

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2010

Commission file number 0-31164

Preformed Line Products Company
(Exact name of registrant as specified in its charter)

Ohio	34-0676895
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
660 Beta Drive Mayfield Village, Ohio	44143
(Address of Principal Executive Office)	(Zip Code)
(440) 461-5200	
(Registrant's telephone number, including area code)	

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares, \$2 par value per share	NASDAQ

Securities registered pursuant to Section 12(g) of the Act: (None)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (S232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

The aggregate market value of voting and non-voting common shares held by non-affiliates of the registrant as of June 30, 2010 was \$61,224,698 based on the closing price of such common shares, as reported on the NASDAQ National Market System. As of March 9, 2011, there were 5,272,804 common shares of the Company (\$2 par value) outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Definitive Proxy Statement for the Annual Meeting of Shareholders to be held April 25, 2011 are incorporated by reference into Part III, Items 10, 11, 12, 13 and 14.

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Forward-Looking Statements

This Form 10-K and other documents we file with the Securities and Exchange Commission (SEC) contain forward-looking statements regarding Preformed Line Products Company (the Company) and management's beliefs and expectations. As a general matter, forward-looking statements are those focused upon future plans, objectives or performance (as opposed to historical items) and include statements of anticipated events or trends and expectations and beliefs relating to matters not historical in nature. Such forward-looking statements are subject to uncertainties and factors relating to the Company's operations and business environment, all of which are difficult to predict and many of which are beyond the Company's control. Such uncertainties and factors could cause the Company's actual results to differ materially from those matters expressed in or implied by such forward-looking statements.

The following factors, among others, could affect the Company's future performance and cause the Company's actual results to differ materially from those expressed or implied by forward-looking statements made in this report:

- The overall demand for cable anchoring and control hardware for electrical transmission and distribution lines on a worldwide basis, which has a slow growth rate in mature markets such as the United States (U.S.), Canada, and Western Europe and may not grow as expected in developing regions;
- The ability of our customers to raise funds needed to build the facilities their customers require;
- Technological developments that affect longer-term trends for communication lines such as wireless communication;
- The decreasing demands for product supporting copper-based infrastructure due to the introduction of products using new technologies or adoption of new industry standards;
- The Company's success at continuing to develop proprietary technology and maintaining high quality products and customer service to meet or exceed new industry performance standards and individual customer expectations;
- The Company's success in strengthening and retaining relationships with the Company's customers, growing sales at targeted accounts and expanding geographically;
- The extent to which the Company is successful in expanding the Company's product line or production facilities into new areas;
- The Company's ability to identify, complete and integrate acquisitions for profitable growth;
- The potential impact of consolidation, deregulation and bankruptcy among the Company's suppliers, competitors and customers;
- The relative degree of competitive and customer price pressure on the Company's products;
- The cost, availability and quality of raw materials required for the manufacture of products;
- The effects of fluctuation in currency exchange rates upon the Company's reported results from international operations, together with non-currency risks of investing in and conducting significant operations in foreign countries, including those relating to political, social, economic and regulatory factors;
- Changes in significant government regulations affecting environmental compliances;
- The telecommunication market's continued deployment of Fiber-to-the-Premises;

- The Company's ability to obtain funding for future acquisitions;
- The potential impact of the global economic condition and the depressed U.S. housing market on the Company's ongoing profitability and future growth opportunities in our core markets in the U.S. and other foreign countries where the financial situation is expected to be similar going forward;
- The continued support by Federal, State, Local and Foreign Governments in incentive programs for upgrading electric transmission lines and promoting renewable energy deployment;
- Those factors described under the heading "Risk Factors" on page 13.

Part I

Item 1. Business

Background

Preformed Line Products Company and its subsidiaries (the "Company") is an international designer and manufacturer of products and systems employed in the construction and maintenance of overhead and underground networks for the energy, telecommunication, cable operators, information (data communication) and other similar industries. The Company's primary products support, protect, connect, terminate and secure cables and wires. The Company also provides solar hardware systems and mounting hardware for a variety of solar power applications. The Company's goal is to continue to achieve profitable growth as a leader in the innovation, development, manufacture and marketing of technically advanced products and services related to energy, communications and cable systems and to take advantage of this leadership position to sell additional quality products in familiar markets.

The Company serves a worldwide market through strategically located domestic and international manufacturing facilities. Each of the Company's domestic and international manufacturing facilities have obtained an International Organization of Standardization ("ISO") 9001:2000 Certified Management System, with the exception of Direct Power and Water Corporation (DPW), which was acquired during 2007. The ISO 9001:2000 certified management system is a globally recognized quality standard for manufacturing and assists the Company in marketing its products throughout the world. The Company's customers include public and private energy utilities and communication companies, cable operators, financial institutions, governmental agencies, contractors and subcontractors, distributors and value-added resellers. The Company is not dependent on a single customer or a few customers. No single customer accounts for more than ten percent of the Company's consolidated revenues.

The Company's products include:

- Formed Wire and Related Hardware Products
- Protective Closures
- Data Communication Cabinets
- Plastic Products
- Other Products

Formed Wire Products and Related Hardware Products are used in the energy, communications, cable and special industries to support, protect, terminate and secure both power conductor and communication cables and to control cable dynamics (e.g., vibration). Formed wire products are based on the principle of forming a variety of stiff wire materials into a helical (spiral) shape. Advantages of using the Company's helical formed wire products are that they are economical, dependable and easy to use. The Company introduced formed wire products to the power industry over 60 years ago and such products enjoy an almost universal acceptance in the Company's markets. Related hardware products include hardware for supporting and protecting transmission conductors, spacers, spacer-dampers, stockbridge dampers, corona suppression devices and various compression fittings for

dead-end applications. Formed wire and related hardware products are approximately 65% of the Company's revenues in 2010, 62% in 2009 and 59% in 2008.

Protective Closures, including splice cases, are used to protect fixed line communication networks, such as copper cable or fiber optic cable, from moisture, environmental hazards and other potential contaminants. Protective closures are approximately 17% of the Company's revenues in 2010, 22% in 2009 and 24% in 2008.

Data Communication Cabinets are products used in high-speed data systems to hold and protect electronic equipment. Data communication cabinets are approximately 4% of the Company's revenues in 2010 and 2009 and 5% in 2008.

Plastic Products, including guy markers, tree guards, fiber optic cable markers and pedestal markers, are used in energy, communications, cable television and special industries to identify power conductors, communication cables and guy wires. Plastic products are approximately 3% of the Company's revenues in 2010, 2009 and 2008.

Other Products include hardware assemblies, pole line hardware, resale products, underground connectors, solar hardware systems and urethane products. They are used by energy, renewable energy, communications, cable and special industries for various applications and are defined as products that compliment the Company's core line offerings. Other products are approximately 11% of the Company's revenues in 2010, 9% in 2009 and 5% in 2008.

Corporate History

The Company was incorporated in Ohio in 1947 to manufacture and sell helically shaped armor rods which are sets of stiff helically shaped wires applied on an electrical conductor at the point where it is suspended or held. Thomas F. Peterson, the Company's founder, developed and patented a unique method to manufacture and apply these armor rods to protect electrical conductors on overhead power lines. Over a period of years, Mr. Peterson and the Company developed, tested, patented, manufactured and marketed a variety of helically shaped products for use by the electrical and telephone industries. Although all of Mr. Peterson's patents have now expired, those patents served as the nucleus for licensing the Company's formed wire products abroad.

The success of the Company's formed wire products in the U.S. led to expansion abroad. The first international license agreement was established in the mid-1950s in Canada. In the late 1950s the Company's products were being sold through joint ventures and licensees in Canada, England, Germany, Spain and Australia. Additionally, the Company began export operations and promoted products into other selected offshore markets. The Company continued its expansion program, bought out most of the original licensees, and, by the mid-1990s, had complete ownership of operations in Australia, Brazil, Canada, Great Britain, South Africa and Spain and held a minority interest in two joint ventures in Japan. The Company's international subsidiaries have the necessary infrastructure (i.e. manufacturing, engineering, marketing and general management) to support local business activities. Each is staffed with local personnel to ensure that the Company is well versed in local business practices, cultural constraints, technical requirements and the intricacies of local client relationships.

In 1968, the Company expanded into the underground telecommunications field by its acquisition of the Smith Company located in California. The Smith Company had a patented line of buried closures and pressurized splice cases. These closures and splice cases protect copper cable openings from environmental damage and degradation. The Company continued to build on expertise acquired through the acquisition of the Smith Company and in 1995 introduced the highly successful COYOTE® Closure line of products. Since 1995 fourteen domestic and three international patents have been granted to the Company on the COYOTE Closure. None of the COYOTE Closure patents have expired. The earliest COYOTE Closure patent was filed April 1995 and will not expire until April 2015.

In 1993, the Company purchased the assets of Superior Modular Products Company, located in Asheville, North Carolina.

Recognizing the need for a stronger presence in the fast growing Asian market, in 1996 the Company formed a joint venture in China and, in 2000, became sole owner of this venture.

In 2000, the Company acquired Rack Technologies Pty. Ltd, headquartered in Sydney, Australia. Rack Technologies was a specialist manufacturer of rack system enclosures for the communications, electronics and securities industries. This acquisition complemented and broadens the Company's existing line of data communication products used inside a customer's premises.

In 2002, the Company acquired the remaining 2.6% minority interest in its operations in Mexico. The 97.4% interest was acquired in 1969.

In 2003, the Company sold its 24% interest in Toshin Denko Kabushiki Kaisha in Osaka, Japan. The Company's investment in Toshin Denko dated back to 1961 when the joint venture company was founded.

In 2004, the Company acquired the assets of Union Electric Manufacturing Co. Ltd, located in Bangkok, Thailand.

In 2004, the Company sold its 49% interest in Japan PLP Co. Ltd., a joint venture in Japan.

In 2007, the Company acquired the shares of DPW, located in New Mexico, U.S. This acquisition broadened the Company's product lines and manufactures mounting hardware for a variety of solar power applications and provides designs and installations of solar power systems.

In 2007, the Company acquired 83.74% of Belos SA (Belos), located in Bielsko-Biala, Poland. Belos is a manufacturer and supplier of fittings for various voltage power networks. This acquisition complements the Company's existing line of energy products. In 2008, the Company acquired an additional 8.3% of the outstanding shares of Belos. In 2009, the Company acquired an additional 4.1% of the outstanding shares of Belos. In 2010, the Company acquired the remaining 3.86% of the outstanding shares of Belos.

In 2008, the Company divested its data communication business, Superior Modular Products.

In 2008, the Company formed a joint venture between the Company's Australian subsidiary, Preformed Line Products Australia Pty Ltd (PLP-AU) and BlueSky Energy Pty Ltd, a solar systems integration and installation business based in Sydney, Australia. PLP-AU holds a 50% ownership interest in the joint venture company, which operates under the name BlueSky Energy Australia (BlueSky), with the option to acquire the remaining 50% ownership interest from BlueSky Energy Pty Ltd over the next five years.

In 2009, the Company acquired a 33.3% investment in Proxisafe Ltd. Proxisafe is a Canadian developmental company formed to design and commercialize new industrial safety equipment located in Calgary, Alberta.

In 2009, the Company acquired the Dulmison business from Tyco Electronics Group S.A. (Tyco Electronics), which includes both the acquisition of equity of certain Tyco Electronics entities and the acquisition of assets from other Tyco Electronics entities. Dulmison was a leader in the supply and manufacturer of electrical transmission and distribution products. Dulmison designed, manufactured and marketed pole line hardware and vibration control products for the global electrical utility industry. Dulmison had operations in Australia, Thailand, Indonesia, Malaysia, Mexico and the United States. The Dulmison business has been fully integrated into the Company's core businesses.

In 2010, the Company acquired Electropar Limited (Electropar), a New Zealand corporation. Electropar designs, manufactures and markets pole line and substation hardware for the global electrical utility industry. Electropar is based in New Zealand with a subsidiary operation in Australia. The acquisition has and is expected to continue to strengthen the Company's position in the power distribution, transmission and substation hardware markets and will expand the Company's presence in the Asia-Pacific region.

The Company's World headquarters is located at 660 Beta Drive, Mayfield Village, Ohio 44143.

Business

The demand for the Company's products comes primarily from new, maintenance and repair construction for the energy, telecommunication and data communication industries. The Company's customers use many of the Company's products, including formed wire products, to revitalize the aging outside plant infrastructure. Many of the Company's products are used on a proactive basis by the Company's customers to reduce and prevent lost revenue. A single malfunctioning line could cause the loss of thousands of dollars per hour for a power or communication customer. A malfunctioning fiber cable could also result in substantial revenue loss. Repair construction by the Company's customers generally occurs in the case of emergencies or natural disasters, such as hurricanes, tornadoes, earthquakes, floods or ice storms. Under these circumstances, the Company provides 24-hour service to provide the repair products to customers as quickly as possible.

The Company has adapted the formed wire products' helical technology for use in a wide variety of fiber optic cable applications that have special requirements. The Company's formed wire products are uniquely qualified for these applications due to the gentle gripping over a greater length of the fiber cable. This is an advantage over traditional pole line hardware clamps that compress the cable to the point of possible fatigue and optical signal deterioration.

The Company's protective closures and splice cases are used to protect cable from moisture, environmental hazards and other potential contaminants. The Company's splice cases are easily re-enterable closures that allow utility maintenance workers access to the cables located inside the closure to repair or add communications services. Over the years, the Company has made many significant improvements in the splice case that have greatly increased their versatility and application in the market place. The Company also designs and markets custom splice cases to satisfy specific customer requirements. This has allowed the Company to remain a strong partner with several primary customers and has earned the Company the reputation as a responsive and reliable supplier.

Fiber optic cable was first deployed in the outside plant environment in the early 1980s. Through fiber optic technologies, a much greater amount of both voice and data communication can be transmitted reliably. In addition, this technology solved the cable congestion problem that the large count copper cable was causing in underground, buried and aerial applications. The Company developed and adapted copper closures for use in the emerging fiber optic world. In the late 1980s, the Company developed a series of splice cases designed specifically for fiber application. In the mid-1990s, the Company developed its plastic COYOTE Closure, and has since expanded the product line to address Fiber-to-the-Premise (FTTP) applications. The COYOTE Closure is an example of the Company developing a new line of proprietary products to meet the changing needs of its customers.

The Company also designs and manufactures data communication cabinets and enclosures for data communication networks, offering a comprehensive line of copper and fiber optic cross-connect systems. The product line enables reliable, high-speed transmission of data over customers' local area networks.

With the acquisition of DPW in 2007, the Company expanded into the fast growing renewable energy sector. DPW provides a comprehensive line of mounting hardware for a variety of solar power applications including residential roof mounting, commercial roofing systems, top of pole mounting and customized solutions. DPW also provides design and installation services for residential and commercial solar power systems primarily in the western U.S.

Markets

The Company markets its products to the energy, telecommunication, cable, data communication and special industries. While rapid changes in technology have blurred the distinctions between telephone, cable, and data communication, the energy industry is clearly distinct. The Company's role in the energy industry is to supply formed wire products and related hardware used with the electrical conductors, cables and wires that transfer power from the generating facility to the ultimate user of that power. Formed wire products are used to support, protect, terminate and secure both power conductor and communication cables and to control cable dynamics.

Electric Utilities - Transmission. The electric transmission grid is the interconnected network of high voltage aluminum conductors used to transport large blocks of electric power from generating facilities to

distribution networks. Currently, there are three major power grids in the U.S.: the Eastern Interconnect, the Western Interconnect and the Texas Interconnect. Virtually all electrical energy utilities are connected with at least one other utility by one of these major grids. The Company believes that the transmission grid has been neglected throughout much of the U.S. for more than a decade. Additionally, because of deregulation, some electric utilities have turned this responsibility over to Independent System Operators (ISOs), who have also been slow to add transmission lines. With demand for power now exceeding supply in some areas, the need for the movement of bulk power from the energy-rich areas to the energy-deficient areas means that new transmission lines will likely be built and many existing lines will likely be refurbished. In addition, passage of the economic stimulus bill in early 2009 that contains provisions for upgrading the aging transmission infrastructure and connecting renewable energy sources to the grid should attract new investment to fund new infrastructure projects in the industry. The Company believes that this will generate growth for the Company's products in this market over at least the next several years. In addition, increased construction of international transmission grids is occurring in many regions of the world. However, consolidations in the markets that the Company services' may also have an adverse impact on the Company's revenues.

Electric Utilities - Distribution. The distribution market includes those utilities that distribute power from a substation where voltage is reduced to levels appropriate for the consumer. Unlike the transmission market, distribution is still handled primarily by local electric utilities. These utilities are motivated to reduce cost in order to maintain and enhance their profitability. The Company believes that its growth in the distribution market will be achieved primarily as a result of incremental gains in market share driven by emphasizing the Company's quality products and service over price. Internationally, particularly in the developing regions, there is increasing political pressure to extend the availability of electricity to additional populations. Through its global network of factories and sales offices, the Company is prepared to take advantage of this new growth in construction.

Renewable Energy. The renewable energy market includes residential consumers, commercial businesses, off-grid operators, and utility companies that have an interest in alternative energy sources. Environmental concerns along with federal, state, and local utility incentives have fueled demand for renewable energy systems including solar, wind, and biofuel. The industry continues to grow rapidly as advancements in technology lead to greater efficiencies which drive down overall system costs. The Company currently provides hardware solutions, system design and installation services for solar power applications. The Company markets and sells these products and services to end-users, distributors, installers and integrators.

Communication and Cable. Major developments, including growing competition between the cable and communications industries and increasing overall demand for high-speed communication services, have led to a changing regulatory and competitive environment in many markets throughout the world. The deployment of new access networks and improvements to existing networks for advanced applications continues to gain momentum.

Cable operators, local communication operators and power utilities are building, rebuilding or upgrading signal delivery networks in developed countries. These networks are designed to deliver video and voice transmissions and provide Internet connectivity to individual residences and businesses. Operators deploy a variety of network technologies and architectures to carry broadband and narrowband signals. These architectures are constructed of electronic hardware connected via coaxial cables, copper wires or optical fibers. The Company manufactures closures that these industries use to securely connect and protect these vital networks.

As critical components of the outdoor infrastructure, closures provide protection against weather and vandalism, and permit technicians who maintain and manage the system ready access to the devices. Cable operators and local telephone network operators place great reliance on manufacturers of protective closures because any material damage to the signal delivery networks is likely to disrupt communication services. In addition to closures, the Company supplies the communication and cable industry with its formed wire products to hold, support, protect and terminate the copper wires and cables and the fiber optic cables used by that industry to transfer voice, video or data signals.

The industry has developed technological methods to increase the usage of copper-based plant through high-speed digital subscriber lines (DSLs). The popularity of these services, the regulatory environment and the increasingly fierce competition between communications and cable operators has driven the move toward building out the "last mile" in fiber networks. FTTP technology supports the next wave in broadband innovation by carrying

fiber optic technology into homes and businesses. The Company has been actively developing products that address this market.

Data Communication. The data communication market is being driven by the continual demand for increased bandwidth. Growing Internet Service Providers (ISPs), construction in Wide Area Networks (WANs) and demand for products in the workplace are all key elements to the increased demand for the connecting devices made by the Company. The Company's products are sold to a number of categories of customers including, (i) ISPs, (ii) large companies and organizations which have their own local area network for data communication, and (iii) distributors of structured cabling systems and components for use in the above markets.

Special Industries. The Company's formed wire products are also used in other industries which require a method of securing or terminating cables, including the metal building, tower and antenna industries, the arborist industry, and various applications within the marine systems industry. Products other than formed wire products are also marketed to other industries. For example, the Company's urethane capabilities allow it to market products to the light rail industry. The Company continues to explore new and innovative uses of its manufacturing capabilities; however, these markets remain a small portion of overall consolidated sales.

International Operations

The international operations of the Company are essentially the same as its domestic (PLP-USA) business. The Company manufactures similar types of products in its international plants as are sold domestically, sells to similar types of customers and faces similar types of competition (and in some cases the same competitors). Sources of supply of raw materials are not significantly different internationally. See Note K in the Notes To Consolidated Financial Statements for information and financial data relating to the Company's international operations that represent reportable segments.

While a number of the Company's international plants are in developed countries, the Company believes it has strong market opportunities in developing countries where the need for the transmission and distribution of electrical power is significant. The Company is now serving the Far East market, other than China and Japan, primarily from Thailand and Indonesia. In addition, as the need arises, the Company is prepared to establish new manufacturing facilities abroad.

Sales and Marketing

Domestically and internationally, the Company markets its products through a direct sales force and manufacturing representatives. The direct sales force is employed by the Company and works with the manufacturer's representatives, as well as key direct accounts and distributors who also buy and resell the Company's products. The manufacturer's representatives are independent organizations that represent the Company as well as other complimentary product lines. These organizations are paid a commission based on the sales amount.

Research and Development

The Company is committed to providing technical leadership through scientific research and product development in order to continue to expand the Company's position as a supplier to the communications and power industries. Research is conducted on a continuous basis using internal experience in conjunction with outside professional expertise to develop state-of-the-art materials for several of the Company's products. These products capitalize on cost-efficiency while offering exacting mechanical performance that meets or exceeds industry standards. The Company's research and development activities have resulted in numerous patents being issued to the Company (see "Patents and Trademarks" below).

Early in its history, the Company recognized the need to understand the performance of its products and the needs of its customers. To that end, the Company developed a 29,000 square foot Research and Engineering Center located at its corporate headquarters in Mayfield Village, Ohio. Using the Research and Engineering Center, engineers and technicians simulate a wide range of external conditions encountered by the Company's products to ensure quality, durability and performance. The work performed in the Research and Engineering Center includes

advanced studies and experimentation with various forms of vibration. This work has contributed significantly to the collective knowledge base of the industries the Company serves and is the subject matter of many papers and seminars presented to these industries.

The Company believes that its Research and Engineering Center is one of the most sophisticated in the world in its specialized field. The expanded Research and Engineering Center also has an advanced prototyping technology machine on-site to develop models of new designs where intricate part details are studied prior to the construction of expensive production tooling. Today, the Company's reputation for vibration testing, tensile testing, fiber optic cable testing, environmental testing, field vibration monitoring and third-party contract testing is a competitive advantage. In addition to testing, the work done at the Company's Research and Development Center continues to fuel product development efforts. For example, the Company estimates that approximately 18% of 2010 revenues were attributed to products developed by the Company in the past five years. In addition, the Company's position in the industry is further reinforced by its long-standing leadership role in many key international technical organizations which are charged with the responsibility of establishing industry wide specifications and performance criteria, including IEEE (Institute of Electrical and Electronics Engineers), CIGRE (Comité International des Grands Réseaux Electriques a Haute Tension), and IEC (International Electromechanical Commission). Research and development costs are expensed as incurred. Research and development costs for new products were \$1.7 million in 2010, \$2.3 million in 2009 and \$2 million in 2008.

Patents and Trademarks

The Company applies for patents in the U.S. and other countries, as appropriate, to protect its significant patentable developments. As of December 31, 2010, the Company had in force 32 U.S. patents and 67 international patents in 11 countries and had pending six U.S. patent applications and 24 international applications. While such domestic and international patents expire from time to time, the Company continues to apply for and obtain patent protection on a regular basis. Patents held by the Company in the aggregate are of material importance in the operation of the Company's business. The Company, however, does not believe that any single patent, or group of related patents, is essential to the Company's business as a whole or to any of its businesses. Additionally, the Company owns and uses a substantial body of proprietary information and numerous trademarks. The Company relies on nondisclosure agreements to protect trade secrets and other proprietary data and technology. As of December 31, 2010, the Company had obtained U.S. registration on 31 trademarks and no trademark applications remained pending. International registrations amounted to 229 registrations in 38 countries, with no pending international registrations.

Since June 8, 1995, U.S. patents have been issued for terms of 20 years beginning with the date of filing of the patent application. Prior to that time, a U.S. patent had a term of 17 years from the date of its issuance. Patents issued by international countries generally expire 20 years after filing. U.S. and international patents are not renewable after expiration of their initial term. U.S. and international trademarks are generally perpetual, renewable in 10-year increments upon a showing of continued use. To the knowledge of management, the Company has not been subject to any significant allegation or charges of infringement of intellectual property rights by any organization.

In the normal course of business, the Company occasionally makes and receives inquiries with regard to possible patent and trademark infringement. The extent of such inquiries from third parties has been limited generally to verbal remarks to Company representatives. The Company believes that it is unlikely that the outcome of these inquiries will have a material adverse effect on the Company's financial position.

Competition

All of the markets that the Company serves are highly competitive. In each market, the principal methods of competition are price, performance, and service. The Company believes, however, that several factors (described below) provide the Company with a competitive advantage.

- The Company has a strong and stable workforce. This consistent and continuous knowledge base has afforded the Company the ability to provide superior service to the Company's customers and representatives.

- The Company's Research and Engineering Center in Mayfield Village, Ohio and Research and Engineering department's subsidiary locations maintain a strong technical support function to develop unique solutions to customer problems.
- The Company is vertically integrated both in manufacturing and distribution and is continually upgrading equipment and processes.
- The Company is sensitive to the marketplace and provides an extra measure of service in cases of emergency, storm damage and other rush situations. This high level of customer service and customer responsiveness is a hallmark of the Company.
- The Company's 17 manufacturing locations ensure close support and proximity to customers worldwide.

Domestically, there are several competitors for formed wire products. Although it has other competitors in many of the countries where it has plants, the Company has leveraged its expertise and is very strong in the global market. The Company believes that it is the world's largest manufacturer of formed wire products for energy and communications markets. However, the Company's formed wire products compete against other pole line hardware products manufactured by other companies.

Minnesota Manufacturing and Mining Company (3M) is the primary domestic competitor of the Company for pressurized copper closures. Based on its experience in the industry, the Company believes it maintains a strong market share position.

The fiber optic closure market is one of the most competitive product areas for the Company, with the Company competing against, among others, Tyco International Ltd., 3M and Corning Cable Systems. There are a number of primary competitors and several smaller niche competitors that compete at all levels in the marketplace. The Company believes that it is one of four leading suppliers of fiber optic closures.

The Company's data communication competitors range from assemblers of low cost, low quality components, to well-established multinational corporations. The Company's competitive strength is its technological leadership and manufacturing expertise.

Sources and Availability of Raw Materials

The principal raw materials used by the Company are galvanized wire, stainless steel, aluminum covered steel wire, aluminum re-draw rod, plastic resins, glass-filled plastic compounds, neoprene rubbers and aluminum castings. The Company also uses certain other materials such as fasteners, packaging materials and communications cable. The Company believes that it has adequate sources of supply for the raw materials used in its manufacturing processes and it regularly attempts to develop and maintain sources of supply in order to extend availability and encourage competitive pricing of these products.

Most plastic resins are purchased under contracts to stabilize costs and improve delivery performance and are available from a number of reliable suppliers. Wire and re-draw rod are purchased in standard stock diameters and coils under contracts from a number of reliable suppliers. Contracts have firm prices except for fluctuations of base metals and petroleum prices, which result in surcharges when global demand is greater than the available supply.

The Company also relies on certain other manufacturers to supply products that complement the Company's product lines, such as aluminum and ferrous castings, fiber optic cable and connectors and various metal racks and cabinets. The Company believes there are multiple sources of supply for these products.

The Company relies on sole source manufacturers for certain raw materials used in production. The current state of economic uncertainty presents a risk that existing suppliers could go out of business. However, there are

other potential sources for these materials available, and the Company could relocate the tooling and processes to other manufacturers if necessary.

Due to capacity constraints and increased worldwide demand, raw material costs increased throughout 2010. This increasing trend is expected to continue throughout 2011.

Backlog Orders

The Company's backlog was approximately \$59.1 million at the end of 2010 and \$38 million at the end of 2009. The Company's order backlog generally represents six to nine weeks of sales. All customer orders entered are firm at the time of entry. Substantially all orders are shipped within a two to four week period unless the customer requests an alternative date.

Seasonality

The Company markets products that are used by utility maintenance and construction crews worldwide. The products are marketed through distributors and directly to end users, who maintain stock to ensure adequate supply for their customers or construction crews. As a result, the Company does not have a wide variation in sales from quarter to quarter.

Environmental

The Company is subject to extensive and changing federal, state, and local environmental laws, including laws and regulations that (i) relate to air and water quality, (ii) impose limitations on the discharge of pollutants into the environment, (iii) establish standards for the treatment, storage and disposal of toxic and hazardous waste, and (iv) require proper storage, handling, packaging, labeling, and transporting of products and components classified as hazardous materials. Stringent fines and penalties may be imposed for noncompliance with these environmental laws. In addition, environmental laws could impose liability for costs associated with investigating and remediating contamination at the Company's facilities or at third-party facilities at which the Company has arranged for the disposal treatment of hazardous materials.

The Company believes it is in compliance in all material respects, with all applicable environmental laws and the Company is not aware of any noncompliance or obligation to investigate or remediate contamination that could reasonably be expected to result in a material liability. The Company does not expect to make any material capital expenditure during 2011 for environmental control facilities. The environmental laws continue to be amended and revised to impose stricter obligations, and compliance with future additional environmental requirements could necessitate capital outlays. However, the Company does not believe that these expenditures should ultimately result in a material adverse effect on its financial position or results of operations. The Company cannot predict the precise effect such future requirements, if enacted, would have on the Company. The Company believes that such regulations would be enacted over time and would affect the industry as a whole.

Employees

At December 31, 2010, the Company had 2,617 employees. Approximately 31% of the Company's employees are located in the U.S.

Available Information

The Company maintains an Internet site at <http://www.preformed.com>, on which the Company makes available, free of charge, the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports, as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the SEC. The Company's SEC reports can be accessed through the investor relations section of its Internet site. The information found on the Company's Internet site is not part of this or any other report that is filed or furnished to the SEC.

The public may read and copy any materials the Company files with or furnishes to the SEC at the SEC's Public Reference Room at 100 F. Street, NE., Washington, DC 20549. Information on the operation of the Public Reference Room is available by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site that contains reports, proxy and information statements, and other information filed with the SEC by electronic filers. The SEC's Internet site is <http://www.sec.gov>. The Company also has a link from its Internet site to the SEC's Internet site, this link can be found on the investor relations page of the Company's Internet site.

Item 1A. Risk Factors

Due to the Company's dependency on the energy and telecommunication industries, the Company is susceptible to negative trends relating to those industries that could adversely affect the Company's operating results.

The Company's sales to the energy and telecommunication industries represent a substantial portion of the Company's historical sales. The concentration of revenue in such industries is expected to continue into the foreseeable future. Demand for products to these industries depends primarily on capital spending by customers for constructing, rebuilding, maintaining or upgrading their systems. The amount of capital spending and, therefore, the Company's sales and profitability are affected by a variety of factors, including general economic conditions, access by customers to financing, government regulation, demand for energy and cable services, and technological factors. As a result, some customers may not continue as going concerns, which could have a material adverse effect on the Company's business, operating results and financial condition. Consolidation and deregulation present the additional risk to the Company in that combined or deregulated customers will rely on relationships with a source other than the Company. Consolidation and deregulation may also increase the pressure on suppliers, such as the Company, to sell product at lower prices.

The Company's business will suffer if the Company fails to develop and successfully introduce new and enhanced products that meet the changing needs of the Company's customers.

The Company's ability to anticipate changes in technology and industry standards and to successfully develop and introduce new products on a timely basis will be a significant factor in the Company's ability to grow and remain competitive. New product development often requires long-term forecasting of market trends, development and implementation of new designs and processes and a substantial capital commitment. The trend toward consolidation of the energy, telecommunication and data communication industries may require the Company to quickly adapt to rapidly changing market conditions and customer requirements. Any failure by the Company to anticipate or respond in a cost-effective and timely manner to technological developments or changes in industry standards or customer requirements, or any significant delays in product development or introduction or any failure of new products to be widely accepted by the Company's customers, could have a material adverse effect on the Company's business, operating results and financial condition as a result of reduced net sales.

The intense competition in the Company's markets, particularly telecommunication, may lead to a reduction in sales and profits.

The markets in which the Company operates are highly competitive. The level of intensity of competition may increase in the foreseeable future due to anticipated growth in the telecommunication and data communication industries. The Company's competitors in the telecommunication and data communication markets are larger companies with significant influence over the distribution network. The Company may not be able to compete successfully against its competitors, many of which may have access to greater financial resources than the Company. In addition, the pace of technological development in the telecommunication and data communication markets is rapid and these advances (i.e., wireless, fiber optic network infrastructure, etc.) may adversely affect the Company's ability to compete in this market.

The introduction of products embodying new technologies or the emergence of new industry standards can render existing products or products under development obsolete or unmarketable and result in lost sales.

The energy, telecommunication and data communication industries are characterized by rapid technological change. Satellite, wireless and other communication technologies currently being deployed may represent a threat to copper, coaxial and fiber optic-based systems by reducing the need for wire-line networks. Future advances or

further development of these or other new technologies may have a material adverse effect on the Company's business, operating results and financial condition as a result of lost sales.

Price increases of raw materials could result in lower earnings.

The Company's cost of sales may be materially adversely affected by increases in the market prices of the raw materials used in the Company's manufacturing processes. The Company may not be able to pass on price increases in raw materials to the Company's customers through increases in product prices. As a result, the Company's operating results could be adversely affected.

The Company's international operations subject the Company to additional business risks that may have a material adverse effect on the Company's business, operating results and financial condition.

