

FORUM

Special issue of Forum

3/15

For the customers, partners and friends of Arnold AG and Nordlicht GmbH

NORDLICHT GMBH
FORUM
SPECIAL EDITION
ARNOLD AG



Editorial



Dear readers,

It hasn't even been three months since we announced that we would be taking a break from releasing our FORUM customer magazine until December 2015. And yet, it's only March you're already reading a new issue?

A truly extraordinary event prompted us to release this issue and provide you, our readers, with news of a big change in the Arnold world: We have welcomed a new addition to our family!

We have been focusing on growth through acquisition for many years. An opportunity arose suddenly and unexpectedly, and after much thought, we spontaneously decided to take advantage of it. Arnold AG established a wholly-owned subsidiary called Nordlicht GmbH in January. The company was entered into the commercial register of Bad Homburg, Germany, on 2 February under the HRB number 13157.

The purpose of this move was to assume responsibility for the activities of Nordlicht Licht- und Werbetechnik GmbH based in Offenbach am Main, Germany, and transfer them to Friedrichsdorf. The activities have been integrated into the Arnold Group since 1 March 2015. Most of the former employees will make the move to Friedrichsdorf in the first half of March. Ingo Stemmer, my colleague from the management board, will manage Nordlicht GmbH. Stemmer has already developed into a shining star over the past weeks and I wish him continued success on his journey. I would like to take this opportunity to welcome all of the new FORUM readers as well as the customers, friends and business partners of Nordlicht Licht- und Werbetechnik GmbH.

We will all get to know each other better over the coming weeks and months. This special issue of FORUM is the first step in that direction and allows us to introduce ourselves and our new subsidiary. We will explain our motives and outline our joint plans. Both companies have a great tradition and background to build on and are ready to meet customer demands with fresh vigour. With the strength and stability of our parent company Arnold AG behind us, we will work at a technically advanced level and demonstrate the presence of the 'new' Nordlicht on the market. That is our message, particularly directed at the business partners who are not yet familiar with Arnold AG.

Stand by the Arnold and Nordlicht employees. We will reward your trust with sound, high-quality work.

I hope you enjoy reading this issue of FORUM!

Best regards,

Uwe Arnold

Legal notice

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A new subsidiary!

Arnold AG has welcomed a new addition to the family. Nordlicht GmbH, the new wholly-owned subsidiary of the Friedrichsdorf-based metalworking specialist, assumed responsibility for the business and assets of Nordlicht Licht- und Werbetechnik GmbH as well as virtually all of its employees on 1 March 2015. It was a fortunate outcome to a very unfortunate insolvency situation. Here we introduce you to both companies.



Continued over >>

Frankfurter Allgemeine

ZEITUNG FÜR DEUTSCHLAND

Image: Chris Cross Media, Hanau

**There's nothing
we can't do at Nordlicht**



Image: Kristof Lemp, Darmstadt



Everyone in Germany has seen the Frankfurter Allgemeine Zeitung newspaper sign at Frankfurt central station or the giant lettering of Commerzbank Arena on the roof of the city's stadium. Both were made by Nordlicht Licht- und Werbetechnik GmbH, a recognised specialist for eye-catching neon signs with 66 years of experience. Most are large and bright. They perch on rooftops or hang on walls. In their hearts, they all hold a light source. Advertising pylons, illuminated signs, facade advertising or illuminated works of art characterise many cities.

It all started back in 1949 with a man named Kurt Krusche. Post-war Germany was experiencing an economic boom, and the people longed for light and colour in their neighbourhoods. Krusche founded his small trading company for neon fluorescent tube in Offenbach am Main.

Curved glass shapes with their colourful fillings were in great demand. It was a market of the future. Franzone Georges Claude developed the neon tube in 1909. Krusche acquired a number of patents from the company Osram. Sales were going well, so after a short time, he decided to set up his own manufacturing company for special light tubes with a glass blowing workshop.

The company first gained international attention in 1969 with the construction of an enormous box of Mon Chéri chocolates at Frankfurt central station. The advertisement featured an illuminated sign and floral pattern and measured 56 by 28 metres. The European Sign Federation called it the "largest and most beautiful advertising sign in Europe".

