



IN|TOUCH

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News, Ideas and Growing Knowledge from Temple-Inland Forest Products Corporation



Continuously finding new uses for its waste in the sawmill, the Company opened a handle plant in 1939.

Temple: A history rich with innovative products and ideas

The Company known today as Temple has always welcomed the opportunity that comes with change. Faced with a remarkable mixture of historical, political, cultural and technological change for more than 106 years, the Company's response has been consistent. It has always stepped up to its many challenges with innovation, entrepreneurship, and no small amount of perceptive risk-taking.

Temple prospered over the years — as it does today — by applying a template for growth that continues to earn Temple its enviable position in the marketplace: Diversify and grow by focusing on the customer and anticipating the needs of the future. Use the leading edge in technology in upgrading plants and equipment to improve efficiency and quality. Produce high-quality products using ever-greater portions of the log, and process wastes to help the environment, and the bottom line.

Showing its mettle — even in the darkest days — the Company built its opportunity, and its reputation, in the form of innovative products that were consistently ahead of its time and its competition. From timbers for

hardwood bridges and oil derricks and parquet flooring in the early years, to mop handles for Navy "Swabbies" during World War II, and soil mulch and pressed wood mouldings for furniture in the 1950s, the Company's early products all point to a constant search for new ways to use resources and process technologies to create products that have satisfied four generations of customers.

The drive to serve customer needs did not stop with manufactured goods. Early in Temple's history, it entered retail, financial, real estate development and construction services, some of which are now provided by Temple-Inland Financial Services.

A survey of products once offered during the last fifty years reveals more fascinating product history:

- ceiling & acoustical tiles
- roof insulation
- siding for railroad cars
- decorative & prefinished wall panels
- aluminum extrusions
- wrought iron hardware
- molded plastics

You'll be seeing Temple "T-Wheels" on a lot more buildings next year.

Remember when it was building a lot more buildings? You're seeing the new Temple "T-Wheels" on a lot more buildings next year. Temple Industries, Inc. is now offering a new line of products that will be seen on a lot more buildings next year. Temple Industries, Inc. is now offering a new line of products that will be seen on a lot more buildings next year.



"You'll be seeing Temple 'T-Wheels' on a lot more buildings next year" declares a 1970s ad. Part of Temple's tremendous success in attracting the attention of markets across the country has been its branding and labeling of products like fiberboard sheathing and the purple stud.

- distribution & transmission poles
- laminated beams & arches
- mantels
- shelving
- bedroom furniture
- fence posts & sections
- penta & creosote treated wood
- toilet seats
- parquet & hardwood strip flooring
- soil amendments & mulch
- wood flour

COMMEMORATIVE ISSUE

From its beginnings in 1893 as a small Southern company with a single sawmill and a few thousand acres of forestland, to its status as a world-class company today, Temple has grown through a whirlwind of change. *InTouch* pauses to greet the new century with a new design and a look at Temple's colorful past, its prosperous present, and examines its future in a new century.



OUR BUSINESS

The more successful a company, the further that company must look ahead

At the turn of the last century, Theodore Roosevelt said, "The one characteristic more essential than any other is foresight." The more successful a company, the farther that company must look ahead, anticipating challenges and solutions for a changing global commerce system. E-commerce in particular has been on everyone's lips as the turnkey factor for change in the new millennium. But "E" is more than electronic technology and the Internet. It is a focal point, a new plan for change. As our technology becomes more advanced, it brings us closer to our customers, but it also raises demand for quality, service and information. Accordingly, we must continue to focus on our customers and look internally to the "E" factors that will affect Temple's future growth.

Employees

The reason Temple continuously remains number one in customer service is because we have the best people in the industry. We must continue to ensure this competitive advantage by focusing on employee training and growth. A computer or a voice recording can never replace the value of a highly trained, technically skilled workforce.

With this employee growth, it is imperative that we streamline the communications process and equip our employees with the information they need to succeed personally and with our customers.

