

FinishMaster, Inc.
54 Monument Circle, Suite 800
Indianapolis, Indiana 46204

SUPPLEMENTAL DISCLOSURES TO SHAREHOLDERS

This information is being furnished to the holders of common stock, without par value (the "Common Stock"), of FinishMaster, Inc., an Indiana corporation (the "Company"), in connection with the Annual Meeting of Shareholders to be held at 9:30 a.m., local time, on Thursday, April 29, 2004, at the Company's headquarters located at 54 Monument Circle, 8th Floor, Indianapolis, Indiana, and at any adjournment of such meeting.

The supplemental disclosures contained herein are being provided to shareholders for informational purposes only. These disclosures are not intended to comply with any reporting or other requirements under state or Federal securities laws and have not been reviewed or approved by any governmental regulatory body or agency.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Common Stock is the only voting stock of the Company. Holders of record at the close of business on March 22, 2004, are entitled to one (1) vote for each share of Common Stock held. As of March 1, 2004, there were 7,701,023 shares of the Company's Common Stock issued and outstanding, excluding treasury shares, and the Company had no other class of equity securities outstanding. Holders of Common Stock entitled to vote at the meeting do not have cumulative voting rights in respect of the election of Directors.

Security Ownership By Principal Holders

The following table sets forth information regarding the beneficial ownership of the Common Stock of the Company as of March 1, 2004, by each person who is known to the Company to own 5% or more of its Common Stock:

<u>Name and Address of Beneficial Owner</u>	<u>Number of Shares of Common Stock Beneficially Owned</u>	<u>Percentage of Class</u>
Lacy Distribution, Inc.(1) 54 Monument Circle, Suite 800 Indianapolis, Indiana 46204	5,587,516 (1)	72.6%
Dimensional Fund Advisors Inc. (2)(3) 1299 Ocean Avenue, 11th Floor Santa Monica, California 90401	454,200 (2)	5.9%(2)

- (1) Lacy Distribution, Inc., an Indiana corporation ("Distribution"), is a wholly-owned subsidiary of LDI Ltd., LLC, an Indiana limited liability corporation ("LDI").
- (2) This information is based on a Schedule 13G filed by the beneficial owner with the Securities and Exchange Commission on February 6, 2004. It does not reflect changes in those shareholdings that may have occurred since the dates of such filing.
- (3) Dimensional Fund Advisors Inc. ("Dimensional"), an investment advisor registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts. These investment companies, trusts and accounts are the "Funds." In its role as investment advisor or manager, Dimensional possesses voting and/or investment power over the securities of the issuer described above that are owned by the Funds. All securities reported here are owned by the Funds. Dimensional disclaims beneficial ownership of such securities.

Security Ownership by Directors and Executive Officers

The following table sets forth information as of March 1, 2004, with respect to the number and percentage of shares of Common Stock beneficially owned by (i) each Director, (ii) each executive officer, and (iii) all Directors and executive officers of the Company as a group.

Name of Beneficial Owner (1)	Director of Company Since	Amount and Nature of Beneficial Ownership of Common Stock as of March 1, 2004 (1)		
		Sole Voting & Investment Power	Shared Voting & Investment Power	Percentage of Class
Directors:				
Peter L. Frechette	1996	21,736(3)	---	*
David W. Knall	1998	55,186(3)	---	*
Andre B. Lacy	1996	137,200(4)	5,587,516(2)	73.5%
J.A. Lacy	2002	45,000(5)	---	*
Michael L. Smith	1997	25,236(3)	---	*
Walter S. Wiseman	1996	16,736(3)	---	*
Thomas U. Young	1996	56,000(6)	---	*
Other Executive Officers:				
Robert R. Millard Senior Vice President, Secretary, Treasurer & Chief Financial Officer		---	16,000(7)	---
		*		
All directors and executive officers as a group	---	373,094(8)	5,587,516(2)	74.9%

* Beneficial ownership does not exceed one percent (1%).

