

Opening Line

“Don’t worry about the world coming to an end today.
It is already tomorrow in Australia.”

(Charles Schulz)

Our Newest Sales Manager

The newest member of our sales team is, by no means, new to the industry or to sales. He is Dale Reeder.

Dale has 20 years of direct experience within the HVAC world and an additional 13 years of experience in the home improvement arena. Most recently, Dales served the Behler-Young Company as an Area Manager for 9 years, and as Branch Manager with B-Y for an additional 9 years. Suffice it to say that he knows the wholesale market and can understand your business.

For us, Dale will apply his experience, his win-win attitude, and customer service skills in managing



a territory that includes Michigan, Ohio, Kentucky, West Virginia, and the western portions of Pennsylvania and New York.

Dale makes his home in Howell, Michigan but is a “transplanted Buckeye” having been reared in central Ohio.

He earned a Bachelor of Arts in Economics from Ohio Wesleyan University. Dale and his wife, Polly, have been married for 39 years.

You can reach him by phone (574.262.2086) or email (dreeder@continentalindustries.com).

Putting America Back to Work

You can find our competitors’ web sites splashed with the American flag. But ask them where their products are manufactured and the red on their faces may match that of the flag.

In this difficult economic climate, it becomes more important than ever to “Buy American.” Our collective success is dependant upon doing so.

This is not a new philosophy for Continental. We have been designing and building products exclusively in the USA for more than 50 years.

Now, we’ve decided to illustrate that fact a little more overtly. Soon, all of our product packaging will reflect a new mantra, “Putting America Back to Work.” This new carton labeling is sure to please your customers and their’s as well.



So, you keep buying and we’ll keep “putting America back to work.”

Looking for an HVAC job?

Visit HVACWebConnection.com and take full advantage of our user friendly search format for finding the hottest jobs in the industry.

Looking to hire an hvac professional, then post a job to receive resumes from top candidates within the HVAC Industry.



Featured Partner—McCall's

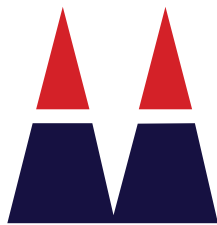
What drives someone into the HVAC supply business? In the case of Jim McCall, it was, simply, necessity. He and Ludie McCall had moved to Johnsonville, South Carolina in 1945. Soon, Jim had begun an electrical contracting business. But the allure comfort systems got the best of him and that eventually led him to his own HVAC contracting business. But then, over time, Jim suffered the frustration of suppliers not carrying what he needed for various jobs.

So, in 1967, he founded McCall's Supply (more formally, McCall's Inc of Johnsonville). McCall's became one of the first distributor in the southeastern United States to stock central heating and air conditioning products that included a full line of duct work, insulation, registers, grilles, tools, and replacement parts. Jim's company theme became: "McCall's has it all."

The company grew significantly throughout the 1970s, 1980s, and 1990s, adding branches throughout South Carolina and into North Carolina and Georgia. A central distribution center of 160,000 square feet was added in 1985. Between 2000 and 2005, additional branches were created. Today, McCall's serves the southeast with 18 total branches throughout South Carolina and into North Carolina and Georgia.

McCall's remains privately held today but has received outside recognition of growth. For instance, within the last two years the company has been recognized by Goodman for 20% sales growth. (McCall's has carried the Goodman line for more than 25 years.)

In both 2007 and 2008, the South Carolina Chamber of Commerce and *South Carolina Business* magazine, named McCall's one of "Carolina's Top 100" businesses. They were, in fact, in the top 50 both times.



Constance McCall-Baxley, VP of Administration, attributes the company success to "good leadership, past and present." Jim McCall, as well as his son, Jimmy, who also served as president and CEO, passed away in 2005 and 2006 respectively. Since that time, Dairen Jacobs, who has been with McCall's "since day one," has led the company as President and CEO.

