



hardwood HEADLINES

A Publication For Our Employees

SPRING 2004

PRESIDENT'S MESSAGE

As we start a new year it is always valuable to reflect on the past as we plan toward the future. We recently celebrated our 50th anniversary and are looking forward to a prosperous future. Our company mandate for 2003 was to focus on the Three S's: standardization, simplification and synergy. The intent was to strengthen our processes and foundation during the slow economy and to position ourselves for future growth. Our industry has always been cyclical and subject to big market fluctuations. We have to learn to adapt to the roller coaster economy while continuously improving.

This past year many back office functions and human resource activities were standardized creating greater office efficiencies. Safety oversight, payroll, bookkeeping, supervisor training, employee reviews were also standardized around best practices. We are also continuing to leverage our synergies by cross-pollinating sales. With our new lumber inventory system, all lumber sales personnel will now have inventory viewing at all three yards. Remote inventory viewing at the centers has been available for years. Another example of synergy is that AHC and AWPC are embarking on a joint lumber program and WCM is hosting this year's Center Sales Retreat in order to educate our distribution sales team about our moulding operations. Taking our muscle to market is our continuing long-term goal. We must keep our operating systems simple and efficient. It is essential that we innovate and integrate best practices still further to create customer value and minimize redundancies and inefficiencies.

For 2004 we are positioned for expanded growth. We recently opened a new sales office in Hong Kong to target Asian markets and we are cautiously optimistic the domestic markets are recovering. Our mandate this year is executing smart growth, while staying focused on the fundamentals: consistent quality, customer satisfaction and employee development.

I sincerely appreciate the tremendous employee loyalty and commitment to excellence as we move into our second half -century. God Speed, and best wishes during the year ahead.

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Human Resources

by Carolyn Carlin

During 2003, we began the Lunch & Learn Supervisor Training series. The first two sessions covered the hiring process and the performance review process. It is apparent from our employee turnover ratio, which is at the lowest level in the past four years that we have a high quality workforce. We are committed to providing our employees with numerous training opportunities that will enhance their career development.

The health insurance was renewed with United Healthcare for the 2004 plan year. Two changes were made to the plan from last year. Office visit co-pays are \$25 and the deductible is \$1,000. Please be sure to access United Healthcare's website WWW.MYUHC.COM in order to get information on plan coverage, network providers and individual claim history. For those without internet access, you can get the same information by calling 1(866) 633-2446. **Note: Be sure to use in-network physicians and request generic prescriptions whenever possible in order to get the most benefit from your health insurance coverage!**

For those of you enrolled in the Flexible Spending Account, over-the-counter prescriptions can now be submitted for reimbursement. If you did not get 2004 reimbursement forms or a list of eligible reimbursement items under the plan, let me know.

We continue to look at ways at enhancing our benefits. If anyone has any questions about coverage or options, please contact me so I may assist you. I can be reached in the Atlanta Office at (404) 214-4719.

Investor's Business Daily's 10 Secrets to Success

Investor's Business Daily has spent years analyzing leaders and successful people in all walks of life. Most have 10 traits that, when combined, can turn dreams into reality. The following is a list of those traits.

HOW YOU THINK IS EVERYTHING: Always be positive. Think success, not failure. Beware of a negative environment.

DECIDE UPON YOUR TRUE DREAMS AND GOALS: Write down your specific goals and develop a plan to reach them.

TAKE ACTION: Goals are nothing without action. Don't be afraid to get started. Just do it.

NEVER STOP LEARNING: Go back to school or read books. Get training and acquire skills.

BE PERSISTENT AND WORK HARD: Success is a marathon, not a sprint. Never give up.

LEARN TO ANALYZE DETAILS: Get all the facts, all the input. Learn from your mistakes.

FOCUS YOUR TIME AND MONEY: Don't let other people or things distract you.

DON'T BE AFRAID TO INNOVATE; BE DIFFERENT: Following the herd is a sure way to mediocrity.

