

Chemengineering Group 2010



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Dear friends of Chemengineering

On January 1, 2011, fifteen years have passed since Fluor Daniel Inc. and Bertrams AG had founded the Chemengineering Group with 35 employees. For us this is a reason to proudly look back on the joint achievements. Chemengineering immediately became a success story because our experts provided valuable engineering services from conceptual design up to the completed plant. In the course of the outsourcing trend in the nineteen-nineties we had touched a string with our clients. The comprehensive approach combined with profound knowledge of the GMP requirements meet our client's needs, then and now. Thus we were with the right knowledge in the right market at the right time.

Today, fifteen years later, we are still on the cutting edge. In the life sciences industry, the FDA requirements are as influential as ever: they find their way into the medical devices and food sectors as well as public and private hospitals or industrial pharmacies. And we are in the thick of it.

Internet commerce discloses new perspectives for the pharmaceutical industry as a growing number of patients want to have their pharmaceuticals delivered to their home. It is essential to find protection mechanisms against the threats involved particularly in product counterfeiting. The growing cost pressure in the health sector and the increasing price regulation for pharmaceutical and medical products cannot simply be compensated with cheaper procurement and staff reduction. Real improvements need changes at the roots, in the development and production as well as business processes. That is exactly where our consulting services kick in.

Chemengineering has been continuously evolving throughout these years. Right from the beginning, the engineering team distinguished itself by demanding high quality standards at an economical use of resources. It differentiated itself from all the competing companies through designated qualification and validation skills. As early as 1997, a steadily growing team of consultants joined us, starting with computerized systems validation and bit by bit expanding their portfolio with services, such as the development and defense of compliance strategies and business process management. As a consequence, the implementation of operational excellence under GxP conditions is one of our major strengths in consulting as well as engineering. And just as fifteen years ago, supporting our producing clients in order to help them cope with their growing challenges is what constitutes our motivation.

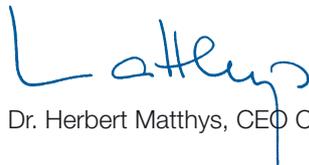


**NEXT
15 MILES**

«Live. Work. Create.» This core statement accurately describes our doing. In our philosophy, business life includes the freedom to work flexibly and to train and further educate individually. This may be one of the reasons why 22 employees stayed with Chemengineering since the very beginning. Delivering good work at all times is our credo, and it certainly is the reason why our first clients chose to remain loyal to us during all these years. Last but not least, creativity – not for its own sake but based on the continuity of our people and the consistency of knowledge and quality of our work – represents one main pillar of our doing in the past, the present and the future.

Looking forward, the question arises: Quo vadis, Chemengineering? This can only be answered in the context of our clients' development. In the course of globalization, many manufacturing sites were moved away from Europe. The fragility of the global economy became evident in the latest natural disasters in Asia as well as the political developments in North Africa and the Arabic countries. We at Chemengineering believe in being close to our clients and having a strong presence in Europe, while at the same time supporting our clients in the assessment of quality and risks of distant supplier industries and contract manufacturers. Thus, we are certain to be positioned right, knowing that we have to continuously adapt to the changing market conditions. The fact that we are able to build our future on a loyal client base and innovative employees deserves my deep gratitude!

Yours sincerely,



Dr. Herbert Matthys, CEO Chemengineering Group



Reiner Ulbrich



Andreas Baumgardt



Martin Bretz



René Lauper



Dr. Herbert Matthys



Keith Peters



Dr. Wolfgang Müller



Dr. Walter Küng



Gerhard Leirer



Jörg Wengerowski



Gerd Liebers



Cornelia Schneider



Martin Nägelin



Dr. Armin Mayer



Markus Schaefer



Markus Meier



Jean-Paul Jung



Klaus Genter



Andreas Conradi



Sepehr Layes



Steffi Ziegert

It's fantastic, that Chemengineering has always managed to maintain its market position on its own means. Being a «pioneer», makes me feel proud.

Reiner Ulbrich

Layout Engineer MSR
Automation, Leipzig

Chemengineering offers me an environment for professional and personal development. Individual initiatives have enhanced the company – that satisfies and motivates me.

Andreas Baumgardt Managing
Director of Chemengineering
Technology GmbH, Wiesbaden

For almost 15 years I've worked away from the home office at client sites, however, the link to Chemengineering is always there.

Martin Bretz Project Engineer
Plant Design, Pratteln

I appreciate the pleasant work environment, the mutual respect with each other and the interesting work, which I can independently organize. Corporate benefits and events contribute to the feel-good factor.

René Lauper

CAD Designer, Pratteln

At Chemengineering, creating solutions with heart and mind together with unique colleagues, clients and team players – that's fun! All in all, I can proudly say: «I was a part of it.»

