

Update report

Partnership with profile

The takeover of futronic GmbH by its previous competitor Jetter AG two years ago marked a milestone for both: active in similar business segments, yet they complement and enhance each other perfectly. futronic has remained autonomous but contributes important experience and knowledge to the Group. In return, futronic has access to the entire range of products and services provided by Jetter as well as to its service network. Both companies report positive interim results.



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For about 20 years, futronic belonged to the Saint-Gobain Oberland Group with its head office in Wurzach, Germany not far from Lake Constance. Under the Group's tutelage, futronic in Tettnang developed into a globally recognized specialist for controls for use in the glass industry. In order to focus on its core business in the future, the German-French glass manufacturer sold futronic to Jetter AG at the end of 2005.

Jetter in Ludwigsburg has been developing control designs, in particular for machines and plants in various sectors, for more than 25 years. Its product portfolio includes control systems, peripheral modules, drive systems and operating panels, as well as the corresponding software.

Both companies specialize in supplying the glass industry. However, Jetter works exclusively with

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Wolfgang Lachmann
Michael Preuß

Dear readers,

Right now, you are holding the very first issue of our futronic journal in your hands. From now on every six months, we will be sending you the most up to date information about our innovative products, details on the interesting projects we're currently involved in as well as the latest news about the company.

We'd like to start things out by looking back and reporting on two years as a subsidiary of Jetter AG. First off, we're happy to report that results are very positive and the concept we've implemented is working. Each company benefits from the strengths of the other, in everything from a broader range of products and qualified resources to an extensive pool of experience gained from different projects. And you benefit from this, too! These results also makes it quite clear that futronic has retained its individuality despite the close working relationship with Jetter. And it will remain like this into the future.

After a successful 2007, we can look forward with confidence. The glass manufacturing industry is about to see the infusion of extensive investments. The industry is growing around the globe in markets such as Egypt, where the upturn is especially noticeable. But also in other branches of industry, for example, in the area of bulk material technology, a climate of investment is reigning in which new orders are helping us develop our market position.

We are on the right path.

With this in mind — we look forward to continuing our good working relationship with Jetter, and hope that you enjoy the articles in our new customer magazine.

Michael Preuß
Wolfgang Lachmann

Milestone: Control system for Zeppelin bulk material scales

Tire production in balance

For the renowned company Continental AG, Zeppelin Silos & Systems designed, developed and built a fully automatic weighing system for small components in the area of tire manufacturing. futronic is responsible for the entire overall system control. The system will be put into operation at the US plant in March 2008.

futronic was already integrated into the project during the bid preparation phase and provided assistance to its client Zeppelin Silos & Systems GmbH, located in Friedrichshafen, Germany, during the entire design phase of the weighing system. As commissioned by the plant manufacturer, futronic planned the entire electronics system, designed and built the control panels as well as developed the required user software. To accomplish this, futronic used mainly open systems from Siemens.

This project includes a system-specific recipe system and a job controlling system which can be used to simultaneously schedule separate production orders on the product lines. The basis for this is a barcode and RFID system which logs all of the order data and monitors each production batch over the entire production process.

"The time between order placement and delivery of the control components is only about 12 weeks", explains Alexander Körner, futronic sales manager and project manager. Depending on the size of the project, this is a very tight schedule. "Due to the well



Future site of the Zeppelin weighing system: The Continental production plant in Mount Vernon in the US state of Illinois.

organized work flows at futronic and excellent project coordination with Zeppelin, we were able to meet each delivery deadline on time", Alexander Körner adds. Continental plans on putting the system into operation at its production facilities in Mount Vernon, Illinois in March 2008.

The Zeppelin contract is a milestone for futronic in its continued efforts to develop its position in the bulk material technology segment. Körner states, "This project was very successful, and the cooperation with Zeppelin was particularly outstanding." Further projects are already in negotiation.

Effective customer support with OTRS

In order to improve support and process customer requests more rapidly and effectively, futronic introduced an Open Ticket Request System (OTRS) during the fall of 2007. Customers who submit their technical requests by e-mail to the support addresses service@futronic.de or support@futronic.de, first receive a message confirming receipt of their request. This message contains a specific ticket number. This ID is associated with an OTRS operation that is also used to process other tickets in the same topic area. These operations can now be comprehensively processed by more than one support agent simultaneously.

