

Steve Hickman Retires as CEO

Now it's official. I am legally retired. You have witnessed what I believe to be one of the most seamless leadership transitions that has taken place in corporate history. Think about it...you haven't even noticed the difference.

Stephanie took over the duties of President in 2001 and over the last six years has assumed more and more of the duties of the Chief Executive Office. When the final day came on July 31st, the only thing left for me to do was move out of the office.

I've spent 39.5 years with Brazeway and have watched it grow from \$4 million to \$175 million. We have seen a lot of transitions over those 39 years. I'm extremely proud to have been a part of Brazeway's history, and I look forward to continuing to be a part of its future as Chairman of the Board.

But my greatest pleasure has been watching the growth of our people. Brazeway has some of the neatest, most competent and committed people that I have seen in any organization.

I'm extremely proud of all of you.

With great confidence I leave it in your hands.



Brazeway Inc. Organizational Changes

Brazeway Inc. is pleased to announce several organizational changes. In order to best serve our markets, optimize our organization for strategic growth and plan for several retirements, the following changes were effective July 16, 2007.

We congratulate Steve Hickman on 39.5 years of service to Brazeway. Steve was the CEO and Chairman of the Board and has retired from the CEO position. Stephanie H. Boyse, representing the 3rd generation of the Hickman family at Brazeway has taken on the CEO role in addition to her current role as President. We congratulate both on their significant achievements.

Also announcing retirements in early 2008 are Emory Schmidt, Group VP of Extruded Products and Pat Mason, VP of Operations for Refrigeration Products. Emory and Pat have been with Brazeway for 29 and 27 years respectively.

Brazeway has been re-organized from a company with 2 business units focused on Extrusion and Refrigeration to a hybrid functional organization that will have 4 main groups.

The Corporate Services Group led by Terence Sheehan, CFO, VP of Finance and Administrative. This group consists of:

- Information Services led by Steve Smolinski, Director of IS
- Human Resources led by Chuck Force who was promoted to Director of HR
- Purchasing led by Nichole Karabetsos, Purchasing Manager
- Accounting and Finance led by Brian Cytlak, Corporate Controller

The Quality and Manufacturing Excellence Group led by Mike Adams, VP of Mfg Excellence and Chief Quality Officer (CQO). This group will

consist of:

- Mel Herbert, Lean Leader
- David Gasson, Director of Six Sigma
- Dave Skrzypchak, Director of Manufacturing Engineering.

The Operations Group led by Jeff Adams who was promoted to VP of Operations. This group consists of:

- Michelle Malarney, Brazeway's Adrian, Michigan Plant Manager
- John Armstrong, Brazeway's Shelbyville, Indiana Plant Manager
- Tommy Martin, Brazeway's Hopkinsville, Kentucky Plant Manager
- David Smithey, Brazeway's Monterrey, México General Manager

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Axapta Update

▶ Steve Smolinski

Director, Information Systems



Axapta, our Enterprise Resource Planning system, is software that integrates departments and functions across Brazeway into a single computer system. Axapta runs off a single database, enabling various departments to easily share information.

Since our US launch just over a year ago, we have been focused on improvements, poke-a-yokes, and the implementation at our facility in Cienega de Flores (BC). We have seen after-hours support calls dramatically drop due to these improvements in the robustness of Axapta.

The BC launch went as scheduled and the team was able to cut over the plant in one day - without a plant shutdown. This was a great accomplishment for the team to launch our first Mexico plant with no disruption to the business. It was also a tribute to the initial Axapta Core Team that developed the Brazeway Axapta template. The standardized template has now been successfully deployed in four facilities with only minor localization changes made to comply with Mexican regulations.

The US Core Team included Heather Dempsey, Corey Hinman, Nichole Karabetos, Mel Herbert and Javier Tamayo. The IT members included Argelia Becerril, Rob Bertram, Jonathan Gilbey, Jeff Ing, Julio Mendoza and Mike Sinks. The Mexico Core Team members included Edgar Campos,

Enrique Perez and Gloria Villarreal. It was their dedication, long hours, and leadership that helped make the BC implementation a smooth transition. The BC cutover team also played a key role in launching Axapta with many hours over the weekend loading and preparing the system. Team members included Pablo Alanis, Paola Castillo, Kristin Henline, David Smithey, and several of our production associates.

