

NEWS FROM CAROLINA MILLS, INC.



CAROLINA MILLS EMPLOYEES RECEIVE PERSONAL ANNUAL REPORT OF BENEFITS

Q. Carolina Mills			No. 12208	
	MAIDEN, NORTH CAROLINA		08-05-92 DATE	<u>66-156</u> 531
	PAY EXACTLY	*2,500,000 DOLLARS	00 CENTS PAY EXACTLY	2,500,000.00
TO THE ORDER OF PAYABLE AT PAR THROUGH FIRST UNION NATIONAL BAN SHAPEL HILL, NORTH CAROLINA	MILLS, INC PROFIT SHARING PLAN (PSP),		grand by	ALGUMA RESIDENT NO 3 (Subinded CONDETANY
	#00012208# #05310	1561: 799851679	8 "'''''	2 50000000."

Carolina Mills' Annual Report of Benefits was distributed to each employee. Shown above is the company's contribution to the Carolina Mills Profit Sharing Plan. This contribution is based on the company's profits for the year ended September 30. Carolina Mills then pays this contribution — which was \$2,500,000 as of September 30, 1992 — into the plan (employees contribute nothing).

To participate in the plan and to receive a contribution

each September 30, you must: 1) be employed with Carolina Mills each September 30, and 2) have W-2 earnings from the previous calendar year.

Funds in the plan are put into a variety of investments, including stocks, bonds, and various government securities. The funds grow tax-deferred, meaning employees pay no tax on the contributions and investment growth of the account until the money is withdrawn.

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CORPORATE NEWS

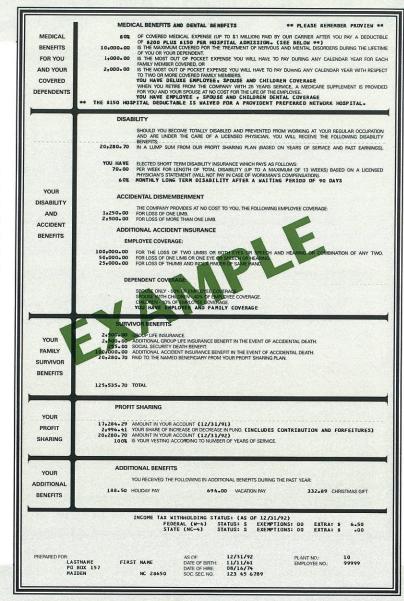
Your Personal Annual Report of Benefits — What Does It All Mean?

The benefits sheet, better known as the "Green Sheet," is a special information sheet compiled and produced by our Data Processing Department. It provides employees a detailed outline of the benefits they have with Carolina Mills. The figures in the report were calculated to indicate benefits currently protecting you, and to estimate the value of these benefits to you and your dependents. Carolina Mills hopes the information statement will aid you in planning for your future.

This is an example of the "Benefit Sheet" received by each Carolina Mills employee.

It is divided into different titled sections, each of which includes an explanation of the benefit. This sheet details explanation of:

- · Medical Benefits for You and Your Covered Dependents
- Your Disability and Accident Benefits
- Your Family Survivor Benefits
- Your Profit Sharing
- · Your Additional Benefits
- Your Federal and State Withholding Tax



INSURANCE CHANGES

As you are aware, health care costs have well exceeded last year's costs. Carolina Mills paid over \$4.5 million for insurance claims in 1992. As has been announced, your insurance rates will be increased, effective April 1993.

Under current IRS regulations provided to Carolina Mills by Provident Insurance Company, if you have your insurance taken out of pre-tax dollars, you cannot change your benefit choices or drop a dependent from your coverage unless you have a status change. Examples of dependent status changes include: marriage, divorce, death, birth of a child, maturity of a child, or your spouse gaining or losing an occupation.

Since the new rates do not go into effect until April, you can make changes in your coverage until April. After that date, your selection will stay in effect until January 1994.

If you have any questions about your insurance coverage and/or this policy, please contact the personnel administrator at your location.

NEW PAY-OUT LAW

If your employment with Carolina Mills ceases — whether by voluntary means, termination, or retirement — and you are eligible for profit sharing money, the following will be helpful in understanding the new pay-out law.

Beginning in 1993, a new law subjects lump-sum distributions from a qualified retirement plan to a 20% tax withholding. You can avoid this by electing to have the distribution transferred directly to the trustee of an IRA or another type of account.

Under the old law, an employee who left a job or retired could choose whether or not to have tax withheld from a lump-sum distribution. Moreover, you could take the full payment and roll it over tax-free into an IRA or other qualified plan within 60 days, thereby deferring tax until a later distribution.

