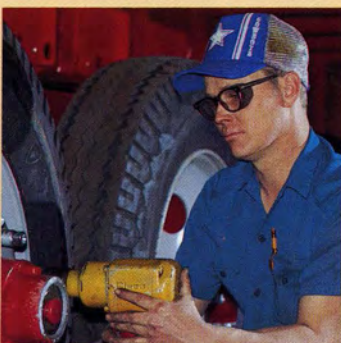
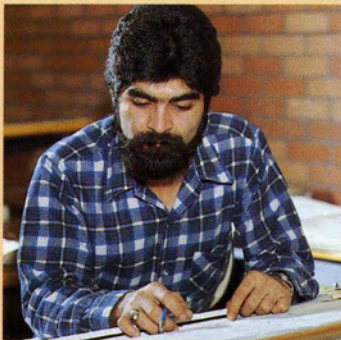


LUFKIN

FEBRUARY 1982

ROUNDUP



1981 Employee Annual Report





FROM THE PRESIDENT'S DESK...

FELLOW EMPLOYEES:

Last year was one of the most successful and challenging years in the history of Lufkin Industries. In spite of a floundering national economy, our company prospered, and our products were in great demand.

Sales increased by 30 percent compared to 1980, growing from \$274 million to \$360 million. Oil field pumping unit sales contributed 80 percent of this amount. We built and shipped 8,801 pumping units, 1,181 units more than in 1980.

In 1981, we completed a \$7.5 million industrial and marine gear manufacturing complex. That product line accounted for \$34 million of our sales last year, and with the new production facilities, we are confident our sales will increase more and more in the coming years.

Although trailer sales are down nationwide, our Trailer Division built almost 2,100 trailers last year, representing nearly \$30 million in sales. The division also assisted in the manufacture of some 2,150 pumping units, one-fourth of our total unit production. Also, we built and shipped 750 industrial and marine gear units in the Machinery Division in addition to pumping units.

The second year of the 80s was a good year for our people, too.

Our employment increased by almost 600 persons in 1981. More than 4,200 employees are receiving

Lufkin Industries paychecks in East Texas and in other parts of the country. Last year, we paid around \$70 million in employee salaries, and some \$20 million in employee benefits, almost \$90 million in employee salaries and benefits. A record number of employees were promoted during the year, and the company's current modernization and expansion program will guarantee further career opportunities in the future.

Many experts believe that the companies with the brightest futures in this decade are those that will help the world develop new energy sources. As the leading manufacturer of oil field pumping units in the world today, we are in a fortunate position. We must not, however, rest on our laurels or forget the competition.

The reason people continue to favor Lufkin Industries with their business—be it for pumping units, gears or trailers—is our reputation for quality. Our future is dependent on our ability to offer the best product on the market, and back it with the finest service available.

In this employee annual report, we will examine the year in depth, its highlights and challenges, its problems and successes. We hope you enjoy reading it, and that you share our pride in your achievements. Congratulations to all of you for a job well done.

We look forward to 1982, the company's 80th anniversary year, with full confidence in our ability to continue the LUFKIN record of success.

A handwritten signature in dark ink, appearing to read "D. Land", written in a cursive style.

1981

A Year of Good Fortune

What will you remember about the year 1981? The attempted assassination of a president and a pope? The successful flight of the space shuttle? The federal program to cut taxes and spending? The appointment of a woman to the Supreme Court?

Or was 1981 a year of personal triumphs? A promotion? A marriage? A new addition to the family? The purchase of a new home?

At Lufkin Industries, the year 1981 will be remembered as a year of good fortune. The mood for the year was set when FORTUNE magazine, one of the leading business publications in the nation, featured the company in a February issue. The article examined the company's position in the oil field pumping unit industry, describing the LUFKIN name as familiar to oilmen as Coke and Kleenex are to the general public.

The company was called a "powerful and visible force" in an exploding oil exploration and development market, and the LUFKIN pumping unit was acclaimed the "best you can buy." The company's success, the article maintained, was the result of its

"reputation for quality." Lufkin Industries was gaining national attention as the leader in the oil field pumping unit industry.

And, the recognition was increasing the demand for LUFKIN pumping units. The company built a record 9,163 pumping unit gear boxes, and shipped 8,801 pumping units. Pumping units sales topped \$290 million for the year. To meet production requirements, the company continued its modernization and expansion program. Construction began on a new structural steel plant featuring the most efficient equipment available. A new gear box machining area was completed to house machining centers that would cut in half the machining time old methods required. The foundry main bay was expanded, and a new melting system installed.

But strides also were being made in the industrial and marine gear product lines. The completion of a new gear manufacturing complex during the summer introduced a new two-factory concept of manufacturing to the company, separating pumping unit and gear production. The finest in gear machining equipment was

purchased, improving production capabilities. Machinery sales personnel from branch offices throughout the country and local home office personnel met for a two-day conference on improving and marketing LUFKIN gears. The company was gaining importance in the gear industry, and gear sales topped the \$34 million mark for the year.

Despite another poor year in the trucking industry, the Trailer Division's sales increased almost 30 percent over the previous year. The division again assisted in pumping unit production, fabricating and assembling one-fourth of the company's total pumping unit production. During a year of economic recession for many local industries, the Industrial Supplies Division finished the year with record sales.

Employment increased in almost every area of the company, and LUFKIN paid more than \$69 million to its employees in salaries and wages, dollars that went back into the communities where they lived and shopped. In Lufkin, employees donated a record number of units of blood to the Stewart Blood Center of Tyler, and

*The company gained national recognition as a leader
in the oil field equipment industry...*

Industrial and marine gear manufacturing prepared for the future...

Trailer sales increased despite the economy...

and the Industrial Supplies Division settled into a new home

the local United Way drive was the most successful in the company's history. Absenteeism on the job continued to decline as employees participated in the incentive attendance program, and many employees were promoted to higher positions within the company.

Lufkin Machine Company, Ltd., the company's Canadian-based manufacturing plant, celebrated its first year of operation. The Little Rock, Arkansas foundry and Cushing structural shop added badly needed production capacity to machinery manufacturing. The Houston trailer sales and service branch moved to new facilities, and several other trailer branches began remodeling plans. Machinery salesmen in 20 different U.S. locations spent a busy year working closely with pumping unit customers and establishing the LUFKIN name with the gear industry.

The year was not without some problems, however. To meet the growing number of pumping unit orders, employees were called upon to work longer hours and many weekends. When the pumping unit demand could not be met,

machinery sales personnel were forced to allocate shortages. Production had to be maintained during major construction projects. More and more companies began to enter the pumping unit market, many attempting to copy the LUFKIN unit.

Increased fuel costs and double-digit interest rates plagued the truck trailer industry. Trailer sales employees faced an even more competitive market than in 1980. The decline in the home construction industry affected the lumber industry, both important customers to the Industrial Supplies Division.

But these events did little to overshadow the successes of 1981. The company was establishing itself as a major U.S. manufacturer. The boom in the pumping unit market allowed the company to expand and modernize manufacturing facilities for future use. The machine shop researched different tooling and hobbing methods for marine gears. The engineering department redesigned high-speed gear increaser and reducer lines for higher horsepower ratings, and reviewed the pumping unit line to improve the effective-

ness of operation and ease of manufacture. Foundry officials began preliminary construction plans for a new crank foundry and conversion of the counterweight foundry to a gear foundry. Construction neared completion on the new corporate office building.

The new buildings and equipment improved working conditions for employees, and opportunities for personal development and advancement were increased. While unemployment statistics grew in other parts of the nation, LUFKIN's employment rose almost daily.

Many of the companies that entered the pumping unit market earlier in the year were closing their doors, while LUFKIN's business continued to remain stable and grow. The potential of the industrial and marine gear line increased, as the company prepared to enter the hardened and ground gearing markets. Forecasts called for better times ahead in the truck trailer industry.

The year 1981 ended in much the same way it began — with an air of optimism and enthusiasm. Lufkin Industries was ready to face the challenges of the future.

Machinery Division • Pumping Units/ *The Boom Continues*



The year 1981 was another busy year for pumping unit production. The demand for units continued as the nation sought more domestic sources of oil, reducing energy dependence on foreign producers. Pumping unit shipments increased by 15.5 percent over 1980, while several major expansion projects were completed.

All areas involved in pumping unit production, the machine shop, foundry operations, the structural steel plant and final assembly and shipping areas, felt the impact of the boom. A gear box machining area was constructed for more efficient machining of pumping unit gear box housings; the foundry increased its melting capacity with the installation of a new cupola; structural and final assembly and shipping operations prepared to move to a new automated plant.

