

Dear colleagues:

A month ago I wrote to you about the considerable progress we made this past year. We are providing our readers and customers with better products, improving the processes underlying our business, and reducing costs to make us a leaner and more effective competitor.

Yet for all of our achievements, we enter 2009 in the face of a weakened global economy which continues to encroach on our business.

Therefore, as we continue to look for further cost efficiencies, I have decided to implement a one-year freeze on salaries. The freeze applies across the board (the only exceptions are when collective bargaining agreements or statutory obligations require). We will seek an equivalent freeze for union-represented staff as we conduct negotiations for successor collective-bargaining agreements going forward.

I know you are all well aware that the uncertainty of the broader economy touches all our businesses. We don't know how profound the problems will be, or how long they will last. The only prudent course is to continue managing all expenses aggressively until we can see more clearly where we are headed. The savings we capture by forgoing raises will mitigate future possible job cuts and help support and sustain our products and brands.

I know this isn't easy. I know you've worked hard this past year under difficult conditions. I know without your talent, diligence and perseverance, we wouldn't have achieved all we did in 2008.

Still, I hope you understand why we must do this. With a little sacrifice and a little savvy, we can emerge from this turbulence in a far stronger position than our rivals.

Best,
Les