

WAM S.P.A. CELEBRATES 40TH ANNIVERSARY

In 1969 Vainer Marchesini opened his first workshop in the outskirts of Modena, the *Officina Meccanica Marchesini Vainer*. In 1978 the business turned into a family-owned joint stock company under the new WAM® logo. Divided into over 50 companies, in 2009 WAMGROUP® has given work to almost 2,000 people worldwide.

2009 was certainly not a year for celebrations. Like most companies, WAMGROUP® was shaken by the global crisis, although, thanks to its globalisation strategy, it probably suffered less than others.

But forty years of company history should not pass unmentioned. Forty years are the equivalent of two generations, forty years during which WAMGROUP® has reached significant milestones not only for the company but also in the context of the Modena region. In fact, today WAMGROUP® has become a case study for international researchers in the field of economic history as a unique example of a globalised medium-sized company (see page 3 and 4 in this issue). Even though this fills everyone at WAMGROUP® with pride, time doesn't stand still. The Group's management is well aware that today's competitive advantage can easily wane tomorrow unless the effort of maintaining the gap is continuous.

If the early years of WAM® were marked by the strategy of standardisation of components and the gradual industrialisation of finished products, the 1980s saw the beginning of a still ongoing process of internationalisation of the distribution network. In the 1990s WAMGROUP® took its first steps towards offshoring of production leading to

a global manufacturing network towards the end of the first decade of the new millennium.

2010 sees WAMGROUP® still run by its founder and current Chairman and C.E.O., Vainer Marchesini.



Vainer Marchesini, Elena Marchesini, Roberto Marchesini, Marcello Marchesini

Meanwhile, the second generation has taken its place in the Supervisory Board assisting Marchesini in setting the course for the Group's future.

The next forty years have only just started with history in the making.

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EDITORIAL

Dear Reader,



What a year this was. And where is the light at the end of the tunnel? At the moment it rather seems a flashing light going on and off. In WAMGROUP®'s core sector, building & construction, things are still pretty slack, although China especially is going full steam ahead thanks to extensive public infrastructure investments, and the outlook on 2010 being positive too. For the rest of the planet expectations are a lot more modest.

So why is WAMGROUP® still optimistic? Because the corporate team of product managers has taken on an ambitious project which foresees the specialised configuration of machines and components tailored for a specific sector. Since powdery and granular materials are used in a great variety of industries there is solid potential for growth despite the crisis. Times of crisis bearing also opportunities, there is also hope to find potential customers more open-minded towards new ideas.

In this sense we at WAMGROUP® look forward to a prosperous 2010 which is what I would like to wish you on behalf of all my colleagues.

Best Wishes,

Michael Grass
WAMGROUP® Marketing Communications Executive

HAPPY ANNIVERSARY WAM DO BRASIL



WAM do Brasil factory near São Paulo

Another WAMGROUP® Subsidiary celebrating its 10th anniversary in 2009 was WAM do Brasil. Being based in one of the very few countries enjoying strong economic growth while most others faced recession, allowed the company to enjoy increasing market shares also in new sectors where the Corporate Management sees great potential for the future. General Manager, Eugenio Molinari, is confident regarding the outlook on 2010.

www.wam.com.br

WAM India at EXCON Sri Lanka 2009



WAM India Dy. Gen. Manager, Amit Poptwala and staff

WAM India seized the opportunity to participate at Sri Lanka's first International Construction Trade Fair which took place from 29th to 31st May 2009 at the Sirimavo Bandaranaike Memorial Exhibition Centre and the Bandaranaike Memorial

International Conference Hall in the country's capital, Colombo.

