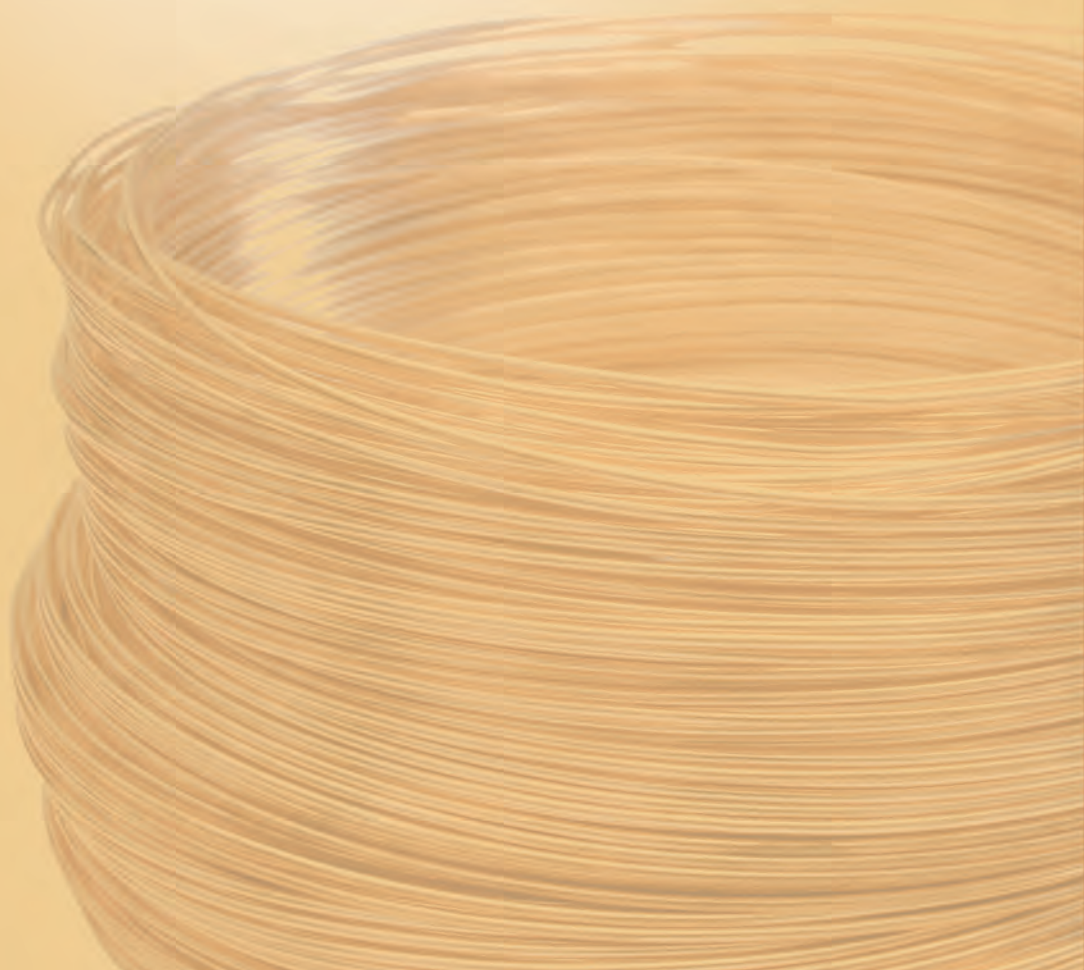




Southwire®

2008 SUSTAINABILITY REPORT



WE DELIVER POWER... RESPONSIBLY



A New Vision:

WE WILL DELIVER POWER... RESPONSIBLY

WE CALL THIS A NEW VISION, BECAUSE SOUTHWIRE HAS NEVER BEFORE HAD AN EXPLICIT SUSTAINABILITY VISION STATEMENT. BUT IN ANOTHER SENSE IT IS AN OLD VISION. SINCE SOUTHWIRE'S FOUNDING IN 1950, OUR COMPANY ALWAYS HAS BEEN IN THE BUSINESS OF DELIVERING POWER. AS OUR SALES HAVE GROWN, SO HAS OUR COMMITMENT TO RESPONSIBLE STEWARDSHIP.

Still, our understanding of what "Delivering Power Responsibly" really means has evolved over time, especially in the environmental arena.

We published our first sustainability report last year. While focusing largely on our progress in getting environmental problems under control, we also discussed other topics – such as safety, employee welfare and local philanthropy.

This year's report not only tracks our progress, but it also includes a series of goals against which we can be measured in the years to come as we work toward a sustainable future.

We understand our neighbors are especially interested in Southwire's operations within their communities. Localized reports from each of our manufacturing facilities can be found on Southwire's sustainability website at www.southwire.com/sustainability.

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WE DELIVER POWER... RESPONSIBLY



Southwire's Vision:

WE WILL DELIVER POWER ... RESPONSIBLY

AT SOUTHWIRE, OUR PRODUCTS DELIVER POWER. SO DO OUR PEOPLE. WE WILL SUSTAIN OUR COMPANY IN A FIERCELY COMPETITIVE INDUSTRY BY BELIEVING IN AND SUPPORTING OUR EMPLOYEES, WHO, IN TURN, WILL ENSURE OUR PERFORMANCE, EXCEEDS THAT OF OUR COMPETITORS BY:



BUILDING WORTH Our success depends on our customer's success. We will build worth for our shareholders, customers, and other stakeholders by achieving the lowest cost, highest quality, and best service in our industry. To do this, we must lead our core markets with superior products; grow steadily; spend wisely; keep debt low and protect our investments.



GROWING GREEN We will reduce our environmental footprint, even as we grow. By so doing, we will not only sustain our business, but we also will help sustain the communities in which we work and the world in which we live.



LIVING WELL We will preserve and enhance the lives of our employees by building a workplace that is satisfying, meaningful, and fun. In doing so, we will make certain that safety and health are always top priorities and will treat each other with dignity and respect.



GIVING BACK Our neighbors depend on us, just as we depend on them. We will strive to improve the quality of life in the communities in which we work. This goes beyond providing jobs and paying taxes. It also means giving to those in need, not only by sharing our financial resources, but also by sharing our time and talent.



DOING RIGHT We will foster a culture guided by ethical values. We will not forget to live up to those values, even when it might be difficult. And when we make mistakes, we will be transparent and responsive to our critics.

A Message From
SOUTHWIRE'S CEO

SOUTHWIRE HAS ENJOYED 57 YEARS OF REMARKABLE SUCCESS AS A FAMILY COMPANY, PLAYING A CRITICAL ROLE IN DELIVERING POWER TO PEOPLE THROUGHOUT NORTH AMERICA AND BEYOND. WE PLAN TO SUSTAIN OUR SUCCESS FOR FUTURE GENERATIONS BY BUILDING WORTH, GROWING GREEN, LIVING WELL, GIVING BACK AND DOING RIGHT. THAT'S OUR SUSTAINABILITY VISION – HOW WE PROPOSE TO CONTINUE DELIVERING POWER RESPONSIBLY TO ALL WHO DEPEND ON US.

You may expect that a company's sustainability report will only be about the environment. In fact, the environmental section of our report is its longest section. Quite frankly, that is because we still have much to do. But sustainability means more than just growing green. John Elkington, one of the founders of the sustainability movement, writes about the triple bottom line: planet, people and profit.

We address the triple bottom line and ethics under the headings: **BUILDING WORTH, GROWING GREEN, LIVING WELL, GIVING BACK** and **DOING RIGHT**. Setting sustainability goals that are ambitious, but achievable, is challenging. We're not there, but we're closer than we were a year ago.

Roy Richards, Sr., our company's founder, was a man of vision. He understood the bond between his company and society. His children, who now own the company, share that same belief. Years before the word sustainability came into vogue, Mr. Richards knew building a company for the long haul meant more than making money. Obviously, profits are necessary for any business to survive. But, the Richards family and Southwire's employees believe success also is measured in how a company positively impacts people's lives.

As we look to the future, we have much to learn. We are more aware than ever of our impact on those whose lives we touch. It is now our challenge to translate that awareness into action – into concrete programs aimed at **BUILDING WORTH, GROWING GREEN, LIVING WELL, GIVING BACK** and **DOING RIGHT**.

Our sustainability efforts are a work in progress. Every journey starts with a first step. We feel good that our journey is well underway. Thank you for your interest in our company and our legacy.

Sincerely,



"Setting sustainability goals that are ambitious, but achievable, is challenging. We're not there, but we're closer than we were a year ago."

Stu Thorn
Southwire President and CEO



specific Goals

- **Grow profitably**
- **Maintain strong financial condition**
- **Remain leader in core markets**

Southwire is
BUILDING WORTH
ELECTRICITY. IT FUELS OUR LIVES. AMERICANS
USED MORE THAN 4.2 TRILLION KILOWATT HOURS
OF ELECTRICITY IN 2007 AT A TOTAL COST OF MORE
THAN \$343 BILLION. THAT ELECTRICITY IS DELIVERED
ON COPPER, ALUMINUM AND, MORE RECENTLY,
SUPERCONDUCTING WIRES AND CABLES.

For more than 50 years Southwire has delivered power through the wire and cable it produces. But we deliver power in a much broader sense as well.

Southwire's purchase of materials helps suppliers grow their businesses. Our sale of industry-leading products made from those materials contributes to our customer's success. Throughout this process, we build worth for the owners of our company by generating a fair financial return on their investments. We also build worth for our communities, which directly benefit from our investments through the taxes we pay, the jobs we create and our impact on the local economies where we operate. In addition, the benefit of building worth extends to our employees, not only through competitive wages and benefits, but also through the sense of community pride and contribution we draw from helping to build Southwire's legacy.

REMAINING PROFITABLE IS THE FOUNDATION OF SUSTAINABILITY

As we work toward our goals of **GROWING GREEN, LIVING WELL, GIVING BACK** and **DOING RIGHT**, the simple laws of economics require us to maintain focus on another task as well. One of the key principles of **BUILDING WORTH** is staying profitable. After all, if we can't sustain our business, we won't be able to sustain any of our other important initiatives.

We measure our success by increasing our number of satisfied customers, improving our customer retention rates, broadening our customer relationships and increasing our market share.

REMAINING A LEADER IN OUR CORE MARKETS

Another important economic goal is to remain the leader in each of our various core markets. That means leading in product and process quality, customer service, and in our financial performance.

