

## **CORPORATE HISTORY**

1979 COMPANY INCORPORATED IN CALIFORNIA,  
ALGIS RENKUS AND HARRO HEINZ PARTNERS  
JONAS RENKUS UNDER CONTRACT TO DESIGN  
LINE OF COMPRESSION DRIVERS AND HORNS

1982 ALGIS AND JONAS RENKUS LEAVE,  
HARRO HEINZ PURCHASES SHARES  
FROM ALGIS AND BECOMES SOLE OWNER

 **RENKUS-HEINZ, INC.**

**Algis Renkus** brought sales expertise. He had previously been sales manager for Emilar.

**Jonas Renkus**, father of Algis had designed compression drivers and horns for Altec, Emilar and Cervin Vega. We purchased his third generation designs.

**I came from Chicago, where I had quit my job as president of Rauland Borg**, to start this business. Rauland-Borg is a well established company in the sound and communications business.

I am educated as an Engineer with a B.S.E.E. degree from a college in West Berlin, M.S.E.E. degree from Columbia University in New York. I also received an Associate Degree in B.A. from New York University.

Prior to my association with Rauland Borg, I held positions as V.P. of Operations and Engineering at Bogen in New Jersey, Chief Engineer at Fisher Radio, and Design Engineer at Grundig Radio in Germany

I brought management experience to the new company and, last but not least, the money to start up.

The plan was to manufacture the drivers and horns, get rich quick, and out of California before the big earthquake.

Well, we are still here. In 1982 both Algis and Jonas Renkus decided to leave, and I became the sole owner of Renkus-Heinz.

## **EARLY PRODUCTS**

**1979: H.F. DRIVERS & EXPONENTIAL HORNS**

**1981: PASSIVE SPEAKER SYSTEMS**

**1982: CONSTANT DIRECTIVITY HORNS**



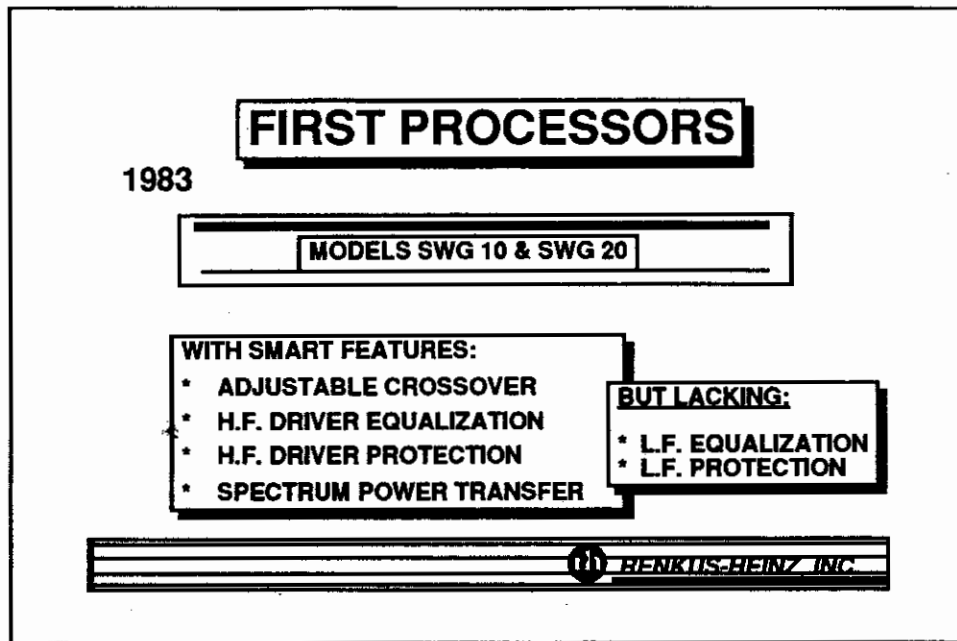
**RENKUS-HEINZ INC.**

We started the operation from scratch, tooled up on H.F. drivers and exponential horns, and started shipping six months after start-up.

Our timing proved to be less than optimal: 1980 was the year the music business went into a prolonged slump. Lots of used equipment was looking for a home. It became quite apparent that with the recession in the music business there was not enough sales to be had in drivers and horns to sustain even a modest operation.

Speaker enclosures seemed a natural extension of the product line, and in 1981 at the West Coast NAMM we displayed our brand new speaker systems.

With this new line of products there was sales to be had. Profits, though, was another matter entirely. However, the speaker systems exposed our name to end users, and for a while we justified the new line on the basis of a costly but necessary investment into advertising.