- (1) Based upon information furnished by the respective directors and executive officers. Shares are deemed to be beneficially owned by a person if that person directly or indirectly has or shares the power to vote or dispose of the shares and has the right to acquire such power with respect to shares within 60 days. Accordingly, shares subject to options are included if exercisable within 60 days. Includes shares beneficially owned by members of the immediate families of the directors or executive officers residing in their homes.
- (2) Includes all 5,587,516 shares of Common Stock held directly by Distribution. Mr. Lacy, the Chairman and CEO of the Company, is the Chairman and Chief Executive Officer of Distribution. Due to his position with Distribution, Mr. Lacy may be deemed to have voting and dispositive power with respect to these shares, and therefore to own such shares beneficially.
- (3) Includes 13,503 shares subject to option.
- (4) Includes 87,000 shares subject to option and 200 shares beneficially owned by his spouse.
- (5) Includes 45,000 shares subject to option.
- (6) Includes 56,000 shares subject to option.
- (7) Includes 15,000 shares subject to option.
- (8) Includes 257,012 shares subject to option.

Director Nominees

The following information is furnished concerning the Director nominees, all of whom have been nominated by the Board of Directors.

Mr. Andre Lacy (age 64) has served as Chairman of the Board of Directors and as Chief Executive Officer of the Company since July 1996. Mr. Lacy serves as Chief Executive Officer and Chairman of the Board of Directors of Distribution. Mr. Lacy has served in these capacities for more than the previous five years. Mr. Lacy also serves as a director of Herff Jones, Inc., The National Bank of Indianapolis, and Patterson Dental Company. Mr. Lacy is the father of J.A. Lacy.

Mr. Young (age 71) serves as Vice Chairman of the Board of Directors of the Company. From July 1996 until May 1999, Mr. Young served as President and Chief Operating Officer of the Company. From 1989 until May 1996, Mr. Young served as the Worldwide Director of the Refinish Business for E.I. duPont de Nemours and Company, Wilmington, Delaware.

Mr. Frechette (age 66) has served as a Director of the Company since August 1996. Mr. Frechette is the Chairman of the Board and Chief Executive Officer of Patterson Dental Company, a distributor of dental supplies and equipment based in St. Paul, Minnesota. Mr. Frechette has served in these capacities for more than the past five years.

Mr. Smith (age 55) has served as a Director of the Company since October 1997. Mr. Smith is the Executive Vice President and Chief Financial Officer of Anthem, Inc., a Blue Cross Blue Shield licensee and provider of health care services. He has held that position since 1999. Mr. Smith joined Anthem, Inc. in April, 1996. Mr. Smith also serves as a Director of First Indiana Corporation, Intermune, Inc., and First Internet Bank of Indiana.

Mr. Knall (age 59) has served as a Director of the Company since October 1998. Mr. Knall is a Senior Managing Director of McDonald Investments Inc., a regional investment banking, brokerage, and investment advisory company. He has held that position since 1983. Mr. Knall joined McDonald Investments Inc. in 1969.

Mr. J.A. Lacy (age 39) has served as a Director and as President and Chief Operating Officer of the Company since July 2002. From January 2001 to July 2002, he served as Senior Vice President of Operations for the Company, and from January 1999 to January 2001, as Senior Vice President of Planning and Marketing. Mr. Lacy is the son of Mr. Andre Lacy.

Except for Andre B. Lacy and J.A. Lacy, no Director or nominee for Director is related to any other Director or nominee for Director or executive officer of the Company by blood, marriage, or adoption, and there are no arrangements or understandings between any nominee and any other person pursuant to which such nominee was selected.

ELECTION OF DIRECTORS

A shareholder can vote at the Annual Meeting of Shareholders on April 29, 2004, for the election of the nominees to the Board of Directors (the "Board") listed above under the caption "Director Nominees." Directors are elected to serve until the next Annual Meeting or until their successors are elected and qualified. The Board currently consists of seven members. Mr. Wiseman has decided not to stand for reelection as a Director of the Company. The Board would like to thank Mr. Wiseman for his service and dedication to the success of the Company. The Board has not yet identified a suitable candidate to fill the resulting vacancy. With the expiration of Mr. Wiseman's term immediately following the conclusion of the Annual Meeting, the Board will consist of six members with one vacancy. The Board intends to conduct a director search. When a suitable candidate is found, the Board will fill the vacancy in accordance with the Company's By-Laws.

The Directors will be elected upon receipt of a plurality of votes cast at the Annual Meeting of Shareholders.

MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

The management of the Company is under the direction of the Board. During the year ended December 31, 2003, the Board met six times in addition to taking certain actions by unanimous written consent. The Board has established an Audit Committee, a Compensation Committee, an Executive Committee and an Independent Directors Committee.

