

Introduction

It's my pleasure to introduce you to a 'first edition', the first newsletter since we started, on Nov 1st, the transition to the new combined CitySensoriC sales and marketing organisation. This is covered in more detail in the article below, but we believe these actions will move us closer to the customer in many ways.

Another manifestation of the change is the presence of our 4 regional hubs' whose addresses are at the end of this letter. Once the office in Chicago is established in early 2006, we will have clearly placed customer service, product support and account management, for our safety customers initially, in their time zones. We are rightly proud that, by Spring next

year, there will be a CitySensoriC office open somewhere in the world almost every hour of the day!

This CitySensoriC News also introduces our intention to shift toward e-newsletters which will allow us to tailor our communications more closely to the needs of the market sector (safety, emissions, automotive, medical etc) it is targeting.

That is a good point for me to end on as the article below will tell you more about how targeting key sectors will enable us to make CitySensoriC the gas sensor provider of choice.

David Baldwin-Evans
Sales & Marketing Director
City Technology and SensoriC Gas Sensors

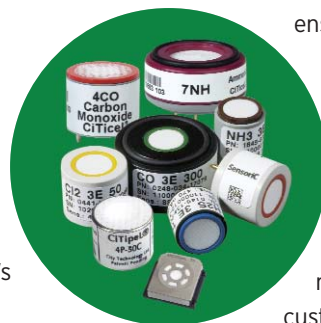


Making CitySensoriC the Gas Sensor Provider of First Choice

From the beginning of November 2005 the sales & marketing organisations of City Technology and SensoriC are being integrated to better meet our customers' needs and the changing shape of our business.

The key changes that we are making are:

- Establishment of vertically integrated business teams focused on key applications of Safety, Emissions and Automotive & Medical. Each team will comprise account management, product support, internal sales and customer service.
- Setting up 4 regional hubs in Chicago, Bonn, Shanghai and Portsmouth taking CitySensoriC's operations closer to the customer.



- Providing a single point of contact for selling and supporting City and SensoriC's products.
- Proactive local based support providing applications-focused knowledge and back up.

- Introduction of world-class product management to ensure we deliver the products our customers want, at the right time and right price.

The restructuring will take 6 months to implement fully and will be completed by April 2006. Throughout this transition, the stability of our relationship with our customers remains paramount and any handover of account responsibility will be carefully managed with the customer being fully aware of the transfer and timing.

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IN PROFILE

Tony Roberts

City's Operations Manager, Tony Roberts, has overall responsibility for the manufacturing and delivery of all City's sensor ranges. Tony joined a much smaller City Technology in 1992 in the role of production engineer, having previously spent 2 years with another UK manufacturing company.



Tony Roberts -
Operations Manager

Tony has been involved in engineering and production ever since leaving school. Much of his basic training was done on a 4-year apprenticeship with the MOD which was followed by a degree in Mechanical Engineering at Thames Polytechnic in London.

Tony has long been a champion of the principles of "lean manufacturing" having been involved with its implementation in his former company in the early 1990's. On joining City, Tony soon became involved in the adoption of lean manufacturing principles. As Tony recalls, **"In 1992 when I first came to City we typically had lead-times of 3-6 weeks on sensors and we only achieved 50% on-time delivery performance. Through the implementation of a cellular based lean manufacturing process we now have lead-times of 2 days on Kanbans and less than 10 days for the majority of general orders."**

So what about the future? Tony and his team are continuously looking at ways to improve delivery performance and provide

improved flexibility in the future. Tony explains, **"In the last 13 years we have made very significant improvements in our delivery performance at the same time as seeing a 3 fold increase in capacity. We have been able to achieve this without losing any of the flexibility that our customers want. Typically at the beginning of each month we only have 40% of the order book and we have developed the capacity to turn round 60% of orders in the month received. We have already implemented up to 3 shifts to cope with peaks in demand and have been using other First Technology manufacturing sites off-shore to take on additional capacity."**

As well as running our sensor manufacturing Tony is also available as a part-time tour guide and is pleased to show any of our customers around the factory - so when you are next in Portsmouth call in to see for yourself!

Applications

MICROPEL® CHOSEN FOR USE IN CHINESE COAL MINES

City has recently secured a contract to supply MICROpeL®75M combustible gas sensors to the Fushun branch of the China Coal Mine Research Institute (CCRI) for use in coal mines across China.

Currently 80% of all mining accidents in China are caused by gas explosions. In an effort to improve safety and reduce accidents the Chinese government has started investment to improve and extend gas testing in coal mines. The Fushun Branch of CCRI, which is located close to Shen Yang in Liao Ning Province, conducted extensive testing in both the laboratory and coal mines before selecting City Technology's MICROpeL®75M combustible gas sensor for use in their fixed point gas detection systems.

Dr Eric Tan, City's Business Development Manager for China commented "We are delighted to be working closely with the

Fushun branch of CCRI and that they have chosen the MICROpeL®75M for use in Chinese mines.

This sensor has been developed specifically for use in mining applications and is already being used in mines in Europe and South Africa."

Wang Jian Guo, President of the Fushun Branch of CCRI commented, "Our cooperation with City Technology is the beginning of a time of change for coal mine safety equipment in China that will contribute greatly to improved safety in our mines."

The MICROpeL®75M is one of the MICROceL® family of sensors. The MICROceL® range which has been introduced over the last 2 years provides gas detector manufacturers with the smallest range of oxygen, toxic gas and combustible gas sensors available today.

