



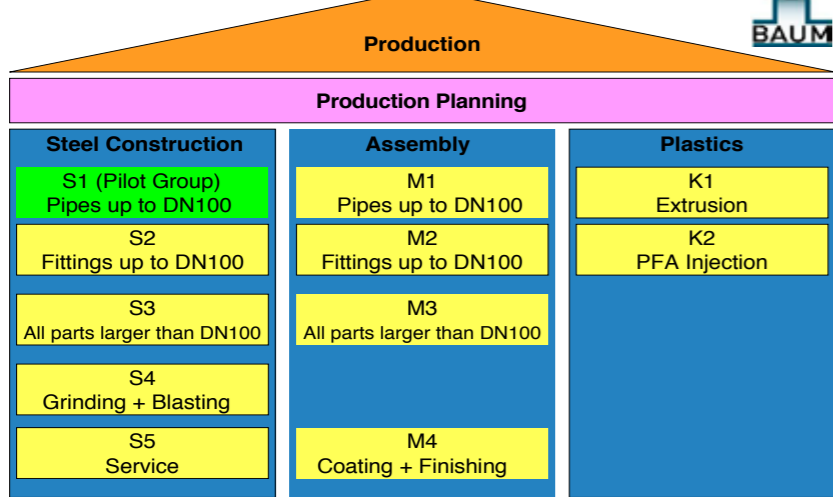
NEW Production Organisation

Early 2009, the production at BAUM KUNSTSTOFFE GMBH was changed from job-shop production to flow-shop production in groups. Due to the process orientation, component-focused production cells developed. The objectives of this organisational change were the shortening of the throughput times, the increase of productivity and the concentration on the continuous improvement of the processes. Thus, the adherence to delivery dates for our customers is further improved, and short-term needs can be satisfied. At the

each group show the productivity and offer, to the employees, methods and information for the continuous improvement. The BPS+ defines regular communication within the management and between the head of department and the groups. Our sustainable production system also includes training courses for the group leaders and continuous evaluation and documentation of the results. This project was already set up in July 2008, before the advent of the worldwide financial and economic crisis,

shown the importance and the appropriateness of the reorganization of the production processes. More and more, our customers have short-term needs, and often, special parts are ordered. Only by the achieved process orientation, we have been able to cope with this challenge so successful in this year of crisis. The progress in productivity is constantly measured and analysed. And, success proves us right: During the period from January 2009 to July 2009, the throughput time could be improved by 26%. A success that directly benefits our customers!

Production Cells 2009



same time, the product quality is improved, as the personal responsibility of the employees in the groups is strengthened. Parallel to the reorganisation of the production, the BAUM production system BPS+ was implemented. Info boards for

The objective was, to prepare BAUM for the international competition in the context of the globalization. The implementation of production cells allows a sustainable growth, also for job protection. The financial and economic crisis has



ACHEMA 2009 REVIEW



In May 2009 time had come again: ACHEMA 2009 was just around the corner. With a larger booth, BAUM presented itself this time with emphasis on expansion joints. Specially with respect to the innovative furniture design, this was an eye catcher for a lot of people.



Despite the economic crisis and the, therefore, feared drop of the number of visitors, the encouragement for BAUM, however, exceeded the expectations; even visitors from far-away Australia and New Zealand gathered on the booth.

Our customers responded particularly positively to the presentation of the new product catalogue: with a new and very unique design, and with strongly extended technical information.



All representations worldwide (from USA to Asia) answered the call of the Achema, and out of this occasion, we arranged a meeting for our agents from all over the world (cf. report „Agent's Evening“).

All in all: once again a great success – many new things for our customers, an extensive exchange among our worldwide representations, and thus a lot of new inspiration for our BAUM-Team!



Agent's Evening



We could use the ACHEMA 2009 as an occasion to organize our first Agent's evening. We invited our subsidiaries and „Agents“ worldwide to a rustic „Knights' Banquet“. Colleagues from 15 countries, from Asia in Baum America to South America in Baum Shanghai, accepted our invitation. The feedback to the idea of getting to know each other has been overwhelmingly positive. There was no fear of contact between the different nationalities.

