Carlina Mills, Inc.

Second Quarter 1998



Ernest Abernethy Plant No. 3



Terry Anthony Finishing Division



Tony Blake Plant No. 8



Turner Boston Trucking



Lois Brittain Plant No. 8



Bill Brotherton Plant No. 1



Annette Chapman Plant No. 14



Martha Davis Finishing Division



Fred Fisher Plant No. 3



Terry Hager Plant No. 24



Lester Hart Plant No. 3



Bremonne Heffner Plant No. 6



Larry Hunt Plant No. 14



JoAnn Isenhour Finishing Division



Janice Jones Plant No. 12



Floyd Justus Plant No. 2



Rosa Lindsey Plant No. 5



Patty Martin Plant No. 1



Don Pritchard Electrical Department



Larry Reid Plant No. 6



Khal Shreitah Plant No. 21/22/24/29



David Smith Plant No. 5



Geraldine Smith Plant No. 12



Mabelene Smith Finishing Division



Steve Sparks Plant No. 12



Mark Yarbrough Plant No. 8

Quarter
Century Plus
Club
Welcomes
Twenty Six
New Members

Congratulations 1998 Graduates

Carolina Mills would like to congratulate each of our employees' graduating students, as well as our employees graduating this spring. This includes graduation from high school or a 2-year or 4-year college. Each graduate received a Carolina Mills key ring as a symbol that each graduate is the "key" to America's future.

John Jonas Bandys High School Son of Allen Jonas Plant No. 1

Charles Helms Maiden High School Son of Wanda Helms Plant No. 2

Cheri Barber West Lincoln High School Daughter of Tim Harris Plant No. 2

Emily Goodson North Carolina State University Daughter of Kermit Goodson Plant No. 3

Maria Reep

Appalachian State University Daughter of Robert Reep Plant No. 5

Sherry Johnson East Lincoln High School Daughter of Susie Johnson

Plant No. 5 Michael Allen

Lincolnton High School Son of Cathy Taylor Plant No. 5

Timothy Clippard West Lincoln High School Son of Richard Morrison

Plant No. 5 Rebecca Davis

Cherryville Jr/Sr High School Daughter of Robert Davis Plant No. 5

Eric Caviness Lincolnton High School Son of Phil Caviness

Plant No. 6 Michael George Bessemer City High School Son of Wayne George

Plant No. 6

Kindra Littman University of North Carolina-Charlotte Daughter of Margaret Littman Plant No. 8

Anitra Roseboro Lincolnton High School Daughter of Gregory Pearson Plant No. 8

Crystal Jackson West Lincoln High School Daughter of Randy Jackson Plant No. 8

Jonathan Sparks North Iredell High School Son of Steve Sparks Plant No. 12

Amanda Wilson North Gaston High School Daughter of Bessie Brooks

Plant No. 21 Angela Walker

ECPI College of Technology Daughter of Cynthia Boyter Plant No. 21

April Lawson

South Aiken High School Daughter of Bill White Plant No. 21

Crystal Broyles

Assembly of Faith Christian

School

Daughter of Deborah Riddle Plant No. 21

Brandy Rogers Kings College

Daughter of Maxine Rogers Plant No. 22

Shane Anderson Ashbrook High School Son of Bobby Anderson Plant No. 22

Melinda Letterman North Gaston High School Daughter of Doris Branham

Plant No. 22

Tosha Dalton Hunter Huss High School Daughter of Wilbur & Paula Dalton

Plant No. 22

Mindy Thomas East Gaston High School Daughter of Minnis Thomas Plant No. 24

Katrina Philbeck Burns High School Daughter of Ralph Philbeck Plant No. 24

Vickie Barker Tri-State School of Theology for

the Deaf Daughter of Carlton Barker Plant No. 24

Brooke Hager Belmont Abbey College Daughter of Terry Hager Plant No. 24

Chance Philyaw Maiden High School Son of Tracy Philyaw Finishing Division Clint Robinson

Maiden High School Son of Kelly Robinson Finishing Division

Shane Bolick

Catawba Valley Community

College

Son of Gene Bolick Finishing Division

Chris Harris

South Caldwell High School Son of Alan Harris

Finishing Division

Melissa Reid Hibriten High School Daughter of Dora Reid Finishing Division

Melissa O'Neal East Burke High School Daughter of Sandy Lee

Finishing Division Penny Lowman

Western Piedmont Community

College

Daughter of Brian Lowman Finishing Division

Steve Hudson Freedom High School Son of Vickie Hudson Finishing Division

Kristy Cansler Maiden High School Daughter of Rick Cansler Overhaulers

Leah Dagenhardt East Carolina University Daughter of Steve Williams

Overhaulers Aaron Williams Lenoir-Rhyne College Son of Steve Williams Overhaulers

Donnie McCaslin Bandys High School Son of Johnnie McCaslin

Trucking

Brandy Witherspoon Maiden High School

Daughter of Marty Witherspoon

Trucking

Daryll Hatchett University of North Carolina-

Chapel Hill Son of Allen Hatchett

Trucking Alice Pruette

University of North Carolina-

Asheville

Daughter of Betty Pruette

Corporate Office

Melissa Hollar Bunker Hill High School Daughter of Debbie Hollar

Industrial Engineering

Department

Corporate News



Quarter Century Plus Club Annual Banquet

Members of the Quarter Century Plus Club were honored at the club's annual banquet on Saturday, May 30, 1998. The event was held at the Hickory Metro Trade Center, with Bill Canipe, Club President, serving as Master of Ceremonies.

