



E. I. DU PONT DE NEMOURS & COMPANY
WILMINGTON, DELAWARE 19898

CHEMICALS AND PIGMENTS DEPARTMENT

cc: G. C. Tunis
J. S. Thackrah
S. W. Severance
D. W. Hoppenjans
N. D. Cassel
R. E. Nickerson
J. F. Kane
E. A. Donald
D. J. Young

May 14, 1981

PERSONAL AND CONFIDENTIAL

L. GREENBERG
J. KRAMER
T. WALLINGFORD
E. STEWART - CHESTNUT RUN
P. WRIEDE - JACKSON LAB
F. BREDIMUS - NEWPORT
J. LOETHER - NEWARK

CPC GREEN CONSOLIDATION

Attached is the proposed CPC Green field package. It contains a draft of:

- 1) Internal Du Pont letter
- 2) District Manager letter to Customers
- 3) Counteroffering chart for discontinued codes
- 4) Press release
- 5) Questions and Answers

I'm sure we have only scratched the surface for Questions and Answers and considerable polishing is required.

Receipt of your comments by Friday, May 22 would be most helpful. Target date for mailing to the field is June 3.

RAR:jdc
Attachments

R. A. REPETTO

*I think this reads well & is a good package.
Tom Wallingford*

*→ JVB
would like to talk
about this first thing
Friday morning.
Charlie
Case Sutton
(June 5 meeting)
9-11 Thackrah*

Copy - See memo



E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED

WILMINGTON, DELAWARE 19898

CHEMICALS AND PIGMENTS DEPARTMENT

May 12, 1981

DRAFT

PERSONAL & CONFIDENTIAL

C&P DEPARTMENT

DISTRICT MANAGERS
ASST. DISTRICT MANAGERS
COMMERCIAL ASSISTANTS
SALES REPRESENTATIVES (Direct to home addresses)
AREA MANAGERS, INTERNATIONAL SALES
F. B. BREDIMUS - NEWPORT
J. M. LOETHER - NEWARK
R. J. BUCH - SOC (20)

CPC GREEN
PRODUCT LINE CONSOLIDATION

The copper phthalocyanine green market suffers from worldwide overcapacity. Du Pont's green line has had poor profitability and is deficient in quality in critical markets. Near term, we see no way to improve our cost position and, at the same time, offer customers our current product line. Under these circumstances, we have decided to consolidate our green line to concentrate on a few high volume products which account for 55% of our business.

Effective July 1, 1981, we will begin phasing out ten low volume, high cost products while continuing to supply four existing and two new products. Inventories of codes being discontinued will be available until year-end to give customers time to adopt our new or restandardized products. Where appropriate, Chestnut Run will assist customers with the restandardization process.

Our CPC Green product line will include:

	<u>List Prices</u>
GT-751-D	\$11.30
GT-674-D (restandardized)	11.30
GT-805-D	12.90
GT-829-D	11.30
GT-860-D (new)	12.90
GW-951-P (new)	samples available mid-third quarter

Samples of restandardized GT-674-D, new GT-860-D will be available from Newark, beginning July 1, 1981.

Coincidental with this consolidation, we will discontinue green synthesis at Newport and will purchase, made to Du Pont specification, GT-751-D, GT-674-D and GT-860-D from Imperial Chemical Industries (ICI) in Scotland and GT-829-D from Allegheny Chemical. Since GT-751-D, GT-674-D and GT-860-D will be made and packaged in Scotland, the container labels will discreetly carry "Made in Scotland". If deemed appropriate the above information may be given selectively to customers. Finishing from ICI based materials of GT-805-D will continue at Newark. We will continue to quality test at Newark and inventory at Edison and selected field warehouses.

CPC Blue, unlike green, is a very important product line and vital to our overall business. Opportunities for improved sales and profitability exist. Our product line is broad and serves the automotive, paint, plastics and ink markets. Due to many unique products and a low intermediate cost position, we have a significant share of the specialty blue market.

By discontinuing green synthesis, resources will be focused on CPC Blue to further reduce costs and improve our processing capability. This move is a very positive step and will strengthen our blue position by focusing our R&D and Manufacturing resources in an area where we want to gain a larger worldwide position.