The Audit Committee consisted of Michael L. Smith (Chairman), Mr. Frechette, Mr. Knall, and Mr. Wiseman. The Audit Committee recommends the annual appointment of the Company's auditors and reviews the scope of audit and non-audit assignments, related fees, the accounting principles used by the Company in financial reporting, internal financial auditing procedures and the adequacies of the Company's internal control procedures. The Audit Committee met twice in the year ended December 31, 2003.

The Compensation Committee consisted of Mr. Wiseman (Chairman), Mr. Knall, and Mr. Smith. The Compensation Committee determines executive officer salaries and bonuses and administers the Company's stock option plan (acting as the Stock Option Committee) in addition to the Company's other benefit plans. The Compensation Committee met once during the year ended December 31, 2003.

The Executive Committee has all authority of the Board during intervals between meetings of the Board subject to such limitations as may be imposed by law, by subsequent resolution of the Board, or by the By-Laws. The members of the Executive Committee for the fiscal year ended December 31, 2003, included Mr. Andre Lacy (Chairman), Mr. Young, and Mr. J.A. Lacy.

The Independent Directors Committee for the year ended December 31, 2003 consisted of Mr. Frechette (Chairman), Mr. Wiseman, Mr. Smith and Mr. Knall. The Independent Directors Committee considers issues in which LDI or its affiliates have a real or apparent conflict of interest with the Company. The Independent Directors Committee met five times in the year ended December 31, 2003.

The Board does not have a standing nominating committee.

DIRECTOR COMPENSATION

Each non-employee Director is given an annual retainer of \$19,000 in stock options pursuant to the FinishMaster, Inc. Stock Option Plan, priced as of the first trading day after the Annual Meeting of Shareholders each year. Each non-employee Director also receives \$1,250 in Common Stock pursuant to the FinishMaster, Inc. Stock Option Plan, priced and issued as of the first trading day after each quarterly meeting of the Board. In addition, the non-employee Directors receive \$1,000 in cash for each quarterly meeting attended, \$750 in cash for each committee meeting attended and \$250 for each meeting attended by telephone. All travel expenses for attendance at meetings are reimbursed.

Directors of the Company who are employees of FinishMaster, Distribution, LDI, or their affiliates do not receive compensation for their services as Directors.

REMUNERATION OF EXECUTIVE OFFICERS

The following table summarizes, for the Company's last three completed years ended December 31, 2003, the compensation of the persons who served as Chief Executive Officer of the Company during the year ended December 31, 2003, and each of the four other most highly compensated executive officers of the Company who were serving as such at the end of such period and whose salary and bonus compensation exceeded \$100,000 for services rendered in all capacities to the Company and its subsidiaries during the most recent year (collectively, the "Named Executive Officers"). See "Certain Relationships and Related Transactions."

Summary Compensation Table

<u>Name and Principal Position</u>	<u>Fiscal Year</u>	<u>Annual Compensation</u>			<u>Other Annual Compensation</u>	<u>Long-Term Compensation Securities Underlying Options (1)</u>
		<u>Salary</u>	<u>Bonus</u>			
Andre B. Lacy Chief Executive Officer	2003	\$193,200(2)	\$57,637(2)		\$---	---
	2002	193,200(2)	62,949(2)		---	---
	2001	112,500(3)	---		---	---
Thomas U. Young Vice Chairman	2003	\$180,336	\$69,294		\$---	---
	2002	180,336	75,680		---	---
	2001	178,469	75,000		---	---
J. A. Lacy President and Chief Operating Officer (4)	2003	\$240,000	\$76,850		\$---	---
	2002	200,000	56,630		---	45,000
	2001	170,547	33,857		---	---
Robert R. Millard Senior Vice President, Secretary, Treasurer & Chief Financial Officer	2003	\$185,360	\$79,691		\$---	---
	2002	182,000	84,316		---	---
	2001	180,303	45,868		---	---
Charles L. VanSlaars Senior Vice President, Marketing	2003	\$138,632	\$49,534		\$---	---
	2002	138,632	32,036		---	---
	2001	137,196	28,096		---	---

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- (1) Represents the number of shares for which options were granted during the applicable fiscal year.
(2) Represents sums paid by the Company to Distribution for services rendered.
(3) Represents sums paid by the Company to Distribution for Mr. Lacy's services rendered for April 2001 through December 2001.
(4) Mr. J.A. Lacy became President and Chief Operating Officer of the Company in July 2002. Prior to July 2002, he was a Senior Vice President.

There were no individual grants of stock options made to the Named Executive Officers during the year ended December 31, 2003.

