

RHEEM MANUFACTURING COMPANY HISTORICAL TIME LINE



1920's

1925 Richard S. and Donald L. Rheem with financial help from brother William K. Rheem formed a co-partnership and the Pacific Galvanizing Company to galvanize steel drums and other metal products on June 20, 1925, in Emeryville, California.

The plant was enlarged to house Rheem Manufacturing Company, a second co-partnership, and began manufacturing steel drums.

1930s

1930 Rheem Manufacturing Company was incorporated on January 22, 1930, acquiring the assets of the two co-partnerships, as well as those of the Republic Steel Package Company of California. This purchase gave the company a plant in Richmond, California, and a broader product line including boilers and tanks.

1931 Rheem entered a second field through its acquisition of the John Wood Manufacturing Company of California and began manufacturing automatic gas storage water heaters.

The company built the South Gate plant, near Los Angeles, California.

1933 Rheem moved the Emeryville operations to Richmond and the following year sold the Emeryville plant. The Richmond plant was headquarters for Rheem Manufacturing Company for many years.

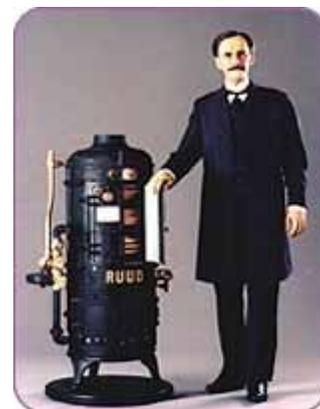
1937 For the first time Rheem offered its common stock to the public through a syndicate headed by Blyth & Co., Inc., and Greenwood- Raggio & Co. Until then the company was owned entirely by the original founders.

The company built a plant in Houston, Texas, for manufacturing water heaters, boilers and tanks. It leased a drum plant from National Steel Barrel Company of Cleveland, Ohio, and purchased the business and drum plant of Meurer Steel Barrel Company in Newark, New Jersey.

Rheem opened its first plant overseas in Sydney, Australia manufacturing shipping containers and household appliances.

The company opened executive and sales offices in the RCA building in New York City.

Rheem purchased the 34th Street drum plant in Chicago, Illinois, replacing the Cleveland plant and leased the plant from the Southern Steel Barrel Company in New Orleans, Louisiana.



1940s

1940-41 Rheem built three plants and a Research Laboratory at Sparrows Point, Maryland. The plants manufactured water heaters, boilers, tanks, stamping and Navy ammunition boxes. The laboratory focused primarily on improving protective coatings and linings for steel containers and other metal products.

By the end of 1940, Rheem was the country's largest manufacturer of steel shipping containers and the following year of automatic water heaters as well.

1940-45 Rheem was involved mostly with wartime production,

1941 Rheem's Richmond and Newark plants received the company's first Navy "E" awards on December 3, 1941 for outstanding excellence in production.

In August 1941, the company started the "Rheeminder," its first employee newsletter distributed to all plant locations.

Rheem began construction of a plant in Melbourne, Australia,

1942 Rheem purchased the former American Radiator and Standard Sanitary Corp. plant in Birmingham, Alabama, to produce ordnance materials.

1943 Bethlehem Steel Corporation purchased 230,000 shares of Rheem common stock constituting approximately a 35 percent interest of the total 643,00 outstanding shares. The Rheem family and others close to management held approximately 200,000 shares and the public 213,000 shares. Bethlehem Steel Corporation's participation helped Rheem to finance its wartime expansion.

Rheem began construction of the Brisbane plant in Australia.

1944 Rheem acquired the Stokermatic Company in Salt Lake City, Utah, adding automatic coal water heaters, coal stokers and stoker-fired furnaces to heating line.

Rheem purchased the Atlas Steel Barrel Division of Bethlehem Steel Corp. giving Rheem a drum plant in Bayonne, New Jersey, replacing the Newark plant which was sold in 1942.

Rheem acquired a substantial interest in Piatt-LePage Aircraft Company of Eddystone, Pennsylvania, which manufactured helicopters.