This system prevents tickets and operations from being processed more than once. This

also means that the processing time required is usually quite short. Also to prevent tickets from being lost in the cracks during normal daily work stress, OTRS flags open tickets for follow-up until the operation has been totally completed. The support agent who last worked on the operation first receives a reminder; if necessary, the entire support team receives a reminder a little while later. Customer service receives effective support from a high performance database. This database automatically returns customer information, provides an overview of the past few support operations for each customer and even performs a search for similar cases stored in the support history. Initial experiences with the system have been very positive. Managing director Michael Preuß sums up by saying, "Using this process has made our already proven futronic support even more effective."

»Imprint

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A conversation with Dr. Johann Overath

“We are experiencing a renaissance in glass packaging”

The global glass industry is reporting increasing sales revenue. German manufacturers have been able to reverse the downwards trend of the past few years and are now well positioned in the international market. Dr. Johann Overath, managing director of the Bundesverband Glasindustrie e.V., describes the reasons for and the impact of this success.

futronic journal: The German glass industry closed the year 2006 with significantly higher sales numbers than the previous years. 2007 was a successful year as well, and moderate growth is expected for 2008. What do you attribute this positive development to, including in the international markets?

Dr. Johann Overath: Indeed, the glass industry has grown enormously in the past one and half years — in almost all areas. This puts the German glass industry in a good position, including at the international level. The reasons for this are highly efficient, modern manufacturing plants, excellent staff, high quality domestic raw materials such as sand, soda and lime and, of course, the very high quality of the products. Especially the demand for container glass has increased greatly. After the downwards trend of the past years, we are experiencing a full-blown renaissance in the area of glass packaging. The consumer demands glass packaging and appreciates its purity and superior value. Currently, the hottest trends are also products that combine health and pleasure and

also protect contents during transportation in an exciting package. It has been proven time and again that when dealing with authenticity, glass is the first choice.

futronic journal: Other profitable products also include flat glass and innovative glass products. What role do you think the climate policy of the German federal government plays?

Overath: It plays a large role in this area. The building renovation program has injected positive momentum into the market. In offering credit at reasonable interest rates, the federal government is promoting the renovation of residential buildings for the purpose of reducing energy consumption. The use of modern double-pane window glazing is an important pillar in this program, and solar technology is also gaining increasing importance. Innovative glass products provide effective energy savings, thereby reducing CO₂ emissions. This is a real contribution to protecting the environment. I am convinced that this special glass segment will also generate a strong profit growth in the future.



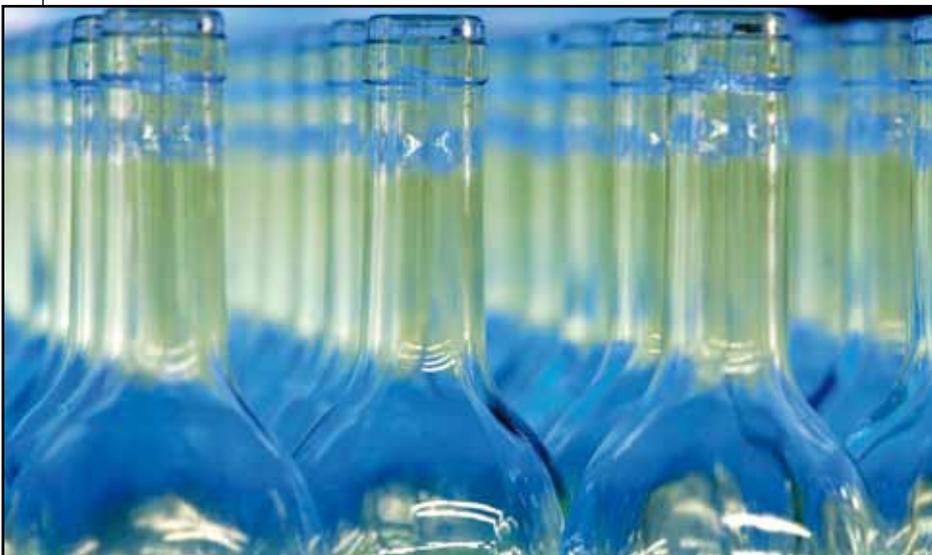
The chemist Dr. Johann Overath, born in 1958, is managing director of the Bundesverband Glasindustrie e.V. in Düsseldorf.

futronic journal: Where there is light, there are also shadows — the glass industry is suffering from the high cost of energy. Will glass manufacturers again invest in modernizing their plants and technology?

