

Rigid

Directors Report — Chris Trevithick

Farewell Nigel....



All good things must come to an end but when one door closes another one opens. This is where we are as we report that sadly, Nigel Beaumont — the 'boss' for the last eight years — has decided to leave Rigid at the end of June after what can only be described as an outstanding tenure as our Business Unit Manager for VPK's operations in the UK. Nigel has been the architect of a remarkable success story at Rigid, which is unrivalled in the corrugated industry during this period. We all wish him well and will miss his good humour and steady hand on the tiller.



Ushering in a new era, Richard Coward joined us as Group Managing Director in June and brings with him a wealth of operational business experience in the packaging industry. Working with some of the best known names in the industry, Richard has held senior management roles and provided high level management consultancy services, which equip him well to lead us in today's challenging economic environment. We welcome Richard to the Rigid team and wish him well.



Richard takes the helm at a time when we can report that as we reach the half year, Rigid maintains its steady growth and is on target for a successful year. VPK continues its support, with ongoing investment in the extension at Selby — which should be completed on schedule by the end of the year — and a new casemaker to be installed at Selby in the third quarter. However, rising costs and difficult trading conditions are now our worst enemy and we must all be aware, that to maintain our track record, we are only as good as the quality and service we deliver with each order.

As always, it is up to all of us to keep costs on a tight rein and retain service and quality at the top of our daily agenda. Our reputation for high quality product and service at competitive prices will assure our continued success. So congratulations everyone on a good first half, now let's start the second half with a commitment to a strong finish.



Top cheese maker looks to Rigid

Boxes needed for safe deliveries

Dewlay has been producing traditional Lancashire cheese for over 50 years and a key priority for the dairy is ensuring the award-winning, hand-crafted products arrive in first class condition at its growing customer base, which includes market stalls and small specialist shops, as well as leading UK multiple food retailers. To keep up with demand, Dewlay has now shifted the bulk of its range of transit packaging to Rigid Containers for supplies of corrugated cases.

Martin Scannel, Dewlay Operations, explains, "We initially approached Rigid because of its outstanding reputation for technical back-up, high quality and reliability. Working with Rigid quickly generated valuable cost savings and improved our operating efficiencies. The company has also used its expertise to rationalise our range of box sizes significantly and reduce our packaging stock inventory levels. In addition, Rigid has improved our pallet utilisation, allowing more units to be stacked onto each load. Case quality and lead times are excellent, with two to three day deliveries available, if necessary."

Martin adds, "Rigid is now supplying Dewlay with both plain and printed cases to accommodate all our cheese varieties — which

range in size from 150 grams up to 20 kilos. One recent project involved producing a new box printed in one colour for packaging grated cheese used by the catering industry, which has been well received by our customers."

Hand made on the label means hand made at Dewlay. First established in 1957, the company's reputation for making consistent quality cheese is second to none, and has been highlighted by it winning major awards at the top national cheese competitions - as well as recently winning Producer of the Year at the North West Fine Food Awards 2008. Ten years ago the company moved to a new purpose-built dairy to increase capacity and install state of the art production facilities. Despite its growth, the Dewlay philosophy has never changed and it refuses to sacrifice traditional handcrafted techniques that give the cheese its special flavour and texture.



Expansion at Selby

Even though the site is only three years old, VPK announces plans for the extension of its flagship site at Selby

The Selby site is going from strength to strength in the corrugated industry and has started building work on phase II of the planned expansion of the production facility, which is only three years old. Steve Roche, Site Director, says, "The work started at the end of March 2008 and is planned to be completed by the end of September 2008."

The Selby site continues with its plans to further improve technological development and supply chain management by understanding the marketing demands and further enhance the support to customers. The expansion of the site will assist the existing 24 hours a day factory operation and facilitate the smooth logistic supply of the products to their customers by the same day or next day deliveries as and when required.

"We will be extending the finished goods warehouse, which will enable the storage capacity to grow from 6,000 pallets to a massive 14,000 capacity. The existing paper reel warehouse will be expanded from 1,000 paper reels to a capacity of 1,500 reels to facilitate the increase in productivity," continues Steve.

Finally, the main converting hall will be enlarged to enable the installation of two further



- 1: Foundations for production hall extension
- 2: New reel warehouse extension
- 3: New finished goods warehouse extension
- 4: New HGV trailer park
- 5: The new SuperNova 2 speciality gluer

"WE WILL BE EXPANDING THE FINISHED GOODS WAREHOUSE, WHICH WILL ENABLE THE STORAGE CAPACITY TO GROW FROM 6,000 PALLETS TO A MASSIVE 14,000 CAPACITY."



production machines, which will further increase the site production capacity to approximately 140 million sqm of converted capacity to help service existing and future customer needs and demands.