Assertiveness and a thirst for new challenges define Nordlicht employees. You could say that they inherited these attributes from a sporting legend: German artistic gymnast Willi Jaschek managed the company for many years. Even today, employees still talk about the 'hero of Mexico City'. Jaschek competed in the 1968 Olympic Games and dug deep to keep up with the competition despite a torn Achilles tendon. His efforts helped the German team secure eighth place. He was role model and embodied the team spirit that is still alive and well among Nordlicht employees today.

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Image: Chris Cross Media



Image: Kristof Lemp

COMMERZBANK ARENA

Levels of expertise have grown over time, making it possible to significantly expand the range of products. Today, the lighting experts build advertisement structures using individual letters, LED and banner transparencies, pylons as well as sign and directional systems. Nordlicht employees devote themselves with passion to customers' individual requirements in the in-house glass blowing workshop, the plastics department, the metalworking shop, the paint shop, the sign painting shop and the electronics department. There's nothing they can't do.

For Nordlicht, the LED era began in 2000. Curved and coloured neon tubes are still in demand, however, many customers are switching to more energy-efficient versions. The company's LED expertise was sought after in 2010 for one of the largest jobs in the history of the company: the construction of new lettering for the roof of the Commerzbank Arena in Frankfurt. 21,000 LED spotlights light the system that measures 95 metres and weighs almost 30 tons. The 16 illuminated letters are close to five metres in height and made from galvanised steel clad with aluminium sheet material and covered in stretched fabric in the bank's colours. The logo is almost eight metres in height and consists of six steel frames with covers of various depths to create a 3D effect. In a considerable feat by all departments, Nordlicht constructed the sign in just two months time.

The Orient came calling in 2012, looking for the LED elements made in Offenbach. This marked another milestone for Nordlicht. The company planned, produced and supplied nearly 3.7 kilometres worth of lighting elements for several lighting concepts on the external facade of a shopping centre in Doha, the capital of the Emirate of Qatar. The well-known lighting designer Thomas Emde from Frankfurt came up with the architectural design and the creative lighting concept. Nordlicht also supported locally based companies with the installation of their products. The company only needed six months to complete this enormous project.

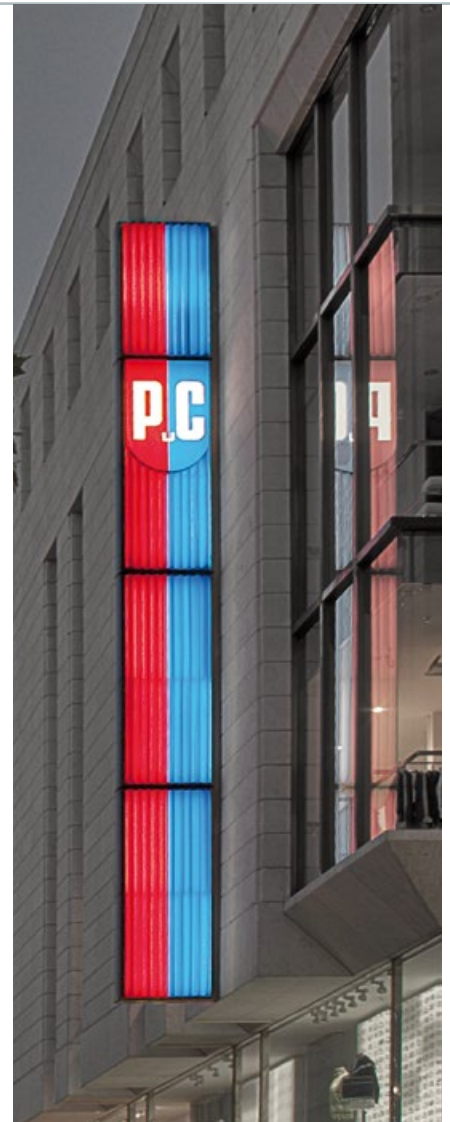


Image: Chris Cross Media

Don't forget to note the new address
for Nordlicht GmbH:

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Offenbach lights illuminate the shopping street in Qatar: Nordlicht supplied 3.7 kilometres worth of lighting elements for a shopping centre on Doha's Barwa Commercial Avenue, an 8.5-kilometre shopping street.