Overath: The cost of energy in glass production currently eats up about 20 percent of profits, so this is indeed a strongly decisive factor. Therefore, plant operators must continue to invest in improving their procedures in production and processing. The glass melting process offers very little leeway. Therefore, we need to focus on optimizing each stage of production, both upstream and downstream. For this, plant operators rely on the ability of machine and plant manufacturers and their suppliers, such as futronic, to innovate.

futronic journal: How long will the upwards trend last? Where will the German glass industry be in 2010? Where will the international industry stand?

Overath: I am very optimistic and assume that the upwards trend will hold on for a few more years — even if it's not at the same level as it was in 2006. The reasons are clear: Energy efficiency and climate protection, for instance, will remain very important issues. And as for beverage packaging, glass is simply unbeatable. In fact, no other material we know today provides comparable quality. And it will remain like this for the foreseeable future.

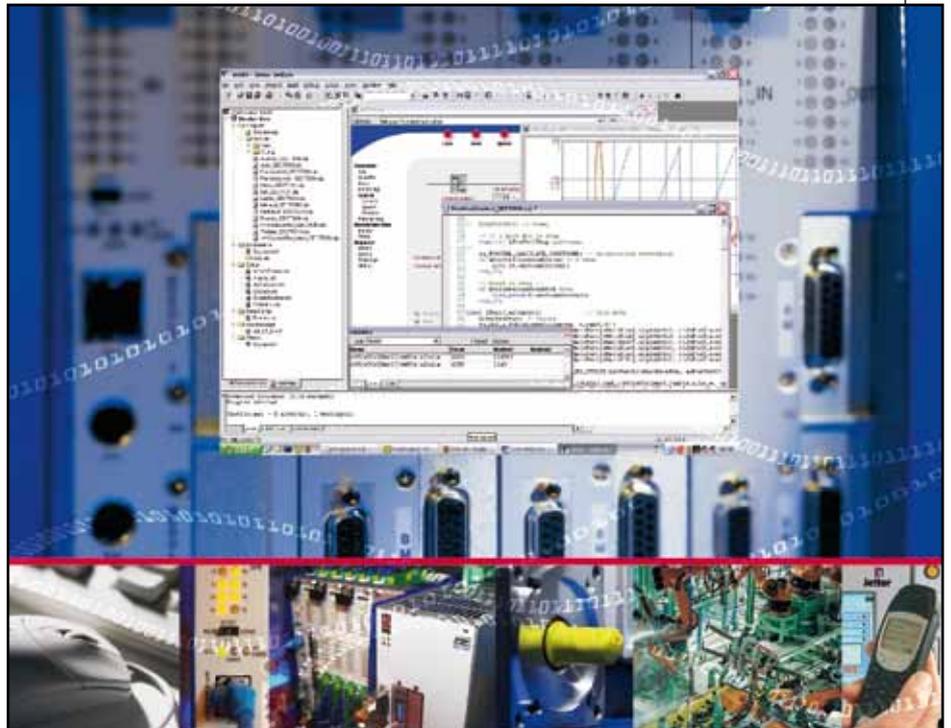


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its customer Emhart Glass, thereby covering its own market segment. This company, located in Switzerland, specializes in the construction of machines and systems for manufacturing glass containers. When collaborating in projects, Jetter uses exclusively in-house hardware platforms. futronic, however, provides products and solutions to the glass industry for special applications and mixed hardware. To do this, the company mainly develops tailor-made control applications for use on different manufacturer and hardware platforms; this makes it possible to be flexible in regards to individual customer requirements.

