

INVESTMENT CONSULTANTS
(A Registered Investment Advisor)

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From: Bill Gela, Investment Consultants

Topic: The Broaster Company 401(k) Plan -- Quarterly Plan Summary Report

Enclosed is your Plan Summary Report for the quarter ending 3-31-2008, covering your mix of funds. This past 3-month period ending March 31 was down dramatically for the overall U.S. stock market and for the aggregate international stock markets, and was up comfortably for the U.S. bond market. Within the U.S. stock market, value-oriented funds generally outperformed growth-oriented funds, but no categories went unscathed. According to Lipper Fund Services, the average diversified U.S. stock mutual fund's first quarter 2008 total return was -10.6%, and the S&P 500 Index was down approximately -9.4% for the first quarter of 2008. For the 12 months ending 3-31-2008, the S&P 500 Index was down -5.1%. According to MorningstarTM all of your funds have performed well for both 5 and 10 years relative to similar "peer group" funds, with the exception of the Managers AMG Skyline Special Equities Fund, which has lagged significantly. We will monitor this closely going forward to assess if it is appropriate for your future fund mix. (Note: Some of your funds have not been around for these full periods, but they have performed solidly since their beginnings.)

Relative to similar "peer group" funds, your fund mix has continued to perform solidly, with the exception of the William Blair Small Cap Growth Fund and the Managers AMG Skyline Special Equities Fund, which have lagged for the past year-plus. For the 12 months ending 3-31-2008 (with the S&P 500 Index down -5.1%) two of your eight stock-oriented funds outperformed the S&P 500 (one other fund was within 0.7% of the S&P 500).¹ The Harbor International Fund led the way for your fund mix with a +9.8% return for the past 12 months, and your top performing bond fund was the Harbor Bond Fund at +10.6% for the past year.

¹ For the past 12 months most growth-oriented domestic funds substantially outperformed value-oriented funds, but most domestic funds (of all investment categories) had negative returns -- many were down more than -10%. For the 5-year period ending 3/31/2008, value-oriented domestic funds generally outperformed growth-oriented funds and mid and small cap funds generally outperformed many large cap funds. As has been pointed out many times previously, different investment styles lead and lag one another in performance at different times. This is one important reason why diversification is a popular investing concept.

1st QUARTER, 2008 PLAN SUMMARY REPORT – BROASTER COMPANY

Prepared by: *Investment Consultants (an affiliate of Compensation & Capital)*

Your Funds – Through the Ups & Downs of the Decade

Last quarter's Plan Summary Report summarized statistics covering how bond, large stock, small stock, and international stock indexes had performed during the “up” and the “down” market periods since the mid-1990's. These statistics are important in order to appreciate the current market and to develop a historical market perspective, in an effort to understand today's volatile markets. If investors established goals in the past, how can they measure their current status relative to those goals if they do not study how their investments and the markets generally performed over various historical periods? Following are both market and specific fund performance statistics (covering stock-oriented mutual fund alternatives in your current mutual fund mix)²:

All returns to the right and below are “total returns”; Your funds (listed below) are “left justified”	“Down Market” 1/1/2000-12/31/2002	“Up Market” 1/1/2003-9/30/2007	Past 8.25 Years 1/1/2000-3/31/2008 ³
T. Rowe Price Capital Apprec (mix of stocks & bonds)	+35.4%	+88.1%	+141.0%
<i>S & P 500 Index (large US stocks)</i>	-37.6%	+89.2%	+3.3%
T. Rowe Price Equity Income (large value)	0.0%	+91.7%	+70.6%
Vanguard Total Stock Mrkt Index (large blend)	-37.1%	+97.4%	+8.7%
T. Rowe Price Growth Stock (large growth)	-30.4%	+97.4%	+18.4%
<i>Russell Mid Cap Index (mid-sized US stocks)</i>	-14.4%	+139.4%	+78.0%
Vanguard Mid Cap Index (mid blend)	+0.3%	+129.5%	+98.9%
<i>Russell 2000 Index (small US stocks)</i>	-21.0%	+122.5%	+51.2%
Managers AMG Skyline Special Equities (small value)	+31.2%	115.7%	+126.9%
Forward Hoover Small-Cap Equity (small growth)	+0.2%	118.4%	+93.6%
William Blair Small-Cap Growth (small growth)	+39.4%	+153.5%	+176.6%
<i>Avg. Morningstar Foreign Large Value Stock Fund</i>	-31.7%	+168.6%	+62.1%
Harbor International Adv (foreign large value)	-22.5	+217.6%	+131.4%

The goal in putting together your fund choices has always been to provide the plan participants with a mix of distinctively different funds: some that are low risk (with lower expected returns) and some that are higher risk (with higher expected returns). When “risk” versus “return” is referred to (such as in the previous sentence), it is intended to be over a medium- to long-term timeframe. History suggests that, over the long term, investing in a broad range of stocks has rewarded investors versus investing in a broad range of bonds. Unfortunately this cannot be guaranteed – no matter how many “experts” talk about the financial markets, no one knows with certainty what the future will hold. This leads us to one of the important investing concepts that you have read about in these reports many times before – diversification; that is, investing in a mix of stock funds and bond funds with the intent of limiting your overall investment portfolio's risk (through investing a portion of your assets in bond funds) while taking advantage of the “hoped for” higher returns associated with the stock market (through investing a portion of your assets in stock funds).

As you can see in the table above, your fund mix (as a group) performed well during the “down market” period and the “up market” period, but more importantly your fund mix performed well throughout the “ups and downs” since the beginning of the decade – see the right column of the table above.