Efficiency

Probably the most tangible effect of e-commerce is the movement toward greater efficiency in the marketplace. E-technology allows businesses of all sizes to compete for a finite number of customers in a global marketplace, and engenders a more informed, faster-moving commercial process. Economically, we will be competing with countries that have an advantage in terms of labor and resources, so we must find ways to offset that advantage through customer service, quality and price. Continuing to meet higher customer expectations depends on our resources, namely our chief asset — our employees.

Expansion

Sparked by surging growth in the repair and remodeling market, we will continue to look at opportunities for strategic additions of facilities that allow us to meet this demand and bolster our asset base. This is evidenced by our recent acquisitions of assets that further expand our



Harold Maxwell
President and Chief Executive Officer
Temple-Inland Forest Products Corporation

reach into the particleboard and MDF markets. Our growing involvement in the MDF product line is positive proof of our commitment to be a flexible and responsive provider for our customers' needs. As we strive to be the premier provider of quality products to the marketplace, we will continue to evaluate appropriate strategic ways to meet this objective.

Through greater efficiencies, a reinvigorated workforce, new products and industry-leading customer service, Temple will continue to grow and thrive. My goal for us is captured in this statement by a noted visionary, "We are what we repeatedly do. Excellence, then, is not an act, but a habit."

OUR FUTURE



Sales and Marketing Management Team (l to r): Richard Kenley, Marketing Manager/New Product Development; Dale Arnold, Industrial Sales Manager; Pat Patranella, Business Manager, Solid Wood; Pete Smart, Marketing Communications Manager; Jim Rush, Business Manager, Gypsum/Fiber Products; Joe K. Sample, Vice President — Sales & Marketing; Brenda Elliott, Residential & Commercial Sales Manager; and Jack Beene, Business Manager, Industrial Products.

This issue's "Our Future" feature is the first in a series of in-depth interviews with members of the Building Products management team. These articles will examine the new business principles, trends and issues that will influence and shape Temple's ability to remain a thriving enterprise for years to come.

What new business fundamentals and manufacturing trends will affect Temple's ability to remain a thriving enterprise in the new century?

E-Commerce: Developing Temple's Edge in Customer Service

Joe Sample: E-commerce will forever change the face of our business. Its quick and meteoric rise is being fed by increasing customer demand for quickness and efficiency. The companies that are prepared for this profound transformation are going to benefit from it the most. How will Temple's use of this medium evolve? Ultimately, our customers will provide that answer.

Brenda Elliott: E-commerce will be our greatest opportunity to improve efficiencies in selling. As our customers increase their technical sophistication and create their vision of online purchasing, Temple will have a system in place to make the transition easy. However, Temple continues to give customers options in how they want to do business with us.

Major builders view e-commerce as potentially lowering the cost of their homes by more than seven percent. In a business with an average margin of only four percent, builders are enthusiastic about e-buying. This will accelerate the interest of our customers selling into this segment and will provide Temple a means to link into their chain.

Pat Patranella: Temple was one of the first in the industry to harness e-technology with our 24-hour online customer service site. It offers customers the ability to check on basic information like order status, pricing, shipping and product availability any time, day or night. Offering customers another way to do business with Temple, the service is being expanded this year with order entry capabilities.

Richard Kenley: The economic surge and business transformations produced by the Information Age are often compared to the Industrial Revolution. Internet analysts are predicting that the greater promise of e-commerce lies in business-to-business sales.

CPI and the Statistical Approach: Fact-Based Management

John McClain: Panel Products is connecting to new technologies to bring more knowledge and efficiency to our processes. Advances in information technology are replacing manual data collection methods and helping us move quickly from the intuitive methods of the past to a knowledge or fact-based management approach.

Hal Cordell: Our emphasis on CPI methods is turning data into fact-based decisions that take the variation out of product production, improve costs and increase process predictability and product quality.