For more details on the MICROpeL®75M and the MICROceL® range see www.citytech.com



"Mini" Sensors - the continuing evolution of SensoriC gas sensors

More than 15 years ago a small group of people in Bonn had the vision to manufacture the smallest commercially available gas sensor in the world. Driven by requests from customers, the SensoriC Gas Sensor product range was born.

Drawing on their own know-how and novel electrochemistry they were able to overcome many technical challenges on the way to developing the first SensoriC sensors. Their key features and advantages - specifically the range of exotic toxic gases - soon became well known in the industry and created an increasing demand for the products - "Made in Bonn".

Responding to the market requirement for sensors that could be used in existing instruments using City Technology 4 and 7-Series sensors, a new range of "adaptations" was launched in 1998 incorporating the small sized SensoriC sensors in larger mechanical housings compatible with the 4 and 7-Series formats.

Now in 2005, the next generation of SensoriC sensors is commercially available. Building on more than 7 years of field experience and utilising the proven electrochemistry the new smaller Mini sensors have been designed with improved mechanical robustness and are quicker to manufacture resulting in faster delivery times.

The SensoriC Mini is ultrasonically welded into the larger adapter housings, to provide City Technology 4 and 7-Series compatibility. Additionally, the new Mini sensor is an ideal platform for customized sensor solutions - another growing market opportunity for the sensors from Bonn.

Further to the mechanical improvement the basic sensor technology and manufacturing technologies of the core sensor cell - the SensoriC Mini - reflects the same high quality standards as in the previous versions.

As a result, customers will benefit from the same field proven sensor technology in even more robust mechanics.

More information on the SensoriC Mini Series can be found at www.sensoric.de



Environmental Air Quality Monitoring

Interest in monitoring air quality in urban areas is rapidly increasing around the world as cities expand and traffic levels multiply. Many common pollutants are involved in the generation of photochemical smog and have major implications for breathing related health issues.

This has resulted in the rapid growth of air monitoring stations in pollution "black-spots". These stations are often equipped with complex analysers that provide excellent data, however their high cost prevents wider adoption throughout cities.

City has a range of sensors that provide a lower cost alternative for monitoring urban pollution. These sensors detect carbon monoxide (CO), nitrogen dioxide (NO₂), sulphur dioxide (SO₂) and ozone (O₃). To detect these gases at the very low levels required (ppb levels) the sensors use a 4-electrode design where the 4th 'auxilliary' electrode significantly improves baseline performance.

Recently Archimedes Logica have chosen a range of City's environmental sensors for use in a small mobile air-quality monitoring system (AQMS). This small, low power device, is designed either for fixed site operation or to be mounted on vehicles for real-time mobile monitoring in traffic. The first users of this system is the City of Suzhou in China who have



mounted the AQMS system on the back of motor scooters which are driven round the city sending back real-time data on pollutant gas concentrations to a central control room.

The Beijing City Environmental Protection Bureau also plans to use the Archimedes technology as part of a complex new system designed to monitor traffic and air quality in the city.

This is part of a joint China-Italy intergovernmental programme for environmental protection.

‘Making CitySensoriC the Gas Sensor Provider of First Choice’ continued

The key benefits for our customers of these changes will be:

- Improved communications.
- Delivery of the best overall product solutions from the widest range of gas sensors in the industry.
- Greater emphasis on customer input in future product developments.

- Improved support through fully operational local offices on similar time zones.
- Greater focus on and understanding of the needs of particular applications.

For more details of the new organisation please see www.citytech.com/support/sales-support.asp

CitySensoriC Out and About

Thank you to everyone who has visited City Technology and SensoriC at recent trade shows including MICONEX and AAPEX.

We recently exhibited at MICONEX in Shanghai, our sixth consecutive year at the show, and once again attendance reached record levels. We look forward to meeting many of our Chinese customers again next year in Beijing.

As well as exhibiting, both City Technology and SensoriC “walk” many of the large trade shows where our customers exhibit, providing an ideal opportunity for us to meet many of our customers.

You can meet City Technology and SensoriC at the following trade shows in 2006:

AHR	23-25 Jan 2006, Chicago, USA - Exhibiting (Booth 4457)
AiHCE	14-16 May 2006, Chicago, USA - Attending*
Sensor + Test	30 May - 1 June 2006, Nuremburg, Germany - Attending*
MICONEX	Date to be confirmed, Beijing, China - Exhibiting
NSC	9-8 Nov 2006, San Diego, USA - Attending*

To see a complete list of events and full up to date details see our websites: www.citytech.com or www.sensoric.de

*CitySensoriC will be hosting Opinion Leaders Forums at these events.

We want your views

We would like to hear what you think of this newsletter. Do you find the content useful and interesting, or does it cover things you already know? Are there any topics that you would like to be covered in more detail?

Whatever your views we would like to know - please forward any comments to **Nicola Nye** - nicola.nye@citysensoric.com

e-Newsletter

We will be introducing a new e-Newsletter over the coming months to complement this current printed version.

The new e-Newsletter will enable us to provide you with much more applications focused information in the areas that are of interest to you. You will be receiving further information about this initiative within the next few weeks.

If you would like to receive future issues electronically please inform **Nicola Nye** - nicola.nye@citysensoric.com



At the heart of gas detection

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