



The Association for Packaging
and Processing Technologies

2013 ANNUAL REPORT

STRATEGIC VISION STATEMENT

PMMI'S STRATEGIC VISION ... is to convene packagers, processors and their supply chain partners to facilitate innovation, foster connections and develop business opportunities.

PMMI'S VISION ... is to be the leading global resource for the packaging and processing supply chain.

PMMI'S MISSION ... is to improve and promote members' abilities to succeed in a global marketplace.

2013 PRIORITY GOALS

1. Improve PMMI Member Communications by developing targeted messaging for various sectors of the Membership.
2. Engage the Senior Executives of the largest member and non-member PACK EXPO exhibiting companies.
3. Evaluate PMMI Member Programs by usage. Determine the staff and financial resources needed to deliver each program. Make recommendations for programs that should be eliminated.

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The Association for Packaging
and Processing Technologies

LIVING UP TO A NEW PROMISE

In May, we introduced “PMMI, The Association for Packaging and Processing Technologies,” replacing “the Packaging Machinery Manufacturers Institute (PMMI).” On the surface, it is a name change and a new logo. But really, it is much more than that. It is a new promise — to our members, to the PACK EXPO attendees and exhibitors and the industries we all serve.

The Packaging Machinery Manufacturers Institute opened its doors in 1933, and for much of the past 80 years, that’s who we were. It’s been a long, distinguished history. But in a strategic vision process that began two years ago, we asked ourselves, “What is PMMI today?” and “What do we want PMMI to be in the future?,” and we came to understand that the name Packaging Machinery Manufacturers Institute had become as limiting as it was inaccurate.

The PACK EXPO shows and the PMMI membership have expanded dramatically since 1933. We’ve added supplier, materials and containers, and processing membership classes, expanded membership to Mexico, and brought processing suppliers to the PACK EXPO exhibitor base. And that’s only since 2006.

Today’s PMMI brings the processing and packaging supply chain together to facilitate innovation, foster connections, and develop business opportunities. That’s a high-level concept with very practical applications. It’s about creating an environment in which you and your customers and colleagues can collaborate, communicate and continuously improve packaging and processing operations, as we did at this spring’s Operational Excellence Forums and with the feedback from Vision 2020 focus groups.

In 1933, PMMI only represented packaging machinery manufacturers. Today, we’re a resource for the entire packaging and processing supply chain. The shift came over time, as we have addressed the needs of PMMI members and their customers.

Rick Fox, Jr.
President, Fox IV Technologies
Chairman, PMMI

NEW SHOWS, NEW IDEAS



PACK EXPO Las Vegas 2013 made news. In addition to breaking records on space sold, numbers of exhibitors and attendees, the 10 edition of our Las Vegas show featured program launches such as SMB FastTrack and the PACK gives BACK™ opening reception.

PACK gives BACK blew past our goals, raising more than \$62,000 for K9s for Warriors, a charity that provides service dogs to veterans dealing with post-traumatic stress issues related to their service since 9/11.

What's more, in the space of the last 12 months, we've held the first edition of EXPO PACK Guadalajara, announced the launch of Pharma EXPO, which will co-locate with PACK EXPO International 2014, and introduced PACK EXPO East, opening in February 2015.

All three are raising the bar for PACK EXPO's customer-centric credentials, because connecting end users with solutions providers is what they're all about.

EXPO PACK Guadalajara clearly was a welcome addition to the packagers and processors of western Mexico and exceeded all expectations. It is important to note: Back in Mexico City just three-and-a-half months later, EXPO PACK México 2013 broke its records, including space sold and attendance.

Next fall, Pharma EXPO, which we're producing in partnership with the International Society for Pharmaceutical Engineering (ISPE), will co-locate with PACK EXPO





International 2014. It's part of our strategy to make finding technologies and solutions more efficient for attendees. ISPE also supports this goal, and in addition to the suppliers you'll find at Pharma EXPO 2014, ISPE will deliver a robust conference program. Together, we expect the two events to attract 50,000 attendees, over 2,000 exhibiting companies and over 1.1 million net square feet of exhibit space.

Whereas Pharma EXPO will support a market-oriented community, PACK EXPO East will support a geographical community. Customer research

and feedback has shown us — overwhelmingly — the packaging and processing market on the East Coast is underserved. We'll offer these packaging and processing professionals the proven, successful show model only PACK EXPO can provide, in a location that's convenient for East Coast attendees. As in Guadalajara, results appear to be backing up our research. By the end of 2013, space reservations exceeded expectations by upwards of 25 percent.

Area employers include large consumer goods companies, industrial manufacturers and a huge life sciences community, and PACK EXPO East will be the only regional show focused exclusively on packaging and processing technologies. From pharmaceuticals and fresh produce to personal care and chemicals, PACK EXPO East will cover it all.

