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ISSUE 11



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NIS Expands into Cargo X-ray Inspection Systems

As part of the NIS Group's mission to explore emerging technology markets, the company has expanded into security systems, utilising its expertise in the manufacturing, process and energy industries.

In early 2003, NIS won an order for several high throughput cargo systems to be supplied to ports in the Middle East. The systems are

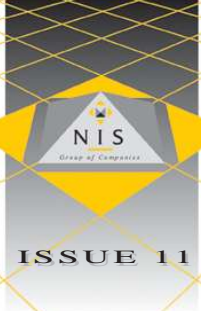
capable of scanning up to 50 vehicles per hour and are designed to operate 20 hours per day, 361 days per year.

The semi-automated process utilises a SCADA station located in the operator control room, which is interfaced to the main control system.

The PLC is capable of integrating all the peripheral equipment into a seamless operating and control environment that will reduce timescales and improve efficiency at customs' inspection facilities.

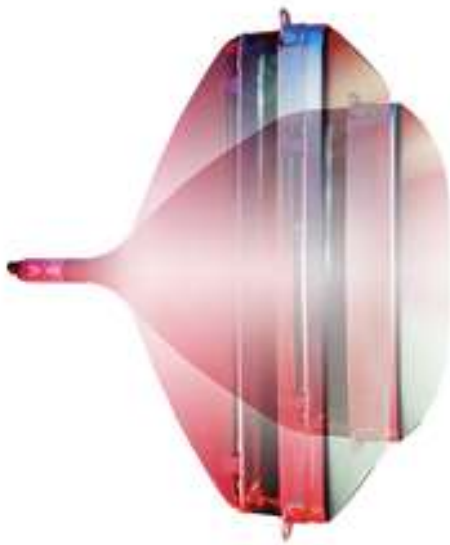


Initial transportation of equipment to site started in August 2003, and installation and commissioning of the first system commenced in April 2004. A total of five systems are scheduled to be completed by October 2004.



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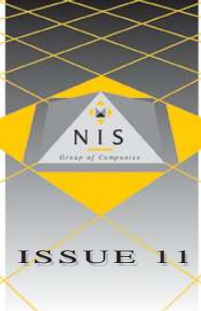
NIS Takes Picture Tube Process Expertise to China



More and more picture tube companies are moving production to China, where not only is there a huge market, but manufacturing costs are also extremely competitive. China already produces more than one third of the world's total output of colour picture tubes. To support this fast expanding market place, NIS has opened an office in Shenzhen, China.

In an attempt to meet the growing demand in the Chinese market, one of NIS' customers has acquired a second manufacturing plant in

the Guangdong province of China. This is an existing colour picture tube plant, that is currently being converted to meet their unique process requirements. The customer recently placed orders with NIS for two turnkey systems, both based around conventional NIS/ALUMAS conveyor technology. They incorporate a number of process technologies including; abrasive belt cleaning, screening final inspection, stud stripe, panel tapping and HF seal edge cleaning.



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STOP PRESS

NIS expands into Cumbria.

NIS wins multi-million pound high integrity cranes order.

NSG wins ROSPA silver award.

NIS wins contracts in China & the USA.

NIS Showcases 'TRSDU' at Open Day!

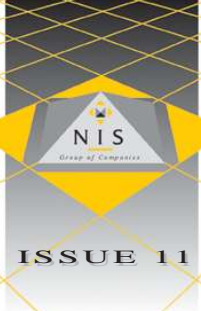
NSG Environmental has been working with BNFL for over 15 years, helping to develop some of BNFL's conceptual ideas into practical technology for application in the nuclear industry. This collaboration began with cement technology, and the design and supply of a mobile plant for encapsulating Low Level Waste (LLW). From this initial concept emerged a number of mobile, modular plants for the treatment of Low and



Intermediate
Level Waste
(ILW).

The most recent addition to the fleet of mobiles is the TRSDU (Transportable Radioactive Sludge Dewatering Unit) that has been assembled and commissioned at NSG's workshops in Leyland. To celebrate the successful commissioning of the plant, a 'Technology Day' was held jointly by BNFL and NSG at Leyland.

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NIS Showcases 'TRSDU' at Open Day! (cont.)

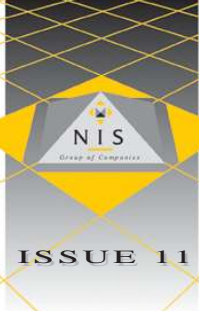
The TRSDU will facilitate the dewatering of sludges to a concentration suitable for solidification within the TILWSP (Transportable Intermediate Level Waste Solidification Plant). It will also provide a water management control facility. In addition it optimises the solidification process by maximising waste loading, thereby reducing waste processing, storage, transport and disposal costs.