Improving Yield from the Stem

David Kellam: Automation is also changing the face of Solid Wood Operations. Because the traditional sawmill is continuing to evolve into a high-tech manufacturing environment, one of the biggest changes impacting our future is in the skills our people require. Our employees are becoming manufacturing professionals that monitor and look for opportunities for improving processes and products.

Mike Rogers: Solid Wood will be continually challenged to increase the yield from stems and produce the required product mix. Fiber recovery is the single, largest cost in wood products manufacturing. Automating and upgrading equipment will result in more finished product from the log.

Bill Fulmer: Our ability to be responsive to customers' demands for a quality product and maximize the utilization of our changing forest resource is fundamental to our ability to remain a thriving enterprise.

Keeping the Customer in Focus

John McClain: The rapid consolidation occurring in our industry, with fewer suppliers becoming larger and larger — including Temple — is also affecting our customer base. With this movement, customer demands for quality, delivery, service and technical support are becoming more stringent. As our customers' processes and products change, reflecting expanding uses for Temple's products, we need to move our operations and processes closer to the customer. If a task is not giving value to the customer, it is a task that should be eliminated.

Joe Sample: Because the plants have control over much of the customer service process — quality, service and delivery — it is important to foster their focus on the customer. Credibility and relationships



Pictured is John McClain, Vice President — Panel Products.

Operations Managers for the Panel Products Group are Hal Cordell, Particleboard Operations; Jim Menz, Fiber Products; and Jim McNeer, Gypsum Products.

grow when our technicians are in direct contact with customers, helping them test their products and designing our products to meet their application needs. The key is to create bonds at every level to make the job of satisfying customers efficient.

Strategic Business Teams

Jim Rush: With our strategic business teams focusing on communications between Marketing and Sales and Operations, we will do a better job of producing what customers want and matching the production capabilities of our plants. Now our Operations staff knows as much about the customer as Marketing, while Marketing has grown in their knowledge about production. Our plants are some of the best selling points we have.

Pat Patranella: We must continuously work smart and stay customer-focused by doing what the customers want, when they want it.

Next Issue: "Where will Temple seek its future diversification and growth?"



Led by David Kellam, Vice President (center), the Solid Wood Operations management team includes (front row, l to r): Sherry Johnson, Administrative Manager; Mark Shupak, Process Technology Manager; Treasia Leatherbury, Group Environmental Coordinator; Joe Beard, Wood Properties Coordinator; Bill Fulmer, Area Plant Manager — Diboll; Don Hendrick, Purchasing Manager; and Gary Frost, Area Plant Manager — Buna/SWLA. Pictured in the back row are Kyle Hay, Resource Coordinator; Brad Busler, Director, Human Resources; Gary Myers, Plant Manager — Rome; Chris Ellis, Logistics Manager; Mike Rogers, Complex Manager — Pineland; and Melissa Chumley, Manager Business Unit Systems.

TEMPLE-INLAND FOREST PRODUCTS CORPORATION

Historical Highlights

1893-1929

BEGINNINGS

With timberlands severely diminished in the North and Northeast, the forest industry turns its interest, and its capital, towards the abundant pine forests in the South.

1890s

Established in 1893, the Southern Pine Lumber Company begins operation of a sawmill in Diboll, Texas, in 1894. The site is home to six sawmills over the next 106 years.

Temple purchases a narrow gauge railroad that later becomes the Texas-Southeastern Railroad.

1910s

Hardwood mill in Pineland acquired.

1920s

The first retail lumberyard opens in Houston.



Ad circa 1912

1930-1944

DEPRESSION & WAR

During the Great Depression, the Southern Pine Lumber Company sells 100,000 acres of timberland to the U.S. Government, enabling the Company to keep its operations and its employees working. In spite of a manpower shortage during World War II, the Southern Pine Lumber Company expands output to meet the War's growing material needs.

1930s

A handle plant opens in Diboll.

1940s

First tract of timber is marked using the single tree selection method.