The Club welcomed twenty-six new members into their group during the banquet ceremonies. Ed Schrum, President/CEO and Treasurer of Carolina Mills, presented each new member with a gold watch.

The new members are Bill Brotherton and Patty Martin, Plant No. 1; Floyd Justus, Plant No. 2; Ernest Abernethy, Fred Fisher, and Lester Hart, Plant No. 3; Rosa Lindsey and David Smith, Plant No. 5; Bremonne Heffner and Larry Reid, Plant No. 6; Tony Blake, Lois Brittain, and Mark Yarbrough, Plant No. 8; Terry Anthony, Martha Davis, JoAnn Isenhour, and Mabelene Smith, Plant No. 9; Janice Jones, Geraldine Smith, and Steve Sparks, Plant No. 12; Annette Chapman and Larry Hunt, Plant No. 14; Khal Shreitah, Plant No. 21/22/24/29; Terry Hager, Plant No. 24; Turner Boston, Trucking; and Don Pritchard, Electrical Department.

To be eligible for membership into the club an employee must complete 25 years of active continuous service with the company. Total membership of the Quarter Century Plus Club is 309: 110 active members and 199 retired members.

Special tribute was paid to those members who passed away since the last banquet: Roby Earl Craig, Yvonnie Blackwood, Andrew Moore, Paul Reynolds, Hugh Pope, and Ollie Lutz.

The destination of the club's annual fall trip will be to the Riverbanks Zoo and Gardens in Columbia, SC. The trip is scheduled for Sunday, October 11.

Students View Career Choices

Catawba Valley Community College recently hosted its annual Career Showcase. Various companies throughout the area, including Carolina Mills, were present to introduce local high school juniors to the opportunities that await them upon graduation. The showcase also gives employers an opportunity to speak with prospective employees.

Approximately 1,500 students from 11 area high schools visited the Career Showcase.

The college also held a Job Fair in connection with the Career Showcase. This event welcomed area high school seniors and CVCC students, and introduced them to area



companies while giving them an opportunity to submit resumes, and complete job applications.

Representatives from Carolina Mills participating in the Career Showcase and Job Fair for 1998 were Shane Lynch, Plant No. 1; Larry Mosteller and Scott Leatherman, Plant No. 3; Dewayne Moore, Plant No. 5/6; Bristol Cheek, Plant No. 12; Berry Cauble, Plant No. 21/22/29; and Kim Abernathy, Corporate Office.

Our Seventieth Year, Employees Make the **Difference**

Nathan Williams is an employee at Plant No. 9, Finishing Division. Since beginning his career with



Carolina Mills in 1977, Nathan has worked several different jobs in the Finishing

Division and seen many changes in the company. "I've seen the company grow and prosper, I've seen equipment updates and modernization. I have also seen production at it's fullest, and then business slow down as customers have started their own dyeing operations or closed their doors. Through it all, I have worked for good people and a good company, with a management team able to pull us through the slow times, making us the stable company that we are today. I don't know of anywhere else I could have worked that would have given me the benefits and opportunities given to me by Carolina Mills."

Corporate News

Our Seventieth Year, Employees Make the Difference

Betty Helms is a retiree of Plant No. 2, after 20 years of service with the company. She comes from a long list of



family history with the company. Betty's father was employed with Plant No. 3

before his retirement, and Betty also had 2 brothers and a sister-in-law who were employed with Carolina Mills. Currently, Betty's sister and two daughters are still employed at Plant No. 2, and her son is a member of the Carpentry Crew. When asked her thoughts on the company's 70th anniversary, Betty said she has "so many good things to say about Carolina Mills, and so many good memories. The company cares so much for it's employees, and shows their appreciation with gifts, dinners, Textile Week, appreciation days, employee outings, etc." But it wasn't only the gifts that made Carolina Mills such a special place to work - it was the great feeling I received for being recognized for doing a good job. I was always treated with respect and treated fairly. Carolina Mills will always be #1 in my book".

Major Retailers To Pay \$650,000 In Penalties

The US Consumer Product Safety Commission (CPSC) announced in March that several major retailers have agreed to pay a total of \$650,000 in penalties to settle allegations that they violated the federal Flammable Fabrics Act (FFA). These retailers are One Price Clothing Stores, Inc.; Dots, Inc.; Ross Stores, Inc.; The Limited, Inc.; and The TJX Companies, Inc.

CPSC alleges:

- •In 1994, One Price sold or offered for sale over 18,000 rayon skirts that are highly flammable; and in 1995 the company sold or offered for sale 6,000 rayon scarves that were highly flammable.
- In 1994, Dots sold or offered for sale 4,788
 rayon skirts that were highly flammable; and
 in 1995 and 1996 the company sold or
 offered for sale 29,107 fleece shirts that
 were highly flammable.

- In 1994, Ross Stores sold or offered for sale 2,700 rayon shirts that were highly flammable; in 1994 and 1995 the company sold or offered for sale 16,000 rayon scarves that were highly flammable.
- In 1994, The Limited sold or offered for sale 1,173 fleece shirts and pants that were highly flammable; in 1994 and 1995 the company sold or offered for sale three types of Italian sweaters that were highly flammable. Furthermore, in 1996, the company imported, sold or offered for sale 19,024 chenille sweaters that were highly flammable, and did the same with another 7,000 chenille sweaters in 1996.
- In 1994, The TJX Companies sold or offered for sale 17,000 sheer chiffon rayon skirts and in 1995 sold offered for sale 17,000 sheer chiffon rayon scarves, all that were highly flammable.

