

THE VISION

The world's automatic choice for providing "Value through Innovation"

FINANCIAL PERFORMANCE

I am pleased to announce that the financial stability of the company has strengthened throughout last year. The turnover from all divisions was ahead of 2009 by nearly 17%

Our Sales order intake for 2010 has achieved a record high within the history of Lamberts. We have succeeded in growing Sales during 2010 by a substantial amount in line with our strategic targets; this is significantly ahead of 2009, which happened to be the previous record. Orders have been received from various customers and sectors that demonstrates growing confidence in what can still be considered an unpredictable global economy.



Both of these figures are fantastic achievements considering that the UK has been slowly moving out of a global recession. This growth is recognition of the dedication from all staff within our business and also demonstrates that the business strategy is correct and will support our targeted strategic growth.

2011 ANNOUNCEMENTS & DEVELOPMENT

During last year we completed the rebranding of Lambert, the new signage was installed and looks fantastic.

It has been an important part of the strategy to ensure our customer and supplier network understand the model of our business. Lambert works for a wide customer base within varied market sectors and this cross section of experience has always been a strength that has assisted us in delivering more than expected. It is important we market how we gain the experience and skills that differentiate us, it is also vital that the media we use is aligned to the customer's requirement and market sector.

Lambert

Automation Systems

- Bespoke automated production machinery
- Early stage product & process innovation



Lambert

Equipment Engineering

- Manufacture and build of customer equipment
- Re-purposing and refurbishment



Lambert

Precision Components

- Manufacture of high quality precision components
- Reverse engineering
- Design for manufacture



A WORD FROM THE MANAGING DIRECTOR



I would like to take this opportunity to thank every member of staff for their efforts and hard work during 2010. The usual high standard and commitment from everyone has ensured we have had a successful year and are on target to continue this throughout 2011.

Over the last 12 months we have seen many changes in our factory, there are few businesses that could promote the development and growth that we have seen during this time. Our strategy and vision is in place to ensure we listen, adapt and deliver beyond what our customers expect. The success of this will ensure our own success. The diligence and strength of commitment from all staff at Lamberts has been the fundamental factor in delivering this.

I'd like to take the time to explain some of the changes happening within our business, this is just a snap shot in time, but hopefully it will give you an understanding of our continued growth and development.

Warren Limbert
Managing Director

MODULE TECHNOLOGY



We would like to take this opportunity to give all staff and visitors an update on Modular technology (Lambert Genesis Project).

2010 saw the start of the Genesis initiative that has now developed into our "Modular Technology" approach to the way we design bespoke equipment.

This new approach was driven by the need to be innovative and become highly competitive with the supply of machinery in the pharmaceutical and medical sectors.

We have used various test beds for the new approach. We applied this ethos to a number of steps in the production process.



Standardisation of design

- Economical part manufacture.
- Machine construction.
- Supplier management.
- Streamlining the way we generate documentation.

Applying this approach has led to a number of benefits to the business.

- We have a platform and livery that we can market.
- We have developed a machine platform capable of operating in class 10,000 clean room.
- We are now building up a library of standard modules to construct similar machines from.
- We are developing this approach for converting machines.
- We have developed templates to give consistency and speed up the generation of documentation.
- We have achieved a 20% reduction in hours across design, manufacture, build and test activities.

The initiative is being extended in 2011 to further capitalise on its benefits and review other areas that can be further improved.

- The new streamlined design & documentation procedures are to be rolled out across all projects.
- Formal training is to be implemented in the new design procedures.
- Feedback, good and bad from the mechanical and electrical build is to be analysed and incorporated in new builds
- The modular approach is to be implemented into software.
- Commissioning activities are to be scrutinised using our newly developed "lean tools" with the goal of reducing timescales which will in turn improve our lead-times.
- A "Fail fast Fail cheap" approach to process development and POP work is to be evaluated and developed.
 This will enable us to home in on the best approach to a process solution in the most cost effective manner.

We are already using various media tools to promote Lambert Modular Technology; a couple of screen shot examples show how the business explains the ethos to our customer base.

FACTORY LAYOUT

Along with creating further floor space from Guardian Park, there will be alteration works carried out over the next 12 months to the main facility, plans are currently being drawn up for these changes.

These changes are necessary so that we create more build space within the factory and also to ensure departments are brought in-line with the strategic targets and business model moving forward.