Image: Nordlicht



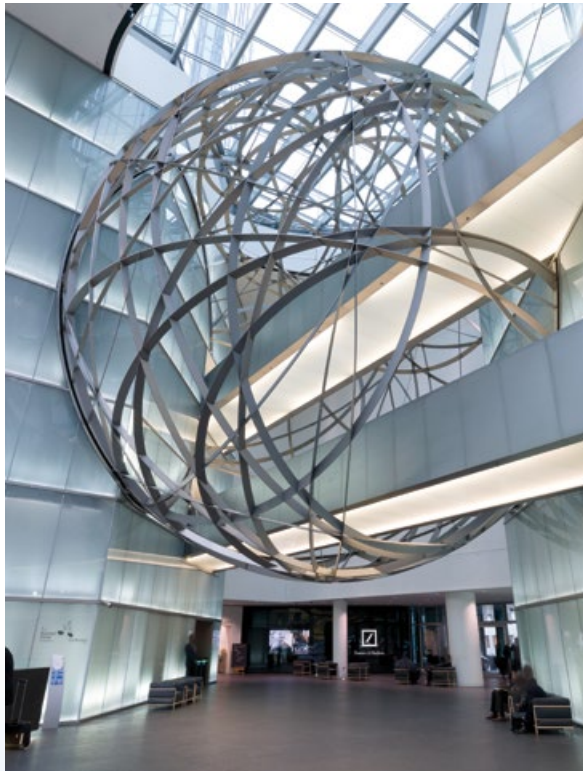
Arnold AG: Charm with metal!

At first glance, metal appears to be a cold, hard material. However, with great love and care, it can be made into the most beautiful things. Arnold AG employees are well aware of this fact. What they do is quite incredible: giant dimensions, surreal shapes and crafty constructions.

On the one hand, the metal specialists based in Friedrichsdorf and Steinbach-Hallenberg create highly precise products for industry, from housings right through to complete assemblies. This requires processing determined often by DIN standards and clever construction. Reliable work, technical certainty and plenty of courage are all necessary to meet these requirements. It's not a job for everyone.

Continued over >>





'Sphere' installation, Deutsche Bank – Frankfurt am Main (2011).
Image: Wolfgang Günzel



Assemblies for safety technology. Image: Michael Pyper

On the other hand, the Arnold production halls not only develop practical solutions. It often comes down to what's on the outside. Like artistic objects, design and architectural elements develop their own character through their perfect appearance. The challenge is to turn the creator's vision into a reality or even exceed expectations. Arnold employees are driven by a desire to constructively solve problems that initially appear impossible and make improvements in existing areas.

Five customer teams support customers from a range of sectors: safety technology and machinery and plant engineering (team 1), transportation, medical and analysis technology (team 2), furnishings (team 3), projects (team 4) and art (team 5). Two market development teams, one for industry and one for projects, are exclusively responsible for new customers and opening up new areas of activity.

The company's roots date back to 1924 when locksmith Karl Arnold founded a company in Frankfurt am Main. Karl Arnold was the grandfather of Uwe Arnold, who runs the same company today – Arnold AG. Karl Arnold's guiding principle has remained the company motto to this day: "There's nothing we can't do!" Karl Arnold managed to succeed because he dared to undertake tasks that most would shy away from.

His son Rolf Arnold began to focus the small craftsman's enterprise on the industrial sector without denying its roots in craftsmanship. He moved his company to Ober-Erlenbach near Frankfurt in 1961 in order to expand. Only five years later, the new premises already proved to be too restrictive, and the company moved to its current location in Friedrichsdorf. He introduced processes such as work preparation and construction in order to be a good, reliable supplier.

At this time, high-quality interior fittings and technology became one of the company's main lines of business. Frankfurt's Alte Oper opera house was Arnold's first major interior fitting project in the 1970s – and even then, there was a strong focus on sustainability. 40 years on, the fittings in the opera house continue to be used on a daily basis.

Progress in the 1980s was slow but steady. Ongoing expansion meant that the Friedrichsdorf premises were being stretched to their limits; this issue was in fact only resolved a few years ago when the opportunity arose to purchase an adjacent property. Management always strove to use only the best and most modern machinery at the factory. Cutting-edge manufacturing processes such as robot welding and laser cutting were introduced very early on. Despite the physical limitations of the Friedrichsdorf premises, Arnold still managed to expand its business on a global level. The company lead major projects in South America and the Middle East, for example.



