Flanders Corporation Continues to Evolve
By: Harry Smith, CEO and Chairman of the Board

We hope this newsletter finds each of you doing well.

I would like to begin by saying Thank You! Your loyalty to Flanders throughout this challenging business climate has allowed us to achieve positive second quarter results, as we continue to be the prominent air filtration leader. Our continued success is also attributable to the many dedicated employees whose customer focus differentiates us from others in the industry.

One key management change includes the appointment of Tom Justice as Chief Operating Officer. Tom’s 28-years of diverse experience in the filtration industry bring a sense of accomplishment as Flanders continues to strive for excellence. Tom will play a pivotal role to improve operations and increase product development of new and innovative products for the air filtration industry.

Flanders has implemented many new initiatives that will ultimately contribute in our ability to deliver superior product and services to you. We continue to see quality and service improvements from our Operations team that have improved performance. Significant changes are taking place within the IT Department as new internal software is being implemented to allow immediate information access for critical business decisions. The Engineering Department is now utilizing “Solid Works” as a 3D engineering program to decrease the lead-time for drawings and quotes for our Flanders Representatives.

Our “looks” are also being updated as the Washington facility is now receiving a long awaited exterior face-lift to match the ongoing interior improvements. We welcome all of our representatives and distributors to tour our new facility.

In summary, many exciting changes are taking place within Flanders and I truly appreciate where we are today as an organization.

I wish all the best to you and your families.

Harry Smith

PrecisionAire of Utah Relocates Facility
By: Kevin Boyd, V.P. of PrecisionAire Operations

The Utah facility has moved to a new location in Salt Lake City, which now offers 88,000 square feet. Manufacturing accommodates 20,000 square feet, with the remaining square footage being utilized for warehouse, shipping, and office space. Headcount continues to increase as manufacturing lines are installed. We are proud to accommodate this new space and look forward to the new opportunities.
Bartow, FL Facility Holds Open House
By: Kevin Boyd, V.P. of PrecisionAire Operations

The Bartow, FL facility held Open House on July 15, 2009 with many festivities to celebrate the opening of its doors to production. Harry Smith, Charlie Kwiatkowski, Linda Hermann, Ron Abel, Kevin Boyd and others took part in the festivities.

“The Ledger” in Lakeland, FL featured the below article on the return of Flanders to Bartow. This article can be found on the following website link: http://www.theledger.com/article/20090715/NEWS/907155046#

The facility, once 3-separate buildings, now consists of one 275,000 square foot facility. Bartow manufacturers a number of different pleated and disposable filters for the Retail and Commercial Industrial Divisions. With manufacturing up to speed, Representatives should expect a 7-day lead-time on most items.

We congratulate this team on getting the job done!
Flanders Personnel News!

Ken Deppert Advances to Vice President of Information Technology

Ken Deppert, Vice President of Information Technology, will be joining the executive team and reporting directly to Harry Smith, COB/CEO. Ken will continue to oversee all of Flanders Information Technology.

Ken’s expertise and diverse experience in IT is giving Flanders Corporation the opportunity to develop our information technology to a whole new level. He has embraced the corporate vision of consolidating divisions into one technological entity, adjusting our culture to new ideas, and leading the way with technological advancement that will empower our employees to propel our company to increased growth and profitability.

Rodney Spiezio: Illinois General Manager

Rodney Spiezio has joined Flanders-PrecisionAire as General Manager in our Illinois facility. Rodney will report to Ron Abel, Director of East Coast Operations.

Rodney has a Bachelor of Science in Human Resources Management from Olivet Nazarene University in Kankakee, IL, and comes to us with over 10 years of experience with strengths in areas of mechanical engineering, inventory management, distribution and production operations.

Foremarket Sales Update

By: Shawn Windley, Director of Foremarket Sales

I hope that this latest issue of the Flanders newsletter finds you all doing well and enjoying a reasonably successful third quarter of 2009. I would like to personally thank all Flanders Filters, Inc. and Flanders/CSC representatives for their efforts during these trying financial times. We will continue to make customer service and product improvements to ensure a smooth interaction between end users and yourselves.