The following table sets forth certain information regarding the total number of stock options held by each of the Named Executive Officers, and the aggregate value of such stock options as of December 31, 2003.

**Aggregated Option Exercises in the Year Ended December 31, 2003
and Year-End Option Values**

<u>Name</u>	<u>Shares Acquired</u>		<u>Number of Securities Underlying Unexercised Options at the Year Ended December 31, 2003</u>		<u>Value of Unexercised In-the-Money Options at the Year Ended December 31, 2003 (\$)(1)</u>	
	<u>On Exercise/ Cancellation (#)</u>	<u>Value Realized (\$)</u>	<u>Exercisable</u>	<u>Unexercisable</u>	<u>Exercisable</u>	<u>Unexercisable</u>
Andre B. Lacy	--	--	87,000	--	34,680	--
Thomas U. Young	--	--	56,000	--	196,000	--
Robert R. Millard	--	--	15,000	--	58,125	--
J.A. Lacy	--	--	45,000	--	(2)	--
Charles L. VanSlaars	17,000	31,917	--	--	--	--

- (1) The closing price for the shares on December 31, 2003 was \$9.50.
(2) Since the fair market value of the shares subject to option was not greater than the exercise price of the options at December 31, 2003, such options were not "in-the-money."

Equity Compensation Plan Information as of December 31, 2003

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights (b)</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</u>
Equity compensation plans approved by security holders	355,312	\$8.66	394,688
Equity compensation plans not approved by security holders	--	--	--
Total	355,312	\$8.66	394,688

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

Overview and Philosophy

The Compensation Committee is responsible for developing and making recommendations to the Board with respect to the Company's executive compensation policies. In addition, the Compensation Committee, pursuant to authority delegated by the Board, determines on an annual basis the compensation to be paid to the executive officers of the Company.

The objectives of the Company's executive compensation program are to:

- Support the achievement of desired Company performance.
- Provide compensation that will attract and retain superior talent and reward performance.
- Align the executive officers' interests with the success of the Company by placing a portion of pay at risk, with payout dependent upon corporate performance.

The executive compensation program provides an overall level of compensation opportunity that is competitive with companies of comparable size and complexity. The Compensation Committee will use its discretion to set executive compensation at a level where, in its judgment, external or internal circumstances warrant it.

Executive Officer Compensation Program

The Company's executive officer compensation program is comprised of base salary, annual cash incentive compensation, long-term incentive compensation in the form of stock options, and various benefits, including medical, dental, life insurance, 401(k), and deferred compensation plans, generally available to employees of the Company based upon eligibility criteria.

Base Salary

In determining salaries, the Company uses total cash compensation as the primary competitive benchmark for executives, but also takes into consideration competitive base salaries based on data from the distribution industry and from other businesses and industries.

Annual Incentive Compensation

The Company's annual incentive program for executive officers and key managers provides direct financial incentives in the form of an annual cash bonus based on the Company's ability to meet or exceed a select group of financial targets, which include consolidated earnings before interest, taxes, depreciation and amortization (EBITDA), net working capital turns, and corporate and departmental expenses as a percent of net sales compared to the annual operating plan.

Stock Option Program

The stock option program is the Company's long-term incentive plan for executive officers and key employees. The objectives of the program are to align executive and shareholder long-term interests by creating a strong and direct link between executive pay and shareholder return, and to enable executives to develop and maintain a significant, long-term ownership position in the Company's Common Stock.

The Stock Option Plan provides for the grant of both incentive stock options intended to qualify for preferential tax treatment under Section 422 of the Internal Revenue Code of 1986, as amended, and non-qualified stock options that do not qualify for such treatment. The Stock Option Plan authorizes a committee of directors to award stock options to executives and key employees. The Compensation Committee functions as the Stock Option Plan committee. Stock options are granted at an option price no less than the fair market value of the Company's Common Stock on the date of grant, have ten-year terms and can have exercise restrictions established by the Compensation Committee. A total of 750,000 shares of Common Stock have been reserved for issuance under the Stock Option Plan.