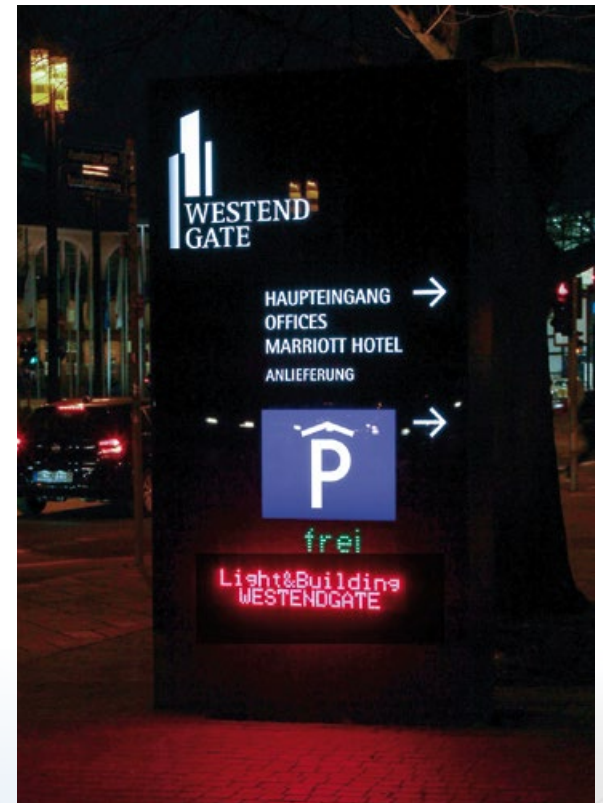
'Brothers in Ice Hockey' memorial in Yaroslavl, Russia (2010).

Image: Arnold

The much-needed space for company growth became available soon after the German reunification. A mutual acquaintance put Rolf and Uwe Arnold in touch with the Diller family from Herges-Hallenberg in Thuringia in 1991. Thanks to their entrepreneurial savvy, the Dillers had managed to hold on to their company as a family-run business despite the GDR's wide-ranging nationalisation of the private sector. The two companies proceeded to found Arnold-Diller GmbH as a jointly-owned limited liability company.

