



ITEMS

NEWSLETTER

**HAPPY
NEW YEAR!**

January 2008

AB&I looks back...

2007 A Year of Change, Continuity at AB&I



2007 turned out to be a good year for the commercial construction business, and by extension, the plumbing business and AB&I. At the start of the year, the American Institute of Architecture reported strong activity among the nation's architectural firms, a good indicator of future construction activity. Their optimistic view of the coming year was dead-on; 2007 was good-to-very-good for many in the construction business.

In 2006, plans were made to redouble our efforts at reaching the engineering community, to keep them apprised of developments with cast iron DWV. Gregg Carr and Marla Shives took to the field, calling on specifiers throughout the AB&I marketing area, making sure they understood the cast iron standards,

and verified that the product(s) they were specifying met those standards.

Scrap prices took another big jump in the second quarter, putting pressure on all products made from iron. Dramatic growth in China and India were largely to blame, as the market for scrap iron became even more international. In spite of these increases in raw materials costs, AB&I was able to hold the line on prices through most of 2007.

Although AB&I maintains one of the industry's best records for worker safety and environmental compliance, 2007 saw a further multi-million dollar investment in safety and pollution-control technology. This ongoing commitment to constant

improvement continues to push AB&I to the front of the pack of cast iron foundries.

AB&I took a huge step forward at mid-year by gaining full NSF certification for its complete product line. This third-party validation of product quality and manufacturing processes provides the engineering and contracting communities with further assurance that AB&I products meet all industry standards, and are approved for use by all plumbing codes.

2007 was AB&I's first full year of operation as part of the McWane family of foundries. Although there is always a question of what will change and what will stay the same under new leadership, 2007 has been a year of continuity and improvement at AB&I. The support provided by McWane has enabled AB&I to push forward on its plans for growth at a faster pace than would have otherwise been possible.

AB&I wishes all our friends and colleagues a very happy, healthy and prosperous 2008!

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Perspective

"You can learn more character on the two-yard line than anywhere else in life."

The start of a new year is a good time to sit and think. For one, it's holiday time, business is a bit slower, and there's actually time to do such a thing. But also, the new year just feels like a good time to start afresh. I gave up on New Year's resolutions a long time ago, so I replaced that tradition with one of my own - reflecting on the past and trying to make it fit with the future somehow.

I came across the headline quote by Paul Dietzel the other day, and thought about how it applies to our business. AB&I is over a century old, and you can bet the farm that we've seen our difficult days in the past 100 years. We've been through World War I, The Great Depression, World War II, several recessions, dozens of construction slowdowns, fires, key people lost in an airplane accident - you name it, we've probably been there and done that. We've seen our share of the two-yard line, with big guys standing on the other side, doing their damndest to keep us from getting through. Somehow, we've always made it.

Actually, how we made it is no mystery at all. Our people, and especially our leaders, have pushed back harder than the bad guys, pulled new plays out of their hats, and pushed the team to do what appeared to be the impossible. I've seen it with my own eyes.

I watched Allan Boscacci, grandson of the founder and past president of AB&I, stay focused on moving the ball forward when all seemed lost, taking personal risks for the good of his team. And winning.

I've seen foundrymen pull OT without pay, or on holidays, to get equipment back up, so a scheduled shipment could be made. And I've seen John Callagy, our CFO, find cash and stall creditors long enough to get us back in the game, back when the construction market was in the deepest tank since the Depression.

Every company says their people are special. Ours really are. All of 'em. They've been tested on that two-yard line, and they've scored. Every time.

Happy New Year, one and all.

If the economists are right, we might see a slowdown in commercial construction around mid-year. Most are saying the decline will not be dramatic or long-lived, but one never knows about such things. Nobody thought residential would take a such a long and deep snooze, either.

We're not likely to be tested as we have been in the past, but all of us should be planning for at least a minor dip in the cycle. If nothing comes of it, like the Y2K scare, great. But, if things get a little tight for awhile, we all want to come out on the other side, a little tougher and smarter.

