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OPERATIONS



A fully "renewed" Customer Service

The new Brevini Fluid Power Customer Service within the scope of the group, has a new work method with teams divided by macro geographical areas. In this manner, each customer will know that he or she can count on a group of people who will be ready to listen, in addition to having his or her regular contract person. (Page 10)

Editorial



Our "playing field" is ever more global

*Despite the current economic situation, we must pause for a second to look around us and understand that in order to overcome this crisis, for Brevini Fluid Power and all businesses, including those to be after the crisis, the **playing field is global**.*

The international meeting has discussed these two aspects and has outlined an agenda for 2014 which can help us give more accurate answers.

Brevini is a business group that has always been used to take on a global market; however, we must strive for more.

"Together" is word engraved in the Brevini Group's nature ever since its founding. Together, today for everyone means to trust the newly established "Brevini Network", a network of companies which is also a way to give more value, a plus for the entire chain up to the end customer. The customer must be the main focus of our daily actions. For this reason, our goal is to be able to say that "we can make it" by relying on information flow that we spread through the internet sites of the Group and with the You BFP channel thereby basing ourselves on our products and ever more competitive services, but even more on our PEOPLE!.. They make a difference, even in this new global scenario.

Happy New Year 2014!

Vito Bonafede
December 2013

SPECIAL EVENT



The third Branch Sales & Marketing Meeting

The third "Brevini Fluid Power Branch Sales & Marketing Meeting" has just been concluded. The two-day event (26-27 November) has received more than 120 people from all over the world and confirms the level of attendance to the development plans launched with the Industrial Plan. This is a participation that has confirmed the efforts to provide proper tools to allow the business to grow and compete.

The meeting was opened to external guests who brought a contribution of analysis to a more global market-oriented vision: Stefano Landi, Chairman of Landi Renzo and Unindustria Reggio Emilia and Luca Bettale, consultant of Long Term Partners, along with Chairman Renato Brevini and Managing Director, Vito Bonafede, provided a general outlook of the "opportunities" that will be available even during this economic crisis. This crisis is felt more in Italy and is another reason for saying that: "we must grow in a network by enhancing synergies" but also how the meeting invitation was announced: "TOGETHER FOR A PROFITABLE GROWTH". (Page 5)



TECHNICAL

Valves and distributors

Reliability and operational safety in compliance with ISO 13849

Brevini Fluid Power designs and builds components in accordance with the safety principles set out by standard EN ISO 13849-2 Exhibit C. In order to provide more valuable information to customers, Brevini Fluid Power completes the technical data of the valves with a value of MTTFd=150 years in accordance with standard ISO 13849-1, Table C.1. The list of components examined is available at www.brevinifluidpower.com under the Catalogue section. These are the usage conditions set out by Brevini Fluid Power and must be observed by the manufacturer of the machine and end user (e.g. usage restrictions, hydraulic fluid, power supply, environmental conditions, etc.).

In addition to the considerations on safety principles, a FMECA analysis was carried out using failure percentages referable to international databases. A mission profile (namely an application) and a dangerous failure were defined for this type of engineering analysis, based on the most commonly known applications (e.g. elevated work platforms PLE). In fact, according to Machine Directive 2006/42/CE, all manufacturers who sale machines within the European Economic Community must meet additional safety requirements. Manufacturers of machines must comply with specific technical standards based on their application (standard type-C) and refer to basic standards (type-A) as well as general application standards (type-B).

The previous type-B technical standard for machine safety EN 954 was replaced a few years ago with standard EN ISO 13849. The latter introduces a method to assess the level of safety of the control system based not only on the construction architecture as the previous standard, but also on the probability of failure or reliability.

The Performance Level (PL) is introduced to assess the level of failure whose purpose is to show the ability of the control system to ensure protection within pre-defined operation conditions. The parameter used to assess the PL of the safety system is the system's average probability of dangerous failure per hour (PFHd). The adjective "dangerous" means that only failures that, if not detected, inhibit the safety protection of the safety, are considered.

| <div>LOW PROTECTION</div> <div>↓</div> <div>HIGH PROTECTION</div> | PL | AVERAGE PROBABILITY OF DANGEROUS FAILURE PER HOUR 1/H |
|---|----|---|
| | a | $\geq 10^{-5}$ up to $<10^{-4}$ |
| | b | $\geq 3 \times 10^{-5}$ up to $<10^{-5}$ |
| | c | $\geq 10^{-6}$ up to $<3 \times 10^{-6}$ |
| | d | $\geq 10^{-7}$ up to $<10^{-6}$ |
| | e | $\geq 10^{-8}$ up to $<10^{-7}$ |

The manufacturer of the machine must identify the safety functions and hence assess the Performance Level required (PLr) for said functions. The Performance Level that can be obtained with the control system of the machine is determined by the following parameters:

- Category
- Dangerous failure average time (MTTFd) of each channel
- Diagnostic Coverage (DC)
- Common causes of failure (CCF)

In order to calculate the MTTFd of a channel, the manufacturer of the machine must have the reliability values MTTFd of the components thereof. For this reason, said parameter should be requested to suppliers of mechanical, hydraulic, pneumatic and electronic components so that it can be included in the calculation.

The reliability value MTTFd for a component can be obtained by knowing the rate of dangerous failure (λ_d) normally expressed as a number of dangerous failures per 1 million of operating hours.

$$MTTFd = 1 / \lambda_d$$

If the supplier does not have a value of λ_d supported by a proper statistic survey pursuant to standards EN ISO 13849-1, the value MTTFd of a single hydraulic components, e.g. one valve, can be considered equal to 150 years, on the condition that the component is designed in accordance with the "basic" and "tested" safety principles.