"Productivity was our main concern during 1981," says Frank Stevenson, senior vice president, manufacturing, Machinery Division. "We had to expand in almost every area of the plant in order to meet pumping unit production requirements. Our manufacturing engineers spent much of the year studying new production methods that would increase our output. It was a busy and very successful year."

Although the foundry spent much of the year involved in modernization and renovation projects, the demand for pumping unit castings was so great that nearly half of the company's casting requirements had to be purchased from outside sources. But the foundry was able to provide 80 percent of the year's gear box castings."

"We could not expand all parts of

A LUFKIN M-456-364-144 operates in the rolling hills of Alberta, Canada.

our plant at once," explains E. G. Pittman, vice president, foundry operations. "For the next 18 months, we will be buying castings from other foundries, but during this time, we will expand our own facilities. With the completion of the new crank foundry sometime in the next two years, we should be able to pull all of our patterns back to our foundry and supply 100 percent of our requirements."

The foundry also began last month converting the counterweight foundry to a gear foundry, and hopefully by late summer, it will be able to furnish all of the ductile iron gear blanks for the company. The new cupola system, despite several start-up problems,



has increased the melting capacity of the foundry while improving working conditions.

"The potential of the new melting system is tremendous," continues Pittman. "It is one of the finest systems of its kind in the country. Its completion in 1981 was a major accomplishment of our foundry engineering and melting departments."

Another achievement of the year was the construction of a \$7 million structural steel plant. Last year at this time, company officials were discussing the possibilities of a new facility to be located off U.S. Highway 69, west of the trailer plant. Today, the plant is a reality.

"There cannot be enough said about the efforts of our people in putting together the project," says Bill Pennington, vice president, structural steel plant. "They were able to maintain a high rate of production and complete the design and construction of a new facility. It was definitely an achievement."

The new structural steel plant will fabricate crank balance pumping unit structures, while the existing structural shop will fabricate parts for Mark II, air balance units and industrial gear fabrications. The two areas are planning to fabricate, assemble and ship 200 units a week during 1982.

"The new plant will house the



Employment grew in all areas of the Machinery Division because of the pumping unit boom. (Left) A total of 677 persons were employed in the structural steel plant, and another 282 persons were employed in final assembly and shipping. (Middle) In the machine shop, a record 1,289 persons were employed in 1981. Pictured are pumping unit gear box assembly employees (l-r) Kenneth Singleton, a four-year employee, and Manuel Basham, a five-year employee. (Right) In the foundry, employment reached 754 persons. Pictured is 20-year employee John Norman.

optimum in welding equipment. It will be a cleaner and safer place to work, and we will be more productive."

The demand for pumping units created a much heavier work load for employees of the Machinery Division. But all areas reported, a spirit of cooperation and teamwork. "To produce as many castings as we could required a special effort from our employees," says Pittman. "Our people found a way to get the job done even under the most difficult of circumstances." Pennington adds, "They got the job done. Many of them were here when they would rather have been somewhere else. I never heard anyone complain. They should be commended."

How long can the pumping unit boom last? The future of the sucker rod pumping unit industry in the coming year looks bright. According to engineering studies done this year, some 85 percent of all oil wells which require some means of artificial lift equipment utilize pumping units with sucker rods. Gas lifts hold 11 percent of the market, followed by electrical submersible and bottom hole



hydraulic pumps with two percent of the market. And, there is a strong indication that the 85 percent figure for pumping unit applications is actually increasing.

"The 1982 pumping unit sales market will be a different market than in 1981," says Ben Queen, vice president, sales manager, Machinery Division. "The demand for units will grow but not in the percentages we have seen the past five years. Quick delivery will be essential, but at the same time, we will have to build the highest quality product at the lowest possible price. Our competition has been able to enter the marketplace only when we could not meet the demands of the customer."

To meet the growing needs of the pumping unit industry, the company is planning to build 12,000 units in 1982. Such levels of production should reduce delivery time and assure steady growth of the LUFKIN pumping unit line.

"Based upon current market conditions today, and expected population increases and energy demands, we are going to need more oil in the future. The beam pumping unit is in most instances the best way to get this oil from the ground," concludes Queen. "The pumping unit industry should remain strong in the future, and we should remain strong with it."

Machinery Division • Industrial and Marine Gears/ *A New Commitment*



For industrial and marine gear production, the year 1981 was a turning point. During the summer months, gear machining was moved to the \$7.5 million gear manufacturing complex at the north end of the machine shop. For the first time, pumping unit and gear production was being separated, introducing a two-factory concept of manufacturing to the company that would improve productivity and scheduling.

"The completion of the gear expansion was a milestone for the company," says Frank Stevenson, senior vice president, manufacturing, Machinery Division. "The facility allowed us to purchase specialized machinery for gear production, improve our assembly and testing facilities and offer better quality control and inspection methods."

The purchase of more than \$5 million in machinery designed for

gear manufacturing also increased the number of gear markets the company could serve. The addition of a Hoeffler gear grinder permits the company to compete in both case-hardened and through-hardened, single and double helical gear markets, and to cover markets requiring high precision, lighter weight gear drives. One new gear hobbing machine alone cut in half the amount of production time on a gear that once took 600 hours to cut. A Hoeffler combination gear checker performs a complete set of checks on gears up to 80 inches in diameter, and all checks are documented for proof of quality at a customer's request.

The dual plant concept of manufacturing will continue into 1982, and the Little Rock, Arkansas foundry will play an important role in this shift. "We will be moving more of the industrial gear castings to Little Rock," explains E. G.

One of the major accomplishments of the year for the Machinery Division was the separation of pumping unit and industrial gear machining. Pictured is nine year employee, Edward Butler.

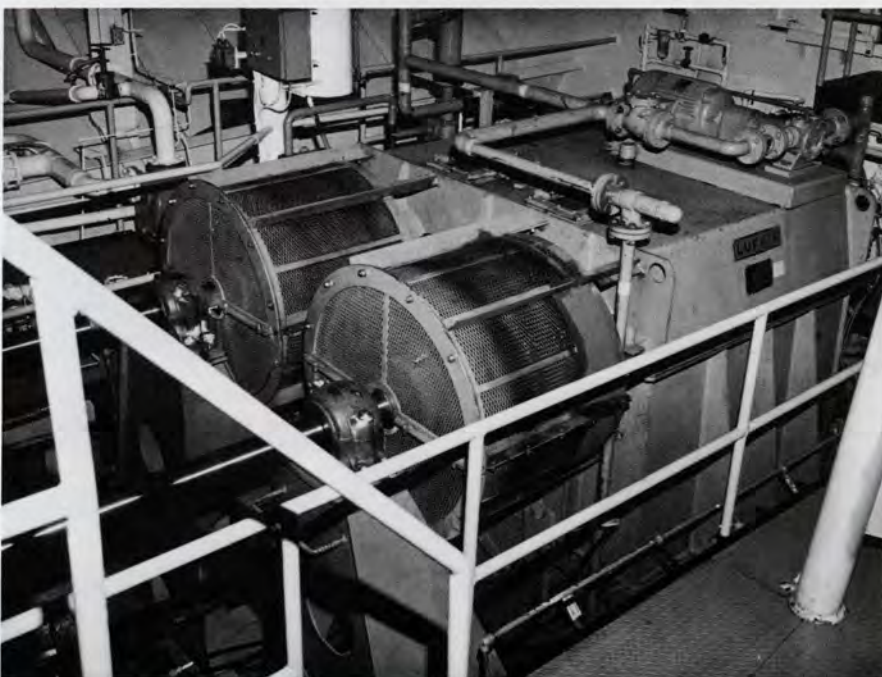
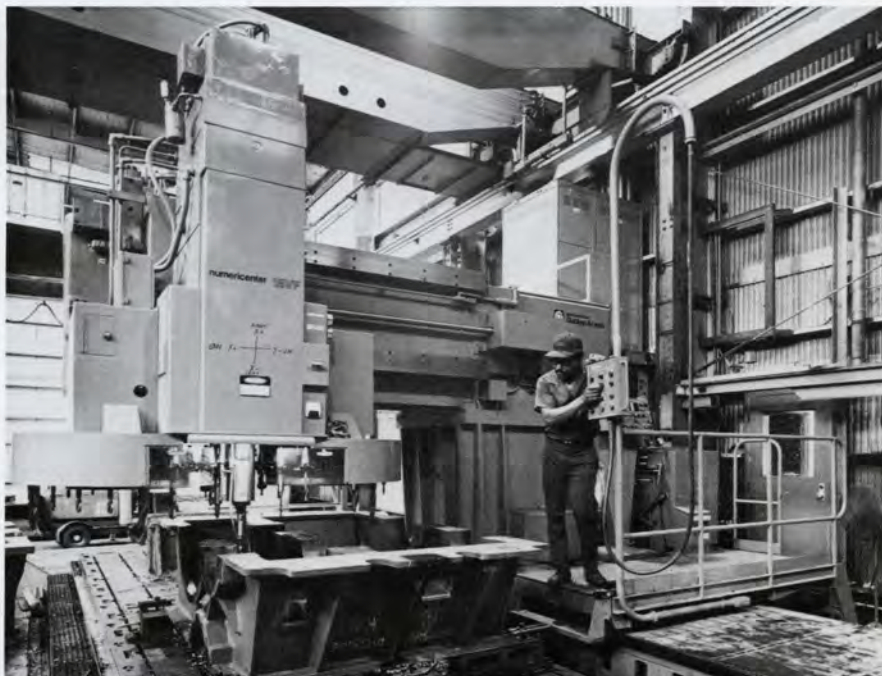
Pittman, vice president, foundry operations. "It is difficult to combine pumping unit and industrial gear part castings, and maintain efficiency. By concentrating on industrial gear casting production in Little Rock, we can improve casting efficiency and productivity."