We will continue to expand our presence in the marketplace by offering a broader range of products, and by providing an unsurpassed level of service. We will do so reliably – again and again.

SOUTHWIRE'S 2007 FINANCIAL RESULTS

We had a good year in 2007, despite a slowdown in the residential construction market, and we compared favorably to many of America's most successful businesses.

These good results enabled us to pay down debt, while still investing in our company's long-term growth. Another key measure we watch closely is our credit rating, which also reflects our good performance. Southwire maintains a fiscally conservative balance sheet. Based on a number of financial ratios, we have earned an investment grade credit rating – the designation lenders assign to their best customers. In simple terms, banks feel safe lending money to Southwire.

We are proud of the fact we measure up well with some of the nation's top companies. As we look to the future, we plan to make those comparisons even more favorable, even though short-term economic and construction cycles may put some curves into our path of progress.



2007 Goals and Measures

OUR GOALS	OUR OPPORTUNITIES
Grow profitably	Five year moving average sales and profits grew from 1999-2003 to 2004-2007
Maintain strong financial condition	Maintain investment grade profile through 2007
Remain leader in core markets	Grew composite market share in 2007



specific Goals

- Achieve zero landfill status by 2017
- Eliminate lead additives from all Southwire products by 2010
- Reduce carbon footprint 10% by 2010
- Reduce water consumption 15% by 2010
- Improve contract carrier freight fuel mileage 10% by 2010
- Improve company fleet mileage 25% by 2010
- Establish wildlife sanctuary at Carrollton headquarters by 2010
- Obtain regulatory approvals for site remediation at legacy locations
- Choose metal suppliers with an eye to environmental impact

Southwire is **GROWING GREEN**

DURING THIS PERIOD OF ROBUST GROWTH, WE HAVE BECOME INCREASINGLY AWARE OF THE IMPACT OUR PROCESSES, PRODUCTS AND FACILITIES CAN HAVE ON THE ENVIRONMENT. TO TRY TO PREVENT POTENTIAL NEGATIVE IMPACTS FROM BECOMING ACTUAL NEGATIVE IMPACTS, SOUTHWIRE OPERATES WITH A PHILOSOPHY OF GROWING GREEN.

Our mission is ambitious. We intend to shrink our environmental footprint even as we grow our business. A set of aggressive goals will guide our efforts and help us cut waste, conserve energy and water and develop products and processes that are efficient and environmentally friendly.

LEARNING FROM OUR MISTAKES

Our commitment to growing green arose from our discovery of serious environmental problems at several of our facilities. That discovery prompted a strategic review of our practices and led to three important outcomes:

- We exited the copper smelting business.
- We promised to address the environmental issues associated with copper smelting candidly and aggressively.
- We promised to commit our company to environmental sustainability by growing green.

So began a major restructuring of our business that included selling or closing smelting operations and several other businesses that were not core to making wire and cable products. We changed the way we communicate with the public, learning to voluntarily tell our neighbors about our environmental problems. We committed to taking responsibility for our mistakes, to fixing the problems we had caused and to making sure they do not happen again.

CHOOSING ENVIRONMENTALLY RESPONSIBLE SUPPLIERS

Although we exited the smelting and refining business, we now rely on others to produce and refine the copper and aluminum we make into wire and cable. We consider our suppliers' emissions relevant to our overall environmental footprint.

So do we select those metal suppliers who are doing the best job of minimizing their environmental impact? Not yet – but we will. Our commitment to the environment means we will try to influence our suppliers to follow us in reducing our collective environmental footprints.

ADDRESSING PAST POLLUTION

Reorganizing our business did not mean we could forget our past activities or our neighbors' understandable concerns about those activities. Here's what we are doing about our legacy sites.

COPPER DIVISION SOUTHWIRE (CDS) – CARROLLTON, GEORGIA

1971 Southwire opened CDS – which included a secondary copper smelter – to provide a reliable source of high-quality copper.

1986 The U.S. Environmental Protection Agency (EPA) issued a report that named secondary copper smelters as a significant source of dioxin emissions to the air. At the time, relatively little was known about dioxins and no regulatory limits existed regarding the release of dioxins. We saw no cause for alarm and continued operating its smelter.

1994-95 Southwire tested smelter air emissions and found dioxins were present in those emissions. We consulted outside professionals who advised us the emissions did not pose a serious health threat. Again, we saw no cause for alarm and continued operating the smelter.

2000 Southwire closed the smelter in May 2000. This action eliminated the source of 99 percent of Southwire's dioxin emissions. However, tests found dioxins inside the smelter's bag houses – filter systems that removed particulates from the smelter's air emissions before they were released. That same year, the EPA added dioxin to the list of compounds businesses were required to include in their annual Toxics Release Inventory (TRI) reports.

For the five months the Carrollton smelter operated in 2000, Southwire reported dioxin emissions of about two pounds – enough to make our smelter the largest reported dioxin source in the country. Had the smelter operated for the entire year, those releases would have totaled around six pounds. The EPA's 2000 TRI report, including this information, was released in 2002. It aroused considerable public concern in Carroll County.



...we will share new and important findings – whether they are reassuring or alarming – with our employees and our neighbors.

In response to the concern, Southwire took several steps to foster a better understanding of our dioxin emissions and their possible effects:

- Southwire paid the fees for the Carroll County Health Board to hire a consultant to review our dioxin data.
- Southwire paid for leading authorities on dioxin at the University of Michigan to meet with the health board, local officials, the community and Southwire management. The discussion focused on what the authorities learned from a study of dioxin emissions at another company's facility in Midland, Michigan.
- Southwire opened a community environmental office in downtown Carrollton to improve lines of communication.

Most recently, Southwire commissioned a study of 64 former CDS employees to determine the levels of dioxin in their blood. The participants were among those with the greatest potential exposure to dioxin. Southwire compared its results with data from NHANES (National Health and Nutrition Examination Survey), an annual national study conducted by The Centers for Disease Control and Prevention. We measured our data against blood serum levels collected in the 2001-02 NHANES study, the most current survey at the time.

Completed during the fall of 2007, Southwire's study found levels of dioxin in employees' blood were similar to dioxin levels found in the NHANES study. Not surprisingly, employees' blood-dioxin levels averaged a little higher than the national average. The independent review board of outside experts concluded that these results should be reassuring to neighbors concerned about their own possible blood-dioxin levels, which would be expected to be lower than the levels in the CDS employees tested.

A more recent NHANES study has been published using serum levels collected in 2003-04. The latest survey includes more recent data that was available when Southwire published the findings of its 2007 employee study.

The 2003-04 NHANES study data appears to show a decline in the levels of dioxin-like compounds in the general U.S. population. As a result, more participants in Southwire's study may fall above the 95th percentile of the range, when compared to these newer and lower benchmarks.

Southwire will post additional information about the comparison of its study results with the 2003-04 NHANES data. In addition, we will keep monitoring new research on dioxin, as well as Carroll County health statistics and we will share new and important findings – whether they are reassuring or alarming – with our employees and our neighbors.

Moving forward, while looking backward, Southwire is working with the EPA and the Georgia Environmental Protection Division under a Resource Conservation and Recovery Act permit to finalize plans for cleaning up the former CDS site.

WYRE WYND – JEWETT CITY, CONNECTICUT

Southwire's remedial action plan for this former Southwire manufacturing facility is awaiting regulatory approval.

GASTON COPPER RECYCLING CORPORATION – GASTON, SOUTH CAROLINA

Gaston Copper Recycling Corporation is a former copper smelter. The remediation plan approved by the EPA and the South Carolina Department of Health and Environmental Control has been completed. Operation and monitoring of the corrective action is ongoing.

NSA – HAWESVILLE, KENTUCKY

Southwire operated NSA as a primary aluminum smelter from 1969 until its sale in 2001. A remediation plan approved by the EPA and the Kentucky Department of Environmental Protection is underway. Remediation construction is 80 percent complete. We continue to treat groundwater at the site.

SOUTHWIRE INTERNATIONAL CORPORATION – PUERTO RICO

Southwire International Corporation has worked with the EPA and the Puerto Rico Environmental Quality Board under a consent order to clean up this former manufacturing site. Surface cleanup activities are complete and pending final review. Post-cleanup activities are nearly complete, with only grading of the site for flood control to be completed.

ZERO WASTE DISPOSAL

Reduce, reuse and recycle. Southwire intends to take this existing concept to a new level – zero waste disposal. In 2006, manufacturing plants and offices at Southwire's corporate headquarters sent close to 14,000 tons of waste to landfills.

Our goal, a stretch goal, is to reduce that amount to zero by 2017. In addition to recycling and eliminating the use of non-recyclable materials, we are exploring these options:

- Moving to paperless reporting by using electronic reports and e-mails to share information;
- Conducting waste stream audits to determine what materials are being disposed of, then following up with educational programs to encourage conservation;
- Working with our lubricant suppliers to develop a water-soluble oil reclamation system;
- Evaluating the feasibility of installing a sludge/filter cake drying system;
- Completing supplier packaging audits and urging our suppliers to reduce or eliminate unnecessary packaging in their shipments to us; and
- Reclaiming 10 percent of metal, wood and plastic waste by July 2008.

Southwire is moving to paperless reporting...



Phil Tuggle
Senior Vice President
Information Technology Services



TAKING OUT THE TRASH

The best way to cut landfill waste is to eliminate using what ends up as waste – excess packaging, for example. The second-best way is to find another use for it.

Southwire recently launched its first company-wide recycling effort. This initiative works on several levels.

RAISING AWARENESS We created Southwire Office Waste Reduction Committee to raise employee awareness about our recycling program and other waste reduction strategies.

DON'T JUST THROW IT AWAY Southwire distributed special blue containers to all office areas for recycling paper products, aluminum cans and plastic bottles. Large bins were placed in parking lots, giving employees places to recycle the stuff that tends to accumulate in their cars.

BRING YOUR GARBAGE TO WORK ... AND TAKE THE ISSUE HOME We encourage employees to bring certain materials from home and put them into our recycling bins. Because recycling is a way of life, we urge everyone to recycle at home as well as at work.

ELECTRONICS RECYCLING Twice each year, Southwire partners with Keep Carroll Beautiful to stage electronics-recycling events. At one recent drive, volunteers collected more than 25,000 pounds of old computers, televisions, cell phones, copiers and other electronics items.

