

Continuous Improvement UPDATE

Performing for Excellence at Glen-Gery Corporation, An Oldcastle® Company



Summer 2006

Volume XIII, No. 2

2005 Customer Survey Shows Satisfaction Remains High...

- York Plant tops 4th straight year!
- Redfield 2nd highest rated
- Reading BC #1; York a close 2nd
- Des Moines most improved

**Building long-term loyalty still a priority.
Nine critical factors for keeping customers.**

Results from our annual survey of 234 Glen-Gery distributors and contractors show the number of “very satisfied” customers, at 64.5%, remains on a par with 2004’s unprecedented 65.4%. Both ratings are significant leaps in a trend of steady increases seen in recent years. The 2005 survey also shows our targeted efforts to improve customer service are clearly paying off in both satisfaction and loyalty.

Outstanding among the 2005 results is York Plant’s fourth consecutive year as top-rated plant. At 93.6%, York once again set the record for highest service rating by our distributors. Equally impressive is the plant’s claim to placement within the top-three highest rated since 1997.

Redfield Plant came close on the heels of top rated with an Average Satisfaction Rating (ASR) of 93.0%

The Reading Brick Center is clearly meeting the needs of its contractor customers. Its high score of 94.3% pulling it far above 2004’s fifth place ranking. Rated the highest of all sales offices, Reading excelled in four service attributes: promptness in responding to complaints, willingness to go the extra mile, openness and honesty in interactions and overall product knowledge.

The York Brick Center’s ASR of 93.9% landed it in close second. York rated the highest

of all sales office on four service attributes: overall customer service, courtesy, accuracy of lead time estimates and notification of order changes.

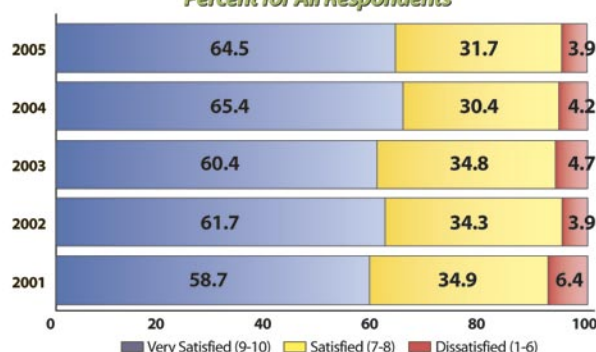
The Des Moines Brick Center’s ASR of 88.5% was an upward shift of 5.5 percentage points from last year, making it the most improved sales office.

Broken down by customer type, the ASR (Average Satisfaction Rating for 9 customer service questions) of distributors increased slightly from 87.9% in 2004 to 88.7% in 2005. The ASR for contractors also increased slightly from 91.4% in 2004 to 91.7% in 2005.

Customer Loyalty a Key Factor

Customer loyalty ratings are, again, singled out as the most significant among the 2005 findings. According to

Overall Satisfaction
Percent for All Respondents



business experts, the loyalty factor alone is almost universally recognized as the key driver of sustainable and profitable growth because loyal customers cost less to retain, can be counted on for repeat business and contribute to progressive growth by word-of-mouth referrals (see related “Net Promoters” article).

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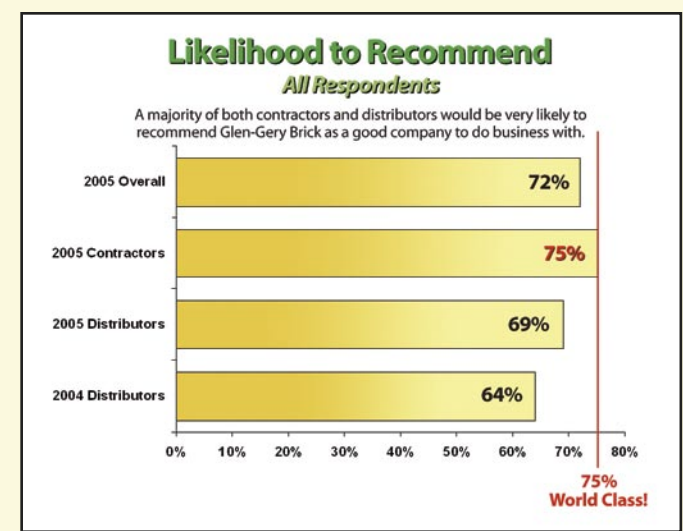


- Dream House – Employees help build it with outstanding customer service – pg. 5
- Famed Iowa Hawkeyes to play in a field of Glen-Gery Brick – pgs. 8-9
- Meet your co-workers! 2006 Employee Appreciation Day pictorial – pgs. 10-11

2005 Satisfaction Survey . . .

In terms of stated loyalty, the combined percentage of all respondents reporting that they are “extremely loyal” dipped slightly in 2005 to 55.6% from 66.0% in 2004; however, when directly questioned on their likelihood of recommending Glen-Gery brand, both distributors and contractors spoke to a greater allegiance. Seventy-five percent of contractors and 69% of distributors (combined, the average is 72%) said they would be “very likely” to recommend Glen-Gery Brick to a friend or colleague. This is just a few points shy of our stated goal to achieve “World Class” loyalty, defined as 75% or better. The intent and willingness to actively recommend a product or company is a more powerful and accurate determinant of actual loyalty compared to an individual’s stated feelings toward loyalty.

The loyalty findings are further supported by 2005 results showing that over half of surveyed contractors purchase from Glen-Gery 90% of the time or more. Similarly, a greater percentage of distributors are doing large amounts of business with us. Combined, overall purchasing loyalty has grown over the past five years for all customer types, with more than half of all customers purchasing from Glen-Gery 75% of the time or more. Additionally, we can look to consis-



tently high levels of overall satisfaction seen in recent customer surveys that testify to a solid base of loyal customers.

Customer Service Influences Purchase Behavior

Another very telling factor pulled from the survey results is the degree to which customer service influences purchasing behavior. As would be expected, both distributors and contractors named availability of product and cost as chief among serious concerns they face on a daily basis. Interestingly enough, though, a high level of customer service was cited as a considerable determining factor when it comes to contractors’ choice of manufacturer, surpassing even that of cost. For distributors, customer service was not as important as availability and cost, but it ranked very high in a long list of critical factors that make this group choose one manufacturer over another.

Most contractors are extremely pleased with Glen-Gery’s level of customer service. When asked unprompted, 77% said that Glen-Gery provides the best customer service. Similarly, a clear majority (59%) of distributors surveyed said Glen-Gery offers superior customer service when compared to competing manufacturers.