The Machinery Division produced some 750 industrial and marine gears last year, and plans call for 800 units to be produced during 1982. Officials believe that with the new facilities, specialized tools and trained work force LUFKIN can build as high quality gearing as anyone in the country.

"The gear lines are becoming a very important part of our overall



(Above) Charles (Doc) Grimes, 31-year employee, and Leonard Avery, 27-year employee, prepare a LUFKIN gear for testing. The new expansion features one of the finest gear test facilities in the industry. (Upper right) Machine operator Gordon Thomas, 20-year employee, operates a vertical machining center with tool changer in the new gear manufacturing complex. The center was purchased to drill and tap housing components for industrial and marine gears. (Lower right) A LUFKIN marine gear operates in a Seattle State Ferry in Seattle, Washington.



productivity and profitability," says Fred Griffin, vice president, director of engineering. "We have spent the past two years redesigning our high-speed increaser and reducer lines. In the coming year, plans call for a redesign of our marine gear line and an introduction of a line of hardened and ground gearing. We are very optimistic about the potential of the gear market."

That optimism is shared by the machinery sales department. Ben Queen, vice president, sales manager, Machinery Division, believes that 1982 will be a very good year for gear sales. "During 1981, we established the LUFKIN name into many different industries. Our gear sales actually increased in an extremely tough recessionary economy, and our projections for the coming years are very encouraging."

The completion of the gear manufacturing complex also brought a new look to the machine shop, and a better working environment for employees. The building was completely temperature-controlled, and insulating walls replaced the tin walls of the old

commercial gear building. Re-arrangement of work cells relieved congestion and provided a safer workplace. More shop areas will be air conditioned this year, and the exterior machine shop walls along Angelina Street will be replaced with white aluminum siding to match the new expansion.

"We made a new commitment to gear manufacturing in 1981," says Frank Stevenson, "and our expansion

into this area will offer more job and advancement opportunities for the future. In a year of economic recession, our total plant employment actually increased 15 percent. These are remarkable figures benefiting our company, our employees and our community. The achievements made in industrial and marine gear production during 1981 will serve us all in the coming years."

Trailer Division / *A Dual Role*



During a year when many trailer companies were cutting back prices and laying off employees, the Trailer Division not only maintained its level of trailer production from the previous year but also assisted in production of nearly one-quarter of the pumping units shipped from the company.

"The year 1981 was a carbon copy of the year 1980," says Dick McKay, vice president, Trailer Division. "The truck trailer industry has been suffering nationwide. Fortunately, we should see considerable improvement in the market this year."

The division built 2,071 trailers last year, an increase of 433 trailers over 1980. Sales for the year totaled nearly \$30 million, an increase of \$5 million over the pre-

(Above) Sales of trailer floats remained strong in 1981. The division produced 915 floats during the year.

(Below) Some 50 percent of trailer plant employees were involved in pumping unit production during 1981.





vious year. In addition, the division also fabricated structural parts and assembled 2,156 pumping units.

"Our pumping unit business kept us busy again during another period of slack trailer sales," continues McKay. "Some 50 percent of our employees are involved in pumping unit production, and they have done an excellent job. Originally, we planned to ship 2,000 pumping units from the Trailer Division during 1981. We exceeded that goal by more than 150 units."

In 1981, the division marketed an aluminum dump trailer, a lighter-weight dump that offers customers more fuel economy on the road. The fiberglass reinforced trailer (FRP), introduced in 1980, was well-received by the trucking industry and 80 of the trailers were sold last year.

Employment last year in the Trailer Division increased by 14 percent over 1980. Some 520 persons are employed by the division, 415 at the Lufkin plant and 105 persons in nine sales and service branches. Memphis and Shreveport sales and service branches lead the year in total sales, while the San Antonio and Shreveport branches led in gross profits.

A new sales and service branch was opened in the booming



Houston area in April, and the New Orleans branch was remodeled. Plans are underway to expand and remodel the Memphis branch this year.

"We are looking forward to a better year in 1982," says McKay. "We have set our production goals for the new year at 2,500 trailers and 2,500 pumping units. Our trailer sales goal is \$30 million, and I am confident we can make it. We almost hit that figure in 1981—and it was a very tough year."

Employment increased by 63 persons in the Trailer Division during 1981. Pictured are (upper left) Eli Coutee, 30-year employee, (upper middle) Sam Taylor, a 31-year employee, and (upper right, l-r) Buck Kendrick, 26-year employee, and Allen Fancher, 27-year employee. (Above) The trailer plant covers a 60-acre portion of a 400-acre tract of land on U.S. Highway 69. The plant was built in 1969.

Industrial Supplies Division / *A New Home*



The Industrial Supplies Division spent its first year in a new home in 1981. During the latter part of 1980, the company's oldest division moved to a 14.5-acre site on the corner of Loop 287 and Highway 94, offices and warehouses previously owned by the Brookshire Brothers grocery chain.

The move allowed more room for growth of machinery manufacturing operations, and the location was more convenient for the division's customers. The division dropped its automotive wholesale trade after the move, but 40 percent of the line remained as part of the industrial supplies stock.

"Our customers readily adapted to the new location which offered them ample parking space, a convenient pick-up department and better loading facilities for pipe

and bulky items," says Ed Dietz, manager of the division. "Sales for 1981 surpassed those of the previous year even though we had to recover the sales lost from discontinuing our automotive department."

The division's sales reached \$12.3 million for the year, a 10 percent increase over 1980. Dietz attributes the increase in sales to the division's ability to furnish large amounts of equipment and supplies to the company's manufacturing facilities. Lufkin Industries is the division's leading customer, accounting for 40 percent of its sales last year.

"The company's numerous expansion programs contributed heavily to our boost in sales," he explains. "One of our main functions is to supply the company with

The new location of the Industrial Supplies Division features more efficient receiving and shipping facilities.

needed supplies and equipment, and our sales reflect the increase in company construction projects for the year."

Not all industries in the area were as fortunate as Lufkin Industries in 1981, and many were hurt during the year of economic recession. Home construction dropped in the area, but commercial demand for plumbing and associated merchandise sustained sales of such products.

"Sales of plumbing fixtures such as tubs, lavatories and closets did decrease but not as much as we expected," continues Dietz. "Pipe, fittings, valves and related products sold very well in 1981."



(Above) Employees Earl Davis and Edith Arnold, both with 19 years of service, inventory merchandise. The division plans to expand the number of wholesale products it offers during 1982. (Right) Increased warehousing space was one result of the move by the division to the loop location. Pictured is L. J. Loving, five-year employee. (Below) Improved customer service is a major goal of the division for 1982. Here, Gary McMorrow, one-year employee, assists customer John Hobbs with a purchase.



Lumber manufacturing suffered during the year, and our sales of saws and knives to that industry dropped. Those losses, however, were made up by sales of other products to those same companies."

The Industrial Supplies Division employed 60 persons during the year, and operated eight delivery trucks. Four of those trucks make regularly scheduled out-of-town deliveries, and the rest are used for shop and local customer deliveries.