Use of big logging camps is discontinued.



1945-1949

HOUSING BOOM BEGINS

Returning war veterans and their families face a severe housing shortage. Between 1949 and 1999, homeownership rises from approximately 56 percent to more than 66 percent. (Source: NAHB)

At the same time, a population shift towards the Company's primary markets in the "Sun Belt" begins. For the next fifty years the South, averaging 42 percent of all new housing starts, out-builds the rest of the country.

The Temple toilet seat, made first in solid wood and then by using waste from the particleboard pilot plant at Pineland, sold like "hot cakes" from the late 1940s until around 1971.



View of the Company's General Store in 1908, Diboll, Texas.



Company Letterhead Logo - 1955

1950-1979

TECHNOLOGY & EXPANSION

By the early 1950s, technology and the increasing value of fiber point the way to the conversion of chips, sawdust and shavings for producing profitable panel products.

The 1960s and 1970s usher in a period of spectacular growth as the Company launches one successful product and plant after another.

1950s

A typical new home is one story, 983 square feet, and offers two bedrooms, one bath, no basement, fireplace, garage or air conditioning. The average sales price for a new FHA-insured house (1952) is \$11,077 and the mortgage rate (1950) is 4.25 percent. (Source: NAHB)

First power saws used by logging crews.



Illustrations from ads circa 1960 for plywood, studs and gypsum

7,077 acres of company lands condemned for use in the Sam Rayburn Reservoir.

Diboll Fiber Products Operation opens.

1960s

The Company pioneers the early research and development of Southern pine plywood manufacturing and begins production of particleboard, gypsum wallboard and other building materials.

The forest products industry is evolving, moving from the traditional family-owned lumber companies to an industry dominated by national corporations.

Southern pine enters the financial services industry by purchasing controlling interest in Lumbermen's Investment Corporation of Austin.

Name is changed to Temple Industries Inc. in 1963.

Company land holdings are more than 450,000 acres.



Ad circa 1950s



Ad circa 1960s



Ad circa 1970s

Texas Gypsum is purchased.

Pilot particleboard plant opens at Pineland.

Planning begins on Crown Colony Country Club.

Southern Pine becomes Temple Industries in 1965.

Sabine Investment Company of Texas, Inc. is formed.

Temple Industries becomes a public stock company in 1969.

1970s

Annual housing starts in the United States reach 2.34 million units in 1972, the highest level ever recorded. "The New South" continues leading all other parts of the country with 45 percent of new housing starts in 1972.

Diboll Particleboard Operations opens.

Gypsum plant in West Memphis, AR opens.

Time Inc. acquires Temple Industries in 1973 and merges it with its subsidiary, Eastex Pulp and Paper Company, to form Temple-Eastex Incorporated.

Particleboard plant constructed in Thomson, Georgia.

A plywood plant opens in Pineland.

Big Thicket National Preserve takes 26,500 acres of Company land in Texas. Later, the Company receives compensation for 20,183 acres.

Particleboard mill is purchased in Monroeville, AL.

New corporate headquarters offices open in Diboll.

[Continued on next page]



TEMPLE-INLAND FOREST PRODUCTS CORPORATION

Historical Highlights

1980-1999

REPAIR, REMODELING & BULL MARKETS

During the 1980s, the repair and remodeling markets rise to a level of importance almost equal to that of new home construction.

The robust 1990s begin with an impaired economy in which housing construction reaches a 20-year low. As the decade unfolds, the entire country begins to enjoy the longest economic expansion in history.

1980s

In 1982 timberlands total 1,078,046 acres, 52,000 acres in pine seedlings are planted and the Company employs 50 graduate foresters.