Survey Background

In December, Glen-Gery Corporation commissioned its 11th Customer Satisfaction Survey. In-depth phone interviews were conducted with 99 contractors, who are the primary customers of our seven Sales Offices and 135 distributors, who are the primary customers for our 10 plants. Of the combined 234 respondents, the survey collected a total of 420 inputs. Contractors conduct business with a single Sales Office only and matched inputs one-to-one, while distributors often deal with more than one plant, thus explaining the additional inputs.

Surveyors spoke with 56%, or about 11 of the top 1-20 distributors customers. Of Glen-Gery’s network of approximately 600 distributors, approximately 36 fall into the top-tier category, meaning they sell 3 million or more SBEs (standard brick equivalent*) annually. On the contractor side, 14% of respondents build 51-100 brick structures annually, 11% completed over 100 buildings; but over half of all contractor respondents completed 25 or less. As in all previous customer surveys, the 2005 study was conducted by an independent third party consulting firm and all customer identities were held in strict confidence.

The 2005 survey was revised from 16 to nine exemplary facets of customer service that respondents in the 2004 survey identified as “most important” in ensuring quality service and user satisfaction. The nine factors were:

- Deals in an honest, open fashion
- Willingness to go the extra mile
- Rate overall customer service
- Rate overall product knowledge
- Accuracy in recording orders
- Prompt response to complaints
- Accurate estimates of lead times
- Courtesy
- Notification of changes in orders

(Charts showing the plant and sales services teams' Average Satisfaction Ratings, based on the above nine factors, appear on page 4.)

The Customer Satisfaction Survey is a research tool used to ensure consistency in measuring the performance of our established customer service program at the level of both manufacturing plants and sales office. While the survey’s primary objective is to gather feedback, it also serves as a tool to continually expand and evolve our opportunities to respond effectively to our customers’ needs and expectations. From the data gleaned we can look for valuable details that lead to best practices and guidance to improve actions on an ongoing basis.

Customer Service Team Ratings – 2004 - 2005 Comparison

In 2005 customers based their evaluations on 9 factors identified as “most important” in customer service.

Plants -- Evaluated by Distributors

Factors of Exemplary Customer Service	Average		Bigler		Caledonia		Capitol		Hanley		Iberia		Jersey Shale		Marseilles		Mid-Atlantic		Redfield		York	
	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance
Deal in open honest fashion	90.2%	90.2%	93.2%	92.4%	84.1%	88.3%	77.2%	82.3%	92.0%	88.1%	89.2%	91.3%	92.6%	90.8%	91.5%	91.8%	91.2%	89.2%	95.5%	94.3%	94.6%	93.1%
Willing to go the extra mile	88.3%	87.8%	89.2%	88.8%	83.0%	85.4%	75.8%	82.3%	89.6%	84.4%	88.4%	90.0%	90.0%	83.6%	92.3%	88.7%	91.2%	86.2%	91.0%	95.5%	92.8%	92.8%
Overall customer service	88.3%	89.3%	91.9%	88.2%	83.3%	86.3%	76.0%	81.5%	89.2%	87.0%	85.8%	90.6%	88.5%	90.0%	88.9%	90.5%	91.5%	90.5%	94.1%	92.7%	93.3%	95.8%
Overall product knowledge	90.5%	89.6%	93.2%	88.4%	87.6%	87.5%	83.6%	87.3%	90.0%	88.1%	91.9%	88.1%	88.5%	91.7%	91.2%	88.0%	93.5%	92.4%	91.1%	91.0%	94.8%	94.6%
Accuracy in recording orders	90.5%	91.3%	92.3%	93.0%	91.1%	88.8%	80.4%	86.5%	90.8%	89.3%	90.8%	90.6%	90.0%	90.0%	91.5%	91.3%	88.9%	93.5%	94.5%	95.0%	94.6%	94.4%
Prompt response to complaints	86.4%	88.5%	89.6%	86.4%	80.0%	87.1%	77.6%	81.6%	88.1%	84.8%	85.4%	90.7%	87.8%	90.5%	88.8%	86.9%	89.2%	91.5%	89.1%	91.5%	89.1%	95.0%
Accurate lead time	80.8%	86.6%	84.8%	89.7%	70.0%	83.4%	70.0%	77.7%	82.9%	82.7%	81.2%	87.4%	81.1%	87.3%	83.1%	88.2%	81.9%	86.2%	83.8%	91.0%	88.8%	92.2%
Courtesy	93.8%	90.1%	95.0%	89.7%	92.3%	87.0%	90.4%	84.6%	92.3%	88.9%	94.2%	90.6%	93.7%	91.3%	93.1%	89.5%	95.0%	91.8%	94.8%	93.7%	96.7%	95.0%
Notify about order changes	82.4%	85.2%	84.6%	86.4%	71.5%	83.7%	65.4%	75.8%	85.4%	81.9%	80.8%	86.5%	85.6%	82.0%	85.0%	88.2%	87.3%	84.5%	89.3%	92.3%	89.2%	89.2%
Overall	87.9%	88.7%	90.4%	89.2%	82.5%	86.4%	77.4%	82.2%	88.9%	86.1%	87.5%	89.5%	88.6%	88.6%	89.5%	89.2%	90.0%	89.5%	91.5%	93.0%	92.7%	93.6%

