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Folder Title:
Shaw Industries--Dalton, Georgia 8/3/92 [OA 7578] [1]

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Facsimile Transmission Cover Sheet**To:****Name**GARY GERSHOWITZ**Company****Building/Room****Phone Number****From:****Name**NAT Shelton**Phone Number**301 763 5809**Fax Number**(801) 783-8083**Number of Pages (including this page):** 2**Notes:**

Tax Foundation
(202) 863-54
54

United States Department of Commerce
Bureau of the Census
Industry Division
CIR Nondurables Branch
Washington, DC 20253



Table 4. COMPARISON OF STANDARD INDUSTRIAL CLASSIFICATION-BASED PRODUCT CODES WITH SCHEDULE B EXPORT NUMBERS, AND HTSUSA IMPORT NUMBERS: 1991

Product code	Product description	Export number ¹	Import number ²
22731 00	Woven carpet and rugs	5702.10.0000 5702.20.0000 5702.31.0000 5702.32.0000 5702.39.0000 5702.41.0000 5702.42.0000 5702.49.0000 5702.51.0000 5702.52.0000 5702.59.0000 5702.91.0000 5702.92.0000 5702.99.0000	5702.10.1000 5702.10.9010 5702.10.9020 5702.10.9030 5702.10.9090 5702.20.1000 5702.20.2000 5702.31.1000 5702.31.2000 5702.32.1000 5702.32.2000 5702.39.1000 5702.39.2010 5702.39.2090 5702.41.1000 5702.41.2000 5702.42.1000 5702.42.2010 5702.42.2090 5702.49.1010 5702.49.1090 5702.49.1500 5702.49.2000 5702.51.2000 5702.51.4000 5702.52.0000 5702.59.1000 5702.59.2000 5702.91.2000 5702.91.3000 5702.91.4000 5702.92.0010 5702.92.0090 5702.99.1010 5702.99.1090 5702.99.2000
22732 11	Tufted carpet and rugs, by fiber: Nylon	5703.20.0000	5703.20.1000 5703.20.2010 5703.20.2090
22732 13 22732 19	Polyester All other	5703.10.0000 5703.30.0000 5703.90.0000	5703.10.0000 5703.30.0010 5703.30.0090 5703.90.0000
22733 10 22733 20 22733 90	Other carpet and rugs: Knitted Needle punched Braided, hooked, and other carpet and rugs n.e.c.	5701.10.0000 5701.90.0000 5705.00.0000	5701.10.1300 5701.10.1600 5701.10.2010 5701.10.2090 5701.90.1010 5701.90.1020 5701.90.1030 5701.90.1090 5701.90.2010 5701.90.2020 5701.90.2030 5701.90.2090 5705.00.1000 5705.00.2010 5705.00.2020 5705.00.2030 5705.00.2090
22733 30	Felt	5704.10.0000 5704.90.0000	5704.10.0000 5704.90.0000

N.e.c. Not elsewhere classified.

¹Source: 1991 edition, *Harmonized System-Based Schedule B, Statistical Classification of Domestic and Foreign Commodities Exported from the United States*.

²Source: *Harmonized Tariff Schedule of the United States, Annotated* (1991).

Family-oriented July 4th celebration - Dalton, GA

On July 4, 1958, the City of Dalton, began an annual tradition of celebrating Independence Day through family-oriented recreational activities at the Dalton Parks and Recreation Department. (James E. Brown Park) This past July 4th, the tradition continued with the following activities: Adult Softball Tournament, Youth All-Star baseball games, horseshoe pitching tournament; miniature golf tournament; children's carnival games; swimming; old-timer softball games; The Little Miss Recreation Pageant; Musical entertainment; picnicking; and fireworks. Over 15,000 citizens of Dalton and Whitfield County participated in this year's festivities.

Human Interest Stories - Dalton, GA

David Kenemer was unable to go to school most of the time as a young child and youth because of severe leukemia. Between his sophomore and junior years the leukemia went into remission. He became interested in "politics" and ran for student body president against tremendous odds of health and lack of popularity since he had been absent so much. He was elected, was a good student, worked for Chick Filet after school hours and was given a full scholarship to Berry College by Chick Filet. He is still an outstanding student at Berry College, wanting to go into politics.

Tracy Rhudy quit school at 16, married and had two children. She entered the "Second Chance" program at Dalton High School for young mothers, and was an '92 honor graduate. She is now 21, going to Dalton College on scholarship, working in the summer in a local law office, and is married to a Shaw Industries employee.

Both young people have been written about in the local newspapers and were recommended to our office by school personnel as being outstanding examples of excellence.

→ used to be an old mill where they
Prater's Mill COUNTRY Fair - Ground corn meal
Home-made food oct 10 & 11
craft show Blacksmith Demo
clogging & singing Co

THE WHITE HOUSE

WASHINGTON

July 28, 1992

MEMORANDUM FOR PRE-ADVANCE PARTICIPANTS

FROM: ED MURNANE
DEPUTY ASSISTANT TO THE PRESIDENT AND DIRECTOR OR
PRESIDENTIAL ADVANCE

SUBJECT: PRE-ADVANCE TO DALTON, GEORGIA ON JULY 28, 1992

Attached for your information is a list of participants and an outline schedule for the Pre-Advance to Dalton, Georgia on July 28, 1992.

PRE-ADVANCE PARTICIPANTS

Office of Presidential Advance

John Herrick, Special Assistant to the President for Advance
Suzanne Faulk, Trip Coordinator
Lori Rosso, Trip Coordinator

United States Secret Service

Dick Rathmell, ASAIC, PPD
Dave Zimmerman, Lead Agent (Meet and Drop in Georgia)

White House Military Office

Maj. John Wissler, Military Aide to the President
Colleen Ryan, Air Force Representative
Capt. Glen Graham, HMX Representative
Maj. Lee Viverette, HMX Representative

White House Communications Agency

Mark Barnette, Ops Officer
Dale Ellenbarger, PCO (Meet and Drop in Dalton)

Office of Communications

Michelle Nix, Researcher

PRE-ADVANCE SCHEDULE

Tuesday, July 28, 1992

6:30 am Vans depart West Basement en route Washington
National Airport

(Drive Time: 15 Minutes)

6:45 am Arrive Washington National Airport and proceed to
Delta Terminal.

7:20 am Delta #989 departs Washington, D.C. en route
(E.D.T.) Atlanta, Georgia.

(Flight Time: 1 Hour 45 Minutes)
(Time Change: None)

9:05 am Arrive Hartsfield International Airport, Atlanta,
(E.D.T.) Georgia and proceed to board vans.

Met by:

Bill Thorne
Bush/Quayle '92
404-365-7700

9:20 am Vans depart Hartsfield International Airport en
route Dalton, Georgia.

(Drive Time: 1 Hour 15 Minutes)

10:45 am Arrive Shaw Industries Distribution Terminal,
Dalton, Georgia and begin participation in
Meeting.

Met by:

Carl Rollins
Shaw Industries
Vice President
706-275-1003 (W)

11:45 am Conclude Meeting and begin participation in Site Survey of Terminal Area Center.

* ASK GEORGE BUSH ON INT'L TRADE AND ECONOMIC GROWTH

1:05 pm Conclude Site Survey, board vans, and depart Shaw Industries en route Hartsfield International Airport.

(Drive Time: 1 Hour 15 Minutes)

2:20 pm Arrive Hartsfield International Airport and proceed to Delta Terminal.

3:16 pm Delta Flight #378 departs Atlanta, Georgia
(E.D.T.) en route Washington, D.C.

(Flight Time: 1 Hour 44 Minutes)
(Time Change: None)

5:00 pm Arrive Washington National Airport, Washington,
(E.D.T.) D.C. and proceed to vans.

5:10 pm Vans depart Washington National Airport en route West Basement.

(Drive Time: 15 Minutes)

5:25 pm Arrive West Basement.

**Shaw Industries, Inc**

P.O. Box 2128

616 E. Walnut Ave

Dalton, GA 30722

FACSIMILE TRANSMISSION

DATE 7/30/92

TO:

Gary Gershwitz

FAX # (202)

456-6218

FROM:

Carl Rollins

PHONE # (706)

275-1034Total number of pages, including this cover page: 2The original of this facsimile ☐ will ☒ will not be mailed to you.Please notify us immediately at (706) 275-1034 if total noted above is not received properly.**Confidentiality Note**

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Thank you,

Facsimile Operator

Renee

Extension _____

Comments:

PRE-REMARKS

- Historic significance - no other president has ever visited Dalton, GA.
- Opportunity for recognition of carpet industry as having national significance.
- Carpet industry as a growing, global business - entering the international arena.
- Shaw Industries' goal of becoming a world-class company.
 - As an industry leader, we are well on the way.
- Industry is positioned as the floor-covering of choice in North America and most other parts of the world.
- Importance of people in accomplishing our mission.
 - Whether with our customers, our employees, our shareholders.
 - The company succeeds by the efforts and teamwork of our people.
 - It is through people that we will meet our quality goals, both in products and services.
- Creation of jobs and growth opportunities for people will always be important to Shaw Industries.
- Honored that President has come to visit us.
 - Pleased that all of you are here to share this occasion.
 - The President will be arriving shortly.

/rm1197

1992 PR Newswire, April 28, 1992

~~for Salem Carpet Mills' shareholders entitled to vote at the meeting, is April 16, 1992. Proxy materials are in the process of being mailed to holders of record of Salem Carpet Mills' common stock.~~

X Shaw Industries, Inc., with corporate offices in Dalton, Ga. , manufactures and sells carpeting to retailers and distributors throughout the United States and exports to Canada and several foreign markets. CONTACT: Robert E. Shaw of Shaw Industries, 404-278-3812

ORGANIZATION: Shaw Industries, Inc.

TICKER-SYMBOL: SHX

GEOGRAPHIC: Georgia

INDUSTRY: Textiles



DALTON, GA - YESTERDAY AND TODAY

The People of Dalton and Whitfield County share a rich and colorful past. Long before the Civil War, the Cherokee Indians made their home here. Dalton is the gateway to the 150-mile Chieftain's Trail, which traces the path of Indian sites located throughout Northwest Georgia. Andrew Jackson's "Trail of Tears" had its starting point in Whitfield County at Red Clay Council Grounds, which was the last capital of the Cherokee Nation. Visitors to the area today can explore the historic home of Chief James Vann, the Cherokee Capital New Echota, and the Red Clay Council Grounds, lasting remains of a strong and proud Cherokee Indian Nation.

As the county seat, Dalton, founded in 1847, earned a place in Civil War history as a Confederate hospital and manufacturing town, and is on the Blue and Gray Trail of important Civil War sites between Chattanooga and Atlanta. In May of 1864, the Atlanta campaign began when General Sherman's troops met Johnston's Confederates at Tunnel Hill, Dug Gap, and along Rocky Face Ridge. Many Civil War markers stand today commemorating important activities in the area. Locations like Dug Gap Battle Park, where breastworks used by Confederate soldiers are preserved, and the Confederate cemetery, bring a sense of immediacy to the past century.

In the early 1900's, Catherine Evans Whitener revived and popularized the colonial art of tufting. Catherine made tufted bedspreads along with other women who sewed for extra money, and this growing cottage industry helped people survive the depression of the 1930's. The tufters hung the bedspreads on clothes lines to dry and tourists were attracted by the brightly colored spreads and the novelty of buying them off the line. US Highway 41 between Dalton and Cartersville became known as "Bedspread Alley" or "Peacock Alley" from a popular pattern. The success of tufted bedspreads, scatter rugs and robes, and the changing wage and labor requirements, led to the creation of machines that could tuft carpet. Thus, Dalton evolved into the "Carpet Capital of the World." Now, the Dalton area produces 65 to 70 percent of the world's carpet production!

- Dalton produces 1.3 billion square yards of carpet yearly, and of that, 80% is replacement carpet.
- Of all carpet produced: 40% is residential, 26% is commercial, 24% is residential contract, and 10% is transport/outdoor.
- The dollar value of the industry products is \$8.5 billion (1990) at mill level, \$8.4 billion (est. 1991), and \$12 billion (est.) at retail.
- In 40 years - 1950 through 1990 - the price of carpet has increased by only 75.5%; new car prices are up 213% for the same period; and all commodities combined have increased in price by 311%.
- In 1970, nylon accounted for 44% of the 996 millions pounds of face fibers consumed in the manufacture of all carpet and rugs, with acrylics accounting for 16%, and polyester 17%. Today there are over 2.5 billion pounds of face fibers consumed per year, with nylon accounting for 73.4% of the total, polypropylene (olefin) 19.4%, polyester 6.6%, and wool 0.6%. The creation of bulk continuous filament yarn was the catalyst that made Dalton grow. The largest local manufacturer alone used 2 million pounds of fiber a day!
- About 54% of the nearly 50,000 strong labor force is engaged in manufacturing. Much of the manufacturing success of the Dalton area is attributed to the strong employee-employer relationship that has always been prevalent here.

APPENDIX TABLE 9 — CARPET/RUG EXPORTS (000's Omitted) CARPET/RUG IMPORTS (000's Omitted)

Year	Sq. Yds.	% Inc. or Dec.	Dollars*	% Inc. or Dec.
1975	20,895	—	\$ 86,173	—
1976	24,630	+17.9	102,456	+18.9
1977	23,865	- 3.1	105,786	+ 3.3
1978	31,763	+33.1	147,322	+39.3
1979	43,763	+37.8	212,272	+44.1
1980	68,617	+56.8	320,281	+50.9
1981	50,480	-11.9	335,172	+ 4.6
1982	50,265	-16.9	286,182	-14.6
1983	48,342	- 3.8	264,092	- 7.7
1984	36,029	-25.5	216,412	-18.1
1985	24,767	-31.3	165,108	-23.7
1986	29,866	+20.6	181,151	+ 9.7
1987	41,950	+40.5	216,588	+19.6
1988	65,812	+56.9	331,570	+53.1
1989	67,729	+ 2.9	383,188	+15.7
1990	69,253	+31.8	551,456	+43.9
1991	123,223	+77.8	745,067	+35.1

Source: U.S. Department of Commerce, Bureau of the Census, EM 522, 526 and 545. Excludes Underlayment.

*F.A.S. Country of Origin - not including freight and duty cost.

Year	Sq. Yds.	% Inc. or Dec.	Dollars**	% Inc. or Dec.
1975	10,751	—	\$ 87,292	—
1976	13,988	+30.1	119,705	+37.1
1977	13,871	- 0.8	146,319	+22.2
1978	15,032	+ 8.4	189,846	+29.7
1979	14,151	- 5.9	199,752	+ 5.2
1980	13,798	- 2.5	276,311	+38.3
1981	14,151	+ 2.6	299,225	+ 8.3
1982	17,122	+21.0	287,594	-10.6
1983	23,813	+39.1	317,264	+18.6
1984	37,961	+54.4	458,936	+44.7
1985	51,764	+36.4	510,356	+11.2
1986	48,525	- 6.3	585,831	+14.8
1987	42,925	-11.5	655,047	+11.5
1988	42,413	- 1.2	576,414	-12.0
1989	74,755	+76.3	612,919	+ 6.3
1990	60,736	-16.7	597,995	- 2.4
1991	87,504	+43.7	745,067	+12.2

Source: U.S. Department of Commerce, Bureau of the Census, IM 145 and 146. Excludes Underlayment.

**C.I.F. values (cost, insurance and freight)

NOTE: 1989 and subsequent Export and Import data reflects the implementation of the New Standardized International Codes directory affecting reporting categories in the Harmonized Tariff Schedule of the United States Annotated.

APPENDIX TABLE 10 — CARPET/TOTAL TEXTILE BALANCE OF TRADE (000's Omitted)

PERIOD	(Millions) CARPET		BALANCE OF CARPET TRADE	(Billions) TEXTILES		BALANCE OF TEXTILE TRADE*
	IMPORTS	EXPORTS		IMPORTS	EXPORTS	
1976	119,705	102,456	-14.41%	1,791	1,870	+09.99%
1977	146,319	105,786	-27.71%	1,939	1,959	+01.03%
1978	189,846	147,322	-22.40%	2,400	2,225	-07.29%
1979	189,752	212,272	+ 8.26%	2,399	3,189	+32.93%
1980	276,311	320,281	+15.91%	2,678	3,632	+35.73%
1981	299,226	335,172	+12.01%	3,250	3,619	+11.35%
1982	287,594	286,182	+ 6.95%	3,000	2,784	-07.20%
1983	317,264	264,092	-16.76%	3,460	2,368	-31.56%
1984	458,936	216,412	-52.84%	4,874	2,382	-51.13%
1985	510,356	165,108	-67.65%	5,274	2,366	-55.14%
1986	585,831	181,151	-69.08%	6,151	2,570	-58.22%
1987	655,047	216,588	-66.94%	6,918	2,900	-58.08%
1988	576,414	331,570	-42.48%	6,748	3,651	-45.90%
1989	612,919	383,188	-37.48%	6,417	3,897	-39.27%
1990	597,995	551,456	-7.80%	6,791	4,926	-26.82%
1991	745,067	745,067	0.00%	7,504	7,504	0.00%

*Textiles include all yarns, carpet, rugs, and fabrics. F.A.S. values for Exports and C.I.F. values for Imports.

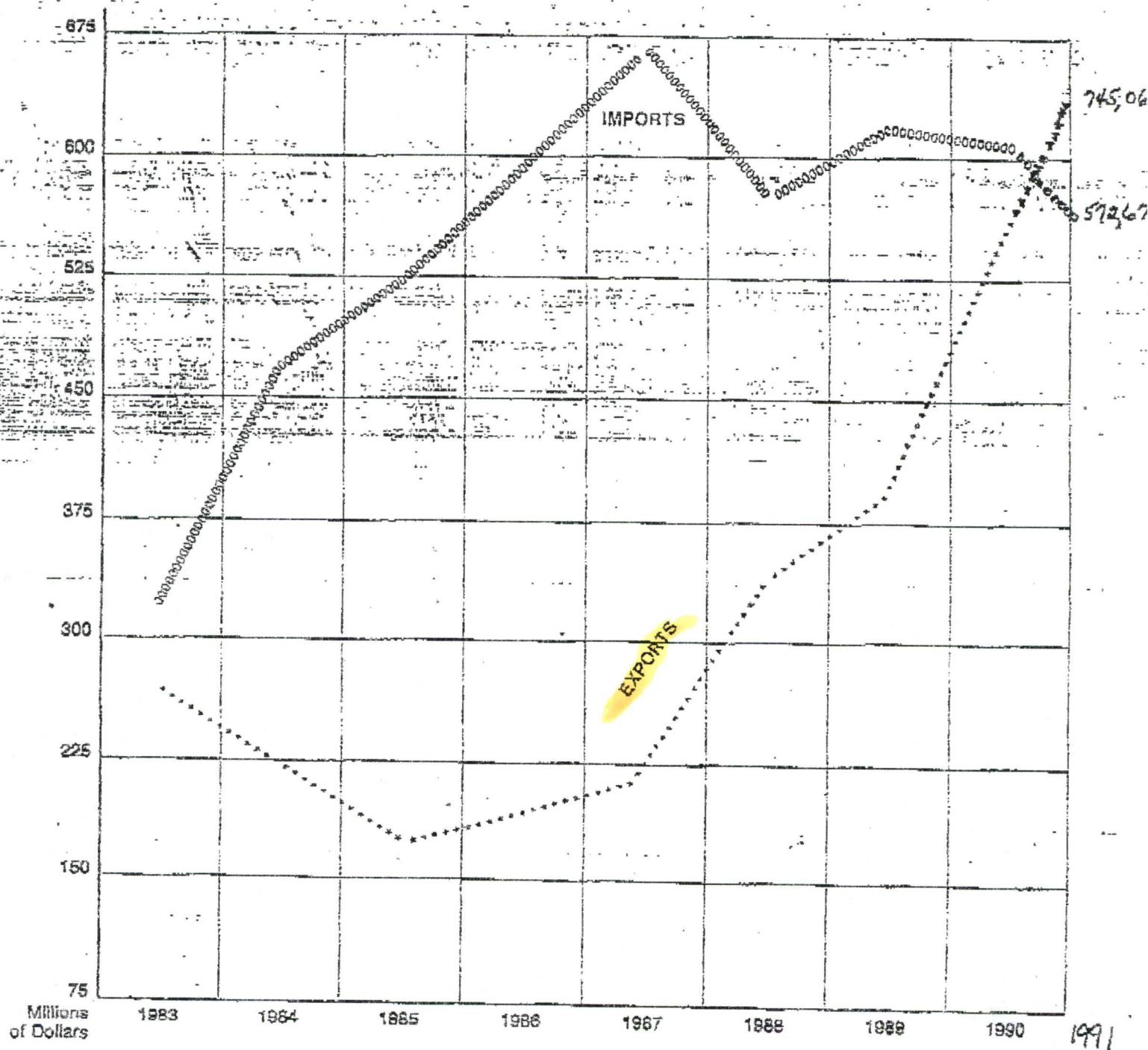
Sources: U.S. Department of Commerce, Bureau of the Census, IM 145, IM 146, EM 522, EM 545, EM 546, FT 135, FT 140 and FT 990.

1991

745,067
(Millions)

1991 5,461
(Billions)

CARPET AND RUG TRADE BALANCE



Source: U.S. Department of Commerce, Bureau of the Census, IM 145 and 148, for imports
U.S. Department of Commerce, Bureau of the Census, EM 522, 526 and 545 for Exports

The following is a statement of facts from Shaw Industries concerning their acquisition of Salem:

Shaw Industries, Inc. is the world's leading carpet manufacturer. Shaw's sales exceed \$2 billion annually and it has 20,000 employees.

Shaw Industries recently (finalized in May, '92) acquired Salem Carpet Mills which added 3,400 employees and approximately \$400 million in sales. The acquisition price was \$71 million in stock and cash.

Gary, this acquisition and the one today of Mohawk purchasing Horizon are the largest recent examples of the maturing and merging of the carpet industry.

Sixty to seventy percent of all the world's carpet is made in this area of North Georgia! We have here over 100 carpet outlet stores which add to the tourism dollars of the area.

The "Yesterday and Today" sheet has more facts and figures about the local market and the basic history of why the industry developed here.

Editorial - Atlanta Journal
Tuesday, April 21, 1992

EDUCATION is a key
to stay ahead in the Work Force

Peter Kent

Dalton has more to be proud of than carpets

A survey left the carpet capital of the world reeling as if someone had pulled the rug out from under it. A 1989 study showed that 56 percent of the adults in the city of Dalton and Whitfield County were high-school dropouts.

Unlike most of corporate America, Dalton's manufacturers did more than rant about the public education's failures. Acting in partnership with civic leaders and educators, the company officials created an adult education program. Some 30 classes are now offered at the mills, aided by efforts of Dalton College and 60 volunteer tutors.

Such a commitment to education improvement is not new to Dalton. In 1983, when the dropout rate equaled the graduation rate, the community rallied around a Dalton-Whitfield Chamber of Commerce initiative to create the Education is Essential



Foundation. Among its successes, the foundation was able to get more than 300 business to agree not to employ workers younger than 19. The result was startling. The dropout rate fell from 50 percent to 30 percent.

But with boom times in the floor-covering business came a need for workers. Backsliding allowed the dropout rate to rise again. Confidence is high in the community that lightning can strike twice. Nearly \$300,000 has been raised to fund resources for the new adult-education program, and a score of companies have begun adult-learning classes. In the two years since the survey, 429 adults have completed their General Education Development coursework.

Everyone involved in the program — student, tutor, sponsors alike — deserve a hand for their efforts. President Bush could find a thousand points of light in the Dalton-Whitfield area alone. Yet the business community warrants special mention, if for no other reason than to encourage other executives to establish adult-education programs.

Despite the incessant lambasting the nation's education system takes from business leaders, too few companies do more than just complain. A major survey last September by Louis Harris & Associates indicated that of the 402 companies contacted only 14 percent reported having worker-training programs that provided instruction in the 3Rs.

While business leaders are ever willing to lament the notion that poorly trained workers blunt America's competitive edge, they are unwilling to fund education. Robert Reich in his book "The Work of Nations" reports that the corporate share of local property-tax revenues, which are the fundamental source of education funding, have plummeted from 45 percent in 1957 to 16 percent in 1987.

No one denies that America's education system needs overhauling, but business leaders have no justification to complain about it when they are more part of the problem than part of the solution.

Journal, April 21, 1992 - Editorial page



LEADERSHIP WORKSHOP

July 20 - 21, 1992
Omni Hotel at CNN Center
Atlanta, Georgia

U.S. Chamber of Commerce/Center for Workforce Preparation
and Quality Education and
U.S. Department of Education

AGENDA

MONDAY, JULY 20, 1992

12:00 noon to 6:00 p.m. REGISTRATION - *International Promenade*12:00 noon to 6:30 p.m. RESOURCE CENTER OPEN - *International Promenade*

The Center for Workforce Preparation and Quality Education and U.S. Department of Education staff will be available to answer questions and provide assistance throughout the workshop in the AMERICA 2000 Resource Center.

2:00 p.m. to 3:30 p.m. PRE-WORKSHOP CONCURRENT SESSIONS

Concurrent Session I — Communicating the AMERICA 2000 Message - *Swanton Room*

- Linda Dunn Brown, Supervisor, Dade County Public Schools, Miami, FL (moderator)
- Rick Whitson, General Manager, WEAS Radio, Savannah, GA
- Dian Stevenson, Administrator, Kroger 2000, Atlanta, GA
- Willa Brantley, Superintendent, Choctaw Department of Education, Philadelphia, MS

Concurrent Session II — Programs That Work: Chambers of Commerce Are "Breaking the Mold" *Thornton Room*

- Robert Martin, Vice President/Executive Director, U.S. Chamber of Commerce/Center for Workforce Preparation and Quality Education, Washington, D.C. (moderator)
- Lesley Grady, Executive Director, Atlanta Partnership of Business and Education, Metropolitan Atlanta Chamber of Commerce, Atlanta, GA
- Ellen Hayden, Vice President for Education, South Carolina Chamber of Commerce, Columbia, SC
- Janet A. Bolen, Program Coordinator, Dalton-Whitfield Chamber of Commerce, Dalton, GA
- Deborah Pinchak, Vice President, Education Division, Charlotte Chamber of Commerce, Charlotte, NC
- Bernice Collis, Chairperson, Education Committee, Martinsburg-Berkeley County Chamber of Commerce, Martinsburg, WV

3:30 p.m.

Break to change rooms.

1990 CPH-L-81. Selected Labor Force and Commuting Characteristics: 1990
Table 2. Whitfield County, Georgia

The user should note that these data are based on a sample, subject to sampling variability, and that there are limitations to many of these data. Please refer to the technical documentation for Summary Tape File 3 for a further explanation of sampling variability and limitations of the data.

LABOR FORCE STATUS		OCCUPATION	
Persons 16 years and over	56,041	Employed persons 16 years and over	37,932
In labor force	39,636	Executive, administrative, and managerial occupations	3,854
Percent in labor force	70.7	Professional specialty occupations	3,114
Civilian labor force	39,628	Technicians and related support occupations	926
Employed	37,932	Sales occupations	3,767
Unemployed	1,696	Administrative support occupations, including clerical	6,273
Percent unemployed	4.3	Private household occupations	56
Armed Forces	8	Protective service occupations	363
Not in labor force	16,405	Service occupations, except protective and household	2,476
Males 16 years and over	27,262	Farming, forestry, and fishing occupations	484
In labor force	21,876	Precision production, craft, and repair occupations	4,594
Percent in labor force	80.2	Machine operators, assemblers, and inspectors	7,562
Civilian labor force	21,868	Transportation and material moving occupations	2,659
Employed	21,061	Handlers, equipment cleaners, helpers, and laborers	1,804
Unemployed	807		
Percent unemployed	3.7		
Armed Forces	8		
Not in labor force	5,386		
Females 16 years and over	28,779		
In labor force	17,760		
Percent in labor force	61.7		
Civilian labor force	17,760		
Employed	16,871		
Unemployed	889		
Percent unemployed	5.0		
Armed Forces	-		
Not in labor force	11,019		
Females 16 years and over	28,779		
With own children under 6 years	4,594		
Percent in labor force	63.9		
With own children 6 to 17 years only	5,602		
Percent in labor force	80.6		
Own children under 6 years in families and subfamilies	5,803		
All parents present in household in labor force	3,460		
Own children 6 to 17 years in families and subfamilies	11,865		
All parents present in household in labor force	8,928		
Persons 16 to 19 years	4,800		
Not enrolled in school and not high school graduate	1,136		
Employed or in Armed Forces	556		
Unemployed	172		
Not in labor force	408		
COMMUTING TO WORK		INDUSTRY	
Workers 16 years and over	37,308	Employed persons 16 years and over	37,932
Percent drove alone	79.7	Agriculture, forestry, and fisheries	520
Percent in carpools	16.4	Mining	49
Percent using public transportation	0.3	Construction	1,703
Percent using other means	0.8	Manufacturing, nondurable goods	15,828
Percent walked or worked at home	2.8	Manufacturing, durable goods	1,822
Mean travel time to work (minutes)	17.4	Transportation	1,283
		Communications and other public utilities	507
		Wholesale trade	1,931
		Retail trade	4,898
		Finance, insurance, and real estate	1,257
		Business and repair services	1,155
		Personal services	779
		Entertainment and recreation services	196
		Health services	1,759
		Educational services	2,118
		Other professional and related services	1,280
		Public administration	847
		CLASS OF WORKER	
		Employed persons 16 years and over	37,932
		Private wage and salary workers	32,204
		Government workers	3,659
		Local government workers	2,147
		State government workers	1,167
		Federal government workers	345
		Self-employed workers	1,936
		Unpaid family workers	133

SOURCE: The Carpet and Rug Institute's statistical booklet, "The Industry Review"

APPENDIX TABLE 9 — CARPET/RUG EXPORTS (000's Omitted)

CARPET/RUG IMPORTS (000's Omitted)

Year	Sq. Yds.	% Inc. or Dec.	Dollars*	% Inc. or Dec.
1975	20,895	—	\$ 86,173	—
1976	24,630	+17.9	102,456	+18.9
1977	23,865	- 3.1	105,786	+ 3.3
1978	31,763	+33.1	147,322	+39.3
1979	43,763	+37.8	212,272	+44.1
1980	68,617	+56.8	320,281	+50.9
1981	60,460	-11.9	335,172	+ 4.6
1982	50,265	-16.9	286,182	-14.6
1983	48,342	- 3.8	264,092	- 7.7
1984	36,029	-25.5	216,412	-18.1
1985	24,767	-31.3	165,108	-23.7
1986	29,866	+20.6	181,151	+ 9.7
1987	41,950	+40.5	216,588	+19.6
1988	65,812	+56.9	331,570	+53.1
1989	67,729	+ 2.9	383,188	+15.7
1990	89,283	+31.8	551,456	+43.9
1991	91,443	+2.4	745,000	+35.1

Source: U.S. Department of Commerce, Bureau of the Census, EM 522, 526 and 545. Excludes Underlayment.