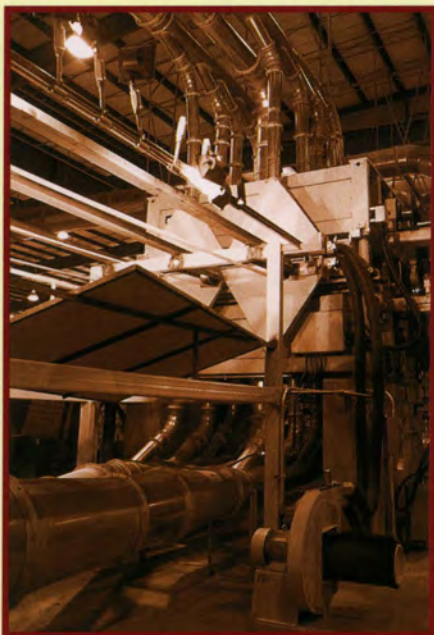
On January 1, 1984, Temple-Inland Inc. begins its first full year of operation.

A gypsum plant is built in Fletcher, Oklahoma.

Temple-Eastex Incorporated name changes to Temple-Inland Forest Products Corporation in 1988.

Temple-Inland acquires three insolvent Texas savings and loans under the Resolution Trust Corporation's "Southwest Plan." The banks are recapitalized and combined under Guaranty Federal Bank, F.S.B.

Buna Lumber Operations opens.



MDF panel exiting sander at the Company's Del-Tin Fiber, L.L.C. joint venture plant in El Dorado, AR.



Sale Sheet circa 1980s




Ad circa 1990s



Hope Particleboard Operations, Hope, AR.

History compiled from Temple-Inland Inc. annual reports and news releases; Temple Inland Forest Products Corporation news releases and InTouch articles; Inland historical records; and from "50 Years of Housing Milestones." National Association of Home Builders. 17 Nov. 1999 http://www.nahb.org/news/housing_act/anniversary.pdf; articles from The Buzz Saw; "Housing Starts Statistics," U.S. Census Bureau. 17 Nov. 1999 <http://www.census.gov/const/c20/startsan.xls>, and with the assistance of the T. L. L. Temple Memorial Archives.



If performance is riding on the quality of the board make it Temple

Providing "more solutions across the board" is the message of this 1999 trade show panel emphasizing that no matter the application, Temple has the right composite panel for the job. The panel is targeted at furniture, fixture, cabinet, moulding and millwork manufacturers.

1990s

Temple grows by capitalizing on an excellent housing market for its traditional building materials and by growing its industrial market segments in particleboard and entering the medium density fiberboard market.

SW Louisiana Lumber Operations opens in DeQuincy, Louisiana.

Temple-Inland Forest Products Corporation enters a joint tree-growing venture operating as Planfosur S. de R.L. de C.V. in Mexico.

New particleboard plant opens in Hope, Arkansas.

A joint venture named Standard Gypsum L. L. C. is formed, which includes a wallboard plant in McQueeney, Texas, and a gypsum quarry in nearby Fredericksburg.

Worst fire season in decades affects 7,100 acres in Texas and Louisiana; Company losses are estimated at 4,000 acres.

Big Tin Barn retail units are sold.

Marking the entrance into the MDF market, Del-Tin Fiber, L.L.C. opens in El Dorado, AR.

Two MDF plants are acquired in Clarion, PA., and Pembroke, Ontario.

Fortra Fiber-Cement, L.L.C., a joint venture facility in Waxahachie, Texas, opens.

Cumberland Gypsum opens in Cumberland City, TN.

Panel Products adds Particleboard and MDF Operations in Mt. Jewett, PA.



By 1999, approximately 60 percent of Temple's industrial materials are used in consumer items such as kitchen cabinets and ready-to-assemble furniture.

2000 and Beyond

With a rich legacy as its foundation, Temple enters a new century with a growing list of building materials and industrial panel products used by builders, manufacturers and consumers across North America.