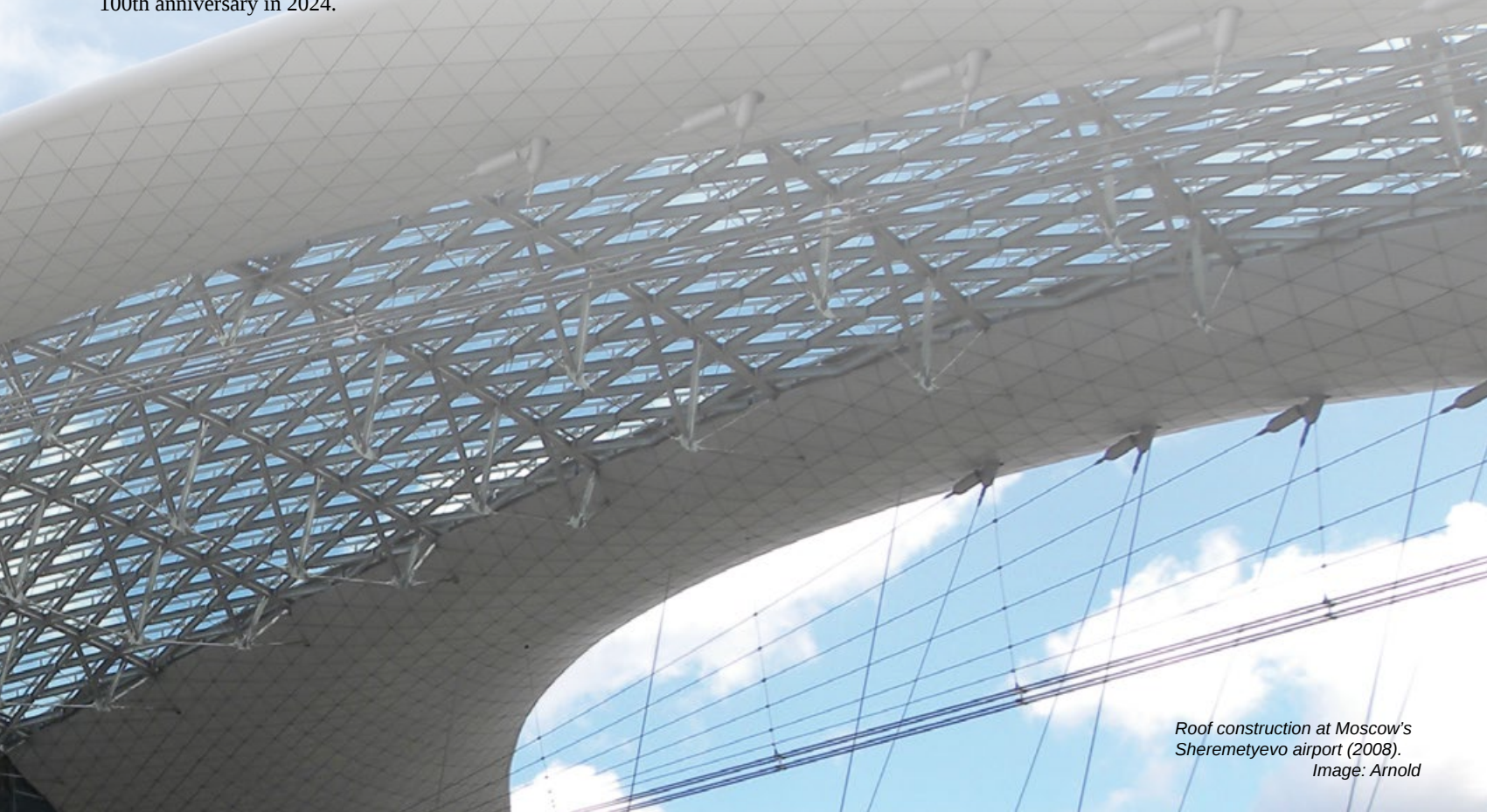
Anybody who hasn't seen the suburb of Herges in Steinbach-Hallenberg in the last quarter century will hardly believe their eyes when they see it now. Arnold and Diller were true pioneers of the business frontier in post-reunification Hallenberg; not only were they the first to create new jobs as part of a housing development, they also provided the vital impetus for an industrial park that keeps going from strength to strength. What started out as a company of eight employees has now become a plant of more than 150. The systems and production facilities at the Hallenberg premises have been upgraded several times already. Today, Arnold's Thuringia employees are predominantly focusing on large-scale serial production of housings and containers. It also features a fast-growing art department that produces sculptural metal works for renowned artists from all over the world.

In the autumn of 1999, Uwe Arnold, a tool maker and chartered industrial engineer, took over the company from his father and grandfather before him. One of the most important years under his leadership to date was 2001, when the two companies were first merged into a single GmbH (limited liability company under German law) and then an AG (stock corporation under German law). All of the shares issued by the corporation are owned by the families and the employees, ensuring that everybody can take part in the company's success. The biggest goal at the moment is 'Arnold 100' – the company's 100th anniversary in 2024.



A joint Arnold-Nordlicht project: Westend Gate, Frankfurt am Main (2014).

Image: Arnold



Roof construction at Moscow's Sheremetyevo airport (2008).

Image: Arnold

A warm welcome to Nordlicht!

Arnold AG had a stroke of luck at the end of last year when the opportunity arose to take over Nordlicht, a long-established company that had gone into insolvency. The Arnold management board did not hesitate to snap up the fantastic employees with rich expertise in illuminated advertising and a bundle of synergy effects. The FORUM editing team spoke with Uwe Arnold and Ingo Stemmer, who will manage the new Nordlicht GmbH.

Mr Arnold, Mr Stemmer, Arnold AG welcomed a new addition to the family: Nordlicht GmbH. How did it come about?

Uwe Arnold: We knew about Nordlicht from a few joint projects we did in the past where they supported us with large, illuminated advertising media. We came to know them as a very competent company. When Rainer Müller, our project manager for orientation guidance systems, informed Ingo Stemmer that this company – steeped in 66 years of tradition – was insolvent, we saw the opportunity to acquire the ideal addition to Arnold AG and give the employees new prospects. We quickly noticed that they are the lifeblood of the company and have made a huge contribution over the years. Our new Nordlicht GmbH, a wholly-owned subsidiary of Arnold AG, retains the employees and relevant assets of the old Nordlicht Licht- und Werbetechnik GmbH.

