at Daetwyler, not only with the family but in every department and every subsidiary around the world.

I myself have recently moved with my family from the USA to take the new position of Group CEO from my Father Peter. Until now I have been an active member of the board, I have been actively involved with all strategic decisions and I have gained a good view of where we are going as a company.

New generations bring along new styles of doing things. Although different, I hope that all of you are facing this head on and that you are embracing it. Because the ones that use this diversity as an asset will come out on top. Together we will lead the company to keep on being successful in this new age and carry on for perhaps a 4th generation. I hope for your support and I look forward to our cooperation as one team.

Ralph Daetwyler
Group CEO

IPTEX 16 FROM MARCH 3RD TO 5TH, 2016 IN MUMBAI.

One of our strategic goals this year is to make the brand Fässler by Daetwyler more widely known on the international market and to position ourselves more strongly in the drive technology network.

This is being implemented by more frequent attendances at trade fairs and symposia. In March alone, we were therefore present at three international trade fairs: two industrial fairs in China and an expo in India. These were continuations of the successful realization of the EMO in Milan and of Gear Expo in Detroit in 2015. In China, we were able to use the stands of our distribution partner. At IPTEX in India, we decided to have our own exhibition stand at this very important expo for “Power Transmission” in Mumbai as we ascribe a great deal of potential to the Indian growth market. India is considered the fourth most important production nation. We were able to count on major support from our subsidiary Daetwyler SwissTec India Pvt. Ltd. for the realization of our stand. Without their active assistance, it would have been much more difficult - if not almost impossible - to set up such a fantastic stand from Switzerland in the short time available.

When we reached the expo site on the day before opening day, our first impression was unnerving. Nothing round about us was finished – a lot of noise and dust throughout the hall. We wondered what sort of adventure we had let ourselves in for. But on arriving at our stand we were relieved to find it finished and looking professional.

One of our strategic goals this year is to make the brand Fässler by Daetwyler more widely known on the international market and to position ourselves more strongly in the drive technology network.

We wondered what sort of adventure we had let ourselves in for.

Continuation on page 4

AGENDA 2016.

MAY | JUNE
May 31 to Juni 6 | drupa | Germany
Division SwissTec

SEPTEMBER
September 13 to 15 | Labelexpo America | USA
Division SwissTec

September 20 to 22 | ProPack West Africa | Nigeria
Division SwissTec

OCTOBER
October 4 to 7 | Tokyo Pack
Division SwissTec

October 12 to 15 | International PackPrint | Vietnam
Division SwissTec

October 18 to 22 | All in Print | China
Division SwissTec
and prestigious. We had a bit of a surprise nevertheless: the reception desk was 20 cm too high. Luckily, this was no problem in India: in no time at all, the desk was trimmed to the correct height. However, we had to look the other way while they were busy doing this as we are used to different “Health & Safety” requirements.

The first day of the expo was enjoyably normal. Curious customers dropped in to obtain information. Our competent team consisting of Fredy and Akash were frequently rewarded with “Aha!” or “Very good!”! The high spot of the first day was the introduction of the gear honing process without diamond dressing tools to an attentive audience of specialists at an event. The second day was very busy and we gained the impression that everyone had deliberately scheduled meetings on this day. The third day was normal again and came to an end a little too quietly if anything.

Two further anecdotes worth mentioning from the expo: the people manning the DVS Group’s exhibition stand directly across from ours could not help watching us and were presumably surprised at the frequency with which we were engaged in technical discussions with interested guests. Fässler’s stand stood out very positively for its unique design without being ostentatious. In retrospect, the expo could not have been better for us – the “value for money” aspect was excellent.

We would like to thank our branch office Daetwyler SwissTec India Pvt. Ltd. and our partner Akash with his newly formed company D&G Machines Technology Pvt. Ltd. as well as all those involved who contributed to our successful presence.

Fredy Moser
Sales Manager

NEW MEDIUM CUBIC PRODUCTION IN URSENBACH.

In the meantime, the production engineering moved to their workplace in Ursenbach. They are helping to set up precision medium cubic milling and to produce existing/new customer parts.

Die The Reiden BFR24 und RX10 machining centres are in operation and the first customer parts have been delivered. The machines are up and running partly in shift operation and are in the capable hands of the existing milling production team. The site of the measuring machine is being prepared at the back of the shop. It will enable the precision parts manufactured to be checked promptly and without much transport effort using the 3D measuring machine.

