

The latest information for our customers and business partners from Mayr-Melnhof Karton.



Newsletter

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Eerbeek

Back on Track

It is now just a few months since the Dutch Mayr-Melnhof mill in EERBEEK completed the massive rebuild of its BM3. Only 6 months after the devastating fire, this board machine is recommencing operation. A complete rebuild has created a state of the art machine that stands out due to improved quality and impressive flexibility.



The refurbished KM3

Optimum sheet formation and flatness plus a greater consistency of the web distinguish this cartonboard, which even exceeds the well-established Eerbeek quality of old. Three completely new headboxes (three Fourdrinier sections), a dewatering system on the top wire of the middle layer, increasing the drying capacity by means of additional drying cylinders and the new cable system on the calender and in the pre and post drying section, guarantee first-class products that are now also available in a further grammage range following this modernisation. As a result of the increase in output, the BM3 is also taking over production of the grades manufactured by the BM1, which is stopping production.

For all the established top quality grades of Venoplex, Venotriplex, Albaplex, Linoplex and Greenplex plus the Freeze grades (all with unchanged technical properties) a smoother surface and improved sheet stability has now been created.

We are also very pleased to be able to introduce you to a new product:

GC Grades with KIT 6-7

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Franz Rappold

Management Board

Ladies and Gentlemen, Dear Business Friends.

As anticipated, we have experienced a very quiet and restrained start to the New Year. As far as foreseeable and in line with the prevailing economic conditions, the growth in consumption will also experience only moderate development in 2005. In the previous year, according to preliminary statistics, it was possible for cartonboard respectively folding cartons, to hold its ground very well as a reliable and innovative packaging medium both in availability and calculability despite fewer impulses from the economy as a whole.

We at MM Karton have again resolved to do a great deal this year to set new incentives to enable us to meet the needs of our customers in the best way possible as a reliable partner. As a result we keep up our investments in quality and efficiency on a continuous basis.

At the beginning of the year the factor costs, such as auxiliary production supplies, coating materials, energy and transport, still remain a huge challenge. It will require the commitment of all those concerned to keep the transaction costs in the supply chain to within bearable proportions.

Increasing Requirements on Packaging

In view of the ever-increasing performance requirements on cartonboard, we are already working on solutions during the development of our products that take into account foreseeable changes in the market. These challenges determine the activities of MM Karton. As a result we are continuing to hold our regular cartonboard seminars at which, in addition to imparting technical know-how, we address in more detail customised solutions to the most varied processes in cartonboard processing and finishing. We are very pleased with the excellent response we have received to this service provided by MM Karton. We will also continue to offer these training courses and workshops in the future.

Presently, as is generally known, up to 18,000 sheets of cartonboard, even recycled cartonboard, are printed per hour on high-performance printing machines – a fact that seemed futuristic only a few years ago. Traditionally, being “state of the art” at Mayr-Melnhof has always been closely linked to optimisation of our own production processes and also to the entire folding carton production of our customers. Once again our ambitious targets for this year are to reduce the broke quotas and also the complaints rates even further.

Customer Satisfaction at the Top of the List

Being able to react quickly, effectively and flexibly to your requirements, utilising new potentials, has always been a top priority for us. Competent employees, state of the art technology and long-term solid co-operation with you, our customers, form a strong basis for this way forward. One has to work hard to gain a competitive edge - let us safeguard our existing trade together and forge ahead purposefully to acquire new business.

The many instances of optimisation in our factories, which will further improve both products and services, plus the very successful refurbishment and modernisation of our Eerbeek mill will help us along with you, to be the “Best in business”.

In this spirit, despite challenging economic conditions, we are looking forward with great confidence to excellent and fruitful co-operation with all our customers.

With best wishes for a successful business year.

Yours faithfully,

Franz Rappold
Member of the Management Board

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The refurbished KM3



During rebuilding. Over 300 technicians worked 24 hours a day on the rebuild.



