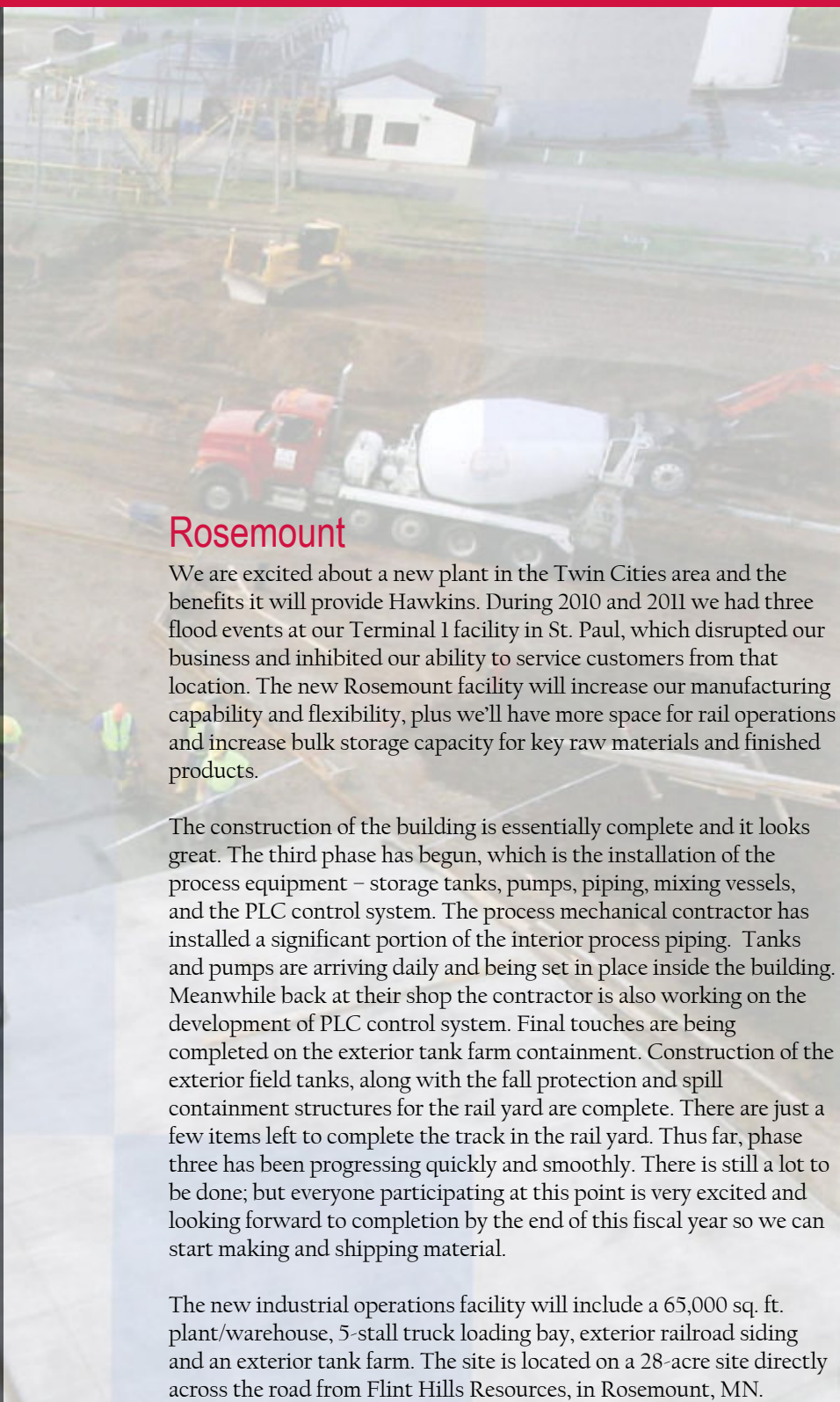




ROSEMOUNT FACILITY



Rosemount

We are excited about a new plant in the Twin Cities area and the benefits it will provide Hawkins. During 2010 and 2011 we had three flood events at our Terminal 1 facility in St. Paul, which disrupted our business and inhibited our ability to service customers from that location. The new Rosemount facility will increase our manufacturing capability and flexibility, plus we'll have more space for rail operations and increase bulk storage capacity for key raw materials and finished products.

The construction of the building is essentially complete and it looks great. The third phase has begun, which is the installation of the process equipment – storage tanks, pumps, piping, mixing vessels, and the PLC control system. The process mechanical contractor has installed a significant portion of the interior process piping. Tanks and pumps are arriving daily and being set in place inside the building. Meanwhile back at their shop the contractor is also working on the development of PLC control system. Final touches are being completed on the exterior tank farm containment. Construction of the exterior field tanks, along with the fall protection and spill containment structures for the rail yard are complete. There are just a few items left to complete the track in the rail yard. Thus far, phase three has been progressing quickly and smoothly. There is still a lot to be done; but everyone participating at this point is very excited and looking forward to completion by the end of this fiscal year so we can start making and shipping material.

The new industrial operations facility will include a 65,000 sq. ft. plant/warehouse, 5-stall truck loading bay, exterior railroad siding and an exterior tank farm. The site is located on a 28-acre site directly across the road from Flint Hills Resources, in Rosemount, MN.

