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Dear Valued Customer,

October 6, 2013

Ferronics Incorporated is pleased to announce as of October 5, 2013, it has been acquired by National Magnetics Group (NMG) of Bethlehem, Pennsylvania. We will continue to accept your orders and produce the same quality ferrite cores, initially here in Fairport.

National Magnetics Group plans to continue operations in Fairport, NY with the goal of transitioning to Bethlehem, PA in 2014. This will be accomplished seamlessly, with minimal impact on production. We will operate dual manufacturing sites for some period to accommodate any customer qualification requirements. All equipment processes and materials will be identical in either case.

Please see the attached notification regarding remittance advice.

National Magnetics Group ([www.magneticsgroup.com](http://www.magneticsgroup.com)) has a diverse product line, manufacturing soft ferrites, powdered iron cores, ceramic magnets, microwave ferrites and dielectric materials. Their ferrite product line focuses on mostly large shapes in low frequency and power materials. Ferronics product line is complementary in covering small shapes in low and high frequencies.

We are very excited with this new opportunity to participate in the ferrite market and expect a stronger more diverse company in which to support your ferrite core requirements. We are pleased to continue our relationship with you.

Should you have any questions regarding National Magnetics Group's acquisition of Ferronics Inc., please contact Paul Oberbeck, President, National Magnetics Group, at [pbo@magneticsgroup.com](mailto:pbo@magneticsgroup.com) or call at 610-867-7600.

Sincerely,

Tim Reeder, President  
Ferronics, Inc.