The safety principles are listed in standard EN ISO 13849-2, Tables C.1 and C.2, for example:

- use of the energy disconnection principle: the safe conditions are reached in case of power interruption;
- safe position: the mobile part of the component is kept in one of the possible positions using mechanical means (e.g. springs); force must be applied to change the position;
- enough positive overlapping in the piston valves: the positive overlapping ensures the stop function and prevents non-admissible movements.

The confirmation that one component is tested correctly to validate a hydraulic system, can be given solely after a careful analysis of the specific application, as the condition of being tested properly is primarily specific of the application. A component tested properly for some applications may not be appropriate for others (EN ISO 13849-2 §C.4).

New range

Miniaturised length (TLu) and miniaturised angle and length (ASu) transducers



The miniaturised slide transducers (TLu) and angle and miniaturised slide (ASu) are mainly used to measure the length of the stabiliser feet of truck cranes, trucked platforms and the length of telescopic arms of tele-handlers.

The transducers TLu and ASu BPE are used by major companies: Dieci, Magni T H, Merlo, COPMA, MKG, Danilift and Galizia.

Current EU regulations that govern the design and construction of lifting devices have introduced a new "machine" planning which imposes the observance of strict safety limits, both passive and active.

In particular, EN ISO 13849-1 which follows standard EN 954-1, became the reference

standard as guide for safety systems within the scope of "machine safety". The revision of standard EN 954-1 was finalised after the introduction of probable methods in the assessment of modern control systems. The decisive step in said direction is to assess the major functions for safety purposes in terms of quantities.

In particular, the use of sensors in the control and monitoring of machines plays a major role in the functions related to safety.



Length sensors and angle length sensors

An "angle length" transducer is an electromechanical converter that incorporates two fundamental functions, the first one transducers the unwinding of a wire from a pulley with return spring in an electrical signal, the second one returns an electrical signals proportional to an angle with respect to terrestrial gravity.

The transducer consists of a series of constructive elements that must be studied accordingly in order to ensure sturdiness, accuracy and long lasting life.

These products can also be supplied in redundant versions in order to ensure the compliance of relevant standards.

Multiple fields of applications:

- high range overhead platforms (the sensors are used to measure the unthreading and inclination of the lifting arm and is used to measure the range of the stabilisers);
- truck crane and cranes for lorries (the sensors are used to measure the range of stabilisers and the range of hydraulic lifting cylinders);
- telescopic lifters (where the angle and

length of the unthreading system of the lifting arm must be accurately measured).

In overhead platforms (PLE) whose sector standards are identified by standard EN280, the angle sensor or angle length sensor must be made in such a manner as to guarantee a Performance Level of the safety function in compliance with the PLd during the control phase of the overturning moment of the machine and during the control phase of the work area. From here derives the need of a redundant version of sensors.

In lorry cranes, the length or angle length sensors must guarantee a Performance Level Plc in the moment control circuit of the machine according to the requirements set out by standard EN12999. In particular, the new release of standard EN12999:2011 expressly refers to the control of stabiliser legs, demanding for the load limiting device to take account of the position of the stabiliser legs. As far as the application sector of mobile cranes is concerned, the length angle sensors must guarantee Performance Level Plc in the moment control circuit of the machine according to the requirements set out by standard EN13000. In telehandlers, the length or angle length sensors must guarantee a Performance Level Plc or PLd in the moment control circuit of the machine according to the requirements set out by standard EN15000.

BPE, in line with applicable standards, offers a new range of compact transducers of just length TLu and angle and length ASu. Both sensors fully meet the demands of manufacturers of vehicles thereby allowing them to ensure the PLd (EN13849-1) thanks to the doubling of internal circuits (in redundant versions).

The range of transducers TLu and ASu have a MTTFd index of more than 100 years and a mechanical life cycle that can go from 1x105 to 5x105, depending on the version. The case of the length transducer TLu is identical to the one of the angle/length transducer ASu.

Its compactness allows designers of PLE, as well as those of mobile cranes, lorry cranes and telehandlers, to install transducers TLu and ASu inside length structures of stabilisers and lifting arms.



INDUSTRIAMOCI 2013

Opened doors to schools for an actual "orientation"



"ORIENTATION". In this level of record unemployment for young people who join the job market, "orientation" is a keyword. "Orientation" means to give parents and young people who graduate from Middle School a clear indication of what activities can be pursued to find a job. "For many years now, it should be known that the zone of Reggio Emilia needs advanced technical staff with specialisation in mechatronics; however there is not enough emphasis being placed to the training courses for these specific profession, which are those that can open doors to the job market" — added the Director of the TMS, Maurizio Brevini. Businesses must do their part in order to "inform" and "Industriamoci" is also involved in this external communication plan. This year, the headquarters of Brevini Fluid Power of Reggio Emilia opened its doors to three classes of the Middle School Fontanesi of Reggio Emilia. This confirms Brevini's commitment in schools and training programmes: "We have been working here for more than forty years; investing in the future has always been our primary goal" — explained Managing Director of Brevini Fluid Power, Vito Bonafede. Opening doors to the company and welcoming young people is a clear signal that is reinforced by many other training initiatives, whether internal or external, with the corporate school TMS and with the Student Werther Campaldi Project. People are our resources needed to continue to compete worldwide". Students of 3 A, 3 C and 3 F are accompanied by teachers and have visited the production

lines where fluid power systems are created to equipped tractors, agricultural machines, earth-moving machines and others. The guided tour was part of the NATIONAL DAY OF SMALL AND MEDIUM ENTERPRISES - "INDUSTRIAMOCI" PMI DAY organised by Unindustria Reggio Emilia, in its fourth edition this year. Industriamoci 2013 is part of a common goal that is set out with "Orientagiovani", another national initiative aimed at students. The purpose of this initiative is to create a bond between schools and businesses by showing teachers and students how a product is created and what fundamental role it plays for the economy and society. Brevini Fluid Power is always proud to favour the orientation of young people in order enhance passions and personal interests, hence contributing to the professional training of students who will soon be joining the world of work. For more information on orientation, visit the website www.orienta-re.it. The Municipality of Reggio Emilia, in liaison with the Province and Chamber of Commerce of Reggio Emilia, have promoted the realisation of a video to help young people in their transition from a training phase to a career in the job market. Promoting good training, reducing early withdrawal from school and favouring a meeting point between job demand and supply, are all good measures to be taken to fight the crisis.



