

THREE TOOLS MADE NEWS IN 2008

It's not news that CHANNELLOCK® has been a leading innovator in hand tool design and manufacture for more than 120 years. But when three of our tools change the game, people notice. Here are the CHANNELLOCK® tools that made history this year.

Newest member of the Big Boyzz club 6WCB WideAzz® outperforms standard 6" adjustable wrenches

The new 6" WideAzz® adjustable wrench is designed to tackle big jobs in small spaces. The opening span is over 1¾" – as wide as a standard 10" wrench. But, the shorter handle lets you get into tighter spaces.

The 6" WideAzz® span is ideal for gripping larger nuts, bolts, pipes and more.

- Longer individual jaws grip better, avoiding slippage or round-off
- Lighter in weight than traditional adjustable wrenches
- Made with chrome vanadium steel for strength and corrosion resistance
- Adjusts smoothly using a precision engineered 4-thread adjustment knurl
- Code Blue® grips deliver increased comfort and durability

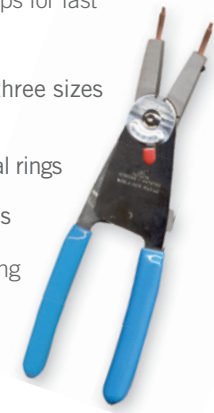


The CHANNELLOCK® for your ring thing 10" 929 snap ring pliers for bigger jobs

The 929 snap ring plier can handle both internal and external retaining rings up to 4" in diameter. That's the right size for tackling the big jobs on the farm, in auto repair shops and on construction sites.

Together with the 6¼" and 8" snap ring pliers, you'll be ready to handle retaining rings from 1" to 4" in diameter. The 929 adjustable snap ring set comes with interchangeable alloy steel tips for fast switch outs on the job.

- Color-coded, interchangeable alloy steel tips in three sizes with included hex key
- Single-handed quick change from internal to external rings
- Distinctive CHANNELLOCK BLUE® comfort grips



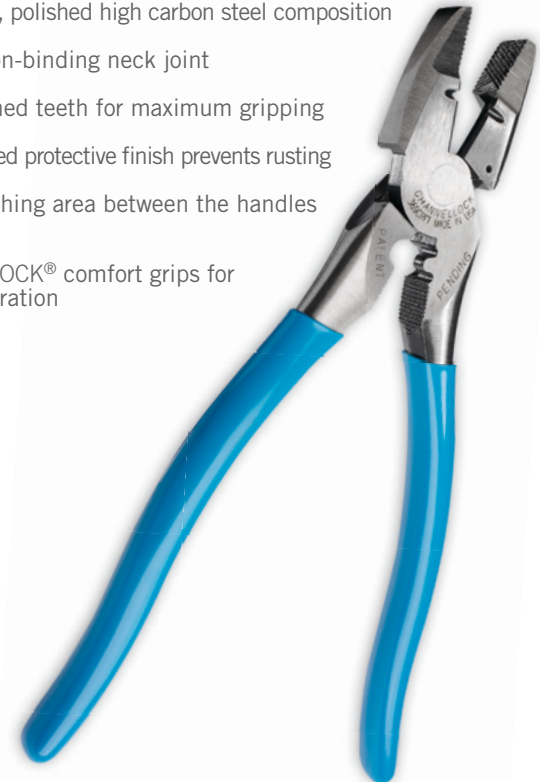
369 puts it all on the line Linemen's tool awarded U.S. patents

The innovative design of Channellock's signature linemen's plier sets it apart from the competition. That's why CHANNELLOCK® was able to recently secure two patents for the tool.

The 9.5" CHANNELLOCK® Fishtape Puller (also called the 369CRFT™) is able to pull fish tape in a straight motion. The unique design of the joint path reduces damage and kinking to the fish tape.

The multi-functionality of the 369CRFT™ makes the job easier for professional electricians, cable technicians and experienced do-it-yourselfers.

- Built-in 12 AWG stripper and recess for creating wire loops fast
- Crimper/crusher for both insulated and non-insulated wires
- Laser heat-treated knife/anvil cutters last longer
- Drop-forged, polished high carbon steel composition
- Smooth, non-binding neck joint
- Cross-hatched teeth for maximum gripping
- Electro-coated protective finish prevents rusting
- Useful crushing area between the handles and joint
- CHANNELLOCK® comfort grips for ease of operation



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WORK HARD. SWEAT BLUE.



In our bucket list
Big news in tools from 2008

Feel'n' lucky?
Sign up for Channellock's Football Challenge Sweepstakes

Restoring America's entrepreneurial spirit
A message from Bill DeArment

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BLUE NOTES

This is American Blue™, our quarterly newsletter. If you have a story idea you'd like to see in American Blue™, please submit it to:

IN THIS ISSUE...

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PCN-TV TOURS CHANNELLOCK® MANUFACTURING

“PCN Tours” covers Pennsylvania from museums to manufacturing. The show recently showcased Channellock’s Meadville, Pa., manufacturing operations as part of its coverage of all things that make the Commonwealth a great place to live and work. “PCN Tours” airs daily in Pennsylvania at 7:00 a.m. and 6:00 p.m. with a premiere televised every Sunday at 8:00 p.m.

DIY NETWORK TO THE RESCUE



Two new episodes to showcase CHANNELLOCK® Rescue Tool

When the DIY Network’s “Cool Tools” show spotted Channellock’s Rescue Tool at the 2008 National Hardware Show, they knew they had a “star” in their hands. So the network will feature the Rescue Tool on an episode of its popular tool show scheduled to air in mid-November.