Brick Centers -- Evaluated by Contractors

Factors of Exemplary Customer Service	Average		Des Moines		Harrisburg		Manassas		Kansas City		Reading		Watson town		York	
	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance	2004 Performance	2005 Performance
Deal in open honest fashion	95.3%	94.6%	87.3%	89.2%	96.8%	91.8%	93.3%	95.8%	97.3%	95.3%	95.6%	97.9%	98.7%	94.7%	98.5%	95.5%
Willing to go the extra mile	92.6%	92.7%	82.5%	87.5%	94.8%	92.7%	87.2%	90.8%	96.0%	94.7%	95.6%	95.8%	96.7%	90.7%	96.0%	94.5%
Overall customer service	91.4%	92.8%	81.3%	87.7%	94.5%	94.2%	85.0%	90.8%	94.3%	92.9%	93.9%	96.3%	96.4%	90.7%	95.0%	96.4%
Overall product knowledge	91.6%	92.5%	85.3%	90.8%	94.8%	93.6%	83.9%	89.1%	96.0%	91.8%	91.1%	95.3%	95.3%	92.7%	95.3%	93.0%
Accuracy in recording orders	91.6%	93.6%	83.8%	94.6%	92.0%	92.5%	87.8%	90.0%	95.3%	95.9%	90.0%	93.7%	98.7%	92.7%	95.3%	95.5%
Prompt response to complaints	89.8%	89.7%	80.0%	89.0%	93.0%	91.8%	81.3%	82.5%	92.9%	85.8%	96.2%	94.7%	96.7%	90.8%	89.3%	88.8%
Accurate lead time	87.1%	87.1%	75.6%	81.8%	90.5%	90.0%	82.9%	83.3%	88.6%	88.8%	88.9%	86.7%	92.0%	88.2%	90.7%	91.0%
Courtesy	94.8%	94.8%	91.3%	95.4%	94.0%	95.0%	92.2%	91.7%	96.0%	95.9%	95.0%	95.8%	98.0%	93.3%	98.0%	96.4%
Notify about order changes	88.3%	87.4%	78.0%	78.3%	92.2%	80.0%	79.4%	84.2%	93.3%	91.8%	91.1%	92.1%	92.7%	88.0%	91.3%	94.0%
Overall	91.4%	91.7%	82.8%	88.3%	93.6%	91.3%	85.9%	88.7%	94.4%	92.5%	93.0%	94.3%	96.1%	91.3%	94.4%	93.9%

Analysis of Participants

Our 10 brick plants were evaluated by a sampling of their respective top customers, with 59% coming from the top 20. Of the 99 contractors evaluating our seven sales offices, over half built 25 or less brick structures a year with the majority being residential projects. Every Customer Service Representative, and any Glen-Gery employee in a position to be rated, was given the opportunity to review the survey list of business and contact names and to advise whether or not the individuals selected were those best representative.

Additional Survey Highlights

- Glen-Gery is well-regarded among distributors, with more than 80% of respondents placing us among the top two manufacturers.
- Nearly 60% of distributors say they would purchase from Glen-Gery as a hypothetical single source, more than five times higher than our closest competitor.
- 91% of contractors count Glen-Gery among their top two manufacturers, with 84% choosing us as a hypothetical single source of brick.
- Overall, ease of doing business improved slightly (72.1%) from 2004 (71.0%).

- Overall, customer continues to feel that Glen-Gery is better at adhering to its committed delivery dates versus that of our competitors.

Conclusions and Recommendations

Glen-Gery’s relationship with customers is strongly rooted and our top priority should continue to be developing a broad range of winning customer service skills – specifically those that reward us with long-term loyalty. Crucial to maintaining high satisfaction ratings and growth momentum is emphasis on those nine factors customers say are most important.

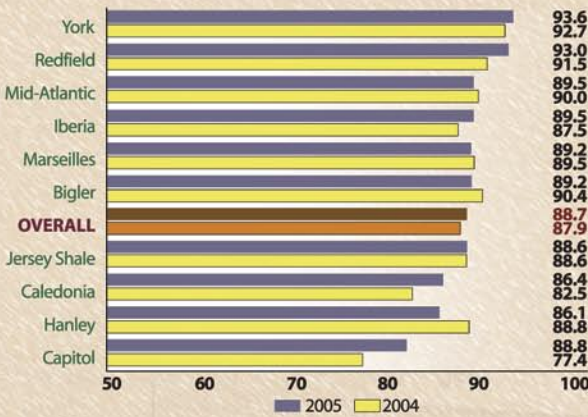
Aim high! One of the surest ways to achieve success is to get in the habit of setting goals, reaching those goals, and then setting new ones. By rising above previous accomplishments, we will all feel the satisfaction of continuous improvement, feel good about our involvement as new goals are attained and enjoy the rewards earned as a member of a successful organization.

*Standard brick equivalent (SBE) is equal to a 4 pound brick.

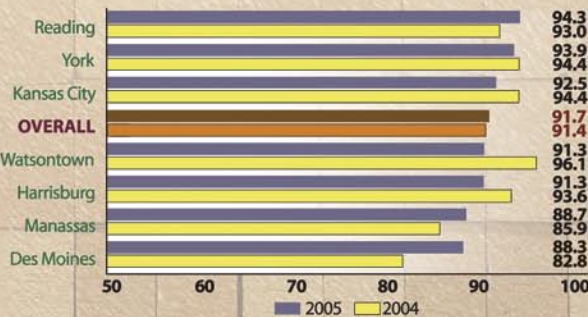
For more analysis of the 2005 Customer Satisfaction Survey: An indepth discussion on the important of customer loyalty and Glen-Gery's net promoters score appears on page 4. Success stories behind 2005's survey winners appears on page 6.

Average Satisfaction Ratings

Plant Service Teams Ratings Mean scores for Distributors



Sales Service Teams Ratings Mean scores for Contractors



The mean scores of Plant and Sales Customer Service Teams are an aggregate of 9 service factors that our customers say are "Most Important."

Factors Included in Average Satisfaction Ratings

- Deal with you in honest, open fashion
- Willingness to go the extra mile
- Overall customer service
- Overall product knowledge
- Accuracy in recording orders
- Promptness in responding to complaints
- Accurate lead times
- Courtesy
- Notification of changes in order

Loyalty . . . The Only Survey Question that Matters.

'05 Net promoter score of 72% is almost World Class!

Customer satisfaction is a quality every business appreciates because it ultimately leads to happy, loyal customers and increased sales. The idea of measuring satisfaction in terms of loyalty is catching on throughout America as businesses discover this to be a very reliable predictor of long-term success . . . "Success" being defined as profitability and sustainable growth.

The measurement tool is a single question posed to customers: "How likely are you to recommend our company to a friend or colleague?" The question is remarkably simple. The answer is proving to be a penetratingly insightful barometer of customer satisfaction. What better endorsement is there than one, especially a glowing one, from a trusted friend, family member or colleague?

Customers respond to the question on a 10 point scale. "Promoters" answer with a score of 9 or 10, "Detractors" are 0-6, and scores of 7-8 are passively satisfied and considered neutral. From the positive responses, the negative ones are subtracted and a single "net promoter" score is derived. Research indicates on the strength of that net promoter score alone there is a strong correlation between a company's percentage of its promoters and its growth rate.

