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May 11, 2017

All Customers:

This letter is to let you know that Mannington has recently agreed to sell its vinyl composition tile (VCT) business to Armstrong Flooring. The sale will close before mid-June. In the meantime,

- Mannington will continue accepting VCT orders until May 26, 2017, and will ship until June 16, 2017.
- If you have any projects, including multi-phase projects, where Mannington VCT is included in your spec, please place orders as soon as possible; otherwise it will be difficult for us to commit to making deliveries on later phases of such projects.
- Warranties on all VCT products made by Mannington will remain in full effect.
- Mannington has two new LVT collections in development that we will soon offer as potential VCT substitutes.
- Dealers Supply and Mannington both have inventory and should be in good shape to fill orders in the short term. Call to verify availability.

Is Mannington retreating from Flooring? Is Mannington financially stressed?

VCT makes up a small part of Mannington's global flooring business. Mannington VCT has underperformed in recent years as the company showed very strong growth in LVT, which has cannibalized sales of VCT. For this reason, exiting VCT was a natural next step for them in the ongoing process of re-directing resources into new product and market categories with the most promising prospects for sustainable, profitable long term growth. The decision to sell VCT is an isolated case, and Mannington has no plans to exit any other flooring categories or businesses.

Similar portfolio adjustments in recent years have all been successful. In 2008 Mannington purchased Burke Rubber, followed in 2012 by its acquisition of Amtico International. During this same period the company also made large investments in new U.S. LVT and commercial carpet production capacity and shed a small porcelain master distributor business. The results speak for themselves: Since 2012 Mannington has grown its workforce by over 60%; 25% of this in the U.S. alone. Financially, in its 101-year history the company has never been more stable.

Coming next: In June, Mannington will host the grand opening of a new Commercial Design Experience Center in midtown Atlanta.

Mannington management has said that its objective is to make the transition out of VCT as smooth as possible for their customers. If you have concerns or questions relating to this process please reach out to your Mannington sales rep, or Mannington-aligned distributor sales rep and we will get back to you very quickly.

Regards

President
Dealers Supply Company