



STEEL SOLUTIONS

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BIG DOINGS

HERE'S AN INTERESTING OBSERVATION ABOUT WHAT WE DO HERE AT SAGINAW: MORE OFTEN THAN NOT, THE END RESULTS OF OUR EFFORTS ARE HIDDEN FROM VIEW. When you know where to look, you can point out to your children and grandchildren various buildings and signposts where Saginaw steel products have been used. But you have to know where to look. For example, you have to know that the statue of Liberty in Liberty Park just south of Birmingham, Alabama uses a 10" pipe from Saginaw as its support.

Lately, we've seen a trend in the building of oversized objects. In Orlando, Florida, for example, outside of the Arnold Palmer Hospital for Children and Women, there is, appropriately, a huge sculpture of a golf ball. However, unlike the layered inside of your Titleist Pro V1 x's this ball has at its core the hard work of Saginaw's employees and a goodly amount of structural steel.



ABOVE: OUTSIDE OF THE ARNOLD PALMER HOSPITAL, A HUGE GOLF BALL.
LEFT: IN VEGAS, THE WORLD'S LARGEST COKE BOTTLE, 110-FFET-TALL .

Next on our tour of oversized objects supported by steel from Saginaw would have to be the huge cross on Interstate 75 just outside of Knoxville, Tennessee. Anybody who has driven this particular stretch of Interstate couldn't have failed to notice the 100-foot-tall, white-paneled cross just off the west side of the highway. Designed by Cornerstone Engineering of Tennessee, the cross is framed inside with steel from Saginaw. This particular application of the products we sell is so popular, Cornerstone has been asked to design several more crosses around the country.

Last, but certainly not least in our exploration of the huge is a refreshing look at the world's largest Coca Cola bottle. One hundred and ten feet tall, this eye-popping tribute to the "pause that refreshes," created out of Saginaw steel and 7,000 traditional Coca-Cola-green glass panes, houses two elevators serving four stories of the World of Coca Cola in Las Vegas, Nevada. As they travel up inside the bottle, visitors to this spot enjoy the sound of Coca Cola being poured over crackling ice.

Big construction requires big steel. All over the country are examples of where Saginaw folks helped bring a little something to the scenery that's a whole lot bigger than life.

WISE WORDS

BY HOWARD WISE, CEO

CONGRATULATIONS TO EVERYONE. WE HAD ANOTHER RECORD YEAR IN SALES. AS THE YEARS GO BY, WE SEE OTHER COMPANIES THAT NEVER GET OVER THE HUMP AND REALLY BECOME GOOD AT WHAT THEY DO. LOOKING BACK AT THE LONG ROAD AND MANY CHALLENGES THAT SAGINAW HAS OVERCOME MAKES ME WONDER WHAT "IT" IS THAT HAS MADE SAGINAW SUCCESSFUL.

WHEN YOU LOOK AT OUR YARD AND FACILITIES ON VIDEO OR ON AN OVERHEAD PICTURE, YOU GET A SENSE OF THE COMMITMENT WE HAVE MADE TO KEEP INVEN-

TORY FOR OUR CUSTOMERS. DURING TIMES LIKE NOW AND LAST YEAR, OUR CUSTOMERS KNOW THAT SAGINAW HAS WHATEVER "IT" IS THAT THEY NEED.

WHAT YOU DON'T SEE IN VIDEOS OR PICTURES, HOWEVER, IS THE TEAM SPIRIT AND "CAN-DO" ATTITUDE THAT EVERYONE AT SAGINAW HAS. AND THAT'S WHAT MAKES SURE THAT ORDERS ARE TAKEN CARE OF THE WAY THAT THEY SHOULD BE. THAT'S THE EFFORT EVERYONE HERE MAKES TO ENSURE THAT SAGINAW IS OUR CUSTOMERS' #1 SUPPLIER. YOU CAN'T SEE THE FEELINGS THAT OUR EMPLOYEES HAVE FOR EACH OTHER IN A VIDEO. AND YOU CAN'T SEE THE PRIDE THEY SHARE IN WORKING FOR SAGINAW.

