

AFTER THE EARTHQUAKE

The 5.8 earthquake that struck Cavezzo and its surroundings on Tuesday, 29th May at 9:01 a.m., left the WAM® factory in Ponte Motta extensively damaged. In the following interview of June 19th, WAMGROUP® Chairman & C.E.O., Vainer Marchesini, gives a reassuring statement about the future of the site and life after the earthquake in general.

Mr Marchesini, what damage has WAM® suffered in the earthquake's aftermath?

The WAM® plant consists of approximately 74,000 roofed square metres. We have offices and warehouses dating back to the 1970s, '80s, '90s, and others were built after 2000. All of the buildings were built in accordance with current regulations. The Italian State has declared that the magnitude of the first quake was 5.9, while that of the second was 5.8 on the Richter scale. There are rumours that the magnitude was not exactly as declared, but much higher. We have no evidence, neither do we have any instruments that could prove this. We only know that the earthquake of May 29th at 9:01 a.m. showed an acceleration of 0.32g, while the construction standards include a maximum acceleration of 0.14g. Evidently the buildings were not designed for an earthquake of such intensity.

Fortunately for us we have suffered only two minor crashes, but unfortunately the facilities have been severely damaged. Because the buildings are not accessible, it is not yet possible to accurately assess to what extent they are damaged. This is now gradually emerging, as the cranes are removing the roofs of the buildings. The damage is extensive, accounting to tens of millions of Euros just for the buildings, but the greatest damage is that it is impossible to produce the machines that the market requires.

Are you concerned about the safety of the site?

At WAM® we are aware of the risks arising from damages sustained during the earthquakes of May 20th and 29th and risks due to the continuous movement of the soil beneath the plant.

Not a day goes by without aftershocks of varying intensity. To cope, at least in part, with market demands, we tentatively located our production for the core products at our sites in Ravenna, Poggio Rusco and a site in Formigine which we have rented. All our employees have been moved to offices in Modena and Formigine. The more complex production lines, however, cannot be activated quickly.

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Vainer and Marcello Marchesini in front of factory building under repair in Ponte Motta

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WAMGROUP

strong ethics

.... winning spirit

EDITORIAL



Dear Reader,

On May 29th, at 9:01 a.m., merely a week after a 5.9 earthquake had shaken the towns of San Felice and Finale Emilia, it was Cavezzo's turn. It was fortune in misfortune that the event of May 20th was still fresh in people's memories as it made everybody immediately aware and react appropriately. With a magnitude of 5.8 on the Richter scale this quake registered only one decimal less than the previous one. The epicentre, however, this time was literally a stone's throw away from the WAMGROUP® headquarters in Ponte Motta.

The good news is that we don't have any deaths to mourn. The sad news for many is the loss of their homes. Hardly anyone of our employees or their families and relatives from Cavezzo and its neighbouring towns and villages were left unscathed by the disaster.

With this newsletter we would like to show them our deepest sympathy and give them some hope for their future.

Best wishes,

Michael Grass
WAMGROUP® Public Relations Manager

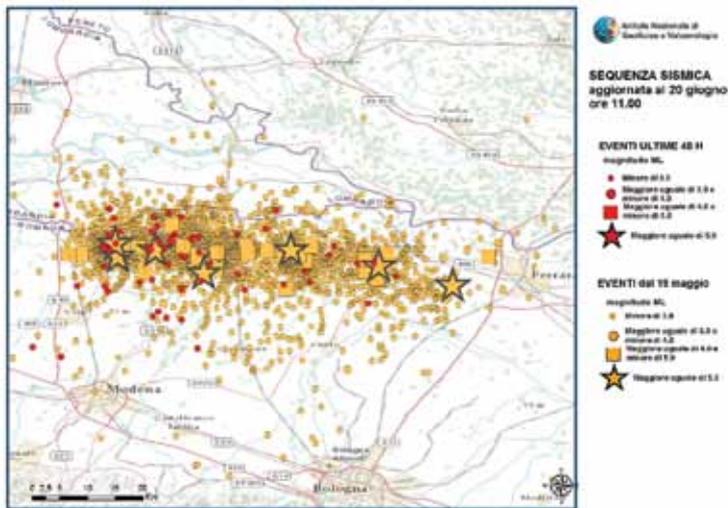
CAVEZZO: EARTHQUAKE REPORT

CAVEZZO, ITALY, MAY 29TH 2012



Tuesday, May 29th 2012, will be engraved in the memory of the people of the small town of Cavezzo as a date after which life would never be as it was before. The people of 'la bassa', the lowlands of the Emilia-Romagna region in the Po Valley which only rises a few metres above sea level, have learned to live with the risk of floods, and they have learned to protect themselves from them. As for earthquakes, they only knew their offshoots, their epicentres being always far enough away to limit the experience to a soon forgotten scare. At 9:01 a.m. of that day, the earth seemed to want to turn its inside out in a succession of devastating shocks. The epicentre was only a couple of hundred metres away from the WAM® premises in Ponte Motta, at shallow depth, an infernal dance for those who happened to witness it at close range. The diagram includes a map by the Italian Institute of Geophysics and Volcanology which shows the earthquake activities in our region as updated on June 20th, 11:00 a.m. Scientists call this phenomenon a seismic swarm. The stars represent earthquakes with a magnitude of ≥ 5.0 , the squares between 4.0 and 5.0, the large circles between 3.0 and 4.0, the small circles < 3.0 . Consider that in the epicentre, at low depth, a magnitude between 3.0 and 4.0 is clearly perceptible, anything over 4.0 is scary, anything beyond 5.0 is a terrifying experience. Bear in mind that the Richter scale is not linear but rises to the square. Yellow colour means quakes from May 19th until June 18th, red colour between June 19th and June 20th. The occurrence of seven earthquakes having a magnitude of more than 5.0 in such short period of time is considered exceptional.