*F.A.S. Country of Origin - not including freight and duty cost.

NOTE: 1989 and subsequent Export and Import data reflects the implementation of the New Standardized International Codes directory affecting reporting categories in the Harmonized Tariff Schedule of the United States Annotated.

Year	Sq. Yds.	% Inc. or Dec.	Dollars**	% Inc. or Dec.
1975	10,751	—	\$ 87,292	—
1976	13,988	+30.1	119,705	+37.1
1977	13,871	- 0.8	146,319	+22.2
1978	15,032	+ 8.4	189,846	+29.7
1979	14,151	- 5.9	199,752	+ 5.2
1980	13,798	- 2.5	276,311	+38.3
1981	14,151	+ 2.6	299,226	+ 8.3
1982	17,122	+21.0	267,594	-10.6
1983	23,813	+39.1	317,264	+18.6
1984	37,961	+54.4	458,936	+44.7
1985	51,764	+36.4	510,356	+11.2
1986	48,525	- 6.3	585,831	+14.8
1987	42,925	-11.5	655,047	+11.8
1988	42,413	- 1.2	576,414	-12.0
1989	74,755	+76.3	612,919	+ 6.3
1990	60,736	-18.7	597,995	- 2.4
1991	57,504	- 5.2	573,677	- 5.2

Source: U.S. Department of Commerce, Bureau of the Census, IM 145 and 146. Excludes Underlayment.

**C.I.F. values (cost, insurance and freight)

APPENDIX TABLE 10 — CARPET/TOTAL TEXTILE BALANCE OF TRADE (000's Omitted)

PERIOD	(Millions) CARPET		BALANCE OF CARPET TRADE	(Billions) TEXTILES		BALANCE OF TEXTILE TRADE*
	IMPORTS	EXPORTS		IMPORTS	EXPORTS	
1976	119,705	102,456	-14.41%	1,791	1,970	+09.99%
1977	146,319	105,786	-27.71%	1,939	1,959	+01.03%
1978	189,846	147,322	-22.40%	2,400	2,225	-07.29%
1979	199,752	212,272	+ 6.26%	2,399	3,189	+32.93%
1980	276,311	320,281	+15.91%	2,676	3,632	+35.73%
1981	299,226	335,172	+12.01%	3,250	3,619	+11.35%
1982	267,594	286,182	+ 6.95%	3,000	2,784	-07.20%
1983	317,264	264,092	-16.76%	3,460	2,368	-31.56%
1984	458,936	216,412	-52.84%	4,874	2,382	-51.13%
1985	510,356	165,108	-67.65%	5,274	2,366	-55.14%
1986	585,831	181,151	-69.08%	6,151	2,570	-58.22%
1987	655,047	216,588	-66.94%	6,918	2,900	-58.08%
1988	576,414	331,570	-42.48%	6,748	3,651	-45.90%
1989	612,919	383,188	-37.48%	6,417	3,897	-39.27%
1990	597,995	551,456	-7.80%	6,731	4,926	-26.82%
1991	573,677	745,000	+30.0%	5,731	5,741	+0.1%

*Textiles include all yarns, carpet, rugs, and fabrics. F.A.S. values for Exports and C.I.F. values for Imports.

Sources: U.S. Department of Commerce, Bureau of the Census, IM 145, IM 146, EM 522, EM 545, EM 546, FT 135, FT 140 and FT 990.

CARPET INDUSTRY PROGRAM

page two

"Retailers will benefit as well," said VanGelderren. "With their customers asking more frequently for environmentally friendly products, they are looking to the manufacturers for the answers. With this program, retailers across the country will be able to respond enthusiastically and knowledgeably to consumer buying priorities."

At this early stage of the program, a significant number of CRI's members are participating in this voluntary testing and labeling program including the top five carpet producers.

Participation in the CRI program is very simple. Carpet manufacturers submit carpet product types to be tested for volatile organic compounds (VOCs). CRI sends the samples to Air Quality Sciences, a laboratory based in Atlanta, for independent, blind emissions tests using the latest environmental chamber technology.

Carpet that meets the predetermined emission criteria for VOCs will be identified by a green, indoor air quality label on the back of the product. Indoor air quality labels will be easily identifiable to consumers on showroom samples and product literature. CRI will retest products at least annually to ensure that they continue to meet the program criteria.

CRI encourages manufacturers and retailers to use the IAQ label and in-store displays that explain the label program. Consumers and/or retailers can call the 800 phone number listed on the label to determine if the product type identified by the label is in compliance with CRI's indoor air quality program.

If a product type is tested and exceeds the established emission testing criteria, CRI will advise the manufacturer and request the carpet manufacturer to make process or formulation changes, which will permit the product to meet the approved criteria. After the appropriate product modification, the manufacturer may resubmit the product for additional testing. Products will not be permitted to affix the indoor air quality label unless they pass the test.

"We are proud of our indoor air quality program, the first of its kind for the interior furnishing sector," VanGelderren said. "We hope it serves as a model for other manufacturers of home products."

The Carpet and Rug Institute is the national trade association for the carpet and rug industry. Its membership is comprised of manufacturers and suppliers who represent 95 percent of all carpet produced in the United States.

##

We have 31 carpet manufacturers participating in the program. These 31 represent more than 65% of the carpet produced in

**CRI**

The Carpet and Rug Institute, Box 2048, Dalton, GA 30722
(404) 278-3176 FAX (404) 278-8835

NEWS RELEASE

THE CARPET AND RUG INSTITUTE

The Carpet and Rug Institute (CRI) is the national trade association representing the carpet and rug industry. Headquartered in Dalton, Georgia, the association also has offices in Washington, D.C. The Institute's membership consists of manufacturers representing 95% of all carpet produced in the United States. Membership also includes prominent suppliers, as well as importers and carpet manufacturers located outside of the United States.

A board of directors composed of chief executive officers directs the organization, with implementation by a full time professional staff. CRI also consists of personnel from member companies who devote their time and expertise to more than forty committees and subcommittees.

By assembling information on a wide range of subjects, the Institute serves as the voice of the industry. It also serves as a focal point and sounding board where issues can be discussed.

For more information about CRI, please call 706/226-9925 or 706/278-3176.



**INDOOR AIR QUALITY
PROGRAM
for the
CARPET INDUSTRY**

The Carpet and Rug Institute, P.O. Box 2048, Dalton, Georgia 30722 (706) 278-1176

CRI INDOOR AIR QUALITY CARPET TESTING PROGRAM
FACT SHEET

- In late 1991, The Carpet and Rug Institute completed a Carpet Policy Dialogue process under the aegis of the Environmental Protection Agency (EPA). Participating in that process were the American Lung Association, the Consumer Product Safety Commission, the EPA and 19 other consumer, environmental, labor, government, scientific, and industry groups.
- As a result of the Dialogue process, a voluntary program by the carpet and rug industry to reduce emission levels from carpet, carpet cushion, and installation adhesives is now in progress.
- Additionally, the carpet manufacturing industry is also establishing a labeling program called *CRI Indoor Air Quality Carpet Testing Program*. Individual carpet product types from participating manufacturers will be scientifically tested with the latest environmental chamber technology.
- Testing for volatile organic chemicals (VOCs) will be conducted by Air Quality Sciences, an independent laboratory, well-known for its leading edge technology.
- Under the program, product types must be periodically retested to ensure that the established emission levels are not being exceeded.
- Carpet product types that have been tested for VOCs, which do not exceed the established emission levels, will be identified with an indoor air quality program label. The label will be affixed to carpet samples in retail showrooms and featured in a variety of manufacturers' literature to architects, interior designers, and specifiers.
- The indoor air quality program parameters and operational procedures have been and will continue to be reviewed by an indoor air quality panel comprised of individuals from government and non-government groups, i.e., American Federation of State, County and Municipal Employees, American Lung Association, American Society of Interior Designers, International Facility Management Association, Research Triangle Institute, General Services Administration, U.S. Consumer Product Safety Commission, and the U.S. Environmental Protection Agency.
- For the consumer, the indoor air quality program label will be further assurance that the carpet industry is committed to manufacturing an environmentally responsible product.



**INDOOR AIR QUALITY
PROGRAM
for the
CARPET INDUSTRY**

The Carpet and Rug Institute, P.O. Box 2048, Dalton, Georgia 30722 (706) 278-3176

**CARPET TESTING AND MANUFACTURER
CERTIFICATION PROCEDURE (A SIMPLIFIED OVERVIEW)**

- The carpet manufacturer desires participation in the indoor air quality program.
- The carpet manufacturer signs a voluntary participation agreement.
- The carpet manufacturer agrees to have his product types tested.
- Samples are obtained from the manufacturer in one or more of 31 product types.
- Carpet samples are tested by Air Quality Sciences, an independent laboratory.
- The independent laboratory tests the product using highly sophisticated environmental chamber technology. The test methodology is approved by the EPA Dialogue consensus and has been submitted to ASTM.
- The manufacturer is advised by CRI if the product meets the test criteria.
- If the product does not exceed the predetermined VOC emission levels, the carpet manufacturer is authorized to attach the indoor air quality label to that specific product type. The label can be used in product literature, on hang tags and sample backs, etc.
- CRI certifies participation of the manufacturer in the indoor air quality program.
- CRI retests the product approximately once per year, as per the above procedure.
- If the product type exceeds the established emission level, the carpet manufacturer is so advised, and is requested to make process or formulation changes, which will permit the product to meet the test criteria.
- After the appropriate product modification, the manufacturer may resubmit the product and follow the procedure, as outlined.
- Products which do not meet the test criteria will not thereafter be allowed to affix the label until they pass.
- Labels are assigned specifically to an individual manufacturer and his individual product type(s).

CRI Indoor Air Quality Panel

To help us understand and meet the needs of consumers, the Carpet and Rug Institute (CRI) organized an indoor air quality panel made up of individuals from governmental agencies and consumer oriented groups. The Panel will also provide CRI with insight about the general structure and operation of the CRI Indoor Air Quality Program and keep us up to date on new developments.

CRI is consulting on a continuing basis with individuals of the following organizations:

Government

General Services Administration (Sharon Booker)
U.S. Consumer Product Safety Commission (Skip Schaeffer)
U.S. Environmental Protection Agency (Robert Axelrad, Gene Tucker)

Non-Government

American Federation of State, County and Municipal Employees (Katherine Cox)
American Lung Association (Marion Herz)
American Society of Interior Designers (Odette Lueck)
International Facility Management Association (Christine Neldon)
Research Triangle Institute (Dennis Naugle)

Note: These organizations have provided valuable input to CRI's Indoor Air Quality Carpet Testing Program; however, individual representation on the Panel does not necessarily constitute or imply official endorsement by the organization.

The Carpet and Rug Institute, P.O. Box 2048, Dalton, Georgia 30722 (706) 278-3176

Shaw Industries

300-400 audience

9:30 - 10:00 am arrival

Take in 10% of res. carpet business
Dalton - Carpet capital of World

* Capt ~~Miller~~ Rollins, Todd Callaway Ast to Mr. Rollins
Roland Albertson

POTUS intro:

On stage:

- A nonunion organization
- Happy relationship between
management & labor

Dave Anderson - Lead Advance

Bobby Carr - Press Lead

Info: annual report, company brochure

10 arrival

Remarks Toast Lecture

• NAFTA spot

• Q & A

5-10 mins of remarks

Possibly going to identify some carpet rolls as
"going to Mexico, Canada, etc."
to highlight NAFTA.

Chattanooga Airport Event - no remarks

Shaw Pride
People Reaching Individual Excellence

377-3917

226-9925

Highway south 41: Peacock
Alley:

CROWN Garden & Archives

706-278-0217 - Polly Boggess

Referred by B Deborn

MACON

~~David~~
~~278-0217~~

David Walters

OSTR

Tax of Stats + figures on
Carpet + textile industry
in Georgia - (Dallas)
speaking

Lawrence Dept.

US Festival

Outlook

Floor Covering with materials

James Bennett

Off. of textile + apparel

377-4058

Ben Bulka

Bill Bulka

Textile Trade Council

Daulton, GA

B/Q Fundraiser

x7121

Bill Thorne - Ga. GOP

~~404 365-7700~~

~~Financial Leadership
Group~~

GOP/Victory

Chmn: Jim Edentfield

Daulton Conv. Center

To Gary
Date 7/30 Time 3:37

WHILE YOU WERE OUT

M Rene
of Carl Rollins
Phone 706-275-1034

Area Code

Number

Extension

TELEPHONED	☒	PLEASE CALL	☐
CALLED TO SEE YOU	☐	WILL CALL AGAIN	☐
WANTS TO SEE YOU	☐	URGENT	☐

RETURNED YOUR CALL ☒

Message We have the approval
from Merchiel Foster
to proceed with the info.
Does he have all
the info?

Operator

CFZ



AMPAD
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23-023

CARBONLESS

To Gary
Date 7/31 Time 9:52

WHILE YOU WERE OUT

M Hopper
of Carpet & Rug Inst
Phone 202-429-6629

Area Code

Number

Extension

TELEPHONED	☒	PLEASE CALL	☒
CALLED TO SEE YOU	☐	WILL CALL AGAIN	☐
WANTS TO SEE YOU	☐	URGENT	☐

RETURNED YOUR CALL ☐

Message We are not large
import or export!
Open border, as long
as its open we will be
willing to trade with
Mexico

Operator

CFZ



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23-023

CARBONLESS

William J. Dulka, Director
Industry Assessment Division
Office of Textiles and Apparel
U.S. Department of Commerce
Room 3100, HCH Bldg
Washington, D.C. 20230
Telephone: (202) 377-4058

Kent Barker

To Gary

Date 7/31 Time 1:26

WHILE YOU WERE OUT

M Betty Hickman

of Carpet ~~Reps~~ & Rug Institute

Phone _____

Area Code

Number

Extension

TELEPHONED	☒	PLEASE CALL	☒
CALLED TO SEE YOU	☐	WILL CALL AGAIN	☐
WANTS TO SEE YOU	☐	URGENT	☐

RETURNED YOUR CALL ☒

Message _____

Operator

LEZ



AMPAD
EFFICIENCY®

23-023

CARBONLESS

To Garry

Date 7/31 Time 4:45

WHILE YOU WERE OUT

M Joyce Vanhorn

of National Labor Relations Board

Phone ~~NLRB~~ 254-9102

Area Code

Number

Extension

TELEPHONED	☒	PLEASE CALL	☒
CALLED TO SEE YOU	☐	WILL CALL AGAIN	☐
WANTS TO SEE YOU	☐	URGENT	☐

RETURNED YOUR CALL ☐

Message Yes they were

related Tenn

case withdrawn in

1987 & No Merit

Operator



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23-023

CARBONLESS

**Shaw Industries, Inc**

P.O. Box 2128

616 E. Walnut Ave

Dalton, GA 30722

U.S. OWNED
LAY OFFS: NO
N.L.R.B. STAFF
Public Comp
254-9100

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EEO AGAINST RELIGION

The Top Fifty '92

404-678-3176

The toughest year in over a decade challenged carpet and rug manufacturers to do it all — better

By JANET G. HERLIHY, Editor

The past year was a roller coaster ride for the carpet and rug industry, as the recession-that-wouldn't-go-away, seemed to lift, flirted with recovery for a time and then settled down again resulting in the worst year in over a decade. According to the *U.S. Industrial Outlook 1992*, carpet and rug shipments declined significantly in 1991 for the first time since the 1981-82 recession, falling about 3% in current dollars. Other industry sources think the final numbers will show a loss closer to 5%, with broadloom down to about \$6.9 billion in sales on shipments down 4.6% in square yards from 1990 to 1991.

The Commerce report points out that the carpet industry faces major problems well beyond the current recession. The aging of America—which some believe is good for the industry as more older consumers are likely to have more money to spend on carpet—is seen differently by this report. It speculates that it will be more difficult to convince older consumers to replace carpet. In addition the dropping birth rate of the late 1960s and early 1970s has reduced the number of first time house buyers. As a result, new home construction is not expected to rebound to mid-1980s levels even after the economy recovers from the recession.

A glut of office space in many U.S. cities will keep new commercial building flat for several years before demand catches up to supply. This is a particular problem as many residential mills had entered the commercial market in response to the commercial building boom of the 1980s.

On the bright side, the value of exports did increase in 1991 from \$538 million in 1990 to \$608 million and the value of imports declined from \$595 million in '90 to \$550 million in '91. The technical advances in the industry both in equipment and fiber have combined to produce high quality product at competitive world prices. Some industry experts believe exports will play an increasing role in the U.S. carpet industry. And as the consolidation, that has produced 45 mergers since 1986, continues to narrow the field of competitors, profit margins should improve for those who survive the cut.

Conditions were even tougher in Canada where production fell by 24.8% in 1991 to a total volume of 47.5 million square meters, compared with 63.2 million square meters in '90, which had also been a down year with production 27.9% less than 1989. The value of domestic shipments fell in '91 by 30.5% to \$413.8 million as opposed to \$595.8 million in '90.

Dumping charges by Canadian mills against U.S. manufacturers resulted in a new duty being imposed on U.S. imports for at least the next five years. The U.S. industry adamantly protested the charges to no avail, claiming that superior equipment and consolidations have made U.S. product more competitive. The duties, imposed on April 22 by Canada's Trade Tribunal, average 12% and will give the Canadian industry an edge of protection but also result in higher carpet prices for Canada's consumers.

Trends to Watch

The days of warehouses filled to the brim with miles of broadloom are coming to an end. According to Robert Shaw, president and CEO of Shaw Industries, "Cut order is now about 80-90% of the business. Color tile and Sears do 100% of their business cut order—0% inventory." Fast delivery services like those at Shaw and Milliken which provide almost immediate turnaround, will become more the standard.

More broadloom is being produced in narrow widths, especially in the commercial market, where 12% of all commercial styles are available in carpet tiles and narrow width rolls goods. Among commercial products, loop and cut pile are equally popular, each making up 47% of the segment with cut/uncut styles holding the remaining 6%.

In terms of fiber content, nylon and polypropylene are losing some share in the total number of styles, while blends are increasing. Almost 11% of running line styles are now blended fibers and blends account for 16% of new introductions. Nylon and polyester blends are the most popular in residential products.

In the residential market, solid color cut pile styles continue their dominance, but patterned and textured products are beginning to make progress. Many mills are at least exploring the possibility of more fashion conscious carpet as new intros at the first Dalton Floor Covering Market, Fall of 1991, showed more prints, graphics and novelties than ever. But the cost crunch is limiting many mills' ability to launch really innovative carpets—the cost to develop a new product ranges from \$250,000 to \$1 million—too high a price tag for such a gamble.

Fiber Producers Make News

The new performance fiber campaigns, Hoechst Celanese'

(Continued on page 77)

The Top Fifty '92 (Continued from page 10)

Performance and Du Pont's Stainmaster Xtra Life, were major news for carpet shoppers in 1991. Consumer advertising by these producers managed to generate some consumer interest and get shoppers into the stores.

Is That A Recovery?

The midwest seems to be leading the way in recovery in 1992. In a report by *Floor Covering Weekly*, April 13, Aladdin, Lees, Horizon, Peerless/Galaxy and World, all indicated that sales had improved and consumers were back in the stores in the nation's heartland by early spring.

There's further cause for optimism. Bob Shaw pointed out to *Carpet & Rug Industry*, that despite all the problems, "soft floorcovering is still the product of choice for the American consumer." Shaw's recipe for success is a proven but demanding one: the best technology for all aspects of business, from communications, to yarn extrusion and spinning, dyeing, tufting and finishing; cost control; strategic planning that charts new markets; and, according to Shaw, the most important factor, "slant everything to the consumer's needs and wants."

The Top Twenty-five '92 (Continued from page 49)

ized in making commercial carpets for most of those years. Today, J&J makes an extensive range of tufted broadloom and carpet tiles, primarily for the institutional and office markets. This family-owned firm is one of the biggest suppliers of carpets to the U.S. school market. It's also one of the most stable and highly regarded firms in the U.S. carpet industry.

J & J is integrated from yarn making to finishing. The firm has the capacity to make about 6 million pounds of its own polypropylene fiber annually. Unlike most mill extruders, J&J uses the output of that extrusion plant to

make products for the middle and upper ends of the market, so those products have not been subject to the fierce price competition of most mill extruded products.

Three years ago, J&J began exporting for the first time. The firm already markets some products to Canada and the Pacific Rim, and it plans to increase those efforts in the future.

In 1992 the firm instituted a customer response program for measuring customer satisfaction. J&J continued its emphasis on improvement in quality, productivity and new product creativity during a "tough year."

The Second Twenty-five '92 (Continued from page 62)

But when it came to marketing, it did anything but downsize. It introduced several new products and increased its sales representation. It now has 30 reps across the U.S. and is developing Asia as an export market.

The company also managed to invest in some new equipment this year, including a precision cut and loop machine and an enhanced loop graphics machine. The equipment additions will increase its capabilities for new looks in yarn dyes and textured looks, which will be its focus for 1992.

The Up-And-Comers

Moving up into the second 25 from last year's up-and-comers are: American Rug Craftsmen, Monterey and Venture Carpets. In no particular order, these mills had 1991 sales of between \$25 million and \$28 million:

- Pacific Crest Mills, Aliso Viejo, California
- Richmond Carpet Mills, Ringgold, Georgia
- U.S. Axminster, Greenville, Mississippi

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1

\$1,607.7 million

SHAW INDUSTRIES

P.O. Drawer 2128
Dalton, Georgia 30722-2128
Phone: (706) 278-3812; FAX (706) 275-1040

SALES: \$1,607.7 million for fiscal 1991 ended June 29
OFFICERS: Robert E. Shaw, president and CEO; William C. Lusk, Jr., senior vice president and CFO; W. Norris Little, senior vice president of operations; Vance D. Bell, vice president of marketing; Joseph M. DeVittorio, vice president of corporate planing; Randy Merritt, vice president of residential sales; and Jay Houston, vice president of contract sales



Robert E. Shaw

DIVISIONS:

Philadelphia Carpets, P.O. Drawer 212
Dalton, Georgia 30722-2128
(706) 278-3812

Cabin Crafts Carpets, P.O. Box 1208
Dalton, Georgia 30722-1208
(706) 278-3812

Officers: Don Whitfield, vice president of sales

Shaw Contract Division, P.O. Drawer 2128
Dalton, Georgia 30722-2128;
(706) 278-3812

ShawMark Carpets, P.O. Drawer 2128
Dalton, Georgia 30722-2128
(706) 278-3812

Evans-Black, P.O. Drawer 2128
Dalton, Georgia 30722-2128
(706) 278-3812

Shaw Industries is far and away the world's largest carpet manufacturer—in North America its closest competitor, Beaulieu of America is about one-third its size. In the world market, The Beaulieu Group is a closer second with approximately \$1.5 billion in sales. But with Shaw's latest acquisition of Salem, the company will widen its lead with estimated future sales in excess of \$2 billion.

Robert Shaw, president and CEO, estimates that the company owns 17% of all commercial and 33% of all residential broadloom sales in the North American market in a variety of price points that cover all segments.

In probably the biggest carpet news in the last 12 months, Shaw announced a merger on Feb. 10, with Salem, the fourth ranked U.S. producer. In a \$65 million transaction that no one in the industry saw coming, the acquisition gives Shaw between 30-33% of the domestic carpet market. Based on '91 figures, the merger should result in Shaw's annual sales volume rising to about \$2 billion and brings Shaw that much closer to its goal of 40% of the residential market by the end of the decade, even though the company will likely lose some of Salem's volume because the two product lines are so directly competitive. Shaw is expected to be occupied for awhile assimilating Salem and bringing its operation to the Shaw standard. Commenting on the Shaw merger in an interview with *Carpet & Rug Industry* in early May, Mr. Shaw said the acquisition was "part of a continuing process in a maturing industry." Noting that much was still undecided as the final vote of Salem stockholders had yet to take place, he said that Salem's product line fit well into Shaw's existing offerings. Portions of Salem would continue to operate separately while others would be consolidated with Shaw's operations, according to Mr. Shaw.

Floor Covering Compendium, a report by John A. Baugh, CFA, for Wheat First Securities, estimates an addition of \$375 million in revenues from Salem (or \$21 million less than Salem reported in the year just ended), in calculating an estimate of Shaw's 1993 revenue of \$2.3 billion. As the merger was scheduled to take place sometime in May, the impact on 1992 sales was judged negligible.

Not only does the acquisition eliminate a rival in the tough carpet competition and add market share, but with the Salem acquisition, Shaw will be able to specialize in different yarn and tufting facilities in any of its 45 locations. At the time of the merger, Salem was building a cut order distribution system that will no doubt become a valuable part of Shaw's Just-In-Time manufacturing and distribution system which can deliver cut order carpet to almost anywhere in North America within 24 hours. The added size and ability to influence materials costs will bring Shaw even closer to its other goal—to be the lowest cost producer.

Although Mr. Shaw declined comment, some industry experts predict that Shaw will close Salem's Winston-Salem offices and eliminate many of the personnel at that location. While there would be some cost involved in that action, savings would outweigh them quickly. It's estimated that \$8 million in overhead could be saved by this and other cost cutting actions. Shaw will also be able to reduce Salem's borrowing costs by lowering outstanding debt and borrowing at lower rates. Shaw isn't expected to close any of Salem's manufacturing facilities.

While the merger is another step in carpet consolidation and will probably alleviate pressure on some base-grade

'92 The Top Twenty-five

items, it is not expected to drive carpet prices up particularly as there is still ample supply in the industry.

While fiscal year 1991 resulted in record sales of \$1,608. million up 9% from 1990's \$1,475. million; the recession did impact Shaw as calendar year results show a sales reduction of 2.4% with sales of \$1,618.9 million compared to last year's \$1,658.7 million. Shaw states that it began '91 with 19% of the total market and finished with 24% of market share. The company announced a two-for-one split of its common stock in the form of a share-for-share stock dividend on Jan. 22, 1992, to be issued on March 9, 92.

Other news from Shaw shows an attention to cost control and simultaneous innovation that has already made the company the biggest and best in the world.

- The establishment of a distribution, display, design, research and development complex in Dalton in 1991 is a more efficient, "workable arrangement," for these various functions, according to Mr. Shaw.

- While Shaw is best known as a producer of mid-priced commercial and residential carpets, and as the leader in base grade carpets, the company is not ignoring high-end custom. In '92, ShawCustom, a part of ShawContract, published a 110-page catalog with nearly 300 designs of custom area rugs.

- The company also has a goal to expand Networx' (part of Shaw Contract) share of the tile market and to that end has updated its equipment. The Networx plant has the ability, Mr. Shaw stated, to manufacture \$50 million worth of tiles. For fiscal 1992, this segment is doing between \$25-30 million. Mr. Shaw explained that the goal for Networx is 40% of market share, but expects that goal to take more than the next three years to achieve. It will produce mid-upper end commercial tiles. While Shaw acknowledged a potential in residential demand for carpet tile, he noted that it would be in the Do-It-Yourself niche, be low end products and "doesn't fit Shaw's plan for the U.S. market."

John Reardon joined Networx this year as vice president of sales and marketing to help achieve its marketing goals. Previously, he was vice president and general manager of Burlington's modular division.

- Shaw has built its carpet empire on a firm foundation of leading technology. The company's extrusion plant is now operating at a capacity of 45-50 million pounds a year. Most of the production is polypropylene with a small amount of solution dyed filament nylon. Mr. Shaw emphasized that the company will continue its aggressive program of capital improvements.

- Mindful of the sales potential in Europe, in December 91, Shaw announced it would open a carpet distribution center in Preston, England, to be operational in early 92, to service the British Isles. Mr. Shaw commented that there's

opportunity in other areas, the Pacific Rim and the European Continent in particular. The potential in Eastern Europe is also great but will take more time to develop, he said. The industry in the U.S. has made more innovations than Europe in the last ten years and so is positioned to be competitive despite the transportation costs, Mr. Shaw stated. As to possible expansion through acquisitions overseas, he noted that the first step for U.S. mills is to establish credibility in a market that is very fragmented and diverse. In overseas markets as well as here at home, Mr. Shaw asserted that the most important thing for a manufacturer is to "slant everything to the consumer's needs, starting with affordability." He added that Shaw began a program for continuing excellence seven years ago which strives for constant improvement with the ultimate goal of 100% customer satisfaction.