INDUSTRIES SALES TEAM IS ALSO OPERATING FROM URSENBACH

Simultaneous to the setting up of medium cubic production, sales has also moved to its offices in Ursenbach. A team of three will be attending to industrial customers’ requirements in the fields of welded assemblies, machine bed manufacture, contract manufacture and customer projects for the Estonian and Ursenbach production sites.

Martin Weber
Head of Customer Projects

BRIEF PROFILE IPTEX:
Power transmission expo with 5,000 visitors in 3 days

Business branches: soft machining and hard grinding of gears, measuring technology, tools, gearing and lubricants

Visitor profile: management 15%, production 35%, design and research 20%, purchasing 10%, sales 10%, other 10%

Our performance indicators: a large number of visitors and the registration of 35 leads which resulted in activities

We were also interviewed by two local TV stations and gave a special presentation at the trade fair organisation podium and AGMA.
MDC CHINA

MDC DAETWYLER CHINA’S RELOCATION.

Daetwyler Group has been represented in China for the past 15 years with its own subsidiary, MDC Daetwyler China, and is well established in the Asian market with its Doctor Blade products for the printing industry and since 2014 as well the Gear Honing Solutions.

NEW START AT BEIHENGSHAHE RD., SHANGHAI

Back in 2013, Wandfluh Hydraulics AG and Daetwyler took independently from each other a closer look at the topic of rental situation and the age of the property. Then by a fluke Peter Daetwyler met Hansruedi Wandfluh in Beijing when the free trade agreement between Switzerland - China has been signed and the idea of sharing together a new facility was born. Two and a half years and with gains in experience of Chinese building construction later, the moment of movement finally came. In November 2015 the old site relocated to new production and office facilities in our partner Wandfluh’s building. It was designed to Swiss standards, has modern offices and a well-proportioned production building. Thanks to a perfectly organized move and engaged support of MDC China’s employees, we were able to begin full production within one week and without any interruption at the new location.

OPEN DAY EVENT - IMPLEMENTING OUR SALES STRATEGY

MDC China Open Day Event was ended successfully in the new plant on March 18, 2016 which is a lucky date in Chinese lunar calendar, it means Business flourishes with plentiful money earning. The Open Day event is a great chance for all the sales partners and new resellers of MDC China to learn more about MDC doctor blades, our sales strategy and also some printing technical issues.

On that date, Joseph Shi and Tom Liechti from MDC China together with Markus Resing and Kishore Sarkar from SwissTec CH welcomed 24 people representing 20 sales partners and 4 journalists participated in this event. We shared the group and company profile, product information including the new products which will be on the market in 2016 to them. After a plant tour in the morning and a delicious buffet lunch, a rotogravure and flexo printing training were held.

Our customers summarized the successful event as follows:

“I have learned a lot about how to solve the printing issues this time. In the past, I thought some issues were caused by doctor blades, but now after training, I change my mind, actually the ink is the main issue.”

(Mr. Xu Jun Xue from Shanghai Jing Yan, one of the oldest resellers. He started selling MDC doctor blades since 1999)

“In the past, I thought the coated doctor blades are not suitable for flexo printing because coated parts are harder than steel, therefore, the coated doctor blades could easily damage the anilox roller. Now, after this training, I will know this is wrong. Thanks to MDC and GRV for inviting me to this event.”

(Gray Cui, who is the reseller mainly selling the doctor blades in flexo printing industry)

“Through this event, MDC shows me the high quality products and innovation. I will insist in cooperation with MDC to promote MDC brand on the corrugated printing industry.”

(Frank Zhang from Qingdao Bofa, one of the biggest resellers in corrugated printing industry)

“Through this chance, I knew more products from MDC, in the past, I only knew about Standard and Longlife.”

(Li Jun Long who was the most distant guest, from Xi’An, 1’400 km far away from Shanghai)

LOOKING FORWARD TO THE FUTURE

Daetwyler has shown a lot of courage, strength and determination and is pursuing a promising path in China’s market. We are convinced that we will all enjoy success and fun. It is things like patience, perseverance, belief in a matter, flexibility and the striving for constant improvement that lead to success.

On behalf of Daetwyler, we would like to thank all MDC China employees, for the work that have already been done and will continue to do, and wish us all the well-deserved success on our chosen path.

Thomas Liechti
Commercial Operations Manager
Joseph Shi
Business Unit Leader Doctor Blades
Headed by Olaf Segbert and Markus Resing, the annual international sales meeting took place once again in Langenthal, Switzerland. This year, the focus was on product training and on the exchange of market information.

