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8/22/13

To: All Ferronics Customers

Re: continuation of business

I am pleased to announce that Ferronics, Inc. has received a Letter of Intent to be acquired by National Magnetics Group, Inc. of Bethlehem, PA. Ferronics will be continuing operations in Fairport, NY and are once again soliciting purchase orders. Recent orders received will be confirmed shortly.

The circumstances regarding the market mentioned in our letter of February 28th still exist. We hope the continued availability of the Ferronics product line from this transaction will be of value to all. Certainly any further re-sourcing efforts will not be required.

National Magnetics Group plans to continue operations in Fairport, NY for the short term with the goal of transitioning to Bethlehem, PA in the medium to long term. This transition will consist of dual manufacturing sites for some period to accommodate any customer qualification requirements. All equipment, processes and materials will be identical in either case.

National Magnetics Group (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.

Ferronics is very excited with this new opportunity to participate in the ferrite market and expect a stronger more diverse company to support your ceramic requirements. Please feel free to contact me with any additional questions at 585-388-1020 ext. 242 or by email , treeder@ferronics.com

Best Regards,


Tim Reeder-President