-Taken from Textile Trends, 1998

Martin Article Featured

Vikkie Bristow Martin, a former Carolina Mills Merit Scholar, was recently recognized in the February publication of Textile Chemist and Colorist, a magazine of the wet processing industry. Her article, Identification of Source Emissions from Finished Textile Fabrics, detailed the evidence that some finishes applied to textiles often remain on the fiber

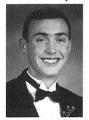
surface thus making them susceptible for the release of any latent volatile organic chemicals.

Mrs. Martin is the daughter of Robert Bristow, Plant Manager Finishing Division. She is a graduate of North Carolina State University with a BS and MS degree in Textile Chemistry, and is completing her Ph.D. in Textile Chemistry, with an emphasis on air quality.

Merit Scholars Announced

Congratulations to John Jonas and Jonathan Sparks, 1998 recipients of the Carolina Mills Merit Scholarship. Each will begin their studies at North Carolina State University's School of Textiles in the Fall.

John Jonas is a 1998 Honor graduate from Bandys High School. He is also a North Carolina Academic Scholar, and Beta Club member. John will be continuing his education at NCSU, with a major in Textile Engineering and minor in Spanish. He is also eligible for the Eli Whitney scholarship. John participated in



1

the American Legion Boys State held at Wake Forest University in the summer of 1997. Other achievements during high school include perfect attendance for three years, selected as a Junior

Marshall, a member of the Pep Club; Spanish Club; "Who's Who Among America's High School Students" during his junior and senior years. John is an active member of Calvary Baptist Church in Newton where he serves as an usher, participates in the Youth Group, Sunday School, and Newton's CROP walk. His hobbies include computers, basketball, golf, weight lifting, and swimming. He is a part-time employee at BiLo. John is the son of Allen Jonas, Plant No. 1

Jonathan Sparks is a 1998 graduate of North Iredell High School. He was a writer for the school newspaper, "Raider Rap", during all four years, and served as Sports Editor his senior year. Jonathan attended the National Scholastic Media Association Workshop in Chapel Hill



during the previous two summers. He was awarded "Journalist of the Year" in 1998; served as a member of the German club for 3 years; and also a member of the Beta Club. Jonathan is a member of Yadkin Baptist Church where

he is active in all youth activities. He has been a speaker for worship services, teaches Sunday School, sings in the Youth Choir, and is an active member in RAs. Jonathan also is active in Trinity Volunteer Fire Department where he has been a junior fireman since 1992. He has held the positions of Lieutenant and Captain of the Junior Firemen. He is employed part-time at Winn-Dixie. Jonathan is the son of Steve Sparks, Plant No. 12.

The Carolina Mills Merit Scholarship is awarded to any student accepted into the School of Textiles at North Carolina State University, provided he or she is the son or daughter of a Carolina Mills employee who has been employed with the company for a minimum of one year. The scholarship is worth \$16,000 over a period of four years.

Today's students are tomorrow's leaders. Carolina Mills is proud to assist in encouraging the abilities and talents in those students pursuing a career in the textile industry.

In Upcoming Months

Employee Appreciation Night at the Hickory Motor Speedway

Saturday, August 1, 1998

Carolina Mills wants to say thank you to all employees by hosting a special night at the races! Make plans now to attend. Watch for more information on bulletins boards and by video.

Quarter Century Plus Club Fall Trip

Sunday, October 11, 1998
The Club will travel to
Riverbanks Zoo & Gardens in
Columbia, SC. A great day of
fun and fellowship.
Additional information will
be sent to all members at a
later date.

Catawba Science Center Membership Benefits

Catawba Science Center membership cards for 1998/99 were distributed in April to all employees of Carolina Mills. These cards are valid for all family members. Take advantage of the special benefits you receive by being a member of the Catawba Science Center...

Unlimited free admission to CSC's permanent and national traveling exhibits: Holography: The Technology of Light, May 16-July 19

Backyard Monsters: Invasion of the Giant Bugs, August 16-November $15\,$

Color Play, November 27-February 21 In addition, each member receives 33-50% discounts on SummerFun classes, a great way for children to have fun and "learn by doing". Other valuable member benefits include:

- Free admission to over 200 Science Centers worldwide
- Free admission to 2 Hickory Crawdads Baseball games: June 30 and July 28
- Discounts on CSC birthday parties, emporium purchases, and much more!

The Catawba Science Center's newsletter, Imprints in Science, is available at each plant location. These are placed in the canteen areas for your reference. For more information about events at the Science Center please pick up a copy of the newsletter.

Corporate News

Goodson Graduates From NCSU

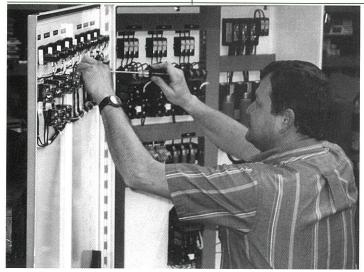
Emily Goodson, Carolina Mills Merit Scholar, graduated Saturday, May 16, from North Carolina State University's School of Textiles. Emily was awarded a Bachelor's degree in Textile Chemistry. Carolina Mills honored Emily with a luncheon on May 21, which included the presentation of

a briefcase for use in her textile career.

Emily Goodson, center, with parents Kermit and Diane Goodson.

Emily is the daughter of Kermit Goodson, Plant Manager of Plant No. 3. She worked several summers with the Corporate Human Resource Department in Maiden. Emily hopes to begin her career in textiles in the Raleigh area, hopefully in the chemistry field.

Congratulations Emily, upon your graduation and best to you in all of your future endeavors!