'La bassa' has always been considered at low tectonic risk, the last major earthquake dating five hundred years back. The people of 'la bassa' will have to learn to live with that new risk.



AFTER THE EARTHQUAKE

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Vainer Marchesini interviewed on the occasion of the Pope's visit to Rovereto sulla Secchia

Have you thought about returning to Ponte Motta?

Personally I believe that WAM® is a component of the social fabric of Cavezzo which is why I feel the need to restore jobs for workers and employees. The projects and programmes specified these days involve the restructuring of the entire site in Ponte Motta in order to make it more rational, more liveable and possibly even more beautiful. On the basis of past events we will adopt safer criteria than those provided by the existing rules to rebuild. These are our people. Worldwide we have created something very important together and together with the same people we will rebuild the conditions to achieve even more important successes in the future.

How quickly and by what means do you think of succeeding in this endeavour?

We are on our knees, but we are alive. We have no injuries. We are tough people. We work hard and we walk straight and tall. We expect the aids that we are entitled to in a timely manner, but we are proud people and we will not beg for anything. If the aids due will not arrive, we will do by ourselves, but the memory will remain. We had the solidarity of individuals and employers who have offered aid and free production facilities. I thank everyone from the bottom of my heart.

The total recovery of the Ponte Motta plant will take the next twelve months, while the more complex production lines we hope to put into operation no later than in three months time. The task may seem impos-

sible. We come from a land of farmers, in which the rhythm of time is marked by the seasons. A season lasts three months. Working day and night, maybe next season will produce the fruit of our work and we'll smile again.

What do you foresee for the Group's companies?

For finished products, there are distinct problems. For OLI® and TOREX® products there may be some delays on parts of orders, but the planning introduced in recent times has proved a valuable ally. I can see the major problems for products made to order but no later than July

9th we will restart our production lines, and although not automatic, they will meet immediate needs. Meanwhile, we have decided to accelerate management integration projects and reorganization.

In conclusion, would you like to add something else?

I would like to praise all our employees without distinction, because I can see that WAM® is their home. Quick action is the best way to preserve the jobs of everyone, and thanks to the ability to work in groups and the great expertise of people trained in setting up manufacturing facilities around the world, we will bring back production to Ponte Motta in a very short time, thus rekindling Ponte Motta. My praise goes to their management and organization that has been and will be crucial to the success of the project.

As for the other companies of the Group, TOREX® and OLI®, which were partially destroyed by the quake, will resume production in their sites within 30 to 40 days.

ALL TV INTERVIEWS GIVEN BY VAINER MARCHESINI AFTER THE EARTHQUAKE INCLUDING SUBTITLES IN ENGLISH CAN BE VIEWED AT www.youtube.com/wamgroupspa



Repair operations on factory building in Ponte Motta

ONE DAY IN MAY

DIARY OF THE FIRST WEEKS AFTER THE EARTHQUAKE



Partly collapsed building

I was among the lucky ones who were far enough away from the epicentre not to be traumatized by the earthquake experience. Riding on a shuttle bus from a car park to Bologna airport, I didn't even feel the tremor. I could see people run out of a factory building. The same moment our driver received an intercom call from his colleague in the office shouting: "earthquake, earthquake". Not having felt a thing on the moving bus, I thought of a simple aftershock. After the experience of May 20th, people had become jittery. Their reaction was probably exaggerated, I thought.

More than half an hour passed. I had checked in and was ready for boarding. I just wanted to make sure that everything was okay at home trying to make a phone call. My display said: "no network". I tried in vain to link up to our e-mail server on my PC. I took off to London that morning realising that something serious must have happened, probably more serious than nine days earlier, at least in Ponte Motta. I knew that it only says "no network" when it is overloaded, when too many people are trying to call.

Two hours later, arrived in London, I finally managed to talk to my colleague, Matteo Reggiani, who gave me some feedback on what had happened. "Nobody got injured", he said, "but this time it was tough". Again I didn't get the real perception of how severe things were. Only when I turned on the TV that evening, seeing on CNN pictures from Cavezzo, it became clear to me that something terribly serious had happened. Calling home, which is twenty-five kilometres away from Cavezzo, my wife reassured me that she was okay and there was no visible damage, but the pictures of Cavezzo on television and on the internet were shocking. I heard of a second 5.2 quake at 1 p.m. which had

increased both former damage and people's fear. I saw an interview with the mayor of Cavezzo recorded only moments after the morning tremor. Being far away in a safe place was one thing, knowing that these events had been so close to our headquarters, involving so many people I know, made me shudder. I spent the whole week in England. The earthquake slowly disappeared from my mind. When I flew back on Sunday, June 3rd, I kept thinking that a plane is probably the safest place during an earthquake, as long as you are in the air. Landing in Bologna at the time of dusk was, therefore, a bit eerie. Was everything over by now? Again I was on the car park shuttle when again I heard a voice scream out of the intercom: "earthquake, earthquake". It sounded more like a bad joke leaving us passengers and the driver in disbelief. It can't be. Not another one. On the way home I turned on the radio getting confirmation there had been another earthquake, magnitude 5.1 on the Richter scale, 9.2 kilometres deep, epicentre between Concordia and Novi. I stopped for a coffee at a service station on the motorway. Nobody seemed to have noticed the tremor, everything seemed to be perfectly normal. The scenery changed when I reached home. Most of my



Cleanup operations in week 23

neighbours were still out in the street, too scared to go back into their houses. Some had put up a tent in their garden or in the surrounding fields after May 29th. I slept in my bed that night, but I began to realise that I lacked—thank God—the terrifying experience of those who were indoors when disaster struck.

