

150

Anniversary magazine

YEAS

RS

Tradition. Continuity. Perspective.

 **ERATEX**¹⁵⁰
backing abrasives

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< **THE MAGAZINE-IN-A
 MAGAZINE:**
 The Ernstmeier story linked
 to interesting events from
 1867 to the present day!

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Tradition. Continuity. Perspective.

The key words that sum up Ernstmeier after 150 years

Tradition, because our company has remained essentially unchanged and is built on solid values. Continuity, because our company values trusting and long-term partnerships – and is not focused on short-term success. Perspective, because our company has never rested on its laurels but has developed in response to market requirements and the spirit of the age.

In our anniversary magazine we present our company's long and varied history - about change, highs and lows - but in particular our company's most valuable resource: People who have helped to shape this company with pioneering spirit, commitment and passion and who epitomise it today. Our founding fathers led the way and our employees are continuing the company's outstanding

work. Without all of these people there would be no anniversary in 2017 - and certainly no 150 years to celebrate.

But this magazine is not just about looking back and highlighting the present – we also want to give you an idea of what the future holds in store for us. I am certain that the first 150 years of Ernstmeier are just the start. Let us take you through the next steps as there are many exciting challenges for us ahead. Let's face these together with renewed vigour!

"150 years? That's just the start! I am looking forward to continued success in future - together with all of our colleagues and partners."

› **Oliver Jackl**, Managing Director of Ernstmeier since 2014



Greeting



> 1996

Two people who said the same thing and meant it:
Dieter (left) and Peter Ernstmeier.

Greeting from the Peter Ernstmeier Foundation

The older the better!

Everyone who got to know the brothers Dieter and Peter Ernstmeier a little knows how important their family business was to them. Both childless, "the company" was very high up on their list of priorities.

My husband, assisting his brother Dieter and following the fortunes of "the company" from Hamburg, always used to speak of it as "Herford", as the town and the family business were inseparable in his mind. Both brothers were blessed with a clear perception of the realities of life, coupled with Westphalian perseverance, stamina, and a healthy pragmatism and sense of responsibility. Furthermore, both were avid classical music and art history enthusiasts.

If the two used the same words, you could always be sure they meant exactly the same thing. Their decisions to leave their shares in the business to trust companies represented their legacy to the future – the future of Ernstmeier. This is what they wanted, even though they are no longer able to directly influence where we stand in 2017 or the direction the company will take from here.

In the year of the 150th anniversary of the company originally founded by their grandfather, Dieter Ernstmeier would have been celebrating his 78th birthday, and Peter Ernstmeier his 81st. For them, this milestone anniversary would have been a reason for

celebrating on an impressive scale, emphatically including the Ernstmeier employees who have made the company what it is.

Our company has been able to weather many storms in the course of its long voyage and has found its position and home as a market leader. I wholeheartedly believe that our know-how and diligence will help us master the challenges to come on our way into the future.

To be part of this story is equally amazing and humbling to me, and I am very grateful to my husband for this experience, as well as to my colleagues (if I may be so bold as to use that word) in the company. I can honestly say that it gives me a great sense of pride and confidence in the future to be "an Ernstmeier".

I have faith in our ability to continue to prove our calibre in the years to come. There are many advantages for our company in growing older. In fact, the older the better!

Madleen S. Dintner
*Chair of the Board Peter Ernstmeier Foundation,
Herford and Wohltorf*

150 Years

Greeting by the Dieter-Ernstmeier- Foundation

Even in Dieter Ernstmeier's lifetime, employees liked to joke: "For which church bell are we working today?" Both brothers, Dieter and Peter Ernstmeier, felt obliged to this unique combination of commercial success on the one hand and philanthropic impact on the other hand, even beyond their own lifespan.

A quarter of a century ago, to establish a foundation was still an extraordinary thought, which nowadays is gaining tremendously in force and is reflected in numerous foundations being established. Nevertheless, the Ernstmeier foundations remain very special: The purposes of the Dieter-Ernstmeier-Foundation and the Peter Ernstmeier Foundation can only profit if the company is commercially successful. Both brothers' overriding priority becomes significantly clear: The company, its products, and especially its employees require full dedication prior to only enjoying the bright side of life. This insight was and is the Dieter Ernstmeier Foundation's main priority!

Since its inception 15 years ago, the Dieter Ernstmeier Foundation was allowed to sup-

port purposes close to Dieter Ernstmeier's heart with approx. €5 million. (Some examples are given below.)

From a small dye works with just a few workers to a global high tech player, the Ernstmeier journey has so far lasted 150 years of change, excitement and lots of hard work. The days when all Germans owned a piece of Ernstmeier in the form of their identity card are probably gone. However, our current and future products are going to accompany us in the years to come and will continue to improve our customers' and people's lives.

Jointly side by side with the Peter Ernstmeier Foundation, we will play our full part to ensure that the future of the company is successful. Our appreciation is dedicated to all fellow friends who feel committed to this joint purpose!

In the name of the Dieter Ernstmeier Foundation
Yours sincerely
Ute Blanke



› **Ute Blanke**
Chair of the Board
Dieter-Ernstmeier-Foundation, Herford

A labour of love

- › The **FOUNDATION OF THE NORTH-WEST GERMAN PHILHARMONIC**, significantly co-founded by Dieter Ernstmeier and its "Founder's Concerts"; nowadays in an extended format it is a high-calibre event in classical music for the numerous friends and supporters of the orchestra;
- › The **FOUNDATIONS WITTEKINDSHOF** in Bad Oeynhausen and **MARTINSHOF** in Rothenburg, O.L., to assist their work in supporting people requiring special assistance;
- › The remembrance and history of the early beginnings of his hometown Herford, dominated by the oldest convent in Northern Germany, Herford's ladies convent. Dieter Ernstmeier's favourite project now finally faces excellent opportunities for realization in a smaller but fine form as an **"ARCHAEOLOGICAL WINDOW"** next to Herford's town hall and minster



WE BELIEVE IN PEOPLE!