TOXICS RELEASE INVENTORY

Each year the EPA requires companies to report their emissions of more than 600 chemicals to air, water and land – if the emissions exceed specified threshold levels. The agency publishes the data in an annual Toxics Release Inventory (TRI) report.

Southwire substantially reduced its TRI numbers when it closed CDS. Now, we rely on others to refine the copper we use to make wire and cable. Our goal is to reduce emissions from existing operations – not by outsourcing the pollution. In that respect, we have work to do.

Southwire's total releases of TRI substances actually increased significantly from 2005 to 2006. But the 2006 total was still below the one-million-pound mark for the fourth consecutive year and well below the approximately 10 million pounds we reported in 1999, the last full year of our smelter operation.

More than 90 percent of the overall jump in TRI reportable substances came in the form of solid waste either managed on site or transported to a landfill. Several factors contributed to that increase:

- We boosted our production of wire and cable throughout the company. It's hard to step up production without increasing waste.
- Copper byproducts normally recycled by our Watkinsville, Georgia plant were sent to a landfill because the materials processor previously used by Southwire closed. We're looking for another appropriate facility.
- Our copper rod mill in Carrollton conducted a full system shutdown and cleanout in 2006, resulting in higher-than-normal shipments of copper wastes to landfills. This procedure does not take place every year.

While solid TRI wastes increased in 2006, our TRI releases into the air dropped by nearly 10 percent.

There's room for improvement and Southwire is making some changes that will help. Especially important is our commitment to eliminate lead from our raw materials and products. Except for copper byproducts, lead compounds are currently Southwire's biggest TRI component. The lead numbers should drop significantly in the next year or so.

2006 Company-Wide TRI Releases

TRI CHEMICAL			TRANSFERS OFF SITE		TOTAL (LB)
	RELEASES TO AIR (LB)	RELEASES TO SURFACE WATER (LB)	WASTE MANAGED OFF SITE (LB)	WASTE DISPOSED LANDFILL (LB)	
Antimony Compounds	117	55	11,334	28,662	40,168
Chromium	0.3	0.7	0.3	50	51
Copper/Copper Compounds	3,717	112	15,125	614,795	633,749
Decabromodiphenyl Oxide	53	0	2,153	17,319	19,525
Di (2-ethylhexyl) Phthalate	151	0.2	0	70	221
Dioxin and Dioxin-Like Compounds	0.0088	0	0	0.00064	0.0094
Lead/Lead Compounds	297	15	18,939	36,121	55,372
Manganese	37	13	20	9	79
Zinc Compounds	23	2	2	8,897	8,924
Totals	4,396	198	47,574	705,923	758,090

REDUCING OUR CARBON FOOTPRINT

Global warming is probably the most crucial environmental issue of our time. Most scientists believe it is caused by emissions of carbon dioxide and other carbon compounds as a result of human activities. These greenhouse gases trap sunlight and affect the worldwide climate.

Every single person has an impact on global warming, and many are trying to do what they can to reduce their impacts. Businesses have a bigger impact and a bigger opportunity to reduce it.

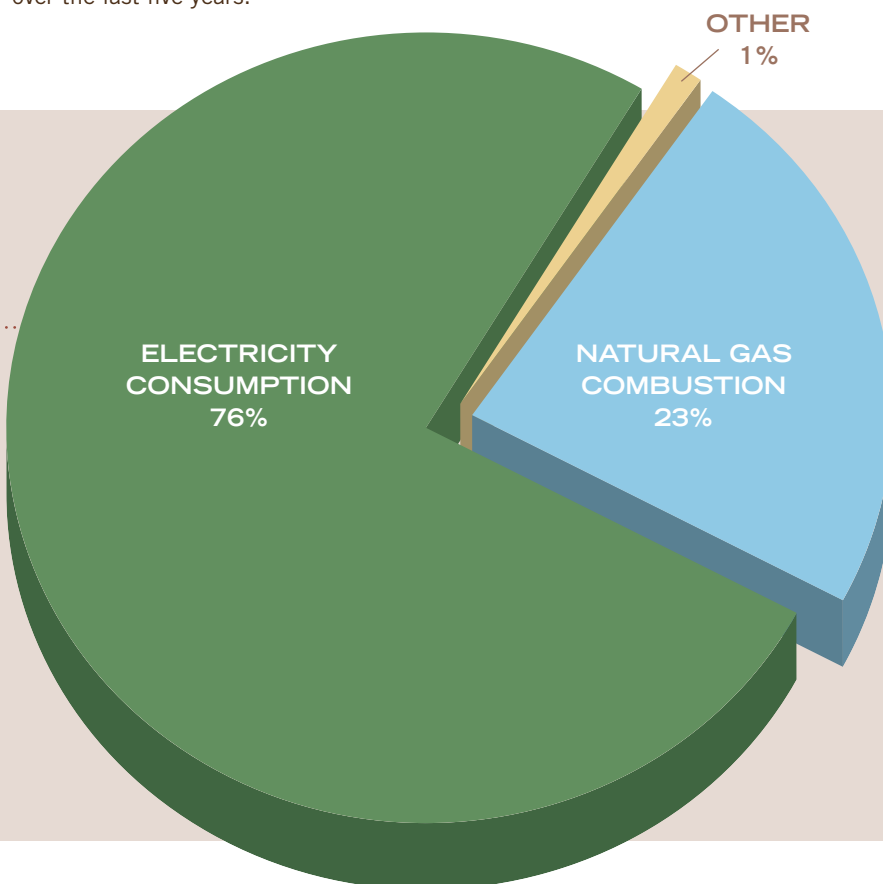
Companies measure their impacts on global warming by calculating their carbon footprints. Emissions of various greenhouse gases are measured, and then converted into carbon dioxide equivalents.

The chart below shows Southwire's carbon footprint for 2006. Nearly all of our footprint results from our high use of energy – mostly electricity, but also natural gas. The total for 2006 is the equivalent of some 341,000 tons of carbon dioxide. Not only is this a high number, it has been getting higher. In 2006, Southwire's carbon footprint increased 4.4 percent from the previous year. That follows a trend in which our greenhouse gas emissions have climbed by approximately 25 percent over the last five years.

2006 Company-Wide Greenhouse Gas Emissions

**APPROXIMATELY 341,000 TONS
CO₂ EQUIVALENTS**

1. Emissions from electricity usage were calculated based on US EPA eGRID2006 Version 2.1 (2004 data). Emissions from each plant were based on the eGRID Subregion emission factor in which the plant is located.
2. US EPA AP-42 factors were used to calculate GHG emissions from combustion sources.
3. CO₂-equivalent emissions were calculated using the methodologies specified in the Greenhouse Gas Protocol based on Intergovernmental Panel on Climate Change 1996 CO₂ equivalency factors.
4. Emissions from transportation-related activities and our warehousing and distribution centers are not included.
5. Emissions from waste management activities and other indirect sources are not included.
6. Estimates were made where actual data were not available.



A large share of this increase can be attributed directly to Southwire's growth. It's hard to grow a business while reducing greenhouse gas emissions. But it's very clear we must find a way.

Our goal is to reduce our carbon footprint by 10 percent over the next three years – even as we keep growing.

If global warming turns out to be the huge environmental problem many experts predict, this won't be enough. If we meet our three-year goal, our carbon footprint in 2011 still will be significantly higher than it was in 2001. We likely will need a more stringent goal, possibly before 2011.

Since our carbon footprint results mostly from our use of electricity, the key to reducing our footprint is to use less electricity. We are working to cut our power use with high-efficiency light bulbs, water heaters and motors in our plants and offices. We also are encouraging employees to conserve energy by turning off unneeded lights and shutting off computers at the end of the workday. In fact, we are instituting an automatic system for powering down all idle computers at 8 p.m. each evening.

Beyond our own company, we are working with suppliers to measure and reduce their environmental impacts and especially their carbon emissions – an effort we need to extend to our metals suppliers as well.

GOING HYBRID

While the technology remains relatively young, hybrid automobiles provide an excellent opportunity to cut fuel consumption, air pollution and greenhouse gas emissions – a triple whammy.

Southwire operates a corporate fleet of more than 150 cars and light trucks. Since October 2006, we have placed 41 hybrid vehicles into our fleet. We estimate that this resulted in a 2.6 percent decrease – 2,640 gallons – in our gasoline consumption between October 2006 and October 2007. And it cut our annual greenhouse gas emissions by 23 metric tons of carbon dioxide, equivalent to saving 53 barrels of oil or taking five passenger vehicles off the road.

But that's just the beginning. We expect to reduce our gasoline consumption by more than 13 percent as we replace all non-hybrid staff vehicles over the next year, buying only hybrid vehicles that meet EPA's low-emission-vehicle standards and have received EPA air pollution and greenhouse gas scores of 8 or greater.

We expect to reduce our gasoline consumption by more than 13 percent as we replace all non-hybrid staff vehicles over the next year...



Companies ahead of curve in

By TAMMY JOYNER
tjoyner@ajc.com

Without water, there's no electricity. No recycled paper. No plush carpet or 18-hole golf courses. No chicken drumsticks.

Water, billions of gallons of it, courses from rivers and streams to factories and

biggest users have taken steps to deal with the drought – in some cases, long before Gov. Sonny Perdue issued his water-saving mandate this week.

For companies such as Pilgrim's Pride, drastic water restrictions could pose a problem, since the

birds during production and to clean and sanitize the plants.

"We've always practiced water conservation even before this crisis," said Ray Atkinson, a spokesman for Pilgrim's Pride, which is based in Pittsburg, Texas, and has plants in Athens, Dalton, Fla.

began installing equipment that will let it recycle even more water. So far, company officials don't see a need to cut production.

Other businesses such as Southwire Co. see Perdue's order as complementary to what they're already doing. Southwire tapped its emergency

CUTTING OUR WATER CONSUMPTION

Georgia and neighboring states experienced one of the worst droughts on record in 2007. If anyone needed reminding that water conservation is a top priority, the drought did the job.

Southwire's main use of water is to cool wire and rod during production. We recycle our cooling water by sending it through one process several times before it must be diverted to another. When the amount of solids in the water reaches a critical level that could affect the quality of our wire, we treat the water and then discharge it to the local municipal sewer system or, in the case of our Carrollton rod mill, to a holding pond where it evaporates.

