

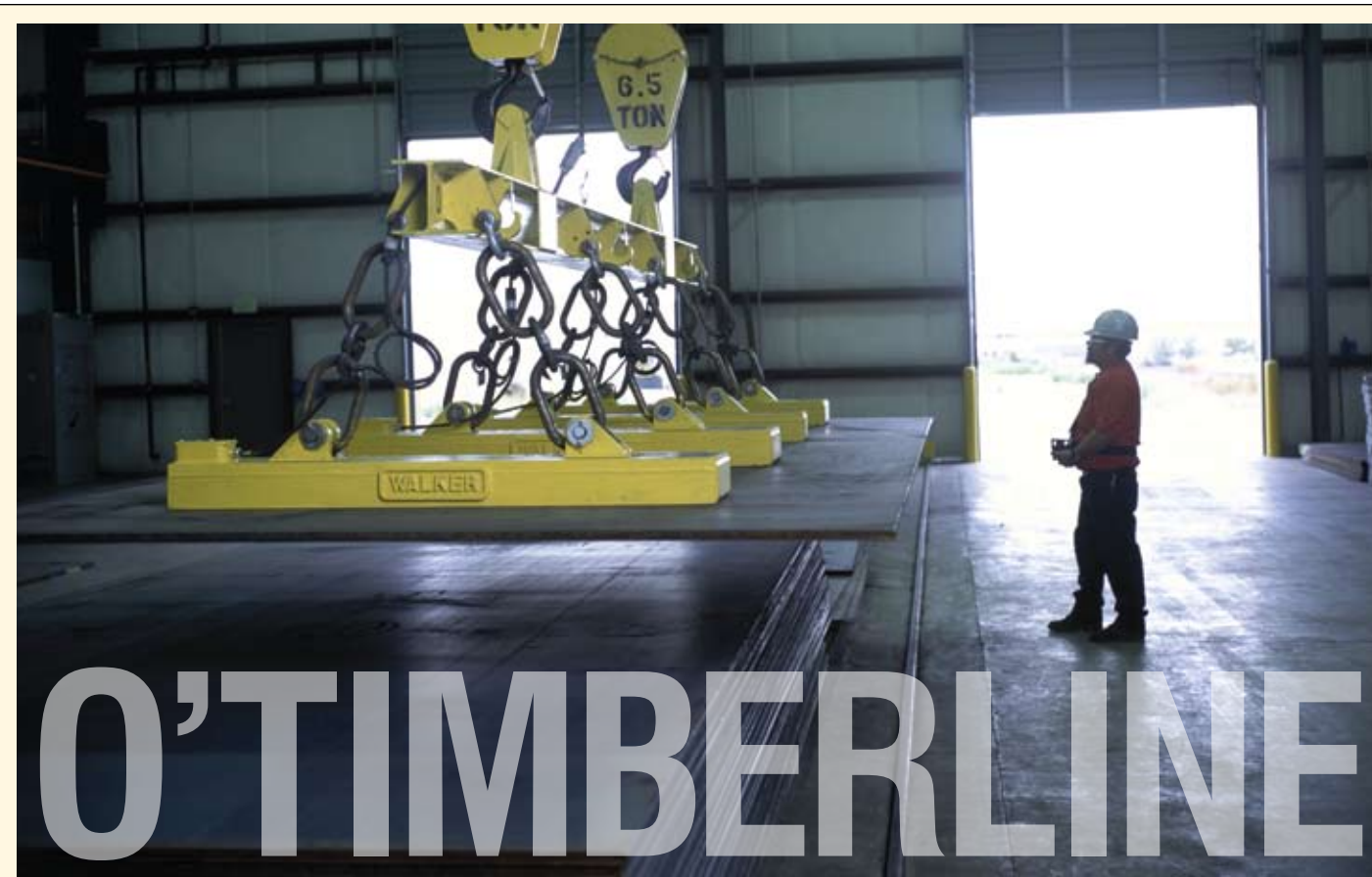
SUMMER 2009

# O'NEAL NEWS

## MOUNTAINS OF OPPORTUNITY

O'NEAL'S NEWLY RE-NAMED TIMBERLINE  
DISTRICTS ARE WELL-POSITIONED FOR GROWTH

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2009 GRADUATES



# O'TIMBERLINE

Converting the four Timberline operations to O'Neal districts has been a thoroughly planned, almost seamless, process.

**C**olorado-based Timberline Steel became part of the O'Neal Steel family of companies in 2006. In the three years since joining forces, the company has functioned as a wholly owned affiliate of O'Neal; and the relationship has been extremely positive and productive. O'Neal has invested in, and enthusiastically supported, expansion of all four Timberline operations in Commerce City, Grand Junction, and Pueblo, Colorado, as well as Farmington, New Mexico. The product lines, processing equipment, facilities, and ability to provide superior customer service have never been better.

Now, due to the overlapping nature of Timberline's products and services with those of O'Neal – and to further extend the O'Neal name into different parts of the country – each of the four Timberline districts have officially begun operating under the O'Neal Steel banner. They're the latest additions to O'Neal's Mid-South Region, which also consists of district operations in Dallas, Houston, Lafayette, Little Rock, and Memphis, all of which report to Regional Vice President **Gerald Brockman**. The co-operative spirit among these regional facilities promises to benefit customers by offering even greater operating efficiency, as well as enhanced access to

products and services whenever and wherever needed.