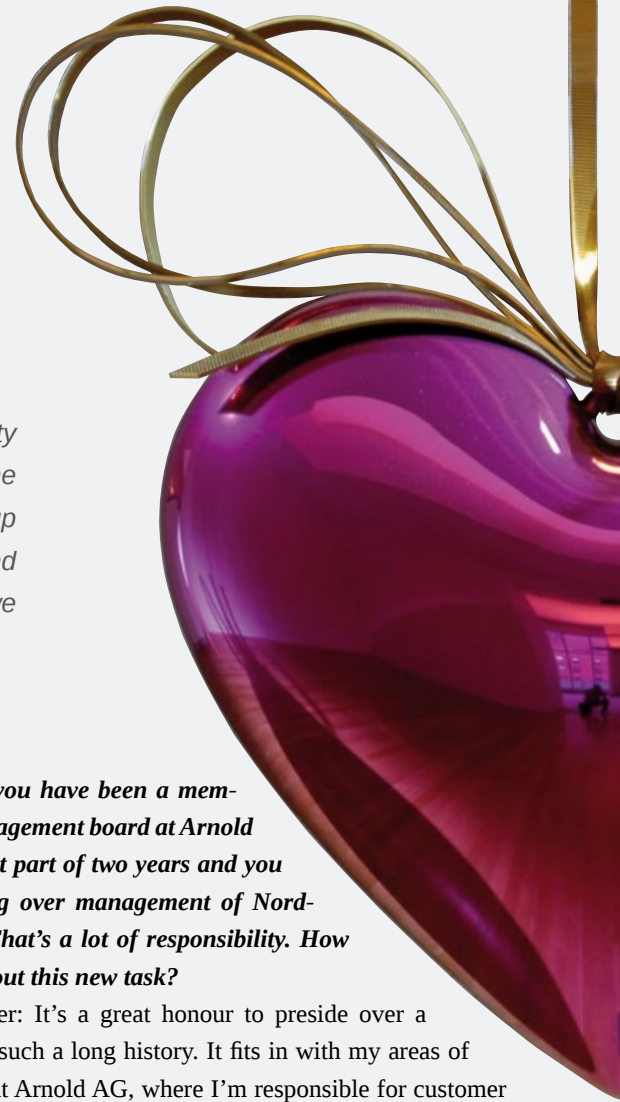
Ingo Stemmer: We were both on the same page from the get-go. That was at the end of last November. We were in Offenbach holding our first meetings with Nordlicht by 9 December. I was really impressed by the big name, and we're delighted that we managed to secure 'Nordlicht GmbH'. The new Nordlicht is now headquartered on Industriestrasse 6 in Friedrichsdorf and has our current project hall with over 1,200 square metres of floor space. Our customer team 3 deals with urban furniture, advertising objects, signage, guidance system and entrance areas. It's a perfect fit for lighting; we have a lot of the same markets and contact partners.

Mr Stemmer, you have been a member of the management board at Arnold AG for the best part of two years and you are now taking over management of Nordlicht GmbH. That's a lot of responsibility. How do you feel about this new task?

Ingo Stemmer: It's a great honour to preside over a company with such a long history. It fits in with my areas of responsibility at Arnold AG, where I'm responsible for customer team 3 and project business. It should also show that we are 100 per cent behind Nordlicht and want to integrate it with us. Furthermore, we don't want to hide the fact that me taking over management reduces the financial burden and thereby helps them to quickly get back on an even keel and be able to further develop.

What are the next steps?

Uwe Arnold: We assumed responsibility for the assets on 1 March and relaunched Nordlicht in Friedrichsdorf. The offices in Offenbach were rented and will be vacated. The Nordlicht employees will move to Friedrichsdorf between 9 and 13 March. We have already conducted many one-on-one meetings with employees and will continue to do so in order to dispel any uncertainties and to get the employees to commit to the Arnold spirit. We are also offering employees professional coaching through an external consultant. By way of a welcome, there will be a joint staff meeting with Arnold and Nordlicht employees. Manufacturing and delivery will get back underway from 16 March. Customers will receive their orders and pending orders will be completed. We want to continuously grow from there.



