



January 6, 2005

Re: End of Life Notification for Plasmon's D-Series Libraries with Panasonic 9571 Multi Drives

Dear Valued Customer,

Plasmon LMS, Inc. hereby provides formal notification of the discontinuance of production of Plasmon's D-Series Libraries with the current Panasonic Multi Drive, Model Number 9571, effective March 1, 2005. As noted below, Plasmon will offer a replacement product to ensure that supply of the D-Series Libraries will not be interrupted. Plasmon must take this action because of the end of life notice for the 9571 Multi Drive recently announced by Panasonic. This discontinuance includes all Plasmon D-Series Libraries currently incorporating the 9571 Multi Drive and related product accessories.

Plasmon will use its best efforts to fulfill purchase orders for the D-Series Libraries with the 9571 Multi Drive, subject to the limited availability of this model from Panasonic. In order to enhance Plasmon's planning capabilities, please provide a non-binding forecast of your anticipated requirements through March 1, 2005. Although this forecast will be non-binding, any resulting purchase order that is issued shall be designated as non-cancelable.

Subject to availability from Panasonic, Plasmon will endeavor to support the discontinued D-Series Libraries with the 9571 Multi Drive, or an equivalent replacement product, through March 1, 2010.

Plasmon is pleased to offer a new Plasmon D-Series Library with the new Panasonic Multi Drive, Model Number 9573, as a replacement product, effective March 1, 2005. Please initiate any required qualification process as soon as possible to ensure a smooth and timely transition. The new 9573 Multi Drive is based on the same MMC command set as the 9571 model, thus it can be supported by software partners with minimal effort. Due to the drive's ability to recognize high-speed media and to also restrict performance of existing media, full compatibility is assured with legacy data.

Thank you for your support of Plasmon's products. We appreciate your business and are looking forward to continuing our partnership. Please contact your Plasmon sales representative regarding any questions you may have on this product transition or with respect to placing your final orders.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Eliason", written in a cursive style.

Betsy L. Eliason
Contracts Manager

PLASMON LMS, INC.

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