The gradual transition from Timberline to O'Neal has been in progress for several months and has been relatively seamless. That's in part because of the many similarities between the two companies. Like O'Neal, Timberline has been a full-line metals service center, stocking carbon steel plate, bars, beams, tubing, pipe, expanded metal, and bar grating, while also offering extensive processing capabilities. And, as family-owned businesses, the two companies have shared similar cultures and values.

"It was a perfect fit from the beginning," said **Bill Jones**, Vice Chairman of O'Neal Industries. He had known former Timberline President and CEO **Dan McCallin** (now a Vice President of O'Neal Industries) for years through their involvement with the Metals Service Center Institute and was impressed with the company's rich history, strong leadership, outstanding customer base, and proven track record. "Timberline was in the right place at the right time for us, but it was also the right kind of organization to bring into our family of companies," said O'Neal Chairman **Craft O'Neal**. That was true three years ago and even more so today.

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### A Little History

Timberline was founded as a steel distributor in 1958 under the name Steel, Inc. by a group of visionary entrepreneurs that included Dan's father, the late **John McCallin**, who eventually became President. They initially worked out of a rented trailer in Commerce City, stored material outside, and bought a small crane for loading and unloading. Within a year, they had built their first bay and an office. They offered a few basic processing services such as sawing, shearing, and track plate burning. And they began building a customer list that included Gates Rubber Company along with numerous structural fabricators, farm and mining equipment manufacturers, and machine shops. Then the steel strike of 1960 hit.

With major U.S. mills shut down, and inventories running low, there was hardly any way for a small distributor to survive. But a friendly competitor was willing to sell Steel, Inc. enough material to keep the young business going. When the strike ended, the company was off and running again. And by sticking to its core principles of honesty, integrity, hard work, and taking care of customers and employees, dramatic growth occurred.

New customers were added, new equipment was purchased, and facilities were expanded throughout the 1960s and '70s as the nation's economy flourished and steel consumption was at an all-time high. Then came recession as well as the introduction of imported steel into the U.S. market in 1975, the same year that Dan joined the company in outside sales. But



**CUSTOM PROCESSING** has been one of Timberline Steel's greatest strengths, and that will continue under the O'Neal name.

## The Pueblo District is the single largest processing center in the Rocky Mountains.

hard work and dedication paid off as the company held its own and eventually found itself in the middle of an oil and gas exploration boom. Steel, Inc. was a major supplier for the construction of drilling rigs and for the repair of mining and rail cars throughout the '70s and early '80s.

By the mid-1980s, however, the boom period was over, and steel sales in the Rocky Mountain region were volatile. Realizing that the industry would be cyclical for the foreseeable future, Steel, Inc. developed an aggressive strategy for growth and diversification that involved the creation and acquisition of several other businesses that provided a cushion against an unpredictable economy. The company also took the opportunity to expand its own operations, first through the addition of more value-added processing capabilities in Commerce City, then through the purchase of an available facility in Grand Junction, Colorado and by establishing its Farmington branch in northwestern New Mexico.

The growing demand for advanced processing services eventually led to more expansion with the construction of a new Grand Junction facility in 1998. Then came the company's name change to Timberline in 1999, as well as the opening of the Pueblo operation in 2001. That facility is now the single largest processing center in the Rocky Mountains.

### Recent Developments

The Commerce City District has been a regional hub of administrative and warehouse operations for more than 50 years. The 60,000-square-foot facility offers quick access to an abundant and diverse inventory, including aluminum and stainless plate and shapes in addition to an array of carbon products. The operation is also constantly expanding its variety of 1st, 2nd, and 3rd-stage value-added processing capabilities with the addition of equipment such as a new one-inch plate roll and a five-inch shape roll, as well as a new 750-ton, 20-foot press brake, which is one of the largest in the Rocky Mountain region.

The Grand Junction District has been doing business on the Western Slope since the 1980s. According to General Manager **Gus Anest**, the 25,000-square-foot facility – through the recent addition of 2+ acres of outdoor storage – has recently doubled its stock of wide flange beams and channel. That has also created more indoor space for additional tubing and mini-mill items, as well as expanded value-added processing. In addition, an expanded fleet of trucks allows for even more timely delivery to a broader service area that includes customers in western Colorado, Utah, and Wyoming.

Serving the Four Corners (New Mexico, Colorado, Arizona, and Utah) since the 1980s, the Farmington District underwent a complete transformation last year, said General Manager **Guy Fernandez**. The project included construction of an all-new 25,000-square-foot facility and a significant upgrade to value-added processing capabilities, increased

inventory, more diverse product offerings, and expanded geographic focus in New Mexico and Arizona.

And in the category of shared services, the four districts have also recently added the high-efficiency capabilities of a Peddinghaus Plate Processing System, which combines punching, drilling, marking, oxy-fuel cutting, and plasma cutting all in one remarkable machine. In fact, the multi-functional automated work center has been proven to reduce manual labor associated with plate processing by as much as 80 percent. Needless to say, in an economy where price is king, that's a huge competitive advantage.

### Moving Forward

Now that Dan is concentrating his efforts in business development for O'Neal Industries, **Angie MacPhee**, formerly Timberline's Chief Financial Officer has been named Vice President over all four of these new O'Neal districts and also serves as General Manager of the Commerce City and Pueblo facilities. "Each operation is, of course, focused first on serving current customers," said Angie, "but each is also working aggressively to add to the list of industries served that now includes oil and gas, mining, utilities, machine and equipment manufacturers, and residential construction." Without a doubt, Timberline's excellent reputation, 100 dedicated employees, modern facilities, and diverse customer base have provided a strong foundation for O'Neal's growth in the western states. 🍀