Complementary in every way

In the more general area of industry, Jetter places its focus in particular on customers with serial machines. futronic mainly executes end-customer projects that require comprehensive support, providing everything from project planning, switching cabinet construction, software development, commissioning and training. "futronic and Jetter are working in the same segment and yet still complement each other in almost every way", sums up Martin Jetter, founder and chairman of the management board at Jetter AG (see interview). Because of this, the Group has clearly become stronger through the purchase of its former competitor.



The Jetter Group especially benefits from the extensive experience that futronic experts have collected over decades of innumerable projects realized mainly in the glass industry.

Strong partners

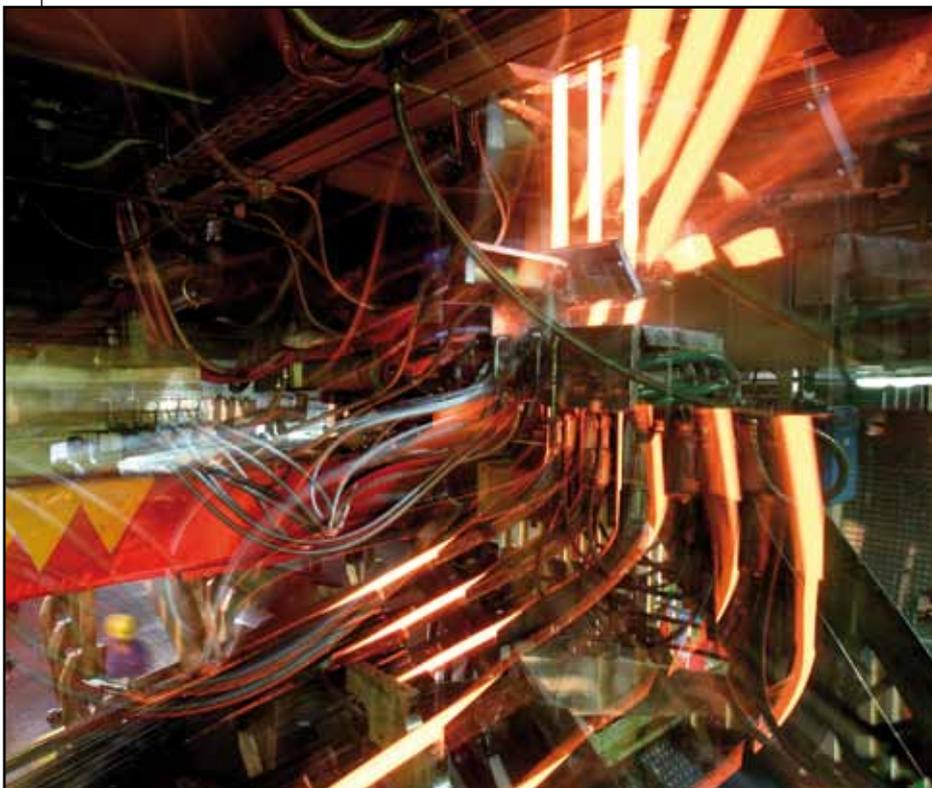
This area is particularly demanding and requires first and foremost incredibly precise real time applications as well as maximum function-

ality and availability. The knowledge collected during these projects is what futronic contributes to projects for customers, who also work in other branches of industry. This also means that this experience is available to the entire Group and therefore to all the customers each company serves.

"In return, not only we benefit but also our customers benefit from the comprehensive product portfolio of a strong partner, in particular from the control and drive systems", adds Michael Preuß, futronic managing director. The companies also develop basic technologies together. This saves resources for both parties. Furthermore, futronic products that have previously been manufactured by external production partners can now be made at a reasonable price in the new, super-modern SMT manufacturing plant operated by Jetter in Ludwigsburg.

The concept works

Jetter and futronic have different strengths and core expertise. For more than two years now, both companies have been working together. Martin Jetter and Michael Preuß report positive results. The customers, explains Jetter, benefit above all from a more extensive range of products, which both companies have the same access to, and the enormous experience potential to be gained by implementing projects for not only serial customers but also for individual end-customers. The synergy that results from this is what adds charm to this working relationship. As Jetter says, "The concept works."