We believe in people! We believe in the wealth of experience and the proficiency of our older employees as much as in the ingenuity, inquisitiveness, and innovative drive of our younger recruits.



At Ernstmeier, we believe that on-the-job training gives the best possible start to a career, and we support the German vocational education system as one of our social responsibilities. Moreover, we believe in a good work-life balance. Employees also have a life outside the company and need time and opportunity to enjoy the leisure-time activities of their choice. Variety is the spice of life. We have employees who are keen anglers, an enthusiastic hunter (who has just become a father), hobby mechanics who have built their own 4-door VW cabriolet (sensational!), and the deputy chair of our works council has a passion for cooking. A few of our people have agreed to let us take a closer look at their lives:

We believe in people!

...a reality at Ernstmeier, as the example of Dr Ralf Struthoff shows:



In print, everything about his career seems meticulously planned, scheduled, and single-mindedly goal-oriented, which it wasn't. "I simply attacked the task in hand with enthusiasm and dedication in each case, and new, exciting opportunities just presented themselves over time," says Struthoff, who has been a member of our supervisory board since 2009 and is the shareholder's representative for the Dieter-Ernstmeier-Stiftung.

A mere 3 months after his gaining his high school qualifications (he attended the Ravensberger Gymnasium in Herford), Struthoff embarked on his two-year internship for the DIHK-approved qualification of "Industrial Management Assistant" at the Ernstmeier GmbH & Co. KG. His fellow interns at the time, such as Frank Gräfe (see page 33), remember the young, tall Struthoff well.

Nearly 20 years later, Struthoff had an impressive list of international qualifications under his belt, (Business Administration and Economics studies in Germany and the United States followed by a PhD in Finance and Management), and an equally impressive career trajectory (chief financial officer of diverse national and international companies, business angel, shareholder/partner). Following that period, which took him to various far-flung corners of the world but always returning to East Westphalia, Struthoff did what only seemed logical: he founded his own company. "Dr. Struthoff GmbH" (Advisory Board Services – Management Consultancy – Partnerships) has its headquarters in Lippe, just around the corner from the colossal Hermannsdenkmal, the extravagant monument to the Cherusci chieftain Arminius.

Is a career like Struthoff's even possible these days? "Most definitely," he responds, adding that foreign and overseas experience is often easier to come by ("many more scholarships and grants") and, moreover, is often "expected and a compulsory prerequisite for a number of jobs."

Dr Struthoff belongs to the class of individuals who avoid a put-on behaviour, combined with integrity, a natural consideration in dealing with others, and an astuteness based on calm deliberation and attention to detail. The arts, music, charity. One might be forgiven for thinking so, considering his current passion for long-distance swimming, although Struthoff's main love (next to his wife Dr Anne Struthoff, it goes without saying) is facts, facts, and yet more facts.

Any advice for young people setting out on their career path in our innovative and disruptive times? "Find out what inspires and motivates you – which in itself isn't so easy when you're young – and then just do it! If you then find that you have the right aptitude for it, nothing can go wrong. Oh – and English is everyone's second language these days, so it no longer even counts as a foreign language.

From trainee to board member ...





› 2017
 Andreas Beckmann works in the cooking plant and has been continuing the "Beckmann" tradition at Ernstmeier for the last 30 years.



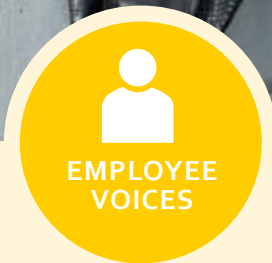
Andreas Beckmann

Andreas Beckmann, for example, is a "second-generation-Ernstmeier", and a volunteer first-aider with the German St. John Ambulance organisation ("Johanniter-Unfall-Hilfe") in his spare time.

He came to us 30 years ago, introduced by his father Günter, who was a qualified carpenter and joiner and responsible for building maintenance. Günter's wife, Elisabeth, was one of three ladies in the porters' lodge. So "the Beckmanns" have some history at Ernstmeier. Günter also introduced his son Andreas into the local St. John Ambulance group, where he is now a group leader, having been an active member for 34 years, investing some 500 hours of his free time per year. As a motorcycle first responder (in his red-and-yellow hi-vis regalia, astride a powerful, yet highly manoeuvrable BMW of the 650/700 cc class), he operates out of Bad Salzuflen, mainly covering the Lippe-Höxter area in response to events as diverse as open marathons and fun runs, biker church services, and civil emergencies. "We come and help," is Andreas Beckmann's simple explanation of what the "Johanniter" do, and this attitude has earned him more than a few decorations in acknowledgement of his work so far (including the German Flood Service Medal 2002, personally awarded by the then German minister of the interior, Otto Schily).

Andreas Beckmann is married with two children, and works in the cooking plant, in what the workers call the "cold kitchen". He remembers an anecdote from the beginning of the eighties with particular fondness: "Communication between colleagues in the cooking plant was always bit rough-and-ready, but basically good-natured. Pots would sometimes fly, literally, thrown by a choleric colleague whom we named 'Bunny', much to his annoyance. Once, visitors to the plant were treated to the sight of Bunny, clad only in his Y-fronts and wooden clogs (standard safety issue at the time – the clogs, that is, not the Y-fronts), shuffling past to get to the showers while they were being given a demonstration of how our stretcher frame worked. We had some great laughs in those days."