I'm looking forward to the coming year, with our new trade shows, new ways to connect with customers and the rest of this exciting new chapter for PMMI, The Association for Packaging and Processing Technologies.

Emmanuel Cerf
Vice President of Sales, Polypack, Inc.
Chairman, PMMI Show Committee

THE YEAR OF INTRODUCTIONS

The PMMI family of trade shows made news in 2013 with the announcement of two new shows and the debut of EXPO PACK Guadalajara.

EXPO PACK Guadalajara

Feb. 27–March 1, 2013

In June 2012, PMMI announced EXPO PACK Guadalajara, a regional, biennial trade show serving western Mexico, predicting 100 exhibitors, 4,000 visitors and 3,000 net square meters. Roughly five months later, the debut event knocked those expectations out of the park. The number of exhibitors tripled; more than twice as many visitors attended and the show floor was 6 percent greater than expected.

The success was so great that PMMI had to change the date of the 2015 show to accommodate exhibitor demands for space.



PACK EXPO East 2015

Philadelphia, Feb. 2015

The newest event in the PACK EXPO family of trade shows will open its doors at the Pennsylvania Convention Center in Philadelphia in February 2015. Sales began during PACK EXPO Las Vegas 2013; contracts were due in November, and by the time space selection opened in early 2014, we found ourselves exceeding the projected 40,000–50,000 net square feet, with 63,000 net square feet reserved for 220 exhibiting companies.



Pharma EXPO 2014

Co-located with PACK EXPO International 2014

Nov. 2-5, 2014

PMMI's joint venture with ISPE is off to a solid start. Sales for Pharma EXPO, which will be co-located with PACK EXPO International 2014, began in earnest over the summer, on the heels of space reservations for PACK EXPO. Space reservations so far account for 68,000 net square feet of exhibit space and 125 exhibiting companies — exceeding the 50,000 net square feet originally projected.



When it came time for member space selection for PACK EXPO International 2014, members reserved 712,370 net square feet before August 1 — 127,729 net square feet more than at that point in 2012. And that was before non-members began to select their space: Staff started 2014 with 1 million net square feet sold to 1,235 exhibiting companies. The show would have to expand to meet demand.

Together, we expect the Pharma EXPO and PACK EXPO International 2014 to attract 50,000 attendees and over 2,000 exhibitors, and to fill 1.15 million net square feet of exhibit space.

2013 BREAKS RECORDS

EXPO PACK México 2013

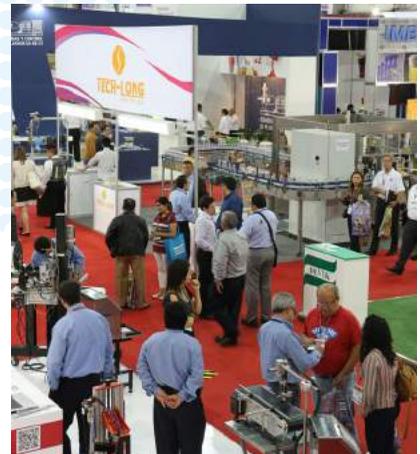
June 18–21, 2013

With 18,490 net square meters of bustling aisles, and a 16 percent increase in attendance (29,157 buyers vs. 25,139 in 2012), EXPO PACK México 2013 was a testament to the vibrancy of the Mexican marketplace.

Exhibitors represented 29 countries, with the PMMI Pavilion alone growing by 35 percent to 2,121.75 square meters. International Pavilions, outside the PMMI Pavilion, represented Europe, South America and Asia:

Brazil — INP (Brazilian Plastic Institute); China — China Council for the Promotion of International Trade; France — ADEPTA (Association for the Development of International Trade); Italy — Italian Trade Commission; Spain — AMEC-ENVASGRAF (Spanish Packaging Machinery Association); Taiwan — Chan Chao.

Looking at sales for EXPO PACK Mexico 2014, we entered 2014 with 16,587 net square meters (178,540 net square feet) of booth space reserved. That includes the PMMI Pavilion, where 80 PMMI members have reserved 2,226 net square meters (23,900 net square feet) of exhibit space — 97 percent of the available space.



PACK EXPO LAS VEGAS 2013

SEPT. 23-25, 2013

The 10th PACK EXPO Las Vegas engaged attendees with a host of new customer-centric tactics, and the efforts paid off. This year's event was the largest PACK EXPO Las Vegas ever held, with increases of nearly 15 percent in the number of exhibitors and net square feet, and a 7.4 percent growth in attendance.

PACK EXPO's customer-centric approach is about more than helping attendees navigate the show floor. It's about helping attendees find the exhibitors who supply solutions to their specific operational challenges.

The size and scope of the show floor at PACK EXPO Las Vegas 2013 — almost 1,800 exhibitors

serving over 40 different markets — was tremendous, and that opened the door to the migration of ideas and inspiration across markets and applications. This is what we've dubbed the "Serendipity Effect." Its value to attendees, and the way it plays out at PACK EXPO, are unparalleled.