1945 By the end of war, Rheem sales went from \$10 million in 1940 to over \$90 million in 1945. Seven plants received Army-Navy "E" awards and several renewal stars for outstanding excellence in production.

Rheem began an extensive reconversion program to modernize and streamline operations for peacetime production which was completed in 1948.

Birmingham and New Orleans plants won the U. S. Safety Award from the U. S. Dept. of labor for outstanding safety records reducing accidents 84 percent and 72 percent, respectively.

The National Safety Council used Rheem's Chicago plant as an example of a clean, neat, accident-free work environment for its film on accident prevention.

1946 With a shift in emphasis from industrial to consumer markets after the war, the company launched its first extensive national advertising program of household appliances to gain consumer awareness of its products and name.

Rheem resumed overseas expansion opening two plants in Brazil.

1947 Rheem purchased Frazer line of gas furnaces and winter air conditioners foreseeing a future for central heating and air conditioning systems.

Installed automatic conveyORIZED galvanizing equipment at various plants which replaced hand-operated pickling and hot-dip galvanizing method lengthening life span of boilers, tanks and containers and improving quality.

Rheem began operations in Hamilton, Ontario, Canada, and set up its first Asian plant in Singapore.

1948 Rheem instituted its first Executive Development and Training Program.

1950s

1950 Rheem celebrated its 25 years in business with record sales and net earnings.

1951 Rheem developed the "Rheemcote" lithography process which allowed the use of multicolor designs and messages on containers.

The company bolstered its tank and boiler line by purchasing the entire range boiler and tank business of Wheeling Steel Corp., which included its well-known "Whitaker" line of boilers.

Rheem formed the Government Products Division to resume aircraft and ordnance work which, in the mid-50s, separated into the Aircraft Division for research and production of ordnance and aircraft materials and the Electronics Division for research and manufacturing of military and commercial products.

Rheem entered its first European partnership in England.

1951 Rheem built a Development and Engineering Laboratory in Whittier, California.

Rheem signaled its entry into the major appliance market when it purchased the "Wedgewood" line of quality gas ranges through its acquisition of the James Graham Manufacturing Company. It later expanded the line to include gas or electric clothes dryers.

A. Lightfoot Walker who joined Rheem in 1937 as head of the Australian operations was put in charge of the company's international operations based in New York City. Under his leadership the division experienced rapid growth and market penetration.

1952 Rheem developed the "Rheemlined" drum. Using an impervious lining of "Saran," unaffected by most chemicals, it offered a new solution to packaging problems of corrosion and spoilage. It opened new uses for steel pails and drums for food, chemical and pharmaceutical industries.

Rheem introduced the "Coppermatic" water heater featuring an extraordinary durable tank consisting of a copper shell within a conventional steel tank and offering a 10-year warranty.

1953 Rheem added fiber and steel-fiber drums to its container line.

Rheem introduced a Credit Union service to employees,

1954 Rheem developed "glass-lining" which was the bonding of porcelain lining to the inner surface of the water heater tank. It was the greatest boon in the industry to extending water heater tank life.

Rheem acquired U. S. Spring and Bumper Company to enter the automotive parts business. The Automotive Division produced chiefly springs and bumpers for all automobile assembly plants, such as Ford and General Motors, in the western United States.

The company started the Value Analysis Program, a team- approach for developing ideas to increase productivity, cut costs and eliminate waste.

The company's Galvanizing Dept. in Chicago received the National Safety Council Award for operating nine years without a loss time accident--an exceptional record where men worked with molten zinc and caustic solutions.

The company introduced a company stock purchase plan to employees.

Rheem began participating in the Junior Achievement program, "American Teens," which gave local teens, working with Rheem advisors, an opportunity to learn how to start and run their own business.

1955 Rheem purchased the patent rights to the air conditioning process from Ultrasonic Corp. of Cambridge, Massachusetts, signaling a significant step in this field.

1956 Rheem was the largest manufacturer of steel shipping containers in the world.

Rheem moved its headquarters office from Richmond, California, to 400 Park Avenue, New York City.

