



# Cerutti Mondo

*Cerutti Group Newsletter  
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Gravure is not only alive, it's actually on the increase!

## A picture of the current market situation, by Dott. Giancarlo Cerutti



*This first half of 2011 is confirming indications of cautious optimism following the difficult times the world economy has had to face, even if the signals of uncertainty in a stable recovery have not yet completely disappeared in some markets. I do believe, therefore, that there are many reasons to look to the future with more optimism and to continue working with dedication and enthusiasm. Rotogravure for packaging printing is not only alive, but remains an extremely reliable process and is actually on the increase.*

*We find clear evidence that this is the predominant technology in those Areas of the world where there is still a strong growth, like Asia Pacific, India and China.*

*Despite the competition, mainly coming from flexography, we strongly believe that rotogravure is still a viable solution for our customers, who are confirming that, where printing quality is imperative, gravure is the answer.*

*Also the "specialties" market (wood grain, PVC for the furniture industry, transfer paper, cigarette tipping, banknote watermark...) is waking up after a couple of years of low business. Again in this sector gravure is playing a significant role: in the last months this technology has won very important orders in Europe, United States and Asia Pacific. We are all well aware that these special applications are opening new opportunities to gravure, a very simple but highly productive and quality printing process.*

*There is less than one year before Drupa 2012 begins, and we are all looking at this event hoping it will bring to an end the recession which affected the marketplace over the last years.*

*Shorter run lengths, thinner material thicknesses, solvent retention, energy savings and environmental friendliness: these are the issues on which press manufacturers like Cerutti have to work on in order to give their customers more and more profitable answers. These developments will encourage gravure to strengthen its presence in those markets which are moving forward and also in others, like Africa, now emerging on the international scene.*

*Yours faithfully,*

Cavaliere del Lavoro  
Dott. Giancarlo Cerutti  
President and C.E.O.



## Constantia Flexibles renews its trust in Cerutti with the acquisition of the second R970/2 line for their Polish plant

Constantia Teich GmbH, situated in Weinburg, 60 km west of Vienna, is part of Constantia Flexibles, a globally active corporation that currently employs 5,000 people in 49 different companies, offering a wide range of products and services to multinational customers in the food, pharmaceutical and beverage industries.

The Austrian Company is one of the world's leading suppliers of flexible packaging material. Using the prime raw materials aluminium, paper and plastics, high quality and innovative products are manufactured for use in the dairy, confectionery, human and pet food industry, as well as for international pharmaceutical companies.

Constantia Flexibles is well-known for its state of the art technology: the production ranges from film extrusion to die cutting, passing through lacquering, metallizing and embossing; several printing lines installed: rotogravure and offset presses, and also conventional and UV-flexo machines.

From Cerutti, Constantia Flexibles purchased in 2007 an 8-colour R970/2 press with ELS for its plant located in Rogowiec, in the Lodz region: the criteria for the selection of the supplier were to find a hi-tech, fully automatic press, suitable for short and repeated runs, and minimal occupancy of floor space. Criteria that Cerutti equipment well satisfied. Today the Company has decided to double this line and to renew its trust in Cerutti with the acquisition of a second press, 9-colour model R970/2, to be delivered at the beginning of 2012.

The press, equipped with on-board wash-up system and featuring completely automatic job change-over operations, will give the customer a competitive solution, capable to achieve high performances and considerable savings in waste and running costs.



Mr. Guzikowski is Constantia TeichPoland's Operations Director:

**Mr. Guzikowski, Poland is growing at an impressive rate, but in general the world's economy suffers from significant tensions. What are your previsions for the packaging sector? Are you optimistic?**

Yes, I'm optimistic. Just like Poland's economic growth has slowed



down against other economies in Europe, it has, however, managed to sustain it, so has the sector of soft packaging, which is probably the industry that has least suffered from the financial crisis. The recent Iterpack Fair has also shown that the world's heading in the direction of highly processed foods, in which the share of packaging is ever increasing. The other direction is marked by ecological awareness which can be seen everywhere and that requires new materials and structures of packaging. So the future of the packaging industry means its increased market share, but also increased expectations in terms of quality and functions.

