



FOR IMMEDIATE RELEASE

**From:** Jeb Head, President, Atkins and Pearce

**RE:** Transition of Ben-Har™ brands to A&P

You may or not be aware that Atkins & Pearce has acquired Federal Mogul's coated sleeving assets, formulations and technology. I am sure that many individuals may be wondering what the future holds for the high quality electrical sleeving products currently coming out of Federal Mogul's Exton facility. As background, I thought it may be helpful and comforting for you, your customer service representatives, and managers to review some of the 40 year history of our involvement in this important marketplace. I am also hopeful that what follows will give your people some insight into why we have made such a significant investment in the acquisition of Federal Mogul's assets in the Exton operation.

*The Atkins & Pearce and Federal Mogul Systems Protection connection began more than 40 years ago when Bill Bentley and Sell Kite of Bentley-Harris forged a bond with Asa Atkins and Bill Roberts of Atkins & Pearce. Systems Protection, then known as Bentley-Harris, Inc., was developing the technology and the market for coated electrical sleeving. Simultaneously, Atkins & Pearce was building its capacity and reputation as a braider. Atkins & Pearce had become the primary source of raw fiberglass braid to the market by supplying braid to numerous companies that had made the decision to eliminate internal braiding operations.*

*Unlike most, Bentley-Harris had maintained an in-house braiding capacity but a strong surge in market demand led to a supply agreement with Atkins & Pearce for additional material. Bentley-Harris had been focused on the high-end of the electrical sleeving market, maintaining unmatched quality and superior service. Today, under the Federal Mogul Systems Protection moniker, the product line of Ben-Har™ electrical sleeving continues to set the standard in the marketplace.*

*As the electrical market grew and Bentley-Harris' sales increased, Atkins & Pearce supplied more and more braid. By 1985 Atkins & Pearce was producing roughly 600,000 pounds of fiberglass braid for Bentley-Harris.*

*The electrical sleeving market began to mature in the late 1990s. The trend accelerated in 2001 with the advent of "off shoring" production (mainly to China) of many of the prime target markets for electrical sleeving. This involved the production transfer of items such as electric motors, transformers and other electrical components. As one would expect, this move towards off-shoring had a detrimental impact on the domestic electrical sleeving market.*

*In the mid-90's , foreseeing the maturation of the electrical market, Bentley-Harris began to shift its research and development focus away from braiding and started exploring other technologies such as knitting, weaving and laminating. The expansion of the technology base enabled Bentley-Harris to aggressively target new opportunities and new markets. By the year 2000, Bentley-Harris had made a noticeable diversification in its market portfolio. Electrical sleeving, which had accounted for the majority of sales in 1985, had come to be a smaller fraction of sales by 2000. A significant increase in revenue was realized from other market segments that had been entered between the late 80's and 2000.*

*Tough market conditions, continued attacks from offshore competitors and the continuing demand for less expensive products make today's electrical market a difficult one. With an eye to their customers' needs, Systems Protection (formerly Bentley-Harris) has explored new avenues for its electrical sleeving line of products. In order to maintain a competitive edge in the market place, a decision was made to make a major change in the manufacturing of its electrical product line. Starting in November 2007, Atkins and Pearce Inc. will assume production of the full range of Systems Protection's coated electrical sleeving products. These products are currently produced in Systems Protection's Exton, Pennsylvania facility. Now, along with producing the fiberglass braid, A&P will be responsible for the application of the silicone and acrylic coatings as well.*

*The ability of Atkins & Pearce to leverage its large braiding resources with Systems Protection's technical coating knowledge will enable continued production of high quality product that is competitive in today's global economy. A&P will lease portions of the Exton facility in order to insure a smooth transition of operations. The coating operation will ultimately be transferred in whole to A&P's 500,000 sq. ft. Covington, KY plant.*

*Challenges will continue to confront the electrical products market. While the departure of domestic electrical targets has slowed growth, the importing of electrical sleeving into the United States has not yet had a significant impact on the US market.*

*The issues facing the electrical market, as well as issues of strategic focus at Systems Protection have led to this re-alignment of the Systems Protection/Atkins & Pearce supply chain for electrical sleeving. This strategic step will keep Atkins & Pearce and Systems Protection prepared to face the changing demands of the market. Vertical integration of production processes will have a positive impact on the efficiency and effectiveness of the supply chain. It will also improve the capacity to develop new and customized solutions for the marketplace. Our customers will be the main beneficiaries.*

*Atkins & Pearce is located in Covington, KY near Cincinnati, Ohio and has 260 employees. This growing company was founded in 1817 and is currently owned and operated by the seventh generation of the founding family.*

Our organization is fully aware of the potential misfires that are often times associated with these types of transitions. We have poured over timelines, Gantt charts and prioritized task lists. Our operators and managers have been training in every aspect of the Exton operation since October 2007. We feel very confident that this transition will be as seamless as any other project we've managed.

Protecting and growing your business with these exceptional brands will be a strategic focus for A&P for decades to come. We have also provided you with a short document that should answer some of your team's / customers concerns in a bullet-like format. In the interim, I hope you will feel comfortable sharing my letter with any one impacted by this transition.

Very truly yours,

Jeb Head