SEPTEMBER 23-25, 2013
LAS VEGAS, NEVADA USA

2013	PACK EXPO Las Vegas 2013	2011
27,579	Attendees UP 7%	25,837
15,200	Exhibitor Personnel UP 16%	13,088
42,770	Total Attendance UP 10%	38,925
4,693	International Attendance EVEN	4,729
1,788	Number of Exhibiting Companies UP 15%	1,559
723,877	Net Square Footage UP 15%	629,509

New! SMB FastTrack

More than 600 end users attending PACK EXPO Las Vegas took part in a new program for small- and medium-sized businesses (SMBs), SMB FastTrack. Over 300 exhibitors provided special offers for the SMBs. Program

benefits for attendees included these special offers, a personal pre-show equipment and technology sourcing service and unlimited use of the FastTrack Platinum Lounge.

New! Education on the Show Floor

PMMI's 2012 "Voice of the Attendee" research made it clear that we needed to rethink not just topics, but even the location of educational sessions at PACK EXPO. Attendees made it clear that education is as important to them as the solutions they hope to find. They find some of their most important learning experiences on the show floor, watching technicians operate or break down equipment.



As a result, PACK EXPO Las Vegas educational programming moved entirely to the show floor and was included in the price of admission:

Innovation Stage: Three stages and three days of 30-minute presentations from exhibitors covered important industry trends and technologies.



The Center for Trends & Technology: Improving Production through Innovation (CTT), sponsored by Rockwell Automation and its Partner Network™: This special exhibit combines educational sessions and technology displays with a focus on communication and automation.

Food Safety Summit Resource Center: The Food Safety Summit and GE Intelligent Platforms provided a forum for special presentations as well as one-on-one conversations and questions about the Food Safety Modernization Act (FSMA).

Clemson University: The Packaging Emporium Design for the Future sponsored by ESKO: Clemson provided another interactive experience to explore and reveal the impact of packaging designs on consumers.

Reusables Learning Center: The Reusable Packaging Association education sessions focused on understanding the integration of reusable transport packaging in the supply chain.

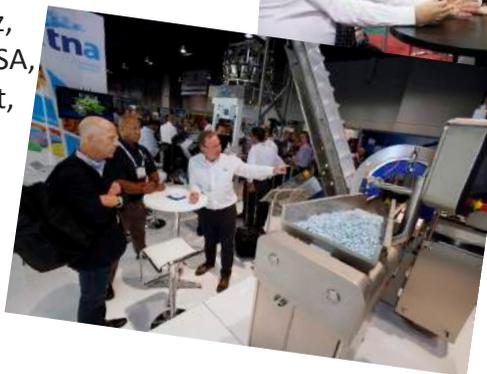
NEW! PACK GIVES BACK™

In another new initiative, PMMI presented the PACK gives BACK™ opening reception, benefitting K9s for Warriors, a non-profit organization that provides therapy dogs to veterans contending with post-traumatic stress issues stemming from service overseas. The concert and reception closed out day 1 of PACK EXPO Las Vegas, and featured Grammy award-winning singer-songwriter Kenny Loggins. PACK gives BACK raised more than \$62,000 for K9s for Warriors through ticket sales and on-site donations.

Innovation Discovery

A dozen consumer packaged goods companies (CPGs) participated in the Innovation Discovery program at PACK EXPO Las Vegas 2013. The program incentivizes CPGs to come to the show with buying teams, and these companies did just that. Innovation Discovery Companies accounted for more than 600 attendees, and they enjoyed perks such as presentations on packaging and processing innovations, sourcing support, an on-site meeting room, and complimentary registration.

Participating companies included: Campbell Soup Co., ConAgra Foods, Inc., Del Monte Foods, General Mills, H.J. Heinz, Hormel Foods, Mars Petcare USA, Nestle USA – N.A. Procurement, PepsiCo (Frito Lay), PepsiCo Beverages Chicago, Procter & Gamble and Rich Products.



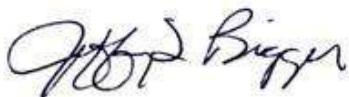
2013 SHOWS FINANCIAL SURPLUS

I am pleased to report a financial surplus for 2013 — the second time we've generated a surplus in a PACK EXPO Las Vegas year. Our two-year budget cycle begins in odd-numbered/PACK EXPO Las Vegas years. Usually, we operate at a deficit in the Las Vegas year. In year two of the cycle, we leverage the financial strength of PACK EXPO International; revenues exceed expenses, and the cycle balances out to a net surplus.

Because of the ongoing success and growth of PACK EXPO Las Vegas, we expect our operating bottom line to be better than budget by \$567,252. We expect revenues to exceed budget by more than \$1.1 million, and expenses to exceed budget by \$572,049.

