A SUBSIDIARY OF COHERENT, INC.

December 1, 1987

Dear Lambda Physik Customer:

Lambda Physik has been growing rapidly and we have made several significant investments to improve our customer services. The purpose of this letter is to inform you about these new services.

First, let me thank you and all our other customers who have made these investments possible. We achieved >40% sales growth in the last 12 months thanks to a healthy research market and a rapidly growing industrial market. We have reinvested our profits to benefit you and our other customers.

Our first major investment was the installation of a mainframe computer to speed our order processing and improve our inventory control. We are near to reaching our goal which is to have on-line order processing and same day shipment of spare parts and dyes on 90% of all orders we receive.

Our second area of investment was to expand our technical support staff.

- •Wolfgang Hemmer-Girod joined us in March as our Dye Laser Product Specialist and in October he was promoted to Service Manager. Wolfgang's four years of experience in 'service and final test at Lambda Physik in Goettingen has added a wealth of knowledge to our dye laser expertise.
- •Dr. Roger Beaman joined us in April as our Technical Sales Support person in Acton. Previous to joining Lambda Physik Inc. Roger used Excimer lasers extensively in his research work at Kansas State University.

•Jeffrey Sercel most recently joined us as our Excimer laser Product Specialist and Applications Engineer. Jeffrey has five years of engineering experience from designing Excimer Lasers to running an applications laboratory. His experience at Tachisto, KMS Fusion and Questek have given him an extremely broad background in pulsed lasers.

Our third area of expansion has been Service. We have added four new service engineers for a net add of two due to turnover. Three of the engineers came directly from school - Anthony Arlotta, Jenny Fern and Dennis Harriss. Rick Bernico just joined us from the University of Illinois Professor Charles Rhodes' group where he was in charge of maintaining a complex Excimer amplified picosecond system. Rick will stay in Chicago and will be responsible for all field service in the Midwest.

In September we opened an office in Santa Clara, California to give better sales and service in the West. Mike Hoppe, a seasoned service engineer with us, relocated to California in June as the first of two service people we plan to locate in California.

Our fourth major investment is Sales. Beginning October 1 we have a dedicated sales force in most of the nation. Since 1981 Lambda Physik and Coherent Laser Products Division have shared a joint sales group. Sales volume and product breath have grown dramatically for both divisions. This has allowed us to split the product line sales responsibility resulting in better product concentration. We believe this will enable our sales people to do a much better job for you both before and after the sale. Our new sales people are as follows:

- •Dr. Lee McCrumb formerly with Lambda Physik in Germany; now responsible for sales in the West, excluding non-University accounts in California.
- •Steve VonderHaar formerly with Watkins Johnson; now responsible for all non-university accounts in California.
- •Mike Scaggs formerly our Service Manager; now responsible for all sales in the Midwest.

•Bob Battis - formerly with Rheometrics; now responsible for all sales in the Mid-Atlantic.

In the Southeast and the Rocky Mountains we will still share sales people. They are **Gene Schallern** and **David Bolton**, **Ph.D**. respectively.

Our fifth area of investment is the addition of several Customer Care Conveniences. These are:

- •An 800# "Hot Line" to allow you toll free access to our technical support and service staff 800-262-1100.
- •Longer hours we are now open until 6:30 Monday through Thursday.
- •We offer four different types of service contracts; including a 24-hour, 7-day a week paging service.
- •Installation of an interoffice paging system to eliminate messages.

It is not often that I get to write so much good news. I hope you enjoyed reading it as much as I did writing it.

We are proud of our signification and excited about the future for we believe we have a winning combination: the best engineered products backed by the strongest and most responsive support organization. We look forward to working with you in the future to help you get results.

Sincerely,

LAMBDA PHYSIK INC.

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Director of U.S. Operations

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P.S. Please distribute the enclosed **Customer Care Summary** to all laser users and insure that each of our laser products has a sticker visibly displayed along with its Model Number and Serial Number. If you need more just call **800-262-1100**.