Tommy Willis constructed a panel from plans formulated in the Electrical Department. The panel is now in service at Plant No. 24 controlling the cleaning system for the card room.

Electrical Department: At Work Behind the Scenes

In 1997, Carolina Mills broke ground on a new strategic systems plan with the installation of new communication capabilities throughout the infrastructure. Many assisted in this effort, working long hours to achieve success with this new communication system. Behind the scenes, members of our Electrical Department have also worked diligently to provide the equipment and networking capabilities needed to make our wide area and local area networks a success. The electrical staff has provided the backbone for the system, with the use of fiber optics

and Category 5 wiring. Their expertise has played a vital role in implementation of our corporate network.

Although continually busy with the networking system, the Electrical Department has most recently been involved in the construction at Plant No. 6 in Lincolnton. In addition to the normal wiring involved with a new structure, the electricians have installed a grounding grid which will keep lightning strikes in a controlled path and thus minimize lightning damage to the building.

Every member of our Electrical Department, under the direction of Chester Bowman, is an important part of the daily operation for our entire company. These employees are on-call 24 hours a day, and are skilled to handle the many problems that arise in the plants on a day-to-day basis. The next time you see a member of our Electrical department in your plant location, take a moment to thank him for the job he is doing. The Electrical staff is an essential

link that keeps our company and our jobs running smoothly.

Our Electrical staff includes: Chester
Bowman, Mark Blake,
Luther Campbell,
Malcolm George,
Thomas Holland,
Michael Jonas, Don
Pritchard, Robert
Saunders, Dwayne
Thompson, Michael
Warren, Robert Warren,
and Tommy Willis.



Luther Campbell and Malcolm George installed the grounding grid at the new addition of Plant No. 6. This important process will keep lightning strikes in a controlled path and minimize lightning damage.





John Hudler retired in March after 35 years of service with Carolina Mills, Inc. He retired from his position as Human Resource Administrator for Plant No. 14. John resides in Hickory and attends Winklers Grove Baptist Church. His

future plans include travel and relaxation, along with some hunting and golf.



After 41 years, Jerry
Leatherman has retired from
Plant No. 3. His career began in
1957, and since that time has
worn several "different hats",
working many different jobs
throughout the plant. Jerry and
his wife, Dorothy, reside in

Newton. He is a member of the Quarter Century Plus Club. His future plans include fishing, and doing some things at home. Jerry commented, "I have enjoyed working for Carolina Mills, I've have seen a lot of good times and worked for some wonderful people. I've always felt at home here".



Reanus Bryant retired in May from Plant No. 1 after 31 years of service. He was a doffer in the spinning department. Reanus and his wife, Joyce, reside in Lincolnton. His future plans include gardening and fishing. Reanus is a member of the

Quarter Century Plus Club.



Carroll Spencer retired from Plant No. 5 in March after 33 years of service. He and his wife, Edna, live in Lincolnton and have three children. Carroll worked as a card grinder at Plant No. 5. His future plans include pursuing his hobbies of

fishing, working on cars, and going to car shows. Carroll noted the many improvements he has witnessed during his years with the company. He will miss everyone, "this is the best company, with great people".



RL Russell has retired from Plant No. 29 after 16 years of service with Carolina Mills. RL lives in Gastonia and has one daughter. His hobbies include fishing and finding new restaurants to visit. His future plans include catching up on his

work at home, and assisting at his church.

Retiree News

Marshall Cansler... recovering from heart surgery in April and doing well.

Paulette Spencer... playing BINGO every Monday night. She and her husband, Herman, are moving to Charlotte soon. We hope you can still come by the office for a visit!

Ola Moore... sends her thanks for the birthday gift. She will get a lot of use out of her garment bag during her travels to Berlin, Prague, Vienna, etc.

Thelma "Datie" Harbinson... writes "Thank you so much for the insurance coverage for the retired employees. It has certainly been a blessing for me these last several years. Carolina Mills is so good to the retired employees".

Betty Isaac... recovering from heart surgery and doing well. She is still seen at the golf course on occasion!

Ken & Betty Isaac... awarded Fred T. Foard senior Jonathan Peele with the Isaac Scholarship, a \$20,000 four year scholarship awarded by the Betty & Ken Isaac Scholarship Foundation, Inc.

John Hudler... a "new" retiree and loving every minute of it!

We love to hear from all of our retirees - so drop us a note, let us know what you are doing! We can't wait to hear from you! Carolina Mills, Inc. Human Resources PO Box 157 Maiden, NC 28650

New Challenges

Textile Employment In Major Producing States, 1997

North Carolina	178,000
Georgia	106,400
South Carolina	77,300
Alabama	40,300
Virginia	35,200
Pennsylvania	22,202
California	21,400
Tennessee	18,700
New York	17,800
Massachusetts	15,100
New Jersey	9,700
Kentucky	8,100
Rhode Island	8,000
Maine	4,900
Florida	4,100
Mississippi	3,900



Larry Mosteller has been named the Human Resource Administrator for the Weaving Division (Plants No. 3 & 14). Larry has served as the Human Resource Administrator at Plant No. 3 for 28 years, and effective April 1, has also assumed the

Human Resource responsibilities at Plant No. 14. Larry and his wife, Sharon, live in Lincolnton and have two children and three grandchildren. He is a member of the Quarter Century Plus Club. Larry enjoys deer hunting.



Bill White has transferred to Plant No.21 as Spinning Supervisor. Previously, Bill worked at Plant No. 24. He and his wife, Joann, live in Gastonia and have three children and 8 grandchildren. They attend Chapel Grove Baptist Church.

Bill enjoys swimming, gardening, collecting classic videos, and working at his church.