Of course, you still can take advantage of the 60-day roll-over provision and, on your 1993 tax return, request a refund of the amount withheld, but you would have to wait until 1994 for reimbursement. This could prove costly because you would have to replenish the missing 20% from some other source in order to accomplish a complete roll-over within the 60-day period.

Many people wouldn't have the necessary funds sitting around. If you fail to come up with the funds, 20% of the pay-out would be currently taxable and subject to a 10% penalty if you're under age 59 1/2. You would also lose future tax-deferred earnings on that money.

For example: Jack, age 62, plans to retire in 1993. He directs his employer to transfer his lump-sum distribution of \$250,000 from the employer's qualified plan to a new IRA Jack has set up. The result: no amount is withheld from the \$250,000. The entire sum will be subject to the minimum distribution rules.

In general, amounts distributed from qualified plans are subject to tax annuities or as lump-sum distributions qualifying for special averaging or capital gain treatment, or they qualify for tax-free rollover treatment. This is a complex area of tax law; to be safe, you should seek the advice of a knowledgeable counselor.

If you have questions about the new law, talk with your personnel administrator. He or she has a copy of the regulations and can talk with you about how to go about making the necessary arrangements for your profit sharing money upon the time of your retirement.

QUARTER CENTURY BANQUET DATE SET

The Quarter Century Plus Club Banquet will be held Saturday, May 15, 1993. For over 10 years, Abernethy Memorial Methodist Church has provided the location and the Parker Sunday School class has served the Club a delicious meal. It is with regret and sadness that we have to change locations, but our club has outgrown the facility. Many fond memories of the banquet and presentation of the watches will always be remembered as having taken place at this church. Many thanks and much appreciation go to the many members of the Sunday School Class for providing the Quarter Century Club with delicious dinners and wonderful fellowship.

Our new location for the banquet is Trinity United Church of Christ in Conover, located behind the fire station downtown. The church has graciously accepted our request that they handle the banquet. We chose Trinity Church because of the newly-completed Fellowship Building, which holds approximately 400 people. Our club is not quite that large yet, but at the rate of new membership, it will not take us long to reach that size.

The banquet is for employees, both active and retired, who have completed 25 years of continuous service with Carolina Mills. Ten new members will receive their gold watches and be inducted into the club membership.

The club is very active, with its own Board of Directors, which plans the banquet and the Fall trip. Willie Wentz, Personnel

Administrator at Plant No. 2, is serving his second term as President of the Club.

Invitations and directions to the church will be mailed in April. Mark your calendars now to attend the banquet.



CREDIT UNION

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BETTER RATES. BETTER TERMS. BETTER CALL!

TALK TO US WHEN YOU'RE LOOKING FOR A LOAN.



When you're in the market for a loan, better come talk to your credit union. Our rates and terms are very competitive. And even more important, you're not just a customer here — you're a member of a not-forprofit organization. Find out how easy it is to choose the best loan for your budget. Call or stop in today.

HEALTH

MARCH IS NATIONAL NUTRITION MONTH

HOW TO BALANCE YOUR DIET

Does it seem like the more you learn about good nutrition, the more confusing it becomes to plan a good diet? Are you eating too much fat? Too little protein? Sodium? The list of questions goes on and on Here's some simple advice about healthy menu planning:

- 60% of total calories from Complex Carbohydrates
- 30% of total calories from Fats (no more than 10% of these should be saturated fats)
- 10% of total calories from Protein

COMING UP - APRIL IS WOMEN'S HEALTH MONTH!

SAFETY

HOURS WORKED WITHOUT A LOST-TIME INJURY WORKING TOWARD AN ACCIDENT-FREE WORKPLACE 2/06/93 862,613.2 Plant No. 2 170,346.4 Plant No. 9 735,546.95 Plant No. 8 145,656.47 Plant No. 21 358,302.2 Plant No. 24 142.373 Plant No. 5 345,146 Plant No. 22 35,414.25 **CM** Furniture 340.197.8 Plant No. 12 33.177 Plant No. 1 329,251 Plant No. 14 24,212 Plant No. 4 315,307 Plant No. 6

SAFETY

Carolina Mills Plant No. 1 Reaches 1,000,000 Safe Work Hours

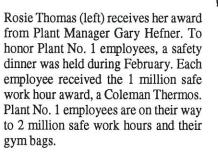
It is no small task for a plant to operate 1 million work hours without a lost-time accident.

