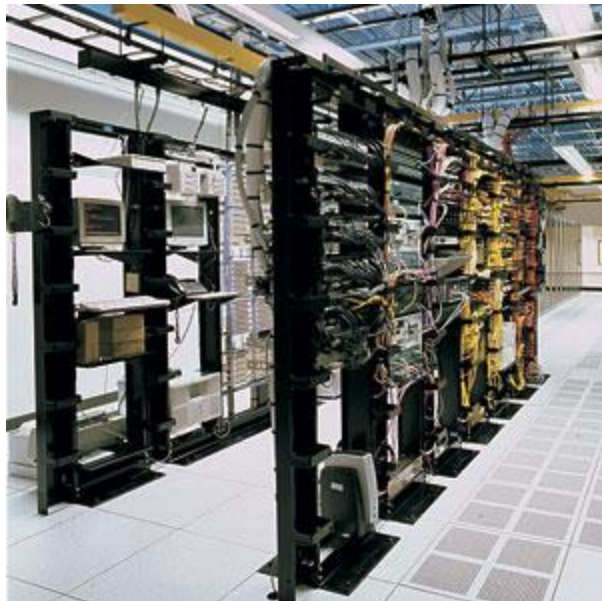


Chatsworth Products, Inc.

Chatsworth Products, Inc. (CPI) is a leading manufacturer of systems designed to organize, store and secure IT infrastructure equipment



Chatsworth Products, Inc.

CPI Offers a Broad Selection of:

- Rack Systems
- Cabinet & Enclosure Systems
- Wall-Mount Systems
- Zone Cabling & Wireless Enclosures
- Cable Management
- Cable Runway & Tray Products
- Power Management Products
- Electronics, Monitoring & Security Systems
- Grounding & Bonding Products
- Seismic Protection Products

Chatsworth Products, Inc.

450 Employees (Domestic US)

Headquarters: Westlake Village, CA

Operating Units:

- Chatsworth, CA
- New Bern, NC
- Georgetown, TX

Sales Offices:

- Throughout US
- Mexico City
- London
- Shanghai

Contract Manufacturing: China (now), Eastern Europe (soon)

Chatsworth Products, Inc.

Capital Structure:

- 100% Employee Owned since 1991
(ESOP 59%/Non-ESOP 41%)
- 100% ESOP Owned S Corporation since 1999

Why an ESOP at CPI?

- Chatsworth Products, Inc. (CPI) came into being as an independent operating entity on June 27, 1991
(Incorporated August 31, 1990, State of Delaware, C Corporation)
- Earlier in 1991, the operation that was to become CPI was a part of the Dracon Division of Harris Corporation

Why an ESOP at CPI?

- Previously, Harris Corporation had classified the operation as “non core” and desired to sell or shutdown the operation
- Management of the operation pursued an agreement whereby the employees of the operation would purchase the business from Harris Corporation

Why an ESOP at CPI?

- Management's dilemma: How to capitalize the new company and raise funds necessary to acquire business
- Management, in searching for ways to structure the buyout, discovered the ESOP concept
- The ESOP was a natural "fit" given the culture that already existed

CORE VALUES

- Forthright, Ethical, and Socially Responsible
- Employee Ownership – Shared Risks, Responsibility, and Reward
- Quality in All Aspects of the Company
- Adding Value Through People
- Teamwork, Caring, and Commitment
- We're All in This Together – Mutual Trust and Respect

Initial Capitalization of CPI

June 27, 1991

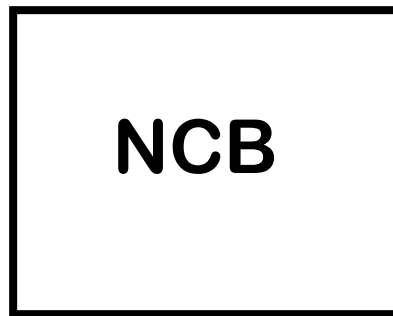
- National Cooperative Bank (NCB) agreed to a \$1.5 million ESOP loan and \$1 million W/C LOC
- NCB conditioned above financing on CPI raising at least \$1 million in private equity

Initial Capitalization of CPI - June 27, 1991

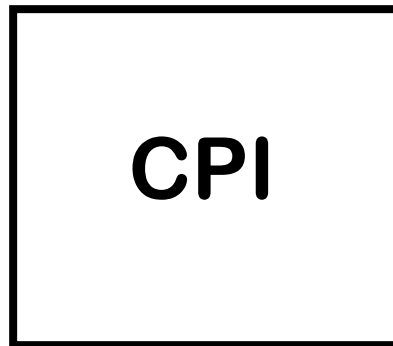
Restricted (Non-Registered) Stock Offering

- 35 unaccredited investors + officer = 43 allowable investors including ESOP
- \$1.054 million private equity raised primarily through rollover of pretax deferrals from Harris 401(k) accounts reinvested in self-directed IRA's
- Result: 100% employee-owned company – ESOP 59%/Non-ESOP 41%

