

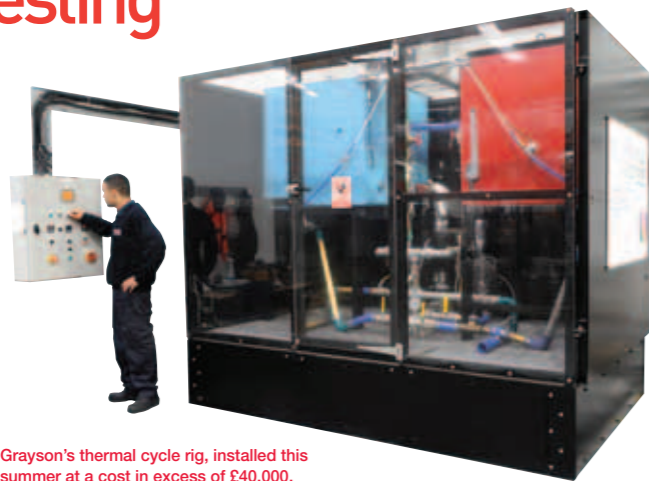
Research and Product Testing

Research and product testing are central to Grayson's plans for the future, allowing us to work in partnership with customers to develop more durable, efficient versions of existing products, as well as innovative new solutions to help customers operate more effectively and in line with changing legislation.

Our new research and development facility is playing a key role in helping us to stay at the forefront in our industry.

Grayson carries out a wide range of product testing including:

- Pressure pulsation testing
- Thermal validation testing
- Thermal cycle testing
- Vibration testing



Grayson's thermal cycle rig, installed this summer at a cost in excess of £40,000.

Advice column

Three-way valve kit helps avoid pressure damage

It is common to experience a much higher coolant flow on some engines which, in turn, increases system pressures.

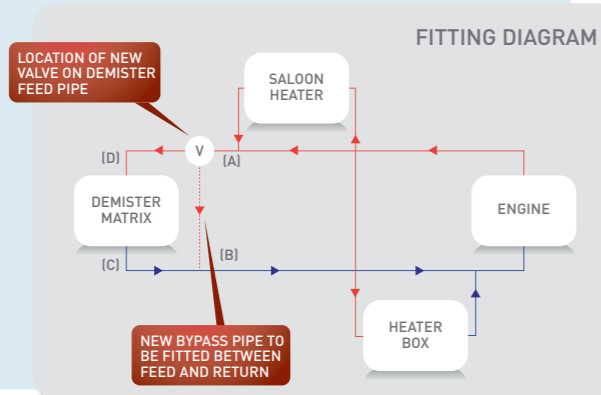
At times when coolant flow is at its peak, pressure can increase significantly in the heating system and can cause the heater matrix, boost pump and hoses to leak. Damage can occur, especially when the thermostat is closed and block pressures are at their highest.

In response to this problem, and following a year-long trial, Grayson has developed a new three-way valve kit which can be installed before the demister matrix to help alleviate the build-up of pressure in the heating system and reduce the stress on the connected parts.

The kit has been tested around the world, in both high and low ambient temperature climates. A version has now also been developed for Euro 3 vehicles.

Some Euro 4 and Euro 5 vehicles are experiencing much faster increases in water temperature than is usual in older engine specifications.

The kit should be installed as follows:



Company News

Restructure boosts customer service

Grayson's operating divisions have been restructured to assist with the company's ongoing expansion plans.

It has been streamlined from three divisions to two, in a move designed to make it easier for all customers to access the services they need both now and in the future, when new products and services will be introduced.

The two divisions - Manufacturing and Parts - work under a single senior management team, which is driving efficiencies and fostering close working

relationships across the business, so that Grayson can develop the best and most cost-effective solutions for individual customers.

The company's business in North America, Grayson Thermal Systems Corp., which launched last year, is unaffected by the restructure.

People skills

Grayson recognises the potential of promising employees to develop and it provides support for them to do so through appropriate training and development programmes.

As a result of our commitment to developing and caring for all employees we are fortunate to have numerous staff



Alan Bradnock

members who have been with us for many years. One of the longest-serving is Alan Bradnock, who celebrated 25 years at Grayson earlier this year. He has worked his way through a number of roles with the company and is now works manager in the copper brass facility, and a member of the senior management team.