Plant No. 1 began this endeavor July 12, 1988 and continued until December 19, 1992, when Plant No. 1 successfully completed 1 million work hours without a lost-time accident.

Without the help of everyone working together, this could not have been accomplished. This proves that dedicated people working together with an attitude of accident prevention and awareness can reach 1 million work hours without a lost-time accident.

We congratulate the employees of Plant No. 1!







During the safety dinner, Mr. Ed Schrum, President of Carolina Mills, congratulated Plant No. 1 employees for a job well done.



Plants 12 & 14 Tie as Winners of the Carolina Mills 1992 Safety Contest

Employees at Plant No. 12 in Statesville and No. 14 in Hickory finished the year as the safest plants, operating without a lost-time accident and only one medical accident. The two plants tied as winners of the Carolina Mills Safety Contest. Employees at both plants enjoyed catered dinners, safety bonuses, and awards.



Plant No. 12 Safety Committee members (1-r) Lynne Souther, Patsy Holthouser, Gloria Worrell, Joann McCoy, Danny Bruce, J.W. Hedrick, Johnny Link, Mark Hatcher, Wayne Campbell and Terry Thorneburg*. The banner in the background was made to recognize everyone at Plant No. 12 on behalf of the Safety Committee. Six other plants operated in 1992 with no lost-time accidents and more than one medical accident. Plants 1, 2, 3, 6, 8 and 22 were treated to safety dinners to honor the employees for their accomplishments. Congratulations to everyone!



Vice President of Yarn Manufacturing Steve Dobbins presented the Safety Committee at Plant No. 12 in Statesville with the company's "Safest Plant" award for 1992. Bob Cook, Plant Manager, accepted the plaque and gave credit for this achievement to everyone at Plant No. 12.

*Not Pictured: Judy Brown





Carolina Mills CEO, President and Treasurer Ed Schrum presents the employees at Plant No. 14 in Hickory with the "Safest Plant" Award. Accepting the award for Plant No. 14 employees is Gary Bowers, Plant Manager.





Tom Pruitt, Vice President of the Weaving Division, presents employees of Plant No. 14 with their safety plaque. Gary Bowers, Plant Manager, accepts the plaque for Plant No. 14 employees.







Gerald Blanton, Plant No. 9 employee, is instructed in the proper use of a self-contained breathing apparatus while his co-workers look on. The plant-wide redesigned training program, which is being implemented this year, will enable Plant No. 9 to be a safer place to work.



The Safety Team of Plant No. 2 (l-r), Jeannie Sipe, Tim Wise, Anna Wagner, and Ken Rice, represent all shifts. Inspections are done on a regularly scheduled basis.

To remind employees to work safely, safety banners are maintained throughout the plant, and feedback on minor accidents, along with hours worked without a lost-time accident, are displayed through the plant video system.

Plant No. 2 maintains a good safety program by setting goals, getting employees involved, building morale and enforcing rules.



Plant No. 8 Safety Committee Members (l-r) Sandy Wise, Lorraine Crouse and Cindy Self.



Employees at Plant No. 3 keep track of hours worked without a lost-time accident with banners such as the one pictured here. Banners are updated weekly to reflect changes.

Each department's bulletin board includes a safety corner. All accidents are posted and employees are informed of each department's safety record and how they compare to those of other plants.



At Plant 4C, numerous safety-related renovations and training projects have been implemented. Shown (l-r) is JoAnn Isenhour and Eddie Crafton discussing operation of the new 10-lb. fire extinguishers. Other improvements include safety crash bars on doors, second-story fire escapes, and painting of roof supports in tow-motor zones in "Caution Yellow."



Fire Chief Dean Gardner inspects fire extinguisher at Plant No. 22 Carding's Department.



CM Furniture's Eddie Brittain is shown here wearing his back support. Eddie is one of many employees at CM wearing the back supports.

Plant No. 24 Safety Committee Members (l-r) Berry Cauble, Ellen Rankin, Phyllis Weaver and Donnie Fewell meet in lab before going on safety inspection.





SAFETY

CAROLINA MILLS PARTICIPATES IN HAZARDOUS WASTE TRAINING

Carolina Mills participated in a three-day hazardous training course through CVCC last fall. Upon completion of this required OSHA course, participants went back to their respective plants to train other employees in these skills. Included in the training were:

- · Methods used to determine if a material is hazardous;
- How to handle hazardous waste when entering a life-threatening environment and what protective devices should be worn;
- Methods of using, containing, and collecting hazardous waste;
- How long hazardous waste can remain on a job site;

- How to read material safety data sheets;
- DOT training on transporting hazardous waste;
- · Different types of chemical solvents;
- · How to detect immediate and primary hazards.