In October 2007, Georgia Gov. Sonny Perdue asked residents and industries across the state to cut their water use by 10 percent. In response, Southwire reduced the frequency of water discharges from once a day to roughly once a week. We met the governor's request by recycling our process water more times before discharging it. And we did it without any effect on wire quality.

So why did it take the governor's request to get us to make this change? Good question. Thinking harder about environmental sustainability is still gaining momentum at Southwire. It will take a few years more for us to wring the waste and excess out of our operations. Goals will help – like Gov. Perdue's 10-percent water conservation goal.

So now Southwire has its own water conservation goal – reducing the amount of water we consume, per pound of product produced, by 15 percent between 2007 and 2010.

In addition to consuming less water, Southwire tries to draw our water from a variety of sources, helping ease our demand on any one of them. Eight years ago, long before last year's drought, Southwire drilled a series of wells to provide the company with a steady source of water on its property. We also draw from our lake. Finally, a four-million-gallon tank holds storm water collected from different points across our Carrollton campus. That water is used by our operations.

A NEW WILDLIFE SANCTUARY

Although heavy industry can sometimes endanger natural habitats, it can also reverse the process by creating them. Southwire's main campus in Carrollton includes a trio of beautiful manmade lakes that are home to a variety of fish and birds.



conservation

spokesman Gary Leftwich said. "Those plans allow us to decrease water without significant impact on our production."

Southwire has state permission to use up to 2 million gallons of water a day. In reality, Leftwich said, the company uses only about 150,000

ALSO IN THE AJC

► Gov. Sonny Perdue has ordered the state government to lead by example and cut water consumption by 10 percent to 15 percent. Meanwhile, as heads of water departments across North Georgia are looking for solutions, a

"Southwire has state permission to use up to 2 million gallons of water a day...the company uses only about 150,000 gallons daily..."

ATLANTA JOURNAL CONSTITUTION, October 25, 2007

We are starting an ambitious project to create a new wildlife sanctuary on the site of our former copper smelter. When it's clean enough, we plan to construct wetlands and other natural areas that will help clean the storm water that runs through the site. Once the cleanup is complete, the site will become a wildlife sanctuary.

MANUFACTURING GREENER PRODUCTS

Making our operations cleaner is only part of Southwire's growing green effort. Our research and development team continuously seeks to make our products more environmentally friendly.

In 2006, we unveiled our MCAP[®] cable, an all-purpose MC (metal-clad) cable that uses fewer petroleum-based polymers than standard copper MC cables. That means less petroleum that has to be disposed of, either as scrap cable or when cable is replaced.

Another product, SIMpull THHN[®] cable, is a breakthrough building wire that eliminates the need for added lubricant when it is pulled through conduit. Because no lubricant is required, no lubricant wastes are generated. That also eliminates the need for plastic buckets or bottles, lubricant rags and the cardboard traditionally used to protect surfaces from dripping lubricant. Contractors discard thousands of buckets and rags every day, along with tons of cardboard and all that wasted lubricant. Not anymore with SIMpull THHN[®] cable.

Cutting waste can be as simple as eliminating wooden reels, which we have traditionally used to ship our energy cables. Southwire's Enviro Coils[™] are strapped and wrapped in recyclable plastic and can be used with a Southwire Stem Pak[™], a metal tubing frame. Our reel-less packaging eliminates the need to cut down trees to make reels. It also eliminates the need to dispose of the reels, saving landfill space.

Southwire also offers programs for reel recycling. We take back other scrap materials as well, to ensure they are recycled and not wasted.

Manufacturing greener products is good business – and increasingly it is legally required to sell into certain markets. A good example is the RoHS (Restriction of Hazardous Substances) directive passed by the European Union. This directive seeks to protect human health and the environment by limiting the levels of six hazardous substances in electrical products: lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyls and polybrominated diphenyl ethers.



From the late 1960s through the end of the 20th century, society increasingly awoke to the importance of protecting the environment. As an increasing number of laws and regulations were passed, Southwire moved into compliance. In hindsight, it is apparent that we spent much of our time thinking about compliance rather than focusing on the underlying purpose of these new laws and regulations.

Over the past decade, like most of our neighbors, Southwire absorbed the new environmental values into its corporate DNA. Growing greener was no longer just about regulatory compliance. It was fundamental change in behavior, one that will help not only Southwire, but also our neighbors, customers, shareholders and the world.

Our work is not done. In the fullest sense, we're not a green company yet. But we're growing greener.



2007 Goals and Measures

OUR GOALS	OUR OPPORTUNITIES
Achieve zero-landfill status by 2017	Reduced landfill waste by 27% in 2007 (from 14,000 tons to 10,210 tons)
Eliminate lead additives from all Southwire products by 2010	95% complete
Reduce carbon footprint by 10% by 2010	Will report on progress once 2008 baseline established
Reduce water use by 15% by 2010	Will report on progress once 2008 baseline established
Improve contract carrier freight fuel mileage by 10% by 2010	Will report on progress once 2008 baseline established
Improve company fleet mileage by 25% by 2010	31% of fleet converted to hybrids in 2007 and mileage improved by 9%
Establish wildlife sanctuary at Carrollton headquarters by 2010	Initial planning underway
Obtain regulatory approvals for site remediation at legacy locations	Remediation work substantially complete at four sites that await agency approvals and remediation criteria is being negotiated with agency at one other remaining site



specific Goals

- **Improve employee and leadership diversity**
- **Achieve world-class lost-time accident rate performance level by 2012**
- **Achieve world-class recordable accident rate performance level by 2012**
- **Establish behavioral-based safety program in all facilities by 2009**
- **Complete industrial hygiene audit of all facilities by 2009**
- **Achieve OSHA Voluntary Protection Program certification in all factories and warehouses by 2012**
- **Build on our industry-leading safety performance, specifically by sustaining a lost-time accident rate below 1 accident per million hours worked and a recordable accident rate below 3 accidents per million hours worked, both as defined by OSHA**

continued on pg. 21

Southwire is **LIVING WELL**

LAST YEAR, THE COX FAMILY ENTERPRISE CENTER AT KENNESAW STATE UNIVERSITY RECOGNIZED SOUTHWIRE AS A GEORGIA FAMILY BUSINESS OF THE YEAR – A BIG HONOR FOR US. MANY COMPANIES CLAIM TO OPERATE WITH FAMILY VALUES – WE REALLY DO.

We're owned by a family – the descendants of our founder, Roy Richards, Sr. – that makes a difference. Our shareholders aren't faceless names on stock certificates, worrying endlessly about the current share price. They're people we know, people who know us – and they think about the long term.

We're a family business in another sense as well. Generations of fathers and sons, brothers and sisters and husbands and wives all have worked and continue to work at Southwire. Many employees have more than 20, 30 even 40 years with Southwire. That kind of loyalty adds value to our company. It demands the company's loyalty in return.

So employee welfare is a no-brainer at Southwire. It's what we mean by living well.

At Southwire, living well is much more than earning competitive wages and benefits. It also means working safely in safe environments; making health and wellness part of our daily lives; improving ourselves through continued education and training; offering a helping hand to fellow employees in need; drawing on diverse talents, experiences and ideas; and enjoying what we do. It means that we are respected and valuable members of the Southwire team – working together to make life better for all who depend on us.

STRIVING FOR DIVERSITY

Southwire's is built on ideas. New ideas are vital to the continued prosperity of the company. And fresh thinking and different perspectives are vital to the continued generation of new ideas.

The talent and energy of a diverse group of people make Southwire what it is today, and will make Southwire what it must be tomorrow.

We didn't always know that as clearly as we know it today. Like many businesses, we were slow to realize that a commitment to diversity goes beyond compliance.

That commitment is now a key part of our planning for the future. We are determined to build a diverse workforce and an environment in which every employee feels comfortable, respected and empowered to build his or her career.

Our commitment is showing results. Since 2004, nearly half of all new managerial and professional hires have been either minority or female.

BUILDING WORLD-CLASS SAFETY

Every smart company works to make safety a priority. A safe work environment is a key factor in nurturing a successful workforce and a successful company.

Southwire has an impressive safety record. The wire and cable industry's average for lost-time accidents hovers at 1.4 accidents per million hours worked. Southwire's 2007 rate was 0.23 – roughly 16 percent of the industry average.

No matter how hard we try, it's not likely we can sustain a record that good. But our lost-time accident rate over the past four years has stayed consistently well below the industry average. That record we will sustain. Our goal is to keep our lost-time accident rate below 1 accident per million hours worked.

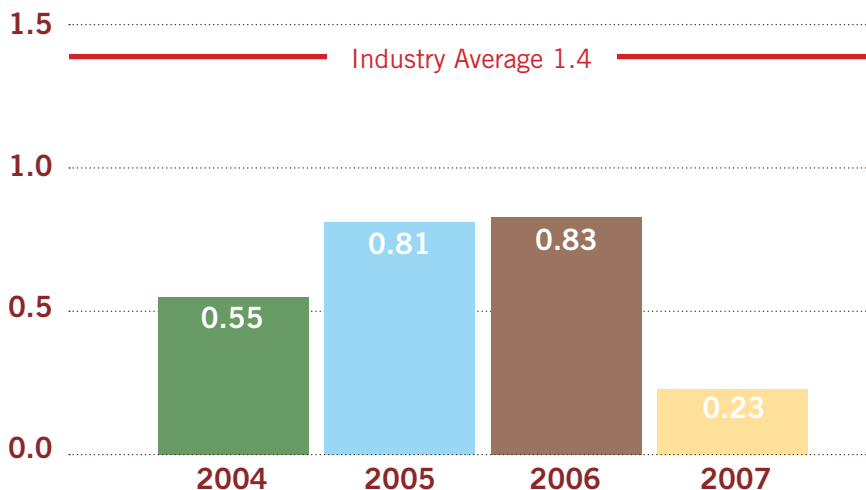
Our rate of reportable accidents as defined by the U.S. Occupational Safety and Health Administration averaged 3.78 during the same period – well below the industry average of 5.9. Our goal is to get this number down below two reportable accident per million hours worked.

Our goal for fatal accidents is zero. We did not have any fatal accidents in 2007. In fact, the last fatal accident at a Southwire facility happened in 2003.