Within these changes we will be moving the Inspection Department from the current location and building a more professional modern facility. We will also be carrying out building work to the rear of the factory to improve the blacking and blasting facility.

Along with these changes we will also be putting up more signage around the factory to promote our 6s initiatives and successes. This internal media will assist with sustaining the new lean culture we have been successfully developing over the last 18 months.

HEALTH & SAFETY

There has been a significant improvement during 2010 to the Health & Safety (H&S) policies within the business and employees adherence to these.



This focus on H&S must continue at the same level throughout 2011 and beyond. As part of the internal signage initiative we will also be promoting H&S in a more visual way throughout the factory so that subtle reminders are around all departments.

As part of our next H&S Committee meeting we will be discussing ways we can deal with H&S breaches. Some staff members have expressed concerns on what action may be taken by a Manager for minor infringements; rather than verbal warnings, etc there have been suggestions such as a Yellow Card system. We would welcome suggestions from any of our visitors, as well as staff members, for ideas on this matter.

GUARDIAN PARK

The business has recently taken on the lease of another unit within Guardian Park.

The location of this new unit is behind our current unit. We are changing the layout of the two buildings so that we create a larger single unit that will give us an additional 7,600sq ft of floor space, there is also the added benefit that this new facility is still located within our current site.

There is a tremendous amount of work to do here, but once we have finished the building work and installed the necessary security, heating and services we will be moving some of our build projects into this area.

The building has the benefit of becoming a dditional secure build

The building has the benefit of becoming an additional secure build area which will increase our total secure build facilities to three totalling more than 17,500sq ft. With the recent order intake and our planned strategic growth we see that our current facility will not be sufficient to successfully meet the business needs long term and this is just the first step in the plan to grow our facility on its current site.

APPRAISALS – TARGETS & OBJECTIVES

During 2011 the new appraisal schemes will be introduced to all Lambert employees.

The main purpose of these will be to identify development and training requirements for all staff. It is important that all members of staff have personal and career targets to aim for. These will be broken down into objectives and with the support of their Manager and the business, each person can go on to achieve them.

Over the coming years as the business achieves the strategic growth there will be further career opportunities for staff, the appraisal system will assist with ensuring all employees reach their full potential.

At Lambert we want everyone to understand they have a career, not just a job.



We have been successful in our application for an interest free loan from the Carbon Trust and also a grant from Co2 Sense.

Over the next few months there will be investment into the factory that long term will assist with reducing our carbon footprint; we will also see benefits from reduced operating costs given by the saving. In total we are targeting an annual reduction of more than 100t Co2.

The changes that will be happening are:

- All shop floor lighting will be changed to LED strip lights.
 This will give a brighter factory whilst reducing electricity consumption.
- Three roller shutter doors will be replaced with a high speed insulated design:
 - > Main Bay
 - > Room 101 Secure Build
 - > Room 102 Secure Build
- Variable speed drive fitted to the main compressor to reduce electricity consumption whilst off-load.
- Replacement of 2 main boilers to a modern efficient model.

These changes will cause minimal disturbance to the running of the factory but please be understanding if you are inconvenienced.

6s CONTINUAL IMPROVEMENT

2010 saw a massive improved focus towards our company 6s culture.

Everyone played a significant part in contributing to these initiatives and a special 'Thank You' must go to the 6s Committee for their diligence and dedication to this long term commitment.

We were well supported in our development by Kerry Cochran of Lean Business Solutions and MAS (Yorkshire & Humber). We are now in the process of planning our improvement strategy with Kerry for 2011 and would welcome any suggestions from staff on initiatives that they feel will add value to our customers and business operations. Please speak to one of the committee members.

As well as continuation of the current 6s projects, a new quality initiative is one improvement that we will be developing during the early stages of 2011. To allow our business to target new sectors and markets there are improvements required to ensure we exceed existing and potential customer requirements; more news on this will follow shortly.

I am also excited to announce that we are just at the infancy stages of a project with the Advance Manufacturing Research Centre. The University of Sheffield AMRC is a world leading research centre dedicated to developing innovative cutting edge solutions for UK companies such as Lambert. We are looking at working together on a project to reduce the manufacturing times on certain key components using new tooling and resonance frequency monitoring systems. The benefits of such a partnership will be passed on to all our customers.