For Dairen, unparalleled service has been the key to McCall's achievement. "We may not have the lowest price," he says, "but dealers know that if and when they need something, we can get it to them."

"Others may schedule deliveries once every two weeks, he continues. "We'll deliver twice per day or meet the dealer halfway at 10 PM on a Friday night if that is what it takes to get the job done."

While McCall's has maintained this service reputation for decades, it is a constant mandate in the company culture.

Dairen explains: "When we open a new branch, the only exposure that these dealers have with McCall's is with that branch. They may not know or care about our service reputation elsewhere. So, we train and reenforce this message in virtually all aspects of our business."

Commenting on the current economic situation, Dairen admits that McCall's has seen a slow down over the last several months. "It is a tough market," he says. "Dealers are nervous and irritable. We've also seen a



The 2008 McCall's Customer Appreciation tour takes a stop in Little River, South Carolina

(continues on page 3)

fairly dramatic shift from 'replace' to 'repair.' We have lots of retirees in the areas we serve and they have seen their savings dwindle. As a result, they are much more inclined to repair versus replace.”

“We’ve weathered other storms in the past,” Dairen concludes. “And I’m convinced we’ll weather this one as well. Yes, we are tightening our belts a bit and trimming excesses. But we’ve been able to hold onto all our people. And we’ll continue to deliver what our customers expect.”

McCall’s certainly appreciates their customers and that is demonstrated not only in everyday service but in special events. Throughout the month of December, the company held customer appreciation events at each of its 18 stores. In fact, every business day between December 1st and 23rd was devoted to a branch event which consisted of food, fun, and socializing time.

Up next? A Customer Appreciation Cruise, of course. And it gets underway just as you’re stuck in the office reading this newsletter!



These McCall’s branches in Beaufort (above) and North Augusta (below) earn kudos from Continental. Can you see why? That’s right, our strikingly colorful banners hang proudly in their front glass.



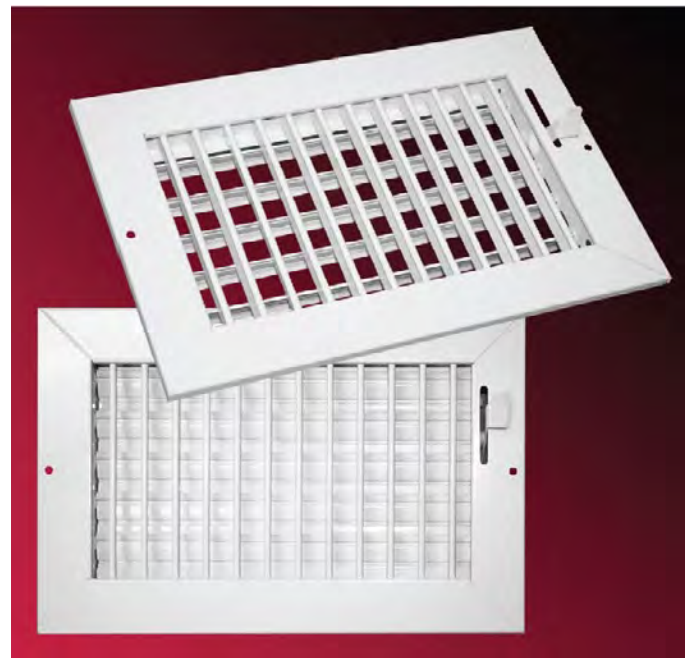
New Products!

Our design team has been busy and we’re prepared to introduce you to a few new series of products within this edition. And, of course, versatile sizing options are available within each family.

AVM Series Aluminum Sidewall/Ceiling Diffusers

Few products are more versatile than this adjustable workhorse. It offers aluminum construction and is suitable for both light commercial or high-end residential use and for sidewall or ceiling installation.

The AVM features a multi-shutter damper and adjustable, face blades in vertical orientation. The adjustable nature of the blades ensures suitable air diffusion for all mounted locations and user requirements. Easy adjustment is made possible by the generous 3/4” spacing of the face bars.