Striving for Diversity

YEAR	PERCENTAGE OF MANAGERIAL/ PROFESSIONAL DIVERSITY HIRES
2007	43%
2006	45%
2005	55%
2004	57%

Lost Work Case Rate

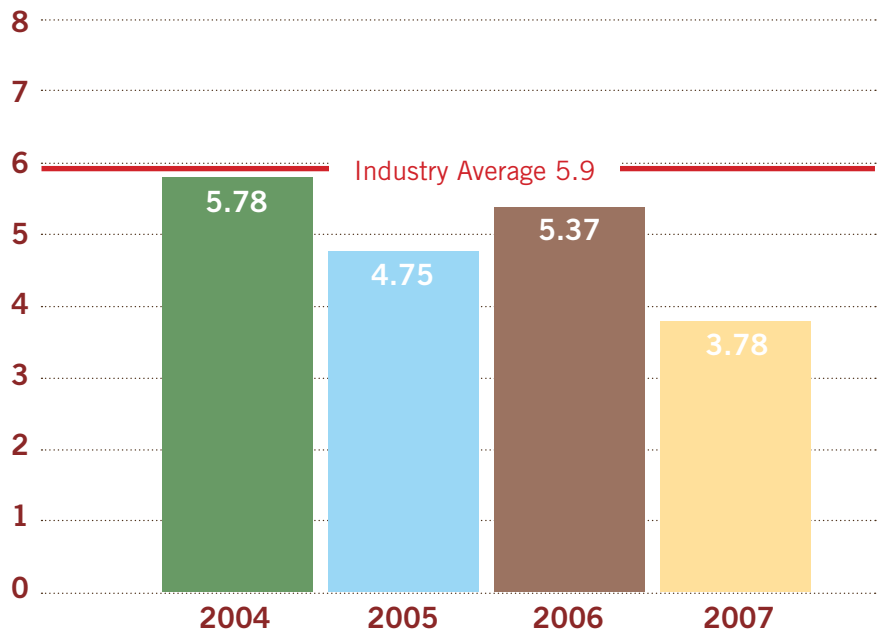


specific Goals, cont.

- Implement behavior-based safety programs at all Southwire facilities by the end of 2008
- Increase percentage of goods and services purchased from minority – and women-owned businesses
- Ensure 50% of employees and their family members are current on their recommended preventive health screenings



OSHA Reportable Rate



Our impressive company-wide safety numbers reflect the achievements of our individual facilities.

- In June 2008, our Long Beach, California plant marked 21 months without a recordable or lost-time accident before a recordable case ended the streak.
- At the end of 2007, Southwire's Carrollton Utility Products Plant marked one million man-hours without a lost-time accident. That plant has achieved one million hours without a lost-time accident on several previous occasions, and in 2006, it reached three million hours.
- Three of our customer service centers – in Orlando, Salt Lake City, and York, Pennsylvania – celebrated accident-free years in 2007.

We take safety seriously. In 2006, we started implementing a key strategy called behavior-based safety. We began by analyzing the interactions between people's behavior and their working environment to identify combinations that lead to safe or unsafe outcomes. Then we changed the combinations that lead to unsafe outcomes – either by changing the environment or by helping employees change their behavior.

We've demonstrated that behavior-based safety can dramatically reduce a company's lost-time accidents and minor injuries, too. Our goal is to have programs in all facilities by the end of 2009.

The process has worked so well at our Carrollton Building Wire Plant that a team from the facility recently was asked to present its work at a national conference on behavior-based safety.

As we work to integrate behavior-based safety into our daily routines, we also are raising the bar with regard to other safety initiatives. Our top three plants are currently working with the Occupational Safety and Health Administration (OSHA) to achieve certification in OSHA's Voluntary Protection Program (VPP). One of those – Forte Power Systems in Heflin, Alabama – achieved VPP status in July 2008.

The VPP program recognizes the achievements of employers and employees with exemplary occupational safety and health programs. Our goal is to achieve certification at all of our manufacturing and distribution facilities by 2012.

OPERATIONAL PERFECTION AT SOUTHWIRE

It's a bit like tempting fate to put the word perfection into the name of a corporate initiative. Southwire is far from perfect. Operational Perfection at Southwire is an ambitious name for an ambitious initiative. OPS, as we call it, is crucial to our sustainability commitment – a cultural transformation that is well-launched, but far from accomplished.

Safety is at the core of OPS, but it extends far beyond safety. It seeks to create a safe, enjoyable and engaging work environment intensely focused on solving problems. Every person at every level of the company has a role. On the production floor, for example, machine operators – those who work with equipment every day – are encouraged to share ideas for making processes run more efficiently. Management puts those ideas into practice.

The new culture has led to significant improvements in safety, morale, quality and delivery time. It also has led to savings in the millions of dollars through lower scrap rates, reduced cycle times and less wasted energy – human energy as well as electrical energy.

It has taken the involvement and commitment of every Southwire employee for OPS to succeed. Management has played a role by becoming more visible on the front lines, where safety and efficiency efforts actually happen. With everyone working toward a set of common goals, we have developed a singular focus for delivering results on safety, quality, service and cost.



*Wellness is
the foundation
for healthy lives.
It's also good business.*



ENSURING HEALTHY WORK ENVIRONMENTS

We also are working hard to make sure our employees work in healthy environments.

In 2005, an independent expert conducted an industrial hygiene audit at Southwire's manufacturing plants in Carrollton, Georgia. While we received a good report overall, the audit revealed a few problem areas, which we promptly addressed.

We intend to conduct similar audits at all our plants by the end of 2009. We can't promise to eliminate every problem, but we do promise to address every problem as best we can. We also promise every facility audit will be available to any employee at that facility who wants to see it.

GETTING FIT AND STAYING HEALTHY

Like most companies, Southwire traditionally has used the word healthcare to describe treatment services. Now, we think of it in two, separate parts – health (prevention) and care (treatment).

When our people get sick, we're going to help them get the best treatment possible, as we always have. But now we're focusing also on helping people stay healthy, so they will need treatment less often. Wellness is the foundation for healthy lives. It's also good business. It's no secret keeping people healthy costs far less than treating their illnesses.

Southwire's growing commitment to wellness starts with a concentration on fitness. At our Carrollton headquarters, employees have access to a company wellness center that offers state-of-the-art fitness equipment as well as various exercise and recreation programs. Employees participate in sports tournaments and are recognized for their workout achievements. Southwire has similar wellness centers at some, but not yet all, of its manufacturing facilities.



Research shows behavior choices account for about half of all health outcomes – far ahead of environment and heredity. Of course people’s choices are theirs to make, but sometimes education and advice can help us make better choices.

So, Southwire recently offered every employee a free health risk assessment to determine what medical conditions he or she may be vulnerable to. Those completing the assessment received a break on their annual health insurance premium. Individual assessment results are confidential, of course, but the overall results will be used to develop new wellness programs. Our goal is to help create an annual improvement in our employees’ average score.

As we shift our thinking from treatment to prevention, Southwire also is shifting some of its medical benefits. Dollars once spent on outpatient treatment now fund physicals, mammograms and other procedures designed to detect medical conditions before they become problems. These procedures are conducted at no charge to employees through Southwire’s Family Medical Center in Carrollton – which offers a wide range of medical services, including a pharmacy – and through special arrangements with medical facilities near the company’s other locations.

FIRST RESPONDERS

In the early 1990s, Southwire established first responders programs at many of its plants for those instances when medical attention is required before the ambulance arrives. Beyond basic first aid, team members complete the same 13-week training required for emergency medical technicians and pass a two-hour national registry test. Many of our first responders also give back by working as EMTs in their communities.

In the early 1990s, Southwire established first responders programs at many of its plants...

POWER FUND

PROVIDING OTHERS WITH
EMERGENCY RELIEF



THE POWER FUND

Life sometimes throws a curve. In tough times, it's good to know a helping hand is available.

That's why Southwire established the POWER (Providing Others With Emergency Relief) Fund. The POWER Fund provides short-term, emergency assistance to all current employees who encounter hardships because of circumstances beyond their control, such as natural disasters, life-threatening illnesses or deaths in the family.

Employees contribute either through payroll deductions or through direct gifts to the fund. All donations are tax-deductible, and Southwire automatically matches contributions between \$25 and \$1,000 per year.

WORKING TO HAVE FUN

Having fun is a crucial part of living well.

It's a goal many companies forget. Like it or not, we spend most of our waking adult lives at work. We try to make the work environment as enjoyable as possible.

We're casual. We enjoy family gatherings at amusement parks or at one of our own homegrown events, like fall festivals and cars shows. We share favorite movies through a free DVD club. We engage in good-natured competition through various company sports leagues.

Southwire's Human Relations Department conducts a rolling survey of employees about a wide range of issues. The results help us identify problems and monitor our efforts to make Southwire the employer of choice in our communities. The measure we track most attentively is how much our employees enjoy their jobs. Our goal is to keep the number high, and to get it ever higher.

2007 Goals and Measures

OUR GOALS	OUR OPPORTUNITIES
Improve employee and leadership diversity	37 of 87 managerial hires in 2007 were females or minorities
Achieve world-class lost-time accident rate performance by 2012	2007 LTA actual = 0.38; world class = 0
Achieve world-class recordable accident rate performance by 2012	2007 actual = 4.06; world class < 2.0
Complete industrial hygiene audit of all facilities by 2009	13 (of 24) completed as of 2007
Achieve OSHA Voluntary Protection Program certification in all factories and warehouses by 2012	1 site (of 24) submitted for approval by the end of 2007
Establish "behavioral-based safety" program in all facilities by 2009	Piloted in five (of 24) facilities during 2007
Increase percentage of goods and services purchased from minority- and women- owned businesses	Percentage grew in 2007
Ensure 50% of employees and their family members are current on their recommended preventative health screenings	Program will be implemented in 2008, at which point we will begin measuring participation



specific Goals

- Graduate 175 students from *12 for Life* by the end of 2012
- Annually increase number of our employees involved in the community

Southwire is **GIVING BACK**

IT'S NOT ENOUGH THAT WE GIVE BACK THROUGH THE PRODUCTS WE MANUFACTURE, THE JOBS WE PROVIDE AND THE TAXES WE PAY. THE COMMUNITIES IN WHICH WE OPERATE HELP DEFINE WHAT KIND OF COMPANY WE ARE. WE FEEL A SPECIAL RESPONSIBILITY TO THESE COMMUNITIES, AND WE SEEK TO IMPROVE THE QUALITY OF LIFE THERE – BY SHARING OUR TIME AND TALENTS, AS WELL AS OUR FINANCIAL SUPPORT.

