

August 24, 2009

**IMPORTANT ANNOUNCEMENT
CONCERNING CENTRAL MOLONEY, INC.
AND THE 2010 IEEE PES EXPOSITION**

Central Moloney, Inc. has taken a bold step in deciding to withdraw our exhibitor participation at the IEEE PES Transmission and Distribution Exposition to be held April, 2010 in New Orleans. This was a difficult decision, as Central Moloney is one of a very small number that has participated in every T&D show since its inception.

Since late 2007, Central Moloney and other transformer manufacturers have experienced a drastic decline in sales volume. Many economists are forecasting the recession to continue well into 2010. Utilities are reporting reduced revenues. Travel budgets for many have been cut significantly. Feedback from our sales force indicates utility personnel attendance may be low at this event.

We have taken aggressive actions to respond to the dramatically slower economic conditions confronting our industry. These actions have included layoffs, shortened work weeks, curtailed spending and production of finished goods inventory to an undesired record high level. Given these conditions, we do not feel it is appropriate to go forward with the significant financial and personnel commitment required to participate in the 2010 IEEE Exposition.

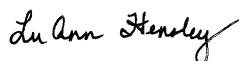
We would also remind you of the IEEE's decision back in 2001 to shorten the cycle between shows to every twenty-four months, rather than every thirty months. This made it more difficult to justify funds for the show and has forced many suppliers to rethink spending habits.

Central Moloney remains committed to the IEEE and will continue to support their standards, technical committees and working groups. In addition, we are active in other industry meetings and conferences such as USMA and UPMG.

We will evaluate future exhibition participation at IEEE Expositions and will base our decisions on current business conditions, exhibit expenses and expected returns at the time of the next show. A limited number of Transformer & Components sales personnel plan to attend the New Orleans exposition to interact with our customers.

Central Moloney remains financially healthy. We are continuing to invest heavily in capital equipment and other resources to improve efficiency and prepare for recovery in the housing market.

Thank you for your understanding and support regarding this decision. If you have any questions, please contact your regional manager.



LuAnn Hensley
Marketing Manager