I HAVE HAD MANY PEOPLE VISIT OVER THE YEARS AND TELL ME THAT, IF YOU COULD BOTTLE THE ATMOSPHERE AND ATTITUDE YOU GET WHEN YOU ARE AT SAGINAW, YOU COULD SELL IT AS A MAGIC TONIC. I AM PROUD OF THAT MORE THAN ANYTHING. OUR COMMITMENT TO EACH OTHER, TO OUR EMPLOYEES, TO OUR CUSTOMERS AND TO OUR SUPPLIERS, OUR CONSISTENCY, AND THE UNDERSTANDING EACH OF YOU HAS THAT YOU CAN DEPEND ON SAGINAW – THOSE ARE THE THINGS THAT HELP CREATE THIS SPECIAL FEELING. WE ALL SHOULD BE PROUD THAT, WHATEVER "IT" IS, WE'VE GOT IT, AND WE CONTINUE TO WORK HARD TO KEEP IT.

STEEL PIPE · SQUARE+RECTANGULAR TUBING · WIDE FLANGE BEAMS · I-BEAMS · PLATE+ANGLES · FLAT BAR · HOT ROLLED SQUARES+ROUNDS · SPECIALTY FABRICATION

COLD STEEL

Often, steel from Saginaw finds itself in unusual places. Take for example an ongoing project along the Houston, Texas shipping channel. The Port of Houston Authority is building a 60-acre container yard and a 1,660-foot wharf to connect the container yard to the shipping channel. The new facility will relieve pressure on the existing Barbour's Cut terminal and help accommodate ship traffic and cargo volume.

The wharf presented problems. Traditional building of the wharf would mean operating big diesel pile drivers 12 hours a day for months, which wouldn't meet the stringent air-pollution standards of the project. Zachry Construction, the company selected to build the wharf and container yard, proposed a cool solution to the problem – in fact, a very cool solution. Rather than driving piles in the ground to stabilize the wet waterfront, they opted to freeze the ground and dig behind the frozen wall of earth to place the footings for the wharf.

Ground freezing may sound new, but it's actually been around for a long time. First used as a construction technique in South Wales around 1862, ground freezing involves circulating a super-cooled solution underground to freeze the water in the soil. The ice holds the soil together and creates a strong barrier behind which you can safely dig. Zachry proposed sinking a row of pipes along the shoreline, then circulating a super-cooled calcium chloride brine through the pipes, freezing the ground several feet in each direction.

And the pipes? Well, of course – they came from Saginaw. Cool.

A PROMOTION IN TEXAS

Saginaw is happy to announce the promotion of Dennis Ince to Vice President of our Houston operations. Dennis has been in the steel business for almost 30 years. He started out in oilfield and moved over to structural steel and secondary sales when he joined us in 1994. He took over as Houston's Branch Manager in 2004 and, in that short a time, has doubled sales.

Dennis was also instrumental in getting the Houston offices moved onto the same site as the steel yard. Dennis had been pushing for having all of the staff on-site since 2004. Once the move was approved, he was actively involved in the design of the building, the construction and landscaping, and in planning the move. Dennis believes having the staff on-site with the yard will help them to be more responsive to customer needs.

When he isn't at work, Dennis is actively involved with his church, where he sings in the choir. He and his wife, Cindy, are the proud parents of two daughters, Amy and Sara, both of whom are attending the University of Houston, Dennis' alma mater, and studying to become youth ministers.

LOTS AND LOTS OF CHANNELS

We pride ourselves on our inventory. After all, that's the advantage our customers have when they do business with us. As a regular feature, we'd like to share the down-and-dirty details of a different product line with each edition of our Newsletter. This quarter, we'd like to tell you about our inventory of steel channels.



The names for channel steel are many: C-channel, so named for its cross-section; MC-channel, which stands for Miscellaneous Channel; ship and car channel, so called for its applications. In the end though, channel is channel. Pretty much any structural member with a "C"-shaped cross section may be referred to as channel; and at Saginaw, we're talking about more channels than a satellite TV company.

Consider for a moment that we carry channels as small as three inches at 4.1 pounds and as large as 18 at 58, and you catch our drift. Customers call us for channel to be used in a variety of ways. We've sold it as far away as Detroit to be used in automobile manufacture and as close as right around the corner, where DeShazo Cranes use it for the cap rails on their gantry cranes.

"A lot of our customers forget we have channel," says Carl Lytle, Saginaw's resident channel expert. "I like to remind folks frequently that even though we started out as a pipe company, we've come a long way from there!"



THAT WHICH RUNS DEEP AT SAGINAW

In case you haven't figured it out, Saginaw is made up of a really fine group of people. Our people can be found doing great work all over the place. Take Kenya, for example. In 2004, in honor of one of our retirees, Harold Cunningham, Saginaw sponsored the installation of a well for a township of 350 folks, who, until very recently, had to travel miles every day just to bring water to their village.

