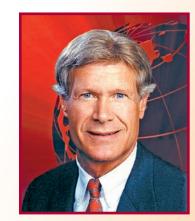




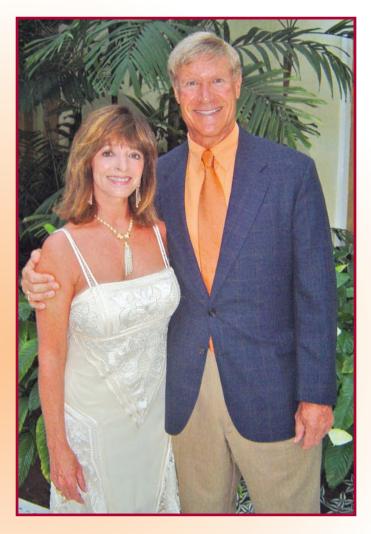
## ALL IN THE FAMILY



On behalf of myself, my wife Pam, and the entire McIlroy family, it is my pleasure and privilege to thank everyone who has contributed to the success of our organization throughout the years and especially during 2005, our centennial year.

I've headlined my welcome to this commemorative issue of THE BAGPIPER: "All In The Family" because of two reasons. First: Robroy Industries is an uncommon company in many ways, among them the fact that of all family owned businesses in the U.S. only 4% have survived into the fourth generation. This remarkable achievement has been made possible because we have supported each other throughout the years in ways that go above and beyond the ordinary.

Second: Our "family" includes each and every one of you regardless of your surnames! Together we have built an organization that has been exceptionally successful for 100 years. We produce the highest quality products within the marketplaces we serve. Our unity and our uncompromising drive to be the best will serve us well as we begin our second century.



I hope you enjoy this special issue of THE BAGPIPER. It is the story of our company. It is the story of the collective contributions of thousands of Robroy employees over 100 years.

Thank you.

Peter McIlroy II

CEO and Chairman of the Board Robroy Industries

## CELEBRATING OUR FIRST — AND NEXT — 100 YEARS



Our story began in 1878 in the little town of Addiewell, Scotland. That was the year that my grandfather Peter McIlroy was born into a family with five brothers and sisters. The family was relatively poor by today's standards and consequently, as young teenagers the two oldest boys, James and Peter, decided to move to the United States to make a better life there. So, they went to Philadelphia and found employment. After a number of years they raised enough money to send back to Scotland for their four brothers and sisters. Eventually, all six of them ended up in the small town of McKeesport, Pennsylvania, which is a mill town not too far from our current headquarters in Pittsburgh, Pennsylvania.

Because he now lived in a mill town, Peter McIlroy went to work in a steel mill where he gained some familiarity with steel pipe. He worked a machine earning five cents an hour for 12 hour days. He then found that he could work two machines at the same time, and asked for a raise. What he received was only a small increase from five cents to six cents an hour. He did not see the fairness in that and after complaining vociferously, soon found himself out on his ear. He now had a reputation as a "bad

apple" and couldn't get a job in any of the other local steel mills.

As a result, Peter ended up as a night watchman in a black enameled ceilings factory that was bankrupt. During long hours spent alone, his curiosity got the best of him. With his little bit of knowledge about pipe he began dipping small samples of pipe into vats of black enamel, and he found that, if he drew the pipe out very slowly, he could get a nice, shiny black coating on the pipe. Coincidentally, at about this time he heard about a product that was just starting to be used. That product was steel conduit.

**Prior to that time**, electricity was run through wires that were strung by something called knob and tube. Steel conduit was a significant improvement because it allowed electrical wires to be run inside a protective tubular. The problem, of course, was that steel was vulnerable to corrosion. Peter saw an opportunity to protect steel conduit against corrosion through the process of black enamel dipping. To make this a reality, however, he needed money and eventually found a man named Patterson who could supply the necessary funds.

In 1905, my grandfather, Peter



Construction begins for Etna plant in 1908.



Enameled Metals Co, Etna PA, 1911





Pipe inspection

McIlroy, and Mr. Patterson started a little company, Enameled Metals Company, to make conduit in the small mill town of Etna, Pennsylvania.

They bought pipe from Spang-Chalfant, a local pipe mill. The first thing they had to do was cut 20-foot lengths into 10-foot lengths using very rudimentary equipment. They cut threads on each end of the 10 foot lengths and then cleaned the rust off the pipe by a process called pickling. The wooden vats they used for acid made the plant look like a winery. Workers hung the pipe vertically and dipped it into the vats to clean off the rust and get it ready for black enameling.