"We plan to continue to offer our customers a wide range of quality merchandise at competitive prices with prompt delivery service," he adds. "During 1982, we are expanding and securing more product lines in an effort to be a well-rounded wholesale operation. We are optimistic about the coming year."



1981 Milestones

A Year of Accomplishments

- Total sales for the company increased 30 percent compared to 1980, from \$274 million to \$360 million.
- Employees earned more than \$69 million in salaries and nearly \$20 million was spent on employee benefits.
- Lufkin Industries' dominance in the oil field pumping unit industry was recognized by FORTUNE magazine, one of the leading business publications in the nation.
- Employment increased from 3,668 persons in 1980 to more than 4,200 persons in 1981.
- Some 350 employees celebrated anniversaries in five-year increments during 1981, representing 5,525 years of service with the company.
- A 10 percent increase in pension benefits was received by all retired employees or their surviving beneficiaries. The company's group hospitalization plan was extended to allow spouses of retirees and active employees who met eligibility requirements for retirement benefits upon death to retain group insurance coverage.
- The company produced 9,163 pumping unit gear boxes, and 8,801 pumping units during the year.



- The Trailer Division introduced a new product, an aluminum trailer dump, designed for greater fuel efficiency and larger payloads.

- LUFKIN employees donated a record 1,234 units of blood during the largest blood drive ever conducted by Stewart Blood Center of Tyler. The company again qualified for the center's family blood plan, assuring unlimited blood replacement to Lufkin employees, retirees and their families.

- The year's Angelina County United Way fund drive was the most successful in company history. The company presented a check for \$53,082.34 to the organization. Employee contributions to the 1981 Angelina County United Way Fund Drive totaled \$26,541.17, and the company matched those contributions dollar for dollar.



- The Lufkin Industries Foundation awarded \$50,400 in college scholarships to high school graduates whose parents are employed by the company.
- A \$7.5 million industrial and marine gear manufacturing facility was completed, allowing the company to separate its gear product line from the pumping unit line for the first time. The 57,600-square-foot building houses the latest in gear machining equipment.

- Construction began on a structural steel plant and a final assembly and shipping building off U.S. Highway 69, west of the trailer plant. The \$7 million facility is one of the most modern plants of its kind in the nation.



- A total of 66 employees completed industrial education classes in industrial blueprint reading, shop math, welding and trigonometry during the year.

- An 11,250-square-foot gear box machining area was completed. The building will feature four numerically-controlled machining centers that can machine 4,000 average size reducers a year.



- A \$3.5 million melting system began operation in the foundry. The cupola increased the foundry's melting capacity from 25 to 35 tons per hour, and has the capability to produce up to 50 tons per hour in the future. Its pollution control system is the largest of its type ever installed on a cupola, and will be 99 percent efficient in removing pollutants from the air when completely operational.

- The Houston trailer sales and service branch celebrated the opening of their new offices with a grand opening celebration.

- The engineering department purchased a Computer-Aided-Design and Computer-Aided-Manufacturing (CAD-CAM) system. The CAD portion of the computer allows designers to create parts and see them on a TV-like screen, and the CAM process develops numerically-controlled tapes to run automated machine tools.

- Incentive attendance program cash prizes totaling \$16,000 were given away at the second annual LUFKIN employee picnic. Some 580 employees qualified for the grand prize drawing of \$2,500 for 12 months of perfect attendance on the job. H. F. Gibson, structural steel plant retiree, was the winner.

- Construction began on a new \$2 million corporate office building on a four-and-a-half acre tract of land between Raguet and First Streets. The building scheduled to open in late spring will house data processing, accounting, machinery sales departments and the executive offices.



1981 Sales Dollars

Where the Money Went

As Lufkin Industries closed the books on another year, the figures were impressive. Sales exceeded one-third of a billion dollars, the highest amount in company history. Earnings were up again, and total assets increased by more than \$50 million. Some \$30 million were spent on new manufacturing facilities and machinery, all of which was funded by money generated from the operation of the company.

But with increased sales and earnings came increased operating costs. The same inflation that took its toll on personal pocket-

books also affected the company's operating costs. Operation expenses took 46 percent of each sales dollar, reflecting increases in raw materials, energy, supplies and services. A large portion of 1981 dollars, more than 25 percent, was spent on LUFKIN people, in the form of wages and salaries and employee benefits.

Like all citizens, LUFKIN must pay taxes. The company pays income and property taxes as well as state, franchise and local taxes. Last year, taxes took 12 percent of every sales dollar. Depreciation is another major expense, providing

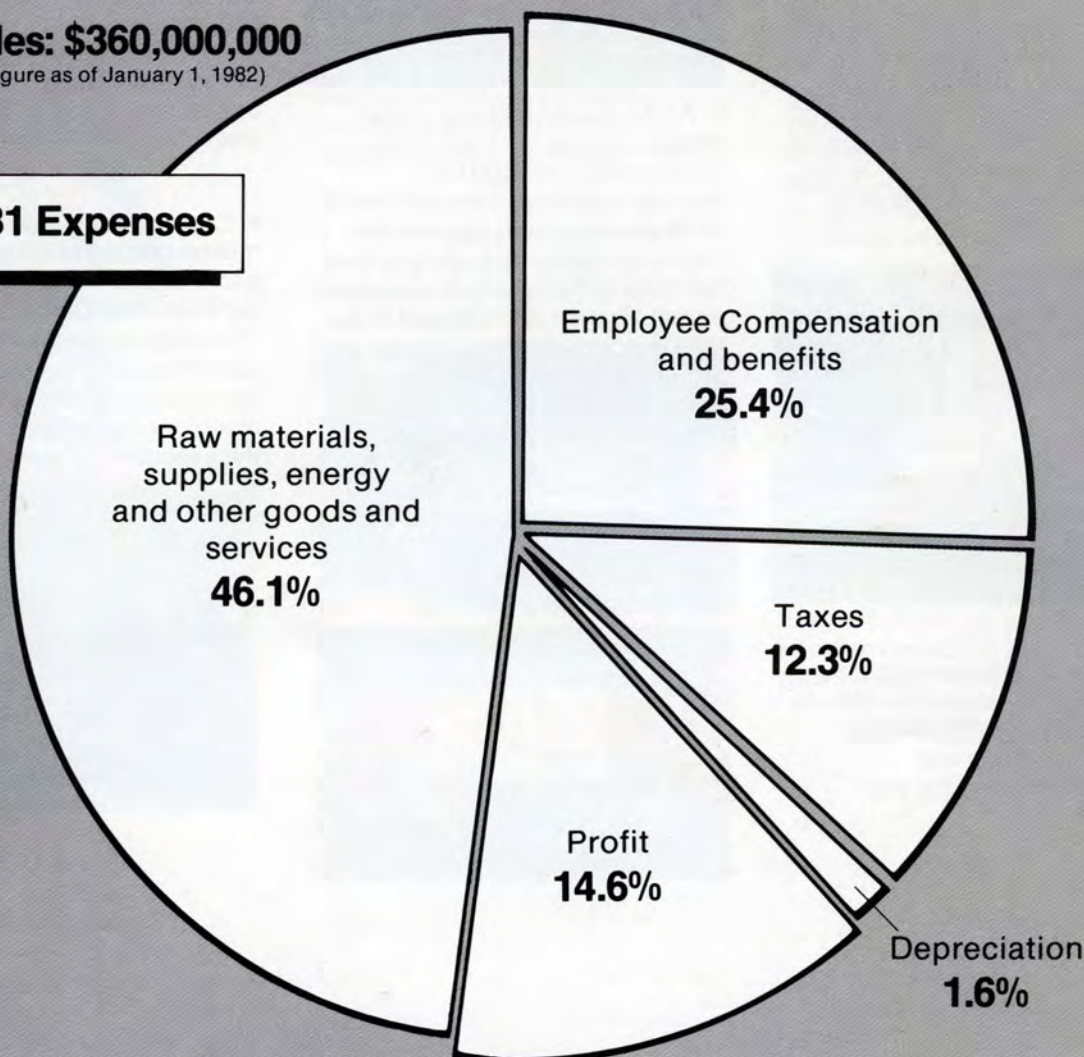
funds for replacement due to the gradual wear and tear on buildings and equipment over a period of time they are in use. Depreciation costs the company almost two percent of each sales dollar in 1981.

Profit is the money that is left over after deducting all costs and expenses of doing business. Last year, the company's profits amounted to nearly 15 percent of every sales dollar. This healthy increase of profits in 1981 is assurance that 1982 will be another successful year for LUFKIN and its employees.