The event, which was organised by the Chamber of Construction Industry of Sri Lanka, proved to be a valuable showcase for WAM India in view of extending their sales and marketing activities more and more to its neighbouring country.

www.wamgroup.in

WAM[®] BECOMES CASE STUDY AT XVTH WORLD ECONOMIC HISTORY CONGRESS

UTRECHT, NETHERLANDS, AUGUST 5TH, 2009

After taking a degree in Economics at the Faculty of Economics of Modena University and a Ph.D. in Economic and Social History at Bocconi University, Milan, Alberto Rinaldi is currently an Assistant Professor of Economic History at the Faculty of Economics “Marco Biagi” of the University of Modena and Reggio Emilia, Italy.

Professor Rinaldi takes particular research interests in Industrial Districts, Local Development, Interlocking Directorates, Business Elites, as well as Foreign Direct Investments. He first started his research on WAMGROUP[®] in 1997.



It all started back in 2005 with the publication of the book “Dalla fiamma ossidrica al laser” (*From welding torch to laser*) in which the authors, Giuliano Muzzioli and Alberto Rinaldi, describe the history of WAM[®] from 1968 until 2003. The subtitle “WAM[®] from Modena to America and China”



hints that the company’s history is characterised by internationalisation as a driving strategy. The book was received with great interest and curiosity by the academic world making the WAM[®] case known beyond the Italian borders.

Josh Whitford from Columbia University in New York decided to include WAM[®] in his comparative research on internationalisation of the engineering industry in Italy, Germany and the U.S.A. after reading Muzzioli’s and Rinaldi’s book (see Newsletter No.1, 05/2008).

In early 2009 Alberto Rinaldi was invited to present a paper at the XVth World Economic History Congress to be held in August 2009 in the Dutch

city of Utrecht, after Buenos Aires in 2002 and Helsinki in 2006. Rinaldi suggested presenting the WAM[®] case study as described in his book. He was less than certain that the subject would be accepted as the paper dealt with a single case of a rather small company operating in a niche market. However, not only was the topic accepted but the WAM[®] case again aroused considerable interest.

On day three of the Congress, which was opened by the Dutch minister of Finance, Jan Kees de Jager, Rinaldi gave his talk on “*The rise of a district lead firm: The case of WAM[®] (1968-2003)*” during the session “*Clusters versus industrial districts in the formation of competitive advantage, 1820-2008*”.

The abstract of Rinaldi’s article provides the following summary: “In recent times one major evolution in several industrial districts in Italy has been the emergence of new hierarchical structures that have led to the rise of lead firms. These are firms that—contrary to canonical district firms which tend to remain small—pursue size growth, invest in marketing, distribution and R&D, reorganise their subcontracting networks, and become international by establishing commercial subsidiaries and production facilities abroad. However, lead firms’ histories remain largely unexplored. This article contributes to fill this gap by examining the case of one of such lead firms: WAM[®], a company set up in 1968 in



WEHC 2009 website

the mechanical engineering district of Modena, which by the beginning of the 21st century had become a world leader in the production of bulk material handling and dust filtration machinery.

The article in particular focuses on the strategy of growth and internationalisation that this company has pursued and its effects in both the host nations and in its Italian Industrial District of origin.”

Andrea Colli, professor at Bocconi University in Milan, Italy, one of the organisers of the session at the congress, found Rinaldi’s article interesting enough to give a comprehensive comment (see page 4).

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COMMENTS ON ALBERTO RINALDI'S ARTICLE ON WAM®

BY ANDREA COLLI FROM BOCCONI UNIVERSITY, MILAN



Andrea Colli graduated from Bocconi University in Milan, Italy, with a degree in Business Administration. Later he took a Ph.D. in Economic and Social History at Bocconi. Currently he works as an Associate Professor at the Institute of Economic History (ISE) at Bocconi University.

His fields of interest are the structure and evolution of small and medium-sized enterprises in Italy, the role of family firms in modern economic growth, entrepreneurship and entrepreneurial history, Corporate Governance in a comparative and historical perspective and Foreign Direct Investments and economic growth (XXth century).

