

Impressions

THE GENERAL SHALE EMPLOYEE NEWSLETTER

summer 2013



Grilling Safety

AN IMPORTANT PART OF YOUR SUMMER

Of all the sights, sounds and smells of summer, few things are as rewarding as grilling for family and guests! But are you ready for grilling season? In order to ensure a successful and safe grilling season, the U.S. Fire Association has the following recommendations:

- Always follow manufacturers' instructions and code requirements when installing and operating cooking equipment.
- Remember, never leave a grill unattended.
- Always place the grill well away from siding and deck railings and out from under eaves and overhanging branches. Don't use or store on a porch or balcony.
- Place the grill a safe distance from lawn games, play areas and foot traffic. Have a three-foot "kid-free zone" around the grill (and make sure to watch for Fido).
- Periodically remove grease or fat buildup in trays below grill so it cannot be ignited by a hot grill.
- Use only outdoors! If used indoors or in any enclosed spaces, such as tents, barbecue grills pose both a fire hazard and a risk of exposing occupants to carbon monoxide.

escaping propane quickly by releasing bubbles. If you determine your grill has a gas leak by smell or the soapy bubble test and there is no flame:

- Turn off the propane tank and grill.
- If the leak stops, get the grill serviced by a professional before using it again.
- If the leak does not stop, call the fire department.
- If you smell gas while cooking, immediately get away from the grill and call the fire department.

FOR TRADITIONAL CHARCOAL GRILLS

- Purchase the proper starter fluid and store out of reach of children and away from heat sources.
- Never add charcoal starter fluid when coals or kindling have already been ignited, and never use any flammable liquid other than charcoal starter fluid to get the fire going.
- Dispose of charcoals only after they are cool. Empty the coals into a metal container with a tight-fitting lid that is used only to collect coals. Place the container away from anything that can burn.
- Never empty coals directly into a trash can.

Follow these safety tips for a summer full of fun and tasty grilling adventures!

FOR PROPANE-OPERATED GRILLS

Check the propane cylinder hose for leaks before using it for the first time each year. A light soap and water solution applied to the hose will reveal



Congratulations to every employee who has embraced our Success Profile movement that is positioning General Shale for leadership within North America's building materials industry. We're implementing several of the business-building ideas provided to our leadership team, and more are on the way. I want to encourage all of you to continue sending in great ideas around the seven Success areas, either through our website (GSSuccess.com, remember the password is success) or via suggestion boxes at your facility. I closely monitor your input and urge you to get involved in our success.

An example of how we are implementing fresh ideas is our new internal app that makes selling General Shale products easy. The app, designed for use in the field and inside our stores, enables our sales force to use mobile tablet technology to show products, check the location and availability of products as well as order products. It's a streamlined process that will grow sales and meets several Success Profile goals of being the most modern and future-oriented business in our industry, being a technological leader, and being a high-tech company. Be sure to learn more about the new app in this newsletter and upcoming communications.

I want to also share with you our new emphasis

on the commercial market segment. For decades General Shale leveraged leadership in the residential construction market, and we will always maintain that emphasis. However, we will begin to broaden our view to include the commercial sector. We want to target and develop new opportunities for construction of new retail, lodging, apartment and government facilities. We have exciting products to offer the commercial building industry, such as full brick, thin brick and thin rock, concrete, Arriscraft, and new Endurance RS4™ Structural Brick, which are ideal solutions for all projects big or small. This opportunity can have a positive impact on sales volume and ensure our continued success.

I am excited about our focused effort between sales and marketing activities and I am happy to report that our tools for growth and your tireless effort are making a positive impact on our 2013 plan for increased sales.

Sincerely,

Richard "Dick" Green
CEO-North America
General Shale



EMPLOYEE WELLNESS PROGRAM COMING TO GENERAL SHALE

A comprehensive wellness plan that addresses employees' physical and emotional well-being is in the planning stages for General Shale, according to Benefits Manager Angie Campbell.