² **Remember that past performance is absolutely not a guarantee of future performance.**

³ This includes the “Down Market” and the “Up Market” to the left along with the past 6-month period that has been “down”, with a significant increase in market volatility.

BROASTER COMPANY - 1st Quarter, 2008 Plan Summary Report

Funds' Performances for Periods Ended March 31, 2008

The following report is intended to help you in evaluating your investments ¹, and in selecting your mix of mutual funds for the future. The average diversified U.S. stock mutual fund's first quarter 2008 total return was -10.6%; and for the 12-month period ending March 31, 2008, the total return was -6.9%. [For 12 months: the S&P 500 index returned -5.1%; the small-cap stock index returned -13.0% ²; & the average international stock fund returned -1.3%]. The 3-month total return for taxable bond mutual funds averaged -0.1%, taking the average taxable bond fund total return to +2.7% for the previous 12 months. Lastly, (retail taxable) money market funds' average yield was +4.1% for the previous 12 months. Remember that one quarter does *not* make your retirement investing a success or a failure, nor does it insure success or failure for the next quarter -- investing is a long-term proposition.

Fund Type	Periods Ended March 31, 2008:		Fund Ranking ⁴	
	1-Year Total Return (Growth of \$1,000) ³	5-Year Average Return	5 Years	10 Years
Stock-oriented:				
Large Cap Funds:				
(T. Rowe Price Equity Income) [NASDAQ Code = PRFDX] [LV] ⁵	-6.2% (\$938)	12.7%	34	23
(Vanguard Total Stock Market Index) [NASDAQ Code = VTSMX] [LB]	-5.8% (\$942)	12.3%	26	31
(T. Rowe Price Growth Stock) [NASDAQ Code = PRGFX] [LG]	-4.0% (\$960)	11.6%	26	19
Mid Cap Fund:				
(Vanguard Mid Cap Index) [NASDAQ Code = VIMSX] [MB]	-9.2% (\$908)	15.7%	26	(----) ⁶
Small Cap Funds:				
(Managers AMG Skyline Special Eqs) ⁷ [NASDAQ Code = SKSEX] [SV]	-21.0% (\$790)	13.0%	73	92
(Forward Hoover Small Cap Equity) [NASDAQ Code = FFSCX] [SG]	-8.8% (\$912)	14.7%	30	(----)
(William Blair Small Cap Growth/N) [NASDAQ Code = WBSNX] [SG]	-18.2% (\$818)	15.6%	20	(----)
International Fund:				
(Harbor International Adv) [NASDAQ Code = HRINX] [LV]	+9.8% (\$1,098)	26.9%	5	4
Moderate Allocation Fund – Stocks & Bonds:				
(T. Rowe Price Capital Appreciation) [NASDAQ Code = PRWCX] [LV]	-1.0% (\$990)	12.9%	4	2
Bond-Oriented Funds:				
(Vanguard GNMA) ⁸ [NASDAQ Code = VFHIX]	+8.0% (\$1,080)	4.5%	9	8
(Harbor Bond Institutional) ⁹ [NASDAQ Code = HABDX]	+10.6% (\$1,106)	5.4%	6	2
Money Market Fund:				
(FISERV Trust Institutional MM) [NASDAQ Code = N/A]	+3.4% (\$1,034)	(-N/A-)	(-N/A-)	

(Footnotes on next page) →

BROASTER COMPANY - 1st Quarter, 2008 Plan Summary Report

(continued)

Footnotes:

¹ Remember that past performance is absolutely not a guarantee of future performance.

² Russell 2000 Index. All statistics in this paragraph are from the Wall Street Journal (Source: Lipper).

³ If an investor had put \$1,000 into each fund on March 31, 2007, one year later (on March 31, 2008) each fund would have been worth the amount in italics and parentheses below.

⁴ Example -- “35” below means that the fund ranked in the top 35% in investment performance, as compared to funds with a similar investment style or objective, for the 5-year period or for 10 years ending March 31, 2008. This is commonly stated as “the fund ranked in the 35th percentile of its peer group.” For percentile rankings, lower is better – a 35th percentile fund outperformed 65% of peer group funds for the timeperiod stated. Data supplied by Morningstar.

⁵ The following categories are as defined by Morningstar. Small Cap, Mid Cap, and Large Cap refer to the average size of the companies whose stock is held in the fund. For your stock funds (and the stock holdings of your balanced fund): [first letter] L = Large Cap, M = Mid Cap, S = Small Cap; [second letter] G = Growth, V = Value, B = Blend (Value/Growth). Example – [LV] means a large cap, value style. A “Value” style means that typically the fund portfolio manager buys stocks that he/she thinks will both grow in price *and* currently can be purchased at a price that is a good value. A “Growth” style manager focuses on buying stocks that are anticipated to grow in price, regardless of the current price of the stock (that is, even if based on historical standards, the stock price seems expensive already). “Moderate Allocation” and “Conservative Allocation” funds are “balanced funds” that hold a mixture of predominantly U.S. stocks and bonds; the former has a relatively higher position in stocks (50%-70%), while the latter has a relatively higher position in fixed income and cash (50%-80%). A “Foreign or International Equity” fund holds predominantly non-U.S. stocks, whereas a “World Stock” fund holds non-U.S. and U.S. stocks.

⁶ Fund has not been in existence for all 10 years.

⁷ Formerly Skyline Special Equities.

⁸ Morningstar categorizes the Vanguard GNMA Fund as an “intermediate-term government bond fund”.

⁹ Morningstar categorizes the Harbor Bond Fund as an “intermediate-term bond fund”. It is diversified across various bonds, including corporate and government bonds.