Glen-Gery's 2004 Customer Satisfaction Survey was the first to pose the net promoter question. Then, our net promoters of distributors was 64%. Good, but not quite the 75% or better used to define the category of "world class customer loyalty." In 2005, however, we advanced our position by earning a very respectable net promoter score of 69% among distributors, and, with contractors factored in, **72% overall.**

	05 Dist	05 Cont	05 Overall
% Promoters (9-10)	73	77	75
% Detractors (0-6)	-4	-2	-3
% Net Promoters	69	75	72

We are definitely getting there! We achieved World Class status with contractors individually and improved our distributor standing by 5 points. The numbers indicate we are in a leading position in terms of delivering outstanding customer service. The gold standard of 75% or better is within reach. Achieving this would not only place Glen-Gery in the enviable category of best-in-class, it all but assures our survival in a highly competitive global marketplace. "World Class" is our goal for 2006. Again, aim high! Anything that can be measured can be improved!

History Behind Net Promoter Concept

The notion of asking just one question to gauge customer satisfaction was developed and popularized by Frederick Reichheld, a Harvard Business School MBA and respected business consultant, who spent his career searching for a link to value, loyalty and profits. Reichheld viewed surveys as too time consuming. The key to honest assessment, he believed, was finding the right set of questions – or possibly one question – to ask. After much research he discovered that enthusiastic customers will gladly broadcast their preferences to others who, in turn, will pass along their own endorsements.

He learned that a recommendation is one of the best signs of loyalty since it places the customer's own reputation on the line. Furthermore, a word-of-mouth referral becomes its own self-propelling marketing effort.

Reichheld seized on this "recommendation" concept and refined it throughout many years of surveying customers about companies. He discovered a near-perfect correlation between high net promoter scores and exceptional revenue growth. He also learned that the average net promoter score of American companies is less than 10 percent! Glen-Gery, with its net promoter score of 72%, clearly is doing something right!

It should be noted that not all strategy and marketing experts embrace the net promoter technique. Some say it does not apply to all products, especially those of a more complex variety of factors influencing purchasing decisions. For example, in services like transportation, a consumer may settle for lesser service with an airline that offers a full menu of direct flights. But for basic consumer purchases, the net promoter concept is one of the more meaningful tools a company can use to assess customer growth.

Customer Letter Reflects Genuine Appreciation

Our success in delivering exemplary service rests squarely on the shoulders of the frontline people who interact daily with customers. Seldom do they know the impact of their efforts, unless the service is poor or negative. Then, customers are highly motivated to voice displeasure. One homebuilder, however, took the unusual step of writing in great detail about his satisfaction with Glen-Gery.

Jim Bizzak is not your typical enthusiastic new home builder. Given that his 8,000 sq. ft. construction will be clad entirely in Glen-Gery *Authentic Handmade* brick with such uncommon extras as seven fireplaces, solid mahogany doors and a garage fitted with seven bays (three underground), he's not even your typical prestige homebuilder. His is not only a high-end dream house; some would say, it's a high-end fantasy.

On 22 acres of rolling hillsides outside of Pittsburgh, Jim is building an exact replica of a Georgian house typical of early American Colonial Williamsburg construction from the 1800s. The defining characteristics of a Georgian colonial house are its square, symmetrical shape, central door, and straight lines of windows on the first and second floors. A sense of proportion and balance is created through simple mathematical ratios to determine, for example, the height of a window in relation to its width or the shape of a room. Georgian designs, in particular, borrow from ancient Rome or Greece architecture and include one or more "classic" elements such as columns, cornices and lintels.

The Bizzak residence will mirror colonial authenticity both outside and within. The front and side entry doors will be handcrafted solid Philippine mahogany. Shutters will also be mahogany and fully functional. V-grooved carriage doors for the garage will articulate a double row of arch windows, with some of the panes cut from hand-blown pieces. All interior trims and details will strictly follow the Colonial Williamsburg style; that means decorative mantelpieces will frame all seven fireplaces. Completing the look will be period furnishings and accessories, right down to antique place settings.

For exterior cladding, the idea of handmade brick – with a look that fully captures the romance and history of Colonial America – appealed greatly to Jim. Knowing very little about building with brick, Jim contacted Glen-Gery and was put in touch with District Sales Manager Scott Parachanian, who researched and found several colonial-style residential brick projects in the Connecticut area where Jim was living. Scott suggested Jim talk to Dave Fisk, a 30-plus year Glen-Gery District Sales Manager with a scholar's reputation for authoritative knowledge on brickwork design and details. Dave's territory is New York's Long Island, a exclusive enclave of opulent homes, many beautifully cloaked in our handmade brick.

In a letter addressed to President Steve Matsick, Jim wrote: "Dave took time from his calendar and spent six hours with me discussing bricking and house construction." Together, the two drove through Long Island's tony

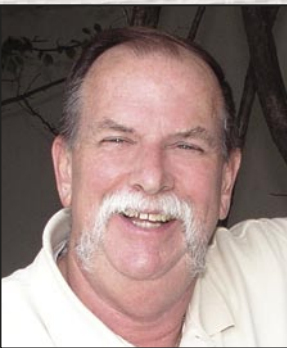
neighborhoods looking at brick homes in various styles. "Not only was Dave helpful in selecting the brick," Jim continued, "but he also advised me as to gutters and roof shingles. Finally, Dave pointed out all of the issues that one encounters when bricking and advised me as to how to avoid such issues. After spending six hours with Dave, I felt as though I was an expert on bricks and would be qualified to work for Glen-Gery."

Dave said he treats all customers and potential customers the same. He instructs, answers questions and, indeed, drives them around to look at brickwork. Dave even learned about roofs, gutters and windows to help homebuilders make informed decisions about color, quality and function. His signature calling card, however, is a set of miniature wooden blocks carved to scale as brick shapes. Dave pulls this "shapes kit" from the trunk of his car whenever he needs to illustrate watertables, quoins, radials or other creative applications of brick. Dave also tells customers to bring along their drawings so that they can discuss the best use of brick. And he always asks customers, "Do you want to build for today or build for tomorrow?"

Following his selection of York Plant's *Brandywine*, a dark red handmade oversize brick enriched by flashes of warm plum and fiery amber, Jim was invited to visit to the plant to tour its handmade brick department and meet with Assistant Design Advisor Kevin Lindstrom and Distribution Manager Tim Staub.

As shapes designer, Kevin also guided Jim through the decision-making process of how best to use brick shapes

(continued on page 12)



Dave Fisk, District Sales Manager



York Plant made 60,000 Authentic Handmade oversize units and shapes for Jim Bizzak's 8,000 sq. ft. home. The project goal is a meticulous recreation of a 19th century colonial Georgian home. The 22 acre site in western Pennsylvania is rimmed with granite walls, typical of early 19th century elite construction. Photos courtesy of Jim Bizzak.



