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, 2002

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: (None)

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

Common Shares, $2 par value per share
(Title of class)

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 _X_ 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. _X_

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).
Yes ____ No _X__

The aggregate market value of voting and non-voting common shares held by non-affiliates of the registrant as of June 28, 2002 was $36,987,400, based on the closing price of such common shares, as reported on the NASDAQ National Market System. As of March 17, 2003, there were 5,772,710 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 28, 2003 are incorporated by reference into Part III Items 10, 11, 12, and 13.

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Forward-Looking Statements

This Form 10-K and other documents we file with the Securities and Exchange Commission contain forward-looking statements regarding the Company's 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, Canada, Japan and Western Europe;
- The effect on the Company's business resulting from economic uncertainty within Asia-Pacific and Latin American regions;
- Technology developments that affect longer-term trends for communication lines such as wireless communication;
- The Company's success at continuing to develop proprietary technology to meet or exceed new industry performance standards and individual customer expectations;
- The rate of progress in continuing to reduce costs and in modifying the Company's cost structure to maintain and enhance the Company's competitiveness;
- 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 into new areas for inside plant;
- The Company's ability to identify, complete and integrate acquisitions for profitable growth;
- The potential impact of consolidation and deregulation 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 compliance;
- The Company's ability to continue to compete with larger companies who have acquired a substantial number of the Company's former competitors;

- The Company’s ability to compete in the domestic data communications market;
- The Company’s ability to recover sales in the telecommunication markets;
- The Company’s ability to have continued success in emerging markets such as China;
- The Company’s ability to internally develop new products; and
- Other factors disclosed previously and from time to time in the Company’s filings with the Securities and Exchange Commission. These filings can be found on the Securities and Exchange Commission’s website at www.sec.gov.

Part I

Item 1. *Business*

Background

Preformed Line Products Company (“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, communications, cable (TV) provider, information (data communication) and other similar industries. The Company’s primary products support, protect, connect, terminate and secure cables and wires. The Company also manufactures a line of products serving the voice and data transmission markets. 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 manufacturing facilities and many of the Company’s foreign manufacturing facilities are International Standards Organization (“ISO”) 9001 certified. The ISO 9001 certification is an internationally recognized quality standard for manufacturing and assists the Company in marketing its products in certain markets. The Company’s customers include public and private energy utilities and communication companies, cable operators, financial institutions, governmental agencies, original equipment manufacturers, 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 Interconnection Devices

Formed Wire Products are used in the energy, communications and cable industries to support, protect, terminate and secure both power conductor and communication cables and to control cable dynamics (e.g., vibration). These 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, and dependable and easy to use. The Company introduced formed wire products to the power industry over 50 years ago and such products enjoy an almost universal acceptance in the Company’s markets. Formed wire and related hardware products are approximately 47%, 44%, and 50% of the Company’s revenues in 2000, 2001 and 2002, respectively.

Protective Closures, including splice cases, are used to protect copper cable or fiber optic cable from moisture, environmental hazards and other potential contaminants. Protective closures are approximately 29%, 34% and 28% of the Company's revenues in 2000, 2001 and 2002, respectively.

Data Communication Interconnection Devices are products used in high-speed data systems to connect electronic equipment. Data communication interconnection devices are approximately 24%, 22% and 22% of the Company's revenues in 2000, 2001 and 2002, respectively.

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 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 the Peterson 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 United States 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.

Recognizing the need for a stronger presence in the fast growing Asian market, in 1996 the Company also formed a joint venture in China and, in 2000, became sole owner of this venture. All of the Company's international subsidiaries operate as independent business units with the necessary infrastructure (manufacturing, engineering, marketing and general management) to support local business activities. Each is staffed with local personnel at all levels 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 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 nine domestic and three foreign patents have been granted to the Company on the Coyote closure. None of the Coyote patents have expired. The earliest Coyote patent was filed in April 1995 and will not expire until April 2015.

In 2001, the Company introduced its new Armadillo closure, a plastic pressurized underground, buried and aerial splice case for copper voice, data and video cables. This new product is an alternative to the Company's stainless steel splice case, which for over 30 years has set an industry standard for waterproof, re-enterable underground and buried closures and aerial applications.

In 1993, the Company purchased the assets of Superior Modular Products Company. Located in Asheville, North Carolina, Superior Modular Products is a technical leader in the development and manufacture of high-speed interconnection devices for voice, data and video applications. This acquisition was the catalyst to expand the Company's range of communication products to components for structuring cabling systems used inside a customer's premises.

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

The Company's corporate headquarters is located at 660 Beta Drive, Mayfield Village, Ohio 44143. Telephone number (440) 461-5200.

Business

The demand for the Company's products comes primarily from new, maintenance and repair construction for the energy industry, communication and data communication customers. Over the past several years a significant portion of the Company's growth has been generated by customers of the Company's power transmission and fiber optic products. Maintenance construction by 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 emergency or natural disasters, such as hurricanes, tornadoes, earthquakes, floods or ice storms. Under these circumstances, the Company provides 24-hour service to get 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 case is an easily re-enterable closure that allows utility maintenance workers access to the cable splice 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 its 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.

In the early 1980s, fiber optic cable was first deployed in the outside plant environment. 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. 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 interconnect devices and enclosures for data communications networks, offering a comprehensive line of copper and fiber optic cross-connect systems. The product line offers a comprehensive network system within a building or premise.

Joint Ventures and License Agreements

The Company is currently a minority partner in two joint ventures in Japan, holding a 49% ownership interest in Japan PLP Co. LTD. and a 24% ownership interest in Toshin Denko Kabushiki Kaisha. Neither of these joint ventures is believed to be significant to the Company's overall business. The Company receives royalties under fifteen separate license agreements. The Company does not believe that its business is materially dependent on any one license agreement.

Markets

The Company markets its products to the energy, communications, cable provider and information (data communication) industries. While rapid changes in technology have blurred the distinctions between telephone,

cable, and data communication, the energy industry is clearly separate. 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 United States: 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 United States for more than a decade. Additionally, because of deregulation, many 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 states to the energy-deficient areas means that new transmission lines will likely be built and many existing lines will likely be refurbished. In addition, consolidations are also driving the demand for new transmission lines, because merged utilities need to tie their systems together. 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, construction of international transmission grids is occurring in many regions of the world. However, consolidation in the markets 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 in this era of deregulation, 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, in the developing regions there is increasing political pressure to extend the availability of electricity to additional populations.

Communication and Cable. The communications and cable industries have seen a major reduction in new and maintenance related construction both domestically and worldwide over the past 18 months. Major developments, including the Internet and other high-speed data communications technologies, ongoing convergence between the cable and communications industries, and demand for enhanced communications services, have led to a changing regulatory and competitive environment in many markets throughout the world. The deployment of new metro networks and improvements to existing networks for advanced applications has also stopped or been put on hold for the foreseeable future.

Cable operators, local communications operators and power utilities are building, rebuilding or upgrading signal delivery networks in developing 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 optic fibers. The Company manufactures closures that these industries use when they require connections or splice housings in a secure, protective closure and cable management connectivity systems.

As critical components of the outdoor infrastructure, closures provide protection against weather and vandalism and permit ready access to devices for technicians who maintain and manage the system. 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 communications 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 or data signals.

The industry is finding new technological methods to increase the usage of copper-based plant through high-speed digital subscriber lines (DSLs). The primary driver of this increase is the Internet and data-related communications. The Company has been actively pursuing the development of products for the communication

operating companies, the Inter-Exchange Carriers (IXCs), and the Competitive Local Exchange Carriers (CLECs), as well as cable operator companies.

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 data communication in the workplace are all key elements to the increased demand for the connecting devices made by the Company. This market will increasingly be focused on the systems that provide the highest speed and highest quality signal, such as fiber optic and copper networks. The Company's connecting devices are sold to a number of categories of customers including (i) original equipment manufacturers (OEMs), which use the Company's "patch panels" to make their electronic components, (ii) ISPs, (iii) large companies and organizations which have their own LAN (local area network) for data communication, and (iv) national and international distributors of electronic products for use in the above markets.

Other Markets. The Company's formed wire products can also be used in other industries which require a method of securing or terminating cables, including the metal building and 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.

Foreign Operations

Except for geography, the foreign business segment of the Company is essentially the same as its domestic business. It manufactures in its foreign plants the same types of products as are sold domestically, it sells to the same types of customers and faces the same types of competition (and in some cases the same competitors). Sources of supply of raw materials are not significantly different internationally. See Note K to the Consolidated Financial Statements for information relating to certain foreign and domestic financial data of the Company.

While a number of the Company's foreign plants are in developed countries, the Company believes it has strong market opportunities in developing countries, in particular, China, 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 Australia. In addition, as the need arises, the Company is prepared to establish new manufacturing facilities abroad. For example, in January 2001 the Company moved its Mexican manufacturing operations from a leased facility in Mexico City, Mexico to a newly constructed facility in Queretaro, Mexico.

Sales and Marketing

Nationally and internationally, the Company markets its products through a direct sales force and manufacturer's representatives. The latter are independent organizations that represent the Company as well as other complementary product lines. These organizations are paid a commission based on the sales amount. 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.

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 all of the Company's products that 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" 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 its own Research and Engineering Center in Cleveland, Ohio. Using the Research and Engineering Center, engineers and technicians could 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 included 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 also developed the industry's first mobile testing laboratory, the Dynalab, to monitor the phenomena affecting overhead conductor, wire and cable, allowing the Company's sales representatives to work directly with customers in the field for training, problem identification and problem solving.

In 1979, the Company relocated and expanded its Research and Engineering Center as a 29,000-square-foot addition to its World Headquarters in Mayfield Village, Ohio. The Company believes that this facility 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 major asset. 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 15% to 20% of 2002 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 including IEEE (Institute of Electrical and Electronics Engineers), CIGRE (Counsiel Internationale des Grands Reseaux Electriques a Haute Tension), and IEC (International Electromechanical Commission). These organizations are charged with the responsibility of establishing industrywide specifications and performance criteria. See Note A to the Consolidated Financial Statements for information relating to the Company's research and development expenses in 2000, 2001 and 2002.

Patents

The Company applies for patents in the United States and other countries, as appropriate, to protect its significant patentable developments. As of December 31, 2002, the Company had in force 57 U.S. patents and 20 foreign patents in 16 countries and had pending 15 U.S. patent applications and 12 foreign applications. While such domestic and foreign 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, 2002, the Company had obtained U.S. registration on 34 trademarks and one trademark application remained pending. Foreign registrations amounted to 142 registrations in 37 countries, with 21 pending foreign registrations.

Since June 8, 1995, United States 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 17 years from the date of its issuance. Patents issued by foreign countries generally expire 20 years after filing. U.S. and foreign patents are not renewable after expiration of their initial term. U.S. and foreign trademarks are generally speaking 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 from time to time makes and receives inquiries with regard to possible patent and trademark infringement. The extent of such inquiries from third parties has been limited to verbal remarks to Company representatives at industry trade shows. 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 Cleveland, Ohio and departments of 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, continually upgrading equipment and increasing warehouse space.

- 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 has become a hallmark of the Company.

- The Company's 15 manufacturing locations ensure close support and proximity to customers worldwide.