International sales account for a substantial portion of the Company's net sales (58%, 54% and 54% in 2010, 2009 and 2008, respectively) and the Company expects these sales will increase as a percentage of net sales in the future. Due to its international sales, the Company is subject to the risks of conducting business internationally, including unexpected changes in, or impositions of, legislative or regulatory requirements, fluctuations in the U.S. dollar which could materially adversely affect U.S. dollar revenues or operating expenses, tariffs and other barriers and restrictions, potentially longer payment cycles, greater difficulty in accounts receivable collection, reduced or limited protection of intellectual property rights, potentially adverse taxes and the burdens of complying with a variety of international laws and communications standards. The Company is also subject to general geopolitical risks, such as political and economic instability and changes in diplomatic and trade relationships, in connection with its international operations. These risks of conducting business internationally may have a material adverse effect on the Company's business, operating results and financial condition.

The Company may not be able to successfully integrate businesses that it may acquire in the future or complete acquisitions on satisfactory terms, which could have a material adverse effect on the Company's business, operating results and financial condition.

A portion of the Company's growth in sales and earnings has been generated from acquisitions. The Company expects to continue a strategy of identifying and acquiring businesses with complementary products. In connection with this strategy, the Company faces certain risks and uncertainties relating to acquisitions. The factors affecting this exposure are in addition to the risks faced in the Company's day-to-day operations. Acquisitions involve a number of special risks, including the risks pertaining to integrating acquired businesses. In addition, the Company may incur debt to finance future acquisitions, and the Company may issue securities in connection with future acquisitions that may dilute the holdings of current and future shareholders. Covenant restrictions relating to additional indebtedness could restrict the Company's ability to pay dividends, fund capital expenditures, consummate additional acquisitions and significantly increase the Company's interest expense. Any failure to successfully complete acquisitions or to successfully integrate such strategic acquisitions could have a material adverse effect on the Company's business, operating results and financial condition.

The Company may have interruptions in or lost businesses due to the uncertainty of the global economy, specifically the potential impact of bankruptcy among the Company's suppliers and lack of available funding for the Company's customers.

The Company relies on sole source manufacturers for certain materials that complement the Company's product lines. The current state of economic uncertainty presents a risk that existing suppliers could go out of business. If, due to any of these risk factors, the Company had to relocate the tooling and processes to other manufacturers, there could be an adverse effect on the supply and the Company's ability to make products on a timely basis. Additionally, as the financial markets are experiencing unprecedented volatility, lower levels of liquidity may be available. The inability to obtain funding may postpone customer spending and adversely affect the Company's business, operating results and financial condition.

Item 1B. Unresolved Staff Comments

The Company does not have any unresolved staff comments.

Item 2. Properties

The Company currently owns or leases 20 facilities, which together contain approximately 2 million square feet of manufacturing, warehouse, research and development, sales and office space worldwide. Most of the Company's international facilities contain space for offices, research and engineering (R&E), warehousing and manufacturing with manufacturing using a majority of the space. The following table provides information regarding the Company's principal facilities:

	<u>Location</u>	<u>Use</u>	<u>Owned/Leased</u>	<u>Square Feet</u>	<u>Reportable Segment</u>
1.	Mayfield Village, Ohio	Corporate Headquarters R&E	Owned	62,000	PLP-USA
2.	Rogers, Arkansas	Manufacturing Warehouse Office	Owned	310,000	PLP-USA
3.	Albemarle, North Carolina	Manufacturing Warehouse Office	Owned	261,000	PLP-USA
4.	Sydney, Australia	Manufacturing R&E Warehouse Office	Owned	123,000	Asia-Pacific
5.	São Paulo, Brazil	Manufacturing R&E Warehouse Office	Owned	148,500	The Americas
6.	Cambridge, Ontario, Canada	Manufacturing Warehouse Office	Owned	73,300	The Americas
7.	Andover, Hampshire, England	Manufacturing R&E Warehouse Office	Building Owned; Land Leased	89,400	EMEA
8.	Queretaro, Mexico	Manufacturing Warehouse Office	Owned	82,900	The Americas
9.	Beijing, China	Manufacturing Warehouse Office	Building Owned; Land Leased	180,900	Asia-Pacific
10.	Pietermaritzburg, South Africa	Manufacturing R&E Warehouse Office	Owned	73,100	EMEA

11. Sevilla, Spain	Manufacturing R&E Warehouse Office	Owned	63,300	EMEA
12. Bangkok, Thailand	Manufacturing Warehouse Office	Owned	60,000	Asia- Pacific
13. Albuquerque, New Mexico	Manufacturing Warehouse Office	Leased	27,200	The Americas
14. Bielsko-Biala, Poland	Manufacturing Warehouse Office	Buildings Owned; Land Leased	174,400	EMEA
15. Bekasi, Indonesia	Manufacturing Office	Owned	31,700	Asia- Pacific
16. Selangor, Malaysia	Manufacturing Warehouse Office	Leased	18,600	Asia- Pacific
17. Bangkok, Thailand	Manufacturing Warehouse Office	Leased	135,700	Asia- Pacific
18. Auckland, New Zealand	Manufacturing Warehouse Office	Leased	46,200	Asia- Pacific

Item 3. Legal Proceedings

From time to time, the Company may be subject to litigation incidental to its business. The Company is not a party to any pending legal proceedings that the Company believes would, individually or in the aggregate, have a material adverse effect on its financial condition, results of operations or cash flows.

Item 4. (Removed and Reserved)

Executive Officers of the Registrant

Each executive officer is elected by the Board of Directors, serves at its pleasure and holds office until a successor is appointed, or until the earliest of death, resignation or removal.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Robert G. Ruhlman	54	Chairman, President and Chief Executive Officer
Eric R. Graef	58	Chief Financial Officer and Vice President - Finance
William H. Haag	47	Vice President - International Operations
J. Cecil Curlee Jr.	54	Vice President - Human Resources
Dennis F. McKenna	44	Vice President - Marketing and Business Development
David C. Sunkle	52	Vice President - Research and Engineering and Manufacturing
Caroline S. Vaccariello	44	General Counsel and Corporate Secretary

The following sets forth the name and recent business experience for each person who is an executive officer of the Company at March 1, 2011.

Robert G. Ruhlman was elected Chairman in July 2004. Mr. Ruhlman has served as Chief Executive Officer since July 2000 and as President since 1995 (positions he continues to hold). Mr. Ruhlman is the brother of Randall M. Ruhlman and son of Barbara P. Ruhlman, both Directors of the Company.

Eric R. Graef was elected Vice President Finance in December 1999 and Chief Financial Officer in December 2007.

William H. Haag was elected Vice President International Operations in April 1999.

J. Cecil Curlee Jr. was elected Vice President Human Resources in January 2003.

Dennis F. McKenna was elected Vice President Marketing and Business Development in April 2004.

David C. Sunkle was elected Vice President-Research and Engineering in January 2007. In addition, Mr. Sunkle has taken on the role of the Vice President Manufacturing since July 2008. Mr. Sunkle joined the Company in 1978. He has served a variety of positions in Research and Engineering until 2002 when he became Director of International Operations. In 2006, Mr. Sunkle rejoined Research and Engineering as the Director of Engineering.

Caroline S. Vaccariello was elected General Counsel and Corporate Secretary in January 2007. Ms. Vaccariello joined the Company in 2005 as General Counsel and has led the Company's legal affairs since that time. Prior to that time, Ms. Vaccariello worked as an attorney for The Timken Company from 2003 to 2005.

Part II

Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

The Company's Common Shares are traded on NASDAQ under the trading symbol "PLPC". As of March 9, 2011, the Company had approximately 900 shareholders of record. The following table sets forth for the periods indicated (i) the high and low closing sale prices per share of the Company's Common Shares as reported by the NASDAQ and (ii) the amount per share of cash dividends paid by the Company.

While the Company expects to continue to pay dividends of a comparable amount in the near term, the declaration and payment of future dividends will be made at the discretion of the Company's Board of Directors in light of then current needs of the Company. Therefore, there can be no assurance that the Company will continue to make such dividend payments in the future.

Quarter	Year ended December 31					
	2010			2009		
	High	Low	Dividend	High	Low	Dividend
First	\$44.14	\$34.60	\$0.20	\$47.65	\$28.26	\$0.20
Second	39.06	27.95	0.20	48.96	32.70	0.20
Third	35.64	27.50	0.20	44.16	33.06	0.20
Fourth	62.14	33.60	0.20	44.40	37.85	0.20

Equity Compensation Plan Information

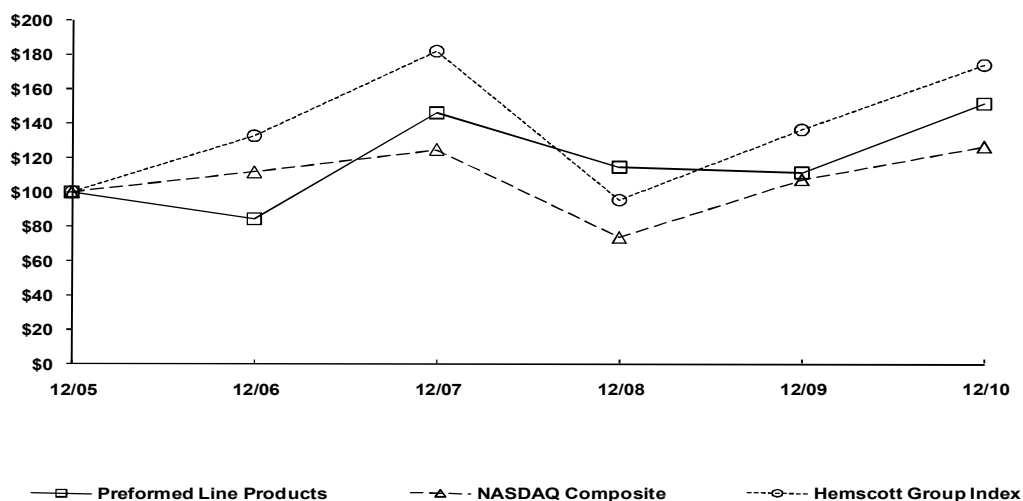
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	183,233	\$34.46	177,403
Equity compensation plans not approved by security holders	<u>72,057</u>	\$35.89	<u>-</u>
Total	255,290		177,403

Performance Graph

Set forth below is a line graph comparing the cumulative total return of a hypothetical investment in the Company's Common Shares with the cumulative total return of hypothetical investments in the NASDAQ Market Index and the Hemscott Industry Group 627 (Industrial Electrical Equipment) Index based on the respective market price of each investment at December 31, 2005, December 31, 2006, December 31, 2007, December 31, 2008, December 31, 2009, and December 31, 2010, assuming in each case an initial investment of \$100 on December 31, 2005, and reinvestment of dividends.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Preformed Line Products, the NASDAQ Composite Index and a Hemscott Group Index



*\$100 invested on 12/31/05 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

COMPANY / INDEX / MARKET	2005	2006	2007	2008	2009	2010
PREFORMED LINE PRODUCTS CO	100.00	84.34	145.96	114.00	110.57	150.95
NASDAQ MARKET INDEX	100.00	111.74	124.67	73.77	107.12	125.93
HEMSCOTT GROUP INDEX	100.00	132.35	181.83	95.26	135.74	173.54

Purchases of Equity Securities

On August 4, 2010, the Company announced the Board of Directors authorized a plan to repurchase up to 250,000 of Preformed Line Products common shares. The repurchase plan does not have an expiration date. There were no repurchases for the three-month period ended December 31, 2010.

Item 6. Selected Financial Data

	2010	2009	2008	2007	2006
	<i>(Thousands of dollars, except per share data)</i>				
Net Sales and Income					
Net sales	\$338,305	\$257,206	\$269,742	\$233,289	\$196,910
Operating income	28,480	19,460	23,988	21,133	16,359
Income before income taxes and discontinued operations	30,183	29,593	24,760	21,321	17,180
Income from continuing operations, net of tax	23,008	22,833	17,042	13,820	11,827
Net income	23,008	22,833	17,911	14,213	12,103
Net income (loss) attributable to noncontrolling interest, net of tax	(105)	(524)	288	54	-
Net income attributable to PLPC	23,113	23,357	17,623	14,159	12,103
Per Share Amounts					
Income from continuing operations attributable to PLP shareholders - basic	\$4.41	\$4.46	\$3.17	\$2.57	\$2.11
Net income attributable to PLPC common shareholders - basic	4.41	4.46	3.34	2.64	2.16
Income from continuing operations attributable to PLPC shareholders - diluted	4.33	4.35	3.14	2.54	2.09
Net income attributable to PLPC common shareholders - diluted	4.33	4.35	3.30	2.61	2.14
Dividends declared	0.80	0.80	0.80	0.80	0.80
PLPC Shareholders' equity	37.21	32.58	26.09	27.82	24.47
Other Financial Information					
Current assets	\$167,342	\$138,440	\$112,670	\$123,450	\$100,374
Total assets	280,979	235,372	190,875	203,866	170,852
Current liabilities	56,558	46,340	35,248	42,349	32,372
Long-term debt (including current portion)	10,650	4,429	3,147	4,959	4,361
Capital leases	590	239	112	373	478
PLPC Shareholders' equity	196,140	170,966	136,265	149,721	131,148

On December 18, 2009, the Company completed a business combination acquiring certain subsidiaries and other assets from Tyco Electronics. The 2009 results were impacted by a \$9.1 million gain, after taxes, on the acquisition, or \$1.74 per basic share and \$1.69 per diluted share. On May 30, 2008, the Company divested its Superior Modular Products subsidiary (SMP). The net sales and income and per share amounts sections for the years noted above have been restated to provide comparable information excluding the divestiture of the SMP operations.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and related Notes To Consolidated Financial Statements included in Item 8 in this report.

Preformed Line Products Company (the "Company," "PLPC," "we," "us," or "our") was incorporated in Ohio in 1947. We are an international designer and manufacturer of products and systems employed in the construction and maintenance of overhead and underground networks for the energy, telecommunication, cable operators, information (data communication), and other similar industries. Our primary products support, protect, connect, terminate, and secure cables and wires. We also provide solar hardware systems and mounting hardware for a variety of solar power applications. Our goal is to continue to achieve profitable growth as a leader in the innovation, development, manufacture, and marketing of technically advanced products and services related to

energy, communications, and cable systems and to take advantage of this leadership position to sell additional quality products in familiar markets. We have 17 sales and manufacturing operations in 14 different countries.

RECENT DEVELOPMENTS/ ACQUISITIONS

As a result of several global acquisitions since 2007 and corresponding significant changes in the Company's internal structure, we realigned our business units as of the fourth quarter of 2010, into four operating segments to better capitalize on business development opportunities, improve ongoing services, enhance the utilization of our worldwide resources and global sourcing initiatives and to manage the Company better.

We report our segments in four geographic regions: PLP-USA, The Americas, EMEA (Europe, Middle East & Africa) and Asia-Pacific in accordance with accounting standards codified in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 280, Segment Reporting. Each segment distributes a full range of our primary products. Our PLP-USA segment is comprised of our U.S. operations manufacturing our traditional products primarily supporting our domestic energy and telecommunications products. Our other three segments, The Americas, EMEA and Asia-Pacific support the Company's energy, telecommunications, data communication and solar products in each respective geographical region.

The segment managers responsible for each region report directly to the Company's Chief Executive Officer, who is the chief operating decision maker and are accountable for the financial results and performance of their entire segment for which they are responsible. The business components within each segment are managed to maximize the results of the entire company rather than the results of any individual business component of the segment.

The amount of each segment's performance reported is the measure reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segment and assessing its performance. We evaluate segment performance and allocate resources based on several factors primarily based on sales and net income. The segment information of all prior periods has been recast to conform to the current segment presentation.

On May 15, 2010, we agreed to purchase Electropar Limited (Electropar), a New Zealand corporation.

Electropar Limited designs, manufactures and markets pole line and substation hardware for the global electrical utility industry. Electropar is based in New Zealand with a subsidiary operation in Australia. We believe that the acquisition of Electropar has and will continue to strengthen our position in the power distribution, transmission and substation hardware markets and expand our presence in the Asia-Pacific region.

The acquisition of Electropar closed on July 31, 2010. Pursuant to the Purchase Agreement, we acquired all of the equity outstanding of Electropar for NZ\$20.3 million or \$14.8 million U.S. dollars, net of a customary post-closing working capital adjustment of \$.2 million. The Purchase Agreement includes customary representations, warranties, covenants and indemnification provisions. In addition, we may be required to make an additional earn-out consideration payment up to NZ\$2 million or \$1.5 million U.S. dollars based on Electropar achieving a financial performance target (Earnings Before Interest, Taxes, Depreciation and Amortization) over the twelve months ending July 31, 2011. The fair value of the contingent consideration arrangement is determined by estimating the expected (probability-weighted) earn-out payment discounted to present value. Based upon our initial evaluation of the range of outcomes for this contingent consideration, we have accrued \$.4 million for the additional earn-out consideration payment as of the acquisition date. Electropar has been included in our Asia-Pacific reporting segment.

On December 18, 2009, the Company and Tyco Electronics Group S.A. (Tyco Electronics) completed a Stock and Asset Purchase Agreement, pursuant to which we acquired from Tyco Electronics its Dulmison business for \$16 million and the assumption of certain liabilities. The acquisition of Dulmison strengthened our position in the power distribution and transmission hardware market and expanded our presence in the Asia-Pacific region. As a result of the acquisition, we added operations in Indonesia and Malaysia and strengthened our existing positions in Australia, Thailand, Mexico and the United States.

We apply the purchase method of accounting to our acquisitions pursuant to FASB ASC 805, Business Combinations. Under this method, we allocate the cost of business acquisitions to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition, commonly referred to as the purchase price allocation. As part of the purchase price allocations for our business acquisitions, identifiable intangible assets are recognized as assets apart from goodwill if they arise from contractual or other legal rights, or if they are capable of being separated or divided from the acquired business and sold, transferred, licensed, rented, or exchanged. The purchase price is allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair values, with any excess recorded as goodwill. We determine the fair values of such assets and liabilities, generally in consultation with third-party valuation advisors. Such fair value assessments require significant judgments and estimates such as projected cash flows, discount rates, royalty rates and remaining useful lives that can differ materially from actual results.

The current accounting standards requires us to record inventories at their respective fair values as of the acquisition date. To estimate the fair values of inventories acquired, we estimated the approximate selling price of these inventories and then subtracted the necessary expenses to sell and support the sale of these inventories. Specifically, the estimated selling price of the inventory was estimated by grossing up the inventories book values by an expected gross profit margin. We then subtract only certain operating expenses that would be incurred to dispose of the inventory items.

The current accounting standards, as previously noted, requires us to report the fair values of acquired tangible and intangible assets at the acquisition date fair value. In relation to our two most recent acquisitions previously noted, inventories were written up a net amount of \$1.6 million and the acquired intangible assets (consisting of customer relationships, trade names, technology, and customer backlog) were valued at \$10 million. For the year ended December 31, 2010, our operating income of \$28.5 million was decreased by \$1.7 million for the sales of acquired finished goods inventories that had been recorded at acquisition date fair value coupled with \$0.9 million of intangible amortization expense. Also, our 2011 operating results will be impacted by \$0.6 million as the result of amortizing the fair value of inventories and intangible amortization expense.

Operating results were also impacted by acquisition related costs of \$1.1 million for the twelve month period ended December 31, 2010. These costs were for legal, accounting, valuation, other professional services and travel related costs. These costs were included in general and administrative costs in our statement of consolidated income.

DISCONTINUED OPERATIONS

Our consolidated financial statements were impacted by the divestiture of Superior Modular Products (SMP) on May 30, 2008. We sold our SMP subsidiary for \$11.7 million, which resulted in a \$0.8 million gain, net of tax, and included \$1.5 million to be held in escrow for one year. We have not provided any significant continuing involvement in the operations of SMP after the closing of the sale. For tax purposes, the sale of SMP generated a capital loss, which was not deductible except for amounts used to offset capital gains in 2008 and 2009. A full valuation allowance was provided against the deferred tax asset on the remaining portion of the capital loss carryover. The operating results of SMP are presented in our statements of consolidated income as discontinued operations, net of tax. For the year ended December 31, 2008, income from discontinued operation, net of tax was \$0.9 million, or \$0.16 per diluted share.

MARKET OVERVIEW

Our business continues to be concentrated in the energy, communications and solar markets. During the past several years, industry consolidation continued as distributors and service provider consolidations took place in our major markets. This trend is expected to continue in 2011. The sluggish global economy coupled with a depressed U.S. housing market has and could continue to affect construction projects and negatively impact growth opportunities in our core markets in the U.S. and countries such as Spain, Poland and Great Britain where the financial situation is expected to be similar going forward.

In 2010, we again experienced growth in our energy and solar markets. We continued to see the investment in renewable energy projects, new transmission grids, new technologies, and upgrading and maintenance

of the existing energy infrastructure. We expect the distribution energy market to be relatively flat in 2011 but anticipate continued growth in demand for transmission and fiber optic products.

We believe that the acquisition of Dulmison from Tyco Electronics in December 2009 and Electropar in July 2010 have further contributed to the Company's leadership position and will enable the Company to enhance the scope of its product lines and the technology it provides to this important market. Dulmison's spacer, spacer-damper and stockbridge damper product lines fit well and complement PLP's product offerings and enable the Company to offer the most comprehensive line of products in the industry. We further strengthened our overall presence in the Asia-Pacific region with the acquisition of Electropar in Auckland, New Zealand. Electropar is a manufacturer of substation, distribution and transmission products supplying both the Australian and New Zealand electricity markets. With demand for electrical power continuing to increase, especially in many fast growing areas of the world, the Company's leadership position in the market will enable it to take advantage of prospects for continued growth as the transmission grid is enhanced and extended.

Our international business is more concentrated in the energy markets. Historically, our international sales were primarily related to the distribution portion of the energy market but have grown through acquisition and new product development to include a significant contribution from the transmission market. We believe that we are well positioned to supply the needs of the world's diverse energy market requirements as a result of our strategically located operations and array of product designs and technologies.

The Company's communication business in 2010 faced challenges throughout the world. Many communications customers cut back on capital and operational spending as the global economic downturn negatively impacted consumer spending on communication services. The U.S. was hit especially hard as communication carriers diverted operational funds to wireless communication projects where they could realize a faster return on their spending and investments. Also, the broadband stimulus program that was announced early in 2009 failed to gain additional traction throughout the year and the administrative burden of the program has further delayed the deployment of funds. Through all of this, the Company maintained its focus on the customer and put resources towards new product development efforts. These efforts were directed at customer premise and demarcation applications which are the final connections between the network and the end consumer.

As economic conditions improve and stimulus funds eventually start flowing into projects, we believe our efforts in these areas will lead to growth in the communications business. Opportunities for growth also look promising in Central and South America where deployment of fixed line telecommunications services and broadband penetration rates remain low as a percentage of the total population.

Preface

Our consolidated financial results for the years ended December 31, 2010, 2009, and 2008 include the financial results of our solar energy operation, Direct Power and Water (DPW), acquired on March 22, 2007, Belos, in Poland, acquired on September 6, 2007, BlueSky Energy Pty Ltd. (BlueSky) a joint venture entered into on May 21, 2008, Dulmison, acquired on December 18, 2009, and Electropar, acquired on July 31, 2010.

Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in the U.S. (GAAP). Our discussions of the financial results include non-GAAP measures (primarily the impact of foreign currency and the gain on acquisition of business under FASB ASC 805 (bargain purchase gain) noted below) to provide additional information concerning our financial results and provide information that is useful to the assessment of our performance and operating trends.

Our net sales for the year ended December 31, 2010 increased \$81.1 million, or 32%, compared to 2009. Our net sales increase was caused by a 41% increase in foreign net sales in addition to a 20% increase in U.S. net sales. Our foreign and U.S. net sales increases were primarily attributable to global business combinations, new business, improving market conditions, particularly outside the U.S., and favorable foreign currency exchange rates. Our financial statements are subject to fluctuations in the exchange rates of foreign currencies in relation to the U.S. dollar. As foreign currencies strengthen against the U.S. dollar, our revenues and costs increase as the foreign currency-denominated financial statements translate into more dollars. The fluctuations of foreign currencies during 2010, especially the Australian dollar, South African rand and Brazilian real, had a positive impact on net revenues

of \$14.1 million as compared to 2009. Excluding the effect of currency translation, 2010 net sales increased in all four of our reportable segments compared to 2009. Our gross profit decreased to 32% from 33% in 2009 as a percentage of net sales mostly due to an overall increase in raw material costs. Excluding the effect of currency translation, gross profit increased \$18.6 million, or 22%, compared to 2009. Overall, cost and expenses, as a percentage of net sales, decreased 2% points compared to 2009. Excluding the effect of currency translation, costs and expenses increased \$11.7 million, or 18%, as both U.S. and foreign costs and expenses increased 18%. The primary reasons costs and expenses increased compared to 2009 was due to continued investment in personnel, research and engineering costs, acquisition and integration related costs, and amortization expense related to acquired intangible assets. Excluding the effect of currency translation and as a result of the preceding, operating income of \$28.5 million increased \$7.5 million, or 39%. Due to the acquisition of Dulmison, we realized a \$9.1 million bargain purchase gain which was included in Other income (expense) in December 2009. Net income in 2010 of \$23 million increased \$.2 million compared to 2009. Excluding the bargain purchase gain from 2009, net income would have increased \$9.3 million compared to 2009.

Despite the global economic conditions, we are seeing an improvement in our global marketplace and our financial condition continues to remain strong. We continue to generate cash flows from operations, have proactively managed working capital and have controlled capital spending. We currently have a debt to equity ratio of 6% and can borrow needed funds at an attractive interest rate under our credit facility. While current worldwide conditions necessitate that we concentrate our efforts on maintaining our financial strength, we believe there are many available opportunities for growth. We will pursue these opportunities as appropriate in the current environment in order to improve our competitive position in the future.

The following table sets forth a summary of the Company's consolidated income statements and the percentage of net sales for the years ended December 31, 2010, 2009 and 2008. The Company's past operating results are not necessarily indicative of future operating results.

<i>Thousands of dollars</i>	Year ended December 31					
	2010		2009		2008	
Net sales	\$ 338,305	100%	\$ 257,206	100%	\$ 269,742	100%
Cost of products sold	230,089	68%	172,438	67%	182,475	68%
GROSS PROFIT	108,216	32%	84,768	33%	87,267	32%
Costs and expenses	79,736	24%	65,308	25%	63,279	23%
OPERATING INCOME	28,480	8%	19,460	8%	23,988	9%
Other income	1,703	1%	10,133	4%	772	0%
INCOME BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	30,183	9%	29,593	12%	24,760	9%
Income taxes	7,175	2%	6,760	3%	7,718	3%
INCOME FROM CONTINUING OPERATIONS, NET OF TAX	23,008	7%	22,833	9%	17,042	6%
Income from discontinued operations, net of tax	-	0%	-	0%	869	0%
NET INCOME	\$ 23,008	7%	\$ 22,833	9%	\$ 17,911	7%

2010 Results of Operations compared to 2009

Highlights:

- Net Sales increased 32% to \$338.3 million, a record for the Company, from \$257.2 million in 2009.
- Operating income increased 46% to \$28.5 million from \$19.5 million in 2009.
- Net income of \$23 million was also a record for the Company.
- Bank debt to equity ratio of 6% and 4% as of December 31, 2010 and 2009.

Net Sales. In 2010, net sales were \$338.3 million, an increase of \$81.1 million, or 32%, compared to 2009. Excluding the effect of currency translation, net sales increased \$67 million as summarized in the following table:

Year ended December 31						
<i>thousands of dollars</i>				Change	Change	% change
	2010	2009	Change	due to currency translation	excluding currency translation	
Net sales						
PLP-USA	\$ 118,325	\$ 103,910	\$ 14,415	\$ -	\$ 14,415	14 %
The Americas	79,695	62,161	17,534	5,567	11,967	19
EMEA	50,073	46,863	3,210	1,007	2,203	5
Asia-Pacific	90,212	44,272	45,940	7,502	38,438	87
Consolidated	<u>\$ 338,305</u>	<u>\$ 257,206</u>	<u>\$ 81,099</u>	<u>\$ 14,076</u>	<u>\$ 67,023</u>	<u>26 %</u>

The increase in PLP-USA net sales of \$14.4 million, or 14%, was due to a sales volume increase of \$10.4 million and sales mix increases of \$6.5 million partially offset by lower average prices when compared to 2009. We estimate that approximately \$10 million of the \$14.4 million increase in PLP-USA net sales is attributable to the acquisition of Dulmison in December 2009. International net sales for the year ended December 31, 2010 were favorably affected by \$14.1 million when local currencies were converted to U.S. dollars. The following discussions of international net sales exclude the effect of currency translation. The Americas net sales of \$79.7 million increased \$12 million, or 19%, primarily due to the increased volume in solar sales coupled with stronger overall market demand in energy volume sales in the region. In EMEA, net sales increased \$2.2 million, or 5%, due to stronger market conditions in the region, particularly in the market in Poland due to the strengthening of Poland's economy. In Asia-Pacific, net sales increased \$38.4 million, or 87%. Approximately \$33.3 million was generated by our two most recent acquisitions. The balance was due to an increase in sales volume.

Gross Profit. Gross profit of \$108.2 million for 2010 increased \$23.4 million, or 28%, compared to 2009. Excluding the effect of currency translation, gross profit increased 22% as summarized in the following table:

Year Ended December 31						
<i>thousands of dollars</i>				Change	Change	% change
	2010	2009	Change	due to currency translation	excluding currency translation	
Gross profit						
PLP-USA	\$ 37,946	\$ 33,727	\$ 4,219	\$ -	\$ 4,219	13 %
The Americas	23,105	20,535	2,570	1,742	828	4
EMEA	17,070	15,354	1,716	482	1,234	8
Asia-Pacific	30,095	15,152	14,943	2,585	12,358	82
Consolidated	<u>\$ 108,216</u>	<u>\$ 84,768</u>	<u>\$ 23,448</u>	<u>\$ 4,809</u>	<u>\$ 18,639</u>	<u>22 %</u>

PLP-USA gross profit of \$37.9 million increased \$4.2 million compared to 2009. PLP-USA gross profit increased \$7.4 million due to higher sales partially offset by an increase in material costs of \$1.8 million coupled with an increase in personnel related costs of \$.8 million and increased freight of \$.6 million on greater net sales. International gross profit for the year ended December 31, 2010 was favorably impacted by \$4.8 million when local currencies were translated to U.S. dollars. The following discussion of international gross profit excludes the effect of currency translation. The Americas gross profit increase of \$.8 million was primarily the result of \$3.1 million from higher net sales partially offset by a decrease in production margins of \$2.2 million coupled with slightly higher overall material costs in the region. The EMEA gross profit increase of \$1.2 million was the result of \$.6 million from higher net sales coupled with better product margins. Asia-Pacific gross profit of \$30.1 million increased \$12.4 million compared to 2009. The majority of the increase in gross profit was related to the sales realized through the acquisitions of Dulmison in December 2009 and Electropar in July 2010.

Our 2010 gross profit was impacted by the sale of inventories which were adjusted to fair value on their respective acquisition dates. The Dulmison and Electropar acquisitions were accounted for pursuant to the current business combination standards. In accordance with the standards, we recorded, as of their respective acquisition dates, the acquired inventories at their respective fair values. We have sold and therefore recognized \$1.7 million of the acquired finished goods inventories fair value adjustment in Cost of products sold.

Costs and expenses. Cost and expenses of \$79.7 million for the year ended December 31, 2010 increased \$14.4 million, or 22%, compared to 2009. Excluding the effect of currency translation, costs and expenses increased 18% as summarized in the following table:

<i>thousands of dollars</i>	Year ended December 31					
	2010	2009	Change	Change due to currency translation	Change excluding currency translation	% change
Costs and expenses						
PLP-USA	\$ 39,110	\$ 33,872	\$ 5,238	\$ -	\$ 5,238	15 %
The Americas	13,198	9,982	3,216	1,010	2,206	22
EMEA	8,415	8,940	(525)	145	(670)	(7)
Asia-Pacific	19,013	12,514	6,499	1,571	4,928	39
Consolidated	<u>\$ 79,736</u>	<u>\$ 65,308</u>	<u>\$ 14,428</u>	<u>\$ 2,726</u>	<u>\$ 11,702</u>	<u>18 %</u>

PLP-USA costs and expenses increased \$5.2 million primarily due to an increase in personnel related costs of \$2.2 million, \$.4 million due to an increase in travel related expenses, an increase in commission expense of \$.7 million due to the increase and mix of commissionable sales, a \$1 million increase in consulting expense and a \$.1 million increase in intangible asset amortization expense related to the Dulmison acquisition. PLP-USA costs and expenses also increased \$.9 million due to a decrease in other operating income primarily related to a \$.4 million lower cash surrender value on life insurance policies compared to 2009, a decrease on gains on sale of capital assets of \$.3 million and a decrease of \$.1 million due to a lower gain on foreign currency translations. International costs and expenses for the year ended December 31, 2010 were unfavorably impacted by \$2.7 million when local currencies were translated to U.S. dollars compared to 2009. The following discussions of international costs and expenses exclude the effect of currency translation. The Americas costs and expenses increased \$2.2 million primarily due to an increase in employee headcount in the region, mainly attributable to our investment in research and engineering to support our future growth, coupled with higher personnel related costs and \$.5 million related to higher sales commissions. EMEA costs and expenses decreased \$.7 million. EMEA's costs and expenses decrease was due to a \$1.4 million gain on currency transactions partially offset by an increase in employee related costs coupled with higher sales commissions of \$.2 million. Asia-Pacific costs and expenses increased \$4.9 million compared to 2009. The Dulmison and Electropar acquisitions added \$4 million to costs and expenses compared to 2009. Also contributing \$.9 million to the costs and expenses increase was our legacy locations located in our Asia-Pacific reportable segment. The increase in our legacy locations costs and expenses was primarily due to personnel related costs coupled with higher depreciation expense and research and engineering costs. Overall, Asia-Pacific costs and expenses for the year ended December 31, 2010 were \$.8 million higher due to the aggregate amortization expense of intangible assets acquired in our Dulmison and Electropar business combinations. Asia-Pacific commissions increased \$.3 million compared to 2009. Also, Asia-Pacific recognized \$1.7 million in December 2009 related to employee termination benefits for certain Dulmison employees related to the Dulmison Australia asset acquisition.