Wellness plans that encourage employees to adopt healthier lifestyles have been shown to be beneficial for both employees and the company. Wellness plans are known to nurture healthy lifestyles, boost morale, and improve your health and well-being.

"We have compiled a wellness committee that will take on the task of ongoing strategies and ideas to promote the wellness program, but if any employee has ideas, suggestions can be submitted through Success Profile," Campbell says.

More information about a brand slogan and plan initiatives will be coming soon.

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Outdoor Living

PRODUCTS THAT MEET CUSTOMERS' DESIRES.



As homeowners continue to bring the indoors outside, General Shale works to meet their needs with an expanding line of Outdoor Living Products.

One of the best-selling new products is the Gathering Grill. It plays off the popularity of the Gathering Square Fire Pit by adding a metal grill insert for cooking. Additionally, the kit will include an insert under the grill for catching cooking grease and ash for easy maintenance and cleaning.

Customers who are using the grill say they love the options the unit gives them. Some say they start with charcoal to cook their meat with the grill closed, then simply add some wood to continue using the grill with a warm fire into the evening to roast marshmallows and gather with family.



Gathering Grill

Regional Manager over Outdoor Living Corky Clifton says, "It's easy to transition from one use to the other with this grill. Anytime you can get multiple uses out of one investment, it's good for the customer. This grill has been very popular."

The Gathering Grill will be available in four colors: Buff, Chestnut-Buff Blend, Normandy and Sequoia. A first for any of our Outdoor Living Kits, the four-color option is available only for the Gathering Grill at this time. The other DIY Kits will remain available in the Normandy color only.

Another new product is a modification to some existing products. The Serenity 150 Fireplace is a combination of the 100 and 200 fireplaces with an appropriate midline price.

"It has some additions to it from the 100, but not as detailed as the 200 so it's dressed up a little more, but still a good price," Clifton says.

The fireplace is prepackaged with a firebox lintel with the option of a thin brick upgrade. Like the Serenity 200, customers can purchase "Stacker" wood boxes to add to each side of the 150 as a bundle upgrade.

"We're listening to what the customers want," Clifton says. "Early sales on this style look to be doing well."

As sales continue to grow, the Outdoor Living Products line is becoming more vibrant and a bigger part of the business.

Pavers are also a big part of the Outdoor Living Products selection. Although introduced to the Outdoor Living Products line last fall, General Shale's very first beveled edge concrete paver is officially available in "Autumn Ridge."

The company's strategy in producing a beveled edge paver is to introduce a competitive price-point product for distributor markets. Autumn Ridge will remain the only color option, but more colors will be produced as customer demand dictates.

All items are available for viewing in area showrooms. Clifton says the showrooms are definitely getting more foot traffic, as folks learn that General Shale is more than just a brick manufacturer.

Clifton says this time of year is when things are being put on the drawing board. Throughout the fall and winter, ideas for new Outdoor Living Products will be hashed out, and the products that make it to production will be introduced next spring.



Serenity 150 Fireplace



Keep the ideas COMING

Some excellent suggestions have come through our Success Profile initiative that we'd like to share. This valuable input from our employees is helping General Shale toward its goal of continuous improvement as the company celebrates its 85th anniversary.

Here are a few of the great ideas we've received and how General Shale is implementing them:

From the Technological Leader Team

We reduced our employee exposure to back injuries by changing the packaging of column caps. A distribution center employee submitted the idea in September 2012. Committee members looked at packaging practices at our manufacturing operation in Piney Flats. Thanks to the help of the plant manager, a change was made at the plant by creating a wooden insert that sits between the caps, allowing a forklift to pick up the column caps instead of requiring an individual to "drag" the column onto a pallet or forks. These column caps weigh in excess of 50 lbs each! This item was completed and in place by November 2012.

