



THE MARKET

When Americans think of glue, they think of Elmer's. For more than 60 years, Elmer's has been a trusted and proverbial part of going back to school. It's a name most Americans grew up with, and it has "stuck" for more than half a century. The familiar orange and blue "bull in the house" logo represents one of the most highly recognized consumer brands. The sight of the logo often evokes pleasant memories of elementary school and encourages recollections of "glue experiences" while making crafts and keepsakes as a child. It is a beloved icon representing a brand heritage that transcends generations and demographics.

ACHIEVEMENTS

Since 1947 when the first consumer white glue was introduced, Elmer's has been creating quality products trusted to achieve great results. Elmer's has continued to grow over the years based on its dedication to quality and innovation in developing new products to meet the ever-changing needs of consumers. Through its steadfast commitment to excellence, Elmer's has gained the loyalty and trust of consumers, securing its place as

- The most well-known, trusted line of consumer glues and adhesives for more than 60 years.
- One of the most highly recognized consumer brand logos in America.



If you think Elmer's® is just glue, you're stuck in the past.

All new licensed products!

Let us fill you in on our latest innovations. New mass-free painting products. New licensed products making the Nickelodeon brands kids love. These are just some of the innovations. Stay with us to extend our excitement. After all, that means more for you! When you partner with Elmer's, you get more variety in your kids arts & crafts category, and that's just good business. We're changing the way America thinks about Elmer's. See for yourself at www.elmers.com.

- The number-one teacher-requested brand of glue on school supply lists. More than 47 million elementary school students use Elmer's Glue on a weekly basis.

HISTORY

On May 11, 1857, with three employees and one product, Gail Borden founded the company that became Borden® Inc. In 1929 Borden purchased the Casein Company of America, the leading manufacturer of glues made from casein, a by-product of milk. Borden introduced its first glue product, known as Cascorez Glue, in 1932. Five years later the company began production of resin adhesives for use in woodworking. Immediately after World War II, the company expanded into synthetic resin glues, and in 1947 the first multipurpose consumer white glue known as Elmer's Glue-All® was introduced.

Although Elmer's career as the "spokesbull" for Borden's adhesive line did not begin until 1951, he had been a familiar household name since the 1940s. In 1939 Borden needed a replacement for Elsie® the Cow, the well-known

bovine marketing symbol for the dairy division. Elsie's husband, Elmer, was a natural selection. Elmer was a huge hit with the public and was frequently seen alongside Elsie and their children in most promotional and advertising campaigns. In 1951 Elmer the Bull was officially chosen to be the marketing symbol for all adhesives in the Borden line, and his portrait has been appearing on Elmer's packaging ever since.

Over the next few decades, Elmer's focused on expansion of adhesive products for school and home in addition to developing a variety of hardware sealants and compounds. In the early 1990s Elmer's also began marketing Crazy Glue®, the most well-known brand and category leader of instant adhesives in North America.

In the mid-1990s Borden was purchased by a large private equity firm, and Elmer's was launched as a separate operating company. The company focused on creating category-leading adhesive and related products for school, crafts, hardware, and home repair use.

In 2000 Elmer's acquired Ross Products, an expansion that helped accelerate product development beyond adhesives and into the world of creative arts and crafts.

Two years later Elmer's was purchased by another private equity firm and merged with Hunt Corporation, known for development of adult arts and crafts and office products. This move marked Elmer's movement into the office products category with a wide range of staplers, sharpeners, and precision cutting tools under the X-ACTO® and Boston® brands. In addition, the Painters®, Bienfang®, and Conte® fine arts and crafts brands were added to the family.

Recent acquisitions continued to broaden product lines and company focus. In 2006 acquisitions of Scientific Explorer™, Giddy Up™, and Color Loco™ expanded Elmer's portfolio even further into children's publishing, educational toys, and licensed products.



THE PRODUCT

Product innovation has been critical to Elmer's continued growth throughout the company's history. It began with the original white glue, Cascorez Glue. The glue was packaged in a glass

bottle with a popsicle stick–type wooden applicator and attached with a rubber band. Consumer feedback confirmed a need for an easier-to-use delivery method, which prompted the company in 1947 to develop easy-to-squeeze bottles featuring a push-pull orange cap. This innovation has stood the test of time and remains the well-known visual on many Elmer's products. The cap allowed Elmer's to rise above the competition and become what is today the best-known glue in America, Elmer's Glue-All.

In response to teacher requests for an easier-to-use, no-mess bonding method, Elmer's introduced its line of glue sticks in 1983. The glue stick innovation made glue much easier to apply and involved significantly less mess than its paste counterpart. Piggybacking on that success, Elmer's began to explore new ways to make its traditional Washable School Glue cleaner and even easier to use in the classroom. In 2007 Elmer's introduced the new no-run Elmer's Washable School Glue.

Other product innovations have continued in Elmer's hardware product line. From the first sandable, fast-grabbing wood glue in 1975, Carpenter's Wood Glue, to Ultimate Glue in 2002, which bonds virtually anything, Elmer's simplifies home repairs and inspires confidence in a job well done for millions of do-it-yourselfers across America.