Keith Peters Project Manager/
Construction Manager, Wiesbaden

We started with a lot of enthusiasm and naivety. The passion for the company remained. Meanwhile, we've learned a lot and approach projects even more professionally.

Dr. Wolfgang Müller

Managing Director of
Chemengineering Technology AG,
Pratteln

Multifaceted activities in biotechnology, potential for new knowledge and above all the opportunity to be creative are the driving momentum in my work for Chemengineering.

Dr. Walter Küng Project
Manager Biotechnology,
Wiesbaden

Chemengineering always gave and gives me the chance to freely structure my work.

Gerhard Leirer Group Leader
MSR Automation, Wiesbaden

15 years of growing with challenges; realizing thrilling projects of all sizes from the idea to handover; satisfied clients and an open, creative working atmosphere – what more could one want.

Jörg Wengerowski Head of
Project Management, Pratteln

I was fortunate to be relevantly involved in many significant and exciting projects. With team work we creatively and devotedly strive for viable solutions.

Gerd Liebers Group Leader
Plant Design, Leipzig

Even now, I still love to tackle the daily challenges of my job. Here in Leipzig, we have always been a top team and are currently growing together with the other offices.

Cornelia Schneider
Project Support, Leipzig

In 15 years,
Our know-how grew,
Hair grey or lost,
More than a few.

Martin Nägelin
Head of Process Design,
Pratteln

The relaxed collegial interaction permits a sharp focus on the task. The projects demand and advance individual involvement. Each of us leaves his or her personal signature behind.

Markus Schaefer
Process Architect, Wiesbaden

To be an entrepreneur in an enterprise which for 15 years I participated in shaping through various functions and the most diverse activities makes me proud.

Markus Meier Managing Director
of Chemengineering Technology AG,
Pratteln

The beginning was the best time. For my colleagues and me it was a real challenge to energize the newly born company and put it on the right track.

Jean-Paul Jung Project
Manager, Pratteln

It's a fact – 15 years at Chemengineering feel good. A great team, good atmosphere and exciting projects make working here very enjoyable.

Klaus Genter Head of
CAD Design, Pratteln

I especially appreciate the good working atmosphere and the cooperation between the branch offices. It's never a problem to get help on technical problems from my colleagues.

Andreas Conradi
CAD Designer, Leipzig

Autonomous work, the ability to make quick decisions as well as multifaceted activities and projects – all of this makes my work at Chemengineering one-of-a-kind.

Sepehr Layes
ICT Manager, Wiesbaden

In 1992, I started working at Fluor Daniel in Leipzig. Manifold projects followed, from office jobs to construction sites. Since 2002 I have continually been on project sites – it stays exciting.

Steffi Ziegert Project
Secretary Plant Design, Leipzig

LIMIT

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MINUTES

EXPIRED

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MINUTE
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Continuing a good year

With fresh confidence and a healthy spirit of optimism. That's how – from Frank Studt's point of view – the industry recovered from the crisis. And went right into the upswing.

2010 was characterized by regained economical confidence also in the life sciences. The Chemengineering Business Designers started the new year with enthusiasm and high motivation after the world economic crisis. A rather difficult starting position from 2009 cast its shadow up into the first months of the running year. Within short time, however, we observed increasing optimism on our clients' side: clients prolonged existing mandates and planned additional compliance projects which had been postponed already in 2009. Newly won clients awarded us with the preparation of inspections by authorities. In these projects we could observe an increasing focus of our clients on the risk-based approach. Due to increasing complexity in our projects we realigned our services into six business areas with the following highlights:

Computerized Systems Validation

2010 was marked by new international contracts as well as long-term demand by our traditional client base in the German-speaking countries. We are very proud to say that we convinced new clients in Saudi Arabia and Turkey of our service portfolio in the area of computer validation.

Pharma Compliance

Drug manufacturers awarded us with a substantial number of larger- and smaller-scale projects. In the area of daily business we could provide support services for PQR compilation, batch record reviews, SOP system optimizations and deviation management. Furthermore, our services for the pharmaceutical industry covered the full range from cleaning and process validation to qualification concepts and GMP gap analyses.

Medical Devices Compliance

In several instances we were called by medical devices manufacturers to support in the short-term preparation of FDA inspections. Our range of services in this field covers initial analysis, implementation of measure, project management support, and support both in front and back of offices. We also successfully implemented the compliance strategies at international component suppliers, contract laboratories, and contract manufacturers which we had developed and prepared in 2009.

Technical Due Diligence

We were entrusted with the technical due diligence in several interesting mandates for our clients in several European countries. The projects serve to prepare for acquisitions and subsequently offer Chemengineering a starting point for investment projects and GMP consulting.