Domestically, there are two 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. 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. The Company believes that 3M's market share for pressurized closures exceeds that of the Company. Based on its experience in the industry, the Company believes its market share exceeds 30%. Internationally, with the exception of Canada, the Company is just beginning to enter the closure market. 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. and 3M. 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 worldwide presence. Additionally, the Company provides product to its licensees and other companies on a privately branded basis. Patented technology developed by the Company is currently licensed to many of its largest competitors. Low-cost Asian competitors, however, keep pressure on prices and will continue to do so.

Sources and Availability of Raw Materials

The principal raw materials used by the Company are galvanized wire, stainless steel, aluminized steel wire, aluminum re-draw rod, plastic (polyethylene and PVC) resins, glass-filled plastic compounds, neoprene rubbers and aluminum ingots. 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 annual contracts to stabilize costs and improve delivery performance and are available from a number of reliable suppliers. Aluminized steel wire and aluminum re-draw rod are purchased in standard stock diameters and coils under annual contracts available from a number of reliable suppliers. Rolled stainless steel is purchased under annual contracts. Glass-filled plastic compound is purchased under an annual blanket contract with GE Polymerland. The Company has substantially completed the final

qualification for alternatives to the glass-filled plastic compound purchased from GE Polymerland in order to improve the Company's cost control efforts.

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, circuit boards and various metal racks and cabinets. The Company believes there are multiple sources of supply for these products.

There have been no shortages in materials that have had a material adverse effect on the business, and none are expected.

Backlog Orders

The Company's backlog is not material. The Company's order backlog generally represents two to four 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 and construction crews. As a result, the Company does not have 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.

Although no assurances can be given, 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 2003 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, although the Company believes that such regulations would be enacted over time and would affect the industry as a whole.

Employees

At December 31, 2002, the Company and its consolidated subsidiaries had 1,344 employees. Approximately 52% of the Company's employees are located in the United States.

Item 2. Properties

The Company currently owns or leases 16 facilities, which together contain approximately 1.4 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 facilities:

	Location	Use	Owned/Leased	Square Feet
1.	Mayfield Village, Ohio	Corporate Headquarters Research and Engineering Center	Owned	62,000
2.	Rogers, Arkansas	Manufacturing Warehouse Office	Owned	310,000
3.	Charlotte, North Carolina	Manufacturing	Leased	9,000
4.	Albemarle, North Carolina	Manufacturing Warehouse Office	Owned	261,000
5.	Asheville, North Carolina	Manufacturing R&E Warehouse Office	Owned	46,300
6.	Sydney, Australia	Manufacturing R&E Warehouse Office	Leased	17,200
7.	Sydney, Australia	Manufacturing R&E Warehouse Office	Owned	90,950
8.	São Paulo, Brazil	Manufacturing R&E Warehouse Office	Owned	146,250
9.	Cambridge, Ontario, Canada	Manufacturing Warehouse Office	Owned	70,450
10.	Andover, Hampshire, England	Manufacturing R&E Warehouse Office	Owned	88,770
11.	Queretaro, Mexico	Manufacturing Warehouse Office	Owned	50,000
12.	Pietermaritzburg, South Africa	Manufacturing R&E Warehouse	Owned	74,200

	Office		
13. Sevilla, Spain	Manufacturing R&E Warehouse Office	Owned	74,000
14. Beijing, China	Manufacturing Warehouse Office	Owned	37,700
15. Lower Huff, New Zealand	Manufacturing Warehouse Office	Leased	10,350
16. Glenrothes Fife, Scotland	Manufacturing Warehouse Office	Leased	30,000

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. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of the security holders of the Registrant during the quarter ended December 31, 2002.

Executive Officers of the Registrant

Name	Age	Position
Jon R. Ruhlman	75	Chairman of the Company
Robert G. Ruhlman	46	President and Chief Executive Officer
R. Jon Barnes	50	Vice President - Marketing and Sales
Eric R. Graef	50	Vice President - Finance and Treasurer
William H. Haag	39	Vice President - International Operations
Robert C. Hazenfield	49	Vice President - Research and Engineering
J. Cecil Curlee Jr.	46	Vice President - Human Resources

The following sets forth the name and recent business experience for each person who is an executive officer of the Company at March 1, 2003.

Jon R. Ruhlman has been the Chairman of the Company since 1975. He served as Chief Executive Officer from 1975 until July 2000. Jon R. Ruhlman joined the Company in 1954 as an engineer in the Company's Research and Engineering Center. He has served as a Director of the Company since 1956.

Robert G. Ruhlman became Chief Executive Officer in July 2000. He had served as President since 1995 (a position he continues to hold) and Chief Operating Officer from 1995 until July 2000. Robert G. Ruhlman joined the Company in 1979 as an engineer in the Company's former Marine Products Division. He served as Vice

President, Corporate Planning from 1989 until becoming Executive Vice President in 1992. He has served as a Director of the Company since 1992.

R. Jon Barnes was elected Vice President—Marketing and Sales in January 1998.

Eric R. Graef was elected Vice President—Finance and Treasurer in December 1999. Prior to that time, Mr. Graef was employed by The Lubrizol Corporation, a $1.7 billion specialty chemical manufacturer, in various financial positions from 1986 until rejoining the Company in December 1999. Mr. Graef was previously employed by the Company from 1978 through 1986.

William H. Haag was elected Vice President—International Operations in April 1999. From January 1997 until January 1999 he was Regional Operations Manager and from January 1999 until April 1999 he was director of International Regional Operations.

Robert C. Hazenfield has served as Vice President—Research and Engineering since April 1998. He served as Director of Research and Engineering from January 1998 until April 1998.

J. Cecil Curlee Jr. was hired in 1982 in the position of Personnel Manager at the Albemarle, North Carolina facility. He was promoted to Director of Employee Relations in September 2002 and was elected Vice President, Human Resources in January 2003.

Part II

Item 5. Market for Registrant's Common Shares and Related Shareholder Matters

The Company's Common Shares are traded on NASDAQ under the trading symbol "PLPC". As of March 17, 2003, the Company had approximately 223 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 the over–the-counter market (OTC) under the symbol "PLIN" and (ii) the amount per share of cash dividends paid by the Company. The Company's Common Shares began trading on the NASDAQ on September 18, 2001. The OTC Common Share price history below is based on the high and low selling price as quoted by McDonald Investments, Inc. a market maker for the Company's Common Shares. The quotations do not reflect adjustments for retail markups, markdowns or commissions and may not necessarily reflect actual transactions.

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.

	Years Ended					
	December 31, 2002			December 31, 2001		
Quarter	High	Low	Dividend	High	Low	Dividend
First	$20.25	$18.25	$0.20	$17.25	$13.00	$0.15
Second	20.45	18.15	0.20	22.00	13.88	0.20
Third	20.23	16.80	0.20	21.00	17.00	0.20
Fourth	19.70	15.65	0.20	19.50	14.50	0.20

Equity Compensation Plan Information

The information required by Item 201(d) of Regulation S-K is set forth in Note G to the Notes to Consolidated Financial Statements.

Item 6. Selected Financial Data

	Year ended December 31				
	2002	2001	2000	1999	1998
	Thousands of dollars, except per share data				
Net Sales and Income					
Net sales	$169,842	$196,365	$207,332	$195,245	$216,244
Operating income (loss)	(426)	7,571	18,805	14,155	27,952
Income (loss) before income taxes	(579)	7,432	17,135	14,729	28,464
Net income (loss)	(1,140)	5,176	11,051	10,201	19,006
Per Share Amounts*					
Net income (loss) - basic and diluted	($0.20)	$0.90	$1.91	$1.71	$3.10
Dividends declared	0.80	0.75	0.60	0.60	0.58
Shareholders' equity	19.76	20.98	21.47	20.45	19.91
Other Financial Information					
Current assets	$78,522	$83,230	$87,783	$84,531	$84,250
Total assets	144,784	161,190	170,611	159,664	157,717
Current liabilities	23,954	37,638	26,244	24,790	24,002
Long-term debt	5,847	2,341	20,160	14,507	11,110
Shareholders' equity	114,096	120,780	123,856	119,194	121,776

* Reflects adjustment for two-for-one stock split effected in the form of a 100% stock dividend on June 10, 1998.

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

Business Environment

The evolving regulatory environment in the energy and communication sectors over the last several years has forced the incumbent energy and communications service providers to share their networks with competitors. The effect of this policy has been twofold. It has discouraged start-up businesses from building their own networks, instead allowing them to piggyback on incumbent networks at low costs. Meanwhile, incumbents bear the full burden of the cost of maintaining the networks that they are forced to share in the face of increased competition. The result has severely limited the amount of capital these companies invest in both new construction and maintaining the existing infrastructure.

The regional Bell telephone companies (Bells) are the Company's primary customers in the telecommunications market. The recent Federal Communications Commission (FCC) ruling dictated that these Bells must continue leasing their lines to rivals such as WorldCom and AT&T Corp. The Bells claim that the lease rates are below their cost of providing service. Consequently, the incentive for the Bells to increase capital investment is minimized. However, the FCC eased the old regulation requiring the Bells to share their high-speed lines with their competitors. This increases the possibility that the Bells will become more aggressive in providing broadband equipment and lines to homes.

One of the major communication market sectors that was hit the hardest was the fiber optic infrastructure. During the late 1990s, a tremendous amount of fiber optic construction was driven by the assumption that capacity was required to manage an Internet economy with endless potential for growth. But by 2001, it became apparent that such expectations were exaggerated, and dot-com era optimism gave way to the realization that there was a major overbuild in the fiber optic infrastructure. The boom in construction resulted in significant fiber capacity that was not being fully utilized. Current estimates show it may be years before this excess capacity is absorbed and additional construction projects get under way.

A worldwide telecom recession, added competition from the burgeoning cell-phone industry, overblown expectations and optimism from the dot-com era, a glut of fiber optic infrastructure and the irregularities in business practices of certain communications companies contributed to the contraction of this market over the last several years.

Many of the Company's customers in the energy and communications markets contend with very high debt burdens, which have resulted in numerous bankruptcies, employee reductions and shrinking capital budgets.

Overview

The Company's 2002 results continued to deteriorate as a result of the foregoing and, in particular, the lack of capital spending in the energy, fiber optic cable, and telecommunications markets during 2002. Net sales and the resulting gross profit decreased 14% from the previous year. Sales in the Asia Pacific markets increased while sales in the North and South American marketplace decreased. Domestic sales accounted for approximately 66% of the decrease in consolidated sales as the communications markets (fiber optic and data communication) continued to contract. Latin American sales accounted for approximately 33% of the decrease as a result of the present governmental climate and the softness of their currency compared to the U.S. dollar. Changes in translation rates accounted for a $1.9 million reduction in sales.

