

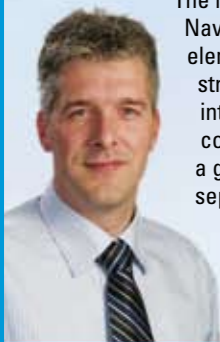
New ERP system for the group Watermark improves internal collaboration Hittech Group



It is always interesting to read what the outside world thinks of you. That is why we now quote from an article written by Watermark in connection with the implementation of Navision™. For Hittech the implementation of Navision™ is an important element of the group strategy.

Watermark is implementing Microsoft Navision™ and its Watermark Multisite solution for the Hittech Group. Hittech is a group of five Dutch companies all active in the supply industry. With this implementation Hittech intends to create one uniform ERP system which will enable corporate processes to be optimally matched with each other.

Marco Verloop, Project Manager at Hittech, explains:



"The implementation of Navision™ is an important element of the group strategy for us. The intention is to offer complete solutions as a group, in which the separate companies are individual specialists in their own area of competence and operate autonomously.

They do, however,

collaborate intensively both through reciprocal contracting and with other partners in our extensive network at home and abroad. During recent years we have expanded by takeovers to reach the present scale of five companies.

The steady growth of reciprocal contracting increased the need for a uniform foundation", Verloop says: "In order to match this collaboration to each

other this foundation is essential. In our case this would be the ERP system, but at present each company has its own system. We want to change this situation. While the companies must retain their own identity, they must also optimize their corporate processes to ensure that reciprocal contracting operates perfectly.

The choice of Watermark and Navision™ as partner and solution was made after an extensive selection process in which the solutions of four candidates were examined. The main reason for Hittech's ultimate choice was Watermark's experience with multisite implementations particularly as in this case there are four implementations on five sites. Also significant is that the Watermark Metal solution successfully meets Hittech's requirements.

Hittech's Project Manager continues: "Things went well with the people from Watermark right from the start. On the one hand we chose them for the continuity of a Microsoft partner, on the other hand they are not so large that we miss out on personal attention. Quite the contrary in fact, working with the consultants was a pleasure straight away. Our organizations understand one another."

The implementation of Navision™ on the five sites for in total eighty users will in all probability be completed by the end of 2007. According to Verloop, Hittech intends, to also take the time to make a number of optimization measures with this project. The group is focusing in this on reinforcement of the internal collaboration and intensification of its core competences.



Hittech Update

ESEF

From 14 to 17 March 2006 Hittech took part at Esef. With the new stand the five companies presented themselves as a group. Central on the stand was Nuna III, the solar vehicle of TU Delft that won the race through Australia so brilliantly. Hittech supplied parts for the wheel suspension. Nuna III is an eminent example of the pooling of resources, where ingenuity, problem-solving capacity, initiative and creativity come together. This reflects the power of the team: a team that has functioned with self-assurance and success. Collaborating with this project was therefore an enjoyable challenge for Hittech.

NEW WEBSITE: WWW.HITTECH.NL

Hittech has launched a new website with a clear and transparent design, on which great attention is paid to information, strategy and concrete examples of products. Within the constraints of the group, all companies have their own presentation with information appropriate to them. The design is from Art Profound – marketing & communications in Bergen, who adapted the design to the multilingual requirements set by Hittech. For this reason the site has been supplied with features including a very accessible and user-friendly content management application. The texts are in Dutch, German and English. Take the time to have a look at www.hittech.nl.

NEW AT HITTECH

a. New clean room for Multin Hittech.

In December 2005 a new clean room went into commission (class 10.000) with a surface area of 180 m². This is almost double the existing clean room size. An optimal layout, enabling processes to operate successfully and productively.

b. Measuring machine for Kemetech Hittech

A new measuring machine has been purchased for Kemetech Hittech and a lathe with machine driven tools has been ordered.

c. Okuma Space Turn LB300 MW

Bihca Hittech has ordered a new CNC lathe especially for the High Performance (special) materials precision segment, and specifically for hard finish-turning of products. After extensive testing the choice was made of the Okuma mentioned above. Bihca Hittech has many years of experience in the area of precision parts. This machine represents the appropriate step towards more specialization in the processing of High Performance Materials. These materials have special features that exercise great influence on tensioning and product precision. The Okuma has for this reason been modified specially to meet the requirements of Bihca Hittech, and includes Turcite guides and increased input precision of 0.0001mm. The speed has also been upgraded from 4500 to 6000 rpm. All in all a machine that will enhance the Bihca Hittech strategy.



Hittech NL is a publication from Hittech BV, Published on commission by Art Profound – marketing & communications.