Participating in the course were Bill Brotherton, Willie Wentz, Larry Mosteller, Alex Sigmon, Dewayne Moore, Mark Yarbrough, T. R. Robinston, Bristol Cheek, John Hudler, Polly Reitzel, Dan Blair, Berry Cauble, Eddie Crafton, Harold Lineberger, David Baird and Mike Miller.





At left (L-R), Eddie Crafton, Mike Miller, Larry Mosteller, T.R. Robinson, and Willie Wentz are instructed in the proper use of protective clothing. At right, Polly Reitzel demonstrates properlyfitting safety wear while Harold Lineberger looks on.





EMPLOYEES ON THE MOVE

REASSIGNMENT



Lori Beasley has been reassigned to Customer Service at Plant 4C.

Lori and her 3-year-old daughter, Stacey, live in Conover. They attend Friendship Lutheran Church in Taylorsville. Lori enjoys snow skiing, playing golf, and hunting.

PROMOTION



April Gardin has been promoted to Dye Lot Scheduler at Plant 4C. Originally from Marion, April now lives in Newton with her husband, Art, and their daughter, Andrea.

April is presently enrolled in Business Administration courses at CVCC. Her hobbies are swimming, tennis, cooking, and crafts.

A FLASH FROM THE PAST

WE HAVE A WINNER!

The photo at the right appeared in the February *CaroLines*. It seemed as if everyone in the company knew this one!

Left to right are Wayne Hefner, Larry Teague, George Moretz, Steve Bowman and Ralph Kendrick.

The winner of the \$10 prize was Nancy C. Whitaker of Plant No. 29.



Do You Know These People?

You could win \$10 in cash!! All you have to do is join *CaroLines'* quest to identify nameless photographs from the archives. It's easy. Simply fill out the form provided below and detach along the perforated lines. Mail it to Human Resources at P.O. Box 157, Maiden, NC 28650, or give it to your personnel administrator. Each correct entry completed in full and received by March 30 will be included in a drawing for the \$10 prize. The winner will be notified.

A correct entry must name three of the four people, left to right. So put on your thinking cap and send in your entry!



Photo Information			
1	Names (left to right):	Your Information	
	1	Name:	
	2	Plant or Department:	
1	3	Retired: YesNo	
	4		
L			

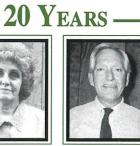


Bill Brotherton Plant No. 1



Plant No. 4N

Lois Brittain Plant No. 8



Tony Blake Plant No. 8

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Shuford Campbell Main Office



SERVICE AWARDS

Don Pritchard Electrician



SERVICE AWARDS



Brad Lofland

Plant No. 4C



15 YEARS _____

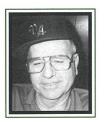


Jerry Beal Trucking





Mark Adams Plant No. 12



Charlie Ballard Plant No. 1



Maria Oprea Plant No. 3

Larry Cody Plant No. 5

Marilyn Adinolfi CM Furniture

Nancy Harris

Plant No. 24

John Wallace Plant No. 4C



Susan Cline Plant No. 6

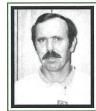
Byron "Junior" Bell Plant No. 4C



Ernest Jones Plant No. 4N

Scottie Shook

Plant No. 3





Willie Farley Plant No. 4N



Wendy Minton Plant No. 12



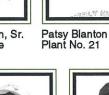
Priscilla McCully Plant No. 22



J. D. Cogdill Plant No. 5



Grady Brown, Sr. CM Furniture





Lewis Lynn Plant No. 24



Allen Manns Plant No. 24



Gregory Pearson Plant No. 8

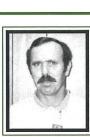


Shelby Bazzle Plant No. 22

NOT PICTURED: Kelsie Lowe, Overhauler, 20 years; John Brooks, Overhauler, 10 years.







James Ragan Plant No. 4N



David Chapman Plant No. 12





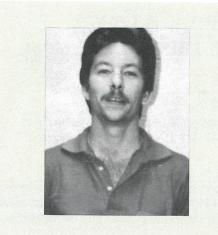




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PLANT NEWS



Ronnie Britt, CM Furniture employee, was leaving work one day last month. In front of the CM Furniture offices, the car in front of him pulled to the side and Ronnie realized it was on fire. He saw the people in the car getting out, so he ran quickly into the office, got the fire extinguisher, and asked someone to call the fire department. He ran back to the car and extinguished the fire.