Combined with our investment market gains, \$2.14 million through September, we project a positive bottom line of nearly \$1.9 million. When compared to the 2013 deficit budget of (\$1,524,594), this is an improvement of approximately \$2.7 million.

This puts PMMI in an exceptionally fortunate situation, and with the ongoing expansion of PACK EXPO International, we expect to finish the 2013–2014 cycle with very strong financial results.



Jeff Bigger
Owner, MASSMAN Automation LLC
Secretary–Treasurer, PMMI, 2013

<i>2013 Financials</i>	<i>Actual* (unaudited)</i>	<i>Budgeted</i>	<i>Variance</i>
<i>Revenues</i>	\$21,001,722	\$19,862,411	\$1,139,311
<i>Expenses</i>	\$21,959,054	\$21,387,005	\$572,049
<i>Change in Net Assets from Operations</i>	(\$957,332)	(\$1,524,594)	\$567,252
<i>Investment Gains*</i>	\$2,144,985	\$0	\$2,144,985
CHANGE IN NET ASSETS	\$1,187,653	(\$1,524,594)	\$2,712,247

** Actual results pending audit*

STRENGTHENING THE WORKFORCE

As companies along the entire packaging and processing supply chain strive to find, train and retain the top talent in our industry, PMMI's Education & Workforce Development Committee provides programming and resources to enhance and grow your workforce potential, as well as build awareness of the packaging and processing industry across the country. In 2013, PMMI has taken a three-tiered approach to workforce strength — reaching new workers, providing meaningful professional development opportunities for today's workforce and using PACK EXPO to keep workers up-to-speed on the latest developments in our diverse and rapidly-developing community.

Workforce Development — PMMI's eLearning courses and credentialing programs grew with our newest eLearning course, Fundamentals of Risk Assessment, and the latest Mechatronics Certificate test, Fluid Power 1.

Education at PACK EXPO — We asked attendees what they want for education at PACK EXPO, and they told us to keep it on the show floor, so that's what we did. Demand from exhibitors drove us to expand the Innovation Stage to three separate stages and more than 40 short presentations. Attendees also enjoyed the free education sessions at the Center for Trends and Technologies, Food Safety Summit Resource Center and the SMB FastTrack Lounge. In addition, we conducted a sold-out PMMI Certified Trainer Workshop and a two-day Risk Assessment Workshop on site at PACK EXPO. Exhibitors presented educational sessions in their booths, too, giving attendees more opportunity to learn than ever before.



A handwritten signature in black ink that reads "Timm Johnson". The signature is fluid and cursive, written in a professional style.

Timm Johnson
Vice President Sales/Marketing, Spee-Dee Packaging Machinery Inc.
Chairman, PMMI Education & Workforce Development Committee

REACHING OUT TO THE NEXT GENERATIONS

As we connect students and job seekers with packaging and processing industry leaders, PMMI helps move the industry forward. Our new and continued programming reaches out to students and successfully connects you with the future of our workforce:

New! JumPPstart



JumPPstart debuted in 2013 as a grassroots initiative to bring PMMI member companies in a region together to create programs and partnerships tailored to students in area technical schools, high schools and middle schools. Through JumPPstart, members reach out to these schools to foster interest in manufacturing as a career, thereby strengthening the pool of job applicants in the packaging and processing industry in the years to come. Work began in earnest in 2013, when representatives of more than a dozen member companies formed JumPPstart Minneapolis and JumPPstart Milwaukee chapters and began planning their outreach strategies. PMMI entered 2014 with JumPPstart Chicago's first planning meeting on the calendar, and Philadelphia and Tampa chapters are in the works.

New! How It's Packaged Summer Tour

Students and faculty from four-year packaging programs toured end user and PMMI member plants in and around Chicago and Milwaukee. The week-long adventure was created to kindle the students' enthusiasm in the packaging and processing industries.



Supporting Educations

Each year, the PMMI Education Foundation distributes scholarship funds to students in packaging programs at our PMMI Partner Schools. In 2013, the Foundation distributed over \$46,500 in student scholarship funds.

Claude Breeden Scholarship

Alexandria Technical & Community College	\$5,000.00
Central Community College - Columbus	\$3,000.00
Conestoga College	
Craig Richardson Institute of Food Processing Technology	\$4,000.00
Dunwoody College of Technology	\$6,000.00
Hennepin Technical College	\$8,000.00
Purdue University Calumet	\$5,000.00
Reading Area Community College	\$5,000.00
Wisconsin Indianhead Technical College	\$3,000.00

14 Richard C. Ryan Scholarship

Samantha Leigh Shuert, Michigan State University Garvey Scholarship	\$2,500.00
Delaney Sexton, Missouri University Art Schaefer Scholarship and C. Glenn Davis Scholarship	\$2,500.00
Greenville Technical College, Greenville Tech Foundation, Inc.	\$2,500.00 (total)

Students are Part of PACK EXPO

PMMI hosted over 230 packaging and processing students and faculty members at PACK EXPO Las Vegas, providing travel scholarships and programming to engage and excite them for careers in packaging and processing.