During the third quarter of 2002, the Company recorded pre-tax abandonment charges of $4.7 million related to its European data communications operations. This entails winding down a manufacturing operation, closing five sales offices, terminating leases and reducing personnel by approximately 130. This action was taken as a result of the continuing decline in the global telecommunication and data communication markets and after failing to reach agreement on an acceptable selling price on product supplied to a significant foreign customer. Approximately $3.3 million of the charge is related to asset write-downs, of which $2.1 million of inventory write-offs were recorded in Cost of products sold and $1.2 million of write-offs related to receivables were included in Costs and expenses on the Statements of Consolidated Operations. The remaining $1.4 million of the charge, included in Cost of products sold and Costs and expenses, relates to cash outlays for employee severance cost, cost of exiting leased facilities, the termination of other contractual obligations and transitional costs. Approximately $.5 million of the latter category of expenses was expended as of December 31, 2002, and the remaining cash outlays are anticipated to be completed by June 30, 2003. Other unusual charges recorded during the year included a $1.6 million asset impairment charge in accordance with Statement of Financial Accounting Standards (SFAS) No.142, *Goodwill and Other Intangible Assets*, a charge of $.8 million to expense premiums paid in excess of cash surrender value on life insurance policies and a charge of $.5 million related to the cumulative translation adjustment for the abandoned operation. These unusual charges, which the Company believes to be one-time charges, reduced pretax income by $7.6 million and resulted in a reported loss of $1.1 million or $.20 per share in 2002.

During the third quarter of 2001, the Company recorded realignment charges related to its data communication business that resulted in a pre-tax charge of $3.1 million. These charges related to abandoning a three-year effort to enter the domestic market for local area network hubs and media converters and re-evaluation of the strategy for penetrating the Asia-Pacific market with its data communication products. The pre-tax charge of $3.1 million consisted of: $2.0 million of inventory write-offs (included in Cost of products sold); $.7 million write-down of assets (included in Costs and expenses); and $.4 million in severance payments, lease cancellations and related expenses (included in Costs and expenses).

The following table sets forth the Company's summarized results of operations for 2002 and 2001, deducting the unusual charges and realignment charges to arrive at amounts that are comparable. See Notes I and J in the Notes to Consolidated Financial Statements for a detailed discussion of these charges. These comparable results will be used to discuss 2002 results of operations compared to 2001. The Company believes this presentation provides greater clarity of the impact of the unusual charges on reported results by caption, allowing for a more thorough discussion of the remaining fluctuations in the results of operations by the Company's domestic and foreign segments.

	Year ended December,					
	2002			2001		
Thousands of dollars, except per share data	Reported Results	Unusual Charges	Comparable Results	Reported Results	Business Realignment Charges	Comparable Results
NET SALES AND INCOME (LOSS)						
Net sales	$ 169,842	-	$ 169,842	$ 196,365	-	$ 196,365
Gross profit	50,669	2,580	53,249	59,099	1,988	61,087
Costs and expenses						
Selling	21,870	714	21,156	24,924	287	24,637
General and administrative	22,346	1,534	20,812	20,815	170	20,645
Research and engineering	5,604	-	5,604	6,236	17	6,219
Other operating (income) expense	1,020	1,171	(151)	1,568	659	909
Asset impairment	1,621	1,621	-	-	-	-
	52,461	5,040	47,421	53,543	1,133	52,410
Royalty income - net	1,366	-	1,366	2,015	-	2,015
Operating income (loss)	(426)	7,620	7,194	7,571	3,121	10,692
Other expense	(153)	-	(153)	(139)	-	(139)
Income (loss) before income tax	(579)	7,620	7,041	7,432	3,121	10,553
Income tax	561	1,957	2,518	2,256	1,092	3,348
Net income (loss)	(1,140)	5,663	4,523	5,176	2,029	7,205
PER SHARE AMOUNTS, BASIC AND DILUTED						
Net income (loss)	$ (0.20)	$ 0.98	$ 0.78	$ 0.90	$ 0.35	$ 1.25

2002 Results of Operations Compared to 2001

In 2002 consolidated net sales were **$**169.8 million, a decrease of $26.5 million, or 14%, from 2001.

Domestic net sales of $95.8 million decreased $17.4 million, or 15%, due primarily to the continued softness in the data communication market and the collapse of the fiber optic cable market. Lower sales volume accounted for the majority of this decrease. The Company does not anticipate a significant favorable change from the present conditions in the data communication, fiber optic cable and related communication markets in the near term. Although the current market has contracted significantly, the Company believes that it has been able to maintain its market position by maintaining its existing customers while cultivating new ones. The Company believes that eventually the pent-up requirement to repair, replace and upgrade the current domestic infrastructure in the energy and communication markets, together with the construction initiatives to connect homes and businesses to the fiber optic cable in order to recover initial investments made in the fiber infrastructure, will lead to an expansion in the fiber optic, telecommunication, and energy markets served by the Company. The Company is developing several new products and modifying existing products in order to take advantage of the anticipated communication market expansion. However, no assurance can be given as to when the anticipated demand will materialize or that it will materialize at all.

Foreign net sales of $74 million decreased $9.1 million, or 11%, compared to last year. A decrease in sales in Latin American countries as a result of governmental reductions of capital expenditures for the improvement and expansion of communication and energy grids accounted for 75% of the decrease in foreign sales. The weakening of certain Latin American currencies against the U.S. dollar accounted for 21% of the decrease in foreign sales. These sales decreases, coupled with $2.9 million lower foreign data communication sales, were partially offset by sales increases in the Asia Pacific and Western European regions. No individual foreign country accounted for 10% or more of the Company's consolidated net sales. Presently, the Latin American economic and political environment continues to be of concern and the Company has taken initiatives to reduce its cost structure in that region until the market recovers. As a result of the depressed Latin American market and the abandonment of the European data communications operations in 2002, the Company's 2003 foreign sales are anticipated to decline by approximately 10%.

Gross profit of $53.2 million for 2002 declined $7.8 million, or 13%, compared to 2001. This decrease is primarily the result of lower sales. Domestic gross profit decreased $3.5 million and foreign gross profit decreased $4.3 million compared to the previous year. Improvements in domestic manufacturing efficiencies and cost containment initiatives slightly improved the 2002 gross profit as a percent of sales.

Costs and expenses of $47.4 million decreased $5 million, or 10%, from 2001.

Domestic costs and expenses decreased $3.2 million from 2001 to $31 million. Selling expense was $13.4 million, a decrease of $2.2 million primarily as a result of a $.4 million reduction in commissions on lower sales, a $1 million decrease related to a reduction in employment levels and a $.6 million reduction in advertising and sales promotion. General and administrative expense increased $.7 million to $13.5 million compared to $12.8 million in 2001. This increase was due to an increase in bad debt expense of $1.0 million offset by decreased professional fees of $.3 million relating to registering the Company's common shares with the Securities and Exchange Commission during 2001. The increase in bad debt expense was attributable to several telecommunication customers declaring bankruptcy during 2002. Research and Engineering expense of $4.3 million represents a decrease of $.4 million from 2001 principally as a result of employee reductions. Other operating income of $.2 million improved $1.3 million from 2001, primarily as a result of lower goodwill and intangible asset amortization of $1.1 million, as a result of the adoption of SFAS No. 142.

Foreign costs and expenses decreased to $16.4 million or $1.8 million, when compared to 2001. The stronger dollar favorably impacted costs and expenses by $.5 million when foreign costs in local currency were translated to U.S. dollars. Excluding the currency impact, foreign selling expense of $7.7 million decreased $1.3 million. Lower commissions as a result of lower sales accounted for approximately one-half of this decrease. General and administrative expenses of $7.3 million decreased $.5 million due to employment reductions and other costs reduction efforts. Other operating expense increased $.5 million primarily as a result of the gain on disposal of assets being reduced by $.3 million when compared to 2001.

Royalty income for the year ended December 31, 2002 of $1.4 million is $.7 million lower than 2001 as a result of the decline in the domestic data communication market.

Operating income of $7.2 million for the year ended December 31, 2002 decreased $3.5 million, or 33%, compared to the previous year. This decrease was primarily a result of the $7.8 million decrease in gross profit, the decrease in royalty income of $.7 million offset by the $5 million reduction in costs and expenses. Domestic operating income decreased $1.1 million to $3 million in 2002 as a result of $3.5 million lower gross profit and the $.8 million reduction in royalty income partially offset by the $3.2 million reduction in domestic costs and expenses. Foreign operating income of $4.2 million decreased $2.4 million compared to the previous year primarily due to the $4.3 million decrease in gross profit partially offset by the $1.8 million reduction in costs and expenses. The Company's foreign operating income includes $2.6 million in income from China partially offset by operating losses of $1.4 million in Latin America and $.6 million in the European data communications operations. The operating income attributable to China included the positive effect of a tax holiday (see Note F in the Notes to Consolidated Financial Statements), which will not be in effect to the same degree in 2003 and future years, and two major projects. There can be no assurance that the Company will sell products for similar projects during 2003.

Other expense for the year ended December 31, 2002 of $.2 million remained relatively unchanged from 2001 because a $.7 million reduction in interest expense resulting from lower debt was offset by a $.4 million decrease in interest income primarily due to interest received in 2001 on a one-time state tax refund and a $.4 million reduction in foreign joint venture equity income.

Income tax for the year ended December 31, 2002 of $2.5 million was $.8 million lower than the prior year. The effective tax rate increased to 36% in 2002 from 32% in 2001 primarily as a result of receiving dividends of $1.6 million from foreign equity investments, which are excluded from book income. Excluding the tax effect of this item, the effective rate would have been 29%. The Company has a tax holiday in China which grants an effective tax rate of 0% for the first two profit making years after utilizing any tax loss carryforwards and a 50% tax reduction for the succeeding three years which begins with 2003. The aggregate tax and per share favorable effect of this holiday was $.8 million or $.13 per share in 2002 and $.5 million or $.08 per share in 2001. The tax rate in China will increase from 0% in 2002 to 15% in 2003 resulting in an anticipated increase in income taxes of approximately $.3 million on sales comparable to 2002. See Note F in the Notes to Consolidated Financial Statements for further discussion of the differences between the overall statutory tax rate and the effective rate.

As a result of the above, net income for the year ended December 31, 2002 was $4.5 million which represents a decrease of $2.7 million, or 38%, compared to comparable results in 2001.

2001 Results of Operations Compared to 2000

In 2001, consolidated net sales were $196.4 million, a decrease of $11 million, or 5%, from 2000. Domestic net sales decreased $12.5 million, or 10%, primarily as a result of a decrease in volume. The volume decrease was attributable to softness in the domestic market for both the Company's data communication and formed wire products. Although the Company cannot quantify the amount, it believes the events of September 11th exacerbated an already slowing North American economy. The Company's 2001 fourth quarter revenues of $44.3 million were 10% below those of the fourth quarter 2000 and the third quarter of 2001. Foreign net sales increased $1.5 million, or 2%, primarily as a result of higher volumes. The stronger dollar in 2001 had a negative impact of $8.4 million when foreign sales were converted from native currency to U.S. dollars. Excluding the impact of foreign currency, foreign sales would have increased by 12% and consolidated sales would have decreased by only 1%.

Gross profit declined $4.4 million, or 7%, in 2001 compared to 2000. This decrease was primarily attributable to lower sales, including the impact of the stronger dollar.

Costs and expenses of $53.5 million increased $6.6 million, or 14%, over 2000. Expenses related to the introduction of the Company's data communication products to foreign markets accounted for approximately 57% of this increase while approximately 17% of the increase was the result of the business realignment charge. The rest of the increase was due to general increases including expenses associated with moving a plant in Mexico and fees associated with registering the Company's common shares with the Securities and Exchange Commission and listing the Company's common shares on the NASDAQ.

Royalty income of $2 million decreased $.2 million from 2000 as a result of higher foreign data communication royalty expense.