Other income. Other income for the year ended December 31, 2010 of \$1.7 million was \$8.4 million lower compared to 2009. The primary reason was in December 2009, we recorded a \$9.1 million bargain purchase gain related to the acquisition of Dulmison. Partially offsetting the bargain purchase gain in 2009 was a \$1.2 million gain realized in 2010 as a result of revaluing our forward foreign exchange contract to fair value. This forward foreign exchange contract was entered into on June 7, 2010 to reduce our exposure to foreign currency rate changes related to the purchase price of Electropar, which closed on July 31, 2010. Also contributing to the decrease in other income was a \$.3 million increase in non-operational expenses related to our foreign jurisdictions coupled with the increase in interest expense at several of our foreign and domestic locations.

Income taxes. Income taxes for the year ended December 31, 2010 of \$7.2 million were \$4 million higher than 2009. The effective tax rate on net income was 23.8% and 22.8% in 2010 and 2009, respectively. The 2010 effective tax rate is lower than the 35% US federal statutory tax rate primarily due to increased earnings in jurisdictions with lower tax rates than the US federal statutory rate in jurisdictions where such earnings are permanently reinvested and the recognition of previously unrecognized tax benefits resulting from expiration of statutes of limitation. The 2009 effective tax rate is lower than the US federal 34% statutory tax rate primarily due to the bargain purchase gain not being recognized for tax purposes, increased earnings in jurisdictions with lower tax rates than the US federal statutory rate in jurisdictions where such earnings are permanently reinvested, and the recognition of previously unrecognized tax benefits resulting from expiration of statutes of limitation.

Net income. As a result of the preceding items, net income for the year ended December 31, 2010 was \$23 million, compared to \$22.8 million for the year ended December 31, 2009. Excluding the effect of currency translation, net income decreased \$.9 million as summarized in the following table:

	Year ended December 31					
	<i>thousands of dollars</i>			Change due to currency translation	Change excluding currency translation	% change
	2010	2009	Change			
Net income						
PLP-USA	\$ 4,687	\$ 4,352	\$ 335	\$ -	\$ 335	8 %
The Americas	6,356	6,763	(407)	471	(878)	(13)
EMEA	6,031	3,528	2,503	176	2,327	66
Asia-Pacific	5,934	8,190	(2,256)	467	(2,723)	(33)
Consolidated	<u>\$ 23,008</u>	<u>\$ 22,833</u>	<u>\$ 175</u>	<u>\$ 1,114</u>	<u>\$ (939)</u>	<u>(4) %</u>

PLP-USA net income increased \$.3 million as a result of an increase in operating income of \$.2 million coupled with an increase in other income of \$.4 million partially offset by an increase in income taxes. International net income for the year ended December 31, 2010 was favorably affected by \$1.1 million when local currencies were converted to U.S. dollars. The following discussion of international net income excludes the effect of currency translation. The Americas net income decreased \$.9 million due primarily to the \$1.4 million decrease in operating income coupled with the \$.2 million decrease in other income partially offset by lower taxes of \$.8 million. EMEA net income increased \$2.3 million primarily as a result of the increase in operating income of \$2.5 million partially offset by a decrease in other income and income taxes. Asia-Pacific net income decreased \$2.7 million primarily as a result of the \$8.5 million decrease in other income, primarily due to the bargain purchase gain realized in December 2009, coupled with \$.5 million from an increase in income taxes partially offset by \$6.3 million from higher operating income.

2009 Results of Operations compared to 2008

Net Sales. In 2009, net sales were \$257.2 million, a decrease of \$12.5 million, or 5%, from 2008. Excluding the effect of currency translation, net sales decreased \$.4 million as summarized in the following table:

	Year ended December 31,					
	<i>thousands of dollars</i>			Change due to currency translation	Change excluding currency translation	% change
	2009	2008	Change			
Net sales						
PLP-USA	\$ 103,910	\$ 111,721	\$ (7,811)	\$ -	\$ (7,811)	(7) %
The Americas	62,161	60,343	1,818	(3,714)	5,532	9
EMEA	46,863	59,224	(12,361)	(6,743)	(5,618)	(9)
Asia-Pacific	44,272	38,454	5,818	(1,727)	7,545	20
Consolidated	<u>\$ 257,206</u>	<u>\$ 269,742</u>	<u>\$ (12,536)</u>	<u>\$ (12,184)</u>	<u>\$ (352)</u>	<u>- %</u>

The decrease in PLP-USA net sales of \$7.8 million, or 7%, was due to approximately 80% sales volume due to weaker market demand and 20% mix decreases. International net sales in 2009 were unfavorably affected by \$12.2 million when converted to U.S. dollars, as a result of a stronger U.S. dollar to certain foreign currencies. The following discussions of international net sales exclude the effect of currency translation. The Americas net sales of \$62.2 million increased \$5.5 million, or 9% compared to 2008 primarily as a result of increased volume in energy sales coupled with an increase in solar sales. Also, net sales were \$.7 million higher due to the settlement of sales tax related proceedings with Brazil's government. Our Brazil operation determined that their location paid higher sales related taxes due to the country's high index of inflation from 1988-1995. In December 2009, Brazil settled legal proceedings, receiving \$.7 million in refunds. Historically these sales related taxes were an offset against net sales, and Brazil recorded these tax credits in net sales for December 2009. EMEA net sales decreased \$5.6 million, or 9%, primarily due to lower sales volume. The sales volume declines in Europe were directly related to the continuation of the slow European economy in those regions. Asia-Pacific net sales increased \$7.5 million, or 20%, compared to 2008. The net sales increase is primarily related to an overall increase in sales growth/ volume in the region, coupled with better product mix and higher sales due to our BlueSky acquisition contributing sales for the full year of 2009.

Gross Profit. Gross Profit of \$84.8 million for 2009 decreased \$2.5 million, or 3%, compared to 2008. Excluding the effect of currency translation, gross profit increased 2% as summarized in the following table:

<i>thousands of dollars</i>	Year ended December 31,					
	2009	2008	Change	Change due to currency translation	Change excluding currency translation	% change
Gross profit						
PLP-USA	\$ 33,727	\$ 35,973	\$ (2,246)	\$ -	\$ (2,246)	(6) %
The Americas	20,535	18,616	1,919	(1,133)	3,052	16
EMEA	15,354	19,113	(3,759)	(2,127)	(1,632)	(9)
Asia-Pacific	15,152	13,565	1,587	(584)	2,171	16
Consolidated	<u>\$ 84,768</u>	<u>\$ 87,267</u>	<u>\$ (2,499)</u>	<u>\$ (3,844)</u>	<u>\$ 1,345</u>	<u>2 %</u>

PLP-USA gross profit of \$33.7 million decreased by \$2.2 million compared to 2008. PLP-USA gross profit decreased due to lower sales volume partially offset by slightly improved product margins. The following discussion of international gross profit excludes the effect of currency translation. The Americas gross profit increase of \$3.1 million was the result of \$1.7 million from higher net sales coupled with improved product margins. Contributing to The Americas's overall increase in gross profit of \$1.3 million was the \$.7 million Brazil sales tax related settlement in December 2009 as noted in the Net Sales discussion. EMEA gross profit decrease of \$1.6 million was the result of \$1.2 million from lower net sales coupled with a decrease in production margin of \$1.2 million partially offset by lower material costs. The Asia-Pacific gross profit of \$2.2 million was the result of \$3.1 million from higher net sales coupled with an improvement in manufacturing efficiencies of \$1.3 million partially offset by an increase in material costs of \$2.2 million.

Cost and expenses. Cost and expenses for the year ended December 31, 2009 increased \$2 million, or 3%, compared to 2008. Excluding the favorable effect of currency translation, cost and expenses increased 7% as summarized in the following table:

	Year ended December 31,					
	<i>thousands of dollars</i>			Change due to currency translation	Change excluding currency translation	% change
	2009	2008	Change			
Costs and expenses						
PLP-USA	\$ 33,872	\$ 33,633	\$ 239	\$ -	\$ 239	1 %
The Americas	9,982	10,033	(51)	(899)	848	8
EMEA	8,940	9,438	(498)	(1,469)	971	10
Asia-Pacific	12,514	10,175	2,339	(214)	2,553	25
Consolidated	<u>\$ 65,308</u>	<u>\$ 63,279</u>	<u>\$ 2,029</u>	<u>\$ (2,582)</u>	<u>\$ 4,611</u>	<u>7 %</u>

PLP-USA costs and expenses increased \$.2 million primarily due to an increase in employee related costs of \$1.6 million, acquisition related costs of \$1.2 million, consulting expenses of \$.6 million, and repairs and maintenance of \$.3 million, partially offset by a decrease in professional fees of \$.9 million, travel expenses of \$.3 million, and depreciation of \$.1 million. This increase was also offset by a reduction in other operating income (expenses) of net due to a gain on foreign currency translations of \$1.2 million, gains on sale of capital assets of \$.1 million, and an increase in the cash surrender values of life insurance policies of \$.5 million. International cost and expenses for the year ended December 31, 2009 were favorably impacted by \$2.6 million when international costs in local currency were translated to U.S. dollars compared to 2008. The following discussions of international costs and expenses exclude the effect of currency translation. The Americas costs and expenses increased \$.8 million due primarily to higher personnel related costs coupled with an increase in consulting expenses, sales commissions due to higher commissionable sales in the overall segment, and research and engineering related costs. EMEA costs and expenses increased \$1 million due to higher personnel related costs coupled with an increase in advertising, administrative and travel expenses. Asia-Pacific costs and expenses increased \$2.6 million primarily due to \$.5 million related to having a full year of BlueSky costs and expenses in 2009, \$.4 million related to Dulmison acquisition related costs, an increase in personnel related costs and higher consulting expenses. Asia-Pacific also accrued \$1.6 million in December 2009 for employee termination benefits for certain Dulmison employees related to the Dulmison Australia asset acquisition.

Other income. Other income for the year ended December 31, 2009 of \$10.1 million increased \$9.4 million compared to 2008. In 2009, we recorded a \$9.1 million gain related to the acquisition of Dulmison from Tyco Electronics. The purchase price of the acquisition has been allocated to the net tangible and intangible assets acquired, with the excess of the fair value of assets acquired over the purchase price recorded as a gain.

Income taxes. Income taxes from continuing operations for the year ended December 31, 2009 of \$6.8 million were \$1 million lower than 2008. The effective tax rate on income taxes from continuing operations was 22.8% and 31.2% in 2009 and 2008, respectively. The 2009 effective tax rate is lower than the 34% statutory tax rate primarily due to the bargain purchase gain not recognized for tax purposes, increased earnings in jurisdictions with lower tax rates than the US federal statutory tax rate in jurisdictions where such earnings are permanently reinvested, and the recognition of previously unrecognized tax benefits resulting from the expiration of statutes of limitation. The 2008 effective tax rate is lower than the US federal statutory tax rate of 34% primarily due to increased earnings in jurisdictions with lower tax rates than the US federal statutory tax rate in jurisdictions where such earnings are permanently reinvested and the recognition of unrecognized tax benefits resulting from the expiration of statutes of limitation.

Income from continuing operations, net of tax. As a result of the preceding items, income from continuing operations, net of tax, for the year ended December 31, 2009, was \$22.8 million, compared to income from continuing operations, net of tax, of \$17 million for 2008. Excluding the effect of currency translation income, from continuing operations, net of tax, increased 40% as summarized in the following table:

	Year Ended December 31,					
	<i>thousands of dollars</i>			Change due to currency translation	Change excluding currency translation	% change
	2009	2008	Change			
Income from continuing operations, net of tax						
PLP-USA	\$ 4,352	\$ 4,877	\$ (525)	\$ -	\$ (525)	(11) %
The Americas	6,763	5,227	1,536	(123)	1,659	32
EMEA	3,528	6,162	(2,634)	(472)	(2,162)	(35)
Asia-Pacific	8,190	776	7,414	(493)	7,907	1,019
	<u>\$ 22,833</u>	<u>\$ 17,042</u>	<u>\$ 5,791</u>	<u>\$ (1,088)</u>	<u>\$ 6,879</u>	<u>40 %</u>

PLP-USA income from continuing operations, net of tax, decreased \$.5 million as a result of a \$2.4 million decrease in operating income partially offset by the increase in other income of \$1.2 million and a decrease in income taxes of \$.7 million. The following discussions of international income from continuing operations, net of tax, exclude the effect of currency translation. The Americas income from continuing operations, net of tax, increased \$1.7 million primarily as a result of the increase in operating income of \$2.2 million partially offset by an increase in income taxes of \$.5 million. EMEA income from continuing operations, net of tax, decreased \$2.2 million as a result of a \$2.6 million decrease in operating income coupled with a decrease in interest income partially offset by a decrease in taxes of \$.5 million. Asia-Pacific income from continuing operations, net of tax, increased \$7.9 million primarily as a result of an increase in other income (expense) related to the bargain purchase gain of \$8.3 million coupled with a decrease in income taxes of \$.4 million partially offset by a decrease in operating income.

Working Capital, Liquidity and Capital Resources

Management Assessment of Liquidity

We measure liquidity on the basis of our ability to meet short-term and long-term operating funding needs, fund additional investments, including acquisitions, and make dividend payments to shareholders. Significant factors affecting the management of liquidity are cash flows from operating activities, capital expenditures, cash dividends, business acquisitions, and access to bank lines of credit and our ability to attract long-term capital with satisfactory terms.

Our investments include expenditures required for equipment and facilities as well as expenditures in support of our strategic initiatives. In 2010, we used cash of \$12.3 million for capital expenditures and in July 2010, we completed the acquisition of Electropar for \$14.8 million in cash and the assumption of certain liabilities. We believe that the acquisition of Electropar will continue to strengthen our position in the power distribution, transmission and substation hardware markets and expand our presence in the Asia-Pacific region. Additional information regarding business acquisitions is included in Note M ó Business Combinations in the Notes to the Consolidated Financial Statements.

We ended the fourth quarter of 2010 with \$22.7 million of cash and cash equivalents. The Company has adequate sources of liquidity and we believe we have the ability to generate cash to meet existing or reasonably likely future cash requirements. Our cash and cash equivalents are held in various locations throughout the world and are unrestricted. At December 31, 2010, the majority of our cash and cash equivalents are held outside the U.S. We expect accumulated non-U.S. cash balances will remain outside of the U.S. and that we will meet U.S. liquidity needs through future cash flows, use of U.S. cash balances, external borrowings, or some combination of these sources.

We complete comprehensive reviews of our significant customers and their creditworthiness by analyzing financial statements for customers where we have identified a measure of increased risk. We closely monitor payments and developments which may signal possible customer credit issues. We currently have not identified any potential material impact on our liquidity from customer credit issues.

Our financial position remains strong and our current ratio at December 31, 2010 and 2009 was 3.0 to 1. At December 31, 2010, our unused availability under our main credit facility was \$21.7 million and our bank debt to equity percentage was 6%. The revolving credit agreement contains, among other provisions, requirements for maintaining levels of working capital, net worth and profitability. At December 31, 2010, we were in compliance with these covenants.

We expect that our major source of funding for 2011 and beyond will be our operating cash flows and our existing cash and cash equivalents. We believe our future operating cash flows will be more than sufficient to cover debt repayments, other contractual obligations, capital expenditures and dividends. In addition, we believe our borrowing capacity provides substantial financial resources. We do not believe we would increase our debt to a level that would have a material adverse impact upon results of operations or financial condition.

Sources and Uses of Cash

Cash decreased \$1.4 million for the year ended December 31, 2010. Net cash provided by operating activities was \$28.5 million. The major investing and financing uses of cash were capital expenditures of \$12.3 million, business acquisitions of \$14.3 million, net of cash acquired, and dividends of \$4.3 million partially offset by net debt borrowings of \$2.1 million.

Net cash provided by operating activities decreased \$.3 million compared to 2009 primarily as a result of an increase in operating assets (net of operating liabilities) of \$10.1 million offset by an increase in net income of \$.2 million and an increase in non-cash items of \$9.5 million (2009 included a non-cash bargain purchase gain of \$9.1 million).

Net cash used in investing activities of \$25.8 million represents an increase of \$3.1 million when compared to cash used in investing activities in 2009. In July 2010, we purchased Electropar for NZ\$20.3 million or \$14.8 million, including cash acquired of \$.4 million. In December 2009, we purchased from Tyco Electronics Group S.A. its Dulmison business for \$16 million, including cash acquired of \$4.1 million. We realized a bargain purchase gain of \$9.1 million on our purchase of the Dulmison business. In October 2009, we formed a joint venture with Proxisafe Ltd for an initial cash payment of \$.5 million. Additional payouts during 2009 for acquisitions of \$.8 million were for DPW contingent consideration payments. Capital expenditures increased \$1.6 million in the year ended December 31, 2010 when compared to the same period in 2009 primarily related to machinery and equipment investments at the majority of our locations.

Cash used in financing activities was \$2.9 million compared to \$3.2 million in 2009. This decrease was primarily a result of higher debt borrowings in 2010 compared to 2009 partially offset by common shares repurchased of \$1.1 million during 2010.

We have commitments under operating leases primarily for office and manufacturing space, transportation equipment, office and computer equipment and capital leases primarily for equipment. One such lease is for our aircraft with a lease commitment through April 2012. Under the terms of the lease, we maintain the risk to make up a deficiency from market value attributable to damage, extraordinary wear and tear, excess air hours or exceeding maintenance overhaul schedules required by the Federal Aviation Administration. At the present time, we believe our risks, if any, to be small because the estimated market value of the aircraft approximates its residual value.

Contractual obligations and other commercial commitments are summarized in the following tables:

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
<i>Thousands of dollars</i>					
Notes payable to bank (A)	\$ 1,246	\$ 1,246	\$ -	\$ -	\$ -
Long-term debt (B)	10,865	1,370	9,495	-	-
Capital leases	590	189	268	133	-
Operating leases	17,011	2,525	2,755	1,448	10,283
Purchase commitments	9,641	9,641	-	-	-
Acquisition related obligations (C)	483	483	-	-	-
Pension contribution and other retirement plans (D)	1,130	1,130	-	-	-
Income taxes payable, non-current (E)	-	-	-	-	-

Other Commercial Commitments	Amount of Commitment Expiration by Period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
<i>Thousands of dollars</i>					
Letters of credit	\$ 6,901	\$ 5,152	\$ 1,676	\$ 73	\$ -
Guarantees	2,357	371	1,986	-	-

(A) Interest on short-term debt is included in the table at interest rates of 5.3% to 28.62% in effect at December 31, 2010.

(B) Interest on long-term debt is included in the table at interest rates from .7% to 5.83% based on the variable interest rates in effect at December 31, 2010.

(C) As part of the Purchase Agreement to acquire Electropar, the Company may be required to make an additional earn-out consideration payment up to NZ\$2 million or \$1.5 million US dollar based on Electropar achieving a financial performance target (Earnings Before Interest, Taxes, Depreciation and Amortization) over the 12 months ending July 31, 2011. The fair value of the contingent consideration arrangement is determined by estimating the expected (probability-weighted) earn-out payment discounted to present value, which includes increases in net present value due to the passage of time.

(D) Amount represents the expected contribution to the Company's defined benefit pension plan in 2011. Future expected amounts have not been disclosed as such amounts are subject to change based on performance of the assets in the plan as well as the discount rate used to determine the obligation. At December 31, 2010, the Company's unfunded contractual obligation was \$9.5 million. The Company's Supplemental Profit Sharing Plan accrued liability at December 31, 2010 was \$1.9 million.

(E) As of December 31, 2010, there were \$1.8 million of tax liabilities, including interest and penalties, related to unrecognized tax benefits. Because of the high degree of uncertainty regarding the timing of future cash outflows associated with these liabilities, if any, the Company is unable to estimate the years in which cash settlement may occur with the respective tax authorities.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon the consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amount of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are defined as those that are reflective of significant judgment and uncertainties, and potentially may result in materially different outcomes under different assumptions and conditions.

Sales Recognition

Our revenue recognition policies are in accordance with FASB ASC 605, Revenue Recognition. We recognize sales when title passes to the customer either when goods are shipped or when they are delivered based on the terms of the sale, there is persuasive evidence of an agreement, the price is fixed or determinable and collectability is reasonably assured. Revenue related to shipping and handling costs billed-to customers are included in net sales and the related shipping and handling costs are included in cost of products sold.

Receivable Allowances

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. We record estimated allowances for uncollectible accounts receivable based upon the number of days the accounts are past due, the current business environment, and specific information such as bankruptcy or liquidity issues of customers. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. During 2010, we recorded a provision for doubtful accounts of \$.5 million. The allowance for doubtful accounts represents approximately 2% of our trade receivables at December 31, 2010 and 2009.

Reserve for credit memos

We maintain an allowance for future sales credits related to sales recorded during the year. Our estimated allowance is based on historical sales credits issued in the subsequent year related to the prior year and any significant open return good authorizations as of the balance sheet date. Our allowance is updated on a quarterly basis. The reserve for credit memos represents 1% of our trade receivables at December 31, 2010 and less than 1% of our trade receivables at December 31, 2009.

Excess and Obsolescence Reserves

We provide excess and obsolescence reserves to state inventories at the lower of cost or estimated market value. We identify inventory items which have had no usage or are in excess of the usages over the historical 12 to 24 months. A management team with representatives from marketing, manufacturing, engineering and finance reviews these inventory items, determines the disposition of the inventory and assesses the estimated market value based on their knowledge of the product and market conditions. These conditions include, among other things, future demand for product, product utility, unique customer order patterns or unique raw material purchase patterns, changes in customer and quality issues. At December 31, 2010 and 2009, the allowance for excess and obsolete inventory was 6% and 8%, respectively, of gross inventory. If the impact of market conditions deteriorates from those projected by management, additional inventory reserves may be necessary.

Impairment of Long-Lived Assets

We record impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the discounted cash flows estimated to be generated by those assets are less than the carrying value of those items. Our cash flows are based on historical results adjusted to reflect the best estimate of future market and operating conditions. The net carrying value of assets not recoverable is then reduced to fair value. The estimates of fair value represent the best estimate based on industry trends and reference to market rates and transactions.

Goodwill

We perform our annual impairment test for goodwill utilizing a discounted cash flow methodology, market comparables, and an overall market capitalization reasonableness test in computing fair value by reporting unit. We then compare the fair value of the reporting unit with its carrying value to assess if goodwill has been impaired. Based on the assumptions as to growth, discount rates and the weighting used for each respective valuation methodology, results of the valuations could be significantly changed. However, we believe that the methodologies and weightings used are reasonable and result in appropriate fair values of the reporting units.

Our measurement date for our annual impairment test is January 1 of each year. We perform interim impairment tests if trigger events or changes in circumstances indicate the carrying amount may be impaired. There were no trigger events during 2010 and as such, only an annual impairment test was performed.

Deferred Tax Assets

Deferred taxes are recognized at currently enacted tax rates for temporary differences between the financial reporting and income tax bases of assets and liabilities and operating loss and tax credit carryforwards. We establish a valuation allowance to record our deferred tax assets at an amount that is more likely than not to be realized. In the event we were to determine that we would be able to realize our deferred tax assets in the future in excess of their recorded amount, an adjustment to the valuation allowance would increase income in the period such determination was made. Likewise, should we determine that we would not be able to realize all or part of our net deferred tax assets in the future, an adjustment to the valuation allowance would be charged to expense in the period such determination was made.

Uncertain Tax Positions

We identify tax positions taken on the federal, state, local and foreign income tax returns filed or to be filed. A tax position can include: a reduction in taxable income reported in a previously filed tax return or expected to be reported on a future tax return that impacts the measurement of current or deferred income tax assets or liabilities in the period being reported; a decision not to file a tax return; an allocation or a shift of income between jurisdictions; the characterization of income or a decision to exclude reporting taxable income in a tax return; or a decision to classify a transaction, entity or other position in a tax return as tax exempt. We determine whether a tax position is an uncertain or a routine business transaction tax position that is more-likely-than-not to be sustained at the full amount upon examination.

Under FASB ASC 740 (formerly FIN 48), tax benefits from uncertain tax positions that reduce our current or future income tax liability, are reported in our financial statements only to the extent that each benefit was recognized and measured under a two step approach. The first step requires us to assess whether each tax position based on its technical merits and facts and circumstances as of the reporting date, is more-likely-than-not to be sustained upon examination. The second step measures the amount of tax benefit that we recognize in the financial statements, based on a cumulative probability approach. A tax position that meets the more-likely-than-not threshold that is not highly certain is measured based on the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority, assuming that the tax authority has examined the position and has full knowledge of all relevant information.

FASB ASC 740 requires subjectivity of judgments to identify outcomes and to assign probability in order to estimate the settlement amount. We provide estimates in order to determine settlement amounts. During the year ended December 31, 2010, we recognized a benefit of less than \$.1 million of uncertain tax positions. At December 31, 2010, the total reserve for uncertain tax positions is \$1.1 million.

Pensions

We record obligations and expenses related to pension benefit plans based on actuarial valuations, which include key assumptions on discount rates, expected returns on plan assets and compensation increases. These actuarial assumptions are reviewed annually and modified as appropriate. The effect of modifications is generally recorded or amortized over future periods. The discount rate of 5.6% at December 31, 2010 reflects an analysis of yield curves as of the end of the year and the schedule of expected cash needs of the plan. The expected long-term return on plan assets of 8.0% reflects the plan's historical returns and represents our best estimate of the likely future returns on the plan's asset mix. We believe the assumptions used in recording obligations under the plans are reasonable based on prior experience, market conditions and the advice of plan actuaries. However, an increase in the discount rate would decrease the plan obligations and the net periodic benefit cost, while a decrease in the discount rate would increase the plan obligations and the net periodic benefit cost. In addition, an increase in the expected long-term return on plan assets would decrease the net periodic pension cost, while a decrease in expected long-term return on plan assets would increase the net periodic pension cost.

Recently Adopted Accounting Pronouncements

In June 2009, the FASB updated guidance included in FASB ASC 810-10, related to the consolidation of variable interest entities. This guidance will require ongoing reassessments of whether an enterprise is the primary beneficiary of a variable interest entity. In addition, this updated guidance amends the quantitative approach for determining the primary beneficiary of a variable interest entity. FASB ASC 810-10 amends certain guidance for determining whether an entity is a variable interest entity and adds additional reconsideration events for determining whether an entity is a variable interest entity. Further, this guidance requires enhanced disclosures that will provide users of financial statements with more transparent information about an enterprise's involvement in a variable interest entity. This updated guidance is effective as of the beginning of the first annual reporting period and interim reporting periods that begin after November 15, 2009. The adoption of this guidance did not have an impact on our consolidated financial statements or disclosures.

In January 2010, the FASB issued ASU 2010-06, Fair Value Measurements and Disclosures (Topic 820). This Update provides amendments to Subtopic 820-10 and related guidance within U.S. GAAP to require disclosure of the transfers in and out of Levels 1 and 2 and a schedule for Level 3 that separately identifies purchases, sales, issuances and settlements and requires more detailed disclosures regarding valuation techniques and inputs. We adopted this new standard effective January 1, 2010 and it had no impact on our consolidated financial statements or disclosures.

Recently Issued Accounting Pronouncements

Changes to accounting principles generally accepted in the United States of America (U.S. GAAP) are established by the FASB in the form of accounting standards updates (ASUs) to the FASB's Accounting Standards Codification.

We consider the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or have minimal impact on our consolidated financial position and results of operations.

In October 2009, the FASB issued Accounting Standards Update No. 2009-13, Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements - a consensus of the FASB Emerging Issues Task Force (ASU 2009-13). ASU 2009-13 addresses the accounting for sales arrangements that include multiple products or services by revising the criteria for when deliverables may be accounted for separately rather than as a combined unit. Specifically, this guidance establishes a selling price hierarchy for determining the selling price of a deliverable, which is necessary to separately account for each product or service. This hierarchy provides more options for establishing selling price than existing guidance. ASU 2009-13 is required to be applied prospectively to new or materially modified revenue arrangements in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. We do not expect that the adoption of ASU 2009-13 will have a material impact on our consolidated results of operations or financial condition.

In December 2010, the FASB issued ASU No. 2010-29, which updates the guidance in FASB ASC Topic 805, Business Combinations. The objective of ASU 2010-29 is to address diversity in practice about the interpretation of the pro forma revenue and earnings disclosure requirements for business combinations. The amendments in ASU 2010-29 specify that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The amendments also expand the supplemental pro forma disclosures to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. The amendments affect any public entity as defined by FASB ASC 805 that enters into business combinations that are material on an individual or aggregate basis. The amendments in ASU 2010-29 are effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. We believe the adoption of this guidance will not have an impact on our consolidated financial position or results of operations.

In December 2010, the FASB issued ASU No. 2010-28, which updates the guidance in FASB ASC Topic 350, Intangibles—Goodwill & Other. The amendments in ASU 2010-28 affect all entities that have recognized goodwill and have one or more reporting units whose carrying amount for purposes of performing Step 1 of the goodwill impairment test is zero or negative. The amendments in ASU 2010-28 modify Step 1 so that for those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. The qualitative factors are consistent with existing guidance, which requires that goodwill of a reporting unit be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. This guidance will become effective for us at the beginning of our second quarter of fiscal 2011. The adoption of this guidance is not expected to have an impact on our financial position or results of operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company operates manufacturing facilities and offices around the world and uses fixed and floating rate debt to finance the Company's global operations. As a result, the Company is subject to business risks inherent in non-U.S. activities, including political and economic uncertainty, import and export limitations and market risk related to changes in interest rates and foreign currency exchange rates. The Company believes the political and economic risks related to the Company's international operations are mitigated due to the stability of the countries in which the Company's largest international operations are located.

The Company is exposed to market risk, including changes in interest rates. The Company is subject to interest rate risk on its variable rate revolving credit facilities and term notes, which consisted of borrowings of \$11.9 million at December 31, 2010. A 100 basis point increase in the interest rate would have resulted in an increase in interest expense of approximately \$.1 million for the year ended December 31, 2010.

The Company's primary currency rate exposures are related to foreign denominated debt, intercompany debt, forward exchange contracts, foreign denominated receivables and cash and short-term investments. A hypothetical 10% change in currency rates would have a favorable/unfavorable impact on fair values of \$4.1 million and on income before tax of less than \$.2 million.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
of Preformed Line Products Company

We have audited the accompanying consolidated balance sheets of Preformed Line Products Company as of December 31, 2010 and 2009, and the related consolidated statements of income, cash flows, and shareholders' equity for each of the three years in the period ended December 31, 2010. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Preformed Line Products Company at December 31, 2010 and 2009, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

As discussed in Note B to the financial statements, in 2009 the Company changed its method of computing depreciation from an accelerated method to a straight-line method for the Company's assets in the United States. Also, as discussed in Note A to the financial statements, in 2009 the Company changed its method of accounting for business combinations.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Preformed Line Products Company's internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 10, 2011 expressed an unqualified opinion thereon.

/s/Ernst & Young LLP

Cleveland, Ohio
March 11, 2011

**PREFORMED LINE PRODUCTS COMPANY
CONSOLIDATED BALANCE SHEETS**

	December 31	
	2010	2009
	<i>(Thousands of dollars, except share and per share data)</i>	
ASSETS		
Cash and cash equivalents	\$ 22,655	\$ 24,097
Accounts receivable, less allowances of \$1,213 (\$995 in 2009)	56,102	49,245
Inventories - net	73,121	56,036
Deferred income taxes	4,784	2,737
Prepays	9,069	4,263
Other current assets	1,611	2,062
TOTAL CURRENT ASSETS	167,342	138,440
Property and equipment - net	76,266	67,766
Other intangibles - net	12,735	8,087
Goodwill	12,346	6,925
Deferred income taxes	3,615	4,877
Other assets	8,675	9,277
TOTAL ASSETS	\$ 280,979	\$ 235,372
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes payable to banks	\$ 1,246	\$ 3,181
Current portion of long-term debt	1,276	1,330
Trade accounts payable	27,001	18,764
Accrued compensation and amounts withheld from employees	9,848	8,345
Accrued expenses and other liabilities	9,088	8,375
Accrued profit-sharing and other benefits	4,464	3,890
Dividends payable	1,087	1,076
Income taxes payable and deferred income taxes	2,548	1,379
TOTAL CURRENT LIABILITIES	56,558	46,340
Long-term debt, less current portion	9,374	3,099
Unfunded pension obligation	9,473	8,678
Income taxes payable, noncurrent	1,768	1,898
Deferred income taxes	3,606	1,515
Other noncurrent liabilities	4,735	3,021
SHAREHOLDERS' EQUITY		
PLPC Shareholders' equity:		
Common shares - \$2 par value per share, 15,000,000 shares authorized, 5,270,977 and 5,248,298 issued and outstanding, net of 586,746 and 554,059 treasury shares at par, respectively	10,542	10,497
Common shares issued to rabbi trust	(1,200)	-
Paid in capital	8,748	5,885
Retained earnings	184,060	165,953
Accumulated other comprehensive loss	(6,010)	(11,369)
TOTAL PLPC SHAREHOLDERS' EQUITY	196,140	170,966
Noncontrolling interest	(675)	(145)
TOTAL SHAREHOLDERS' EQUITY	195,465	170,821
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 280,979	\$ 235,372

See notes to consolidated financial statements.