Thanks to our international presence in the market, we have developed valuable contacts in recent years, such as with international printing ink manufacturer Rotoflex AG from Grenchen, Switzerland, which we visited on the second day of the meeting. At the international Bobst seminars, we had contacted Schmid Rhyner, a company from the Zurich area as well as others. Jakob Rohner, CEO, visited us on the third day of our international sales meeting in Langenthal and presented the company and its products to an interested audience.

THE RIGHT DOCTOR BLADE FOR EVERY PRINTING PROBLEM — A NEVER-ENDING CHALLENGE

Different markets mean different requirements, problems and solutions. Another focal point of this year’s meeting was on the development of solutions to printing problems: which doctor blade is best used where? The know-how and experience exchanged throughout the team, the lively discussions and suggestions were very helpful for everyone.

NEW PRODUCTS

Olaf Segbert presented our new development “MDC Pearl Star”. This doctor blade is scheduled to be presented to the public for the first time at drupa in Düsseldorf in June before being introduced to the market. Thanks to a new coating technology, the doctor blade is particularly ink-repellent, which means that paints and coatings no longer adhere or adhere much less to the blade. This results in fewer printing problems with a significant increase in performance.

VISIT TO ROTOFLEX AG IN GRENCHEM, SWITZERLAND

Rotoflex is a company that manufactures printing inks for rotogravure and flexo printing and distributes them on the European market, in Eastern Europe and Russia. Rotoflex AG’s product range is comprehensive, from heat-sealing varnishes for direct food contact through to highly specialized varnishes in the security field as well as effect inks and specialties. These are accompanied by effect inks based on Iriodin®, metallic inks (gold and silver) as well as luminous inks in various shades and different inks and varnishes with a range of fragrances such as fruit-flavoured chewing gum, cakes or fruit. The visit was very interesting for us as we gained additional information about the ink production process.

TALK GIVEN BY JAKOB ROHNER, SCHMID RHYNER AG

Schmid Rhyner specialises in the production of special coatings, for the tobacco industry among others. The company offers customers in the printing and packaging industry solutions designed to functionalise surfaces. This means that tactile elements are printed onto the packaging, the aim of which is to enhance the print products. For example, these special coatings, which provide an interesting “touch-and-feel” effect, can be found on almost every item of Philip Morris packaging. High-quality doctor blades are required as these coatings are highly abrasive. This is where we see our future collaboration with Schmid Rhyner AG.

THE FOCAL POINT WAS THE MEETING, THE HIGHLIGHT WAS THE GO-KART RACE

Full of anticipation and competitive spirit, 18 participants were at the start in the indoor go-kart racing track on Wednesday evening. Following a relaxed warm-up lap, things got serious: there were three qualifying rounds. The excitement grew with every lap, and not only among the drivers. The drivers were cheered on by the spectators with great enthusiasm. Finally, it was clear who the winners were. The joy of winning was great, but even greater at the award ceremony: the winners received a Daetwyler champion’s cap and a trophy in the form of a golden doctor blade. The winners were duly celebrated at the subsequent dinner.

Olaf Segbert
Head of Marketing & Sales
SWISSTEC

FOUNDATION FOR THE DISABLED (STIFTUNG FÜR BEHINDERTE SFB) OBERENTFELDEN.

Thanks to our cooperation with flexible, small enterprises such as the Foundation for the Disabled (SFB) in Oberentfelden, we can offer our customers individual solutions.

EARLY 2016, one of our major customers in Switzerland asked for a special package for cut doctor blades. The plans were soon implemented in cooperation with the Foundation for the Disabled (SFB) in Oberentfelden.

Working in close cooperation with the customer, we designed the packaging template and gave the order for it to be die-cut. The first contracts for 1,500 boxes each were completed within a short time by the Foundation for the Disabled (SFB). With great care and precision, the die-cut boxes were folded by hand, labelled and delivered. Our orders kept the Oberentfelden Foundation for the Disabled (SFB) team busy for two weeks.

The prefabricated boxes not only give us more flexibility and ensure fast delivery times, but our customers receive their goods in the packaging requested - a clear win-win situation for everyone. Our thanks to all our partners for their cooperation.

Carina Engel
Technical Sales Manager Schweiz

DRUPA 2016 – A PREVIEW.

drupa in Dusseldorf is and remains the world’s leading trade fair for graphic and industrial printing and print media.