Like the Southern Pine Lumber Company of the 1900s that made products that helped a nation prosper and grow, Temple, at the beginning of the 21st century, is expanding into markets that are growing faster than the general

economy. In 1998 and 1999, factors such as a low effective mortgage interest rate and low unemployment propelled a housing boom of the proportions enjoyed during the 50s and 60s. At the same time, an aging population is driving homeownership rates to a record breaking 66.3 percent and adding momentum to the repair and remodeling markets. Glimpses into the future health of housing markets show an influx of younger generations that are reversing recent declines in household formations — the single greatest source of construction demand.

Sold under the Temple trademark, many of the Company's building materials can be purchased at local "Big Box" retailers and other home improvement centers or at independently owned lumberyards that are supplied through their memberships in large buying cooperatives.

BUILDING MATERIALS

	Home Depot	Lowe's	McCoy's Building Supply Center	Do-It-Best Corporation Fort Wayne, IN	Lumbermen's Merchandising Corporation Wayne, PA	Allied Building Stores Monroe, LA
Lumber	●		●	●		●
Studs		●		●	●	●
Plywood		●		●	●	●
Gypsum Wallboard	●		●	●	●	●
FORTRA™ Fiber-Cement Siding	●			●	●	●
Hardboard Siding	●	●	●	●	●	●
Fiberboard Sheathing			●			●
Medium Density Fiberboard Panels	●					●
TrimCraft™ Engineered Wood Trim	●					●
TemStock™ Panels and Laminated Shelving	●		●			●

*Availability varies by region of the country

Examples of the many fine consumer products using Temple's industrial panels and the retail outlets in which they are available.

INDUSTRIAL PANELS

		PRODUCT		RETAIL OUTLETS						DEALER
		Particleboard	MDF	Home Depot	Lowe's	Wal-Mart	K-Mart	Target	Home Improvement, discount and other retailers	Dealer Networks
Manufacturer	Brand(s)									
Kitchen Cabinets										
American Woodmark Corp.	American Woodmark, Timberlake, Thomasville	●		●	●					●
Cardell Cabinets	Cardell Cabinets	●								●
KraftMaid Cabinetry, Inc.	KraftMaid, Passport, Euro 6, Traditional Kraftmaid	●			●					●
Mill's Pride	Mill's Pride	●	●	●						
Mill's Pride	Kitchen Pride	●		●						
Texwood Industries	Quality Cabinets, Woodstar	●								●
Ready-to-assemble Furniture										
Ameriwood	Affordable Furniture	●				●		●		
Doxey Furniture	Doxey Furniture	●							●	
O'Sullivan Industries	O'Sullivan Industries	●							●	
Mill's Pride	Room Additions	●	●			●	●			
Retail and Traditional Furniture										
Riverside Furniture	Riverside	●							Furniture Retailers	
Progressive Furniture	Progressive	●							Furniture Retailers	
Standard Furniture	Standard Furniture	●							Furniture Retailers	
Founders, Division of Thomasville Furniture	Founders Furniture		●						Furniture Retailers including Levitz Furniture Store	
Flooring										
Pergo	Pergo	●		●					Flooring Retailers	
Mouldings										
Pacific MDF	Pacific MDF		●	●						
Storage Cabinets and Bookcases										
Mill's Pride	Storage Pride	●	●			●	●			
Lee Rowan	Storage Solutions	●							●	

*Availability varies by region of the country



CUSTOMER PROFILE



“How you deliver is what is important.”

– Cliff Shafer | Vice President, Trussway, Ltd.

Using today's technology to advance sales and distribution is going to be a challenge and an asset for the entire building materials industry, according to Trussway, Ltd. President Dick Rotto. “With a major industry reconfiguration, alternative products, and a booming information age, we think the next two to five years are going to be the most

exciting and challenging we have ever experienced,” said Mr. Rotto.

Beginning his company in 1972 with two partners in an old grain storage room nicknamed “the dungeon,” Mr. Rotto has seen remarkable growth in his business.

