

December 14, 2007

Notification of changes **Transfer of backend production of SMD NTCs from Deutschlandsberg to Kutina**

In order to supply our customers more reliably, EPCOS is transferring the following manufacturing steps from Deutschlandsberg, Austria, to Kutina, Croatia: metallization, firing, plating, electrical measurement and QA. The step wise transfer will start in February 2008. The objective of the relocation is to colocate the backend production of multilayer varistors and multilayer SMD NTCs, and utilize the established backend production of multilayer varistors. In this way it will be possible to further expand capacity and react more flexibly to customer demands.

Enclosure: Process change notification (PCN)

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Customers should address inquiries straight to their EPCOS sales contacts.



**Product / Process Change Notification
Produkt-/ Prozess-Änderungsmitteilung**

1. ID No. / ID-Nr.: KB 08/65		2. Date of announcement / Datum der Ankündigung: Dec. 14, 2007	
3. Type / Produktgruppe: SMD - NTC size: 0402 0603 0805 1206	Old ordering code / Alte Bestell-Nr.: B57***C0*.. B57***C2*.. B57***C5*.. B57***V2*.. B57***V5*..	New ordering code / Neue Bestell-Nr.: No change in ordering code	Customer part number / Kundensachnummer: N/A
4. Description of change / Beschreibung der Änderung: Transfer of manufacturing steps metallization, firing, plating, electrical measurement and QA from Deutschlandsberg/ Austria to Ceramic Components Production Kutina/ Croatia. The factory in Kutina is doing these backend processes since 2003 for MLV (Multi Layer Varistors) and MLCC (Multi Layer Ceramic Capacitors) and has ISO/TS 16949 certification.			
5. Effect on the product or for customers (quality, specification, lead time) / Auswirkung auf das Produkt oder für den Kunden (Qualität, Spezifikation, Lieferzeiten): No changes in product, quality specification and delivery time.			
6. Quality assurance measures / Maßnahmen zur Qualitätssicherung: Production release procedure is being done according to the rules of ISO/TS 16949. Step 1: MSA (Measurement system analysis) and parallel OQA (Outgoing quality assurance) in Kutina and Deutschlandsberg during ramp up. Step 2: additional process and reliability qualification			
7. Scheduled date of introduction / Geplante Einführung: Step1, Electrical measurement and QA: For first parts delivery possible within 02/2008 depending on customer release, full production with 03/2008 Step 2, Metallization, firing, plating: start of production in 05/2008			
8. Customer feedback / Rückmeldung vom Kunden: If EPCOS does not receive notification to the contrary within a period of 10 weeks, EPCOS assumes that the customer agrees to the change. For an interim period we cannot rule out that old as well as new products will be shipped. Falls EPCOS innerhalb von 10 Wochen keine gegenteilige Mitteilung erhält, geht EPCOS davon aus, dass die geplante Änderung vom Kunden akzeptiert ist. Innerhalb einer Übergangszeit kann es vorkommen, dass sowohl alte wie auch neue Ware geliefert wird.			
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Customer acknowledgement Bestätigung durch den Kunden		Signature	