Editorial

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Concept, design & photography

Art Profound – marketing & communications, Bergen (NH)

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Hittech NL

The News Letter of Hittech BV, The Netherlands

News Letter 06/1

Expansion of opportunities by the Multin takeover gives Hittech head and tail Hittech strengthens its development and assembly competences



The takeover of Multin BV has significantly improved strategic competences and ensured important skills such as purchasing and the development capacity for the future. These are issues of great importance in the constantly expanding international arena. But even in the near future, this takeover will obviously have an immediate positive effect on customers (often EOM). Hittech is, after all, capable of being engaged in any phase of the product lifecycle or even whole stages. This can already begin at the preliminary stage; from the time that a customer has an initial idea for a piece of equipment or an instrument. And that will continue until the time the product is completely ready for shipment to the final customer. Hittech has therefore acquired a head and a tail, so to speak. They complement one another perfectly because Multin

Hittech is largely active in the same markets as Hittech, but with different services: development, engineering and assembly of equipment, complex mechatronic machines and modules.

One obvious aspect of the group's reinforcement is in the area of supply chain management and purchasing. This is a competence that will be further reinforced by the union of the various infrastructures between the companies. Because development, engineering and assembly are all available at Multin in one organization, it is possible at an early stage to make a properly supported judgement as to the ultimate cost price of the final product. In times when more and more emphasis is being placed on the time-to market, and in which innovation cycles have become extremely short, this provides a very

valuable perspective for Hittech's customers.

As a supplier of equipment, systems and instruments Multin Hittech is well informed on requirements and market-specific engineering problems. This particularly applies to the market for semiconductors, medical equipment and instruments, for laboratory equipment, measurement and analysis systems, agrotech and graphic devices. Multin Hittech has indeed been highly active in these markets for many years. These are markets which in the future will continue to attract more and more attention. And this strong mutual dependence will cause us to develop more and more partnerships and further expand relations with our customers.

Multin Hittech was again accredited in 2005 for ISO 9001 and for the medical guideline ISO 13485 (2003). This latter stringent guideline is an important tool for Multin Hittech for successful operation in the medical market. It is a clear indication that the processes at Multin Hittech are under control.

The integration of Hittech Assembly into Multin Hittech was completed successfully by the merger of Multin Hittech Zoetermeer and 's Gravenzande with Hittech Assembly in Delft. With a new clean room and depot there are now clearly more facilities and this project has been rounded off very successfully.

C O L U M N

Dr C. P. Heijwegen – managing director Hittech BV

Isn't it marvellous to be part of a lively and dynamic industry as that in which the Hittech Group operates? In this Hittech newsletter that I commend to all of our valued partners you will find information on important developments from our group, such as actions and interactions with our environment and a couple of interesting backgrounds. It also gives a clear picture of the many possibilities that Hittech Group can offer you.

We continue to see a clear trend towards consolidation in industry. Hittech has in response to this seized the opportunity of expanding its range of services to include development by the takeover of Multin BV in March 2005. At the same time our assembly capacity has been strengthened substantially and expanded. We have also made a start with the introduction of one communal ERP system within our group. For this we opted for Microsoft's Navision™. Developments that will be described in more detail in this newsletter. We would also like to give

the reader an opportunity to take a look backstage. This time Multin Hittech and Bihca Hittech will be examined more closely. And it is interesting to read how we collaborate closely for one of our most important customers. Project MPP Hittech and Gieterij Nunspeet Hittech; a very concrete form of chain integration. I wish you every success, and above all interesting reading!



Project: MPP Hittech BV and Gieterij Nunspeet Hittech BV

Short throughput interval; immediate type approval. The development of an explosion-proof casing.

In this project a casing has been developed for application in the offshore industry which requires explosion safety. The exterior dimensions of the composite casing are approximately 30 cm x 35 cm x 42 cm. An important requirement was that the casing had to withstand a pressure of 30 Bar.



In collaboration with the customer the process was taken from concept design through to the complete finished product. Because both Gieterij Nunspeet Hittech and MPP Hittech have had a great deal of experience in the field of explosion-proof casings it was possible to support the customer throughout the entire process.

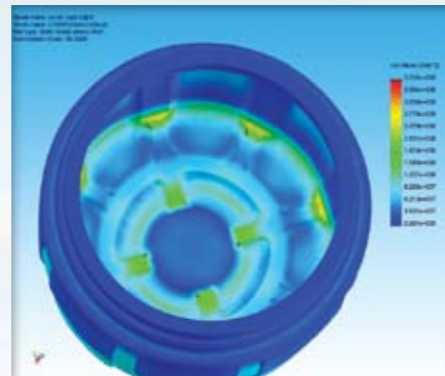
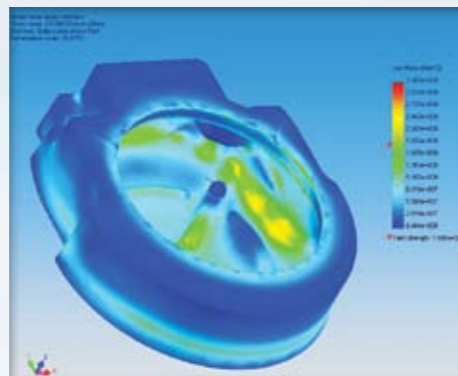
This optimized CAD model was used to construct the models. As is very commonly the case nowadays the models and core boxes were milled using 3D drawings.