A full report of this initiative will be published in a later edition, please keep your eye out for this.



University Of Sheffield.

Advanced Manufacturing Research Centre



EMBRACE AND DEVELOP YOUNG ENGINEERS

As part of the Lambert culture for developing young engineers we have recently been visited by a film crew representing EAL.

The day consisted of various footage being taken of our Apprentices and Mentors around the workplace.

EAL is the UK's leading awarding organisation for Engineering National Vocational Qualifications (NVQs). With over 70% of engineering vocational qualifications awarded by EAL it is easy to see why they are the market leader in this field.

The footage taken will form part of a new initiative to develop a greater awareness within Schools and Colleges of what modern Engineering is like in the UK.

Lambert was more than happy to support this initiative as it is aligned to our own focus on embracing and developing partnerships with

schools, colleges and universities.

EMBRACING THE LAMBERT PHILOSOPHY

It gives me great pleasure to announce the achievements of the following staff.

Martin Riddalls, Greg Ward, Robert Williams, Jayson Exley and Mark Rounding have all recently been awarded the City & Guilds Sustainable Manufacturing Licentiateship Award. They attended a prestigious awards ceremony at Leeds University to collect their certificates - Well done!



Pictured from left to right: Martin Riddalls, Grea Ward. Robert Williams and Mark Rounding

As part of the Lambert strategy, staff development is vital. There have been two recent promotions, Greg Ward has been promoted to Project Engineer and Ben Askew has been promoted to CNC Operator on the Bridgeport VMC1500.

Other changes in the business have also been implemented to align our business to meet the needs of our customers, with this in mind we have made the following changes within our Design Department:

Programme Managers

John Davey, Gareth Munro and Rob March will now undertake the role of Programme Manager and will be responsible to Paul Newby.

Documentation Engineer

John Wake will now undertake the role of Documentation Engineer.

John will support all projects with the generation and management of validation documentation, technical files, manuals, etc. John will be responsible to Martyn Hemmens.

As part of our strategic growth, recruitment is a continual requirement. over recent months there have been many new appointments.

To bring everyone up to date I would like to announce the new members of our team who have joined Lambert over recent months.

Philip Smith - Fitting.

David Wilkinson - Fitting.

Simon Allbuary - Fitting.

Tom Ward - Stores.

David Nelson - Mechanical Design.

Michael Lewis - Mechanical Design.

Robert Chivers - Mechanical Design.

Alistair Wilson - Mechanical Design.

Mark Fawcett - Mechanical Design.

Andrew Rogers - Mechanical Design.

lan Creighton - Sales & Estimating.

Andrew Louis - Project Engineering.

Ben Foster - Software.

William MacQuarrie -

Mechanical Apprenticeship

Gareth Munro - Program Management.

MOVING FORWARD

Over the coming months it is the intention of Lambert to invite some of our key partners in so that we can present the business strategy.

It is vital that they understand and emulate our values and aims within their own company. Together we will ensure that our customers' requirements are exceeded and by assisting them in their success Lambert and our supplier network will also succeed.

Once again can I thank all Lambert staff and partners, as we all know it is the people supporting our business that ensures Lambert retains its name as the innovative, lean partner to some of the world's largest corporations. It is a fantastic achievement to be succeeding and growing in what is still a volatile market place. This is a result of the dedicated workforce within our company and is a huge indicator in demonstrating that our business strategy is right.

We must never stop striving to perfect every process within the business; only with every member of staff's united allegiance to customer focus and eradication of waste will we continue to thrive and grow.

Please remember our vision statement:

THE WORLD'S AUTOMATIC CHOICE FOR PROVIDING "VALUE THROUGH INNOVATION"

Only with every Staff member's continued commitment to our company values will we achieve this.

Always look forward to your next challenge.

Warren Limbert Managing Director.

OUR VALUES

Customer Centric

Adding Value, Partnership Built on Trust, Respect and Flexibility **Effective Communication**

Innovation

Ingenious Solutions, Applying Lean Thinking to all Business Processes

People

Welfare, Shared Vision, Training & Development, Empowerment.

Sustainability

Eliminate Waste From Every Process, Environmental Awareness, 6s Development

Suppliers

Key Partners, Ethical Business Relationships and Aligned Vision

Quality

One Touch Handling - Right First Time, Effective Project Management, Continuous Improvement.



