



June 2, 2011

To Our Customers,

As you may recall from our Users Group meeting, we celebrated our Golden Anniversary last year as being the oldest SCADA supplier. During these past five decades, QEI successfully maintained a leadership position in the highly specialized SCADA market by serving primarily the distribution utility and transit market segments with a strong customer focus. The advent of the Smart Grid initiative brings about significant changes to the market by broadening SCADA and distribution automation beyond the traditional applications. This opens up many new opportunities for QEI, as well as many new challenges.

Our past success is based on strong customer relationships and our ability to provide a broad range of products and services. Many of the evolving opportunities are in markets that are served by much larger competitors where corporate size and resources play a significant role. We felt that in order to maintain our growth and continue to provide the support our customers expect, the time has come for us to join forces with a larger organization that would enable QEI to get global exposure and thereby bring further benefits to our existing customers. To accomplish this, last week, the Board of Directors of QEI entered into a definitive agreement with Crompton Greaves Limited (CGL), where CGL, through its subsidiary, would acquire all the outstanding share of QEI. CGL, a flagship company of the US\$ 4 billion Avantha Group, is a US\$ 2.25 billion India-based multinational in the electrical Transmission & Distribution business and a global supplier of a wide range of products and services to the utility industry.

The key component of this agreement is that QEI will become the platform for CGL's North American automation operation and will maintain its current location and organization with the same management structure. More specifically, all the key people will remain with the organization at their free will and continue to serve our customers without interruption. Norm will continue to manage the daily activities of the operation in his current capacity as President. I will also remain as an employee and will focus my efforts initially on integration of the organizations and then on the strategic planning of our expansion into broader technologies and markets.

We firmly believe that joining the CGL organization will bring us the corporate strength needed to maintain our leadership position in the fast expanding utility and transit markets and continue to provide world class products and services to our customers.

Best regards,

A handwritten signature in black ink, appearing to read 'Stephen A. Dalyai', written in a cursive style.

Stephen A. Dalyai
Chief Executive Officer