Operating income of $7.6 million is a decrease of $11.2 million, or 60%, from 2000. This decrease was the result of the $4.4 million decrease in gross profit, the increase in costs and expenses of $6.6 million and the $.2 million decrease in royalty income.

Expense of $.1 million included in other income (expense) was a $1.5 million improvement compared to 2000. This improvement is primarily attributable to an increase in earnings of foreign joint ventures of $.5 million, a reduction of interest expense of $.2 million, due to lower interest rates, and the non-recurrence of the $.9 million adjustment in 2000 of accumulated amortization pertaining to the Company's investment in qualified affordable housing project limited partnerships.

In 2001, income before income taxes decreased $9.7 million, or 57%, compared to 2000 as a result of the $11.2 million decrease in operating income offset by the reduction in other expense of $1.5 million.

The effective tax rate in 2001 was 30.4% compared to 35.5% in 2000. The difference in the effective rate is primarily due to the increased profitability of our low tax jurisdiction subsidiaries in 2001. See Note F in the Notes to Consolidated Financial Statements for further discussion of the differences between the statutory tax rate and the effective tax rate.

Overall, net income for 2001 of $5.2 million decreased $5.9 million, or 53%, compared to 2000. Earnings per share were $.90 for 2001 compared to $1.91 in 2000. Earnings per share for 2001 would have been $1.25 if the realignment charge was excluded.

Working Capital, Liquidity and Capital Resources

Net cash provided by operating activities was $18.6 million for 2002 despite a $1.1 million net loss. This was primarily a result of non-cash charges of $12.8 million included in the determination of the loss and $1.6 million in dividends received from non-consolidated affiliates that are excluded from book income in accordance with equity accounting. Additionally, working capital was reduced by $5.3 million.

Net cash used in investing activities was $3.5 million in 2002. During 2002, the Company sold the land and building of its former Birmingham foundry. This sale accounted for the majority of the amount included in proceeds from the sale of property and equipment. At December 31, 2002, the Company had open uncompleted purchase commitments for inventory and capital equipment of $.7 million. The Company is continually analyzing potential acquisition candidates and business alternatives but has no commitments that would materially impact the operations of the business. In addition, the Company has announced that it is pursuing strategic alternatives with respect to its domestic data communication operations.

Cash used in financing activities was $12.2 million in 2002. This consisted primarily of a reduction in debt of $7.9 million and dividend payments of $4.6 million.

The Company has commitments under operating leases primarily for office and manufacturing space, transportation equipment and computer equipment. See Note E in the Notes to Consolidated Financial Statements for further discussion on the future minimal rental commitment under these leasing arrangements. One such lease is for the Company's aircraft with a lease commitment through April 2012. Under the terms, the Company maintains the risk for the residual value in excess of the market value for the aircraft. At the present time, the Company believes its risks, if any, to be immaterial because the estimated market value of the aircraft approximates its residual value.

The Company has evaluated its long-term borrowing requirements and completed amending its main credit facility. The bank approved the renewal of the credit facility and the Company's Board of Directors approved the new amendment during 2002. The Company's amendment to its primary revolving credit agreement matures December 31, 2005. The new amendment replaces the $40 million revolving credit agreement that would have expired on December 31, 2002 with a $20 million commitment. Interest rates under the amended revolving credit agreement are at the money market rate plus 1%. The effective interest rate at December 31, 2002 was 2.31%. The amended revolving credit agreement contains among other provisions, requirements for maintaining levels of working capital, net worth, and profitability. At December 31, 2002, the Company was not in compliance with a covenant related to interest expense coverage as a result of incurring a loss for the year. The Company has received a waiver from the bank related to the non-compliance. See Note D in the Notes to Consolidated Financial Statements for a more complete discussion of the Company's debt and credit arrangements. The Company's financial position remains strong and its current ratio at December 31, 2002 was 3.3:1 compared to 2.2:1 at December 31, 2001. At December 31, 2002, the Company's unused balance under its main credit facility was $15.5 million and its debt to equity percentage was 7%.

Although the Company believes its existing credit facilities, internally generated funds and ability to obtain additional financing will be sufficient to meet the Company's growth and operating needs for the next 12 months there are inherent risks related to each of these sources. Funds generated from continuing operations are contingent

upon the general economy remaining flat or improving and the recovery of the energy and telecommunication market sectors in particular.

Contractual obligations are summarized in the following table:

	Payments Due by Period				
Contractual Obligations	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
In thousands					
Long-Tem Debt	$ 7,523	$ 1,676	$ 5,077	$ 770	-
Operating Leases	16,822	942	1,593	1,428	$ 12,859
Purchase Commitments	668	220	448	-	-

New Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 142*, Goodwill and Other Intangible Assets*, effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives are no longer amortized but are subject to annual impairment tests. Other intangibles continue to be amortized over their useful lives and will be assessed for impairment under SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets.*

The Company has adopted SFAS No. 142 as of January 1, 2002. Consequently, the Company discontinued the amortization of goodwill during 2002. Under this Statement, goodwill will be tested annually for impairment or if events or changes in circumstances indicate that the goodwill of a reporting unit might be impaired. The Company does not have any intangibles with indefinite lives except for goodwill. During the fourth quarter of 2002, the Company performed an interim goodwill impairment test pursuant to SFAS No. 142. The test was performed on one of the Company's domestic reporting units. To estimate the fair value of the reporting unit, management made estimates and judgements about future cash flows based on assumptions consistent with the Company's long-range plans. In addition, the Company used information obtained through market mechanisms to ascertain the fair value of its reporting unit. Based on the results of this analysis, it was determined that the goodwill of this reporting unit was fully impaired, and accordingly the Company recorded an asset impairment charge of $1.6 million.

In July 2002, the FASB issued SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal Activities*, effective for exit or disposal activities initiated after December 31, 2002. This Statement nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, "*Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)*." This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Under Issue No. 94-3, a liability for exit costs was recognized at the date of the entity's commitment to an exit plan. This Statement also establishes that fair value is the objective for initial measurement of the liability. The Company does not expect the adoption of this Statement to have a material impact on its financial statements and results of operations.

During November 2002, the FASB issued Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, including Indirect Guarantees of Indebtedness of Others* (FIN 45). FIN 45 requires certain guarantees to be recorded at fair value. The initial recognition and measurement provisions of FIN 45 are applicable, on a prospective basis, to guarantees issued or modified after December 31, 2002. FIN 45 also requires a guarantor to make new disclosures regarding guarantees. The disclosure requirements are effective for financial statements ending after December 15, 2002, and the Company has disclosed all such guarantees (see Note B to the Notes to Consolidated Financial Statements). The Company has adopted the applicable disclosure provisions of FIN 45 as of December 31, 2002, and does not believe that the adoption of the initial recognition and measurements provisions will have a significant effect on the financial statements.

In December 2002, the FASB issued SFAS No. 148*, Accounting for Stock-Based Compensation – Transition and Disclosure- an amendment of FAS 123, Accounting for Stock-Based Compensation*, effective for

financial statements for fiscal years ending after December 15, 2002. This Statement amends SFAS No. 123, and provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. This Statement also amends SFAS No. 123 and requires disclosure about the effects on reported net income with respect to the stock-based employee compensation. Lastly, this Statement amends APB Opinion No. 28, and requires disclosure about the effects of stock-based employee compensation in interim financial information. See Note G in the Notes to Consolidated Financial Statements for further details.

During January 2003, the FASB issued Interpretation No. 46, *Consolidation of Variable Interest Entities* an interpretation of ARB No. 51, *Consolidated Financial Statements* (FIN 46). FIN 46 clarifies the accounting for certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The Company has adopted the applicable disclosure provisions of FIN 46 in the financial statements and does not believe the adoption of the remaining provisions will have a significant effect on the financial statements.

Critical Accounting Policies

The Company's discussion and analysis of its 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 United States. The preparation of these consolidated financial statements requires the Company 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. The Company believes that the critical accounting policies are limited to those that are described below.

Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. The Company records 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 the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. During 2002 the Company recorded additional allowances for doubtful accounts of $3.3 million and at December 31, 2002 the allowance represents 13% of its trade receivables, compared to 3% at December 31, 2001.

Sales Returns and Allowances

The Company records a provision for estimated sales returns and allowances on product and service related sales in the same period as the related revenues are recorded. These estimates are based on historical sales returns and other known factors, such as open authorized returns. At December 31, 2002 and 2001, these provisions accounted for less than .2% of consolidated net sales. If future returns do not reflect the historical data the Company uses to calculate these estimates, additional allowances or reversals of established allowances may be required.

Excess and Obsolescence Reserves

The Company has provided an allowance for excess inventory and obsolescence based on estimates of future demand, which is subject to change. Additionally, discrete provisions are made when facts and circumstances indicate that particular inventories will not be utilized. At December 31, 2002 the allowance for excess inventory and obsolescence was 13% of gross inventories, compared to 6% at December 31, 2001. If actual market conditions are different than those projected by management, additional inventory write-downs or reversals of existing reserves may be necessary.

Investments

The Company accounts for investments in two joint ventures in Japan under the equity method of accounting. The Company records an investment impairment charge when it believes that an investment has experienced a decline in value that is other than temporary. Future adverse changes in market conditions or poor operating results of underlying investments could result in losses or an inability to recover the carrying value of the investments that may not be reflected in the investment's current carrying value, thereby possibly requiring an impairment charge in the future.

Impairment of Long-Lived Assets

The Company records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying value of those items. The Company’s 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

In adopting SFAS No. 142, the Company performed its initial annual impairment tests for goodwill and intangibles with indefinite lives utilizing a discounted cash flow methodology, market comparables, and an overall market capitalization reasonableness test in computing fair value by reporting unit. The Company engaged a third party to evaluate the model used in the fair value calculations. The Company then compared the fair value of the reporting unit with its carrying value to assess if goodwill and other indefinite live intangibles have 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 performs interim impairment tests if trigger events or changes in circumstances indicate the carrying amount may not be recoverable. During the fourth quarter 2002, it became evident that the market valuation of one such domestic reporting unit had decreased, such that it was highly probable that the related goodwill would not be recoverable. Therefore, at December 31, 2002, the Company has recorded a goodwill impairment charge of $1.6 million.

Warranty Reserves

The Company establishes a warranty reserve when a known measurable potential exposure exists. In addition, such reserves are adjusted for management's best estimate of warranty obligations based on current and historical trends. Should actual product failures and related costs to correct such product failures differ from management's estimates, revisions to the estimated warranty liability would be required. At December 31, 2002 and 2001, the Company’s warranty reserve was less than $.2 million.

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 foreign operations are mitigated due to the stability of the countries in which the Company's largest foreign operations are located. Although the Company does not regularly enter into derivative financial instruments, it has two foreign currency forward exchange contracts outstanding at December 31, 2002 whose fair value and carrying value are immaterial. The Company does not hold derivatives for trading purposes.

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, which consisted of borrowings of $8.8 million at December 31, 2002. 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, 2002.

The Company's primary currency rate exposures are related to foreign denominated debt, intercompany debt and cash and short-term investments. A hypothetical 10% change in currency rates would have a favorable/unfavorable impact on fair values of $2.7 million and on income before tax of $.06 million.