The WAM® case described by Alberto Rinaldi is particularly useful to highlight some of the basic features of these “new” actors in Italian capitalism. As all good case studies, it can be used in almost every business school providing useful insights about their strategies, structures, competitive practices, and success.

The WAM® case shows some degree of continuity in the entrepreneurial models characteristic of Italian capitalism. One of them is the presence of technicians, who undertook an entrepreneurial role on the basis of personal experience matured in larger firms where they had the opportunity to realise the presence of niches which could be filled and which were not taken into consideration by the larger enterprises.

A second continuity is the relevance of localisation. WAM® is a locally-rooted company and Rinaldi talks of a “district firm”, that is a firm born in the district, and still based there, that is in the area of Modena. The reasons for which these kinds of companies—increasingly international, global, transnational—stay firmly rooted into the boundaries of a well defined geographical area, are many. Rinaldi points out the ability to find adequate human capital able to provide technical competencies and outsourcing.

Here I can add the possibility to capture what is new and attracting in terms of innovations, given the circulation of new ideas inside the local community of entrepreneurs.

A third continuity is the personal dimension of entrepreneurship. Even with some modernisation and transformations, WAM® still remains one personal company, which shares all the positivity—in terms of flexibility and commitment—of personal ownership, but also all the risks of innovative lock-in, path dependency, authoritarianism and familism which this kind of companies normally run.

The entrepreneurial model represented by the WAM® case shows also a series of discontinuities with the traditional models of the Italian capitalism which up to the 1980s was characterised by a relatively well defined “division of labour” between large firms, both privately and State-owned, which dominated as national champions the internal market, and the small specialised firms of the industrial districts which not only covered the domestic market with their “Made in Italy” products but also showed a strong export capability. The medium-sized enterprises, on the contrary, show an unquestionable tendency to grow, enlarging progressively their dimension. The main point is the quality of this growth, and the

strategies through which it is made possible. Firms like WAM® grew in fact via internal growth (investments in production capabilities) but, above all, through a policy of direct investments abroad, that is not only exporting a consistent portion of their production but also controlling production assets in other countries. The basic policy is in fact to exploit their competitive advantage in a world-size niche of the market, recurring to vertical integration and direct ownership of foreign assets in order to limit transaction costs.

There is a final point worthy of attention. This concerns the evolution of the relationships between the company and the context in which it is located. Many of these medium-sized companies enjoy a fruitful relationship with the outside environment—in general of an industrial district—from which they originated and in which they are located. In many cases, this is an advantage, since the district provides human capital, sometimes a good market, innovative stimuli and other external economies. However, this relationship is a complex and delicate one, not easy to be replicated in a global context such as the one in which WAM® is going to operate as an international company.

www.wamgroup.com

WAM® FILTER DIVISION PRESENTS NEW HOPPERTOP CEMENT WEIGH HOPPER VENTING FILTER

Based on decades of experience in the concrete sector, with HOPPERTOP, WAM® now offers a new unique solution for filter venting installations on intermediate storage hoppers or weigh hoppers.

These filters are the right answer to the needs of the market in terms of quality, maintenance and price.

The dust, which is separated from the air flow by a single cartridge filter element, drops back into the hopper after an integrated automatic reverse air jet cleaning system inside the weather protection cover has removed the dust particles from the filter element.

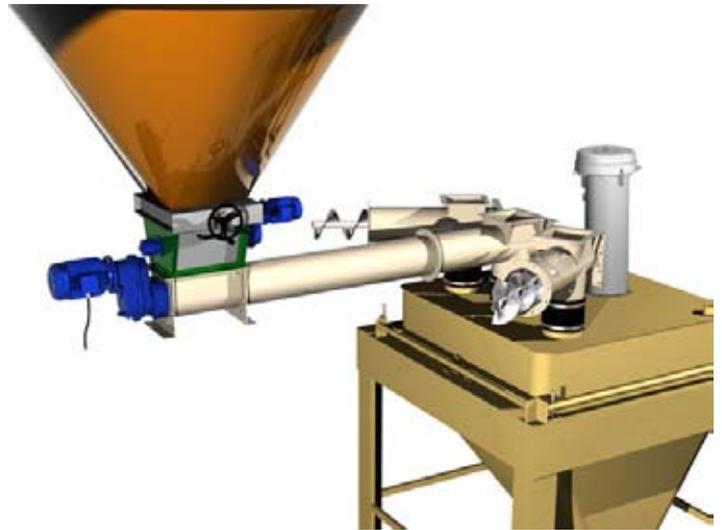
HOPPERTOP is equipped with a flanged stainless steel body which makes it durable and reliable even in adverse atmospheric conditions.