Then they dipped the pipe into an in-ground vat of black enamel. After the pipe was coated, thread protectors were applied with a wooden mallet. My grandfather, I understand, was quite inventive and had nearly 30 patents in his name. One of them was for thread protectors.

The next step in the process was to attach labels. The first pipe that they coated and labeled was called the "Pittsburgh Standard" brand which is significant because that eventually became the name of the company.

The pipe was then moved through the plant on heavy iron buggies. Interestingly, this equipment virtually never wore out and some of it was still in use in various plants when I started with the company in 1965.



Vats of acid for pickling



Pickling & rinsing



Painting the ends by hand



Dipping pipe into black ename



Thread protectors applied with mallet





Iron buggies for pipe transport





Coil & Bending department



Pickling raw couplings



Etna work force

Conduit needed to be connected by couplings and for the first years they purchased couplings. In 1918, however, Peter McIlroy and Mr. Patterson together with my grandfather's first cousin, Jim Lamond (affectionately referred to as "Wee Jimmy"), started a company in the nearby town of Allison Park and there they made their first conduit couplings. Pittsburgh Pipe and Coupling Co. (later renamed Anvil Products) was led over the years by my uncle, Jim McIlroy, and later by my cousin, Bill McIlroy. The couplings were then sent back to Etna for painting and application to the pipe.

**Another thing** that they did in the early days was develop a technology to bend pipe. They started a little department for pipe coiling and bending. Ultimately, that bending technology was used to make conduit elbows so that conduit could be installed around corners. Of course, we're still making conduit elbows today in Avinger, Texas as part of our ECN/KORNS operation.

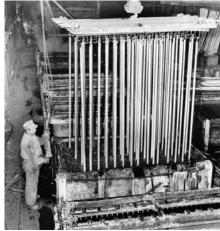
After we sold black enameled pipe for many years, we came up with a new way of coating and protecting against corrosion - galvanizing. Over the years, we made both electrogalvanized and hot dipped galvanized conduit.

Hot dip galvanizing was accomplished in a kettle of molten zinc whereby the pipe was coated both inside and out. After inspection, the pipe was threaded on both ends. Actually, the threading equipment

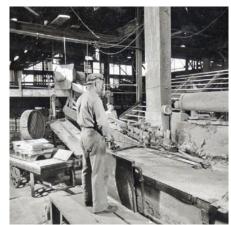




Pittsburgh Standard Conduit display



Pickling before hot dip galvanizing





Threading pipe on both ends







Finished conduit shipped by rail



Flood of 1936, Etna





After the fire of 1948



SEPTEMBER 3, 1937

Enameled Products Curtails Output As Result Of A. F. of L. Boycott Against CIO Workers; Labor's War Hits National Electric's Operation

Labor strife headline, September 3, 1937



The Peter McIlroy family (young Robert on far left.)

hasn't changed a whole lot since back then. We're still doing something similar today in Gilmer, Texas. The pipe was then warehoused.

One of the interesting things is that they stored pipe on end vertically whereas we always store it horizontally. At that time, the product was shipped by rail as opposed to truck. Our very first shipments were made by horse and buggy in Pittsburgh to McCullough Electric Supply Co.

The company went through some very difficult times. One of them was the Great Depression of the 1930s. Then a unique thing happened that doesn't happen to most businesses. The plant was totally covered by water in the Great Flood of 1936. It was really deep in Etna – as much as 18 feet. The water got so high that it overflowed into the vats of black enamel which floated all over the town of Etna. When the water receded the black enamel coated everything in Etna.

Another difficulty for our company was the fact that the American labor movement was very active at that time. In a jurisdictional battle between the AFL and the CIO, there was a boycott of products made by our company. It's interesting to note that it was such a timely event that the story of our little company was on the front page of the Wall Street Journal in 1937.

Not the first and not our last fire was the Fire of 1948 in the plant in Etna.

While all of this was going on, our Peter McIlroy was growing his family. He married Mary Gibson from Northern Ireland and they settled in Allison Park, Pennsylvania, not too far from Etna. They had three children, James, Jean, and Robert, the latter of whom was my father.