Future Innovators Showcase

FIRST Robotics Teams from area high schools displayed their work, while PACK EXPO introduced these budding engineers to the worlds of packaging and processing.



PACK Solutions Challenge

Teams of students from programs around the United States research, devise and present their solutions to a challenging packaging issue using PACK EXPO exhibitors for their research. A panel of judges from consumer packaged goods companies and PMMI members evaluated the entries and presentations and chose the official winner, the team from Rutgers University. In 2013, we also invited PACK EXPO attendees to review the entries and choose their favorite. The People's Choice award went to Purdue University at Calumet.

Amazing Packaging Race

PACK EXPO Las Vegas 2013 hosted the fourth Amazing Packaging Race. Teams from seven PMMI Partner schools, 30 students in all, raced to complete tasks at 20 exhibitor booths around the show floor. Each task earned points, and each member of the winning team received an iPad.



Clemson University Packaging Emporium

Design for the Future, sponsored by ESKO: This was Clemson's third PACK EXPO appearance, and the interactive exhibit featured Clemson's biometric technology to explore the impact of package design on consumer behavior.

TOOLS TO EVALUATE & UPGRADE YOUR WORKFORCE

As quickly as packaging and processing technologies and trends are moving, there's no guarantee that today's knowledge will fit tomorrow's technology. That's why PMMI is dedicated to providing the resources you need to strengthen today's team and build tomorrow's workforce.

NEW! Pack Pro Jobs

PMMI's Career Center connects you with workers who understand what it takes to be successful in the packaging and processing industries.



PMMI U

PMMI U eLearning courses continue to provide essential instruction at your convenience. In 2013, Fundamentals of Risk Assessment was added as a companion piece to in-person risk assessment training workshops and an overview suitable to senior managers who need to understand the process, but not conduct it.



PMMI's Mechatronics Certificate Program
Mechatronics is the synergistic application of mechanical engineering, electrical engineering, controls engineering, and computer science to make useful products. These are the skills needed in today's industrial maintenance operations — and the skills that will help manufacturers remain competitive. In 2013, we added our fifth course, Fluid Power 1, to the catalogue.



PMMI Certified Trainer

PMMI's premier train-the-trainer program uses the latest adult learning techniques to teach your staff the best ways to train others to use your equipment — and to reduce customer downtime.



TECHNICALLY SPEAKING ...

Need2Know Safety, Standards & Technology Conference

The Need2Know Conference (July 15–17, 2013) attracted a large crowd from PMMI member companies and end user firms (60 attendees from 43 companies). The agenda included sessions on risk assessment, legacy machinery and control systems.

Risk Assessment Workshops

Risk assessment is required for compliance with the ANSI/PMMI B155.1-2011 standard (approved by the American National Standards Institute (ANSI) in March 2011) and the EU machinery directive 4 2006/42/EC. In 2013, PMMI held three training programs, open to equipment suppliers and end users with attendees that include engineering managers, engineers and personnel responsible for health, safety, CE compliance, product safety and productivity. The scope of the PMMI risk assessment training program was expanded to include the important issues that generate the most questions from PMMI members.

ANSI/PMMI B155.1-2011 is available for sale online at the ANSI Standards Store, and at PACK EXPO Las Vegas 2013 PMMI introduced a mobile app to support the Packsafe software.

PMMI Announces Its New Education App

PMMI has launched a new education app for the iPhone and iPad, with free training videos providing tips on common machinery issues, safety, maintenance, changeover, as well best practices and what's new in equipment technology. The app also features PMMI's full calendar of education events, and more content is on the way. Look for conferences, workforce initiatives, and new training videos to be added shortly.

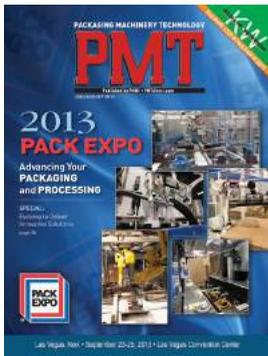


INDUSTRY SERVICES, SUPPORT & SOLUTIONS

PMMI's strategic vision is to convene packagers, processors and their supply chain partners to facilitate innovation, foster connections and develop business opportunities. The Industry Services team helps fulfill that vision by facilitating face-to-face meetings of consumer packaged goods company (CPG) executives and PMMI members, speaking at industry and member meetings, participating in and supporting other industry organizations, publishing *Packaging Machinery Technology Magazine* (PMT), and contributing to other industry publications.

PMT CELEBRATES 10 YEARS!

The first issue of PMT was published and distributed at PACK EXPO Las Vegas 2003 as a quarterly journal. In 2013, the now bi-monthly PMT Magazine boasts a steady audience of 35,000 audited subscribers, primarily packaging and processing professionals interested in technology and operations.



