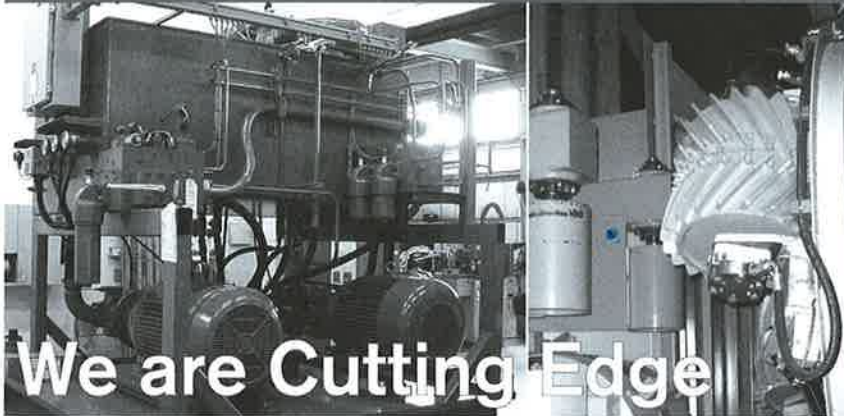


basically speaking

Information for Rexroth Employees

Canada



On June 24th the first log exited HewSaw's new R250 Plus. Sixteen feet long and sixteen inches in diameter, the log showed the perfect sawing pattern controlled by the new Rexroth MAC8.

The relationship between DCCA and HewSaw began in 2007 solving 'tricky' issues at a sawmill in New Brunswick. Some challenges had developed in a new installation, primarily because of changing customer requirements. Over a few long days and evenings fixing issues together, a bond was formed between HewSaw's technical support and local Rexroth technical representatives.

Today HewSaw proudly uses Rexroth products, from large linear rails and pneumatic cylinders to very complex motion controllers and large HPUs. In fact, the first Rexroth MAC8 controller ever to be used in the Wood Industry globally, was recently installed on HewSaw's largest single pass machine built to date. The MAC8 controls the R250 Plus' more than 30 axes. The performance of this new Rexroth controller enables the machine to complete complex curve saw patterns along with the ability of critical axes to jump from position to force control. Being the first to adopt a new product demonstrates

HewSaw's confidence in the Rexroth team. Not only did HewSaw rely on Rexroth for components and system design, but also trusted us with the on-site start-up process, where nervous mill owners, having just invested millions of dollars, 'hover' in the background, anxiously awaiting that first log.

After all, with people on site like Bob VanVliet, overseeing the installation of our HPU and designing the piping and headers; Frankie Smith (now regarded by HewSaw as 'their guy from Rexroth') performing tasks from flushing systems to tuning positioning axes; Jesse Chen of the ABU engineering group together with Dr. Stefan Trittler in Lohr, Germany, managing the controllers; with Jamie Wentzel from HBU engineering quickly becoming the go-to guy for problems ...
... how could anything go wrong?

| Rodney Trail

HewSaw Machines Inc., a subsidiary of Veisto Oy, Mäntylä, Finland, is headquartered in Abbotsford, BC.

Hewsaw machines are known throughout the sawmilling industry's leading nations and are designed for the large scale production of high quality sawn timber. Depending on the model, their machines are suited for sawing small and medium sized logs at high speeds with multiple patterns.
<http://www.hewsaw.com/northamerica/>

From the corner office



Boyd de Waard

The summer has blown by and another change of seasons is upon us. While this may be true for the weather there hasn't been much change in the business climate since our last issue (unless you believe what the governor of the Bank of Canada said some weeks ago: '...the recession is over...'). July was actually our worst month in terms of orders and sales. August was slightly better, and September better than that, but it's only relative – we're a long way away from our original plan and have still to struggle to meet our current forecast.

The orders and sales bar chart found on page 6 summarizes pretty neatly where we are and what we can expect in the near future. At the end of September, incoming orders are 37 percent below that of September 2008, even still below the September 1998 figure (11 long years ago). Sales are slightly better than orders but still 29 percent below last year and, for another comparison, 8 percent less than September 2000. Incoming orders year-to-date (YTD) are still less than sales YTD so we're still shipping from our backlog i.e. orders placed with us by customers some time ago. As was reported in July, new business is not coming in fast enough for us to sustain even our current business level over a longer period of time.