More information, as well as a product specification sheet, is available on our web site.

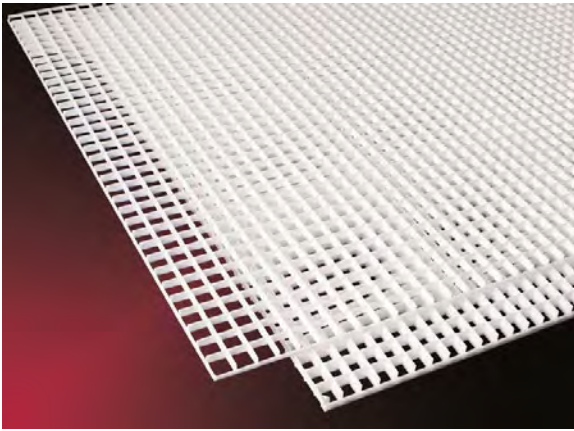
PEC Series Plastic Eggcrate Returns

For lay-in or T-bar usage, there’s no simpler way to manage return air needs than with these products. These eggcrate cores are constructed of lightweight, high-impact styrene. They come in 48” by 24” sheets but smaller sizes are available.

Cells are 1/2” by 1/2” but we offer the PEC series in 2 cell thicknesses: 3/8” and 1/2”.

Carton quantity is 10 for 1/2” cells and 15 for the 3/8” cells.

(continues on page 4)



Two cell thicknesses are offered in the PEC Series of eggcrate cores for lay-in return air applications

New R6 Rated Duct Board Plenum Products

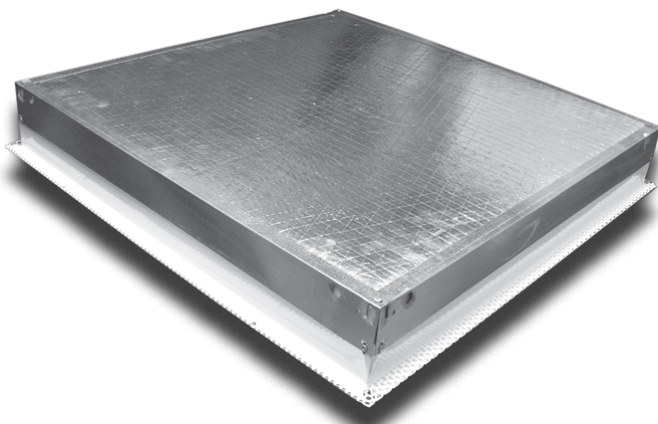
This has been a frequently requested product feature. As a result, we can now offer an R6 rated, duct board backing on several of our lay-in (T-bar) plenum products.

It is a resin-bonded fiberglass formed into rigid, rectangular boards. The outside surface is faced with a fire-resistant, foil vapor retarder and a lightweight fiberglass mat on the airstream surface. It offers excellent thermal and acoustical performance and is R6 rated.

The following T-bar products are now available with duct board plenum:

TP-DBP	Filter Grille, Perforated Face
TL2-DBP	Filter Grille, 1/2" Louvers
TL3-DBP	Filter Grille, 1/3" Louvers
FBG40W222TB-DBP	Fixed-bar Grille, 40° Bars
FBG60W222TB-DBP	Fixed-bar Grille, 60° Bars
FBSGW222TB-DBP	Fixed-bar Filter Grille
CS-DBP	Perforated Grille
CS4-DBP	Perforated Grille w/4-way Deflection

Contact your customer service representative for more information.