Item 8. Financial Statements and Supplementary Data

Report of Independent Accountants

To the Shareholders and Board of Directors of
Preformed Line Products Company:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a) on page 43 present fairly, in all material respects, the financial position of Preformed Line Products Company and its subsidiaries at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a) on page 43 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. The financial statements of the Company as of December 31, 2000 were audited by other independent accountants whose report dated February 12, 2001 expressed an unqualified opinion on those financial statements.

As discussed in Note A to the consolidated financial statements, effective January 1, 2002, the Company changed its method of accounting for goodwill and other intangible assets to comply with the provisions of Financial Accounting Standard No. 142, "Goodwill and Other Intangible Assets."

PricewaterhouseCoopers LLP

Cleveland, Ohio
February 13, 2003

Report of Independent Accountants

Shareholders and Board of Directors
Preformed Line Products Company

We have audited the accompanying consolidated statements of income, shareholders' equity and cash flows of Preformed Line Products Company and subsidiaries for the year ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated results of operations, shareholders' equity and cash flows of Preformed Line Products Company and subsidiaries for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Cleveland, Ohio
February 12, 2001

PREFORMED LINE PRODUCTS COMPANY
CONSOLIDATED BALANCE SHEETS

	December 31	
	2002	2001
	(Thousands of dollars, except share data)	
ASSETS		
Cash and cash equivalents	$11,629	$8,409
Accounts receivable, less allowance of $3,770 ($813 in 2001)	24,763	29,251
Inventories-net	33,750	38,637
Deferred income taxes - short-term	5,276	3,206
Prepaids and other	3,104	3,727
TOTAL CURRENT ASSETS	78,522	83,230
Property and equipment - net	48,569	54,206
Investments in foreign joint ventures	8,087	9,976
Deferred income taxes - long-term	863	1,435
Goodwill, patents and other intangibles - net	5,596	7,410
Other	3,147	4,933
TOTAL ASSETS	$144,784	$161,190
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes payable to banks	$1,246	$1,201
Trade accounts payable	7,844	9,560
Accrued compensation and amounts withheld from employees	3,269	3,585
Accrued expenses and other liabilities	4,251	3,890
Accrued profit-sharing and pension contributions	4,176	4,130
Dividends payable	1,155	1,151
Income taxes	337	923
Current portion of long-term debt	1,676	13,198
TOTAL CURRENT LIABILITIES	23,954	37,638
Long-term debt, less current portion	5,847	2,341
Deferred income taxes - long-term	161	431
Minimum pension liability	726	-
SHAREHOLDERS' EQUITY		
Common stock - $2 par value, 15,000,000 shares authorized, 5,772,710 and 5,757,030 issued and outstanding, net of 389,188 and 398,618 treasury shares at par, respectively.	11,545	11,514
Paid in capital	82	-
Retained earnings	123,124	128,721
Other comprehensive loss	(20,655)	(19,455)
TOTAL SHAREHOLDERS' EQUITY	114,096	120,780
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$144,784	$161,190

See notes to consolidated financial statements.

PREFORMED LINE PRODUCTS COMPANY
STATEMENTS OF CONSOLIDATED OPERATIONS

	Year ended December 31		
	2002	2001	2000
	(Thousands, except per share data)		
Net sales	$169,842	$196,365	$207,332
Cost of products sold	119,173	137,266	143,800
GROSS PROFIT	50,669	59,099	63,532
Costs and expenses			
Selling	21,870	24,924	20,118
General and administrative	22,346	20,815	20,335
Research and engineering	5,604	6,236	5,709
Other operating expenses - net	1,020	1,568	744
Asset impairment	1,621	-	-
	52,461	53,543	46,906
Royalty income - net	1,366	2,015	2,179
OPERATING INCOME (LOSS)	(426)	7,571	18,805
Other income (expense)			
Equity in net income of foreign joint ventures	447	803	335
Interest income	287	685	682
Interest expense	(687)	(1,427)	(1,608)
Other expense	(200)	(200)	(1,079)
	(153)	(139)	(1,670)
INCOME (LOSS) BEFORE INCOME TAXES	(579)	7,432	17,135
Income taxes	561	2,256	6,084
NET INCOME (LOSS)	($1,140)	$5,176	$11,051
Net income (loss) per share - basic and diluted	($0.20)	$0.90	$1.91
Cash dividends declared per share	$0.80	$0.75	$0.60
Average number of shares outstanding - basic and diluted	5,766	5,755	5,790

See notes to consolidated financial statements.

PREFORMED LINE PRODUCTS COMPANY
STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY

	Common Shares	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	(Thousands of dollars, except share and per share data)				
Balance at January 1, 2000	$11,659		$121,223	($13,688)	$119,194
Net income			11,051		11,051
Foreign currency translation adjustment				(1,986)	(1,986)
Total comprehensive income					9,065
Purchase of 61,222 common shares	(123)		(812)		(935)
Cash dividends declared - $.60 per share			(3,468)		(3,468)
Balance at December 31, 2000	11,536	-	127,994	(15,674)	123,856
Net income			5,176		5,176
Foreign currency translation adjustment				(3,781)	(3,781)
Total comprehensive income					1,395
Purchase of 11,056 common shares	(22)		(133)		(155)
Cash dividends declared - $.75 per share			(4,316)		(4,316)
Balance at December 31, 2001	11,514	-	128,721	(19,455)	120,780
Net income (loss)			(1,140)		(1,140)
Foreign currency translation adjustment				(1,218)	(1,218)
Cumulative translation adjustment for liquidation of a foreign entity				490	490
Minimum pension liability - net of taxes of $254				(472)	(472)
Total comprehensive income (loss)					(2,340)
Issuance of 15,680 common shares	31	$82	158		271
Cash dividends declared - $.80 per share			(4,615)		(4,615)
Balance at December 31, 2002	$11,545	$82	$123,124	($20,655)	$114,096

See notes to consolidated financial statements.

PREFORMED LINE PRODUCTS COMPANY
STATEMENTS OF CONSOLIDATED CASH FLOWS

	Year ended December 31		
	2002	2001	2000
	(Thousands of dollars)		
OPERATING ACTIVITIES			
Net income (loss)	($1,140)	$5,176	$11,051
Adjustments to reconcile net income (loss) to net cash (used in) provided by operations			
Depreciation and amortization	9,018	10,320	11,411
Asset impairment	1,621	-	-
Noncash abandonment/realignment charges	3,301	2,668	-
Deferred income taxes	(2,124)	(263)	(838)
Cash surrender value of life insurance	821	-	-
Cumulative translation adjustment	490	-	-
Earnings of joint ventures	(447)	(803)	(335)
Other - net	111	(6)	44
Dividends received from joint ventures	1,628	185	438
Changes in operating assets and liabilities			
Receivables	3,910	1,588	(1,870)
Inventories	2,402	3,023	561
Trade payables and accruals	(2,083)	297	2,681
Income taxes	53	(2,946)	304
Other - net	1,020	(2,059)	57
NET CASH PROVIDED BY OPERATING ACTIVITIES	18,581	17,180	23,504
INVESTING ACTIVITIES			
Capital expenditures	(4,706)	(6,196)	(14,388)
Business acquisitions	(39)	(1,058)	(5,724)
Proceeds from the sale of property and equipment	1,284	757	1,887
NET CASH USED IN INVESTING ACTIVITIES	(3,461)	(6,497)	(18,225)
FINANCING ACTIVITIES			
Increase (decrease) in notes payable to banks	39	(503)	(1,285)
Proceeds from the issuance of long-term debt	14,588	17,673	24,443
Payments of long-term debt	(22,480)	(22,651)	(20,140)
Dividends paid	(4,615)	(4,030)	(3,479)
Issuance (purchase) of common shares	271	(155)	(935)
NET CASH USED IN FINANCING ACTIVITIES	(12,197)	(9,666)	(1,396)
Effects of exchange rate changes on cash and cash equivalents	297	(2,078)	(1,320)
Increase (decrease) in cash and cash equivalents	3,220	(1,061)	2,563
Cash and cash equivalents at beginning of year	8,409	9,470	6,907
CASH AND CASH EQUIVALENTS AT END OF YEAR	$11,629	$8,409	$9,470

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tables in thousands of dollars, except per share data)

Note A Significant Accounting Policies

Reclassification

Certain amounts in the prior years' financial statements have been reclassified to conform to the presentation of 2002.

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.

Investments in Joint Ventures

Investments in joint ventures, where the Company owns at least 20% but less than 50%, are accounted for by the equity method. The Company is currently a minority partner in two joint ventures in Japan, holding a 49% ownership interest in Japan PLP Co. LTD. and a 24% ownership interest in Toshin Denko Kabushiki Kaisha. Dividends received from joint ventures totaled $1.6 million in 2002, $.2 million in 2001 and $.4 million in 2000.

Cash Equivalents

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

Inventories

Inventories are carried at the lower of cost or market.

Fair Value of Financial Instruments

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, notes payable and debt. The carrying amount of all financial instruments approximates fair value.

Property, Plant, and Equipment and Depreciation

Property, plant, and equipment is recorded at cost. Depreciation for the majority of the Company's assets is computed using accelerated methods over the estimated useful lives. The estimated useful lives used are: land improvements, ten years; buildings, forty years; and machinery and equipment, three to ten years; with the exception of personal computers which, are depreciated over three years using the straight line method.

Long-Lived Assets

The Company records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying value of those items. The Company's 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 and Other Intangibles

Goodwill and intangible assets deemed to have indefinite lives are not amortized but are subject to annual impairment tests. Patents and other intangible assets with definite lives represent primarily the value assigned to patents acquired with purchased businesses and are amortized using the straight-line method over their useful lives. Goodwill and other long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate 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 SFAS No. 142, *Goodwill and Other Intangible Assets*.

Research and Development

Research and engineering costs are expensed as incurred. Company sponsored costs for research and development of new products were $2.9 million in 2002, $2.7 million in 2001 and $2.3 million in 2000.

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; 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. Such transactions have not been material. Unrealized translation adjustments are recorded as accumulated foreign currency translation adjustments in shareholders' equity. Upon sale or upon substantially complete liquidation of an investment in a foreign entity, the cumulative translation adjustment for that entity is removed from accumulated foreign currency translation adjustment in shareholders' equity and reclassified to earnings.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from these estimates.

Sales Recognition

Sales are recognized when products are shipped and title and risk of loss has passed to unaffiliated customers. Shipping and handling costs billed to customers are included in net sales while shipping and handling costs not billed to customers are included in cost of products sold.

Acquisitions

In April 2000, the Company acquired assets and assumed certain liabilities of Rack Technologies Pty. Limited whose results of operations are included in the consolidated financial statements from the date of acquisition. Rack Technologies Pty. Limited has two foreign locations and one domestic location. The Company accounted for this acquisition using the purchase method. The initial cash payment for this acquisition was $5.3 million. Under the terms of the acquisition agreement, the Company was obligated to make additional payments based on the acquired company's profitability of ongoing operations for the years ending 2000 and 2001. The Company made a payment of $.8 million in 2001 for the year 2000, and an immaterial payment in 2002. The payments were recorded as goodwill.

In addition, during April 2000, the Company acquired the remaining 20 percent minority interest in its subsidiary in China for $.4 million. This subsidiary's net sales and the Company's total investment in this subsidiary were not material for 2000, 2001 and 2002.

