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 **LEROY[®]
SOMER**

EDITORIAL

The logo for the 80th anniversary features a large green '80' with '1919' written vertically on the left and '2019' written vertically on the right.

This year, we are celebrating Leroy-Somer's 80th anniversary. So much has been achieved since a small workshop was first set up in Angoulême in 1919!

The production of energy and its transformation into motion are essential elements in the world's evolution. With our alternators and motors, which make this transformation possible, it can be said that our business contributes to the quality of life.

If we can be justly proud of the company's achievements, it is surely due to our customers who have always put their trust in us and in the efficiency of our products and services. Today, I would like to thank them for their continuing loyalty.

This anniversary is also the occasion to pay homage to the generations of men and women who have worked for our company. Thanks to their competence, their unfailing efforts, and their desire to succeed, they have overcome all the obstacles of 80 years of history and made our company the worldwide leader in its business.

These fundamental values will continue to be the driving force of Leroy-Somer. They will permit us to meet the challenges of the future, and thus deserve our leading position.

In the years that lie ahead, our success will be measured by customer satisfaction. To achieve this, we will have to invent new products; offer services; continually improve quality; and maintain production facilities at the highest performance level. We have the people, the means, and the enthusiasm to attain this goal. But 80 years of history and experience have also taught us prudence. In an ever more rapidly changing world, nothing is permanent. To repeat the favourite saying of Marcellin Leroy, our company's founder, "Much has already been achieved, but all still remains to be done."

Claude Henry
President of Leroy-Somer
Group Vice President of Emerson Electric

A company of people, for people



Leroy-Somer's story is the kind of tale everyone likes to hear. It tells of the rise of a small artisan company in the Charente region which, through a mixture of talent, resourcefulness and ambition, managed to pull itself into a position of worldwide industrial power in less than 70 years.

It is also a story of the passion of several generations of forward-looking leaders who took a company, rooted in the heart of a region, and greatly contributed to its development.

Once upon a time, there was a visionary

1919-1958

In 1919, Marcellin Leroy, a young artisan born in northern France, settled in the Charente. He anticipated the importance of a product with numerous applications, one that would revolutionise modern society: the electric motor.

His ambition was to create motion from energy, and throughout his life he kept striving to realise his goal. From the start, his stroke of genius was to envisage an almost totally integrated process, which led him, for example, to create his own foundry -- the first step on the road to industrial autonomy.

With energy and an eye on profitability, Marcellin Leroy nevertheless applied social policies considered to be advanced for the time, and employees participated in company growth.



The changeover to the industrial era

1958-1989

When George Chavanes took control of the company in 1958, it had already grown to an appreciable size. His task: organise and streamline production to meet the challenges of the industrial era. Series production became common, and production workshops were created for each product line.

Within less than 15 years, the large factories in the Charente



Georges Chavanes



Paul Barry

were built and the company became European leader in its field. During this period, motivated by Managing Director Paul Barry, dynamic expansion continued with the opening of 40 branch offices throughout France. International development was not overlooked, however, and as soon as the EEC was created in 1958, the decision was made to invest in export sales. Within a few years, a network of subsidiaries was set up in the larger European countries. The creation of an International Division in 1970 enabled Leroy-Somer to extend its business activities around the world.

At the same time, groundbreaking social initiatives were undertaken in the form of an incentive contract (1958) and an employee profit-sharing contract (1969).

Industrial and social energy combined has fuelled a powerful corporate culture in which everyone works together.

The challenges of the 21st Century

By the beginning of the 90's, the pace of economic and financial globalisation had accelerated. Borders opened, and international competition increased. To attain the critical size necessary to make it possible to conquer new markets, new mergers were needed. In 1990, Leroy-Somer joined the US group Emerson Electric, one of the best known companies in the drive systems and industrial components business. The new entity emerged immediately as a world leader.

The stunning progress of information technology has led to major developments in the design of drive systems: they have become more efficient, more self-contained, and more intelligent. "Give intelligence to power" is the new goal that now guides the race to innovation.

On the eve of the next millennium, these 80 years of accumulated experience and success allow Leroy-Somer to confidently face the challenges of the future.

1989-1999



Claude Henry



The industrial power of Leroy-Somer

From the beginning, the company pursued a policy of vertical integration based on the mastery of fundamental technologies constituting the core of its activities. From design to maintenance, Leroy-Somer products benefit from an incomparable know-how of basic technologies: pressure diecasting of iron and aluminium, calculation and tooth formation of gears, injection of composite materials, mounting of electronic components on printed circuit boards, automated winding, machining, assembly and inspection methods.

Specialised and complementary production units

The industrial organisation of Leroy-Somer is based on 5 divisions consisting of 34 production units. The different units that make up each division are specialised and complementary at the same time. In addition to production, the main units are responsible for major functions, such as research, process management, marketing, commercial assistance and administration. The peripheral decentralised units have a less complex structure: they are outfitted with highly efficient industrial equipment, and concentrate totally on production. Each one is organised according to a "human scale" approach, which facilitates management and highlights human relations.