PREFORMED LINE PRODUCTS COMPANY
STATEMENTS OF CONSOLIDATED INCOME

	Year ended December 31		
	2010	2009	2008
	<i>(In thousands, except per share data)</i>		
Net sales	\$ 338,305	\$ 257,206	\$ 269,742
Cost of products sold	230,089	172,438	182,475
GROSS PROFIT	108,216	84,768	87,267
Costs and expenses			
Selling	29,520	22,702	23,555
General and administrative	39,865	33,993	30,014
Research and engineering	12,040	9,216	8,870
Other operating (income) expenses - net	(1,689)	(603)	840
	<u>79,736</u>	<u>65,308</u>	<u>63,279</u>
OPERATING INCOME	28,480	19,460	23,988
Other income (expense)			
Gain on acquisition of business	-	9,087	-
Interest income	374	380	846
Interest expense	(649)	(523)	(544)
Other income	1,978	1,189	470
	<u>1,703</u>	<u>10,133</u>	<u>772</u>
INCOME BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	30,183	29,593	24,760
Income taxes	7,175	6,760	7,718
INCOME FROM CONTINUING OPERATIONS, NET OF TAX	23,008	22,833	17,042
Income from discontinued operations, net of tax	-	-	869
NET INCOME	23,008	22,833	17,911
Net income (loss) attributable to noncontrolling interest, net of tax	(105)	(524)	288
NET INCOME ATTRIBUTABLE TO PLPC	\$ 23,113	\$ 23,357	\$ 17,623
BASIC EARNINGS PER SHARE			
Income per share from continuing operations attributable to PLPC common shareholders	\$ 4.41	\$ 4.46	\$ 3.17
Discontinued operations attributable to PLPC common shareholders	-	-	0.17
Net income attributable to PLPC common shareholders	<u>\$ 4.41</u>	<u>\$ 4.46</u>	<u>\$ 3.34</u>
DILUTED EARNINGS PER SHARE			
Income per share from continuing operations attributable to PLPC shareholders	\$ 4.33	\$ 4.35	\$ 3.14
Discontinued operations attributable to PLPC common shareholders	-	-	0.16
Net income attributable to PLPC common shareholders	<u>\$ 4.33</u>	<u>\$ 4.35</u>	<u>\$ 3.30</u>
Cash dividends declared per share	\$ 0.80	\$ 0.80	\$ 0.80
Weighted-average number of shares outstanding - basic	5,242	5,232	5,279
Weighted-average number of shares outstanding - diluted	<u>5,335</u>	<u>5,366</u>	<u>5,339</u>
Amount attributable to PLPC common shareholders			
Income from continuing operations, net of tax	\$ 23,113	\$ 23,357	\$ 16,754
Discontinued operations, net of tax	-	-	869
Net Income	<u>\$ 23,113</u>	<u>\$ 23,357</u>	<u>\$ 17,623</u>

See notes to consolidated financial statements.

**PREFORMED LINE PRODUCTS COMPANY
STATEMENTS OF CONSOLIDATED CASH FLOWS**

	Year ended December 31		
	2010	2009	2008
	<i>(Thousands of dollars)</i>		
OPERATING ACTIVITIES			
Net income	\$ 23,008	\$ 22,833	\$ 17,911
Less: income from discontinued operations	-	-	869
Income from continuing operations	<u>23,008</u>	<u>22,833</u>	<u>17,042</u>
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation and amortization	9,394	7,249	8,549
Provision for accounts receivable allowances	661	546	586
Provision for inventory reserves	767	2,395	1,161
Deferred income taxes	(900)	682	(845)
Share-based compensation expense	2,966	1,962	507
Excess tax benefits from share-based awards	(73)	(122)	(56)
Net investment in life insurance	(74)	(489)	50
Gain on acquisition of business	-	(9,087)	-
Other - net	(301)	(232)	(41)
Changes in operating assets and liabilities:			
Accounts receivable	(4,977)	(594)	(4,603)
Inventories	(8,268)	922	(9,499)
Trade accounts payables and accrued liabilities	8,429	3,750	5,663
Income taxes payable	383	781	(2,251)
Other - net	(2,327)	(1,581)	1,048
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>28,688</u>	<u>29,015</u>	<u>17,311</u>
INVESTING ACTIVITIES			
Capital expenditures	(12,274)	(10,667)	(10,011)
Business acquisitions, net of cash acquired	(14,324)	(13,199)	(3,839)
Proceeds from the sale of discontinued operations	-	750	11,105
Proceeds from the sale of property and equipment	757	422	333
Proceeds on life insurance	-	3,082	-
Payments on life insurance	-	(3,082)	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(25,841)</u>	<u>(22,694)</u>	<u>(2,412)</u>
FINANCING ACTIVITIES			
Increase (decrease) in notes payable to banks	4,470	-	(486)
Proceeds from the issuance of long-term debt	130	1,330	6,984
Payments of long-term debt	(2,465)	(529)	(8,363)
Dividends paid	(4,344)	(4,271)	(4,247)
Excess tax benefits from share-based awards	73	122	56
Proceeds from issuance of common shares	285	352	452
Purchase of common shares for treasury	(1,081)	(168)	(7,457)
NET CASH USED IN FINANCING ACTIVITIES	<u>(2,932)</u>	<u>(3,164)</u>	<u>(13,061)</u>
Effects of exchange rate changes on cash and cash equivalents	<u>(1,357)</u>	<u>1,071</u>	<u>(4,551)</u>
Net increase (decrease) in cash and cash equivalents	(1,442)	4,228	(2,713)
NET CASH (USED IN) PROVIDED BY DISCONTINUED OPERATIONS			
Operating cash flows	-	-	958
Investing cash flows	-	-	(1,768)
NET CASH USED IN DISCONTINUED OPERATIONS	<u>-</u>	<u>-</u>	<u>(810)</u>
Cash and cash equivalents at beginning of year	<u>24,097</u>	<u>19,869</u>	<u>23,392</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 22,655</u>	<u>\$ 24,097</u>	<u>\$ 19,869</u>

See notes to consolidated financial statements.

PREFORMED LINE PRODUCTS COMPANY
STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY

	Common Shares	Common Shares Issued to Rabbi Trust	Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)		Non-controlling interests	Total
					Cumulative Translation Adjustment	Unrecognized Pension Benefit Cost		
	<i>(In thousands, except share and per share data)</i>							
Balance at January 1, 2008	\$ 10,762	\$ -	\$ 2,720	\$ 140,339	\$ (2,848)	\$ (1,252)	\$ 904	\$ 150,625
Noncontrolling interest of business acquisition							(405)	(405)
Net income				17,623			288	17,911
Foreign currency translation adjustment					(15,419)		(51)	(15,470)
Recognized net actuarial loss net of tax provision of \$23							39	39
Loss on unfunded pension obligations net of tax benefit of \$2,942							(5,031)	(5,031)
Total comprehensive income								(20,462)
Share-based compensation			507	(18)				489
Excess tax benefits from share based awards			56					56
Purchase of 172,726 common shares	(345)			(7,112)				(7,457)
Issuance of 15,600 common shares	31		421					452
Cash dividends declared - \$.80 per share				(4,208)				(4,208)
Balance at December 31, 2008	10,448	-	3,704	146,624	(18,267)	(6,244)	736	137,001
Net income				23,357			(524)	22,833
Acquisition of noncontrolling interest			(200)	364			(364)	(200)
Foreign currency translation adjustment					11,679		7	11,686
Recognized net actuarial loss net of tax provision of \$207							355	355
Gain on unfunded pension obligations net of tax benefit of \$646							1,108	1,108
Total comprehensive income								35,782
Share-based compensation			1,962	(103)				1,859
Excess tax benefits from share based awards			122					122
Purchase of 3,000 common shares	(6)			(99)				(105)
Issuance of 27,468 common shares	55		297					352
Cash dividends declared - \$.80 per share				(4,190)				(4,190)
Balance at December 31, 2009	10,497	-	5,885	165,953	(6,588)	(4,781)	(145)	170,821
Net income				23,113			(105)	23,008
Acquisition of noncontrolling interest			(351)	343			(343)	(351)
Foreign currency translation adjustment					5,028		(82)	4,946
Recognized net actuarial loss net of tax provision of \$106							174	174
Gain on unfunded pension obligations net of tax benefit of \$96							157	157
Total comprehensive income								27,934
Share-based compensation			2,966	(163)				2,803
Excess tax benefits from share based awards			73					73
Purchase of 32,687 common shares	(65)			(995)				(1,060)
Issuance of 14,168 common shares	28		257					285
Restricted shares awards of 41,198	82		(82)					-
Common shares issued to rabbi trust		(1,200)						(1,200)
Cash dividends declared - \$.80 per share				(4,191)				(4,191)
Balance at December 31, 2010	\$ 10,542	\$ (1,200)	\$ 8,748	\$ 184,060	\$ (1,560)	\$ (4,450)	\$ (675)	\$ 195,465

See notes to consolidated financial statements.

PREFORMED LINE PRODUCTS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tables in thousands of dollars, except share and per share data, unless specifically noted)

Note A - Significant Accounting Policies

Nature of Operations

Preformed Line Products Company and subsidiaries (the "Company") is a designer and manufacturer of products and systems employed in the construction and maintenance of overhead and underground networks for the energy, telecommunication, cable operators, data communication and other similar industries. The Company's primary products support, protect, connect, terminate and secure cables and wires. The Company also provides solar hardware systems and mounting hardware for a variety of solar power applications. The Company's customers include public and private energy utilities and communication companies, cable operators, governmental agencies, contractors and subcontractors, distributors and value-added resellers. The Company serves its worldwide markets through strategically located domestic and international manufacturing facilities.

Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries where ownership is greater than 50%. All intercompany accounts and transactions have been eliminated upon consolidation.

Noncontrolling Interests

During 2010, the Company acquired the remaining 3.86% of Belos SA (Belos) shares, a Polish company, for a total ownership interest of 100% of the issued and outstanding shares of Belos. During 2008, the Company entered into a Joint Venture agreement to form a joint venture between the Company's Australian subsidiary, Preformed Line Products Australia Pty Ltd and BlueSky Energy Pty Ltd. The Company includes Belos and the BlueSky joint venture accounts in its consolidated financial statements, and the noncontrolling interests in Belos, previously, and BlueSky income and net assets are reported in the Noncontrolling interests lines of the Statements of Consolidated Income and the Consolidated Balance Sheets, respectively.

Investments in Foreign Joint Ventures

Investments in joint ventures, where the Company owns between 20% and 50%, or where the Company does not have control but has the ability to exercise significant influence over operations or financial policies, are accounted for by the equity method. During 2009, the Company acquired a 33.3% investment in Proxisafe Ltd., located in Calgary, Alberta. The Company accounts for its joint venture interest in Proxisafe accounts using the equity method.

Cash and Cash Equivalents

Cash equivalents are stated at fair value and consist of highly liquid investments with original maturities of three months or less at the time of acquisition.

Receivable Allowances

The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. The allowances for uncollectible accounts receivable is based upon the number of days the accounts are past due, the current business environment, and specific information such as bankruptcy or liquidity issues of customers. The Company also maintains an allowance for sales returns related to sales recorded during the year. The estimated allowance is based on historical sales credits issued in the subsequent year related to the prior year and any significant open return good authorizations as of the balance sheet date.

Inventories

The Company uses the last-in, first-out (LIFO) method of determining cost for the majority of its material portion of inventories in PLP-USA. All other inventories are determined by the first-in, first-out (FIFO) or average cost methods. Inventories are carried at the lower of cost or market.

Fair Value of Financial Instruments

Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 825, Disclosures about Fair Value of Financial Instruments, requires disclosures of the fair value of financial instruments. The carrying value of the Company's current financial instruments, which include cash and cash equivalents, accounts receivable, accounts payable and short-term debt, approximates its fair value because of the short-term maturity of these instruments. At December 31, 2010, the fair value of the Company's long-term debt was estimated using discounted cash flow analysis, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements. Based on the analysis performed, the carrying value of the Company's long-term debt approximates fair value at December 31, 2010.

Property, Plant and Equipment and Depreciation

Property, plant, and equipment is recorded at cost. Depreciation for the domestic and international operation's assets is computed using the straight line method over the estimated useful lives. The estimated useful lives used, when purchased new, are: land improvements, ten years; buildings, forty years; building improvements, five to forty years; and machinery and equipment, three to ten years. Appropriate reductions in estimated useful lives are made for property, plant and equipment purchased in connection with an acquisition of a business or in a used condition when purchased.

Long-Lived Assets

The Company records impairment losses on long-lived assets used in operations when events and circumstances indicate that the carrying value of the assets might be impaired and the discounted future cash flows estimated to be generated by such assets are less than the carrying value. The Company's cash flows are based on historical results adjusted to reflect the Company's best estimate of future market and operating conditions. The net carrying value of assets not recoverable is then reduced to fair value. The estimates of fair value represent the Company's best estimate based on industry trends and reference to market rates and transactions. The Company did not record any impairments to long-lived assets during the years ended December 31, 2010 and 2009.

Goodwill and Other Intangibles

Goodwill and other intangible assets generally result from business acquisitions. Goodwill and intangible assets with indefinite lives are not subject to amortization, but are subject to annual impairment testing. Intangible assets with definite lives, consisting primarily of purchased customer relationships, patents, technology, customer backlogs, trademarks and land use rights, are generally amortized over periods from two to twenty years. The Company's intangible assets with finite lives are generally amortized using a projected cash flow basis method over their useful lives unless another method was demonstrated to be more appropriate. Customer relationships and trademark intangibles acquired in 2009 are amortized using a projected cash flow basis method over the period in which the economic benefits of the intangibles are consumed. Customer relationships, technology and trademarks acquired in July 2010 are being amortized using the straight-line method over their useful lives. This method was more appropriate because it better reflected the pattern in which the economic benefits of the intangible asset are consumed or otherwise used up compared to using a projected cash flow basis method. An evaluation of the remaining useful life of intangible assets with a determinable life is performed on a periodic basis and when events and circumstances warrant an evaluation. The Company assesses intangible assets with a determinable life for impairment consistent with its policy for assessing other long-lived assets. Goodwill and other intangible assets are also reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may be impaired, or in the case of finite lived intangible assets, when the carrying amount may not be recoverable. Events or circumstances that would result in an impairment review primarily include operations reporting losses or a significant change in the use of an asset. Impairment charges are recognized pursuant to FASB ASC 350-20,

Goodwill. The Company did not record any impairments for goodwill or other intangibles during the years ended December 31, 2010 and 2009.

We perform our annual impairment test for goodwill utilizing a discounted cash flow methodology, market comparables, and an overall market capitalization reasonableness test in computing fair value by reporting unit. We then compare the fair value of the reporting unit with its carrying value to assess if goodwill has been impaired. Based on the assumptions as to growth, discount rates and the weighting used for each respective valuation methodology, results of the valuations could be significantly changed. However, we believe that the methodologies and weightings used are reasonable and result in appropriate fair values of the reporting units.

Our measurement date for our annual impairment test is January 1 of each year. We perform interim impairment tests if trigger events or changes in circumstances indicate the carrying amount may be impaired. There were no trigger events during 2010 and as such, only an annual impairment test was performed.

Sales Recognition

Sales are recognized when products are shipped and the title and risk of loss has passed to unaffiliated customers or when they are delivered based on the terms of the sale, there is persuasive evidence of an agreement, the price is fixed or determinable and collectibility is reasonably assured. Revenue related to shipping and handling costs billed to customers are included in net sales and the related shipping and handling costs are included in cost of products sold.

Research and Development

Research and development costs for new products are expensed as incurred and totaled \$1.7 million in 2010, \$2.3 million in 2009 and \$2 million in 2008.

Income Taxes

Income taxes are computed in accordance with the provisions of FASB ASC 740, Income Taxes. In the Consolidated Financial Statements, the benefits of a consolidated return have been reflected where such returns have or could be filed based on the entities and jurisdictions included in the financial statements. Deferred tax liabilities and assets are recognized for the expected future tax consequences of events that have been reflected on the Consolidated Financial Statements. Deferred tax liabilities and assets are determined based on the differences between the book and tax bases of particular assets and liabilities and operating loss carryforwards using tax rates in effect for the years in which the differences are expected to reverse. A valuation allowance is provided to offset deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Advertising

Advertising costs are expensed as incurred and totaled \$1.6 million in 2010, \$1.4 million in 2009 and \$1.5 million in 2008.

Foreign Currency Translation

Asset and liability accounts are translated into U.S. dollars using exchange rates in effect at the date of the Consolidated Balance Sheet. The translation adjustments are recorded in accumulated other comprehensive income (loss). Revenues and expenses are translated at weighted average exchange rates in effect during the period. Transaction gains and losses arising from exchange rate changes on transactions denominated in a currency other than the functional currency are included in income and expense as incurred. Aggregate transaction gains and losses for the periods ended December 31, 2010, 2009, and 2008 were a \$2.4 million gain, \$.6 million gain and a \$.3 million loss, respectively. Upon sale or substantially complete liquidation of an investment in a foreign entity, the cumulative translation adjustment for that entity is reclassified from accumulated other comprehensive income (loss) to earnings.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Business Combinations

The Company accounts for acquisitions in accordance with ASC 805, which includes provisions that were adopted effective January 1, 2009. The new provisions significantly changed the accounting for business combinations both during the period of the acquisition and in subsequent periods. ASC 805 revises the principles and requirements for how the acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired in a business combination or gain from a bargain purchase. The new provisions are applied prospectively to business combinations after January 1, 2009.

Derivative Financial Instruments

The Company does not hold derivatives for trading purposes.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation.

Recently Adopted Accounting Pronouncements

In June 2009, the FASB updated guidance included in FASB ASC 810-10, related to the consolidation of variable interest entities. This guidance will require ongoing reassessments of whether an enterprise is the primary beneficiary of a variable interest entity. In addition, this updated guidance amends the quantitative approach for determining the primary beneficiary of a variable interest entity. FASB ASC 810-10 amends certain guidance for determining whether an entity is a variable interest entity and adds additional reconsideration events for determining whether an entity is a variable interest entity. Further, this guidance requires enhanced disclosures that will provide users of financial statements with more transparent information about an enterprise's involvement in a variable interest entity. This updated guidance is effective as of the beginning of the first annual reporting period and interim reporting periods that begin after November 15, 2009. The adoption of this guidance did not have an impact on the Company's consolidated financial statements or disclosures.

In January 2010, the FASB issued ASU 2010-06, Fair Value Measurements and Disclosures (Topic 820). This Update provides amendments to Subtopic 820-10 and related guidance within U.S. GAAP to require disclosure of the transfers in and out of Levels 1 and 2 and a schedule for Level 3 that separately identifies purchases, sales, issuances and settlements and requires more detailed disclosures regarding valuation techniques and inputs. The Company adopted this new standard effective January 1, 2010 and it had no impact on the Company's consolidated financial statements or disclosures.

Recently Issued Accounting Pronouncements

Changes to accounting principles generally accepted in the United States of America (U.S. GAAP) are established by the FASB in the form of accounting standards updates (ASUs) to the FASB's Accounting Standards Codification.

The Company considers the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or have minimal impact on the Company's consolidated financial position and results of operations.

In October 2009, the FASB issued Accounting Standards Update No. 2009-13, Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements - a consensus of the FASB Emerging Issues Task Force (ASU 2009-13). ASU 2009-13 addresses the accounting for sales arrangements that include multiple products or services by revising the criteria for when deliverables may be accounted for separately rather than as a combined unit. Specifically, this guidance establishes a selling price hierarchy for determining the selling price of a deliverable, which is necessary to separately account for each product or service. This hierarchy provides more options for establishing selling price than existing guidance. ASU 2009-13 is required to be applied prospectively to new or materially modified revenue arrangements in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. The Company does not expect that the adoption of ASU 2009-13 will have a material impact on the Company's consolidated results of operations or financial condition.

In December 2010, the FASB issued ASU No. 2010-29, which updates the guidance in FASB ASC Topic 805, Business Combinations. The objective of ASU 2010-29 is to address diversity in practice about the interpretation of the pro forma revenue and earnings disclosure requirements for business combinations. The amendments in ASU 2010-29 specify that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The amendments also expand the supplemental pro forma disclosures to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. The amendments affect any public entity as defined by FASB ASC 805, Business Combinations, that enters into business combinations that are material on an individual or aggregate basis. The amendments in ASU 2010-29 are effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. The Company believes the adoption of this guidance will not have an impact on the Company's consolidated financial position or results of operations.

In December 2010, the FASB issued ASU No. 2010-28, which updates the guidance in FASB ASC Topic 350, Intangibles—Goodwill & Other. The amendments in ASU 2010-28 affect all entities that have recognized goodwill and have one or more reporting units whose carrying amount for purposes of performing Step 1 of the goodwill impairment test is zero or negative. The amendments in ASU 2010-28 modify Step 1 so that for those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. The qualitative factors are consistent with existing guidance, which requires that goodwill of a reporting unit be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. This guidance will become effective for the Company at the beginning of our second quarter of fiscal 2011. The adoption of this guidance is not expected to have an impact on the Company's financial position or results of operations.

Note B - Other Financial Statement Information

Inventories – net

	December 31	
	2010	2009
Finished products	\$ 34,580	\$ 26,161
Work-in-process	5,830	3,473
Raw materials	40,667	34,788
	<u>81,077</u>	<u>64,422</u>
Excess of current cost over LIFO cost	(4,801)	(4,463)
Noncurrent portion of inventory	<u>(3,155)</u>	<u>(3,923)</u>
	<u>\$ 73,121</u>	<u>\$ 56,036</u>

Costs for inventories of certain material are determined using the LIFO method and totaled approximately \$21.7 million and \$19.5 million at December 31, 2010 and 2009, respectively.

Property and equipment – net

Major classes of property, plant and equipment are as follows:

	December 31	
	2010	2009
Land and improvements	\$ 7,467	\$ 7,188
Buildings and improvements	55,766	51,297
Machinery and equipment	117,758	104,179
Construction in progress	4,949	6,068
	<u>185,940</u>	<u>168,732</u>
Less accumulated depreciation	<u>109,674</u>	<u>100,966</u>
	<u>\$ 76,266</u>	<u>\$ 67,766</u>

Property and equipment are recorded at cost. Depreciation for the Company's assets is computed using the straight-line method over the estimated useful lives. The estimated useful lives used, when purchased new, are: land improvements, ten years; buildings, forty years; building improvements, five to forty years; and machinery and equipment, three to ten years. Appropriate reductions in estimated useful lives are made for property, plant and equipment purchased in connection with an acquisition of a business or in a used condition when purchased.

Depreciation of property and equipment was \$8 million in 2010, \$6.7 million in 2009 and \$8 million in 2008. Machinery and equipment includes \$.6 million and \$1 million of capital leases at December 31, 2010 and 2009, respectively.

Depreciation for the Company's PLP-USA assets prior to January 1, 2009 was computed using accelerated methods over the estimated useful lives, with the exception of personal computers, which were depreciated over three years using the straight-line method. Effective January 1, 2009, the Company changed its method of computing depreciation from accelerated methods to the straight-line method for its PLP-USA assets. Based on FASB ASC 250, Accounting Changes and Error Corrections, the Company determined that the change in depreciation method from an accelerated method to a straight-line method is a change in accounting estimate affected by a change in accounting principle. In accordance with ASC 250, a change in accounting estimate affected by a change in accounting principle is to be applied prospectively. The change is considered preferable because the straight-line method will more accurately reflect the pattern of usage and the expected benefits of such assets and provide greater consistency with the depreciation methods used by other companies in the Company's industry. The net book value of assets acquired prior to January 1, 2009 with useful lives remaining will be depreciated using the straight-line method prospectively. As a result of the change to the straight-line method of depreciating PLP-USA's assets, depreciation expense decreased \$.5 million, or \$.10 per basic and diluted share, for the year ended December 31, 2009.

Legal proceedings

From time to time, the Company may be subject to litigation incidental to its business. The Company is not a party to any pending legal proceedings that the Company believes would, individually or in the aggregate, have a material adverse effect on its financial condition, results of operations or cash flows.

Note C - Pension Plans

PLP-USA hourly employees of the Company who meet specific requirements as to age and service are covered by a defined benefit pension plan. The Company uses a December 31 measurement date for its plan.

Net periodic pension cost for PLP-USA's pension plan consists of the following components for the years ended December 31:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Service cost	\$ 813	\$ 908	\$ 704
Interest cost	1,195	1,195	1,064
Expected return on plan assets	(960)	(759)	(998)
Recognized net actuarial loss	280	562	62
Net periodic pension cost	<u>\$ 1,328</u>	<u>\$ 1,906</u>	<u>\$ 832</u>

The following tables set forth benefit obligations, plan assets and the accrued benefit cost of PLP-USA's pension plan at December 31:

	<u>2010</u>	<u>2009</u>
Projected benefit obligation at beginning of the year	\$ 21,718	\$ 20,551
Service cost	813	908
Interest cost	1,195	1,195
Actuarial (gain) loss	415	(488)
Benefits paid	(476)	(448)
Projected benefit obligation at end of year	<u>\$ 23,665</u>	<u>\$ 21,718</u>
Fair value of plan assets at beginning of the year	\$ 13,040	\$ 9,248
Actual return on plan assets	1,628	2,025
Employer contributions	-	2,215
Benefits paid	(476)	(448)
Fair value of plan assets at end of the year	<u>\$ 14,192</u>	<u>\$ 13,040</u>
Unfunded pension obligation	<u>\$ (9,473)</u>	<u>\$ (8,678)</u>

In accordance with ASC 715-20, the Company recognizes the underfunded status of its PLP-USA pension plan as a liability. The amount recognized in accumulated other comprehensive loss related to PLP-USA's pension plan at December 31 is comprised of the following:

	<u>2010</u>	<u>2009</u>
Balance at January 1	\$ (4,762)	\$ (6,225)
Reclassification adjustments:		
Pretax amortized net actuarial loss	280	562
Tax provision	(106)	(207)
	<u>174</u>	<u>355</u>
Adjustment to recognize (loss) gain on unfunded pension obligations:		
Pretax gain on plan assets	253	1,754
Tax provision	(96)	(646)
	<u>157</u>	<u>1,108</u>
Balance at December 31	<u>\$ (4,431)</u>	<u>\$ (4,762)</u>

The estimated net loss for the PLP-USA pension plan that will be amortized from accumulated other comprehensive income into periodic benefit cost for 2011 is \$.3 million. There is no prior service cost to be amortized in the future.

The PLP-USA pension plan had accumulated benefit obligations in excess of plan assets as follows:

	<u>2010</u>	<u>2009</u>
Accumulated benefit obligation	\$ 19,915	\$ 17,039
Fair market value of assets	14,192	13,040

Weighted-average assumptions used to determine benefit obligations at December 31 are as follows:

	<u>2010</u>	<u>2009</u>
Discount rate	5.60%	6.00%
Rate of compensation increase	3.50	3.50

Weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31 are as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Discount rate	6.00%	5.75%	6.50%
Rate of compensation increase	3.50	3.50	3.50
Expected long-term return on plan assets	8.00	8.00	8.00

The net periodic pension cost for 2010 was based on a long-term asset rate of return of 8.0%. This rate is based upon management's estimate of future long-term rates of return on similar assets and is consistent with historical returns on such assets. Using the plan's current mix of assets and based on the average historical returns for such mix, an expected long-term rate-of-return of 8.0% is justified.

At December 31, 2010, the fair value of the Company's pension plan assets included inputs in Level 1: Quoted market prices in active markets for identical assets or liabilities and Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data. The fair value of the Company's pension plan assets as of December 31, 2010 and 2009, by category, are as follows:

<u>At December 31, 2010</u>				
<u>Asset Category</u>	<u>Total Assets at Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash	\$ 374	\$ 374	\$ -	\$ -
Equity Securities	5,060	5,060	-	-
Mutual Funds	2,535	2,535	-	-
U.S. Treasury Securities	3,446	3,446	-	-
Corporate Bonds	2,726	-	2,726	-
Mortgage-Backed Securities	51	-	51	-
Total	<u>\$ 14,192</u>	<u>\$ 11,415</u>	<u>\$ 2,777</u>	<u>\$ -</u>

At December 31, 2009

<u>Asset Category</u>	<u>Total Assets at Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash	\$ 246	\$ 246	\$ -	\$ -
Equity Securities	4,747	4,747	-	-
Mutual Funds	3,185	3,185	-	-
U.S. Treasury Securities	3,646	3,646	-	-
Corporate Bonds	1,216	-	1,216	-
Total	\$ 13,040	\$ 11,824	\$ 1,216	\$ -

The Company's pension plan weighted-average asset allocations at December 31, 2010 and 2009, by asset category, are as follows:

<u>Asset category</u>	<u>Plan assets at December 31</u>	
	<u>2010</u>	<u>2009</u>
Equity securities	60%	61%
Debt securities	37	37
Cash and equivalents	3	2
	<u>100%</u>	<u>100%</u>

Management seeks to maximize the long-term total return of financial assets consistent with the fiduciary standards of ERISA. The ability to achieve these returns is dependent upon the need to accept moderate risk to achieve long-term capital appreciation.

In recognition of the expected returns and volatility from financial assets, retirement plan assets are invested in the following ranges with the target allocation noted:

	<u>Range</u>	<u>Target</u>
Equities	30-80%	60%
Fixed Income	20-70%	40%
Cash Equivalents	0-10%	

Investment in these markets is projected to provide performance consistent with expected long-term returns with appropriate diversification.

The Company's policy is to fund amounts deductible for federal income tax purposes. The Company expects to contribute \$1.1 million to its pension plan in 2011.

The benefits expected to be paid out of the plan assets in each of the next five years and the aggregate benefits expected to be paid for the subsequent five years are as follows:

<u>Year</u>	<u>Pension Benefits</u>
2011	\$ 510
2012	572
2013	651
2014	717
2015	780
2016-2020	5,464

The Company also provides retirement benefits through various defined contribution plans including PLP-USA's Profit Sharing Plan. Expense for these defined contribution plans was \$4.6 million in 2010, \$3.7 million in 2009 and \$3.6 million in 2008.

Further, the Company also provides retirement benefits through the Supplemental Profit Sharing Plan. To the extent an employee's award under PLP-USA's Profit Sharing Plan exceeds the maximum allowable contribution permitted under existing tax laws, the excess is accrued for (but not funded) under a non-qualified Supplemental Profit Sharing Plan. The return under this Supplemental Profit Sharing Plan is calculated at a weighted average of the one year Treasury Bill rate plus 1%. At December 31, 2010 and 2009, the interest rate for the Supplemental Profit Sharing Plan was 1.47% and 1.37%, respectively. Expense for the Supplemental Profit Sharing Plan was \$.3 million for 2010, \$.3 million for 2009 and \$.4 million for 2008. The Supplemental Profit Sharing Plan unfunded status as of December 31, 2010 and 2009 was \$1.9 million and \$1.7 million and is included in Other noncurrent liabilities.

Note D - Debt and Credit Arrangements

	December 31	
	2010	2009
Short-term debt		
Secured notes		
Thailand Baht denominated (Baht106,400) at 4.2% in 2009	\$ -	\$ 3,181
Brazilian Real denominated (R\$ 1,056k) at 28.62% due 2011	633	-
New Zealand Dollar (NZ\$796k) at 5.38 to 5.47% due 2011	613	-
Current portion of long-term debt	<u>1,276</u>	<u>1,330</u>
Total short-term debt	<u>2,522</u>	<u>4,511</u>
Long-term debt		
USD denominated at 1.51%, due 2013	8,349	-
Australian dollar denominated term loans (A\$2,667), at 4.19% to 5.83% (3.31% to 5.83% in 2009), due 2011 and 2013, secured by land and building	1,389	2,024
Brazilian Real denominated term loan (R\$ 1,289k) at .7% due 2014 secured by capital equipment	774	609
Chinese Rmb denominated term loan (RMB10,000) at 6.48% , secured by letter of credit	-	1,463
Thailand Baht denominated capital loans (Baht1,841) at 3.75% to 4.5% , secured by capital equipment	-	18
Polish Zloty denominated loans (PLN810) at 4.75% (5.07% in 2009) due 2011, secured by building, capital equipment and commercial note	84	184
Polish Zloty denominated loans (PLN593) at 4.33% (4.46% in 2009) due 2011, secured by corporate guarantee	<u>54</u>	<u>131</u>
Total long-term debt	10,650	4,429
Less current portion	<u>(1,276)</u>	<u>(1,330)</u>
Total long-term debt, less current portion	9,374	3,099
 Total debt	 <u>\$ 11,896</u>	 <u>\$ 7,610</u>

A PLP-USA revolving credit agreement makes \$30 million available to the Company at an interest rate of LIBOR plus 1.25% with a term expiring January 2013. At December 31, 2010, the interest rate on the revolving credit agreement was 1.51%. There was \$8.3 million outstanding at December 31, 2010 under the revolving credit agreement. The revolving credit agreement contains, among other provisions, requirements for maintaining levels of working capital, net worth and profitability. At December 31, 2010, the Company was in compliance with these covenants.