2

\$600.0 million

THE BEAULIEU GROUP OF AMERICA

600 5th Avenue

Dalton, Georgia 30721-1539

Phone: (706) 278-6666; Fax: (706) 226-7069

SALES: \$600 million includes totals for all the firm's North American carpet companies: Beaulieu of America, Conquest Carpet Mills, Coronet Industries, (Interloom merged into Coronet in '91), and Murray Fabrics/Surfaces
OFFICERS: Carl M. Bouckaert, president

The Beaulieu Group is the world's second largest carpet manufacturer, with worldwide carpet sales of approximately \$1.50 billion, as well as one of the largest fiber producers. The firm entered the North American market in 1977,



Carl Bouckaert

when chairman Roger De Clerck sent his son-in-law, Carl Bouckaert and daughter Mieke, to Dalton, Georgia, to establish Beaulieu of America.

Beaulieu began to garner more attention in 1988, when it built the first independent nylon chip producing plant in the U.S. Also in '88, Carl Bouckaert and Mieke De Clerck Bouckaert formed a partnership with Ed Ralston and proceeded to buy Conquest Carpet Mills in '88, Interloom in '89 and Coronet in '90 and include these companies in the Beaulieu Group. Conquest quickly became a major user of Beaulieu's growing solution dyed nylon and polypropylene

Carpet and Rugs



U.S. Department of Commerce
Economics and Statistics Administration
BUREAU OF THE CENSUS

1991

MA22Q(91)-1
Issued July 1992

SUMMARY OF FINDINGS

Total value of shipments of carpet and rugs decreased 6.9 percent in 1991 to \$7,937.1 million from \$8,527.1 million in 1990. Quantity of shipments decreased 7.7

percent in 1991 to 1,255.9 million square yards from 1,360.0 million square yards in 1990. The average unit price for total carpeting increased from \$6.27 to \$6.32.

A description of the survey methodology and related information appears on page 4.

Table 1. SHIPMENTS OF CARPET AND RUGS: 1981 TO 1991

(Millions of dollars)

Year	Rugs, carpet and carpeting	Woven carpet and rugs	Tufted carpet and rugs	Other carpet and rugs
1991.....	7,937.1	277.0	7,422.8	237.3
1990.....	8,527.1	293.2	7,977.5	256.4
1989.....	8,431.1	299.0	7,932.8	199.3
1988.....	8,417.3	286.3	7,891.3	239.7
1987.....	7,929.1	266.3	7,415.4	247.4
1986.....	7,311.6	240.2	6,890.0	181.4
1985.....	6,605.7	227.8	6,224.7	153.2
1984.....	6,461.5	215.6	6,088.2	157.7
1983.....	6,045.3	219.7	5,656.8	168.8
1982.....	4,960.8	194.7	4,621.1	145.0
1981.....	5,250.4	178.6	4,956.5	115.4

Note: Detail may not add to total due to independent rounding.

Table 2. SHIPMENTS OF CARPET AND RUGS: 1991 AND 1990

(Quantity in thousands of square yards; value in thousands of dollars)

Product code	Product description	1991		1990	
		Quantity	Value	Quantity	Value
	Total	1,255,876	7,937,057	1,360,043	8,527,153
22731 00	Woven carpet and rugs	20,615	276,961	23,257	293,202
	Tufted carpet and rugs	1,180,538	7,422,817	1,267,293	7,977,516
	By type:				
22732 01	Scatter rugs, bathmats, and sets (rugs 6' x 9' and smaller)	61,921	415,495	76,702	436,708
22732 03	Roll goods and rugs larger than 6' x 9', excluding artificial grass	1,042,941	6,569,616	1,104,950	7,057,263
22732 05	Tufted artificial grass for nonathletic surface	18,210	40,318	21,104	51,692
22732 07	Automobile and aircraft carpeting	57,466	397,388	64,537	431,853
	By fiber of face yarn:				
22732 11	Nylon	873,945	5,887,814	962,240	6,507,968
22732 13	Polyester	127,094	570,673	132,067	594,112
22732 19	All other	179,499	964,330	172,986	875,436
	Fiber n.s.k.	-	-	-	-
	Other carpet and rugs	54,723	237,279	69,493	256,435
22733 10	Knitted	(D)	(D)	(D)	(D)
22733 20	Needle punched	44,901	123,091	55,865	142,164
22733 30	Felt	(D)	(D)	(D)	(D)
22733 90	Braided, hooked, and other carpet and rugs n.e.c.	7,078	76,752	10,755	75,039

- Represents zero. (D) Data withheld to avoid disclosing figures for individual companies. N.e.c. Not elsewhere classified. N.s.k. Not specified by kind. ¹Revised by 5 percent or more from previously published figures.

Table 3. SHIPMENTS, EXPORTS, IMPORTS, AND APPARENT CONSUMPTION OF CARPET AND RUGS: 1991 AND 1990

(Quantity in millions of square meters; value and calculated import duty in millions of dollars)

Product code	Product description	Manufacturers' shipments		Exports of domestic merchandise ¹		Percent exports to manufacturers' shipments		Imports for consumption ²		Apparent consumption ⁴		Percent imports to apparent consumption	
		Quantity	Value	Quantity	Value at port	Quantity	Value	Quantity	Value ³	Quantity	Value	Quantity	Value
	1991												
	Carpet and rugs	1,050.0	7,937.1	103.7	697.7	9.9	8.8	48.5	656.7	994.8	7,896.1	4.9	8.3
22731	Woven carpet and rugs ..	17.3	277.0	4.2	48.7	24.3	17.6	30.1	224.9	43.2	453.2	69.7	49.6
22732	Tufted carpet and rugs ..	987.0	7,422.8	89.5	558.7	9.1	7.5	10.9	119.2	908.4	6,983.3	1.2	1.7
22733	Other carpet and rugs ...	45.7	237.3	10.0	90.3	21.9	38.1	7.5	312.6	43.2	459.6	17.4	68.0
	1990												
	Carpet and rugs	1,137.2	8,527.1	71.9	451.6	6.3	5.3	101.2	668.6	1,166.5	8,744.1	8.7	7.6
22731	Woven carpet and rugs ..	19.5	293.2	4.2	35.7	21.5	12.2	29.3	245.0	44.6	502.5	65.7	48.8
22732	Tufted carpet and rugs ..	1,059.6	7,977.5	58.5	336.7	5.5	4.2	10.9	121.3	1,012.0	7,762.1	1.1	1.6
22733	Other carpet and rugs ...	58.1	256.4	9.2	79.2	15.8	30.9	61.0	302.3	109.9	479.5	55.5	63.0

Note: For comparison of SIC-based codes with Schedule B export numbers and HTSUSA import numbers, see table 4.

¹Source: Bureau of the Census report EM 545, *U.S. Exports*.²Source: Bureau of the Census report IM 145, *U.S. Imports for Consumption*.³This dollar value represents the c.i.f. (cost, insurance, and freight) value at the first port of entry in the United States plus U.S. import duties.⁴Apparent consumption is derived by subtracting exports from the total manufacturers' shipments plus imports.

Table 4. COMPARISON OF STANDARD INDUSTRIAL CLASSIFICATION-BASED PRODUCT CODES WITH SCHEDULE B EXPORT NUMBERS, AND HTSUSA IMPORT NUMBERS: 1991

Product code	Product description	Export number ¹	Import number ²
22731 00	Woven carpet and rugs	5702.10.0000 5702.20.0000 5702.31.0000 5702.32.0000 5702.39.0000 5702.41.0000 5702.42.0000 5702.49.0000 5702.51.0000 5702.52.0000 5702.59.0000 5702.91.0000 5702.92.0000 5702.99.0000	5702.10.1000 5702.10.9010 5702.10.9020 5702.10.9030 5702.10.9090 5702.20.1000 5702.20.2000 5702.31.1000 5702.31.2000 5702.32.1000 5702.32.2000 5702.39.1000 5702.39.2010 5702.39.2090 5702.41.1000 5702.41.2000 5702.42.1000 5702.42.2010 5702.42.2090 5702.49.1010 5702.49.1090 5702.49.1500 5702.49.2000 5702.51.2000 5702.51.4000 5702.52.0000 5702.59.1000 5702.59.2000 5702.91.2000 5702.91.3000 5702.91.4000 5702.92.0010 5702.92.0090 5702.99.1010 5702.99.1090 5702.99.2000
22732 11	Tufted carpet and rugs, by fiber: Nylon	5703.20.0000	5703.20.1000 5703.20.2010 5703.20.2090
22732 13 22732 19	Polyester All other	5703.10.0000 5703.30.0000 5703.90.0000	5703.10.0000 5703.30.0010 5703.30.0090 5703.90.0000
22733 10 22733 20 22733 90	Other carpet and rugs: Knitted Needle punched Braided, hooked, and other carpet and rugs n.e.c.	5701.10.0000 5701.90.0000 5705.00.0000	5701.10.1300 5701.10.1600 5701.10.2010 5701.10.2090 5701.90.1010 5701.90.1020 5701.90.1030 5701.90.1090 5701.90.2010 5701.90.2020 5701.90.2030 5701.90.2090 5705.00.1000 5705.00.2010 5705.00.2020 5705.00.2030 5705.00.2090
22733 30	Felt	5704.10.0000 5704.90.0000	5704.10.0000 5704.90.0000

N.e.c. Not elsewhere classified.

¹Source: 1991 edition, *Harmonized System-Based Schedule B, Statistical Classification of Domestic and Foreign Commodities Exported from the United States*.

²Source: *Harmonized Tariff Schedule of the United States, Annotated* (1991).

DESCRIPTION OF SURVEY

Scope of Survey. This survey covers all companies manufacturing carpet and rugs in the United States, except very small companies (generally less than 5 employees), for which 1987 Census of Manufactures data were derived from administrative records of other Government agencies.

Survey Methodology. The statistics in this publication were collected by mail on Bureau of the Census annual Form MA22Q, Carpet and Rugs. The survey panel includes all known manufacturers of carpet and rugs (except those very small firms excluded from the scope of the survey). Approximately 200 companies are included.

Reliability of Data. Survey error may result from several sources: (1) inability to obtain information about all cases in the survey; (2) response errors; (3) definitional difficulties; (4) differences in the interpretation of questions; (5) mistakes in recording or coding the data obtained; and (6) other errors of collection, response, coverage, and estimation for missing data. These nonsampling errors also occur in complete censuses. Although no direct measurement of the biases due to nonsampling errors has been obtained, precautionary steps were taken in all phases of the collection, processing, and tabulation of the data in an effort to minimize their influence.

A major source of bias in the published estimates is due to imputing data for nonrespondents, for late reporters, and for data which failed the edit. Missing figures are imputed based on yearly movements shown by reporting firms. Imputation generally is limited to a maximum of 10 percent for any one data cell. Figures with imputation rates greater than 10 percent are footnoted.

The imputation rate is not an explicit indicator of the potential error in published figures due to nonresponse, because the actual yearly movements for nonrespondents may or may not closely agree with the imputed movements. The range of difference between the actual and imputed figures is not precisely known, but is assumed to be small. The degree of uncertainty regarding the accuracy of the published data, however, increases as the percentage of imputation increases. Figures with imputation rates above 10 percent should be used with caution.

Revisions to Previous Period Data. Statistics for previous years may be revised as the result of corrected data from respondents, including the receipt of late reports for which imputations were made as described above. Figures which have been revised by more than 5 percent from previously published figures are indicated by footnotes.

Adjustment for Price Change. All dollar figures included in this publication are in current dollars; i.e., they have not been adjusted for price change.

EXPLANATION OF TERMS

Quantity and Value of Shipments. The figures on quantity and value of shipments represent physical shipments of all products sold, transferred to other establishments of the same company, or shipped on consignment, whether for domestic or export sale. The value represents the net sales price, f.o.b. plant, to the customer or branch to which the products are shipped, net of discounts, allowances, freight charges, and returns. Shipments to a company's own branches are assigned the same value as comparable sales to unaffiliated customers; i.e., the value includes an appropriate allocation of company overhead and profit. Products bought and resold without further manufacture are excluded.

COMPARISON OF EXPORT, IMPORT, AND DOMESTIC OUTPUT DATA

The trade comparisons shown in this report should be considered only as approximations. Several problems prevent precise comparisons among imports, exports, and domestic output. These problems include the following:

- Export and import comparisons do not account for the origin of materials used to manufacture the finished product. Domestic output includes any goods that undergo substantial transformation into a finished product in the U.S., even if the goods are partially constructed abroad or are constructed of imported materials.
- There will be a lag between the time a producer makes or ships a product and the time it is actually exported. Similarly, there may be a lag between the time a product is imported and when it enters into U.S. distribution channels.
- The basic structure of these classification systems differ. The Standard Industrial Classification (SIC) system used for domestic output was developed independently of the Harmonized System (HS) used to classify imports and exports. The level of detail provided by the different systems varies substantially, reflecting their different objectives. For example, there are a number of imported commodities that have no comparable domestic output classification.
- Because producers' shipments of some commodities may be used as materials for incorporation into other commodities, combinations of domestic output data for such commodities may contain some duplication.
- Import and export data reflect the movement of merchandise into and out of U.S. foreign trade zones, the U.S. Virgin Islands, and the U.S. customs territory of

the 50 States, the District of Columbia, and Puerto Rico. Domestic output reflects activity in the 50 States and, only if specified, in Puerto Rico.

- Import and export data generally do not distinguish between new, used or rebuilt commodities.
- The valuations of the three data sets differ. Domestic output is valued at the point of production. It includes the net sales price, f.o.b. plant, after discounts and allowances, and excludes freight charges and excise taxes. Exports are valued at the point of exportation. They include the net sales price or value, and inland freight, insurance and other charges to the export point. Imports are valued at the first port of entry in the United States. They include the cost, insurance, freight, duty, and other charges to the import point.
- Detailed commodity information is not included for individual export or import shipments at or below a certain dollar limit. This dollar limit is \$2,500 for exports and \$1,250 for imports, except for import of textiles and textile products, gloves, footwear, and miscellaneous rubber and plastics products, where the limit is \$250.

HISTORICAL NOTES

Data on carpets and rugs have been collected by the Bureau of the Census since 1968. Historical data may be obtained from Current Industrial Reports available at your local Federal Depository Library. A list of these libraries may be obtained from the Bureau of the Census regional offices:

Office	Telephone
Atlanta, Georgia	404-347-2274
Boston, Massachusetts	617-565-7078
Charlotte, North Carolina	704-371-6144
Chicago, Illinois	312-353-0980
Dallas, Texas	214-767-7105
Denver, Colorado	303-969-6750
Detroit, Michigan	313-354-4654
Kansas City, Kansas	816-891-7562
Van Nuys, California	818-904-6339
New York, New York	212-264-4730
Philadelphia, Pennsylvania	215-597-8313
Seattle, Washington	206-728-5314

Historical data are also available on microfiche. For further information contact the Bureau of the Census, Data User Services Division, (301) 763-4100.

RELATED REPORTS

The Bureau of the Census also publishes the following related reports:

Series	Frequency	Title
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Current Industrial Reports

M22P	Monthly	<i>Consumption on the Cotton System</i>
MQ22D	Quarterly	<i>Consumption on the Woolen System and Worsted Comb-ing</i>
MQ22T	Quarterly	<i>Broadwoven Fabrics (Gray)</i>
MQ23X	Quarterly	<i>Sheets, Pillowcases, and Towels</i>
MA22F.1	Annually	<i>Textured Yarn Production</i>
MA22F.2	Annually	<i>Spun Yarn Production</i>
MA22K	Annually	<i>Knit Fabric Production</i>

Other Industry Reports

M3-1	Monthly	<i>Manufacturers' Shipments, Inventories, and Orders</i>
(AS)	Annually	<i>Annual Survey of Manufactures (ASM)</i>
(MC)	Quin-quennially	<i>Census of Manufactures</i>

Foreign Trade Reports

CD-ROM	Monthly/Annually	<i>U.S. Exports—Schedule B—Commodity by Country</i>
FT 447	Annually	
CD-ROM	Monthly/Annually	<i>U.S. Imports for Consumption—HTSUSA—Commodity by Country</i>
FT 247	Annually	

CONTACTS FOR DATA USERS

Subject Area	Contact	Phone Number
Current Industrial Reports MA22Q	Karen Harshbarger	301-763-4476
Manufacturers' Shipments, Inventories, and Orders	Steve Andrews	301-763-2502
Classification Systems Comparability	Francis McCormick (ESD)	301-763-1935
Census/ASM	Ted McGrath	301-763-5152

Subject Area	Contact	Phone Number
Foreign Trade	Trade Data Inquiries Staff (FTD)	301-763-5140
To order a Current Industrial Report	Superintendent of Documents (GPO)	202-783-3238
To subscribe to a Census Bureau publication	Superintendent of Documents (GPO)	202-512-2303

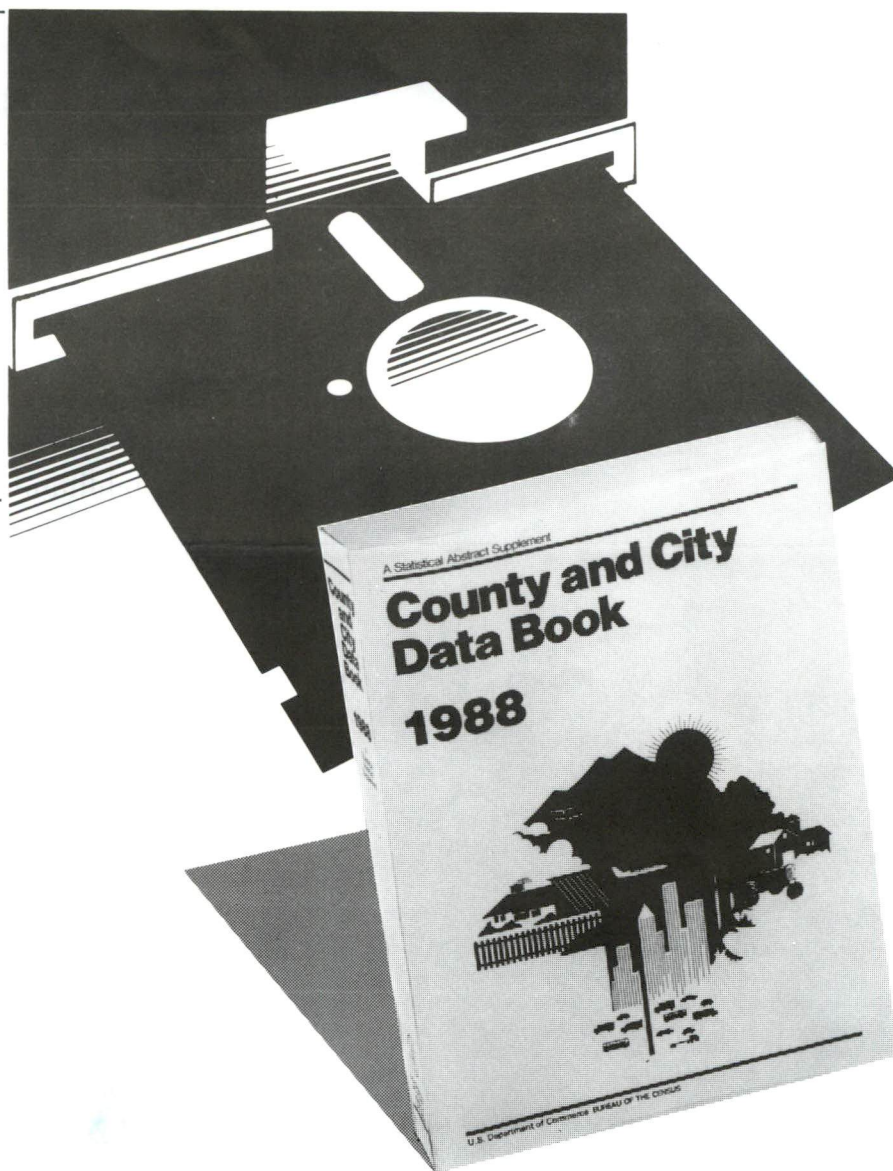
ACKNOWLEDGMENTS

This report was prepared in the Industry Division, Bureau of the Census, under the direction of Robert Reinard, Chief, Textile and Apparel Section. Karen Harshbarger was directly responsible for the review and preparation of this report. Gaylord Worden, Chief, of the Division, and Robert N. Tinari, Assistant Chief for Current Industrial Reports, provided overall direction and coordination to this project.

The County and City Data Book is also available on diskette

Diskette files are suitable for input to leading spreadsheet, data base, and mapping programs.

Data files are recorded in ASCII with comma delimited fields. Discs are 5.25 inch formatted for IBM compatible microcomputers. All orders include: a free utility program and documentation for the data files and for the program.



For further technical information call:
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total tufted carpet manufactured worldwide," says Bernhard ten Hoevel, president of Intercontuft. Belgium remains a distant but growing second. Japan, Germany and the United Kingdom complete the top five nations producing tufted carpet, but to a much smaller degree, he explains.

Twenty-two of the World's 50 Largest Carpet Producers are based in the United States.

Not only does the U.S. lead the world in the production of tufted carpet, it also consumes the most tufted carpet, with Germany, the U.K., Japan and Canada following in that order.

Ten Hoevel notes that despite Belgium's being second in pro-

spread among 20 countries on six continents. In the World's 50 Largest Carpet Producers shown at right, 14 different countries are represented — also representing six continents.

U.S. Overview

Carpet Management estimates that while 1990 square yard shipments increased by 2.3 percent over those of the previous year, 1991 total U.S. industry shipments declined by an estimated 5.5 percent.

"Dollar volume declined last year by an even greater amount — 9 percent — reflecting the severe price cutting to achieve volume in a very soft market," according to *Carpet Management*.

ESTIMATED SALES OF THE 30 LARGEST U.S. CARPET MANUFACTURERS^(A)

LAST FIVE CALENDAR YEARS — IN MILLIONS OF DOLLARS

	1991	1990	1989	1988	1987
1 Shaw Industries	\$1,693	\$1,659	\$1,275	\$1,120	\$753
2 Beaulieu Group USA ^(B)	620	580	—	—	—
3 Interface/Heuga ^(C)	460	490	475	300	182
4 Salem/Howard ^(D)	396	442	455	403	359
5 Burlington Industries ^(E)	380	455	530	450	655
6 Aladdin Mills ^(F)	341	317	235	160	125
7 Queen Patcraft ^(G)	330	340	300	270	250
8 Horizon Industries	296	301	302	288	255
9 Milliken	295	285	280	235	215
10 Karastan/Bigelow ^(H)	280	340	348	396	427
11 Mohawk Industries ^(I)	279	288	266	279	282
12 Diamond Rugs & Carpet	245	233	220	210	205
13 JPS Textiles ^(J)	245	270	270	278	256
14 World Carpet	240	270	265	270	300
15 Collins & Aikman ^(K)	210	235	240	242	245
16 Columbus Mills	150	160	165	165	160
17 Tuftex Carpet Mills	150	170	170	175	160
18 Masland Industries	150	160	160	145	130
19 Mannington Carpets	145	130	130	115	105
20 Bentley Mills	125	130	135	125	110
21 Carriage Industries	107	111	95	86	83
22 Springs Industries ^(L)	100	40	—	—	—
23 J & J Industries	92	95	93	90	87
24 Marglen Industries	90	100	112	110	110
25 Image Carpets	83	85	88	90	85
26 Royalty Carpet Mills	78	80	85	70	65
27 Hollytex ^(M)	75	85	115	110	105
28 Sunrise Carpet	75	68	67	65	65
29 Masland Carpets	70	70	70	67	65
30 WundaWeve	62	70	75	75	75

- (A) All carpets and rugs (including broadloom, room size rugs, small rugs, auto carpet, etc.) for both domestic and foreign operations
- (B) For 1991 the Beaulieu Group includes: Beaulieu Carpets, Conquest, Interloom, Coronet and Rainbow Rugs
- (C) Excluding Guilford of Maine and Chemical Cos. but including Heuga acquired Sept. 1988
- (D) Howard acquired mid-1989
- (E) Includes broadloom, small rugs and foreign operations — also Masland 1987
- (F) Broadloom and small rugs
- (G) Patcraft acquired mid-1990
- (H) Bigelow acquired by Karastan/Fieldcrest Dec. 1986. Includes Fieldcrest small rugs.
- (I) Including Axminster operations 1987
- (J) Broadloom and auto carpet
- (K) Broadloom and auto carpet
- (L) Reflects acquisition of C.S. Brook Rug Operations in 1991
- (M) Including Peeters/Canada prior to 1991

Source: Carpet Management

Carpet Makers Dominate International Market

duction, it is 12th in consumption, reflecting the huge portion of its output which is exported.

In *Carpet Management's* annual tabulation of the world's 100 largest carpet and rug manufacturers — 50 of which are listed on this page — published in its January/February issue and updated in May 1992, there is evidence that carpet is indeed a global industry.

Ten Hoevel says ownership of the 100 top carpet producers is spread among 20 countries on six continents. In the World's 50 Largest Carpet Producers shown at right, 14 different countries are represented — also representing six continents.

U.S. Overview

Carpet Management estimates that while 1990 square yard shipments increased by 2.3 percent over those of the previous year, 1991 total U.S. industry shipments declined by an estimated 5.5 percent.

"Dollar volume declined last year by an even greater amount — 9 percent — reflecting the severe price cutting to achieve volume in a very soft market," according to *Carpet Management*.

Broadloom shipments shrunk in similar fashion — with an erosion in average price per square yard to an estimated \$6.22.

Ten Hoevel notes that consolidation of the industry continues. Shaw Industries completed its acquisition of Salem Carpet earlier this year. The transaction places Shaw well over the \$2 billion level in volume — as the world's largest carpet producer. Ten Hoevel anticipates this acquisition will help stabilize pricing in the industry as both Shaw and Salem have been highly competitive in the lower end of the market.

In fiber, Shaw's signing a letter of intent to acquire certain polypropylene assets of Amoco Fabrics and Fibers adds to the consolidation in the U.S.

Du Pont's intention to acquire ICI's nylon business for approximately \$430 million, if approved, will give Du Pont 50 percent of the European carpet fiber market and will further solidify its position as the world's largest nylon producer. Du Pont, says ten Hoevel, anticipates increasing its profit from nylon as a direct result of this acquisition.

Financial restructuring of the U.S. industry has also been accomplished. *Carpet Management* cites Burlington Industries' and Mohawk Carpets' going public. "In each case, to reduce debt and improve profitability," the newsletter reports. In addition, Mohawk states the added equity will place it in a better position to consider acquisitions.

Canada And Beyond

Peerless continues to dominate the Canadian carpet industry, ten Hoevel says, although the merger of Soreltex, Cumberland and Harding place that organization in a solid second place. With the demise of Tecsyn/Ozite and Peeters, Venture Carpet moved into the top five — which in turn constitutes much of the volume in Canada.

The Belgium-based Beaulieu Group of companies in Western Europe continues to be, by far, the largest carpet producer in that area, according to ten Hoevel.

Major growth in sales has been achieved by various Belgian manufacturers such as Associated

THE WORLD'S 50 LARGEST CARPET PRODUCERS^(A) — 1991-1990

Country of Ownership in Parenthesis

Sales In Millions of U.S. Dollars
1991 1990

1. Shaw Industries (U.S.A.)	\$1693	\$1659
2. Beaulieu Group — Worldwide (Belgium)	1690	1445
3. Interface/Heuga — Worldwide (U.S.A.)	460	490
4. Salem/Howard (U.S.A.)	396	442
5. Burlington US/Mexico (U.S.A.)	380	455
6. Peerless/Galaxy — Canada/U.S.A./Ireland (Canada)	360	410
7. DePoortere — Belgium/France/Italy (Belgium)	347	384
8. Balta/ITC Group — Belgium/U.S.A. (Belgium)	346	335
9. Aladdin (U.S.A.)	341	317
10. Sommer/Besmer — France/Germany (France)	335	367
11. Queen/Patcraft (U.S.A.)	330	340
12. Suminoe (Japan)	308	276
13. Horizon Industries (U.S.A.)	296	301
14. Milliken Worldwide (U.S.A.)	295	285
15. Karastan/Bigelow/Fieldcrest (U.S.A.)	280	340
16. Mohawk Carpet (U.S.A.)	279	288
17. Associated Weavers/Prado (Belgium)	278	265
18. Desso (Netherlands)	246	173
19. Diamond (U.S.A.)	245	233
20. JPS Textiles (U.S.A.)	245	270
21. World Carpets (U.S.A.)	240	270
22. Dura (Germany)	224	219
23. Forbo — Europe (Switzerland)	223	236
24. Collins & Alkman (U.S.A.)	210	235
25. Toli (Japan)	200	190
26. C.V. Carpets (United Kingdom)	193	211
27. Oriental Weavers (Egypt)	172	168
28. DLW (Germany)	169	158
29. Radici/Sit-In/Westfalia — Italy/Germany (Italy)	168	181
30. Saudi Carpets (Saudi Arabia)	165	125
31. Readicut Carpets — U.K./Netherlands (U.K.)	159	153
32. Columbus Mills (U.S.A.)	150	160
33. Tufftex (U.S.A.)	150	170
34. Masland Industries (U.S.A.)	150	160
35. Mannington (U.S.A.)	145	130
36. Vorwerk (Germany)	142	139
37. Soreltex/Cumberland/Harding (Canada/U.S.A.)	142	94
38. Ege/Gram/Scantuft (Denmark)	132	141
39. Brintons (United Kingdom)	125	155
40. Bentley Mills (U.S.A.)	125	130
41. Wako Group (Japan)	123	120
42. Kosset Carpets (United Kingdom)	122	102
43. Betap (Netherlands)	118	119
44. Lano (Belgium)	113	103
45. Carriage Industries (U.S.A.)	107	111
46. Tarkett/Pegulan — (Germany/Sweden)	103	107
47. Norddeutsche Teppich (Germany)	103	104
48. Lamont Carpets (United Kingdom)	100	106
49. Springs Industries (U.S.A.)	100	40
50. Kraus Carpet (Canada)	106	102

(A) Textile floorcoverings including rugs and automobile carpets. Excluding fiber and yarn, hard surface flooring and other non-carpet products.