The McIlroys had many family gatherings out in Allison Park and, as time went by, it became apparent that McIlroy men were enamored by automobiles. My grandfather had one of the earliest cars in the city of Pittsburgh and my father developed an enthusiasm for cars which he never lost.

My father, Bob, found his love in the late 1930s. She was Pat Fox from Syracuse, NY. In 1939 she and my father were married. Soon they moved to Detroit where he went to work for a steel company.

**Upon the death** of Mr. Patterson, the cofounder of the company, it was discovered that he had embezzled a considerable amount of money from the company over the years. The IRS sent two investigators who spent two years in the Etna office trying to determine the extent of the fraud. At the end of that endeavor, they presented a jeopardy tax assessment for a significant amount of money that had to be paid back to the government in 10 days or the company would be liquidated.

My grandfather called my father, who was still in Detroit, and asked him to come back and help. Dad did come back and, with the contacts that he had, they were able to raise enough money to save the company from liquidation. Afterwards, my grandfather convinced Dad to leave the company in Detroit and come to work for Enameled Metals Company.





Family and friends in Allison Parl



The Peter McIlroy family (Bob on running board.)



Dad and Mother as newlyweds



Enameled Metals Company Christmas Party, 1947



Two Peter McIlroys



Cindy & Peter McIlroy



Check that paid the Patterson estate, 1950





tired as presi dent to dev board c McIlroy, has been

the firm 1945, form

Dad becomes President of

In 1950, after many years of legal battling, the McIlroy family was able to buy out the Patterson interests in the company and take complete ownership. My father deserves the most credit for this achievement and in 1952 was promoted to the position of President.

**Dad was** a dynamic person and I think a word that describes him is "builder." Some people in a position of leadership will decide to leave things as they are. Others might let things go backward but Dad was always interested in going forward. In 1952, he embarked on an extraordinary expansion for the company. The first step was to move east near the metropolitan areas.

We needed to be near a

pipe mill. U.S. Steel had just opened the Fairless Works in the town of Morrisville Pennsylvania, so the first endeavor for Dad and his team was to build our own plant in Morrisville. It was much nicer than the Etna plant. It had more room; it even had concrete floors! We installed an automated conveyer system for the cleaning/ pickling operations and a new hot galvanizing operation. Instead of using rail exclusively, we began to bring materials in by truck and we also began to ship product out by truck.

One of the things that Dad started at this time, which we still do today, is to have plant tours and meetings with our manufacturers reps and our customers right in our factories so that they would understand how the products were made and know more about our company.

**To carry** the story of Morrisville forward, I'll just take it to its conclusion. In 1961, this operation was moved to Texas. Dad then bought two plasticrelated companies. One was Venango Plastics and the other one was Seneca Tool and Die that made molds for plastic molding. They moved these operations into the empty plant in Morrisville and made it into a plastic custom molding operation; and, in fact, that's where I started with the company in 1965. In that plant, we had more than 20 injection molding machines and we had an extruder for making PVC conduit.

In the late 80s, we decided to modernize all of the equipment and we bought a lot of new injection molding machines. We hooked them all up I recall on a Friday night, videotaped everything because we were going to pull the switch and start the new operation the following Monday morning. I got a call in the middle of the night - a Saturday night from the manager who told me



50th Anniversary, 1952





Peter and Mary McIlroy, 50th Anniversary



Three-generation picture



Morrisville, PA plant, 1955



Morrisville plant interior





Meeting in factory



Small acquisition



Disastrous fire in Morrisville, 1990



After the fire



Pittsburgh Standard Conduit Co. Verona office & plant, November, 1958





Guests came by boat to the open house for new office, 1958

that the entire plant had caught fire. As a matter of fact, it burned to the ground.

The good news is that our injection molds were all stored in a building nearby. We didn't lose any of them, so essentially, we were still in business.

One of our competitors bought all of those molds from us at an extraordinarily good price and so we managed to dodge that bullet.

Now, let's move back to
Pittsburgh. The Etna plant was on its
last legs and my father thought it
would be a good idea to have a
modern conduit plant nearby.
Therefore, we moved about 5 miles
up the Allegheny River to a place
called Verona and built a conduit
plant there. This was a 100,000
square foot plant on the site where
our headquarters is today.