In December 2001, the Company acquired the remaining 2.4 percent minority interest in its subsidiary in Mexico for $.1 million. This subsidiary's net sales and the Company's total investment in this subsidiary are not material for 2000, 2001 and 2002.

Derivative Financial Instruments

In January 2001, the Company adopted SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activity*. SFAS No. 133 requires that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. Although the Company does not regularly enter into derivative financial instruments, it has two foreign currency forward exchange contracts outstanding at December 31, 2002, whose fair value and carrying value are immaterial. The Company does not hold derivatives for trading purposes.

New Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 142*, Goodwill and Other Intangible Assets*, effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives are no longer amortized but will be subject to annual impairment tests. Other intangibles continue to be amortized over their useful lives and will be assessed for impairment under SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets.*

The Company has adopted SFAS No. 142 as of January 1, 2002. Consequently, the Company has discontinued the amortization of goodwill during 2002. Under this Statement, goodwill will be tested annually for impairment or if events or changes in circumstances indicate that the goodwill of a reporting unit might be impaired. The aggregate amortization expense for other intangibles with definite lives for the year ended December 31, 2002 was $.4 million, $1.6 million in 2001 and $1.9 million in 2000. Amortization expense is estimated to be $.4 million annually for 2003, 2004 and 2005 and $.3 million for 2006 and 2007. The Company does not have any intangibles with indefinite lives except for goodwill. During the fourth quarter of 2002, the Company performed an interim goodwill impairment test pursuant to SFAS No. 142. The test was performed on one of the Company's domestic reporting units. To estimate the fair value of the reporting unit, management made estimates and judgements about future cash flows based on assumptions consistent with the Company's long-range plans. In addition, the Company used information obtained through market mechanisms to ascertain the fair value of its reporting unit. Based on the results of this analysis, it was determined that the goodwill of this reporting unit was fully impaired, and accordingly the Company recorded an asset impairment charge of $1.6 million.

The following table sets forth the carrying value and accumulated amortization of goodwill and intangibles by segment at December 31, 2002. The second table includes the changes of net goodwill by segment for the year ended December 31, 2002. The last table includes a reconciliation of reported net income to adjusted net income after goodwill amortization for the years ending December 31, 2002 and 2001.

	As of December 31, 2002		
	Domestic	Foreign	Total
Amortized intangible assets			
Gross carrying amount - patents and other intangibles	$ 7,409	$ 158	$ 7,567
Accumulated amortization - patents and other intangibles	(3,465)	(107)	(3,572)
Total	3,944	51	3,995
Unamortized intangible assets			
Gross carrying amount - goodwill	$ 9,047	$ 919	$ 9,966
Accumulated amortization - goodwill	(6,778)	34	(6,744)
Asset Impairment	(1,621)	-	(1,621)
Total	648	953	1,601
Total amortized and unamortized intangible assets	$ 4,592	$ 1,004	$ 5,596

	Goodwill			
	December 31, 2001	Activity and Earnouts	Impairments	December 31, 2002
Domestic	$ 2,269	-	$ (1,621)	$ 648
Foreign	788	165	-	953
Total	$ 3,057	$ 165	$ (1,621)	$ 1,601

Reconciliation of reported net income (loss) to adjusted net income.

	Year ended December 31,	
	2002	2001
Reported net income (loss)	$ (1,140)	$ 5,176
Add back: Goodwill amortization, after income tax	-	694
Adjusted net income (loss)	$ (1,140)	$ 5,870
Basic earnings per share:		
Reported net income (loss)	$ (0.20)	$ 0.90
Goodwill amortization, after income tax	-	0.12
Adjusted net income (loss)	$ (0.20)	$ 1.02
Diluted earnings per share:		
Reported net income (loss)	$ (0.20)	$ 0.90
Goodwill amortization, after income tax	-	0.12
Adjusted net income (loss)	$ (0.20)	$ 1.02

In July 2002, the FASB issued SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal Activities*, effective for exit or disposal activities initiated after December 31, 2002. This Statement nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, "*Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)*." This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Under Issue No. 94-3, a liability for exit costs was recognized at the date of the entity's commitment to an exit plan. This Statement also establishes that fair value is the objective for initial measurement of the liability. The Company does not expect the adoption of this Statement to have a material impact on its financial statements and results of operations.

During November 2002, the FASB issued Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, including Indirect Guarantees of Indebtedness of Others* (FIN 45). FIN 45 requires certain guarantees to be recorded at fair value. The initial recognition and measurement provisions of FIN 45 are applicable, on a prospective basis, to guarantees issued or modified after December 31, 2002. FIN 45 also requires a guarantor to make new disclosures regarding guarantees. The disclosure requirements are effective for financial statements ending after December 15, 2002, and the Company has disclosed all such guarantees (see Note B to the Notes to Consolidated Financial Statements). The Company has adopted the applicable disclosure provisions of FIN 45 as of December 31, 2002, and does not believe that the adoption of the initial recognition and measurements provisions will have a significant effect on the financial statements.

In December 2002, the FASB issued SFAS No. 148*, Accounting for Stock-Based Compensation – Transition and Disclosure- an amendment of FAS 123, Accounting for Stock-Based Compensation*, effective for financial statements for fiscal years ending after December 15, 2002. This Statement amends SFAS No. 123, and provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. This Statement also amends SFAS No. 123 and requires disclosure about the effects on reported net income with respect to the stock-based employee compensation. Lastly, this Statement

amends APB Opinion No. 28, and requires disclosure about the effects of stock-based employee compensation in interim financial information. See Note G in the Notes to Consolidated Financial Statements for further details.

During January 2003, the FASB issued Interpretation No. 46, *Consolidation of Variable Interest Entities* an interpretation of ARB No. 51, *Consolidated Financial Statements* (FIN 46). FIN 46 clarifies the accounting for certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The Company has adopted the applicable disclosure provisions of FIN 46 in the financial statements and does not believe the adoption of the remaining provisions will have a significant effect on the financial statements.

Note B Supplemental Information

	December 31,	
	2002	2001
Inventories		
Finished products	$16,473	$19,525
Work-in-process	1,249	1,022
Raw materials	17,568	19,730
	35,290	40,277
Excess of current cost over LIFO cost	(1,540)	(1,640)
	$33,750	$38,637

The Company uses the last-in, first-out (LIFO) method of determining cost for the majority (approximately $12.2 million in 2002 and $13.8 million in 2001) of its material portion of inventories in the United States. All other inventories are determined by the FIFO method.

	December 31,	
	2002	2001
Property and equipment - at cost		
Land and improvements	$6,328	$6,510
Buildings and improvements	34,442	37,011
Machinery and equipment	81,396	76,108
Construction in progress	1,419	3,571
	123,585	123,200
Less accumulated depreciation	75,016	68,994
	$48,569	$54,206

Depreciation of property and equipment was $8.4 million in 2002, $8.5 million in 2001 and $8.4 million in 2000.

Guarantees

The Company establishes a warranty reserve when a known measurable exposure exists. Such reserves are adjusted for management's best estimate of warranty obligations based on current and historical trends. The change in the carrying amount of warranty reserves for the year ended December 31, 2002 is as follows:

Balance at December 31, 2001	$147
Additions charged to costs	142
Deductions	(147)
Balance at December 31, 2002	$142

Note C Pension Plans

Domestic hourly employees of the Company and certain employees of foreign subsidiaries who meet specific requirements as to age and service are covered by defined benefit pension plans. Net periodic benefit costs and obligations of the Company's foreign plans are not material. Net periodic benefit cost for the Company's domestic plan included the following components for the year ended December 31:

	2002	2001	2000
Service cost	$470	$470	$487
Interest cost	564	544	530
Expected return on plan assets	(490)	(568)	(569)
Amortization of the unrecognized transition asset	13	13	13
Net periodic benefit cost	$557	$459	$461

The following tables set forth benefit obligations, assets and the accrued benefit cost of the Company's domestic defined benefit plan at December 31:

	2002	2001
Projected benefit obligation at beginning of the year	$8,263	$8,036
Service cost	470	470
Interest cost	564	544
Actuarial (gain) loss	428	(636)
Benefits paid	(191)	(151)
Projected benefit obligation at end of year	$9,534	$8,263
Fair value of plan assets at beginning of the year	$7,345	$7,500
Actual return on plan assets	(833)	(539)
Employer contributions	73	535
Benefits paid	(191)	(151)
Fair value of plan assets at end of the year	$6,394	$7,345
Benefit obligations in excess of plan assets	($3,140)	($918)
Unrecognized net loss	2,610	859
Unamortized transition asset	-	13
Minimum pension liability	(726)	-
Accrued benefit cost	($1,256)	($46)

In determining the projected benefit obligation**,** the assumed discount rate was 6.75% for 2002 and 7.25% for 2001, the rate of increase in future compensation levels was 3.5% in 2002 and 2001 and the expected long-term rate of return on plan assets was 7.5% in 2002 and 2001. The Company's policy is to fund amounts deductible for federal income tax purposes. Expense for defined contribution plans was $2.7 million in 2002, $2.6 million in 2001 and $2.5 million in 2000. The Company recorded an additional minimum liability of $.7 million, $.5 million net of tax benefit, in Shareholders' equity by a charge to other comprehensive income.

Note D Debt and Credit Arrangements

	December 31	
	2002	2001
Short-term debt		
Secured Notes		
Chinese Rmb denominated at 5%	$1,208	-
Unsecured short-term debt		
US $ denominated at 2.87%	-	$1,170
Other short-term debt at 3.8 to 4.8%	38	31
Current portion of long-term debt	1,676	13,198
Total short-term debt	2,922	14,399
Long-term debt		
Revolving credit agreement	4,500	11,000
Australian dollar denominated term loans (A$3,000 and A$7,000), at 6.15 to 6.38% currently, due annually 2003-2007	2,408	2,227
Brazilian Reais denominated term loan (R$2,100) at 11.8%, due 2003	599	1,262
Other loans in various denominations, due 2003-2004	16	1,050
Total long-term debt	7,523	15,539
Less current portion	(1,676)	(13,198)
	5,847	2,341
Total debt	$8,769	$16,740

During 2002, the Company completed an amendment to its primary revolving credit agreement that matures December 31, 2005. The new amendment replaces the $40 million revolving credit agreement that would have expired on December 31, 2002 with a $20 million commitment. Interest rates under the amended revolving credit agreement are at the money market rate plus 1%. The effective interest rate at December 31, 2002 was 2.31%. At December 31, 2001, the Company had $11 million outstanding under the prior revolving credit agreement which was classified as short-term. As a result of positive cash flow from operations, the Company has lowered its outstanding debt under the revolver at December 31, 2002 to $4.5 million, which is classified as long-term. The amended revolving credit agreement contains, among other provisions, requirements for maintaining levels of working capital, net worth, and profitability. At December 31, 2002 the Company was not in compliance with a covenant related to interest expense coverage as a result of incurring a loss for the year. The Company has received a waiver from the bank related to the non-compliance.

Aggregate maturities of long-term debt during the next five years are as follows: 2003, $1.7 million; 2004, $.2 million; 2005, $4.9 million; 2006, $.4 million and 2007, $.4 million.

Interest paid was $.6 million in 2002, $1.3 million in 2001 and $1.6 million in 2000.