The HOPPERTOP design ensures quick maintenance due to easy access to the filtering element and quick removal of the same thanks to a spe-

cial patented push-fit system without the need of any tools. The specific design features of HOPPERTOP along with the highly efficient performance of its reverse air jet cleaning system result in longer maintenance intervals than with competitors' products.

The small footprint of HOPPERTOP and its low weight enable installation in all applications where space is a problem making retrofitting child's play.

All the above-mentioned features



HOPPERTOP Venting Filter mounted on top of cement weigh hopper

are the result of WAM®'s expertise in dust filtration and represent the perfect answer to the current market requirements.

www.wamgroup.com

NEW FLITECH® AND RONCUZZI® WEBSITES



www.flitech.it

In 2009 WAMGROUP® member, FLITECH®, renewed its website making it more user-oriented. Dimension tables highlight those stand-

ard sizes of helicoid fluting and screws that offer advantages. Another innovative feature of the website is a configuration system which guides the customer from the right technical choice in terms of product characteristics to pricing providing him or her with a completely formulated quotation.

Another member of WAMGROUP® with a new look of their website is RONCUZZI®.

The new site divides the company's product range into

four areas: Environmental Technology, Renewable Energy, Bulk Handling Technology and Port Technology. Each one of those

areas is tailored for a specific clientele illustrating RONCUZZI®'s unique performance profile as a result of 110 years of company history.



www.roncuZZi.com

WAM INDIA SUPPLYING UNILEVER

NASHIK, INDIA, SUMMER 2009



Trough Screw Conveyors in Unilever Factory in Nashik, India

Vaseline, Lux, Dove, Axe, Knorr, Lipton: what do these names have in common? They are all fast moving

consumer goods (FMCG) brands in foods and personal care, well known in most parts of the world—and they all belong to Unilever.

Hindustan Unilever Limited, which is part of British-Dutch Unilever Group, is India's largest FMCG company. In 2007, HUL was rated as the most respected company in India for the past 25 years by Businessworld, one of India's leading business magazines.

HUL has 39 factories in India. Distribution covers over one million retail outlets across the country. Two

out of three Indians use the company's products.

In October 2008 HUL completed commissioning of WAMGROUP® equipment supplied by WAM Bombay—now WAM India—for one of its factories in Nashik, a city in the northwest of the state of Maharashtra, some 180 km from its capital, Mumbai.

Seven CA-type Trough Screw Conveyors and an electro-pneumatically activated DVA Diverter Valve, all in stainless steel, handle tomato soup powder and pieces of dehydrated vegetables such as beans and carrots.

After more than one year of operation the units are working to the customer's total satisfaction.

www.wamgroup.in

WAM INDIA SEMINAR FOR NTPC POWER SUPPLIER

NEW DELHI, INDIA, NOVEMBER 5TH 2009

On November 5th 2009, WAM India gave a seminar in India's capital, New Delhi, to staff from NTPC, India's largest thermal power generating company, on WAMGROUP® equipment for handling of fly ash.

NTPC continually strives to evolve innovative and diverse means of ash utilisation. Prominent among the methods devised so far are: dry fly ash

extraction systems; use in cement & concrete; use in ash-based products, raising ash dykes; mine filling/stowing; agriculture.