The occupants of the car, an older lady and five children, thanked him very much for saving her car from being completely destroyed by the fire.

Ronnie is on the Fire Safety Team and he said he had never used a fire extinguisher until CM Furniture had the training sessions for all Fire Safety Team Members. During this training, each member was required to extinguish a fire.

Ronnie said the training gave him the confidence to act quickly and to know exactly what to do.



Left, Jim Adams, Plant No. 9, gets his blood pressure checked by plant nurse, Joan Tripplett. During February, blood pressure screenings were offered company-wide. At right, Frances Ervin, Main Office, gets a good bill of health from nurse, Carol Wilson.







Ruby Grigg, Plant No. 5, donates blood during the blood drive held at Plants 5 and 6 in January.

Twenty-eight volunteers from

all shifts at both plants responded and donated 26 pints of blood. The small inconvenience did not compare to the satisfaction of knowing that lives may be saved as a result of their contribution.



Wendy has been an active member of past Safety Committees, and a concerned employee about a safe place to work for everyone. Carolina Mills wishes Wendy good luck on her presentation.



Wendy Minton, Plant No. 12 employee, will be presenting a "Safety Talk" to the Western Piedmont Safety Council March 2 at the Caldwell County Fairgrounds. Her topic will be the "Cost of Safety" for every individual.

ANNOUNCEMENTS



EMPLOYEES DISCOUNTS

The following items are available from Human Resources.

Christmas Cookbooks	\$5.00
Windshield Shades	\$4.00
Corduroy Ball Caps	\$5.00
Mesh Ball Caps	\$3.75
Health Book	\$5.00
Small Cooler	\$7.00

QUARTER CENTURY PLUS CLUB ITEMS

Sweatsuits:	\$15.00
Men's Sizes:	L, XL, XXL
Women's Sizes:	L, XL
Jackets:	\$20.00
Sizes (Men & W XXL	omen): XL,

Items will be available as long as inventory lasts and can only be purchased by members of the Quarter Century Plus Club.

CARPET SAMPLES/FURNITURE

Actual carpet samples, as well as catalogs and videos of furniture products, can be checked out from the Human Resources Department.

CAROWINDS

1993 Operating Schedule

March 13 - June 6; weekends only
Open daily June 7 - August 20 (closed July 29 and 30)
August 21 - October 10; weekends only

Adults - \$17.50 Children (4-6) - \$11.00 Sr. Citizens (over 60) - \$11.00



Adult Tickets\$18.00Students\$13.00Children Under 9FREE**Children 9 and underadmitted free with a payingadult.



Magic Kingdom Club®

Memberships Available Walt Disney World Magic Kingdom memberships are available from Kim Eller, Human Resources. Members receive discounts on various services and activities at the park. Available by request only.

Q. Carolina Mills

FACTORY OUTLET Carpet and Furniture available at this location

Open: Tuesday-- Thursday 10:00 am to 5:00 pm Saturday 9:00 am to 1:00 pm

FURNITURE OUTLET

Open: nly Monday - Friday 9:00 am to 4:30 pm CM Furniture on Highway 321 in Maiden

ON ST. PATRICK'S DAY, EVERYONE'S IRISH!



DID YOU KNOW?

St. Patrick was born not in Ireland but in Scotland, near Dumbarton, in A.D. 387. His birth name was Maewyn.

At the age of 16, he was sold as a slave to a Druid chief in Ireland. For six years, he worked as a swineherd, learned the Celtic language and became familiar with the ways of the Irish pagans.

The shamrock has become the symbol of Ireland and St. Patrick because of his use of it to illustrate the concept of the Holy Trinity to the Irish. He would explain that the stem was symbolic of the nature of God, with the leaves illustrating the Threein-One (Father, Son and Holy Spirit).





RETIREE'S CORNER

• ...Lillie Lowman wrote a note to Carolina Mills thanking us for all the gifts she received in 1992 and wishes everyone a blessed new year.

• ...John Caldwell and his wife Sarah took their three granddaughters to the Zoo in Columbia, S.C. during February. They had a great time! John is on the Board of Directors for the American Red Cross and the Catawba Science Center and is also an active member of the Catawba Valley Shrine Club.

Remember to let us know what you've been up to and how you are doing!

P.O. Box 157 618 Carolina Avenue Maiden, N.C. 28650

Editor: Michelle Clark Reporters: Personnel Administrators

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