

NEWS

November 10, 2017

WEST TRENTON, NJ – Homasote Company, America’s oldest manufacturer of building products made from recycled cellulose fiber, recently released the Company’s unaudited summary of financial operating information for the first nine months of 2017 and comparable figures for the same period in 2016. During the third quarter production and millboard shipments were able to outpace incoming orders resulting in a reduced open order backlog. Our industrial customers, although claiming there was a softening of the economy, continued their heavy order pace.

Net sales for the three months ended September 30, 2017 were \$5,204,947, compared to \$4,675,914 for 2016, an increase of \$529,033. Net income for the three months ended September 30, 2017 was \$344,904, or \$0.96 per share, compared to net loss of (\$41,857), or (\$0.12) per share, for the year earlier period.

Net sales for the nine months ended September 30, 2017 were \$16,132,945, compared to \$15,871,682 for 2016, an increase of \$261,263. Net income for the nine months ended September 30, 2017 was \$1,099,959, or \$3.07 per share, versus net income of \$186,906, or \$0.52 per share, in 2016.

Unaudited comparative summarized operational information for the periods ended September 30, 2017 and 2016 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net sales	\$ 5,204,947	\$ 4,675,914	\$ 16,132,945	\$ 15,871,682
Operating income	\$ 472,120	\$ 89,647	\$ 1,502,978	\$ 590,303
Net income (loss)	\$ 344,904	\$ (41,857)	\$ 1,099,959	\$ 186,906
Net income (loss) income per common share	\$ 0.96	\$ (0.12)	\$ 3.07	\$ 0.52
Weighted average common shares outstanding	359,666	359,999	359,666	359,999

The summarized financial data above for the nine month periods ended September 30, 2017 and 2016 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 nine months ended September 30, 2017 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, interest rates, 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.