Note E Leases

The Company has commitments under operating leases primarily for office and manufacturing space, transportation equipment and computer equipment. Rental expense was $1.3 million in 2002, $1.4 million in 2001 and $1.3 million in 2000. Future minimum rental commitments having non-cancelable terms exceeding one year are $.9 million in 2003, $.8 million in 2004, $.8 million in 2005, $.7 million in 2006, $.7 million in 2007 and an aggregate $12.9 million thereafter.

Note F Income Taxes

The provision for income taxes is based upon income before tax for financial reporting purposes. Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the tax bases of assets and liabilities and their carrying value for financial statement purposes. In estimating future tax consequences, the Company considers anticipated future events, except changes in tax laws or rates, which are recognized when enacted.

The components of income tax expense are as follows:

	2002	2001	2000
Current			
Federal	$1,070	$716	$2,753
Foreign	1,317	1,458	3,662
State and local	298	345	507
	2,685	2,519	6,922
Deferred			
Federal	(1,713)	(511)	(575)
Foreign	(428)	324	(178)
State and local	17	(76)	(85)
	(2,124)	(263)	(838)
	$561	$2,256	$6,084

The differences between the provision for income taxes at the U.S. statutory rate and the tax shown in the Statements of Consolidated Operations are summarized as follows:

	2002	2001	2000
Tax at statutory rate of 35%	($202)	$2,603	$5,996
State and local taxes, net of federal benefit	315	175	274
Non-deductible expenses	402	344	604
Non-U.S. tax rate variances net of foreign tax credits	(101)	(962)	(890)
Valuation allowance	227	-	-
Other, net	(80)	96	100
	$561	$2,256	$6,084

The tax effects of temporary differences that give rise to significant portions of the Company's deferred tax assets (liabilities) at December 31 are as follows:

	2002	2001
Deferred tax assets		
Accrued compensation benefits	$691	$696
Depreciation and other basis differences	1,701	1,717
Inventory obsolescence	1,612	770
Allowance for doubtful accounts	1,387	284
Benefit plans reserves	896	657
Closure reserves	379	-
NOL carryforwards	316	95
Other accrued expenses	736	517
Gross deferred tax assets	7,718	4,736
Valuation allowance	(506)	(95)
Net deferred tax assets	7,212	4,641
Deferred tax liabilities		
Depreciation and other basis differences	(899)	(431)
Inventory	(290)	(382)
Other	(45)	(228)
Net deferred tax liabilities	(1,234)	(1,041)
Net deferred tax assets	$5,978	$3,600

	2002	2001
Change in net deferred tax asset		
Provision for deferred tax	($2,124)	($263)
Items of other comprehensive loss	(254)	-
Total change in net deferred tax	($2,378)	($263)

A deferred tax valuation allowance has been established for a portion of the foreign tax credit carryforwards and certain net state deferred tax assets due to the uncertainty of realizing future benefits from these temporary items.

The Company has not provided for U.S. income taxes or foreign withholding taxes on undistributed earnings of foreign subsidiaries which are considered to be indefinitely reinvested in operations outside the U.S. The amount of such earnings was approximately $49 million at December 31, 2002. If distributed, the earnings would be subject to withholding taxes but would be substantially free of U.S. income taxes.

In accordance with the applicable tax laws in China, the Company is entitled to a preferential tax rate of 0% for the first two profit making years after utilization of any tax loss carryforwards, which may be carried forward for five years; and a 50% tax reduction for the succeeding three years beginning in 2003. The favorable aggregate tax and per share effect was $751,000, or $.13 per share, for 2002, $488,000, or $.08 per share, for 2001, and $0 for 2000.

Income taxes paid, net of refunds, were $2.2 million in 2002, $4.7 million in 2001 and $6.2 million in 2000.

Note G Stock Options

The 1999 Stock Option Plan (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, 2002, there were 138,000 shares remaining available for issuance 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, 100% after three years and expire from five to ten years from the date of grant.

	2000		2001		2002	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at January 1,	-	-	155,000	$15.32	157,000	$15.32
Granted	155,000	$15.32	2,000	15.00	5,000	18.75
Exercised	-	-	-	-	6,250	15.13
Forfeited	-	-	-	-	6,250	15.13
Outstanding at December 31,	155,000	15.32	157,000	15.32	149,500	15.45

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at 12/31/02	Weighted Average Remaining Life	Weighted Average Exercise Price	Number Exercisable at 12/31/02	Weighted Average Exercise Price
$15.13 - $16.64	142,500	6.4 years	$15.34	106,250	$15.34
15.00	2,000	8.3 years	15.00	1,000	15.00
18.75	5,000	9.3 years	18.75	-	-
	149,500	6.5 years	15.45	107,250	15.34

As permitted under SFAS No. 123, *Accounting for Stock-Based Compensation*, the Company applies the intrinsic value based method prescribed in APB Opinion No. 25, *Accounting for Stock Issued to Employees*, to account for stock options granted to employees to purchase common shares. Under this method, compensation expense is measured as the excess, if any, of the market price at the date of grant over the exercise price of the options. No compensation expense has been recorded.

SFAS 123 requires pro forma disclosure of the effect on net income and earnings per share when applying the fair value method of valuing stock-based compensation. If the fair value method to measure compensation cost for the Company's stock compensation plan had been used, the Company's net income would have been reduced by $.04 million in 2001 ($.01 per share) and $.5 million in 2000 ($.09 per share). The impact on 2002 was immaterial. For purposes of this pro forma disclosure, the estimated fair value of the options is amortized ratably over the vesting period.

	Year ended December 31,		
	2002	2001	2000
Net income (loss), as reported	$ (1,140)	$ 5,176	$ 11,051
Deduct:			
Total stock -based employee compensation expense determined under fair value based method for all awards net of related taxes	6	41	491
Pro forma net income (loss)	$ (1,146)	$ 5,135	$ 10,560
Earnings per share:			
Basic - as reported	$ (0.20)	$ 0.90	$ 1.91
Basic - pro forma	$ (0.20)	$ 0.89	$ 1.82
Diluted - as reported	$ (0.20)	$ 0.90	$ 1.91
Diluted - pro forma	$ (0.20)	$ 0.89	$ 1.82

Disclosures under the fair value method are estimated using the Black-Scholes option-pricing model with the following assumptions:

	2002	2001	2000
Risk-free interest rate	4.60%	5.50%	5.88%
Dividend yield	4.22%	3.74%	3.97%
Expected life	10 years	10 years	5 years
Expected volatility	21.1%	29.5%	25.6%

Note H Computation of Earnings Per Share

	2002	2001	2000
Numerator			
Net income (loss)	($1,140)	$5,176	$11,051
Denominator			
Determination of shares			
Weighted average common shares outstanding	5,766	5,755	5,790
Dilutive effect - employee stock options	-	-	-
Diluted weighted average common shares outstanding	5,766	5,755	5,790
Earnings per common share			
Basic	($0.20)	$0.90	$1.91
Diluted	($0.20)	$0.90	$1.91

Due to the net loss from operations for the year ended December 31, 2002, 149,500 of stock options were excluded from the calculation of earnings per share, as the result would have been anti-dilutive. For the years ended December 31, 2001 and 2000, 157,000 and 155,000 of stock options were excluded from the calculation of earnings per share due to the market price being lower than the exercise price, and the result would have been anti-dilutive.

Note I Business Abandonment and Realignment Charges

Business Abandonment Charges

During the third quarter of 2002, the Company recorded a charge to write-off certain assets and to record severance payments related to closing its data communications operations in Europe. This entails winding down a

manufacturing operation, closing five sales offices, terminating leases and reducing personnel by approximately 130. This action was taken as a result of the continuing decline in the global telecommunication and data communication markets and after failing to reach agreement on an acceptable selling price on product supplied to a significant foreign customer. The Company incurred a pre-tax charge of $4.7 million for these activities. Approximately $3.3 million of the charge is related to asset write-downs, of which $2.1 million of inventory write-offs were recorded in Cost of products sold and $1.2 million of write-offs related to receivables was included in Costs and expenses on the Statements of Consolidated Operations. The remaining of $1.4 million of the charge, included in Cost of products sold and Costs and expenses, relates to cash outlays for employee severance cost, cost of exiting leased facilities, the termination of other contractual obligations and transitional costs. Approximately $.5 million of the latter category of expenses was expended as of December 31, 2002, and the remaining cash outlays are anticipated to be completed by June 30, 2003.

SFAS No. 52, *Foreign Currency Translation*, provides for the transfer to earnings of all or part of the relevant portion of the foreign currency component of equity upon “substantially complete liquidation” of an investment in a foreign subsidiary. At December 31, 2002, a significant portion of the Company’s European data communication operations noted above have already been liquidated, all manufacturing has ceased, long-lived assets were transferred and the remaining working capital is in the process of being liquidated. Accordingly, the Company recorded a $.5 million currency translation charge to earnings that was previously recorded as the cumulative translation adjustment in shareholders’ equity.

Business Realignment Charge

During the third quarter of 2001, the Company recorded business realignment charges to write-off assets and to record severance payments related to its data communications product line. These charges included abandoning a three-year effort to expand into the market for local area network hubs and media converters and reevaluation of the strategy for penetrating the Asia-Pacific market with its data communication products. The Company incurred a pre-tax charge of $3.1 million for these activities. Approximately $2.7 million of the pre-tax charge was to reduce working capital and long-lived assets. The remaining $.5 million was for cash outlays related to severance, earned vacation, costs of exiting leased office space and other contractual obligations. All cash outlays were completed by December 31, 2001.

Note J Unusual Charges

During the year, the Company changed its split dollar life insurance program on certain key directors by replacing existing policies and increasing coverage by $13 million. These new policies resulted in a cash surrender value (CSV) lower than cumulative premiums paid on the policies primarily as a result of penalties in the event of an early termination of the policy. As a result, pursuant to Financial Technical Bulletin 85-4, *Accounting for Purchases of Life Insurance*, the Company recorded a charge of $.8 million in 2002. These expenses will not be realized unless the Company decides to cancel the policies. The Company intends to hold these policies for the life of the insured individuals and therefore does not expect to realize any loss.

Note K Business Segments

The Company designs, manufactures and sells hardware employed in the construction and maintenance of telecommunications, energy and other utility networks. Principal products include cable anchoring and control hardware, splice enclosures and devices which are sold primarily to customers in North and South America, Europe and Asia.

The Company’s segments are based on the way management makes operating decisions and assesses performance. The Company’s operating segments are domestic and foreign operations. The accounting policies of the operating segments are the same as those described in Note A. No individual foreign country accounted for 10% or more of the Company’s consolidated net sales or assets for the years presented. It is not practical to present revenues by product line by segments.