That being said, I have a few issues to discuss. The first being the Flanders/CSC price book. The new price book will be released by October 1, 2009. We had originally had plans to eliminate this pricing and have all quotes to come from within the factory. This would have enabled us to provide real time material cost analysis reports for each project to ensure we were staying abreast of the ever changing steel markets. After talking with several key representatives from our representation advisory council, we have concluded that this book is imperative to allow for timely budgetary quotes to be submitted. The release of the new pricing will also allow us improve our response time to customer calls, faxes, and emails due to the reduced quote volume. The pricing will be set up in a manner that material fluctuations can be corrected by revising multiplier schedules, not the actual list prices themselves. The new terms of your representative buy/resale multipliers will be 90 days. At the end of each quarter, we will review the current market trends on the US metal markets, as well as successes and failures of representatives competing with other manufacturer’s representatives to ensure the multipliers are revised or held constant accordingly. As always these multipliers are negotiable based on the scope of work of the individual projects. We can not afford to lose projects during economic times such as these. Feel free to contact Glen Moore or myself when these situations arise. Moving forward, Flanders/CSC as a company will be more proactive in providing order updates in an accurate and timely manner to ensure the shipping information and lead times provided are correct. Flanders/CSC will continue to be active through-out many industry organizations such as ABSA, CEHS, AGS, and ANSI.

The second relates to Flanders Filter, Inc. We saw a promising increase in order volume and quantity within the second quarter and now into the third which we hope is signs of an improving economy. Flanders Filters has become aggressive in markets neglected in the past or where we have not had a strong presence. Please remember that with our on-site metal facility, paper mills, engineering and research staff, that we can not only produce your standard filtration products at a competitive price, but also produce custom sizes and configurations that other companies may not attempt to provide. Just as with Flanders/CSC, when pricing discounts are needed to gain substantial projects, feel free to contact us for assistance. Flanders Filters Inc. will continue to be active in organizations such as IEST, ISPE, CETA, and ASHRAE to make sure that our presence is know and felt throughout the industry.

In closing, I would like to again thank you for your efforts on behalf of Flanders Corporation and feel free to contact us with any questions or concerns.
Angela Outterbridge: Cost Accounting Mgr.

Angela Outterbridge has joined Flanders as Cost Accounting Manager. Angela will be responsible for the current Bill of Material project and will partner with Engineering and Sales in the ongoing analysis of process constraints, target costing projects, and margin analysis. In addition, she will also construct and monitor cost-effective data accumulation systems needed to provide an appropriate level of costing information to management. She will be working with the current accounting staff in general ledger analysis and posting, and will be a valuable asset as we prepare for the upcoming BPCS implementation. Angela will report to John Oakley, CFO.

Angela, an Accounting graduate from East Carolina University, comes to us with over 15 years of experience in the accounting arena, and brings to our Company strengths in areas of finance management, administration and budgeting for multifacility manufacturing operations.

Lindsay Honick Advances to ARW Inside Sales Manager

Lindsay Honick has been named Inside Sales Manager for Retail and Wholesale (ARW) lines.

Lindsay began her career with Flanders in July 2004. She has held positions in Quality Assurance, Complete Service Division, Purchasing and Sales. Lindsay has been working as a Sales Analyst in Retail Sales for the past year. In that capacity she has risen above and beyond expectations; taking on projects and tasks outside the original scope of the position. Her efforts have contributed significantly to the profitable growth of the Retail sales channel.

A Note from Tom Morse

By: Tom Morse, V.P. of Operations, High Purity

The current economic condition and the impact it has had on our local and state communities weighs heavily on many of our minds. Fortunately, Flanders is in a very good financial and business position and has been somewhat insulated from the troubling times.

This is no accident. Flanders Executives and Directors of the company have worked diligently to provide a solid foundation for the future by creating a synergy and strategy between the Sales, Operations, Procurement, Inventory, and IT teams. Many changes have occurred behind the scenes including the relocation of the corporate office to Washington, NC, the installation of a new AS400, and the initial phases of a new ERP implementation that will ultimately tie all division of our corporation together as one company.

While the Executives and Directors provide the vision for the corporation, the long hours, hard work, and commitment of our team of 2,300 employees is what truly makes these initiatives successful. While some may be concerned about changing from the status of quo and how change will affect us individually, keep in mind change is what brought Flanders back to the forefront as a strong, solid company. Everyone has the ability to inspire and implement change no matter what your job responsibilities. Hard work and endless efforts will not go unnoticed.

New CSC / FFI Representative

By: Shawn Windley, Director of Foremarket Sales

Flanders/CSC and Flanders/FFI proudly announce a new representative.