A conversation with Martin Jetter

“Our expectations have been more than fulfilled”

Numerous futronic and Jetter customers in the glass industry compete with each other and observed the takeover with great interest and a critical eye. However, concerns about issues such as brain drain have proven ungrounded, explains Martin Jetter. Confidentiality plays a large role, and customers benefit from product variety, the synergy of development and production as well as the experience of both companies.

futronic journal: Mr. Jetter, a company takeover is always the result of strategic considerations. What were your strategies?

Martin Jetter: We have known and appreciated futronic as a serious competitor for quite a while now. When the company went up for sale, we took advantage of the opportunity. We wanted to grow and expand our range of products and services, and we decided that this takeover was a chance to do this all in one go. Jetter and futronic focus on the same segment; nevertheless, this relationship is complementary in almost all areas. This has meant that the purchase of futronic has allowed us to strengthen the Group in many areas. Everything simply fits together, and the customers of both companies benefit if only from a broader portfolio of products and services.

futronic journal: Many customers supplied by the two companies, especially in the glass industry, are competitors. Is that a problem?

Jetter: Professional manufacturers of control systems have always supplied their products to companies who are in competition with each other. Confidentiality has played and it still continues to play an important role. This has always been a high priority for both Jetter and futronic. In this case, it is quite simple: Both companies act strictly autonomously. Jetter supplies Emhart Glass exclusively, while futronic as a separate company with its own executive board supplies the rest of the world, so to speak — each company does this with their own application and development teams. We know that, in the past two years, customers have already gained positive experiences with this new configuration. So I don't see any problem here at all.

futronic journal: In the meantime, futronic has used its innovative products to successfully position itself as a supplier to machine and plant manufacturers in other industry segments. How has Jetter, as a strong partner, been supporting this development?

Jetter: futronic itself has a large pool of experience gained from developing solutions for the specialized needs of individual companies in the glass industry. futronic has successfully transferred this expertise to other market segments and has thereby been able to add notable customers to its customer portfolio. futronic has therefore already implemented impressive projects in the general area of industry in the past. On one hand, we support futronic with our sales team. On the other, futronic now has access to a much broader product line and can take advantage of the additional expertise of our developers and other resources provided by Jetter. This means that the small and flexible futronic team is able to realize its entire potential.

futronic journal: It has now been two years since Jetter took over futronic. How can you summarize this time?

Jetter: I can already say that the partnership between both companies has already more than fulfilled all expectations. This can be seen in the positive economic development futronic has experienced. Our teams in Tett nang as well as in Ludwigsburg are already working together intensively at all levels of the company, and all of the integration projects are well underway. futronic now has a partner that also provides strategic support and is therefore now in a better position than it has ever been in the entire history of the company.

futronic journal: Where do you see the long-term perspectives of the company?



Jetter: The beginning phases of the cooperation were very promising. Because of this, we have developed ambitious long-term plans for growth. We would especially like to continue developing and utilizing the synergy that has resulted from our cooperation for the benefit of both companies but especially for the benefit of our customers. Just a few months ago, we bought a new and significantly larger company building for futronic; the tentative plan is for them to move in during the first quarter of 2008. I think that this is a clear indication that we are forging a good path together.



Jetter AG in a nutshell

Jetter AG was founded by Martin Jetter in Ludwigsburg in 1980. The company is a global market leader for control systems used in plants and machines in the container glass industry. Its product portfolio is based on four pillars: controls, drives, operation and monitoring as well as networking. The Automotive business unit provides operating panels for commercial vehicles. During fiscal year 2006/2007, the Jetter Group generated an annual sales revenue of approximately 36 million euros with the help of about 200 employees around the world at five locations with offices in Europe, the USA and Asia.

futronic GmbH

futronic sets global standards

This company is one of the top three providers of complex automation solutions for the glass producing industry. Due to its innovative products, futronic has been able to successfully position itself as a supplier to well-known machine and plant manufacturers, even in other industries. The company has demonstrated especially strong growth during the past three years.

futronic is a global player. Everywhere where glass is processed, technology from Tettngang is used — currently in more than 880 installations worldwide. However, the glass industry worldwide has changed significantly in the past few years. Investments have become more focused in Russia and Asia, where large markets have developed. At the same time, the introduction of PET bottles has significantly curbed investment in the domestic glass industry.

