



TO: "Management/Industry Stds."

FROM: Jim Thornhill, Director of Field Services , AGFA Healthcare

PROJECT: Transient Voltage Surge Suppression (TVSS) Filtering Site Retrofit;
AGFA ROI; Customer Based Improvements Review.

REGARDING: A recap of the effectiveness, warranty cost reductions, service maintenance, ongoing system costs and ROI; Conclusion based recommendation(s) of possible future TVSS retrofits and adding TVSS to the standard package for new equipment sales.

INTRODUCTION The intent of this memo is to summarize the results after installing 104 high performance Total Protection Solutions (TPS) TVSS power filtering plug-in devices at existing AGFA customer sites. The basis of our evaluation was our overall service cost savings relating only to service calls, (labor and parts costs).

HISTORY /APPLICATION Historically, in the field service area, we have seen an increasing trend of what we think are power and power disturbance issues relating to our customer warranty service calls. After reviewing and researching various medical equipment power quality relate issues (i.e., see attached case study MedOne August 2009 article; Before and After Case Study) it was decided we would install 104 TPS TVSS Devices, Model No. TK-LTE120-15A-C, at 104 randomly selected AGFA CR Imaging equipment locations.

RETURN ON INVESTMENT (ROI) The objective of this project was to cost effectively, on a conservative basis, determine whether or not the application of the TPS TVSS Device(s) protecting our AGFA Imaging equipment at no cost to our customer(s) would generate a justified savings (ROI) to AGFA based on reduced service calls (parts & labor). Our ROI review was based on 104 locations and comparing an 8 month period (May '08 to Dec '09) without the TPS TVSS device and an 8 month period (Jan '09 to Aug '09) with the TPS TVSS device. The following are the results:

Total Service Calls	Reduced Service Calls	% Service Call Savings	Parts & Labor Savings	TVSS Cost	Payback (Years)	TVSS Free Replacement Warranty (Yrs.)
384	56	14.6%	\$52,256.00	\$44,500.00	.57 (7 mos.)	15

CONCLUSION It appears from the conservative ROI results summarized above that it is an opportunity for AGFA to reduce cost by retro-fitting existing AGFA equipment installations currently under a service agreement with the TPS TVSS device. In addition, also include the device as an additional standard requirement for all future new AGFA equipment sales for reduced warranty costs.

It should be noted there are other significant benefits of this TPS TVSS protection that were not evaluated in the scope of this project. The customer would have increased performance, reduced downtime and possible increased revenues as a result of this protection over time which is also in AGFA's best interest. Our service engineer's time can be better utilized to focus on new business opportunities, vs. responding to avoidable service calls.

In summary, there is a historical tendency in many companies to have a higher priority relative to minimizing first costs of new equipment and equipment expansions that increase revenue or electrically have a singular focus on energy savings. With today's increasingly advanced electronics technology dependant world, it is necessary to work hard at changing some long existing paradigms and costly priorities. This operational savings is a one time-low cost investment with ever increasing life cycle savings as the equipment/electronics of the future will demand even more clean filtered power quality to control costs and reduce downtime.