2007 was our first full year as a McWane company. When the transition was first announced, we stated in this newsletter, and to our customers, that "nothing would change; we'll still do things the AB&I way." To many, it probably sounded trite, ranking right up there with, "the check's in the mail." Well, over a year later, we have a little clearer picture of what it means to be part of a larger group. While some of the behind-the-scenes administrative functions have changed a little to integrate with McWane's systems, AB&I is still AB&I. The same people are still in place. Our policies are still the same, we still sell only through stocking distributors, and we're still committed to giving the market as much advance notice of price increases as is humanly possible.

Product quality, customer service, and industry leadership are still top priorities, but some things have changed. For example, the greater financial depth provided by McWane

has enabled us to expand our engineering support program, reaching more specifiers, and identifying more substandard material on jobsites and in the market than ever before.

We've also improved our on-time performance, now shipping virtually 100% complete and on schedule.

These improvements and our future growth are the result of loyal customers continuing to find added value in dealing with AB&I. We know that every order counts, and we appreciate your business, and your friendship, more than you know.

I, for one, am glad to see 2007 disappear into oblivion, at least as far as sports personalities go. This was the year we were treated to the likes of Michael Vick torturing dogs, OJ Simpson playing Mission Impossible in Vegas, dozens of baseball players doing whatever to get bigger and hit farther - the hits just kept on coming.

Most of us are bored with these stories, and getting bored with professional sports. A little humility within the ranks, even some personal gratitude by a player now and then, would go a long way. After all, they PLAY sports, not WORK sports, and get paid quite well to do it, thank you very much. The least they could do is be civilized, and try to keep their antics down below the felony threshold. Jeez.

2008 will go down as the year that Madonna, Prince (or whatever he's calling himself these days), Ellen DeGeneres, and Michelle Pfeiffer all turn the Big Five-Oh (although it doesn't seem all that big anymore). That means they'll qualify to join AARP, get discounts on their car insurance, and can even join in on RV caravans to Fairbanks and Acapulco.

I'm sure they can hardly wait to send in their enrollment forms...

Foundry Update

Winter Shutdown Brings New Safety, Production Equipment

AB&I's annual winter shutdown is a time when production activity stops and the maintenance crews can dig in with both hands to complete planned equipment maintenance and upgrades.

AB&I engineers and managers had several major projects planned for this shutdown, which began well before Christmas and ended in early January.

All the major production equipment underwent large-scale maintenance. The ongoing safety program of creating special guarding around machinery that could cause a major injury continued, and improvements, ranging from minor to major, were made to virtually every department in the foundry.

One of the larger-scale projects involved replacing the control panel on one of the four Liquimetrics pouring systems in use at the foundry. These critical systems control the flow of molten iron so that each casting is created in a uniform, consistent manner.



Veteran AB&I foundry engineer, Don Wixson, headed the team that assembled, programmed, and installed the new control panel that regulates the iron pours going to pipe production.

This new state-of-the-art control panel is fully computerized and programmable, to provide the foundry team with detailed information about the iron being poured for casting. The specialized Human Machine Interface touchscreen panel allows the operator to control iron flow along a wide range of parameters, and gives production managers

and engineers a detailed record of pour consistency and quality.

This is the second Liquimetrics control panel upgrade to be installed in the foundry in recent months.

Customers and others interested in learning more about AB&I's production methods are encouraged to schedule a foundry tour. For details, contact your field sales representative, or call 800-GOT-IRON.

Contractors Urged to Try Best Set™ Closet Rings



If you're a contractor and have not yet used the Best Set™ Closet Ring, you're missing a valuable opportunity.

Not only is the Best Set preferred by plumbers in the field as easier to work with

than other closet ring brands, the unique design of the Best Set makes it faster and more efficient to install, saving significant time and labor cost.