Reaction and flexibility

The industrial power of Leroy-Somer is expressed by its rapid response to customers' needs. Solid and efficient industrial tools are necessary to produce 12,000 machines per day from 60 different product lines, manage unexpected changes in workload requirements, and ensure the level of service expected by the customer under any circumstances.

Quality: the source of progress

ISO 9001 certification obtained several years ago demonstrates Leroy-Somer's commitment to quality. Today the company reaffirms this commitment and has developed a method of constant monitoring based on the concept of "total quality." This does not mean adopting complementary quality programs, but focusing on a daily and global approach, which integrates all activities of the company and directly involves all employees.

Global solutions to benefit the user

During this century, the electric motor has become one of the essential parts of all industrial production. Today, demand is rapidly changing -- electromechanical and electronic drive systems no longer just control motion. Above all, they must guarantee the overall performance of various industrial processes: regulate tension of an unwinder, cut to length or print continuously, synchronise movements, ensure the safety of a lifting movement.



World leader in alternators and electromechanical drive systems

Leroy-Somer produces a wide range of drive systems whose basic components (electric motors, gear motors, electronic control) offer multiple combinations and complete compatibility. With 80 years of accumulated experience, we can assure our products' performance: torque speed, noise level, durability, efficiency

Leroy-Somer has also become, in less than 10 years, the largest manufacturer of industrial alternators with a power range from 1 to 20 MW, low and medium voltage.



A powerful industrial organisation

The company has been set up around 5 main divisions:

- Fractional drives (power below 1kW)
- Drives for power above 1 kW (industrial motors up to 1000 kW)
- Electromechanical drives (gear motors, brake motors, clutches, etc.)
- Electronics for control of machines (variable speed gears, electronic soft-starters)
- Energy production (industrial alternators)



A varied and customised offer

Leroy-Somer has set up an original system to ensure coverage of all market needs and offers:

- A line of standard products included under the "Guaranteed Availability" program: more than 40,000 part numbers available on the date and at the location requested by the customer
- A series of available options that can be assembled on standard products, ready within 48 hours, either at the factory or in Rapid Assembly Centres (CMR)
- The development of optimised motors, in partnership with worldwide market leaders in such fields as compression, ventilation, pumping, handling, etc. Responding quickly to market changes, Leroy-Somer has switched to the "just-in-time" and demand flow concepts.

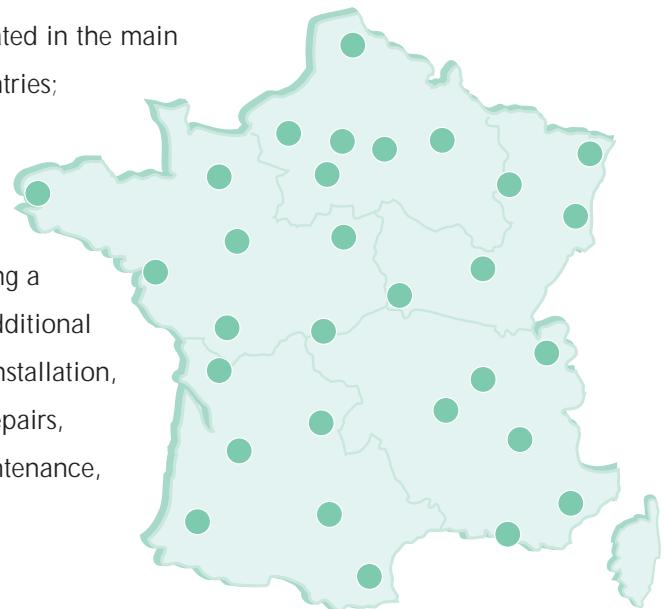
Further significant progress in the evolution of logistics makes it possible to offer more customised services to meet customers' special needs and demands.

Close to the customer at all levels

We have two categories of customer: the machine manufacturer (OEM) and the end-user. Full service and expertise are offered to each customer in all steps of the industrial and commercial process.

With 470 sales outlets throughout the world, customer service is ensured through

- Subsidiaries located in the main industrialised countries;
- Branch offices specialised by trade; and
- Partners providing a large number of additional services: on-site installation, troubleshooting, repairs, servicing and maintenance, etc.



Leroy-Somer at the time of globalisation

A presence in the field for more than 40 years! Leroy-Somer's international strategy has been an enduring success. It consists of four key elements: a policy favouring local operations, a good knowledge of markets and needs in each country, total quality for its products, and, as an absolute priority, customer satisfaction.



In 1958 Leroy-Somer laid the foundations of its expansion by opening a subsidiary in Italy. Rapidly following this first initiative, several other offices in continental Europe were opened, and the movement gained momentum. Leroy-Somer was well positioned to take advantage of the strong growth of international trade in the 60s. The high demand from customers for spare parts for products installed in manufactured products encouraged the opening of an international unit, the first step in establishing the International Division.

The year 1970 marked the beginning of a true world strategy. The International Division was responsible for extending the network to the whole world – an organisation that gradually took form through local agents and independent representatives, then liaison offices, and finally business subsidiaries, such as in Morocco (1972), Singapore (1981) and Australia (1982).