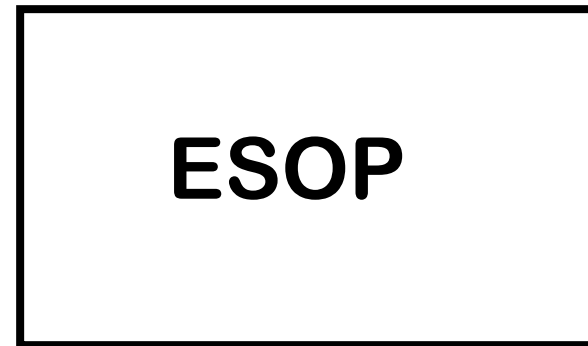
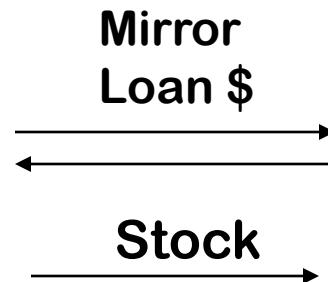
Initial Capitalization of CPI - June 27, 1991



↓ ESOP
Loan \$

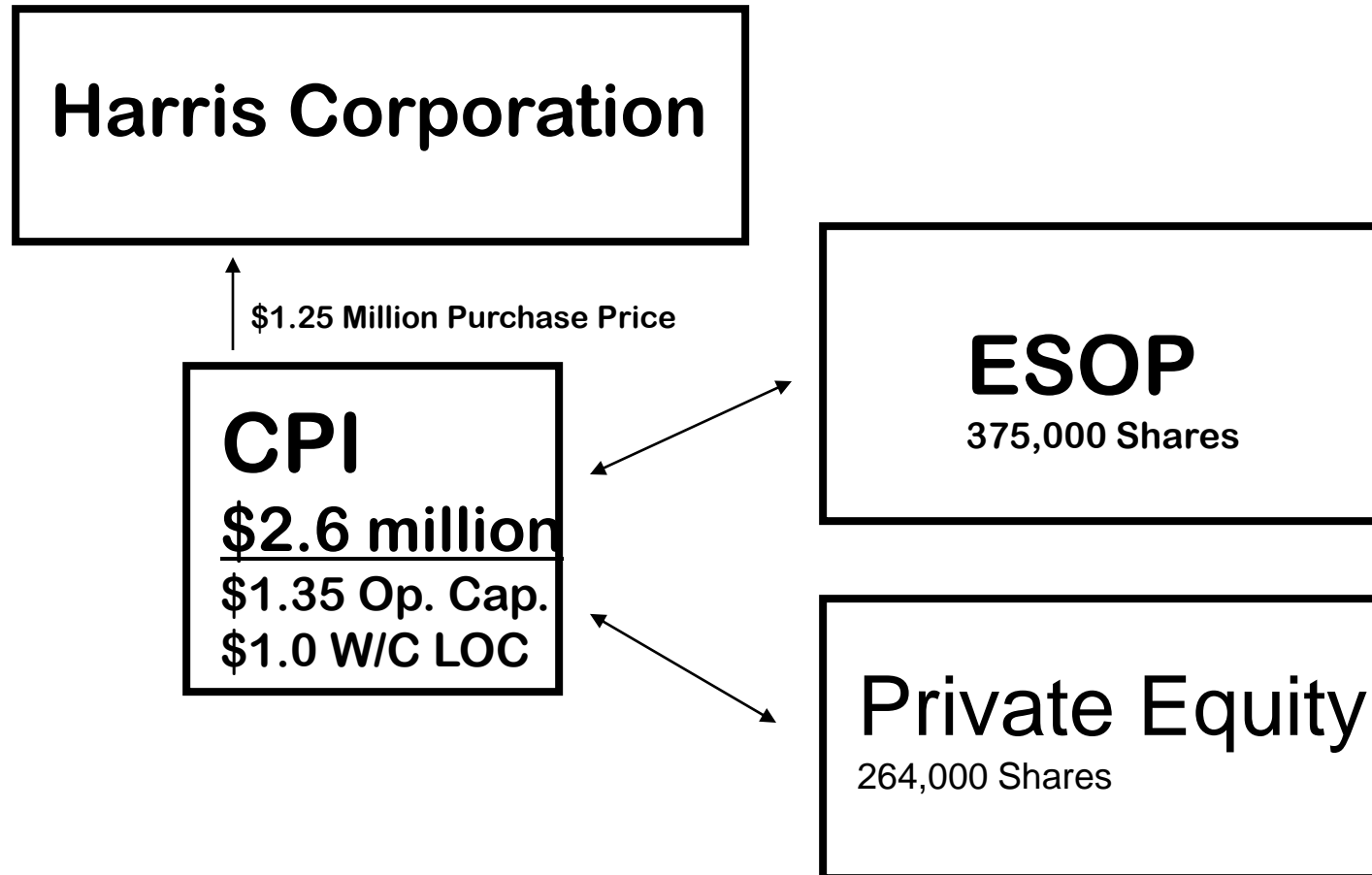


1. CPI borrows \$1.5 million from NCB
2. CPI lends proceeds to ESOP in a mirror loan transaction
3. ESOP uses proceeds to purchase 375,000 CPI common shares