Today the company is recognized as the nation's leading manufacturer of factory-built housing components, which include roof and floor trusses, wall panels and components, window and door framing kits, and a lumber distribution division. Headquartered in Houston, with locations in Texas, Florida, Georgia, North Carolina, South Carolina, Virginia, Kentucky, Indiana and Michigan, the company is capable of shipping to more than 30 states.

With this kind of growth, Trussway relies on Temple for a lot of its lumber. “We love Temple products. These are great and desirable products,” said Trussway, Ltd. Vice President Cliff Shafer.

In 1986 the company diversified, adding a major expansion when Mr. Shafer joined and headed its new multi-family and lumber division, providing builder customers with a “one-stop shop.” A single-family home group was added in 1991.

Fourteen years later, this group serves single-family home builders in the Houston and Dallas/Fort Worth

markets by delivering framing packages to home sites. Multi-family lumber operations in Houston, Atlanta and Denver deliver mill-direct truckload quantities nationwide. The division distributes all of Temple's lumber, wallboard, siding, and trim products.

“Temple is a preferred supplier. We recognize and appreciate the professionalism of Temple's people and the consistent quality of your products,” Mr. Shafer said.

“In 1998, with the pace of consolidation quickening, we joined with a financial partner to build on an acquisition strategy we began in 1995,” said Mr. Rotto. Access to these new resources allowed Trussway to purchase three businesses that have added greater penetration into heartland and Southeast markets.

With its growth in products and in market share, and with builders using three times more manufactured components per start than were used before the mid-1980s, the company's acquisition strategy has paid off brilliantly. In ten short years, the company has multiplied its sales by 12 to revenues of \$345 million, and its number of employees by five to 1,400.

Factory-built housing components are seen as a higher quality, lower cost alternative to site built structures. Because these manufactured components use 20 percent less wood per unit than conventional framing methods, builders are able to realize substantial savings.

“I appreciate Temple's sincere interest in building a partnership with Trussway for our mutual advantage. This is achieved when Temple listens and takes care of the customer. How you deliver is what is important,” Mr. Shafer said.



Trussway, Ltd. President Dick Rotto and Vice President Cliff Shafer

Clifford J. Grum retires

Clifford J. Grum, Temple-Inland Inc.'s only CEO in its 16-year history, retired as chairman and CEO of the Company on January 1, 2000.

Through dedicated leadership and strategic vision, Mr. Grum led Temple-Inland from its creation as a spin-off Company in 1984 through its growth into a diversified manufacturing and financial services entity.

Sixteen years is a relatively short time in the context of a corporate entity's life span, but Temple-Inland has accomplished much in that time under Mr. Grum's leadership. When Temple-Inland was spun off from Time Inc. in 1984, the Company had \$1.2 billion in operating revenues, employed 10,000 people and owned 1.1 million acres of forestland in Texas and Georgia.

Today, revenues have tripled to \$3.7 billion; and the Company now has approximately 15,000 employees and owns over 2 million acres of forestland.

Through a number of strategic acquisitions driven by Mr. Grum, Temple-Inland's financial services group has grown from a small mortgage banking and real estate company to a significant financial services entity with a \$13 billion savings and loan, a \$22 billion mortgage servicing portfolio and an insurance agency that is one of the largest in Texas.

Mr. Grum began his career at Republic Bank in Dallas. After 10 years, he joined Temple Industries in 1968 as financial vice president, and was instrumental in taking the Company public. Five years later, the Company was acquired by



Time Inc., and Mr. Grum spent the next 10 years in various positions in both the magazine and corporate groups. For three years, he was publisher of *Fortune* magazine and then served as executive vice president of Time Inc. until Temple-Inland was spun-off. In 1991, he was elected chairman of the board of Temple-Inland Inc.

Temple adds Particleboard and MDF capacity

Temple has added a particleboard facility and medium density fiberboard facility to its growing industrial panel products manufacturing operations. The Company announced on December 17, 1999, that it has entered a definitive agreement with Allegheny Particleboard L.P. and Allegheny MDF L.P. to lease the two Mt. Jewett, PA., facilities for a term of twenty years.