Whilst the star of the show was the TRSDU, several other technology programmes being managed by NSG ably supported it. This included a demonstration of the technologies

being used to retrieve resin from vaults at Trawsfynydd, using ROVs (Remotely Operated Vehicles) and eductor systems. Visitors were given the opportunity to drive the ROV, to experience the ease with which it could be manipulated to perform tasks such as size reduction and waste retrieval.

The day was extremely successful, with over 45 visitors taking advantage of this unique opportunity to see real solutions to some of the most demanding problems facing the industry.

Arthur Willis (head of the Waste Management Group in BNFL Environmental Services) commented: "The alliance of BNFL's conceptual excellence with NSG's pragmatic engineering approach, has delivered real solutions to real problems. The LLW plant has completed over 30 campaigns reducing BNFL's liabilities on all of its sites. This good work is continuing with the recovery of ILW at Trawsfynydd and Hunterston, and we look forward to working with NSG to provide more answers to the puzzles facing our industry".



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NIS Invotec - Specialist Engineering Design Consultancy

NIS Invotec is now firmly established as a specialist engineering design consultancy within the NIS Group. The company brings together all the innovative design skills traditionally spread throughout the group, into one engineering centre of excellence, under the design leadership of Cliff Afflick.

The Invotec structure has been revised to provide comprehensive design services to both NIS Group internal divisions and also directly to outside clients. Under the guidance of engineering manager David McCabe, the strong

core engineering team is currently involved in the design of original equipment for the nuclear, security, television and aerospace industries, and relationships with several potential new clients are also being developed.

Already workloads have increased and staffing levels currently exceed 50 mechanical and E C & I design engineers. Expansion of the engineering centre is taking place, and the



upgrading of accommodation and equipment is in progress. Enhanced CAD facilities now provide Auto CAD 2004, Auto CAD Inventor 8, Solid Works and Ansys Calculation packages. NIS Invotec is accredited to ISO9001: 2000.

ALUMAS Supplies PLC Controlled Roller Conveyor System in Double-Quick Time

ALUMAS has supplied a modular, PLC controlled, roller conveyor system to a major bathroom equipment manufacturer based in the North of England - in double-quick time! The contract, to design, manufacture and install two in-feed roller conveyor systems with totally compatible, interchangeable modules, was accomplished within a time frame of just eight weeks.

The customer's range of products embrace a variety of lengths and widths, all of which must be centrally positioned on each conveyor. Both

in-feed systems feature variable speed rollers that drive a turnover unit, from which products are directed to a main assembly line which incorporates ten 2-metre conveyor modules.

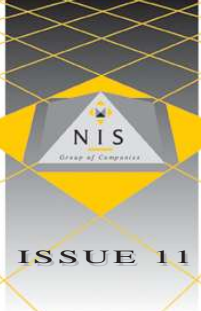
Four of the modules are fitted with 90° transfer units, which divert products off the main assembly line flow, via auxiliary gravity conveyors, to sub-workstations. They are then fed back onto the main production line. Another module transfers products to any one of six interlocking trolleys, for further assembly processes, before returning them to the main



production line.

At the final stage, products are packed and transferred into a shrink-wrapping machine. An Allen Bradley SLC 500 PLC, with touch screen diagnostics, controls the whole system.

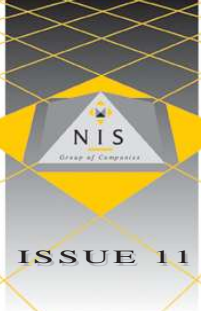
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ALUMAS Supplies PLC Controlled Roller Conveyor System in Double-Quick Time (cont.)

In addition to roller conveyors, ALUMAS supply a range of belt and pallet conveyors, all constructed from either modular aluminium profiles or heavy duty steel. They also supply a wide range of modular aluminium profiles for assembly of structures, such as machine and workplace guarding, panelling, work benches and machine frames.



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Trawsfynydd Power Station - Another Contract Win for NSG

NSG Environmental has won another contract from BNFL Environmental Services, for work in support of the clean up of the resin vaults at Trawsfynydd Power Station decommissioning site, Wales.

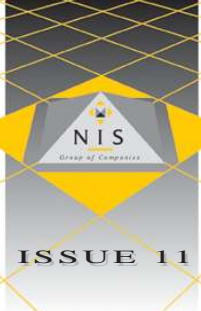
The contract is for the design of a system, for retrieving and transferring wastes from the resin vaults to the Resin Solidification Plant (RSP). This is to be achieved using an ROV for the deployment of flexible dip leg and other tools determined during a concept design phase.

Also included is a 'simple' articulated mast for the deployment of CCTV and other tooling as required by the design. NSG won the contract by offering a unique technical solution to the problem, whilst offering innovative commercial conditions, which enabled the risks to be managed in phases through design, supply, installation and operations. Embedded within the contract is a partnership agreement underpinned by rigorous commercial conditions.