As its second decade of publication commences, PMT Magazine looks forward to continuing to refine content and find new ways to deliver that content to readers. For example, the PMT Express e-newsletter reaches 47,000 industry professionals. And, since January 2012, the articles in each print issue of PMT have been translated into Spanish and delivered digitally to 15,000 Spanish-speaking professionals.

The PMMI Media Solutions team, which publishes PMT Magazine, took over publishing the PACK EXPO Show Daily in 2010, and in 2013, the PACK EXPO Show Daily was recognized for overall publication excellence in the APEX Awards, sponsored by Communications Concepts.

PACKAGING MANAGEMENT COUNCIL

PMMI actively supports the Packaging Management Council (PMC) by hosting twice-yearly meetings in which CPG executives discuss issues facing their packaging teams. Recent meetings covered design and print version control, workforce and innovation, and included tours of PMC members' facilities.



THE ORGANIZATION FOR MACHINE AUTOMATION AND CONTROL

PMMI continues to provide staff support for the Organization for Machine Automation and Control (OMAC) and PackML, a common machine language for automated machinery across a range of control platforms. OMAC, an organization for automation and manufacturing professionals, is dedicated to supporting the machine automation and operation needs of manufacturing. Through OMAC, users and machine builders work together across a range of control platforms to find solutions that enable packaging line equipment to perform better and report overall equipment effectiveness (OEE) data.



THE ALLIANCE FOR INNOVATION & OPERATIONAL EXCELLENCE

The Alliance for Innovation and Operational Excellence (AIOE) fosters collaboration among CPG executives — nearly 80 CPGs participate — and original equipment manufacturers on a variety of operational topics through seven solutions groups.

In 2013, AIOE introduced two new solutions groups, Workforce Development and Total Cost of Ownership (TCO). They joined the Operational Reliability, Engineering, Sustainability and Product Safety solutions groups, and the Manufacturing Excellence Share Group.

AIOE's work products (online at PMMI.org/AIOE) have established PMMI as a thought leader on the processing and packaging supply chain, and promote PACK EXPO as an important, must-see event for CPGs.

They're also the foundation of AIOE's newly-introduced webinar series, "Ask the Expert." The 30-minute sessions (averaging 45 registrants per webinar) are led by CPG members of AIOE, resulting in a powerful peer-to-peer information exchange. From the time the webinars launched in the last quarter of the year, AIOE presented webinars on OEE, sustainability, workforce productivity, sanitary equipment design and TCO.

PMMI members also heard from AIOE participants directly. At the 2013 Annual Meeting, presenters from the Engineering Solutions, TCO Solutions and Operational Reliability Solutions Groups participated in a panel discussion about best practices for TCO, OEE and equipment design for cleaning. Companies represented on the panel included MOM brands, Land O'Lakes and Hormel Foods Corporation.



SERVING & GROWING MEMBERSHIP

PMMI's membership is strong and keeps growing. With 64 new members — plus seven provisional memberships — as of Dec. 31, PMMI membership grew to 658 in 2013:

524 General Members	36 Materials Members
20 Processing Members	78 Supplier Members
7 Provisional Members	

One of this year's primary goals is to reach out to less engaged PMMI members and non-member exhibitors who have been loyal to PACK EXPO shows. PMMI senior staff met with 23 members and 23 non-members at PACK EXPO Las Vegas, and visited another 58 member companies at their facilities over the course of the year.

Staff is using feedback from these face-to-face meetings, member visits and the 2013 membership census to keep PMMI products and services relevant to us, the members. As a result, in 2013, we've seen new opportunities to connect with each other and customers regionally and within our membership categories. We're also actively engaging the emerging leaders who are the future of the packaging and processing machinery industry.

The goal is to give PMMI members new ways to stay competitive, and the level of success is clear.

Sincerely,

A handwritten signature in blue ink that reads "Dale Andersen".

Dale Andersen
President, Delkor Systems, Inc.
Chairman, PMMI Membership Committee

CONNECTING MEMBERS

Operational Excellence Forums

Operational Excellence Forums (OEF) help members and their customers engage in conversations that address operational issues and challenges. These regional meetings are exclusive opportunities for PMMI members to network with senior level CPG operational executives to learn, partner and implement new technologies based on mutual understanding of current issues, trends and drivers in the industry.

The first two OEF meetings took place this spring in Trenton, N.J. (Mid-Atlantic) and Milwaukee (Midwest). Original equipment manufacturers (OEMs) and end users confronted operational issues and challenges in a series of collaborative roundtable conversations. Topics included cost management, capital projects before and after purchase, designing and supporting equipment for the global marketplace, managing innovation, inconsistencies, cost and machinability of packaging materials.



