

## NEWS

August 25, 2014

WEST TRENTON, NJ – Homasote Company, America’s oldest manufacturer of building products made from recycled cellulose fiber, recently released its Annual Report for 2013 along with an Interim Financial Report for the first six months of 2014.

To provide more current financial information to our Stockholders and Employees, management is submitting the Company’s unaudited summary financial operating information for the first six months of 2014 and comparable figures for the same period in 2013. These comparative results reflect improved net income for the six months of 2014 versus 2013.

During the first quarter of 2014 construction activity in general was hard hit by an unusually harsh winter. The weather negatively impacted Company shipments, including a loss of eleven production days as a result of both the harsh and cold weather. Natural gas curtailments were required by the utility. As weather warmed in April, orders picked up substantially. Due to slow collection of waste paper in the first quarter, we were unable to run all weekends in April. From May 1<sup>st</sup> through June 27<sup>th</sup>, we worked 24/7 with the exception of Mother’s Day, Father’s Day and Memorial Day weekend as we tried to meet demand. In April, both our primary and backup high voltage circuit breakers became inoperable simultaneously. The circuit breakers control the distribution of electricity plant-wide and this event has taken our cogeneration plant out of service. As of this date, an insurance claim has been submitted; repair/reconfiguration or replacement options are being studied.

Net sales for the three months ended June 30, 2014 were \$5,641,368, compared to \$5,552,060 for 2013, an increase of \$89,308. Net income for the three months ended June 30, 2013 was \$296,836, or \$0.83 per share, compared to net income of \$366,147, or \$1.03 per share, for the year earlier period.

Net sales for the six months ended June 30, 2014 were \$10,471,727, compared to \$10,599,504 for 2013, a decrease of \$127,777. Net income for the six months ended June 30, 2014 was \$221,731, or \$0.62 per share, versus net income of \$181,384, or \$0.51 per share, in 2013.

Unaudited comparative summarized operational information for the periods ended June 30, 2014 and 2013 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net sales	\$5,641,368	\$5,552,060	\$10,471,727	\$10,599,504
Operating income	\$438,700	\$500,598	\$507,179	\$457,337
Net income	\$296,836	\$366,147	\$221,731	\$181,384
Net income per common share	\$0.83	\$1.03	\$0.62	\$0.51
Diluted weighted average common shares outstanding	356,999	356,599	356,999	356,599

The summarized financial data above for the six month periods ended June 30, 2014 and 2013 are derived from unaudited financial information. The historical results are not necessarily indicative of the results of operations to be expected in the future. Results for the six months ended June 30, 2014 may not be indicative of the results for the full fiscal year or for any other future period. Homasote Company information may be obtained on OTCMarkets.com with the locator HMTC.

### Forward-Looking Statements

Some statements in this supplement may be “forward-looking statements” for the purposes of the Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements can be identified by words such as “believe,” “expect,” “anticipate,” “plan,” “potential,” “continue” or similar expressions. Such forward-looking statements are based upon current expectations and beliefs and are subject to a number of factors. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements, including but not limited to: events or conditions that affect the building and manufacturing industries in general and the Company in particular, such as general economic conditions, employment levels, inflation, costs of energy, weather, strikes, international unrest, terrorist acts and other factors; competitive, regulatory and market conditions, such as changes in choices regarding building materials by architects and builders and packing products by industrial firms; the performance of new products and the continued acceptance of current products in the marketplace; the execution of strategic initiatives and alliances; and other important factors disclosed previously and from time to time in the Company’s Annual Report and accompanying material. Therefore, the reader is cautioned not to rely on these forward-looking statements. The Company disclaims any intent or obligation to update these forward-looking statements.