Our significant cost reduction measures, coupled with aggressive business development activities, have not yet brought the requisite breathing room we had hoped for by this time of year. It is also apparent that when the recovery does come, our
continued on page 2

continued from page 1

business level will not rebound to fiscal 2005 levels (our best sales year ever) because of the number of customers who have left our market due to bankruptcy or facility closure.

We cannot make many more personnel adjustments to our existing structure without jeopardizing its integrity. Structures and processes now need to be amended in order to be properly sized and positioned for the 'new normal' when this emerges. Some movement has been made in this direction as we further focus our regional operations on local sales and service by relieving them of certain 'back-office' activities.

Our Business Unit structure, which we've carefully evolved over ~20 years, has been scrutinized over the past few months, made more critical by the realization that our sales this year will be 40 percent less than 2005, the business level for which many of our

investments were made. The addition of the Burlington Landmark building and Welland Logistics Centre over the past ~7 years were key elements of our growth expectations - expectations unfortunately, which will not be seen again in the near term.

We've decided therefore to vacate the Landmark building by the end of 2009. In order to keep those activities we deem most important to our ongoing success in Burlington, as well as meet new cost reduction objectives, all Automation component inventory will be moved to the Welland site in the 4th quarter of 2009, thereby making room in Buildings 1 and 2 for the afore referenced core activities.

"Our service level must at the very least be equal to what we've done in the past."

While this decision may seem drastic we're convinced that not only is it necessary, it's necessary to do it now. This economic climate gives us an opportunity to work out any process issues before 'the recovery'. The most important objective in this transition is to minimize adverse customer impact - our service level must at the very least be equal to what we've done in the past. Your cooperation towards this goal is requested.

It's too bad that so much of our communication this year is comprised of this kind of news, because there are still lots of good things happening, both in new customer development as well as internal process improvements, both at Rexroth globally and in Canada specifically. These tough decisions are necessary however for our long term viability. Let's continue to evolve a new and solid base from which we can continue to serve our market effectively and successfully!

Burlington Preferred Source for all North American Weld Control Panels

As the Welland Canal retrofit project and the many panel builds associated with this order were winding down in 2008, it was apparent that DCCA needed significant new orders in 2009 to fill the resulting capacity gaps.

At the time, all weld panels for US and Mexican Rexroth customers were being contracted out to third party panel shops in the USA or Germany. It was Paul Patterson that observed opportunities for us to do a more complete job: DCCA had the engineering resources and experience to provide drawings, design changes, panel testing and other services that the competitive panel shops couldn't, and which resulted therefore in higher costs for Bosch Rexroth. However, in

addition to all of those potential benefits, the real eye catcher for Germany was that profits could be kept within the Bosch Rexroth organization.

We went to work calculating a net profit based on competitive pricing and the Canadian dollar being at par with the US dollar. At first, the numbers indicated it was not a good business to pursue, unless we could find a way to shave off labour hours and component costs. That is when sales, engineering, the panel shop and purchasing all went to work to find a way.

Creative design changes were made to allow increased manufacturing throughput. Shop layout changes contributed to fewer

labour hours. Hard nosed negotiations with suppliers (enclosures, breakers, etc.) allowed us to successfully trim costs, albeit at the risk of committing to large purchase quantities, which by the way we are likely going to hit in 2009. In the end we reduced panel build time by about 38 percent and third party costs by approximately 28 percent.

Throughout the many meetings with decision makers in the USA and Mexico, we discovered the existence of an inherent assumption that Canada is a high cost country and that we couldn't compete. The numbers and overall benefits we presented were eventually accepted, and in 2008, DCCA Burlington became the preferred source for all North American panel builds. To date in 2009, we have built approximately 550 weld panels for 4 customers, in addition to all of the smaller volume custom panel orders that we receive on a continuing basis. Our biggest weld orders have come

from DC Mexico: 138 panels for Kuka Mexico, the line builder to Ford, Cuautitlan. Also, 100 panels for a Magna facility supplying parts to Ford, Cuautitlan and 190 weld panels from DCUS for BMW Spartanburg.

We have successfully met the quality, delivery and economy requirements, largely due to the application of Bosch project management principles, led by Tom Vermeltfoort and the talent and hard work of many.

On October 21, 2009 we received our largest order to date: 465 panels from DCUS for a Ford project.

To all of the people who have worked diligently and contributed to the success of this initiative from the time the idea was hatched, through to today and going forward and often under tight 'automotive time pressures', on behalf of DCCA, thanks very much.

| Ed Cloutier

Behind the scenes

IT about to Launch New Era

A buzz is coming from the IT department. basically speaking inquired about its source: An interview with the IT Manager Yolanda Walker on what's behind 'BGN'.

