

WHAT'S NEW

EPDM Plant Consolidation

January 13, 2011

To: All Valued Customers

RE: EPDM Plant Consolidation

GenFlex Roofing Systems has announced the closing of the manufacturing plant in Kingstree, South Carolina in mid-2011, consolidating all production of EPDM roofing membrane into its larger facility in Prescott, Arkansas. The Kingstree plant will go through a gradual operations phase down to ensure there is no interruption to customers during this transition.

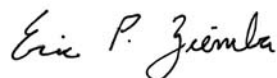
Corporate officials notified teammates in Kingstree and Prescott of the decision on January 7. Company President Ken Weaver said "While this is very difficult news for our teammates in Kingstree, we know that consolidating these two facilities and maximizing our EPDM production in Prescott is the right decision for our company in the current economic climate. We simply have more EPDM capacity between the two locations than current market conditions can absorb."

Last fall, company executives began meeting with government officials in Arkansas and South Carolina to discuss possible EPDM consolidation between the company's two facilities. After reviewing highly-competitive proposals from both South Carolina and Arkansas and factoring in related costs for product mix and equipment relocation, the decision was made to close the Kingstree plant and consolidate production.

Unfortunately, both operations have been running reduced shifts and the combination of productivity improvements with other proactive efforts did not sufficiently realign production capacity with overall demand. While no official plant closure date has been finalized, it is anticipated plant operations will cease around July 1, 2011. We feel it is important to share this news with you directly.

GenFlex remains committed to serving commercial roofing customers with a full line of EPDM, TPO and insulation products and systems. Thank you for your continued support.

Sincerely,



Eric Ziemba
General Manager
GenFlex Roofing Systems