On Monday morning, June 4th, I drove to Ponte Motta. On the way I saw destroyed farm houses. The *'bar del ponte'* was closed, no shop was open apart from the hardware store where a long queue of customers stood at the front. Cement bags were obviously a bestseller. From a distance the WAM® plant seemed all right. All buildings were standing, except for parts of two factory units which had collapsed. A couple of days ago I had seen a picture of Vainer and Marcello Marchesini in front of the debris in the Italian daily newspaper *La Repubblica*. One of the huge facing slabs of the filter department had fallen down, others were in a precarious, distorted position. Along with the central warehouse, the only other building accessible was the office block. The structure had resisted the tremor. If the outside was intact, inside the quake had created an enormous mess. Cracks in some walls, collapsed false ceilings, overturned furniture. The effects were similar, yet worse than after the first earthquake on May 20th. Moment by moment the mosaic of the event I saw in my mind's eye became more complete. By talking to people, I began to understand what it must be like to be right in the middle of an earthquake of such a magnitude. *'La bassa'* had become the centre of what scientists refer to as a seismic swarm, in an area which so far had not been considered at high seismic risk. As the tremors moved from east to west since the first event on May 20th, speculations spread about a new fault opening. If you become personally involved in such disastrous events, inevitably you become more knowledgeable about them. The magnitude as such is not the only parameter that matters. There is also the depth and—extremely important—the distance from the epicentre. You learn that a magnitude between 3.0 and 4.0 can be clearly perceived, that anything over 4.0 is scary, and that anything beyond 5.0 is an experience you can definitely do without, bearing in

mind that the Richter scale is not linear but rises to the square. The problem is that such knowledge doesn't help you to be more relaxed. In a way it makes you even more worried. People who are old enough to remember the war, will tell you that at a certain point they became used to bomb scares. They had learned what to do, where to take shelter. In addition, it was unlikely that two



Repair operations on June 7th

bombs would hit the same target. With an earthquake it's different. It is everywhere, it is all around you, and there is absolutely nothing you can do to escape from it. You just wish you were a bird and could fly, the air being the only safe place. Earthquakes usually last less than a minute, the majority less than half a minute, which is about the only positive thing about them. However, in people's perception those seconds may seem endless.



Repair operations ongoing on June 11th

On June 6th I finally went to Cavezzo to see with my own eyes how things were. You do not get the right perception if you don't go to the place. I knew from the pictures on television and on YouTube which buildings had collapsed. Seeing them in front of me in real life was heartbreaking. There is a little square with a supermarket, a wine bar and a pizzeria which had been completely crushed by the apartment block above. A couple of days ago we had lunch there, as we did on a regular basis. Turning the corner I reached the

main square. Bulldozers and excavators had started their brutal demolition work in the ruins watched by an incredulous crowd. I caught sight of Paolo who runs a bicycle shop in town. I take my bike there for occasional repairs. Paolo said: "I'm moving to the Trentino region to start over from scratch". I asked him whether the shop had suffered bad damage. The shop was more or less okay, he replied. For the foreseeable future, however, he would have no customers, but he had to feed his family. "I was born in Cavezzo, I've never lived anywhere else. This is my home, here is the history of my life, but now this is all history. Some day Cavezzo will rise again, if the entrepreneurs, as Marchesini, do not give up. Then again someone else will repair bikes". Paolo said those words without any sentimentality. "Maybe we'll meet again one day", he said smiling as he rode off on his old bicycle.

There is a large market square next to the old town centre where the banks of Cavezzo have put up their temporary branch offices, some in a container, others in a caravan—a surreal sight, similar perhaps to the early days after the war.

Then there is the irreplaceable heritage that has partly been destroyed. The old town centres are urban museums where life used to pulsate. No one knows when or whether at all they will return to life. Even the centre of Modena—30 km away from the last epicentre—was totally deserted one evening. Walking through its streets you could catch yourself looking up to make sure nothing was going to fall down on you. I never liked the melodramatic phrase "nothing is as before", but here it does apply. Here people used to be afraid of flooding; about earthquakes they only knew the effects of their offshoots. Now this has changed completely.

Volcanic eruptions and earthquakes teach us how limited our means are in the face of the force of nature. They also remind us that whatever the earth has given us, it can take away from us at any time. We just have to find a way to live our lives in awareness and take all possible precautions, which will be a new challenge for those brave people from *'la bassa'*. Good luck to them.

Michael Grass

THE MAYOR OF CAVEZZO SPEAKS

On June 21st, Stefano Draghetti, who is on his second term as Mayor of Cavezzo, answered questions on the situation of his town after the events of May 29th.

