



ANNOUNCEMENT

Oracle Wave IV Scope Change

On February 1st, 2010 the Morehead and Progress Way KY operations successfully implemented Oracle Manufacturing, thus completing Wave III of the Oracle Manufacturing initiative. This implementation put our total Oracle manufacturing site count at 7, which means we've achieved a significant milestone...50% of our targeted facilities are now live with Oracle manufacturing! We want to thank the entire site and core teams for their hard work and dedication in making this significant achievement possible.

The question now is how we move forward. The answer is that we must revisit every project to ensure that we are prioritizing and directing our limited resources in a fashion that mitigates risk and optimizes returns. After much review, we have decided to narrow the scope of Oracle Wave IV to Solus and FG "Buy-out" products. This narrowed scope reduces complexity, eliminates significant compatibility issues with Solus legacy systems, and relieves resource burden. All of which will enable us to redirect critical resources to ROTC and margin improvement activities.

Make no mistake, Wave IV will still be challenging. The Solus implementation is a wholesale change of every system utilized by that business, which means that we must implement Oracle Manufacturing, NOMADS, Oracle Financials, CSW (Warehousing), AP (Accounts Payable), MIN and Data Warehouse all at the same time. Converting buyout product from multiple legacy systems in to a single Oracle Buy-out Organization will also require significant coordination, hard work and perseverance.

We are working with the functional leads to identify the respective site team members and expect to launch our initial kick-off meeting to discuss the details sometime Mid March.

Thanks for your continued support, understanding and flexibility.

A handwritten signature in black ink that reads "Diane Yavor".

Diane Yavor
V.P. of Supply Chain

A handwritten signature in black ink that reads "Jake Fritz".

Jake Fritz
V.P. Information Technology