HUMAN RESOURCES

Focus on Product Training BPE Electronics for the branches

In 2013, the Training Courses TMS on product lines and on applications conducted in Italian were also added in English. A major investment. Technicians from European branches and from China have come to Reggio Emilia. The exchange was bilateral considering that the Product Managers of Brevini Fluid Power have visited the Branches to conduct training courses on specific subjects. Over the past months of the year, focus was placed on BPE Electronics Products with two training programmes held within Brevini Fluid Power in Italian and two in English at an intermediate level, in October and November.



The first training course was held in English on the 8 and 9 of October for electronic contact persons of European branches while the second course was held on 21-22/26-27 of November for electronic contact persons of BFP China (Peking).

The subjects discussed by the Technical Manager of BPE Electronics, Giacomo Bassoli, in liaison with the contact person and coordinator of Electronic Planning, Matteo Bernardi, were as follows: actuation boards (MAV), sensors and limitation systems (with theoretical and practical sessions).

The search on market efficiency and competitiveness includes technical training. Quality improvement can be achieved by implementing and improving BPE Electronics products even through the branches of Brevini Fluid Power located throughout the world.

“On the job training” from China with passion

Jennifer Zhou has come all the way from Yancheng, China to discover the works of the parent company Brevini Fluid Power. She normally works at the facility of Brevini Fluid Power Yancheng, but she took a training course in September on technical planning areas. This is a sign of continuity for the “on the job training” project given the fact that Jack Li has come to the headquarters of BFP from Yancheng to get to know the areas dedicated to quality. The colleague from BFP Yancheng had the opportunity to visit the quality control areas of all the plants of Reggio Emilia and OT Oil T from 25 November to 6 December thereby sharing quality control and work methods.



What is your job in Brevini Fluid Power Yancheng? How long have you been part of the team?

I am an engineer and I have been working in the technical department for over three years and a half. I graduated in Xuzhou at the Technology Institute of the University in 2009 with a dissertation on “Mechanical Productions and Automation”. Before joining Brevini Fluid Power Yancheng, I worked for the Group Zong Sa China.

It is quite a long trip from Yancheng

Brevini N°1” Jennifer’s words

to Reggio Emilia, how was it?

I am very thankful to Brevini Fluid Power for giving the opportunity to work with them. This is the first time that I leave China to go abroad. It is truly an experience that will always stay with me.

What are the goals of the training? What are your expectations? Were they met?

I am convinced that it was a great experience. The training goals were accomplished thanks to the availability and competence of the people who I met in Reggio Emilia. I worked in the Technical Department on CAD 3D Solidworks systems and I had the opportunity to see all the

innovations of the factory which were very interesting and allow everyone to work and produce better. I will take this information to Yancheng and pass it on to my Chinese colleagues. I believe this is the goal. The time in Reggio Emilia was not much but I hope that there will be more opportunities to be involved in even more advanced training projects.

Lastly, what is your first impression of Reggio Emilia, would you come back?

I hope so. I like Reggio Emilia. It was a great opportunity for me to see the beautiful landscape of Europe. I hope to be back to Brevini Fluid Power. Thanks to every one, really thank you. Ciao!

The “loyalty” awards were given out



“Today we celebrate the value of work which constitutes the basis of our Republic and Reggio Emilia with its ten thousand businesses and thousands of workers. It is the symbol of this proactive Country which suffers, but does not give up to the economic crisis and is called upon to find reasons for a stronger cohesion”. This is how, the chairman of the Chamber of Commerce, Enrico Bini, opened the ceremony to the International Centre Loris Malaguzzi where three illustrious people of Reggio Emilia took the stage to receive the applause of thousand of people and were awarded with the “Regium Lepidi” (the utmost Chamber’s recognition) for businesses, entrepreneurs and employees who have marked history in their jobs and economic development in Reggio Emilia over the past ten years. The “Loyalty” award was given to them.

109 awards were given out (in addition to the “Regium Lepidi” which was awarded to Orietta Berti, Ivan Luseti and in memory of Vando Veroni). 55 workers received a recognition with at least 35 years of experience (with at least 15 in the same company), 16 were direct farmers with at least 40 years in the business, 22 were entrepreneurs of other sectors with 40 uninterrupted years of service, 9 were businesses active by more than 50 years, 1 company with more than 70 years of service and 6 companies that are in business for more than a century, already registered with the National Registry of Historical Business of Unioncamere. A last, a special award was given out to an entrepreneur for his very extensive experience. Employees also received an award on Saturday 7 of December, regardless of their profession. These are employees who have work non-stop for 30 years with the same company (whether industrial, artisan, sales, agricultural or service firm) or those who have worked for no more than three companies for at least 35 years. The award was given to Lauro Castiglioni for his 30+ years of service with the same company. In fact, he joined the company since 1979, currently in charge of the assembly and testing area in the Plant PLM1 located in Via Natta.

"TOGETHER FOR A PROFITABLE GROWTH"



"TOGETHER FOR A PROFITABLE GROWTH" The new line of action of Brevini Fluid Power was the main focus of the international meeting held in Reggio Emilia. The industrial plan forecasts an increase in turnover to Euro 150 million. New products, new branches abroad and investments on production units. Brevini Fluid Power strives for "network growth".

