

November 1, 2007

Precision Airmotive LLC has discontinued sales of all float carburetors and component parts as of November 1, 2007. This unfortunate situation is a result of our inability to obtain product liability insurance for the product line. Precision Airmotive LLC and its 43 employees currently manufacture and support the float carburetors used in nearly all carbureted general aviation aircraft flying today. Precision has been the manufacturers of these carburetors since 1990. These FAA-approved carburetors were designed as early as the 1930s and continue to fly over a million flight hours a year. After decades of service, the reliability of these carburetors speaks for itself.

Nonetheless, Precision has seen its liability insurance premiums rise dramatically, to the point that the premium now exceeds the total sales dollars for this entire product line. In the past, we have absorbed that cost, with the hope that the aviation industry as a whole would be able to help address this issue faced by Precision Airmotive, as well as many other small aviation companies. Our efforts have been unsuccessful.

This year, despite the decades of reliable service and despite the design approval by the Federal Aviation Administration, Precision Airmotive has been unable to obtain product liability insurance for the carburetor product line. While we firmly believe that the product is safe, as does the FAA, and well-supported by dedicated people both at Precision and at our independent product support centers, unfortunately the litigation costs for defending the carburetor in court are unsustainable for a small business such as Precision.

Therefore, as of November 1, 2007, Precision Airmotive LLC has been left with no choice but to cease production and support of its float carburetor line.

We are working with the engine manufacturers and others in the industry in an attempt to minimize the impact on general aviation and to provide future support for this product line. There is a substantial quantity of parts and carburetors stocked at our distributors, which should be sufficient to support the industry for a short time.