**What do you think have been the key factors in your success?**

Flexibility! That's what the market requires from us and these are the directions for the future. The life cycle of packaging, and I mean here printed materials of course, is ever shorter. Their quality, diversity, range of products, numerous promotions make us, producers of packaging, extremely flexible since that alone may guarantee success!

**How do you see the future growth of your company and what goals you would like to achieve?**

In Poland like in the other countries of Central and Eastern Europe, the market share of packaging is still much lower than in other European Union countries. Therefore, we continuously increase our manufacturing capacities to remain a leading manufacturer of packaging for the dairy sector and dry foods industry in this part of Europe.

**What were the reasons that convinced you to confirm your trust in Cerutti? Do you think the Cerutti lines bring added value to your product?**

We bought the first Cerutti 970 press five years ago. It was one of the first presses of that type. Already back then we wanted to have the possibility of effective printing for very short print runs. Time has shown that it was a good decision and the trends to cut down the size of production runs are even stronger today! Hence, we've taken the decision to purchase another 970/2 model. What counts most now is the set up time and set up waste.





## Important investments for the French publication printer H2D

The French publication printer H2D, founded by Dominique Donghi and Dominique Dorchain, that successfully resumed 4 years ago the activities of Quebecor World France in Lille, 200 km North of Paris, has just completed the purchase of its neighbour Hélio Lys, that was part of the Decoster Group.

The press pool will consequently include the two 2,100 mm wide gravure presses of the Hellemmes plant and the three lines, two 2,450 mm and one 3,880 mm, latest of which was installed in 2006 at the Nieppe site.

H2D production covers catalogues like Damart, 3 Suisses, Blanche Porte, Redcats and others for large retailers like Brico Dépôt, Carrefour, Leclerc, Conforama, Auchan, and also several magazines including Elle, l'Equipe Magazine and TV Orange.

The investment schedule of the new Company includes a brand-new Cerutti rotogravure press, model Aurora, that has just been purchased and will expand the existing lines starting production in 2013.

Aurora is the new generation of rotogravure press for the publication industry, recently launched by Cerutti and already sold to the Brazilian Group Abril, Latin-American leader in magazine publication. With this new press, H2D will be able to improve its competitiveness, thanks to a more compact and simpler layout that allows flexibility and reduces waste to a minimum. Reduced manpower is achieved thanks to user-friendly and easier handling. The Aurora also requires less energy to run and gives a higher productivity in terms of quantity of pages printed per hour.

Dominique Donghi, H2D President, explains us his views:

**Mr. Donghi, you have strongly pursued this acquisition. How do you see the future expansion of your Company?**

*The purchase of the new Aurora press will enable us to stop the weekend work at the Hellemmes plant and to move to Nieppe part of the personnel.*

*Our aim is to install within 2016 a second 3,88 mm wide line and to transfer at that time the whole workforce to the Nieppe facility, that will then be equipped with two 2,45 mm and two 3,88 mm wide presses.*



*The new Aurora rotogravure press*



## The new Cerutti Converting Department is now fully operational

Ing. Arturo Bergamaschino has been Cerutti Vice President Sales since 1990: together with Dott. Cerutti, he has worked hard to reach the goal of the new Converting Division complete integration into the Cerutti Group. After the official announcement given in March 2011, this is a good opportunity to pose him some questions about these first few months of work on the new product line.

**Mr. Bergamaschino, why did you decide to enter this world that is relatively new for Cerutti?**

Our customers are among the top players for printing quality and technology; some of them were in the need of increasing their capacity in printing and lamination and we started to be conscious that this could be a good opportunity for us. The logical consequence was to try to serve them also in the downstream equipment, meaning after printing, such as lamination, coating and lacquering - also because we could profit of our customers help in the development of these new product lines. At the same time we have enriched our structure by recruiting a specific team of technologists with longstanding experience. It is worth mentioning however, that Cerutti, until the early nineties, was already a producer of this equipment, so we could also benefit from an "in-house" significant know-how on these converting machines.

We are receiving at present more and more requests from our contacts, and our network is starting to bring in numerous serious enquiries. This is the proof that our strategy was the winning strategy!

