

FILE NAME: National Gypsum (NG)

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NATIONAL GYPSUM COMPANY

CAPITAL STRUCTURE

LONG TERM DEBT

Issue	Rating	Amount Outstanding	Times Charges Earned	Interest Dates	Call Price	Price Range
1. Promissory notes		\$282,500,000	1981 1980			1981 1980
2. Other		49,014,000	3.5 10.4			
3. Commercial Paper		60,000,000				

Issue	Par Value	Amount Outstanding	Earned Per Sh.	Divs. Per Sh.	Call Price	Price Range
1. Common	\$0.50	16,108,295 shs.	1981 1980	1981 1980		1981 1980
			\$2.41 \$3.66	\$1.48 \$1.48		31% - 18% 26 - 16%

Based on avg. shs. as reported by Co. 1980 restated to include operations of Cement Division as continuing operations. Excluding current maturities.

HISTORY

Incorporated in Delaware Aug. 29, 1925. In 1926 acquired deposits of gypsum near Buffalo, N.Y., and in 1927 acquired gypsum lands in Iosco County, Mich. Plants were erected at both sites. Since that time, Company has materially broadened its scope of operations through internal development and acquisition of existing businesses.

In 1934, purchased for cash, plant of Kalman Steel Corp. at Niles, Ohio, a subsidiary of Bethlehem Steel Corp., for manufacture of metal lath.

On Dec. 30, 1935, acquired for stock, business and properties of Universal Gypsum & Lime Co., which had six manufacturing plants and gypsum and lime raw material resources.

On Sept. 1, 1936, acquired for stock, business and properties of Atlantic Gypsum Products Co., operating two manufacturing plants and having substantial gypsum deposits in Canada.

During 1937, acquired land and buildings at Mobile, Ala., from General Cable Corp., for cash, which was remodeled and expanded to manufacture wood fibre products.

In 1941, assets of General Insulating and Mfg. Co. of Alexandria, Ind., were acquired for cash and stock.

Co. operated under contract for U.S. Govt. ammunition plants at McGregor, Tex. (1942-46); Wahoo, Neb. (1951-56) and Parsons, Kans. (1951-57 and 1968-70). All contracts are presently terminated.

In Dec. 1944, acquired Kimballton Lime Co., Shawsville, Va., for cash and stock.

On Jan. 1, 1947, paper mill properties of Western Board & Paper Co. at Kalamazoo, Mich., was acquired.

In May of 1951, purchased National Mortar & Supply Co. (Pa.), with a lime plant at Gibsonburg, O. for stock.

In 1953, acquired for stock, Smith Asbestos Products, Inc. (N.Y.), and Asbestone Corp. (La.).

In Oct. 1957, purchased assets of Connecticut Adamant Plaster Co., New Haven, for cash.

During 1958-59, American Encaustic Tiling Co., Inc. a manufacturer of glazed ceramic tile products was acquired for stock. In 1959 acquired Olean Tile Co. and Murray Tile Co. for stock and the three were consolidated and operate today as a subsidiary. Also in May of 1959, acquired Huron Portland Cement Co., for stock (now operated as a division).

In Mar. 1960, acquired for stock, Union Gypsum Co., of Phoenix, Ariz.

In 1960, acquired Allentown Portland Cement Co., for stock, which was merged in 1962 (now operated as a division).

In 1963, purchased for cash, Tectum Corp. of Columbus, O.

In Nov. 1966, American Olean Tile Co. Inc., a subsidiary, acquired for cash, Pomona Tile Manufacturing Co.

In Sept. 1968, acquired for stock, Multicolor Corp., Hatfield, Mass., manufacturer of vinyl wall-covering (now operated as a division).

In Feb. 1969, acquired Binswanger Glass Co., Richmond, Va., for stock (now operated as subsidiary).

Also in 1969 acquired 699,900 (25%) shares of H.H. Robertson Co. common stock (sold on Jan. 25, 1978 for \$23,796,000).

In Feb. 1970, acquired Hamilton of Indiana, Inc., for stock.

In July 1970, acquired DMH Corp. St. Louis, Mich. for stock.

Sept. 1973 sold operating assets of National Asbestos Mines Limited, terminating company's participation in Asbestos mining industry.

In April 1974 acquired Binning's, Inc., Lexington, N.C., thru an exchange of com. stk.

