

Creation Technologies NEWS

January 2009

What's New?

Our 2008 Accomplishments:

- » Our 18th consecutive year of operating profitability
- » Welcomed 14 new customers
- » Welcomed our new Chicago, Changzhou and Santa Clara teams
- » Achieved a Customer Satisfaction rating of 4.25
- » Launched Working Together to Make a Difference
- » Achieved ISO 13485 in all existing business units, with Chicago & Santa Clara on track for 12/2009 certification
- » Gained ITAR registration in many of our US-based business units

A 2008 Success Story: Creation Technologies Strengthens Global Footprint and Service Capabilities

For Creation, 2008 was a very good year. Despite the economic slow-down, which poses unique challenges for us all, we are proud to have achieved key milestones in our strategy of providing expanded regional and Right-Shore solutions for all of our customers.

On behalf of everyone in our newly expanded Creation operations, we would again like to welcome our customers, suppliers and other partners from our three new business units in Chicago, Illinois, Santa Clara, California, and Changzhou, China. The acquisitions of distinguished EMS providers Circuit Services and its Chinese subsidiary Changzhou CSI in September 2008, and ProWorks in December 2008, strengthen Creation's ability to extend our service capabilities and grow our customer base.

Critical to Creation's acquisition strategy are matches in culture, talent, product and industry focus. Adherence to this strategy is never more important than in challenging times, and we are delighted to have discovered these opportunities.

Creation Technologies – Chicago has been providing exceptional EMS services to OEMs in Central and Eastern US since 1972. We are pleased to announce Jim Lobus as Chicago's new General Manager, previously its Operations Leader and with the company for 32 years. We would also like to wish CSI's previous President & CEO, Jim Herring, well in his retirement, which came at the end of 2008. Our Chicago team of more than 250 people offers its customers a full suite of services, including tremendous prototyping and new product introduction expertise.

Creation - Changzhou, located two hours from Shanghai, provides customers in all of Creation's business units with an Asian manufacturing solution. Offering five different business models, our team in Changzhou enhances and supports our customers' offshore requirements and enables Creation to extend its EMS service offering to China-based OEMs. The people in Creation's International Purchasing Office in Shenzhen are working with Changzhou to align our China procurement strategy.

Continued... **Creation's 2008 Success Story**

In Creation – Santa Clara, integration actions are well underway. During the first quarter of 2009, our new business unit in Santa Clara is expanding to include Creation's San Jose team and equipment. Once completed, our new integrated team will be 275 people strong, and support roughly 35 customers in the California region.

With the additions of our new business units, Creation has 11 manufacturing locations to serve our customers. Come and visit us in British Columbia, California, Texas, Minnesota, Wisconsin, Illinois, Kentucky, Ontario or China! We are always happy to show off our great facilities and exceptional people.

As we head into 2009, we remain committed to our philosophy of providing Premier Customer Relationships and our proven track record of timely and stable growth is a critical element in our continued success. We look forward to a great year ahead.

Creation Enhances AMS Offering

Across all markets and regions, we are seeing increasingly more OEMs take advantage of our After-Market Services as unstable market conditions and environmental considerations continue to play a large role in outsourcing decisions. To increase value and help provide a distinct competitive advantage to our customers, enhancing Creation's After-Market Services portfolio was a key Operational Focus in 2008. Our suite of services is now better than ever.

With flexibility and customization at the forefront of Creation's overall business philosophy, we have diversified the working AMS models we can offer our customers, including production-line integration and dedicated cells. A significant benefit to our production customers is that we are able to align service requirements with those for regularly scheduled orders, gaining purchasing power and streamlining turnover. High or low volume, we are experts at tailoring a model that best suits your specific requirements.

2008 Key Focus

Flexibility & Customization

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Creation's manufacturing expertise is invaluable to our ability to sustain sophisticated, board and system-level products. For over a decade, we have been using this expertise to enable our customers to minimize inventory exposure, eliminate multiple administrative costs, and increase response time to their own customers through a broad range of AMS. This is helping our customers to attain higher levels of customer satisfaction, while also increasing their own profit margins through the outsourcing of a non-core competency.

