

2009 Progress toward Vision 2011

Each year the Strategic Action Leadership Team (SALT) meets to update RoyOMartin's ongoing vision statement and to measure incremental attainment towards supporting each individual statement point. Below is a representation of success achieved by RoyOMartin during 2009.

1. RoyOMartin intends to ensure its long-term viability as a privately held, ethically based, and professionally managed company.

- RoyOMartin began expansions of its plywood and timber mills in Chopin, Louisiana, and Mexia, Alabama, respectively.
- Roy O. Martin III received the Louisiana Industrial Development Executives Association Lifetime Business Leader Award for his assistance with the 2009 legislative session and his continued support for economic growth in the state. He was also inducted into LSU's Alumni Hall of Distinction for his achievements.
- Jonathan E. Martin was elected to serve on Blueprint Louisiana's Executive Committee, designed to identify and implement changes for a better state.
- Both Roy O. Martin III and Jonathan E. Martin were inducted into LSU's E.J. Ourso College of Business Hall of Distinction and named among "Cenla's Most Influential" by *Cenla Focus* magazine.



2. RoyOMartin will continue distinguishing itself as an employer of choice, resulting from a safe, committed, competent and contributing workforce; we will develop the maximum potential of each employee, strengthening individuality while growing team success. RoyOMartin will also be the workplace of choice for all contractors and vendors supporting our efforts to maximize long-term economic viability.

- RoyOMartin's employee wellness program, "Winning with Wellness," earned the first-ever Innovation in Safety award, sponsored by APA - The Engineered Wood Association.
- The Louisiana State Department of Education and the State Board of Elementary and Secondary Education presented Martin Timber Company with a certificate of recognition for its contributions to education.
- Seven forestry technicians graduated from a four-year training program developed jointly by RoyOMartin and Louisiana Technical College's Oakdale campus. One graduate received an associate degree; others received technical diplomas.
- The fourth class of RoyOMartin University (ROM-U), an internal leadership development program, graduated in January, and the fifth class began in September. Between the two classes, over 169 hours were dedicated to classroom and hands-on training, and more than 65 employees participated.
- RoyOMartin employees held a record-breaking campaign for the United Way of Central Louisiana and designated United Way organizations in Alabama. Employee pledges and contributions topped \$90,600!
- Sponsored by RoyOMartin, the Brenda Hall Abney Fall Golf Classic raised \$165,000 to support the Louisiana Baptist Children's Home in Monroe.
- Jonathan E. Martin and Roy O. Martin III were recognized at the October LSU Tigers vs. Florida Gators game for their \$3 million donation to the LSU Business Education Complex.
- Marketplace Ministries chaplains celebrated 12 years of service to RoyOMartin employees.



2009 Progress toward Vision 2011 (continued)

- Employees were introduced to enhanced employee assistance program and vision benefits.
- Our self-insured, self-administered insurance plan saw a minimal 2% increase in healthcare premium, well below the national average of 9%, and had a 10-year annualized inflation rate of 3%.
- RoyOMartin health fairs engaged 538 employees. More than 1,179 pounds were lost, with 1,189 personal goals met, including decreasing blood pressure, cholesterol, and blood sugar.
- The Chopin, Louisiana, plywood mill hosted U.S. Congressmen John Fleming (District 4) and Rodney Alexander (District 5) for a town hall-style meeting to discuss several pieces of pending legislation.
- Employees held leadership positions in local, national, and international organizations such as the Black Bear Conservation Coalition, Blueprint Louisiana, Louisiana Association of Business and Industry, Louisiana Business Group on Health, Louisiana Forestry Association, Louisiana Healthcare Quality Forum, Louisiana State Uniform Construction Code Council, LSU's Stephenson Entrepreneurship Institute, Quality Deer Management Association, Reflective Insulation Manufacturers Association International, Tiger Athletic Foundation, United Way of Central Louisiana, Workforce Investment Board, area chambers of commerce, and others.
- RoyOMartin employees participated in a number of community outreach projects, including the Earth Fair, West Bay Wildlife Management Area youth turkey hunt, Pine Festival, American Heart Association's Heart Walk, and American Cancer Society's Relay for Life.
- Wood Works, RoyOMartin-designed curriculum covering the forestry and wood-products industry, expanded into a sixth Central Louisiana high school. Plans are in place for the curriculum to go statewide. Graduates are employed at RoyOMartin's plywood and OSB mills.
- RoyOMartin maintained its logger production and quality bonus incentives through these challenging economic times.
- Timber-harvesting contractors who contracted directly for RoyOMartin accounted for the employment of about 350.
- All logging contractors participated in bi-monthly forest market update meetings hosted by RoyOMartin leaders.
- Throughout the year, projects to improve safety, quality, and productivity were managed at all locations.

3. RoyOMartin will acquire and manage land, timber and mineral resources in order to optimize economic value while maintaining FSC certification of its timberland.

- RoyOMartin successfully passed audits to renew FSC certification for both the mills and forest management.
- Company foresters planted 6.3 million seedlings across 11,000 acres in Louisiana.
- Timberland holdings grew to more than 574,900 acres. Over 140,000 acres were acquired in the last 10 years.
- Nineteen permanent contractors utilized 28 crews to harvest over 2.2 million tons of company-controlled forest raw materials from the stump to the mills. Seven of those each produced 100,000 tons or more and collectively accounted for more than 1.5 million tons of timber.
- To better serve stakeholders, the company's forestry districts reorganized to create two districts and the RoyOMartin Management Crew, charged with assessing timber volumes.
- Perforex Forest Services harvests over 750,000 tons annually, making it the largest logging company in Louisiana.
- Indigo Minerals completed its largest acquisition in its three-year history—over 122,000 acres—nearly tripling the size of the company in terms of production and reserves.
- As one of the largest private exploration and production (E&P) companies in the onshore Gulf Coast Region, Indigo operates 219 wells and has gained a working interest in another 300 wells.

4. RoyOMartin intends to be recognized as an industry leader in each manufacturing segment as measured by safety, profit margin, environmental compliance and customer satisfaction.

- RoyOMartin's land and timber department celebrated two years accident-free.
- Our corporate pandemic flu preparedness plan was timely and well executed in meeting the global H1N1 challenge.
- Eclipse™ Energy Guard was introduced to the market. Energy Guard is an innovative wall sheathing system that integrates the efficiency of a radiant barrier and the benefits of diffusing vapor and air in a single house-wrap product.
- Eclipse™ radiant barrier panels and Eclipse™ Energy Guard achieved RIMA-I verification.
- SmartPour™, a medium-density overlaid plywood, was introduced to the market. Designed and manufactured to achieve a consistent matte finish, SmartPour™ is a durable, reliable form offering multiple reuse.
- A DuPont Safety Resources third-party audit of our safety systems at the plywood mill reported that we are approaching excellence in a number of key areas.
- Several RoyOMartin locations hosted tour groups by Louisiana teachers, high school students, elected officials, and others.
- RoyOMartin hosted its first-ever educational workshops focused on "building green."
- RoyOMartin developed a "naturally green" logo to better appeal to the "green" marketplace.

5. RoyOMartin intends to run each manufacturing plant at design capacity.

- Despite a weak economy, RoyOMartin maintained production at all locations with no reduction in employment.

SmartPOUR™



RoyOMartin
Naturally Green