Overall, 33 participants from various departments and plants from all over the subcontinent attended the seminar. The presentation mainly emphasized on optimum usage of fly ash in order to help the environment and on what role WAMGROUP® products can play to achieve this.

Assisted by Federico Lugli, product manager from TOREX® in Italy, WAM India's deputy general manager, Amit Popatwala, highlighted TOREX®'s Rotary Valves and Loading Bellows, OLI®'s Motovibrators and Flow Aids, WAM®'s Butterfly and Slide Valves, Dust Collectors, Tubular and Trough Screw Conveyors, as well as MAP®'s DUSTFIX® and MESC-UM Twin-Shaft Paddle Conditioners and,



Amit Popatwala giving his presentation

last but not least, WAH Continuous Ploughshare Mixers for mixing fly ash with cement showing photos of a 15,000-litre machine recently installed in India.

WAM India is confident that this seminar has helped to enhance the WAMGROUP® product mix with this key customer in a rapidly developing sector.

www.wamgroup.in



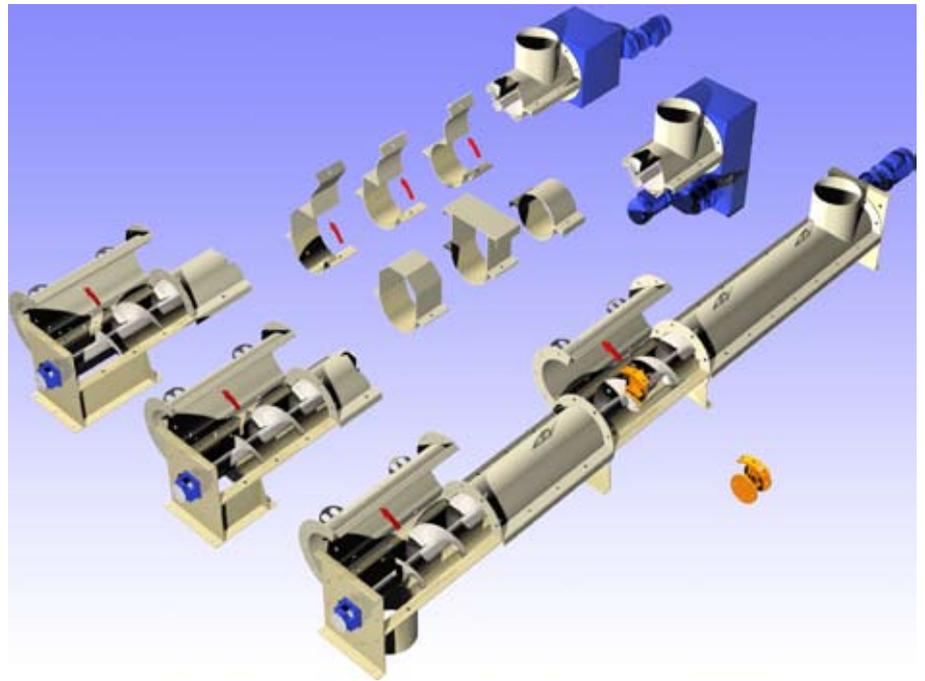
Thank-you letter by NTPC

“TUS” MODULAR TUBULAR SCREW CONVEYOR SYSTEM BY WAM® SCREW CONVEYOR DIVISION

Tradition has it that screw conveyors are manufactured subject to an order. While mechanical components such as intermediate and end bearing assemblies, as well as drive units are often kept in stock ready for assembly, fabrication has always required a certain manufacturing time following tailor-made configuration.

With its highly innovative TUS modular system of fabricated components for heavy-duty and extra-heavy-duty tubular screw conveyors, WAM® has taken a revolutionary step towards industrialisation of this type of machine. Not only are those fabricated components manufactured in an industrial quality but they are designed with a special focus on space-saving storage. Constant availability of both mechanical and fabricated screw conveyor components leads to high flexibility in machine configuration and short delivery time.