In July 1974, Co. acquired Thomas Strahan Co. for com. stk.

In Sept. 1976, American-Olean Tile Co., Inc., subsidiary, sold its Pomona, Cal. glazed-tile plant to Pacific Holding Co.

In Aug. 1977 formed National Gypsum Energy Co. to participate on a joint venture basis, in exploration and development of energy resources.

In Sept. 1978, acquired Dowdflor Corp. (now Biscayne Decorative Products, Inc.)

In Nov. 1978, acquired the polyvinyl siding operation of Keller Products, Inc.

In Dec. 1980, Binswanger Glass Co., subsidiary, sold its Hamilton at Indiana, Inc. subsidiary to Hamilton Glass Products.

In Jan. 1981, acquired the aluminium window and door operations of Clark Aluminium Co. in Houston, Texas.

In Jan. 1981 company increased its participation in its 40% owned French Gypsum business by \$21.1 million.

In Mar. 1981, sold asbestos cement products plant in New Orleans, Louisiana.

In Apr. 1981, sold three mobile home manufacturing plants in Kansas and Minnesota.

In Oct. 1981, acquired Pan American Windows of Miami, Fla., a manufacturer and distributor of aluminum windows and doors.

SUBSIDIARIES

Wholly owned, except otherwise indicated.

National Gypsum (Canada), Ltd.

American-Olean Tile Co., Inc. (N.Y.)

Newfoundland Minerals, Ltd. (Can.)

Biscayne Decorative Products, Inc. (Del.)

Binswanger Glass Co. (Va.)

National Gypsum Energy Co. (Del.)

BUSINESS

National Gypsum is primarily engaged in the manufacture and sale of products for the building and construction industry.

Gypsum & Related Products:

Gold Bond Building Products Division manufactures gypsum wallboards, lath, sheathing and plaster; joint cement compounds and liner-board paper.

Wall & Floor Coverings:

The Wallcovering Division manufactures wallcovering and related decorating products. Products include printed and embossed decorative fabric- and paper-backed vinyl wallcovering and pressure sensitive decorative vinyl; washable, vinyl-coated wallpaper and vinyl-acrylic wallcoverings; printed fabrics. Products are sold under names "Style-Text" and "Thomas Strahan" (wallcoverings), "Huntington" (decorative-fabrics) and "Magic Cover" (pressure-sensitive vinyls).

American Olean Tile Company, manufacturer of ceramic tile, produces all three basic types of tile: glazed, unglazed ceramic mosaic, and quarry.

Biscayne Decorative Products, Inc. manufactures vinyl resilient floor coverings.

Glass & Metal:

The Binswanger Glass Division includes Binswanger Glass Co., Binswanger Mirror and Glasscraft Products. The Division installs and distributes virtually every type of glass used in the building and construction and automotive glass replacement markets. Seventy-six distribution centers are located throughout the South and Southwest. It fabricates mirrors and thick glass for furniture and architectural applications.

The Binning's Division produces a wide variety of aluminum windows, doors, bath enclosures and related products for the residential, light commercial and remodeling markets.

Specialty & Other Products:

Gold Bond Building Products Division also manufactures acoustical and ceiling tiles and panels, metal wall products and accessories, lime and limestone, and vinyl exterior siding. It also distributes fiberglass home insulation.

Cement:

National Gypsum's Cement Division sells a full line of Portland and masonry cements under the "Huron" and "Allentown" brand names in separate market areas from North Dakota to Central New York State and along the East Coast from Connecticut to Virginia. The Cement Division serves Great Lakes market areas efficiently with its own fleet of six self-unloading, bulk cargo ships.

Sales by Line of Business (%):

	1981	1980	1979
Gypsum & Related			
Prod.	36%	36%	38%
Cement	13	15	16
Wall & Floor			
Covering	17	15	14
Glass & Metal			
Prod.	21	20	18
Specialty & Other			
Prod.	13	14	14

Restate to include operations of Cement Division as continuing operations.

Other Businesses:

Energy—Current share of reserves at Dec. 31, 1981 exceeds 24 billion cubic feet and revenues from sales continues to increase. These revenues are reported in the specialty and other segment of business.

French Gypsum Venture—Sales of venture could exceed \$160 million in 1981 with increased share of profits.