An idea came in early on to collect/disseminate ideas throughout the company. The committee decided to create a quarterly publication called Technological Leader. The publication is provided to location managers and their respective employees and provides insight into successful actions taken by locations that can be used throughout the company. In addition to this, the committee created the "Innovation Award" where a single idea is selected by the committee that shows true innovation to solve a problem. The people involved are rewarded with a gift such as a jacket and are highlighted in the quarterly newsletter — this has been a great way to send useful information throughout the organization.

From the Building with a Clear Conscience Team

The best idea received by the "Building with a Clear Conscience" team was the suggestion to put a blood pressure cuff at all our locations for our employees to use. This has already been implemented and is working very well.

An additional idea was to retrofit all our illuminated "Exit" signs with LED lighting to save electricity and reduce costs. This has been implemented as well, and we'll continue to see the cost-savings benefit from this for years to come.

From the Modern and Future-Oriented Team

We received a suggestion that every piece of marketing literature, POP, sample, technical document, etc., from General Shale needs a code printed on it that can easily identify that item and the date it was produced. As our library grows, it will be easier to identify the marketing materials by this code. This is an ongoing project but has been implemented, and it will continue to be a part of our practice going forward.

Another suggestion was to make a better effort to reconnect with our distributor network. We have some distributors who have not seen a General Shale rep in a long time. We need to update their samples, introduce new products and provide new literature. We are currently working on a distributor marketing plan that will help with this.

From the High-Touch Team

A suggestion from Denver, Colo., relayed requests from several distributors to add a website function to sort products by plant. This has been completed.

From Charlotte, N.C., a suggestion was to have

an Interior Design CEU course on PowerPoint that we could offer to ASID and IDS members. Courses have been developed and more are being designed.

And from Spring City, Tenn., an idea was submitted to have "Open to the Public" signs at every plant location. This has been completed.

From the Energy Efficient Construction Team

Another great suggestion from the Denver plant is to develop, or partner with a concrete block system to offer, a high R-value concrete solution. This is a very good idea that we are currently exploring.

One idea that we have completed is to develop a tool for selling brick — listing its advantages of energy efficiency versus other claddings. This suggestion came from our Knoxville location.

There have been other good suggestions to come through our team, although some were not applicable to this area, and those were passed on to the appropriate committee.

As you can see, some of these suggestions were very insightful. Others were the kinds of ideas that make you wonder why they hadn't already been executed. But either way, it just goes to show that the Success Profile Initiative is an extraordinary opportunity for General Shale employees to be a part of the great things to come with the company.

Texas Roadhouse taking bricks overseas



As American restaurants continue to expand their operations overseas, some are making the choice to take American-made materials with them, including General Shale thin brick.

Texas Roadhouse, based in Louisville, Ky., is using General Shale Phoenix thin brick in the construction of its restaurant in the Kingdom of Bahrain, located in the Persian Gulf.

Bahrain is home to a large American population because the small island nation is where the U.S. Navy 5th Fleet Command is located. It's also part of the North American Free Trade Agreement, which makes importing U.S.-made products easier ... but General Shale's Logistics Manager Rod Griffith says there was still a fair amount of paperwork to complete to get the brick across the ocean.

The time from when the request for the thin brick came in until the shipment was on its way was nearly a month.

"I had to make sure packing configurations were correct. You have to have a Certificate of Origin and work with freight carriers. It's more complicated than shipping within the U.S.," Griffith says.

But Griffith will hopefully have more chances to ship products overseas. Being owned by Wienerberger has helped open international doors for General

Shale, but being able to ship a product like thin brick is the real key to international success.

"This really opens up the international market for General Shale," Griffith says. "You can only ship so many units on a container ... and with full brick you'd obviously be limited on quantities. Thin brick is packaged differently and is lighter weight. So you get a much larger quantity that you can ship in the same amount of space."

Griffith says that as more American-based restaurants build overseas, hopefully they will continue to use American-made materials as they do in the U.S.

"Even when building abroad, the brand and architectural specs remain the same for many companies, meaning if they used General Shale brick in the U.S., there's a good chance they'll use General Shale brick abroad," Griffith adds.