The base system functionality has also been improved with subcontracting enhancements, multiple vendor Kanban capability, a new sales forecasting module and serialized financial transaction identification.

The Steering Team will be prioritizing projects and will continue to lead the way for improvements needed in our systems. An Axapta Core Team has been established including Faxson Cockrel, Heather Dempsey, Jonathan Gilbey, Corey Hinman, Mel Herbert, Nichole Karabetos, Carol Roman, Camille Whitaker and Shelly White. Their charge will be to champion problem resolution, system improvements and module leadership in regular user group meetings. The goal is to foster continuous improvement, seeking to close the gap between business needs and system capabilities.

Next on deck are reporting, annual planning and the implementation at the Querétaro facility (BQ). The implementation team will apply the same template used at the other plants to apply lean practices and standardize systems across all of our facilities.

Brazeway Ready to Serve the Stationary A/C Industry

▶ Saumin Mehta

Can't read title



The rapidly expanding opportunities for aluminum usage in residential air conditioning components is creating many new significant supply opportunities for Brazeway.

Copper prices have more than doubled over the last three years and according to commodity experts, there is no downward price pressure in sight. This outlook has caused several coil manufacturers and OEMs serving this market are looking for aluminum solutions with new heat exchangers designs using hairpins and micro-channel tube.

Aluminum offers several benefits over and above the material cost:

1. light weight – reduced handling and transportation cost
2. resistance to formicary corrosion
3. smaller foot print due to compact heat exchanger
4. historically less volatile metal price than copper

Brazeway's position as an extruder as well as manufacturer of heat exchangers leaves us well positioned to serve this market. We are the premier extruder in the industry that can serve the needs of the market i.e. round tube with internal fins (grooved tube), hairpins, and micro-channel. We recognize the needs of the industry

driven by higher SEER requirement and change of refrigerant to 410a. Hence, we are helping our customer base design the optimum tube (both round and micro-channel) for best heat transfer performance that meets the UL requirements. We understand the differences in brazing aluminum, and can support our customers as they select materials and develop their process. We recognize the need for longer lengths for the micro-channel based coils; and hence have designed new handling and packaging devices.

For any questions or inquiries related to aluminum use in stationary A/C application, please contact Saumin Mehta (smehta@brazeway.com, 517 265 2121).

Brazeway Inc. Organizational Changes

The Market and Product Development Group led by John Benzing, VP of Market and Product Development. This group consists of:

- Product Development led by Scot Reagan, who was promoted to Director of Product Development
- Automotive Sales led by Kevin Cote, Director of Automotive Sales
- Refrigeration Sales led by Brad Hein, Director of Refrigeration Sales
- Heating, Ventilation and Air Conditioning (HVAC) Sales led by Saumin Mehta, Director of HVAC sales.

In addition to the changes above several people have recently been promoted or hired.

- Heather Dempsey has recently been promoted to Accounting Manager in Adrian, Michigan.
- Kristen Henline has taken an international assignment at Brazeway's Cienega de Flores, Mexico location

- Edgar Flores has been named Account Manager and will work out of Cienega de Flores, Mexico.
- Matt Stafford has joined Brazeway as Mechanical Designer in Adrian, Michigan.
- Marybeth Bott has relocated as HR Manager in Brazeway's Hopkinsville, KY location.
- Cory Henline has joined Brazeway as Continuous Improvement Leader in Cienega de Flores.

"Brazeway has enjoyed considerable success with the prior organization and is looking forward to continued success." says Stephanie H. Boyse. "This strategic realignment executes the strategy to strengthen our technical synergies, improve efficiencies, and allows for more flexibility. It will provide a better understanding of the total business while maintaining the focus on our markets and customers."

Brazeway Kentucky Supporting the Community

▶ **Terryie Becks** Shift Supervisor
Faxson Cockrell Quality Manager



Overnight on June 15 and 16, Brazeway Kentucky joined 37 other groups from the community for the annual "Relay for Life" to benefit the Christian County American Cancer Society.