Rheem added a quality line of bathroom and kitchen plumbing fixtures through its acquisition of Richmond Radiator Company in Metuchen, New Jersey.

Rheem added the Blue Bonnet and Western-Holly line of built-in and free-standing gas ranges to its appliances through the purchase of Standard Enameling Company.

The company introduced the "Rheemaire" central air conditioning and heating system for homes with the exclusive patented Air-Film principle making it the most efficient unit available at the time.

Rheem was featured in a special section of Finish magazine as the number one user of steel in the metal products field, outside of the automotive industry, and as a manufacturer of a broad group of fabricated metal products including several major home appliances.

Rheem and a group of the nation's leading scientists and engineers in the semiconductor field formed Rheem Semiconductor Corporation to develop transistors, diodes and other semiconductors.

Richard Rheem became chairman of the board of Rheem Manufacturing Company in September 1956, replacing Donald Rheem who had held the position since January 1956. Donald Rheem became vice chairman of the board in September 1956. A. Lightfoot Walker succeeded Richard Rheem as president and chief executive officer of Rheem Manufacturing Company. Clifford V. Coons was elected Executive Vice President of the company.

William Rheem, a member of the Board of Directors of Rheem Manufacturing Company since its inception, resigned from the company.

1957 Rheem developed the Centrifugal Lining Method, which automatically sprayed a coating on the interior wall of pails and drums using centrifugal force. Since the process used no air, pinholes and blisters in the lining were eliminated.

1958 Rheem sold its Blue Bonnet and Western-Holly lines of gas ranges due to the regional nature of their distribution which did not fit its plans for national growth of major product lines.

Richard Rheem retired as chairman of the board of Rheem Manufacturing Company. He continued to serve as director and consultant but devoted himself principally to outside activities and investments. He died apparently of a heart attack a few steps from his home in Woodside, on the San Francisco Peninsular, California, at age 67, on December 10, 1971.

Donald Rheem resigned as vice chairman of the Board of Directors of Rheem Manufacturing Company. He died at Rossmoor Convalescent Hospital, Walnut Creek, near Moraga, Contra Costa County, California, at age 81, after suffering a stroke

1959 Rheem developed "Sterilpac," a unique process which allowed food to be shipped and stored in vacuum sealed containers without refrigeration or additives.

The company introduced the "Corsaire," a completely air-cooled central air conditioning unit for residential and commercial use.

Rheem acquired a substantial majority interest in Califone Corp., in 1959, and a minority interest in Roberts Electronics, Inc., in 1961, and formed the Rheem Califone-Roberts Division, selling tape recorders, teaching machines, sound systems and other related equipment for the home, schools and industry.

1960s

1960 Rheem purchased the water heater business of Ruud Manufacturing Company giving the company access to a broader line of commercial products, a strong distribution network in the commercial market and a second respected name in the water heater field.



Rheem consolidated its water heater operations in the Chicago plant and moved heating and air conditioning operations to Kalamazoo, Michigan. It was a strategic decision that substantially improved the company's profitability.

Rheem purchased a building business forming the Rheemetal Building Division, which later became the Rheem-Dudley Building Division with the acquisition of Dudley Steel Corporation, Paramount, California, in 1965. The division constructed pre- assembled metal buildings, such as schools, shopping centers, snack bars and gas stations, initially in the West and Southwest and then nationwide with the purchase of Dudley Steel Corp.

By 1960, Rheem operated 42 plants in 19 countries abroad. It had subsidiaries and affiliated companies in Western Europe, Canada, Central and South America, the Middle East, Australia, New Zealand and Asia and, in 1967, South Africa. In less than 10 years, sales went from \$15 million in 1951 to \$62 million in 1960.

- 1961 Rheem acquired Orendorff Manufacturing Company which made earth-engaging tools for agriculture, road-building and industrial machinery .
- 1962 Rheem developed the "Fusioncote" process for shipping products which fused protective plastic to interior surfaces of large steel containers for aggressive chemicals, cleaning compounds, foods and other products that formerly required more expensive containers.