**Could you give us an outlook of the orders you are discussing in this period?**

We have at this moment several negotiations ongoing that are in the final phase of discussion. Two are for Europe based groups: the first is for an expansion of the lamination capacity, the second is for a brand-new laminating machine for a Far East plant, and then there is also a third potential laminating machine for an operation in Northern Europe. In addition to these, we have received requests for two coating machines, both of them from companies in the unsupported aluminium business which are looking for coating equipment featuring primer and heat seal coatings, or primer, lamination and heat seal coating. We believe that early in autumn we should have a clearer picture of these projects, that are each of them quiet sophisticated and can be defined "beyond standard", with value of several million Euros.

We have also seen that other companies are starting to make enquiries for converting machines in the area of hot-melt and wax coating.



*Dry and solventless laminating machine*



*Dry laminating machine*



*Hot-melt/wax coating and laminating machine*



*Unsupported alufoil coating machine*



**Which seem to be the most appealing and requested features for these customers?**

In general, the clients are looking for more sophisticated products and also for upgrading of their existing laminating facilities, adding one, two or even more extra layers: this is the discussion we are having with a European customer who would like to upgrade an existing laminating machine with one extra coating layer and additional laminating unit.

Another fundamental mission is to be environmentally friendly; everyone knows the three R's: Reduce, Re-Use & Recycle. The big attempt, particularly from the film producers side, is to reduce the thickness of the substrates: the consequence for Cerutti is that we have to design presses and laminating machines that maintain the same performances, and are more sophisticated in term of tension control, sensitivity and temperature control. This is precisely an area in which we believe we have an edge versus other competitors: gravure is a complicated process and we are transferring our know how from the printing to the new converting product lines.



*Solventless coating and laminating unit*

**What's the added value that Cerutti will bring to the market?**

First of all, Innovation. In the way that we have been innovative in the gravure business - our new printing press models that will be presented at Drupa 2012 and that have recently been sold are a clear indication of this - we believe we will be able to do the same in converting marketplace too.

Also, the integration between the new Converting Department and our organization, which can count on service centres all over the world and backed up by our 24/7 hot-line assistance, should give enough guarantee to our customers to take us into consideration whenever they have to make such valued investments.

Cerutti Group is extremely sensitive to the requests of the market: we would like to approach it confident that we have basic and reliable solutions but we can also 'tailor' & adjust them to each specific situation. We want to have our standard products presented in a distinctive manner, so that we can go to each end user and say "we have a unique solution which gives you an added value".



## First success for the Cerutti Converting Department: a new laminating machine goes to Goglio Spa, Daverio

At the end of February 2011, immediately after announcing the enhancement of its structure dedicated to the converting sector through the establishment of a specific team of technologists and engineers of longstanding experience, Cerutti finalized the sale of an important laminating machine to the Italian company Goglio Spa, Daverio (Italy). Founded in Milan in 1850, Goglio is a leader in flexible packaging, rigid plastic accessories and packaging machines, what qualifies this Company as a primary supplier to large Multinational Groups. Goglio is present worldwide: its production and commercial plants are located in Italy, the Netherlands, Poland, the United States and China.

The new Cerutti laminating machine, featuring a 1.3 m width, three-ply lamination and coating aluminium foil of 6.35 micron thickness which will then be laminated to a wide range of flexible packaging materials, will enrich the machine fleet of the production plant in Daverio, where the following Cerutti machines are already operating: one 12-colour gravure press, 1.7 m web width with two in-line dry bond laminators and a new 10-colour gravure press model R980 with 1.3m web width which has been in production for a number of months already.

This laminating new machine is specially laid out to allow in-line operations with other laminators already installed within the plant, through a series of overhead web paths. Production speed will be 400 m/min, with gravure and flexo coating methods available applying adhesives for solventless lamination.

We are very proud for the trust that Goglio has placed in our Company not only for rotogravure printing, but also for converting: it's a fitting conclusion of an extremely positive year in terms of presses sold, a real feather in the cap!



*The Goglio Daverio plant*





## Overview on Cerutti participation at the recent ERA Meetings for Packaging in Starnberg and Offenburg: the Management presents the latest developments from the Casale Monferrato headquarters

During the ERA Packaging Conference on 3-4 November 2010 in Starnberg (Germany) and whilst presenting Cerutti's latest developments in packaging printing, Arturo Bergamaschino - Cerutti V.P. Sales & Marketing – underlined the need of “sophisticated” gravure presses for Europe, North America and Japan, which are key markets waking up after the crisis. Of course the development of new products and new solutions requires investments and engineering efforts, which Cerutti was able to combine with 2010 sales records and will continue to promote with the strong support of our CEO Dott. Giancarlo Cerutti and the whole of Cerutti's top management. The “magic words” to achieve these goals are a common platform to increase the critical mass, a strong cost reduction programme to be more and more competitive and a high flexibility and compatibility level to meet our Customers' requirements.