And according to FER magazine, a foodservice trade publication, Texas Roadhouse plans to open a total of 35 new restaurants in the region during the next decade in the United Arab Emirates, Kuwait, Saudi Arabia, Oman, Qatar, Lebanon and Jordan.



A COMMERCIAL-SIZED EFFORT

For years General Shale has been the leader in residential construction materials — and although there is no slowing down in the residential area, General Shale now is expanding its reach further into the North American commercial market.

"We want to emphasize the breadth of products for commercial areas by giving our sales force the tools necessary to show designers and architects that we have all the architectural masonry materials they need to build their commercial building," says Mark Kinser, Executive Vice President of General Shale. "We have the Denver brick line, Arriscraft, Thin Veneers, our Outdoor Living Products, clay or concrete pavers, and materials for retaining walls."

In the past General Shale has been more singularly focused on residential ... but now confidence in quality products acquired by General Shale enables the company to elevate the focus on commercial.

In addition, General Shale provides easy access to these quality products through its more than 300 quality distributors from coast to coast, making the products just a short drive from any building project in North America.

"We're currently putting together a kit for our sales force that has examples of the multitude of choices an architect or designer has through General Shale," Kinser says.

Another product that is appealing to commercial builders is the Endurance RS4™ structural brick. It affords added strength while maintaining the beauty of face brick. And as a bonus, Endurance RS4™ units are designed to eliminate costly structural wood framing.

Endurance RS4™ is built to better withstand seismic activities as well as high winds. This is the perfect brick for the construction of important commercial buildings such as schools, hospitals and government buildings.

INTERNAL APP TO BE A USEFUL SALES TOOL

A new internal iPad app for the General Shale sales force has just been approved through Apple and will be available to employees soon. The app, which is secure and can be accessed only through designated iPads with passwords, will be a valuable resource to enhance the customer and sales rep experience. A team of individuals from the company has been involved in the design, making sure that it will work for all of the company's different type of materials.

The app lets you visually show a potential customer General Shale selections. As an example, for brick you can choose material type, size, color and plant of manufacture, and then it displays photos of materials on the screen.

"This is going to be a great tool for our sales staff. It'll be a real time-saver as it will streamline our process tremendously," says Rita Catron, General Shale's IT Director. "Eventually the app will allow you to purchase those materials right from the iPad."

The app will be introduced in phases. The first phase will be useful to the outside sales reps as it replaces the use of Dropbox, but Catron says it's much more advanced.

"In the past, sales reps had to email or call the plants to tell them what they need. Now it will be easier to get information needed and also enhance the customer experience. Outside sales reps can show the customer the material then add it to the shopping cart and send it directly to SAP where the inside sales rep will complete the order.

THIS IS PHASE 2.

The next phase of the app will be aimed at inside sales reps in the showrooms. When a potential customer comes into the showroom, the rep will be able to give the customer a more visual experience. They will be able to show the customer General Shale's DIY videos, technical literature and photos of houses from the iPad.

"Eventually we'd like the inside sales reps to be able to take cash sales orders from customers on the iPad; that would really make the experience easier and faster for our customers," says Catron.

Training on how to use the app for the outside sales reps, as well as district and regional sales managers, will begin soon.



85th Anniversary Fun Facts



- 1 General Shale manufactures more than one billion bricks per year.
- 2 By 1984, all of General Shale's tunnel kilns were operating with coal as the primary fuel and the savings of not using fuel was half of the company's 1984 savings.
- 3 General Shale acquired six brick companies in East Tennessee and Southwest Virginia by 1930.
- 4 Since 1999, General Shale has built five new state-of-the-art manufacturing facilities.
- 5 America's only ancient brick museum is located at the company headquarters in Johnson City and contains more than 150 pieces, including what may be the oldest brick known to civilization found beneath the biblical city of Jericho.
- 6 By 1964, General Shale was made up of 14 former companies, not including two subsidiaries.