Aggregate maturities of long-term debt during the next five years are as follows: \$1.3 million for 2011, \$.6 million for 2012, \$8.7 million for 2013, \$.1 million for 2014, and \$0 thereafter.

Interest paid was \$.5 million in 2010, 2009 and 2008.

Guarantees and Letters of Credit

The Company has guaranteed the performance of third-parties and provided financial guarantees for uncompleted work and financial commitments. The terms of these guarantees vary with end dates ranging from the current year through the completion of such transactions. The guarantees would typically be triggered in the event of nonperformance. As of December 31, 2010, the Company had total outstanding guarantees of \$2.4 million. Additionally, certain domestic and foreign customers require the Company to issue letters of credit or performance

bonds as a condition of placing an order. As of December 31, 2010, the Company had total outstanding letters of credit of \$6.9 million.

Note E - Leases

The Company has commitments under operating leases primarily for office and manufacturing space, transportation equipment, office equipment and computer equipment. Rental expense was \$2.9 million in 2010, \$1.5 million in 2009 and \$1.6 million in 2008. Future minimum rental commitments having non-cancelable terms exceeding one year are \$2.5 million in 2011, \$1.6 million in 2012, \$1.2 million in 2013, \$1 million in 2014, \$0.4 million in 2015, and an aggregate \$10.3 million thereafter. One such lease is for the Company's aircraft with a lease commitment through April 2012. Under the terms of the lease, the Company maintains the risk to make up a deficiency from market value attributable to damage, extraordinary wear and tear, excess air hours or exceeding maintenance overhaul schedules required by the Federal Aviation Administration. At the present time, the Company does not believe it has incurred any obligation for any contingent rent under the lease.

The Company has commitments under capital leases for equipment and vehicles. Amounts recognized as capital lease obligations are reported in accrued expense and other liabilities and other noncurrent liabilities in the Consolidated Balance Sheets. Future minimum rental commitments for capital leases are approximately \$0.2 million in 2011, \$0.1 million in 2012, 2013 and 2014 and less than \$0.1 million for 2015. The imputed interest for the capital leases is less than \$0.1 million. Leased property and equipment under capital leases are amortized using the straight-line method over the term of the lease. Routine maintenance, repairs, and replacements are expensed as incurred.

Note F - Income Taxes

Income before income taxes and discontinued operations was derived from the following sources:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
United States	\$ 9,007	\$ 8,498	\$ 8,311
Foreign	<u>21,176</u>	<u>21,095</u>	<u>16,449</u>
	<u>\$ 30,183</u>	<u>\$ 29,593</u>	<u>\$ 24,760</u>

The components of income tax expense for the years ended December 31 are as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Continuing operations	\$ 7,175	\$ 6,760	\$ 7,718
Discontinued operations	<u>-</u>	<u>-</u>	<u>67</u>
	<u>\$ 7,175</u>	<u>\$ 6,760</u>	<u>\$ 7,785</u>

The components of income taxes attributable to income from continuing operations for the years ended December 31 are as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Current			
Federal	\$ 1,768	\$ 1,912	\$ 2,473
Foreign	5,498	3,659	5,679
State and local	809	507	411
	<u>8,075</u>	<u>6,078</u>	<u>8,563</u>
Deferred			
Federal	342	81	(380)
Foreign	(1,098)	615	(494)
State and local	(144)	(14)	29
	<u>(900)</u>	<u>682</u>	<u>(845)</u>
	<u>\$ 7,175</u>	<u>\$ 6,760</u>	<u>\$ 7,718</u>

The differences between the provision for income taxes from continuing operations at the U.S. statutory rate and the tax shown in the Statements of Consolidated Income for the years ended December 31 are summarized as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Statutory Federal Tax Rate	35%	34%	34%
Federal tax at statutory rate	\$ 10,564	\$ 10,062	\$ 8,419
State and local taxes, net of federal benefit	432	325	233
Non-deductible expenses	12	461	269
Foreign earnings and related tax credits	641	394	40
Non-U.S. tax rate variances	(3,121)	(918)	(992)
ASC 740 (formally FIN 48)	(368)	(607)	(409)
Valuation allowance	(403)	(480)	140
Tax credits	(329)	(77)	(65)
Gain from acquisition of business	-	(2,711)	-
Other, net	(253)	311	83
	<u>\$ 7,175</u>	<u>\$ 6,760</u>	<u>\$ 7,718</u>

Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the tax basis of assets and liabilities and their carrying value for financial statement purposes. The tax effects of temporary differences that give rise to the Company's deferred tax assets and liabilities at December 31 are as follows:

	<u>2010</u>	<u>2009</u>
Deferred tax assets:		
Accrued compensation and benefits	\$ 1,126	\$ 1,163
Inventory valuation reserves	1,798	1,452
Allowance for doubtful accounts	69	44
Benefit plan reserves	6,183	4,754
Foreign tax credits	1,397	2,929
Capital tax loss carryforwards	2,056	2,132
Net operating loss carryforwards	937	968
Other accrued expenses	<u>1,565</u>	<u>785</u>
Gross deferred tax assets	15,131	14,227
Valuation allowance	<u>(2,993)</u>	<u>(3,392)</u>
Net deferred tax assets	<u>12,138</u>	<u>10,835</u>
Deferred tax liabilities:		
Depreciation and other basis differences	(3,535)	(2,649)
Undistributed foreign earnings	(236)	-
Inventory	-	(11)
Prepaid expenses	(70)	(75)
Intangibles	(3,299)	(1,663)
Unrealized Foreign Exchange	(166)	(230)
Other	<u>(109)</u>	<u>(112)</u>
Deferred tax liabilities	<u>(7,415)</u>	<u>(4,740)</u>
Net deferred tax assets	<u>\$ 4,723</u>	<u>\$ 6,095</u>
Change in net deferred tax assets:		
Deferred income tax benefit	\$ 900	\$ (682)
Items of other comprehensive (loss)	(202)	(853)
Deferred tax balances from business acquisition	<u>(2,070)</u>	<u>(1,374)</u>
Total change in net deferred tax assets	<u>\$ (1,372)</u>	<u>\$ (2,909)</u>

Deferred taxes are recognized at currently enacted tax rates for temporary differences between the financial reporting and income tax bases of assets and liabilities and operating loss and tax credit carryforwards.

At December 31, 2010, the Company had \$1.4 million of foreign tax credit carryforwards that will expire in 2014, \$2.1 million of capital loss carryforwards that will expire in 2013 and \$.9 million of net operating loss carryforwards that will expire between the years 2011 and 2014.

The Company assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets. Based on this evaluation, the Company has established a valuation allowance of \$3 million at December 31, 2010 in order to measure only the portion of the deferred tax asset that is more likely than not will be realized. Therefore, the Company recorded an allowance of \$2.1 million against the capital loss carryforward and \$.9 million against the net operating loss carryforwards. The net decrease in the valuation allowance is primarily due to the reversal of the valuation allowance against foreign tax credit carryforwards. In 2009, the net decrease in the valuation allowance was primarily due to the reversal of foreign tax credit carryforwards that are expected to be realized and partially offset by an increase in foreign net operating loss carryforwards that are not expected to be realized.

As of December 31, 2010, the Company established a deferred tax liability of \$.2 million associated with undistributed foreign earnings of \$2.2 million. The Company has not established a deferred tax liability associated with approximately \$102 million of its undistributed foreign earnings at December 31, 2010 as these earnings are considered to be permanently reinvested. These earnings would be taxable upon the sale or liquidation of these

foreign subsidiaries, or upon the remittance of dividends. While the measurement of the unrecognized U.S. income taxes with respect to these earnings is not practicable, foreign tax credits would be available to offset some or all of any portion of such earnings that would be remitted as dividends.

Income taxes paid, net of refunds, were approximately \$8.4 million in 2010, \$5.8 million in 2009, and \$7.7 million in 2008.

The Company is subject to taxation in the U.S. and various states and foreign jurisdictions. As of December 31, 2010, with few exceptions, the Company is no longer subject to U.S. federal, state, local or foreign examinations by tax authorities for years before 2004.

The changes in unrecognized tax benefits for the years ended December 31 are as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Balance at January 1	\$ 1,304	\$ 1,176	\$ 1,585
Additions for tax positions of current year	53	164	161
Additions for tax positions of prior years	62	678	290
Reductions for tax positions of prior years	(281)	(79)	(282)
Expiration of statutes of limitations	(76)	(635)	(578)
Balance at December 31	<u>\$ 1,062</u>	<u>\$ 1,304</u>	<u>\$ 1,176</u>

Accrued interest and penalties are not included in the above unrecognized tax balances. The Company records accrued interest as well as penalties related to unrecognized tax benefits as part of the provision for income taxes. The Company recognized less than \$.1 million in interest, net of the amount lapsed through expiring statutes during the year ended December 31, 2010 and \$(.2) million in interest, net of the amount lapsed through expiring statutes for the years ended December 31, 2009 and 2008. The Company had approximately \$.4 million for the payment of interest accrued at December 31, 2010, \$.3 million at December 31, 2009, and \$.2 million at December 31, 2008. The Company had approximately \$.3 million for the payment of penalties accrued at December 31, 2010, \$.3 million at December 31, 2009, and none at December 31, 2008. If recognized approximately \$.4 million of unrecognized tax benefits would affect the tax rate. The Company does not plan to decrease its unrecognized tax benefits within the next twelve months.

Note G – Share-Based Compensation

The 1999 Stock Option Plan

The 1999 Stock Option Plan (the Plan) permits the grant of 300,000 options to buy common shares of the Company to certain employees at not less than fair market value of the shares on the date of grant. At December 31, 2010 there were no shares remaining to be issued under the plan. Options issued to date under the Plan vest 50% after one year following the date of the grant, 75% after two years, and 100% after three years and expire from five to ten years from the date of grant. Shares issued as a result of stock option exercises will be funded with the issuance of new shares.

The Company has elected to use the simplified method of calculating the expected term of the stock options and historical volatility to compute fair value under the Black-Scholes option-pricing model. The risk-free rate for periods within the contractual life of the option is based on the U.S. zero coupon Treasury yield in effect at the time of grant. Forfeitures have been estimated to be zero.

There were no shares granted for the year ended December 31, 2010. There were 8,500 options granted for the year ended December 31, 2009. There were 13,000 options granted for the year ended December 31, 2008. The fair values for the stock options granted in 2009, and 2008 were estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2009	2008
Risk-free interest rate	5.2%	4.2%
Dividend yield	2.1%	2.8%
Expected life (years)	6	6
Expected volatility	44.0%	34.4%

Activity in the Company's plan for the year ended December 31, 2010 was as follows:

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2010	85,502	\$33.29		
Granted	-	\$0.00		
Exercised	(13,445)	\$19.33		
Forfeited	-	\$0.00		
Outstanding (vested and expected to vest) at December 31, 2010	<u>72,057</u>	\$35.89	5.5	\$1,631
Exercisable at December 31, 2010	<u>64,557</u>	\$34.89	5.1	\$1,526

The weighted-average grant-date fair value of options granted during 2009 and 2008 was \$16.07 and \$15.52, respectively. The total intrinsic value of stock options exercised during the years ended December 31, 2010, 2009, and 2008 was \$.4 million, \$.8 million, and \$.4 million, respectively. Cash received for the exercise of stock options during 2010 and 2009 was \$.3 million and \$.4 million, respectively.

For the years ended December 31, 2010, 2009 and 2008, the Company recorded compensation expense related to the stock options currently vesting, reducing income before taxes and net income by \$.1 million in 2010 and 2009 annually and \$.2 million in 2008. The total compensation cost related to nonvested awards not yet recognized at December 31, 2010 is expected to be a combined total of \$.1 million over a weighted-average period of 1.5 years.

The excess tax benefits from share based awards for the years ended December 31, 2010 and 2009 was \$.1 million, as reported on the consolidated statements of cash flows in financing activities, and represents the reduction in income taxes otherwise payable during the period, attributable to the actual gross tax benefits in excess of the expected tax benefits for options exercised in the current period.

Long Term Incentive Plan of 2008

Under the Preformed Line Products Company Long Term Incentive Plan of 2008 (the "LTIP Plan"), certain employees, officers, and directors will be eligible to receive awards of options and restricted shares. The purpose of this LTIP Plan is to give the Company and its subsidiaries a competitive advantage in attracting, retaining, and motivating officers, employees, and directors and to provide an incentive to those individuals to increase shareholder value through long-term incentives directly linked to the Company's performance. The total number of Company common shares reserved for awards under the LTIP Plan is 400,000. Of the 400,000 common shares, 300,000 common shares have been reserved for restricted share awards and 100,000 common shares have been reserved for share options. The LTIP Plan expires on April 17, 2018.

Restricted Share Awards

For all of the participants except the CEO, a portion of the restricted share award is subject to time-based cliff vesting and a portion is subject to vesting based upon the Company's performance over a three year period. All

of the CEO's restricted shares are subject to vesting based upon the Company's performance over a three year period.

The restricted shares are offered at no cost to the employees; however, the participant must remain employed with the Company until the restrictions on the restricted shares lapse. The fair value of restricted share award is based on the market price of a common share on the grant date. The Company currently estimates that no awards will be forfeited. Dividends declared in 2009 and thereafter will be accrued in cash dividends. In 2008 dividends were reinvested in additional restricted shares, and held subject to the same vesting requirements as the underlying restricted shares.

A summary of the restricted share awards for the year ended December 31, 2010 is as follows:

	Restricted Share Awards			Weighted-Average Grant-Date Fair Value
	Performance and Service Required	Service Required	Total Restricted Awards	
Nonvested as of January 1, 2010	115,346	12,475	127,821	\$ 38.28
Granted	66,973	7,303	74,276	35.75
Vested	(39,364)	-	(39,364)	54.74
Forfeited	-	-	-	-
Nonvested as of December 31, 2010	<u>142,955</u>	<u>19,778</u>	<u>162,733</u>	<u>\$ 33.14</u>

For time-based restricted shares the Company recognizes stock-based compensation expense on a straight-line basis over the requisite service period of the award in general and administrative expense in the accompanying statement of consolidated income. Compensation expense related to the time-based restricted shares for the years ended December 31, 2010, 2009 and 2008 was \$.2 million, \$.2 million and less than \$.1 million, respectively. As of December 31, 2010, there was \$.3 million of total unrecognized compensation cost related to time-based restricted share awards that is expected to be recognized over the weighted-average remaining period of approximately 1.5 years.

For the performance-based awards, the number of restricted shares in which the participants will vest depends on the Company's level of performance measured by growth in pretax income and sales growth over a requisite performance period. Depending on the extent to which the performance criteria are satisfied under the LTIP Plan, the participants are eligible to earn common shares over the vesting period. Performance-based compensation expense for the year ended December 31, 2010, 2009 and 2008 was \$2.4 million, \$1.6 million and \$.3 million. As of December 31, 2010, the remaining performance-based restricted share awards compensation expense of \$2.5 million is expected to be recognized over a period of approximately 1.7 years.

In the event of a Change in Control, vesting of the restricted shares will be accelerated and all restrictions will lapse. Unvested performance-based awards are based on a maximum potential payout. Actual shares awarded at the end of the performance period may be less than the maximum potential payout level depending on achievement of performance-based award objectives.

To satisfy the vesting of its restricted share awards, the Company has reserved new shares from its authorized but unissued shares. Any additional granted awards will also be issued from the Company's authorized but unissued shares. Under the LTIP Plan there are 97,903 common shares currently available for additional restricted share grants.

Deferred Compensation Plan

The Company maintains a trust, commonly referred to as a rabbi trust, in connection with the Company's deferred compensation plan. This plan allows Directors and certain Company employees to make elective deferrals of Director fees payable and LTIP restricted shares for future distribution in the form of common shares and held in the rabbi trust. The deferred compensation plan has the ability for the Directors to elect to receive Director fees either in cash currently or in shares of common stock of the Company at a later date. Assets of the rabbi trust are

consolidated, and the value of the Company's stock held in the rabbi trust is classified in Shareholders' equity and generally accounted for in a manner similar to treasury stock. The Company recognizes the original amount of the deferred compensation (fair value of the deferred stock award at the date of grant) as the basis for recognition in common shares issued to the rabbi trust. Changes in the fair value of amounts owed to certain employees or Directors are not recognized as the Company's deferred compensation plan does not permit diversification and must be settled by the delivery of a fixed number of the Company's common shares. As of December 31, 2010, 23,305 LTIP shares have been deferred and are being held by the rabbi trust.

Share Option Awards

The LTIP plan permits the grant of 100,000 options to buy common shares of the Company to certain employees at not less than fair market value of the shares on the date of grant. At December 31, 2010 there were 79,500 shares remaining available for issuance under the LTIP Plan. Options issued to date under the Plan vest 50% after one year following the date of the grant, 75% after two years, and 100% after three years and expire from five to ten years from the date of grant. Shares issued as a result of stock option exercises will be funded with the issuance of new shares.

The Company has elected to use the simplified method of calculating the expected term of the stock options and historical volatility to compute fair value under the Black-Scholes option-pricing model. The risk-free rate for periods within the contractual life of the option is based on the U.S. zero coupon Treasury yield in effect at the time of grant. Forfeitures have been estimated to be zero.

There were 9,500 options granted for the year ended December 31, 2010. There were 11,000 options granted for the year ended December 31, 2009. The fair values for the stock options granted in 2010 and 2009 were estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2010	2009
Risk-free interest rate	2.9%	5.2%
Dividend yield	2.0%	2.1%
Expected life (years)	6	6
Expected volatility	43.3%	44.0%

Activity in the Company's plan for the year ended December 31, 2010 was as follows:

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2010	11,000	\$38.76		
Granted	9,500	\$52.10		
Exercised	-	\$0.00		
Forfeited	-	\$0.00		
Outstanding (vested and expected to vest) at December 31, 2010	20,500	\$44.94	9.5	\$279
Exercisable at December 31, 2010	5,500	\$38.76	9	\$109

The weighted-average grant-date fair value of options granted during 2010 and 2009 was \$19.47 and \$15.93. There were no stock options exercised under the LTIP Plan during the year ended December 31, 2010. There were no excess tax benefits from stock based awards for the year ended December 31, 2010.

For the years ended December 31, 2010, 2009 and 2008, the Company recorded compensation expense

related to the stock options currently vesting, reducing income before taxes and net income by \$.1 million, less than \$.1 million in 2009 and zero in 2008. The total compensation cost related to nonvested awards not yet recognized at December 31, 2010 is expected to be a combined total of \$.3 million over a weighted-average period of approximately 2.6 years.

Note H - Computation of Earnings Per Share

Basic earnings per share were computed by dividing net income by the weighted-average number of shares of common stock outstanding for each respective period. Diluted earnings per share were calculated by dividing net income by the weighted-average of all potentially dilutive shares of common stock that were outstanding during the periods presented.

The calculation of basic and diluted earnings per share for the years ended December 31 were as follows:

	2010	2009	2008
Numerator			
Amount attributable to PLPC shareholders			
Income from continuing operations	\$ 23,113	\$ 23,357	\$ 16,754
Income from discontinued operations	-	-	869
Net income attributable to PLPC	<u>\$ 23,113</u>	<u>\$ 23,357</u>	<u>\$ 17,623</u>
Denominator			
Determination of shares			
Weighted-average common shares outstanding	5,242	5,232	5,279
Dilutive effect - share-based awards	93	134	60
Diluted weighted-average common shares outstanding	<u>5,335</u>	<u>5,366</u>	<u>5,339</u>
Earnings per common share attributable to PLPC shareholders			
Basic			
Income from continuing operations	<u>\$ 4.41</u>	<u>\$ 4.46</u>	<u>\$ 3.17</u>
Income from discontinued operations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.17</u>
Net income attributable to PLPC	<u>\$ 4.41</u>	<u>\$ 4.46</u>	<u>\$ 3.34</u>
Diluted			
Income from continuing operations	<u>\$ 4.33</u>	<u>\$ 4.35</u>	<u>\$ 3.14</u>
Income from discontinued operations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.16</u>
Net income attributable to PLPC	<u>\$ 4.33</u>	<u>\$ 4.35</u>	<u>\$ 3.30</u>

For the years ended December 31, 2010, 2009 and 2008, 56,500, 32,500 and 13,000 stock options were excluded from the calculation of diluted earnings per share due to the average market price being lower than the exercise price plus any unearned compensation on unvested options, and as such they are anti-dilutive. For the years ended December 31, 2010, 2009 and 2008, 4,422, 44,262 and 43,638 restricted shares were excluded from the calculation of diluted earnings per share due to the average market price being lower than the exercise price plus any unearned compensation on unvested options, and as such they are anti-dilutive.

Note I - Goodwill and Other Intangibles

The Company's finite and indefinite-lived intangible assets consist of the following:

	December 31, 2010		December 31, 2009	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Finite-lived intangible assets				
Patents	\$ 4,829	\$ (3,524)	\$ 4,827	\$ (3,213)
Land use rights	1,346	(77)	1,365	(55)
Trademark	967	(156)	311	-
Customer backlog	499	(363)	-	-
Technology	1,783	(37)	-	-
Customer relationships	8,519	(1,051)	5,372	(520)
	<u>\$ 17,943</u>	<u>\$ (5,208)</u>	<u>\$ 11,875</u>	<u>\$ (3,788)</u>
Indefinite-lived intangible assets				
Goodwill	<u>\$ 12,346</u>		<u>\$ 6,925</u>	

The Company performs its annual impairment test for goodwill utilizing a discounted cash flow methodology, market comparables, and an overall market capitalization reasonableness test in computing fair value by reporting unit. The Company then compares the fair value of the reporting unit with its carrying value to assess if goodwill has been impaired. Based on the assumptions as to growth, discount rates and the weighting used for each respective valuation methodology, results of the valuations could be significantly changed. However, the Company believes that the methodologies and weightings used are reasonable and result in appropriate fair values of the reporting units.

The Company performed its annual impairment test for goodwill as of January 1, 2010, and determined that no adjustment to the carrying value was required. The additions of tradename, customer backlog, technology and customer relationships were related to the acquisition of Electropar Limited (Electropar) (see Note M ó Business Combinations for further details). The aggregate amortization expense for other intangibles with finite lives, ranging from 7 to 82 years, was \$1.4 million for the year ended December 31, 2010, \$5 million for the year ended December 31, 2009 and \$.6 million for the year ended December 31, 2008. Amortization expense is estimated to be \$1.2 million for 2011, \$1.1 million for 2012 and 2013, \$1 million for 2014 and \$.7 million annually for 2015. The weighted average remaining amortization period is approximately 19.5 years. The weighted average remaining amortization period by intangible asset class; patents, 4.4 years; land use rights, 65.8 years; trademark, 8 years; customer backlog, .3 years; technology, 19.6 years and customer relationships, 15.7 years.

The Company's only intangible asset with an indefinite life is goodwill. The Company's goodwill is not deductible for tax purposes. The increase in goodwill of \$5.4 million in 2010 is related to the acquisition of Electropar of \$4.8 million and foreign currency translation. The increase in goodwill in 2009 is related to the acquisition of Direct Power and Water Corporation (DPW) of \$.9 million and foreign currency translation (see Note M - Business Combinations for further details).

The changes in the carrying amount of goodwill by segment for the years ended December 31, 2010 and 2009, is as follows:

	<u>The Americas</u>	<u>EMEA</u>	<u>Asia-Pacific</u>	<u>Total</u>
Balance at January 1, 2009	\$ 2,212	\$ 1,181	\$ 2,127	\$ 5,520
Additions	866	-	-	866
Currency translation	-	32	507	539
Balance at December 31, 2009	<u>3,078</u>	<u>1,213</u>	<u>2,634</u>	<u>6,925</u>
Additions	-	-	4,843	4,843
Currency translation	-	(36)	614	578
Balance at December 31, 2010	<u>\$ 3,078</u>	<u>\$ 1,177</u>	<u>\$ 8,091</u>	<u>\$ 12,346</u>

Note J – Fair Value of Financial Assets and Liabilities

The carrying value of the Company's current financial instruments, which include cash and cash equivalents, accounts receivable, accounts payable, notes payable, and short-term debt, approximates its fair value because of the short-term maturity of these instruments. At December 31, 2010, the fair value of the Company's long-term debt was estimated using discounted cash flows analysis, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements which are considered to be level two inputs. There have been no transfers in or out of level two for the twelve month period ended December 31, 2010. Based on the analysis performed, the fair value and the carrying value of the Company's long-term debt are as follows:

	<u>December 31, 2010</u>		<u>December 31, 2009</u>	
	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Long-term debt and related current maturities	<u>\$ 10,738</u>	<u>\$ 10,650</u>	<u>\$ 4,617</u>	<u>\$ 4,429</u>

As a result of being a global company, the Company's earnings, cash flows and financial position are exposed to foreign currency risk. The Company's primary objective for holding derivative financial instruments is to manage foreign currency risks. The Company accounts for derivative instruments and hedging activities as either assets or liabilities in the consolidated balance sheet and carry these instruments at fair value. The Company does not enter into any trading or speculative positions with regard to derivative instruments. At December 31, 2010, the Company had one immaterial derivative outstanding.

As part of the Purchase Agreement to acquire Electropar, the Company may be required to make an additional earn-out consideration payment up to NZ\$2 million or \$1.5 million US dollar based on Electropar achieving a financial performance target (Earnings Before Interest, Taxes, Depreciation and Amortization) over the 12 months ending July 31, 2011. The fair value of the contingent consideration arrangement is determined by estimating the expected (probability-weighted) earn-out payment discounted to present value and is considered a level three input. Based upon the initial evaluation of the range of outcomes for this contingent consideration, the Company has accrued \$.4 million for the additional earn-out consideration payment as of the acquisition date in the Accrued expenses and other liabilities line on the consolidated balance sheet, and as part of the purchase price. Since the acquisition date, the range of outcomes and the assumptions used to develop the estimates of the accrual have not changed, and the amount accrued in the consolidated balance sheet has immaterially increased due to an increase in the net present value of the liability due to the passage of time.

Note K – Segment Information

The Company designs, manufactures and sells hardware employed in the construction and maintenance of telecommunication, energy and other utility networks, data communication products and mounting hardware for solar power applications. Principal products include cable anchoring, control hardware and splice enclosures which are sold primarily to customers in North and South America, Europe, South Africa and Asia Pacific.

As a result of several global acquisitions since 2007 and corresponding significant changes in the Company's internal structure, we realigned our business units as of the fourth quarter of 2010, into four operating

segments to better capitalize on business development opportunities, improve ongoing services, enhance the utilization of our worldwide resources and global sourcing initiatives and to manage the Company better.

We report our segments in four geographic regions: PLP-USA, The Americas, EMEA (Europe, Middle East & Africa) and Asia-Pacific in accordance with accounting standards codified in FASB ASC 280, Segment Reporting. Each segment distributes a full range of our primary products. Our PLP-USA segment is comprised of our U.S. operations manufacturing our traditional products primarily supporting our domestic energy and telecommunications products. Our other three segments, The Americas, EMEA and Asia-Pacific support the Company's energy, telecommunications, data communication and solar products in each respective geographical region.

The segment managers responsible for each region report directly to the Company's Chief Executive Officer, who is the chief operating decision maker and are accountable for the financial results and performance of their entire segment for which they are responsible. The business components within each segment are managed to maximize the results of the entire company rather than the results of any individual business component of the segment.

The amount of each segment's performance reported should be the measure reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segment and assessing its performance. The Company evaluates segment performance and allocates resources based on several factors primarily based on sales and income from continuing operations, net of tax. The segment information of all prior periods has been recast to conform to the current segment presentation.

The accounting policies of the operating segments are the same as those described in Note A in the Notes To Consolidated Financial Statements. No single customer accounts for more than ten percent of the Company's consolidated revenues. It is not practical to present revenues by product line. U.S. net sales for the years ended December 31, 2010, 2009 and, 2008 were \$141.6 million, \$117.9 million and \$123.8 million, respectively. U.S. long lived assets as of December 31, 2010 and 2009 were \$24.7 million and \$23.6 million, respectively.

The following table presents a summary of the Company's reportable segments for the years ended December 31, 2010, 2009 and 2008. Financial results for the PLP-USA segment include the elimination of all segments' intercompany profits in inventory.

	Year ended December 31		
	2010	2009	2008
Net sales			
PLP-USA	\$ 118,325	\$ 103,910	\$ 111,721
The Americas	79,695	62,161	60,343
EMEA	50,073	46,863	59,224
Asia-Pacific	90,212	44,272	38,454
Total net sales	<u>\$ 338,305</u>	<u>\$ 257,206</u>	<u>\$ 269,742</u>
Intersegment sales			
PLP-USA	\$ 8,447	\$ 6,215	\$ 7,668
The Americas	6,194	3,499	4,373
EMEA	1,719	1,689	1,198
Asia-Pacific	9,100	7,140	6,818
Total intersegment sales	<u>\$ 25,460</u>	<u>\$ 18,543</u>	<u>\$ 20,057</u>
Interest income			
PLP-USA	\$ -	\$ 15	\$ 115
The Americas	97	122	235
EMEA	163	207	376
Asia-Pacific	114	36	120
Total interest income	<u>\$ 374</u>	<u>\$ 380</u>	<u>\$ 846</u>

	Year ended December 31		
	2010	2009	2008
Interest expense			
PLP-USA	\$ (214)	\$ (31)	\$ (39)
The Americas	(77)	(95)	(30)
EMEA	(61)	(60)	(88)
Asia-Pacific	(297)	(337)	(387)
Total interest expense	<u>\$ (649)</u>	<u>\$ (523)</u>	<u>\$ (544)</u>
Income taxes			
PLP-USA	\$ 2,065	\$ 1,842	\$ 2,577
The Americas	2,276	2,928	2,413
EMEA	1,618	1,436	2,107
Asia-Pacific	1,216	554	621
Total income taxes	<u>\$ 7,175</u>	<u>\$ 6,760</u>	<u>\$ 7,718</u>
Income from continuing operations, net of tax			
PLP-USA	\$ 4,687	\$ 4,352	\$ 4,877
The Americas	6,356	6,763	5,227
EMEA	6,031	3,528	6,162
Asia-Pacific	5,934	8,190	776
Total income from continuing operations, net of tax	<u>23,008</u>	<u>22,833</u>	<u>17,042</u>
Income from discontinued operations, net of tax	-	-	869
Net income	<u>23,008</u>	<u>22,833</u>	<u>17,911</u>
Income (loss) attributable to noncontrolling interest, net of tax	(105)	(524)	288
Net income attributable to PLPC	<u>\$ 23,113</u>	<u>\$ 23,357</u>	<u>\$ 17,623</u>
	As of December 31		
	2010	2009	2008
Expenditure for long-lived assets			
PLP-USA	\$ 3,008	\$ 2,854	\$ 3,472
The Americas	5,639	4,387	2,518
EMEA	2,437	2,183	2,465
Asia-Pacific	1,190	1,243	1,556
Total expenditures for long-lived assets	<u>\$ 12,274</u>	<u>\$ 10,667</u>	<u>\$ 10,011</u>
Depreciation and amortization			
PLP-USA	\$ 3,396	\$ 3,224	\$ 4,399
The Americas	1,781	1,305	1,188
EMEA	1,527	1,391	1,625
Asia-Pacific	2,690	1,329	1,337
Total depreciation and amortization	<u>\$ 9,394</u>	<u>\$ 7,249</u>	<u>\$ 8,549</u>

	As of December 31	
	2010	2009
Identifiable assets		
PLP-USA	\$ 67,268	\$ 65,266
The Americas	61,358	51,267
EMEA	44,526	42,887
Asia-Pacific	107,481	75,503
	<u>280,633</u>	<u>234,923</u>
Corporate assets	346	449
Total identifiable assets	<u>\$ 280,979</u>	<u>\$ 235,372</u>
Long-lived assets		
PLP-USA	\$ 23,124	\$ 22,723
The Americas	17,112	12,708
EMEA	12,327	11,862
Asia-Pacific	23,703	20,473
Total long-lived assets	<u>\$ 76,266</u>	<u>\$ 67,766</u>

Note L -Related Party Transactions

On August 17, 2010, the Company purchased 32,687 common shares of the Company from a trust for the benefit of Barbara P. Ruhlman at a price per share of \$32.43, which was calculated from a 30-day average of market price. Barbara P. Ruhlman is a member of the Company's Board of Directors and the mother of Robert G. Ruhlman and Randall M. Ruhlman, both of whom are also members of the Board of Directors. Robert G. Ruhlman is Chairman, President and Chief Executive Officer of the Company. The purchase was consummated pursuant to a Shares Purchase Agreement dated August 17, 2010 by and between the Company and Bernard L. Karr, as trustee, under trust agreement dated February 16, 1985.