Deferred Compensation

The Company's employees participate in the FinishMaster, Inc. 401(k) Employees Savings Plan. The 401(k) plan is a "cash or deferred" plan under which employees may elect to contribute a certain portion of their annual compensation which they would otherwise be eligible to receive in cash. The Company makes a matching contribution on a graduated scale up to 50% of each \$1.00 contributed by employees up to 6% of their annual contribution. The Company may also make a discretionary profit-sharing contribution in the proportion the participant's compensation bears to all eligible plan compensation. Contributions must be made from current or retained earnings of the Company and are contributed in cash. All full-time employees of the Company or its subsidiaries who have completed 90 days of service are eligible to participate in the plan. Participants are immediately 100% vested in all participant contributions and vest 25% per year over years two through five with respect to the company match and discretionary profit-sharing contributions. The plan does not contain an established termination date, and it is not anticipated that it will be terminated at any time in the foreseeable future.

Instead of participating in the 401(k) plan, employees identified as Highly Compensated Employees in the 401(k) plan are eligible to participate in the FinishMaster, Inc. Deferred Compensation Plan. Like the 401(k) Plan, the Deferred Compensation Plan allows eligible participants to defer a portion of their annual compensation. However, under the Deferred Compensation Plan, eligible participants may defer amounts in excess of the amounts permitted to be deferred under the 401(k) Plan. The vesting schedule, as well as the Company's obligations to make matching contributions and its option to make discretionary contributions, is the same as under the 401(k) Plan.

Special Perquisites

The executive officers receive supplemental life insurance (in an amount equal to their annual salaries) and supplemental medical reimbursement up to certain limits ranging from \$750 to \$2,500 depending on the employee's position and the number of dependents. In addition, executive officers are reimbursed for their costs for an annual physical and receive an additional week of paid time off up to a maximum of five weeks. The amount of perquisites relating to executive compensation did not exceed 10% of salary for the year ended December 31, 2003.

Benefits

The Company provides medical, dental, life insurance, short-term disability, long-term disability, and flexible spending account benefits to the executive officers that are generally available to Company employees.

Chief Executive Officer

Andre B. Lacy served as the Company's Chief Executive Officer for the year ended December 31, 2003, having first been named to such position in July 1996. From 1996 until the year ended December 31, 2000, Mr. Lacy served as the Company's chief executive without any monetary compensation. Thereafter, the Compensation Committee determined that Mr. Lacy should be paid a salary for his services, so he received compensation of \$112,500 for the period from April 2001 through December 2001, and compensation of \$193,200 for each of the years ending December 31, 2002 and 2003. This compensation was set by the Compensation Committee to compensate him for his valuable leadership of the Company, in particular his vision in planning and implementing marketplace strategies for the Company. The Company pays Distribution for Mr. Lacy's services.

The Compensation Committee of the Company as of the year ended December 31, 2003:

David W. Knall
Michael L. Smith
Walter S. Wiseman, Chairman.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In connection with the acquisition of Thompson PBE, Inc., the Company entered into a subordinated note agreement with LDI dated November 19, 1997, pursuant to which LDI loaned the Company \$30,000,000 on an unsecured basis. The obligation bore interest at a rate of 9%, with interest payable quarterly and with principal due on May 19, 2004. In December, 1999, LDI sold \$10,150,000 of the subordinated note to two trusts affiliated with LDI. In March 2001, the Company entered into a new senior secured credit facility with a syndicate of banks. Concurrent with the funding of the senior secured credit facility, the Company repaid its obligations to LDI and the two trusts, and entered into a new \$19,850,000 senior subordinated note with LDI. The senior subordinated note is subordinated to the bank credit facility, matures in March 2007, and bears interest at 12%, payable quarterly. The Independent Directors Committee has approved the terms of the senior subordinated credit facility, and the Company believes the terms are at least as favorable as those that could be obtained in an arms-length negotiation with an unaffiliated third party.

The Company leases its administrative headquarters in Indianapolis, Indiana indirectly from LDI. In the year ended December 31, 2003, the Company made lease, repair and maintenance payments of \$253,500 to the company hired by LDI to manage the property. The Independent Directors Committee has reviewed the terms of the lease, completed an analysis of comparable market rates and has determined that such lease terms are fair to the Company. The Board has also considered the terms of the lease and believes that the terms of the lease are at least as favorable as those that could be obtained by arms-length negotiations with an unaffiliated third party.

The Company reimbursed LDI for the actual cost of insurance in the amount of \$3,485,500 for the year ended December 31, 2003. For the same period, the Company also reimbursed LDI for management fees in the amount of \$768,400 (inclusive of the 2003 executive remuneration to Andre B. Lacy disclosed on page 6 of this document) and for certain other expenses in the amount of \$46,500. The Company believes the prices paid for these reimbursements are fair to the Company.

