December 17, 2001

SUBJECT: Product Support for 505, 505E and 505LST

The 505, 505E and 505LST product lines are very important product lines to Woodward and there are no current plans to discontinue their availability. 505 based products are standards with major steam turbine OEMs. As long as our customers are buying significant quantities of these products, they will continue to be fully supported. Due to the product success, we have not contemplated the discontinuation of these products.

As with all products, there will come the time when Woodward will need to discontinue production. Recognizing that customers use this control equipment in critical equipment with extended lifetimes, Woodward has implemented post-life support plans to support our customers for the life of the equipment. When the time comes to rationalize the 505 product lines Woodward will follow its standard rationalization plan as we have for other electrical products. The typical notification prior to rationalization is one year. At that time the support plan is as follows:

- Years 0-2 = Unlimited, Full Repairs and New Boards
- Years 3-5 = Full Repairs and New Boards (may limit quantity of new boards supplied)
- Years 6-10 = Full Repairs (based on available parts)
- Years 11-20 = Replacement/Exchange with Service Stock (no repairs)

Parts obsolescence from electronic manufacturers can present a challenge to post-life support plans. When Woodward learns of component obsolescence, effort is made to ensure we meet the commitment plan. When possible, we make last time buys or sometimes redesign the affected part.

Best Regards,

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