We also built a contemporary office building right along the river which was quite extraordinary at the time in terms of its architecture. When the operation was finished it was the most modern conduit mill in the world. The bad news was that, shortly after going into operation in Verona, we suffered two long strikes. The net effect was that we were essentially put out of business in Verona and my father closed the plant for two years in order to get away from the union that we had at that time.

Then, while that plant was closed, another very important thing happened – a true watershed

moment. My father decided, if we're going to continue to expand and build new plants, we needed to have more money.

Companies were beginning to "go public" and in 1959 my father did indeed take that path for our company by selling 46 percent of the company to the public. It was a watershed moment for one particular reason...had we not done that, we would have gone out of business within the next four years.

Unknown to my father, the market was about to go into a contraction. The post-Korean War boom was gone and there was an oversupply of conduit. The conduit industry suffered a recession and the price of conduit went down 35 percent almost overnight. As a result, our company lost money for four years in a row; but because of the infusion of capital, Dad was able to keep the company going and actually make some acquisitions which enabled us to move into new fields.

One of the things he decided to do was move to another part of the country. Texas, in particular, was booming at that time so Dad decided to look for a place in East Texas near the Lone Star Steel Pipe Plant. They interviewed people from many different communities. The town that ultimately won our allegiance was Gilmer, Texas and we signed on the dotted line with the Gilmer Industrial Foundation for the land to build the plant that is our cornerstone plant today in Gilmer, Texas.



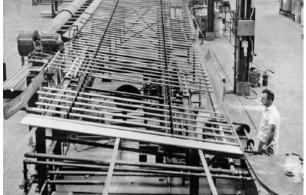
Verona plant, 1958



More space



ickling & cleaning line



Automated handli



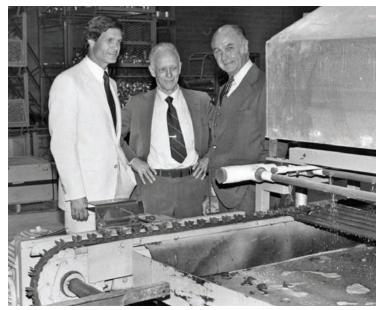
46% of company was sold to the public in 1959



Deal signed to build new conduit plant in Gilmer, TX



Gilmer plant, 1962



Peter, Jim (Bob's brother) and Bob McIlroy at new



Houston Coating & Bonding, Houston TX, 1961



First Plasti-Bond fittings coating operation - Houston, TX



New name, "Robroy" unveiled in Gilmer, 1967



Robroy fleet of trucks

**Shortly after** the Gilmer facility was built, Doug Burrus, our manufacturer's rep for Texas, persuaded my father to go to Houston to look at a tiny company that was putting a plastic coating on our steel conduit. It looked like a perfect fit and after a long night of negotiating, we bought Houston Coating and Bonding for the sum of \$25,000. They made a product called Plasti-Bond which is still today our premium product

**Plasti-Bond** was immediately moved to Gilmer and we started building a series of coated conduit lines. At that time in 1967, we changed the name of the company from Pittsburgh Standard Conduit Company to Robroy Industries.

"Robroy" was a great name because of our Scottish heritage and because the Rob from Robert and the Roy from McIlroy made a lot of sense. It was a short name, easy to remember, and it didn't tie us to one product, like conduit, or one city, like Pittsburgh. I've been so glad to have that name which has a wonderful reputation today.

**Gilmer became** the hub of activity for the company. It was a great center of operation for us.

> We went through a growth period and, as we grew, we began to buy and operate our own fleet of trucks. We had 27

trucks at the peak of our galvanized conduit era.

In 1969, my grandfather passed away but behind him came a fourth generation – my sons, Jeff and Rob.

As our plant operations were expanding during this time, we decided to separate the manufacturing of elbows, couplings and nipples from the conduit operation and we bought a building in the small town of Avinger, Texas near Gilmer. We started to manufacture conduit elbows there and eventually got to be a pretty good-sized manufacturer of elbows. That operation, ECN/KORNS, is still active today and doing quite well.

Now, let's move back to the empty plant in Verona. As you recall, we had the labor strike. We shut down for two years. Then Dad and his team bought a company called the Warren Corporation that made metal laboratory furniture and moved it into that Verona plant. That operation was never successful and we eventually closed it down.