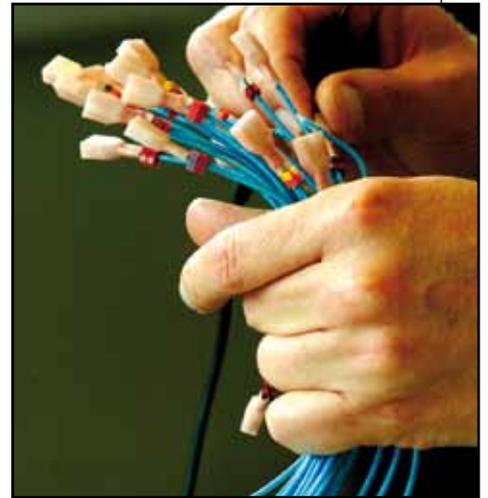
Grown into the requirements

Nevertheless, the glass bottle is currently experiencing a renaissance and the manufacturers are again investing in new plants and modernizing existing ones (see the in-

systems for cranes used in construction, and test benches for gears. futronic's customer list includes renowned machine and production line manufacturers such as Zeppelin, Liebherr and ZF Friedrichshafen. "We have grown into this highly specialized market, along with our customers", explained Alexander Körner, sales manager for the company.

Consolidated project development

The core strengths of the company lie in the areas of control engineering, drive components and programmable logic controllers (PLCs). "As a systems provider, we can offer our customers high quality automation solutions from the start of development through to the commissioning of the system", says futronic ma-



Demanding glass industry: Production processes require maximum precision, functionality and availability of the control system.

terview, page 3). futronic was quick enough to recognize the trends early. About three years ago, the company started successively adding new business areas and also offering its expertise to other sectors.

The areas in which futronic control engineering is implemented also include material handling. futronic also develops control

ning director, Michael Preuß. "In addition, we are setting global standards with our new generation of control components."

Currently, a total of 50 employees work at the Tettngang location. At futronic, development, programming, production, testing and final acceptance all take place under one roof. This ensures short communication paths and conti-

nuous support during the 12 weeks a project usually requires. This also ensures that project groups are always able to quickly and flexibly react to customer demands and to implement them.

A glance at new markets

The goals have been set. futronic plans on continuing to increase its reputation in the glass industry through its innovative developments. Another goal is to consistently develop its position in these new markets and to spend the next few years in increasing gross company profits from the current nine percent to about 20 percent. Michael Preuß sums it up by saying, "The positive development of our company, currently with a double-digit growth rate, makes us very confident that we will also achieve this goal."



Committed to the transfer of expertise in other sectors: Sales manager and project manager Alexander Körner.

Glassman Middle East 2007

Egypt – glass market with a future

For the first time, the Glassman Middle East trade fair was held in Cairo on September 4-5, 2007. This location was specifically chosen: The Egyptian economy is flourishing, and the glass market is profiting from the large amount of raw materials available and growing significantly. In addition, glass manufacturers have announced high level investments. Cairo was the ideal platform to present futronic products and services.

Egypt is no longer a country known only for pharaohs and pyramids. The economy is booming, and industrial parks are sprouting up in metropolitan areas like mushrooms. The inexpensive labor and the strategically favorable location of the Republic in the northeast of Africa attract not only local investors but also those from nearby foreign countries. Furthermore, Egypt has rich natural gas deposits and, of course, a huge amount of sand, the main raw material for manufacturing glass. This provides the country on the Nile the ideal prerequisites for a prosperous glass industry.

The trade fair was very well attended and optimism could be felt everywhere. Around 70 exhibitors set up their booths in a magnificent hall at the Intercontinental Hotel in the Egyptian capital. It was in this dignified atmosphere that the principal machine and plant manufacturers and their suppliers presented their products and services.

Nearly all of the Egyptian glass manufacturers and a few from abroad visited the futronic booth and got themselves up to speed first-hand on innovative technologies developed in Tettang. But what attracted the greatest interest was by far the new FMT24S machine control system, a decentralized and modular machine controller that can be adapted to individual customer needs, thereby offering a high level of flexibility. futronic managing director Michael Preuß and sales engineer Marc Meersschaut gave detailed explana-



tions about how the control system works to the many visitors. In addition, Meersschaut gave a well-attended presentation about the futronic innovation at the congress accompanying the trade fair.