In our quest to expand the product line further, we started to design an electronic **"speaker protector/equalizer"** device. We had worked enough with the design of drivers to learn that improvements there would be hard to come by. On the other hand, previous experience in electronic engineering suggested that substantial gains in performance and reliability could be had with a combination of electronics and speakers.

Also, we had learned, that there is no money to be made with replacement diaphragms. So the hope was that an electronic **fuse / equalizer** would protect not only our H.F. drivers, but also our somewhat meager profits.

Illustrated here is our first attempt at processing. These **"SWG PROCESSORS"** incorporated some features of our current Smart electronics:

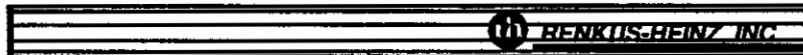
- 1) **Driver Excursion and Thermal protection**
- 2) **Driver Equalization**
- 3) **The (low signal level) crossover frequency could be adjusted manually.**

These units indeed made our drivers and horns sound better. They also protected very effectively, but for what they accomplished **SWG SERIES PROCESSORS** were too expensive.

## COMPANY AT CROSSROADS

1984

**NEEDED:**  
**BETTER REASON**  
**FOR OUR CORPORATE**  
**EXISTENCE**



By 1984 it had become quite clear, that drivers and horns alone were not enough of a product line. We also had learned that in standard passive speaker systems we could not compete with the Peavy's and Ramsa's. Those larger companies could always out-produce, and out-price us. Further, we had to admit that the initial attempt at processing was not adding enough sales to make a difference.

As a small company, we had to come up with a market niche that the bigger operations were not so interested in, and were we could turn our small size into an advantage.

## **THE SOLUTION**

1985

### **SMART SOUND SYSTEMS**

**HIGH SPL WITH  
STUDIO MONITOR  
SOUND QUALITY,  
COMPACT,  
RELIABLE**



**HENKUS-HEINZ, INC.**

The solution, as it turned out, was a high performance specialty speaker system, based on more and improved electronic processing. Expensive, but also one of the best possible.

This up scale product required custom designs, was directed into a relatively small market segment, and was therefore of no great interest to the bigger players.

With processor controlled systems we could use our hard earned expertise in drivers, horns, electronic processing and enclosures toward designing, manufacturing and marketing one of the best speaker systems available anywhere.

**WE HAD FOUND A REASON FOR EXISTING!**

## **MORE PROCESSORS**

1987

### **DYNA-GARD SYSTEMS**

**FOR THE MANY  
SITUATIONS  
WHERE SMART SYSTEMS  
AND AVAILABLE BUDGETS  
DON'T MATCH**



**HENKUS-HEINZ, INC.**

Since processor controlled speaker systems worked well for us, we decided to broaden the line. With the **DYNA-GARD** line of processor controlled Sound Systems, we brought the advantages of processing to the many installations where system requirements and/or the available budget could not justify a relatively expensive SMART SYSTEM.

## **CURRENT PRODUCT MIX**

**H.F. DRIVERS, HORNS, WOOFERS,  
NETWORKS, AMPLIFIERS**

**PASSIVE CUSTOM SPEAKER SYSTEMS**

**DYNA-GARD PROCESSOR SYSTEMS**

**SMART PROCESSOR SYSTEMS**

 **RENKUS-HEINZ, INC.**

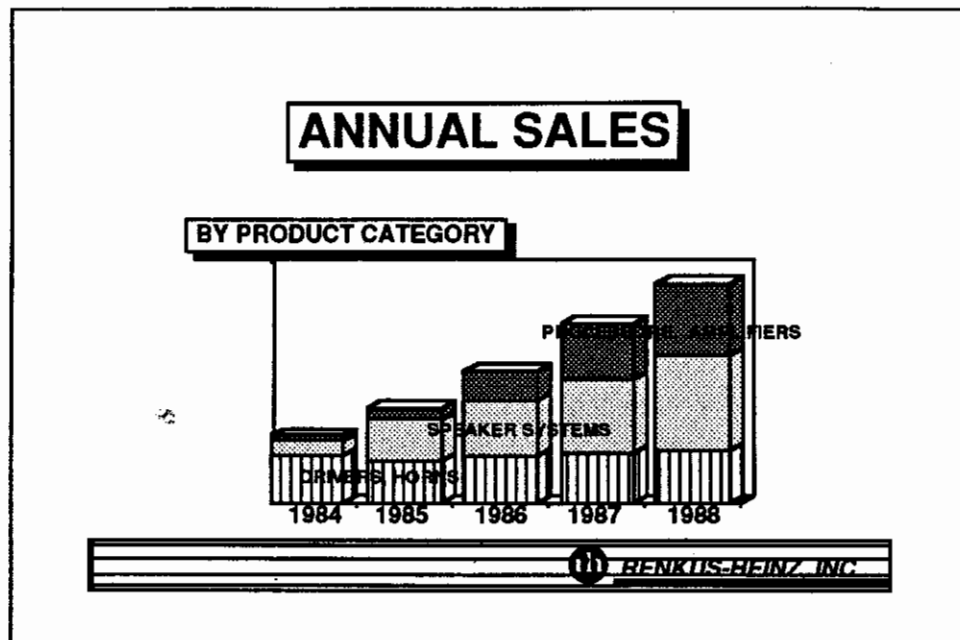
Over the years we improved our H.F. drivers and added a substantial number of constant beamwidth horns with 1", 2" and 2.4" throats to our line of components.