The result of a survey carried out among our Customers and potential Customers has shown the need of reducing production costs and material waste – what we are able to do with our Cerutti Automatic Presetting System – offering at the same time multiple technical solutions to the end-users and consolidating those features which, on our R970s, allowed to eliminate the off-line job change-over activities.

According to our Customers the above is extremely helpful, but it's still not enough: that's why Cerutti is now looking at the future and at this next challenge: the waste reduction during colour matching activities.

Offenburg (Germany) hosted the Joint Meetings of ERA Packaging Group, Prepress & Cylinder, Print, Paper and Environment, Health & Safety Commissions from 15 to 17 March 2011. On this occasion Ing. Italo Busto - Cerutti Assistant Sales & Converting Manager – presented some innovative gravure presses that Cerutti is building for specialty products and which prove the incredible flexibility of rotogravure printing, capable of covering the widest range of products within the market. Firstly a 7-colour press described, sold to an Italian Customer, is our R1060 designed for maximum web width of 1870 mm and is meant for



*Ing. Arturo Bergamaschino*



printing of film or paper products at speeds up to 400 m/min for transferring the image to fashion goods, automotive interiors and carpentry. The use of rotogravure process for transfer printing has evolved over the years to cover a wide range of products in the fashion business and in many other manufacturing fields.

The second press that we presented is a 6-colour press model R1060. Especially designed for printing of PVC (rigid, semi-rigid and flexible) for manufacturing external layers of swimming pools and exterior wall coverings, this press can print at a max speed of 150 m/min. Due to the wide web that can be handled up to a max web width of 2200 mm with a material thickness varying from 50 to 900 micron, the impression system of this press is provided with a deflection-compensating Cerutti flexible roller. This press is a real example of rotogravure flexibility and adaptability.

Last but not less important is a high-speed printing and converting line for hygienic products. This 4-colour press model R982, with a max production speed of 600 m/min, is suitable for printing of low thickness mid density PE (14 to 20 micron).

In view of the growing success in the converting field Cerutti has decided to strengthen the structure dedicated to this sector and has established a team of technologists and engineers with long and proven experience.

In conclusion, Cerutti is now more than ever in the top spot.



*Ing. Italo Busto*



## The “specialties” market is rapidly increasing and Cerutti widens its product range dedicated to it: a new line for external surfaces PVC printing will be delivered within the summer of 2011

The one of “specialties” is a market which Cerutti has been serving for decades; included in this category are the printing of wood grain, PVC for the furniture industry, transfer paper, cigarette tipping and banknote watermarks. All the machines dedicated to these sectors have specific peculiarities, for this reason it is very important to understand the need of the end users both in term of material handling and application. These presses, particularly the ones for PVC and transfer paper printing, are featuring wide webs, therefore the know-how that Cerutti has been able to gather in its thirty-year experience in the publication presses field has been a great benefit in delivering technologically advanced solutions.

Especially in Europe and the USA, these very mature markets, the demand for “specialties” is strongly growing in the last months: in these areas competition from the emerging countries is almost non-existing and the margins are much better, therefore printers are looking for new opportunities.

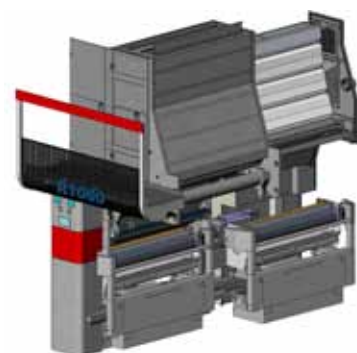
In the last five years Cerutti has experienced a large boom in the sale of specialty presses, above all for wood grain printing; then this market subsided, but since the beginning of the year other specialties have been affected by remarkable growth, particularly some niches such as the printing of plastic materials of thick gauge.