Above is an example of a contemporary colonial Georgian-style home built with Glen-Gery's Brandywine.



Left, Glen-Gery's Brandywine from the Authentic Handmade series was chosen for the Bizzak project.

2005 Satisfaction Survey . . .

Winners Tell All! 5 locations reveal strategies behind outstanding results



From left: Missi Hepner, Brick Center Clerk (parttime); Carolyn Machmer, Brick Center Coordinator; Bonnie Jacoby, Brick Center Manager; Keith Krommes, Brick Center Coordinator; Jan Krommes, Sales (parttime); John Sikorski, Yardman.

Reading Brick Center – Highest Rated

The customer service philosophy at the Reading Brick Center is the fundamental ethic of reciprocity: “We all believe in treating our customers the way we want to be treated,” explained Bonnie Jacoby, Brick Center Manager. “You know the kind of service you expect when you go into a store – you want to talk to someone who’s knowledgeable and who is willing to give you their time.” That kind of service, she says, establishes a bond of trust.

Most of the Brick Center’s 50-plus contractors have been customers for years and enjoy a long-standing relationship with the staff. “Over a period of time, you get to know what they like and how to approach them.” Bonnie said, emphasizing that good teamwork among her staff creates a pleasant working environment where everyone helps each other.

Reading’s beautiful new building, which opened in May of last year is also a plus. The location is more convenient for customers and it’s an attractive place in which to do business.

York Plant – Highest Rated

Distribution Manager Tim Staub and his crack sales team are brewing a very special brand of customer service – last year marked their fourth straight win as highest rated plant in overall satisfaction. Sustaining this unrivaled achievement is an approach that constantly builds on a carefully laid foundation of trust. “It’s all about the relationship you establish with the customer,” Tim says. “You have to build it up and commit to it. It’s hard work, but it becomes a passion.” One of the secrets of York’s success is “a total team effort” to constantly stay in touch with customers in a seamless flow of information and service. This is no small feat in a buzzing sales office that, during its busy season, is literally flooded with hundreds of calls a day. Tim says the emphasis is always on courtesy, being up front about what can and can’t be done, and always trying to come up with an alternative when faced with an impossibility.

York Plant makes some of Glen-Gery’s most popular products: Authentic Handmade, Penn Colony Series (residential), Paragon Series (architectural) – all are in high demand. When working on the production schedule, Tim says he stays flexible so that, if at all possible, he can work in a customer’s needs. Production meetings with the plant are not scheduled, but informally held “on-the-fly” to accommodate unexpected timetables.

The York Plant Sales Team exemplifies the kind of accomplishment, leadership and customer service that sets the standard for World Class Customer Service. By their example, we can all learn.

York Brick Center – Highly Rated

Like its plant-based sister CSR team, York Brick Center is also a standout in customer service. Contractor customers rated it 93.5% overall in satisfaction. Going the extra mile with a smile may sound formulaic to the point of triteness, but it works. “We do whatever we can to make the customer happy,” said Robin Lumsargis, Brick Center Manager. She cites well known hallmarks of customer service that never fail to earn appreciation. One is promptly retuning calls and always having an answer when doing so. “If we don’t have an answer, we will call the customer to tell them that we don’t yet have an answer, but as soon as we get one (that day, or the next at the latest), we will call,” Robin says, adding “just so they know that we’re working on it and didn’t forget about them.” The group will also make every attempt to locate an out-of-stock product by contacting all the other Brick Centers and, if their search is successful, getting an item shipped as soon as possible. Sometimes a light touch in customer interaction goes a long way in demonstrating a exemplary performance and establishing a trusted reputation.



From left: Robin Lumsargis, Brick Center Manager; Bill Schrum, Brick Center Coordinator; Rose Herman, Sales/Service Coordinator (part-time).



Beverly Hurt, Dispatcher (left) and Donna Stodden, Distribution Manager.

Redfield Plant – Highly Rated

The “Golden Rule” is also applied at Redfield Plant, where Distribution Manager Donna Stodden and Dispatcher Beverly Hurt make up the entire Customer Service Team. Together, they work with the efficiency of a good pizza chef on Super Bowl Sunday, managing all the calls, orders, dispatching and distribution issues. Their approach is simple but effective: “Basically, we treat our customers like we want to be treated when making a customer service call,” says Donna. “We give them a straight answer.”

Knowledge of the plant’s product line and willingness to go the extra mile are also part of their winning strategy. Not impersonal order takers performing routines with little interest or care, Donna says if they see any type of need, they address it. Similarly, if they don’t have an immediate answer to a customer query, they will go to the plant production team for advice.



From left: Barry Sowers, Dispatcher; Cheryl Byers, Safety Coordinator; Faye Deatrick, Distributor Sales Coordinator; Tim Staub, Distribution Manager.

Eastern Sales to Help Struggling Midwest Market

The District Sales Managers from the Eastern Region held a one-day strategy session in May to exchange ideas on how to increase shipments from Midwest plants faced with excess capacity. Iberia, Caledonia, and Marseilles, as well as Bigler Plant in western Pennsylvania, are all building inventory due to a decline in construction, most notably in the housing sector, across the Midwest market. Construction activity in most of the Eastern market continues to remain strong.

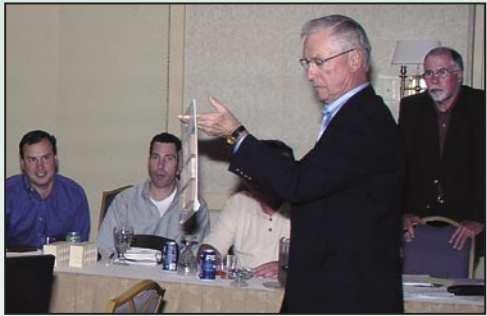
In our Eastern territory, Mid-Atlantic, Jersey Shale, Capitol, and York Plants are operating at near capacity and selling out of primary products.

The meeting served as a vehicle to analyze and discuss overall market conditions and, with input from the DSMs in attendance, suggest and implement new strategies and procedures to positively impact sales and the marketing of products from the Midwest. Teamwork was stressed as DSMs were asked to focus on ways to lend additional support to their Midwest counterparts.

“With shipments still robust here and, given the fact that we can’t make more brick, the next logical step is to push our available Midwest products into the eastern markets,” said Ray Matullo, Vice President of Sales, who presided over the meeting that was held near the Corporate Office in Wyomissing, PA. Co-chairing the session was Ray Staub, Vice President of Sales and National Sales Director.