Lisa Young has joined the Corporate Human Resource Department as the Human Resource Secretary. Lisa, and her husband, Thunder, and two children reside in Maiden. They attend Covenant Bible Church in Lincolnton. Lisa enjoys

spending time with her family, working outdoors and reading.



Robert "Bob" Meek, Jr. has joined Carolina Mills, Inc. as Director of Industrial Engineering. He is a graduate of Wofford College, with a Masters degree from North Carolina State University. Bob and his wife, Nancy, reside in Hickory.

They have three children. Bob enjoys hunting, fishing, and camping. Bob noted, "I am excited to be here and look forward to meeting everyone at Carolina Mills."



Carol Schultze has transferred to the Industrial Engineering Department as an Industrial Engineering Technician. She previously worked at Plant No. 14. Originally from Pennsylvania, Carol now lives in Newton with her two daughters,

Rachel and Gina. She just completed two weeks of extensive time study training at Charlotte Training Center. Carol is president of the Maiden High School Music Boosters.

Service Anniversaries April – June, 1998

25 Years

Janice Jones	Plant No. 12	
Floyd Justus	Plant No. 2	
Becky Killian	Plant No. 1	
Calvin Norman	Plant No. 12	
CW Southers	Overhaulers	
Mark Yarbrough	Plant No. 8	

20 Years

Plant No. 8
Plant No. 14
Plant No. 12
Plant No. 2
Plant No. 2
Carpenters
Plant No. 2
Trucking

15 Years

Jerry Baynes	Plant No. 12
Paul Lail	Plant No. 12
Emma Lipscomb	Plant No. 24
Mark Martin	Plant No.14
Randy Philyaw	Finishing Division
Mark Rikard	Plant No. 3

10 Years

Joyce Andrews	Plant No. 5
Keith Ball	Finishing Division
Martha Barnes	Finishing Division
Karen Carpenter	Plant No. 24
Linda Fowler	Plant No. 22
Cleta Hill	Plant No. 22
Ronald Johnson	Plant No. 3
Jo Ella Johnson	Finishing Division
Mark Letterman	Plant No. 2
John Moretz	Finishing Division
Tu Nguyen	Plant No. 22
Jon O'Brien	Industrial Eng.
Winifred Owen	Plant No. 12
Robert Philyaw	Finishing Division
Edith Swaim	Plant No. 12
Lynn Triplett	Data Processing
Mark Wilkinson	Trucking

Julia Adams Sherry Bleckler Billy Bumgarner Alma Camp Rachel Copeland Dennis Deal Mitchel Dellinger Angelia Early Billy Griffey Jimmy Harbinson Freddie Harmon Lisa Harris Phillip Hester Joseph Isenhour Michael Lilly Alford Moses Phillip Mummey Chad Nichols William Rogers Shawn Rogers Ronny Self Kevin Sisk Clifton Spicer Phuc Tran

Cynthia Woidyla

Mark Yancey

Diana Youtsey

5 Years

Plant No. 5 Plant No. 21 Plant No. 5 Plant No. 5 Finishing Division Finishing Division Trucking Plant No. 21 Finishing Division Plant No. 5 Finishing Division Finishing Division Plant No. 8 Finishing Division Finishing Division Finishing Division Finishing Division Finishing Division Plant No. 21 Finishing Division Finishing Division Plant No. 24 Finishing Division Plant No. 22 Plant No. 21 Finishing Division Plant No. 3

The US textile, fiber and apparel industries represent almost 9% of all manufacturing jobs. These industries combined employ about 1.6 million people.

While the textile and apparel industries employ 1.4 million people, they also support 1.3 million workers in direct supplier jobs and 200,000 more in government jobs.

The textile, fiber and apparel complex is second only to steel in its importance to national defense. The complex supplies 10,000 different items for military use, ranging from parachutes and tents to helmets, jets and bioprotective suits.

The US Textile industry purchases \$47.5 billion annually in goods and services from other industries. These purchases include chemicals, fibers, dyes; gas and electricity; agricultural products; new plants and equipment; gasoline and oil; transportation and warehousing; machine parts; miscellaneous expenditures.



Sun Time Safety

Before you head out to enjoy the sunshine, take a few precautions to ensure that your family's sunny day fun is safe fun.

- Whenever outdoors, use a sunscreen with a sun protection factor (SPF) of 15 or greater on adults and children over six months old. Apply sunscreen on cloudy days too.
- Keep infants under six months old out of the sun.
- Avoid being in the sun between 10am and 3pm, when the sun's rays are at their strongest.
- Reapply sunscreen often and after swimming, washing, bathing or vigorous activity.
- Sunny-day safety also calls for sunglasses that provide protection from the sun's ultraviolet rays, as well as a wide-brimmed hat and long sleeves.
- Always supervise children playing in or near water.
- Do skin cancer checks monthly and consult your doctor about any new moles or changes in an existing mole's size shape or color.

REMEMBER: SUMMER FUN IS ONLY FUN WHEN YOU TAKE STEPS TO ENJOY IT SAFELY.

The Spinal Spin

"BACK" TO BASICS

Every year million of Americans will see their physician with some kind of back pain. While doctors agree if you can keep your weight where it belongs, keep your muscles strong and flexible, and maintain a nice, natural s-curve in your back, you can pretty much avoid back problems.

Most lower back pain comes either from misbehaving muscles or irritated nerves. Muscle pain can result from a muscle strain (injury) or even stress (tense muscles). Nerverelated pain is usually caused by something (a bone spur, or often, a herniated disc) pressing against nerves in the back.

