

To: All Participants in the Company Managed Profit Sharing Pooled Fund  
From: Joe Dubeck  
Date: April 26, 2011

Enclosed is your Profit Sharing account statement detailing First Quarter, 2011 activity in the Company Managed Profit Sharing Pooled Fund ('PS Pooled Fund'). Compensation & Capital Incorporated, our Plans' independent investment counsel, has supplied the following comments specific to the PS Pooled Fund's investment performance, financial market events and investing for retirement in general:

For the trailing periods ending 3/31/2011, the PS Pooled Fund *gained* 4.1% for the first quarter of 2011. It has *gained* 12.6% for the preceding 12 months. Over multi-year trailing periods through 3/31/2011, it has cumulatively *gained* 13.2% during the past 3 years, and cumulatively *gained* 22.1% over the past 5 years. Since the Plans' investments restructuring 11¾ years ago in July, 1999, the Fund has cumulatively *gained* 48.8%. The S&P 500 stock market index has produced only 19.3% return over the same period – with far more volatility!

Despite crises around the world, the U.S. stock market recovered nicely from its first correction of 2011. Worries over the disasters in Japan and conflicts in the Middle East and North Africa sent the broad U.S. stock indices down over 6% from mid-February to mid-March. But the vigorous late-March U.S. stock market rebound allowed the S&P 500 index to conclude its 2011 first quarter with a 5.4% gain. Small company U.S. stocks, less impacted by global concerns, resumed their superior performance over larger corporations turning in a 7.6% gain for the quarter ended March 31. The 60% of your PS Pooled Fund devoted to stocks is invested one-half in the S&P 500 stocks and one-half in the broader U.S. stock market that includes both big S&P 500 companies as well as stocks of about 3000 smaller companies. Your stocks portion therefore benefited nicely from the resurgence of stocks in the aggregate as well as the renewed out-performance of smaller company stocks.

First quarter 2011 returns for the 40% portion of your PS Pooled Fund devoted to fixed income securities continued to be dampened by the power of the Federal Reserve to hold interest rates at historic lows in shorter-term bond and mortgage markets. Your fixed income portfolio is split 60% to intermediate term federally-insured mortgages, 20% to longer-term U.S. government Treasury Inflation Protected ("TIPS") U.S. bonds, and 20% to money markets. This pool of bond categories precipitates from the PS Pooled Fund's Investment Policy Statement ("IPS") which mandates bond investments only in money markets or U.S. government-backed bonds. This IPS mandate is intended to minimize "credit risk". Credit risk is the detrimental impact that bankruptcy by issuers of bonds held in your Plan account's portfolio could have on your Plan balance. This aversion to credit risk significantly lessened exposure of your PS Pooled Fund's bond portfolio to non-government (specifically corporate) issuer bond losses during the capital crisis of 2007-08. It is, however, currently reducing our ability to out-perform the *overall* bond market which includes non-U.S. government-backed bond issuers like corporations and banks. These issuers with more "credit risk" pay significantly higher interest rates on their bonds than are paid on government-backed bonds.

The "moderately conservative" IPS-mandated approach to both the PS Pooled Fund's overall complexion of 60% stocks and 40% bonds as well as its relatively conservative approaches to securities selections within each of those two categories is set to be appropriate for investors with time horizons of greater than seven years. Generally speaking, investors with significantly longer time horizons, say 15 years and up, should consider accepting a higher level of risk associated with greater exposure to stocks and a riskier selection of bonds. Such investors can currently attain these portfolio "enhancements" by moving their CBC Plan Profit Sharing account balance to the Plans' ABG Mutual Funds venue and employing one of the Sample Portfolios for longer-term investors. If you are interested in this alternative, please contact Gerry Ginter for in-depth information on available funds.