Presentations were given on new products and developments relating to the Midwest Region. Joining Ray Staub was Jim Hogan, Vice President of Sales – Midwest Region; Dave Barnhart, newly promoted Regional Sales Manager to the Chicago territory, and Pete Mohl, Iberia plant-based sales manager and District Sales Manager for parts of Ohio and western Pennsylvania. Also, a presentation on Hanley Plant products and developments was given by Paul Norby, Sales Manager, and Craig Wonderling, Distribution Manager.

Marketing Service Manager Ben Hoenich gave an update on the Type “S” Sample Program, including a discussion on the contribution paper sampling makes to lowering operating costs. All DSMs have been directed to reduce sample costs through managed usage and targeted distribution.



From left: Brendan Mangan, Scott Paracharian, Ray Staub, VP of Sales & National Sales Director; Ray Matullo, VP of Sales.



From left: Jim Trucco, Jim Hogan, Dave Barnhart, Pete Mohl, Jack Lubin, Gary Clark, Dave Hayes, Kelly Zeager, Al Higgins, Craig Oberholtzer (Corporate Secretary), Dominick D'Argenio, III. Standing at back: Tim Lease, Marketing Specialist.



From left: Steve Matsick, Ray Staub, Kurt Pfaff, Pat Pullen, Paul Norby, Dave Peterson, Pam Walters, Maribeth Hodge.

West Des Moines Brick Center – Biggest Improvement

In one year this Midwest region Brick Center improved its Average Satisfaction Ratings by 5.5 points to an overall 88.5%. In an attempt to increase customer satisfaction, Manager Chad Tverberg said he got back to the basics, those fundamentals he considers the backbone of good customer relations: 1) Customer service, 2) Inventory control, 3) Competitive pricing, 4) Having tools like the Price List close at hand. “We were an experienced group of people cross-trained in a great set of skills, but were largely working independently,” Chad said. “We needed to all get on the same page and work as a team.” Getting the group back in alignment was a matter of helping the individuals recognize their key strengths then, using the basics as a guide, establish an interdependence based on sharing best skills. The spectacular recovery exemplifies yet another “basic” shared by all successful organizations: Leadership.



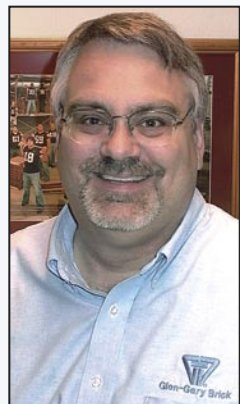
Front row, from left: Chad Tverberg, Brick Center Manager; Jeff Ward, Brick Center Coordinator; Magen McVay, Brick Center Coordinator. Back row: John Baker, Brick Center Coordinator (parttime); Jim Howard, Delivery Driver; Mike Mason, yardworker.



Iowa Hawkeyes Roost in Historic Rebuilt Stadium

Redfield's Kinnick Blend a Perfect Match

Iowa Hawkeyes fans will get their first look at a special blend of Glen-Gery Brick this fall when the newly renovated Kinnick Stadium kicks off its 2006 football season. On the campus of the University of Iowa, the historic stadium underwent an \$86.8 million reconstruction of its south and west sections, including an impressive main entrance. Redfield Plant developed the exclusive four-brick blend used to match new construction to existing on the 77-year-old landmark.



Dana Ditzenberger, District Sales Manager and University of Iowa alumnus.

Upwards of three-quarters of a million brick were made for the "Kinnick Stadium Blend," a custom mix consisting of Redfield's Red, Red Flashed, Autumn Haze and a style of Black fired with a reflective sheen. A special Twintex Rollback texture was also used on the modular sized blend. Combined, both color and texture played critical roles in the architect's concept that the new sections had to succeed in seamlessly carrying on the inveterate character of this well-known playing field.

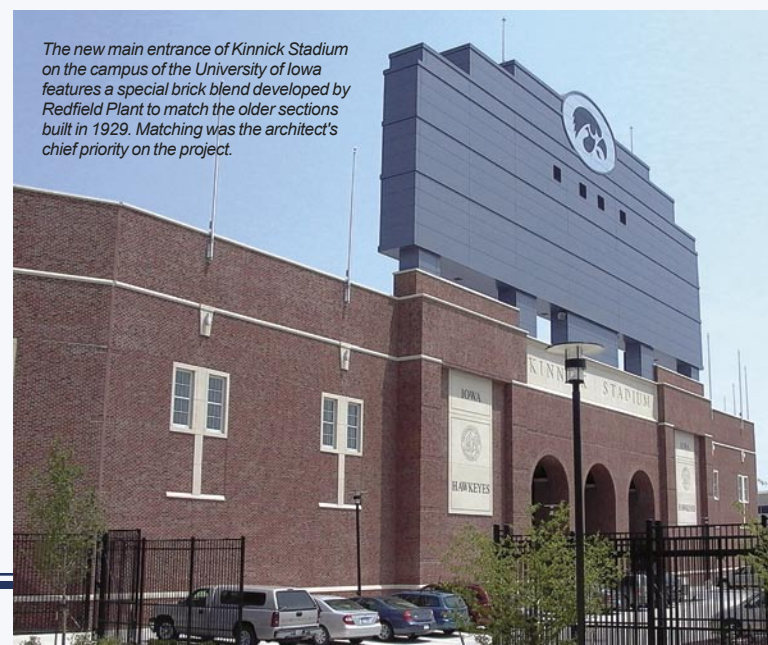
Dana Ditzenberger, the District Sales Manager in whose territory the project landed, worked for over a year with the architect, the distributor (Croell Concrete Products in Iowa) and the plant to develop the blend. Many trial production runs and meetings took place before the first brick was fired. Countless samples of colors, textures and ranges were exchanged and evaluated in accordance with the project's chief requirement that a perfect match be made. According to Dana, the main directive was to develop a blend that not only looked like, but completely harmonized with, the old stadium brick. "Match the brick!" was a common refrain. Cost, usually among top considerations, took a back seat to quality on this one.

Also keeping watch over quality was Redfield's production team. To assure a consistent match throughout the 14-month stretch the Kinnick job was in production, Plant Manager Bailey Wilson went on-site to personally observe construction. Back at the plant, Plant Supervisor Don Imhoff is credited for keeping his own hawk-like

vigilance during production, carefully monitoring the extrusion process to maintain the high level of expectation set for both color and texture. The four products of the final approved Kinnick mix were made and fired in individual runs, then blended entirely by hand. "Impeccable" is how Dana described the blend job, which was supervised by Packaging Department's Jed Harwood.