During the 90s, the world economy underwent a powerful globalisation movement. Under president Claude Henry, Leroy-Somer did not hesitate to take up the challenge and clearly state its objectives: to become the world leader in the power transmission and motor business. Rapidly expanding markets were penetrated, such as those in the Middle East (Turkey and the Gulf States) the Far East (Taiwan, China, South Korea, etc.), South Africa and, naturally, the United States in partnership with U.S. Motors, a sister company in the Emerson Group. The establishment of Leroy-Somer in countries around the world provides new services in response to the needs of major multinational groups (installation, on-site maintenance, downtime reduction, delivery and lead-time improvement).

Today, Leroy-Somer is present in 110 countries and has 24 subsidiaries and 72 branch offices.

Some key figures:

- **470 sales and service outlets throughout the world**
- **34 factories**
- **60 product lines**
- **40,000 available part numbers**
- **Daily production: 12,000 machines**
- **Weekly production equal to the weight of the Eiffel Tower !**
- **6,200 employees**
- **60% of turnover for export**
- **36 million drive systems in service worldwide**
- **600 employees in Research and Development**
- **100 tons of cast iron produced per day and 1,300 tons of magnetic steel plates consumed per week**

Customer Satisfaction: the same absolute priority at Leroy-Somer drives all Leroy-Somer subsidiaries

Belgium



Great Britain



South Africa – Singapore



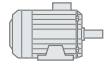
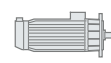
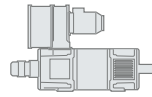
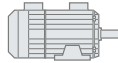
Italy



Competence and availability: a network at your service !







Some applications

Leroy-Somer is extremely active in the production of motors for railway applications, and participates in large European projects, such as the high-speed TGV passenger trains (passenger and driver compartment air conditioning) and the Eurostar (auxiliary traction cooling).

The company is rapidly establishing itself in emerging markets, such as wind turbines, and supplies generators of more than 1300 kW to the manufacturers.

Equipment for amusement parks is another application that has achieved a brilliant success. For example, the Gyro Drop (Intamin) in Asia is equipped with two LSK 2804 CL 450 kW DC motors. This panoramic tower allows 40 to 60 people to experience free fall at 87 km/h !

The two Société Générale high rise towers at La Défense (Paris) are almost totally equipped with Leroy-Somer motors from 0.55 kW to 30 kW, which supply ventilation, air conditioning and smoke extraction.

Leroy-Somer offers a complete range of special electric motors and alternators for cruise and merchant ships designed to respond to the most stringent specifications of this specialised market.

The company has become a special advisor to several large worldwide petroleum companies.



Training: The motor of progress

At Leroy-Somer, learning and training are vital, and the company has its own Training and Exhibition Centre (CFE), created in 1989. This centre is a showcase for Leroy-Somer's products and know-how, and it is here that training is provided to customers, users, service partners and company personnel.



Taking advantage of modern training equipment, students follow personalised learning programs according to the needs of their trades or professions. Every year, one company employee in three receives training, and 500 young people have obtained diplomas – from professional proficiency to engineering.

The training of employees and their ability to adapt to the evolution of technology is both a personal and professional enhancement, with many long-term benefits for them and for the company. Their enrichment in terms of knowledge and competence provides motivation and strengthens corporate cohesion. In the future, in a world where scientific progress will determine the rhythm of change, this will be one of the keys to success.



Leroy-Somer: Prepared for the future

Leroy-Somer has all the assets necessary to meet the challenges of the future. By associating itself with the Emerson Group, it has managed to become, and remain, a world leader in its sector. This alliance enables the company to develop business in North America, to benefit from the advantages of an international sales infrastructure, to achieve economies of scale, and remain on the leading edge of technology – in short, to combine "global" power and "local" presence.



Charles F. Knight, Chairman and Chief Executive Officer of Emerson Electric

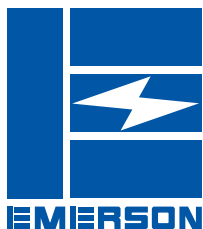
Claude Henry, President of Leroy-Somer, Group Vice President of Emerson Electric

During 80 years, Leroy-Somer has always anticipated the needs of the market. Marcellin Leroy took the first steps in 1919, and since then the company has never ceased to prove its ability to innovate, be flexible, and adapt to change.

Today, more than 600 engineers and technicians are dedicating their energies and creativity to the design of products for tomorrow. Thus, more than 50% of Leroy-Somer products are renewed every 5 years.

"Put intelligence in motion" is the creed of Leroy-Somer at the dawn of this third millennium. The ever-increasing part that automation plays in industrial processes, and the fast-paced industrialisation of emerging countries in Asia, Eastern Europe, Africa and South America are factors that will surely stimulate the demand for Leroy-Somer products.

Customer satisfaction is the key word for the success of Leroy-Somer! By integrating and managing the complete industrial and commercial process, Leroy-Somer is in a position to offer its customers a combination of high-quality products and services.





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