Employee W-4 withholdings explained

Although the IRS has been in the news lately in an unfavorable light, it doesn't change the fact that death and taxes are still life's only certainties. Now that the 2012 tax year is behind us, it's a good time to review your W-4 federal tax withholding exemptions for 2013.

An attempt should be made to strike a balance so that you receive little or no refund. If you are withholding more than necessary, you are giving the IRS a free loan with your money. If you don't have enough withheld, you could potentially owe both interest and penalties.

Withholding allowances are not the same as the number of dependents you have. You may claim four exemptions on your W-4 but have only two actual dependents. The Payroll Department uses the W-4 withholding allowance number to determine how much to withhold from your earnings. The higher the exemption number, the less federal tax withheld.

The W-4 form has instructions and a worksheet to assist you in determining the number of withholding allowances you should claim. The IRS also has an IRS Withholding Calculator on its website (<http://www.irs.gov/usa/Individuals/IRS-Withholding-Calculator>) that may be able to provide a higher degree of accuracy regarding your personal tax situation. You will need to be able to provide an estimate of all your family's earnings such as investment earnings, wages, etc. (Note: Your 401(k) personal contributions and your Section 125 benefits, such as medical/dental premiums, are not considered taxable income and are excluded from your taxable wage base.) Your benefit premiums are predetermined; however, you may reduce your tax liability by increasing your 401(k) retirement contributions.

To review and/or change your current W-4 exemptions, log on to General Shale's self service website. To review your current W-4 exemptions, select the Personal tab, Tax Information option. For

changes, select the Update Tax Information tab, make your change, confirm and submit. It is recommended that you review your individual situation at intervals throughout the year. Changes to your W-4 can be made as often as you choose.

Further information or assistance is available from any member of the Payroll Department.

Different situations that could change the amount of money you want to be withheld:

- Sizable refund from the IRS was received last year
- Sufficient funds were not withheld and money was owed to the IRS
- Having a child
- Getting married or divorced
- Bought or sold a home
- Lost the ability to claim a dependent you claimed last year
- Changes in retirement savings (401(k))
- Changes in Section 125 benefit enrollments (medical/dental employee premiums)
- Change in employment conditions (wage increase/decrease, midyear employer change, etc.)

ARRISCRAFT RECEIVES EXCELLENCE IN ENERGY CONSERVATION AWARD

Arriscraft International, a subsidiary of General Shale and manufacturer of stone products, received a prestigious award from the Cambridge (Ontario) Chamber of Commerce at its annual Business Excellence Awards.

The Environment Award – Excellence in Energy Conservation acknowledges leaders in the business community with specific awards for various achievements. This award recognizes a business that embraces sustainable best practices and outstanding programs to maintain, protect and promote a healthy environment. The nominees must demonstrate success in the areas of energy use reduction, energy alternatives, and/or the adoption, implementation or adherence to environmentally friendly business practices on a company-wide basis.

Arriscraft International was commended for its efforts to conserve energy in several areas.

In hydro, the company has seen a 24% reduction in kilowatt hours per 1,000 kilograms produced since 2009.

In the area of natural gas, Arriscraft has seen a 4% decrease in cubic meters of gas used per 1,000 kilograms of product produced.

Since 2010, Arriscraft has decreased the water the company used per day from its well by more than 46%.

And in the area of recycling plant waste, in the past three years Arriscraft has increased paper and plastic recycling by 154%, cardboard recycling by 48% and metal recycling by 108%. The waste taken to the landfill has decreased 4.5% during that time as well.

Most of the reductions were realized through implementations such as more energy-efficient equipment, better insulation throughout the plant and more conscientious use of resources.

Eventually Arriscraft hopes to implement 100% recyclable packaging for its products.

The award was presented March 21 at the 2013 Business Awards gala in Cambridge, Ontario, Canada.

New Products for 2013

The exciting new products announced during the first and second quarters of 2013 included bricks, pavers, outdoor grills and fireplaces that fit homeowners' needs.