Southwire delivers power – literally – throughout the world. To do this, we rely on the communities in which we work. In a very real sense, they deliver power to Southwire.

CORPORATE DONATIONS

It started with our founder, Roy Richards, Sr. His legacy is alive in the Richards College of Business at the University of West Georgia, the Roy Richards, Sr. Cancer Center, Richards Stadium at Central High School and countless other namesakes that bear out the family's commitment to Carroll County.

In recent years, Southwire purchased, renovated and donated a new building for the Carroll County Soup Kitchen, which it previously housed on its corporate campus. The company also was a founding sponsor of Carroll Tomorrow, which works to bring industrial development to the county.

In 2007, Southwire's corporate donations program empowered more than 250 organizations, including public schools and universities. Southwire assistance helped a myriad of groups – supporting men's and women's shelters, putting newspapers in classrooms, helping to build churches and libraries and buying equipment for little leagues and school bands.

While financial contributions help meet community needs, contributions of time and talent do something more. They build lasting relationships. Our not-purely-monetary contributions deliver power to the communities that have given so much to Southwire.

12 FOR LIFE

One in three students starting first grade in a Carroll County, Georgia classroom this fall will not graduate.

That statistic signals an alarming trend that reaches across the country. For a variety of reasons, a significant number of students doing poorly in school see dropping out as their only choice.

Hoping to cut that number, Southwire and the Carroll County School System are working together on 12 for Life, an innovative program that seeks to place at-risk students in real jobs at Southwire, allowing them to earn wages while earning credit toward a diploma.

12 for Life seeks to instill in students the belief that if they complete a full 12 years of education, they will have better lives. By combining traditional classroom instruction with jobs inside a real manufacturing plant, this unique partnership between Southwire and the Carroll County School System gives students the best of both worlds. They work regular hours; they earn actual wages; they learn skills they will need after they graduate. Most importantly, they stay in school.

Students attend class in a traditional setting for part of the day and work a four-hour shift in the plant for the remainder. Some additional instruction takes place in the manufacturing area while the students are working. Southwire employees share their time and experience through a mentoring program that provides one-on-one support.

Students are rotated from workstation to workstation, so they gain experience throughout the manufacturing process. They learn a variety of job skills; including machine operation, logistics, product and reel assembly, shipping, quality assurance and data entry. Guest speakers and tours of various Southwire facilities give students an even broader grasp of the range of jobs available and a personal glimpse of what those jobs entail.





“This unique partnership with Southwire and Carroll County Schools provides opportunities for students to get jobs, get paid and develop skill sets, while earning course credit that gives each student a great start to a meaningful and productive future.”

– Carroll County Schools Superintendent John Zauner

Many U.S. employers have complained that it is increasingly difficult to find job applicants with strong work ethics. Because they are actual Southwire employees, 12 for Life students learn the importance of promptness, hard work and dedication to the job. When they later apply for a permanent job – at Southwire or elsewhere – their 12 for Life record is proof of their work ethic.

WE HELP GET LIVES BACK ON TRACK

Knowing that time is money for our customers, Southwire strives to deliver every order on or before the agreed-upon deadline. That’s just good business – part of building worth.

But in some situations, where lives have been disrupted by natural disasters or other catastrophic events, the need to deliver wire and cable to devastated areas becomes far more important. Even if it sometimes might mean keeping a regular customer waiting, we make it a priority to help get lives back on track. Ninety-nine out of 100 times, the regular customer understands.

In the weeks before the 9/11 terrorist attacks, U.S. Defense Department officials ordered cable from Southwire for a Pentagon renovation project already underway. Everything changed after terrorists crashed a jetliner into the building, spurring the need for quick repairs. Within 24 hours, workers at Southwire’s manufacturing plant in Starkville, Mississippi reorganized their production schedule so they could make and ship nearly 10,000 feet of cable in just a few days rather than the customary four to six weeks.

We have reconfigured scheduling procedures at all of our manufacturing facilities to allow for similar production shifts following natural disasters, such as hurricanes, ice storms and wildfires. Our commitment remains 100-percent on-time delivery in areas affected by natural disasters or other emergencies.

Most of Southwire’s giving back is local, focused on the communities where we have facilities. But not all. Helping people get their lives back on track after a catastrophe gives back to our customers’ communities as well. It’s just another way we deliver power.



SOME MORE WAYS SOUTHWIRE GIVES BACK

BIG BROTHERS BIG SISTERS®

The 12 for Life program seeks to help those on the verge of making a very serious decision about whether to stay in school. But, many factors affecting that decision – collapse of the family, neglect, financial problems and many other issues – arise much earlier in life.

Big Brothers Big Sisters matches children ages 6 through 18 with mentors in professionally supported, one-to-one relationships. Those relationships have a direct and valuable impact on children's lives. Realizing the impact these relationships can have, Southwire recently funded a study by Big Brothers Big Sisters to determine the feasibility of creating a chapter in Carroll County.

TAKE FIVE

Each year, more than 180,000 inmates are released from Georgia's prison system. With felony convictions on their records, many find it very tough to get a job.

Working with the Georgia Department of Corrections, Southwire is giving some of them a helping hand as they rebuild their lives. We helped develop Take Five, a program that encourages businesses to hire newly paroled felons. We were the first to sign up.

From our experience, the program works. Most of those hired by Southwire through the program have been with the company now for more than a year – and counting. They are hardworking and committed to their jobs.

MENTALLY AND PHYSICALLY CHALLENGED

Historically, Southwire has assisted the mentally and physically challenged by working with outside groups that provide jobs for them. In several of our communities, such organizations have assembled the reels on which some of our products are shipped.

Recently, some of Southwire's leadership toured a recycling center operated by the Orange Grove Center in Chattanooga, Tennessee. Orange Grove is a private, non-profit organization, providing educational and employment opportunities to adults and children with intellectual disabilities. It offers a residential program and operates a medical center for its clients.



Those relationships have a direct and valuable impact on children's lives.



The recycling center employs more than a hundred developmentally disabled citizens, equipping them with skills they will need to seek employment in the community at large. Of course, recycling centers also help reduce waste and conserve resources. Southwire is now exploring how best to launch a similar facility in Carroll County.

Among the physically challenged, disabled veterans occupy a special place of honor. Each of us owes a huge debt of gratitude to those who paid a permanent price while serving our country. Southwire is making an extra effort to find jobs for disabled veterans.

BACK TO SCHOOL

The first day of school is often a time of excitement for students, but it can be a tough time for parents who are struggling to make ends meet. Several years ago, Southwire set out to provide help through its Back-to-School Supply Giveaway.

After consulting with local education officials, the company put together bags of basic supplies for students from kindergarten through the 12th grade. More than 2,500 bags were distributed the first year.

At this year's event, just under 5,000 students received bags of supplies – and backpacks to put them in. The event also featured a favorite teacher contest (the winner won \$500 to spend in the classroom), vision checks, fingerprinting, a literacy drive and other activities. Some people came from as far away as 50 miles and waited in line overnight.

TOYS FOR TOTS®

For many children, waking up on Christmas morning without any gifts is a stark reality. To brighten the holiday, Southwire collects toys each year for the local Toys for Tots chapter.

Originally, the company conducted internal drives with employees that netted several hundred toys. In 2005, a daylong collection drive allowed community members to donate as well. Volunteers staged a two-day marathon drive in 2006 with the goal of collecting 2,500 toys. They ended up with more than 3,200. In 2007, Southwire volunteers collected 2,750 Toys for Tots.

GIVING BACK MORE

We are committed to expanding our time-and-talent effort through two community outreach goals.

First, we will increase the number of at-risk people whose lives are improved through Southwire's community outreach efforts.

Second, we will complete a meaningful community assistance project each year in each community in which Southwire has a facility.

SECURING SUPPLIER DIVERSITY

We believe an aggressive program to build a diverse supplier base is also a way of giving back – of advancing the cause of social justice in our communities, our nation and our world.

Our supplier diversity program seeks qualified small businesses, especially those owned and operated by minorities, females and service-disabled veterans. When we have trouble finding qualified suppliers in these categories for some particular piece of our business, we look for ways to foster their development and advancement.

To ensure the consistency and quality of our program, Southwire strongly encourages existing and potential suppliers to achieve certified status from one of the following certification agencies:

- Women's Business Enterprise National Council
- National Minority Supplier Diversity Council
- Association for Service Disabled Veterans
- Utility Supplier Diversity Program, California Public Utilities Commission
- U.S. Small Business Administration

Just as we lead our industry with advanced products and technology, we intend to lead also with our diverse supplier relationships. We will challenge ourselves to meet ever-tougher diversity goals and will strive to annually improve the percentage of female-owned and minority-owned suppliers Southwire does business with.

COMMUNITY INVOLVEMENT POLICY

To encourage volunteerism among its employees, Southwire has established a community involvement policy. The policy allows any full-time employee time off from work to assist with approved civic club duties, mentor programs, public school projects or charitable events – up to six days per year.

Southwire also reimburses up to 100 percent of civic club membership dues, mentor program fees and the like. The company provides limited office supplies, within reason, for services such as copying and printing.

Our goal is an annual increase in the number of volunteer hours our employees give back to their communities.



PROJECT
GOLF

 Southwire®

Inspire
Tomorrow

PROJECT GIFT®

In the aftermath of Hurricane Katrina, a group of Southwire volunteers traveled to Waveland, Mississippi – one of the areas hit hardest by the storm – to help with a Christmas event for victims of the hurricane.

During the event, the group guided people through a large tent, helping them pick out more than \$2 million in gifts. Organizers dubbed the group the Blackshirts because of the t-shirts worn by the Southwire volunteers.

The experience moved some of the Blackshirts to form Project GIFT (Giving Inspiration For Tomorrow).

Today, the Project GIFT team is more than 75-people strong and growing. Members share their time not just through a variety of company projects, but also through outside programs such as Keep Carroll Beautiful, Special Olympics, the Carrollton Housing Authority and others.