- After completing the test casting the cast pieces were extensively tested for dimensions, homogeneity, tensile strength, hardness and material composition.
- The cast pieces were then processed at MPP Hittech, then it was time to check whether they were strong enough. A bursting test was conducted at the compression installation at MPP Hittech. This involves gradually increasing the pressure until the level is reached at which cracks appear. The first crack appeared at 40 Bar. In this way the set requirements were met.
- With this test completed the customer could expect type approval without any difficulty.
- The final phase was the recommendation and application of a paint system that meets Shell offshore specifications. This surface treatment consists of a chromate coating and a paint system that is applied in a layer thickness of approximately 200 µm.

The final result was right on the mark. A casing that was approved immediately, and that could be marketed in a relatively short time.

This process comprised the following stages:

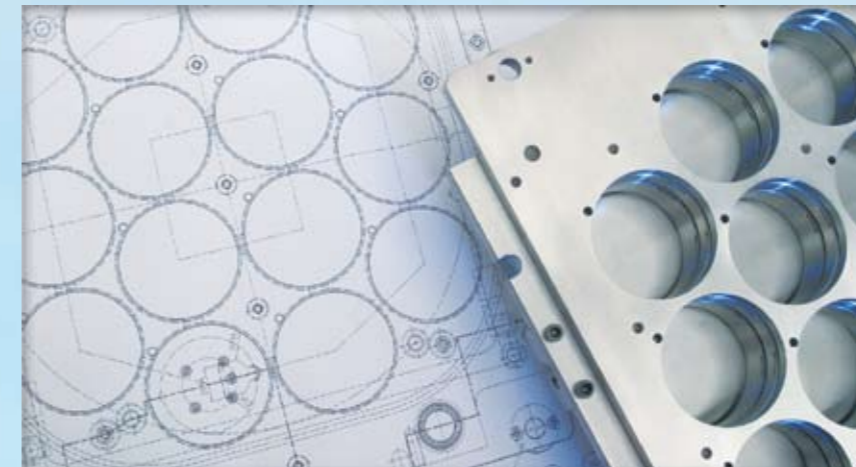
- Using the customer's preliminary design Gieterij Nunspeet Hittech carried out the strength calculations. The foundry then used these calculations, casting and processing improvements to optimize the 3D CAD model.



hittech

Grease- and dust-free supply, tolerances smaller than 0.01 mm, manipulation robots.

Producing tools are the secret of present high-precision challenges



For more than 25 years Bihca Hittech B.V. has been manufacturing mechanical (precision) components and modules for OEMs in the Netherlands, Belgium and Germany. Bihca Hittech is located in Winterswijk, and is still known there under the 'old' name Bihca Precision B.V.

In the spacious and well-conditioned manufacturing hall a number of activities are carried out at Bihca with extreme precision, including:

- milling and turning of single pieces and small series (to about 250 pieces/series)
- wire and zinc spark erosion of products and/or tools
- flat, profile and circular grinding of components.

From its past as a toolmaker Bihca has developed great affinity with precise location and form tolerances, hardened and special materials and small components. Bihca's account managers have made a detailed inventory of the present and future demand. This past projected on real developing requirements has resulted in a number of strategic areas that Bihca has defined as follows:

1. Precision components with location and form tolerances of 0.01 mm or smaller, especially when a variety of tensioning operations

have to be carried out on the same product.

2. Components of (high) performance materials like Hastelloy, Ni-alloys such as Invar and Inconel, tungsten, duplex types, titanium and hardenable and hardened materials.
3. Miniature components with processing steps and dimensions smaller than 10 mm and precision elements smaller than 0.01 mm.

In addition to its extensive range of advanced machinery Bihca obviously disposes of highly qualified employees. This enables optimum and efficient solutions to be achieved for customers in a variety of industries. It is the combination of well-trained and experienced professionals (guided by internal protocols) along with the necessary creativity that enables the manufacture of a unique product.

In response to market demand Bihca started the assembly of (mechanical) modules more than 15 years ago. A class 10.000 clean room was added in 1995 to assist these activities.



The components for clean room assembly are washed in the company's own automated wash installation. A number of prominent customers in the Netherlands and Germany have given this installation unqualified authorization for their components. In the assembly area precision modules in smaller series (between 5 and 250 pieces/series) are also assembled, tested and JIT-supplied for a number of customers.

For the purchase and logistics of all components Bihca has a team with a high level of specific experience supported by an ERP system that is used for the entire range of activities.

Bihca's unique strong points are most visible when components and/or modules have to be produced utilizing a variety of competences. Where 'smaller' companies often have to outsource many activities, Bihca is able to manufacture in-house or within its own Hittech group. Bihca also has a wide network of partners in the Netherlands and Eastern Europe for specific outsourcing activities and purchases when required. This has enabled guarantees concerning fixed prices, deliveries and quality to become a matter of course.