

November 20, 2008

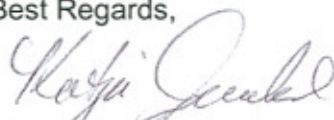
**FERRONICS STATEMENT ON REACH INITIAVE**

REACH is a new European Community Regulation on chemicals and their safe use (EC) 1907/2006. It deals with the **R**egistration, **E**valuation, **A**uthorization and **R**estriction of **C**hemical substances. The new law entered into force on June 1st 2007 with pre-registration required before December 1<sup>st</sup>, 2008.

The requirements of Reach at this time do not apply to Ferronics Inc as currently specified according to the EU Regulation (EC) 1907/2006, Article 7 (1). Ferronics, Inc. does not exceed 1 metric tonne of exports of products to the EU, nor is there any substances in our product that are intended to be released under normal or reasonable conditions of use. Furthermore, Ferronics, Inc., as a non-EU based entity, cannot register substances (see ECHA guidance on registration, sec 1.5.31. April 2008).

Ferronics will continue to monitor the Reach requirements for any changes in the materials involving registration, and in particular, the SVHC list and the 16 items currently on this list. Should any changes be made to Ferronics products that require Reach registration, or the list of items requiring registration changes, Ferronics will notify you accordingly.

Best Regards,



Katja Gunkel  
Environmental and Health Safety Coordinator