1981 Sales: \$360,000,000

(approximate figure as of January 1, 1982)

1981 Expenses



1981 Employee Benefits

A Paycheck and More

Lufkin Industries employees worked hard in 1981 — and what did they get for their work? A paycheck and more....

Salaries and employee benefits were the company's second largest expenditure in 1981. A total of \$69 million was spent on salaries, while employee benefits — the dollars not seen on your paycheck stub but hidden money that comes to you in the form of company-paid

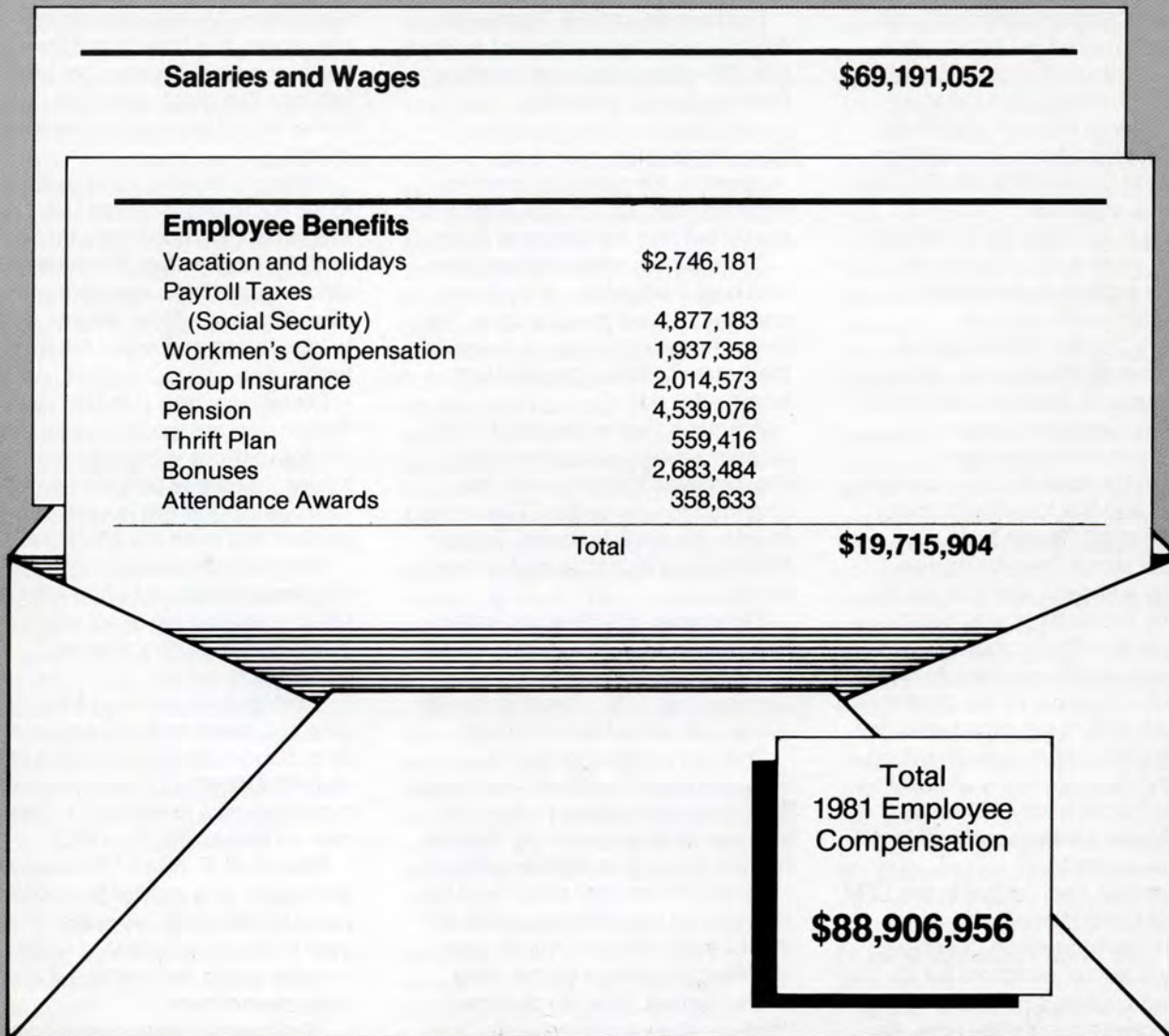
benefits — cost almost \$20 million.

This hidden paycheck covers the cost of paid holidays and vacations, time off to spend with families or take a trip. It covers the expense of unexpected time away from the job, sicknesses, injuries or jury duty.

Employee benefits include medical insurance and life insurance plans that assist with the cost of illnesses and provide for families

in case the worse happens. A company-paid pension plan helps to fund those years when you would like to retire and take it easy for a change. Contributions to various federal and state programs provide for social security benefits, unemployment and workman's compensation.

Employee benefits make for a better employee and a better company.



1981 Retirees

Their Last Year



R. N. Smith



Zephaniah Atkinson



Willie Birden



L. C. Richards

Several LUFKIN employees ended their careers with the company during 1981. A total of 32 employees representing 908 years of service with the company retired during the year.

For nine end-of-the-year retirees, the year 1981 will be remembered as their last year with the company. Four foundry employees, R. N. Smith, Zephaniah Atkinson, Willie Birden and L. C. Richards, retired in December. H. F. Gibson and Simon Russell retired from the structural steel plant. Charlie McLain and Brady Burnett retired from the machine shop, and Curtis Mills retired from industrial supplies.

When R. N. (Rip) Smith retired, he took more than 35 years of foundry experience with him. During his years with the company, he worked in almost every area of the foundry. At his retirement, he was foreman of the cleaning room blast area.

"There is no comparison between the foundry that I went to work in and the foundry of today," recalls Smith. "It was hard, physical labor. Everything was done by a shovel, while today it is done by the push of a button."

His days in the foundry began early, too. Smith reported to work at 4 or 5 a.m. most of his career with LUFKIN. "I am anxious to see what it is like not having to get up so early. I am not really a morning person, but in a way, I liked the early hours. I was usually off by 12 noon or 2 p.m."

Smith has been active in the LFM Federal Credit Union and as a safety committeeman. "I served on the board of directors for the credit union, and I am serving on the credit committee now. As

far as the safety committee, I believe that a person should work on safety in every job at all times. In 35 years, I only had one lost time accident."

His retirement plans include hunting, fishing and gardening. "My wife and I have a home on 17 acres in Hudson. We plan on raising a big garden. I also have a catfish pond with plenty of catfish."

For foundry retiree Zephaniah Atkinson, retirement meant an end to a 100-mile drive each morning. For the past 27 years, he commuted to Lufkin Industries from Shelbyville, near San Augustine. He never believed in reporting late for the job, even if it meant leaving the house at 3 a.m.

"Sometimes when the weather was bad, I would be up by 2 a.m. and on the road an hour later," he says. "It was not unusual to leave the house before light, and get home after dark."

Atkinson was employed in the cleaning room as a painter. He, too, believes foundry work has changed for the better. "Everything used to be done by hand. Today, machines and cranes do the heavy work."

The owner of 110-acres in the Shelbyville area, Atkinson plans to spend much of his retirement farming. His wife, a teacher for 40 years, will retire later this year.

"We are looking forward to spending time together," he says. "I worked so far from home, and she was so busy teaching. Retirement will bring us back together."

Willie Birden was employed for 31 years in the cleaning room of the foundry. His job was to clean the rough castings before they were painted. "My job changed through the years," he adds, "just

like all of the foundry jobs changed. Years ago, the foundry was a tough place to work."

Birden, who resides in Pollok, plans an active retirement. His hobby is rebuilding old cars, and he hopes it will develop into a small business. He also plans to truck farm his 12 acres of land and hunt and fish.

"It is just my wife and me at home now. My son and daughter are grown, but they come by with the four grandchildren. I'm looking forward to a quiet retirement, doing what I want when I want to do it."

Retirement brings a slower pace to life for foundry retiree L. C. Richards. He joined the company in 1950, and worked 31 years as a cleaning machine operator in the cleaning room. Now, he just wants to stay home and enjoy his free time.

"You know how it is," he says. "When you are working, you put off doing those things around the house that really need to be done. I'll work around the house, and I'll garden and raise my chickens."

Originally from Garrison, Richards settled in Lufkin after he left the service. He describes his years with the company as good years.

"I believed in working for a day's pay, so I never had any arguments or misunderstandings on the job. I reported to work on time, and I didn't lay off. I like to think nobody can do the job like I could."