FROM 31st May to 10th June 2016, drupa is the starting point for promising visions and the future of cutting-edge technologies.

The target group of the international trade fair is primarily the packaging and converting sector, but new technologies such as printed electronics will also be on display at drupa. Daetwyler SwissTec will use the fair to welcome our partners and customers from all over the world.

This year we are on stand D04 in Hall 16, together with Heliograph Holding. Our preparations here in Bleienbach are currently running at full speed. We will have an average of eight to ten people from the sales team or from the sales personnel on the stand. We aim to cultivate existing contacts and to make new ones.

We look forward to a successful trade fair with a motivated team.

Olaf Segbert
Head of Marketing & Sales

INFOR INTRODUCTION AT DAETWYLER INDUSTRIES AG ZURICH (DIZ).

The acquisition of Fässler AG with effect from 1st April 2014 meant that their ERP software* P2P-lus was also acquired and used further. As this software is incompatible with our system, it was clear for some time that this solution would be replaced by our InforCOM.

BEsides the issue of compatibility, synergies with other companies can be exploited by the use of standard ERP systems. For example, a sales department employee at Daetwyler AG Swiss Tec AG can support sales department staff at Daetwyler Industries AG. In addition, efficiency can be boosted in support functions such as IT, Finance and HR.

Prior to the start of the project, the project team was formed, consisting of all the department heads at Daetwyler Industries AG, an IT representative and the project manager. This team was given the task of adapting the processes and internal procedures to the system. The kick-off meeting, at which all the milestones and the project schedule were presented, was held in early August 2015.

IT first installed a test system that we set up based on Daetwyler Swiss Tec AG’s existing InforCOM. Thanks to their know-how and extensive experience with the ERP InforCOM, the test system was soon up and running for use by the project team. Parallel to this, the project team consolidated all the processes from the former ERP P2plus and endeavoured to adapt them to the new ERP InforCOM. It soon became clear that the greatest challenge was to understand and follow the existing processes if they were to be integrated into the new ERP. Early on, it became apparent to us that the products are very complex and, for this reason, we were compelled to devote a great deal of our attention to this aspect. After long and intensive discussions, it was decided to discard the concept of modules and to enter up the items individually instead. While this will mean longer quotations and orders with more items for the future, it will also be reflected by an enormous simplification of order handling in all departments. As a result, the ERP will now be the master and not the driving force as was previously the case.

Since this was a major incursion into the processes at Daetwyler Industries AG, the following two things were decided: firstly, no existing data was to be transferred from the old P2plus system, and secondly, all products would, in future, be given a consecutive order number and the STS** features would be edited and updated using the InforCOM-specific function. With the help of this function, it is possible to open the article based on pre-determined features in such a way that the buying and selling accounts, pages and statistical indicators are set correctly. The latter will enable us in future to make a detailed analysis of the products sold.

The real start took place of 1st March 2016. Since all current orders are being completed in the old system P2plus, the new ERP system is taking time to start. However, this gives us time to give each department the best-possible support.

All in all, the real start went well and so far there have been no major problems or malfunctions. We would like to thank all the employees involved for their excellent and constructive cooperation.

Rolf Nussbaumer
Head of IT

* ERP stands for Enterprise Resource Planning.
** STS stands for «Schnelle Teile Suche» (Fast Parts Search).

IT
The completion of several forms meant that the two of us - Felix Bärtschi and Dominik Schär - could begin our trip to the US. The nine-hour flight was our first trip by air – it all went smoothly.

We gained a lot of experience during the three months of our stay in the US. Felix’s work involved constructing electrical controls and wiring control cabinets. While it was very similar to our work in Switzerland, it also contained some new regulations and solutions. He adapted quickly to the new atmosphere. About halfway through our stay, he also helped with the final assembly of a system on a customer’s premises. This was very instructive and exciting.

Dominik helped to develop the CAD models and create drawings on several projects. For Dominik, the main difference with Switzerland was that the drawings were in millimetres, but purchases were made in inches. This way, he became well acquainted with American units of measurement. Another feature was the reverse projection on drawings. This caused some confusion at the beginning, but improved with time. Dominik was even allowed to collect electrical experience when it came to getting a machine ready for shipping.

There were a lot of activities at the weekends: from visiting a NASCAR event and a drag race to a football game and bull-riding visit on a Sunday evening. There was hardly a weekend without new and exciting experiences. We participated in a lot of activities with American trainees of our age. This enabled us to experience at close hand what young people in the US do to have fun. We also made a lot of friends and still have close contact with the American trainees.