Yolanda, how are you feeling these days on a scale of 1 to 10 where 10 is outrageously wonderful?

Walker: 10! Working at Bosch Rexroth Canada has always been good. This BGN project is taking up a lot of time but is an interesting challenge. Learning something, being able to grow, seeing the fruits of ones labour is always a satisfying experience.

What does BGN stand for?

Walker: Bosch Global Network. The BGN is the Bosch worldwide intranet which allows one ease of access to data that could otherwise be cumbersome. It is a lot like our own intranet in that it keeps things filed in a uniform manner which allows the associate to browse in a familiar setting. Not everyone requires access to all things. The BGN keeps areas of responsibility in an orderly fashion which makes looking for data simpler. Using complex identity management application data that is stored on this BGN will make data even more secure than in the past.

Acquiring access to the BGN is impacting our current hard- and software setup, even our facilities have to 'give'. Is that correct?

Walker: Yes, for DCCA to gain access to the BGN, we have to undergo significant changes. Our Outlook email mailboxes need to be pared down causing many to groan. But while at first this may be an effort, it will enable us to be more efficient in our filing methods and teach us to weed out what needs to be kept and what can be eliminated. Each branch is receiving new updated equipment that will allow them to gain access to our traditional network as well as to this Global Network, with redundancy so that, in the unlikely event the network should collapse, they would still be able to serve our customer base. We are also in the midst of constructing a new Local Area



Yolanda Walker,
DCCA IT Manager,
based in Welland, ON.

Network (LAN) room in Welland that will include more redundancy, multiple backup strategies, other data paths, to name but a few advantages.

When do we need to be ready by?

Walker: We have an anticipated go live date of Friday the 13th of November! (No we are not superstitious!)

How will we benefit from BGN access?

Walker: By becoming members of the BGN we have access to the global Bosch information pool. We will be able to have access to project rooms, be able to better collaborate with colleagues on international projects. Be better able to share thoughts and ideas from sources we never had access to. Have an increased visibility for DCCA to the rest of the world as well. So it will be a two way street. A win-win situation.

Who will get access at DCCA?

Walker: Everyone across the country from East to West, North to South will have access after our go live date.

Will our user names and passwords change?

Walker: Yes, associates will require new user names and thus new passwords. The same password rules that we employ today will be utilized in this new environment. Every 90 days you have to change them, and no, you can never reuse the same password. The rule for the naming convention is quite simple. The first and last letters of your last name. Then the first letter of your first name. A number followed by your location designation. For example you Katja, could have a new login ID of 'rsk1Br1'.

Anything else, you'd like to share with basically speaking?

Walker: 24x7 coverage! Once we are part of this Bosch Global Network, then we will have access to resources around the clock! All will have access to a 1-800 number to call no matter what time should, say, your account be locked! One will have access to the 'My Bosch Services' a web based service tool. Do you require access to a particular filing area? Simply access this site and request it. Do you require new hardware? Simply access this site

and request it. There are automated checks and balances that will be done and you will have an answer to your request. Another bonus to this is that you can access it in multiple languages! French, English, German, a plethora!

So to sum this up, though with all projects of this nature, there may be teething pains, in the long run this is a positive step for DCCA to be taking. It will assist us in assisting our customers - externally and internally - that much more effectively and in a more timely manner.

| basically speaking

G61 Visit to DCCA Ontario



Peter Marks, President of Robert Bosch North America (G61), visited DCCA's Burlington and Welland locations for the first time on August 5.

All Burlington based associates were invited for breakfast with Mr. Marks in our Training Centre. After a facility tour, he addressed the group in the amphitheatre, then hosted an open forum with a smaller group where questions pertinent to Bosch Rexroth were posed and discussed. The group then headed for Niagara.

After a site tour all Welland based associates heard an address by Mr. Marks, followed by lunch. A meeting with DCCA management followed, then another open forum with a group of Welland-based associates.

During the visit we were able to show Mr. Marks what the 'Ontario parts' of Rexroth Canada are all about, and how we're responding to this business environment. He enjoyed meeting with our teams, and plans to return early in 2010 to see our progress.

| Boyd de Waard

Events

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MainTrain Edmonton

For the second time, MainTrain headed to Alberta in late September for a maintenance conference themed around 'Measuring Maintenance Success'. The Alberta Chapter of the Plant Engineering and Maintenance Association of Canada (PEMAC) organized the Edmonton event.