In addition, the DIY Network is planning to showcase the Rescue Tool on a second program in the upcoming season. Check your local cable TV listings to learn when the program will appear in your area.

CHANNELLOCK® receives 15th straight state safety certification

In 1994, CHANNELLOCK® was one of the first companies to have its manufacturing safety committee certified by Pennsylvania. Today, CHANNELLOCK® is the only company in the state to have received this certification every year since.

CHANNELLOCK® has manufactured tools in Pennsylvania since 1886 (we still do!) and is committed to providing workers with a safe working environment. The workplace safety committee has been instrumental in reducing lost time due to injury, controlling insurance costs and ensuring a competitive, productive American workplace. In fact, the Pennsylvania Department of Labor and Industry recently recognized CHANNELLOCK® for a 99 percent reduction in workers’ compensation claims over the past five years.

CHANNELLOCK® Challenge tests your football know-how

Enter to win a 5-piece CHANNELLOCK® tool roll
New Contest Every Two Weeks – Enter Every One!

Want a chance to try out for the pros? Play the CHANNELLOCK® Football Challenge and you could win a 5-piece tool roll. Visit www.ChannellockSweepstakes.com and click the link to test your football skills. Then submit your entry with your email address to enter the sweepstakes. You can even match up your skills with a buddy—just forward the contest link to a friend. Winners will be chosen every two weeks. The CHANNELLOCK® Football Challenge runs through February 1, 2009.



American Blue™ now comes in “green” too

Here’s how to opt-in for our electronic newsletter

How would you like to receive future issues of American Blue™? If you prefer paper issues like this one, you don’t need to do anything. But, if you’d rather receive the electronic edition of American Blue™, visit www.channellock.com to sign up.

Our e-newsletter is a great way to get CHANNELLOCK® news and offers sooner on your desktop, laptop or mobile device. Each issue has a quick link that makes it easy to pass along your copy of American Blue™ to a friend or co-worker.



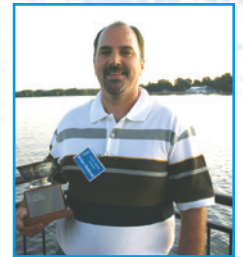
STALLARD SOARS WITH FALCON AWARD

Meet the winner of fifth annual Falcon Award

The Falcon Award is presented to the CHANNELLOCK® associate who best demonstrates:

- speed in action through productivity
- far-sightedness and clear vision in making everyday business decisions
- on-the-job performance
- leadership skills through participation in community organizations
- clear understanding and commitment to Channellock’s “Vision Blue”

The 2008 Falcon Award was presented to *Brian Stallard* on August 20th. He is known for his great attitude and work ethic. He continuously demonstrates a dedication and willingness to do any job that is asked of him no matter how difficult it may be.



Stallard and his wife have provided foster care for 15 children in the past dozen years. They are in the process of adopting four of the six foster children currently in their care. Joanie Sweeney, director of corporate development, commented on Brian Stallard’s selection: “He is a wonderful person in every sense of the word...on the job, in the community and to his friends and family.”

IN HIS OWN WORDS

by **William S. DeArment**
President and CEO, Channellock, Inc.



“Suppose you are an idiot. Suppose you are a member of Congress...but I repeat myself.” – Mark Twain

Welcome to the world of do-nothing, Congressional Zombies. Some people (namely Congress and, while I’m at it, our liberal media pundits) cling to the assumption that we need lots of government regulation, higher taxes and more government-run agencies/entities/bureaucrats. (I’m from the government, and I’m here to help you...)

Sounds like Obama-speak to me.

In the real world, continued growth in per capita income comes from improvements in productivity, which drives a higher standard of living. More rapid growth of the economy provides more resources. This all helps to fight oncoming challenges like poverty, better education, an aging population, and energy and food needs. This growth does not come from the government. It comes from the private sector...from entrepreneurial efforts in a capitalist, free-market system.

BUT, those efforts are influenced (called constrained) by rules and/or the basic infrastructure that the government has put in place. This is the reason confiscatory taxation, excessive regulation, and proactive income RE-distribution are a recipe for disaster in the coming years.

Urgently needed now – and going forward – is a Congress (government) that understands the USA growth engine. The new administration and

Congress must ensure that the entrepreneurial revolution started in America continues into the future. The most recent, unprecedented growth came from companies like Microsoft, Google, Intel, Apple and Sun Microsystems – companies that seemed to come “out of nowhere” according to some media experts. They didn’t. They came out of a system that encouraged and rewarded entrepreneurial risk taking.

In the meantime, newer and more nimble foreign competitors have emerged.

“Analysts” (more zombies) at that time urged big companies to copy the policies of Europe and Japan, all the while missing the most important movement in the United States: entrepreneurial capitalism rapidly renewing the vigor of the U.S. economy.

Today, the long term trend around the world is aimed at laissez-faire capitalism. WHY? The aging populations of the world’s nations and the shrinking birthrates around the globe are creating challenges that cannot be solved by overly generous social programming. There are simply too many people who would need to be supported by too few workers who would be too heavily taxed.

Contrast that with the benefits of laissez-faire capitalism. (For the Zombies, that is low taxes and fewer regulations.) This system stimulates entrepreneurs and established corporations alike to innovate, start new organizations, create good jobs and reward investors with economic wealth that can be further invested in more new business ventures. Throughout history, this virtuous cycle has proven time and time again to be the only way to generate wealth and raise the quality of life for all the members of society.

This really isn’t rocket science...