While old habits are hard to break, the road to a healthy back starts when you learn the basics in caring for your back.

 Stand with your hips over your heels, your shoulders over your hips and your ears over your shoulders. This keeps your natural S-curse in place without straining any muscles. Good posture is both relaxed and balanced. Posture that's



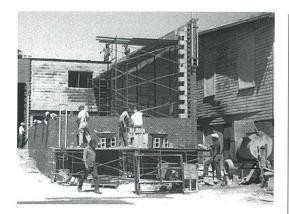
out of line puts stress on specific muscles, and this leads to fatigue and potential injury.

- Keep your weight where it belongs.

 Adding weight out front the pot belly syndrome pulls the lumbar curve forward. At the same time, the back muscles strain to keep the lumbar curve where it belongs. Those back muscles may eventually complain.
- Exercise to keep muscles strong and flexible. This means exercising a little bit every day. No big deal. The results are a pat on the back.

Employees of Plant No.24 participated in the annual blood screening held in February. Nurses from Catawba Memorial Hospital provided the services for the screenings. Pictured is employee Leatha Dawkins during her screening, being assisted by an associate of Catawba Memorial Hospital and Rhonda Poole. Nurse for Plant No. 21/22/24/29.





Phase Two Added At Plant No. 6

When Plant No. 6 in Lincolnton was first constructed, the plans detailed the completion of the entire plant to be accomplished in two phases, with phase two to be added when needed. Approximately 10,000 square feet at the southwest corner was reserved for phase two. In February 1998, construction began on phase two, with a target for completion in August 1998.

Once this addition is completed, production capacity at Plant No. 6 will be increased 25-30%. The flow of production will also be greatly improved, allowing the departments to run a more even schedule. Current plans call for twelve spinning frames to be placed in the new section along with one winding frame. Other machinery will be added as needed.

Rieter Training Class Held

In February, Plant No. 3 hosted a training class for Rieter Drawing Frame Technicians and Supervisors. Hans Rentzch, Training Supervisor for Rieter Corporation in Spartanburg, directed the class. The entire textile industry is making great advancements in technology and information management, making it ever more important that Carolina Mills utilize the machinery and information available to its fullest. The class focused on producing the highest quality product using RSB Drawing Frames and interpreting the information available from the Drawing Frame, Evenness Reports, and Drawing Frame User's manual. Participants in this training class included Mark Crouse and Donnie Martin, Plant No. 2; Jerry Hall, Dwight Maples, and Don Smith, Plant No. 3; Dewey Grant and Daniel Weathers, Plant No. 8; Buck Whitted, Robbie Abernathy and Ralph Champion, Plant No. 24







Draper DSL Looms Leave Plant No. 3 It has been called "the end of an era"

It has been called "the end of an era".

In 1960, Herman Dellinger, a foreman in the Weave Room at Plant No. 3, was assisting in the installation of the new Draper DSL Looms at Plant No. 3. That was 38 years ago, and Herman along with other long time employees is helping remove these once state-of-the-art machines. With the ever-changing markets and increased competition, Carolina Mills must also change. In order to find new markets for our products, while expanding our current markets, it has become necessary for Plant No. 3 to have the ability to produce cloth that is beyond the capabilities of the aging DSL looms. The 185 DSLs have been replaced with 54 Somet Thema E's. This new machinery will complement the existing 42 Somets that Plant No. 3 installed in 1996. All of the Somet looms will be able to produce 60" wide fabric, with improved quality. This installation is just another part of the modernization at Plant No. 3.

Plant News



In January, Plant No.24 celebrated 3 consecutive months without a lost time accident with a hotdog dinner for all employees. Pictured (L-R): Esther Tolbert, Karla Alonzo, Emma Lipscomb, Leatha Dawkins, and Kay Wooten.



During March, Carolina Mills, Inc. recognized each plant's newspaper reporters and staff with a luncheon and a gift. These employees assist in gathering news throughout their plant, and strive to make their newspaper fun and informative for everyone. Reporters and staff of Plant No. 3's newspapers enjoyed lunch at the Harbor Inn Seafood Restaurant. Pictured (L-R): Mari Ledford, Donna Smith, Judy Nilsson, Pat Reinhardt, Marilyn Roseboro, Teresa Sigmon, Wilford Rhyne, and Kermit Goodson, Plant Manager.

Credit Union

Prevent Child Abuse North Carolina

Supported by Carolina Mills Employees Credit Union and Carolina Mills Inc.

The Foothills Chapter of the North Carolina Credit Union League will host a charity golf tournament for Prevent Child Abuse North Carolina (PCANC) on Saturday, August 8, 1998.

This is a great opportunity for each credit union in the Foothills Chapter (Carolina Mills Employees Credit Union is a member of this chapter), to raise money for the prevention of child abuse in our state. You will be able to view "Winnie", the PCANC mobile unit and get more information on PCANC.

Carolina Mills Employees Credit Union will sponsor a hole, which is a fee of \$125. Carolina Mills, Inc., our sponsor company, will also sponsor a hole for \$125. The sponsor's name will be displayed at each hole, either at the tee box or the green.

We would like to express our THANKS to our sponsor company, Carolina Mills, for their support and interest in this worthy credit union project.

There are many victims of a growing problem that is plaguing our state and our country - the problem of child abuse and neglect. Last year, over 94,000 children were reported as abused or neglected in NC alone. Many of them were brutally beaten or neglected. Some were molested or raped. Others endured unimaginable psychological and emotional torture.

The frightening reality is: these statistics represent only "reported" cases. Nationally nearly 3 million girls and boys are reported annually as abused and/or neglected.