NORDLICHT 


ARNOLD
...stark in Metall!

Image: Roland Wallrab



Ingo Stemmer: We have put together a comprehensive list of tasks that we want to strictly work off. Our goal is to integrate the Nordlicht employees into the Arnold family as quickly as possible. At the same time, we will be working hard to support Nordlicht customers. We have now determined that in the past, both companies often worked on projects in parallel without knowing that the other was involved. We are going to take advantage of the opportunity to introduce Nordlicht customers to Arnold services in order to showcase what Nordlicht's new parent company has on offer. We will explain there is a healthy, financially strong company behind Nordlicht that offers additional expertise suitable to the Nordlicht customer base.

How extensively will Nordlicht GmbH and Arnold AG be integrated?

Ingo Stemmer: It's a given that Nordlicht GmbH will remain an independent company with its own employees. We want to make that clear in a visual sense. That's why the valuable Nordlicht logo will remain in use and employee' uniforms will feature the traditional Nordlicht blue, while Arnold employee will continue to wear the familiar Arnold red. There are synergies and savings as a result of the fact that Nordlicht uses Arnold AG premises as well as administrative services such as accounting and human resources. We also intend to look at these areas and see whether it is possible for one or two Nordlicht employees to switch to Arnold AG. Nordlicht should be able to focus on its core business. We want to make a conscious separation here, because Nordlicht's relatively small-scale and largely craft-based business is very different from the project and series-based business that characterises Arnold AG. Nordlicht has also taken on responsibility for large-scale projects in the past. Our experienced customer teams are on hand to provide support to this end.

There is a parallel between Arnold and the old Nordlicht: art. What synergies do you see here?

Uwe Arnold: We are particularly happy about that. Nordlicht showcased several exhibits at the Luminale Festival of Lighting Culture in Frankfurt. Its customers include well-known light artists such as Thomas Emde, Tobias Rehberger and many others. There are great touch points here for customer team 5, which is responsible for art projects. This will allow us to significantly expand the range of possibilities. We are also taking over the glass blowing workshop from the old Nordlicht along with two glass blowers with many decades of professional experience. You can no longer complete an apprenticeship to become a glass blower in Germany, and we want to breathe new life into this profession. At the same time, electronic expertise and knowledge of state-of-the-art lighting technologies, such as those based on LED technology, are great advantages. If Nordlicht did not exist, these would have to be fabricated for us.



Image: Michael Pypner

Growing together

Dear Nordlicht employees, customers and business partners,

We would like to use this special issue of Arnold's FORUM magazine to welcome you to the Arnold family. As managing director, I look forward to my exciting task of shaping the future of the new Nordlicht GmbH together with you. Over the years, the employees have made great sacrifices for their company and thereby clearly demonstrated their loyalty. I assure you that there are exciting, interesting and inspiring times ahead for us!

The past few months have been turbulent. The decision to immediately change location will result in some teething problems at the beginning, but we will work out these problems over the coming weeks. I believe that this is a positive, as only change brings about further development. Building trust is our top priority over the coming months. We want to build trust among each other, new and old customers and business partners. Insolvency unsettles all of those involved and understandably, but we will settle any concerns with exemplary performance and good arguments. New perspectives open up our minds to new ideas. With our strong and experienced parent company Arnold AG behind us, we are in a position to focus on customer needs. This strengthens our self-confidence and creates confidence on the market.

Arnold AG believes that business is primarily conducted by people. We sense this belief among Nordlicht employees, too. They will work passionately to stabilise and continuously expand business. This way, the two companies, which perfectly complement each other in terms of services and products, yet considerably differ with respect to how they operate, can learn and benefit from one another.

The financial base and synergies in procurement allow us to work on large-scale, complex projects, too. Nordlicht has extensive expertise in lighting technology and acrylic and glass production, while Arnold brings expertise on all aspects of complex metal construction. This results in a range of new possible applications that must be recognised and exploited.

Our customers will benefit from this, too. The histories and long-standing employee bases of both companies bring considerable knowledge and market potential. This opens up enormous opportunities for customers of both companies. In the future, they can approach the companies with even more complex questions and receive comprehensive service from a single source.

Best regards,

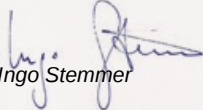

Ingo Stemmer



Image: Michael Pypers