Dana credits Glen-Gery and Redfield Plant for their enthusiasm to take on such a labor intensive project. "Most brick manufacturers shy away from the massive custom color, custom blend jobs," he said. "They're time consuming. They're a risk in that, if you run into problems with the brick not coming out right, where do you sell them? You only get one shot." Kinnick required of the plant a lot of expertise in the production and the blending. "Bailey took the risk. He embraced this as an opportunity and Redfield did a great job."

Built in 1929 and originally known as Iowa Stadium, the site was remodeled and renamed in 1972 in honor of Nile Kinnick, a Hawkeyes player considered one of the greatest athletes to have come out of the state of Iowa. During his final season in the fall of 1939, Nile earned college football's most prestigious award, the Heisman Trophy, and was the only Heisman winner in the school's history. Nile Kinnick died in World War II.



The new main entrance of Kinnick Stadium on the campus of the University of Iowa features a special brick blend developed by Redfield Plant to match the older sections built in 1929. Matching was the architect's chief priority on the project.

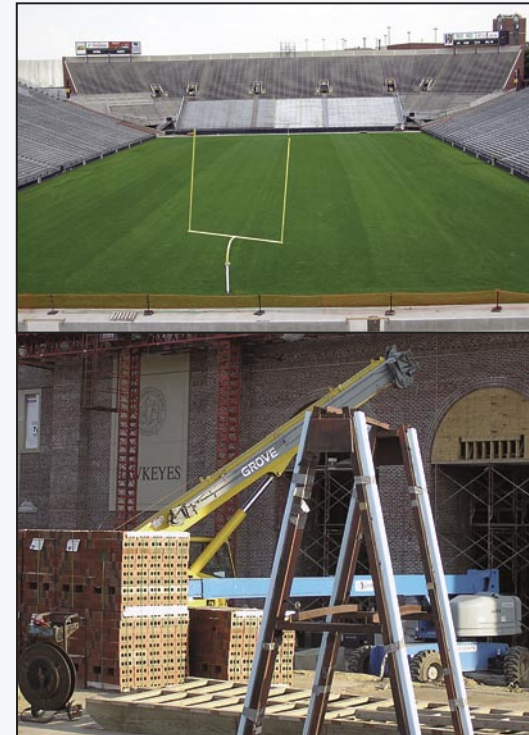
The renovation of the 70,000-seat arena called for tearing down the remodeled sections and replacing them with a new south end zone, patron box seating and press box, including ultra high-tech scoreboard, and the prominent main entrance and plaza. Locker rooms were also remodeled, and even here, tradition was honored: Visiting players get to change in surroundings painted and decorated entirely – floor to ceiling – in pink (see related sidebar).

With football season just around the corner, the reconstruction is now complete and, by all accounts, architecturally compatible with the old stadium. The new sections artistically incorporate classic details such as heavy arches and stone detailing beautifully offset by the surrounding brickwork.

"Sporting facilities are going back to that tradition of brick and masonry because of the strong heritage associated with brick," said Dana. "Its mass gives a sense of permanence, and nothing else has the 'warmth' of brick. The feeling you get from brick can't be duplicated by other building materials."

Dana, a lifelong Iowa resident and 1978 graduate of the University of Iowa, holds many fond memories attending football games at Kinnick Stadium.

Kinnick is ready for fall 2006, when up to 70,000 Hawkeyes fans will fill the new stadium with spirit while cheering on their winning black and gold team.



Above, the University of Iowa and Hawkeyes branding is beautifully offset by surrounding brickwork.

Left, the south (main) entrance during construction phase. Cubes of Redfield's special Kinnick Stadium Blend are seen in the foreground. The plant shipped a total of 670,400 units from April 2005 through June 2006.



Jed Harwood, Packaging Dept., supervised an impeccable blend job on the Kinnick Stadium brick.



Don Imhoff, Redfield Plant Supervisor, oversaw the Kinnick Blend extrusion process.



Members of the Iowa Hawkeyes football team pose with bricks and trowels on a poster produced by the University of Iowa. Copies were handed out to incoming freshmen during orientation for the 2005 school year.

Pretty (awful!) in Pink



Kinnick Stadium's new locker room for visiting players is completely decorated in a light shade of pink. The color scheme is a holdover from the days of former Hawkeyes coach Hayden Fry, who first painted the locker room pink as a tactic said to mellow out opponents before a home game. Walls, tiles, carpeting, lockers, shower areas and even urinals all coordinate in variations of this calming hue. Dusty rose, blushed petal, innocence . . . call it what you will, decorators says there's no better way to harmonize a room than by accenting it with color. Yea, right.

EMPLOYEE APPRECIATION DAY 2006

Excellent weather in early June lured most of our locations outdoors under sunny blue skies to set up picnic tables and shade tree arm chairs in celebration of Employee Appreciation Day. Down home bar-be-cues dominated most festivities with some plant locations demonstrating grillmanship so enticing that they ought to consider a catering sideline.

Employee Appreciation Day acknowledges and recognizes the hard work, contributions and accomplishments of our employees while encouraging co-workers to branch out from the routine and meet each other. Special events such as this bring our people together to share what we all have in common – the spirit of camaraderie and teamwork!

CALEDONIA PLANT



From left: Stacey Evans, Utility - 2nd Shift; Jessica Albert, Safety Administrator; Laurie Pugh, Payroll Clerk; Chris Fowler, Cleaning Staff.



From left: Jim Haga, Utility - 3rd Shift; Bill Brewer, Packaging Dept. Groupleader; Van Meade - Thin Brick Packer; Darrell McCoy, Jr., Manufacturing Dept. Groupleader; Evan Davis, Packaging Supervisor.



Seriously intent on his steak: Caledonia's Scott Cochran, Manufacturing - Dehacking Dept.

JERSEY SHALE



From left: Evelyn Kopf, Sales Service Supervisor; Fran Mazzarella, Unit Accountant; Tami Rega, Distribution Manager; Tara Warner, Accounting Clerk; Ashby Brisbon, Manufacturing Supervisor.



Jersey Shale workers enjoy a refreshing lunch break in the cool shade of the outdoors.

YORK PLANT



Grilling at left if Geoff Cogar, Plant Superintendent; Center is Jeff Lawrence, Packaging Supervisor



Cheryl Byers (left), Safety Coordinator with Linda Berger, Accounts Payable Clerk.