Retiree H. F. (Gib) Gibson was employed as a welder for the company for 36 years. He spent one year in the trailer plant, and then transferred to the welding & structural department.

"I've been working since I was 13



H. F. Gibson



Simon Russell



Charlie McLain



Brady Burnett



Curtis Mills

years old," he says, "and I've done all kinds of work. I believe if you can't work for Lufkin Industries, you can't work for any company."

Gibson always maintained a good attendance record during his years with the company, and last year, his record paid off. He was the \$2,500 grand prize winner in the incentive attendance program. "I guess that was one of the best things that ever happened to me at LUFKIN. I can't remember the last day of work I missed."

The father of a son and a daughter and the grandfather of a grandson and two granddaughters, Gibson will spend much of his free time with his family.

"I am going to rest up a bit and do the things around the house I have been putting off. Mostly though, I am going to enjoy myself."

Simon Russell was a man who believed in doing the job right the first time. As a burner in the welding & structural department for 31 years, he was operating the shape burner at the time of his retirement.

"I enjoyed working with the shape burner. I knew my job well, and I knew what was expected of me. I always took pride in the job I did. If you asked me for something, you didn't have to ask twice."

Russell retired to the home in Corrigan that he has been building. He hopes to spend retirement gardening and helping his wife with her babysitting business.

"I'm looking forward to some time off," he says. "It seems like I have been working all my life. I never minded it, but the free time will be nice."

Retiree Charlie McLain's career

with the company was a varied one. He began working for LUFKIN as a welder in the structural plant. Two years later, he transferred to the Trailer Division and worked two years building trailers on second shift, and seven years as a member of the trailer repair department.

From there, he moved to commercial gears and joined the sales and service department. For the next 12 years, he traveled all over the world servicing LUFKIN machinery products.

"I visited all parts of the United States, Mexico, Canada and South and Central America," he recalls. "The travel was interesting but it became tiresome. I came back into the machine shop as a supervisor, in charge of the welders, pipe fitters and cleaning crew in the commercial gear building."

McLain plans an active retirement. He enjoys carpentry work, and much of his time will be spent around the house utilizing his carpentry skills. He also plans an occasional fishing trip.

"I intend to do a few things that I enjoy doing while I can still do them," he says. "The guys on the job tease me and tell me I'll be back in a few months. Who knows? I do know it will be after a long rest."

Brady Burnett spent 20 years on the road as a truck driver before coming to the gear cutter department of the machine shop 19 years ago. He had tired of the long trips and traffic, and he was searching for a more settled lifestyle.

"I had never done any type of machine shop work when I hired on with LUFKIN," he recalls. "I learned everything on-the-job. I was in charge of filing gears,

removing any burrs before they went to the lapper."

A widower with five children and nine grandchildren, Burnett is a busy family man. Four of his children live in the area and one son lives in Pennsylvania. He hopes to visit Pennsylvania for the first time this spring.

"It is a 1,400-mile trip, and I am planning to take the bus. I want to see the countryside. After that trip, I will stay closer to home, using the new rod and reel my son gave me for my 65th birthday."

Curtis Mills began working in the Industrial Supplies Division 33 years ago. As a receiving clerk, he handled many of the sawmill supplies the division once sold. But times changed and so did the division. When Mills retired, he worked in the pipe yard, cutting pipe for distribution to local industries and contractors.

"The mill supply has been in several different locations through the years," he says. "The first building I worked in burned, and we moved the pipe yard several different places until we settled in our new location. The loop location gives the division a whole lot of room to grow."

Although he worked two years past retirement age, Mills still does not plan to retire completely. He will be helping a local plumber friend with small plumbing jobs, and doing any other odd jobs he can find.

"Oh, I am going to work. But I am planning on spending more time with my eight grandchildren, too. They are very important to me. I'll fish and garden some also. My wife retires at the end of the year, and then we will have some time together."