"Growing in a network by enhancing synergies". This is the motto of the third "Branch Sales & Marketing Meeting" in Reggio Emilia. More than one hundred and twenty managers attended the meeting, bringing fluid power products and systems of the Brevini Fluid Power group throughout the world everyday. The industrial plan forecasts an increase in turnover to Euro 150 million. New products, new branches abroad. This is the work plan for 2014 dictated by the president Renato Brevini who assigned an ambitious and challenging plan to Managing Director, Vito Bonafede. This plan was validated by all shareholders of Brevini Fluid Power who count on everyone's efforts: from top management up to the most specific operating roles. This is a true "team game"

with one goal in mind: "TOGETHER FOR A PROFITABLE GROWTH", to continue to grow profitably and hence sustainable over time. This is the only way to overcome the crisis that makes many fluid power businesses struggle, including those advanced and dynamic companies like Brevini Fluid Power. "Major investments to consolidate the presence of a fluid power hub worldwide have been already set off while others are in the study phase. This fluid power hub is based on forty years of experience of Reggio Emilia businesses who have joined forces to compete in the global market" — added the Vice President of Brevini Fluid Power, Loris Saccani. But, there is more. The "network business" and synergies of the group will be the guideline for the next three years, but

in order to succeed in all the challenges that we all have ahead of us, as emphasised by Maurizio Brevini, EBT of Brevini Fluid Power "we need to be more flexible, have a renewed ability to adapt to new situations and respond quickly to customers' demands". The crisis is certainly more prevalent in Italy, but we need answers. "The first goal of Brevini Fluid Power revolves around the possibility of increasing business opportunities" - added, Managing Director, Vito Bonafede - "Our turnover from our business abroad is constantly increasing. In 2013, we passed the 70% mark, but this is not enough. We must do better by always considering the customer as only reference, as the main focus where to place our efforts and every attention".

26-27 November 2013

The meeting's agenda/leading roles

"Thanks". This word summarises all the efforts that has helped plan, organise and successfully realise the meeting 2013. "A complex team work that requires many resources for many months" - commented, Managing Director, Vito Bonafede. However, this is an important job that we all consider it an investment for the future. A better future for the company and relationships, within and outside the company. We give thanks to all the marketing team who has arranged the meeting thanks to the help of all of those who contributed and those who will set out the guidelines around the world which the meeting has define and hence make the first step

to accomplish them". Below, in order of appearance, the leading roles of the Meeting 2013:

Renato Brevini, Vito Bonafede, Giorgio Borghi, Valentina Casi, Fabrizio Cattani, Stefano Prandini, Timo Savolainen, Massimo Ceriali, Giorgio Novellani, Fabrizio Cattani, Mario Polpatelli, Marco Resca, Claudio Bovi, Luca Filippini, Marianna Brevini, Elena Becchi, Sara Marmioli, Tiziano Bozzuffi, Loris Saccani, Maurizio Paglia, Maurizio Brevini, Roberto Fornaciari, Maurizio Bartoli, David Rossi, Claudio Chiesa, David Gambuzzi, Fabio Natali, Valeriomarco Montanari.



The meeting in two video news

The video news can be viewed from www.brevinifluidpower.it and from the YouTube channel [brevinifluidpowerIT](https://www.youtube.com/channel/UCBreviniFluidPower) which summarises (in Italian and English) the two days of the "Branches Sales & Marketing Meeting 2013"



ANALYSIS AND SCENARIOS

"What is beyond this crisis?"

Comparison between Renato Brevini, Vito Bonafede, Stefano Landi and Luca Bettale

It is inevitable not to talk about the crisis. The field option was innovative for the Meeting 2013. Not only in the title: "What is beyond the crisis" but also in the formula that had many internal and external opinions. The key issues were in fact discussed during the talk show with Luca Bettale (founder of the consultancy



firm Long TermPartners), Stefano Landi (chairman of the Landi Renzo and Unindustria Reggio Emilia), Renato Brevini and Vito Bonafede. A very interesting and

well-appreciated focus. This is the summary of opinions that converged into one point: "We can succeed!!"

RENATO BREVINI

President, this is an era of great changes and not all industrial players will be present, even after this complex crisis. How does the Brevini Group assess the scenario and the perspectives?

We will put all our efforts in order to be present in the future. We are working non-stop to accomplish this goal. So far, the results are more than satisfactory and we are certain that we can continue our path to growth. This meeting also turned out to be very interesting and it is a very important step forward. We are able to present and share new products, new applications and new strategies. Our development plans are much easier to accomplish if shared. With this team and with these people we are and we will continue to be present.

"Together" is a word engraved in the Brevini Group's nature ever since its founding, together, in this case, with the Brevini Network, is another way of saying that network business, working together can be another answer for the entire chain that goes to the customer who remains the main focus. Is this a turning point?

The customer has certainly always been a very important point of reference for us. Let's join this fact to my great trust in associations and we can see why we favour these types of collaborations with much emphasis. It is obvious that in order to achieve the one billion in turnover that we forecasted to achieve by 2020 thanks to the industrial plans that we are developing, we need to acquire "networks" and working together is a key strategic passage. Already at our group level we are trying to encourage integration. Integration leads to growth.

Widespread cultural growth at any level of the industrial organisation is very important for a group like ours. We have launched products and projects that can be combined with new interesting formulas, even other companies. Being in a network it is very essential today in order to sell products worldwide.

If large clients, such as Gru Hougua, the biggest in the world, as well as Mose, including the new channel of Panama and the great industrial players in different sectors, all trust Brevini, does this mean that the Italian Industry, made in Italy, can succeed?