In Thika, Kenya, just outside of the capitol, Nairobi, the villagers live hard. Life is about subsistence farming and pretty much just getting by. The things we take for granted are very often chores. They collect fresh water, for example, from the runoff of a pineapple field miles from their village. We are pleased to announce that the well we helped them put in is up and running now. This marks the first time ever that they haven't had to haul water to their village.

But Saginaw's generosity runs deeper even than the well water in Thika, Kenya. Now we are focusing on providing food, school supplies and even work for the villagers. With their help, we've put livestock in their pens, food on their tables, and are working on a classroom for their children. At Saginaw, our steel ends up all over the world. It's nice to know that the goodwill of our employees is just as widespread.



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OUR BEST SHOT



Saginaw is proud to be bringing on line a brand new shot blaster capable of blasting virtually any of the structural steel in our inventory. With the vast majority of our steel stored in the open yard, it's natural that our customers occasionally request cleaning up of the product before it reaches them.

"A number of our customers intend to prime and paint the finished fabricated work," says Terry Pruet. "The more we clean it up for them on the front end, the more time it saves them on the back end. That's where the new shot blast machine is a big help."

Saginaw has always been about going the extra mile to help out our customers. From cutting pipe to length, to piece-marking orders, from custom-order bundling, to priming and painting, we do what we can to help our

customers' jobs go smoothly. Up until recently at Saginaw, we were able to shot-clean pipe up to 30" in diameter and blast the insides of pipes as small as 10" in diameter. And we had some limited blast capabilities. Now, however, with the new shot blast, we've added a whole new set of dimensions to what we can do. In fact, the new machine has a seven-foot-wide opening and can handle pieces as tall as 3'8". Four 20-HP blasting wheels provide full coverage of the blasted work piece. "This new machine will provide an excellent solution for blasting a full range of stock structural products," says Pruet. And that, friend, is what we mean when we say we give it our best shot.

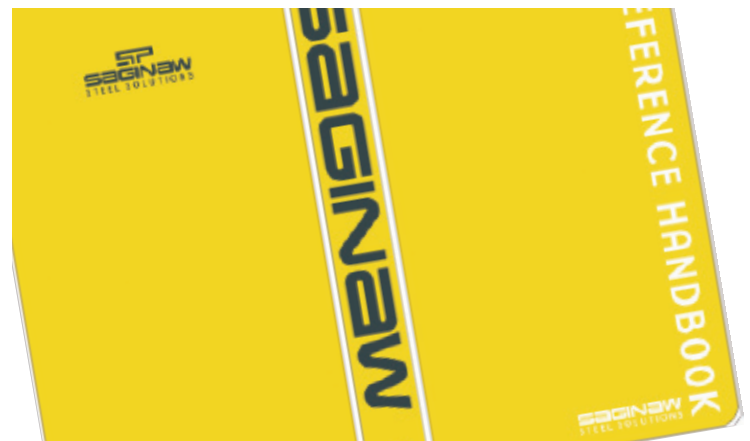
NEW BOOK AND VIDEO

Saginaw recently introduced some new pieces of communication to our existing and potential customers. We are frequently surprised to discover how many of our customers really just don't understand how broad our inventory is. "I've even had a customer drop by on his way to the beach – we're talking about a really good customer – who still couldn't believe how much steel we had until he saw it with his own eyes," says Greg Helms, V.P. Sales at Saginaw.

Seeing is believing. In order to give folks a firsthand look at our inventory, Saginaw enlisted the help of a marketing firm, a film crew and a helicopter. The result was a video that helps put the Saginaw inventory into perspective. "When you see all 130 acres of our yard, the huge number of different sizes and lengths of our beams, tubing, pipes and structural steel items, it certainly makes an impression." Says Howard Wise, Saginaw's CEO. "People just don't realize what 130 acres of steel look like. And it really helps to see those 65- and 75-footers out there to realize just how powerful an advantage you have purchasing through Saginaw."

"Sometimes it helps to walk our customers through the math," says Helms. "Think about it this way: if you need a 33-footer and you have to buy a 40-footer – you're dropping seven feet. That can be a whole lot of waste, both in terms of steel and in terms of shipping expense – especially when you multiply that one 40-footer times say 20 pieces. We save our customers considerable money by selling them the 33-footer. To do that, you have to have the inventory. That's our advantage."

In addition to the video, Saginaw has also published a detailed specifications guide that lists all of Saginaw's inventory and offers a wealth of information regarding size, weight and length. "We believe the spec book will become a useful tool in any fabricator's place of business," says Helms. "It's just about continuing to add value to what we do."



LOCATIONS >

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