We believe in people!



Petra Konopka

Now we come to the company's very own rock musician, Christian Barke, who's been with Ernstmeier for 23 years – a stretcher frame virtuoso, now a big noise in the finished goods warehouse.

As a self-confessed "metalhead" of long standing, he not only knows details like the real name and precise date of death in 2015 of Motörhead founder "Lemmy" Kilminster, but the local scene, too, having himself played in many local bands with imaginative names, the latest of which is "Soulgate". The "scene" in East Westphalia-Lippe is definitely "into" the sonic power which is a key feature of heavy metal. Unfortunately, Barke does not know the famous "Jaguar-Club" in Herford from inside. The Alice Cooper fan, self-taught bass player, drummer, and guitarist, is now trying his hand at songwriting – with some success. He is an active presenter for the community radio broadcasting project "Bürgerfunk Herford" and organizer of heavy metal festivals. For those not already familiar with the term, "heavy metal" is a genre of music that developed from "hard rock", but before we get bogged down by sub-genres and style definitions, let's just take Barke's own straightforward and uncomplicated explanation: "It's all about explosive sound and heavy beat. Mettbrötchen and beer. Very laid back." His wife also knows and loves the "scene".

Sandwiches also define his fondest Ernstmeier memories, from the days when we still had a canteen. In the entrance lobby, near where the bust of Dieter Ernstmeier is, there used to be a selection of typically Westphalian meat and egg sandwiches laid out for the employees. Perfect for a quick snack à la "the Riesenberg" or "egg with punch" chat in between. Pure, satisfied communication, sort of.

Petra Konopka has been with us for 27 years now, in financial controlling. As a "number cruncher", she is better informed than most about current developments in the company's fortunes. She is a highly committed member of the works council, astute and plain-talking.

She met her husband, then her large dear, at an Ernstmeier office party 10 years ago. Thorsten Konopka, a former shift manager who now works in security, is also looking after the Ernstmeier commercial trainees.

So how does she relax outside the office? "My evenings are full of comedy," jokes Konopka, who spends a not inconsiderable amount of her free time directing amateur theatricals for her local group "Heimatverein Stedefreund". The last "modern" production was "Boeing-Boeing", known from the film of the same name, the plot of which revolves around a swinging Paris bachelor engaged to three stewardesses who don't know about each other, and whose love-life gets inadvertently dropped into the bouillon by circumstances and the indiscretions of a visiting friend. Konopka admits there are certain similarities between her hobby and her job: "It's all about teamwork."

"Those were good times," agrees Petra Konopka, adding "We were basically just one large family, then. Everyone always mucked in together, people would help each other out as a matter of course and with no fuss being made about it. It's not quite like that now, for whatever reason. There are so many different ways to deal with the new situations that arise these days. Of course, some people will always bellyache and get upset, but, on the whole, there is a widespread willingness to embrace positive changes. All in all, we're a great team at Ernstmeier. I look forward to achieving even greater things with this team."



Christian Barke

A man with glasses and a black leather jacket is sitting on a chrome motorcycle. He is positioned in front of a red brick building with a white base. The motorcycle has a large round headlight and a spoked front wheel. The man is looking towards the camera.

Hartmut Barth

Roofer by trade, trained stretcher frame operator

Hartmut Barth, roofer by trade, trained stretcher frame operator:

"31 years at Ernstmeier – I'd never have thought that when I started. 'Hands off the established processes' my old boss told me in my first week. These days, I tell trainees: 'If you want to know something, just ask, never mind how many times.' I'm still learning new things every day myself."

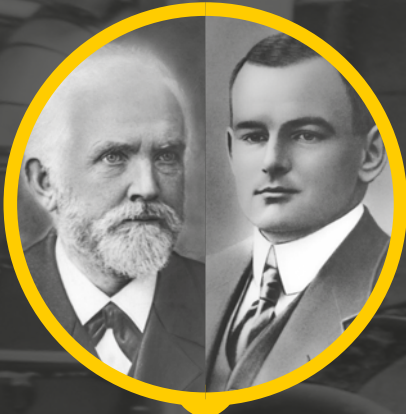


150 years of Ernstmeier:
A vision becomes a reality.
History becomes the future.

A timeline through history to today

Since
1867





1872 - The first order for the supply of emery cloth is completed

The brothers get an order for a fabric with heavy finish on one side, which – as it turns out much later - consists of emery cloth, the predecessor of today's abrasive backing cloth.



1907 – Expansion of production facilities

The big expansion of production (flour sacks and other shirtings) makes it necessary to further expand the facilities. Further extensions and new buildings, including a raw materials warehouse, a new boiler house and the company's own carpentry workshop.



1867 – The brothers Gustav (left) and Wilhelm Ernstmeier take over the blue dyeing company Budde & Münter in Herford

The business is established as a finishing operation and the blue dyeing company and printers is added on. The company starts to produce hemming linen for packaging materials in the cloth industry.



1882 – Building the new factory at its current location

The brothers go their separate ways and Gustav Ernstmeier builds his own factory on Mindener Straße. Sales continue to rise; this is primarily thanks to the production of emery cloth. New machinery is installed.



Gustav Ernstmeier
Bleicherei
Färberei u. Appretur-Anstalten
Herford in Westfalen

1918 – Carl Ernstmeier takes over as managing director of the company at the age of 24

When Gustav Ernstmeier Jr. dies in the First World War, his younger son Carl takes over as the sole proprietor of the company in 1918. The company now has 23 employees.