AHR Roundup

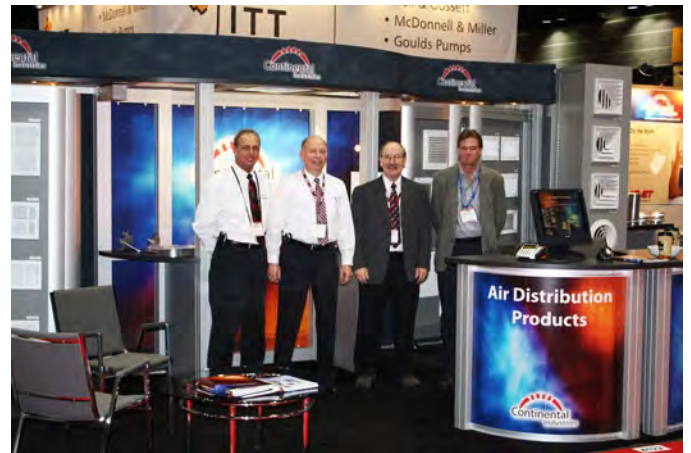
The 62nd annual AHR Expo is now a thing of the past. Incredible as it may seem, we began our affiliation with the show more than 30 years ago. Fortunately, this history with the event also gave us top billing in exhibit space selection.

This year, we took out 300 square feet of prime floor space consolidating both our GRD and venting lines into one linear booth.

Attendance was down versus the 2008 event in New York City. Still, those in attendance represented the right audience for the Continental message.

Doug Gaugler, Vice President of Sales explains: "The economy was certainly reflected in this year's event. There were not many tire kickers out there. The visitors we did receive were those interested in our American-made product and in its availability in their area. Serious buyers; not the casual attendees we've seen in the past."

Similar thoughts were echoed by other exhibiting companies. Next year, the AHR Expo heads to Orlando.



Above: Members of our sales team prepare for show opening. (L to R) Doug Gaugler, Dale Reeder, Rod Ketter, Scott Couse.

Below: Scott Couse mans the AirJet portion of the booth.



Blue Hawk News

Our Featured Partner in this issue is taking advantage of their Blue Hawk membership in partnering with Continental. How about you?



If you are a Blue Hawk member but not yet working with us, there's a perfect face-to-face opportunity to get to know us this Spring. Up next on event calendar is the annual Blue Hawk Spring Conference.

Mark Your Calendars!



POWER THROUGH PARTNERSHIP

Join Us in Chicago:
Home of the Blues for the
BLUE HAWK 2009 Spring Conference
April 29 - May 2, 2009
Hilton Chicago
Chicago, IL

Wednesday, April 29, 2009
Evening - Member/Vendor Cocktail Reception

Thursday, April 30, 2009
Morning - Member Meeting

Thursday, April 30, 2009
Afternoon - Member/Vendor Face-to-Face

Thursday, April 30, 2009
Evening - Member/Vendor Party at River East Art Center

Friday, May 1, 2009
Member/Vendor Face-to-Face

Friday, May 1, 2009
Evening - Optional Social Activity

Saturday, May 2, 2009
Optional Social Activities

Hilton Chicago
720 South Michigan Avenue
Chicago, Illinois

HARDI Conference Info:
2009 Annual Fall Conference
October 31, 2009 - November 3, 2009
JW Marriott Orlando, Grand Lakes
Orlando, FL

BLUE HAWK Events to be determined

JW Marriott Orlando, Grand Lakes
Orlando, FL



The event takes place in Chicago, April 29 to May 2. We hope to see you there!

Who Said It?

“A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so.”

(See the disguised answer below.)



A Peek Inside

Another behind-the-scenes view of Continental: Order-picking in our warehouses is facilitated by self-guided trucks operating in narrow aisles. Order pickers use networked scanners to ensure proper selection and to automatically adjust inventory levels.



Closing Line

Never underestimate your ability
to overestimate your ability.

Continental Industries, Inc.
100 West Windsor Avenue
Elkhart, Indiana 46514

Phone: 800.735.5272
Fax: 574.262.2075

Email: info@continentalindustries.com
Web: www.continentalindustries.com

© 2009 Continental Industries, Inc.