(B) On Feb. 10, 1992, Shaw Industries announced it was acquiring Salem/Howard.

(*) Estimates by Carpet Management/Intercontuft. Other data from mills.

SALES OF THE 30 LARGEST CARPET MANUFACTURERS^(A)

CALENDAR YEARS — IN MILLIONS OF DOLLARS

	1991	1990	1989	1988	1987
1. Shaw Industries	\$1,693	\$1,659	\$1,275	\$1,120	\$753
2. Beaulieu Group	620	580	—	—	—
3. Interface/Heuga	460	490	475	300	182
4. Salem/Howard	396	442	455	403	359
5. Burlington US/Mexico	380	455	530	450	655
6. Peerless/Galaxy	341	317	235	160	125
7. DePoortere	330	340	300	270	250
8. Balta/ITC Group	296	301	302	288	255
9. Aladdin	295	285	280	235	215
10. Sommer/Besmer	280	340	348	396	427
11. Queen/Patcraft	279	288	266	279	282
12. Suminoe	245	233	220	210	205
13. Horizon Industries	245	270	270	278	256
14. Milliken Worldwide	240	270	265	270	300
15. Karastan/Bigelow/Fieldcrest	210	235	240	242	245
16. Mohawk Carpet	150	160	165	165	160
17. Associated Weavers/Prado	150	170	170	175	160
18. Desso	150	160	160	145	130
19. Diamond	145	130	130	115	105
20. JPS Textiles	125	130	135	125	110
21. World Carpets	107	111	95	86	83

RECENT TEXTILE AND APPAREL INDICATORS INDUSTRY HIGHLIGHTS

	1991	1992	1991/92 YTD Change
TEXTILES (SIC 22)			
Employment (000's)	666.6	677.4	1.6
Rate of Unemployment (%)	665.12	676.76	-1.8%
	7.87.6	7.27.0	--
Industrial Production Index (1987=100)	95.2	105.2	8.5
Capacity Utilization Rate (%)	81.2	88.1	10.0%
Textile Mill Shipments (\$mil.)	19,784	22,684	12.6
	26,571	29,934	14.7%
Profits (\$mil.)	-32	294	197
Imports of Fabrics, Yarns and Made-up Articles (MSME) 1/	1,495	1,818	21.6%
	2,519	3,014	

APPAREL (SIC 23)			
Employment (000's)	999.0	1,021.5	2.2
Rate of Unemployment (%)	996.5	1,020.4	2.4%
	10.0	11.2	--
Industrial Production Index (1987=100)	92.9	97.4	4.5
Capacity Utilization Rate (%)	71.9	74.5	4.8%
Personal Consumption Expenditures, Clothing, seasonally adjusted annual rate (\$bil.)	174.4	182.4	4.6%
Imports of Apparel Products (MSME) 1/	2,337	2,758	18.0
	1,488	1,763	18.5%

FIBERS (SIC 2823, 2824)			
Employment 2/	63.6	60.9	-4.0
Shipments (mil. lbs.)	3,459.4	3,014.2	-11.8%
	2,696.5	3,774.2	9.1
Industrial Production Index (1987=100)	86.2	90.5	4.3
Capacity Utilization Rate (%)	76.3	80.2	5.0%
	77.7	81.1	--

1/ These data are not SIC based. MSME=million square meter equivalent.

2/ Employment data is for SIC 2824, noncellulosic fibers; data for SIC 2823, cellulosic fibers, is not published.

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about
April '90

Alternative school for dropouts pushed

By Valerie Hoffman
G-N staff writer

The group planning a home for troubled girls in Whitfield County is now planning an alternative school for the growing number of dropouts.

In the second meeting since its inception, the Juvenile Justice Planning Committee, gathered Monday to "get the ball rolling" for a school in Whitfield County which would offer an alternative to youth in Whitfield and Murray counties who drop out of school for what ever reason.

"The reasons I hear most often are things like, they want to get a job, or they need money, or they don't get along well with the teachers ... and then too, pregnancy is another major reason," said committee member Reggie Mullinax. Mullinax is employed as the Job Training Services Manager with the Regional Development Center.

"The reasons are usually in three categories," said Carol Braden, also a committee member and Director of the North Georgia Infant Pre-school Council and Teen Able.

"It falls into economic, structure and family problems," Braden said.

The alternative school is one of four goals the Juvenile Justice Planning Committee hopes to

achieve through 1990 and beyond.

Representatives from both Whitfield County and Dalton Public Schools have recently discussed the creation of an alternative school and its construction within the next two years.

Other goals include the girls home, which is being implemented under the direction of Vivian Panky, Bruce Kennemer, Lillian Miller and Marty Rodstein.

Also planned after the alternative school is under way, are a program for latch-key kids and supportive living accommodations for children in need of long-term care and special supervision.

The alternative school, which is still tentative, said Miller, will offer reactive supports for teenagers thinking about leaving school.

"The community, schools, juvenile courts, personnel, businesses and students will benefit through this school," Miller said.

The committee hopes to decrease, through the school, the dropout rate, produce a higher rate of skilled labor force and more productive, less dependent citizens.

Studies show the dropout rate in Whitfield County is about 48 percent and 38 percent in Dalton.

(Please see SCHOOLS, page 3A)

Information provided by
the Whitfield County Schools
Office of Public Information
Pat Holladay, P.O. Officer

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GENERAL SERVICES ADMINISTRATION

Page 2

School

(Continued from page 1A)

Objectives include establishing places where teens can go to school and work at the same time; establishing a place where those with behavior or discipline problems can attend school and receive intensive assistance.

Instead, explained Miller, the kids should have a secure facility where they can serve out their suspension.

"I think the business leaders of the community will support this alternative school," said Mary Theima Norris, committee member and director the day care program at Friendship House.

"After all they want labor but I think they want educated labor," Norris pointed out.

The alternative school, Miller said, should be a collective effort between the county and city school system, adding that the council will contact more than 28 representatives of both school systems asking for their assistance.

"The high dropout rate is given so much attention yet nothing is really being done about it," Miller said.

Among the concerns for the alternative school are money, a location and the commitment needed to maintain the project, Miller said.

The focus of the school would be to provide flexible hours to teenagers who may have children and jobs. The program is tentatively planned to reach teens in the 11th and 12th grades.

However, Braden and Miller said they feel the program should reach youth beginning in the ninth grade.

The school wouldn't have band or cheerleading. Rather it would have a strong vocational component, Miller said.

"If we can get a director to coordinate the school, a paid person, then we could have this school going in a year," said Henry Cooper, director of pupil services with the Whitfield County School system.

Miller added that the funds could come from the city and county government.

School officials have stated that their program would allow flexible school hours and classes 12 months a year.

A possible site for the school is the older Eastside Elementary School that will be abandoned when the school is remodeled.

If a building is available an alternative school would cost about \$100,000 to begin.

Information Provided By
the Whitfield County
Office of Public Information

County BOE OKs alternative school plan

By Stacy Shelton
CNS Staff Writer

The Whitfield County Board of Education supports a recommendation by superintendent Terry Cullifer "that some very significant and important steps be taken -- the development of an alternate school."

As part of a plan proposed in March by an internal organization committee, evening classes at the alternative school could be a reality as early as this fall, Cullifer said.

The committee's plan passed by a 4-1 vote during a called meeting of the school board this week.

Board member Terry Ross cast the dissenting vote, but his concern did not deal with the alternative school proposal but rather with a

different portion of the plan that deals with staffing at the central level.

Before the vote, Ross expressed his support of an alternative school program.

After the meeting, Cullifer said the starting date for classes is contingent on state approval, as well as negotiating joint funding and operation procedures with Dalton Public Schools and possibly with Murray County Schools.

He said Dalton College has expressed a willingness to provide space for the school.

As far as working out a joint arrangement with Dalton Schools, Cullifer said, "I feel more comfortable going to (Dalton school superintendent Frank Thomason) and saying our board is now officially on record as supporting

the alternate school.

Murray County superintendent Doug Griffin has also indicated he supports the concept.

The idea behind an alternative school program is to allow more flexibility for those students who want or need to work.

Evening hours and the choice of taking as many or as few classes as desired will meet the needs of a lot of people, Cullifer said.

Proponents of the program view it as an answer to the dropout problem.

The alternative school program is different from adult education classes because graduates of the alternate school will not take a General Educational Development (GED) exam, but will receive the same diploma as students who attend any other high school, Cullifer said.

Information Provided By
The Whitfield County Schools
Office of Public Information
Pat Holloway, p.r. officer

Phoenix School brings pride, success to students

By Kevin Gephford
C-H staff writer

For the first time in his life, Jonathan Sisson is making the honor roll. He's also making up for lost time — and is intent on making a life, by working part-time at a local book store and spending his afternoon and evenings in school. With continued success he should get his high school diploma next June, at the age of 20.

A year ago, things didn't look so good.

"I was depressed," Sisson said. "I got frustrated because my counselors didn't remember what they had told me before, and I thought they must not be too concerned."

His grades, never good, began to

drop. Finally, in the middle of his senior year at Northwest Whitfield High School, he quit.

"I began the job I have now in the 12th grade year, and my boss was disappointed when I dropped out," Sisson added. So, when he decided to return to the Phoenix High School Program, an alternative school serving Whitfield County and North Georgia, he found his employer eager to help.

Phoenix School opened its doors in the fall of 1989 to serve students who had left traditional high school behind. It was created to give students another chance, free of charge, to finish high school in a different setting.

"When I came to night school,

my boss said he would work with me," Sisson, now 18, said. That meant letting him off work in time to make the 3 p.m. class taught at Dalton College.

A typical class is anthropology, taught from 3-5 p.m. Monday through Thursday by Rainer Arnold, a Dalton High School teacher.

The class looks more like a study group than a high school classroom setting. Four students sit near the front in a roomful of empty desks. Arnold sits on the desk talking with the students.

The textbook is standard high school stock. Arnold's syllabus is the same. So are the lectures and

(Please see PHOENIX, page 2A)

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Office of Public Information

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Phoenix

(Continued from page 1A)

teria.

"We cover the same classes in the same time frame as my high school class," Arnold said.

The main difference is that class periods are twice as long and terms are eight weeks. But the most important difference, students and teachers agree, is a attitude.

"Most of the kids haven't worked in a mill yet, and have got money and daddy to support them," Arnold said. "But this girl here works in a mill, and needs a ticket out."

"They treat you different — they look at you more as an individual," Sisson said. "It's like a team. We all work together, and there aren't so many distractions."

Each of the 49 students currently taking one or more classes at Phoenix has their own story to tell.

Ann Kendall, a classmate of Sisson's, is making a great sacrifice to finish school here. At 24, she is older than her history teacher and she holds down a job at a local carpet mill. Plus, she has four step-daughters and a husband at home.

"I have to sacrifice," Kendall said. "I don't see them very often, and my husband plays Mr. Mom. My bosses work with me to arrange my schedule around school."

She returned to school, she says, "so I wouldn't have to work in a crummy mill the rest of my life. It was also for my kids, to show the sacrifices they'd have to make if they didn't finish high school."

"I'm giving a lot to be here, and I can't afford to waste time. I know if I fail I'll be back here again," Ken said.

Wade Maness, 18, is a fast food worker. He said it took six months to find a job without a high school diploma.

"I don't want to do that the rest of my life," he said. "It gets kind of embarrassing after while."

But going back for that diploma years later can also be embarrassing. Maness usually just tells people he's taking classes "at Dalton College."

"I just say I'm at Dalton College getting the basics out of the way," he explained.

Rob Lankford, 18, who left Northwest Whitfield High School last year, gives out the same line. "I don't tell them I'm going here for high school."

"I like being on the college campus," Maness said. "I like getting used to college, and having the same benefits like using the gym and the library."

Something about the environ-

ment at Phoenix School seems to make learning easier, the students agreed.

"Classes are longer, but I like it because I feel like I accomplished something," Sisson said. "There aren't as many distractions as regular high school. It's like a team, and we work together."

Vanessa Bearden, 21, concurs. "The teachers don't have to be here, but they give their own time to us when they could be home with their families," she said.

Bearden quit high school in 11th grade when she didn't make cheerleading tryouts.

Lankford said Phoenix School makes the most of his night-owl nature. "I'm not a morning person. I never could get good grades at Northwest, but at night I can think of anything."

Sisson said, "The first semester (eight weeks) here was my first time on the honor roll my whole life. When I showed Mom my first report card, she was happy. Then I showed her that I'd gotten on the honor roll, and she gave me a big bear hug."

Lankford's mom is a little more public with her pride.

"She screams and drags me by the arm to tell people, 'Guess what Rob did,'" he said.

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Information Provided By
Whitfield County Schools
Office of Public Information

Second year marks Phoenix improvements

By Kevin Gephart
Staff Writer

Last winter Whitfield County's "Alternative School" had just started and leaders were eager to see how the new idea would evolve.

It was one of only five programs in the state.

Dalhousie Phoenix High School Program by its students, today the program is offering more classes to more students as word gets out about this alternative to traditional high school.

Students have learned more of what to expect, how to plan, and something about the needs of the students.

School meets from 1:35 to 10:15 on Monday through Thursday as

service to students who didn't finish traditional high school.

Classes are free, and are taught on the campus of Dalton College.

The program operates as a satellite of the Dalton and Whitfield County school systems.

Phoenix School also serves students co-enrolled in a regular high school who need one or two classes to graduate with their peers. For them, the "7th Period" students, classes are not free.

Cost is \$89 per class, which provides half a unit of credit. Students over the age of 21 who reside outside the county must also pay the fee.

"An unfortunate misconception that I've frequently had to dislodge is that somehow they could finish high school more quickly than in day time school," said Dr. Kathryn Floyd, school director.

"We have the same classes, teachers, course guides and time frame," she said. "It's just in a different setting."

But that setting appeals to a growing number of students in the region.

This nine-week mini-semester, which began Oct. 30, has settled down to about 60 students, up from 40 a year ago.

So far, 39 students have been able to graduate due to the work taken at Phoenix High School, and another five or six should be able to graduate after the current term. By next June, another 25 or 30 should be able to graduate, Floyd said.

Classes are geared toward the general diploma offered by local school systems. Phoenix School does not offer a college-prep diploma.

"Our dropout rate is 25 to 30 percent," Floyd acknowledges. "Last year, I asked myself what we were doing wrong, but I talked with the

four other directors and they experienced a similar situation.

"So I have a lot more realism this year. I now know that given we're dealing with a skewed segment of the population — mostly dropouts — we are going to have significant dropouts ourselves."

Floyd said she was named to the post two weeks before the program was to begin last year. "We could never have opened without the support of Dalton and Whitfield County school systems. I have a great sense of gratitude for the support they have shown. Also, the cooperation between this school and area high schools has been incredible."

Last year, most of her time was spent organizing, adapting and creating forms and procedures for the school.

"We were dog paddling, trying to

get teachers and books in here," she said. "I'd say this year it is more organized, so it has to be better."

The average class load is 2½ classes, versus the six for most high school students.

Many students hold down full-time jobs. One, Floyd said, takes a college class from 7:30 to 8:30 a.m., works from 9 a.m. to 2 or 3 p.m., and then spends all afternoon and evening at Phoenix School.

"Our classes aren't homework intensive," she said. "Additionally, our classes are small, an average of 10 or 11 students. So no one can hide or appear invisible. They all have to be involved in the lesson."

The program occupies four classrooms in Segovia Hall at Dalton College. Classes meet for three periods four days a week, and 12 courses in all are offered this mini-semester.

Current plans are to expand the hours of the program gradually to approximately 8:00 a.m. - 10:00 p.m.
For further information, you may contact Dr. Kathryn Floyd personally at 404-

Information provided by
The Whitfield County School
Office of Public Information
Pat Hollaway, P.E. officer

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PHOENIX

High School Program

Dalton-Whitfield Open Campus School

& 153 - Sequoya Hall - Dalton College - Dalton, GA 30720
Dr. Kathryn Floyd, Director - Phone 404-272-4450

Why we are here:

Our philosophy is to serve the needs of high school students who cannot or choose not to remain in a regular high school program. The school is jointly funded and governed by the Dalton City and Whitfield County Boards of Education.

How Phoenix High School Program works:

Phoenix is organized on a nine-week mini-mester plan. The school year is divided into four 36-day terms. Students are permitted to come and go as class terms begin and end.

What we offer:

Just like a regular high school, we offer classes needed for a high school diploma. Like a regular high school, a student may earn up to six units of credit in a school year at Phoenix.

What are the students' responsibilities?

1. Students must provide their own transportation.
2. Class attendance is required. Students may be withdrawn after four absences.
3. Students are responsible for their own conduct. Adult privileges are afforded and adult conduct is required.
4. Students are held accountable for all textbooks. A refundable \$25 book deposit is required at registration.

What are the admission requirements?

1. A student must be 16 years of age or older. Parents must sign for unmarried students under 18.
2. A new student should bring a copy of his or her transcript and immunization records from the last high school he or she attended.
3. A student may enroll for one, two, or three (1/2 unit) classes per mini-mester. Once enrolled as a full-time student at Phoenix (taking three classes in one mini-mester) the student may not enroll in a regular high school prior to the beginning of that school's following semester.
4. Students over 20 years old who live outside Whitfield County will be required to pay \$90 tuition per 1/2 unit class per mini-mester. Students enrolled in a regular high school and taking an extra course at Phoenix in order to get back on-track ("7th period students") are required to pay \$90.00 tuition per 1/2 unit class per mini-mester; such "7th Period Students" may take only one course per mini-mester.
5. To park on campus students must obtain a \$1 parking decal from Dalton College and follow the campus parking regulations.

Graduation Requirements:

A student will receive a standard diploma from Phoenix High School Program or from the student's attendance area/home school in the Dalton-Whitfield area after completing the number of units required by Georgia public schools and after passing the Georgia Basic Skills Test.

Classes and Bell Schedule

Each class period is two hours and five minutes long. A short break is allowed at the end of each class period. Three class periods will be offered each mini-mester. A student may take one, two, or three classes per mini-mester. One-half a unit may be earned for successfully completing each class. Classes meet Monday through Thursday evenings according to the following schedule:

First Period = 3:35 - 5:40 p.m.;
Second Period = 6:00 - 8:05 p.m.;
Third Period = 8:10 - 10:15 p.m.

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about
April '90

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(Please see SCHOOLS, page 3A)

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DRAFT

**H.R. 11 - Senate Finance Version
Executive Summary**

Enterprise Zones

- Enterprise zones for 15 urban areas, 8 rural areas and 2 Indian reservations, phased-in over 4 years.
- HUD and Dept. of Agri. select zones from areas meeting population and poverty thresholds. Qualifying areas generally larger and lower concentration of poverty than under the Administration proposal.
- No capital gains relief. Tax incentives include increasing equipment expensing from \$10,000 to \$75,000, providing accelerated depreciation and an employer wage credit of up to \$8,000 per zone resident-employee (no phase-out of credit).

Income Security Provisions (not summarized here).

Economic Growth Provisions (Similar to 6 of the 7 proposals included in the President's short-term economic growth package)

- 15% "special depreciation allowance" for property purchased before 1/1/93 and placed in service before 8/1/93 (President's ITA was 15%).
- 10% first-time homebuyer's credit (max. \$2,500) for purchases of new or existing homes before 1/1/93 (President's credit had \$5,000 max. spread over two years).
- Passive loss relief for real estate professionals (similar to H.R. 11 - broader than President's proposal).
- Ease restrictions on pensions' real estate investments.
- Simplify and enhance depreciation for AMT purposes.
- Reenactment of pre-1986 IRA's, creation of new 5-year "backloaded" IRA's and penalty-free withdrawals for first-time homebuyers, medical and educational costs (including costs of certain related parties).

Extension of Items that Expired June 30, 1992

- 18 month extension of low income housing credit, targeted jobs credit, qualified mortgage bonds, small

issue bonds (includes first-time farmer bonds) (the preceding were permanent in the House version), R & E credit, employer-provided educational assistance, group legal services (also 18 months in House version) and 25% deduction for health insurance by self-employed persons (6 months in House version).

Simplification

- 16-year amortization of intangibles, including goodwill and excluding purchased software, purchased mortgage servicing rights and certain small acquisitions - Election to use amort. period used on return for open years (even if property acquired in closed years) with a 25% haircut and no amortization of goodwill.
- Earned income tax credit - eliminates the interaction with medical care and self-employed health insurance deductions and the interaction with the dependent care credit.
- Other miscellaneous simplification provisions (e.g., tax-exempt bonds, large partnerships, pensions, foreign).

Charitable Contributions

- Permanent extension of AMT relief for contributions of appreciated property (including intangibles).
- Allocation of contributions between domestic and foreign sources for foreign tax credit purposes.
- Information reporting for charities (inc. value of "quid pro quo" provided in exchange for contributions).
- Corporate sponsorship - contributions conditioned on use of corporate sponsor's logo in connection with an event does not result in taxable income for a tax-exempt.

Taxpayer Bill of Rights 2

- Many acceptable provisions, but some are unacceptable (most costly provisions from House version dropped).

Miscellaneous Provisions

- Repeal luxury tax for boats, planes, jewelry and furs - Index threshold for autos (relief for dealers' demo vehicles).
- Allow loss on sale of principal residence to offset

future gains on residence sale.

- Educational savings bonds - earnings limit repealed and proceeds may be used to finance unrelated party's expenses.
- Relief for "terminal illness" payments on life insurance contracts.
- Tax-exemption for veteran's benefits.
- FICA tax credit for tips.
- Relief for real estate workouts from cancellation of indebtedness income.
- Relief for insurance companies issuing guaranteed contracts.

Members' Issues

- Misc. members' issues mirroring House members' bills (e.g., employment status of fishermen, tax-exempt U.N. bonds).

Revenue Raisers

- Mark-to-market inventories of securities dealers (with special ordinary gain or loss treatment).
- Increase estimated tax safe harbor to 120% of prior year's income for individuals.
- Increase estimated tax baseline to 100% of current liability for corporations (currently, 97% through 1996, 91% thereafter).
- 45-day interest-free period for certain tax refunds.
- Permanent extension of personal exemption phaseout.
- Permanent extension of itemized deduction limit ("Pease").
- Deny moving expense deduction for costs of purchasing or selling a residence and meal and entertainment expenses.
- Extend depreciable period for commercial real estate from 31.5 to 40 years (pays for passive loss relief).
- Deny losses on thrift assets compensated by FSLIC.
- Prevent avoidance of tax on contributions of

appreciated property to partnerships.

- Cancel drop in estate tax rates from 55% to 50% through 1997.
- Allow partnerships and S. corps. to elect any fiscal year for a fee offsetting deferral.
- Information reporting by local governments on real estate tax payments.
- Broker reporting to seller and IRS on property tax treated as paid by purchaser.
- Increase withholding on bonuses, commissions and overtime from 20% to 28%.
- Increase withholding on gambling winnings from 20% to 28%.
- Repeal exclusion from income for rental of a residence for less than 14 days.

The Top Fifty Carpet & Rug Manufacturers' Sales Totals - 1991
(in millions, U.S. dollars, exchange rate of \$1.1460 Canadian to U.S. where applicable)

	1991	1990	1989	1988
1. Shaw Industries	\$1,607.7	\$1,475.3*	\$1,175.9*	\$1,120.2
2. Beaulieu Group	600.0	\$590.0	N/A	N/A
3. Interface	582.0	\$623.5*	\$581.7*	
4. Salem	396.0	442.0	432.0	402.6
5. Burlington	390.0	439.7	518.1	505.0
6. Peerless/Galaxy	383.6	430.0	394.0	—
7. Queen	340.0**	345.0	290.0	272.0
8. Aladdin	330.0**	285.0	240.0	180.0
9. Milliken	300.0**	280.0	250.0	215.0
10. Fieldcrest Cannon	281.8	343.1	351.3	371.1
11. Mohawk	279.0	288.0	275.0	278.5
12. Horizon	278.4	298.5	298.6	288.1
13. JPS Carpet	245.1**	258.0	272.0	275.0
14. Diamond	245.0**	235.0	220.0	205.0
15. Collins & Aikman	226.1**	238.0	242.0	240.0
16. World	225.0**	276.0	275.0	265.0
17. Soreltex/Cumberland/Harding	152.1	(previously reported separately)		
18. Tuftex	150.0**	168.0	170.0	170.0
19. Columbus	130.0**	158.0	160.0	162.0
20. Mannington	120.0**	140.0	135.0	116.0
21. Bentley Mills, Inc.	119.8	134.5	140.0	122.0
22. Carriage	106.0	111.0	94.1	88.0
23. Springs Industries	105.0	(previously reported separately)		
24. Kraus	94.0**	96.0	102.0	Not listed
25. J&J Industries	93.5**	95.5	95.0	93.0
26. Royalty	90.0	77.8	81.4	75.0
27. Marglen	88.0	95.0	110.0	108.0
28. Image	85.0	80.0	85.0	88.0
29. Sunrise	82.0	68.0	66.0	62.0
30. Masland Industries	75.0**	77.5*	77.5*	—
31. Masland	62.0	69.0	70.0	66.0
32. Wunda Weve	60.0**	70.0	73.0	75.0
33. Magee	59.0	63.0	78.0	80.0
34. Atlas	54.1**	58.0	62.0	61.0
35. Princeton	53.0	50.0	40.0	—
36. Venture	48.7**	—	—	—
37. Hollytex/Peeters	48.0**	91.0	115.0	110.0
38. Blue Ridge	47.5**	44.0	50.0	44.0
39. Regent	42.8**	45.0	53.0	45.0
40. Downs	42.7**	45.0	47.0	47.0
41. Grassmore	40.7	34.4	—	—
42. Whitecrest	38.0	40.9	43.0	46.0
43. Crossley	36.1**	38.0	—	—
44. E.T.C.	36.0**	35.5	35.8	35.0
45. Durkan	35.0	34.48	36.5	33.9
46. Bloomsburg	33.3**	35.0	33.0	33.0
47. Capel	32.0**	31.0	—	—
48. American Rug Craftsman	28.0**	—	—	—
49. Eldorado	27.3	28.7	—	—
50. Monterey	26.5	—	—	—

* Revised figures, ** Estimate, — Sales Numbers Not Available

1

\$1,607.7 million

SHAW INDUSTRIES

P.O. Drawer 2128
Dalton, Georgia 30722-2128
Phone: (706) 278-3812; FAX (706) 275-1040

SALES: \$1,607.7 million for fiscal 1991 ended June 29
OFFICERS: Robert E. Shaw, president and CEO; William C. Lusk, Jr., senior vice president and CFO; W. Norris Little, senior vice president of operations; Vance D. Bell, vice president of marketing; Joseph M. DeVittorio, vice president of corporate planning; Randy Merritt, vice president of residential sales; and Jay Houston, vice president of contract sales



Robert E. Shaw

DIVISIONS:

Philadelphia Carpets, P.O. Drawer 212
Dalton, Georgia 30722-2128
(706) 278-3812

Cabin Crafts Carpets, P.O. Box 1208
Dalton, Georgia 30722-1208
(706) 278-3812

Officers: Don Whitfield, vice president of sales

Shaw Contract Division, P.O. Drawer 2128
Dalton, Georgia 30722-2128;
(706) 278-3812

ShawMark Carpets, P.O. Drawer 2128
Dalton, Georgia 30722-2128
(706) 278-3812

Evans-Black, P.O. Drawer 2128
Dalton, Georgia 30722-2128
(706) 278-3812

Shaw Industries is far and away the world's largest carpet manufacturer—in North America its closest competitor, Beaulieu of America is about one-third its size. In the world market, The Beaulieu Group is a closer second with approximately \$1.5 billion in sales. But with Shaw's latest acquisition of Salem, the company will widen its lead with estimated future sales in excess of \$2 billion.

Robert Shaw, president and CEO, estimates that the company owns 17% of all commercial and 33% of all residential broadloom sales in the North American market in a variety of price points that cover all segments.

In probably the biggest carpet news in the last 12 months, Shaw announced a merger on Feb. 10, with Salem, the fourth ranked U.S. producer. In a \$65 million transaction that no one in the industry saw coming, the acquisition gives Shaw between 30-33% of the domestic carpet market. Based on '91 figures, the merger should result in Shaw's annual sales volume rising to about \$2 billion and brings Shaw that much closer to its goal of 40% of the residential market by the end of the decade, even though the company will likely lose some of Salem's volume because the two product lines are so directly competitive. Shaw is expected to be occupied for awhile assimilating Salem and bringing its operation to the Shaw standard. Commenting on the Shaw merger in an interview with *Carpet & Rug Industry* in early May, Mr. Shaw said the acquisition was "part of a continuing process in a maturing industry." Noting that much was still undecided as the final vote of Salem stockholders had yet to take place, he said that Salem's product line fit well into Shaw's existing offerings. Portions of Salem would continue to operate separately while others would be consolidated with Shaw's operations, according to Mr. Shaw.

Floor Covering Compendium, a report by John A. Baugh, CFA, for Wheat First Securities, estimates an addition of \$375 million in revenues from Salem (or \$21 million less than Salem reported in the year just ended), in calculating an estimate of Shaw's 1993 revenue of \$2.3 billion. As the merger was scheduled to take place sometime in May, the impact on 1992 sales was judged negligible.