After extensive R&D activity and following various requests received specifically from printers of PVC for external surfaces, Cerutti has launched a brand-new gravure press dedicated to this sector.

This solution is a R1060 model, designed for top performances and increased flexibility at job change-over with innovative solutions for what concerns the automatic trolley carrying of the inking system and the printing cylinder. Following the success obtained with the leading textile Group Miroglio, which purchased at the end of 2010 the first Cerutti R1060 press ever manufactured, another well-known Company has ordered the same model for the printing of PVC for outdoor use.

This new press, that will be ready in Casale Monferrato in July, is more than 2 metres wide and features a rewinding system that allows to deliver a finished reel every sixty seconds.

Cerutti is convinced that the specialties market is not only alive, but actually on the increase: it was just waiting for the right printing press line to enhance its competitiveness. The R1060 model is that winning solution!



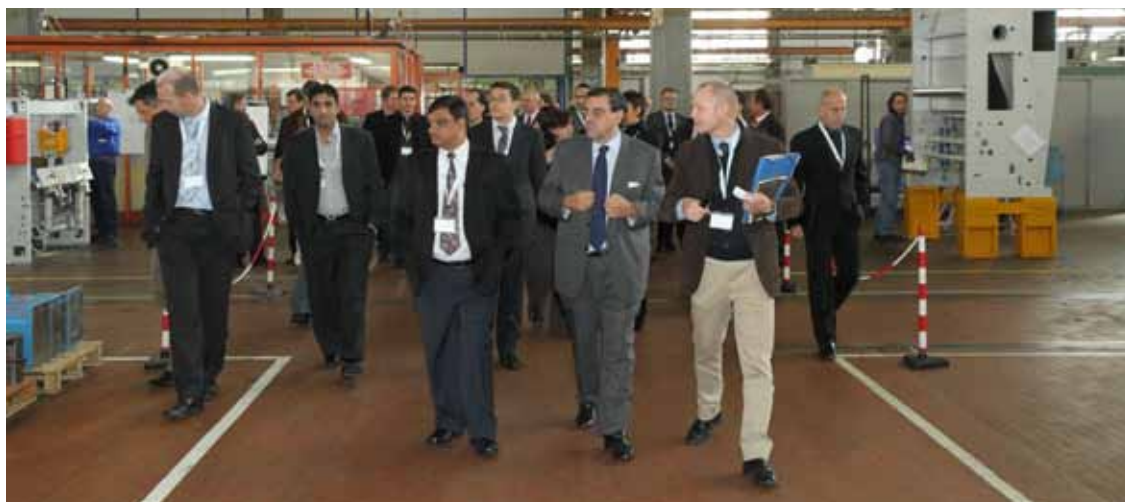
*The new R1060 press model*



## New productions methods in the Cerutti plants to obtain more synergies and cost savings

We are pleased to ask some questions to Mr. Michael Cooper, Officine Meccaniche Cerutti Chief Operating Officer since the end of 2009.

Our CEO Dott. Giancarlo Cerutti has strongly supported his hiring and integration in the Company, convinced that Michael's remarkable skills, together with his experience in business management, would have brought significant added value to Cerutti. A bet that, today, appears to be won.



*Ing. Micheal Cooper and Dott. Giancarlo Cerutti with customers during 2010 Open House*

**Michael, you are an Engineer, and your professional experience ranges from the automotive to luxury yachts industries. Now you have entered the printing world: which among your skills are proving to be the most useful?**

Both worlds have helped to form specific skill points; Automotive is industrial, lean, efficient and integrated and now is moving ever towards logistics excellence, advanced purchasing techniques and preventative, controlled product development. The approach is systematic, definitely based on teams with problem solving based on data. The yachting business is more commercial relationship based, a world that evolved very quickly and is advanced in marketing techniques and Customer Relationship Management. I think they form complementary skills for the printing industry and also you need different skills for different moments. Skills are acquired and add strength to make mature decisions. The primary value of an organization are in the human resources which is easy to write and hard to do. I have an ongoing set of principles that are part of my makeup, that are: openness, being proactive about learning and enthusiastic to teach, most caring and enthusiastically look for the potential in people. These go beyond the industry or job that that you do and I think in some way or form are having a positive effect in Cerutti.

