

Updated on: February 1, 1999

Year 2000 Readiness Plan

First Marketing Company is proactive in its preparation for Year 2000 issues and is designating this web site page to disclose and regularly update its comprehensive Year 2000 readiness plan. Please check back to this page for the most current information.

The analysis of Year 2000 compliance is conducted by First Marketing Company's Technology Committee, which is made up of key managers throughout the company who have a significant involvement in technology management. Mr. Glenn G. Hetzel, Senior Vice President and Chief Financial Officer, is a member of the Technology Committee and is also the Executive Committee sponsor for the Year 2000 compliance program. Questions regarding First Marketing's procedures may be directed to Mr. Hetzel by e-mailing him at GHetzel@first-marketing.com, calling (954) 979-0700 or writing to him at: First Marketing Company, 3300 Gateway Drive, Pompano Beach, Florida 33069 USA

Limited Electronic Commerce

As a rule, First Marketing Company **does not** perform any electronic commerce directly with our clients' Information Systems group. As a provider of promotional newsletters and Internet products, we work in conjunction with marketing departments to create and deliver these products to customers.

If First Marketing is mailing newsletters to a client's customers, the client may be exporting a text file from their system that our List Processing department uses for mailing purposes. If a client is using our NetLetter (Internet) product on the client's own Web site, we deliver this product via an HTML file. This is the full extent of our electronic interaction.

Overview of Year 2000 Compliance Procedures

The Technology Committee is conducting an enterprise-wide analysis of our business regarding Year 2000 compliance. This analysis encompasses six areas:

- 1) Infrastructure - mainframe, client/server and network hardware, and operating systems software
- 2) Personal Computers - PC and Mac hardware and operating systems
- 3) Applications Software - proprietary and off-the-shelf software
- 4) Printing Operations - prepress and press systems
- 5) Facilities - security, fire and telephone systems, office equipment
- 6) External Entities - vendor/supplier compliance

The Technology Committee is using a three-step approach to assess the impact of the Year 2000 on each of the six areas:

- 1) Identification - Determining what systems may be affected.
- 2) Assessment - Reviewing the individual system to determine the appropriate course of action, such as renovation, replacement/upgrade or retirement.
- 3) Testing & Correction - Implementing action plans to effect changes needed and performing system and application testing to assure compliance

The following addresses the current status of our preparedness project for the six areas:

1. Infrastructure

In 1997, we replaced and upgraded our client/server publishing system (the main system used in producing our clients' newsletters) with state-of-the-art equipment. The system has been tested, and we believe that this new equipment and software is Year 2000 compliant.

In addition to our client/server system, FMC uses a mainframe system for certain internal operations. Operations of this system are currently being converted to operate in a client/server environment. The conversion is scheduled for completion by the first quarter of 1999.

2. Personal Computers

Personal computers (including IBM compatible and Mac) are generally replaced on a three-year rolling basis. Testing of our approximately 250 personal computers has been completed and they are now substantially compliant.

3. Applications Software

Application programs used in the production of newsletters has been replaced as part of the upgrade to the client/server system. Testing has been completed and software is believed to be compliant.

Application programs for office and administrative use is not compliant. It is scheduled for replacement prior to March 31, 1999.

4. Printing Operations

Presses are believed to be compliant. Prepress equipment and software is not compliant. It is scheduled to be replaced by March 31, 1999.

5. Facilities

Telephone, fire and security systems are believed to be compliant, although further testing will be done in 1999.

6. External Entities

First Marketing is currently reviewing and contacting all external vendors whose non-compliance could affect our operations. Many of our vendors have responded that they are aware of Year 2000 issues and are actively working to resolve them. First Marketing plans to monitor the progress of these vendors. Should there be any situation where First Marketing is not satisfied with a vendor's response, we plan to take appropriate actions such as researching and making arrangements with other vendors, etc. First Marketing will consider a vendor as being non-compliant if they do not indicate that they are compliant by July 1, 1999.

Contingency Phase

While not shown on the above timeline, the last phase of the process is the contingency phase. We believe that the above procedures and timetable are sufficient to ensure Year 2000 compliance by March 31, 1999. While there can be no certainty that our efforts will result in complete Year 2000 compliance, the scheduled completion date for testing and correction will provide a significant amount of time to address unexpected issues.

Summary

We have formulated a comprehensive plan to address Year 2000 compliance issues, and we plan to have all system corrections completed by March 31, 1999 which should provide a significant amount of time for unexpected issues.