Not only does the acquisition eliminate a rival in the tough carpet competition and add market share, but with the Salem acquisition, Shaw will be able to specialize in different yarn and tufting facilities in any of its 45 locations. At the time of the merger, Salem was building a cut order distribution system that will no doubt become a valuable part of Shaw's Just-In-Time manufacturing and distribution system which can deliver cut order carpet to almost anywhere in North America within 24 hours. The added size and ability to influence materials costs will bring Shaw even closer to its other goal—to be the lowest cost producer.

Although Mr. Shaw declined comment, some industry experts predict that Shaw will close Salem's Winston-Salem offices and eliminate many of the personnel at that location. While there would be some cost involved in that action, savings would outweigh them quickly. It's estimated that \$8 million in overhead could be saved by this and other cost cutting actions. Shaw will also be able to reduce Salem's borrowing costs by lowering outstanding debt and borrowing at lower rates. Shaw isn't expected to close any of Salem's manufacturing facilities.

While the merger is another step in carpet consolidation and will probably alleviate pressure on some base-grade

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items, it is not expected to drive carpet prices up particularly as there is still ample supply in the industry.

While fiscal year 1991 resulted in record sales of \$1,608. million up 9% from 1990's \$1,475. million, the recession did impact Shaw as calendar year results show a sales reduction of 2.4% with sales of \$1,618.9 million compared to last year's \$1,658.7 million. Shaw states that it began '91 with 19% of the total market and finished with 24% of market share. The company announced a two-for-one split of its common stock in the form of a share-for-share stock dividend on Jan. 22, 1992, to be issued on March 9, 92.

Other news from Shaw shows an attention to cost control and simultaneous innovation that has already made the company the biggest and best in the world.

- The establishment of a distribution, display, design, research and development complex in Dalton in 1991 is a more efficient, "workable arrangement," for these various functions, according to Mr. Shaw.

- While Shaw is best known as a producer of mid-priced commercial and residential carpets, and as the leader in base grade carpets, the company is not ignoring high-end custom. In '92, ShawCustom, a part of ShawContract, published a 110-page catalog with nearly 300 designs of custom area rugs.

- The company also has a goal to expand Networx' (part of Shaw Contract) share of the tile market and to that end has updated its equipment. The Networx plant has the ability, Mr. Shaw stated, to manufacture \$50 million worth of tiles. For fiscal 1992, this segment is doing between \$25-30 million. Mr. Shaw explained that the goal for Networx is 40% of market share, but expects that goal to take more than the next three years to achieve. It will produce mid-upper end commercial tiles. While Shaw acknowledged a potential in residential demand for carpet tile, he noted that it would be in the Do-It-Yourself niche, be low end products and "doesn't fit Shaw's plan for the U.S. market."

John Reardon joined Networx this year as vice president of sales and marketing to help achieve its marketing goals. Previously, he was vice president and general manager of Burlington's modular division.

- Shaw has built its carpet empire on a firm foundation of leading technology. The company's extrusion plant is now operating at a capacity of 45-50 million pounds a year. Most of the production is polypropylene with a small amount of solution dyed filament nylon. Mr. Shaw emphasized that the company will continue its aggressive program of capital improvements.

- Mindful of the sales potential in Europe, in December 91, Shaw announced it would open a carpet distribution center in Preston, England, to be operational in early '92, to service the British Isles. Mr. Shaw commented that there's

opportunity in other areas, the Pacific Rim and the European Continent in particular. The potential in Eastern Europe is also great but will take more time to develop, he said. The industry in the U.S. has made more innovations than Europe in the last ten years and so is positioned to be competitive despite the transportation costs, Mr. Shaw stated. As to possible expansion through acquisitions overseas, he noted that the first step for U.S. mills is to establish credibility in a market that is very fragmented and diverse. In overseas markets as well as here at home, Mr. Shaw asserted that the most important thing for a manufacturer is to "slant everything to the consumer's needs, starting with affordability." He added that Shaw began a program for continuing excellence seven years ago which strives for constant improvement with the ultimate goal of 100% customer satisfaction.

2

\$600.0 million

THE BEAULIEU GROUP OF AMERICA

600 5th Avenue

Dalton, Georgia 30721-1539

Phone: (706) 278-6666; Fax: (706) 226-7069

SALES: \$600 million includes totals for all the firm's North American carpet companies: Beaulieu of America, Conquest Carpet Mills, Coronet Industries, (Interloom merged into Coronet in '91), and Murray Fabrics/Surfaces
OFFICERS: Carl M. Bouckaert, president

The Beaulieu Group is the world's second largest carpet manufacturer, with worldwide carpet sales of approximately \$1.50 billion, as well as one of the largest fiber producers. The firm entered the North American market in 1977, when chairman Roger De Clerck sent his son-in-law, Carl Bouckaert and daughter Mieke, to Dalton, Georgia, to establish Beaulieu of America.



Carl Bouckaert

Beaulieu began to garner more attention in 1988, when it built the first independent nylon chip producing plant in the U.S. Also in '88, Carl Bouckaert and Mieke De Clerck Bouckaert formed a partnership with Ed Ralston and proceeded to buy Conquest Carpet Mills in '88, Interloom in '89 and Coronet in '90 and include these companies in the Beaulieu Group. Conquest quickly became a major user of Beaulieu's growing solution dyed nylon and polypropylene

fiber making capacity, which by that point, had grown to about 60 million pounds.

Coronet has manufacturing facilities in both Canada and the U.S. and began using the output of Beaulieu's growing fiber making capacity soon after it was acquired.

In 1990, Beaulieu continued to increase its U.S. holdings when it entered into a joint venture to produce about 270 million pounds of polypropylene resin a year. The new firm, called Epsilon Products, is located in Marcus Hook, Pennsylvania, not far from the Sun Oil refinery which will supply it with 250 million pounds of propylene and 20 million pounds of ethylene a year.

The Beaulieu Group's North American operations, like its European operations, are integrated from fiber making through finishing. The company has the capability to make polypropylene filament and staple, solution dyed nylon, and primary and secondary backings.

Each of the Beaulieu companies is operated independently, tied together by little more than their common parent and by the fiber making facilities which supply all the separate operations. Each firm apparently operates as a sepa-

rate profit center, and each has its own sales operation.

Today, the Beaulieu Group is the only firm in the international carpet industry which is integrated from raw materials all the way through the carpet making process. It's North America's second largest broadloom carpet producer and one of the largest producers of small rugs.

Subsidiaries:

BEAULIEU OF AMERICA

P.O. Box 4539

Dalton, Georgia 30721-1539

(706) 278-6666; Fax: (706) 226-7069

OFFICERS: Carl M. Bouckaert, president; Kenneth L. Norris, vice president of finance; Raw Material Division: Howard E. Johnson, vice president & general manager; Beaulieu Rug Division: David Payne, vice president & general manager; Beaulieu Carpet & Dimension: William Stranahan, vice president & general manager.

Beaulieu of America is the oldest of the Beaulieu Group's North American holdings. The firm is a major producer of

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woven polypropylene rugs for the mass markets. It also makes broadloom carpets under the Beaulieu Carpets name.

Dimension Carpets is a division that produces mid-priced commercial and contract products for the designer and specifier market. Dimension launched 11 new styles at the Surfaces market this past January.

BEAULIEU OF CANADA

114 Packham Road, P.O. Box 606
Stratford, Ontario
Canada, N5A 6V6
(519) 271-7228; Fax: (519) 271-7167

OFFICERS: Paul Jesson, executive vice president; Charles Debrot, vice president sales.

The products produced at this Beaulieu facility are oriental style rugs and polypropylene BCF extrusion.

CONQUEST CARPET MILLS

P.O. Box 4329, Dalton, Georgia 30721
(706) 226-8066; Fax: (706) 275-8741

OFFICERS: Thomas L. Bouckaert, president; Doug Robertson, vice president sales & marketing; Norman Clapp, vice president finance; Terry Crump, vice president operations.

Conquest has made its reputation as a manufacturer of base grade carpet products. Today it is one of the leading producers of low end commercial product and indoor/outdoor carpet (artificial grass). Conquest, which was acquired by Beaulieu four years ago, succeeded where others failed by building a highly integrated, cost effective manufacturing operation and by making good looking but inexpensive products that appeal to a wide range of commercial and home market customers. Today, Conquest may be the leading producer of low cost polypropylene loop carpets in the U.S., as well as broadloom and needlepunched carpets and mats for both the distributor and home center markets.

The Argonne Industries division also markets a needlepunched product line that includes sports surfaces, door mats, mats for the automotive aftermarket and do-it-yourself carpets.

CORONET INDUSTRIES

1502 Coronet Drive, P.O. Box 1248
Dalton, Georgia 30720-1248
(706) 259-4511; Fax: (706) 259-1530

OFFICERS: Larry Swanson, president; Franco Bugatto, vice president finance; Fred Ormeroid, vice president marketing; Tom Johnson, vice president operations.

Tapis Coronet, a Canadian division, specializes in high end, branded residential products. Larry Swanson, president; Ken Durning, executive vice president.

When Coronet was acquired by the Beaulieu Group, the firm was the seventh largest carpet manufacturer in North America, with sales of \$298.8 million. Coronet Industries is known for its broad line of popular and medium priced broadloom saxony carpets for the residential market, while Canada's smaller Tapis Coronet Carpets is one of that country's premier producers of high end residential products. Ken Durning is executive vice president of the Tapis Coronet division. At the time of the acquisition, the firm was moving toward consolidating its lines, as well as its marketing operations, with the goal of taking maximum advantage of its cross-border manufacturing capabilities.

Today, Coronet is reported to be a major user of Beaulieu's in-house nylon and polypropylene yarn systems. The firm also has a growing export business which takes advantage of the Beaulieu Group's vast international sales force. The company divided the U.S. this year into two divisions, appointing Bill Kaiser vice president for the western division and Pat Genovese vice president of the eastern division.

Interloom was merged into Coronet this past year. It is making a finely styled, high-end line of Berber products of polypropylene and polypropylene/nylon blends. Dennis Van Ewyk is the vice president of sales for Interloom..

MURRAY FABRICS/SURFACES

P.O. Box 2284
Chatsworth, Georgia 30705
(706) 695-1179; Fax: (706) 695-1996

OFFICERS: Piet Dossche, president

Murray Fabrics began making needlepunched carpets and tufted polypropylene broadloom in a Chatsworth plant in 1990. Most of the needlepunched products are made for poolside, patios, playrooms and for such commercial applications as the auto aftermarket and the marine market. They're marketed to retailers nationwide, and promoted as low cost, long wearing alternatives to more conventional types of floorcoverings.

The firm also makes level loop broadloom for indoor-outdoor applications. Those products will be marketed through independent agents.

The Top'92 Twenty-five

3

\$582.0 million

INTERFACE, INC.

P.O. Box 1503
Orchard Hill Road
LaGrange, Georgia 30241
Phone: (706) 882-1891; Fax: (706) 884-5008

SALES: \$582.0 million for calendar year

OFFICERS: Ray C. Anderson, chairman and CEO; C. Edward Terry, president, Interface Americas, Interface Flooring Systems; Don E. Russell, president, Interface Europe, Inc.; Don H. Lee, senior vice president of integration and planning; Daniel T. Hendrix, chief financial officer; Colville Harrell, vice president of planning and analysis; David Porter, vice president, general counsel and assistant secretary



Ray Anderson

Subsidiary:

Heuga Holding bv, P.O. Box 16, 3925 ZN Scherpenzeel, The Netherlands
Don Russell, president
Interface Asia-Pacific
David Milton, president

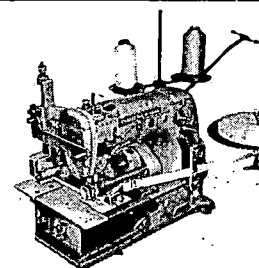
Interface, Inc. is the world's largest manufacturer and marketer of modular carpet systems for commercial, institutional and residential use with more than 40% of the market. Its subsidiary, Guilford of Maine is the leading supplier of commercial fabrics in the manufacture of office furniture systems. The company's chemical subsidiary, Rockland React-Rite, Inc. produces Intersept, a microbial treatment that is marketed to a growing number of manufacturers for a range of products, as well as the company's own soil and stain retardants. Through Rockland React-Rite and another subsidiary, Interface Research Corp., the company is actively engaged in seeking out environmentally friendly products such as Intersept.

Interface has in all more than 150 sales and marketing locations in 90 countries, as well as 25 production and distribution facilities on four continents.

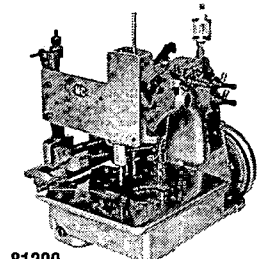
Interface's tile business is integrated from backing and yarn processing through finishing. Interface Flooring Systems and Heuga have essentially different markets and different products. U.S.-based Interface makes fusion bonded and tufted tiles, primarily for the upper end commercial markets. Holland's Heuga makes both medium priced and high end tufted and needlepunched tiles for both

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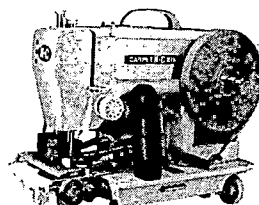
Our only business is designing and manufacturing sewing machines and equipment for the carpet industry worldwide.



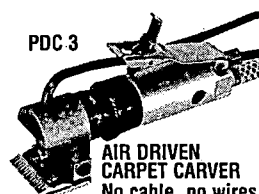
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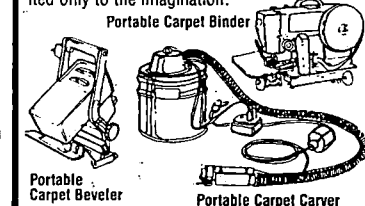
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commercial and residential customers. Interface shares the largest part of the U.S. carpet tile market with Milliken and it shares the Canadian tile market about equally with Milliken and Heuga. Interface's U.K. operation is also the largest tile producer in that country, while Heuga dominates the continental European tile markets. Both firms also have strong commercial businesses in each other's primary market areas and in Asia. Heuga also has a fairly strong tile business in Europe's residential do-it-yourself market, a market which is almost non-existent in the U.S. Interface-Heuga Australia is the firm's fusion bonded tile manufacturing operation down under.

In 1991, Interface responded to the recession, that began in the U.S., Canada and Great Britain and spread to Europe with "stringent cost control, organizational streamlining and aggressive marketing." Among the five operating subsidiaries, four have new presidents who took control in 1991. Ed Terry expanded his scope to include the Interface Americas carpet tile subsidiary. Grant Todd moved to the company's interior fabrics subsidiary as president of Guilford of Maine, when Len Saulter retired. Don Russell expanded his responsibilities to include all of Europe as president of Heuga. Previous president Don Knight is no longer with Interface.

While economical conditions in 1991 "presented the most difficult economic climate since 1974," when the company was founded, according to Ray C. Anderson, Interface chairman, there were some hopeful signs. The company noted progress in opening Central and Eastern Europe for carpet tile products and continued success in the unified German market. The Middle East came back after the Gulf War as a healthy market. Southeast Asia, particularly Thailand and Korea, also reported good sales growth, but Australia had its worst recession in 60 years. Although Japan's construction industry is in a slow period, Anderson is optimistic about the future of Interface Huega Japan, Ltd., its Japanese sales subsidiary. The company is estimated to have experienced a reduction in carpet tile sales of 6.7% for the year in the U.S., while sales in Europe were down 2-3% for the year.

During '91, Interface introduced: new patterned fusion bonded carpet tiles; laser cut composite patterned tiles; and the Sigma Series high performance roll system. In the U.S. the company launched Ideas in Pattern Quick Ship, a collection of carpet tile designs for the renovation market featuring fast delivery and high styling. In the U.K. a similar line was introduced called Priority Deliver Service.

The company organized the Envirosense Consortium in 1991, a group of manufacturing and marketing partners that incorporate Intersept, Interface's antimicrobial agent, in their products. Intersept is now being used in paints, wall cover-

ings, ceiling tiles, fabrics and coating materials as well as carpet broadloom and tiles.

Interface entered a joint venture with International Service System, Inc. (ISS) forming a new company, Interface Service Management, to provide after-sale maintenance services to Interface's carpet customers. ISS is the American subsidiary of International Service System A/S of Denmark, the world's largest building services contractor. The new company is headed by Thomas Lawless, president.

4

\$396.0 million

SALEM CARPET MILLS

P.O. Box 2818

Winston-Salem, North Carolina 27102

Phone: (919) 727-1200; Fax: (919) 727-1735

SALES: \$396 million for calendar year 1991



Douglas Foster

OFFICERS: W. Douglas Foster, chairman and chief executive officer; Thomas F. Lanier, executive vice president, chief financial officer and secretary; Jack G. Haselwander, executive vice president of manufacturing; Kim R. Holm, executive vice president; Ernest Ferrell Jr. was named senior vice president of sales in 1991

Subsidiary:

Howard Carpet Mills, P.O. Box 639, Chatsworth, Georgia 30705

Howard S. Stein, president

The announcement that Salem would merge with Shaw Industries was a surprise for the carpet industry. While the company had a disappointing year in 1991 with sales dropping 10.4% from 1990, its sales still rank it fourth in the U.S. and Canada. And, it had returned to profitability in the fourth quarter. The merger was expected to be approved by Salem stock holders at a Special Meeting on May 29. Under the terms of the agreement, shares of Salem stock may be converted into the right to receive a fraction of a share of Shaw Common Stock or may be sold for \$7.98 per share, subject to some limitations. The price of Salem stock before the announced merger was \$2.19.

Salem's product line has been very similar to Shaw's. The company's residential business accounted for about 90% of its sales. Howard Carpet Mills, its subsidiary, pro-

duces commercial and residential carpet. During 1991:

- Sears presented Salem with a Partnership in Marketing Award for its marketing information.
- Salem set service as a priority in November '91. The company maintained 12 distribution centers and owns a fleet of more than 100 trucks to service them. The company invested \$10 million in capital expenditures in '91.
- Salem launched two collections and 12 new intros at Surfaces '92.

5

\$390.0 million

BURLINGTON INDUSTRIES

Carpet Group

3330 W. Friendly Ave.

Greensboro, North Carolina 27420

SALES: \$390 million calendar year of 1991

OFFICERS: George Henderson, corporate group vice president, Burlington Carpet Group; Neil Yeargin, executive vice president; William Parham, executive vice president of finance and administration; David C. Turner, executive vice president of market development

Divisions:

Burlington House Area Rugs,
1345 Avenue of the Americas,
New York, New York 10105
(212) 621-3000

James Gravalis, president

Burlington Residential Carpet Group
3330 W. Friendly Avenue
Greensboro, North Carolina 27420
(919) 379-2000

James Gravalis, president

Lees Commercial Carpets
3330 W. Friendly Ave.
Greensboro, North Carolina 27420
(919) 379-2000

George Henderson, president

The Burlington Carpet Group is one of the most diversified manufacturers in the industry. It produces broadloom for the residential market, broadloom and modules for the commercial market and is the leading maker of soft-backed area and bath rugs.

In the fall of 1991, Lees Residential launched the biggest

consumer advertising campaign conducted by a carpet mill in years. The Fall campaign was followed by another of similar scope this Spring. The advertising supports new products, such as a group of new multi-tone carpets colored by a new patent-pending Burlington process called Color Dynamics. Both Lees and Monticello, Burlington's other residential divisions, expanded their PermaSet Carpet series, adding more Traffic Control and Trevira XPS products to that high performance program. In addition, the two divisions premiered their first Stainmaster Xtra Life lines.

In May 1992, the company announced a consolidation by Lees Carpets of its residential line into its commercial manufacturing facilities. George Henderson said that the company will either close or sell its residential carpet plants in Rabun, GA, and Hillsville, VA, and move all production to its plants in Glasgow, VA and Dahlonaga, GA. The consolidation will reduce costs, increase efficiency and improve Lees' competitive position, according to Henderson. The company has recently invested in new equipment at the plants in Glasgow and Dahlonaga and additional equipment from the plants that are being closed



G. Henderson



James Gravalis

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'92 The Top Twenty-five

will be added. The consolidation has begun and is scheduled for completion by the end of September.

Lees Commercial Carpets, Burlington's contract division, is the second largest commercial producer in the U.S. It was active in 1991 bringing new technology, added services and high fashion to its customers.

Duracolor by Lees, is a dyeing technology providing inherent stain resistance in the product. It was granted U.S. Patent Number 5,085,667 in 1991 and has since proven to be successful in numerous installations. Lees modular carpet business had continued growth due mostly to the introduction of this technology. This growth has led to a major capital investment in equipment to expand capacity. A new carpet tile backing line with state-of-the-art technology will be in operation by mid-year.

This Commercial division also entered an agreement with Management Services Co., a division of Service Master, Inc. Through the agreement, Service Master representatives will be able to offer their clients Lees Commercial carpet as part of the company's service and maintenance package.

The Nobilis Lees Collection was introduced in the fall of 1991 to address the needs of the most discriminating designer with a range of premium products targeted for the high end corporate projects.

Burlington went public on March 19, raising nearly \$800 million through the sale of 57 million shares of stock. The public offering, along with new bank loans totaling \$1.275 billion, enabled the company to retire its high interest "junk" bonds and refinance all other existing bank debt.

6

\$383.6 million

PEERLESS CARPET

1 Dawson St., Place Bonaventure
Montreal, Quebec H5A 1E8
Phone: (518) 866-5821

SALES: \$383.6 million U.S. at an exchange rate of 0.875, from operations— 50% U.S., 45% Canada, and 5% other countries

OFFICERS: Bram Garber, chairman; David Ardit, president; Robert Caine, senior vice president of the Bath and Floor Fashions Group; Claude Fontaine, senior vice president manufacturing; Robert Wilkinson, senior vice president sales and marketing; Pierre Fitzgibbon, vice president



Garber

finance and administration.

U.S. Subsidiary:

GALAXY CARPET MILLS
P.O. Box 800, Industrial Blvd.
Chatsworth, Georgia 30705
Phone: (706) 295-5620



Arditi

OFFICERS: David Ardit, president and CEO; Richard G. Phillips, vice president, sales and marketing; Pierre Fitzgibbon, vice president, finance and administration; Robert Wilkinson, senior vice president of sales and marketing; Claude Fontaine, senior vice president of manufacturing; Murray David, vice president of manufacturing.

Peerless Carpet is Canada's largest producer of broadloom carpet and bath rugs, while its U.S. subsidiary, Galaxy Carpet Mills, would rank 16th among carpet and rug producers if standing alone. The company prides itself on offering products for all segments of the carpet business. Peerless also has a manufacturing operation in Ireland and a strong distribution base in Australia. The combined operations of the firm form one of the world's dominant manufacturers of carpets and rugs.

Peerless began a new marketing strategy for Galaxy in 1991, which will bring it closer to its Canadian and international plans. The shift includes keeping the Galaxy label as an open line to all retailers, while select dealers are targeted to carry the Peerless Carpet Center Program. The U.S. target is roughly 1200-1500 retailers who would enter a partnership with Peerless that requires giving on both sides. The dealer makes a financial and spacial commitment. In return, he gets limited distribution, the Peerless product line, educational opportunities, marketing support and merchandising aids, including the industry's first computer imaging retail system.

Peerless entered a partnership with Allied Fibers for commercial carpet evidenced by the introduction of the Medallion Series of carpet at the IIDEX (International Interior Design Exhibition) in Toronto, Nov. 21-23. It is the first time Peerless has used Allied fiber in commercial products—Anso IV HP nylon fiber made at Galaxy mill in a range of weights in 48 basic colors. The carpet is then shipped to Peerless Acton Vale, Quebec, where it is printed with any of 12 designs under the Peerless International label.

The company expected to raise net proceeds of \$7.3 million from a stock rights issue plan approved in November 91. According to Pierre Fitzgibbon, the Canadian stock market was particularly weak last fall, and the company raised \$4.0 million from the stock plan.

Galaxy shut down its on-site rug division on March 13th and has signed an agreement with American Rug Craftsman of Sugar Valley, Georgia, to exclusively manufacture Galaxy's custom and border area rugs. The partnership is intended to enhance the product and allow Galaxy to be more cost effective.

Peerless closed its Kingston spinning plant and transferred the equipment to the Peerless facility at Wickham, Quebec. Despite the costs involved in downsizing, the company improved its third quarter '91 operating margin to 2.6% versus an operating loss in '90 in that quarter.

7

\$340.0 million

QUEEN CARPET

P.O. Box 1527

Dalton, Georgia 30722-1527

Phone: (706) 277-1900; Fax: (706) 277-3143

SALES: Estimated at \$340.0 million for the calendar year

(based on the industry average of a 5% reduction)

OFFICERS: Harry I. Saul, president and chief executive officer; Julian D. Saul, executive vice president; Joel H. Cohen, vice president of marketing

Subsidiary:

PATCRAFT MILLS

P.O. Box 1087, Dalton, Georgia 30722

(706) 277-2133

Bob Chandler, vice president

Queen had been making broadloom carpets strictly for the highly competitive residential market until it bought Patcraft Mills in 1990. Patcraft, which makes some well-designed patterned commercial carpets for the specifier markets, as well as medium and higher priced residential carpets, gave Queen quick access to the more profitable, less price sensitive commercial market, while Queen gave Patcraft the strength of its aggressive sales capabilities. Commercial carpet traditionally accounted for about 10% of Queen's total sales, but that percentage was expected to

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rise as soon as Patcraft took advantage of Queens integrated capabilities from yarn processing through finishing.

Queen also has a 15 million pound spinning mill, acquired from BASF and a BCF yarn processing plant in Valdosta, Georgia. Before those acquisitions, Queen had enough spinning and BCF yarn processing capacity to supply all its current demands, but continued growth made the two yarn plant acquisitions especially important.

Much of Queen's recent growth has been on the West Coast, where the firm recently opened a major new distribution center.

Queen Carpet and Patcraft launched new products this past year. Queen introduced Dyne-Namics, a multi-color system including three Stainmaster Xtra Life styles and three new products in its Anso collection.

Patcraft introduced New Element, a unique commercial product that is constructed with an original tufting process, TextureWeave, that produces a woven-like appearance. The company also launched branded products concentrating on innovative styling for its commercial line—now the fastest growing portion of its business.

8

\$330.0 million

ALADDIN MILLS

P.O. Box 2208, Dalton, Georgia 30722
Phone: (800) 241-4072; Fax: (706) 277-1440

SALES: Estimated at \$330 million for the calendar year
OFFICERS: Alan Lorberbaum, president; Jack Sharpe, executive vice president; Sol Zwerling, vice president marketing, carpet; Bob Lieberman, vice president marketing, rugs; Jeff Lorberbaum, vice president marketing, national accounts

This highly integrated family-owned manufacturer makes popularly priced broadloom carpets, primarily for the private label residential market. The firm also has one of the biggest bath and small rug businesses in the U.S. The company is reported to have had an enormous growth spurt in 1991. The company added two plants to its Dalton compound, has its own polypropylene extrusion program, and is said to be expanding its polypropylene product line.

Aladdin made only rugs when it began business in 1959, but by 1969 it had become the largest manufacturer of scatter, bath and braid rugs in the U.S. In the past decade, that business took a back seat to the firm's growing broadloom carpet business, but it too has begun to grow again in

recent years and now ranks Aladdin as the biggest producer of bath rugs to the mass market.

Aladdin has an excellent, modern manufacturing operation that's probably as cost effective as any in the U.S. That capability, combined with excellent sales and service organizations and low prices, has made Aladdin a force to be reckoned with in very quick order. Today, Aladdin is vertically integrated from fiber making through dyeing and finishing. It's polypropylene yarn extrusion system has an estimated capacity of more than 30 million pounds a year.

Traditionally, Aladdin has sold its products primarily through distributors, but during the past four years, the firm has expanded its manufacturing capabilities and turned its distribution much more toward direct selling. It's also begun expanding the reach of its sales and marketing operation. The firm operates a 100,000 square foot warehouse in Fort Lauderdale and has expanded its business to the Caribbean basin. It maintains a distribution center in Fullerton, California and operates a West Coast direct marketing center. Last year, Aladdin opened a new distribution center in North Jersey with hopes to increase its sales to the New York metro market.

During 1991, the company introduced some unique products: Asteroid is a commercial style made of 100% Xylon olefin or a blend of 88% olefin and 12% nylon. It's a knobby, textured product which plays to the growing demand for pattern as part of the surface. Aladdin addressed the residential loop market with Connections, a solid color product with a unique loop construction that produces a look reminiscent of a single needle tufted carpet.

9

\$300.0 million

MILLIKEN & COMPANY

Interior Furnishings Division

P.O. Box 2956

201 Lukken Industrial Drive West

La Grange, Georgia 30241

Phone: (706) 883-5781

SALES: Estimated at \$266 million for the calendar year 1991, including approximately \$35 million in sales for Milliken's Canadian and U.K. manufacturing operations (estimated on the basis of a 5% sales loss in the U.S. and a 10% drop in Canada and the U.K. compared to '90)

OFFICERS: Wayne Hunter, president, interior furnishings

Businesses:

Milliken Carpets, P.O. Box 2956, LaGrange, Georgia

30241; phone: (706) 883-5511.
Jim Bridges, business manager

Callaway Carpets, P.O. Box 2956, 201 Industrial Drive,
LaGrange, Georgia 30241; phone: (706) 883-5371
Paul Eanes, national sales manager

Contract Division, 201 Industrial Drive, LaGrange,
Georgia 30241; phone: (706) 883-5638
E.P. Willimon, general manager

Hospitality Division, 201 Industrial Drive, LaGrange,
Georgia 30241; phone: (706) 883-5754
Tom Davis, general manager

Milliken & Company is the largest privately owned textile producer in the U.S., with estimated 1991 sales of \$2.375 billion. It is one of the company's greatest achievements and a clear reflection of Roger Milliken's business philosophy, that it was awarded the Malcolm Baldrige National Quality Award created by Congress. Milliken is one of

only nine U.S. firms to be so recognized. In Milliken's speech accepting the award he said, "We must recognize that total quality improvement is a never ending voyage. A process, not a program. Milliken associates know that and take that voyage every day—with the making of every pound of yarn and yard of cloth."