Yes, I believe so. I do, based on the facts, on the things I see and hear while travelling constantly around the world. Our industries and our industrial sector have all the possibility to grow and demonstrate the entire world that we are behind no one. As far as the country's system is concerned, we have a few flaws that we have been dragging for a while; nevertheless, we will try to correct them. I believe that entrepreneurship and the ideas that we, Italians, have are by no means behind anyone. We can do it!

VITO BONAFEDE

The international meeting has united the efforts in Reggio Emilia and can drive Brevini Fluid Power. What is the goal? Can we still grow?

Absolutely yes, we can grow. I can confirm it with great conviction because there is market share to be gained in the global market even for Italian businesses and mainly for Brevini Fluid Power who has embraced a strategy to grow worldwide, for a while now. We will continue to head towards this direction. New branches are planned to be opened next year in India, Thailand, Russia and even in Norway. This confirms that Brevini Fluid Power believes in growth and in particular global growth.

The keyword "customer": the customer remains the focus even with services and thoughts that are set off from the pre-sale phase up to the post-sale phase. Is it a thread that binds the customer to Brevini?

This bond which is most of the time long lasting, is the most important aspect. Having the customer as the main focus means to constantly think about the future of the company. It means to develop new products that are needed by the market, the customer and not the other way around. It not only means development of new products, but also new systems. Our main goal continues to be the improvement of services. We striving to meet lead times, time to market and hence manufacture products within the times required in the market. Once the product is developed and introduced into the market, we must provide the necessary support that the customer requires because Brevini Fluid Power as well its customers are global and therefore sell throughout the world. In this scenario, a strength is the fact that Brevini Fluid Power has a network of branches and partners who can assist not only Brevini Fluid Power, but also its customers who sell products, systems and machines throughout the world.

The news of the meeting include the Brevini Network which is the way to think "network", is this a way to gain synergies within the group and the Brevini Group?

Indeed, Brevini Network is big news. We created a network of businesses to be more competitive. The network includes Brevini Fluid Power, obviously, VPS, OT and BPE who are already part of the group, but also Brevini Power Transmission who is a very important partner, as well as external firms such as Lotti Cilindri di Reggio Emilia who agree on the idea of "taking a step forward" to go into the market together, after many years of cooperation. The purpose of this network is to put together the competencies of many businesses during the start-up phase, in terms of products, marketing, communication, areas and sales networks. Basically, we will put together our branches and our partners, hence more value with less costs. The marketing team of Brevini Fluid Power will be the binding force of this network.

STEFANO LANDI

Is uniting the efforts of an industrial group in Reggio Emilia because this is now the game plan in business, is this the right path to take? Is this the right investment to make?

It is certainly true, the game plan is global, hence it is a must to organise these meetings even for those like Brevini who are used to deal with this global market for many years. Brevini is certainly an excellence for Reggio Emilia and for Italy. Brevini has been able to grow successfully through internationalisation and innovation. However, there is high emphasis being placed on the training of staff and this will be a major competitive advantage. Everyone sets high standards, but abilities are required to achieve them and Brevini is working towards their growth.

From a strictly operational standpoint, the Reggio Emilia system is trying to act with all its strengths, it is not an easy or favourable situation, what do you expect in 2014?

Forecasting is truly difficult. What we can say or what the numbers suggest is that we have reached the bottom and we are now in the recovery phase. The recovery it is certainly very slow, but personally I do not expect big changes in 2014, naturally it is another reason for investing in internationalisation. Companies that export are doing well while those who rely exclusively in the domestic market are struggling. The Study Centre Confindustria estimates an increase in industrial production of 0.4% in November based on October's figures. ISTAT reported an increase of 0.5% in October based on October's figures. Business picked up for the fourth quarter in 2013. The acquired change equals to +0.9% up to November (+0.1% comes from the previous period). This increase would be the first one after ten consecutive quarterly drops and would come after the -0.7% drop in the third quarter (reviewed ahead from the previous -1.0% drop).

LUCA BETTALE

Many analyses converged on the fact that this crisis is mainly Italian. Does this mean that there are opportunities worldwide? Who are these opportunities for?

It is true that the crisis is mainly in Italy, if we look in 2008/2009 it is evident already in 2010 the rest of the world was already showing signs of growth. I believe it is up to us to be aware of the fact there are also opportunities for us and not only for those outside Italy or Europe, on the contrary, Italy has so much to give to the world.

Given the synergies and "network working" to produce such a critical mass that globalisation imposes, how is the Brevini Group positioned?

There is certainly room to grow and improve. My job requires making visits to businesses with a turnover ranging from Euro 50 to 500 million. It is obvious that to go abroad you must overcome a minimum size threshold, but in reality it requires much more than being big. Today we need a strong and ever more effective organisation. The Brevini Group has certainly already reached the critical mass required to be a major player worldwide, but there is still much more to be gained. Organisation plays a critical role during the growth phase. It is a key factor well known to management. Everyone knows that part of the results lies in the optimisation of the organisation. Management is aware and as we know awareness leads to prevention.

"The customer as main focus" this is the keyword that has stayed with the group ever since its founding, is this still true?

Of course, the customer comes first. But, potential customers are much more than consolidated customers and must be strictly followed with much attention. The market has grown tremendously outside the normal geographical areas.