Attendance of the Edmonton conference was lower than last year's and appeared to be a struggle despite the huge success of last year's first MainTrain in Edmonton. The attendee mix was varied and included municipalities like the City of Edmonton and Calgary, representatives of the Oil and Gas industry (pipe lines, oil sands, drill rigs, etc), the food processing industry, and steel manufacturers.

Darren German, HBU Manager After Sales Service, held a 1.5 hour technical training session in the morning of the first day and gave an 'Oil Analysis Program Overview'

DCCA was a training sponsor this year rather than a Platinum sponsor. Not only does this come with a lower price tag but allowed us to present during the training day versus the main conference. Darren believes the training day audience to be a better fit for DCCA.

An interesting encounter for Flav Quiquero, Manager of DCCA's Edmonton operations, was learning about FT Services, calling themselves an asset management services company. FT Services was recently given a \$1.1 billion dollar contract to maintain Suncor Energy's equipment on their behalf. The contract includes for FT Services to provide on-site labour. "This could signal a shift in the maintenance market, where large operators could start to sub-contract out the maintenance component of their operations. Going forward we need to see how we can position ourselves to be a part of that equation", emphasizes Flav.

"I still believe that MainTrain is the right venue for DCCA to market our end user service capabilities", says Darren. "Our display created a lot of interest that I think was due to the new addition of the Trended demonstration stand (see picture). DCCA will also participate in the MainTrain sister events in Toronto and St. John's".

We haven't seen any sales originating in this event participation yet, but brought home some good leads.

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Fall Seminar Schedule

November will be a busy month for the Burlington training theater.

November 5: Hydraulic Maintenance Unplugged - Introduction to basic monitoring and maintenance principles that increase equipment reliability, productivity and uptime.

November 17: Safe Motion - Application of drive-based safety functions to increase worker protection and productivity.

November 19: Plastic Machine Safety & Optimization Upgrades - Introduces cost-effective ways to use the latest manufacturing technology, reducing safety risks and improving compliance.

Karen Park

DCCA booth at MainTrain in Edmonton with Trended backdrop and a demo built from Aluminum Framing (MGE)



Glen Early and Dan Tebbutt at DCCA's CanWEA booth

CanWEA

End of September, DCCA was part of the CanWEA at the Toronto Metro Convention Centre. This year's event was the 25th annual conference and exhibition of the Canadian Wind Energy Association.

With 225 domestic and international exhibitors and 2,200 delegates, including the world's largest wind energy producers, 2009 CanWEA was the Association's most successful event.

Canada's wind energy industry is growing quickly, powering more than 860,000 Canadian homes. CanWEA estimates wind energy

can satisfy 20 percent of Canada's electricity by 2025. Achieving this goal will generate \$79 billion of investment; create 52,000 high quality, full-time jobs, while adding 55,000 MW of clean generating capacity and reducing Canada's annual greenhouse gas emission by 17 Megatons.

2009 was DCCA's first appearance at the wind industry's event, making us known as a local resource for component replacement, service support and commissioning.

We displayed a variety of hydraulic components (valves, pumps, manifolds) and a small HPU in order to demonstrate the range

of product we have to offer. The elements of our booth that attracted the most attention were a banner with a detailed cut away diagram of a wind turbine and the high quality videos outlining Rexroth's experience and contributions to the wind energy industry.

Most of the quality contacts we made were other exhibitors, like wind turbine OEM's, wind farm operators, service providers, component suppliers, and installation contractors. There were also a number of regional development organizations attempting to attract wind farms and/or turbine manu-

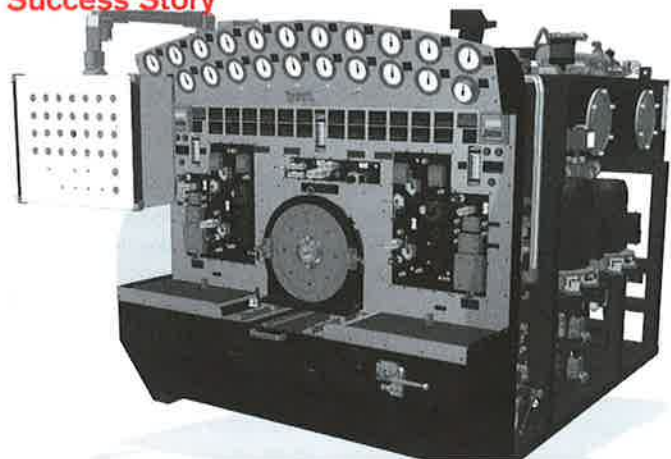


facturing to their jurisdictions.