1907

1913

1918

1925

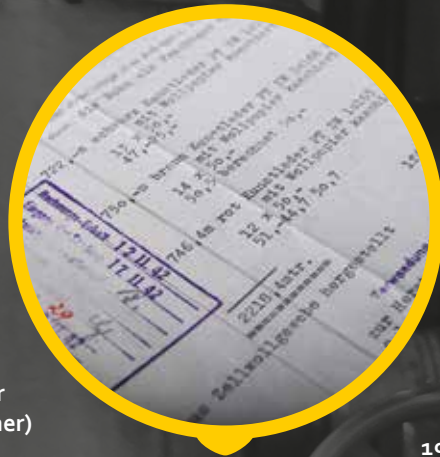
1913 – The company's founder dies, the next generation takes over

Following the death of Gustav Ernstmeier, his widow and his son, Gustav Ernstmeier Jr. take over the company. However, he will only be in charge for a few years as he will meet the same fate as many young German men in the First World War.

1925/27 – Production of book binding materials

White and coloured book cloths are produced from a matt linen. The high level of development work for the production of calico, a finished cotton fabric for book bindings, finally proves successful in 1926. 1927 is the year with the highest sales in the company's history so far, primarily influenced by binding materials.





1930 – Start of synthetic leather production (nitro synthetic leather)

Over the next few years three new synthetic leather machines are installed. Binding and synthetic leather production increases sharply. The business is redeveloped and expanded, new buildings are added.



1948 – The next generation takes over: Carl-Gustav Ernstmeier

After more than three decades of sole responsibility, Carl-Gustav Ernstmeier takes on managing director duties alongside his father Carl.



1939/45 – The War Years

The company survives the war years for better or for worse. Despite the limited supply of woven textiles, the company is able to obtain a quantity of funeral cloth and this helps it stay in business, as well as supplying materials for camouflage nets and snow shirts. Nevertheless, the company has to close down for several months at the end of the war. Fortunately, it does not suffer any bomb damage. At the end of 1945 the business is able to resume limited trading.

1950 – Development of PVC synthetic leather.

The company is able to produce a very hard-wearing and extremely durable synthetic leather. As a result of the huge demand, more machines are installed and laboratory facilities are established. >



BLIK
NDPASS
RT
ORT

1960 – Product launch: bellows material

Special textile carriers are designed to withstand high loads and provide good long-term protection for machines and their operators.



1968 – With Dieter Ernstmeier the next generation of the family takes over the company.

For over two decades the company was led by Carl-Gustav Ernstmeier. Now Dieter Ernstmeier takes over and will steer the company's fortunes over the next 30 years. His brother Peter Ernstmeier supports the company from Hamburg as a fellow partner and advisory board member.

1950

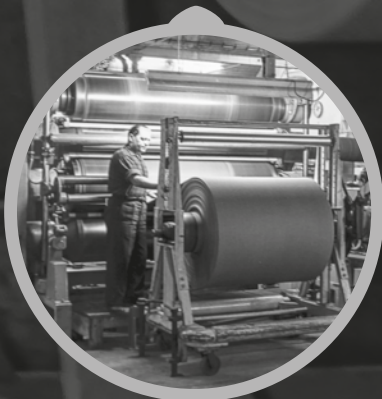
1960

1964

1968

1964 – Setting up additional production facilities in Stolzenau

As it is not possible to expand the factory at the company headquarters in Herford, a production facility is built in Stolzenau. This significantly expands the production capacities. ERA develops into a successful supplier to the automobile industry (boot covers, synthetic leather for car seats and foam laminates for car interiors).



1950/54 – The German Passport arrives.

The German passport (still green at that time) in Ernstmeier synthetic leather is introduced in the '50s. The trade name ERA is created. Carl Ernstmeier dies, aged 65.





2000 – Largest program of investment in the company's history. The ERATEX trade name is created.

The program comprises the construction of a new logistics and production hall, a shipping warehouse and a new exhaust cleaning facility. The machine fleet is expanded. The investments total almost 25 million DM. In particular, the production capacities of abrasive backing products are significantly expanded.



2009 – Commissioning of a new line for solvent borne coatings

The product range is extended. The demand for wider bellows and construction textiles has grown; widths of up to 250 cm are now possible.



1986 – Splitting of Herford and Stolzenau facilities

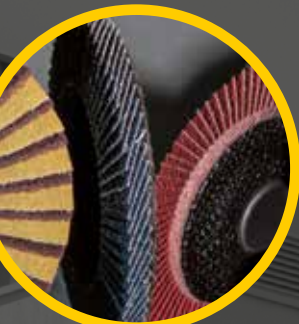
The two facilities are split into two independently-run companies. The facility in Herford will continue to be managed under the name Gustav Ernstmeier, the Stolzenau facility is now called era Beschichtung.



2002 – Establishing the Dieter-Ernstmeier-Foundation

Dieter Ernstmeier, last managing partner of the family company, dies. He was the managing director from 1968 until his death. During his lifetime he prepared to transfer his company shares into a foundation. The foundation supports and promotes cultural, social and church projects, including in Herford. Peter Ernstmeier remains the second partner.





2013/14 – Sale of era Beschichtung GmbH

The Ernstmeier Group sells the businesses of the subsidiary ERA-Beschichtung GmbH & Co. KG to a strategic investor. From now on the employees in Stolzenau are part of the Hornschuch Group. The Herford facility is now the only production location. Peter Ernstmeier dies. His shares are transferred to a foundation. The company is now held by two foundations, the Dieter-Ernstmeier-Foundation and the Peter Ernstmeier Foundation.



2017 – 150th anniversary of the Company

On the company anniversary, the Company also took the opportunity to demonstrate its commitment to the abrasives business to the outside world by expanding the company logo.