During discussions at the trade fair, it became clear that almost all of the manufacturers had great plans for the future, which included expanding their existing product lines in the medium-term or even completely revamping them. A group of foreign glass manufacturers, who are considering constructing a new glass-works in Egypt, also visited the futronic booth. It is obvious that Egypt is a growing glass market, with bright perspectives for the future and a positive climate for investment, from which futronic will also benefit in the coming years.

Well attended: The futronic booth at the Glassman Middle East 2007.



Much attention: Marc Meersschaut explains futronic innovations at the congress accompanying the trade fair in Cairo.

»Employees in the spotlight

John Kellner

Specialist for sticky support requests

At age 24, John Kellner is one of the youngest members of the futronic family. He joined the company in April 2006 and has been a valued member of our customer support center ever since. His main focus is troubleshooting control systems and drives. John initially completed his training as an information and communication electronics engineer at a renowned company in Leut-

kirch, Germany, where he was mainly involved with switching and function analyses as well as with various computer and operating systems. Other main areas of focus in his broad knowledge include satellite and network engineering as well as programming in C++ and Java. John is also very good with databases, especially those connected to ERP systems and complex Web applications. It's obvious, of course, that he spends a large part of his free time on computers — he loves constructing little websites and Flash animation or just surfing through the vast expanses of the Internet. But that isn't all he does. John is passionate amateur pilot and has a private pilot's license for small private airplanes (PPL-C). He's currently learning how to fly ultralights. "If it weren't for flying", says John Kellner, "I'd only be half a person." John also keeps himself busy by contributing to the community; he is trained as a paramedic and lifeguard. When working with other people, especially with colleagues, a trait that is especially important to him is honesty.



John Kellner, support expert and amateur pilot. His credo: Honesty is the best policy.

»Sponsoring



Award ceremony: After an impressive laser show competition, futronic general manager Wolfgang Lachmann congratulates the winners.

futronic sponsors laser competition

On December 7, 2007, memorial services for the 100th birthday of Dr. Paul E. Klein were held by the School of Electronics Tettang (EST) together with the Electronics Museum Tettang. The city of Tettang, a center for electronics, still feels the influence of this pioneer who left a legacy consisting of boundless ideas and a sense for technical development. Dr. Klein, who was born in Riga in 1907, founded the company PEK Electronics

in Tettang in 1955, which became the parent of numerous well-known companies. To give this memorial the attention it was due, the directors of both the school and the museum announced a laser show competition for secondary school students in Tettang. The goal — to combine laser light and music to create impressive harmonies. Samuel Schrader, who attends the secondary school in Tettang, took first place. Dirk Wolff and Tobias Tanner, two home-grown talents from the School of Electronics Tettang, took second and third place in the competition. futronic sponsored one of the three awards.

»Short profiles – Jubilarians

Our employees are our potential

Dedicated and loyal employees are the pillars of every company. Employee retention is core to our business philosophy. futronic is especially proud of its low employee turnover, which is a guarantee of continuity and sustainability. Many loyal employees have been with the company for many years. For this, we would like to thank and congratulate the following employees:



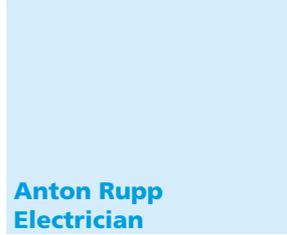
Horst Walker
HR Manager

Horst Walker has spent the past 20 years in the company. As the human resources manager, Horst is constantly on the search for new employees. He keeps in contact with technical universities and is the contact partner for budding interns and students working on their theses. This allows the company to also keep up its dynamic development.



Michael Preuß
Managing Director

Michael Preuß, an electronics engineer, also joined the company 20 years ago. As commercial general manager, and together with Wolfgang Lachmann, he has successfully stood at the head of futronic GmbH since April 2004.



Anton Rupp
Electrician

Anton Rupp can even look back at 25 years of company service. Anton came to futronic in 1982, ten years after the company was founded, right after finishing his training as an electrician. Since then, he has been an integral member of our mechanics department.