**How do you assess your first year at Cerutti? Did you achieve the goal you set yourself?**

In general it's important to secure early wins, lay some foundations for mid-term success and articulate a vision that through your knowledge will generate meaningful change. The start point is a process of accele-



*Ing. Micheal Cooper explaining the Lean Production during the last Open House*

rated learning, you need to understand then to be understood. This includes the products, processes, working practices and company culture.

One of my objectives was to bring the management team closer together. Just from an office “logistics” change point of view all of the Industrial Area departments were re-located together with our Engineering department at the centre which is where, I believe, most of our value stream starts. This improved the number of interactions between departments. We then spent quality time to visualize our desired result focusing on what results needed to be achieved. This was Lean Production. We’ll go into later. In a short space of time we managed to standardize the R980 flexible packaging press sufficiently enough to be able to create a dedicated flow line for the printing elements and relative work cells, and incorporate a 100% quality test at the end.

Overall, after the accelerated initial learning period, in the later part of the year we started performing together I think due to organizing and executing around priorities, starting to measure ourselves with data and then agreeing on shared objectives that I believe integrated the departments, especially engineering, purchasing and production. I cannot overestimate the importance of measuring with metrics. If you don’t do it you cannot mention improvement. We managed to stay relevant and not have too many distractions. We improved in customer responses, delivery lead times, product testing and validation, and set the foundations for the next step in quality excellence and product innovation.

I would have liked to have learnt more technically about the product, visited more customers and have developed more internal communication processes... but you have to leave something for the subsequent years!

**You are responsible for the entire life cycle of a press: R&D, design and manufacturing, and also purchasing, logistics and after-sale service: in which way you are changing these key points, and what benefits do you think Cerutti will obtain?**

Integration. This is getting together on common goals based on cooperation and coordination. The business model for manufacturing has not changed. We still machine internally and, as mentioned previously, we’ve introduced some “Lean” techniques in assembly. The engineering organization was changed early this year, Program Managers have been initiated and we’re controlling this change process through systematic program reviews. Now simultaneously we complete our mechanical, hardware and software engineering which has brought engineering lead times down. I think real customer needs are filtering through to our products.



Innovation is a delicate yet important theme. Most people don't understand that there are fundamental incompatibilities between innovation and ongoing operations. We've identified the skills we need, placed the right people and are currently matching the organizational model to this dedicated team. There are many pitfalls to avoid and it's still classed as work in progress but I'm optimistic. We haven't made significant headway in logistics. We had to change to support the lower lead times but we still need better methods, tools and a tightness with the production planning.