Delta T Equipment based in Houston, Texas represents the following southeast counties East of and including Sabine, San Augustine, Angelina, Trinity, Walker, Madison, Brazos, Burleson, Washington, Austin, Colorado, Wharton and Matagorda.

DELTA T EQUIPMENT
8850 Jameel Road - Suite 100 - Houston, Texas 77040
Phone: 281-745-9060 - Fax:281-745-9064

- Paul McCarver, Owner E-Mail: pmccarver@deltatequipment.com
- Nathan Bilnoski E-Mail: nbilnoski@deltatequipment.com
- Steve Ayers E-Mail: sayers@deltatequipment.com
- David Brock E-Mail: dbrock@deltatequipment.com
- Jeremy Brown E-Mail: jbrown@deltatequipment.com
- Emalie Eaton E-Mail: eeaton@deltatequipment.com

We look forward to working with Paul McCarver and his staff.

Gloveboxes and Isolators

By: Gary Chrismon, Director Isolator & Glovebox Sales

There are (4) Items I would like to address in this article. The news concerning our department is exciting and challenging at the same time. The team of Derek Gibbs and Jeremiah Chamberlin are working diligently to provide the client base with the items requested as well as find new and innovative products to bring to market.
We are looking forward to Lindsay’s leadership in ARW inside sales also. The Sales and Business analysts for Retail and Wholesale (ARW) sales will report directly to Lindsay.

Mark Sabol
Technical Applications Mgr.

Mark Sabol has joined Flanders as Technical Applications Manager. Mark will be responsible for maintenance and development of our application systems.

Mark will be a valuable asset in the implementation of the ERP LX system as well as the future technology deployment of application systems. He will work closely with our Business Systems Analysts team and Network Infrastructure team to provide programming support and technical guidance to meet business requirements. Mark will report to Ken Deppert, V.P. Information Technology.

Mark comes to us with over 17 years of experience in IT programming and management. He has participated in several BPCS upgrades and has significant experience in the integration of technological and process improvements within manufacturing environments.

Manufacturers’ Representative;
Moore Sales Conducts Inside Sales Meeting

ARW representative agency Moore Sales recently conducted a sales meeting in Indianapolis, IN on June 18 and 19 for all of their sales people. David Huet conducted a portion of the meeting on behalf of Flanders to review new products, sales numbers and goals, and current economic conditions and outlook for the remainder of 2009.

Transfer Carts

Several weeks ago a client asked about a product that we had turned down a couple of years ago. The unit the client wanted was a self contained Transfer Cart for a Pharmaceutical Processing Facility. These units are almost always custom and have very special requirements. When presented with the challenge I approached Tom Morse, Director of Engineering, and asked for his help. Tom studied the requirements and recommended that we get a model of the unit created so the customer could see what we were quoting. I worked with Randy Mabery (3D Modeling Engineer) and the image presented to the right is the result. The quote was completed and the client received not only a complete listing of the equipment but an image that will give them an idea of what they are going to receive if the order is processed. The client was very happy with the quote and is in the final negotiations for funding.

This is the kind of “out of the box” thinking we must have in our market approach. All of our quotes will be innovative and seek to provide the most information possible to the client at the time of quoting. Clear and Open Communication is what we must present when speaking to our customers. We want them to understand that our top priority is to provide the highest quality product that meets their requirements.

New Focus on Production

If you have not seen our production area for Gloveboxes and Isolators in the last few months, I encourage you to come and look around. The Production Area has been redesigned and renovated to better fit the needs of the product we produce. The mass chaos of the last few years is gone. The product that we produce is now manufactured in an area that will closely resemble the facilities in which they will be installed. The Production Team has worked very hard to bring about this change in facility and mindset. They should be congratulated.

Hypalon Gloves

In the coming months there will be a change in the Glovebox/Isolator Industry. DuPont is the only Domestic manufacturer of Hypalon. DuPont Performance Elastomers has decided to exit the Hypalon Manufacturing business. DuPont has decided that the business is no longer profitable and will close the plant in Beaumont, Texas by the end of next year. There are alternatives for Hypalon such as Viton, Butyl, etc. but each of these must be revalidated in any given process in order to conform to the cGMP (current Good Manufacturing Practice). This will be a costly undertaking for the Pharmaceutical Industry. In order to be prepared for the upcoming
Flanders Introduces
the all new:

**Pre Pleat™ M13**
2” and 4” Depth

**Features:**
- High Capacity Pleated Filter
- Meets LEED® Green Building criteria for minimum efficiency
- Can contribute to LEED® point accumulation for Energy and Atmosphere, Material and Resources, and Indoor Environmental Quality
- Meets efficiency standards outlined in LEED® Programs for both Existing Buildings and New Construction
- Available in 2” and 4” standard sizes

**Gloveboxes and Isolators cont.**

demise of Domestic Hypalon Gloves, it will be wise to examine the current inventories of gloves and make sure that any order that needs to be placed is placed prior to the end of 2009. NASA has already placed an order for 10 years worth of gloves, so we should all make sure we are prepared as well. For more information concerning Hypalon please visit, [http://www.dupontelastomers.com/Products/Hypalon/hypalon.asp](http://www.dupontelastomers.com/Products/Hypalon/hypalon.asp)

**MOX and other projects**

Just a quick update on the MOX Glovebox Project as well as some other Large Scale projects. The Flanders MOX Team has been awarded their second Glovebox project. This project will run through the end of 2010 and is on the same scale as the first project that was awarded. Flanders continues to examine the needs of this customer and is constantly updating the method by which we go to market. It is truly an exciting time for Glovebox Manufacturing!

Contact Gary if you have any questions regarding Gloveboxes or Isolators.

**Housekeeping Incentive Program**

By: Katie Fritzler, Manager of Environmental, Safety & Health

Beginning in February of 2009, Flanders kicked off its new Housekeeping Incentive Program. The program was implemented using monthly housekeeping inspections in the production departments at each of the divisions (i.e. FFI, CSC, POSG, POSM, POD, POF and POI). The department at each division that earns the highest grade receives a scratch off card. These scratch-off cards allow the employees to receive paid time off in the amount of 2 or 4 hours, and must be redeemed within a year of receipt. The basis of grading is on workplace cleanliness, chemical labeling (which is graded more strictly at FFI & CSC to maintain proper chemical labeling for the larger variety of chemicals), floor cleanliness and overall tidiness among other things.

With over 600 cards issued so far, the program is going great. The overall goal of the program is to usher in the implementation of the 6S Program, with Housekeeping being the Shine “S” out of the program. In the next few months, we will begin to bring in the other “S” items in order to implement a leaner manufacturing environment. As we move toward this goal, we will make our employees and business more efficient, of a higher quality and increase the overall safety at the same time.
New ARW Rep cont.

Cain Sales Staff:

- Michael Hollis - President / Outside Sales
- Rick D. Farrow - Vice President/Outside Sales
- Michael Cupp - Outside Sales

We welcome Cain Sales and look forward to working with them in the future!

Newsletters

Past issues of “The Flanders Way” can be found on our website:

www.flanderscorp.com

Please contact Paige Lewis (plewis@flanderscorp.com) if you would like to submit an article of interest.

NAFA Update!

By: Charlie Kwiatkowski, V.P. Commercial Industrial Sales

Flanders looks forward to attending the 2009 NAFA Annual Convention - September 16-18 in Toronto, Ontario Canada. Shawn Windley, Director of Foremarket Sales will give a presentation on “The History of HEPA Filtration”. Flanders is delighted to be a Gold Sponsor for this event. Come join the Flanders Staff in Toronto!

Flanders “Air Media” Advertisement

Flanders was highly recognized in the summer issue of “Air Media”. Issue highlights consisted of the following:

- Linda Hermann, CAFS Certified
- David Huet, NCT Certified
- Elwood Jefferson, New NAFA Member
- Roger Stamper, New Flanders / Air Seal Director
- Flanders submits advertisement

New Director of ARW

By: Linda Hermann, Senior Vice President of Sales

I am excited to announce Sarah Long as the new Director of ARW, which is effective immediately.

Sarah joined Flanders in May 2009 with extensive knowledge of air filtration products gained from working as a merchandise manager for a Fortune 500 company. She was influential in bringing $20+ million of air filter business to Flanders, a program that continues to drive double digit growth.

She will be transitioning her knowledge into research and development of new products, educational and support tools for our ARW sales network, as well as nurture and cultivate the Flanders current and future wholesale accounts.

Sarah’s key objective is to double; yes I said double, the Flanders ARW market share, profitably, by 2011!

Feel free to contact Sarah and other Flanders Sales staff for all your air filtration needs.

Sarah Long, Director of ARW
Cell: 252-402-5761 - Email: slong@flanderscorp.com