



Lemforder South Africa (Pty) Ltd. • P.O. Box 59832 • Karenpark
0118

ZF Lemförder South Africa

COMPtrade Technologies

29th October 2003

**Am Goldberg 2
D-99817 Eisenach
Federal Republic of Germany**

Att:- The Managing Director - Mr Frank P. Krökel

China Export Delivery Condition

Good day Mr Krökel ,

I am of the opinion that it is important to give you some feedback pertaining to the results that we have had so far from the use of your CI Protective Bags that we have been applying on our Export products to our Plant in China.

- Manufacturing - Lead time as from order to availability in the US very good.
- Supply to LMSA - Initial batch was late due to misunderstanding by Forwarder.
- Packaging of bags - Very good
- Visual appearance - Excellent
- User friendliness - Very good
- Products protected - Since February 2003 completely built up Front and Rear Axle Suspension sets were sent to China - \pm 12 weeks transit time. A total of 512 sets ie :- 1024 bags used. Initial trial of 8 Sets depicted slight rust - Investigation proved that we had made 4 off holes in each bag to secure front assemblies inside the dunnage. It allowed the free flow of moist salty air through the bags which in turn allowed some rust to promulgate.

ZF LEMFÖRDER SOUTH AFRICA PTY. LTD

CEO:	Bernd Habersach	(Germany)	Head Office:		Bankers:	Swift Code: SBZAZAJJ	Address:
Directors:	Carl Albert Petzoldt	(Germany)	Lemforder SA (Pty) Ltd.		Standard Bank of South Africa Ltd.	Account No.: 022808213	120, Doreen
	Walter.Stritzke	(Germany)	P.O. Box 59832		Spartan Branch	Branch Code: 01-32-42	Avenue
	Ulrich Schultheis	(Germany)	Karenpark 0118		Derrick Road, Spartan	Registered: 97/10699/07	Rossllyn Ext. 1
	Bernd Schmeling	(Germany)					
	Dean.C.Fragale	(R.S.A.)					
	Bryan.Taylor	(R.S.A.)					
	Andrea.Moz	(R.S.A.)					
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The Rear Axles were not affected at all as they were not secured in the manner as described above.

The Series production that followed showed no signs of rust that could have been attributed to poor preservation. The handling of machined products with bare hands was discontinued to prevent any potential acidic residues being left on the assemblies during packaging. - No rust problems occurred afterwards.

Subsequent to the Complete Axles ; Phase 2 was the assembly of Modules and Sub-modules plus loose components for use in China by our Plant there to complete Axle Sets there for BMW. The above will still continue for some extended time.

The initial batches of Modular Sets have been received in China and were inspected by LMSA Process Quality Manager in Shengyang and found to be totally rust free.

I can add that all the components and assemblies are in fact kept inside the bags by LAS for lengthy periods after Sea freight due to the fairly slow ramp-up that is synonymous with a new venture. During these longer than normal storage periods no rust has been evident at the time of un-boxing the parts.

I am happy that we at LMSA were the first Exporter from South Africa and indeed in the Automotive Industry to have used your product. It is my hope that more companies will make use of your product. It could in the end not only help reduce the costs but will definitely reduce in transit rust damage within the whole industry which we have been living with for far too long.

29th October 2003

Hennie Pyper
Manager Procurement, Logistics & IT

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