AUDIT COMMITTEE REPORT, CHARTER, INDEPENDENCE

Report of the Audit Committee

The primary purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities relating to accounting, reporting practices and the quality and integrity of the financial reports and other publicly disseminated financial information of the Company. In this context, the Audit Committee has met with management and PricewaterhouseCoopers LLP, the Company's independent public accountants ("Independent Auditors").

The Audit Committee held meetings with the Company's Independent Auditors, both in the presence of management and privately, to discuss the overall scope and plans for the respective audit, the results of their examinations, the evaluations of the Company's internal controls, the overall quality of the Company's financial reports, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

The Audit Committee has reviewed and discussed the audited consolidated financial statements with management and the Independent Auditors. The Audit Committee also discussed with the Independent Auditors the matters required by Statement on Auditing Standards No. 61 (Communication With Audit Committees).

With respect to independence, the Audit Committee has received the written disclosures from the Independent Auditors required by the Independence Standards Board Standard No. 1 (Independence Discussions With Audit Committees) and has discussed with the Independent Auditors their independence.

Based upon the reviews and discussions referred to above, the Audit Committee recommended to the Board, and the Board has approved the audited financial statements of the Company for the year ended December 31, 2003.

This Report respectfully submitted by the Audit Committee of the Company's Board:

Peter L. Frechette
David W. Knall
Walter S. Wiseman
Michael L. Smith, Chairman.

Audit Committee Charter

The Board has adopted a written charter for the Audit Committee, a copy of which may be obtained from the Company by written request.

Audit Committee Independence

The Board has determined that during 2003, Mr. Frechette, Mr. Knall, Mr. Wiseman, and Mr. Smith were independent directors.

ACCOUNTANTS

PricewaterhouseCoopers LLP has served as auditors for the Company for the year ended December 31, 2003. The Board of the Company has not yet completed the process of selecting an independent public accounting firm to audit its books, records and accounts for the fiscal year ending December 31, 2004.

Audit and Non-Audit Fees

	<u>2003</u>	<u>2002</u>
Audit Fees: (1)	\$164,997	\$238,400
Audit Related Fees: (2)	--	--
Tax Fees: (3)	27,943	7,220
All Other Fees: (4)	<u>--</u>	<u>4,725</u>
Total	<u>\$192,940</u>	<u>\$250,345</u>

- (1) Audit Fees – These are fees for professional services performed by PricewaterhouseCoopers for the audit of the Company’s annual financial statements and services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Audit-Related Fees – These are fees for assurance and related services performed by PricewaterhouseCoopers that are reasonably related to the performance of the audit or review of the Company’s financial statements. This includes: employee benefit and compensation plan audits; due diligence related to mergers and acquisitions; and consulting on financial accounting/reporting standards.
- (3) Tax Fees – These are fees for professional services performed by PricewaterhouseCoopers with respect to tax compliance, tax advice and tax planning. This includes review of original and amended tax returns for the Company and its consolidated subsidiaries; refund claims; payments planning; tax audit assistance; and tax work stemming from “Audit-Related” items.
- (4) All Other Fees – These are fees for other permissible work performed by PricewaterhouseCoopers that does not meet the above category descriptions.

These services are actively monitored (both spending level and work content) by the Audit Committee to maintain the appropriate objectivity and independence in PricewaterhouseCooper’s core work, which is the audit of the Company’s consolidated financial statements.

FORWARD LOOKING STATEMENT

This Report and other disclosures of the Company may contain certain forward-looking statements pertaining to, among other things, the Company's future results of operations, cash flow needs and liquidity, acquisitions, and other aspects of its business. The Company may make similar forward-looking statements from time to time. These statements are based largely on its current expectations and are subject to a number of risks and uncertainties. Actual results could differ materially from these forward-looking statements. Important factors to consider in evaluating such forward-looking statements include changes in external market factors, changes in its business strategy or an inability to execute this strategy due to changes in its industry or the economy in general, difficulties associated with assimilating acquisitions, the emergence of new or growing competitors, seasonal and quarterly fluctuations, governmental regulations, the potential loss of key suppliers, the realization of tax benefits from deferred tax assets, limitations on access to capital due to covenant restrictions, and various other competitive factors. In light of these risks and uncertainties, there can be no assurance that the future developments described in the forward-looking statements contained in this Report and other disclosures of the Company will in fact occur.