The catastrophic consequences of the fire.

GC Grades with KIT 6-7

This product is characterised by a grease barrier, also suitable for frozen products (combined with Freeze), and is 100 % recyclable. Further information about this speciality may be found at www.cartonette.com. Additional capacity was created for such specialities as a result of the modernisation and it is once again possible to guarantee our customers first-class performance and service.



We will be happy to organise a tour through the rebuilt mill for you and your customers so that you can get an idea on site of the Mayr-Melnhof Karton Group's most recent investments. If you are basically interested in the rebuild of the Eerbeek mill, please get in touch with your MM contact who will be happy to give you a CD ROM produced for this purpose which presents an overview of the mill's history and technology.

The history of MM Eerbeek relates back to the 17th century. In 1661 the paper manufacturing company "Het oude Klooster" was founded but industrial production of folding cartonboard did not start until the beginning of the 20th century, in 1911. This was followed two years later with the merger of the "Het Klooster" mill with VPE (Vereenigde Papierfabrieken Eerbeek) – at this point purely a family concern which started with the production of its own ground wood pulp in the 70s in the "Pepelhout" mill area. In 1973 the company was taken over by the "Königliche Niederländische Papiergruppe" and renamed "KNP Vouwkarton Eerbeek". Investments were made in several technical innovations such as a combined heat and power plant and a stock preparation with a deinking plant. The Mayr-Melnhof Karton Group bought the company in 1990. The rebuild of BM3 has now rendered Eerbeek a state of the art mill.

Technical Symposium

Print well. Protect well

The 9th MM Symposium at König & Bauer was dedicated to the topical subject of "anti-counterfeiting". Mayr-Melnhof was able to captivate over 200 interested visitors in Radebeul.



The auditorium in Radebeul

We continually endeavour to present to our customers new and innovative types of printing and finishing for our cartonboard in addition to the standard processes and this drew numerous technicians to the "Print Well – Protect Well" symposium near Dresden last November. Together with print finishing using inks and lacquers, Mayr-Melnhof and its partners König & Bauer printing machines, Epple printing inks and Terra lacquers dedicated this event to the topic of "product counterfeiting".

Every year the economy sustains billions in losses due to counterfeits, primarily from China, and the loss of jobs is already running at several hundred thousand throughout the world. Imitations of cosmetics, watches and designer clothing may have become fashionable but there is an urgent need for action when human lives are put at risk as a result of counterfeit medicines or engineered spare parts.

Technical Innovations

Chartered engineer Mr. Gunter Klimpel, Manager of Technical Customer Services at MM, demonstrated during this event the complex relationships between man, material and machine to technicians from the cartonboard industry. He presented attractive innovations, such as Brightsign inks – printing inks that achieve greater luminosity under UV light and leave a visibly more brilliant impression even in daylight. Hybrid inks – producing astonishing effects when printed on "normal" offset machines thus dispensing with the need to purchase specialist and expensive machines.

Thermochrome inks have opened up undreamed of possibilities since they become invisible when exposed to heat and as a result one can detect whether the refrigeration chain has been broken and the contents have thus become unusable.

By using these special inks, it is a simple process to achieve "brand protection". One simply places a warm finger on a coloured field of this type, checks to see whether it disappears and knows straight away whether one has purchased an original or a copy.

Anti-Counterfeiting Security

Product protection can also be achieved with fascinating effects in the lacquer where special identification marks can be rendered detectable in the lacquered area using a trade mark-protected film magnifying glass. The concealed image technology (CIT), presented by the Israeli firm of Starboard Technology, and DNA-direct markings or nano-optical seals presented by Identif Technologies from Germany, offer maximum anti-counterfeiting security with a lock and key mechanism.

However, the experts present were also extremely interested in significantly more modest effects such as drip-off lacquers – producing a structured surface – and iriodine lacquers – with a captivating matt/gloss shimmer. Use of these special cartonboard treatments would certainly make them stand out from competitor products.