When we hear the words child abuse, most often we think of physical violence. But, child abuse encompasses much more than that. Child abuse is the non-accidental injury, sexual abuse, emotional abuse, neglectful treatment or maltreatment of a child by any person under any circumstances. In NC, experts tell us neglect and emotional abuse are the most common.

Prevent Child Abuse North Carolina, the State Chapter of the National Committee to prevent child abuse, receives hundreds of requests from schools, day cares and other groups each year for on-site training on how to identify and prevent child abuse and neglect. This type of training, the experts say, is the most critical key in preventing child abuse. Unfortunately, because PCANC is a non-profit group, they have limited funds and no training facilities, so they are often unable to fulfill all the requests.

In 1994, all NC Credit Unions pledged to raise \$265,000 to help PCANC establish a mobile training unit program, the first of its kind in the United States. This was a 3-year fund-raising campaign and we now have our mobile unit named "Winnie". It is a RV-type vehicle, customized on the inside with equipment and space to seat small groups (up to 15 people). It is manned by a PCANC staff person who travels the state, visiting all NC counties at least once every three years. The mobile unit program benefits parents, children, educators, medical personnel, social workers, law enforcement personnel and other interested groups.

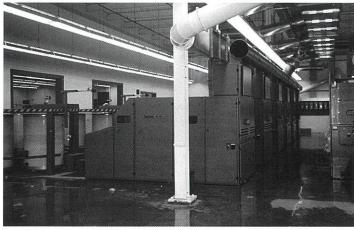
If you are a credit union member, you are invited to participate in the Foothills Chapter First Annual Charity Golf Tournament to be held at Granada Farms Golf Course in Granite Falls, NC, on Saturday, August 8, 1998. Captains' Choice, Shotgun start beginning at 8:00am. Prizes and gifts. Lunch provided. \$45 per golfer. Space filled on a first-come, first-serve basis. If interested please call 828-428-6258, Joyce Hovis. Entry forms must be filled out and returned by June 24.

Technology Corner

New Machinery Moves Plant No. 24 Into New Markets

Plant No. 24 has seen many changes during the past 12 months. The installation of new machinery has converted manufacturing at Plant No. 24 from long staple carpet yarns to

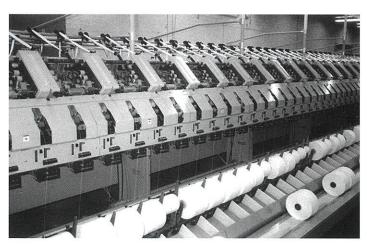
short staple polyester yarns. Production of short staple polyester yarns transfers Plant No. 24's business away from the carpet yarn market and moves them into the industrial fabrics market.



Trutzschler DK803 High Production Card: This machinery enables increased production, while maintaining quality. These cards feature the integration of the card and the tuft feeder. This guarantees an even web feeding into the card, improvement of web evenness, simplified maintenance, a reduction in operation costs, and the elimination of possible operating and adjusting errors.



Rieter Drawframes: The new draw frames offer top sliver quality and high handling comfort. A Quality Monitor provides all relevant quality and production data directly on the machine.



Murata Air-Jet Spinner: This equipment makes it possible to spin a wide variety of fibers, various synthetic fibers with up to a 2" fiber length. Spinning conditions can be precisely controlled by Murata's quality and operation control system.



Saurer Twister: A two-for-one twisting system for staple fiber yarns. With this system, the yarn receives two turns with one revolution of the spindle. The development of this new twister is in response to the demands of the market for a more efficient, operator-friendly twisting machine, with a reduced maintenance requirement.

Carolina Mills Inc.– A Quest For the Best Textile Company

While textiles has historically ranked among the safest manufacturing industries by the National Safety Council, the Quest for the Best in Safety and Health program, established in 1993, continually challenges the textile industry to progress in our safety and health programs, for the benefit of our employees, our customers, and our communities.

Carolina Mills, Inc. has once again been recertified as a member of ATMI's Quest for the Best in Safety and Health program by meeting the 8 criteria for membership, and more importantly by improving and implementing new safety and health processes. We continually re-examine our programs to ensure all elements are followed



and implemented. The program is a success in that it has brought the importance of safety to everyone's attention, while extending far beyond a simple safety program. Quest for the Best is a total quality management program.

As a Quest for the Best company, Carolina Mills, Inc. recognizes that our employees are our most valuable resource. Our strong commitment to high standards of workplace safety reflects our concern for our employees' welfare, as well as remaining a good corporate citizen.

ATMI's Quest for the Best in Safety and Health program now has 56 members, a representation of our industry's strong commitment to the safety and health of the workplace.



The American Yarn Spinners Association recently awarded safety awards to all companies who completed 1997 with no lost time accidents. Pictured with the award for their plant location are: (L-R) Back row: Willie Wentz, Plant No. 2; Larry Mosteller, Plant No. 3; Bristol Cheek, Plant No. 12; Berry Cauble, Plant No. 21. Front row: Jill Bailey, Plant No. 24; Mark Yarbrough, Plant No. 8; Bill Brotherton, Plant No. 1; and Malloy Evans.

Hours Worked Without a Lost Time Injury

As of May 9, 1998

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Plant No. 3	1,959,342
Plant No. 8	1,395,921
Plant No. 21	1,136,829
Plant No. 22	1,066,564
Plant No. 1	976,761
Plant No. 2	433,408
Plant No. 14	360,253
Plant No. 12	278,808
Plant No. 24	207,808
Plant No. 6	111,409
Plant No. 5	102,746
Plant No. 9	87,490
Plant No. 4	59,374

The Insurance Corner

The Insurance Corner is a column designed to answer your questions about our company's group medical and dental programs. If you have any questions you would like to see addressed, send them to "The Insurance Corner", c/o Human Resources, PO Box 157, Maiden, NC 28650. The Human Resource Administrator at your location will also send your questions to us.