Creation has a wealth of experience in developing After-Market Services relationships with new and existing customers, and we look forward to partnering with you to reinforce a positive service experience and increase customer satisfaction for your own target markets.

Each of Creation's business units has after-market expertise, including Service Repair, Warranty Management and End-of-Life Management:

- **Repair and Refurbishment**
 - System & Component Repair
 - Refurbishment & Cosmetic Repair
 - Hardware & Software Upgrades
- **Value Engineering**
 - Failure Analysis and Feedback to Manufacturing & Design Teams
 - Component De-Bugging
- **Logistics**
 - Advanced Exchange
 - "B" Stock Management
 - Warehousing & Distribution
 - Worldwide Logistics Support
 - Product End-of-Life Support
 - WEEE & Global Recycling Legislation
- **Monitoring of Emerging Environmental Legislation**
- **Product Take-Back (3rd Party)**
- **Asset Recovery & Part Reutilization (3rd Party)**
- **Product Recycling & Waste Management (3rd Party)**

Update: New Mississauga Facility

Creation is pleased to announce the opening of its new Mississauga facility at 6820 Creditview Rd, Mississauga, Ontario.

The move will be fully complete by February 16th, 2009, and so we welcome you to visit us at any time.

Or... Plan on attending our Customer Forum/Open House on May 13th, 2009.

Creation Becomes ITAR-Registered

In order to better serve our Defense customers, and to allow us to manufacture and ship products specifically designed for the US military, Creation is pleased to announce that our San Jose, Dallas, St. Peter, Milwaukee, Chicago and Lexington business units are now ITAR-registered. Santa Clara is currently undergoing the registration process and we expect this to be completed in Q1 2009.

REACH: Creation's Compliance and Support

Effective June 1, 2007, the aim of the European Union's REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation is to limit the environmental and health risks posed by all substances in all of the electronic products used within its borders. Spanning an 11-year period, REACH has multiple phases and a variety of requirements for everyone in the electronics supply chain.

In January, Creation will be sending out letters which illustrate our commitment to our customers in support of their requirements, and to our suppliers asking for their upstream cooperation and assistance on our customers' behalf.

Though outside the EU and not directly bound by REACH, Creation is taking the following actions:

- We have compiled a list of the materials that we use in processing that typically do not appear on our customers' Bills of Materials, and are asking our suppliers to let us know if these contain chemicals on the restricted list. We will make this information available to our customers.
- Similarly, on behalf of our customers, we are asking our major custom material suppliers to advise if their processes add any of the restricted materials to the products they supply to us.
- We are also reminding our customers to assess their own REACH requirements and provide us, if necessary, with specifications updated to reflect any new materials or procurement requirements.

If you are as yet unfamiliar with REACH, we are happy to forward you our Countdown to Compliance newsletter which provides an overview of the legislation. All official REACH documentation may be found on the EU's website, http://echa.europa.eu/home_en.asp.

Contact Us

For more information or to speak with our Business Development team, please contact us at **1-800-736-1271**, or at sales@creationtech.com.

Did You Know?

In 2008, Creation's Working Together to Make A Difference initiative helped thousands of people in need.

Focused on building our communities and improving our world, we are proud to say that in addition to numerous individual actions to support those who need a helping hand, our teams:

- Collected over 3,000 lbs of food and 3,000 lbs of warm clothing for local shelters and food banks
- Cleaned up our neighbourhood shorelines, highways and communities
- Served hot meals at local shelters
- Ran, walked and shaved heads for cancer
- Supported Ronald McDonald House, Boys and Girls Clubs and United Way in our communities
- Through Opportunity International, provided support for 300 families to start or expand a business

What's really amazing is that there are thousands of little things we can do to make a difference, starting in our own communities.

We'd love for you to get involved with Creation's Difference Team - please give us a call if you'd like to be part of an upcoming event.