Whatever it is, it's soon enough history, as Distribution Manager Tim Staub gets ready to chow down.

BIGLER



Bigler Plant set up breezy tents where employees could lunch alfresco. On the menu was beef brisket, hot sausage, kielbasa, baked beans, parsley potatoes, buttered corn, cookies . . . and r-e-l-a-x-a-t-i-o-n.



No waiting! At right is Ted Owens, Shapes Handler.

REDFIELD



Plant Manager Bailey Wilson (center) grills a heaping pile 'o juicy steaks for Redfield workers. Left is Dave Keifer, Burner Operator. Right is James Countryman, Utility Dept.



Enjoying Bailey's special grill, clockwise, from left: Pete Lyddon, Kiln Car Maintenance; Al Miller, Maintenance Dept.; Jed Harwood, Packaging; Manuel Coronel, Packaging; Lonnie Bainter, Maintenance; Ken Gilge, Production.

IBERIA



Steak and baked potatoes the size of a shoe! Above, from left, District Sales Managers Pete Mohl and Mark Klepper. Becky Pugh, Distribution Sales Manager, is seated across at right.



A festive atmosphere adds to the spirit of fun at Iberia Plant's Employee Appreciation Day lunch.

HANLEY PLANT



President Steve Matsick (left) and Plant Manager Terry Bullers (right) talk with employees at Hanley's outdoor lunch.



Workers, from left: Roger Smith, Manufacturing; Larry Boddorf, Packaging; John Wolfe, Manufacturing, Ron Ishman, Dock; Dan Shirey, Shapes; Roger Nulph, Packaging.

MARSEILLES



From left: Darrik Lane, Shipping; Hugh Williams, Grinding Room; Maryann Ballard, Samples Dept.; Lawson Booker, Vice President Human Resources; Tom Shuck, Shipping.



Nikki Johnson, Accounting Assistant and Safety Coordinator, works behind the scenes roasting pork and beef for co-workers. She is helped by her father-in-law Corky Johnson.

CORPORATE OFFICE



Above, counter clockwise from right: Tim Leese, Marketing Specialist; Suzie Opperman, Accounts Payable Coordinator; Vicki Weidenhammer, Corporate Accountant; Ben Hoerich, Marketing Services Manager; Steve Matsick, President.



Left, clockwise from left: Steve Matsick, President; Frank Groh, Computer Operator; Chris Lyczek, Senior Analyst; Sandra Wildoner, Credit Secretary.



Frank Cordie, Midwest Regional Production Manager, shakes hands with Linda Johnston, Samples Dept. Behind them, from left, is Kurt Sorenson, Dehacking, and Darin Rafferty, Shipping.

Customer Letter Reflects Genuine Appreciation

(continued from page 5)

on a Colonial design. Jim's house will feature watertables in the garage area and arches on all the windows. Jim wrote: "... Kevin produced the detailed drawings for the windows, doors and arches. I found Kevin to be a meticulous individual who takes a great deal of pride in the work that he performs. He was thorough and we now have a very nice set of drawings and designs ..."

Reflecting on the project, Kevin said, "This wasn't the smoothest job I ever worked on, but helping Jim develop his shapes was professionally rewarding and satisfying." What Kevin enjoyed most was working with a customer totally committed to design integrity and who truly expressed a desire to learn. Getting feedback in the form of Jim's letter was a nice affirmation. "From my standpoint, that's what I want to do for every customer," Kevin said.

Once the preliminary brick decisions had been made, Tim Staub scheduled the production of the approximately 60,000 handmade units and shapes the construction required. Tim rose above standard operating procedure and showed a willingness to go the extra mile in customer service (York Plant scored highest-rated plant in the 2005 Customer Satisfaction Survey) when the job became a priority rush due to issues with the general contractor. Jim wrote: "... We have had to delay the start of bricking by one month. Fortunately, we are not going to lose any additional time as Mr. Staub prioritized the customer order." Tim made sure that much of the brick needed for the May 1, 2006, start date was ready. By end of May nearly all the brick had been made.

Of his own dedication to the project, Jim humorously commented, "I always wanted to be an architect but couldn't draw, so I became a successful accountant" with the time, means and wherewithal to make a dream a reality. When his historic house is finished, Jim hopes to have it featured in *Architectural Digest*, an international magazine of design.

Far too many business pay only lip service when it comes to providing customer service. Jim's letter gives us all a glimpse into the other side of this delicate relationship and shows how a group effort on the scale of a single-project can greatly influence satisfaction. Among our plants, sales offices and branches, there are many exemplary individuals who are differentiating themselves in the kinds of customer experiences that really matter. We may never know the extent of our influence, but we can be assured that the superb handling of customers goes a long way in transforming neutral or negative promoters into strong and committed brand loyalists.



Kevin Lindstrom, Assistant Design Advisor

2006 GLEN-GERY SCHOLARSHIP WINNERS



Congratulations to Jacqueline Irwin and Bri-Ann Hake as this year's recipients of Glen-Gery Scholarships.

Jacqueline, daughter of Roy Irwin, Kiln Car Repairman at Bigler Plant, was awarded a \$1,500 first place scholarship for her compelling story of how a life-threatening, early childhood illness taught her to take on the uncertainty of the future with optimism and the strength of a survivor. Challenging life experiences gave Jackie an appreciation for the kindness of those to whom her care was entrusted and helped guide her choice to pursue a career in the medical field. She is enrolled in the Radiology Program at the University of Pittsburgh, Bradford, PA, campus, where she will start her freshman year this fall.



Bri-Ann Hake

Working with special needs children is the career goal of Bri-Ann Hake, daughter of Robert Brown, Fireman at our York Plant. Bri-Ann's essay was awarded the second place scholarship of \$750. This courageous high-school senior worked hard to overcome setbacks and has received recognition within her community for involvement in many volunteer projects. This fall, Bri-Ann will be attending The University of North Carolina at Pembroke where she will pursue a dual major in Special Education and Psychology.



Jacqueline Irwin

The Glen-Gery Scholarship Program is open to all dependent children of Glen-Gery employees who are high-school seniors admitted to an appropriately certified college or technical school. To be considered for a scholarship, applicants must submit a most recent grade report and written essay. Winners are judged and selected by the Glen-Gery Scholarship Committee.

To learn more about the Glen-Gery Scholarship Program and its eligibility requirements, contact Lawson Booker, Vice President Human Resources (lbooker@glengerybrick.com) or Sarah Coburn, Benefits Manager (scoburn@glengerybrick.com) at the Corporate office.