



A MESSAGE FROM LIONEL SR. VICE PRESIDENT & GENERAL MANAGER HOWARD HITCHCOCK

CONCORD, NC (February 27, 2014) – Beginning early this summer, Lionel will begin to relocate its Customer Service Facility currently in Canfield, OH to Concord, NC. This decision moves us one step closer to our goal of operating the company from a central location. While this transition will be ongoing this summer through the end of the year, the Service Parts Department will be the first group to relocate to NC - followed closely by the repair and call center functions.

The move from Ohio will begin to take place in June with operations being fully restored at the Concord, NC location in August 2014.

We understand this move will briefly interrupt the Service Parts Department's operations and also impact the timing of repairs. Therefore, we encourage our customers to place any part orders no later than May 10th, 2014. Both warranty and non-warranty repairs will be accepted up to May 5th, 2014. Our Customer Service Call Center will remain open during the relocation period with minimal interruption in phone operations.

I want to personally thank the Ohio staff for their hard work and continued dedication to Lionel. We are indeed fortunate that many of them have chosen to make the move to North Carolina. Their expertise and knowledge will be invaluable in the coming months as there is a lot of work to be done to make this transition successful.

In the end, relocating the Customer Service Facility to North Carolina will allow Lionel to function more efficiently as an organization, more closely integrating engineering, production and service, which will ultimately benefit our customers and our products.

We appreciate your patience during this process.