The Outdoor Living Products line has introduced several new products over the first half of 2013 — Serenity 150 Fireplace, Gathering Grill and Beveled Edge Pavers in Autumn Ridge.

Other new products in the General Shale lineup include:

Express Brick: This particular style of concrete block was first manufactured in 2010 but never officially announced as a new product. We are taking that opportunity now and are excited to officially introduce Express Brick and the five colors in which it is available: Cranberry, Dunes Gray, Forrestal Red, Piney Creek and South Ridge Brown.

Primarily positioned as a building solution for light commercial construction, Express Brick, which can also be referred to as "half-high" architectural masonry units, is manufactured in sizes comparable to block products commonly utilized in commercial projects.

These units provide a way to build just one wall instead of two, which can significantly reduce construction costs. Express Brick both performs as load-bearing units to carry the weight of the structure and provides a traditional, genuine masonry exterior.

Ashlar Park Series: We are proud and excited to present to you a new and very unique product to our company and the building industry — Ashlar Park Series! Available in both brick and paver options, Ashlar Park consists of three individual sizes combined to create unique patterns that bring a never-before-seen character and style in brick and paver applications. Ashlar Park brick adds an extra dimension to our well-known textured brick products.

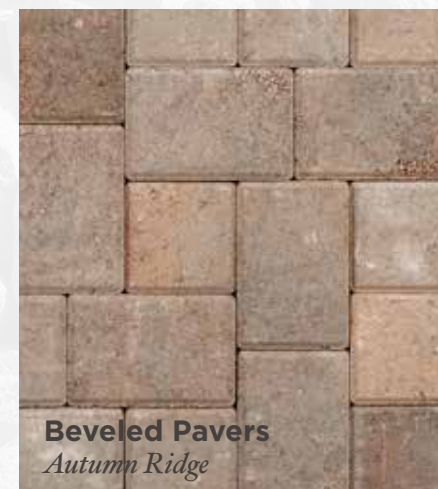
The most compelling characteristic is the unique look created by the bundling of three individual sizes within each product. Additionally, Ashlar Park provides customers the option of laying brick in a flush pattern OR choosing to have them reveal out (or extend beyond) from the wall for an even more unique look to their new home or building. Ashlar Park brick will be available in five colors: Ashbrook Park, Eastover Park, Essex Park, Rockbridge Park and Woodrose Park.



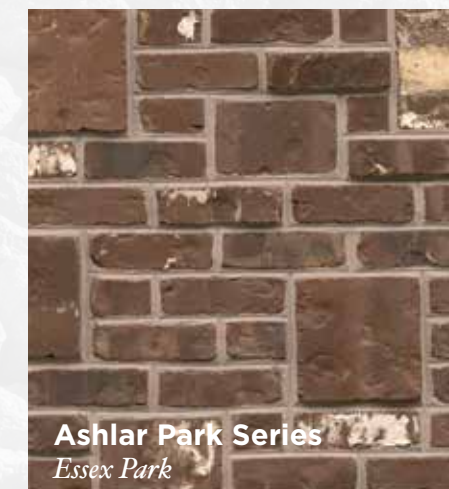
Gathering Grill



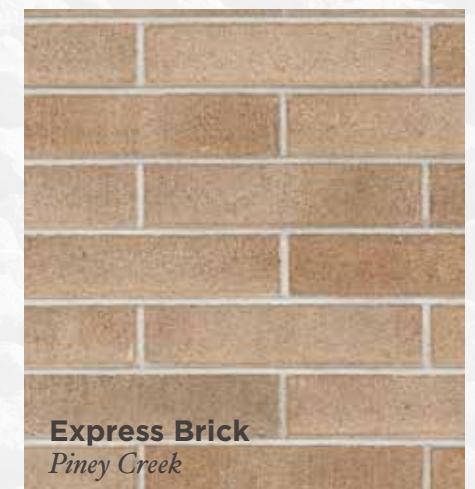
Serenity 150
Fireplace



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Ashlar Park Series
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Express Brick
Piney Creek