What were you doing at 9:01 a.m. on May 29th?

I was in the technical office of the town hall. I was checking with my colleagues the progress of inspections of buildings damaged by the earthquake of May 20th. We felt a tremor being sus-



Mayor Draghetti

sultatory first, before becoming undulatory. We tried to rush outside. The technical office is located on the first floor. To exit you have to take some steps. Before I could reach the stairs I hurt myself above the eye. I must have been hit by a partition wall, a shelf or even a door, I don't remember. The agitation of those moments was too much. Some municipal employees and I arrived in the town square, where gradually all those who had managed to escape gathered together. As I learned only a couple of days later, some colleagues from the technical office had not been able to escape. A fallen shelf had blocked the door, thus stopping those inside the office from getting out.

What was the difference between the earthquake of May 29th and the one on May 20th?

The one on May 29th had its epicentre right here, between *Via Di Sotto* and *Via Ronchi* and did not occur at a great depth, therefore, its perceived power was greater. The one on May 20th was scary because it occurred at 4 a.m. in the dark while people were asleep. I remember that it never seemed to stop. It's a very distressing experience. The

earthquake of May 29th was stronger. It resulted in an impressive series of crashes in the centre of Cavezzo leaving a doomsday scenario.

Does this relatively short distance between the epicentre of the first and the second quake make such a difference?

It certainly does. Two strong shocks so close one after the other meant that the first one damaged several buildings, whereas the second one made them definitely collapse.

What were the first emergencies you had to deal with immediately after the quake?

First of all we had to try to ensure the safety of the workers who were working on the damaged buildings, especially the *Pacchioni* building which had collapsed. Fortunately there were no casualties. The first decision was to withhold gas shut-off at a central level, because in the first few minutes after the earthquake of May 29th we had a multitude of dangerous gas leaks. Central gas shut-off means to close the entire town centre, including the transit of vehicles, in order to avoid triggering off explosions and fires. For some moments, this possibility was evaluated, but it would have been complex to manage. Once the central gas supply was closed, reactivation of individual consumers' supply would have taken a very long time. Eventually, thanks to the collaboration with AIMAG, our local gas provider, we decided to selectively close the pipes. This way we managed to avoid a measure which would have been even more complicated to deal with.

What kind of support have you

received to this date?

So far we have received a lot of spontaneous support from the people: donations both in terms of money and basic necessities, such as food, personal hygiene, cleaning items, tents and more. I must say that from this point of view, public response has been absolutely extraordinary. A large part of the daily meals that we distribute through the kitchens of the Civil Protection, are mostly prepared with donated foods. We quickly set up a warehouse to store food and water. The population will have enough water for about a year. Through the kitchens of the Civil Protection we provide nearly 4,000 meals a day. Today the rule is that all the inhabitants of Cavezzo are entitled to a free meal regardless of the condition of the building where they lived before the earthquake. In time this will be reviewed, but considering that now we are all out of our homes, I think it is fair to offer everybody the chance to eat. Money donations currently amount to around 150,000 Euros. Unfortunately the response from the State is much slower, very bureaucratic and complex to manage. This is difficult to explain to people. In such an emergency they rightfully expect quick answers. This is our major criticism today.



Square in Cavezzo

Aren't there any preconditions to bypass these bureaucratic obstacles?

Unfortunately no. The municipalities, in fact, do not have the resources to deal with emergencies of this magnitude. The budget of our municipality provides about one million Euros for expenses of which most are attributable to utilities and salaries. We have no resources, we need support from the State. If the State bestowed the necessary resources and created the conditions to allocate them, then we would be able to overcome this emergency. Since the State spares the resources and wants to analytically check their destination, to manage such critical times becomes even more complex.

Have there been any promises by the State?



Improvised mobile bank branch

They did make promises, but resources are probably insufficient. Two and a half billion Euros in three years for reconstruction is a lot, but almost certainly insufficient for the total amount of damage that this territory has suffered.

What are your hopes regarding the local industry? What does WAM® represent for Cavezzo?

Without the industry this territory will die. We are all aware of this. This land owes its welfare to work, even in these times of global economic crisis. Without jobs this territory ceases to exist, so this is the first strategic emergency. Beyond providing a livelihood for all, it is essential to ensure that the companies stay here and that they can continue to produce, otherwise this territory is destined to an extremely

painful impoverishment. WAM® is a driving force for the welfare of our town, in every sense: regarding public service due to the importance of the resources poured into our coffers in terms of taxes, regarding the many people employed there, regarding the families who have the possibility to live here because WAM® offers the opportunity to work, as well as regarding the fact that WAM® is a leading supplier worldwide. This allows the Municipality of Cavezzo a high cultural integration and exchange of expertise that it would otherwise not have. It becomes a priority to maintain a company of this size and with such features in our territory. It is simply essential, there's nothing else to add.

Did you ever imagine having to handle an emergency of this kind? How can a mayor prepare for such a disaster?

I never would have imagined anything like this, because in our emergency planning the event of an earthquake was not even contemplated. We always thought of abstract patterns on flooding, never on the emergency of an earthquake. In the case of flooding, collection points would be the sports hall and the schools as they are the highest points. Both places are now unfit for use due to the earthquake. This is to emphasise the fact that sometimes we have to improvise decisions based on the occurrence of emergency situations.