The Company's New Zealand subsidiary, Electropar currently leases two parcels of property, on which it has its corporate office, manufacturing and warehouse space. The entities leasing the property to Electropar are owned, in part, by Grant Wallace, Tony Wallace and Cameron Wallace, all current employees and the former owners of Electropar. For the year ended December 31, 2010, Electropar incurred a total of \$.1 million for such lease expense.

The Company's DPW operation rents two properties owned by RandReau Properties, LLC and RaRe Properties, LLC., which are owned by Kevin Goodreau, Vice President of Business Development of Solar Division, and Jeffrey Randall, Vice President of Product Design of Solar Division. For the years ended December 31, 2010, 2009 and 2008 DPW paid rent expense of \$.2 million annually for the properties.

The Company's Belos operation hires temporary employees through a temporary work agency, Flex-Work Sp. Z o.o., which is 50% owned by Agnieszka Rozwadowska. Agnieszka Rozwadowska is the wife of Piotr Rozwadowski, the Managing Director of the Belos operation located in Poland. For the years ended December 31, 2010, 2009 and 2008, Belos incurred a total of \$.6 million, \$.3 million and \$1.1 million, respectively, for such temporary labor expense.

The Company's Belos operations engaged a company to perform various maintenance, renovation and building services at its location. This entity, ZRB Michalczyk Strumien, is solely owned by the husband (Aleksander Michalczyk) of Belos's Finance Director, Urszula Michalczyk. Belos incurred a total of \$.2 million in 2010, \$.1 million in 2009 and 2008, annually for such maintenance and building expense.

In September 2009, the Company invested \$.5 million in Proxisafe, a Canadian company formed to design and commercialize new industrial safety equipment. In light of this investment, Mr. Robert Ruhlman, the Chairman of the Board, President and CEO of the Company, is a board member.

On May 15, 2008, the Company purchased 152,726 common shares of the Company from the John Deaver Drinko Trust, (the "Drinko Trust") and from the Elizabeth Gibson Drinko IRA (the "Drinko IRA"), at a price per share of \$42.24. The purchase price was calculated using the average closing price of the Company's common shares on the NASDAQ over the prior thirty calendar days less 15%. John D. Drinko was a director of the Company from 1954 until his death in January 2008. Elizabeth Drinko is the wife of John D. Drinko. The agreements were executed on behalf of the Drinko Trust and Drinko IRA by Elizabeth Drinko, as beneficiary of the Drinko IRA and as Trustee of the Drinko Trust and individually and by National City Bank, as Trustee of the Drinko IRA. The purchase was made pursuant to the previously disclosed February 2007 authorization by the Company's Board of Directors for repurchase of up to 200,000 common shares.

Note M -Business Combinations

On May 15, 2010, the Company agreed to purchase Electropar Limited, a New Zealand corporation. Electropar designs, manufactures and markets pole line and substation hardware for the global electrical utility industry. Electropar is based in New Zealand with a subsidiary operation in Australia. The Company believes the acquisition of Electropar has and will continue to strengthen its position in the power distribution, transmission and substation hardware markets and expand its presence in the Asia-Pacific region.

The acquisition of Electropar closed on July 31, 2010. Pursuant to the Purchase Agreement, the Company acquired all of the outstanding equity of Electropar for NZ\$20.3 million or \$14.8 million U.S. dollars, net of a customary post-closing working capital adjustment of \$.2 million. In addition, the Company may be required to make an additional earn-out consideration payment up to NZ\$2 million or \$1.5 million U.S. dollars based on Electropar achieving a financial performance target (Earnings Before Interest, Taxes, Depreciation and Amortization) over the 12 months ending July 31, 2011. The fair value of the contingent consideration arrangement is determined by estimating the expected (probability-weighted) earn-out payment discounted to its present value. Based upon the initial evaluation of the range of outcomes for this contingent consideration, the Company has accrued \$.4 million for the additional earn-out consideration payment as of the acquisition date in the Accrued expenses and other liabilities line on the consolidated balance sheet, and as part of the purchase price. Since the acquisition date, the range of outcomes and the assumptions used to develop the estimates of the accrual have not changed, and the amount accrued in the consolidated balance sheet has immaterially increased due to an increase in the net present value of the liability due to the passage of time. In addition, the Purchase Agreement includes customary representations, warranties, covenants and indemnification provisions.

The acquisition was accounted for as a business purchase pursuant to FASB ASC 805, Business Combinations. As required by ASC 805-20, the Company allocated the purchase price to assets and liabilities based on their estimated value at the acquisition date. The following table summarizes the fair values of the assets acquired and liabilities assumed on July 31, 2010 related to the acquisition of Electropar:

	<u>July 31, 2010</u>
Cash and cash equivalents	\$ 431
Tangible and other assets	8,764
Amortizable intangible assets:	
Customer relationships	2,617
Trade name	602
Technology	1,682
Backlog	471
Goodwill	4,843
Total assets acquired	<u>19,410</u>
Liabilities assumed	<u>(4,659)</u>
Total	<u>\$ 14,751</u>

The amortizable intangible assets include customer relationships, trade names and technology having useful lives of 15 years, 10 years, and 20 years, respectively and will be amortized over the straight-line method. The

customer backlog has a useful life of nine months and will be amortized based on its contribution to earnings. The aggregate amortization expense for these intangible assets since the acquisition date was \$.5 million.

Approximately \$4.8 million has been allocated to goodwill, representing the excess of the purchase price over the fair value of the net tangible and intangible assets acquired and liabilities assumed. Goodwill for Electropar, which is not deductible for tax purposes, resulted primarily from the expected synergies, and the Company's expectations that it will expand many of its products into the New Zealand market. The allocation of the purchase price was finalized on September 30, 2010.

Operating results of the acquired business have been included in the Company's statements of consolidated income from the acquisition date forward. From the acquisition date through December 31, 2010, operating results were net sales of \$8.7 million and net loss of \$.5 million. The net loss is primarily attributable to writing up finished goods at the acquisition date to fair market value (and thus recognizing minimal profit upon sale) and amortization expense of \$.5 million for the intangible assets.

Acquisition costs related to Electropar were \$.4 million for the year ended December 31, 2010. These costs were for legal, accounting, valuation, other professional services and travel related costs. These costs were included in General and administrative costs in the Company's statement of consolidated income.

Electropar is reported as part of the Company's Asia-Pacific segment.

On December 18, 2009, the Company completed the business combination acquiring certain subsidiaries and other assets from Tyco Electronics Group S.A. of its Dulmison business for \$16 million in cash, and the assumption of certain liabilities. Dulmison was a leader in the supply and manufacturer of electrical transmission and distribution products. Dulmison designed, manufactured and marketed pole line hardware and vibration control products for the global electrical utility industry. Dulmison was based in Australia with operations in Australia, Thailand, Indonesia, Malaysia, Mexico and the United States. The operations located in Thailand, Indonesia, Malaysia and assets acquired in Australia are included in the Company's Asia-Pacific segment. The assets acquired in Mexico are included in the Company's Americas segment and the United States assets purchased are included in the Company's PLP-USA segment.

The acquisition resulted in a gain on acquisition of business under the guidance for business combinations. The purchase price was allocated to the acquired assets and assumed liabilities based on the fair values at the date of acquisition, with the gain on acquisition of business of \$9.1 million representing the excess of the fair value allocated to the net assets over the purchase price. The Company was able to realize a gain on acquisition of business as a result of market conditions and the seller's desire to exit the business. The gain on acquisition of business is recorded on the face of the Statement of Consolidated Income within other income (expense). Operating results of the acquired business have been included in the Company's Statement of Consolidated Income from the acquisition date forward.

On October 7, 2009, the Company acquired a 33.3% investment in Proxisafe Ltd. for \$.5 million. The Canadian company was formed to design and commercialize new industrial safety equipment. The Company's consolidated balance sheet as of December 31, 2009 reflects the investment under the equity method.

On May 21, 2008, the Company entered into a Joint Venture Agreement for \$.3 million, as goodwill, to form a joint venture between the Company's Australian subsidiary, Preformed Line Products Australia Pty Ltd (PLP-AU) and BlueSky Energy Pty Ltd, a solar systems integration and installation business based in Sydney, Australia. PLP-AU holds a 50% ownership interest in the new joint venture company, which operates under the name BlueSky Energy Australia (BlueSky), with the option to acquire the remaining 50% ownership interest from BlueSky Energy Pty Ltd over the next five years. BlueSky Energy Pty Ltd has transferred technology and assets to the joint venture. The Company's Consolidated Balance Sheet as of December 31, 2009 reflects the acquisition of the joint venture under the purchase method of accounting and due to the immateriality of the joint venture on the results of operations no additional disclosures are included.

Note N – Discontinued Operations

On May 30, 2008, the Company sold its SMP subsidiary for \$11.7 million and recognized a \$.8 million gain, net of tax, which includes expenses incurred related to the divestiture of SMP. The sale included \$1.5 million held in escrow for one year, which was received in 2009. The Company does not have any significant involvement in the operations of SMP.

Operating results of SMP are presented in the Company's Consolidated Statements of Income as income from discontinued operations, net of tax. The operation had been reported within the SMP reporting segment, which is comprised of the U.S. operations supporting the Company's data communication products. The operating results of the business unit for the years ended December 31, 2008 are as follows:

	2008
Net Sales	\$ 8,308
Income before income taxes	180
Provision for income taxes	(67)
Gain on sale, net of tax	756
Income from discontinued operations, net of tax	<u>\$ 869</u>

Note O - Quarterly Financial Information (unaudited)

The following table summarizes our quarterly results of operations for each of the quarters in 2010 and 2009. The fourth quarter 2009 results have been impacted by a gain on acquisition of business of \$9.1 million or \$1.73 per share basic and \$1.69 per diluted share. Additionally, the fourth quarter of 2009 has been impacted by acquisition related after tax expenses of \$3.2 million, or \$.61 per basic and diluted share, which has been recorded in general and administrative expenses on the Statements of Consolidated Income. These quarterly results are unaudited, but in the opinion of management have been prepared on the same basis as our audited financial information and include all adjustments necessary for a fair presentation of our results of operations.

	Quarter ended			
	March 31	June 30	September 30	December 31
2010				
Net sales	\$ 68,908	\$ 82,137	\$ 93,942	\$ 93,318
Gross profit	20,025	27,455	31,671	29,065
Income before income taxes	1,595	7,293	13,884	7,411
Net income	1,034	6,096	9,882	5,996
Net income attributable to PLPC	1,132	6,096	9,879	6,006
Net income attributable to PLPC per share, basic	0.22	1.16	1.89	1.15
Net income attributable to PLPC per share, diluted	0.21	1.13	1.83	1.13
2009				
Net sales	\$ 58,694	\$ 59,568	\$ 69,132	\$ 69,812
Gross profit	18,578	19,850	24,614	21,726
Income before income taxes	4,307	5,263	8,449	11,574
Net income	2,717	3,542	6,259	10,315
Net income attributable to PLPC	2,722	3,542	6,320	10,731
Net income attributable to PLPC per share, basic	0.52	0.69	1.21	2.05
Net income attributable to PLPC per share, diluted	0.51	0.68	1.19	1.99

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's Principal Executive Officer and Principal Financial Officer have concluded that the Company's disclosure controls and procedures as defined in Rule 13a-15(e) or Rule 15d-15(e) of the Securities Exchange Act of 1934, as amended, were effective as of December 31, 2010.

Management's Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of the consolidated financial statements in accordance with generally accepted accounting principles.

As discussed in Note M in the Notes to Consolidated Financial Statements, we acquired Electropar Limited during 2010. As permitted by the Securities and Exchange Commission, management has excluded internal control over financial reporting from Electropar Limited in its assessment. Electropar represented \$20.8 million and \$15.1 million of total and net assets as of December 31, 2010 and \$8.7 million and \$.5 million of revenues and net loss, respectively, for the year ended December 31, 2010.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements and even when determined to be effective, can only provide reasonable assurance with respect to financial statement preparation and presentation.

Management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer and Vice President of Finance, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2010. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control - Integrated Framework*. Based upon this assessment, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2010.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2010 has been audited by Ernst & Young LLP, an independent registered public accounting firm, who expressed an unqualified opinion as stated in their report, a copy of which is included below.

Changes in Internal Control Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f)) during the quarter ended December 31, 2010 that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
of Preformed Line Products Company

We have audited Preformed Line Products Company's internal control over financial reporting as of December 31, 2010, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Preformed Line Products Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Electropar Limited, which is included in the 2010 consolidated financial statements of Preformed Line Products Company and constituted \$20.8 million and \$15.1 million of total and net assets, as of December 31, 2010 and \$8.7 million and \$0.5 million of revenues and net loss, respectively, for the year then ended. Our audit of internal control over financial reporting of Preformed Line Products Company also did not include an evaluation of the internal control over financial reporting of Electropar Limited.

In our opinion, Preformed Line Products Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Preformed Line Products Company as of December 31, 2010 and 2009 and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2010 and our report dated March 10, 2011 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Cleveland, Ohio
March 11, 2011

Item 9B. Other Information

None

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item 10 is incorporated by reference to the information under the captions "Corporate Governance - Election of Directors," "Section 16(a) Beneficial Ownership Compliance," "Corporate Governance - Code of Conduct" and "Corporate Governance - Board and Committee Meetings - Audit Committee" in the Company's Proxy Statement, for the Annual Meeting of Shareholders to be held April 25, 2011 (the "Proxy Statement"). Information relative to executive officers of the Company is contained in Part I of this Annual Report on Form 10-K.

Item 11. Executive Compensation

The information set forth under the caption "Director and Executive Officer Compensation" in the Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Other than the information required by Item 201(d) of Regulation S-K the information set forth under the caption "Security Ownership of Certain Beneficial Owners and Management" in the Proxy Statement is incorporated herein by reference. The information required by Item 201(d) of Regulation S-K is set forth in Item 5 of this report.

Item 13. Certain Relationships, Related Transactions and Director Independence

The information set forth under the captions "Transactions with Related Persons" and "Election of Directors" in the Proxy Statement is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information set forth under the captions "Independent Public Accountants," "Audit Fees," "Audit-Related Fees," "Tax Fees" and "All Other Fees" in the Proxy Statement is incorporated herein by reference.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(a) Financial Statements and Schedule

<u>Page</u>	<u>Financial Statements</u>
37	Consolidated Balance Sheets
38	Statements of Consolidated Income
39	Statements of Consolidated Cash Flows
40	Statements of Consolidated Shareholders' Equity
41	Notes to Consolidated Financial Statements
<u>Page</u>	<u>Schedule</u>
74	II - Valuation and Qualifying Accounts

(b) Exhibits

<u>Exhibit Number</u>	<u>Exhibit</u>
3.1	Amended and Restated Articles of Incorporation (incorporated by reference to the Company's Registration Statement on Form 10).
3.2	Amended and Restated Code of Regulations of Preformed Line Products Company (incorporated by reference to the Company's Registration Statement on Form 10).
4	Description of Specimen Share Certificate (incorporated by reference to the Company's Registration Statement on Form 10).
10.1	Preformed Line Products Company 1999 Employee Stock Option Plan (incorporated by reference to the Company's Registration Statement on Form 10).*
10.2	Preformed Line Products Company Officers Bonus Plan (incorporated by reference to the Company's 10-K filed for the year ended December 31, 2007).*
10.3	Preformed Line Products Company Executive Life Insurance Plan Summary (incorporated by reference to the Company's Registration Statement on Form 10).*
10.4	Preformed Line Products Company Supplemental Profit Sharing Plan (incorporated by reference to the Company's Registration Statement on Form 10).*
10.5	Revolving Credit Agreement between National City Bank and Preformed Line Products Company, dated December 30, 1994 (incorporated by reference to the Company's Registration Statement on Form 10).
10.6	Amendment to the Revolving Credit Agreement between National City Bank and Preformed Line Products Company, dated October 31, 2002 (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2003).
10.7	Preformed Line Products Company 1999 Employee Stock Option Plan Incentive Stock Option agreement (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2004).*
10.8	Preformed Line Products Company Chief Executive Officer Bonus Plan (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2007).*
10.9	Preformed Line Products Company Long Term Incentive Plan of 2008 (incorporated by reference to the Company's 8-K current report filing dated May 1, 2008).*
10.10	Deferred Shares Plan (incorporated by reference to the Company's 8-K current report filing dated August 21, 2008).
10.11	Form of Restricted Shares Grant Agreement (incorporated by reference to the Company's 10-Q filing for the quarter ended September 30, 2008).*
10.12	Stock and Purchase Agreement, dated October 22, 2009, by and among the Company and Tyco Electronics Group S.A. to acquire the Dulmison business (incorporated by reference to the Company's 10-K filing for the fiscal year ended December 31, 2009).
10.13	Agreement for sale and purchase of shares in Electropar Limited, dated May 15, 2010, by and among the Company and Tony Lachlan Wallace, Grant Lachlan Wallace and Helen Amelia Wallace; Grant Lachlan Wallace, Tony Lachlan Wallace and Alison Kay Wallace; and Cameron Lachlan Wallace, Grant Lachlan Wallace and Tony Lachlan Wallace (the agreement does not include the schedules and other attachments. Copies will be provided to the SEC upon request) (incorporated by reference to the Company's 10-Q filing for the quarter ended September 30, 2010).
10.14	Stock Purchase Agreement dated August 17, 2010 by and between the Company and the trustee under the Irrevocable Trust Agreement between Barbara P. Ruhlman and Bernard L. Karr, dated July 29, 2008 (incorporated by reference to the Company's 8-K current report filing dated August 17, 2010).
10.15	Line of Credit Note dated February 5, 2010 between the Company and PNC Bank, National Association, filed herewith.
10.16	Loan Agreement dated February 5, 2010 between the Company and PNC Bank, National Association, filed herewith.
14.1	Preformed Line Products Company Code of Conduct (incorporated by reference to the Company's 8-K current report filing dated August 6, 2007).

- 21 Subsidiaries of Preformed Line Products Company, filed herewith.
- 23.1 Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm, filed herewith.
- 31.1 Certification of the Principal Executive Officer, Robert G. Ruhlman, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
- 31.2 Certification of the Principal Financial Officer, Eric R. Graef, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
- 32.1 Certification of the Principal Executive Officer, Robert G. Ruhlman, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished.
- 32.2 Certification of the Principal Accounting Officer, Eric R. Graef, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished.

* Indicates management contracts or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Preformed Line Products Company

March 11, 2011 /s/ Robert G. Ruhlman
Robert G. Ruhlman
Chairman, President and Chief Executive Officer
(principal executive officer)

March 11, 2011 /s/ Eric R. Graef
Eric R. Graef
Chief Financial Officer and Vice President Finance
(principal financial officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacity and on the dates indicated.

March 11, 2011 /s/ Robert G. Ruhlman
Robert G. Ruhlman
Chairman, President and Chief Executive Officer

March 11, 2011 /s/ Barbara P. Ruhlman
Barbara P. Ruhlman
Director

March 11, 2011 /s/ Randall M. Ruhlman
Randall M. Ruhlman
Director

March 11, 2011 /s/ Glenn E. Corlett
Glenn E. Corlett
Director

March 11, 2011 /s/ Michael E. Gibbons
Michael E. Gibbons
Director

March 11, 2011 /s/ R. Steven Kestner
R. Steven Kestner
Director

March 11, 2011 /s/ Richard R. Gascoigne
Richard R. Gascoigne
Director

PREFORMED LINE PRODUCTS COMPANY

SCHEDULE II 6 VALUATION AND QUALIFYING ACCOUNTS

Years ended December 31, 2010, 2009 and 2008

(Thousands of dollars)

	Balance at beginning of period	Additions charged to costs and expenses	Deductions	Other additions or deductions (a)	Balance at end of period
For the year ended December 31, 2010:					
Allowance for doubtful accounts	\$ 769	\$ 469	\$ (386)	\$ 23	\$ 875
Reserve for credit memos	226	192	(80)	-	338
Slow-moving and obsolete inventory reserves	5,539	767	(859)	160	5,607
Accrued product warranty	209	403	(108)	32	536
For the year ended December 31, 2009:					
Allowance for doubtful accounts	\$ 498	\$ 322	\$ (224)	\$ 173	\$ 769
Reserve for credit memos	474	224	(472)	-	226
Slow-moving and obsolete inventory reserves	3,056	2,029	(841)	1,295	5,539
Accrued product warranty	129	81	(6)	5	209
For the year ended December 31, 2008:					
Allowance for doubtful accounts	\$ 733	\$ 114	\$ (305)	\$ (44)	\$ 498
Reserve for credit memos	466	472	(464)	-	474
Slow-moving and obsolete inventory reserves	3,332	1,161	(1,322)	(115)	3,056
Accrued product warranty	104	147	(94)	(28)	129

(a) Other additions or deductions relate to translation adjustments. Included in 2010 are opening balances for acquisitions for the allowance for doubtful accounts of \$2 thousand. Included in 2009 are opening balances for acquisitions for the following reserves; allowance for doubtful accounts of \$117 thousand and \$1.3 million for inventory reserves.

Exhibit Index

- 3.1 Amended and Restated Articles of Incorporation (incorporated by reference to the Company's Registration Statement on Form 10).
- 3.2 Amended and Restated Code of Regulations of Preformed Line Products Company (incorporated by reference to the Company's Registration Statement on Form 10).
- 4 Description of Specimen Stock Certificate (incorporated by reference to the Company's Registration Statement on Form 10).
- 10.1 Preformed Line Products Company 1999 Employee Stock Option Plan (incorporated by reference to the Company's Registration Statement on Form 10).*
- 10.2 Preformed Line Products Company Officers Bonus Plan (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2007).*
- 10.3 Preformed Line Products Company Executive Life Insurance Plan Summary (incorporated by reference to the Company's Registration Statement on Form 10).*
- 10.4 Preformed Line Products Company Supplemental Profit Sharing Plan (incorporated by reference to the Company's Registration Statement on Form 10).*
- 10.5 Revolving Credit Agreement between National City Bank and Preformed Line Products Company, dated December 30, 1994 (incorporated by reference to the Company's Registration Statement on Form 10).
- 10.6 Amendment to the Revolving Credit Agreement between National City Bank and Preformed Line Products Company, dated October 31, 2002 (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2003).*
- 10.7 Preformed Line Products Company 1999 Employee Stock Option Plan Incentive Stock Option Agreement (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2004).
- 10.8 Preformed Line Products Company Chief Executive Officer Bonus Plan (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2007).
- 10.9 Preformed Line Products Company Long Term Incentive Plan of 2008 (incorporated by reference to the Company's 8-K current report filing dated May 1, 2008).*
- 10.10 Deferred Shares Plan (incorporated by reference to the Company's 8-K current report filing dated August 21, 2008).*
- 10.11 Form of Restricted Shares Grant Agreement (incorporated by reference to the Company's 10-Q filing for the quarter ended September 30, 2008).*
- 10.12 Stock and Purchase Agreement, dated October 22, 2009, by and among the Company and Tyco Electronics Group S.A. to acquire the Dulmison business (incorporated by reference to the Company's 10-K filing for the fiscal year ended December 31, 2009).
- 10.13 Agreement for sale and purchase of shares in Electropar Limited, dated May 15, 2010, by and among the Company and Tony Lachlan Wallace, Grant Lachlan Wallace and Helen Amelia Wallace; Grant Lachlan Wallace, Tony Lachlan Wallace and Alison Kay Wallace; and Cameron Lachlan Wallace, Grant Lachlan Wallace and Tony Lachlan Wallace (the agreement does not include the schedules and other attachments. Copies will be provided to the SEC upon request) (incorporated by reference to the Company's 10-Q filing for the quarter ended September 30, 2010).
- 10.14 Stock Purchase Agreement dated August 17, 2010 by and between the Company and the trustee under the Irrevocable Trust Agreement between Barbara P. Ruhlman and Bernard L. Karr, dated July 29, 2008 (incorporated by reference to the Company's 8-K current report filing dated August 17, 2010).
- 10.15 Line of Credit Note and Loan Agreement dated February 5, 2010 between the Company and PNC Bank, National Association, filed herewith
- 10.16 Loan Agreement dated February 5, 2010 between the Company and PNC Bank, National Association, filed herewith.
- 14.1 Preformed Line Products Company Code of Conduct (incorporated by reference to the Company's 8-K current report filing dated August 6, 2007).
- 21 Subsidiaries of Preformed Line Products Company, filed herewith.

- 23.1 Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm, filed herewith.
- 31.1 Certifications of the Principal Executive Officer, Robert G. Ruhlman, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
- 31.2 Certification of the Principal Financial Officer, Eric R. Graef, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
- 32.1 Certification of the Principal Executive Officer, Robert G. Ruhlman, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished.
- 32.2 Certification of the Principal Accounting Officer, Eric R. Graef, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished.

* Indicates management contracts or compensatory plan or arrangement.

LINE OF CREDIT NOTE

\$30,000,000

February 5, 2010

FOR VALUE RECEIVED, PREFORMED LINE PRODUCTS COMPANY (the “**Borrower**”), with an address at 660 Beta Drive, Mayfield Village, Ohio 44143, promises to pay to the order of **PNC BANK, NATIONAL ASSOCIATION** (the “**Bank**”), in lawful money of the United States of America in immediately available funds at its offices located at 1900 East Ninth Street, Cleveland, Ohio 44114, or at such other location as the Bank may designate from time to time, the principal sum of **THIRTY MILLION DOLLARS** (\$30,000,000) (the “**Facility**”) or such lesser amount as may be advanced to or for the benefit of the Borrower hereunder, together with interest accruing on the outstanding principal balance from the date hereof, all as provided below.

1. Advances. (a) The Borrower may request advances, repay and request additional advances hereunder until the Expiration Date, subject to the terms and conditions of this Note and the Loan Documents (as hereinafter defined). The “**Expiration Date**” shall mean January 1, 2013, or such later date as may be designated by the Bank by written notice from the Bank to the Borrower. The Borrower acknowledges and agrees that in no event will the Bank be under any obligation to extend or renew the Facility or this Note beyond the Expiration Date. The Borrower may request advances hereunder upon giving oral or written notice to the Bank by 11:00 a.m. (Cleveland, Ohio time) (a) on the day of the proposed advance, in the case of advances to bear interest under the Base Rate Option (as hereinafter defined) and (b) three (3) Business Days prior to the proposed advance, in the case of advances to bear interest under the LIBOR Option (as hereinafter defined), followed promptly thereafter by the Borrower’s written confirmation to the Bank of any oral notice. The aggregate unpaid principal amount of advances under this Note plus the LC Exposure (as defined in the Loan Agreement (as hereinafter defined)) shall not exceed the face amount of this Note.

(b) The Borrower may request that advances under this Note and subject LCs under the Loan Documents be made or issued in an Agreed Foreign Currency; provided, that in no event shall the sum of (i) the aggregate outstanding principal amount of advances under this Note made in Agreed Foreign Currencies plus (ii) the sum of the aggregate undrawn balance of all then outstanding subject LCs under the Loan Documents issued in Agreed Foreign Currencies and the aggregate amount of all unreimbursed draws of all then outstanding subject LCs under the Loan Documents issued in Agreed Foreign Currencies (the “**Foreign LC Exposure**”), exceed \$10,000,000 at any one time outstanding (the “**Agreed Foreign Currency Limit**”). Further, in no event shall the Foreign LC Exposure exceed \$5,000,000 at any one time outstanding. As used herein, the term “**Agreed Foreign Currencies**” shall mean Mexican Pesos, Thai Bhat, Australian Dollars and any other foreign currency requested by the Borrower and approved by the Bank in its sole discretion, and “**Agreed Foreign Currency**” shall mean any one of such currencies. Each advance under this Note made in an Agreed Foreign Currency shall bear interest at the LIBOR Option in accordance with the terms hereof. The Bank may, with respect to advances made in an Agreed Foreign Currency, engage in reasonable rounding of the Agreed Foreign Currency amounts requested.

(c) All advances under this Note and subject LCs under the Loan Documents made or issued in Agreed Foreign Currencies shall be governed by the Bank’s standard fees, charges, agreements, policy guidelines and other terms and provisions relating to such advances and issuances as in effect from time to time (collectively, the “**Bank’s Standard Foreign Currency Terms**”), in addition to the specific provisions set forth herein. In the event of any conflict between the Bank’s Standard Foreign Currency Terms and the terms of this Note or any other Loan Document, the Bank’s Standard Foreign Currency Terms shall govern.

(d) The Bank will determine the Dollar Amount of all outstanding advances under this Note made in Agreed Foreign Currencies and the Foreign LC Exposure (such outstanding advances and the Foreign LC Exposure at any time being the “**Foreign Currency Outstandings**”) from time to time on and as of any Business Day elected by the Bank in its sole discretion (each such day upon or as of which the Bank so determines Dollar Amounts being a “**Computation Date**”). If at any time the Dollar Amount of Foreign Currency Outstandings (calculated as of the most recent Computation Date) exceeds the Agreed Foreign Currency Limit, then the Borrower shall immediately prepay such Foreign Currency Outstandings in an aggregate principal amount sufficient to eliminate any such

excess. As used herein, the term "Dollar Amount" shall mean, with respect to any currency at any date, (i) the amount of such currency if such currency is in Dollars or (ii) the equivalent in such currency of such amount of Dollars if such currency is currency other than Dollars, calculated on the basis of the arithmetical mean of the buy sell spot rates of exchange of the Bank for such currency on the London market at 11:00 a.m. London time, on or as of the most recent Computation Date. "Dollars" and "\$" mean the lawful currency of the United States of America.

2. **Rate of Interest.** Each advance outstanding under this Note will bear interest at a rate or rates per annum as may be selected by the Borrower from the interest rate options set forth below (each, an "Option"):

(i) **Base Rate Option.** A rate of interest per annum which is at all times equal to the Base Rate. If and when the Base Rate (or any component thereof) changes, the rate of interest with respect to any advance to which the Base Rate Option applies will change automatically without notice to the Borrower, effective on the date of any such change. There are no required minimum interest periods for advances bearing interest under the Base Rate Option.

(ii) **LIBOR Option.** A rate per annum equal to (A) LIBOR plus (B) one hundred twenty-five (125) basis points (1.25%), for the applicable LIBOR Interest Period.

(iii) **Daily LIBOR Option.** A rate per annum which is at all time equal to Daily LIBOR, so long as a Daily LIBOR is offered, ascertainable and not unlawful. If and when Daily LIBOR (or any component thereof) changes, the rate of interest with respect to any advance to which the Daily LIBOR Option applies will change automatically without notice to the Borrower, effective on the date of any such change. There are no required minimum interest periods for advances bearing interest under the Daily LIBOR Option.

For purposes hereof, the following terms shall have the following meanings:

"Base Rate" shall mean the highest of (A) the Prime Rate, and (B) the sum of the Federal Funds Open Rate plus fifty (50) basis points (0.50%), and (C) the sum of the Daily LIBOR plus one hundred (100) basis points (1.0%), so long as a Daily LIBOR is offered, ascertainable and not unlawful.

"Business Day" shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in Cleveland, Ohio.

"Change of Control" shall mean (a) the Barbara P Ruhlman Irrevocable Trust Dated July 29, 2008, Barbara P. Ruhlman, Robert G. Ruhlman and Randall M. Ruhlman shall cease to own directly or beneficially at least 35% of the outstanding voting Equity Interests of the Borrower on a fully diluted basis, in each case free and clear of all Liens or other encumbrances; (b) the Borrower shall cease to own, free and clear of all Liens or other encumbrances, at least the percentage of the outstanding voting Equity Interests of each of its subsidiaries on a fully diluted basis as is indicated on the corporate structure chart delivered Bank in connection with the Loan Agreement (as hereinafter defined) on the date hereof; (c) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower or any of its subsidiaries, as the case may be, by Persons who were neither (i) nominated by the board of directors of such entity nor (ii) appointed by directors so nominated; or (d) the acquisition of direct or indirect Control of the Borrower by any Person or group other than the Barbara P Ruhlman Irrevocable Trust Dated July 29, 2008, Barbara P. Ruhlman, Robert G. Ruhlman and Randall M. Ruhlman.

"Company" shall have the meaning ascribed thereto in the Loan Agreement (as hereinafter defined).

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Daily LIBOR" shall mean, for any day, the rate per annum determined by the Bank by dividing (x) the Published Rate by (y) a number equal to 1.00 minus the LIBOR Reserve Percentage.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

“Federal Funds Open Rate” shall mean, for any day, the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption “OPEN” (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by the Bank (an “Alternate Source”) (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate determined by the Bank at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Open Rate for such day shall be the “open” rate on the immediately preceding Business Day. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Federal Funds Open Rate without notice to the Borrower.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“LIBOR” shall mean, with respect to any advance to which the LIBOR Option applies for the applicable LIBOR Interest Period, the interest rate per annum determined by the Bank by dividing (the resulting quotient rounded upwards, at the Bank’s discretion, to the nearest 1/100th of 1%) (i) the rate of interest determined by the Bank in accordance with its usual procedures (which determination shall be conclusive absent manifest error) to be the eurodollar rate two (2) Business Days prior to the first day of such LIBOR Interest Period for an amount comparable to such advance and having a borrowing date and a maturity comparable to such LIBOR Interest Period by (ii) a number equal to 1.00 minus the LIBOR Reserve Percentage.

