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PRESS RELEASE

Connect Systems International & ElectronicNetwork start LCC cooperation

Connect Systems International, European contract manufacturer and ElectronicNetwork, German EMS supplier have agreed on a Low Cost Country (LCC) cooperation in Romania.

On 2nd November Klaus Kroesen, chairman of ElectronicNetwork and Luc Switten, CEO of Connect Systems International, have signed a cooperation agreement for the production of large series in Connect Systems' factory in Oradea, Romania. This cooperation enables ElectronicNetwork to offer its customers the benefits of EMS-outsourcing in Eastern Europe. For Connect Systems this partnership means a better load and therefore continuity of the competitive position of its Romanian factory. Furthermore both parties will develop a purchasing synergy to negotiate better material prices for their customers.

Klaus Kroesen: "The cooperation with Connect Systems is a major step in the development of ElectronicNetwork with regard to manufacturing large series. Our customers can keep relying on their trusted sources at ElectronicNetwork, but producing in Romania will also offer them a competitive advantage. The experienced transfer team will always offer our customers the best solutions regarding procurement, quality, production, test and box build. We will evaluate transfers on project basis and in upfront negotiation with our customers. At this moment we have already identified a large number of customer projects that would fit in this new strategy."

Luc Switten: "We are convinced that making use of eachother's competences will result in a competitive advantage for both companies and most important for our customers. Not only by serving two complete different markets but also by creating a bigger purchasing power within our industry. Additionally ElectronicNetwork can offer its customers a manufacturing site in Romania, and Connect Systems will be able to maintain its competitive position and deal with the increased Romanian salary costs, thanks to the better coverage of its Romanian operations."

Connect Systems started its production activities in Oradea with 17 employees in 2002. Today the factory has grown to 16.000 m² and 800 employees, active in 2 divisions (cable assembly services and PBA-services).