2012

2012 – Development of a new generation of abrasive backing product line for flap discs

The market demands a powerful tool for the high-end sector. High aggressiveness and long service lives. Qualities that are partly determined by the textile carrier. The very traditional book binding materials segment is abandoned.



2013

2015

2015 – New generation of sheet and production line materials is presented

New abrasive product concepts are presented that are designed to service the highly competitive abrasive application with very economical products. For the first time the abrasive backing products are based on previously unusable fabric designs.

2017



In conversation

**WHERE DO WE COME FROM?
WHERE ARE WE NOW?
WHERE DO WE WANT TO BE?**

A review, insight and outlook from Managing Director Oliver Jackl.



To mark the 150th anniversary of the company

An interview with Oliver Jackl, Managing Director Ernstmeier Group

Mr Jackl, before you took on the position of managing director at Ernstmeier 3 years ago, were you not perhaps a little daunted by the prospect of managing a 150-year-old business?

OJ: No, quite the opposite, in fact. I have always enjoyed the special responsibilities that come with working in companies with a long tradition and a strong business ethos. Ernstmeier, as a typical family-owned business, particularly values long-term partnerships and strategies that are geared toward sustainability. And I think that this approach is absolutely essential to continue upholding such a company's tradition.

At the same time, it is vitally important to preserve the essence of the business, in other words, what the company is all about – after all, this is what has got the company where it is today – while adapting to current circumstances. We cannot be content to rest on the laurels of our past. Our aim must be to sustain the vast store of know-how in this company while continuing to add to it. Only then will we be able to ensure that tradition in this company means guarding the flame, rather than worshipping the ashes.

Ernstmeier celebrates its 150th anniversary in 2017. What does that mean to you?

OJ: Looking back on the company's history from today's perspective, you begin to realise not just how many different people influenced the company's fortunes, but also how many different people's lives were in turn influenced by the company – employees, customers, suppliers and other business partners. All these people enjoyed Ernstmeier's times of prosperity, while suffering with the company during its less fortunate periods. To me, the fact that the company survived three wars and several economic recessions in the course of its history is more than enough to earn anyone's respect for the people involved, and emphasises the special responsibility that goes with managing the company.

In your opinion, are there any lessons to be learned from the company's past?

OJ: Well, on past evidence, it is clear that Ernstmeier has always done particularly well when concentrating on a less diversified business portfolio. The company's commitment to and focus on a select range of products invariably added to the development of an extraordinary level of competence in its fields of business, which the market rewarded with confidence in the company's expertise and, ultimately, increased sales. Of course, some setbacks were still outside the company's control, but Ernstmeier has always managed to recover from the effects of such crises remarkably quickly, thanks to an ability to position itself clearly and strongly on the market.

Have these insights led to recent changes in the company?

OJ: Most certainly – quite considerable changes, in fact. In retrospect, the entire decade since the death of the last of the Ernstmeier family's managing directors, Dieter Ernstmeier, can be seen as a phase of consolidation and re-orientation.

I think we have now re-established our focus on our core business of abrasives backings. In no other field of business, with the possible exception of bellows materials, has Ernstmeier accumulated such vast expertise over so many years, optimizing our processes and materials and – even more importantly – our customer relations. We have, after all, been in this particular business since 1872.

The business administration graduate born in the Swabian city of Ludwigsburg studied in Hamburg and subsequently held various management positions in Landsberg/Lech, Mainz, in the town of Alfeld in Southern Lower Saxony and in Cologne. For the last three years he has been the Managing Director of the Ernstmeier Group and lives with his wife and son in Herford.



We do have a lot on our plate for this year, but we will most certainly find time to celebrate.



How have the customers responded to the company's re-alignment?

OJ: As far as I am able to judge, this is definitely in our customers' interests. I can understand that our customers in the abrasives industry might have been becoming increasingly uncertain about the importance of the abrasives backing business within the Ernstmeier group, and I am certain that our re-alignment has been noticed with approval. Looking at the market today, although there are enough competitors around who have learned to manufacture abrasives backing materials almost in the same quality as we do, none of them are as committed to the research and development aspect of the business as we are. While we once more see abrasive backing materials as our core competence, our competitors very often focus on other main business interests. In the end, this means that we have so much more to offer our customers than simply the best value for their money. And as long as this is the case, our customers will continue to stay loyal to us.

Now that the company has been concentrating on producing abrasives backing materials for so many years, are there ever any new challenges that need to be faced?

OJ: Certainly there are, in many areas of the business. For example, although we are still to some extent working with the same finished materials as 30 years ago, new products with improved and/or new attributes are constantly being developed. One of our main concerns has always been the improvement of our textiles with new chemical finishing processes and higher manufacturing standards. And it is the backing material that has the greatest influence on the performance of the coated abrasives products on the machines they are designed for.

Moreover, regulations on hazardous chemical substances are constantly being updated everywhere, requiring suitable modifications to our products, and we are continually looking for ways to improve our manufacturing processes. In short: we still have more than enough work ahead of us.

Do Ernstmeier's customers even notice these constant improvements and changes?

OJ: We see clear proof that they do in our day-to-day business, and our sales figures confirm it. The figures for the last two years show a continuous growth of our abrasives backing business. In order to reinforce our position on the market and outwardly underline our commitment to the abrasives industry in our

anniversary year, we have decided that our brand name ERATEX should be followed by a claim: Backing Abrasives.

Our claim can be interpreted in two important ways. First of all, it says what we manufacture, namely, abrasives backing materials, and, secondly, it is our message to our customers in the abrasives industry: we stand behind their products and can be relied on for support.

Does this strong focus and re-orientation toward abrasives backing mean the company's other business will be discontinued?