An amplifier is now part of the line. We offer complete power packs.

Custom speaker systems with a choice of horns, h.f. drivers, crossover networks, and woofers match speakers to the particular requirement of an installation.

The SMART line was continually improved, added to and upgraded both in speaker enclosures and processors.

With the introduction of the DYNA-GARD products, Renkus-Heinz now has the most extensive line of processor controlled sound systems to cover a wide range of applications and budgets.



**Sales for the last 5 years show good increases each year.**

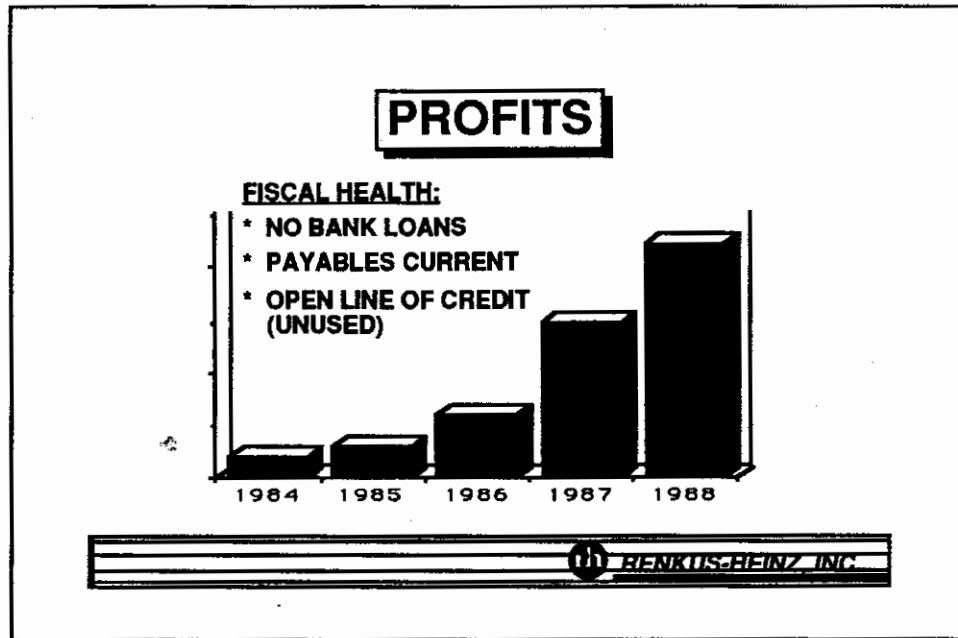
Flat sales in drivers, woofers, horns have reduced our initial almost total reliance on these products, but they still represent a healthy part of overall sales.

Speaker Systems, including SMART and DYNA-GARD make up the big part of the mix.

Amplifiers introduced two years ago are selling very well, DYNA-GARD systems are taking off.

**The graph illustrates good product diversity and strong expansion particularly with Electronics (processors and amplifiers), SMART systems and DYNA-GARD products.**