John Boyle, BNFL's project manager stated: "BNFL has worked closely with NSG for many

years, and together we have developed a technical and commercial strategy which will meet the stringent demands of this project, whilst controlling the risks at all stages. We are making good progress and look forward to the successful completion of the works".

NSG has been on the Trawsfynydd site for over ten years, and this contract underlines NSG's expertise in the retrieval and processing of radioactive waste materials.



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NSG Continues to 'Roll Out the Barrels'!

NSG Environmental has operated and maintained a Mobile Low Level Waste (LLW) Solidification Plant for BNFL Environmental Services for over ten years, and during this period has completed over 30 campaigns and processed over 2500 drums of waste.

Working with BNFL Environmental Services, NSG recently completed the second desiccant encapsulation campaign at British Energy's

Torness Power Station. The first desiccant campaign was successfully completed in 1999 at Heysham 2 Power Station.

The process involves washing the desiccant to reduce the Tritium content and the desiccant is then encapsulated using BNFL's Mobile LLW Solidification Plant. In total 52.1 tonnes of desiccant were processed using 421 (240 ltr) 'lost paddle' drums over seven months.

NSG project manager, Nigel Lowe said: "We thought the success of the Heysham campaign would be difficult to follow, but due to the hard work and commitment put in by all concerned, especially the NSG site team, the Torness campaign was a complete success".

Paul Nurden, project manager for BNFL also commented: "A major factor in this success has been the team spirit - no them and us, and that problems encountered during the project were handled by all concerned in a consistent and conscientious manner. That in itself contributed to its completion in a timely and effective manner".

Diana Vincent, the British Energy project manager, expressed her thanks to everyone involved and went on to say: "Not only was the campaign carried out safely, effectively and to programme, but we also optimised the encapsulation process following the Heysham campaign."

BNFL Equipment Supply Project Success

In September 2002, BNFL awarded NIS a contract for the manufacture, assembly, inspection and testing of Oxide Fuel transfer equipment for use in the B29 nuclear fuel-decanning pond, at Sellafield. The scope of supply included contained transfer tools, tipping rig, single and triple channel fuel carousels, and a variety of handling equipment.

In addition to the supply of the Oxide Fuel transfer equipment, NIS also designed and created a facility to replicate the operating

conditions, water levels and aperture of the B29 pond. Utilising the unique tower facilities at Chorley, NIS installed a 70,000-litre water tank, which allowed integrated testing of all the equipment, in both wet and dry conditions.

After the successful completion of works testing, the facility was used for training operators from Sellafield who were able to test and rehearse with the new equipment. Feedback from the operators enabled modifications to be implemented as required. The project has now

been successfully completed, and is to be delivered to Sellafield during 2004.

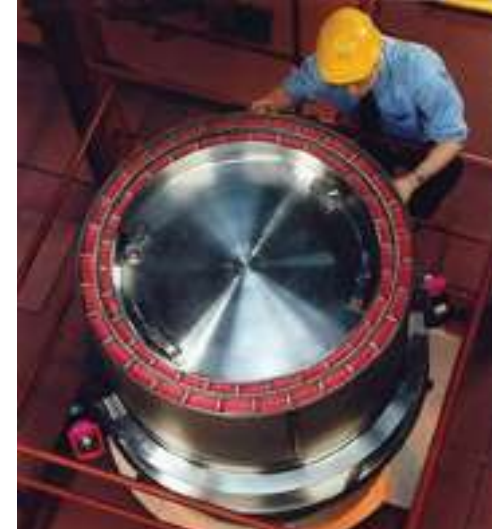


NIS Awarded New Nuclear Fuel Transport Flask Project



A contract, which includes exciting process developments, manufacture, assembly, surface treatment, testing and inspection of a new MOX (Mixed Oxide Fuel) transportation flask and associated equipment, was placed with NIS last year by BNFL.

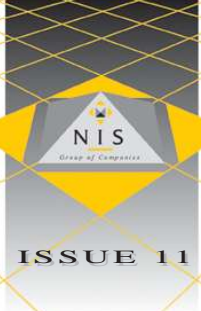
The new flask system presented significant manufacturing development challenges to both BNFL and NIS, combining complex design considerations such as; impact loads, heat



transfer and shielding issues, with the fine fabrication tolerances essential in the production of such high integrity containments.

Recognising the complexities presented by the

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NIS Awarded New Nuclear Fuel Transport Flask Project (cont.)

project, BNFL and NIS embarked on a programme of manufacturing development trials, which has resulted in a range of innovative production facilities and manufacturing techniques to achieve the necessary build tolerances.

Utilising many new material developments from as far afield as California, the flask will be a fraction of the weight of conventional nuclear fuel flasks. Combining lightweight materials and new production processes, the whole programme is closely followed by UK and European regulators, to confirm quality assurance.