New manufacturing equipment includes a SuperNova 2 multi point gluer. Providing straight-line, crash-lock and four corner gluing, this

machine is ideal for manufacturing retail ready packaging. The other new unit is a Latitude flexo folder gluer, which is capable of printing, die-cutting, folding and gluing a box in one pass.

Chris Trevithick, Sales Director, explains, "It's exciting to report that in a little over two years, we have exceeded the most optimistic growth expectations with the new Selby plant now running at near full capacity. Meeting customer demands for our entire product range has meant rescheduling the next phase of the site's expansion plan.

"Our enlarged Selby plant will further underpin the Rigid/VPK policy of operating strategically located, world class and fully integrated production sites, with the core emphasis focused on providing an unrivalled supply chain service," adds Chris. "Despite the scale of the expanded facilities, Rigid will continue to offer customers the flexibility of cost-effective corrugated packaging in both small or large runs."

New website on-line for Rigid!



of articles that have appeared in the press over the years. The site also has a detailed FAQ section, to help you through just some of questions we get asked regularly.

A dedicated links section helps you to learn about our suppliers and trade associations which we work closely with. To help keep up to date with our news, there is a free of charge subscription service, which means you can receive our news direct to your email box without having to visit our site.

Over the coming months, we'll be integrating the new designs into our upgraded Kiwiplan operating system so you can track orders, request quotes and many other critical daily functions. Be sure to log on today!

We're delighted to report that the company has now launched its new web site. Found at www.rigid.co.uk the new site contains plenty of information, news and reviews all about Rigid. As well as up to date company news, the site also offers back issues of our news letters and copies

Examining costs = improvements

The following reports show how we invest and examine to improve productivity

IN THE TRANSPORT DEPARTMENT AT DESBOROUGH

As industry continues to be put under pressure regarding cost and overheads, Rigid continuously looks at the way in which it operates. One area that has recently come under the spotlight is our transport. Significant savings were realised in 2007 as a result of examining the cost implications of owning and maintaining our own fleet of trailers. Ricky Barrow, who heads up transport at the Desborough site, decided that as a manufacturing company, we should not be owning trailers due to the cost of repair, servicing and MOT, allowing us to concentrate more on our performance.

"During 2007, we restructured the transport office," explains Ricky. "Neil Zivtins now controls transport costs and has reduced the figure by 22% since last year, which was a big achievement. Siobhan Barratt, our Senior Logistics Administrator, has done an excellent job in controlling Chep pallets, which in the past were a loss to the company. We employed Felicity Blyth, who is currently training in the logistics department and who supplies some excellent day-to-day support to the logistic team. We also welcomed the youngest member of the team, Matthew Aitken, who is doing an excellent job in controlling haulage invoices and POD's,

alongside Felicity. On top of this, training in the department is ongoing to create a multi-skilled, inter-related workforce."

When Ricky took over the logistics side of Rigid Desborough in May 2007, he reorganised the warehouse and, in doing so, improved delivery performance alongside the excellent work that has been put in by his warehouse team; Chris Nunley, Evelyn Brown, Moira Anger and newest team member, Jason Milligan. "We mustn't forget the fantastic and ongoing effort put in by the loading team and line men," adds Ricky.

DESBOROUGH CORRUGATOR OVERHAUL

Tony May, Operations Manager at Desborough, reports on recent upgrades: "During 2007, we decided to invest heavily in upgrading the corrugator at Desborough. This would allow us to continue our growth, creating greater efficiencies and capacity. To achieve this aim we established a need to completely upgrade and overhaul some of the machine's major components. Having already installed a brand new rotary shear and a new slitter/scorer which helped improve speed and board quality, discussions took place with staff and BHS to agree the areas of focus. After a short period of time work began.

"We completely overhauled the Chop Unit with new knife bars and bearings which gave us an increase in speed and a more consistent chop. A survey was done on the Modul Facer which highlighted all the old, worn and damaged parts. As a result, a complete overhaul was completed over four days, which not only led to an increase in production, but also gave us much more control over the process, making it easier to produce good quality board at higher running speeds.

"The B flute, liner and double backer splicers were next to get an overhaul with the double backer receiving an upgrade to an S7. The benefits we received from this upgrade included improved and more consistent splicing speeds, which enabled us to keep the speeds more consistent and therefore, the quality of the board also improved.

"Finally both the Module Facer glue level control and glue dam sensors were also upgraded. Work was completed in the second half of 2007 and followed with complete retraining of existing staff using BHS training resources, enabling the teams to fully utilise the investments and giving us the most value for the money invested. Benefits really started to show in 2008 — already quality has improved and an increase of 25 per cent in open time productivity has been gained with still more room to grow."

people news... people news... people news... people news...