Shared Audits

The assessment of suppliers on behalf of a significant number of pharmaceutical manufacturers took us to India and China several times, but also to Lebanon and many European countries. We audited numerous component and drug manufacturers in more than 26 countries. For the qualification of a multitude of logistics service suppliers a renowned German multinational sent Chemengineering's auditors far into the Eastern Europe: Latvia, Ukraine, Russia near the Chinese border are just a few of the countries in this program.

Operational Excellence (OpEx)

We have systematically enlarged our portfolio in this area. In 2010, the first OpEx projects in quality control were won and successfully implemented with substantial reductions in associated operational costs. For the next upcoming years we have identified high demand for services in this area. Growth in OpEx services is one of our strategic targets which we will pursue with high priority.

Our capital: excellent employees

During the difficult first months of 2010 our team fully supported us, and we are proud to say that there is a stable number of employees in Germany and Switzerland. Despite the necessary closing of the Austrian office, some of the employees were won for the Chemengineering locations in Germany and Switzerland. Our stu-

dent trainees could successfully prove their abilities in client projects for the first time. Within the Chemengineering group we could successfully integrate colleagues from the Chemengineering Technology Designers in our consulting projects.

Enthusiastically on to 2011

Following a very dynamic 2010, we expect consistency and stability for 2011. We are looking forward to mastering new challenges together with our clients. We are enthusiastic about new ideas which we want to discuss and develop with participants at seminars and conferences, e.g. at Concept Heidelberg events. We also would like to thank all clients, employees, and partners for entrusting us with important projects. We promise to continue in providing superior services also in the future! ■



Small fish, big goals

Initial signals of recovery were perceived by the Technology Designers as early as 2009. However, things developed different, Dr. Armin Mayer reports.

The Technology Designers started into 2010 with a good workload acquired in the last quarter of 2009 which gave rise to optimism. Yet, the aftermaths of the crisis overtook us: in the first months we vastly deviated from our targets, and the pressure increased enormously. What was accomplished during the following eight months, shows what is possible at Chemengineering: we experienced a comeback that was driven by the economic upswing on the one hand and by the consistent and excellent work of our employees on the other.

Intensified acquisition

Typical for the project situation in 2010 was that all the big fish in the market were missing. As a result, the necessary incoming orders had to be obtained with lots of small- and medium-sized offers – an arduous, labor- and resource-intensive effort. However, we were pleased to see the enthusiasm and vigor our employees used to support our acquisition activities, even if they

were not involved much in sales before. This additional boost as well as the consistent and target-oriented market development finally led to the expected outcome. We nearly achieved the planned sales objectives that provided the basis for a good result as well as a sound workload for 2011.

Small- and medium-sized projects

Although the acquisition effort is extensive, this type of project has the advantage of being profitable in the same year at short project duration. Another benefit is that we work with several clients at the same time, thereby deepening client relationship and recommending ourselves for future projects. Especially in the last quarter, we achieved record figures in the capacity utilization at projects which enhanced our return at year-end. As usual, the projects were realized with a high level of client satisfaction.

New routes to success

We are facing constant change, as are our clients. In order to defend and extend our market position we permanently meet new challenges. For that reason, in 2010, management and employees newly aligned the corporate strategy for the fol-

lowing years. It is essentially based on three initiatives: extending the activities in the GxP environment, introducing operational excellence (OpEx) as a new service of the Technology Designers as well as establishing large project management internationally.

A year of change

In spring, we closed the office in Vienna and a part of the staff on site was employed within the Chemengineering Technology subsidiaries in Germany and Switzerland. Now, the Austrian market is intensively supported from these locations. In summer, the ASI GmbH merged with Chemengineering Technology GmbH Germany. Moreover, a succession took place here: our «old hands» Andreas Baumgardt and Horst Strnad assumed management of this company. Finally, in September, Dr. Armin Mayer stepped up as head of the engineering business unit.

What's next

The upswing in the second half of 2010 allows us to optimistically approach the financial year 2011. Workload and incoming orders show that we are on the right track with our expectations. However, we not only aim to achieve the budget line but also want to successfully implement the newly aligned strategy. Another important precondition

is uniform and sustainable staff recruitment which, indeed, will become one of the huge challenges in 2011. However, we would not be Chemengineering if we were unable to cope with the challenge posed by the market.

I would like to take this opportunity to thank our clients for their trust and our employees for their exemplary commitment! 🇪

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Publishing information

Editor: Chemengineering Holding AG

Corporate Communications, Uta Ünal

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T +41 61 467 54 00 | www.chemengineering.com

Design: WOMM Werbeagentur AG | Basel | Switzerland

Photos: Andi Cortellini, iStockphoto

Print: Multicolor Print AG | Baar | Switzerland

Eco-friendly printed on FSC-certified paper

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