“LIBOR Interest Period” shall mean, as to any advance to which the LIBOR Option applies, the period of one (1), two (2), three (3), six (6) or twelve (12) month/months as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, commencing on the date of disbursement of an advance (or the date of conversion of an advance to the LIBOR Option, as the case may be) and each successive period selected by the Borrower thereafter; provided that, (i) if a LIBOR Interest Period would end on a day which is not a Business Day, it shall end on the next succeeding Business Day unless such day falls in the next succeeding calendar month in which case the LIBOR Interest Period shall end on the next preceding Business Day, (ii) the Borrower may not select a LIBOR Interest Period that would end on a day after the Expiration Date, and (iii) any LIBOR Interest Period that begins on the last Business Day of a calendar month (or a day for which there is no numerically corresponding day in the last calendar month of such LIBOR Interest Period) shall end on the last Business Day of the last calendar month of such LIBOR Interest Period.

“LIBOR Reserve Percentage” shall mean the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as “Eurocurrency liabilities”).

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Prime Rate” shall mean the rate publicly announced by the Bank from time to time as its prime rate. The Prime Rate is determined from time to time by the Bank as a means of pricing some loans to its borrowers.

The Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customers.

“**Published Rate**” shall mean the rate of interest published each Business Day in the Wall Street Journal “Money Rates” listing under the caption “London Interbank Offered Rates” for a one month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the eurodollar rate for a one month period as published in another publication selected by the Bank).

LIBOR and the Daily LIBOR shall be adjusted with respect to any advance to which the LIBOR Option or Base Rate Option or the Daily LIBOR Option applies, as applicable, on and as of the effective date of any change in the LIBOR Reserve Percentage. The Bank shall give prompt notice to the Borrower of LIBOR or the Daily LIBOR as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

If the Bank determines (which determination shall be final and conclusive) that, by reason of circumstances affecting the eurodollar market generally, deposits in dollars (in the applicable amounts) are not being offered to banks in the eurodollar market for the selected term, or adequate means do not exist for ascertaining LIBOR, then the Bank shall give notice thereof to the Borrower. Thereafter, until the Bank notifies the Borrower that the circumstances giving rise to such suspension no longer exist, (a) the availability of the LIBOR Option and Daily LIBOR Option shall be suspended, and (b) the interest rate for all advances then bearing interest under the LIBOR Option or the Daily LIBOR Option, as applicable, shall be converted at the expiration of the then current LIBOR Interest Period(s) to the Base Rate Option.

In addition, if, after the date of this Note, the Bank shall determine (which determination shall be final and conclusive) that any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Bank to make or maintain or fund loans based on LIBOR or in an Agreed Foreign Currency, the Bank shall notify the Borrower. Upon receipt of such notice, until the Bank notifies the Borrower that the circumstances giving rise to such determination no longer apply, (a) the availability of the LIBOR Option and the Daily LIBOR Option and the option to request advances and subject LCs in such Agreed Foreign Currency shall be suspended, and (b) the interest rate on all advances then bearing interest under the LIBOR Option and the Daily LIBOR Option shall be converted to the Base Rate Option either (i) on the last day of the then current LIBOR Interest Period(s) if the Bank may lawfully continue to maintain advances based on LIBOR to such day, or (ii) immediately if the Bank may not lawfully continue to maintain advances based on LIBOR, and (c) Borrower will prepay all outstanding advances hereunder made in such Agreed Foreign Currency, together with interest thereon, and (d) all subject LCs issued in such Foreign Currencies shall be deemed terminated.

The foregoing notwithstanding, it is understood that the Borrower may select different Options to apply simultaneously to different portions of the advances and may select up to six (6) different interest periods to apply simultaneously to different portions of the advances bearing interest under the LIBOR Option. Interest hereunder will be calculated based on the actual number of days that principal is outstanding over a year of 360 days. In no event will the rate of interest hereunder exceed the maximum rate allowed by law.

3. Interest Rate Election. Subject to the terms and conditions of this Note, at the end of each interest period applicable to any advance, the Borrower may renew the Option applicable to such advance or convert such advance to a different Option; provided that, during any period in which any Event of Default (as hereinafter defined) has occurred and is continuing, any advances bearing interest under the LIBOR Option or the Daily LIBOR Option shall, at the Bank’s sole discretion, be converted at the end of the applicable LIBOR Interest Period (or immediately in the case of the Daily LIBOR Option) to the Base Rate Option and the LIBOR Option and the Daily LIBOR Option will not be available to Borrower with respect to any new advances (or with respect to the conversion or renewal of any existing advances) until such Event of Default has been cured by the Borrower or waived by the Bank. The Borrower shall notify the Bank of each election of an Option, each conversion from one Option to another, the amount of the advances then outstanding to be allocated to each Option and where relevant the interest periods therefor. In the case of converting to the LIBOR Option or the Daily LIBOR Option, such notice shall be given at least three (3) Business Days prior to the commencement of any LIBOR Interest Period or when the

Borrower would like to commence the Daily LIBOR Option, as the case may be. If no interest period is specified in any such notice for which the resulting advance is to bear interest under the LIBOR Option, the Borrower shall be deemed to have selected a LIBOR Interest Period of one month's duration. If no notice of election, conversion or renewal is timely received by the Bank with respect to any advance, the Borrower shall be deemed to have elected the Base Rate Option. Any such election shall be promptly confirmed in writing by such method as the Bank may require.

4. **Advance Procedures.** A request for advance made by telephone must be promptly confirmed in writing by such method as the Bank may require. The Borrower authorizes the Bank to accept telephonic requests for advances, and the Bank shall be entitled to rely upon the authority of any person providing such instructions. The Borrower hereby indemnifies and holds the Bank harmless from and against any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) which may arise or be created by the acceptance of such telephone requests or making such advances. The Bank will enter on its books and records, which entry when made will be presumed correct, the date and amount of each advance, the interest rate and interest period applicable thereto, as well as the date and amount of each payment.

5. **Payment Terms; Commitment Fee.** The Borrower shall pay accrued interest on the unpaid principal balance of this Note in arrears: (a) for the portion of advances bearing interest under the Base Rate Option and the Daily LIBOR Option, on the first day of each month during the term hereof, (b) for the portion of advances bearing interest under the LIBOR Option, on the last day of the respective LIBOR Interest Period for such advance, (c) if any LIBOR Interest Period is longer than three (3) months, then also on the three (3) month anniversary of such interest period and every three (3) months thereafter, and (d) for all advances, at maturity, whether by acceleration of this Note or otherwise, and after maturity, on demand until paid in full. All outstanding principal and accrued interest hereunder shall be due and payable in full on the Expiration Date. All advances under this Note shall be repaid and each payment of interest thereon shall be paid in the currency in which such advance was made. If for any reason Borrower is prohibited by any law, rule, regulation or any other reason from making any required payment hereunder or under any of the other Loan Documents in an Agreed Foreign Currency, Borrower will make such payment in Dollars in the Dollar Amount of such Agreed Foreign Currency payment amount.

If any payment under this Note shall become due on a Saturday, Sunday or public holiday under the laws of the State where the Bank's office indicated above is located, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest in connection with such payment. The Borrower hereby authorizes the Bank to charge the Borrower's deposit account at the Bank for any payment when due hereunder. Payments received will be applied to charges, fees and expenses (including attorneys' fees), accrued interest and principal in any order the Bank may choose, in its sole discretion.

The Borrower shall pay to the Bank quarterly in arrears, on the last day of each calendar quarter, a commitment fee in the amount of the product of twenty-five (25) basis points (0.25%) per annum multiplied by the average daily unused amount of the Facility during the most recently ended quarter.

Notwithstanding anything to the contrary set forth herein or in any of the other Loan Documents, if, after the making of any advance under this Note in any currency other than Dollars, currency control or exchange regulations are imposed in the country which issues such currency with the result that the type of currency in which such advance was made (the "**Original Currency**") no longer exists or the Borrower is not able to make payment to the Bank in such Original Currency, then all payments to be made by the Borrower hereunder in such currency shall instead be made when due in Dollars in an amount equal to the Dollar Amount (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrower take all risks of the imposition of any such currency control or exchange regulations.

6. **Late Payments; Default Rate.** If the Borrower fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of this Note within fifteen (15) calendar days of the date due and payable, the Borrower also shall pay to the Bank a late charge equal to the lesser of five percent (5%) of the amount of such payment or \$100.00 (the "**Late Charge**"). Such fifteen (15) day period shall not be construed in any way to extend the due date of any such payment. Upon maturity, whether by acceleration, demand or otherwise, and at the Bank's option upon the occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, each advance outstanding under this Note shall bear interest at a rate per annum (based on the actual number

of days that principal is outstanding over a year of 360 days) which shall be two percentage points (2%) in excess of the interest rate in effect from time to time under this Note but not more than the maximum rate allowed by law (the “**Default Rate**”). The Default Rate shall continue to apply whether or not judgment shall be entered on this Note. Both the Late Charge and the Default Rate are imposed as liquidated damages for the purpose of defraying the Bank’s expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Bank’s exercise of any rights and remedies hereunder, under the other Loan Documents or under applicable law, and any fees and expenses of any agents or attorneys which the Bank may employ. In addition, the Default Rate reflects the increased credit risk to the Bank of carrying a loan that is in default. The Borrower agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Bank, and that the actual harm incurred by the Bank cannot be estimated with certainty and without difficulty.

7. **Prepayment; Reduction of Facility.** The Borrower shall have the right to prepay any advance hereunder at any time and from time to time, in whole or in part; subject, however, to payment of any break funding indemnification amounts owing pursuant to paragraph 8 below. The Borrower shall have the right to reduce the Facility from time to time in a minimum of \$1,000,000 increments.

8. **Yield Protection; Break Funding Indemnification.** The Borrower shall pay to the Bank on written demand therefor, together with the written evidence of the justification therefor, all direct costs incurred, losses suffered or payments made by Bank by reason of any change in law or regulation or its interpretation imposing any reserve, deposit, allocation of capital, or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Bank, its holding company or any of their respective assets. In addition, the Borrower agrees to indemnify the Bank against any liabilities, losses or expenses (including, without limitation, loss of margin, any loss or expense sustained or incurred in liquidating or employing deposits from third parties, and any loss or expense incurred in connection with funds acquired to effect, fund or maintain any advance (or any part thereof) bearing interest under the LIBOR Option) which the Bank sustains or incurs as a consequence of either (i) the Borrower’s failure to make a payment on the due date thereof, (ii) the Borrower’s revocation (expressly, by later inconsistent notices or otherwise) in whole or in part of any notice given to Bank to request, convert, renew or prepay any advance bearing interest under the LIBOR Option, or (iii) the Borrower’s payment or prepayment (whether voluntary, after acceleration of the maturity of this Note or otherwise) or conversion of any advance bearing interest under the LIBOR Option on a day other than the last day of the applicable LIBOR Interest Period. A notice as to any amounts payable pursuant to this paragraph given to the Borrower by the Bank shall, in the absence of manifest error, be conclusive and shall be payable upon demand. The Borrower’s indemnification obligations hereunder shall survive the payment in full of the advances and all other amounts payable hereunder.

9. **Other Loan Documents.** This Note is issued in connection with the Loan Agreement between the Borrower and the Bank, dated on or before the date hereof (as amended, modified or renewed from time to time, the “**Loan Agreement**”), and the other agreements and documents now or hereafter executed and/or delivered in connection herewith or therewith or referred to herein or therein (including, without limitation, the subject LCs), the terms of which are incorporated herein by reference (this Note, the Loan Agreement and such other agreements and documents, each as amended, modified or renewed from time to time, being collectively referred to as the “**Loan Documents**”), and is secured by the property (if any) described in the Loan Documents and by such other collateral as previously may have been or may in the future be granted to the Bank to secure this Note. Capitalized and other terms not defined herein shall have the meanings ascribed to them in the other Loan Documents.

10. **Events of Default.** The occurrence of any of the following events will be deemed to be an “**Event of Default**” under this Note: (i) (A) the nonpayment of (1) any principal under this Note when due and (2) interest, other indebtedness or any other amounts payable under this Note or any of the other Loan Documents (other than reimbursements referred to in clause (i)(B) of this Section 10) within ten (10) days after the same is due, and (B) failure to reimburse the Bank for any draft or other item paid by Bank pursuant to or otherwise in respect of any subject LC when obligated to do so; (ii) the occurrence of any event of default or any default and the lapse of any notice or cure period, or any Obligor’s failure to observe or perform any covenant or other agreement, under or contained in any Loan Document or any other document now or in the future, relating to, evidencing or securing any debt, liability or obligation of any Obligor to the Bank; (iii) the filing by or against any Obligor of any proceeding in bankruptcy, receivership, insolvency, reorganization, liquidation, conservatorship or similar proceeding (and, in the case of any such proceeding instituted against any Obligor, such proceeding is not dismissed or stayed within 30

days of the commencement thereof, provided that the Bank shall not be obligated to advance additional funds hereunder during such period); (iv) any assignment by any Obligor for the benefit of creditors, or any levy, garnishment, attachment or similar proceeding is instituted against any property of any Obligor held by or deposited with the Bank or the cessation of all or a substantial part of the business operations of any Obligor; (v) a default with respect to any other indebtedness of any Obligor for borrowed money, if the effect of such default is to cause or permit the acceleration of such debt, provided that this subsection shall not apply if and only so long as the aggregate unpaid principal balance of all such indebtedness in default does not exceed five million dollars (\$5,000,000) at any one time outstanding; in this subsection, "default" means that (A) there shall have occurred (or shall exist) in respect of the indebtedness in question any event, condition or other thing that constitutes, or that with the giving of notice or the lapse of any applicable grace period or both would constitute, a default which accelerates (or permits any creditor or creditors or representative or creditors to accelerate) the maturity of any such indebtedness, (B) any such indebtedness (other than any payable on demand) shall not have been paid in full at its stated maturity, or (C) any such indebtedness payable on demand shall not have been paid in full within ten (10) banking days after any actual demand for payment); (vi) if at any time (A) the aggregate of all undischarged final judgments (excluding final judgments the execution of which, on the date of determination, are effectively stayed) against the Obligors or any thereof for the payment of money shall exceed \$5,000,000 or (B) the aggregate of all liabilities of the Obligors arising from defaults under ERISA (as defined in the Loan Agreement), shall exceed \$5,000,000; (vii) the commencement of any foreclosure or forfeiture proceeding, execution or attachment against any collateral securing the obligations of any Obligor to the Bank; (viii) any material adverse change in any Obligor's business, assets, operations, financial condition or results of operations; (ix) any Obligor ceases doing business as a going concern; (x) any representation or warranty made by any Obligor to the Bank in any Loan Document or any other documents now or in the future evidencing or securing the obligations of any Obligor to the Bank, is false, erroneous or misleading in any material respect; (xi) if this Note or any guarantee executed by any Obligor is secured, the failure of any Obligor to provide the Bank with additional collateral if in the Bank's opinion at any time or times, the market value of any of the collateral securing this Note or any guarantee has depreciated below that required pursuant to the Loan Documents or, if no specific value is so required, then in an amount deemed material by the Bank; (xii) the revocation or attempted revocation, in whole or in part, of any guarantee by any Obligor; or (xiii) the occurrence of a Change of Control. As used herein, the term "**Obligor**" means any Borrower, any other Company and any guarantor of, or any pledgor, mortgagor or other person or entity providing collateral support for, the Borrower's obligations to the Bank existing on the date of this Note or arising in the future.

Upon the occurrence and during the continuance of an Event of Default: (a) the Bank shall be under no further obligation to make advances hereunder; (b) if an Event of Default specified in clause (iii) or (iv) above shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder shall be immediately due and payable without demand or notice of any kind; (c) if any other Event of Default shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder, at the Bank's option and without demand or notice of any kind, may be accelerated and become immediately due and payable; (d) at the Bank's option, this Note will bear interest at the Default Rate from the date of the occurrence of the Event of Default; and (e) the Bank may exercise from time to time any of the rights and remedies available under the Loan Documents or under applicable law.

11. Power to Confess Judgment. The Borrower hereby irrevocably authorizes any attorney-at-law, including an attorney employed by or retained and paid by the Bank, to appear in any court of record in or of the State of Ohio, or in any other state or territory of the United States, at any time after the indebtedness evidenced by this Note becomes due, whether by acceleration or otherwise, to waive the issuing and service of process and to confess a judgment against the Borrower in favor of the Bank, and/or any assignee or holder hereof for the amount of principal and interest and expenses then appearing due from the Borrower under this Note, together with costs of suit and thereupon to release all errors and waive all right of appeal or stays of execution in any court of record. The Borrower hereby expressly (i) waives any conflict of interest of the attorney(s) retained by the Bank to confess judgment against the Borrower upon this Note, and (ii) consents to the receipt by such attorney(s) of a reasonable legal fee from the Bank for legal services rendered for confessing judgment against the Borrower upon this Note. A copy of this Note, certified by the Bank, may be filed in each such proceeding in place of filing the original as a warrant of attorney.

12. **Right of Setoff.** In addition to all liens upon and rights of setoff against the Borrower's money, securities or other property given to the Bank by law, the Bank shall have, with respect to the Borrower's obligations to the Bank under this Note and to the extent permitted by law, a contractual possessory security interest in and a contractual right of setoff against, and the Borrower hereby grants the Bank a security interest in, and hereby assigns, conveys, delivers, pledges and transfers to the Bank, all of the Borrower's right, title and interest in and to, all of the Borrower's deposits, moneys, securities and other property now or hereafter in the possession of or on deposit with, or in transit to, the Bank or any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., whether held in a general or special account or deposit, whether held jointly with someone else, or whether held for safekeeping or otherwise, excluding, however, all IRA, Keogh, and trust accounts. Every such security interest and right of setoff may be exercised without demand upon or notice to the Borrower. Every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action of the Bank, although the Bank may enter such setoff on its books and records at a later time.

13. **Indemnity.** The Borrower agrees to indemnify each of the Bank, each legal entity, if any, who controls, is controlled by or is under common control with the Bank, and each of their respective directors, officers and employees (the "**Indemnified Parties**"), and to defend and hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and expenses (including all fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Borrower), in connection with or arising out of or relating to the matters referred to in this Note or in the other Loan Documents or the use of any advance hereunder, whether (a) arising from or incurred in connection with any breach of a representation, warranty or covenant by the Borrower, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; provided, however, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this Section shall survive the termination of this Note, payment of any advance hereunder and the assignment of any rights hereunder. The Borrower may participate at its expense in the defense of any such action or claim.

14. **Miscellaneous.** All notices, demands, requests, consents, approvals and other communications required or permitted hereunder ("**Notices**") must be in writing (except as may be agreed otherwise above with respect to borrowing requests) and will be effective upon receipt. Notices may be given in any manner to which the parties may separately agree, including electronic mail. Without limiting the foregoing, first-class mail, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. Regardless of the manner in which provided, Notices may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this paragraph. No delay or omission on the Bank's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank's action or inaction impair any such right or power. The Bank's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity. No modification, amendment or waiver of, or consent to any departure by the Borrower from, any provision of this Note will be effective unless made in a writing signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. The Borrower agrees to pay on demand, to the extent permitted by law, all costs and expenses incurred by the Bank in the enforcement of its rights in this Note and in any security therefor, including without limitation reasonable fees and expenses of the Bank's counsel. If any provision of this Note is found to be invalid, illegal or unenforceable in any respect by a court, all the other provisions of this Note will remain in full force and effect. The Borrower and all other makers and indorsers of this Note hereby forever waive presentment, protest, notice of dishonor and notice of non-payment. The Borrower also waives all defenses based on suretyship or impairment of collateral. If this Note is executed by more than one Borrower, the obligations of such persons or entities hereunder will be joint and several. This Note shall bind the Borrower and its heirs, executors, administrators, successors and assigns, and the benefits hereof shall inure to the benefit of the Bank and its successors and assigns; provided, however, that the Borrower may not assign this Note in whole or in part without the Bank's written consent and the Bank at any time may assign this Note in whole or in part.

If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower hereunder in the currency expressed to be payable herein (the "specified currency") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Bank could purchase the specified currency with such other currency at the Bank's main office on the Business Day preceding that on which final, non-appealable judgment is given. The obligations of the Borrower in respect of any sum due to any Lender or the Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by Bank of any sum adjudged to be so due in such other currency Bank may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to Bank in the specified currency, the Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify Bank against such loss, and if the amount of the specified currency so purchased exceeds the sum originally due to Bank in the specified currency Bank agrees to remit such excess to the Borrower.

This Note has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank's office indicated above is located. **THIS NOTE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE BANK AND THE BORROWER DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE BANK'S OFFICE INDICATED ABOVE IS LOCATED, EXCLUDING ITS CONFLICT OF LAWS RULES.** The Borrower hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Bank's office indicated above is located; provided that nothing contained in this Note will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Borrower individually, against any security or against any property of the Borrower within any other county, state or other foreign or domestic jurisdiction. The Borrower acknowledges and agrees that the venue provided above is the most convenient forum for both the Bank and the Borrower. The Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Note.

15. WAIVER OF JURY TRIAL. THE BORROWER IRREVOCABLY WAIVES ANY AND ALL RIGHTS THE BORROWER MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS NOTE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS NOTE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

The Borrower acknowledges that it has read and understood all the provisions of this Note, including the confession of judgment and the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

[Remainder of Page Intentionally Left Blank]

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

WARNING-BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

WITNESS / ATTEST:

PREFORMED LINE PRODUCTS COMPANY

By: /s/ Caroline Vaccariello _____
Name: Caroline Vaccariello _____

By: /s/ Eric R. Graef _____
Name: Eric R. Graef _____
Title: CFO ó Vice President of Finance _____

LOAN AGREEMENT

THIS LOAN AGREEMENT (the “**Agreement**”), is entered into as of February 5, 2010, between **PREFORMED LINE PRODUCTS COMPANY** (the “**Borrower**”), with an address at 660 Beta Drive, Mayfield Village, Ohio 44143, and **PNC BANK, NATIONAL ASSOCIATION** (the “**Bank**”), with an address at 1900 East Ninth Street, Cleveland, Ohio 44114.

The Borrower and the Bank, with the intent to be legally bound, agree as follows:

1. Loan. The Bank has made or may make one or more loans (collectively and individually, the “**Loan**” or a “**Loan**”) to the Borrower subject to the terms and conditions and in reliance upon the representations and warranties of the Borrower set forth in this Agreement. The Loan is or will be evidenced by a promissory note or notes of the Borrower and all renewals, extensions, amendments and restatements thereof (if one or more, collectively, the “**Note**”) acceptable to the Bank, which shall set forth the interest rate, repayment and other provisions, the terms of which are incorporated into this Agreement by reference.

This Agreement, the Note, the subject LCs (as hereinafter defined) and all other agreements and documents now or hereafter executed and/or delivered pursuant hereto or thereto, as each may be amended, modified, extended or renewed from time to time, are collectively referred to as the “**Loan Documents.**” Capitalized and other terms not defined herein shall have the meanings ascribed to them in the Loan Documents.

The term “**Companies**” shall mean, collectively, the Borrower and the Subsidiaries of the Borrower, and “**Company**” means any one of them, as the context may require.

The term “**Subsidiary**” shall mean a corporation or other business entity if shares constituting a majority of its outstanding capital stock (or other form of ownership) or constituting a majority of the voting power in any election of directors (or shares constituting both majorities) are (or upon exercise of any outstanding warrants, options or other rights would be) owned directly or indirectly at the time in question by the corporation or other business entity in question or another “**Subsidiary**” of that corporation or other business entity or any combination of the foregoing.

2. Letters of Credit. Bank agrees that until the Expiration Date Bank will issue such letters of credit (each, a “**subject LC**”) for Borrower’s account as Borrower may from time to time request subject, however, to the conditions of this Agreement.

2.1 Maximum. Bank shall not issue any subject LC if, after giving effect thereto,

(a) the sum of (i) the aggregate undrawn balance of all then outstanding subject LCs plus (ii) the aggregate amount of all unreimbursed draws of all then outstanding subject LCs (the “**LC Exposure**”) would exceed Fifteen Million Dollars (\$15,000,000) or

(b) the sum of the then aggregate outstanding Loans plus the then LC Exposure would exceed \$30,000,000.

2.2 Term. No subject LC shall permit any draft to be drawn thereunder on a date (the “**last draw date**”) that is more than one (1) year after the date of its issue, nor shall any subject LC permit the last draw date to be later than the third (3rd) banking day next preceding the Expiration Date.

2.3 Form. Each subject LC shall:

(a) be issued in such form as Bank may reasonably require,

(b) be either a commercial letter of credit used solely for the importation of goods in the ordinary course of Borrower's business or a standby letter of credit, and

(c) be denominated in Dollars or Agreed Foreign Currencies (as such terms are defined in the Note).

2.4 Commission. Borrower shall pay Bank at the issuance of each subject LC a non-refundable commission equal to

(a) Bank's standard percentage fee of the face amount of each commercial import letter of credit, or

(b) one and one-quarter percent (1.25%) of the face amount of each standby letter of credit

plus any other standard fees for issuance, amendment, registration or draws or any similar act generally charged by Bank in respect of letters of credit issued by it.

2.5 Reimbursement. Borrower agrees to reimburse Bank for each draft or other item paid by Bank pursuant to or otherwise in respect of any subject LC not later than one (1) Business Day after the date on which Bank made such payment.

2.6 Subject to Loan Back-up. In the event of a draw under any subject LC, Bank is irrevocably authorized to prepare, to sign Borrower's name to, and to deliver on Borrower's behalf an appropriate credit request requesting a Loan in an amount equal to the reimbursement amount plus any interest thereon, in the applicable currency. Bank will make the requested Loan even if any Event of Default shall then exist and even if Borrower for any other reason would then not be entitled to obtain any subject loan. Bank shall disburse all such loan proceeds directly to Bank to satisfy Borrower's reimbursement liability.

2.7 Unconditional Obligation. The obligation of Bank to make, and of Borrower to pay, the Loans made pursuant to the preceding section shall be absolute and unconditional and shall be performed under all circumstances, including (without limitation):

(a) any lack of validity or enforceability of the subject LC in question,

(b) the existence of any claim, offset, defense or other right that Borrower may have against the beneficiary of such subject LC or any of its successors in interest,

(c) the existence of any claim, offset, defense or other right that Bank may have against Borrower or any of its affiliates or against the beneficiary of such subject LC or any of their successors in interest,

(d) the existence of any fraud or misrepresentation in the presentment of any draft or other item drawn and paid under such subject LC or

(e) any payment of any draft or other item by Bank which does not strictly comply with the terms of such subject LC provided such payment shall not have constituted gross negligence or willful misconduct.

2.8 Cash Collateralization. If any Default or Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Bank demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Bank, in the name and for the benefit of the Lender (the "**LC Collateral Account**"), an amount in cash equal to 105% of the LC Exposure as of such date plus accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or

other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clauses (iii), (iv) or (vi) of Section 10 of the Note. Such deposit shall be held by the Bank as collateral for the payment and performance of the Borrower's obligations under the Loan Documents. The Bank shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account and the Borrower hereby grants the Bank a security interest in the LC Collateral Account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Bank and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Bank for draws on subject LCs for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated, be applied to satisfy any other obligations.

2.9 Existing Letters of Credit. The parties acknowledge and agree that the following Letters of Credit have been issued by the Bank in favor of the Borrower and are outstanding on and as of the date of this Agreement: (i) SCL013677 in the original face amount of \$1,916,275 issued on May 23, 2007 in favor of Borrower for the benefit of Standard Chartered Bank (China), and (ii) SCL015875 in the original face amount of \$2,099,265 issued on December 11, 2009 in favor of Borrower for the benefit of Citibank, N.A., Bangkok Branch (collectively, the **Existing Letters of Credit**). It is expressly understood and agreed by each of the parties hereto that the Existing Letters of Credit shall (i) constitute and be deemed to be subject LCs for all purposes of this Agreement, the Note and the other Loan Documents, and (ii) remain in full force and effect. Borrower hereby ratifies, confirms and reaffirms in all respects its obligations under and with respect to the Existing Letters of Credit.

3. Representations and Warranties. The Borrower hereby makes the following representations and warranties, which shall be continuing in nature and remain in full force and effect until the Obligations are paid in full, and which shall be true and correct except as otherwise set forth on the Addendum attached hereto and incorporated herein by reference (the **"Addendum"**):

3.1. Existence, Power and Authority. Each Company is duly organized, validly existing and in good standing under the laws of the State of its incorporation or organization and has the organizational power and authority to own and operate its assets and to conduct its business as now or proposed to be carried on, and is duly qualified, licensed and in good standing to do business in all jurisdictions where its ownership of property or the nature of its business requires such qualification or licensing, except where the failure to be so qualified or licensed could not reasonably be expected to result in a material adverse change in its business, assets, operations, condition (financial or otherwise) or results of operations. Each Company is duly authorized to execute and deliver the Loan Documents to which it is a party, all necessary organizational action to authorize the execution and delivery of the Loan Documents has been properly taken, and the Borrower is and will continue to be duly authorized to borrow under this Agreement and to perform all of the other terms and provisions of the Loan Documents.

3.2. Financial Statements. The Borrower has delivered or caused to be delivered to the Bank its most recent balance sheet, income statement and statement of cash flows (as applicable, the **"Historical Financial Statements"**). The Historical Financial Statements are true, complete and accurate in all material respects and fairly present the financial condition, assets and liabilities, whether accrued, absolute, contingent or otherwise and the results of the Companies' operations for the period specified therein. The Historical Financial Statements have been prepared in accordance with generally accepted accounting principles in effect from time to time (**"GAAP"**) consistently applied from period to period, subject in the case of interim statements to normal year-end adjustments and to any customary comments and notes reasonably acceptable to the Bank.

3.3. No Material Adverse Change. Since the date of the most recent Financial Statements (as hereinafter defined), the Companies on a consolidated basis have not suffered any damage, destruction or loss, and no event or condition has occurred or exists, which has resulted or could reasonably be expected to result in a material adverse change in their business, assets, operations, condition (financial or otherwise) or results of operation.

3.4. Binding Obligations. Each Company has full power and authority to enter into the transactions provided for in this Agreement and the other Loan Documents; and the Loan Documents, when

executed and delivered by such Company, will constitute the legal, valid and binding obligations of such Company enforceable in accordance with their terms.

3.5. No Defaults or Violations. There does not exist any Default or Event of Default or any default or violation by any Company of or under any of the terms, conditions or obligations of: (i) its partnership agreement if such Company is a partnership, its articles or certificate of incorporation, regulations or bylaws if such Company is a corporation or its other organizational documents as applicable; (ii) any indenture, mortgage, deed of trust, franchise, permit, contract, agreement, or other instrument to which it is a party or by which it is bound, the violation of which could reasonably be expected to have a material adverse effect on the business, assets, operations, condition (financial or otherwise) or results of operations of the Companies on a consolidated basis; or (iii) in any material respect, any law, ordinance, regulation, ruling, order, injunction, decree, condition or other requirement applicable to or imposed upon it by any law, the action of any court or any governmental authority or agency; and the consummation of this Agreement and the transactions set forth herein will not result in any such default or violation or Event of Default.

3.6. Title to Assets. Each Company has good and marketable title to the assets reflected on the most recent Financial Statements, free and clear of all liens and encumbrances, except for (i) current taxes and assessments not yet due and payable, (ii) assets disposed of by such Company in the ordinary course of business since the date of the most recent Financial Statements, and (iii) Permitted Encumbrances (as hereinafter defined).

3.7. Litigation. There are no actions, suits, proceedings or governmental investigations pending or, to the knowledge of the Borrower, threatened against any Company, which could reasonably be expected to result in a material adverse change in its business, assets, operations, condition (financial or otherwise) or results of operations of the Companies on a consolidated basis and there is no basis known to the Borrower for any action, suit, proceeding or investigation which could reasonably be expected to result in such a material adverse change. All pending litigation against any domestic Company and litigation threatened in writing, in each case as of the date of this Agreement, is listed on the Addendum.

3.8. Tax Returns. Each Company has filed all returns and reports that are required to be filed by it in connection with any federal, state or local tax, duty or charge levied, assessed or imposed upon it or its property or withheld by it, including income, unemployment, social security and similar taxes, and all of such taxes have been either paid or adequate reserve or other provision has been made therefor.

3.9. Employee Benefit Plans. Each employee benefit plan as to which any Company may have any liability complies in all material respects with all applicable provisions of the Employee Retirement Income Security Act of 1974 (as amended from time to time, “ERISA”), including minimum funding requirements, and (i) no Prohibited Transaction (as defined under ERISA) has occurred with respect to any such plan, (ii) no Reportable Event (as defined under Section 4043 of ERISA) has occurred with respect to any such plan which would cause the Pension Benefit Guaranty Corporation to institute proceedings under Section 4042 of ERISA, (iii) no Company has withdrawn from any such plan or initiated steps to do so, and (iv) no steps have been taken to terminate any such plan.