Grayson
THERMAL SYSTEMS

thermal LINES

NEWS FROM GRAYSON THERMAL SYSTEMS | AUTUMN 2009



Stepping up the pace of change

Welcome to the Autumn 2009 edition of Grayson's newsletter, which will give a brief update on the huge changes that are taking place within the company as we make major investments for its future.

The past few months have been testing ones for everyone. However, we believe it is important for us to keep moving forward with the development plans we put in place two years ago to enable us to make ongoing upgrades to our products and services, to develop new products, and to work closely with customers to help them achieve better and more cost-effective heating and cooling solutions for their vehicles.

Our investment in new premises and new equipment has just reached a milestone. This newsletter will provide information about what we are doing, our vision for the future, and how all these changes will benefit our customers.

Stuart Hateley
Managing Director



FRESH LOOK AND NEW ADDRESS FOR WEBSITE



The Grayson website has been completely redesigned and given a new web address.

The new-look site provides much more information on the business, its people, and the products, services and technical support we can provide to customers in all our markets.

Visit www.grayson.com to see how far we have come in the last 30 years, and to find the answer to our website competition.

COMPETITION

Grayson Thermal Systems is well-known as a supplier to the bus, coach and specialist vehicle industries, but we have diversified into many other areas.

Name two, and you could win an Xbox 360 plus a game of your choice.

Email your answer to info@grayson.com with Newsletter Competition Entry as the subject heading, by 30th November 2009. The winner will be the first correct entry picked at random and will be posted on the website.

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Busworld 2009

Visit us on Stand 883



Grayson Thermal Systems has taken a large stand at Busworld 2009 in Kortrijk, in October.

As the world's largest specialist show for the bus and coach industry, it will give us a great opportunity to showcase our expanding range of products and services for European customers.

The company launched a major push into mainland Europe more than two years ago, and is now working with some of the continent's leading bus and coach manufacturers.

Like all Grayson products, those on show at Busworld Europe have been designed and tested by the company's in-house engineering design team and manufactured at its two UK manufacturing facilities.

Group sales manager David Hobbs and OE Sales manager Steve Parker will be on hand throughout.

To find out more, visit Stand number 883 in Hall 8 at the show, or see our website www.grayson.com

Grayson Thermal Systems has moved to a new flagship building which will be both the company's head office and home to a new and enlarged aluminium manufacturing facility.

BUILDING ON SUCCESS

The 42,440 sq.ft Wharfedale House, which is located opposite the existing copper brass facility in Tyseley, is part of a £4m investment which also includes a new furnace to boost aluminium production by 400 per cent.

This new capacity is enabling Grayson to braze its full range of all-aluminium, heavy duty radiators, charge air coolers, and oil coolers for enhanced durability and optimal thermal performance.

A state-of-the-art fluxing line has been installed, creating an aluminium centre of manufacturing excellence to rival those of the very biggest and most respected European radiator manufacturers.

The building will also house a dedicated research and development unit. A thermal cycle rig has been running since early July, testing aluminium radiators at temperatures between -10C and 90C, operating at 12 cycles per hour, 24 hours each day, to enable our engineers to develop a deeper understanding of the materials' performance and to make design changes to enhance durability even in highly challenging operating conditions.

These tests build on the success of Grayson's earlier oil cooler testing project, which put oil coolers through 2 million pressure cycles and helped us to develop a new product offering the potential for a working life four times longer than the previous version.

Vibration testing will be added to the R&D unit in the near future.

Chairman Graham Hateley says that this latest investment is in line with Grayson's policy of surviving through hard times, and growing through good ones, by diversifying into complementary business areas and



The new fluxing line.



The recently installed furnace – an investment of around £800,000.



Core building.



Welding.



Paint line.



AWM deputy chief executive Dr Richard Hutchins (left), with Grayson chairman Graham Hateley.

focusing on product innovations that support customers' product development programmes.

He said: "We believe that implementing these plans, which were first developed more than two years ago, will put us in a strong position to take advantage of new opportunities in the future."

The investment programme has been assisted through a £249,000 Grant for Business Investment from regional development agency Advantage West Midland (AWM), in recognition of the fact that Grayson is creating 18 new jobs, and safeguarding a further 20.

Dr Richard Hutchins, deputy chief executive of AWM, said: "This is a great example of a project that can deliver the best returns on investment in terms of business growth.

"It reflects the priorities of the Manufacturing Support Strategy, including supporting the development of globally competitive businesses through modernisation in key operational areas and diversification."