PROPERTIES

Gypsum & Related Products:

Co.'s gypsum mines and quarries and its manufacturing plants for gypsum wallboard products are located at Phoenix and Winkelman, Ariz.; Long Beach and Richmond, Cal.; Tampa, Fla.; Savannah, Ga.; Waukegan, Ill.; Shoals, Ind.; Fort Dodge, Ia.; Medicine Lodge and Sun City, Kans.; Westwego, La.; Baltimore, Md.; National City and Tawas, Mich.; Portsmouth, N.H.; Burlington, N.J.; Clarence Center and Rensselaer County, N.Y.; Wilmington, N.C.; Lorain, O. and Rotan, Tex. These facilities and plants are owned in fee except for dock and unloading facilities at Baltimore and the plant sites at Long Beach, Tampa, Waukegan and Westwego.

Co. owns or controls under long-term leases gypsum mines and quarries in U.S. which are estimated to contain approx. 267 million tons of gypsum.

Co. owns about 1,000 acres of land estimated to contain in excess of 350 million tons of gypsum at East Milford, Nova Scotia. It also holds mineral rights in about 5,000 acres of contiguous or nearby lands where the presence of large gypsum deposits has been proven by diamond drilling but which have not been adequately outlined to permit accurate estimates of tonnage. Co. also owns about 60 acres and leases about 100 acres on tidewater at Bedford Basin near Halifax, where its docks and loading facilities are located.

Co. owns mills producing paper for gypsum board at Anniston, Ala.; Kalamazoo, Mich.; Stockton, Cal.; Milton, Pa. and Pryor, Okla. with a daily capacity aggregating approx. 1,100 tons of paper.

Wall & Floor Coverings:

Co. manufactures glazed tile at Lansdale, Pa. and Jackson, Tenn.; unglazed ceramic mosaic tile at Olean, N.Y.; and quarry tile products at Lewisport and Cloverport, Ky.; Roseville, Cal., and at Quakertown, Pa., and Fayette, Ala.; and resilient floor coverings at Miami, FL. Co. owns or controls under a long-term lease, pyrophyllite reserves sufficient to support its clay manufacturing operations at present levels for approx. 75 years. Co. manufactures paper and vinyl wallcoverings at Hatfield, MA; and Chelsea, MA; and coordinated fabrics at Lawrence, MA.

Glass & Metal Products

Plants are located at Grenada, Miss., Chandler, Ariz. Major warehouse and distribution centers for Co.'s Glass Division are located in Richmond, Va., Memphis, Tenn. and Houston, Tex. This Division operates 74 retail and wholesale outlets for glass and millwork products throughout the South and Southwest. Fifty-five of these locations are leased premises.

Co. manufactures aluminium prime and storm windows and doors at Lexington, NC, Miami, Fla. and Houston, TX.

Specialty & Other Products:

Acoustical and ceiling tiles and planks are manufactured at plant in Mobile, Ala.

Metal wall products and accessories fabricated at Niles, Oh. plant.

Co. owns a limestone quarry and plant located at York, Pa. and a limestone mine and plant at Kimballton, Va. These mines and quarries contain limestone reserves estimated to be approx. 9.9 million tons.

Vinyl exterior siding manufactured at Manchester, New Hampshire plant.

Cement

Co. owns a mill at Alpena, Mich., with capacity to produce 2.5 million tons of various types of Portland and masonry cement annually, and nearby limestone reserves sufficient to support present operations for approximately 100 years.

Co. also owns a cement mill at Evansville, Pa. with an annual capacity of 935,000 tons and reserves of limestone sufficient to supply present capacities for approx. 25 years. To serve this marketing area, it operates storage and distribution facilities at North Haven, Conn.; Bowie, Md. and Jersey City, N.J.

MANAGEMENT

Officers

R.E. Scifres, Chmn. and Chief Exec. Off.
J.P. Hayes, Pres. & Chief Oper. Off.
C.R. Morgan, Senior Vice-Pres.—Fin. Admin.
E.J. Killian, Group Vice-Pres.
T.W. Ferguson, Jr., Group Vice-Pres.
J.A. Keller, Group Vice-Pres.
E.W. Fordyce, Jr., Vice-Pres., Gen. Counsel & Asst. Sec.
R.E. Swanson, Vice-Pres.—Fin. & Treas.
J.C. Quinly, Vice-Pres.—Int'l. Oper.