Both of us enjoyed life in shared accommodation. Thanks to the opening times of the supermarkets, there was always something to eat in the refrigerator or on the next corner in a restaurant, too. The apartment proved to be ideal as we had separate rooms and even separate bathrooms. Additionally, it was only five minutes to work by car, and we also did not have far to go to get something to eat.

We greatly enjoyed out time in America. Unfortunately - as is so often the case - the time flew by. Both of us would definitely go again at the drop of a hat!

Our sincere thanks to everyone who made this stay possible.

Felix Bärtschi | Dominik Schär
Trainees
NEW EMPLOYEES.

<table>
<thead>
<tr>
<th>First Name</th>
<th>Last Name</th>
<th>Position</th>
<th>Department</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birol</td>
<td>Erol</td>
<td>Area Sales Manager</td>
<td>Sales</td>
<td>DST</td>
</tr>
<tr>
<td>Günther</td>
<td>Klatzer</td>
<td>Sales Coordinator</td>
<td>Internal Sales</td>
<td>DIZ</td>
</tr>
<tr>
<td>Andreino</td>
<td>Franco Tufi</td>
<td>Production employee</td>
<td>Production</td>
<td>DIZ</td>
</tr>
</tbody>
</table>

SEPTEMBER 2015
NOVEMBER 2015
FEBRUARY 2016

WEDDINGS.

Christa and Markus Zaugg | MDC Max Daetwyler AG | August 7, 2015
Doris and Michael Rindisbacher | MDC Max Daetwyler AG Ursenbach | August 7, 2015

BIRTHS.

Parents: Patrizia and Heinz Büchler | MDC Max Daetwyler AG
Daughter Lea | June 18, 2015
Parents: Laureta and Lindian Bojko | Daetwyler Swiss Tec AG
Son Lenard | August 16, 2015
Parents: Christa and Markus Zaugg | MDC Max Daetwyler AG
Son Nevio | September 23, 2015
Parents: Martina and Beat Neuenschwander | MDC Max Daetwyler AG
Sons Eloy Neal und Lio Romeo | November 24, 2015
Parents: Sandra Paulina Cruz Serafio and Luis Fernando Gutiérrez Contreras | MDC Max Daetwyler AG
Son Sebastián | January 12, 2016
ANNIVERSARIES.

10 YEARS
Simon Gantner | September 1, 2015 | Group CFO, CEO DMG, Daetwyler Management AG
Patrick Ulmann | December 1, 2015 | Purchasing | MDC Max Daetwyler AG
Martin Pfister | December 1, 2015 | Doctor Blades, Packing & Shipping | Daetwyler Swiss Tec AG
Laureta Bojko | December 5, 2015 | Doctor Blades, Packing & Shipping | Daetwyler Swiss Tec AG
Astrid Stucki | January 9, 2016 | Finances | Daetwyler Management AG
Roberto Cron | March 1, 2016 | Production Engineering | MDC Max Daetwyler AG Ursenbach

15 YEARS
Richard Kleeb | September 1, 2015 | Stock | MDC Max Daetwyler AG
Beat Hürzeler | September 4, 2015 | Chipless Production | MDC Max Daetwyler AG
Fernando Crespo Jimenez | September 11, 2015 | Grinding PKD | MDC Max Daetwyler AG
Michael Schmid | September 1, 2015 | Grinding | MDC Max Daetwyler AG Ursenbach

20 YEARS
Senja Rosa | January 3, 2016 | Doctor Blades, Packing & Shipping | Daetwyler Swiss Tec AG
Doris Dällenbach | January 22, 2016 | Reception | Daetwyler Management AG
Richard Vetter | March 4, 2016 | Doctor Blades Production | Daetwyler Swiss Tec AG

25 YEARS
Alfio Neri | October 1, 2015 | Production | Daetwyler Industries AG Zurich

30 YEARS
Ruza Petrovic | December 1, 2015 | Doctor Blades, Packing & Shipping | Daetwyler Swiss Tec AG

40 YEARS
Stefan Weber | December 1, 2015 | Purchasing/Scheduling | Daetwyler Industries AG Zurich

RETIEMENTS.

Alfred Flückiger | December 16, 1950 | Infrastructures | Daetwyler Management AG
Jovan Petrovic | December 27, 1950 | Production | MDC Max Daetwyler AG