

Issue 1, 4th Quarter, 2004

December, 2004



Greetings from Our New President, Mark Arrant

Season's Greetings to One and All . . . Enjoy your holidays with family and friends! Before we leave to celebrate our holidays, I'd like to say thanks for your support as I transition from Vice President Operations into my new role as President of KHS, Inc. I am enthusiastic about this new role and committed to inducing a positive change within our company, our KHS family. In my new role, I am working closely with Mr. Roland Flack, Chairman—Board of Directors at Klöckner KHS, Inc. and Mr. Valentin Reisgen, Chief Financial Officer—KHS Maschinen-und Anlagenbau Aktiengesellschaft to make us profitable. Communication, decisiveness and profitability will be my focus as we transition from a U.S. company who does business internationally, to a true global company with offices world wide and fully integrated to meet our customers' expectations. I will be traveling a great deal, and relying on my management team to make the creation of KHS Florida a seamless and smooth operation. Many of you will be

busy moving offices soon, learning new skills and accepting new responsibilities. Please view these changes as an opportunity for success. Without change we must endure mediocrity, and I will not accept that. I want us all to be winners. So, be positive. Be proactive. The rewards will be great. Remember to have fun and enjoy your work and personal life!



Randy's Wrap-up

It has been a very eventful year and a year full of changes. Your team efforts are greatly appreciated and go a long way in my book. 2005 will be a year filled with additional changes - changes intended to secure our financial position within KHS and provide maximum return to our shareholders. As you know, KHS has decided to consolidate the sales and operations of KHS Bartelt, KHS Kisters, KHS Kayat and KHS Americas. The consolidation will take place over the 1st quarter of 2005. During this time you will see many new faces and many new and unique machines. The consolidated business will be known as KHS Florida and based in our Sarasota facility; we will be a \$55 Million business unit of KHS. It is a significant challenge - but a challenge which I believe we can meet.

We are also planning a higher degree of international sales and inter-company collaboration with other business units of KHS. During 2005 there will be many visits from colleagues from Europe, Asia and South America. There will also be opportunities for some of us to travel abroad and interact more with our colleagues. Due to the Euro to Dollar exchange rate, we will have opportunities to build new equipment here so our company can take advantage of the global economy and maximize profits. Things are happening at a very fast pace. Just this week we received an order from Coca-Cola Enterprises USA for 10 Kisters Tray Shrink Packers; all 10 machines will be built in Sarasota. We will be building a KHS Kayat model 601-T Shrink Wrapper to Juice Bowl in Lakeland FL, and then 3 TP-50 Tray Packers for Coca-Cola Enterprises. When we build these orders in Sarasota, the synergy between Kisters, Kayat and Bartelt equipment will be clear.

These are exciting times for KHS and for Sarasota. I'm happy to be a part of the family here and to have finally settled in to the community. I can clearly see why so many people enjoy working and living in the Sarasota area. It is truly a wonderful place. I wish all of you and your families an enjoyable holiday season. Please take the time to relax and spend time with your family, reflect on 2004 and look forward to 2005. Happy Holidays!

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Employee Interviews

The Winner of the "Name Our Newsletter" Contest is ... Bob Hamilton!





Where did these beauties come from? From the athlete on the left to the mature-seasoned female on the right, there's no need to worry here at KHS that this team is holding down the fort!



Another moment captured of the KHS Team hard at work.



Let's find out which dentist the two on the left use! Were the dentures on sale . . . 2 for 1?







Well, I guess our company athlete needs fewer donuts and more workouts! Sorry, we just can't give you a lift.



Hey, Granny, watch where you're going! I think you seriously injured Garbage Bag Man. Time to yank that driver's license.

The Sadistic Cowgirl, a.k.a. The Terminator, just blows everyone away!





Would the REAL Dave Please Stand Up?



Dave Houmes. Southeast Regional

Sales

Manager, KHS Bartelt

Dave has been with Bartelt for 20 years. "I enjoy sales because it offers the opportunity for creativity. Sales is solutions oriented. The creative part in finding the solution is determining the min/max needs of the customer and then finding a middle ground they can live with."

Dave was born and raised in WI. He went to high school in WI and Winter Haven, FL and was a co-op student at the General Motors Institute, now known as Kettering. Before moving to Sarasota 5 years ago, he lived in Atlanta for 20 years. His wife's name is Rose. He has 4 kids and 7 grandchildren. His hobbies include golf and art.

His experiences include drafting, engineering, service and sales, as well as product, manufacturing and sales management.

Dave

Senior Assembler Dav

> started with KHS Bartelt in January 2003 as a Senior Assembler and is currently taking courses toward a degree in Electronic Engineering.

> David builds electrical panels for us. Prior to working here,

Dave was an electrician first in the army and then in the marine corps.

David's hobbies include gourmet cooking, playing the guitar, and going to the movies. His wife's name is Cynthia and he has two kids. Sara and Tim.

He's one of the few who can call themselves a true Florida native, born and raised right here in Sarasota.

If you thought maybe he was Joe Dirt for Halloween, you guessed right!