PMMI released a report on each of the two meetings. The reports summarized the conversations, once again placing collaboration and cooperation in the spotlight. “Points of Progress,” i.e. topic areas, included total cost of ownership (TCO), requests for proposals, post-purchase projects; global design considerations, managing packaging materials, and bringing stakeholders into the process earlier.

Combined, about 150 members and end users attended this spring’s meetings, and more events are planned for 2014.

Processing Members’ Meeting

In August, PMMI invited Processing Members to participate in a roundtable meeting to provide an opportunity to identify their industry needs as well as learn what resources are available.

PMMI continues to engage members to ensure their needs are being met. By asking for and receiving feedback through a membership census and in-person visits, PMMI is striving to create and keep content that is relevant and helpful to all members of the association. Through these efforts, PMMI is ensuring that the benefits of membership

continue to be an integral component of staying competitive in the packaging and processing industry.

Emerging Leaders Network

To create programming and networking opportunities for PMMI’s Emerging Leaders Network (ELN), PMMI has created the new Emerging Leaders Committee. The committee’s several recommendations for engaging these emerging leaders include creating an executive development program and hosting events at existing PMMI meetings. For more information: Contact Julie Ackerman, senior director, PR & Communications: jackerman@pmmi.org.

Supplier Council

The Supplier Council held its second meeting of the year during the Need2Know Safety Conference, where they discussed tactics to build upon the mechatronics testing program.

BREAKING RECORDS & LEADING IN GLOBAL TIMES

PMMI member meetings are known for indepth, thought-provoking speakers, and in 2013, we exceeded expectations. The theme for the Executive Leadership Conference (ELC) and Annual Meeting was “Leadership in Global Times,” and PMMI brought in some high-level experts.

At the ELC (April), Gen. Stanley McChrystal (USA, Ret.) talked about how his time leading troops in Afghanistan meant taking an entirely new approach to communications and teamwork. A pair

of fighter pilots from Afterburners Consulting followed his talk with more concrete ideas for leading — whether your team is close to home or far-flung. Kellogg Company’s



2013 ELC will be remembered for its focus to leadership and service. In addition to speakers such as Gen. Stanley McChrystal (Ret. USA), members helped military veterans and their service dogs in a project on site at the K9s for Warriors facility near Ponte Vedra, Fla.

Alistair Hirst and Unisource's Jack Cerny emphasized in terms of international customer service — was the importance of being where our customers are. Held in Ponte Vedra, Fla., the meeting drew 120 members from 86 member companies.

The 2013 Annual Meeting (November) broke records, attracting 247 members from 136 member companies. The group included 96 first timers! Delkor Systems, Inc. hosted, and members looked at leadership through the lenses of healthcare, future technologies and customers' perspectives.

The MarketTrends Roundtable Conference (May) was another success, introducing members to a new form of shirtsleeve sessions, Interactive Learning Sessions. These peer-facilitated sessions were praised for the volume of ideas they generated and the way they encouraged participation from all attendees.



Record Breaking Annual Meeting: 247 members, 136 member companies — and 96 first timers. Highlights included Technology Test Drives, Interactive Learning Sessions and a tour of host company Delkor Systems, Inc.

SELL LOCALLY, SELL GLOBALLY

The Global Marketing Committee helps PMMI members develop effective domestic and international sales and marketing programs, and promotes the benefits of doing business with PMMI members around the world.

In 2013, we've taken some new approaches to this charge. We're in the process of building a mentoring program so PMMI members can help each other, with veteran exporters working with members new to exporting. We've also strengthened our export education program considerably, with sessions at PMMI events and international trade shows.

Agent Matchmaking continues to be a vital piece of our program, and to support your need to find sales agents, we're expanding PMMI's Agents & Distributors database to include integrators, service providers and international food processing and packaging machinery agents and distributors. Matchmaking efforts have taken place at EXPO PACK Guadalajara, EXPO PACK México, FISPAL Tecnologia (Brazil), PACK EXPO Las Vegas, and we are planning to be at ANDINA-PACK (Colombia) in November.

Today's global and local marketing efforts differ only in terms of logistics. You need to understand the customs, rules and logistics of any market to conduct business successfully. The Global Marketing Committee is committed to helping you close the divide, whether you are selling to customers across the ocean or across town.



Nikola Vajda

President & CEO, Marlen International
Chairman, Global Marketing Committee

INTERNATIONAL PAVILIONS INCREASE

PMMI pavilions at international trade shows make exhibiting easier for members with reduced rates, decoration packages, discounted space rates and support services such as translators and meeting rooms. In 2013, we've established PMMI pavilions for events in Mexico, China and Thailand. The EXPO PACK México pavilion grew 35 percent in 2013.

SHARING A WEALTH OF KNOWLEDGE

Export Education events target members at varying levels of export experience to help them grow their programs. They're conducted as webinars, conference sessions, online workshops and presented at trade shows and PMMI events.

PMMI continues to release international market research reports, and in 2013 published reports on China, Brazil, and Mexico.