Milliken's carpet and rug business accounts for about 11% of the company's total sales. That carpet and rug business is one of the world's most unique, which acts to separate it from the intense competition of the rest of the North American carpet industry.

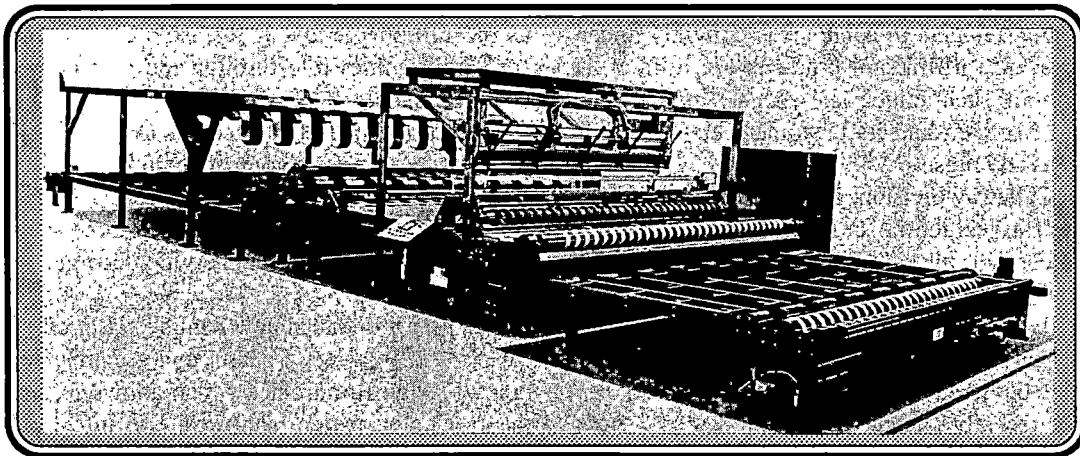
Modular tiles are the keystone of Milliken's carpet business, and account for about two thirds of total sales, but the firm also has a unique residential carpet business, a \$25 million area rug business, a printed hotel corridor carpet business, and its own carpet-cleaner, a product called Capture.

Milliken makes both tufted and fusion bonded carpet tiles, primarily for the high end corporate office market. The firm shares most of the U.S. carpet tile market with Interface Flooring Systems. It also has production facilities in Canada, where it shares that market about equally with



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Interface and its subsidiary Heuga, and in England, where it's the third largest tile producer. Last year, the firm also started a tile production plant in Japan, the world's fastest growing tile market.

Milliken's carpet tile business — as with all its business — is based on the Millitron, the most flexible printing system in the carpet world. Milliken's success with the it has motivated many to emulate the Millitron's design flexibility with their own patterning systems.

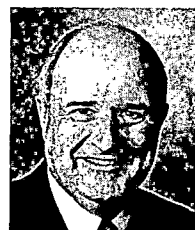
Milliken has been selling its better quality residential carpets and rugs through a unique selective dealership network called Milliken Place since 1980. Milliken has about 1,100 Milliken Place dealers who sell everything Milliken makes. In return, Milliken gives them a complete line of samples which are displayed in a gallery format complete with merchandising materials. One of the big advantages of the program is that no Milliken Place dealer stocks product. Everything is ordered from those samples and Milliken has so perfected its cut-order system, Just In Time, so that each order is tufted, dyed, finished, cut and shipped off the line to a customer within seven days on the average, according to Jim Bridges, business manager for the carpet division. Milliken has added 60 patterns to its residential collection, Your Style, first introduced in 1990. In January 1992, the company added a collection of residential fabrics at medium price points, and plans on more at even lower price points in order to supply a broader range of needs. The company is hoping to expand its distribution base and is actively seeking retailers in some areas currently under represented. Because Milliken's products are limited in market area and are such unique lines, higher margins are possible—both Milliken and its customers make money selling its carpets and rugs.

In 1991, the Callaway division, introduced a line of patterned carpets for residential customers called Master Tones in 18 colorways and 12 solids to coordinate with the prints. Callaway also updated another popular line with new colors. Both collections reinforce the company's reputation for trend setting as they can be combined in a variety of ways to create bordered looks and area rugs.

Milliken also recently launched Invisible Seams, a collection that greatly reduces the appearance of seams.

SALES: \$281.8 million for the fiscal year ended December 31 includes \$30 million in sales from Fieldcrest's bath rug business

OFFICERS: John J. Riley, president; H. Monte Thornton, vice president of manufacturing; Richard P. Strawhorn, vice president of finance



John J. Riley

Fieldcrest Cannon is a major producer of textile products for the home with combined sales from all its businesses of \$1.2 billion for 1991. The firm's bed and bath products accounted for almost 80% of sales in '91, the Karastan/Bigelow carpet and rug division for the remaining 20%.

Karastan/Bigelow produces a mix of residential/commercial products in a 60%/40% split. The firm's high end Karastan line has the reputation as one of the premier fashion lines in the international carpet industry. And the medium priced Bigelow line appears ready to take advantage of its well-recognized consumer brand name and its diversified manufacturing capabilities.

The carpet division ended the year with sales off 20%. However the lost volume was almost all low-margin goods, and Karastan refused to lower prices. When combined with Karastan's success in reducing fixed costs through plant consolidation, trimming fixed costs and inventory, the company achieved an increase in profitability of as much as \$8 million pre-tax. If Karastan can stop volume loss, (probably achievable through the gallery program), the company should recover nicely.

The company also enhanced its average selling price per grade and its profit margin by exiting the lower-end commodity price points in both residential and commercial markets. The company consolidated three separate sample operations into one in Summerville, Georgia, near the tufting plant in Lyster.

Karastan introduced new commercial products: Optimus Tweed and Berkeley Square; and a computer-aided technology called Karatronics which allows for precise placement of color, pattern and texture in tufted products—the first products from this technology, Kings Point and Albermale, launched in the fall of '91.

Thirty new Karastan Gallery of Design dealers opened across the country. These galleries carry the entire line of Karastan area rugs and broadloom and some exclusive products and services. The company expects to have nearly 100 Gallery of Design dealers by the end of 1992.

Karastan moved to protect its name and profit margin by restricting co-op funds to dealers for advertising. The policy went into effect April 1, 1991. The strategy is to dis-

10

\$281.8 million

FIELDCREST CANNON

Karastan Bigelow Carpet & Rug Division
P.O. Box 27050, Greensboro, NC 27425-7050
Phone: (919) 665-4000; Fax (919) 665-4021

courage dealers from advertising Karastan products at "deep discounts," in excess of 40%. Likewise, discontinued and off-quality merchandise may not be advertised using the Karastan brand name.

Bigelow, in the meantime, launched its Performance Club Collection of high performance carpets and continues to be successful with its Chateau Collection.

11

\$279.0 million

MOHAWK CARPET

1755 The Exchange, Atlanta, Georgia 30339
Phone: (706) 951-6000, Fax: (706) 951-6152

SALES: \$279.0 million for the calendar year

OFFICERS: David Kolb, president and CEO; Frank A. Procopio, president, commercial business; Donald G. Mercer, president, residential business; John D. Swift, vice



David Kolb



Donald Mercer

president of finance, secretary and treasurer; Herbert C. Brown, vice president of human resources

Divisions: Mohawk Residential Business, same address as above; (404) 951-6343

Donald G. Mercer, president

Mohawk Commercial Carpet, same address; (404) 951-6224

Frank A. Procopio, president



Frank Procopio

Mohawk has a long history and a reputation for excellence in the carpet industry, but isn't a company to rest on its laurels. While sales declined in 1991 by 3%, Mohawk reports that net income increased by 3% over that of 1990 thanks to increased efforts for control and reduction of costs and working capital. Capital expenditures were increased by 11% over 1990 levels. Continued emphasis was focused on new products and services to better serve Mohawk customers.

First quarter net sales for 1992 are 13% ahead of 1991 and net income is well ahead as well. During April 1992,

Mohawk became a publicly traded company by selling 2.7 million shares through the NASDAQ. Mohawk stated that the proceeds will allow the company to retire indebtedness incurred when the company was acquired from Mohasco Corp. in 1988, creating a debt of more than \$102 million. The management team had managed to reduce that to \$63.3 million as of Dec. 30, 1991. Citicorp Investments Inc. will control 44% of the company's outstanding shares after the offering. Other stock holders include ML-Lee Fund, with 15% and Mohawk's management controlling 15%.

Mohawk is one of a few mills that has established a name in the consumers' awareness. Mohawk concentrates on reaching its dealers through selective marketing programs, according to Don Mercer. The emphasis is on Mohawk's Color Center and Alexander Smith Collection. A retailer contracts for the entire package, which includes video presentations, annual conferences, packages of products, and merchandising aids. Mohawk takes care of its dealers and maintains contact on a continuing basis. Sales reps contact dealers in the field on at least a monthly basis, some even weekly. According to Mark Olson, vice president for the western region and program director for the Alexander Smith line, Mohawk is planning to make participation in the Alexander Smith program even more valuable. The company will add brand advertising and promotion, new products and a stronger dealer network. The company is planning to add 200 additional accounts to the current 835 Alexander Smith retailers.

The company attends regional markets but does not rely on them for business contacts. Mohawk offers its dealers a way to differentiate from the store down the street. "They all have Stainmaster, CrushResistor, and Traffic Control. But only one has Mohawk or Alexander Smith," said Mercer. Mercer predicts more mills will become involved in consumer advertising to reach the buyer directly and create demand for specific products and names.

Mohawk Commercial spent the year continuing to build from its base in the schools market. The weak corporate segment was balanced by schools, however, which maintained its market share. Mohawk Commercial, whose line includes both tufted and woven products, had sold its line primarily to contract dealers until 1990, when it introduced a wide array of stylish patterned products and began courting the design community. The company launched several new products in '91 and is readying an even bigger push for '92 as the market revives. A collection of branded, patterned products—printed and solution dyed—are expected to be successful especially in the hospitality market. Mohawk Commercial also keeps its name in the public eye by addressing the end user in advertising campaigns in design and interiors magazines.

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12

\$278.4 million

HORIZON INDUSTRIES

P.O. Box 12069, Calhoun, Georgia 30701

Phone: (706) 629-7721; Fax: (706) 625-3728

SALES: \$278.4 million for year ended 12/28/91

OFFICERS: Peter R. Spirer, founder, chairman of the board and CEO; Thomas P. McAndrew, vice chairman; Ralph J. Boe, president and COO; Dennis L. Fink, senior financial officer and vice president; Joe Hickman, vice president of manufacturing; Barbara Lance, vice president, secretary and controller; Cesar Pagan, vice president of styling & product development; Dennis G. Byczynski, vice president of international sales; Tony Godfrey, vice president of sales, Horizon Division; Ray W. Pickard, vice president of customer services; William O. Leonard, vice president of human resources; Earl Whittaker, vice president of Horizon Mill Outlets and assistant secretary; Rick Evans, president of Harbinger



Peter Spirer



Ralph Boe

Divisions:

The Harbinger Company, P.O.Box 1209, Calhoun, Georgia 30701; (706) 625-0918

Helios Carpets, River St., Calhoun, Georgia 30701; (706) 629-5311

Horizon Industries is a diversified producer of tufted carpets and rugs in the U.S. that's been making very stylish carpets for 20 years for the medium and higher priced residential and commercial markets. It markets through specialty retailers, department stores, and wholesale distributors. Its Harbinger commercial subsidiary is one of the fashion stars of the commercial carpet market, while its newer Commercial Horizons division is aimed at the Main Street trade. Its Helios division makes some exquisite carpets and rugs for the design trade, and its Horizon House line is marketed selectively to some of the nation's top retailers.

Peter Spirer has defined the company's criteria for products in the '90s—obviously different, uniquely styled carpet fashion; superior merchandisability; or strong competitive price value in its category. And not content to produce according to exacting criteria, Horizon is committed to giv-

ing retailers as much help as possible to sell its products. This year, it introduced a display system, designed to attract and sell, which has won the company valuable floor space in retail showrooms and rewarded those stores with increased sales dollars per square foot of display space. For Horizon, the new displays have produced an increase in the mix of higher margin "cut order" sales to total sales.

Peter Spirer reported at the close of Horizon's fiscal year that the company's increase in the third quarter came from uniquely-styled products. Horizon's results for 1991 were helped by the introduction of several mid to high price point residential lines and a de-emphasis of lower-priced commodity goods. By concentrating on style and switching to cut-order, Horizon is competing in a less cost driven market and improved gross margins in '91 to 19.2% from 17.8% in 1990.

Along with improving product mix, Horizon reduced inventories and accounts receivables and was able to generate strong cash flow of \$105.5 million from operations. Capital spending was reduced in 91 to about \$5 million, less than half the previous five years' average in "consideration of existing capacity and economic expectations."

The company's new distribution center also aided its ability to service the growing cut-orders business, which increased as much as 25% in '91—such cut-order sales typically have margins at least 10% higher than roll goods.

Horizon Division, the residential carpet division, has been restructured into three manufacturing categories: yarn, tufting and dyeing/finishing. The interdependent processes are being coordinated with a teamwork emphasis, and according to the company, achieving reduced costs and improved quality. A new MIS scheduling system was instituted towards the end of the year to closely monitor and coordinate raw materials, scheduling sales forecasts and order entry. Nationwide, seven new sales territories were added, bringing the total for residential sales personnel to over 100.

Rick Evans, former general manager of the Helios division, became president of Harbinger and initiated changes aimed at strengthening operations and revitalizing marketing for the two divisions. The Harbinger Company is a subsidiary that manufactures high end commercial carpet, while Helios is known for its high-end, custom, residential carpets and rugs. The manufacturing operations of Helios have been consolidated into Harbinger's production facilities.

So far in 1992, Horizon is following its strategy of differentiation and service and getting results. The company reported second quarter sales and earnings that continued the recovery of the first quarter. Net sales had increased 18% to \$150,195,000 from \$127,024,000.

• Horizon introduced three products which Spirer called the Layered Look, multi-toned textured saxonies: Amorous,

Ballet and Cache.

• Under Spirer's leadership, the company has begun a Partnering strategy with retailers and suppliers. The chosen retailer becomes an extension of Horizon's marketing operations, with the retailer purchasing more from the mill and the mill providing help to make the store more effective at selling, including merchandising, advertising and promotions. In terms of suppliers, Horizon has decided to limit its partners to two—Du Pont for branded yarn systems and BASF for unbranded nylon. Spirer thinks that "it's good business to limit our fiber suppliers to gain maximum understanding of our sales force and our dealer network."

13

\$245.1 million

JPS CARPET

P.O. Box A, Aberdeen, North Carolina 28315
Phone: (919) 944-6331; Fax: (919) 944-6359

SALES: Estimated at \$245.1 million for 1991, including \$93.6 million for automotive carpets made by JPS Automotive Products Corp. Sales for automotive trim products are not included (based on an industry average of 5% sales decrease)

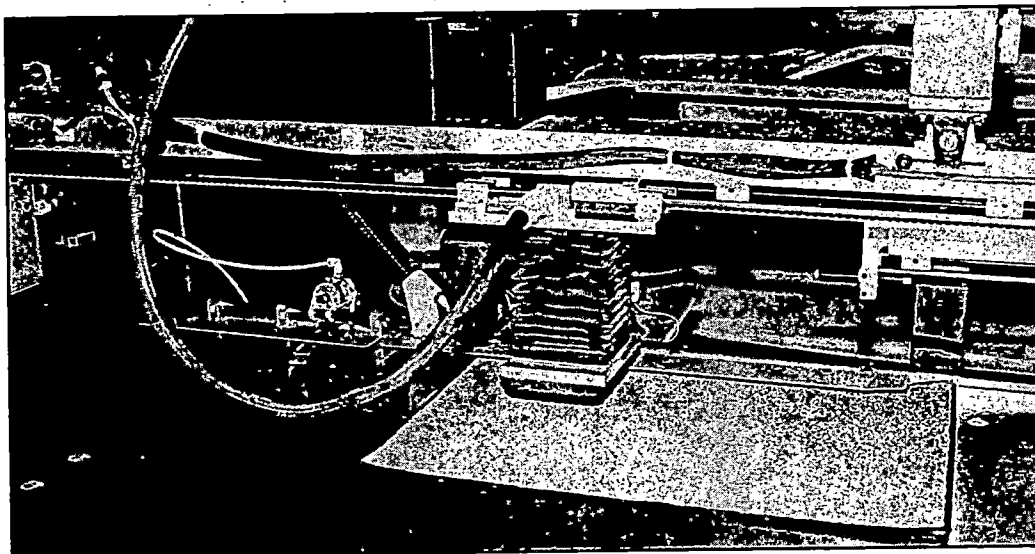
OFFICERS: Paul Comiskey, president; Michael J. Rooney, executive vice president of marketing; Bill Stephenson, executive vice president of manufacturing; Ed Cassinelli, vice president of commercial sales; Bob Heiss, vice president Eastern sales; Bud Thames, vice president Western sales



Paul Comiskey

JPS Carpet is part of the JPS Textile Group, which set a record for getting into and out of Chapter 11 last year. The company had filed for voluntary protection under Chapter 11 but only took 41 days to reorganize by trading some equity for lower payments from some bond holders. Paul Comiskey asserts that the company's financial health is fine and that 1991 was a much better

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year than 1990. He noted that the company gained market share, but did realize a loss in sales dollars which was less than the industry average.

The firm makes medium to higher priced carpets for both the residential and the commercial markets, in a product mix of 70/30. JPS Automotive Products Corp., another division of JPS Group Textile Inc., makes automotive carpet and trim. The firm also has two other operating subsidiaries—JPS Elastomerics Corp. and JPS Converter & Industrial Corp. Less than half JPS' residential products are polyester, while most of its commercial products are nylon.

Its Signature Dealer program, begun last year for an even more select group of dealers, has grown to approximately 850 members. This program along with new introductions, especially those of Trevira XPS are credited with a year end rally in '91 and sales of 20% improved in '92. The Signature Dealer program will be open to a maximum of 1,500 dealers, who will receive special merchandising considerations, warranties and special services in return for exclusive representation of Stevens' higher priced products. Right now, 600 dealers qualify for the program.

Stevens' ability to compete is greatly aided by one of the most efficient spinning operations in the carpet industry. As a result, the firm can make spun products, which account for most of its line, as cost effectively as anyone.

14

\$245.0 million

DIAMOND RUG & CARPET

P.O. Box 46, Eton, Georgia 30724
Phone: (706) 695-9446

SALES: Estimated at \$245 million for the calendar year 1991

OFFICERS: Ed Weaver, president; Ron Moreland, executive vice president

Diamond has been on a fast track in recent years, and the firm's success is based largely on its low cost manufacturing capabilities. Despite the generally dismal business climate in 1991, Ron Moreland says the company gained market share in the past year. This privately owned firm manufactures tufted broadloom carpet, synthetic turf and indoor/outdoor carpet at popular price points. About two thirds of its product line—much of which is based on polypropylene yarn systems—goes to the residential market, the remainder to the commercial market. The firm is also one of the leading mill fiber producers.

The company added significantly to its inhouse yarn

making and processing capabilities when it acquired two spinning plants from bankrupt InterWest Textiles. The plants have a combined capacity of about 80 million pounds, and give Diamond an inhouse spinning capacity of more than 90 million pounds a year. The firm also has a polypropylene fiber extrusion system which exceeds 125 million pounds a year and a 50 million pound BCF yarn twisting and heatsetting operation. In the past year, it added more polypropylene extrusion, more twisting capability for nylon and polyester staple, more tufting equipment and a finishing range. Those combined capabilities make Diamond one of the world's most fully integrated carpet and yarn manufacturers.

While Diamond increased its manufacturing capabilities last year, it also added to its distribution system. It expanded its North Georgia distribution center by about one third, and now has some 1.2 million square feet of distribution space under one roof. The company has had an active export business for the last 20 years, particularly to the Far East, the Middle East and parts of Europe.

While Diamond declined comment about new products and potential markets, all that manufacturing ability must be meant for something new. Watch for Diamond to continue to grow.

15

\$226.1 million

COLLINS & AIKMAN

701 McCullough Drive
Charlotte North Carolina 28262
Phone: (704) 547-8500

SALES: Estimated at \$226.1 million for the calendar year 1991, including \$154.9 million for automotive carpets made in the firm's U.S. and Canadian facilities. Automotive trim sales are not included

OFFICERS: Thomas E. Hannah, president



Charles Eitel

Divisions: Flooring Systems Division, P.O. Box 1447, Dalton, Georgia 30722
Phone: (706) 259-9711; Fax (706) 259-2099

OFFICERS: Charles R. Eitel, president and CEO; Jeff Goldberg, vice president of finance; Lee Schilling, vice president of marketing; Steve Zegler, vice president of manufacturing; Hank Millsaps, director of human resources; Doug Garwood, director of customer service and

'92 The Top Twenty-five

product management; Mac Bridger, director of national sales; David Pyles, director of international and institutional sales; Gordon Whitener, general manager corporate/national accounts

Automotive Division, 313 Bethany Road, Albermarle, North Carolina 28001

Phone: (704) 983-8330

OFFICERS: John D. Moose, president; Robert Smart, vice president of Detroit sales; J. Ben Treece, vice president of operations

Collins & Aikman is one of the oldest diversified textile manufacturers in the U.S. The firm, which will celebrate its 150th anniversary next year, is the leading producer of automotive textiles in the U.S. It also produces jacquard flat and velvet upholstery for both home and contract applications. Its floorcoverings division makes broadloom carpet, six-foot roll goods and modular tiles for the international commercial markets.

C&A's floorcoverings division apparently made a significant turnaround last year, in spite of the generally poor economy. The division had been losing money in recent years, but according to most sources, that changed dramatically last year. Much of that turnaround can probably be attributed to dramatic improvements in styling for the entire product line, aggressive marketing, and the success of the firm's six foot roll goods program.

C&A's automotive division makes both tufted and needlepunched flooring and trim, as well as floor mats, for Detroit's Big Three automotive firms. General Motors is C&A's biggest customer, but the firm also does substantial business with Toyota's U.S. operation.

C&A Automotive has four plants, including a yarn spinning plant, tufted and nonwoven carpet production facilities, dyeing and fabrication.

C&A launched a collection of carpet tile and coordinated six-foot roll goods that combine the latest in fashion and technology. Both Alliance and Patriot, with dense face construction, are available in 12 standard shades and custom colors. The line features a neutral background with a brightly colored, space-dyed end that produces a unique look on the floor. Made of Allied Fibers' Anso IV HP nylon, the products are installed using the company's own Powerbond RS technology for an environmentally friendly commercial carpet and carpet tile. Powerbond RS has a plastic layer which, when removed exposes a precured tackifier as part of the backing, eliminating the need for additional adhesives. The new products, Alliance and Patriot, are offered in 6-foot rolls and as 18-inch tiles with either cushion or condensed cushion backing. The compa-

ny is targeting the corporate and healthcare segments in particular for these products, which avoid the use of wet adhesives thus eliminating any lingering odors.

16

\$225.0 million

WORLD CARPETS

One World Plaza, Dalton, Georgia 30720

Phone: (706) 278-8000, Fax: (706) 278-9454

SALES: \$225.0 million for the calendar year 1991.

OFFICERS: John Shaheen, chairman of the board; David Shaheen, vice chairman and CEO; David Polley, president and COO; Bill Waters, vice president of marketing; Charles Parham, vice president, manufacturing; Martha McCorkle, chief financial officer; Charles Mitchell, vice president of operations; Danny Wade, vice president of styling and design; Ronny Williams, vice president of information systems



Bill Waters

Divisions:

Customweave Carpets, Box 1448, Dalton, Georgia 30722; (800) 241-4906 Ext. 4407

Dave Hardy, vice president of sales

The past year saw the passing of the baton at World from Shaheen and Piera Shaheen, co-founders of the company, to their sons, John Shaheen, now chairman, and David Shaheen, now vice chairman. The Shaheens retired in the fall of 1991 and David Polley joined the firm as president and COO. Polley comes to World having previously been president of Burlington's residential carpet operation. The restructuring ends speculation that the family business, established in 1954, was going to be sold. The company says it has spent the last three years concentrating on efficiency and competition. World has moved away from commodity roll-goods-only to high-quality, mid-priced residential products and, according to David Shaheen, "is ready to use our capacity to pursue additional market segments." While company facilities have been criticized as outdated, Polley has stated that maintenance has preserved efficiencies and quality. World also has the second largest staple spinning capacity in the industry and "tremendous" continuous dyeing facilities. New products are to be developed around these strengths, particularly medium-priced, textured heat-set staple carpets.

According to Bill Waters, World has refocused on the

residential market, "what we do best," and is once again a 100% residential carpet producer. The company already has a successful builder business and is expanding its residential replacement business through retailers, where it "can be very competitive and will target new introductions in the \$6-10 price range," Waters asserted. As part of the new strategy, Waters notified all company customers in July that pricing was to be revamped making roll pricing more competitive and cut order pricing "extremely competitive." The company launched a new Zenith (the name was World's distributor line but has not been in use) line in the fall. The exclusive collection (initially offered to 500 stores) is aimed at the popular mid-point for residential customers with the added attraction of being of branded yarns with extensive warranties. The company continues to make about 25% of its product of Hoechst Celanese' Trevira polyester fiber, which is performing well for World.

In March 1992, the new management team was completed with Charles Mitchell named vice president of operations and Charles Parham appointed vice president of manufacturing. Mitchell has been with World for over 20 years. Parham is the former president of Columbus Mills. According to Polley, World is now positioned to be a "marketing driven organization, supported by manufacturing efficiency."

Bill Waters explained that World has changed its strategy in reaching the consumer by giving its sales people more decision making power. The sales force is instructed to focus on each individual store and its needs—what products can a particular retailer sell. World gave up a permanent showroom market center approach over two years ago and now maintains a local showroom year round at the Dalton Market.

17

\$152.1 million

SORELTEX INTERNATIONAL .

30 de la Comtesse

Sorel, Quebec, J3P 4W6, Canada

Phone: (514) 743-3346; Fax: (514) 743-9558

Sales: \$152.1 million combined sales of Soreltex, Cumberland and Harding. (estimate based on industry average of 5% sales reduction in the U.S. and 10% reduction in Canada)

President & CEO: Bill Bodenhamer; Gen. Mgr.: Ralph Burns

Following last year's whirlwind of purchasing activity, Soreltex International is once again involved in a corporate "fruit basket turnover." The "turnover" began when George

Lacroix, former president and principle owner of Soreltex, sold his shares in Cumberland Mills, Inc., Chatsworth, GA, and Harding Carpets, Inc., Brantford, Ontario, to Penfund Management Ltd., an Ontario firm which manages Soreltex's pension program. Now, Lacroix is no longer associated with any of the mills, and Penfund Management is a majority owner in all of them. Negotiations are underway at press time to reorganize the grouping of mills which included Soreltex, Harding and the American mill, Cumberland. Though all three are now operating separately, the two Canadian mills will continue to share a common marketing plan.

Soreltex makes popular-priced carpets for the Canadian and U.S. residential markets.

CUMBERLAND MILLS, INC.

P.O. Box 189, Duvall Rd.

Chatsworth, Georgia 30705

Phone: (706) 695-7411; Fax: (706) 695-0529

President: Stanley R. Peszat

Sales: \$50 million

Amidst all the confusion of who owns what, Cumberland managed to introduce several new products this year and fill some specific commercial niches. The Crown Collection's four styles of commercial cut pile carpets target hospitality and other commercial settings where budget and performance are critical. Eclipse and Explorer are designs which can be used in combination with each other or with solids. Paragon and Geometrix are suited to hospitality and retail settings. Cumberland also has four new offerings in its Design Series, the value-oriented collection of applied pattern carpets. In addition to hospitality and retail settings, these patterns are also well suited for residential and office installations.

HARDING CARPETS

85 Morrell St.

Brantford, Ontario

N3T 4J6, Canada

Phone: (519) 756-5241; Fax: (519) 756-3916

President: Bill Bodenhamer

Sales: \$67.5 million (estimate based on industry average of 10% sales reduction in Canada)

After closing, reopening and being purchased, Harding is alive and well this year but with some major personnel changes. Just as he is no longer involved with Soreltex, George Lacroix is no longer president of Harding. The new Soreltex president, Bill Bodenhamer, will also serve in that capacity at Harding. The company has installed an entirely

new senior management team which is re-evaluating the company. Though, in 1992, Harding operates independent of Soreltex, the common president and marketing activities suggest some type of connection, leaving Cumberland to operate totally on its own in the U.S.

Harding makes both residential and commercial carpets, for the medium and high-end Canadian, U.S. and European markets.

18

\$150.0 million

TUFTEX INDUSTRIES

15305 Valley View Avenue
Santa Fe Springs, California 90670
Phone: (310) 921-0951; Fax: (310) 921-3847

SALES: Estimated at \$150.0 million for the calendar year 1991.

OFFICERS: Robert A. Cook, president; Jeff Sears, executive vice president

DIVISIONS:

Tuftex Carpet Mills, Inc. 15305 Valley View Avenue, Santa Fe Springs, California 90670; (310) 921-0951

Designweave, same address; phone: (310) 921-0951

Tuftex is the largest carpet manufacturer in the West. It's also one of the few West Coast mills which is integrated back through yarn spinning. The firm makes medium priced residential carpets and, through its Designweave division, carpets for the contract builders market and the medium priced commercial markets.