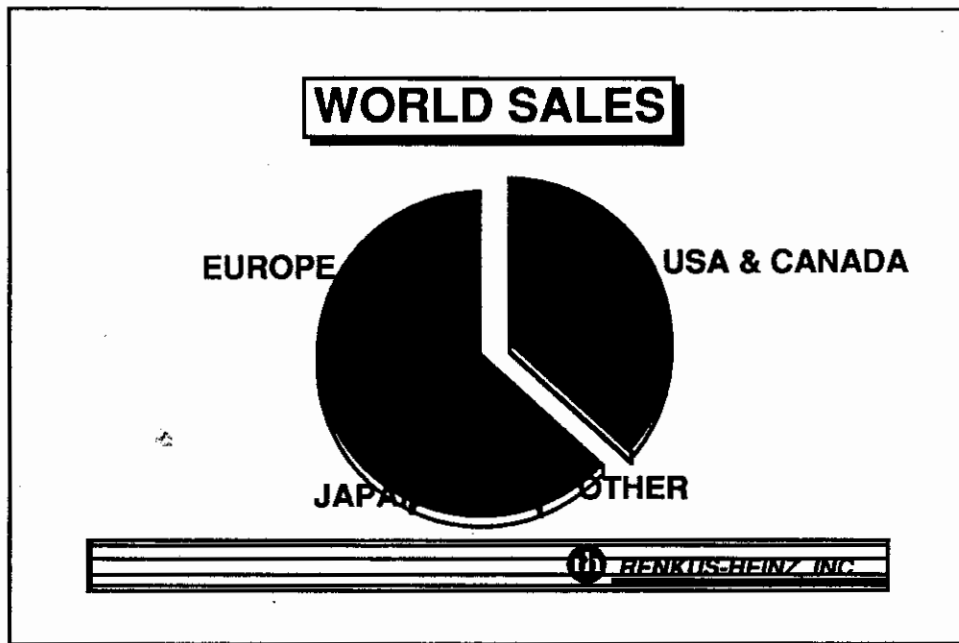


**FISCAL HIGH LIGHTS:**

With the exception of the start-up year 1979, we have been profitable. However, it took us quite a number of years to recoup the losses incurred in the first year.

**It is important to note, that we have invested every dollar back into the company, and / or used the funds to pay off bank loans. Our profits are working to improve and expand all aspects of our operation.**

At the present time, there are no outstanding bank loans, we have a sufficient line of credit available, and all our bills are current.