OJ: No, certainly not. Our customers can rest assured that our other currently existing fields of business, that is to say, the bellows materials business and other current specialties, will continue to be maintained and developed. However, it does mean that we do not plan to put our resources into building up new fields of business in the coming years. Instead, we will be focussing more on our current competences.

What other important news would you like to announce for the company's anniversary year 2017?

OJ: One important event will be the launch of our new website and our corporate video, both of which are designed to make clear what we stand for.

Moreover, we are currently in the process of establishing our ERP system, which is scheduled to go live in 2018. Anyone who has ever taken part in a venture like this knows what a colossal amount of work it entails. In software terms, an ERP system is the 'system software' of a company.

And in our production facilities, we are taking yet another large step toward 'Industry 4.0' and smart factories. This is a further issue that will carry us a good way into the future, and these projects will also require a lot of effort on our part to realise.

So 2017 will be all work and no play?

OJ: (Laughs) Not at all. We do have a lot on our plate for this year, but we will most certainly find time to celebrate our anniversary properly. We have prepared an interesting programme for the main event, and we will also hold smaller, more intimate celebrations with our employees, both current and retired, our customers and our business partners, by way of a special thank-you for their cooperation and loyalty over the years.



› 2017
Oliver Jackl
at the production
facility with
Frank Monke

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Globally recognised and successful know-how: Our innovative product developments offer maximum durability and satisfy individual requirements.

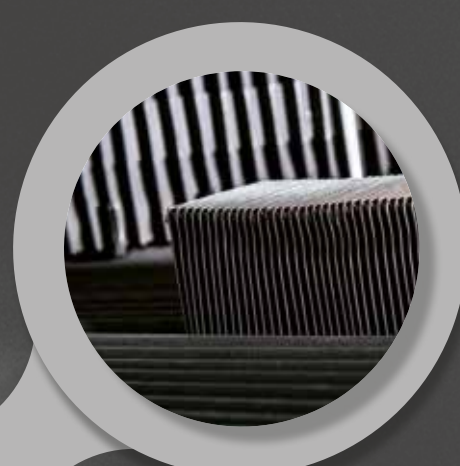


SMT

ABRASIVE
BACKING
PRODUCTS

TT

TECHNICAL
TEXTILES



A strong partnership with Starcke – since 1880

Ernstmeier and Starcke: A close and reliable cooperation which has run smoothly for over 130 years.

How far back does the business relationship between the two companies go?

Dr Sinram: Mass manufacturing coated abrasives on cloth backing started in England in the 1830s. Towards the end of that century, Carl Julius Starcke established a manufacture in Germany – with 2 employees. From the very start, the backing material came from Herford, from Ernstmeier.

O. Jackl: Research into our history on the occasion of our anniversary year has established that our two companies have been doing business together since the 1880s.

Has Ernstmeier been Starcke's backing materials supplier ever since?

O. Jackl: In the early days of coated abrasives manufacturing, the finished backing materials had to be imported from England. When the Ernstmeier brothers began producing twill as a backing for emery cloth in 1872, they were the only German manufacturers at the time.

Dr Sinram: Correct. At Starcke, we later attempted to build up our own backing materials division. However, Ernstmeier were simply always that little bit better at it, so we soon went back to concentrating on the abrasive coatings and stopped the

development and manufacture of backing materials. After that, Ernstmeier was our sole supplier of backing materials for a great many years.

The fact that your cooperation has lasted for so many years shows that it has been mutually beneficial. Is there a recipe for this sort of success?

Dr Sinram: Of course, the fact that the two companies are only about 30 minutes away from each other by road is an unbeatable advantage. This makes the delivery logistics so much easier, but also has huge benefits when it comes to cooperating on a technical level in joint development projects.

O. Jackl: I am also convinced that the similarity in the business structure of the two companies is an advantage, both being family-owned, with a hands-on approach and emphasis on sustainability, as well as being characterised by the ability to work towards a common objective with the necessary trust and reliance on one another. This is a good basis for sticking together through thick or thin.

Thank you for your insights, and here's to a further 150 years of fruitful and creative cooperation between the two companies.



STARCKE®
Echt Starcke. Seit 1829.

Interview with Dr. rer. nat. Diethard Sinram (left), Managing Director of Starcke GmbH & Co. KG abrasives factory in Melle and Oliver Jackl. STARCKE is a medium-sized, independent company that has been a family business for four generations and is one of the market's most important suppliers.

What is this based on?

A quick portrait of the Eratex sales team

A quick portrait of the Eratex sales team Our business partners have become very familiar with the voices of our sales staff over the years These are the people behind the names:



Frank Gräfe

Working at the company since 1986

With overall responsibility for sales at Ernstmeier, in his spare time Frank Gräfe is passionate about sailing, Italy and classic cars.



Anja Pöppel

Working at the company since 1988

From training to financial accounting to sales: The mother-of-two has built up a lot of experience at Ernstmeier.



Heidrun Stork

Working at the company since 1983

A true veteran, having worked at Eratex for nearly 25 years – in her free time Heidrun Stork sings in a gospel choir, among other things.



Dieter Scherf

Working at the company since 2013

He is a passionate sportsman and family man who joined Eratex after working at Hoechst and spending some time abroad.



Irina Bothur

Working at the company since 1995

After training, Irina Bothur went straight into sales in 1997.



Petra Wenger

Working at the company since 2000

When she is not advising or selling as part of her job, Petra Wenger likes to spend her spare time reading – or dancing.



Philipp Hambusch

Working at the company since 2000

Passionate about cooking and hunting, he has held a number of positions at Ernstmeier, from purchasing to development to sales.