MEMBERS TEACHING MEMBERS

In response to member requests for reliable information about doing business in overseas markets, PMMI launched ExportCONNECTIONS, a program that connects new-to-export members with volunteer PMMI export mentors for advice on building an export business. Mentors are PMMI members with global market experience who want to expand their personal network and support an active community of PMMI member companies.

By the end of 2013, eight members had signed up as mentees, and 45 had volunteered to share their expertise as mentors.



BUSINESS INTELLIGENCE IN CONTEXT

In a complex, global and challenging business environment, you need data, and you need to understand what it means to your business. You need what PMMI's Business Intelligence Committee calls "actionable information," and we're committed to providing it.

"Actionable information" is knowledge you can put to work for your business. It fuels growth for your company individually and as part of a stronger, more competitive industry as it helps you uncover new ways to approach today's marketplace.

What our Business Intelligence team does, really, is to generate data, collect information and put it in a context that gives you a fuller picture of your customers, what they're thinking and how they're reacting to the many market forces facing us all each day.

They describe specific markets, explore the economy, and even answer your business's specific questions.

In short, they're invaluable to developing the understanding we need to proactively address market forces and serve our customers that much better.

A handwritten signature in blue ink, appearing to read 'A. Shuhaibar', with a long horizontal line extending to the right.

Alan Shuhaibar
President, BellatRx
Chairman, Business Intelligence Committee

BUSINESS INTELLIGENCE BEHIND THE NUMBERS

Improving Performance and Relationships at Top to Top

The 2013 Top to Top Summit welcomed 55 members and end users for a full program of focused discussions and networking. It's one more opportunity for meaningful conversations and connections that ultimately benefit the entire packaging and processing supply chain helping PMMI's leadership in understanding the challenges of our industry.



Vision 2020

As it has for the past seven years, PMMI conducted Vision 2020 focus groups at PACK EXPO Las Vegas to find out which trends are impacting CPGs in the marketplace and their business operations, and how PMMI and PACK EXPO can be more valuable to them; 104 executives participated.

In a special session coordinated through PMMI's Emerging Leaders Network, emerging leaders from the CPG companies spoke about the value they get from continuing education and networking, particularly at regional events like our OEFs. They also expressed concern about turnover, particularly among younger workers. The Emerging Leaders Vision 2020 session involved executives from 15 CPGs:

Amway Corp./Ada Engineering
Hormel Foods
Packaging and Engineered Solutions
Post Foods LLC
Qualitest, division of Endo Pharmaceuticals
Schreiber Foods, Inc.
Sun Products
Wrigley

Belton Foods, Inc.
Nephron Pharmaceuticals Company
PepsiCo
Pressed Juicery
Sargento Foods Inc.
Sharp Corporation
USG

2013 RESEARCH HIGHLIGHTS

Market studies investigate a variety of industries and technologies. In 2013, there's been a particular emphasis on markets and topics that coincide with the vertical markets served by PACK EXPO.

Fourth quarter studies will explore robotics, retail-ready packaging and food safety and traceability. Highlights from 2013 studies including the pet food, confectionery and dairy markets, and PMMI's annual report on packaging machinery shipments, are below.

New in 2013! Pet Food Market Assessment 2013 describes a competitive marketplace driven by many of the same factors as the human food market, including intense competition, growth in specialty niches such as premium and functional foods, and demands of the Food Safety Modernization Act (FSMA).



The 2013 Shipments Study showed 2012 U.S. packaging machinery shipments were down slightly in 2012, following particularly high demand in 2011, when end users were able to move forward with projects that had been on hold because of economic considerations.



New in 2013! Confectionery Trends – A Market Assessment presents the story of a rapidly growing market. As middle-class consumers in emerging markets gravitate towards sophisticated, yet affordable products, chocolate confectionery sales increased by 3.8 percent, and non-chocolate sales grew by 6.4 percent in 2012. Manufacturers expect to increase equipment investments by 4 to 5 percent this year.



Dairy Industry — A Market Assessment described how, driven by the need for efficiency, global milk production is expected to reach 827 million tons in 2020. That's 19 percent over 2010, with dairy product sales expected to reach \$494 billion in 2015. Areas within the dairy industry where dynamic changes will take place include consumer preferences, innovation, OEM involvement and international growth.



KEEPING AN EYE ON THE ECONOMY

PMMI continues to monitor the economy, providing members with the opportunity to see how economic conditions might change and what the effects of those changes might be — on their customers as well as themselves. The monthly How's Business survey generates our How's Business Indicators, which are distributed in the Monthly Economic Indicator Report. Quarterly Purchasing Plans report asks packaging and processing machinery end users to gauge how their purchasing plans are staying on track or whether (and how) they might change, given the economic conditions. And Quickie Surveys, a special survey-on-demand service for members, provide the data to answer your specific questions.



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Packaging Systems,
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Mike Wagner
Rockwell
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