

TRUMPF



To whom it may concern

TRUMPF Ltd

President Way
Airport Executive Park
LUTON
Bedfordshire
LU2 9NL
Tel: +44 (0) 1582 725335
Fax: (01582) 399250

Email: sales@uk.trumpf.com
www.uk.trumpf.com

Our Ref: LM/lp

Date: 25th January 2019

Dear Customer

As the date of the UK's withdrawal from the EU is rapidly approaching, I wanted to update and reassure you on the current position of TRUMPF on the critical topics that may affect TRUMPF and our customer base. During December 2018, we initiated stress testing on the myriad of scenarios that may occur and identified key factors that have a high risk to our ongoing business concerns during and after the transition period. Below we define our focus points and our counter measures.

Risk analysis: - Highlighted areas TRUMPF intend to mitigate

- Exchange rate volatility
- Importation duty
- Importation delay, capital equipment and spare parts

Our mitigation strategies: -

- **Exchange rate volatility:** - TRUMPF standard policy is to have forward exchange contracts, we have increased our hedging for 2019 to increase protection from extreme and adverse movements throughout the year.
- **Importation duty:** - To alleviate the concerns, TRUMPF ensure that no additional costs are incurred by the customer should any tariffs or duties be applied. This being applicable to all purchase orders placed before the 30th March 2019, whether capital equipment or spare parts.

During March 2019 we should have more clarity on the withdrawal date and tariff status and shall update our customer base accordingly.

- **Importation delay:** - TRUMPF has reviewed all spares and consumables delivered directly to our customer base from the EU in the last two years. As a result we have increased our local inventory by £2 million, we shall maintain focus on the inventory level throughout and amend dynamically during 2019. TRUMPF have agreed measures with our logistics providers to ensure minimal importation disruption and are appointing a customs broker shortly.

In the meantime, our customers should take comfort and reassurance from the fact that TRUMPF have proactively assessed and taken actions to minimise risks.

Yours sincerely
TRUMPF Ltd



Lee Moakes
Managing Director