THE MANY FACES OF SUCCESS

Our committed, passionate and experienced employees who carry the Ernstmeier name from Herford to the rest of the world.

"Dealing with new situations, new challenges, which arise all the time, even after 30 years, which I like. It keeps me on my toes, that's for sure."



Peter Wesselmann

Peter Wesselmann, has been with us for 30 years, and is a trained textile machine operator. As shift manager, these days he is responsible for making sure that production runs smoothly.





Nina Fehrlage, our HR manager, comes from the (Westphalian) fashion industry, which she describes as "totally dynamic and exciting".



Nina Fehrlage

She arrived at Ernstmeier after a short (but definitely worthwhile, she feels) stopover at Hörmann KG, a manufacturer of building components. She therefore already has some experience with family-owned businesses that have strong, local roots as well as international influence.

Following her secondary school teacher training certificate (the so-called Realschullehramt degree) for Mathematics, German, and History, she went on to study politics and management science, specializing in the sociology and psychology of employees and organizations, a choice that paved the way for her professional future. During this period, she worked part-time in a coffee shop. All of which makes Fehrlage truly an all-rounder.

At Ernstmeier, Nina Fehrlage has encountered a "completely different corporate culture". She was "welcomed with open arms", in the spring of 2016. She finds the employees

"demanding, but not in a negative sense, very relaxed in their dealings with their colleagues, and very straightforward, willing to communicate, and team-spirited. This vitality extends throughout all areas. Some convincing, of course, also still needs to be done."

She fills her position at Ernstmeier expertly and pragmatically. "You can't just hire people on the basis of their paper qualifications alone. Applicants also need to fit in with the team." Her assertiveness, backed by her direct communication style ("I like to get straight to the point"), is already showing results. A large part of her day is spent in "discussions with colleagues", by whom she feels "well received" – she does, apparently, fit in with the team. Fehrlage is a firm believer in an open door policy for relations between management and employees – which she interprets literally, more often than not.



Michael Hoffmeister

Michael Hoffmeister, works manager ("It's OK to follow the rules"), is not so much an Ernstmeier "veteran", as, in fact, a "repatriate".

He first joined Ernstmeier in 1993 as an assistant manager. "The company was expanding and we were working non-

stop. It was simply a great time." After stopovers at VSM, Mercedes Benz, a period of self-employment

"working in abrasives" (an exciting, but ultimately not sustainable venture), and more recent employment with competitors in south-east Germany, he returned here in 2012 as works manager. Carmen, his Spanish wife of 27 years' standing, commented: "Looks like you finally found your way back." His eldest is studying in London, while his youngest has returned to the fold to retake his Abitur after taking a gap year.

Hoffmeister wouldn't object to being labelled a "social conservative", insofar as he respects traditional values such as hands-on experience and authority established over time. He is a champion of "straightforwardness, no waffle, say what you mean and mean what you say," combined with tolerance and the request that his colleagues treat him in the same manner. "I am never too proud to reconsider and even revise my opinions if this is justified." His colleagues Dieter Scherf and Philipp Hambusch are that way, too.

Klaus Ritschel, born in Westphalian Lipper-Land, is another "probationer", he claims, albeit with tongue in cheek, having started at Ernstmeier in the Spring of 2016, at the same time as Nina Fehlage. Among his many other duties as commercial manager, he is currently working on determining the best ERP system to accompany us on our journey into the future, in the short term as well as the long term.

. Briefly, enterprise resource planning (ERP) comprises the strategic management and controlling of company resources, such as assets, staff, working capital, and equipment (including information and communications technology), in line with the company's vision and mission statements. An optimisation task that even younger companies than Ernstmeier have already had to tackle in recent years, and one which affects employment sustainability and value creation, resilience and innovation capability.

About a fifth of the Ernstmeier workforce is already part of the ERP team. "It's the people we are working with here who make it all exciting for me," says Ritschel. "Aside from the technical issues of the project, we are examining all the work processes currently in place. Our people are happy to help and contribute to this – you can tell that they are really committed to optimizing the processes. What we are doing is beyond evolution, more like revolution. We are shedding our old skin, so-to-speak." More than 20 years of experience in financial management, corporate ICT project management,

and cross-functional team management make him eminently qualified to see this process through at Ernstmeier, particularly when backed by his typically Westphalian stoicism.

"We're already making progress with our day-to-day business," he announces, not without a certain amount of definitely typical Ernstmeier satisfaction at a job well done. The new system will be up and running next year. Yet Ritschel also knows that "There's no such thing as 'the perfect market participant'. There will always be room for improvement." Nevertheless, he is confident that, with the combined effort of the entire Ernstmeier management and workforce, Ernstmeier in Herford will come very close indeed.

Klaus Ritschel



»What we are doing is beyond evolution, more like revolution. We are shedding our old skin, so-to-speak.«

We believe in people!



Dirk Winkelmann

Dirk Winkelmann, quality management, sees himself as the "link between sales and production". Hailing from Herford – he literally lives just around the corner from the factory – he was one of the first to run through all the stages of vocational training for a licensed tradecraft at Ernstmeier, achieving his master craftsman certification in 1996.

»In all the 34 years I've been here, I never had any reason to look for a different employer.«

he says, "and whatever storms we may have had to weather in the past, I've always felt I was in safe waters here. In my team, with the shift managers as well as the sales office, we have an open door policy of communication."



Frank Gräfe, a further Ernstmeier veteran of 31 years' service, has always regarded his impressive height of around 2 metres as "basically irrelevant, but sometimes useful" to his professional life. Gräfe is responsible for sales, with a focus on abrasives, the "company's DNA", as he sees it, in Germany, Europe and USA (where the company is considered a high-profile representative of the "German Mittelstand"). "Sparks often fly where abrasives are concerned, and people in the abrasives industry tend to be hands-on, down-to-earth characters," he muses, adding that, in this respect, he feels "quite at ease" in this environment.

