



Dear Valued Customer,

March 18, 2011

As I believe you are aware, recent mandates by the Chinese Government have required companies with manufacturing facilities located in Southern China to raise the minimum wages for their factory work force by 20%. That mandate became effective March 1st, 2011. This increase is on top of the 22% increase that was also a mandate which had taken effect on May 1st of 2010. In addition to these operational cost increases, there continues to be a steady increase in the cost of raw materials and transportation costs on a global scale.

Datatronic Distribution Inc., (DDI) products are manufactured in the affected region by Datatronic LTD. (DLTD). DLTD recognizes their obligation to provide products which are competitive in any market environment. Honoring this commitment, DLTD has been and is continuing their efforts to streamline their manufacturing processes, eliminate waste and increase their efficiency in every facet of their business operations. DLTD has invested a substantial amount of capital to further automate their manufacturing lines and will be making more investments in these areas in the coming months. This has allowed DLTD to minimize the impact of the cost increases placed on them and how they affect you.

Unfortunately, DLTD cannot completely mitigate the increase in our operational and raw materials costs. DLTD will honor their current pricing to the fullest extent possible. They will honor price quotations for a period of 30 days after the date of the quote. DLTD will provide a minimum of 30 days advanced notification of any price increase. DLTD will be open with you and provide data which will support the reason and the need to increase pricing when requested. This data should be simple and easy to verify.

Please be assured that DLTD will continue to remain globally competitive and to provide the level of quality and service that you require and deserve.

Respectfully,

A handwritten signature in black ink, appearing to read 'Randy Eller', written over a light blue horizontal line.

Randy Eller
Datatronic Distribution Inc.
Vice President, Sales and Marketing