The earthquake was something new and unexpected for us, but when such a thing happens it has to be tackled simply by trying to answer a question at a time. On the first day it is essential to try to extract people from the rubble to limit as much as possible the number of casualties. From the next day you have to start to secure all the most dangerous places in town which may affect the



Collapsed building on Main Street

lives of others. You have to tear down the houses at risk of collapsing on other buildings and preventing road traffic. At the same time it is important to provide shelter to people and give them food and water. We're talking about a phenomenon that affects all people equally and that I'm afraid will accompany them all for the years to come. I think, at the end the centre of our town, which has developed around the church and the square, will not be the same anymore. It will have to be completely rebuilt because, in addition to those buildings already collapsed and demolished, others will suffer the same fate because of structural damage. The centre is the soul of our community, and it will be completely redesigned. There are tough times ahead of us. My office term as Mayor will end in two years, but I think that the emergency will be extended further. Unfortunately it is a journey that takes time, the important thing is to put everyone under a roof for the coming winter and reinstate companies to produce as soon as possible. These are two fundamental issues without which there will be no prerogative to begin the reconstruction of the historic centre of Cavezzo.



Demolition works on main square

TEMPORARY RELOCATION OF PRODUCTION

WAMGROUP® GENERAL MANAGER, STEFANO BARALDI, ON ACTION PLAN FOR 2012



Shortly after the earthquake was over WAMGROUP® immediately formed a task force in order to assess the damage and put a crisis management in place. With access denied to all factory buildings by the fire brigade right after the quake, the WAMGROUP® crisis

management had to develop a variety of scenarios to evaluate as how to resume production as soon as possible. Besides, to this date it is uncertain what will be the most suitable way of restructuring the Ponte Motta plant. During the first week after the earthquake, priority was given to work out options of alternative assembly line set-ups for the main products using the Group's facilities that had remained intact, as well as rented facilities far enough from the centre of the seismic swarm. The brand-new FLITECH® factory in Poggio Rusco had not suffered any damage, thus becoming an alternative location along with the RONCUZZI® plant in Ravenna. The main alternative, however, was the premises of L.A.R. in Formigine, situated a few kilome-

tres south of Modena. The owner, Giancarlo Lei, took a spontaneous decision to rent out nearly ten thousand square metres of factory buildings to enable WAM Industriale to shift its production without wasting any time. In addition, previously planned offshoring of certain product lines to WAM Product in Croatia and WAM Romania was accelerated at this point. To manage the mighty task, WAMGROUP®'s General Manager, Stefano Baraldi, can rely on a team which has been tried and tested in various production relocation projects all over the world. The experience of Alberto Gavioli (Operations), Paolo Gavioli (IT), Fabrizio Avari (HR), Luca Righi (Chief Project Leader), Graziano Gualdi (Product Development), Salvatore De Chiara (Production), Claudio Mariuzzo (Logistics), Alessio Davoli (Quality Management) and Giovanni Cerruti (Procurement) is of utmost importance for a crisis management which means a great challenge for everybody. Together with their teams, they have sacrificed themselves working often twenty-four hours a day and during weekends in order to be quickly operational again.

From day one after the earthquake, the focus was above all on those customers who would usually receive their goods from the plant in Ponte Motta. In the following interview Stefano Baraldi sums up the actions taken by his task force in the month of June.



L.A.R. premises in Formigine (Modena)



RONCUZZI® premises in Ravenna

Newsletter What was the first problem you had to deal with after the tremor?

Baraldi After we had made sure that none of our people had suffered any harm, we had to find out if and when we would be able to get back into our factory buildings. After an earthquake, access is generally denied by the authorities as a preventive measure. Only after expert surveyors have assessed the extent of damage and decided on the appropriate measures to secure the buildings, operations can start. In our case we didn't waste any time at all in the damage assessment phase.

Newsletter But you didn't get permission for access to the factory buildings straight away.

Baraldi Unfortunately we didn't. The earthquake had done more damage than was visible at first sight. The buildings were all standing except two minor sections which had collapsed, but the structure of the buildings was not safe, especially if any aftershocks would follow. And we did have some strong aftershocks in the days after May 29th.

Newsletter So all you could do was wait?

Baraldi On the contrary, we had to take action immediately on the basis that we would neither be able to use our production equipment, nor the semi-finished machines from the assembly lines. Our crisis management had to provide for alternative options for our product lines starting with the most important ones. At the same time dismantling of the roofs and facing slabs of the factory buildings in Ponte Motta started.

Newsletter How did you provide for alternative options without being able to use your own manufacturing resources?

Baraldi We had to work on more than one scenario: buying instead of making as long as we couldn't get hold of our equipment, and setting up mobile assembly lines which can be easily relocated once restructuring of the Ponte Motta plant will be completed.

Newsletter Do you already have an idea when you will move back to Ponte Motta?

Baraldi At this moment in time we can only say that we will definitely move back there. We cannot say when because we still have to decide in which way we will restructure the plant. This is related to the extent of damage and some other strategic decisions.

Newsletter What does your action plan foresee?

Baraldi By the end of July ninety percent of our product lines will be operational. The majority of machines will be produced at the L.A.R. premises

in Formigine. Some items will be manufactured at FLITECH® in Poggio Rusco, some at RONCUZZI® in Ravenna, and some product lines will even stay in Ponte Motta in a provisional structure. Shifting of other product lines to Croatia and Romania, which had already been planned, will be now anticipated.