Report 2012: "a transitional year"

2012 has been a transition year for Brevini Fluid Power; however, many projects aimed at improving competitive edge and production efficiency of Italian production units have been realised and are the basis for continuing our path to growth, as it has been for over forty years. The financial statements of the parent company Brevini Fluid Power (created through the group of six businesses) celebrated its first 10 years of business and reported a turnover of Euro 82 million, marking a major step forward. Employees in Italy remain constant at 475. However, in reference to the consolidated financial statements of the Brevini Fluid Power group which also includes subsidiaries OT Oil Technology in Parma, BPE Electronics in Novellara, VPS Brevini of Ozzano Emilia and Brevini Yancheng FluidPower, the number of employees have increased to 732. The financial statements for 2012 ended with a consolidated turnover of Euro 117 million, reflecting an



increase of 20% compared to 2010 and the results for 2013, in line with the forecast revised for the semester, should confirm the position with signs of further growth for activities abroad. The group's turnover is forecasted to reach Euro 125 million in 2013. With the facility of Yancheng which we inaugurated in 2009, China remains a point of strength and in the medium term it will be the starting point

for new production investments in other parts of the world. "The plans of the Brevini Fluid Power group require a large investment in the Chinese territory because a global company must have an industrial presence in strategic markets, the purpose being to preserve its own competitive edge" - explains the Vice President of Brevini Fluid Power, Loris Saccani.



SPECIAL MEETING 2013

BREVINI SALES AWARD: THE WINNERS

A winning year

An award to recognise the work and efforts of individuals. An award whose purpose is to encourage people to do even more. This is the goal of the awarding which has concluded the second day of the meeting 2013. Vito Bonafede, Loris Saccani and Maurizio Brevini gave out the following awards to:

Stefano Fasano: Best Technological Innovation

Michele Tamborrino: Best Salesman 1

Gianpietro Caldarola: Best Salesman 2

Giorgio Novellani: Best PM 1

Massimo Ceriali: Best PM 2

Paolo Martinelli (Bfp Distribution) collected the award for **GTA Lombardia**.

Special Partners were also awarded.

Otto Zoehl: ZOEBL

Igor Schmidt: HIDROCOM

Daniel Shekunov: GHP

J.H. Lee: LIMSCO



Stefano Fasano



Michele Tamborrino



Gianpietro Caldarola



Giorgio Novellani



Massimo Ceriali



Paolo Martinelli



Otto Zoehl



Igor Schmidt



Daniel Shekunov



J.H. Lee

MARKETING TOOLS

Providing superior quality



The marketing team Brevini Fluid Power has brought a new series of tools to the meeting for the third consecutive year, new operating instruments to support sales and enhance the corporate image. This year, the long-term business plan is focused on tools dedicated to products and applications; however, the new idea is the new corporate communication line dedicated to production and sales firms who are part of the Brevini Fluid Power group. "The creation of the Brevini Fluid Power Company logo is a guideline", explained at the meeting, Marianna Brevini, Sara Marmioli, Elena Becchi and Tiziano Bozzuffi. The production firms are now more clearly identified: BFP, OT Oil Technology, VPS, BPE Electronics and Brevini

Fluid Power Yancheng while sales firms are as follows: 4 in Italy, 6 in Europe, 4 in Asia and 1 in America. The logos are based on the corporate colour and design and will be consistent even in websites of the group and in all external or internal communication of any sort. To that end, a manual was prepared, namely a practical guide, whose purpose is to ease the corporate image throughout the world. A few rules to be observed by everyone will provide greater value to the group's trademark and the activities of each production or sales company. The CORPORATE IDENTITY MANUAL is available in Italian and English. To get a copy, contact the Marketing Office in Reggio Emilia". The guide was created thanks to a collaboration

between communication experts of various disciplines: graphics, video, journalists and "good practices" that are followed worldwide by those who manage the corporate image properly as a true asset, a value that grows over time. Other materials are available for download from www.brevinifluidpower.com (AREA DIGITAL LIBRARY) in PDF format. They can be selected from the introductive screen between CORPORATE AREA, PRODUCT AREA, APPLICATION AREA AND YOU BFP COLLECTION. "In particular, basic formats of new leaflets of applications and products that outline the activities and the products of the companies of the group are available" — added Marianna

Brevini, Sara Marmioli, Elena Becchi and Tiziano Bozzuffi. Leaflets for Brevini Fluid Power and BPE Electronics are currently available, others will follow. They are being developed". The new website BPE Electronics was also presented in the meeting. It is the first website that is in line with the group's logics as far as the graphical layout, contents and practical connection functions for daily activities. The planning of new and more advanced instruments dedicated to corporate and product communication is at the basis of the planning for 2014 and new ideas will be communicated through You BFP which is a channel that provides information worldwide.



ICT

New WEB functions product display and order tracking

Brevini Fluid Power's technical documentation is more digital. Just go to www.brevinifluidpower.com and click on the selection of PRODUCTS to find in depth information about the innovations introduced to facilitate the search of products and documents. Users can easily click on the images of the products they desired. Moreover, there is an "open" search option to help users even more. A major development was also brought to completion on the structure. The publishing

system has changed in such a manner as to allow users to select a desired product and view the documentation of the product divided by category. Naturally, each product is associated with the series of documents that are often related to that specific product and not others. The system is now more flexible as far as its structure and allows users to access specific documentation when it becomes available (e.g. 3D designs or price lists). The system can catalogue new documents without the need of

programming, only by entering the necessary data. The new system is also more flexible in terms of the information to send to individual customers. The "Order Tracking" system was developed together to make information related to each customer order more transparent. This system is at its initial phase. It will certainly be improved to give more information to the customer. At this



stage, it is important to receive feedback from users.

In fact, information that is currently requested to Customer Service or to Area Managers is made public through emails or by telephone. The purpose of the publication is to speed up the information flow for the customer who is often in places at different time zones.

