KAISER GYPSUM COMPANY, INC.

INTER-OFFICE MEMORANDUM

TO G. M. Thomas
AT Antioch

DATE May 2, 1972

COPIES TO A. P. Alessandri, B. F. Crosby, P. D. Orleman ✓, J. W. Blewett, D. J. McClellan, T. V. Smith

FROM Joe LaFayette
AT Antioch

SUBJECT APRIL MONTHLY ACCESSORY PRODUCTS REPORT -- DISTRICTS 2100, 2200 & 2600

I. SALES VS. FORECAST

	SALES	FORECAST	% OF FORECAST
Dist. 2100 - Oakland			
Month of April	383,683	642,000	60%
Year-to-date	2,068,762	2,094,000	99%
Dist. 2200 - Sacramento			
Month of April	194,687	520,000	37%
Year-to-date	1,638,514	1,764,000	93%
Dist. 2600			
Month of April	20,112	48,000	42%
Year-to-date	118,801	160,000	74%

MONTH TOTAL: 598,482 POUNDS = 299 Tons

II. MARKET CONDITIONS

Our sales volume dropped drastically this month; the cause seems to be three-fold due to customer acceptance of Polymeric Finish Powder Compound, quality problems with K-Spray and April 1st price increase. Details will be covered later in this report.

KG-0114

APRIL MONTHLY ACCESSORY PRODUCTS REPORT (cont'd)

III. COMPETITIVE CONDITIONS AND DEVELOPMENTS

Competitive companies did not follow in line with our April 1st price increase. Announcement of our price modification caused our regular customers to go shop prices with competitors. And in most cases, competition quoted prices lower than our old price. We will have to be competitive to regain our position in the market. Our price increase was cancelled May 1, 1972.

IV. PRODUCT QUALITY AND SERVICE

A. QUALITY:

1. PMW - Working well.
2. TOPPING - Working well.
3. POWDER JOINT COMPOUND (POLYMERIC)

a. Joint Compound: Working satisfactorily once the tapers get used to working with it.

b. Finishing Compound: Latest revised formula code 4-14-1 FCXS did not break down in the wet mix as previous formulas did. However, customers still do not like it because of the following reasons:

1. Mixing: Difficult to mix for handwork; mixing one bag to slightly less than 1/2 bucket of water as recommended material will mix together and mix ends up okay for Ames tool work but too thin for hand work. Part of a second bag of powder has to be added to the bucket and remixed to get the viscosity heavy enough for hand work.

2. Workability: Tapers claim product is too sticky and tacky for 1st metal and window wrap hand work; mud pulls hard and sticks to their knives. Product drags slightly in skim box and needs more slip. Latest field test was conducted with Service D/W on April 27th prior to their ordering of the new product; at the end of the test, they were not satisfied with the results. We saved the order by converting the customer to Pre-Mix Topping. Other customers such as Pace D/W dislike our Finish Compound, will not switch to Pre-Mix so we have lost their business to Richtex who sells them a casein/starch product which is working satisfactorily.

QUALITY

4. KSS: To date we have not been able to regain the ceiling texture business from the two volume accounts we lost due to Asbestos clumps which plugged their Acoustic guns. The Research Dept. has revised the KSS formula and one batch will be field tested the week of May 8th. A report of performance will be submitted at that time.
5. TSS: Wall Texture working well.
6. TAPE: Working well.
7. CORNERBEAD AND NAILS: Working well.

B. SERVICE

The Accessory truck driver continues to do an excellent job; the truck is a valuable sales tool.

V. GENERAL COMMENTS:

Sales this month were quite disheartening but market conditions continue to look good through the 2nd quarter and once above problems are corrected we'll be back at the 600 plus ton sales volume.

JL:bfw