Newsletter Will you be able to satisfy all your customers' requirements in this way?

Baraldi There have been delays, of course, due to the earthquake, but we will work twenty-four hours a day and through the month of August this year in order to make up for time lost. We trust in our customers' sympathy and loyalty and in our sales staff's ability to reassure the market that WAMGROUP® is still there and still going strong.

Newsletter So you are optimistic about the future.

Baraldi I am absolutely convinced that we will come out of this stronger and better performing than ever.



FLITECH® factory in Poggio Rusco (Mantua)

EYEWITNESS ACCOUNTS

WAMGROUP® employees who witnessed the tremor on May 29th close to the epicentre describe their experience at the time of the event.



Greta Vivi

Greta Vivi (Area Assistant, WAMGROUP)
A tremendous noise. After the experience of May 20th. I knew immediately that this was an earthquake. I tried to get shelter under my desk. I thought this was the end. I remember running towards the fire escape. Stepping outside I fainted. Someone helped me down the stairs. I found myself sitting in a chair. All I wanted was to run home to my two year old son, but there was no way to get a phone connection.



Adriana Fugulin

Adriana Fugulin (ICT Coordinator, WAM Shanghai)
I was in Ponte Motta for a training course. I was supposed to fly back to Shanghai the day after. I was writing an e-mail in an office on the first floor with eight people when it happened. I heard what I thought was an underground explosion. Things were falling from the ceiling. I think I was the last to run out. I had some difficulty because of my high heels. I could feel my knee hurt after something had hit me. The stairs were half-blocked by fallen objects. A colleague, Marco Malavolta, told me to stay calm. Outside many people were in a state of shock. I thought that I could have died, but luckily it was not yet my time. One of the worst moments in my life.



Silvana Sola

Silvana Sola (Shipping Department, WAMGROUP)
I was sitting in front of my computer preparing shipping documents for a French and a Russian truck. There was a deep noise. I knew immediately what it was, remembering the earthquake of nine days ago. In the attempt of running outside I broke my glasses as my face and shoulder collided with the front door. I fell down twice incapable of staying on my feet due to the ground moving. As I was getting up, I could see the factory building in front of me collapse. My first thought was, how



Davide Salvatori

are my children? I am afraid of sleeping in the dark now. I have nightmares. Two quakes in ten days. How long will this go on for?

Davide Salvatori (Sales & Marketing Mgr., OLI)
I was standing with our General Manager, Giorgio Gavioli, in his office on the first floor. We were leaning on a table when we could hear and feel what seemed like the blows of giant jackhammers. Three, four, five sharp blows from bottom to top. I knew immediately that it was an earthquake. We rushed down the stairs trying to cover our heads with our hands. All sorts of things fell from the ceiling. I could see the enlarged crack in the wall that had formed after the earthquake on May 20th. As I was reaching outside, I heard a terrifying roar. I was afraid our warehouse was coming down, but it came from the collapse of our neighbour's building. Afterwards we went to check whether anyone was under the debris. Fortunately there was nobody. Our quality manager, Mauro Palmieri, told us that he had fallen down three times on the moving floor in the attempt to exit the window of the ground floor.

Nino Ratti (General Manager, TOREX)
I was in the car in the passenger seat. Our foreman, Daniele Marchi, was driving. We were coming from Mirandola and had almost reached the big roundabout of the 'cappelleta del duca'. Shock waves were lifting the tarmac which looked like a stormy sea. On my right I could see the OMC factory next to OLI collapse. It was surreal. All traffic came to a standstill. As soon as it was over Daniele put his foot down. We rushed to TOREX, full of adrenalin, to see what had happened there. I just thought, thank God, everyone was fine.

Claudio Pollastri (Shipping Department, TOREX)
I was driving the forklift truck to arrange some goods on the shelves. Suddenly I could feel some incredibly strong up and down shocks which made the items on the shelves jump. If the shocks had been sideways it would have been a disaster – a blessing in disguise. A guy doing some repair under the ceiling in a crane basket couldn't lower the boom fast enough, so he jumped out half way down. Luckily he didn't hurt himself.

Stefano Cavicchioli (General Mgr., TECNO CM)
I was on the top floor at TECNO CM. First I thought they were aftershocks but it became immediately clear that this was a major earthquake. Together with an employee I took shelter under a door frame. It was raining debris. We were looking for a way out. I saw some of our female workers fall down. I tried to help them get down the fire stairs. On the ground we checked immediately if all were present, which fortunately they were. My first thought afterwards was: the work of so many years gone in a couple of seconds.

Maurizio Brina (Foreman Screw Conv., WAM Ind.)
I was on the assembly line of the tubular screw conveyors. I could feel an increasingly intense vibration. I could hear the noise of bursting glass. After the earthquake of May 20th we all knew where to run. I took the side door. People shouting and screaming. Many ran towards the front doorway, the part of the building which would have collapsed only moments later. Helga Cannova just made it by a whisker. Some wanted to go back inside to fetch their mobile phones. Looking at the disastrous effects it was clear that this was far too risky.