Initial Capitalization of CPI

June 27, 1991

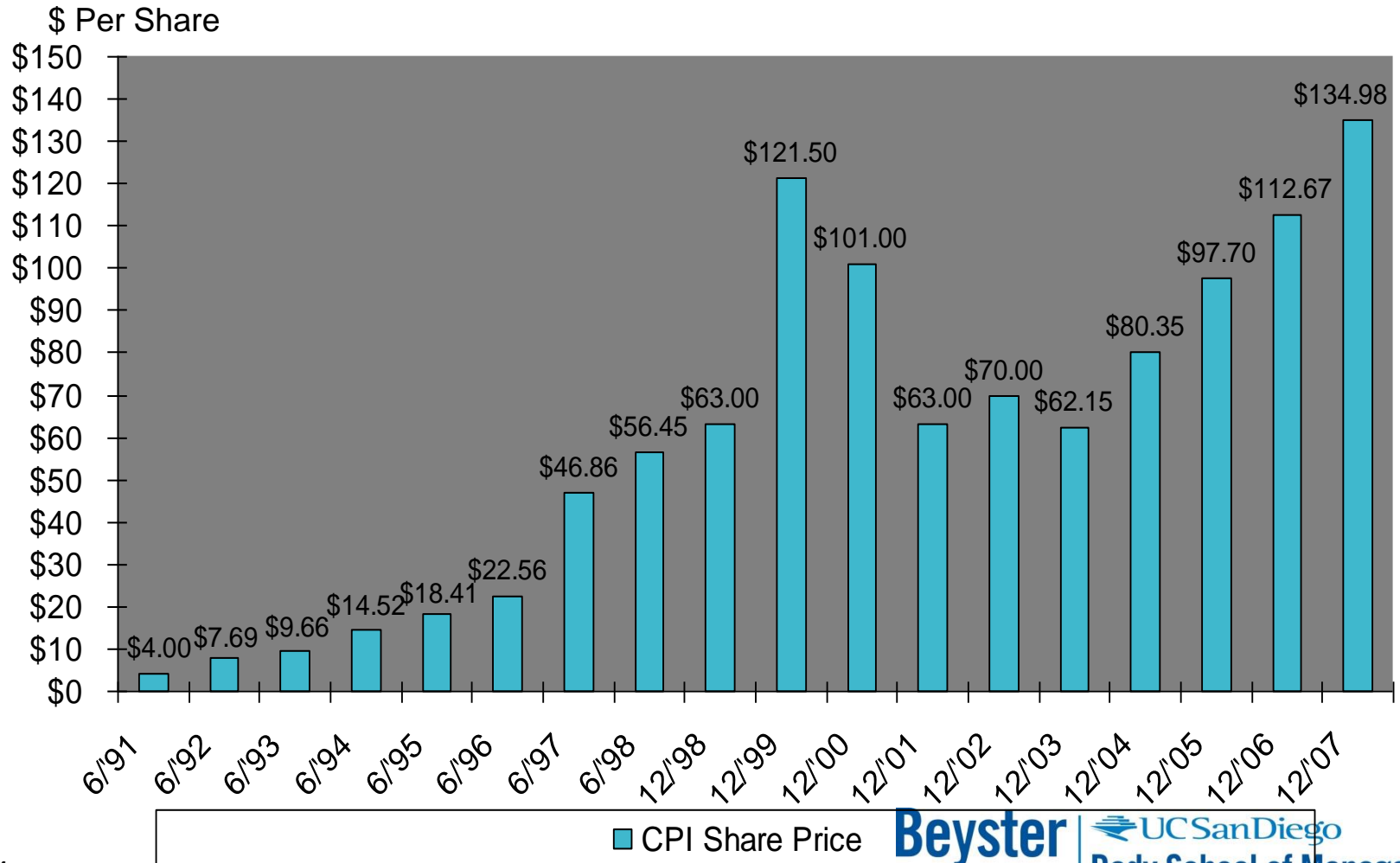


Chatsworth Products, Inc.

Initial Phase – Post Buyout

- Equity Compensation “Took Care of Itself”
 - Founding Management Participated in Initial Share Offering
 - Founding Management Participated in ESOP
- Execute Compensation Plans
 - Salary
 - Management Incentive Plan
 - Performance Unit Plan
 - Profit Sharing
 - ESOP
 - 401(k)

Historical CPI Share Price 1991 – 2007



Chatsworth Products, Inc.

Second Phase – Post Buyout

- Equity Compensation Becomes an Issue
 - Conversion to 100% ESOP Owned S Corporation in 1999
 - Management Transition – Outside Hires/Retirement, Terminations
 - Leveraged ESOP Shares Fully Allocated
- Execute Compensation Plans
 - Base Salary
 - Management Incentive Plan (Targeted at 35% of Base)
 - Return on Capital Deferred Compensation Plan (Targeted at 15%)
 - Synthetic Equity Deferred Compensation Plan (Targeted at 25%)
 - Profit Sharing
 - ESOP
 - 401(k)