This close cooperation is becoming more and more important, also for our customers and us, especially since projects are increasingly managed on an international stage. Thus, the cooperation of our group of companies and agencies follows the globalization, as we also can observe it among our customers. From this cooperation, cultural differences can be minimized and a service improvement for you, our customers, can be achieved.

BAUM SHANGHAI GROWS



Despite the economic crisis, the turnover of the BAUM Group in China has steadily increased. The motivated team from Baum Shanghai, the customer-orientated service and the smooth coordination within the BAUM Group contributed to this.



On October 9, 2009, Baum Shanghai welcomed a new employee, Ms. Lindy Ge. Her task is to strengthen the sales team and to support the administration. The company policy of Baum Shanghai is to offer the customer high-quality PTFE-lined steel pipes and fittings as well as a competent service. Now, Baum Shanghai can produce standard parts with nominal widths from 1" up to 6" (DN25 - DN150) and even special parts according to customer specific requirements. Their products are used in the plants of worldwide renowned chemical and pharmaceutical companies, such as

Wacker, Lonza, Albemarle, Bayer, BASF, Atea etc.

Baum Shanghai will extend the production capacity in the near future, to be able to cover the rise in demand for our Premium products for corrosion protection on the Chinese market.



... OVERVIEW



New employees at BAUM KUNSTSTOFFE GmbH

Aydin Karadeniz
Quality Management



Since July 1, 2009, Mr. Karadeniz is employed in the quality management. His duties include the handling of external and internal complaints with the objective of taking promptly preventive and corrective measures. Quality defects should be minimized and, in future, eliminated by a targeted fault analysis. In this way, we want to further strengthen the satisfaction of our customers.

Stanislav Dyskin
Sales Team International



Since June 1, 2009 Mr. Dyskin supports our international sales team. Mr. Dyskin is mainly in charge of the markets in Eastern Europe. There, we would like to expand the cooperation with existing customers and we would also like to acquire new customers. The Eastern European countries have a high demand for steel/PTFE pipings and are, therefore, very important for BAUM's further growth plans.

New Administration Building

The new BAUM administration building is just in construction and it is expected to be ready for move-in by Easter time 2010.



With a total floor area of 750 sqm., the new three story building will have the capacity for approx. 35 employees. With a total height of 11 m, it will be the highest building on our premises.



Already now, we look forward to welcoming our guests in the new offices next year.

More details to be read in our next issue.



Summer Party 2009



This year, our annual summer party had again a broad acceptance among our staff. With delicious food, nice weather and a cheerful atmosphere, the day was a complete success.



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PREVIEW
New administration building at
BAUM Kunststoffe GmbH

BAUM INSIDE



BETTER SERVICE FOR YOU



Editorial

Dear customer, dear business partner,

One year full of challenges in a period of demanding economic conditions, draws slowly to a close. Our customers have been very differently affected by this situation. In summary, however, one can say, that the first, partly irrational, overreactions are now over. Now, the time has come to look forward confidently.

However, this is not done with a simple „Keep it up!“. It is necessary to take advantage of the present phase, in order to be able to better survive in the market by further optimization.

Also we at BAUM have used this year to

implement new measures for the further development and improvement of our efficiency.

As a result of the adoption of a new production organisation, we are able to offer you a considerably higher productivity and to assure you a substantial reduction of the throughput time. In the sales department, we provided, with new employees, a basis for a better presence in Eastern Europe; and in the area of quality management we achieved a significant improvement of our service.

The construction of a new administration building (we will report on this in detail in the next issue) emphasizes our confidence in the future development.

We already look forward to welcoming you soon in our new reception rooms.

We thank you for a successful cooperation, also in this year, and we look forward to being your effective partner in the following years.

Yours sincerely

Markus Baum
Managing Director

News

Editorial	Page 1
NEW Production Organisation	Page 2
Achema 2009 Review	Page 3
Baum Shanghai grows	Page 3
Overview	Page 4
Impressum	Page 4