Andrea Ruffoni (Foreman Filter Dept., WAM Ind.)
I was washing my hands in the bathroom of the filter department office. At the same moment when the tremor started, falling rubble hit my shoulder. The shocks literally threw me out of the bathroom. I don't remember if I reached the outside through a door or a window. I could hear the water pipes burst. I ran to the collection point helping someone up who had

fallen. One warehouse worker was missing. We found him crouching behind a container in a state of shock. I felt happy everyone was sound and safe. I tried to call my wife, who is pregnant, to find out if she and our little boy were all right, but unfortunately there was no phone connection.

Nsiah Collins (Filter Department, WAM Industriale)
I was assembling round filters when I felt the increasingly intense shocks. Next to me a woman fell down and was helped up by her husband. They have been working together for a long time. I managed to run out through one of the big doorways trying to cover as much distance as possible. When we had reached the outer fence we could hear some of the large facing slabs fall to the ground. We reached the collection point where many were in a state of shock. Had we taken the wrong turn when running out of the building we could have been buried by the slabs.

Giuseppe Centola (Marketing Mgr., WAMGROUP)
I was in the board room on the second floor of the office building with our Chairman & C.E.O., Vainer Marchesini, and WAMGROUP General Manager, Stefano Baraldi, in a videoconference with WAM Shanghai. We were sitting at the large conference table when all of a sudden I heard a deep rumble accompanied by a strong metallic noise. We jumped up but were unable to stand as the shock waves were going on. The glasses on the table were all broken. Mr Marchesini was holding on to a wall. I remember taking his arm guiding him towards the fire escape. As I was running down the stairs I found them blocked by Greta Vivi who had slipped. I remember that there were another two strong shocks. There was a lot of confusion. People were shouting and screaming. After putting on a hard hat, I went back inside together with a colleague. We climbed the stairs fully aware that there could be further shock waves. I reached the chairman's office and helped Mr Marchesini, who had also gone back inside, to collect a few items. I remember seeing water on the floor probably due to broken pipes. It was hard to believe that all this damage could be done in less than half a minute.



EYEWITNESS ACCOUNTS

ctd. from page 11



Loredana Matei (Procurem. Dept., WAM Romania)
I was in Ponte Motta at WAM Industriale for a project on procurement that would keep me busy there until the end of May. On the morning of the 29th I was in the shipping office together with Rossella Malavasi, Silvana Sola and others. I think I was checking my unread e-mails when everything began to shake. We had previously experienced an earthquake even though you can never get used to such a thing. I do not remember well, but I think that I was waiting for what the other people who were with me would do. We all rushed out together. Before my eyes the screw conveyor building collapsed. I prayed that it stops. Once the tremor had finished I still felt in a shock, I thought of my parents in Romania. After the first earthquake of May 20th they had been constantly worried about me. I wanted to call them but could not get through. Half an hour later, I finally managed to speak with my parents reassuring them I was fine. I left that morning for Bologna with my colleagues from Romania and China since the management had decided that it was better for us to return home as soon as possible. At least we did not have to experience the second earthquake at 1 p.m. on that day. Now, after a couple of weeks, I'm still afraid of the dark after the night of May 20th at the guest house. I know that it'll pass but it'll take time.



Charles Spiteri (General Manager, OLI Vibra, Malta)
I was in Maurizio Berni's office at TOREX at the time of the earthquake. At the very beginning of the tremor I was trying to figure out if it was an aftershock (the night before at 11:30 we had one of a magnitude of 3.0 which we barely felt) but the sudden acceleration of the earth shaking made me realise that this was a real earthquake. It happened so fast that my physical reaction was too slow compared to what was happening around me, but in my mind I was thinking that I might die, and that I

will not see my family again, and... God please help me. Maurizio Berni jumped up and pulled me to the corner of his office for better protection but when I saw the shelving close to the corner coming down I turned around and ran out towards the exit door. Once outside, I was relieved when it was confirmed that everyone was out safely, despite the damage to the TOREX factory (which visibly did not appear to me to be severe). I tried to call OLI but the lines were jammed. Once it was confirmed that none was hurt at OLI too, I felt better. Soon after I walked back in to collect my laptop, wallet and passport which I had left in the office – probably this was a stupid thing to do. Then I called my wife to tell her that I was fine. As I remained in the parking lot of TOREX for about an hour, the reality of how severe the situation was, started to hit home when I heard the constant sound of ambulances and rescue vehicles passing by to assist people. Lucio Tomasini and Marcello Marchesini had stopped at TOREX earlier to assess the situation and both looked visibly shaken by what had happened at WAM. This was even more proof of how desperate the situation was. I could see it for myself later on my way to the airport seeing collapsed buildings with rescue teams trying to get people out. Something which I will never forget was the terrified look on people's faces – knowing that it can strike again with no notice whatsoever and being unable to 'protect' yourself. Even when I got back to Malta, for the first few days, every time I heard vibrating noises—at OLI we were having structural works being done at the time—coming from the ground due to excavating machinery, I stopped to check if it was an earthquake or not. This experience surely had a negative psychological effect on me in the sense that you keep remembering it all the time. I'm sure that this will scar people for life who have to live and work in the same place where such a disaster struck.

A MAN OF QUICK DECISIONS

FORMIGINE (MODENA), JUNE 12TH 2012

Asked when he intended to retire, 84-year old Giancarlo Lei seems not to understand the term “retirement”. Repeating the question, the interviewer finally gets an answer in a tone which is typical for this old school entrepreneur, a type of businessman as you will only find here in the area around Modena. “What should I retire for? Why should I retire if I can have so much fun working?” Giancarlo Lei accompanies his words with an infectious laugh that could be heard more than once during our short meeting this morning. Giancarlo Lei, who is an important part of post-war industrialisation of Modena, is a man of decisions.