While Tuftex has had to deal with the same problems of all West Coast mills—a slump in the housing market in California, and the state's tough environmental laws—it has managed to stay away from the intense price orientation of its Eastern competitors. The firm markets its products primarily to middle of the road retailers who appreciate Tuftex's fastidious service and open lines of communication.

When Tuftex began manufacturing in Southern California, the region was one of the premier manufacturing environments in the nation. But in the past decade, Tuftex and all other Southern California manufacturers have been feeling the pinch of California's ever tightening environmental regulations. The firm began looking for alternatives in 1985, when it bought a mid-size yarn spin-

ning operation in Yuma, Arizona, a growing desert city located on the Colorado River where it meets California, Arizona and Mexico. In the years since then, Tuftex has not only built the Yuma yarn operations into one of the most cost effective in the industry, but it's also gradually shifted its tufting operations there. Today, the firm does more than 40% of its tufting in Yuma. The yarn mill currently has a capacity of over 40 million pounds and both spinning and BCF processing equipment.

In the past year, Tuftex continued to focus on mid and high end products when it launched Sterling Cove, a big cabled saxony in 40-colors in the \$30+ price range and two textured products in the \$17+ range.

19

\$130.0 million

COLUMBUS MILLS

P.O. Box 1560,
Columbus Georgia 31993
Phone: (706) 324-0111

SALES: Estimated at \$130.0 million for the calendar year '91.

OFFICERS: George P. Swift, Jr., chairman; John Dixon, president; Howard Parham, vice president of operations; James T. Tapscott, secretary-treasurer; Larry Cooper, vice president of sales and marketing; Roy Hickman, vice president of product development

Divisions:

Carpets By Columbus, P.O. Box 1560, Columbus, Georgia 31993

Jude Acuff, vice president of marketing

Lotus Carpets, Box 1238, Columbus, Georgia 31902; (800) 537-1509; (404) 324-0111

Harry Mills, vice president of marketing; David Murray, vice president of sales

Columbus changed leadership this past year when John Dixon, who had served as president from 1977 to 1988, came out of retirement to take the reins again as president. Charles Parham, previous president, is now vice president of manufacturing at World Carpet Mills. This bodes well for the company which had prospered under Dixon's leadership in the past. While the company lost market share in 1991, changes currently underway are expected to bring the company back quickly.

'92 The Top Twenty-five

Columbus Mills is a privately owned manufacturer of medium priced, high quality residential and commercial tufted carpets. About 80% of those products are sold to the mainstream retail markets, while the other 20% are commercial carpets which are sold through the firm's six year old Lotus Carpet Division.

Columbus has a reputation as one of the best manufacturing operations in the carpet industry. It operates three plants with a total of about 650,000 square feet of modern manufacturing facilities. The firm also has five nationwide distribution centers.

20

\$120.0 million

MANNINGTON CARPET

P.O. Box 12281

Calhoun, Georgia 30703-7004

Phone: (706) 629-7301; Fax: (706) 629-2365.

SALES: Estimated at \$120.0 million for the calendar year
OFFICERS: R. Scott Smith, chairman and CEO
Mannington Mills; Anthony O. Kelly, COO, Mannington Mills; Brian Daniels, president of Mannington Carpets; Michael A. Beamer, vice president of sales and marketing



Brian Daniels

Mannington Mills makes a complete line of floorcoverings from sheet vinyl, ceramics and hardwood to carpets. Its carpet subsidiary, Mannington Carpets, specializes in making medium and higher priced commercial and residential products and marketing them through two specialized divisions:

- Wellco, which markets its products through distributors.
- Mannington Commercial, handles all commercial products including the Kymera line, the high end producer of broadloom and tile for the specifier market.

Mannington says it had good growth in its Mannington Commercial line. The Wellco has reportedly had a difficult year. Mannington Commercial has absorbed the Charleston and Kymera divisions and is now the major part of the business.

So far, 1992 has brought major changes at Mannington's parent company with a management shake up at Mannington Mills. Thomas P. McAndrews resigned his position as president and COO of Mannington Resilient Floors as of Feb. 28 and Scott Smith, president and CEO of the Mannington Mills assuming the added responsibilities

of chairman of the board as of April 16. Anthony Kelly joined Mannington to replace McAndrews, having served previously as president and CEO of Bigelow-Sanford until 1987 when the company was acquired by Fieldcrest Cannon. Kelly had been running his own consulting firm, Vantage Points.

Meanwhile, Mannington Carpet has added five new distributors for its Wellco line. The company's yarn mill, which began operations in February 1990, has more than met expectations since. This plant, fully automated, is the most modern now operating. The plant produces most of the company's tufting requirements except some specialty yarns. The company also has its own dyeing mill and coating mill. It has recently begun its own recycling operations for paper, computer paper, cardboard and bale wraps.

21

\$119.8 million

BENTLEY MILLS

14641 E. Don Julian Rd.

City of Industry, California 91746

Phone: (818) 333-4585; Fax: (818) 333-3103

SALES: \$119,785,000 for 1991

OFFICERS: Ralph Mishkin, chairman; Royce Renfroe, president and CEO; Jack Mishkin, executive vice president; Randall Drummond, vice president of operations; Ken Disselkoe; vice president of sales and marketing; David Munro, vice president & CFO; J. Osby Borchardt, vice president of style and design



Royce Renfroe

This California producer, established in 1980, specializes in making medium to high priced broadloom, carpet tiles and six foot carpets for the designer/specifier commercial markets. Very uniquely styled product lines, high quality and excellent service continue to be the qualities that set Bentley apart from much of its competition. And, in 1991, the company upheld its reputation as a style leader by winning the Institute of Business Designers/Contract Design Gold Award for its Seurat collection of commercial carpet patterns. The company also won the IBD bronze award for companion carpet patterns and a coordinating solid.

Bentley is vertically integrated from tufting through finishing. While the focus in Bentley's marketing operation is on the best quality and service, the focus here is on the best equipment, not on low cost. Bentley's 500,000 square foot

manufacturing facilities include one of the world's most modern dyehouses, a Zimmer Chromojet printer, and some of the most up-to-date patterning tufters in production today. The backing division's new facility in Athens, TN opened last year. The new facility will not only house the company's manufacturing for backings, cushion pads and Bentley's Healthguard adhesives, but also help Bentley provide better service through reduced shipping time for its East coast and Midwest customers.

For many years, Bentley had concentrated largely on the corporate office market, where it used its Velva-Weve tufting machines to create its styling trademark—exquisite patterned carpets with an unusual hand-carved look. In recent years, the firm has expanded its focus and its styling capabilities considerably with the installation of the Chromojet patterning system. Today, its carpets are used in a wide range of installations from hotels, country clubs and restaurants to banks, airports, schools, hospitals and department stores. Last Fall, the firm launched a six foot cushion backed carpet program in an effort to capitalize on the rapidly growing market for narrow width carpets.

Bentley reports that it has completed its financial reorganization to de-lever the company so that its debt/equity ratio is 1.5:1.

22

\$106.0 million

CARRIAGE INDUSTRIES

P.O. Box 12542,
Calhoun, Georgia 30701
Phone: (706)-629-9234

SALES: \$106.0 million for fiscal 1991, year ended June 30
OFFICERS: Clarence E. Harris, chairman; Stephen R. Dickinson, president; Philip H. Barlow, vice president of sales and marketing; Kenneth D. Bryson, vice president of manufacturing; Steven G. Jones, vice president of finance

Carriage has found success by targeting specialized markets and providing them with the products they need.

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***"How do I stack up against
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***"How can I adapt to the needs
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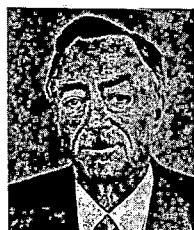
Kurt Salmon Associates

management consultants

Carpet and Rug division: 1355 Peachtree Street, NE, Atlanta, GA 30309 • 404-892-0321

'92 The Top Twenty-five

Carriage has growing businesses in the small boat market, the RV industry, the exposition and trade show market, the specified commercial market, the contract/residential market and the needlebonding market.



Harris

Carriage reports increased sales in 1991 to the manufactured housing industry and the small boat manufacturers market, even though both industries were in decline. Sales to the RV industry dropped slightly although not as much as RV manufacturers' own sales. And while sales to the exposition/trade show segment were down, Carriage was still the leading supplier to that market. The company's contract/residential market sales were down more than the overall carpet industry.

It is estimated that 40% of Carriage sales are in the manufactured housing and recreational vehicles markets. The company's subsidiaries are:

- Suncraft is the hospitality/commercial subsidiary that meets needs of interior designers and architects by creating and manufacturing custom carpet. Suncraft continued to achieve growth in '91 and the plant is being expanded by 28,000 square feet.
- Bretlin, the needlebond subsidiary had a growth year and is developing new products and technology. Bretlin's products are targeted at the indoor/outdoor floorcoverings, specialty mats and commercial wall coverings segments.
- Tower, the division that supplies apartment and single family detached housing segments, had sales increases of 10%.

Carriage is expanding its yarn mill by 58,000 square feet.

- The company also has a transportation subsidiary that operates one of the largest trucking fleets in the carpet industry.

The company seems to be doing well in 1992, having reported net sales in the third quarter ended March 29, of \$30.1 million, up from \$24.3 million last year. Net sales for the nine months were \$83.2 million, up from \$77.2 million.

Carriage has also announced a plan to sell Medart, Inc., its metal fabricating subsidiary in order to concentrate on its carpet businesses. The impact of the plan to sell Medart, including an after-tax, non-recurring loss of \$3.2 million was recorded in the fiscal 1992 third quarter and all prior data has been restated. Now that Carriage has decided to sell Medart and concentrate on its carpet businesses, the company's significant market advances in its chosen niches should shine in 1992.

23

\$105.0 million

SPRINGS INDUSTRIES

Bath Fashions Division

104 West 40th Street

New York, New York 10018

Phone: (212) 556-6340; Fax: (212) 556-6440

SALES: Estimated at \$105 million

OFFICERS: Dave Moserowitz, president

The acquisition of C.S. Brooks in April 1991 and some shuffling of Springs' previous business groups has led to the formation of a new division, the Bath Fashions Division. It is comprised of the bath rug business from the company's previous Performance Products Division; the bath rug, shower curtain and embellished towels business of C.S. Brooks; and the company's Andre Richard ceramic bath accessories unit. The division has a new president in Dave Moserowitz and a new location in New York. The company believes the reorganization will improve customer service by focusing more closely on the entire bath market.

The company has made no major changes to its product line since the reorganization, but it did expand its bath rug operation in Calhoun, GA. According to Moserowitz, the focus for Spring Bath Fashions in the upcoming year is to try to adjust and be known as a total bath resource.

The new Bath Fashions Division is part of Springs' home furnishings group, which had 1991 sales of over \$1 billion. Including its finished fabrics and industrial textiles businesses, Springs Industries total 1991 sales reached \$1.9 billion.

24

\$94.0 million

KRAUS CARPETS

65 Northfield Dr.

Waterloo, Ontario N2J 4J4 Canada

Phone: (519) 884-2310

SALES: Estimated at \$94 million for the calendar year, based on the average 1991 exchange rate of \$1.1460 Canadian dollars to the U.S. dollar

OFFICERS: Michael Kraus, chairman, Frank Gutiere, CEO

This family-owned Canadian carpet manufacturer is vertically integrated from yarn extrusion through finishing.

Kraus specializes in making high quality polypropylene carpets for both the domestic and export markets. The firm has probably managed to avoid the problems of other Canadian carpet manufacturers by not only maintaining a diversified customer base—much of its carpets are exported to the U.S., Europe, the Middle East and the Far East—but also by being integrated all the way back to fiber making and by running one of the finest manufacturing operations in the carpet industry.



Michael Kraus

Kraus's Strudex yarn division was one of the first polypropylene extrusion operations in North America and today is one of the largest on the continent. Even its competitors say its yarns are among the best in the business. Much of that yarn is sold to mills in the U.S.

Kraus introduced Discovery at NEOCON 1991. Made of Anso IV HP nylon, the commercial cut pile has a hounds-tooth-look geometric pattern.

25

\$93.5 million

J & J INDUSTRIES

J & J Drive, P.O. Box 1287
Dalton, Georgia 30722-1287
Phone: (706) 278-4454; Fax: (706) 275-4433

SALES: Estimated at \$93.5 million for calendar year 1991

OFFICERS: James R. Jolly, president; H. Ray Moss, vice president of manufacturing; James E. Bethel, vice president of finance and administration; H. Francis Brantley, vice president of sales and marketing.



Jim Jolly

J & J Industries was founded 45 years ago and has special-

(Continued on page 75)



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The Second'92 Twenty-five

Unable to compete on a volume basis with the larger mills, these medium-sized manufacturers emphasize service and quality to make their mark in the highly-competitive carpet industry.

By MICHELLE ELLIOTT, Associate Editor

The second 25 experienced a lot of change in 1991. Some of last year's up and coming mills moved into the ranks, consolidations changed balance sheets for many and others slipped down and out. American Rugs Craftsmen, Venture Carpets and Monterey have graduated from the up-and-comers. As the Soreltex/Cumberland/Harding group formed last year and Spring Industries, complete with its purchase of C.S. Brooks, move up in the list, they are replaced in the second 25 by Marglen and Masland Industries.

Operating on its own and hoping to emerge from reorganization soon, Hollytex dropped several places. Meanwhile, Blue Ridge was bought and Royalty is in the mood for buying, namely Pacific Crest.

Though most mills saw flat sales or even decreases for 1991, there is some good news to report. Prince St., for example, secured its entrance into the list with a 30% sales increase while Royalty and Sunrise saw 17% and 21% increases, respectively.

With the recession pressing down, every mill looked for ways to duck under or fly over it. Some played it conservative by cutting costs, or employees, and consolidating work areas while others took the opposite route and put more money into marketing and product development. All in all, their ability to find a niche, excel at customer service or seek out new markets proved to be these mills' key to survival.

26 ROYALTY CARPET MILLS

17353 Derian Avenue
Irvine, California 92714
Phone: (714) 474-4000; Fax: (714) 756-1488

SALES: \$90.0 million

OFFICERS: Mike Derderian; Vice President: Bud Clance

Besides continuing to grow as it did in 1991, Royalty has other big plans for this year. At press time, Royalty had issued a letter of intent to purchase its California neighbor, Pacific Crest Carpet mill.

Royalty makes medium to high-end saxony plushes for the residential market and level loops, cut piles and graphics for the commercial market. At present, the company's business is about 80% residential and 20% commercial. In addition to introducing a new collection of area rugs for its strong residential business, the company is committed to gaining a stronger presence in the commercial market. This year, it introduced new commercial cut pile and cut loop styles for both summer and winter seasons.

Royalty sells its products in California, Utah, Nevada and Washington.

27 MARGLEN INDUSTRIES

Ward Mountain Rd.
P.O. Box 2309, Rome, Georgia 30161
Phone: (706) 295-5621

SALES: \$88 million for the calendar year.

OFFICERS: Jerry Hubbard, president

DIVISIONS:

Caladium Carpets, same address

Bill Waitsman, national sales manager

Marglen Industries has been doing business for over 20 years, and it seems to prosper as well as any in its niche. It does so primarily because its low key owner, Jerry Hubbard, sets his sights on making money, not on growth.

Marglen is vertically integrated from yarn spinning through finishing, but unlike most of its competitors, that integration is limited. The firm jointly owns a beck dyeing

facility with Barrett Carpets and owns part interest in the mill that spins its yarns.

Marglen has traditionally marketed its medium priced solid color saxony and textured residential carpets through distributors and to a large clientele in the Mideast. But in recent years, much of its domestic product line is being sold direct through its Calladium Carpets division.

The company reported a strong rebound in export sales after the Gulf War ended. Marglen has shifted its emphasis to more branded products, having introduced seven Traffic Control and six Crush Resistor products in the last year.

28 IMAGE CARPETS

P.O. Box 5555

Armuchee, Georgia 30105

Phone: (706) 235-8444; Fax: (706) 235-0386

SALES: \$85 million

OFFICERS: Chairman: Larry M. Miller; President: Stan Padgett

Image Carpets' product line is comprised totally of polyester or nylon/polyester blends, all sold under registered Image trademarks. Image has built its reputation on being a good polyester manufacturer, and in 1991, as consumer environmental awareness grows, polyester is beginning to gain popularity. The company's Enviro-Tech carpet system, introduced in July 1991, takes advantage of the company's fiber extrusion plant's ability to produce polyester resin from recycled plastic soft drink bottles. This system is now being marketed to selected retail outlets with very enthusiastic response, according to Dewey French, vice president of sales and marketing. With the extrusion plant at full capacity, Image is a totally vertical carpet manufacturer with its own dyeing facility and spinning plants.

Strengthening its position in the commercial market, the company introduced some new commercial cut pile products this year, including Defender and Aggressor, both made with yarn extruded and spun from recycled soft drink bottles. The environmentally-friendly commercial cut pile products from Image are specified in a number of state governments for use in state-funded projects because of



Epic Enterprises, Inc.

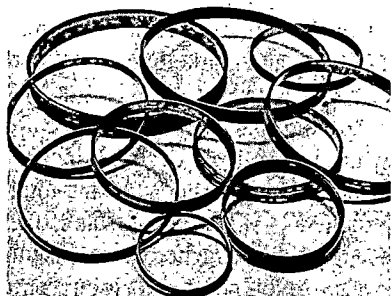
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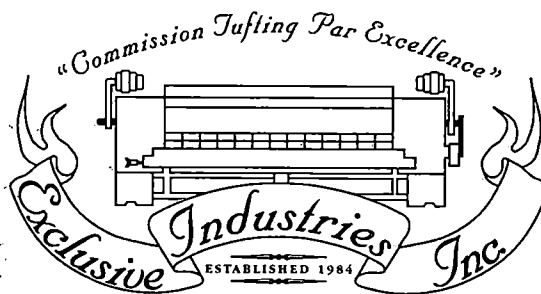
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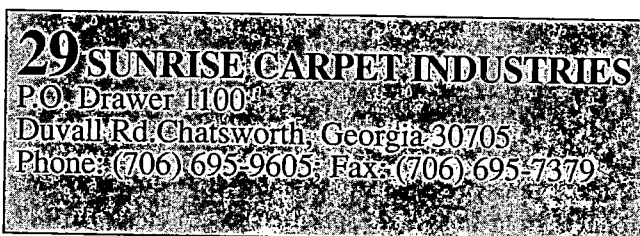
511 Callahan Road
Dalton, GA 30721-5002

'92 *The Second Twenty-five*

requirements to use as much material of recycled content as possible.

The added government business helped the company maintain its domestic business. Business lost last year in the Middle East due to the Gulf War has now been regained and surpassed.

The company is broken into several divisions: Image Carpets, which sells principally through distributors; Classique Carpets, which sells through retail outlets; Image Abroad, which handles the company's export business; and Image Commercial, which is in charge of the contract line. Paragon Commercial Carpets no longer exists.



SALES: \$82 million

OFFICERS: Chairman: Johnny A. West; President: Edward C. Miller

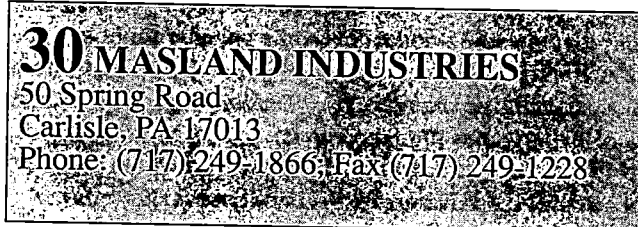
National business for Sunrise held up well during the first two quarters of 1991 and continued to pick up during the year's close. To increase its annual sales by 21%, the company expanded its direct sales force and added more styling capabilities with new equipment. Company officials are committed to increasing Sunrise's annual sales to \$100 million within the next two years. By continuing to expand its styling options, management sees this as an obtainable goal.

As the flagship division of Sunrise Industries, Sunrise Carpets now manufactures over 40 styles, which are sold to retailers who feature residential and commercial styles, as well as to commercial/contract dealers. Currently, these are largely mid-range carpets, but Sunrise has expanded its offerings to include upper-end commercial styles as part of its growth plan. In fact, Miles Carpets, a division that now sells carpet to wholesale distributors, has traditionally serviced the distributor market with low to medium range products but has expanded its line to include high-end and graphic products as well. By targeting the strongest distributors, Miles has been able to increase its business in that sector. Sunrise is also pursuing several niche markets, such as hospitality through its Merit Industries division, and a custom program through a new division, Aspen Custom Design. Begun in July 1991, this new division, with \$500,000 in sales to date, is aimed at the restaurant/hotel and designer markets.

The company's products include friezes, level loops, and cut pile and loop pile graphics. The line features DuPont, Amoco and Camac branded yarn systems, as well as Techtron solution-dyed, continuous filament nylon. Custom colors, constructions and backings are available. For custom graphics, both cut pile and loop pile constructions are offered in most major yarn systems. New in 1991 are several commercial styles, including: Timeless, a cut pile graphics style of advanced generation nylon; Castle Gate, a graphic level loop; and Arena, a rib loop carpet of solution-dyed olefin.

In 1991, Sunrise began a complete modernization of its production facilities. Several new high speed tufting machines with enhanced styling capabilities have been acquired and additional equipment is on order. This investment in machinery will mean faster customer response time and greater styling flexibility.

The keys to continued growth for Sunrise in 1992 were good service and styling. The company has always been devoted to a high level of customer service and is now working to match that effort with an equal emphasis on product style.



SALES: Estimated at \$75 million for the calendar year 1991 in actual carpet product; Tufted material is then augmented by various backings and fillers to make it specialized for automotive use. Finished product is estimated at \$145 million in sales.

OFFICERS: W.J. Branch, Jr., president; James P. Sheya, vice president of sales and marketing

Masland specializes in making automotive carpet and trim for the worldwide automotive industry. It makes both tufted and needlepunched products— 65% of the total are tufted, 35% needlepunched— in three U.S. and one Canadian plant. Operations in 1991 remained on track with 1990.

The firm is also involved in two joint ventures— one with Hayashi Telempu of Japan and the other with Consorcio Industrial Mexicano de Autopartes, a Mexican autoparts manufacturer. The Masland/CIMA joint venture has plants in Hermosillo and Toluca, Mexico; the Masland/Hayashi joint venture, called Amtex, Inc., has a molding, die cutting, gluing and extruding plant in

Manteca, California and a molding, gluing and cutting plant in Lebanon, Ohio. Sales for Amtex are estimated at about \$35 million.

Branch says the carpet business was "unchanged" in 1991.

31 MASLAND CARPET

P.O. Box 11467
Mobile, Alabama 36611
Phone: (205) 675-9080; Fax: (205) 675-8330

SALES: \$62 million

OFFICERS: President: John O. Sturdy

Change is still the name of the game at Masland under the leadership of president John Sturdy. The 125-year-old company has traditionally done nearly all of its business in residential carpets and area rugs, but this summer it will be introducing a contract line of medium to upper-priced carpets.

The introduction of the contract line lead to some additions to management. Ken Dempsey is vice president of marketing and Don Dolan is vice president of sales for the contract program. In other personnel moves, Laurence Dunn, vice president of sales, was elected to the board of directors, and John Wilson Jr. was appointed vice president, CFO and secretary/treasurer.

Dempsey notes that even though Masland is adding a contract program, residential carpets will always be its main focus. It does not intend for the contract business to take away from its residential business. New residential introductions for the year include Saquaro, a bold and bulky nylon cut pile; Monaco, a densely textured cut pile; and Trellis and Tricot, a wool loop pile duo. As an alternative to custom area rugs, Masland also introduced a new area rug program this year called New Accents Area Rugs,

which uses styles such as Reggae to create contrasting textures in four patterns.

Always known for innovative and unique products, especially in the area of color, in 1992 Masland will continue to do what it does best, focusing mainly on product development and customer service. It believes the key for any mill now is differentiation. According to Dempsey, "the difference between the '80s and the '90s is that people are much more sensitive to value. We're going to provide them with that value." Expect to see Masland focusing more on branded fibers, trying to offer customers the best product for their money. Likewise, in upgrading its manufacturing facilities this year, Masland worked on improving quality and product performance, not styling capabilities. In the fall of 1991, Masland closed its Carlisle, PA, office. All functions performed at this office were transferred to company headquarters in Mobile, AL.

Industry wide, Dempsey expects to see more consolidation and demand reaching a plateau. "I see our growth as one of gaining market share, not one of overall demand in the industry."

32 WUNDA WEVE CARPETS

P.O. Box 167
Greenville, South Carolina 29602
Phone: (803) 879-8000; Fax: (803) 879-8009

SALES: \$60.0 million

OFFICERS: President and CEO: David S. Holt

While David Holt has remained president of Wunda Weve and also assumed the added responsibilities of CEO, Lester Hudson, who last year became chairman when the company was purchased by Southland Capital Corp., is no longer

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serving in that capacity. The company did not want to reveal the name of its new chairman.

To deal with the recession, Wunda Weve reduced its fixed costs by \$6 million for the year, according to Holt. But even with these reductions, the company still managed to put money into developing new products. And, according to Holt, that effort has really paid off. He noted, "Sixty percent of our business now is due to products we've introduced in the last 12 months." Some of those introductions include a collection of Zephtron solution-dyed nylon commercial carpets and some Monsanto cut pile carpets. Nine patterns made with polypropylene fiber that are designed for active, high-traffic settings such as game rooms and dens have also been introduced. Varying slightly from its forte of medium to high-end carpets, Wunda Weve's James Bond collection targets the more moderately-priced markets with retail prices in the \$12 to \$22 range. According to the company, these carpets offer the same high quality as any other Wunda Weve product; the cost difference is taken off the mill's profit margin.

The company also managed to invest in some new equipment in 1991. A precision cut pile tufting machine and enhanced loop graphics equipment will help Wunda Weve continue to develop new products. In July, the mill will be launching a residential program with Monsanto that Holt says "will be more typical of the large mills."

What does Holt see as the bottom line in the carpet industry? "Profitability and professionalism—there's got to be more of it in the business or none of us are going to make it."

33 MAGEE CARPET COMPANY

A Division of Magee Industrial
Enterprises, Inc.
480 West Fifth Street
Bloomsburg, Pennsylvania 17815
Phone and Fax: (717) 784-4100

SALES: \$59 million

OFFICERS: President: James Magee

Magee Industrial Enterprises is a diversified company which, besides being involved in the manufacturing of automobile carpeting and the wholesale distribution of carpet, has many other interests outside of the carpet industry, including: real estate rentals, a radio station, a full service hotel, and a chain of fast food restaurants.

Though 1991 sales are down 6% from last year's figures, they do indicate a slowing of the effects of the recession on the automotive industry that caused a 20% decrease in

sales from 1989 to 1990.

Magee has its own tufting and dyeing capabilities and extrudes its own polyethylene. The distribution end of the company, with a warehouse in Danville, PA, and offices and a showroom in Berlin, NJ, carries a variety of residential and commercial carpets.

34 ATLAS CARPET MILLS

2200 Saybrook Avenue
City of Commerce, California 90040
Phone: (213) 724-9000; Fax: (213) 724-4526

SALES: \$54.1 million (estimate based on industry average of 5% sales reduction)

OFFICERS: President: James Horwich

Atlas specializes in high-end patterned carpets for the commercial market, and, according to president Jim Horwich, the company is phasing out what little residential business it currently has. In 1991, the company introduced a series of 46 multituft patterns for commercial use.

Atlas has its own skein dyeing facility, tufters, enhanced loop graphics equipment and finishing and shearing equipment. This year it added a jet pressure beck, which saves water while improving the quality of the mills' piece dyeing.

Though its sales decreased for the year, Atlas was able to offset its losses in California by adding sales people and improving sales in other areas, says Horwich.

Atlas sells its products directly to dealers, except in the Midwest where it has two distributors. The company's offices, warehouses and manufacturing operations are consolidated in 300,000 square feet of facilities in City of Commerce.

35 PRINCETON, INC.

201 Princeton Blvd.
Adairsville, Georgia 30103
Phone: (706) 773-3796; Fax: (706) 773-7796

SALES: \$53 million

OFFICERS: President: Dirk De Vuyst

A fully integrated producer of tufted broadloom carpets and woven area rugs, Princeton has used 1991 to drastically reduce its product offerings while enhancing customer service. In the broadloom area, the mill is down to a basic Berber package of 20 products. According to President De Vuyst, the aim in broadloom was to keep the product line

narrow and ship quickly. To do this, the company makes sure its core program is always in stock. In its area rug business, which accounts for 65% of its sales, the number of skus was reduced from 2000 to 320. As in the broadloom area, fast service is important and De Vuyst says that 95% of the time, Princeton delivers when promised. The new air-entangling equipment acquired this year is aimed at helping the company react quickly.

Princeton profited this year by trimming inventory, cutting unnecessary costs and keeping an eye on its core business (area rugs), which did very well. In its broadloom business especially, the company worked toward being more efficient both in manufacturing and administration and stuck to its basic Berber product offerings.

For next year, De Vuyst says that the broadloom business must get more mileage out of the new sales racks it has introduced. Currently, they are in 1800 outlets with further retail penetration planned. He does not expect to come out with any major introductions, other than color variations. In the rug area, product offerings may be slimmed even further while equipment will continue to be added in order to increase service.