Petrie Launches New Range of Bench Mounted (RF) Forming Equipment

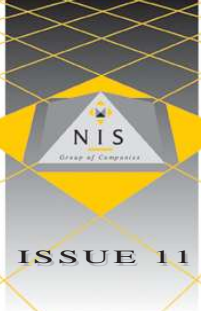
Following the successful introduction of its trolley mounted RF units, Petrie has now launched a range of enhanced bench units for

forming and shaping operations. Each bench comprises of a radio frequency tooling head that can be selected for forming, shaping, cutting or welding operations. The bench units have the added advantage of being able to combine with other processes, giving the customer a bespoke workstation.

Used for a variety of applications, the forming benches can complete processing operations in less than 1 second. Each unit incorporates the latest 50Ω radio frequency technology giving precise power control, which almost completely eliminates rejects. The unit's PLC control

allows recipe control for different products and enables unique power profiles to be developed for individual components.





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NSG/AWE Health & Safety Initiative

In recognition of the need for boardroom leadership in Health and Safety, AWE has initiated a Directors Assurance Review. Directors from AWE and stakeholder companies like NSG, meet quarterly to determine actions needed to continuously improve the Assurance of AWE and their stakeholders (Assurance embraces Health, Safety, Welfare, Environment, Quality and Security). The main purpose of the meetings is to enable the development and implementation of 'Best Practice' for the whole of industry.

Richard Penrose, managing director of NSG Environmental, commented: "Boardroom leadership and support for Assurance is a

business imperative and needs to be visible. The initiative with AWE is a public announcement of our joint commitment to continuous improvement and the pursuit of business excellence. By working together on initiatives such as this, we are achieving mutual understanding which delivers considerable benefits to both organisations".

Both NSG and AWE have demonstrable records for continuous improvement, which is recognised by a number of external agencies including ROSPA.

Allen Bradley/Rockwell Automation Centenary Celebrations



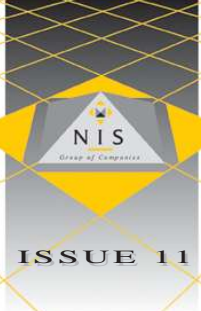
As part of their centenary celebrations in November 2003, Allen Bradley/Rockwell ran a competition in association with the UK based Drives and Controls magazine. Neil Metcalfe of NIS Invotec was one of the lucky winners

and was rewarded with a visit to the Allen Bradley/Rockwell Centenary Automation Fair, Milwaukee, USA.

The all expenses paid trip consisted of two days viewing and sampling the latest techniques in control and automation at the fair, together with thousands of other delegates, a tour around the Allen Bradley headquarters in Milwaukee, a tour around the Harley Davidson engine plant (also celebrating 100 years of motor bike production) and an overnight trip to downtown Chicago. This culminated in a spectacular



celebration dinner in the 96th floor restaurant of the Hancock Tower, overlooking Lake Michigan, 344 m above Chicago. Truly a week to remember!



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NIS Wins Second BNFL SNIP Award

For the second year running NIS has been presented with the esteemed BNFL SNIP (Supplier Network Innovation Programme)

Award for its work on the Building 41 Waste Stabilisation Project. These awards are made annually by BNFL, to those suppliers who have provided the most innovative service improvements throughout the year.

In early 2002, NIS were given the opportunity to partner BNFL in the pursuit of developing techniques, which would eventually be used to decommission historic waste storage silos.

Two contracts were placed simultaneously by BNFL. One was for a full size replica of two silos and the waste entry point of the silo. This was housed in NIS' unique high bay facility at Chorley (1000sqm, 20m under crane hook).

A 'quick-build' programme was instigated to enable physical trials to take place, an approach

which placed the emphasis on make and prove. The result was a significant reduction in the development period.

The combined NIS and BNFL team responsible for the design, development, manufacture and test of the equipment, proved that both client and supplier gained enormous benefits by working together in an alliance. Although the award was presented to NIS, credit is also due to all the BNFL staff involved in this project, all of whom acted as one team with a single goal.

Appointments & Promotions



David Brown - NIS
technical manager.



Rob Stevens - NIS
sales manager.



John Smith - NIS
purchasing manager.



Chris Cornish - NIS
technical sales
engineer.

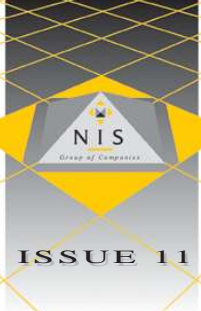


Andrew Taylor - NIS
electrical apprentice.



Jonathan Molyneux
- NIS mechanical
apprentice.

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Appointments & Promotions



Geoff Farrell -
Invotec principle
mechanical engineer.



Andy Calcott - NSG
health physics
surveyor.



James Rudd - NSG
commercial engineer.