»Sparks often fly where abrasives are concerned.«

Marion Damkröger

1974: The German national football team and Muhammad Ali are world champions, women wear "hot pants", men wear colourful ties as wide as a toddler's bib – and Marion Damkröger starts her internship at Ernstmeier. "I originally wanted to attend a language school, but then I heard that Ernstmeier were hiring. And in those days, you only "got in" if you knew someone already there. It was something special." She learned bookkeeping, starting from the basics.

Until 2015, when her last boss retired after 45 years, the small bookkeeping team had always been under the same management. "We always felt appreciated, which was also due to Dieter Ernstmeier's influence. You always knew you could depend on everyone else." She remembers bygone company celebrations with some nostalgia, notably when Ted Herold ("Moooonlight") once gave a special guest performance. "Or when there was that solar eclipse, you know, the special one, and we were all standing around in the courtyard wearing these weird-looking eclipse glasses."

After an initial phase of getting to know the new manager Klaus Ritschel (see page 31), professional and precise operation is the daily business.

Frank Gräfe

For him, it all came together when he began his internship at Ernstmeier, after completing his Abitur, business college, and national service, at the same time as Ralf Struthoff (see page 8). Gräfe's only (short) period of employment outside the Ernstmeier sales office in Herford was with the sales office for bookbinding materials in Munich, which existed at the time.

Apart from the few larger corporations that Gräfe deals with, very many of his clients belong to the small and medium enterprise sector. Traditional, often family-owned companies. This often means dealing with one and the same contact over a long time, which he finds very beneficial. Frequently, he finds that clients expect the "higher ups" to be part of the Ernstmeier teams in the field. Not a problem for Frank Gräfe and Oliver Jackl, who are always happy to visit clients on-site. "This promotes confidence and allows us to work with our clients in the way they are most happy with." Clients still value "face-to-face communication when contracts are agreed, and don't just want to depend on signed pieces of paper. A feeling of trustworthiness and commitment on both sides is how it works." This old truism continues to be valid, despite the very real possibility these days of being outbid during the bidding process by a completely unexpected competitor. And this is only a part of the mental acrobatics that Gräfe and his team are expected to accomplish in their day-to-day work. His colleagues Dieter Scherf and Philipp Hambusch are that way, too.

Marion Damkröger has never even briefly toyed with the idea of moving to a different company. "All my life I've loved coming here to work," she says with that engaging Westphalian bluntness, devoid of any hint of coyness or coquetry.

So how does she counterbalance her "number crunching" job, keeping track of the company's day-to-day financial transactions? Running and needlework are her hobbies, and she is now also a fully committed grandma, complete with a portrait of her grandchild on her desk. When she retires, in the foreseeable future, she plans to spend more time with her grandchild in Augsburg. One thing is for sure, she will have plenty of anecdotes to tell about her many years at Ernstmeier.



1867 / 2017

150 years of Ernstmeier

A few words from the Chairman of the Supervisory Board

Please complete: 150 Years of Ernstmeier in Herford means...

... an impressive achievement, which has made Ernstmeier products known all over the world, supplied work for generations and contributed to the prosperity of the city.

As a member of Ernstmeier's supervisory board, you are dealing with a fairly typical German "Mittelstandsunternehmen", or medium-size business. Is there a typical Ernstmeier employee profile?

The best Germany has to offer. Reliable, capable of learning, curious, perhaps a little stubborn, the fundamental reason why the German Mittelstand is as successful as it is.

The ownership of the Ernstmeier Company is currently jointly held by the Dieter-Ernstmeier-Stiftung and the Peter Ernstmeier Stiftung. The brothers Dieter and Peter Ernstmeier knew exactly what their company needed to put it squarely on the road to a promising and successful future even after their departure, and they put their vision into action at the right time. From today's perspective, do you see a difference in performing your supervisory duties given that you are now answerable to two institutions like the Ernstmeier trusts, among other stakeholders?

Trust companies are designed for the long run. Decisions of the Board therefore always consider the strategic long-term perspective, as they should. Personally, I consider it a very special responsibility to be entrusted with taking decisions that affect the endowment capital of a trust company.

Did you find a core Ernstmeier corporate DNA while being a member of the company's supervisory board?

I perceived the corporate DNA as something really special. As a combination of being a market leader in abrasive backings, being a family-owned and shaped business, and being deeply rooted in Herford culture.

Digitization and the German "Industrie 4.0" programme - do you see these topics as being relevant to our company?

SMEs clearly need to get into digitization and accept its challenges as well as its opportunities. However, the objective must not be to comply with every superlative defined by "Industrie 4.0", but rather to cater to the requirements and the potential of the individual companies.

The Ernstmeier anniversary year of 2017 coincides with a number of other important events, such as the

500th anniversary of the Lutheran reformation, a bumper election year in Germany, and substantially changed power relations. The world is changing, and will continue to change. Your - bold - prediction of our future prospects in a consistent challenging market environment is?

Ernstmeier operates in forward gear. To promote concentration on our core business while increasing acceleration and bundling our development work will provide crucial momentum for further growth. When the 175th anniversary comes around, the company will have grown substantially, at home and abroad.



Max Nicolaus Tiefenbacher

Chair of the Supervisory Board since 2010

Member of the Supervisory Board since 2004

Born in 1956


Married with 1 son and 2 daughters

Business degree, MBA



Enjoying the fruits of the past and
sowing seeds for the future.



 **ERATEX**¹⁵⁰
backing abrasives