The Verona plant, however, was made into a coating operation and the heart of that coating operation was a vertical fluidized bed line. That was really quite an impressive piece of machinery and it was used to coat pipe hung vertically for powder coating. At that time, we had a product that





Peter and Mary McIlroy with Jean Lamond Cesar and



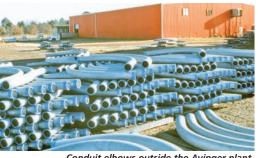
Peter McIlroy, 1878 - 1969



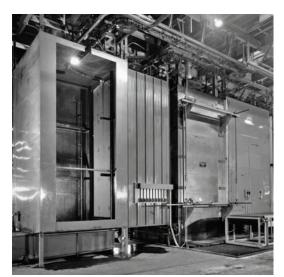
Fourth generation of McIlroys



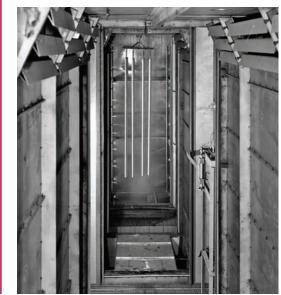




Conduit elbows outside the Avinger plant

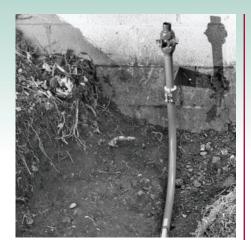


Fluidized bed coating line - Verona, PA

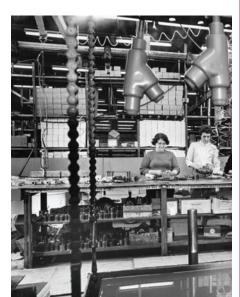


Pipe hung in fluidized bed coating line

13



Plastic coated gas risers - Verona



Plastisol coating of Plastibond fittings - Veron



John Stahlin, Robert G. McIlroy, Lyle Jackson, Peter McIlroy II



Stahlin Brothers 1977

we called Rob-Kote that was coated on the exterior by this process – and we had another product called Twin-Kote that was coated inside and

We also got into the gas products business. We put plastic coating on gas risers that were used to get natural gas from the ground up to meters on the side of homes in Western Pennsylvania. There was no market except in the immediate tri-state area but we built that business up from nothing to about \$5,000,000. Eventually we decided it didn't fit with our other product offerings so we discontinued that product line. We also coated in Verona with PVC plastisol the fittings that are used with Plasti-Bond conduit.

In 1977 we took another fascinating turn. The same manufacturer's rep who had pointed

us toward Plasti-Bond told me that there was a company that might be for sale up in Michigan that made



Stahlin plant, Belding MI, 2001



Stahlin fiberglass enclosures



75th Anniversary, 1980



Anniversary Party

fiberglass boxes. He suggested that we try to buy Stahlin Brothers. I went up to see John Stahlin and eventually we bought the company. At that time, they were mostly hand lay-up manufacturing but they did have a couple of molding machines. Today, we do 95 percent of our manufacturing by molding.

Stahlin had a line of fiberglass electrical enclosures that we still sell today but we have come up with far more sophisticated and attractive enclosures as part of our product offering. I don't think it's unfair to say that we are the leading manufacturer of fiberglass enclosures in the world today at Stahlin, which is located in Belding, Michigan.

This was also a watershed moment for the company. Things were very bad in the conduit business through the 60s and 70s. We realized that galvanized pipe had become a commodity but we were stuck in the business. When

we bought Stahlin, it enabled us to go out of the galvanized conduit business and we did. We focused instead on the Stahlin product line and the Plasti-Bond coated conduit product line. Overnight that transformed our company into a profitable, growing, healthy company. The results of that decision helped us flourish for the next 25 years.

During our 75th anniversary year, I was made President of the company and the first thing that I did was suggest that we go north to Canada. We could not sell into Canada because of very high tariffs so we bought a company called Co-Na-Cote and built a pipe coating operation in Guelph, Ontario. It ran profitably for many years but the tariffs came down gradually and when NAFTA was enacted, there was no longer a need to have a separate manufacturing operation there. We closed that operation in 1993.

## Business in brief

## Robroy president

FOX CHAPEL — Peter McIlroy I of Fox Chapel Road, has been electe president of Robroy Industries, su ceeding his father. Robert (McIlroy, who will continue as chaiman of the board. McIlroy is the thir generation of McIlroys to bead Robroy since its founding in 1905.