It was possible to admire all these innovative applications on the standard qualities of the MM

product range, covering Excellent Top from Baiersbronn, Kromopack from Kolicvevo to MCM from Neuss and MCS from Frohnleiten.

We are keen to explore new and innovative techniques at the next MM symposium in autumn 2005 and look forward to seeing you there.



Gunter Klimpel during his presentation.

Traceability

MM Karton actively involved at the forefront.

Traceability is understood to be the ability to follow the packaging of a product throughout the entire manufacturing process. This is already regulated legally in the foodstuffs industry. In the meantime, traceability has become a byword in the cartonboard and packaging industries due to the ever-increasing number of new directives. MM Karton is actively involved at the forefront of the committees dealing with planning and standardisation as a result of which our products always meet the requirements in good time.

According to the legal requirements we are aware of, from the present point of view traceability for packaging only has to be guaranteed as of 27 October 2006. A guideline for complying with the requirement has already been prepared by the packaging industry and is currently with the European Commission awaiting approval. Only a few editorial changes are anticipated.

MM Karton's products already satisfy the basic principles of traceability on the basis of ISO 9000 and HACCP and of course meet all other legal standards and requirements. We will now bring them even further into line with the packing guidelines.

Barilla

On Course for Success with Barilla

Mayr-Melnhof Karton signs long-term partnership contract with Barilla.



The signing of a long-term partnership contract was a momentous occasion at the beginning of the New Year, assuring MM the status of Barilla's strategically most important cartonboard supplier in the recycled board sector. It brought together Messrs Luca Bolla, Antonio Copercini, Guglielmo Bozano and Luigi Ganazzoli from Barilla together with the appropriate MM sales team of Franz Rappold, Clemens Stockinger and Giorgio Mosseri.

At this meeting, agreement was reached regarding the close co-operation of important future developments in the packaging industry. This included such topics as the further development of packaging in respect of RFID* solutions and the "e-commerce/paperless office".

**RFID: Radio Frequency Identification conceals the storage of globally unique numbers on labels that can be read out by means of radio. The intention in the future is to replace the traditional barcode labels with Smart Labels and Smart Tags.*

Newsflash Eerbeek +++ Newsflash Eerbeek +++ Newsflash Eerbeek +++ Newsflash Eerbeek

Venoplex – New Grammages

The production of higher Venoplex substances has been exhaustively tested at the Eerbeek mill during the past few weeks. 475, 500 and 525 g/m² have now been released for production. We look forward to receiving your orders!

In the near future we will also be reporting on test runs of Venoplex 250 g/m² and will release this grammage for production as soon as possible.

Magic Cents

Mayr-Melnhof Karton Supports Magic Cents

Magic Cents is an initiative by Child Planet that has made great efforts during the past 3 years to improve the admission and hospitalisation of sick children in Belgian hospitals.

For the first time ever, children between the ages of 6 and 12 have been collecting money for their friends in Belgian hospitals. The intention is to use the proceeds of these donations to finance a wide variety of projects, such as the purchase of games to make a stay in hospital as pleasant as possible, or even to establish a communication channel between the young patients and their classmates so that they can be kept up to date with school matters. An important point in the distribution of the proceeds is the organisation of a patient admission centre, which is intended to make it both possible and easier for families to visit and stay with their children.



important facts about hospitals, medical examinations and operations through play and special teaching programmes.

Mayr-Melnhof Karton has decided to support this child-friendly initiative and have provided the cartonboard for collection boxes. Our mill in Frohnleiten supplied the Topcolor GT1 cartonboard for the 1,300,000 "moneyboxes".

We wish the Magic Cents organisation continued success in all their projects!

Over the next few weeks, the "Magic Cents Fund" will present its project proposals to doctors, psychologists, nurses, volunteers and their organisations following which an independent committee will decide which projects can be initiated and supported.

This project has been welcomed with open arms in Belgian schools. As a result the children have been given collection boxes and have learned