F1 in corrugated!

At Rigid, we pride ourselves on thinking “outside the box” and we encourage all our team members, especially in the design department, to push things to the limit. With this in mind, one of our trainee designers, **Andrew Jarman**, was set a real challenge.



“Being a trainee designer, my manager Norman Haynes set me a task to design something that would help me improve my skills in CAD. As a big fan of Formula 1 motor racing, I set out to design my own 1:6 size F1 car which would be made completely from corrugated board. In my own time, the car started to take shape, with research and detailed drawings being designed before I could start making the model. After a couple of prototype models and two months’ work, the car’s structure was complete and was ready to be painted and logos applied. Altogether it has been a big challenge and I am very pleased with the finished product.” Well done Andrew, a great achievement!

Wedding bells!

We’re delighted to report the marriage of **Ian Loveridge** (graphics dept at Desborough) and Natalie Bradley. They were married at St Peters Church in Church Langton on Saturday 26th April. Their special day was helped by beautiful weather and they told us everything ran smoothly. Well done indeed!

Birth news

Daniel Mong, who works at Desborough, reports that he and his partner had a baby girl, Olivia, born on 22nd February weighing a respectable 9lbs 5.5oz. Working on the same shift as Daniel, **Stuart Lapsley** and his partner had a baby girl, Chloe, on 23rd March, weighing in at 7lbs 4oz. Congratulations to you all!

Fund raising for charity

In recent charity events, Rigid helped raise £1,075 at a dance at the Ritz ballroom, Desborough, in April. The event was held for the Warwickshire and Northamptonshire Air Ambulance. Rigid assisted by donating several raffle prizes. The service is not funded by the government and doesn’t receive National Lottery funding – it is funded entirely by voluntary donations. The service costs £1.4 million a year to operate and responds to an average of 110 emergency calls a month, including recently one of our own members of staff. Indeed, as a result of this unfortunate incident, the office staff at Rigid also held a ‘dress down’ day on Friday 25th April, raising an additional £100 for this worthy cause.

In aid of Northampton ITU, which saved the life of a family friend of **Andrew Jarman** last year, Andrew and three other friends have decided not to cut their hair for six months! They hope to raise enough money to help the hospital buy new life saving equipment. So far, Andrew has raised over £200 — with a group target of £1000 set. Andrew says, “If you haven’t sponsored me and wish to, please find me in the design centre, your donations will be much appreciated.”

Ironman Dan

Better known as an industry publisher, we are happy to report that **Dan Brunton**, who helps us with our PR & Marketing here at Rigid, completed

the UK Ironman 70.3 on Sunday 15th June in 6hrs 15mins. Undertaking what is reported to be the toughest event of its type in the world, Dan finished 340th out of 1,400 athletes in the 1.2 mile swim, 56 mile bike ride and half-marathon. In doing so, he raised £5,147 for MacMillan Cancer Care and Leukaemia Research. Fantastic effort!



And finally...

It is not often we receive letters from satisfied customers, so when we do, it is good to let everyone know. The following is from Joe Smith, Buyer at SHS International Liverpool, written to **Bernard Lawton**, one of our Key Account Managers, Northern Region:

Dear Bernard,

Now that I am only working two days per week, it gives me time to write one of two cards.

My main purpose in writing is to thank you and all at Rigid for all the help and support to SHS and to me personally over many years — it has been and still is very much appreciated. It has been a pleasure working with such a company as Rigid. Please give my thanks to all at Rigid and remind them that the products that are manufactured at SHS do a lot of good, not only in the UK, but throughout the world. There are many men, women, boys and girls who are now enjoying a much better quality of life now than they would otherwise have enjoyed, and we can all be pleased and proud of the part that we have played.

Thank you Bernard for all your help and please accept my very best wishes to you and your family for the future.

Regards,

Joe Smith

about us

Who we are

Rigid Corrugated is part of VPK Packaging Group - one of the fastest growing independent European manufacturers of recycled paper and corrugated cases with an annual turnover of some €480 million. Apart from the UK, it has a network of operating plants in Belgium, Holland, France and Poland.

In recent years the Group, (which is listed on the Belgium stock exchange), has evolved from a product-focused organisation to a service organisation, concentrating on customers’ specific needs in terms of tailored packaging solutions, supply chain optimisation and just-in-time deliveries.

Part of VPK since 2000, Rigid Containers has been an industry pioneer in meeting the demands of the modern supply chain in the UK by introducing innovative, integrated manufacturing and logistics facilities with large warehousing capabilities for an unrivalled outstanding ex-stock service.

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