	2002	2001	2000
Net sales			
Domestic	$95,870	$113,308	$125,764
Foreign	73,972	83,057	81,568
Total net sales	$169,842	$196,365	$207,332
Intersegment sales			
Domestic	$2,084	$4,177	$4,996
Foreign	1,066	597	732
Total intersegment sales	$3,150	$4,774	$5,728
Operating income (loss)			
Domestic - before realignment charge	$2,498	$4,133	$8,535
Domestic - realignment charge	-	(2,601)	-
Foreign - before abandonment/realignment charge	4,696	6,559	10,270
Foreign - abandonment/realignment charge	(4,688)	(520)	-
Domestic - unusual charges	(2,442)	-	-
Foreign - unusual charges	(490)	-	
	(426)	7,571	18,805
Equity in net income of joint ventures	447	803	335
Interest income			
Domestic	-	254	58
Foreign	287	431	624
	287	685	682
Interest expense			
Domestic	(270)	(953)	(1,206)
Foreign	(417)	(474)	(402)
	(687)	(1,427)	(1,608)
Other expense	(200)	(200)	(1,079)
Income before income taxes	($579)	$7,432	$17,135
Identifiable assets			
Domestic	$74,388	$85,934	$97,905
Foreign	62,309	65,280	62,558
	136,697	151,214	160,463
Corporate	8,087	9,976	10,148
Total assets	$144,784	$161,190	$170,611
Long-lived assets			
Domestic	$47,302	$55,667	$59,852
Foreign	18,097	20,858	21,653
	$65,399	$76,525	$81,505
Expenditure for long-lived assets			
Domestic	$2,293	$3,666	$9,571
Foreign	2,413	2,530	4,817
	$4,706	$6,196	$14,388
Depreciation and amortization			
Domestic	$6,312	$7,905	$9,302
Foreign	2,706	2,415	2,109
	$9,018	$10,320	$11,411

Transfers between geographic areas are generally above cost and consistent with rules and regulations of governing tax authorities. Corporate assets are equity investments in joint ventures.

Note L Quarterly Financial Information (unaudited)

	Three months ended			
	March 31	June 30	September 30	December 31
2002				
Net sales	$44,008	$44,854	$41,587	$39,393
Gross profit	14,542	13,954	11,533	10,640
Income (loss) before income taxes	2,903	1,512	(2,445)	(2,549)
Net income (loss)	2,001	1,037	(2,099)	(2,079)
Net income (loss) per share, basic and diluted	$0.35	$0.18	($0.37)	($0.36)
2001				
Net sales	$50,073	$52,863	$49,127	$44,302
Gross profit	15,019	17,172	13,518	13,390
Income before income taxes	2,081	3,960	184	1,207
Net income	1,121	2,870	158	1,027
Net income per share, basic and diluted	$0.19	$0.50	$0.03	$0.18

Third quarter 2002 includes a business abandonment charge of $3.3 million ($.57 per share). Fourth quarter of 2002 includes a $1.1 million ($.19 per share) asset impairment charge. Third quarter 2001 includes a business realignment charge of $2.0 million ($.35 per share). See Note I in the Notes to Consolidated Financial Statements for further discussion of these business abandonment and realignment charges.

Note M Related Party Transactions

The Company is a sponsor of Ruhlman Motorsports. Ruhlman Motorsports is owned by Randall M. Ruhlman, a director of the Company, and by his wife. In 2000, 2001 and 2002, the Company paid $691,000, $658,000, and $658,000, respectively, to Ruhlman Motorsports in sponsorship fees. In addition, in 2000, 2001 and 2002 the Company's Canadian subsidiary, Preformed Line Products (Canada) Ltd., paid $80,000, $0, and $159,000, respectively, to Ruhlman Motorsports in sponsorship fees. This sponsorship provides the Company with a unique venue to entertain the Company's customers and to advertise on the race car, which participates on the Trans-Am racing circuit. The Company believes that its sponsorship contract with Ruhlman Motorsports is as favorable to the Company as a similar contract with a similar independent third-party racing team would be.

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

None

Part III

Item 10. Directors and Executive Officers of the Registrant

The information required by this Item 10 is incorporated by reference to the information under the captions "Election of Directors" and "Section 16(a) Beneficial Ownership Compliance" in the Company's Proxy Statement dated March 28, 2003, for the Annual Meeting of Shareholders to be held April 28, 2002 (the "Proxy Statement"). Information relative to executive officers of the Company is contained in Part I of this Annual Report of Form 10-K.

Item 11. Executive Compensation

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

Item 12. Security Ownership of Certain Beneficial Owners and Management

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 and Related Transactions

The information set forth under the captions "Certain Relationships and Related Transactions" in the Proxy Statement is incorporated herein by reference.

Item 14. Controls and Procedures

An evaluation was performed within the last 90 days under the supervision and with the participation of the Company's management, including the CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Securities and Exchange Act Rules 13a-14(c) and 15d-14(c)). Based on the evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of December 31, 2002. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date of management's evaluation.

Part IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a) Financial Statements and Schedule

Page	Financial Statements
25	Consolidated Balance Sheets as of December 31, 2001 and 2002
26	Statements of Consolidated Income as of December 31, 2000, 2001 and 2002
27	Statements of Consolidated Shareholders' Equity as of December 31, 2000, 2001 and 2002
28	Statements of Consolidated Cash Flows as of December 31, 2000, 2001 and 2002
29	Notes to Consolidated Financial Statements

Page	Schedule
48	II - Valuation and Qualifying Accounts

(b) The following reports on form 8-K were filed during the quarter ended December 31, 2002:

On November 7, 2002 the Company filed Form 8-K for Regulation FD Disclosure.

(c) Exhibits

Exhibit Number	Exhibit
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	Agreement between Ruhlman Motor Sports and Preformed Line Products Company dated March 10, 2003 regarding sponsorship of racing car, filed herewith.
10.2	Agreement between Ruhlman Motor Sports and Preformed Line Products Company dated February 28, 2002 regarding sponsorship of racing car (incorporated by reference to the Company's Form 10-K for the fiscal year ended December 31, 2001).
10.3	Employment Agreement between Kenneth W. Brownell, Jr. and Preformed Line Products Company dated December 3, 1998 (incorporated by reference to the Company's Registration Statement on Form 10).
10.4	Preformed Line Products Company 1999 Employee Stock Option Program (incorporated by reference to the Company's Registration Statement on Form 10).
10.5	Preformed Line Products Company Officers Bonus Plan (incorporated by reference to the Company's Registration Statement on Form 10).
10.6	Preformed Line Products Company Executive Life Insurance Plan – Summary (incorporated by reference to the Company's Registration Statement on Form 10).
10.7	Preformed Line Products Company Supplemental Profit Sharing Plan (incorporated by reference to the Company's Registration Statement on Form 10).
10.8	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).
10.9	Amendment to the Revolving Credit Agreement between National City Bank and Preformed Line Products Company, dated October 31, 2002, filed herewith.
21	Subsidiaries of Preformed Line Products Company (incorporated by reference to the Company's Registration Statement on Form 10).
23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants, filed herewith.
23.2	Consent of PricewaterhouseCoopers LLP, Independent Accountants, filed herewith.
23.3	Consent of Ernst & Young LLP, Independent Auditors, filed herewith.
99.1	Certification of the Principal Executive Officer, Robert G. Ruhlman, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.
99.2	Certification of the Principal Executive Officer, Eric R. Graef, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(5) 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 18, 2003	/ s / Robert G. Ruhlman Robert G. Ruhlman President and Chief Executive Officer
March 18, 2003	/s/ Eric R. Graef Eric R. Graef Vice President Finance and Treasurer

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 18, 2003	/s/ Jon R. Ruhlman Jon R. Ruhlman Chairman
March 18, 2003	/s/ Frank B. Carr Frank B. Carr Director
March 18, 2003	/s/ John D. Drinko John D. Drinko Director
March 18, 2003	/s/ Wilber C. Nordstom Wilber C. Nordstrom Director
March 18, 2003	/s/ Barbara P. Ruhlman Barbara P. Ruhlman Director
March 18, 2003	/s/ Randall M. Ruhlman Randall M. Ruhlman Director
March 18, 2003	/s/ Robert G. Ruhlman Robert G. Ruhlman Director

CERTIFICATIONS

I, Robert G. Ruhlman, President and Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Preformed Line Products;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures 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 annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 18, 2003

/s / Robert G. Ruhlman
Robert G. Ruhlman
President and Chief Executive Officer
(Principal Executive Officer)

I, Eric R. Graef, Vice President-Finance and Treasurer, certify that:

1. I have reviewed this annual report on Form 10-K of Preformed Line Products;

2. Based on my knowledge, this annual 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 annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual 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 annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures 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 annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 18, 2003

/s / Eric R. Graef
Eric R. Graef
Vice President - Finance and Treasurer
(Principal Accounting Officer)

PREFORMED LINE PRODUCTS COMPANY

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS
Years ended December 31, 2002, December 31, 2001, and December 31, 2000
(In Thousands)

For the year ended December 31, 2002:	Balance at beginning of period	Additions charged to costs and expenses	Deductions	Other additions or deductions	Balance at end of period
Allowance of doubtful accounts	813	3,339	(380)	(2)	3,770
Inventory Reserve	2,390	3,536	(997)	(104)	4,825
Product Return Reserve	160	125	-	-	285
Accrued Product Warranty	147	142	(147)	-	142

For the year ended December 31, 2001:	Balance at beginning of period	Additions charged to costs and expenses	Deductions	Other additions or deductions	Balance at end of period
Allowance of doubtful accounts	910	447	(514)	(30)	813
Inventory Reserve	2,470	1,119	(1,196)	(3)	2,390
Product Return Reserve	-	160	-	-	160
Accrued Product Warranty	155	-	(8)	-	147

For the year ended December 31, 2000:	Balance at beginning of period	Additions charged to costs and expenses	Deductions	Other Charges or Additions	Balance at end of period
Allowance of doubtful accounts	505	503	(92)	(6)	910
Inventory Reserve	1,203	1,695	(428)	-	2,470
Product Return Reserve	-	-	-	-	-
Accrued Product Warranty	-	155	-	-	155

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	Agreement between Ruhlman Motor Sports and Preformed Line Products Company dated March 10, 2003 regarding sponsorship of racing car, filed herewith.
10.2	Agreement between Ruhlman Motor Sports and Preformed Line Products Company dated February 28, 2002 regarding sponsorship of racing car (incorporated by reference to the Company's Form 10-K for the fiscal year ended December 31, 2001).
10.3	Employment Agreement between Kenneth W. Brownell, Jr. and Preformed Line Products Company dated December 3, 1998 (incorporated by reference to the Company's Registration Statement on Form 10).
10.4	Preformed Line Products Company 1999 Employee Stock Option Program (incorporated by reference to the Company's Registration Statement on Form 10).
10.5	Preformed Line Products Company Officers Bonus Plan (incorporated by reference to the Company's Registration Statement on Form 10).
10.6	Preformed Line Products Company Executive Life Insurance Plan – Summary (incorporated by reference to the Company's Registration Statement on Form 10).
10.7	Preformed Line Products Company Supplemental Profit Sharing Plan (incorporated by reference to the Company's Registration Statement on Form 10).
10.8	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).
10.9	Amendment to the Revolving Credit Agreement between National City Bank and Preformed Line Products Company, dated October 31, 2002, filed herewith.
21	Subsidiaries of Preformed Line Products Company (incorporated by reference to the Company's Registration Statement on Form 10).
23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants, filed herewith.
23.2	Consent of PricewaterhouseCoopers LLP, Independent Accountants, filed herewith.
23.4	Consent of Ernst & Young LLP, Independent Auditors, filed herewith.
99.1	Certification of the Principal Executive Officer, Robert G. Ruhlman, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.
99.2	Certification of the Principal Executive Officer, Eric R. Graef, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.