3.10 Environmental Matters. Each Company is in compliance, in all material respects, with all Environmental Laws (as hereinafter defined), including, without limitation, all Environmental Laws in jurisdictions in which such Company owns or operates, or has owned or operated, a facility or site, stores, collateral, arranges or has arranged for disposal or treatment of hazardous substances, solid waste or other waste, accepts or has accepted for transport any hazardous substances, solid waste or other wastes or holds or has held any interest in real property or otherwise. Except as otherwise disclosed on the Addendum, no litigation or proceeding arising under, relating to or in connection with any Environmental Law is pending or, to the best of the Borrower’s knowledge, threatened against any Company, any real property which any Company holds or has held an interest or any past or present operation of any Company. No release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring, or to the best of the Borrower’s knowledge has occurred, on, under or to any real property in which any Company holds or has held any interest or performs or has performed any of its operations, in violation of any Environmental Law. As used in this Section, “**litigation or proceeding**” means any demand, claim notice, suit, suit in equity, action, administrative action, investigation or inquiry whether brought by a governmental authority or other person, and “**Environmental Laws**” means all provisions of laws, statutes, ordinances, rules,

regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, awards and standards promulgated by any federal, state or local governmental authority concerning health, safety and protection of, or regulation of the discharge of substances into, the environment.

3.11. Intellectual Property. Each Company owns or is licensed to use all patents, patent rights, trademarks, trade names, service marks, copyrights, intellectual property, technology, know-how and processes necessary for the conduct of its business as currently conducted that are material to the condition (financial or otherwise), business or operations of the Companies on a consolidated basis.

3.12. Regulatory Matters. No part of the proceeds of the Loan will be used for purchasing or carrying any margin stock within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time in effect or for any purpose which violates the provisions of the Regulations of such Board of Governors.

3.13. Solvency. After giving effect to the transactions contemplated by the Loan Documents, (i) the aggregate value of the Borrower's assets will exceed its liabilities (including contingent, subordinated, unmatured and unliquidated liabilities), (ii) the Borrower will have sufficient cash flow to enable it to pay its debts as they become due, and (iii) the Borrower will not have unreasonably small capital for the business in which it is engaged.

3.14. Disclosure. None of the Loan Documents contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary in order to make the statements contained in this Agreement or the Loan Documents not misleading. There is no fact known to the Borrower which materially adversely affects or, so far as the Borrower can now foresee, might materially adversely affect the business, assets, operations, condition (financial or otherwise) or results of operation of any Company and which has not otherwise been fully set forth in this Agreement or in the Loan Documents.

4. Affirmative Covenants. The Borrower agrees that from the date of execution of this Agreement until all Obligations have been paid in full and any commitments of the Bank to the Borrower have been terminated, the Borrower will:

4.1. Books and Records. Maintain, and cause each other Company to maintain, books and records in accordance with GAAP and give representatives of the Bank access thereto at all reasonable times, upon reasonable advance notice and in the presence of a representative of the Borrower, including permission to examine, copy and make abstracts from any of such books and records and such other information as the Bank may from time to time reasonably request, and the Borrower will make available to the Bank for examination copies of any reports, statements and returns which the Borrower or any other Company may make to or file with any federal, state or local governmental department, bureau or agency. In addition, each Company will permit the Bank at all reasonable times upon reasonable advance notice to consult with such Company's directors, officers, accountants, plan administrators and, in the presence of an officer or designated representative of the Borrower, employees in respect of its financial condition, properties and operations, each of which parties is hereby authorized to make such information available to the Bank to the same extent it would to such Company.

4.2. Interim Financial Statements; Certificate of No Default. Furnish the Bank within 45 days after the end of each of the first three fiscal quarters of each fiscal year the Borrower's Financial Statements for such period, in reasonable detail, certified by an authorized officer of the Borrower and prepared in accordance with GAAP consistently applied from period to period. The Borrower shall also deliver a certificate as to its compliance with applicable financial covenants (containing detailed calculations of all financial covenants) for the period then ended and whether any Event of Default exists, and, if so, the nature thereof and the corrective measures the Borrower proposes to take. As used in this Agreement, "**Financial Statements**" means the Borrower's consolidated and, if required by the Bank in its reasonable discretion, consolidating balance sheets, income statements and statements of cash flows for the year, month or quarter together with year-to-date figures and comparative figures for the corresponding periods of the prior year.

4.3. Annual Financial Statements; Budget; Other Financial Info. (a) Furnish the Borrower's Financial Statements to the Bank within 120 days after the end of each fiscal year. Those Financial

Statements will be prepared on an audited basis in accordance with GAAP by an independent certified public accountant selected by the Borrower and reasonably satisfactory to the Bank. Audited Financial Statements shall contain the unqualified opinion of an independent certified public accountant and all accountant examinations shall have been made in accordance with GAAP consistently applied from period to period. The Borrower shall also deliver to the Bank (i) copies of any management letters and auditor letters relating to its Financial Statements and (ii) a certificate as to its compliance with applicable financial covenants (containing detailed calculations of all financial covenants) for the period then ended and whether any Event of Default exists, and, if so, the nature thereof and the corrective measures the Borrower proposes to take.

(b) [INTENTIONALLY OMITTED]

(c) promptly following any request therefor, furnish such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of this Agreement, as the Bank may reasonably request.

4.4. Payment of Taxes and Other Charges. Pay and discharge when due all indebtedness and all taxes, assessments, charges, levies and other liabilities imposed upon any Company, its income, profits, property or business, except those which currently are being contested in good faith by appropriate proceedings and for which the Borrower shall have set aside adequate reserves or made other adequate provision with respect thereto acceptable to the Bank in its reasonable discretion.

4.5. Maintenance of Existence, Operation and Assets. Do all things necessary to (i) except as expressly permitted by Section 5.5, maintain, renew and keep in full force and effect each Company's organizational existence and all rights, permits and franchises necessary to enable it to continue its business as currently conducted; (ii) continue in operation in substantially the same manner as at present; (iii) keep each Company's properties in good operating condition and repair, ordinary wear and tear excepted; and (iv) make all necessary and proper repairs, renewals, replacements, additions and improvements thereto.

4.6. Insurance. Maintain, and will cause each other Company to maintain, with financially sound and reputable insurers, insurance with respect to its property and business against such casualties and contingencies, of such types and in such amounts, as is customary for established companies engaged in the same or similar business and similarly situated.

4.7. Compliance with Laws. Comply, and cause each other Company to, comply, in all material respects, with all laws applicable to it and each Company and to the operation of its and each Company's business (including without limitation any statute, ordinance, rule or regulation relating to employment practices, pension benefits or environmental, occupational and health standards and controls).

4.8. Bank Accounts. Establish and maintain at the Bank the Borrower's primary domestic depository accounts.

4.9. Financial Covenants. Comply with all of the financial and other covenants, if any, set forth on the Addendum (the "Financial Covenants").

4.10. Additional Reports. Provide prompt written notice to the Bank of the occurrence of any of the following (together with a description of the action which the Borrower or the applicable Company proposes to take with respect thereto): (i) any Event of Default or any event, act or condition which, with the passage of time or the giving of notice, or both, would constitute an Event of Default (a "Default"), (ii) any litigation filed by or against any Company involving (A) potential damages, amounts in dispute or fines of more than \$1,500,000, (B) any temporary or permanent injunctive relief, or (C) criminal charges, (iii) any Reportable Event or Prohibited Transaction with respect to any Employee Benefit Plan(s) (as defined in ERISA) or (iv) any event which likely may result in a material adverse change in the business, assets, operations, condition (financial or otherwise) or results of operation of the Companies on a consolidated basis.

4.11. Further Assurances. (a) Subject to applicable law, at the request of the Bank, the Borrower shall cause each of its domestic Subsidiaries formed or acquired after the date of this Agreement to execute a guaranty in favor of the Bank in form and substance satisfactory to the Bank, in its sole discretion.

(b) Without limiting the foregoing, Borrower will, and will cause each other Company to, execute and deliver, or cause to be executed and delivered, to the Bank such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required by law or which the Bank may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents.

5. Negative Covenants. The Borrower covenants and agrees that from the date of this Agreement until all Obligations have been paid in full and any commitments of the Bank to the Borrower have been terminated, except as set forth in the Addendum, the Borrower will not, and will not permit any other Company to, without the Bank's prior written consent:

5.1. Indebtedness. Create, incur, assume or suffer to exist any indebtedness for borrowed money other than: (i) the Loan and any subsequent indebtedness to the Bank; (ii) open account trade debt incurred in the ordinary course of business, (iii) secured indebtedness permitted under Section 5.2 hereof and refinancing thereof, provided that the principal amount does not increase, (iv) indebtedness in favor of the Borrower or any other Company, (v) unsecured indebtedness in respect of bid, performance or surety, appeal or similar bonds, and completion guarantees, incurred in the ordinary course of business, (vi) interest rate hedging obligations, (vii) indebtedness listed on the Addendum existing on the date hereof (the "Existing Indebtedness") so long as such indebtedness is unsecured, (viii) additional unsecured indebtedness not exceeding an aggregate principal amount of three million dollars (\$3,000,000) at any one time outstanding for all Companies, and (ix) other additional unsecured indebtedness not exceeding an aggregate principal amount of twelve million dollars (\$12,000,000) at any one time outstanding for all Companies ("Additional Unsecured Indebtedness"); provided, however, that in no event shall any such Additional Unsecured Indebtedness incurred after the date of this Agreement which is provided by any Domestic Lender to any Company, or by any Foreign Lender to any domestic Company (x) contain any representations, warranties, indemnities, covenants, pricing terms or any other terms (whether of a business nature or otherwise) that are more favorable to such Domestic Lender or Foreign Lender, as applicable, than those contained in the Loan Documents, (y) contain any terms that conflict with, or that are otherwise more restrictive on any Company than, any of the terms of the Loan Documents, or (z) confer rights on or to such Domestic Lender or Foreign Lender, as applicable, that are not conferred on or to the Bank under the Loan Documents or otherwise.

For purposes of this Section 5.1, the following terms shall have the following meanings:

"Domestic Lender" means (A) a financial institution, or a firm, corporation or other entity otherwise engaged in making, purchasing, holding or investing in loans and/or other extensions of credit, in any such case that is (1) organized under the federal laws of the United States of America, or (2) located in, or organized under the laws of, one of the states of the United States of America or any territory or other political subdivision of the United States of America, and (B) any branch, Subsidiary or affiliate of a financial institution, firm, corporation or other entity described in the immediately preceding clause (A) which is located outside of, or otherwise organized under the laws of any jurisdiction outside of, the United States of America or any territory or political subdivision thereof.

"Foreign Lender" means (A) a financial institution, or a firm, corporation or other entity otherwise engaged in making, purchasing, holding or investing in loans and/or other extensions of credit, in any such case that is located in, or organized under the laws of, a jurisdiction other than the United States of America or any one of the states, territories or other political subdivisions of the United States of America, and (B) any branch, Subsidiary or affiliate of a financial institution, firm, corporation or other entity described in the immediately preceding clause (A) which is located in, or otherwise organized under the laws of, the United States of America or any state, territory or political subdivision of the United States of America, in each case to the extent not otherwise covered by the definition of "Domestic Lender".

5.2. Liens and Encumbrances. Except as provided in Section 3.6, create, assume, incur or permit to exist any mortgage, pledge, encumbrance, security interest, lien or charge of any kind upon any of its property, now owned or hereafter acquired, or acquire or agree to acquire any kind of property subject to any conditional sales or other title retention agreement, other than (collectively, **Permitted Encumbrances**):

(i) any tax lien, or any lien securing workers' compensation or unemployment insurance obligations, or any mechanic's, carrier's or landlord's lien, or any lien arising under ERISA, or any security interest arising under article four (Bank deposits and collections) or five (letters of credit) of the Uniform Commercial Code, or any similar security interest or other lien, provided, however, that this clause (i) shall apply only to security interests and other liens arising by operation of law (whether statutory or common law) and in the ordinary course of business and shall not apply to any security interest or other lien that secures any indebtedness for borrowed money or any guaranty thereof or any obligation that is in material default in any manner (other than any default contested in good faith by timely and appropriate proceedings effective to stay enforcement of the security interest or other lien in question);

(ii) zoning or deed restriction, public utility easement, minor title irregularities and similar matters having no adverse effect as a practical matter on the ownership or use of any of the property in question;

(iii) any lien securing or given in lieu of surety, stay, appeal or performance bonds, or securing performance of contracts or bids (other than contracts for the payment of money borrowed), or deposits required by law or governmental regulations or by any court order, decree, judgment or rule or as a condition to the transaction of business or the exercise of any right, privilege or license, provided, however, that this clause (iii) shall not apply to any lien or deposit securing an obligation that is in material default in any manner (other than any default contested in good faith by timely and appropriate proceedings effective to stay enforcement of the security interest or other lien in question);

(iv) any mortgage, security interest or other lien securing only the Loans and other obligations under this Agreement and the other Loan Documents;

(v) any mortgage, security interest, capitalized lease or other lien (each a "purchase money security interest") which is created or assumed in purchasing, constructing or improving any real property or equipment or to which any such property is subject when purchased, provided, however, that (A) the purchase money security interest shall be confined to the aforesaid property, (B) the indebtedness secured thereby does not exceed the total cost of the purchase, construction or improvement, (C) any such indebtedness, if repaid in whole or in part, cannot be reborrowed and (D) the aggregate amount of all indebtedness secured by purchase money security interests permitted by this clause (v) shall not at any time exceed an aggregate amount equal to five million dollars (\$5,000,000) at any one time outstanding for all Companies;

(vi) any mortgage, security interest or other lien (other than any purchase money security interest) which encumbers any fixed asset of any corporation or other business entity that is not a Subsidiary of Borrower on the date of this Agreement but which becomes, by acquisition, a subsidiary of Borrower after the date of this Agreement, but only if (A) the mortgage, security interest or other lien in question encumbered the fixed asset in question at the time such subsidiary is acquired and (B) the aggregate amount of all indebtedness secured by mortgages, security interests or other liens permitted by this clause (vi) does not at any time exceed an aggregate amount equal to five million dollars (\$5,000,000) at any one time outstanding for all Companies;

(vii) any lease other than any capitalized lease (it being agreed that a capitalized lease is a lien rather than a lease for the purposes of this Agreement);

(viii) any mortgage, security interest or other lien which (A) is fully disclosed in Borrower's most recent financial statements or in the supplemental schedule and (B) secures only indebtedness that is fully disclosed in Borrower's most recent financial statements or in the supplemental schedule or any renewal or refinancing of any such indebtedness if and to the extent that the renewal or refinancing does not increase the then amount of the indebtedness renewed or refinanced;

(ix) any mortgage, security interest or other lien not otherwise permitted under this Section 5.2; provided, however, that the aggregate amount of all indebtedness secured by mortgages, security interests and other liens permitted by this clause (vii) does not at any time exceed an aggregate amount equal to ten million dollars (\$10,000,000) at any one time outstanding for all Companies; and

(x) any financing statement perfecting a security interest that would be permissible under this Section 5.2.

5.3. Guarantees. Guarantee, endorse or become contingently liable for the obligations of any person, firm, corporation or other entity, except (i) in connection with the endorsement and deposit of checks in the ordinary course of business for collection, (ii) any existing or future guaranty by a Company of any liability owing by any other Company, (iii) any guaranty by any Subsidiary of the Borrower executed in favor of the Bank, and (iv) any existing or future guaranty; provided, however, that after giving effect thereto, the maximum aggregate amount of all liabilities incurred by the Companies pursuant to one or more guaranties (exclusive of guaranties permitted by clauses (i) through (iii) above) would not at any time exceed an amount equal to ten million dollars (\$10,000,000) at any one time outstanding for all Companies.

5.4. Loans or Advances. Purchase or hold beneficially any stock, other securities or evidences of indebtedness of, or make or have outstanding, any loans or advances to, or otherwise extend credit to, or make any investment or acquire any interest whatsoever in, any other person, firm, corporation or other entity, except (i) investments disclosed on the Borrower's Historical Financial Statements, (ii) any existing or future advances made to an officer or employee of the Borrower solely for the purpose of paying ordinary and reasonable business expenses of the Borrower, (iii) any existing or future investment in direct obligations of the United States of America or any agency thereof, in certificates of deposit issued by the Bank, or in any other money-market investment if it carries the highest quality rating of any nationally-recognized rating agency; provided, however, that no investment permitted pursuant to this clause (iii) shall mature more than ninety (90) days after the date when made, (iv) any endorsement of a check or other medium of payment for deposit or collection, or any similar transaction in the normal course of business, (v) purchases or other acquisitions of all or substantially all of the capital stock of any corporation or other business enterprise expressly permitted under Section 5.8, or (vi) any existing or future investment, advance or loan; provided, however, that after giving effect thereto the aggregate amount of all investments, advances and loans (exclusive of investments, advances and loans permitted under clauses (i) through (v) of this Section 5.4) made by the Companies would not at any time exceed an aggregate amount equal to fifteen million dollars (\$15,000,000) for all Companies.

5.5. Merger or Transfer of Assets. Liquidate or dissolve, or merge or consolidate with or into any person, firm, corporation or other entity, or sell, lease, transfer or otherwise dispose of all or any substantial part of its property, assets (other than (y) transfers of inventory in the ordinary course of business and (z) other assets in the ordinary course of business having a value of not more than \$3,000,000 in any fiscal year of Borrower), operations or business, whether now owned or hereafter acquired, except, so long as both immediately before and after giving effect thereto, no Default or Event of Default exists or shall exist, a merger or consolidation involving only Subsidiaries of the Borrower, any merger of Borrower with one or more of its Subsidiaries in which Borrower is the surviving corporation or any dissolution and liquidation of a Subsidiary of the Borrower.

5.6. Change in Business, Management or Ownership. Make or permit any change in its form of organization (except pursuant to a transaction permitted pursuant to Section 5.5), or the nature of its business as carried on as of the date hereof.

5.7. Dividends. Declare or pay any dividends on or make any distribution with respect to any class of its equity or ownership interest, or purchase, redeem, retire or otherwise acquire any of its equity; provided, however, that Borrower may declare and pay dividends (in cash or in kind) so long as (i) no Default or Event of Default shall then exist or would thereupon occur, and (ii) the amount or value of such dividend, when added to the amount and/or value of all dividends made by Borrower in the fiscal year in which such dividend is proposed to be made, does not exceed five million dollars (\$5,000,000); and provided, further, that any Subsidiary of Borrower may declare and pay dividends to (in cash or in kind) to the Borrower; and provided, further, that Borrower may purchase, redeem, retire or otherwise acquire any of its equity so long as (i) no Default or Event of Default shall then exist or would thereupon occur, and (ii) the dollar amount of such purchase, redemption, retirement or acquisition,

when added to the dollar amounts of all purchases, redemptions, retirements or acquisitions of its equity made by Borrower during the period commencing on the date hereof and ending on the date of the proposed transaction, does not exceed fifteen million dollars (\$15,000,000).

5.8. Acquisitions. Make acquisitions of all or substantially all of the property or assets of any person, firm, corporation or other entity, except that the Borrower may make purchases or other acquisitions of all or substantially all of the capital stock or assets and business of any corporation, division or other business enterprise so long as (i) the aggregate consideration of any individual transaction does not exceed \$35,000,000 and the aggregate consideration of all such transactions consummated during the term of this Agreement does not exceed \$55,000,000, (ii) both immediately before and after giving effect to the proposed transaction, no Default or Event of Default shall exist, (iii) both immediately before and after giving effect to the proposed transaction, Borrower shall be in compliance with the Financial Covenants, (iv) (A) not less than 30 days prior to the consummation of the proposed transaction, the Borrower shall have provided the Bank with notice of such transaction, (B) not less than ten (10) Business Days prior to the consummation of the proposed transaction, (1) copies of then available drafts of all agreements and other instruments and documents to be executed in connection with such transaction and (2) a copy of all business and financial information reasonably requested by the Bank including pro forma consolidating financial statements and statements of cash flow, and (C) not less than two (2) Business Days prior to the consummation of the proposed transaction, copies of the final forms of all agreements and other instruments and documents to be executed in connection with such transaction (collectively, the **“Final Agreements”**) (together with all drafts thereof produced after the delivery of the drafts delivered under clause (iv)(B) of this Section 5.8), and (v) the terms of the proposed transaction are reasonably acceptable to the Bank. So long as Bank shall have received all of the items referred to in the foregoing clause (iv) of this Section 5.8 within the time periods set forth therein, the Bank shall notify the Borrower not later than one (1) Business Day prior to the consummation of the proposed transaction whether or not the terms of such transaction are acceptable to the Bank. In the event that Bank so notifies the Borrower that the terms of the proposed transaction are acceptable to the Bank, so long as all of the conditions set forth in this Section 5.8 shall have been met, the Borrower may proceed to consummate the proposed transaction in accordance with, and utilizing, the Final Agreements with respect to such proposed transaction (it being understood that such Final Agreements may contain minor, non-substantive changes to the non-material terms thereof). Not later than ten (10) Business Days after the consummation of any such transaction, Borrower shall deliver to Bank copies of all of the agreements, instruments and other documents executed and delivered in connection therewith.

5.9 Restrictive Agreements. Directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement after the date of this Agreement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any other Company to create, incur or permit to exist any lien, mortgage, pledge, encumbrance, security interest or charge of any kind upon any of its property or assets, or (b) the ability of any Company to pay dividends or other distributions with respect to any shares of its capital stock (or other form of ownership) or to make or repay loans or advances to the Borrower or any other Company or to guarantee indebtedness of the Borrower or any other Company; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document and (ii) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such indebtedness.

6. Events of Default. The occurrence of any of the following will be deemed to be an **Event of Default**:

6.1. Covenant Default. Any Company shall fail to observe or perform or otherwise default in the performance of any of the covenants or agreements contained in Sections 2.4, 2.5, 4.1, 4.2, 4.3, 4.5, 4.7, 4.9, 4.10, 4.11 or 5.1 through 5.9 (inclusive) of this Agreement.

6.2. Covenant Default with Grace. Any Company shall fail to observe or perform or otherwise default in the performance of any covenant or agreement contained in this Agreement (other than those referred to in Section 6.1 above) and such failure or default shall continue unremedied or uncured for a period of thirty (30) days after the earlier of knowledge by any Company of such failure or default or notice thereof from the Bank; provided that in no event shall this Section 6.2 in any way serve to increase any of the grace periods set forth in Section 10 of the Note or in any other Loan Document.

6.3. Breach of Warranty. Any Financial Statement, representation, warranty or certificate made or furnished by the Borrower or any other Company to the Bank in connection with this Agreement shall be false, incorrect or incomplete in any material respect when made.

6.4. Other Default. The occurrence of an Event of Default as defined in the Note or any of the Loan Documents.

Upon the occurrence and during the continuance of an Event of Default, the Bank will have all rights and remedies specified in the Note and the Loan Documents and all rights and remedies (which are cumulative and not exclusive) available under applicable law or in equity.

7. Conditions. The Bank's obligation to make any advance under the Loan is subject to the conditions that as of the date of the advance:

7.1. Conditions to Effectiveness of this Agreement. The obligations of the Bank to make Loans and to issue subject LCs hereunder shall not become effective until the date on which each of the conditions set forth on the Closing Checklist is satisfied, which Closing Checklist is attached hereto as Exhibit A and hereby incorporated herein by reference.

7.2. Conditions to Each Advance. In addition to the satisfaction of the conditions set forth in Section 7.1 above, the obligation of the Bank to make a Loan and to issue, amend, renew or extend any subject LC, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct on and as of the date of such Loan or the date of issuance, amendment, renewal or extension of such letter of credit, as applicable.

(b) At the time of and immediately after giving effect to such Loan or the issuance, amendment, renewal or extension of such subject LC, as applicable, no Default or Event of Default shall have occurred and be continuing.

(c) After giving effect to any Loan or the issuance of any subject LC, the aggregate outstanding balance of the Loans plus the aggregate face amount of all outstanding subject LCs shall not exceed \$30,000,000.

Each Loan and each issuance, amendment, renewal or extension of a subject LC shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a), (b) and (c) of this Section.

8. Expenses. The Borrower agrees to pay the Bank, upon the execution of this Agreement, and otherwise on demand, all reasonable out-of-pocket costs and expenses incurred by the Bank in connection with the preparation, negotiation and delivery of this Agreement and the other Loan Documents, and any modifications thereto, and the collection of all of the Obligations, including but not limited to enforcement actions, relating to the Loan, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or relating to this Agreement, including reasonable fees and expenses of counsel (which may include costs of in-house counsel), expenses for auditors, appraisers and environmental consultants, lien searches, recording and filing fees and taxes.

9. Increased Costs. On written demand, together with written evidence of the justification therefor, the Borrower agrees to pay the Bank all direct costs incurred and any losses suffered or payments made by the Bank as a consequence of making the Loan by reason of any change in law or regulation, or the interpretation thereof, imposing any reserve, deposit, allocation of capital or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Bank, its holding company or any of their respective assets.

10. Miscellaneous.

10.1. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder (“**Notices**”) must be in writing and will be effective upon receipt. Notices may be given in any manner to which the parties may separately agree, including electronic mail. Without limiting the foregoing, first-class mail, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. Regardless of the manner in which provided, Notices may be sent to a party’s address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this section.

10.2. Preservation of Rights. No delay or omission on the Bank’s part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank’s action or inaction impair any such right or power. The Bank’s rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity.

10.3. Illegality. If any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, it shall not affect or impair the validity, legality and enforceability of the remaining provisions of this Agreement.

10.4. Changes in Writing. No modification, amendment or waiver of, or consent to any departure by the Borrower from, any provision of this Agreement will be effective unless made in a writing signed by the party to be charged, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Borrower will entitle the Borrower to any other or further notice or demand in the same, similar or other circumstance.

10.5. Entire Agreement. This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

10.6. Counterparts. This Agreement may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

10.7. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Borrower and the Bank and their respective heirs, executors, administrators, successors and assigns; provided, however, that the Borrower may not assign this Agreement in whole or in part without the Bank’s prior written consent and the Bank at any time may assign this Agreement in whole or in part.

10.8. Interpretation. In this Agreement, unless the Bank and the Borrower otherwise agree in writing, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word “or” shall be deemed to include “and/or”, the words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”; references to articles, sections (or subdivisions of sections) or exhibits are to those of this Agreement; and references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement. Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. Unless otherwise specified in this Agreement, all accounting terms shall be interpreted and all accounting determinations shall be made in accordance with GAAP. If this Agreement is executed by more than one party as Borrower, the obligations of such persons or entities will be joint and several.

10.9. No Consequential Damages, Etc. The Bank will not be responsible for any damages, consequential, incidental, special, punitive or otherwise, that may be incurred or alleged by any person or entity, including the Borrower and any Guarantor, as a result of this Agreement, the other Loan Documents, the transactions contemplated hereby or thereby, or the use of the proceeds of the Loan.

10.10. Assignments and Participations. At any time, without any notice to the Borrower, the Bank may sell, assign, transfer, negotiate, grant participations in, or otherwise dispose of all or any part of the Bank's interest in the Loan. The Borrower hereby authorizes the Bank to provide, without any notice to the Borrower, any information concerning the Borrower, including information pertaining to the Borrower's financial condition, business operations or general creditworthiness, to any person or entity which may succeed to or participate in all or any part of the Bank's interest in the Loan.

10.11. Governing Law and Jurisdiction. This Agreement has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank's office indicated above is located. **THIS AGREEMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE BANK'S OFFICE INDICATED ABOVE IS LOCATED, EXCLUDING ITS CONFLICT OF LAWS RULES.** The Borrower hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Bank's office indicated above is located; provided that nothing contained in this Agreement will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Borrower individually, against any security or against any property of the Borrower within any other county, state or other foreign or domestic jurisdiction. The Bank and the Borrower agree that the venue provided above is the most convenient forum for both the Bank and the Borrower. The Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.

10.12 USA PATRIOT ACT. The Bank that hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), the Bank is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Bank to identify the Borrower in accordance with the Act.

10.13. WAIVER OF JURY TRIAL. EACH OF THE BORROWER AND THE BANK IRREVOCABLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER AND THE BANK ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

[Remainder of Page Intentionally Left Blank]

The Borrower acknowledges that it has read and understood all the provisions of this Agreement, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

WITNESS the due execution hereof as a document under seal, as of the date first written above.

WITNESS / ATTEST:

PREFORMED LINE PRODUCTS COMPANY

By: /s/ Caroline Vaccariello _____
Name: Caroline Vaccariello _____

By: /s/ Eric R. Graef _____
Name: Eric R. Graef _____
Title: CFO ó Vice President of Finance _____

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Christian S. Brown _____
Name: Christian S. Brown _____
Title: Vice President _____

ADDENDUM to that certain Loan Agreement dated February 5, 2010 between PREFORMED LINE PRODUCTS COMPANY as the Borrower and PNC Bank, National Association, as the Bank. Capitalized terms used in this Addendum and not otherwise defined shall have the meanings given them in the Agreement. Section numbers below refer to the sections of the Agreement.

3.6 Title to Assets. Describe additional liens and encumbrances below with respect to domestic Companies:

3.7 Litigation. Describe pending and threatened litigation, investigations, proceedings, etc. below with respect to domestic Companies:

5.1 Indebtedness. Describe unsecured indebtedness existing on the date of the Agreement below:

CONTINUATION OF ADDENDUM

FINANCIAL COVENANTS

- (1) The Borrower will maintain at all times a minimum Tangible Net Worth of \$145,000,000, to be increased on each December 31 commencing on December 31, 2010, by an amount equal to 50.0% of the Borrower's net income after taxes (if a positive number) for the fiscal year then ending.
- (2) The Borrower will maintain at all times a ratio of Funded Debt to EBITDA on a rolling four quarter basis of less than 2.50 to 1.0.
- (3) The Borrower will maintain as of the end of each fiscal quarter, on a rolling four quarters basis, an Interest Coverage Ratio of at least 3.50 to 1.0.

As used herein:

“**EBIT**” means net income plus interest expense plus federal, state and local income tax expense.

“**EBITDA**” means net income plus interest expense plus federal, state and local income tax expense plus depreciation plus amortization.

“**Interest Coverage Ratio**” means (i) EBIT, divided by (ii) the sum of interest expense.

“**Funded Debt**” means all indebtedness for borrowed money having an original term of more than one year, including but not limited to capitalized lease obligations, reimbursement obligations in respect of letters of credit, and guaranties of any such indebtedness.

“**Tangible Net Worth**” means stockholders' equity in the Borrower less any advances to affiliated parties less all items properly classified as intangibles.

All of the above financial covenants shall be computed and determined in accordance with GAAP applied on a consistent basis (subject to normal year-end adjustments).

PREFORMED LINE PRODUCTS COMPANY

SUBSIDIARIES

Domestic Subsidiaries:

Direct Power and Water Corporation
Albuquerque, New Mexico

International Subsidiaries:

Australia
Preformed Line Products (Australia) Pty Ltd.
Sydney, Australia

Brazil
PLP-Produtos Para Linhas Preformados Ltd.
Sao Paulo, Brazil

Canada
Preformed Line Products (Canada) Ltd.
Cambridge, Ontario, Canada

China
Beijing PLP Conductor Line Products Co., Ltd.
Beijing, China

Indonesia
PT Preformed Line Products Indonesia
Bekasi, Indonesia

Malaysia
Preformed Line Products (Malaysia) Snd. Bhd
Selangor, Malaysia

Mexico
Preformados de Mexico S.A. de C.V.
Queretaro, Mexico

New Zealand
Electropar Ltd.
Auckland, New Zealand

Poland
Belos-PLP SA
Beilsko-Biala, Poland

South Africa
Preformed Line Products (South Africa) Pty. Ltd.
Pietermaritzburg, Natal
Republic of South Africa

Spain
APRESA ó PLP Spain, S. A.

Sevilla, Spain

Thailand

Preformed Line Products (Asia) Ltd.
Bangkok, Thailand

Preformed Line Products (Thailand) Ltd.
Bangkok, Thailand

United Kingdom

Preformed Line Products (Great Britain) Ltd.
Andover, Hampshire, England

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-73692) pertaining to the Salaried Employees Profit Sharing Plan of Preformed Line Products Company, in the Registration Statement (Form S-8 No. 333-73690) pertaining to the 1999 Employee Stock Option Plan of Preformed Line Products Company, and in the Registration Statement (Form S-8 No. 333-153263) pertaining to the Long Term Incentive Plan of 2008 of Preformed Line Products Company of our reports dated March 11, 2011, with respect to the consolidated financial statements and schedule of Preformed Line Products Company, and the effectiveness of internal control over financial reporting of Preformed Line Products Company included in this Annual Report on Form 10-K for the year ended December 31, 2010.

/s/ Ernst & Young LLP

Cleveland, Ohio
March 11, 2011

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert G. Ruhlman, certify that:

1. I have reviewed this annual report on Form 10-K of Preformed Line Products Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2011

/s/ Robert G. Ruhlman

Robert G. Ruhlman
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Eric R. Graef, certify that:

1. I have reviewed this annual report on Form 10-K of Preformed Line Products Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2011

/s/ Eric R. Graef

Eric R. Graef

Chief Financial Officer and Vice President - Finance

(Principal Accounting Officer)

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert G. Ruhlman, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Annual Report on Form 10-K of Preformed Line Products Company for the period ended December 31, 2010 which this certification accompanies fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Preformed Line Products Company.

March 11, 2011

/s/ Robert G. Ruhlman

Robert G. Ruhlman
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Preformed Line Products Company and will be retained by Preformed Line Products Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Eric R. Graef, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Annual Report on Form 10-K of Preformed Line Products Company for the period ended December 31, 2010 which this certification accompanies fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Preformed Line Products Company.

March 11, 2011

/s/ Eric R. Graef

Eric R. Graef
Chief Financial Officer and
Vice President - Finance
(Principal Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Preformed Line Products Company and will be retained by Preformed Line Products Company and furnished to the Securities and Exchange Commission or its staff upon request.