Q: DOES THE MONEY I PAY FOR MY PRIMARY PHYSICIAN VISITS AND MY PRESCRIPTIONS APPLY TOWARDS ANY DEDUCTIBLE AMOUNTS?

A: Your \$10 co-pay for in-network primary physician visits, and your \$10 co-pay for prescriptions are expenses that do not apply towards any deductible amount (You have a \$200 deductible for in-network expenses). All co-pay amounts are expenses that you pay based on an already discounted arrangement United HealthCare has contracted with the network provider. If you choose to work outside of the UHC network, a \$400 deductible applies. Examples of when your deductible will apply include hospital visits and outpatient surgery. For additional information please refer to your Benefit Summary.

Q: A CLAIM WAS SUBMITTED BY MY PRIMARY CARE PHYSICIAN ON MY DEPENDENT CHILD. I RECEIVED A LETTER FROM UHC ASKING FOR ADDITIONAL INFORMATION ABOUT MY CHILD. IS THIS REQUIRED IN ORDER TO PROCESS MY CLAIM? A: There are many occasions for which UHC will write to the insured employee asking for additional information. For dependent children, UHC may need to verify that there is no other insurance coverage on the child, or they may need to validate that the child is still a full-time student. For a spouse, UHC will also need to verify other insurance coverage to determine who is the primary insurance carrier for the patient. If the claim refers to an expense that may seem to be of an accidental nature, UHC will also request accident details to determine if a third party is responsible for payment of the claim.

The information UHC asks for is very important and a vital part of claim processing. It not only ensures that the claims are paid properly, giving you the highest benefit

possible, it also protects us from paying claims that are not eligible for benefits under the plan, thus keeping our insurance costs under control. When you do receive a request from UHC for additional information, please complete the questionnaire and return it to UHC as soon as possible. Processing of your claim will not be completed until the requested information is returned to UHC.

Q: AS A PARTICIPANT IN THE CAROLINA MILLS MEDICARE SUPPLEMENT PROGRAM, ARE THERE ANY CHANGES IN THE PLAN THAT WE SHOULD SHARE WITH OUR PHYSICIANS?

A: The Medicare Supplement plan, administered by United HealthCare, has had no changes in its benefit package. However, it is very important that you show your UHC insurance card to all physicians and hospitals. They will need this new information in order to properly file your medical claims. Medicare is the primary insurance carrier under the supplement program, and UHC will pay as secondary. The Medicare Supplement plan includes benefits for Medicare deductibles, without your being subject to any deductibles with UHC. You are also not required to use a specific network of physicians or hospitals. The Medicare Supplement program does not provide benefits for prescription drugs. If you have any questions or concerns about your medical coverage as a retiree please speak with the Insurance Personnel or Human Resource Administrator at the plant location from which you retired.

United HealthCare 1-888-697-8323

Optum NurseLine, Experienced nurses 24 hours a day 1-800-846-4678

July 4th Holiday Schedule

Carolina Mills, Inc. will close Friday, June 26, at 5pm, and will re-open Monday, July 6th at 8:30am. Have a safe holiday!

*Schedule may vary at each location.

Employees Discounts

MEMORIALS

The family of Carolina Mills expresses their deepest sympathy to the relatives and friends of following employees or retirees who recently passed away:

Hugh Pope

Retired – Plant No. 3 March 7, 1998

Lee Dellinger Retired – Plant No. 5 March 22, 1998

Kate Blanton Retired – Plant No. 5 March, 1998

Ollie Lutz Retired – Plant No. 2 May 8, 1998

William Bridgers Plant No. 12 June 5, 1998

The following items are available in the Human Resource Department:

Health Book \$5
Glass Mugs \$7 (set of 4)
Sweatshirts \$10 (L-XXL only)
Tote Bag \$8
Hats \$7
Beverage Bags \$8

United Artist VIP Theatre Tickets

Discount theatre tickets are available for \$4.50 per ticket. Tickets may be used at any United Artist theatre.

Chimney Rock

Adults \$7.00 Children (6-15): \$5.00



Adult \$27.60 Child \$18.80



Adult: \$16.50 Child (under 45") \$11.50 Under 3 admitted FREE HOUSE + GARDENS + WINERY
ADULTS \$25.50
YOUTH (10-15): \$19.25

Children 9 and under are admitted free with paying adult.

Magic Kingdom Club.

Memberships Available

Walt Disney World's Magic Kingdom memberships are available from the Human Resource Department. Members receive discounts on various services and activities at the park. Available by request only.



Adults \$21.99 Children (4-6) \$16.99 Sr. Citizens (55+) \$16.99

Children 3 and under admitted free. The Park will be open weekends only March 14 - May 31, then daily June 5 – Aug. 14.

Tweetsie Railroad

Discount coupons available. Valid for \$2 discount on regular admission tickets.

Has your address changed?

To ensure that you receive your copy of the newsletter, please let us know if your address changes! Please fill out the change form below, and mail it to our return address indicated on the newsletter. If you would like more than one person to receive the *CaroLines*, please indicate. We would also like to hear any comments you might have concerning the newsletter.

NAME:	
PO BOX OR STREET NUMBER:	
CITY AND STATE:	ZIP:
COMMENTS:	

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