SALES

Brevini with "local productions"

Ever more closer to customers in Norway and Canada

Like local agricultural productions, supplies of components and fluid power and mechatronic systems are available locally. "We must approach the customer even further and for this reason we have medium-term projects and short-term openings for new branches worldwide and once again we will have synergies with Brevini Power Transmission" - commented Fabrizio Cattani, Sales Manager of Brevini Fluid Power. Brevini Fluid Power Norge is scheduled to open early in 2014. It will be located in Larvik at Brevini Norge. The General Manager of the branch will be Ole Jacob Røed. "Norway is already a major market for Brevini Fluid Power, but certainly the new branch will represent a major development for a country that is undergoing a major growth thanks to the off-shore oil-bearing sectors" — explained Cattani. Brevini Norge already

supplies Brevini Power Transmission reducers to major companies of the sector, including National Oilwell Varco, Aker Solutions, Cargotec and Cameron". Brevini Fluid Power Norge will observe Brevini Fluid Power's organisational models, including engineering services and a stock of all products with the chance to carry out product assemblies and transformations. The Branch will be equipped with a "flexible" test bench used to test products that are assembled or transformed in Norway. The establishment of Brevini Fluid Power Norge represents a major milestone in Brevini Fluid Power's globalisation process.

"We are enthusiastic in saying that through Brevini Fluid Power Norge and the cooperation with several Distributor Partners which will be maintained, we will be able to offer a better service to our Norwegian

customers and hence develop business in this market" - concluded Cattani. The "start up" phase is also scheduled for Brevini Fluid Power Canada. The completion of the Branch Network represents a fundamental factor for Brevini Fluid Power's sales strategy. "Our goal is to open a new branch in all major markets to ensure our presence worldwide" - added Fabrizio Cattani. Canada is without doubt a market with great potential where Brevini Fluid Power has a great opportunity to grow. The new Branch will be established sometime in 2014 and will be located in Toronto in Brevini Canada. The general manager will be Allen Murphy who is preparing a three-year business plan. The goal of Brevini Fluid Power is to reach a turnover of Euro 7.5 million in 5 years, which corresponds to 5% of the market's potential.



Brevini Fluid Power branch in Norway and Canada



New test bench for Brevini Fluid Power France



The presence of Brevini Fluid Power in France is well-consolidated and for this reason investments have been made to boost the quality of services to customers. The big news is certainly the introduction of a new test bench.

In line with the strategy of the group, the French branch has invested resources to guarantee a more efficient and swift service in the reference market. Fully designed to be assembled by technicians of the French branch, the new test bench has an installed power of more than 30 kw and an analogue data acquisition system with 10 sensors (6 pressure sensors, 4 capacity, speed and temperature sensors). It was designed to test the entire range of Brevini Fluid Power products with ON-OFF or proportional electronics, including tests on hydraulic products and products of the mechanical line. It is an important step forward in technology that opens the way to a continued improvement in the technical structure of all branches of Brevini Fluid Power with the purpose of meeting quality and times demanded by the market.

Fair Calendar 2014

The fair calendar that Brevini Fluid Power is preparing is geared towards providing greater visibility to productions in "growing" markets.



The great event will set off in 2014 which will once again unite Brevini Fluid Power, Brevini Power Transmission and Brevini Fluid Power USA: the Conexpo Fair will be held on construction and mining from 4 to 8 March in Las Vegas.



Later in June, the CTT Moscow will be held (on construction and mining) which will unite the proposals and efforts of Brevini Fluid Power and Brevini Power Transmission.



The major fair Bauma China in Shanghai will be held in November and many innovative ideas are being developed for said event.

OPERATIONS

A renewed Customer Service

"Brevini Fluid Power Customer Service has a complete new meaning!" In 2014, all customers will have a new hands-on experience.



"For the first time we talk about a new organisation and not a re-structuring plan as it was in the past, there is a big difference" — explains Maurizio Paglia, Customer Service Manager. This is a classical "evolution" phase: Customer Service in 2007 incorporated Oleodinamica Reggiana, in 2008 it was the time for Aron and in 2013 Samhydraulik joined. Today, the goal is to take a big step forward. We all want it and want it together".

Customers may contact a single reference person for any type of product. The customer will no longer have to deal with different operators based on the various companies. There is one and only Brevini Fluid Power contact person: together to make a difference! "We want to follow customers to the best of our abilities, to be actively involved in making a relationship that can help overcome the old concept of customer and supplier" - added Maurizio Paglia, Customer Service Manager. We want our customers to consider us as partners just as we want to consider them as partners".

The new Customer Service will have a new work method with teams divided by macro geographical

areas. In this manner, each customer will know that he/she can count on a small group of people who will be ready to listen, in addition to having his/her regular contract person.

The telephony systems were modified so that each operator can be contacted through a direct line without going through the switchboard. If the person being called is absent, all other members of the team will be able to answer his/her phone. Moreover, messages may be followed faster and more efficient thanks to a renewed email management system. The old email address will be replaced with new dedicated email addresses and the mailboxes will issue a receipt order confirmation.

The integration with Brevini Fluid Power Distribution unfolds fairly quickly and Customer Service of Reggio Emilia is ready to process orders from both facilities with great advantages in terms of delivery times. The "WEB based" systems underwent a large changing and fine-tuning process.

Dedicated areas have been implemented to be accessed through the institutional website www.brevini.com.

Brevini Fluid Power and Sany partnership of success

The Group Sany is among major worldwide players in the construction machine and equipment industry. The latest project is the super truck crane STC750S with a maximum arm extension of 47 metres and a lifting capacity up to 75 tons. This is an innovative project as it deals with a hybrid vehicle with emissions reduced to a minimum. The engineering division of Brevini Fluid Power was involved in the handling of two hoists at the base of the arm that control the lifting. This is a crucial function of the application. After an accurate test phase, the decision was made on the new series of axial motors with variable displacement SH7V of 108cc which were found to be the most suitable solution for heavy duty applications of this sort. In fact, this is a reliable and very performing unit capable of withstanding peak pressures of 480 and 430 bar continuously with speed up to 5000 rpm. Thanks to these features, the action of the hoists eases and optimises the flow of lifting operations making them more precise and accurate.