DEAL AND COMMUNICATE WITH PEOPLE EFFECTIVELY: No person is an island. Learn to understand and motivate others.

BE HONEST AND DEPENDABLE; TAKE RESPONSIBILITY: Otherwise, Nos. 1-9 won't matter.

The Sensible Environmentalist

Dear Dr. Moore:

We hear a lot about tropical forests, but what can you tell me about the state of our own forests here in North America?

The news is good. North American forests cover about the same area of land as they did 100 years ago. Over the past decade our forests have expanded by nearly 10 million acres, according to satellite tracking data and two successive reports from the United Nations Food & Agriculture Organization (State of the World's Forests, 1997 and 2001).

There are two main reasons for this. One is that advances in agriculture have enabled us to grow about five times as much food on each acre of farmland. As a result, we've been able to feed a growing population without converting any more forests into farms.

Another reason, surprisingly enough, is that North Americans use a lot of wood. We've been led to believe that this is bad, that each time we buy a piece of wood we cause a little more forest to be lost. On the contrary, every purchase of wood sends a signal into the marketplace to plant more trees and grow more valuable product. If we don't continue to use wood for building houses, making paper or crafting furniture, there will be little incentive to keep land forested. It could just as easily be cleared for development or to grow something else.

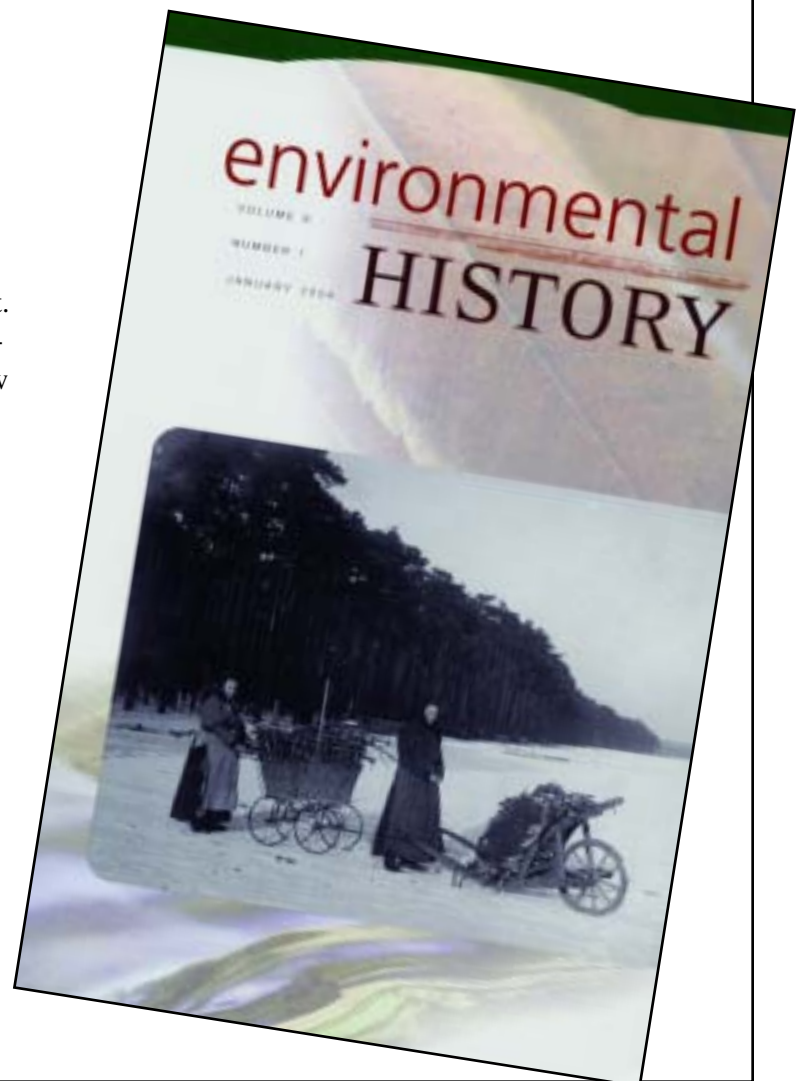
This is a win for both the economy and the environment. Timber creates jobs, fuels economies and generated thousands of millions of dollars in tax revenue. The land stays forested, thus providing habitat for hundreds of species of wildlife. So long as we plant enough trees to satisfy the demand for wood, North American forests will be sustainable.