Rheem introduced the "Demand-O-Matic" water heater with a special thermostat that automatically increased BTU input as hot water demand increased.

- 1963 Rheem was the first manufacturer to offer decorated bathroom fixtures in pastel shades and floral designs, created by Mrs. Ellen McCluskey, noted interior designer.

Rheem International, Inc., was established.

- 1965 Rheem diversified into oil exploration with its purchase of Superior Tank and Construction Company, Los Angeles, California, and Vulcan Steel Tank Corp., Tulsa, Oklahoma, forming the Rheem Superior Division. The division made custom-engineered products and systems for the oil and gas industries.

Rheem purchased Dudley Steel Corp., Paramount, California, combining it with its existing Rheemmetal Building Division to form Rheem-Dudley Building Division. This acquisition gave the company a broader product line, expertise at producing pre-engineered metal buildings and components, and nationwide penetration.

Rheem purchased Tipper Tie, Inc. of Union, New Jersey, and San Leandro, California, and began making metal closures and processing equipment for packaging in the food and chemical industries.

- 1967 A. Lightfoot Walker became chairman of the board of Rheem Manufacturing Company and Clifford V. Coons became president of the company.

- 1968 Rheem introduced its "Imperial" gas furnace with solid state controls. It could heat, cool, humidify, dehumidify and purify the air.

Rheem Manufacturing Company was bought by City Investing Company of New York.

- 1969 Rheem acquired Aragon Products, Inc., of Newark, New Jersey, a manufacturer of unique vertical plastic extruders and expanded its capabilities in manufacturing plastic containers.

Rheem purchased the National Heater Company in St. Paul, Minnesota, strengthening its commercial line of heating and cooling units.

Rheem purchased New York Pressing Companies, with plants in New York City and Paterson, New Jersey, forming Rheem Textile Systems, which made pressing and cleaning equipment for the clothing and dry cleaning industries.

1970s

- 1970 Rheem acquired Acme Industries, Jackson, Michigan, giving it entry into commercial markets for its central air conditioning equipment.

Rheem made a strategic commitment to producing heating and air conditioning equipment by moving its operations from Kalamazoo, Michigan, to a new high tech facility in Fort Smith, Arkansas.

1971 Rheem built a plant in Montgomery, Alabama, to produce water heaters for the Southeastern United States and supplement the Chicago facility. The plant has been enlarged twice.

1972 Clifford V. Coons retired as president of Rheem Manufacturing Company.

1973 Rheem formed two divisions--the Air Conditioning Division producing heating and cooling products and the Water Heater Division producing water heaters. The Air Conditioning Division was headquartered in Ft. Smith, Arkansas; the Water Heater Division in Chicago, Illinois.

William C. Leone became president of Rheem Manufacturing Company, succeeding Clifford V. Coons.

1974 A. Lightfoot Walker retired as chairman of the board of Rheem Manufacturing Company.

Rheem's Air Conditioning Division added a plant in Greenville, Alabama.

1975 Peter C. R. Huang, co-president of City Investing Company, assumed presidency of Rheem Manufacturing Company, succeeding William C. Leone.

Rheem acquired Revco, Inc., and made food freezers for home use and freezers for scientific use which were sold under the Revco label and private brands.

The "do-it-yourself" market was an emerging trend in the mid-70s for the water heater business which would become significant. Increasingly, consumers were buying water heaters at lumber yards, home improvement centers and discount and hardware chain stores.

Rheem Manufacturing Company changed its incorporation from the state of California to Delaware.

1978 Rheem's Air Conditioning Division added a plant in Milledgeville, Georgia, to meet increasing demand for its products.

1979 Rheem's Air Conditioning Division added heat pumps to its product line in the mid-70s and, in 1979, introduced a full range of "New Day" heat pumps, as well as a new line of high-efficiency central heating and air conditioning equipment.

Despite a slowdown of construction activity during the 70s to mid- 80s, Rheem's water heater and heating and air conditioning lines experienced substantial growth during the decade.

1980s

1983 Rheem's Water Heater Division introduced the Richmond line of gas and electric water heaters to the retail market for the "do-it- yourself" customers who buy at hardware, home improvement and discount chain stores.