Organizers recently put plans into motion to extend Project GIFT to facilities outside Carrollton. Whether it is raising funds for a worthwhile cause, working with beautification efforts, lending a hand to those facing tough times or getting children ready for school, Southwire's Project GIFT team – or, rather, Southwire's employees' Project GIFT team – stands ready to help.



Today, the Project GIFT team is more than 75-people strong and growing.

2007 Goals and Measures

OUR GOALS	OUR OPPORTUNITIES
Graduate 175 students from <i>12 for Life</i> by the end of 2012	33 students have graduated during first two years
Annually increase number of our employees involved in the community	Increased the number of participants and the total hours contributed by 5% in 2007



specific Goals

- Train all management employees in ethics every two years
- Survey all management employees on ethics at least once a year
- Achieve unqualified outside audit opinion on annual financial results
- Board notification and follow-up on all ethics concerns raised under Just Ask and hotline programs
- Notify community of any regulatory actions or reportable incidents

Southwire is **DOING RIGHT**

**BUILDING WORTH, GROWING GREEN, LIVING WELL,
GIVING BACK – THESE ARE THE ESSENCE OF
SUSTAINABILITY. THEY ADD UP TO JOHN ELKINGTON'S
TRIPLE BOTTOM LINE OF PROFITS, PLANET AND PEOPLE**

But without ethics, nothing is sustainable, not even a commitment to sustainability.

ETHICS AND ACCOUNTABILITY AT THE TOP

Business ethics starts at the top and Southwire's leadership is committed to maintaining the highest level of financial and business integrity.

Southwire's Board of Directors has 10 members. According to the company's governance policies, only three of the 10 may be shareholders. One board member comes from top management. That leaves six board members – a majority – who are independent directors. Yes, these outside directors are elected to the board by the company's shareholders, the family. But they built their careers with major companies and organizations out in the public world – BellSouth, Home Depot, Coca Cola, RJR Nabisco, Wachovia, Duke Energy, the American Red Cross and the like.

Financial statements are another mechanism to assure business accountability. Because Southwire is privately owned, its financials are not publicly available. But of course they are available to the board, which scrutinizes them carefully, not just in terms of profitability and strategy, but also with an eye to business ethics. Southwire's accounting staff takes considerable time and effort to ensure that the company financial statements are accurate, timely and concise. The statements also go to an external auditor, just as the financial statements of publicly owned companies do.

Our goal in this area is to build standards of board independence and financial accountability modeled on those of publicly owned companies. But we want to accomplish this goal while continuing to benefit from the flexibility and confidentiality that come with private ownership. Look for future sustainability reports to provide a more detailed explanation.

SOUTHWIRE'S CODE OF ETHICS

Southwire's code of ethics is aptly entitled *Do the Right Thing*. It defines the way each of us is expected to conduct his or her daily business activities.

Do the Right Thing not only covers the company's legal obligations, but it also goes beyond legal requirements to help our employees conduct business in an ethical, transparent, fair and sustainable manner.

Southwire periodically updates its code of ethics to cover new legal obligations and emerging ethical principles. Each update also strives to clarify gray areas that have emerged since the previous update.

Each employee must read the code and watch a video that goes over its most important provisions. Employees must also complete a questionnaire to show they understand what they have read. Those involved in certain corporate roles are required to attend supplementary live ethics training every two to three years. Employees also get face-to-face training on more specialized ethics topics, including compliance with the Foreign Corrupt Practices Act, procurement fraud and conflicts of interest.

That may sound like enough – but it isn't. Our goal is to expand our employee ethics training so that every employee gets an ethics refresher course every two years.

FINDING ETHICAL LAPSES

Ethical lapses happen in every company. Employees are the most likely to be aware of such lapses.

If an employee believes someone may be violating any of Southwire's ethics standards, or is worried that he or she might be violating a standard, that employee is required to notify a company manager.

To make reporting easier, Southwire has instituted the following:

- The *Just Ask* system encourages employees to pass along information about possible ethical violations. Through *Just Ask*, employees can ask questions, voice concerns or make suggestions regarding not just ethical concerns, but any aspect of company operations, decisions and policies. Top management reads and answers every comment, even the anonymous ones.
- We formally canvass employees several times a year with a detailed ethics questionnaire, which asks specific questions about ethics compliance.

Southwire recently reinforced the importance of employee candor on ethics by adopting a policy that provides for whistleblower protection.

When ethical issues arise, we deal with them head-on. If the problem is real, we correct it. Then we take steps to try to keep it from happening again.

REGULATORY COMPLIANCE

Sound ethics demand that a company and its employees do right even when laws and regulations might allow another course of action.

Southwire provides in-house training at all facilities on applicable environmental laws, employment laws, antitrust laws, the Foreign Corrupt Practices Act and others. We work non-stop to make sure no laws or regulations are violated.





And still, from time to time, laws and regulations are violated. One key feature of most corporate sustainability reports is a list of all adverse legal findings since the previous report – not just criminal convictions, but also regulatory fines. Here is Southwire's list for 2007...

That's right – no fines or regulatory infractions. It hasn't always been that way, and unless we're very lucky as well as very careful and very skillful, it won't always be that way. When infractions do occur, we promise you they will be listed and explained in the next year's sustainability report.

We also promise you we won't automatically assume those violations are exceptions. We view regulatory actions as signals something may be amiss, and we look carefully to see what lessons can be learned and what corrections need to be made.

Although this hasn't always been Southwire's response to regulatory actions in the past, we promise it will be in the future.



The same goes for accidents. While we go to great lengths to prevent them, accidents inevitably happen – from water discharges to chemical spills to releases of airborne hazardous materials. When accidents happen, we not only notify the proper authorities, we also send statements to the local media publishing our report.

Here's a list of 2006's accidents, fortunately none of them major:

NOTICES OF VIOLATION

Southwire Company Kentucky Plant received a notice of violation regarding several items that were not in compliance with requirements of the Clean Air Act. The facility is working with both the U.S. EPA and the State of Kentucky to resolve the items, which included more rigorous testing of air emissions and improved record-keeping.

Southwire Carrollton Utility Products Plant received a notice of violation regarding two items that were not in compliance with the hazardous waste generator requirements of the Georgia Hazardous Waste Management Act. The compliance items involved the management and labeling of broken fluorescent bulbs.

REPORTABLE RELEASES

Southwire Company Starkville Plant reported to the Mississippi Department of Environmental Quality an accidental release of 175 gallons of a water treatment chemical to a storm drain. The drain was blocked and flushed with clean water and then the material was removed using a vacuum truck.

Southwire Florence Plant reported to the Alabama Department of Environmental Management an accidental release of water soluble oil from a piping system malfunction. The soluble oil was contained in a ditch outside of the facility and the material was removed using a vacuum truck.

We don't necessarily report near misses – but we certainly pay attention to them internally. Just as a regulatory infraction may signal a systemic problem, a near miss may signal an accident waiting to happen. Ethics, and good business sense, requires a thorough investigation.

In every case, we do what is necessary to fix any problems we cause.

TRANSPARENCY AND RESPONSIVENESS

For many years, Southwire didn't always feel the need to tell those outside what we were doing, let alone ask them what they thought we should do. We are still absorbing into our corporate culture the lessons we learned about transparency and responsiveness as a result of the dioxin concerns that surfaced in 2000.

Here's a brief rundown of what we're doing so far to maintain better relations with our important stakeholder groups.

CUSTOMERS

Being candid with customers and responsive to customer concerns is a bedrock requirement for doing business successfully. Southwire has been good at customer relations for a long time. Our marketing, sales and engineering teams maintain close contact with customers, seeking always to know what they need so we can be ready to supply it. As products are developed or improved, Southwire conducts focus groups with end users to see what they like and what needs further tweaking.

SUPPLIERS

Southwire's sourcing managers have for many years worked closely with suppliers to ensure they know what we need and are ready to supply it. But our outreach to help suppliers improve their sustainability programs is new and essential to the success of our own sustainability effort. We will continue to work with our suppliers to collaboratively reduce our environmental footprints.

EMPLOYEES

The key to Southwire's success is its people. They make things run, and they have unique knowledge about how to make things run better. We encourage the sharing of ideas through open communication and surveys. Members of top management also have lunch and dinner regularly with randomly chosen employees, where company issues are discussed. We conduct opinion surveys to keep a pulse on employee morale to make sure we are properly responding to employees' needs and concerns.



COMMUNITIES

Our effort at building and sustaining a dialogue with communities is a new focus for Southwire. But, we're learning fast.

We have two goals. First, we want to become a company that shares with our stakeholders – even hostile or critical stakeholders – news about our failures and problems as well as our accomplishments. Second, we want to become a company that seeks input from all our stakeholders – especially hostile or critical ones – on how we can do better.

Learning to be more transparent with our stakeholders and more responsive to their criticisms and concerns is the linchpin of improving our sustainability efforts.

2007 Goals and Measures

OUR GOALS	OUR OPPORTUNITIES
Train all management employees in ethics every two years	Purchasing and SCR employees trained during 2007
Survey all management employees on ethics at least once a year	All management employees surveyed in 2007
Achieve unqualified outside audit opinion on annual financial results	Achieved in 2007
Board notification and follow-up on all ethics concerns raised under Just Ask and hotline programs	All concerns communicated in 2007
Notify community of any regulatory actions or reportable incidents	Details relating to all regulatory actions (two in 2007) and reportable incidents (two in 2007) posted on our website





Southwire provides a full line of products for a wide range of applications. It leads the industry in innovative products that help simplify installation, saving time and money.

Southwire **COMPANY PROFILE**

SOUTHWIRE DELIVERS POWER TO MILLIONS OF PEOPLE AROUND THE WORLD. OUR UTILITY CABLES AND INSIDE WIRING CARRY ELECTRICITY TO WHEREVER IT IS NEEDED, WHENEVER IT IS NEEDED. ONE IN THREE NEW HOMES BUILT IN THE UNITED STATES TODAY CONTAINS WIRE MADE BY SOUTHWIRE.

Southwire provides a full line of products for a wide range of applications. It leads the industry in innovative products that help simplify installation, saving time and money. In addition to Southwire's standard product lines, our company also makes custom products for almost any situation. No matter what a particular commercial, residential, industrial or utility application requires, Southwire has just the right wire or cable product – or we'll design it and make it to order.

CORPORATE GOVERNANCE

Being a private company gives Southwire many advantages. Free from the pressures experienced by publicly traded companies, we are able to take a long-range view when it comes to planning for the future. We look to the next generation, not the next earnings report.

