06th January 2005

IMPORTANT ANNOUNCEMENT

Re: Discontinuation of TCR and 1U EMS programmable power supplies

As a customer who has previously purchased either the TCR Series or 1U EMS (600W or 1kW) power supplies from Lambda, we are writing to inform you that these models will now be discontinued.

Lambda is taking this action for two reasons (1) the continuously increasing costs of manufacturing these mature products and (2) the outstanding success of the new range of products the Genesys TM 1U.

We realise that some customers who have purchased these models in the past might have the need to purchase additional identical units either as spares or to use where they have been designed-in to OEM equipment. Therefore we are offering a "last time buy" opportunity.

Recent manufacturing cost increases and reduced volumes owing to rapid take up of our newer products have seen prices increase 25% in the last few months but for any orders placed before 28th January (for delivery before end of March) we can offer a 20% discount.

We will not accept any orders after 18th March 2005. All deliveries will be before end June 2005. All orders are non-cancellable and non-returnable.

We intend to provide warranty and repair support for these products for a further 7 years.

If you do have a need to purchase TCR or 1U EMS power supplies please contact Lambda UK Sales department, Tel: +44 (0)1271 856666, Fax: +44 (0)1271 864894 or your usual Field Sales contact. If you would prefer, our web address is <u>www.lambda-gb.com</u> where you can find data on all of our current products. We will also be pleased to assist you in converting to newer products as appropriate.

Yours sincerely,

David Buck Product Manager DPA Industrial and Programmable Power