J. S. THACKRAH

JST/jdc

ATTACHMENTS

- District Manager letter to customers

- Product Data Sheets

- Sales Aids

- Picture of new metric container/label

- Counteroffering chart

- Copy of press release

- Questions and Answers



E. I. DU PONT DE NEMOURS & COMPANY

INCORPORATED

WILMINGTON, DELAWARE 19898

CHEMICALS AND PIGMENTS DEPARTMENT

May 13, 1981

DRAFT

TO OUR CUSTOMERS:

Effective July 1, 1981, we will begin to introduce two new copper phthalocyanine green products, continue supplying four products made to our specifications (GT-674-D, GT-751-D, GT-805-D and GT-829-D) and discontinue ten low volume unprofitable CPC green codes. The consolidation of our CPC green product line will allow for a required increase in copper phthalocyanine blue capability.

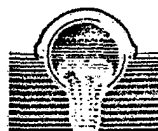
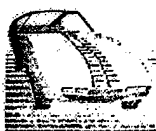
Normal inventories of products being obsoleted will be available until year-end. For your guidance, attached is a listing of the products being phased out and some possible counterofferings.

We have taken this step so we can concentrate our efforts in support of our other organic and inorganic pigment areas and new organic products' research and development.

We continue to value your business and remain committed to providing you with highest quality products and service in the future.

Sincerely,

District Manager



PIGMENT COLORS

DUP050071316

N42259.03

DRAFT

COUNTEROFFERINGS FOR
DISCONTINUED CPC GREEN PRODUCTS

<u>Discontinued Product</u>	<u>Recommended DuPont Alt.</u>	<u>BASF</u>	<u>Harshaw</u>	<u>Hilton Davis</u>	<u>Sun</u>	<u>Harmon</u>
GP-501-D	GT-674-D	GT-4873				G-5025
GT-710-D	GT-674-D				264-8142	
GL-754-D	GT-751-D					G-5095
GL-761-D	GT-751-D	GL-4876				
GT-793-D	GT-674-D		3820		264-7117	
GT-830-D	Blend of GT-860-D/GT-751-D	9140			264-8137	G-5400
GW-749-P	GT-674-D or Blend of GW-951-P and BW-431-P		W-6013	6-11-B-425		
GT-792-P	GT-751-D			6-68-C-401		
GT-822-P	GT-751-D			6-68-C-401		
GT-922-P	GT-751-D	8720			264-7117	

DUP050071317

N42259.04

PRESS RELEASE

DRAFT

E. I. du Pont de Nemours announced its Colored Pigment Products Division will introduce two new copper phthalocyanine green products, continue supplying four and discontinue (by year-end) ten low volume, low profit cpc green codes. Consolidation of its cpc green product line will permit concentration of resources in support of copper phthalocyanine blue, quinacridone, azo, inorganic pigments and new organic products' research and development.

RAR:jdc
5/12/81

DRAFT

QUESTIONS AND ANSWERS

- 1) Q Is Du Pont going out of the CPC business?
- A Definitely not - we will continue to manufacture at Newport and Newark CPC Blue and resell CPC green made to our specifications.
- 2) Q Why are we discontinuing green synthesis in favor of selling ICI and Allegheny produced material?
- A For several years CPC green has been deficient in quality, unprofitable and in a negative cash flow position. The worldwide green market suffers from substantial overcapacity. Through our resale agreements, we can supply customers with better quality products and turn a poor earnings situation into positive earnings and cash flow.
- 3) Q What impact does the green decision have on CPC blue?
- A Very positive impact - it will allow us to concentrate our resources on improving our CPC blue position as well as strengthen "Watchung", Dalamar®, inorganics and new organic products' R&D.
- 4) Q Why was ICI selected?
- A We believe ICI has:
- largest worldwide CPC green capacity
 - lowest cost
 - ability to make products to our specification
- 5) Q Why did we select Allegheny Chemical rather than ICI to make GT-829-D?
- A ICI's process will not produce the easy dispersing product required for the Plastics Market.

6) Q You plan to restandardize GT-674-D. When will this be done and how will the product differ?

A Restandardized will begin in mid-June and GT-674-D will be in

- Paint - comparable strength and rheology, but bluer and slightly harder to disperse.

- Plastics - close color match, slightly harder to disperse, and comparable heat stability.

7) Q How will we package CPC green?

A Currently we are using:

- Toners - 25 lbs. (net) Kraft bags and 125-300 lbs (net) fiber drums.

- Presscakes - 55 gallon steel drums

- Dispersions - 50 lb. (net) plastic pails, and 30 gallon and 55 gallon steel drums.