ANNIVERSARIES

10 Years or More



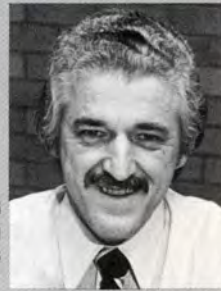
WALTER BUTLER
Trailer—Machines
14 years



JERRY WARREN
Machine Shop—Inspection
20 years



JACK LANDRUM
Machine Shop
23 years



JAMES KING
Engineering
17 years



JAMES LUCE
Jig Shop
17 years



CHARLES KILGORE
Trailer—Vans
18 years



SYLVESTER McCLAIN
Trailer—Floats
10 years



CLAYTON JIRCIK
Foundry—Engineering
27 years



ROBERT GRESHAM
Machine Shop
10 years



CURTIS THOMAS
Machine Shop—Yard Crew
17 years



STANLEY BECK
Plant Engineering
27 years



DELBERT McGUIRE
Trailer—Machines
10 years



ELMER LYNCH
Trailer—Floats
16 years



JAMES GREEN
Trailer—Pierce Rivet
16 years



LEWIS FERGUSON
Foundry—Core Room
16 years



DOROTHY HAVARD
Industrial Supplies
17 years



MARVIN POWELL, JR.
Lathe Shop
13 years



RONNIE PARKER
Machine Shop
16 years



TRACY SAXON
Industrial Supplies
14 years



JAMES JOHNSON
Foundry—Main Bay
10 years



DEAN PRUITT
Trailer—Engineering
12 years



KENNETH BRASHEAR
Mechanical Maintenance
11 years



CABE CLONTS
Trailer—Repair
18 years



J. C. MALNAR
Trailer—Carpenter
16 years



CARL ROSS
Pattern Shop
30 years



GEORGE WALDREP
Structural Steel Plant
13 years



WHITTAKER GARRETT
Trailer—Warehouse
13 years



CHARLES LEE
Structural Steel Plant
12 years



RAY RUSSELL
Traffic
26 years



CHARLIE JACKSON, JR.
Trailer—Vans
16 years



DAVID MERRITT
Structural Steel Plant
20 years



EDWARD WILLIAMS
Trailer—Van Subs
10 years



LARRY OLIVER
Trailer—Maintenance
17 years



EVERETT RHODES
Pattern Shop
15 years



JAMES SCOTT
Foundry—Cleaning Room
36 years



DON WALLACE
Tool Room
23 years



WILLIAM WESTBROOK
Pattern Shop
26 years



BILL WAGNER
Engineering
30 years



BETTY STEWART
Machinery Sales
24 years



JOE BYRD, III
Machinery Sales
21 years



ROBERT ESTES, JR.
Engineering
12 years



REX JONES
Foundry—Side Bay
31 years



KELLY HOPSON
Trailer—Van Subs
13 years



WILLIE DAVIS
Trailer—Machines
10 years



LUKE ROUSE
Trailer—Carpenter
32 years



EARL BURCHFIELD
Structural Steel Plant
20 years



J. B. PERKINS
Foundry—Main Bay
30 years



TED HEARNBERGER
Final Assembly & Shipping
14 years

BOB BROCKETT
Trailer—Van Doors
10 years



JEWEL HALE
Foundry—Cleaning Room
14 years



JAMES JONES
Foundry Offices
20 years

10 Years or More



LEANDRO VASQUEZ
Structural Steel Plant
15 years



JAY TARVER
Structural Steel Plant
18 years



PAT LEWIS
Trailer—Floats
10 years



GRANVILLE WRIGHT
Trailer—Vans
32 years



SAM ADAMS
Trailer—Floats
14 years



FRED BENEMON
Foundry—Cleaning Room
36 years



ARTHUR WARREN
Trailer—Floats
32 years



DELBERT ELLISON
Utility Maintenance
18 years



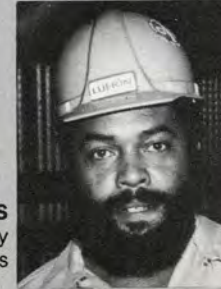
DONALD KUEHL
Pattern Shop
15 years



BOYCE HENDRY
Trailer—Vans
32 years



E. G. PITTMAN
Foundry Offices
22 years



ARCHIE WILLIAMS
Foundry—Main Bay
16 years



THERON WILLIAMS
Final Assembly & Shipping
16 years



JOHN WHITEHEAD
Trailer—Dumps
18 years



J. P. WOMACK
Structural Steel Plant
15 years



PETE MINTON
Foundry—Maintenance
20 years



MALCHOM LOWERY
Structural Steel Plant
23 years



LEWIS STUBBLEFIELD
Heat Treat
15 years



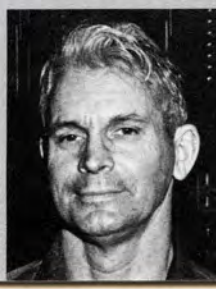
JUAN REYES
Foundry—Electrical
12 years



AUSTIN STEIN
Final Assembly & Shipping
14 years



ROBBIE BARLEY
Final Assembly & Shipping
18 years



MILTON WATSON
Trailer—Van Subs
32 years



EARL DAVIS
Industrial Supplies
19 years



THOMAS BOULWARE
Foundry—Side Bay
27 years

MACHINERY OPERATIONS

	Employment Date	Years With Co.
Stanley Beck	February 21, 1955	27
Ray Russell	February 7, 1956	26
Jack Landrum	February 2, 1959	23
Don Wallace	February 2, 1959	23
Jerry Warren	February 14, 1962	20
Delbert Ellison	February 17, 1964	18
Curtis Thomas	February 2, 1965	17
James Luce	February 8, 1965	17
Ronnie Parker	February 7, 1966	16
Lewis Stubblefield	February 8, 1967	15
Austin Stein	February 26, 1968	14
Raymond Solly	February 17, 1969	13
Marvin Powell, Jr.	February 19, 1969	13
Ben Newsom	February 1, 1970	12
Kenneth Brashear	February 8, 1971	11
Billy Addison	February 14, 1972	10
Robert Gresham	February 21, 1972	10
Harold Lane	February 2, 1973	9
Kenneth Burke	February 7, 1973	9
Steven Langston	February 15, 1973	9
James Coleman, Jr.	February 4, 1974	8
Marvin Sowell	February 13, 1974	8
William Barnett	February 4, 1975	7
Sidney Alvers	February 10, 1975	7
Victor Reese, Jr.	February 16, 1975	7
Robert Lewis	February 24, 1975	7
Robert Stokes	February 16, 1976	6
John White	February 16, 1976	6
Thomas Thomas	February 26, 1976	6
Robert Dunn	February 1, 1977	5
William Roach	February 15, 1977	5
Harvey Corder	February 8, 1978	4
Joy Ouseph	February 10, 1978	4
Lacy Ford	February 22, 1978	4
William Rushing	February 2, 1979	3
Paul Taylor	February 8, 1979	3
Dennis Massey	February 12, 1979	3
Gary Ritnour	February 19, 1979	3
George Shimer	February 21, 1979	3
LaDonna Stapleton	February 21, 1979	3
Fred Sutton	February 22, 1979	3
Laura Rainey	February 22, 1979	3
William Reneau, Jr.	February 26, 1979	3
Gary Daggett	February 1, 1980	2
Donald Rainey	February 4, 1980	2
Gary Baker	February 4, 1980	2
Fernando Arredondo	February 6, 1980	2
Albert Stokley	February 6, 1980	2
Bobby Tucker	February 8, 1980	2
Robert Bailey, Jr.	February 10, 1980	2
Michael Cassin	February 18, 1980	2
Michael Horn	February 21, 1980	2
Irineo Mendoza	February 25, 1980	2
August Kulms, Jr.	February 26, 1980	2
James Crain	February 26, 1980	2
Freddie Baker	February 27, 1980	2
Lois Berry	February 27, 1980	2
Alfred Thomas	February 28, 1980	2
Lewis Sapp	February 1, 1981	1
Terry Brookshire	February 2, 1981	1
Kenneth Perry	February 2, 1981	1
Alex Rodriguez, Jr.	February 2, 1981	1
Milton Sutton	February 3, 1981	1
Loye Byrd	February 4, 1981	1
Royce Fritz, Jr.	February 4, 1981	1
Donald Cable	February 5, 1981	1
Elvis Perry	February 5, 1981	1
James Lovett	February 9, 1981	1
Robert Bobbitt	February 10, 1981	1
Charles Fritz	February 10, 1981	1
Tony Buchanan	February 11, 1981	1
Jimmy Phillips	February 11, 1981	1
Ricky Reeves	February 11, 1981	1
Curtis Bell	February 13, 1981	1
Robert Johnson	February 13, 1981	1
David Biasiola	February 15, 1981	1
Kenneth Stubblefield	February 17, 1981	1
Jo Ann Dixon	February 18, 1981	1
Lawrence Hawthorne	February 23, 1981	1
Calvin Lofton	February 23, 1981	1
O'Vee Sykes	February 23, 1981	1
Joe Hood	February 24, 1981	1
Floyd Jacks, Jr.	February 25, 1981	1

MACHINERY SALES & SERVICE

	Employment Date	Years With Co.
Roy Lilley, Jr.	February 2, 1953	29
Dave Bishop, Jr.	February 19, 1957	25
Betty Stewart	February 19, 1958	24
Joe Byrd, III	February 1, 1961	21
Jim Trout	February 12, 1968	14
Michael Bomboy	February 24, 1969	13
Robert Jeffs	February 15, 1972	10
Cheryl Maitrejean	February 7, 1977	5
Daniel Robertson	February 2, 1981	1
Nathan Kowacich	February 2, 1981	1
Eva Patrick	February 2, 1981	1

MATERIAL CONTROL

	Employment Date	Years With Co.
Henry Sumlin	February 13, 1973	9
Rex Whitaker	February 11, 1976	6
John Duke	February 13, 1978	4
Michael Medley	February 14, 1979	3
James Heath	February 19, 1979	3
Joe Branton	February 18, 1980	2
Monte Cochran	February 25, 1980	2
Betty Lynch	February 20, 1981	1

INDUSTRIAL SUPPLIES

	Employment Date	Years With Co.
Earl Davis	February 1, 1963	19
Dorothy Havard	February 1, 1965	17
Lee Saxon	February 1, 1968	14
Millie Reynolds	February 23, 1970	12
Kendall Moseley	February 10, 1972	10
Paul Squyres	February 2, 1976	6
Bonnie Marshall	February 2, 1976	6
Wayne Saucier	February 3, 1976	6
Jerry D. Hill	February 15, 1978	4
Michael Williams	February 5, 1979	3

STRUCTURAL STEEL PLANT

	Employment Date	Years With Co.
Marcus Patrick	February 7, 1947	35
Malchom Lowery	February 27, 1959	23
David Merritt	February 9, 1962	20
Earl Burchfield	February 15, 1962	20
Jay Tarver	February 10, 1964	18
James Matthews	February 7, 1966	16
Leandro Vasquez	February 20, 1967	15
J. P. Womack, Jr.	February 20, 1967	15
George Waldrup	February 12, 1969	13
Charles Lee	February 24, 1970	12
Lawrence Holt	February 19, 1974	8
Gregory Dempsey	February 16, 1976	6
Sam Figueroa	February 7, 1977	5
Therman Davis	February 14, 1977	5
Nelson Reynolds	February 28, 1977	5
Millard Barge	February 13, 1978	4
John Jones	February 22, 1978	4
Margaret Mathews	February 2, 1979	3
Billy Hoosier	February 19, 1979	3
Carolyn Buchleiter	February 28, 1979	3
Robert Ward	February 4, 1980	2
Graciela MacLaughlin	February 5, 1980	2
Jose DeLaCruz	February 5, 1980	2
Jerry Mericle	February 6, 1980	2
Sheliah Hyde	February 6, 1980	2
Willie Calvin	February 6, 1980	2
Ricardo Ibarra	February 10, 1980	2
Perry Hoff	February 11, 1980	2
Gilberto DeJesus, Jr.	February 11, 1980	2
Rosalio Moreno	February 11, 1980	2
Belinda Pyle	February 12, 1980	2
Ismael Terrazas	February 12, 1980	2
Henry Toothman	February 14, 1980	2
Curtis Flakes	February 15, 1980	2
Don Mayo	February 18, 1980	2
Tommy Butler	February 19, 1980	2
Thomas Stewart	February 20, 1980	2
Steve Burchfield	February 20, 1980	2
Bobby Napier	February 21, 1980	2
Javier Horfa	February 24, 1980	2
Jose Aldaba	February 29, 1980	2
Tammy Baker	February 2, 1981	1
Alfredo Vasquez	February 19, 1981	1
Octavio Cuellar	February 19, 1981	1
Sergio Estrada	February 23, 1981	1