For a company such as WAM Industriale, used to manufacturing on a roofed surface area of more than seventeen acres, finding a feasible temporary solution for shifting its production could only work with the help of an entrepreneur who had both empathy

and the ability to make a quick decision. Mr Lei confirms that it didn't take him a minute to decide.

“Solidarity is ultimately a special characteristic of the Modenese”, he firmly says, at the same time approving of the intention of organizing a round table with entrepreneurs and the mayors of the towns affected by the earthquake in order to reassure the population of the companies' intention to stay. With this article WAMGROUP® would like to express its deepest gratitude



Giancarlo Lei

Giancarlo Lei signing the rental agreement with WAM Industriale

to Giancarlo Lei for his helping hand when it was most needed, wishing him all the best for his own company's future. He is actually about to start a new business, he tells us with a big smile.

ACKNOWLEDGEMENTS

During the days after the earthquake of May 29th we were overwhelmed by a series of messages of sympathy and offers of help. There were offers for floor space for production, temporary housing



The Pope visiting Rovereto sulla Secchia on June 26th

facilities, and free holiday accommodation for the homeless families. Apart from thanking personally all customers, suppliers, consultants, colleagues and friends that stayed close to us in such a difficult time, we would like to express our deepest gratitude on behalf of those among our employees who are suffering most the effects of the earthquake.

Our special thanks go to Mr Roberto Bonafini, Prof. Alberto Rinaldi, Mr Ashay Nerurkar, Prof. Bernd-Arnold Kruse, Dr. Hans Oechsner, Mr Cesare Frigo, Mr Koen De Boel, Mr Tiziano Brombin, Mr Johann Daxner, Mr Ulisse Vanzini, Mr Dominique Malinge, Mr Walter Candini, Mr Mario Morelli, Ms Ivana Borghi, Mr Guido Trussardi, Mr Michele Furlani, Mrs Monika Lustig, Mr Nasser Milad Naguib, Mr Giorgio Grassi, Mrs Roberta Longanesi, Mr



The Dalai Lama visiting Mirandola on June 24th

Stefano Longanesi, Mr Maurizio Morselli, Mr Piero Scandellari, Prof. Sergio Paba, Mr Paolo Andreoni, Mr Giulio Veneroni, Mr Sergio Bellucci, Mr Roberto Cogno, Mr Giorgio Cesari, and any others whom we have failed to mention, as it may have happened that in the confusion of the temporary relocation of our offices one or the other message got lost. We apologise for any missing acknowledgement.

ROUNDTABLE WITH MAYORS AND R

Following an initiative by WAMGROUP® Chairman & C.E.O., Vainer Marchesini, representatives of the local industry met for a roundtable to reassure the



Cavezzo, WAMGROUP® Chairman & C.E.O., Vainer Marchesini, had made it clear after the earthquake in numerous newspaper and television interviews, that he had no intention to give up Ponte Motta as a manufacturing location. The fact that the company had to shift production due to the unsafe current conditions of the site, was a purely temporary solution. Understandably people became highly sensitive about what their future would be like. To avoid desertification of the territory quick action by the State is desperately needed, but the State is anything but quick in providing the promised aid. In an atmosphere of uncertainty the voices of the pessimists are the loudest,



REPRESENTATIVES OF THE INDUSTRY

Marchesini, and the Mayor of Cavezzo, Stefano Draghetti, Mayors and the population of their intention to continue their businesses in the region.



June 28th

and soon rumours grew stronger that the industry was going to abandon the area. To launch a clear message that the rumours were unsubstantiated, the WAMGROUP® Communications Centre took charge of the organization of a roundtable with the participation of the mayors of the towns struck by the quake and representatives from the local industry. To see local heavyweights such as CPL Concordia, Acetum, Mantovanibenne, Fonderie Scacchetti, Menù and Fresenius represented by their CEOs, in company of Vainer Marchesini, was reassuring for both onlookers and various journalists from local and nationwide newspapers and television channels.



LET US HELP THE PEOPLE OF CAVEZZO



Dear Colleagues and Friends,

The terrible earthquake that hit the Emilia Romagna region so hard, upsetting the citizens of our land, has caused extensive damage to homes, businesses and factories.

The town of Cavezzo, where many of our employees live with their families and where WAMGROUP, WAM Industriale, WAM Italia, and TECNO CM are located, found itself at the epicentre of this terrifying seismic event that has indelibly marked the lives of its inhabitants.

People, institutions and organizations who wish to provide financial support to help the people of Cavezzo, may do so through a bank account dedicated to the earthquake emergency.

The commitment of the Municipality of Cavezzo is to manage the financial aid with the utmost transparency, giving notice through its website www.comune.cavezzo.mo.it of the donations collected.

*You can make cash donations in Italy through direct payment from all branches of **Banco Popolare** or, from abroad, via bank transfer on current account payable to*

Earthquake Emergency

IBAN: IT52 J 05 034 66 720 000 000 032 456

For payments from abroad please note the **SWIFT** code: **BAPPIT21519**

Thank you for your generosity and invaluable support.

Yours sincerely,

The WAMGROUP® Management

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