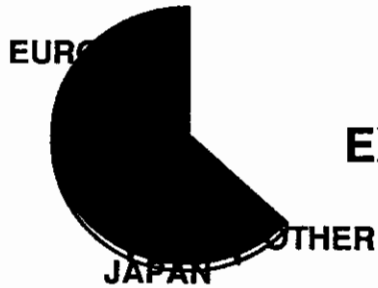


**Here is another look at sales, this time from a major market point of view.**

**Exports now are about 60 % of total sales, with Europe our best export market and Japan coming up strong.**

**In the U.S. and Canada, we continue to be a very well kept secret. We are working on changing this.**

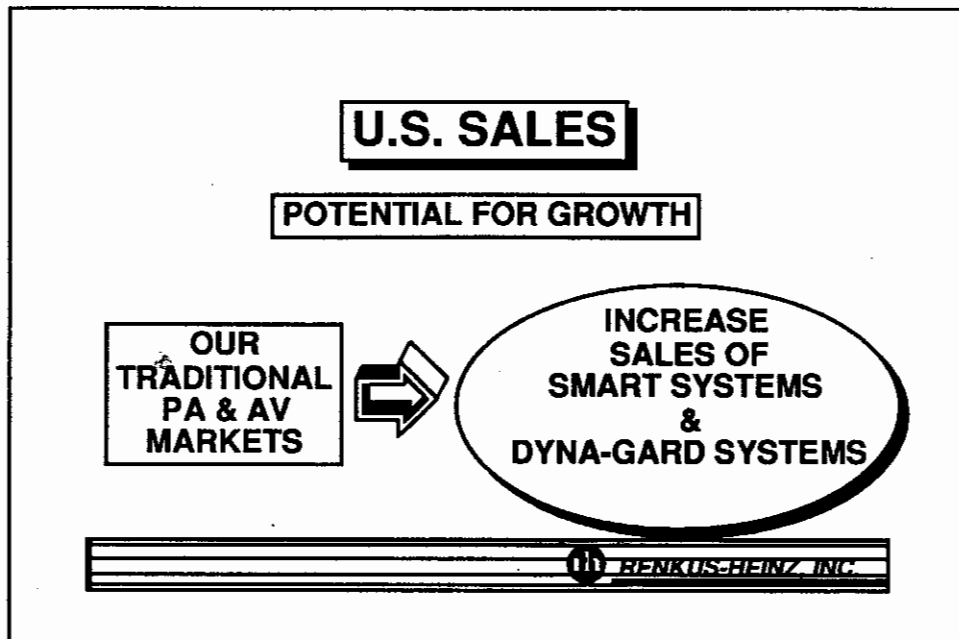
**POTENTIAL FOR  
CONTINUED GROWTH**



**EXCELLENT  
IN OUR  
EXPORT MARKETS**

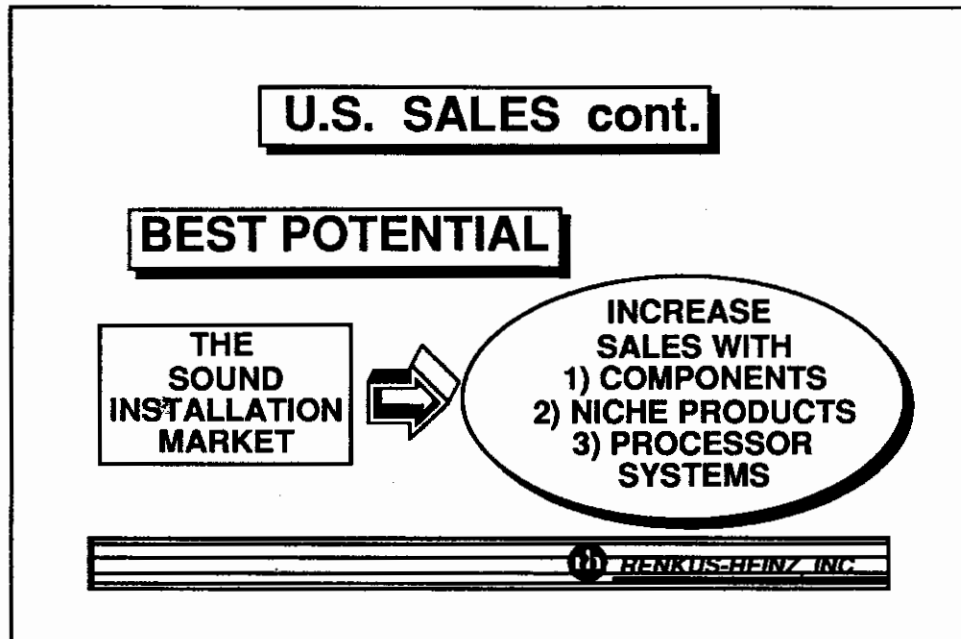


All our export markets have grown during the last few years. There is no reason to assume that we have peaked out anywhere in the world. We expect continued expansion.



While the relatively large proportion of export business is appreciated, we realize that this makes us vulnerable to many outside factors we have no control over; the most obvious factor being the currency exchange rates.

Consequently, our efforts are directed toward increasing domestic sales. We believe that our conventional markets like PA and AV rentals can be counted on to produce more sales.



We also believe, that our best chance for long term and stable increases are in SOUND INSTALLATIONS.

We realize, that market penetration here will be slow and not easy to come by, but we are committed to serve, persevere, and succeed in the Engineered Sound Market.

Already we have several useful niche products that open the doors for us.

Future product development is heavily slanted in the direction of the needs of this market.

## **NICHE PRODUCTS**

**SSD 5600 MID DRIVER**

**LARGE FORMAT HORNS FOR SSD 5600**

**COAX SPEAKERS**

**CUSTOM ENCLOSURES**

**SMART & DYNA-GARD SYSTEMS**

**HEINZ HEINZ, INC.**

The SSD 5600 mid-range driver is unique in the industry. The only other competing device is manufactured by Community Light and Sound. Their unit is derived from a woofer design. Our unit is basically a compression driver. We have the better high frequency performance. They have more bass. We can cover the entire voice-range with one device. They can't.

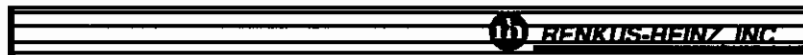
COAX speakers based on the SSD 5600 can be very useful because of their unique size-to-power ratio.

Custom enclosures allow contractors to concentrate on selling. We do the work.

SMART and DYNA-GARD systems in many cases are uniquely qualified for incorporation into installations.

## **AT YOUR SERVICE**

- \* **AN EXPERIENCED INTERNAL TEAM**
  - \* **A WORLD WIDE SALES & SERVICE ORGANIZATION**
  - \* **A COMPANY DEDICATED TO PROFESSIONAL AUDIO**
  - \* **PRODUCTS WITH AN ENVIABLE TRACK RECORD**
- FOR RELIABILITY AND SOUND QUALITY**



On March 31, 1989 we will have been in business for 10 years, and are now more than ever well positioned for the future.

During the 10 years, we were able to establish a solid foundation, built an enviable track record, develop an efficient and stable organization, and built a sound financial base.

Our plans for the future are:

- 1) Continue our expansion in the export markets
- 2) Concentrate on the U.S. with the ultimate goal of establishing Renkus-Heinz as a viable, accepted and major supplier to the Professional Sound Reinforcement Market.