FINAL ASSEMBLY AND SHIPPING

	Employment Date	Years With Co.
Robbie Barley	February 10, 1964	18
Theron Williams	February 10, 1966	16
Ted Hearnberger	February 1, 1968	14
John Bridges, Jr.	February 2, 1976	6
Oscar Houston	February 3, 1976	6
Joe Foreman	February 9, 1978	4
Billie Lee	February 6, 1979	3
Joe Flores	February 5, 1980	2
Tommy Ridgeway	February 7, 1980	2
Carlos Barrera	February 14, 1980	2
J. D. Olford	February 18, 1980	2
Freddy Hensley	February 27, 1980	2
Ronnie Anderson	February 2, 1981	1
Michael Myers	February 3, 1981	1
Charles Calhoun	February 11, 1981	1

CORPORATE OFFICES

	Employment Date	Years With Co.
Barbara Fowler	February 1, 1957	25
David Putska	February 16, 1977	5
Doug Hudson	February 28, 1977	5
Jean Hohimer	February 5, 1979	3

ENGINEERING

	Employment Date	Years With Co.
William Wagner	February 19, 1952	30
James King	February 8, 1965	17
Robert Estes, Jr.	February 1, 1970	12
Ellen Lightfoot	February 16, 1976	6

ORDER ENTRY DEPARTMENT

	Employment Date	Years With Co.
Elenor Hancock	February 2, 1981	1

FOUNDRY OPERATIONS

	Employment Date	Years With Co.
Fred Benemon	February 20, 1946	36
James Scott	February 20, 1946	36
Rex Jones	February 20, 1951	31
J. B. Perkins	February 12, 1952	30
Carl Ross	February 13, 1952	30

James R. Jones	February 2, 1955	27
Clayton Jircik	February 21, 1955	27
Thomas Boulware	February 22, 1955	27
William Westbrook	February 1, 1956	26
E. G. Pittman	February 1, 1960	22
Charles Minton	February 5, 1962	20
James C. Jones	February 5, 1962	20
Lewis Ferguson	February 7, 1966	16
Archie Williams	February 11, 1966	16
Donald Kuehl	February 13, 1967	15
Everett Rhodes	February 15, 1967	15
Jewel Hale	February 14, 1968	14
Juan Reyes	February 5, 1970	12
James C. Johnson	February 7, 1972	10
Troy Allen	February 5, 1973	9
Walter Cummings	February 5, 1975	7
Eddie Wade	February 23, 1976	6
Wilkin Mickey	February 3, 1977	5
John Salazar	February 7, 1977	5
Jessie Vaughn	February 17, 1977	5
Jack Bates	February 27, 1977	5
Clara Lisenby	February 2, 1978	4
David Ramirez	February 13, 1978	4
Alfred Broussard	February 18, 1979	3
Tommy Holman	February 5, 1980	2
Johnny Walton	February 11, 1980	2
Jose Hernandez	February 14, 1980	2
Anh Tran	February 19, 1980	2
Faustino Hernandez	February 19, 1980	2
Bettye Grant	February 20, 1980	2
Ramiro Jasso	February 21, 1980	2
Roy Scott	February 29, 1980	2
Kenneth Smith	February 1, 1981	1
Jessie Anders	February 3, 1981	1
Juan Gaitan	February 4, 1981	1
Michael Harrell	February 10, 1981	1
Billy Hayward	February 10, 1981	1
Ezlee Thompson, Jr.	February 10, 1981	1
Carroll Brown, Sr.	February 11, 1981	1
Fred Suhr	February 12, 1981	1
Randy Anderson	February 12, 1981	1
Willie Taylor	February 12, 1981	1
Mitchell Ware	February 12, 1981	1
Larry Jackson	February 13, 1981	1
Ernesto Luna	February 17, 1981	1
Anler Mullins	February 18, 1981	1
Billy Davis	February 18, 1981	1
Joe Hankins	February 18, 1981	1
C. B. McCarty, Jr.	February 18, 1981	1
Jesse Ferguson	February 22, 1981	1
William Peavy	February 23, 1981	1

LITTLE ROCK FOUNDRY

	Employment Date	Years With Co.
John Brown	February 24, 1978	4
Richard Miller	February 22, 1980	2

TRAILER PLANT

	Employment Date	Years With Co.
Arthur Warren	February 1, 1950	32
Granville Wright	February 2, 1950	32
Luke Rouse	February 6, 1950	32
Boyce Hendry	February 9, 1950	32
Milton Watson	February 27, 1950	32
James Haney	February 3, 1958	24
Cabe Clonts	February 6, 1964	18
John Whitehead	February 11, 1964	18
Charles Kilgore	February 14, 1964	18
Freddie Williamson	February 17, 1964	18
Howard Coleman	February 17, 1964	18
George Oliver	February 24, 1965	17
Elmer Lynch	February 8, 1966	16
J. C. Malnar	February 8, 1966	16
Charlie Jackson, Jr.	February 8, 1966	16
James Green	February 10, 1966	16
Sam Adams	February 6, 1968	14
Walter Butler	February 12, 1968	14
Whittaker Garrett	February 17, 1969	13
Kelly Hopson	February 26, 1969	13
Dean Pruitt	February 16, 1970	12
Robert Brockett	February 7, 1972	10
Jerry Sudduth	February 7, 1972	10
Edward Williams	February 7, 1972	10
Ira Lewis	February 14, 1972	10
Sylvester McClain	February 16, 1972	10
Delbert McGuire	February 28, 1972	10
Willie Davis	February 28, 1972	10
Geraldine Korn	February 12, 1973	9
Carnuto Rios	February 16, 1976	6
Kenneth Modisette	February 2, 1978	4
Herman Blake	February 28, 1978	4
Shelby Oden	February 16, 1979	3
Woodrow Lewis	February 21, 1980	2
Robert Johnson	February 1, 1980	2
Arthur Coutee	February 4, 1980	2
George Yarbrough	February 19, 1980	2
Jim Devines	February 27, 1980	2
Larry Edwards	February 28, 1980	2
L. B. Williams, Jr.	February 28, 1980	2
Myra Cole	February 4, 1981	1
Jessie Brooks	February 9, 1981	1
Jerry Wells	February 9, 1981	1
Bobby Conner	February 9, 1981	1
Waldo Oakley	February 19, 1981	1
Glen Fox	February 25, 1981	1
Don Johnson	February 25, 1981	1

TRAILER SALES & SERVICE

	Employment Date	Years With Co.
Carl Peppard	February 29, 1960	22
Gary Hobson	February 25, 1963	19
Hoyt Rogers	February 17, 1964	18
Irmel Coleman	February 28, 1972	10

LUFKIN INDUSTRIES, INC.
P. O. Box 849 Lufkin, Texas 75901

Address Correction Requested

BULK RATE
U.S. POSTAGE
PAID
Houston, Texas
Permit No. 5340

1981 EMPLOYEE ANNUAL REPORT

A Year of Good Fortune	2
Machinery Division—Pumping Units	4
Machinery Division—Industrial and Marine Gears	6
Trailer Division	8
Industrial Supplies Division	10
1981 Milestones	12
1981 Sales Dollars	14
1981 Employee Benefits	15
1981 Retirees	16
Anniversaries	18

THE COVERS

Front: The year 1981 was an excellent year for Lufkin Industries, and the key to the company's success was its people. Their dedication and efforts led to another record year. Pictured are LUFKIN people (top row, l-r) Damian Mendoza, structural steel plant; Lloyd Day, final assembly and shipping; Wayne Saucier, industrial supplies; (middle row, l-r) Roosevelt Adams, foundry; Omid Karimnia, engineering; Lisa Self, data processing; (bottom row, l-r) Linda Smith, machine shop; Jackie Hewitt, trailer plant; and Elmo Hightower, traffic.

Inside Front: The downtown Lufkin plant covers more than 100 acres and includes foundry operations, a machine shop, a structural fabrication shop, an assembly and shipping area, numerous warehouses and offices.

LUFKIN ROUNDUP Volume 39, Number 2, 1982

Published monthly by Lufkin Industries, Inc., for active and retired employees and their families. Produced by the Public Relations Department: Virginia Allen, Director, P.O. Box 849, Lufkin, Texas 75901.

Public Relations Staff:

Janice Aston, Managing Editor
Elaine Jackson, Special Projects Editor
David Freeze, Manager, Photographic Services
Tom Johnston, Photographer
Chuck Stevenson, Audio-Visual Coordinator
David Willmon, Manager, Advertising & Sales Promotion
Jo Ann Anderson, Administrative Assistant

IABC Member of International Association of Business Communicators

Copyright© 1982 Lufkin Industries. All rights reserved.



The Boom Continues



A New Commitment



A Dual Role



A New Home