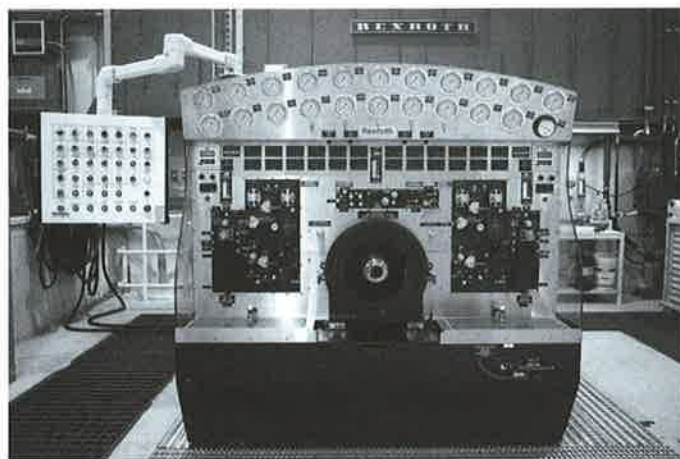
Dan Tebutt summarizes: "Overall, it was a valuable three days for DCCA. We learned more about the dynamics of the industry and have set the stage for business development in this growing application."

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Success Story



3D design tools used by DCCA engineers allow a life-like preview of all components.



Pump Service Orders Potentially Lost ... SOLUTION: Test Stand from DCCA

In June 2008, Bosch Rexroth Corporation in Fountain Inn, South Carolina, approached us with a Request for Quote for a test stand required for their first service center in Dallas Texas; the first of a series of five. Excited about this potential, work began on a proposal that would meet the customer's many requirements.

After a visit with our friends down south, our proposal was accepted over other internal Rexroth country unit competition. Recognizing the close synergy between our ABU and HBU applications, design and manufacturing groups we began to create and bring to reality our latest axial piston test stand. Over the past number of years, DCCA has worked hard to become a leader in test stands having our systems installed in Canada, the USA,



Mexico, and Panama.

This particular design was engineered to test axial piston units ranging from 28cc to 355cc in both single and tandem configurations, while also accounting for the variety of pump control options. A 250 HP variable frequency drive (VFD) motor coupled with a Rexroth PLC (L20 Processor) and WEG drive was chosen to achieve the precision and control

required for this application. A maximum continuous operating pressure of 420 bar at 400 LPM flow is available, with provision for 550 bar high pressure pilot oil test. The test stand incorporates a wide spectrum of Rexroth products: DCL linear rail, DCC remote I/O system, DCH valves, and our DCCA Trended system for remote monitoring.

Putting all of this together in a compact user friendly package was a challenge. While typical power unit design can be challenging, creating a machine with a much higher human interface requirement presents new challenges in both design and automation. For this reason, customized programming and hardware were developed tailored to the specific customer demands. Safety features incorporated into this design included: overheating protection, power/torque/RPM limiting, and electronic braking of the VFD under a controlled time limit (2000-0 RPM in 1 sec.). Data acquisition is available to the customer via a downstream USB connection.

To accomplish this, hydraulic motors are tested as a pump and open loop pumps are tested as closed loop pumps, reducing the size of the reservoir. Custom manifolds were used to ease customer connection to the test stand and eliminate most piping/tubing. Multiple analog gauges and digital readouts (24) were positioned logically to create two separate systems used for the single/tandem testing. The connection between the test article mounting and the test stand was simplified by using linear rail coupled with a custom bracket to adapt to various shaft lengths. Tool free clamping with detent for ease of pos-

itioning/rotation of test article and redesigned aluminum adaptor plates (less than half the weight of the previous design) reduce setup time. In addition to the test stand, a hose and component rack on castors was designed to account for most connection sizes/styles/pressures, providing the customer with an



The custom hose and component rack with connection chart.

easy-to-use connection chart thus reducing the onsite hardware required for startup and ongoing testing.

As the technology continues to improve and customer demands increase, the test stand market is constantly evolving. We want to position ourselves as a leader in the field by providing a superior product to our customers. With every custom test stand we learn and build more practicality into our designs and look forward to many more challenges in this specialized area of growth. A special thanks to all involved in making this concept a reality.

Ray Bhaskar, Dave Stewart, Ben Gilmore