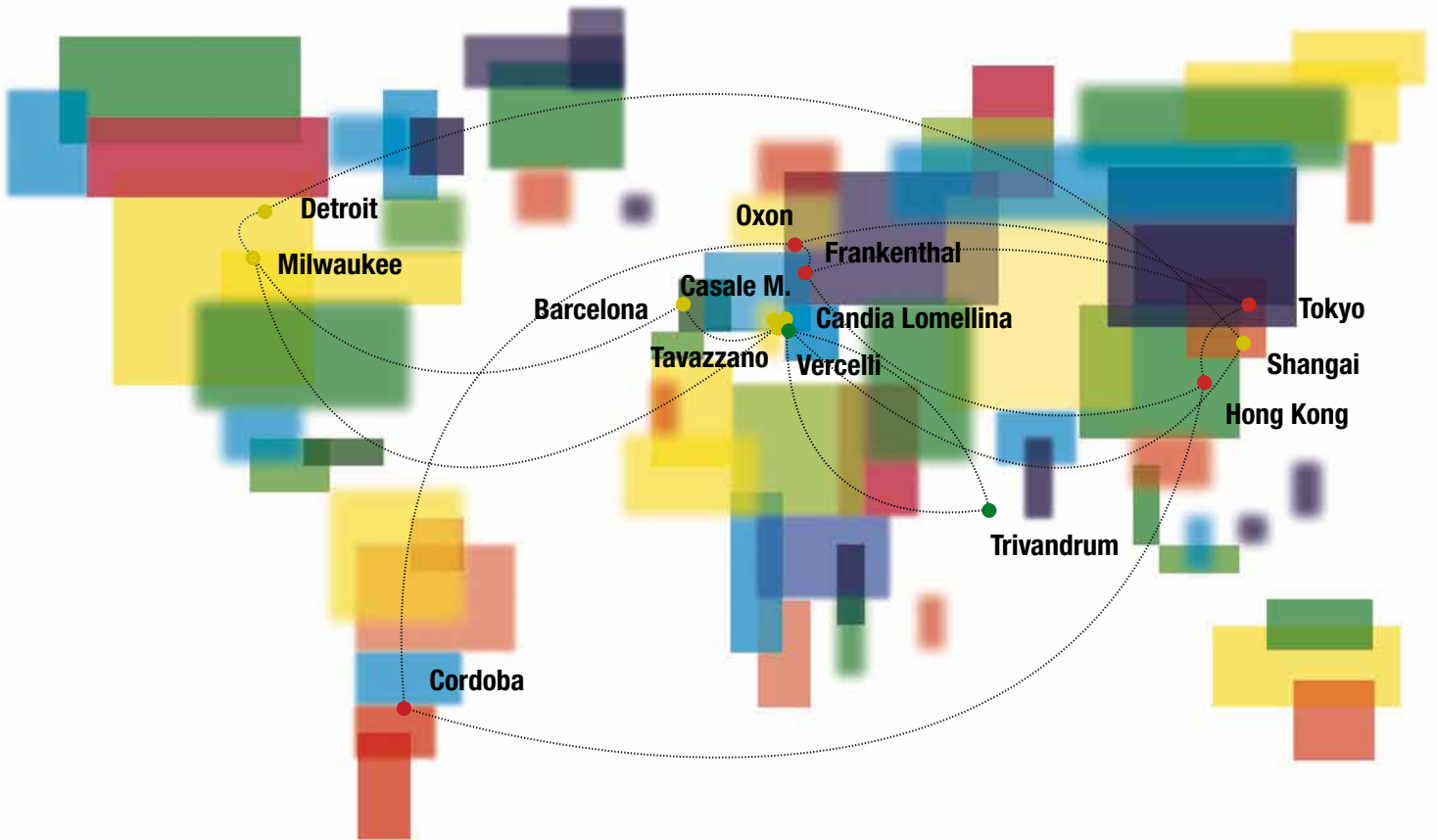
**You have fully involved yourself and your Department in the Lean Manufacturing project: a deep mind-changing for the Company, in term of new production methods. Could you explain it to us?**

You need a couple of books and DVD's but I'll try!

Change is difficult for many people so we spent time to visualize, to visit, to confront others to formulize our desired Lean journey. The new methods initiated in engineering were Variety Reduction Programs and 3P (Production Preparation Process), and enabled physical changes in assembly, creating stations and cells - in Vercelli first on the printing elements and secondly on unwinders and rewinders in Casale. This ability to therefore sufficiently standardize the production department is the fundamental concept that allows us define a work method, known and applied by all, all of the time. This is now coupled with internal logistics visual control methods such as "kanban". The people involved had immediately the right approach such as doing things "quick and dirty", do it now, and improve continuously; the Lean Production supervisor and the two production facilities have really embraced this first year and executed really well. Good job.

**Michael, you are from England, at Cerutti you are the first non Italian person in a key position... an interesting challenge, to combine Anglo-Saxon accuracy with Italian creativity! How's your approach to work? Do you have a good synergy with your team?**

I left the UK over 20 years ago and have moved around Europe in complex international companies, so I have a wide base of understanding organizations and trying to change them. I'm not trying to make Cerutti into a British company as my Italian wife is not trying to turn me into an Italian. I think. It's a best of both worlds aspect. The approach is change, it's clarifying expectations and showing personal integrity that generates trust. Trust is the key to all relationships and the glue of all organizations. In uncertain times you need calm and decisive actions and I think we've taken deliberate steps forward to become a more effective and agile company that listens to the customer more and makes their needs filtering into the new products.



● Production Plants     
 ● Service Centres     
 ● Engineering Centre and R&D



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Rotogravure presses for publications, catalogues and inserts printing

Rotogravure presses for packaging and specialties printing

Flexographic presses for newspaper printing



Flexographic presses for packaging and specialties printing



Web-fed platen die cutters

Delivery systems



Sheet-fed platen die cutters



Web-fed rotary cutters

Dies