Dave Ten Eyck, **Project** Manager Dave



brings 11

years of service to Kisters. Within those years, Dave has filled key roles in shipping and receiving, inventory control, and production control. He's also been a senior buyer and spare parts manager for Kisters. Prior to coming on board, Dave served 11 years in the Air Force. Dave was assigned as a minuteman missile systems analyst, a team training instructor and a member of the flight crew on Air Force Two based out of the Ramstein, Germany Air Force Base. Dave enjoys (lives for?) fishing, watching racing and reading.

Dave Carvalho,

Technical Writer

Dave has been with

the company for 4 years, having moved from NJ where

he was born and raised. As you might guess, his favorite TV show is Sopranos. Dave is responsible for user manuals, parts manuals, sales and checkout videos, and photography. Dave is also Paul Rosile's back-up in IT.

Dave's past work experience includes being a tech writer at Security Link, where he earned their President's Award. This honor included a trip for two to Hawaii! Prior to working at Security Link, Dave was a retail manager at several electronics stores.

Dave is newly engaged to Karen, and they are building a house. His hobbies include web site development and wood working. He holds a mid-level karate belt, so don't mess with him. In other words, don't ask him when the manuals will be ready! Just kidding, Dave.

Dave Buechner, Shop Floor

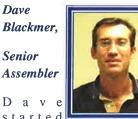
Supervi-

sor



The "real"

Dave has been on the Bartelt team since October, 2000. He started as an assembler extraordinaire, and has been the shop floor supervisor for the past 1-1/2 years. Prior to coming on board with Bartelt, Dave spent 12 years with the Herald Tribune as an equipment maintenance manager. Dave enjoys golfing, skiing and watching sporting events in his spare time. He's never been seen here without his baseball cap. Ever wonder what he's hiding under there?



Yakking About Packing



PMMI Show (Nov. 7 –11)

Held at McCormick Place, the show featured more than 2,000 packaging and processing industry suppliers from around the Total attendance this year was world. 71,113-down slightly from 71,957 in 2002. Of that number, 45,830 were visitors, the rest were registered exhibitors. The KHS booth was just under 14,000 square feet and garnered 550 leads total for KHS, Inc., Bartelt, Kayat, and Kisters. Our sales staff is busy following up with phone calls, proposals and visits. The most attention-getting machines in our booth were Bartelt's new HeavyWeight IM (double bag clamp poucher-photo at right) and Kisters' Wrap Around Shrink Packer (photo below), which was running Aquafina water fridge packs. Coca-Cola has purchased 18 of these machines for fridge packs, too. Thanks to everyone that help make this show a success.











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Holiday Party Highlights

























































Thinking about

joining the staff?

If so, contact

any member

to find out how

you can help out

and have fun, too!

Original Members

Clara Alarcon Diana Borders

Dave Carvalho Barbara Gendron

New Members

Olivia Story

Ken Allen Bob Hamilton

KHS Florida

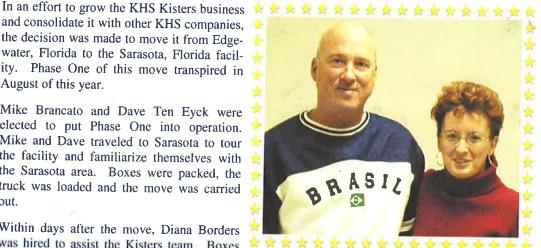
5501 North Washington Blvd. Sarasota, FL 34243

Welcome, KHS Kisters!

and consolidate it with other KHS companies, the decision was made to move it from Edgewater, Florida to the Sarasota, Florida facility. Phase One of this move transpired in August of this year.

Mike Brancato and Dave Ten Eyck were elected to put Phase One into operation. Mike and Dave traveled to Sarasota to tour the facility and familiarize themselves with the Sarasota area. Boxes were packed, the truck was loaded and the move was carried out.

Within days after the move, Diana Borders was hired to assist the Kisters team. Boxes were unpacked, files were set within two days allowing business to resume quickly and seamlessly. Phase One of the Kisters move was successful and completed favorably. The sales for tray shrink packers, shrink packers and pad shrink packers became brisk.





Missing from photo: Mike Brancato. Gee, he must be out getting more orders!

Welcome, KHS America!

KHS America moved to our Sarasota location from their Miami office in August, 2004. Their market covers Central America, the Caribbean and part of South America. They sell the complete bottling line for breweries and companies who produce soft drinks, water and liquor.

Their manufacturing plants are in Germany, Mexico, Brazil and Waukesha, WI. From Sarasota, they sell the entire line, offer technical support and process after-sale parts orders. The Team is led by Alcides Vieira, Sales Director. The rest of the team consists of Andres Hadelich, Roger Paschoaleto and Clara Alarcon, their newest member. Clara moved from Colombia 4 years ago and was hired when the team moved to Sarasota. Although she assists the entire team, her focus is to assist Roger with spare parts processing. Roger was born in Sao Paulo, Brazil and worked at the KHS Brazil office. He has been with the company for 13-1/2 years. Andres was born in



Venezuela and has been working for the company for 7 years-the first 2 in Venezuela, then in Germany for 3 years, and now in the USA for 2 years. He is the team's sales engineer. Like Roger, Alcides was born in Sao Paulo. He has been with KHS for since 1991, first in Brazil and now here. His motto? Go Dolphins!

L to R: Clara and her husband Rene, Roger (in back) Andres, Miriam and Alcides Vieira as they celebrate the season's upcoming holidays together.

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