AB&I engineers, together with working plumbers, developed the Best Set Closet Ring in the 1980s to meet the need for a quality closet ring that would install faster than other designs. After considerable testing, the Best Set was put into production and immediately greeted by cheers from plumbers everywhere. Faster to install. Saves labor. Cuts costs. Try it, you'll like it.

Prefer to Get Your Items Newsletter via Email? No Problem!

In response to recent customer requests, AB&I is now making its monthly newsletter, *ITEMS*, available in downloadable .pdf format, delivered direct to your email inbox. This electronic version will be *in addition* to the printed copies customers and others have received for over four decades.

To begin receiving the *ITEMS* in electronic format, simply send an email to graphics@spectrix1.com with your request. You'll begin receiving your *ITEMS* via email with the very next edition.

If you don't want the electronic newsletter, but still want to continue receiving your printed version, simply do nothing. Your full color newsletter will continue arriving in your mailbox, just as before.





New Northern California Sales Representative Chosen: ZPPG

Providing the very best customer service has been a top priority of AB&I for over 100 years. So when the foundry needed a new sales representative to cover the critical Northern California and Reno markets, several alternatives were considered.

Choosing the best of the best is never an easy task, but Tom Corsentino and his company, ZPPG, emerged at the top of the list, and was chosen to carry the AB&I flag from Fresno to the Oregon border, and from the coast to the Nevada border and Reno.

"Northern California is an important market for us," said Gary Wickham, AB&I vice president for national sales, "and we're very pleased that Tom and his company have joined our team."



ZPPG has an established track record selling drainage products and related materials, and serves the market from three locations, including Hayward, Sacramento and Fresno.

"We strive to provide unparalleled customer service," said Tom, pointing out that representing the AB&I line will involve calling on end users, architects, engineers and contractors.

"Part of customer service is dealing with jobsite issues," said Tom, "and we pride ourselves on being both fair and fast."

For more information, contact: ZPPG
25050 Industrial Blvd.
Hayward, CA 94545
510/781-4800

Just for Fun...

How Well Can You Predict the Future?



Think you're pretty good at forecasting future events? Well, fill in these blanks, keep this page in a safe place, then go back to it in January, 2009 to see how well you did.

1. The president of the United States will be _____.
2. The vice president of the United States will be _____.
3. The Dow Jones Industrial Average will be at _____ on December 31, 2008.
4. The NASDAQ will be at _____ on December 31, 2008.
5. The winner of the World Series will be _____.
6. The loser of the World Series will be _____.
7. The two teams in the SuperBowl will be _____ and _____.
8. The winner of the Academy Award for Best Picture of 2007 will be _____.
9. The U.S. economy will be in recession on December 31, 2008. Agree Disagree
10. Residential construction will show a net gain on December 31, 2008 over December 31, 2007. Agree Disagree



Identify the NFL Teams

See if you can divine the names of the NFL teams from the clues provided. For example:

1. Affleck women = Bengals
2. Six Kings = Vikings
3. Remember the Clash? = _____
4. Dollar for corn = _____
5. Future Popes = _____
6. Old Fords = _____
7. Charlie, LeRoy, James, Jackson = _____
8. Wall Street pessimists = _____
9. Immature bovines = _____
10. Cashless people = _____
11. Bank robbers = _____
12. Bag fillers = _____
13. Monthly debits = _____
14. The pink one is a diamond = _____
15. Equines gone wild = _____
16. Dead icons = _____
17. Scrape your knee = _____
18. Forty-five pistols = _____
19. Poe's Crows = _____
20. Ice box searchers = _____
21. Sonic boomers = _____
22. British buggy = _____



Answers: 3. Titans, 4. Buccaneers, 5. Cardinals, 6. Falcons, 7. Browns, 8. Bears, 9. Cowboys, 10. Chargers, 11. Steelers, 12. Packers, 13. Bills, 14. Panthers, 15. Broncos, 16. Saints, 17. Redskins, 18. Colts, 19. Ravens, 20. Raiders, 21. Jets, 22. Jaguars