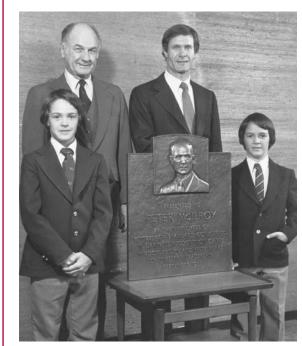
member of the corporation's board of directors since 1977, was executive vice president until his recent prome tion. He is also chairman of the con duit section of the National Electrica Manufacturers Association. A graduate of Shady Side Academ and Hamilton College, McUroy com polest the program for managemen melest the program for managemen

School in 1972.

When he joined Robroy Industrie
in 1965. McIlroy started as a mi
worker in the company's plastic plan
in Morrisville. Since then, he ha
served as a plant forernan and offic
manager in the Texas plant, assistant



Peter McIlroy II



Four-generation photo, 1980



Conduit plant in Guelph, Ontario



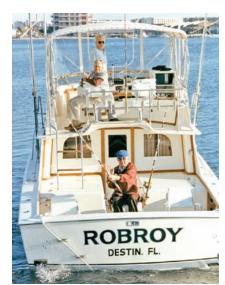
Robroy directors at Guelph plant opening

Destin is well named the "Luckiest Fishing Village in the World." Sport fishing for the big ones, marlins and sails, or in-shore trolling for mackerel, dolphin, or you name it. Bottom fishing for snapper, grouper, warsaw — or how about trying your luck on our fishing porch? Have twice as much fun at the ROBROY!

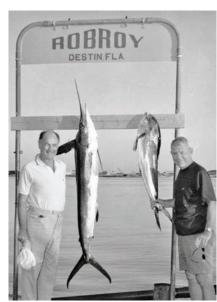




From the brochure



Fishing boat - "Robroy"



Bob McIlroy and frie



Dream's End Mote



Robroy Lodge and Marina





While I was going north,
Dad was going south to Destin,
Florida where he and Mother retired.
The first thing he did was become the
Mayor of Destin, and to satisfy his
business cravings, we bought a little
motel named the Dream's End Motel.
We tore it down and built the Robroy
Lodge and Marina which was a
wonderful place.

We bought a boat, the "Robroy," did a lot of fishing and took a lot of our customers and our agents on memorable fishing trips. It was a place that people — especially our customers — really enjoyed visiting. Destin had one of the most beautiful natural harbors anywhere in the United States.

While Dad went south, I decided to go west and I found a company that made corrosionresistant pipe, not for the electrical industry, but for the oil industry. Its name was Rice Engineering and Operating in Great Bend, Kansas. When I saw this place, I just knew it was for us. They took oil field tubing, cleaned it out on the inside and put a fiberglass liner inside to resist corrosion. This was a corrosion resistant pipe product for a different market. We had four lining plants in Great Bend, Kansas; Choctaw, Oklahoma; Abilene, Texas and Hobbs, New Mexico.

Finally, we built a plant in Odessa, Texas and consolidated all pipe operations there. We have changed the name of the company to Duoline Technologies and we



Rice Engineering plant in Great Bend, KS



Pipe to be lined with Duoline

manage salt water disposal systems from our office in Hobbs, New Mexico.

At that point in our history I thought, "We have fiberglass enclosures, why don't we have metal enclosures?" So we bought a company in Jacksonville, Florida called Electromate which made metal enclosures. We also bought another company called Keystone in Fremont, Indiana which also made metal enclosures. We called them all Electromate Enclosures. Unfortunately, it was not a particularly good business. It turned out to be more like the galvanized conduit business — a commodity. We never got the margins we wanted but I did get very fortunate. A large enclosure manufacturer from Germany came to the United States.



Rice Engineering headquarters, Great Bend, KS



Duoline plant in Odessa, TX



A Rice Engineering sales meeting



A Duoline lining plant in Choctaw, OK



Electromate Enclosures plant, Jacksonville, FL



Employees at the Electromate Division



**Electromate Enclosures** 



Trimm plant, Las Vegas



Robroy directors with Trimm Technologies prod

They wanted a quick entrée into the U.S. market and they bought Electromate from us at a very good price.

In 1992, I found a company in California called Trimm Industries that made metal enclosures for the computer industry. This sounded good to me. The computer industry was booming and we knew how to make metal boxes. Therefore, we bought the company from Carlton Trimm. It was in North Hollywood, California. Quickly, we moved it to Las Vegas to get away from the California costs and we built a spectacular new plant.