Between them, Canada and the United States have about 1.75 billion acres of forest. About one billion acres are used to grow timber while the other 750 million acres are composed of parks, wilderness and non-commercial forest land.

Trees are the most abundant of the world's renewable resources and will continue to grow over much of the earth's surface indefinitely. I believe that a sensible environmentalist would weigh the facts and choose both to grow more trees and use more wood.

Dr. Patrick Moore has been a leader of the environmental movement for more than 30 years. A co-founder and former president of Greenpeace, he holds a PhD in ecology and a BSc in forest biology. Questions can be sent to Patrick@SensibleEnvironmentalist.com.

– News Canada



Christmas 2003



White County Mouldings Employee Spotlight...Kellin Dobbs

Kellin Dobbs rejoined our team last summer as National Sales Manager for the White County Mouldings plant. His responsibilities will focus on customer service and satisfaction, as well as increasing sales and product awareness through our wholesale and retail centers.

Kellin has been in the wood component industry for the past fourteen years. Prior to rejoining WCM, he was with L.J. Smith Stairs where he was responsible for their Atlanta stair distribution facility and custom stair manufacturing plant. His other experience includes research and development of custom moulding and sales management.

Kellin grew up in Gainesville, and presently lives in Buford, where he and his wife Kimberly are expecting their first child in August.

When asked about his new role with WCM, Kellin said "I'm very excited about our recent increases in sales and market expansion. Our focus will continue to be on customer satisfaction, quality products and timely service. We are looking at many opportunities in 2004."

Kellin added that "White County Mouldings has a wealth of resources beginning with its great employees. Our staff is made up of people with years of experience and extensive knowledge of the industry. We have a personal commitment and responsibility for our products and services. I am very glad to be back at WCM, and I am looking forward to a fulfilling and rewarding future with a fantastic company. I feel that our mission and our drive is the best in the industry."

Welcome back, Kellin. We are happy to have you as part of our team.

*"Change is one thing.
Progress is another."*

*British Philosopher
Bertrand Russell*

Lean Manufacturing

Lean manufacturing is the hot topic in the wood-working industry right now as companies look for ways to reduce costs and be more competitive in today's global marketplace. A concise definition for lean manufacturing came from Virginia Tech: "producing high-quality products with minimal floor space, work-in-process inventory, finished goods inventory, material movement, non-value added activities and human effort." According to the *Hardwood Review*, "lean manufacturing seeks to streamline or eliminate any activity that does not add value to the product in the eyes of the customer...doing more with less."

White County Mouldings is working very diligently to incorporate Lean Manufacturing principles into its production processes.



THE SAFETY CORNER

By Paul Harris

As of January 1, 2004, Carolyn Carlin will assume responsibility for our company-wide safety program. The initial objective for the coming year will be to standardize our safety training program so that all locations will cover the same "Safety Topic of the Month." Each safety manager will be provided with resource material on topics such as first aid, lock out/tag out, personal protective equipment, and accident prevention. The initial supervisor Lunch & Learn program for 2004 will cover the introduction of the new safety training program and workers compensation program.

Another objective will be to create a safety manual that will include the safety training calendar, safety meeting minutes, accident reports, inspection reports, OSHA record keeping, MSDS list, emergency evacuation plans and other safety related items.

During the next year we will roll out a new safety incentive program. The program will be centered on eliminating accidents and unsafe working conditions. We are committed to provided our employees with the safest working environment in the industry.

Congratulations to Columbus Wood Products for being accident free in 2003!

Congratulations to Huntersville Hardwoods, Inc. for no lost time & no job restrictions in 2003!



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