1984 The U.. S. and Canadian operations of Rheem Manufacturing Company were bought by an investment group jointly led by Kohlberg, Kravis, Roberts and Company and Merrill Lynch Capital Markets through a private holding company called Pace Industries, Inc.

Peter C. R. Huang resigned as president of the company.

1985 Robert B. Gilbert became president of Rheem Manufacturing Company.

Rheem decided to discontinue its container business in the U. S. and overseas, due to a changing market and strategic direction of Rheem.

Rheem acquired Raypak, Inc., West Lake Village, Calif., taking a large step in the swimming pool heater and commercial boiler markets and gaining access to important new commercial markets.

1988 Rheem was bought by Paloma Industries of Nagoya, Japan

Rheem entered into a joint venture with Water Heater Innovations, Inc., which became a subsidiary of the Water Heater Division. With this new relationship, Rheem began manufacturing the Marathon nonmetallic water heater featuring a plastic tank and lifetime warranty.

Rheem purchased the WeatherKing brand from Addison Products Company, which broadened its distribution network in the residential and commercial markets.

1990s

1990 The Chicago Water Heater operations were transferred to the Montgomery, Alabama, plant and the company's new plant in Nuevo Laredo, Mexico.

Gary L. Tapella became president of Rheem Manufacturing Company succeeding Robert B. Gilbert, who retired.

The Montgomery, Alabama, plant became headquarters for the Water Heater Division. Water heaters also were made in Rheem's Ontario, Canada, plant.

1992 Rheem's Air Conditioning Division introduced the smallest gas furnace line in the industry. At only 34 inches tall and available in upflow, downflow and horizontal configurations, this furnace makes installations much easier and adaptable to small areas.

1994 Rheem's Air Conditioning Division was the first to adapt scroll compressor technology to its entire line of air conditioning products, providing superior performance, efficiency and reliability.

Rheem's Raypak Division revolutionized the industry by introducing the RP-2100 pool and spa heater, featuring electronic controls, on-board diagnostics, non-heat retaining combustion chambers and built-in dual bypass systems.

Rheem rejoined its former partner in Argentina to form Rheem S. A., manufacturing storage water heaters and room heaters.

1996 All Rheem plants qualified for ISO 9000 certification, which requires certain quality standards and tight control over the manufacturing processes.



Rheem's Water Heater Division introduced the Rheem/Ruud Professional Series of residential gas water heaters, a "feature- rich" product, specially designed for professional plumber/contractors.

Rheem's Water Heater Division introduced the Rheem/Ruud "Universal" line of commercial gas water heaters, which provides easier replacement for the vast majority of products in the market.

Rheem's Water Heater Division introduced a commercial electric water heater which offers the most effective conversion capabilities in the industry.

- 1997 Rheem's Water Heater Division completely redesigned its Richmond gas and electric water heater line for the retail market. Rheem's Air Conditioning Division was the first to introduce a complete line of 14 S.E.E.R. remote condensing units and heat pumps.

Rheem's Raypak Division added a licensee that manufactures Raypak products in England.

Rheem's Raypak Division introduced a new heat pump line enhancing the division's capability in offering optional forms of pool heating.

Rheem's Raypak Division received the International Forum Award for its design of the RP-2100 residential pool heater.

- 1998 Rheem's Air Conditioning Division introduced the patented Modulating 90 Plus gas furnace to the market, which maintains a home's temperature within 1/2 degree of the thermostat set point at all times, eliminates hot and cold spots and is extremely quiet.
Rheem Canada was the first manufacturer to introduce a Power Vent 50 gallon, 80,000 BTU (PV50-80) residential gas water heater.

Rheem's Raypak Division introduced a deluxe Advanced Design Boiler featuring an industrial grade, non-clog burner with a ten-year unconditional warranty and an optional secondary heat exchanger that produces 98 percent efficiencies.

Rheem's Water Heater Division reached an agreement to supply The Home Depot with a GE water heater line throughout the U.S. and Canada.