36 VENTURE CARPETS LTD.

P.O. Box 95

Drummondville, P. Quebec

J2B 6V6, Canada

Phone: (819) 477-7117; Fax: (819) 477-8229

SALES: \$48.7 million

OFFICERS: President: J.A. Yvon Hebert

Venture Carpets has burst upon the scene this year to gain a solid foothold in the top 50. Listed as an "up-and-comer" last year, the company said it increased its sales by sticking to its core business (broadloom for the commercial market with a focus on corporate environments) and by putting a heavy emphasis on expansion into new markets, including the U.S. Venture is comprised of four separate companies, all involved in carpet. Venture Carpets manufactures carpet; Venture Carpets Ontario Ltd. distributes its carpet products; ChemBond Flooring Systems manufactures carpet tile; and Venture Fibres is a fiber extrusion operation.

37 HOLLYTEX CARPET MILLS

520 North Wildwood

Irving, Texas 75061

Phone: (214) 579-3500; Fax: (214) 579-3531

SALES: Estimated at \$48.0 million

OFFICERS: Chairman: Tom Karol; Vice Chairman: V. Levon Ezell; President: Ron Threadgill

Plant Location:

505 N.E. Seventh Street

Anadarko, OK 73005-2299

Phone: (405) 247-6641; Fax: (405) 247-7681

Operating under reorganization, Hollytex Carpet Mills changed the scope of its business in 1991 to focus on manufacturing, cutting out its distribution arm. Its existing distribution activity was turned over to a sister company, L.D. Brinkman & Co. (the largest floorcovering distributor in the U.S.). Hollytex has concentrated on improving the product line and becoming a more efficient manufacturer and has continued to invest in its operations. It now sells to L.D. Brinkman and other distributors with a modest markup over manufacturing costs. Product lines and systems were redeveloped to meet the needs of today's more demanding consumers, in terms of color, style, performance and value. This commitment is seen in new introductions such as the company's Analogy 36 and Analogy 42, multicolor cut piles offered in 18 colorations. With a reputation for high quality, finely constructed finished products, the company now sells to major distributors across the country and internationally. Hollytex expects its reorganization to be complete early this summer.

The drastic decrease in sales from last year's figure of \$91 million reflects the fact that Peeters Carpets, which previously accounted for 40% of the Hollytex/Peters' revenues, is now operating independently of Hollytex.

38 BLUE RIDGE CARPET

P.O. Box 507

Ellijay, Georgia 30540

Phone: (706) 276-2001; Fax: (706) 276-2005

SALES: Estimated at \$47.5 million

OFFICERS: President: Norman Gibbs

A busy year for Blue Ridge, 1991 brought a new owner, new equipment and several new products. Blue Ridge and its distributor owner, U.S. Lowy Distributors, were bought by J.B. Poindexter & Co., a Houston, TX-based private investment company in August 1991. Poindexter is in the business of acquiring basic manufacturing and distribution companies. Its other assets include Allsteel, a major office furniture manufacturer; Morgan Corp., a manufacturer of

'92 The Top Twenty-five

pickup truck caps and enclosures; National Steel Service Center, a producer of steel and aluminum flat rolled goods; Abingdon Bridge, a fabricator of large scale bridge components; and EFP Corp., a polystyrene converter. The new firm encompassing Lowy Distributors and Blue Ridge has been renamed Lowy Group Inc. Management teams from both companies have remained intact.

Blue Ridge had to lay off some workers early in the year to fight the recession, but it has recently been able to expand its sales force, and according to Gibbs, with orders up the last few months, the mill was able to call back everyone who had been laid off.

In keeping with its strategy of producing high-quality, unique products for the medium to high-end commercial market, Blue Ridge has been concentrating more on graphics. In 1991, it purchased an eight-color Mitter Printer that can make different graphic tufted designs. It also bought a new cut pile tufting machine. New introductions for the year include: Mirada III, a textured graphic loop product of 100% solution-dyed Zeftron 500 nylon; Courland, a cut pile graphics available in 16 colors; and Highlights, a level loop graphic style that combines solution-dyed Zeftron 500 nylon and yarn-dyed Zeftron. Blue Ridge's commercial carpets are sold to contract dealers, while its line of printed level loop products are sold through distributors.

Exports also seem to be helping Blue Ridge. Gibbs said the company has a fair amount of business in the Far East now, and three months ago, it started to heavily penetrate European markets.

Along with exposing new markets around the world to its products, Gibbs said Blue Ridge's focus for 1992 will be to concentrate on what it does best—make unique carpets for commercial markets.

39 REGENT INDUSTRIES

Parent company of Patrick Carpet and Western Dyeing
2937 E. Maria Street
Rancho Dominguez, California 90221
Phone: (213) 636-0861; Fax: (213) 604-1779

SALES: \$42.8 million (estimate based on industry average of 5% sales reduction)

OFFICERS: President: Martin Druss

Patrick Carpet Mills produces broadloom carpet for the medium and high-end commercial and hospitality markets. Close to 15% of its sales come from carpet tiles. According to the company, its strength lies in its ability to provide quality, service and design and its willingness to fill low,

minimum custom orders and to do custom design work.

The company has 325,000 square feet of production space, including dyeing, 18 tufting machines, product development, inspection and warehousing.

40 DOWNS CARPET

P.O. Box 475
Davisville Rd. & Turnpike Dr.
Willow Grove, Pennsylvania 19090
Phone: (215) 672-1100; Fax: (215) 672-7999

SALES: \$42.7 million (estimate based on industry average of 5% sales reduction)

OFFICERS: Chairman and CEO: Thomas George Downs; President: George T. Downs III

This family owned manufacturer of medium to high-end residential carpets has had tremendous success selling to the retail market, and in 1991, it strengthened its retail position even more with an improved customer service department. Customers can now expect shortened response time, extended service hours and better delivery.

This year's introductions showed why Downs has earned a reputation for unique styling. Moving away from look-alike saxonomies, the company introduced Visionary, a patterned carpet made of Marquesa Lana polypropylene available in 15 earth tones. When retail carpet sales were down in the fall, Down's Conestoga Naturals, a patterned Stainmaster Berber design, held its own, showing how the company's niche for unique styling can survive economic hardships. In 1992, look for Down to continue to introduce new and innovative carpet patterns catering to fashion-conscious retailers and consumers.

41 GRASSMORE, INC.

Rt. 2, Box 2522
Chatsworth, Georgia 30705
Phone: (706) 695-7516; Fax: (706) 695-4787

SALES: \$40.7 million

OFFICERS: President: Edward P. Hurney

Grassmore is a totally integrated grass manufacturer with a capability of 7.5 million pounds of grass yarns annually, selling primarily to the retail network. A small portion of its business is done through distributors by its National Turf Mills division, which sells only outdoor carpets. Its Chesterfield division sells indoor products to both the retail

market and distributors. Turfco, a division created in 1991, targets home centers and mass merchants.

In 1991, Grassmore added a 200,000 square foot distribution and tufting center in Chatsworth, now giving the company a total of 550,000 square feet of manufacturing facilities. To become more cost-effective, the company also put in its own extruders. The additional facility and equipment has allowed Grassmore to expand its styling capabilities.

The company attributes its growth to gaining market share in its niche business by offering creative styling, excellent service and picking up more retail dealer and home center business. According to President Hurney, "It takes service, quality, and a good pricing structure to make it today in this business." Grassmore has been spending a lot of time and effort to make sure it offers them all.

42 WHITECREST CARPET MILLS

400 Cross Plains Blvd.
Dalton, Georgia 30721
Phone: (706) 277-3414
Fax: (706) 277-1078

SALES: \$38 million

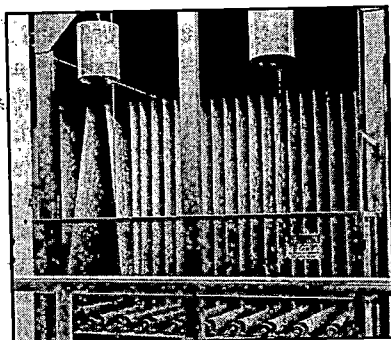
OFFICERS: President: Ken White

In battling the recession, Whitecrest, unlike many other companies, has not fallen into the "me-too rut" when it comes to product development and styling. Instead, Whitecrest remained committed to developing unique textures, colors and patterns—business as usual. According to the company, today's consumer is too educated to settle for anything less. Whitecrest did have to cut back to a four-day work week for several months but managed to keep from laying off employees. By December, the mill was back at full capacity with six-day weeks. And, the company increased its marketing efforts to take advantage of a time when many companies were cutting back in that area.

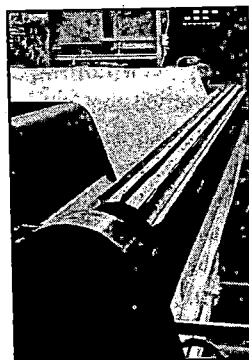
Whitecrest sells mid to high-end carpets with a mix of 80% commercial and 20% residential. New introductions during the year include: Logix, a cut and loop construction made to coordinate with Digital, a dense level loop style; Integra, a highly-textured carpet tufted of 100% Zeftron

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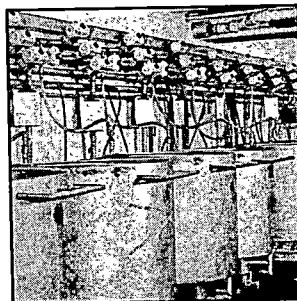
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'92 *The Second Twenty-five*

500 solution-dyed nylon; and Art-O-Weave, a cut pile frieze, tufted of Monsanto Ultron 3D yarns, from the company's Winthrop Carpet Mills division.

The company believes new product styling and sample placement with strong marketing efforts will make 1992 a big year for Whitecrest.

43 CROSSLEY CARPET MILL

435 Willow St.

Truro, Nova Scotia

B2N 5G2, Canada

Phone: (902) 895-5491; Fax: (902) 893-4779

SALES: Estimated at \$36.1 million

OFFICERS: President: Les Single

In a year filled with examples of businesses in financial trouble, most companies have tended to stick to the normal, not wanting to take any unnecessary risks or produce any extra expenditures. But, after an advertising executive's own heart, Crossley Carpet Mills chose recession-plagued 1991 in which to completely change its corporate logo and image. Previously working under the residentially-slanted slogan, "Beauty At Last," Crossley now uses "Weaving Art with Innovation," to more accurately describe its commitment to technology as well as its strength and biggest point of differentiation between itself and other mills—weaving. One of the company's new focal points is on making sure people know that it is the only major mill in Canada and one of only a few in North America that actually weaves carpet. According to president Les Single, the changes have evoked a positive response so far.

Single said Crossley worked hard at becoming more cost-effective in 1991. It consolidated its distribution and warehousing organizations to its mill in Nova Scotia so all orders now go to one location instead of to five. Despite all the cost cutting, Crossley did manage to upgrade and computerize its looms.

The company put more emphasis on exporting to the U.S. in 1991, starting off with a good showing in both Atlanta and Las Vegas this year. At the shows, Crossley displayed its woven Acrylan rugs and woven Acrylan loop pile carpets for high-end markets. During the year, the company also came out with some new offerings in the custom commercial area.

In the fall the company formed a new association with Wunda Weve. Wunda Weve now carries some of Crossley's woven products in the U.S. and Crossley does the same with Wunda Weve product in Canada.

Overall, Single said he is seeing very gradual increases and is optimistic about 1992. "The key for the company," he said, "is getting a small piece of the U.S. market in select areas."

44 E.T.C. CARPET MILLS

3100 S. Susan St.

Santa Ana, California 92704

Phone: (714) 546-5601; Fax: (714) 546-8249

SALES: Estimated at \$36 million

OFFICERS: Chairman and CEO: Michael Berns;
President: Paul Reznikoff

Typical of California mills, E.T.C. has managed to stay alive by emphasizing niches and not trying to compete with the larger mills in the East. This undeviating attention to a specific target market kept it competitive when many other mills are losing position or dropping out of the race.

In April 1992, Westweave Carpet Mills, the commercial division of E.T.C., acquired a new president in Tim Regan. Westweave is the fastest growing part of the company, having added substantially to its commercial product line while maintaining a very strong in-stock position this year. It introduced a series of Amoco Marquesa Lana contract qualities that has been well received by the health and hospitality industries and plans to continue penetration into both of those markets this year.

Meanwhile, E.T.C. has had some important residential entries of its own. Early in 1992, it came out with Pageantry, a saxony, and Homequest, a loop Berber style, both featuring Amoco's Genesis yarn system with Scotchgard. E.T.C. sells its products mainly to retail stores and home centers in California and other West Coast states.

In response to a large number of inquiries from overseas and its growing export activity, the company created a new position as director of international sales. J. David Lee was appointed to this position and will be responsible for sales and marketing efforts in the Pacific Rim, Asia, Africa, the Caribbean, Europe, the Middle East and other foreign areas.

For 1992, E.T.C. plans to continue to concentrate on its strength—polypropylene for residential and commercial applications—and to improve its customer service. Acquisitions may also be on its mind. According to the company, it is looking for the best opportunity to efficiently use its existing asset base of capital, plant and equipment.

President Mike Berns believes that the number of carpet manufacturers will continue to shrink over the next few years. The ones that will survive, he says, will be able to

differentiate themselves on factors other than price, such as uniqueness of product or customer service.

45 DURKAN PATTERNED CARPET

P.O. Box 1006
Dalton, Georgia 30720
Phone: (706) 278-7037; Fax: (706) 226-0360

SALES: \$35.0 million

OFFICERS; President: Thomas R. Durkan, Sr.

Though the marketplace was competitive and margins difficult, Durkan was able to increase its sales by expanding into export and corporate markets and by acquiring some government work. Because the hotel segment was down, Durkan also concentrated heavily on its healthcare business. According to Mike Jones, executive vice president, in export markets, Durkan has made headway in the U.K. and is beginning to target the Pacific Rim, France and Ireland.

Durkan has been very pleased with the progress to date of the Comtech division formed last year to target the corporate market. Over the next two years, Jones believes that division will account for 10-15% of the company's total business.

The biggest innovation at Durkan this year is its new ability to print on different bases, such as loop pile. In a period when differentiation and value are both at the forefront of consumers' minds, Durkan believes this capability gives it an advantage because it can offer increased graphics on longer-lasting loop pile carpets.

In 1992, the company has budgeted \$38 million in sales, but Jones thinks it will beat that figure. Durkan has already seen a huge increase in sales during the first quarter of 1992 as compared to 1991 because of budgets that were previously on hold being released, he said. Jones believes that continued expansion and the economy turning around are going to help Durkan exceed its 1992 sales goals.

46 BLOOMSBURG CARPETS

4999 Berwick Highway
Bloomsburg, Pennsylvania 17815
Phone: (717) 784-9188; Fax: (717) 784-5016

SALES: \$33.3 million (estimate based on industry average of 5% sales reduction)

OFFICERS: President: Thomas Habib; Chairman: Raymond Habib

In 1991, Bloomsburg Carpets saw a slight shuffle in management as Thomas Habib took over as president while his father and former president, Raymond Habib, remains aboard as chairman.

Bloomsburg specializes in high-end Wilton, Axminster and velvet woven carpets for commercial applications. Nearly all of its business is in the hospitality and corporate markets, but the company is best known for carpeting locations such as the U.S. Senate. The company does all of its own finishing and a lot of restoration work.

47 CAPEL INCORPORATED

P.O. Box 824
Troy, North Carolina 27371
Phone: (919) 576-6211; Fax: (919) 576-0718

SALES: Estimated at \$32 million

OFFICERS: Executive Director: A. Leon Capel

The largest and oldest braid rug manufacturer and importer in the U.S., Capel Inc. has five plants in North Carolina and nine locations abroad from which it ships product to all parts of the world.

Executive director Leon Capel attributes the company's sales increase from last year to good business in rugs and to concentrating on its gallery concept. It now has 180 galleries, 65% of which are in furniture stores and the remaining 35% in carpet stores. The gallery concept emphasizes how rugs tie in with home furnishings and shows customers how rugs can be used in the home.

In a time when people aren't spending, the company sees a few possible growth areas: high-end wool rugs with a Persian look and promotionally priced rugs in 6 x 9 to 9 x 12-foot sizes. New introductions for the year emphasize those areas. The Shalimar Collection consists of three patterns of Indian handknotted rugs designed to provide a classic Persian look. The Renaissance Collection of value-priced Oriental reproductions came out in January 1992.

Capel has seven new products coming out in July, including an Axminster woven in Turkey, a promotional cotton product in a Southwestern pattern from Spain, and a traditional handhooked rug from India.

48 AMERICAN RUG CRAFTSMEN

P.O. Box 130
Sugar Valley, Georgia 30746
Phone: (706) 629-7916; Fax: (706) 625-3544

'92 The Second Twenty-five

OFFICERS: President: John Thornton
Sales: \$28 million (estimate based on industry average of 5% sales reduction)

This year was a year of new things for eight-year-old American Rug Craftsmen—new people, new ground, new rugs and a new spot on the Top 50 report. In November 1991, the company broke ground for a 60,000 square foot addition to its manufacturing facilities to make room for new weaving looms. During the year, it made large capital investments in unique manufacturing processes and boosted its sales strength.

In addition to furniture, floor covering and department stores, it concentrated this year on taking its product line of synthetic rugs in contemporary, Victorian and country looks to the mass merchants, and with the help of the right display, it had great success. The company's inexpensive rugs and border rugs did very well. The Soft Spun Collection, a group of accent rugs available in solid colors and in geometric or Southwestern patterns, is one example. With prices from \$15 to \$30 for an accent rug and \$180 for a room-size rug, the items in this collection were well received.

49 ELDORADO CARPET MILL
15600 Blackburn Avenue
Norwalk, California 90650
Phone: (213) 582-6182; Fax: (213) 921-9832

SALES: \$27.3

OFFICERS: President: Marvin Weiss

While many mid-sized companies have found their niches in the commercial market, this California mill has prospered by doing just the opposite. Eldorado company makes some very fine looking medium to high end saxones, plushes, textured and frieze carpets—all for the residential market. Eldorado is very brand oriented, and works closely with designers, homebuilders and retail outlets. Historically, Eldorado has sold its products on the West Coast, but for the past two years the firm has been making a concerted effort to penetrate the Midwestern and Eastern markets. Marvin Weiss says the effort has paid off—approximately 12% of last year's sales came from the East and Midwest. Solly Gershon is heading this drive and currently has 52 agents active in the East.

50 MONTEREY/HALLMARK CARPETS

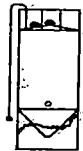
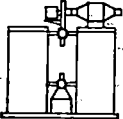
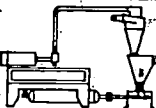
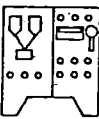
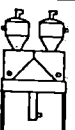
3201 S. Susan St.
Santa Ana, California 92704
Phone: (714) 557-8615; Fax: (714) 557-7625

President: Larry Jones

Sales: \$26.5 million

Rising from "up and coming" mill status in last year's report, Monterey Carpets, marketing to the high-end commercial interior design community, enters this year's list with big plans for the future. Though its Monterey Carpets commercial business grew significantly in 1991, its Hallmark Carpets residential unit experienced slipping sales. To combat the effects of the recession, Monterey downsized its overall business and reduced its operating costs.

(Continued on page 75)

THE CARPET INDUSTRY'S LEADING SUPPLIER FOR TURNKEY INSTALLATIONS FOR POWDER AND PELLET BULK HANDLING SYSTEMS.	
 TANKS-SILOS WELDED, BOLTED, CORRUGATED	 HOPPERS SURGE HOPPERS, SCALE HOPPERS
 DRYER DESICCANT, HOT AIR	 COMPONENTS RECEIVERS, GATES, TUBING, COUPLINGS
 SEPARATORS CYCLONES, FILTERS, BIN VENTS, FANS	 BLOWERS VACUUM, PRESSURE, COMBINATION
 VACUUM - PRESSURE SYSTEM POWDERS, PELLETS	 DRY CHEMICAL FEEDERS AUGER, GRAVITY
 CONTROLS WEIGHING, CONVEYING, RELAY, PLC, SOLID STATE	 BLENDERS VOLUMETRIC, GRAVIMETRIC
 WS WALTON/STOUT INC.	
6863 CHAPMAN ROAD LITHONIA, GEORGIA 30058 TELEPHONE (404) 482-4613 FAX (404) 482-9894	

The Top Fifty '92 (Continued from page 10)

Performance and Du Pont's Stainmaster Xtra Life, were major news for carpet shoppers in 1991. Consumer advertising by these producers managed to generate some consumer interest and get shoppers into the stores.

Is That A Recovery?

The midwest seems to be leading the way in recovery in 1992. In a report by *Floor Covering Weekly*, April 13, Aladdin, Lees, Horizon, Peerless/Galaxy and World, all indicated that sales had improved and consumers were back in the stores in the nation's heartland by early spring.

The Top Twenty-five '92 (Continued from page 49)

ized in making commercial carpets for most of those years. Today, J&J makes an extensive range of tufted broadloom and carpet tiles, primarily for the institutional and office markets. This family-owned firm is one of the biggest suppliers of carpets to the U.S. school market. It's also one of the most stable and highly regarded firms in the U.S. carpet industry.

J & J is integrated from yarn making to finishing. The firm has the capacity to make about 6 million pounds of its own polypropylene fiber annually. Unlike most mill extruders, J&J uses the output of that extrusion plant to

There's further cause for optimism. Bob Shaw pointed out to *Carpet & Rug Industry*, that despite all the problems, "soft floorcovering is still the product of choice for the American consumer." Shaw's recipe for success is a proven but demanding one: the best technology for all aspects of business, from communications, to yarn extrusion and spinning, dyeing, tufting and finishing; cost control; strategic planning that charts new markets; and, according to Shaw, the most important factor, "slant everything to the consumer's needs and wants."

make products for the middle and upper ends of the market, so those products have not been subject to the fierce price competition of most mill extruded products.

Three years ago, J&J began exporting for the first time. The firm already markets some products to Canada and the Pacific Rim, and it plans to increase those efforts in the future.

In 1992 the firm instituted a customer response program for measuring customer satisfaction. J&J continued its emphasis on improvement in quality, productivity and new product creativity during a "tough year."

The Second Twenty-five '92 (Continued from page 62)

But when it came to marketing, it did anything but downsize. It introduced several new products and increased its sales representation. It now has 30 reps across the U.S. and is developing Asia as an export market.

The company also managed to invest in some new equipment this year, including a precision cut and loop machine and an enhanced loop graphics machine. The equipment additions will increase its capabilities for new looks in yarn dyes and textured looks, which will be its focus for 1992.

The Up-And-Comers

Moving up into the second 25 from last year's up-and-comers are: American Rug Craftsmen, Monterey and Venture Carpets. In no particular order, these mills had 1991 sales of between \$25 million and \$28 million:

- Pacific Crest Mills, Aliso Viejo, California
- Richmond Carpet Mills, Ringgold, Georgia
- U.S. Axminster, Greenville, Mississippi

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Draft for 1993 OUTLOOK Section on Floorcovering Mills

The U.S. floorcovering industry staged a mild recovery in 1992, rising 2 percent in current dollars and more than 2 percent in constant dollars over 1991. However, this performance did not completely offset the 1991 decline in shipments, which stemmed from diminished residential and commercial construction activity, low consumer confidence, and a cutback by consumers on new home purchases and other big-ticket expenditures. All of these factors were attributed to the general recession, which affected the floorcovering industry particularly hard.

In late 1991, the Federal Reserve decisively cut short-run interest rates, which led to mortgage rates falling into single digits. The change in monetary policy buoyed the carpet industry, raising hopes that sales would rebound after an extended period of sluggishness. Many homeowners took advantage of lower interest rates to refinance their mortgages, freeing money to refurbish and redecorate the home. In addition, a rebound in home sales hopefully would lead to surging sales of new floorcoverings.

This flurry of activity did not last long, however, as new home sales could not maintain their upward momentum, stalling the recovery. In anticipation of increased residential purchases, inventories were built up during the period, but sales failed to materialize. Although orders have remained at relatively healthy levels, clearing the pipeline meant that the early 1992 recovery

could not be sustained.

Over 45 floorcovering mergers have been consummated since the mid-1980s, consolidating the number of industry players. In the past couple of years, very few acquisitions have occurred. Industry capacity has not proportionately declined despite the mergers, and overcapacity continues to plague efforts by firms to compete on factors other than price. Manufacturers recognize that product, not price, differentiation must take a more prominent role if widespread industry profitability is to return.

Floorcovering firms have been moving towards 100 percent "cut order", meaning that a customer's order triggers carpet production. This would be similar to "just-in-time" production in other industries, reducing inventories and warehouse space. New technological innovations, such as stain-resistant and crush-resistant carpeting successfully marketed in recent years, continue to be explored by carpetmakers in order to further differentiate themselves and their products in the future.

A prolonged period of overbuilding in the commercial market has left a tremendous volume of office space available throughout the country, sharply reducing new building activity and, consequently, commercial carpet demand. With many firms retaining lean staffs in the aftermath of corporate downsizing, office relocation and redecorating will likely also be curtailed. As a result, the commercial segment cannot be relied on to compensate

for residential market uncertainty, leaving 1992 industry shipments modestly higher, but still below 1990 levels. Most experts believe that commercial building may not resume in earnest for several years, dampening prospects for this segment.

INTERNATIONAL COMPETITIVENESS

The U.S. floorcovering industry has made significant strides over the past several years in improving their competitive position and trade balance. This reversal has been accomplished by small declines in imported floorcovering in each year 1989-1991 in combination with a surge in floorcovering exports.

Increased emphasis on foreign markets for floorcovering products has helped diminish the impact of the 1990-1991 domestic recession to some extent, but has not eliminated it entirely. Prospects for increased U.S. exports of floorcovering appear bright. As underdeveloped nations build public facilities, such as schools, hotels, and office buildings, these countries will need to look abroad for their floorcovering needs, as they lack domestic manufacturing factories. Increased attention to exports could assist commercial carpet organizations' sales while the slowdown in U.S. office construction persists.

A worldwide slowdown in economic activity in 1992 meant that the floorcovering industry did not duplicate its 25-plus percent export gains seen in the years 1990 and 1991, but still posted a

jump of over 20 percent. A recovery in the U.S. economy may trigger a small gain for imported carpet.

The largest U.S. floorcovering export market has been Canada, where carpet and rug exports have more than tripled. In 1991, Canadian exports jumped over 25 percent. While this occurred, the Canadian floorcovering industry suffered a significant plunge in shipments and the closures of several major firms.

In late 1991, the Canadian Trade Tribunal initiated a dumping case against more than 75 U.S. carpet and rug firms in response to claims that these products were being sold at less than fair market value. U.S. firms have attributed their gains in the Canadian market to industry consolidation and the installation of state-of-the-art machinery, which has lowered producers' costs and improved their competitiveness.

In April 1992 the Canadian government found U.S. floorcovering producers guilty of dumping. Canadian consumers have been forced to pay an additional 12 percent tariff on all U.S. carpet exported to Canada, which will remain in effect for at least the next five years. Trade figures during the first quarter of 1992, prior to the tariff imposition, reflected the uncertainty in the U.S.-Canada carpeting market, with exports dropping 12 percent.

Even though exports to Canada have softened, other markets have taken up some of the slack, making a significant contribution

toward the domestic industry's recovery from the recession. These countries include Saudi Arabia and Kuwait, where shipments were curtailed during the Persian Gulf War but resumed in late 1991.

ITA/TACGI/IAD

July 16, 1992

GEORGIA CARPET AND RUG INDUSTRY PROFILE

Based on the latest available data (1989) from the Census Bureau:

- o Carpet and rug manufacturing establishments in Georgia numbered 220.
- o Employment in Georgia's carpet and rug industry totaled 34 thousand workers. This represented 5.9 percent of all manufacturing employment in Georgia.
- o Georgia's carpet and rug industry represented 61 percent of U.S. employment in this industry.
- o Of the nearly \$8 billion of shipments by the U.S. carpet and rug industry in 1991, 70.5 percent originated in Georgia.
- o In Georgia, the value of the carpet and rug payroll was \$ 718 million, 5.4 percent of the total manufacturing payroll in the state.
- o Carpet and rug manufacturing in Whitfield County's 105 establishments employed 16 thousand workers, generating a payroll of \$ 336 million. This county accounted for 46 percent of carpet and rug employment in Georgia and 47 percent of Georgia's carpet and rug payroll.

IAD/OTEXA
July 29, 1992

U.S. Carpet and Rug Industry
1989

	<u>Number of Establishments</u>	<u>Number of Employees</u>	<u>Annual Payroll (Million \$)</u>	<u>1991 Value of Industry Shipments (Million \$)</u>
U.S. Carpet and Rug Industry	434	55,460	1,138.7	7,937
Georgia's Carpet and Rug Industry	220	33,999	718.3	5,598
% of total U.S. carpet and rug industry	50.7%	61.3%	63.1%	70.5%
Whitfield County, Georgia Carpet and Rug Industry (Includes DALTON)	105	15,752	336.3	2,594
% of Georgia's carpet and rug industry	47.7%	46.3%	46.8%	46.3%
% of total U.S. carpet and rug industry	24.2%	28.4%	29.5%	32.7%

Sources: Current Industrial Report, Carpet and Rugs MA22Q(91) – 1, July 1992.
County Business Patterns, U.S. Summary, December 1991 and State of Georgia, August 1991.

**Georgia Industry Data
1989**

<u>Georgia</u>	<u>Number of Establishments</u>	<u>Number of Employees</u>	<u>Annual Payroll (Million \$)</u>
Total Manufacturing	9,029	576,352	13,202.0
Carpet and Rug Manufacturing	220	33,999	718.3
% of total manufacturing	2.4%	5.9%	5.4%

Source: County Business Patterns, State of Georgia, August 1991.