Participants in the event walk or run around a quarter mile track at the Stadium of Champions and raise money to help fight cancer. The theme for the event was "Game Shows" and Brazeway's theme was "Press Your Luck, Big Bucks, No Whammy, No Cancer." The goal for the event to raise \$162,000 was surpassed. The total amount raised was \$192,000!! This should go a long way in continuing the work to detect, control or eliminate cancer. As the list of cancer victims grows, so does the list of cancer survivors from the development of early detection and advanced medicine.

This year Brazeway Kentucky was pleased to



have three cancer survivors on the team – Dee Green, Sharon Mosley, and Ellen Skinner. These three, along with other cancer survivors, were honored at the event participating in a walk of survivors. Other members of Brazeway's team were Terryie Becks, Brenda Skipper, Randy Howell, Michelle Freeman, Cindy Coggins, Nina Merritt, Sharmine Sivils, Larry Brown, Derek Wallace and Tammy Banks aka, Ms. "Get It Done". The team conducted many little fund raisers to raise money. These included a mock NASCAR race, Texas Hold'em poker, and numerous bake sales. In addition, Derek Wallace, our

first shift production supervisor, set a record and raised \$640.00 in donations as part of the Mr. Relay contest by portraying "Maniya Twain". All of the Mr. Relay's had to wear a dress and collect contributions. In total, the contribution from Brazeway Kentucky was \$6,000!

Special mention must go to Randy Howell. For the third year straight Randy won the award for the most miles walked. This year Randy walked 28.75 miles! That's more than a marathon. That's 115 laps around a 1/4 mile track!! Way to go Randy and thanks to all that participated in this successful event.

BI celebrates 50 years

▶ **Amber Dile**
HR Administrator



My how things have changed! BI took a walk down memory lane on May 19, 2007, sharing memories and photos of 50 years in Shelbyville. Bendit opened in February 1956 and began production of Fresh Food & Body Tubes for GE.

The 1980's were a decade of change in Shelbyville. Bendit changed it's name to Brazeway in 1983. The plant was expanded by 50% in 1984, a fire resulting in \$30,000 of damage occurred in 1985 and Press 4 was moved from Adrian in 1988.

During the 1990's, Brazeway began production for Calsonic and received the 1st Calsonic "Quality Excellence Award". Trane production began in 1992 and Brazeway received a "Supplier Excellence Award" the following year. The decade concluded with an office remodel and parking expansion.

The new millennium brought many new and exciting changes to BI.

Improvements were made to packaging and output increased. In 2001, BI certified 2 Six Sigma Black Belts and 4 Six Sigma Green Belts. In 2002, Brazeway was recognized by the Aluminum Extruders Council by being ranked in the top 5% of extruder TPM programs. In 2004, "The Big Plan" was developed and approved and by 2005 work was underway. The Big plan has allowed Brazeway to be more efficient and increase capacity. In 2006, BI ran production 24 hours a day, 7 days a week with record level quality.

Our celebration of 50 years allowed BI employees and retirees to share their memories with family and friends. Employees were able to take their family on a plant tour during the open house and many children were excited to see where mom and dad worked. The open house was a huge hit with approximately 100 people in attendance and the day was enjoyed by all. Congratulations to all BI employees for reaching this milestone and thank you to all who helped make this day successful.

Must Love Animals

▶ **Jill Gobel**
Production Control, Customer Service Coordinator

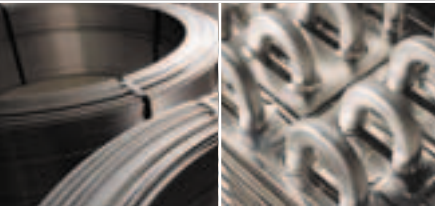


BI employees share a common compassion for animals. We have decided to actively support our local animal shelter and the many dogs and cats in need of a home. The BI Fun Team unanimously voted to sponsor an animal at the shelter. The sponsorship guaranteed a life long home at the shelter. Jill Gobel and Debbie Shepard selected our dog whose



name is Gohmer. Shortly after we picked Gohmer out, he was adopted. His adoptive family did not incur the costs of adopting Gohmer thanks to Brazeway's support.

In addition to the sponsorship, we have a collection box for items the shelter is in need of such as pet food, treats and cleaning supplies. The box is full of goodies! Several employees have adopted or rescued pets from shelters and volunteer their time with the animals. We are proud to support our 4-legged friends!



