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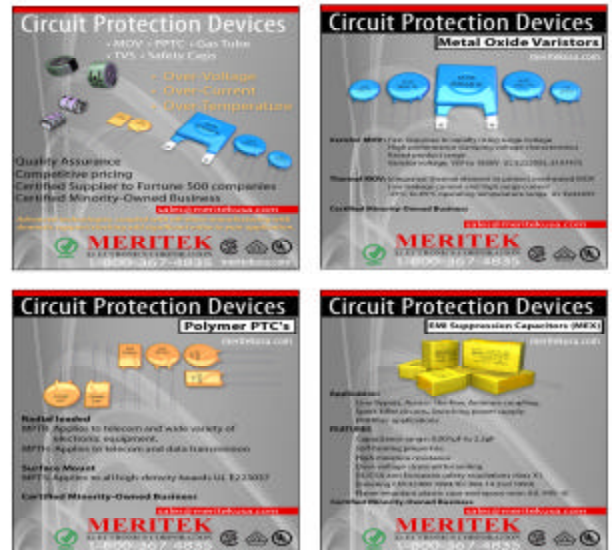
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Meritek *Update*

2006 Advertising Program kicks off in February...

For 2006, Meritek has undertaken a major advertising program, aimed specifically at our Focus Circuit Protection and Safety Components. Ad's will run in both EE-Times, and Electronic Component News (ECN). A schedule showing the various ad's and their placement dates has been e-mailed to all of our field representatives.

This program represents just part of our on-going effort to increase customer awareness and assist the development of new business. Sales leads will be issued to the field via your individual inside sales contacts...



EDS is indeed coming!

This year's upcoming EDS show makes the second straight year that Meritek has dramatically increased it's ability to meet with more of our distributors and representatives. Our booth will have two meeting rooms to accommodate twice the number of meetings as compared to previous years. Please work closely with your local distributors to ensure that we cover everyone who will be attending the show. Individual rep meetings are also encouraged.

As in previous years, we will be sponsoring two "events" on Monday, 5/1/06. At 2:30 PM, we will be holding our third group rep meeting. This year's meeting will be held at Ballys, in the Palace room # 7. We should adjourn no later than 4:30 PM. An agenda will be issued at least two weeks prior to allow everyone sufficient time to prepare.

Monday night, we will be converging on Maggiano's restaurant for another great meal together! Please arrive by 7:00 PM. Dinner and awards to be followed by an invitation to go bowling. Everyone who went out after dinner last year had a great time! Come and join us again!



New sample kits are now available.

In conjunction with our advertising program, and EDS rep training, Meritek has made a major investment in the creation and assembly of new focus product sample kits. Our initial "build" of 50 each was consumed quickly, and additional quantities are in "production" now.

These kits are comprised of: MOV's, PPTC's, and EMI/Safety caps. Each kit carries a representative number of "typical" sizes, values, and voltage ratings. Engineers and technicians really appreciate the ease of use coupled with immediate access to the parts they need for breadboarding and prototypes.

In order to maximize the impact, Meritek is tracking the location of each kit. Please make certain that you inform your inside sale person regarding the company, contact, and other pertinent info for each kit placement. This also gives each of you the added "reason" to visit to check the kit's for replenishment...



New Bar Code system...



In mid 2005, Meritek was challenged to upgrade it's inventory control and management systems. This challenge was met "head on" by a tireless team of people dedicated to not only meeting the challenge, but exceeding expectations.

By the beginning of Q4, 2005, the system "map" and software/hardware selections were completed, along with the completion of the initial factory surveys and their respective "systemic" issues.

In Late Q4, 2005, the first system tests were completed in Santa Fe Springs. Bugs were identified, and systematically resolved. Additional test runs were completed by the end of the year, setting the stage for a Q1, 2006 "rollout".

In late January 2006, the Santa Fe Springs facility began receiving material which was bar coded by the factories, received electronically, and entered into our FIFO stock management

Meritek Minority Business Status...

In late Q2, 2005, Meritek applied for and received National Minority Business Certification. A copy of this certificate is available from either your Inside Sales contact, or your outside Regional Sales Manager.

Many fortune 500 customers have some type of "set aside" or "Diversified business" programs. In almost all such cases, dollars spent with these certified minority suppliers result in tax savings for the customer!

When visiting potential customers, please inquire about their program(s). In quite a few cases, certification moves us to the "head of the line" for consideration as a new source. Let's use EVERY tool that's available to us!



Issues and Status

As many of you are aware, the RoHS deadline for compliance is literally right around the corner.

Meritek is proud to have taken a leadership position in ensuring our products are compliant well in advance of this deadline (July, 2006)

ALL Meritek products (with the exception of the TMOV) are fully compliant.

Please direct your customers to our web site for full product info, certifications, test data, and RoHS marking/identification details.

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