Products manufactured to our specifications will be packaged as follows:

- GT-751-D, GT-674-D and GT-860-D--a new 25 kg (55 lbs. net) steel drum.

- GT-805-D and GT-829-D --

- GW-951-P - 50 lb. (net) plastic pails and 55 gallon (400 lbs. net) steel drums.

8) Q How do we expect the products being manufactured to our specification to perform versus our own manufacture?

A With the exception of GT-674-D (question 6) all products should perform as well or better.

- 9) Q Why are we introducing the new product GT-860-D?
- A GT-860-D is a yellow shade, intense green. It offers greater color space potential than GT-805-D. In fact, GT-860-D is stated to replace GT-805-D over the next 18 months. Customers who currently use GT-805-D should begin immediately to evaluate GT-860-D.
- 10) Q GT-751-D GT-674-D and GT-860-D will be made and packaged to our specification by ICI in Scotland. Why do we have to show on the container label "Made in Scotland" and where will it be located?
- A It is a legal requirement for all goods in Commerce to be identified with country of manufacture. It is being positioned below the corporate address on the label (see attached).
- 11) Q Why will CPC green containers use a label instead of just the stenciled product code we currently use?
- A We are in the process of developing labels for all our drum containers. It is appropriate to adopt labels for green at this time.
- 12) Q For Newport/Newark produced products, what is our transitional inventory plan?
- A We will supply until year end normal customer requirements. As we deplete inventories of products being discontinued, a controlled distribution program may be implemented.
- 13) Q What support can customers expect from Chestnut Run?
- A Based on prior testing, we do not expect any problems. On a first come, first serve basis, normal technical service activities will be provided. For assistance contact:

Trade Sales - Ted Kolski 999-4520
Industrial Paint - Walt Spencer 999-2184
Ink - Hank Bartolo 999-2673
Plastics - Your district Chestnut Run Contact
Automotive - George Patrick 999-2180

- 14) Q Will we continue to offer CPC green for sale to Export markets?
A Yes
- 15) Q What plans do we have for supplying a replacement product for GW-749-P?
A We will not supply an identical product. Instead we will offer
in third quarter, a new yellower shade green (XYW-951-P) which will
well position us for both the Universal Colorant and in plant tinting
requirements for the Trade Sales industry. XYW-951-P is a high solid
dispersion of GT-751-D.
- 16) Q How can customers match GW-749-P?
A With the introduction of YW-951-P, we will supply a blend recommendation
of YW-951-P with BW-431-P (about 96 parts YW-951-P to 4 parts BW-431-P).
- 17) Q What is the selling price of YW-951-P?
A After we produce at Chambers Works the 5M lb. standardization lot, a
value-in-use price will be determined.
- 18) Q Will GT-805-D, YW-951-P and GT-829-D product labels state "Made in
Scotland"?
A No - GT-805-D and YW-951-P are being finished by Du Pont. GT-829-D
will be produced domestically.
- 19) Q Where will the resale CPC green products be warehoused?
A At Edison and any outlying warehouse where green is now stocked.

20) Q Will a new PQ be used for the products manufactured to our specifications?

A (Details to be included).

21) Q Are any ICI CPC green products currently being sold domestically?

A Yes, but to a limited extent. ICI has not been successful establishing broad distribution for its material.

22) Q Does Allegheny Chemical sell a product similar to GT-829-D?

A Yes, their code is 12DX.

23) Q Will we supply CPC green presscakes?

A Not initially. We are reviewing other potential product forms to be made to our specifications. This activity will be concluded during second quarter 1982.

24) Q Why are we issuing a formal press release?

A We believe its the best way to defuse competitive rumors. Additionally, the likelihood of a standby press release being called upon is very high, but may only receive limited press.

25) Q What is the release date of the press release and which periodicals may be involved?

A All major periodicals serving the paint, ink and plastic markets will receive the release schedule to be mailed on Monday, June 15.

26) Q Do you expect to have supply problems?

A No, we have contractual agreements covering our requirements and will maintain 60 days inventory at Edison.

27) Q When will Material Safety Data Sheets be available?

A - July 1, for GT-751-D, GT-674-D, GT-860-D

- August 1 for GT-829-D, GT-805-D and GW-951-P

28) Q Will the light fastness, chemical resistance, etc. be equal to our own manufactured products.

A Yes