Editors: Kathy Gee, Faxson Cockrell,
Amber Dile, Chuck Force, Kathy Hoover,
Joe McDougall, Miguel Villalobos

Scholarship Winners

The **Brazeway Leadership Award** is awarded to high senior at each of our locations who has shown outstanding leadership qualities in their school and community. The winner is required to submit an extensive application which includes an essay about their leadership skills and abilities and an interview with a committee of employees at each of our locations. The recipient receives \$2,500/year over a four-year period to be used for college tuition.

Jennifer Skaggs has been chosen as



Brazeway Adrian's Leadership Scholarship winner of 2006. While attending Adrian High School. Jennifer has shown her outstanding talent in and out of the classroom. She has maintained an impressive 4.0 GPA while participating in various sports, serving on Student Government and volunteering in the community. She has demonstrated her leadership ability as the Captain of the Girls Varsity Basketball Team, and serving as President of the Student Government her senior year. Jennifer will be attending the University of Toledo this fall working towards a degree in Physical Therapy. Brazeway Adrian is proud to award Jennifer with this year's leadership award.

2007 BA Leadership Scholarship Committee

Brazeway Indiana's 2007 recipient of the Leadership Scholarship is **Chelsea Baugher**. Chelsea will be attending Anderson University and majoring in education. Her career goal is to utilize her education major in the field of ministry. Chelsea's high school leadership roles, activities, and honors include student council all-body president both junior and senior years, served on the steering committee for R.S.V.P. (Raising Student Voice and Participation), Superior Honor Roll, SADD, FCA

(Fellowship of Christian Athletes), and Evan Bayh Leadership Summit. Her community involvement includes mission trips to Boston and Panama City, youth group leader at her church, and YMCA camp counselor. Chelsea is a fine representation of our community and tomorrow's leaders. Chelsea is the epitome of a model student, hard working, very focused and a fine young lady of very high moral character. Brazeway Indiana is pleased to award Chelsea Baugher with this year's leadership award.

BI Leadership Scholarship Committee for 2007

The Brazeway Leadership Scholarship for



Brazeway Kentucky was awarded to **William H. Beville** of Hopkinsville High School (HHS). William will be attending Western Kentucky University majoring in

Broadcast News. He is aspiring to become a sports journalist. With the commitment, leadership and dedication he has shown in his 4 years of high school, the Brazeway Kentucky selection committee is confident that he will be successful in his endeavors. While attending HHS, he maintained a 3.85 GPA, was the captain of the football team, participated in various community events and was a crew leader for a major fast food restaurant.

BK Leadership Scholarship Committee for 2007

The **Brazeway Upward Bound Scholarship**, established in 1996, is a Lenawee County scholarship awarded to a graduate of the Upward Bound program. This program focuses on low income/first generation high school students who wish to go to college. The winner of the scholarship has to demonstrate scholastic achievement, leadership, school and community involvement, and a commitment to higher education.

The 2006 recipient of the Brazeway Upward



Bound Scholarship is **Kristina Stevens** of Adrian High School. Kristina demonstrated to the committee that she is a very well rounded and determined student, leader and member of the community. She is a member of the National Honor Society and Varsity A-Club and earned her varsity letter in Track. She has attended the TRIO Leadership conference for the past 3 years and volunteers as a Nurse's assistant for a doctor in our local community.

Kristina will be attending Wayne State University this fall pursuing a degree in Nursing. Kristina proved to the selection committee that she is willing to continue to work hard and is determined to succeed in all her future endeavors.

2007 Upward Bound Selection Committee

The **Brazeway Sons & Daughters Scholarships** were awarded to four employee's children and the recipients of the \$2,500 scholarship are:

Benjamin Fitch, son of Dan Fitch - Adrian Plant, is a junior studying Health Fitness, Pre-Physician's Assistant at Central Michigan University, Mt. Pleasant, MI.

Riley Miller, son of Amy Miller - Adrian Corporate Office, is a freshman studying Applied Science in Automotive Technology at Jackson Community College, Jackson, MI.

Anthony Green, son of Demetrius Green - Kentucky Plant, is a junior studying Public Health at the University of the Cumberlands, Williamsburg, KY.

Roberto Ortiz Guerrero, son of Maria Isabel Guerrero - Querétaro, México Plant, is a sophomore studying Industrial Maintenance at the Universidad Tecnológica de Querétaro.