TRAINING

Training Session in Singapore

brevinifluidpower.com where users can access a renewed Order Tracking system that allows them to check the list of materials being processed with the CTP and subsequently trace the production progress. In January 2014, a new service will be set off to manage complaints and returns and customers may interact directly with our information systems. For the second half of the year, an "order entry" service is scheduled to be implemented to allow the full management of orders and order confirmations.

"Customer Service is moving towards having an ever faster more efficient, transparent and is more geared towards meeting the demands of the customer and current market which require a quick response and high professionalism. 2014 will be a crucial year" - concluded Maurizio Paglia, Customer Service Manager. We will need the support and the cooperation of the entire BFP group, including colleagues from production and sales divisions, as well as associated firms and branches. We hope that the new year can finally bring the satisfaction that everyone is trying to find.



Often two images can say a lot more than a thousand words. In these two pictures taken during the training session held in Singapore there are two key values: the value of training in a classroom and workshop to enhance shared abilities and hence work towards the future of Brevini Fluid Power and the value of friendship and sharing that the Asian table and not only the one of Emilia can value best. The trainers Stefano Prandini and Rajah Muralli, as well as the "ambassadors" of made in Brevini met during the three-day event on 4, 5 and 6 of November. Distributors in South-East Asia with a big representation of Brevini Korea and Brevini Japan.

The course was divided into six hours of THEORY

(speaker: Stefano Prandini) and special focus was placed on COMPOSITION FORM with practical exercises. "This part was fundamental and very appreciated by the participants, because the subject "composition form" is always treated marginally, while it is a fundamental stage to understand the catalogue better, making distributors independent in making daily quotes" — commented Stefano Prandini. The course was completed with six to eight hours of PRACTICE in the workshop (assembly and bench testing) with speaker Muralli. Focus on the load sensing pumps and on the operation of the compensator inside the distributors of the Brevini Hydraulics range. The Chinese style gala dinner was appreciated by everyone.

NEWS

Innovative stand in Teknologia 2013



Teknologia 2013 in Helsinki with an innovative concept stand. A large "in progress" site with so many scaffolding where visitors were invited to interact with the products, even by testing the pulling capacity of a winch. Great emphasis to the synergy of Fluid Power/Power Transmission and customers who play a leading role with the evening party that has generated a good number of contacts, essential for the business of the newly established branch.

The debut in the fair received the interest of many specialised public and due to the great outcome a next edition will be held from 29/09 through 01/10 in 2015.



Welcome Chiara!

2013 has brought great news: CHIARA was born! Chiara was born on 11 of September at 3:47 am. Weighting 3,310 kg and tall 49 cm. Best wishes to her mom Federica Franzoni and dad Stefano.

Student Project "Werther Campaldi": 4 winners 2013



Not only "brain drains", but also young people who bet on their future by keeping high grades to allow for admittance to the Campaldi Student Project. "We are proud to walk alongside so many young people who have been giving substance to our training programme for more than 12 editions now" — added Mirco Campaldi — Operations Manager of Brevini Fluid Power. In this ever changing world we are ready to confirm our efforts and continue to boost our bond between school and business". The awarding of the twelfth edition of the Student Werther Campaldi Project is scheduled for 18 December at the Meeting Centre Brevini Fluid Power located in via Balla 4 in Corte Tegge (RE).

There are four people awarded this year. The meeting will be presented by the President of Brevini Fluid Power, Renato Brevini and Managing Director, Vito Bonafede.

In the second half of the end-of-year meeting, Vito Bonafede, Loris Saccani and Maurizio Brevini will prepare the first budget for 2013 and guidelines for 2014 for Brevini Fluid Power based on the Industrial Plan and the Sales and Marketing Meeting that was just concluded.

A large story on the end-of-year meeting will also be included in the first issue of YOU BFP 2014.

BREVINI BENELUX CYCLING TEAM: open registrations for the 2nd Brevini Cycling Challenge



The second edition of the Brevini Cycling Challenge — Amstel Gold Race is scheduled for spring 2014. It is a sports even that unites Holland Brevini Fluid Power and Brevini Power Transmission into an effort that in the edition 2013 witnessed the arrival cyclist in Holland from the headquarters of Reggio Emilia, as well as from Finland, Norway, Germany, Scotland and the Netherlands. The outcome for the cycling event is quite positive. "this has been a great opportunity to get to know each other better and work BETTER!

The second edition of the Brevini Cycling Challenge — Amstel Gold Race is scheduled for 19 April. There are three intervals: 100, 125 and 150 kilometres, but there is a possibility to cycle even the original route of 250 km (those run by professional cyclists). It is time to register and participate to this event. Just contact Jeff van Nobelen and Dennis van Arket in Brevini Group Benelux.

Brevini Fluid Power "working" for Costa Concordia



There was a bit of Brevini Fluid Power in the team of companies (about 150) who have fine-tuned a mix of made in Italy technological solutions to allow the team Titam Micoperi to win the challenge and straighten Costa Concordia, the great cruise ship stranded by wind months at the Island of Giglio. Brevini Fluid Power supplied hydraulic components and support during complex operations to put the ship to safety. Two Brevini Power transmission winches — models SH6V130 HIR and H1C160 - were mounted on the tow boat "Vincenzo Cosentino" used by the firm Titan via Eureco Servizi of Palermo.

During the preparation phase of the rotation, a technical intervention was required on the tow boat which was completed thanks to the cooperation with the company "Officina Ghisellini" of Casumaro Ferrara. Filippo Ghisellini along with Marco Piccinini of SAT Brevini Fluid Power responsible for completing the operation regarding the control of the winches equipped with pump SH6V130 and motor H1C160.