**Shortly after** that, we found another enclosure manufacturer making a similar product but more technologically advanced. The name of that organization was Sigma. In 1995 we bought Sigma and moved those two product lines together into our new Las Vegas building. We then built plants in Colorado Springs and Nottingham, England. Unfortunately, it proved to be a low margin business and we were unable to compete in the fastmoving computer market. Trimm became a large financial drain and we sold the business in 2002 for practically nothing. It was a big mistake but we learned some valuable lessons.

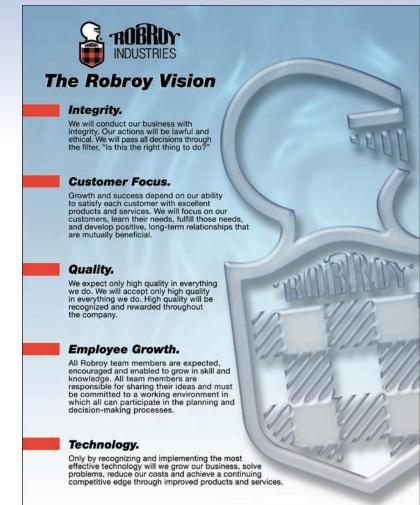
Since the sale of Trimm, our companywide performance has been at record levels year after year.

In 1995 Robroy Industries
was decentralized. We had a row
of vice presidents upstairs in our
Verona headquarters for years.
We decided to move everybody
out to the manufacturing
locations so that they could run
their own businesses. The Verona
office then became a small
corporate headquarters operation.

That was also a watershed moment because it gave us a much more nimble organization and required that we develop a consistent culture for all of the diverse Robroy operations. In response to that need we developed the Robroy Vision — five principles that all Robroy teammates live by today.

out. In 1995 I hired four general managers to run our four key operations. Of the four people I hired, the one I was a little worried about proved to be the strongest. Today the other three are gone and he, David Marshall, is now our President and Chief Operating Officer.

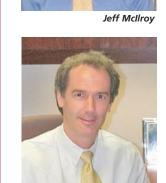
Another very important thing happened just four years ago. In 2001, we bought the company back from the public so, once again, it is owned by the McIlroy family and we are a private business. We're organized as an S corporation.





David Marshail a. Peter McIlroy





Rob McIlroy

Recently we made two more acquisitions. We bought two of our three remaining competitors in the coated conduit marketplace — Perma-Cote and KorKap. Now we own three of the four coated conduit brands that are sold in the United States.

**That brings us** up to date but I will mention four people who are significant to us as we move into our next 100 years. First of all, we have the fourth generation of McIlroys coming along.

Jeff, my oldest son, has been with the company for 15 years. He's worked in our headquarters; the Verona plant; Las Vegas; Colorado Springs; Gilmer, Texas; and now he's in Belding, Michigan as the

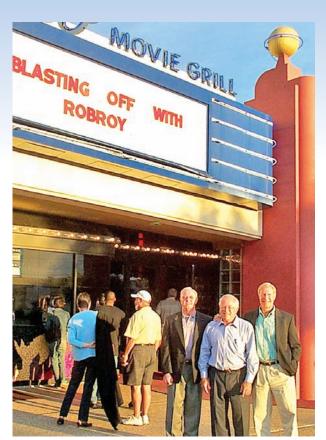
International Business Manager for our fiberglass enclosure products.

Rob, my youngest son, has been with us for 13 years. He's worked in Verona; Jacksonville; Fremont, Indiana; and Gilmer, Texas; and is the National Sales Manager for our three brands of coated conduit.

We also have an exceptional teammate in our CFO, Mike Deane. As I mentioned earlier, David Marshall became our Chief Operating Officer and the President of the company several years ago and helped to lead the company to three record-setting years in a row including a level of profitability in 2005 which was the best in our entire 100 year history!



Mike Dean



After more than three decades as our competitor, llan Bender (second from right), founder of Ocal PVC-coated conduit, joined the Robroy family in 2005.

**In conclusion,** we are an uncommon company.

Only 4% of all family businesses survive into the fourth generation. After a century, we are not merely surviving – we are prospering and progressing – a fact for which I thank all those who helped make this happen. I truly believe the best is yet to come!

Peter McIlroy II

CEO and

Chairman of the Board

Robroy Industries