But there is more. The inside of a tubular screw conveyor housing made from a pipe is difficult to access as opposed to an open trough screw conveyor. The traditional tubular screw conveyor design has no solution to this problem if not the provision of costly inspection hatch constructions. The TUS modular system design combines the advantage of easy access as with open trough screw conveyors with



TUS Modular Screw Conveyor System

that of high-efficiency conveying without backflow of tubular screws. Furthermore, replacement of screws or intermediate bearings—an otherwise particularly complex operation in case of large diameters—is extremely time and cost-saving.

Ex-stock availability of fabricated conveyor components becomes an additional plus if the customer requires modification of the conveyor length. Alternative modules can be safely fit-

ted on site without the obvious risk of damage from cutting and welding in unfavourable conditions.

The TUS range, which covers outside screw diameters from 200 to 1,000mm, provides both conveyor and feeder configurations using all the options for mechanical components offered by the tried and tested TU, TP and TE tubular screw conveyor range.

www.wamgroup.com

RONCUZZI® DOCKSIDE HOPPER FOR YARA ITALY

RAVENNA, ITALY, JULY 2009

Yara International ASA is a global firm with its headquarters in Norway specialising in agricultural products and environmental protection agents. As the world's largest supplier of mineral fertilisers, Yara helps provide food and renewable energy for a growing world population. The Oslo-based company has more than 8,000 employees with operations in more than 50 countries.

Yara's Animal Nutrition division offers high-quality feed phosphates, feed acidifiers and purified phosphoric acid. As a leading fertiliser producer,



Yara has a strong production base for ammonia, nitric acid, urea ammonium nitrate and calcium nitrate. Yara has developed a dedicated, expert team to serve customers with many applications, with all team members committed to quality, reliability and service.

The Italian branch of Yara recently bought a De-dusted Mobile Dockside Hopper from RONCUZZI® for fertiliser transfer from ship holds in the port of Ravenna, Italy. RONCUZZI® also installed and commissioned the hopper in July 2009.

www.roncuZZi.com

SEPCOM® FARM FOR SOUTHERN ITALY

NAPLES, ITALY, FEBRUARY 2009



AgroSud, held in Naples, Italy, in February 2009, confirmed itself as an event aimed at an audience of accredited professionals who had the opportunity to meet in over 20,000 square metres of exhibition area businesses, organisations and research institutions,

which offered innovative solutions for the world of agriculture and livestock, as well as for the Dairy Industry.

SPECO® showcased once again its highly innovative SEPCOM® Farm Solids-Liquid Screw Separator for cattle or pig manure. The booth staff reported keen interest from visitors from all over southern Italy.

www.speco.it

WAM EURASIA AT KOMATEK

ANKARA, TURKEY, MAY 2009

KOMATEK Trade Fairs are being organised since 1992. Within ten years, the number of exhibitors has grown from 50 to 300. Initial years saw mostly government and municipal officials, while in recent years a vast number of contracting company officials and industry buyers from Ankara, other cities of Anatolia, as well as neighbouring countries were registered.

KOMATEK's visitor profile includes people from the construction industry ranging from top ranking officials of

public and private enterprises to their engineers, procurement officers, plant personnel, technicians, operators, as well as academics.

WAM EurAsia participated at the 12th edition putting on show the complete range of WAMGROUP® equipment for concrete, asphalt and building materials processing plants. Participation proved important as international visitors showed great interest in the products.

www.wamgroup.com.tr



Next Issue Preview



Starting with the next issue, the WAMGROUP® Newsletter includes interviews with general managers of WAMGROUP® companies who have significantly contributed to the development of the Group from a conglomeration of national companies into a global group of integrated members sharing the same general strategies under a single corporate vision and mission.

The first of those interviews will be with Werner Schmidt, general manager of one of the Group's oldest subsidiaries, WAM Germany.

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strong ethics

.... winning spirit

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