Today, Elmer's hardware products are toolbox essentials, addressing the consumer's need for quick and simple repair solutions in an easy-to-use DIY kit. These kits include everything needed to successfully complete common household projects along with simple step-by-step instructions.

RECENT DEVELOPMENTS

While Elmer's is certainly recognized for its number-one brand of school glue, the company is also an emerging leader in creative arts and crafts and educational products for children.

Arts and Crafts Products. Elmer's kids' arts and crafts product lines have grown by leaps and bounds. Most notable has been the Elmer's family of mess-free paint products. The family consists of Paintastics® Paint Brush Pens, Squeeze 'n Brush® Washable Paints, 3D Washable Paint Pens, and Go Paint!™. These products allow parents to say yes to painting anytime and anyplace. Based on parents' typical concerns about traditional paints, their mess-free, cleanup-free design eliminates the need for messy mixing bowls and brush cleanup.

Acquisitions. Because of Elmer's cultural dedication to innovation and growth, strategically focused acquisitions helped accelerate the process. In 2006 Elmer's acquired Scientific Explorer™, Giddy Up™, and Color Loco™ to extend Elmer's portfolio even further into children's arts and crafts, publishing, educational toys, and licensed products. These acquisitions represented Elmer's long-term commitment to product developments that promote fun and creative learning through hands-on application.

Brand Architecture. In 2007 Elmer's decided it was time for a facelift. Through

consumer and retailer insights, a new and improved brand architecture emerged. Elmer's redesigned its packaging to make its products easier for consumers to shop and use. This initiative extended across all Elmer's product categories, including hardware, adhesives, and arts and crafts. The architecture featured more cohesive packaging, bolder colors, prominent display of the products' recommended uses, and a new logo. The logo featured bright orange and blue colors and a more prominent bull to contemporize the brand.

PROMOTION

At back-to-school time, nostalgic brands like Elmer's take parents and teachers alike back to their first day of school. Memories include crafting moments with the family, new ideas brought to life with just glue and paper, and the pride associated with completing a project and seeing it prominently displayed on the refrigerator door.

In its "First Day of School," Elmer's brought to life this emotional connection of the brand. Elmer's then launched its "Stays Where It's Put" national advertising and public relations campaign to highlight innovations in the glue category. The campaign educated consumers and teachers about the new no-run Elmer's Washable School Glue.

Elmer's continues to focus on its strong teacher relationships. Through the Elmer's Teacher's Club, an extensive online community of thousands of teachers, Elmer's provides creative and scholastic ideas and exclusive back-to-school promotions. In return, teachers offer Elmer's valuable product feedback to help improve and innovate product lines.

"If you think Elmer's is just glue, you're stuck in the past." This tagline launched Elmer's trade campaign to educate retailers about Elmer's full product line.

Elmer's coupled this message with a consumer campaign for its arts and crafts product line. The Mom-focused "Say Yes to Painting" campaign solved Mom's issue with painting — the mess. The kid-focused campaign appealed to tweens' need for self-expression and creative discovery through painting.

The Elmer's hardware product line also launched its own trade campaign, "Elmer's Rebuilt." The campaign emphasized how the brand simplified the DIY process — from its easier-to-use and easier-to-shop packaging to its more functional and ergonomic designs.

Elmer's supported these campaigns with brand-specific websites and online resources, such as the Elmer's Glue Guide. As the industry's only comprehensive glue guide, the online tool provides reliable adhesive product information and usage guidelines to help consumers choose the right product for a variety of projects, quick fixes, or crafts.

BRAND VALUES

Elmer's brand vision is "to help people fulfill their inherent needs to create, build and learn." Elmer's understands how much consumers enjoy



the creative/learning process, but they also know that what matters most to consumers is having a completed project about which they can be proud.

Therefore, Elmer's focus remains on continually providing superior products that help make it easier for consumers to successfully complete projects the way they envision them.

The brand is Elmer's most important asset, and products are created based on their most significant brand equities; trust in quality and performance, ease-of-use, and safe-to-use are considered top priorities throughout the product development process. Consumers expect Elmer's to deliver superior products that guarantee a positive experience and pride in creative accomplishments. They look to Elmer's to help them achieve their best.

THINGS YOU DIDN'T KNOW ABOUT ELMER'S

- Elmer's Glue isn't just for arts and crafts projects. In a joint effort with Elmer's, Sea World of San Antonio used Elmer's glue to save the life of a baby penguin. A quick-thinking penguin expert covered an unhatched penguin's cracked egg with Elmer's Glue-All. The egg was successfully incubated, and the result was a baby penguin, named Elmer after its savior.
- You never know how Elmer's glue might save the day. When a potted cactus fell on a six-year-old girl, emergency room doctors came up with a unique solution to remove the 600 hard-to-see spines stuck in her arms. The solution: Elmer's glue. A pediatrician poured the glue on the child's arms, dried it with a surgical lamp, and peeled away the needles.
- Think Elmer's glue and beach activities have nothing in common? Think again. Sand sculptors sometimes apply an Elmer's Glue-laced spray to finished works in sand sculpting competitions as a windscreen to slow deterioration.