Southwire's independent board of directors includes 10 members: three shareholders (descendants of our founder, Roy Richards, Sr.), one member of top management, and six directors from outside the company. The outside directors have been affiliated with such companies and organizations as BellSouth, Home Depot, Coca Cola Enterprises, RJR Nabisco, Wachovia, Square D Corporation, Duke Energy, Goodwill Industries, the American Red Cross, the U.S. Chamber of Commerce and the Boy Scouts of America.

CORPORATE STRUCTURE

Southwire's corporate structure centers around four distinct manufacturing segments – Energy, Electrical, OEM (Original Equipment Manufacturing) and SCR (Southwire Continuous Rod). Each focuses on a specific group of customers.

ENERGY DIVISION

Southwire's Energy Division addresses the needs of customers in the electric power industry, including investor-owned utilities, rural electric cooperatives, municipalities, contractors, and utility distributors.

Its broad range of product offerings include:

- overhead conductors for transmission and distribution of electricity;
- insulated products for secondary distribution of electricity;
- medium-voltage cables for underground distribution;
- high-voltage cables for underground applications with full turnkey capabilities;
- bare copper for grounding systems; and
- power generation cables for power generation plants.

The Energy Division also developed Southwire's high-temperature superconducting power cables, which deliver up to ten times more power than traditional copper cables.

ELECTRICAL DIVISION

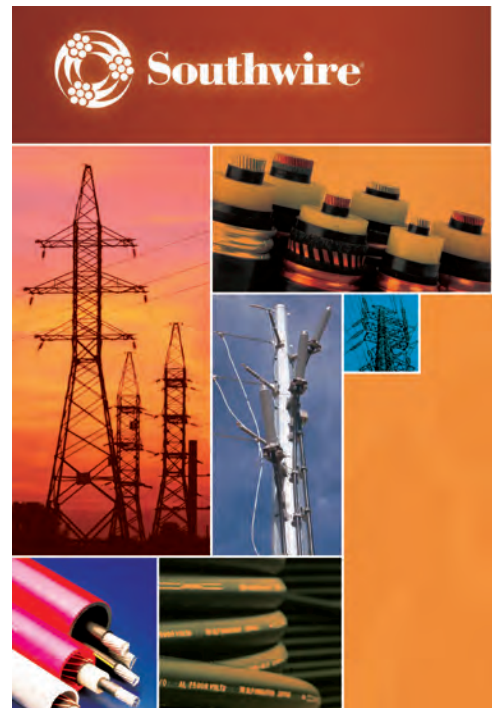
Southwire's Electrical Division oversees the manufacturing, marketing, and sales of wire and cable products for non-utility electrical applications. The division provides the industry's broadest line of metal-clad (MC) and flexible-conduit products for every commercial, residential and industrial construction requirement. Whether it's copper or aluminum MC, copper AC or flexible metal, liquidtight conduit or 600v or 24kv, the Electrical Division has it.

Electrical contractors, industrial engineers and residential do-it-yourselfers use Southwire's building wire products every day.

OEM DIVISION

Southwire's OEM Division is a major supplier to the original equipment manufacturer market, providing customized products, services and packaging. OEM Division customers use Southwire's wire and rod to manufacture such products as automobile wiring harnesses, insect screening, transformers, electric motors, HVAC equipment, appliances and industrial equipment of all sorts.

Among the strengths of the OEM Division are the industry's largest product variety, packaging options to meet special requirements, and custom products requiring stripping and special twisting combinations. Southwire's OEM Division is a fast-growing supplier to the North American OEM market.

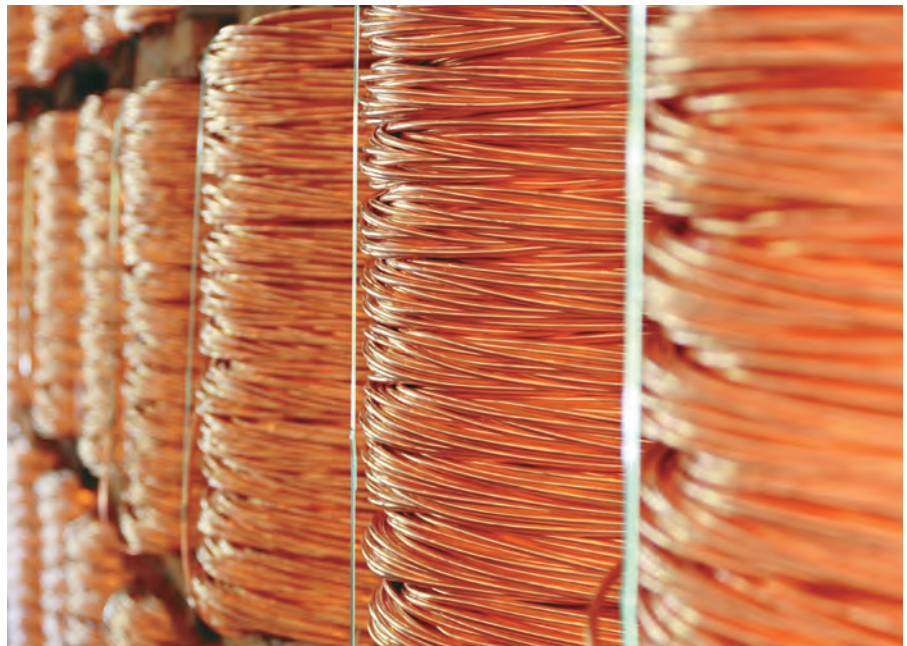




SCR DIVISION

Southwire's SCR Division (also called SCR Technologies) has been the technological leader in copper and aluminum rod manufacturing since the 1960s. It now has more than half of the copper rod continuous-casting capacity in the world. The division keeps innovating, continually improving its systems for lower cost production, higher reliability and more simplified operations.

When you buy an SCR® (Southwire Continuous Rod) system, you get much more than just proven machinery with a wide range of options. You get state-of-the-art technology and complete training. You also get ongoing technical support, including access to the experience of nearly 80 other SCR users through the SCR Technology pool. Southwire's SCR systems ensure customers are competitive from the moment the deal is struck, and keep them competitive as technologies and markets change.



Southwire LOCATIONS

PLANTS

Southwire Carrollton Utility Products Plant
Carrollton, Georgia

Southwire Company Building Wire Plant
Carrollton, Georgia

Southwire MC Cable Plant
Carrollton, Georgia

Southwire Copper Rod Mill
Carrollton, Georgia

12 for Life
Carrollton, Georgia

Forte Power Systems
Heflin, Alabama

Southwire Company Kentucky Plant
Hawesville, Kentucky

Southwire Company Starkville Plant
Starkville, Mississippi

Southwire Company Watkinsville Plant
Watkinsville, Georgia

Southwire Company Kingman Plant
Kingman, Arizona

Southwire Company Flora Plant
Flora, Illinois

Southwire Long Beach Plant
Long Beach, California

Southwire Company Florence Plant
Florence, Alabama

Southwire Company Stouffville Plant
Stouffville, Ontario, Canada

Southwire Company Tecate Plant
Tecate, Mexico

CUSTOMER SERVICE CENTERS

West Georgia Customer Service Center
Villa Rica, Georgia

Orlando Customer Service Center
Orlando, Florida

Starkville Customer Service Center
Starkville, Mississippi

Dallas Customer Service Center
Dallas, Texas

York Customer Service Center
York, Pennsylvania

Indianapolis Customer Service Center
Indianapolis, Indiana

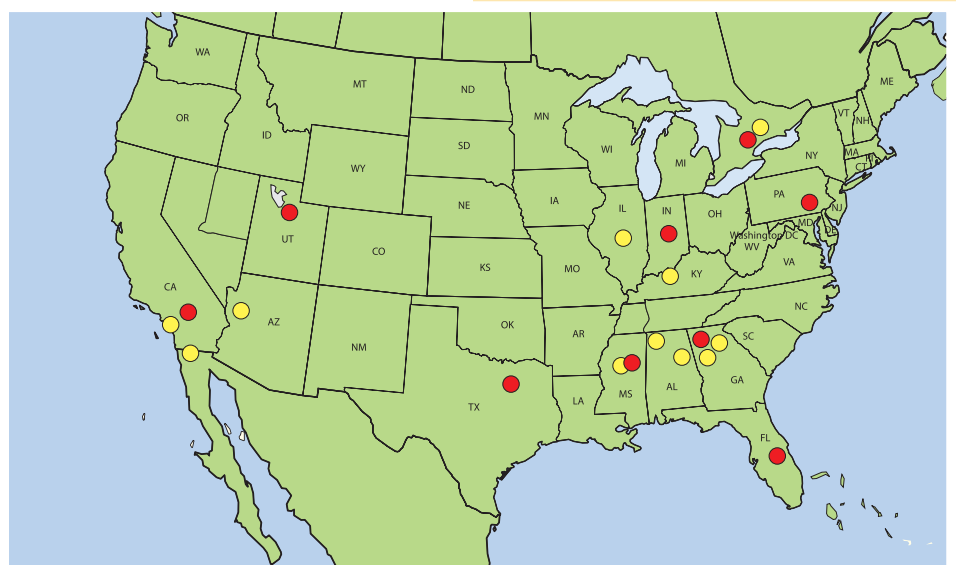
Salt Lake Customer Service Center
Salt Lake City, Utah

California Customer Service Center
Rancho Cucamonga, California

Mississauga Customer Service Center
Mississauga, Ontario, Canada

Energy Customer Service Center
Villa Rica, Georgia

● CUSTOMER SERVICE CENTERS
● PLANTS



LEADERS



Guyton Cochran
Executive Vice President
Chief Financial Officer



Jeff Herrin
Executive Vice President
Operations



Will Berry
Senior Vice President
President, SCR Division



Floyd Smith
Executive Vice President
General Counsel



Norman Adkins
Senior Vice President
President, OEM Division



Phil Tuggle
Senior Vice President
Information Technology Services

H I P



Charlie Murrah
Executive Vice President
President, Energy Division



Stu Thorn
President and CEO



Mike Wiggins
Executive Vice President
Human Resources



Jack Carlson
Executive Vice President
President, Electrical Division



Vince Kruse
Senior Vice President
Research and Development



Southwire®



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