The particleboard facility can produce approximately 200 million square feet annually, and the MDF facility is able to produce approximately 100 million square feet annually. These additions make Temple the second largest supplier of particleboard

and MDF and the largest capacity producer of MDF in North America.

According to Industrial Products Business Manager Jack Beene, "The new plants will give Temple logistical advantages throughout Eastern Canada and the United States and give Temple added coverage for particleboard and complement our existing MDF markets in the Northeast.

"This is an excellent opportunity for us to continue to grow with our customers," he said.

The particleboard at Mt. Jewett is a lightweight board with a flake core that is ideal for use in ready-to-assemble furniture.

The new facilities also bring several new post-production processing capabilities to the Company that will be used to overlay particleboard and MDF for use as laminated substrate material. Included is a paper laminating line that applies laminates used for the vertical sides and backs of kitchen cabinet boxes. A two-sided laminating press applies low-pressure melamine laminates for kitchen cabinets, office furniture and store displays.

Future plans for the Mt. Jewett complex include upgrading particleboard production facilities and installing additional pollution control systems to both plants.



Mt. Jewett, Pennsylvania
Particleboard and MDF Plants

Temple-Inland Foundation scholarship applications available

Eligible high school seniors who are interested in applying for Temple-Inland Foundation Scholarships are encouraged to request an application package by calling or visiting local Human Resources offices of Temple-Inland Forest Products Corporation or Financial Services or by writing the Temple-Inland Foundation at P.O. Drawer 338, Diboll, Texas, 75941. A Scholarship Request Form can also be accessed at the Human Resources

Intranet site under Forms and Policies.

Sons and daughters of active or retired employees of Temple-Inland Inc.'s Forest Products Corporation and Financial Services subsidiaries may apply for Temple-Inland Foundation Scholarships, provided the parent has completed three years of continuous full-time service as of April 1, 2000.

Applications should be completed and returned to the Foundation no later than March 15, 2000.

CPI Workshop brings the house down

In a learning scenario simulating the discomfiting realities of a work environment short on communication, leadership and direction, aggravation is soon reflected in the faces of all the participants at a recent Continuous Process Improvement (CPI) Workshop. A set of rigid and constantly changing rules has turned the simple effort of building a house from a deck of cards into an overly complex and frustrating experience.

With some team members prohibited from hands-on participation, the work rules for the house-building project include little time to plan, a no talk rule, and a schedule that results in minimal work accomplished. As frustration grows and creative thinking stops, dwindling cooperation causes some workers to stop working while others begin to build alone. Houses are soon collapsing in every corner of the room. After observing the inevitable chaos, David Thomas, strategic analyst — Panel Products — and a trainer for the session, underscores the chief lesson of the activity, “If you are not talking, nothing is getting done.” Afterwards, there is an easing in the work rules and multi-story construction begins to flourish.

The communications training activity, an addition to the CPI methods training that Temple’s Panel Products group has provided for more than eight years, illustrates how proper team processes can increase CPI effectiveness and enable groups to focus on achieving goals.

Conducted from September through November 1999, the Workshops brought together more than 65 plant management, maintenance and human resources personnel from across Temple’s Panel Product operations. The training teaches CPI methodologies that are used to bring increases in quality, service, uptime and profits and improve on-time deliveries. Production is not the only function finding innovative ways to apply the process-improving techniques, Human Resources is using the methods to shorten the hiring process.



Hampered by both a “hands-off” and a “gag” order as part of a CPI Workshop activity showing the importance of communications to CPI effectiveness, Johnny Womack (far right) of Monroeville Particleboard Operation looks on as his house building partners (l to r), Randy Burt, Diboll Particleboard Operations, and Tom Braswell, Hope Particleboard Operations, construct a house from a deck of cards.

“These training sessions are providing our people with the tools and the education in the CPI-based operating philosophy of Panel Products,” according to Particleboard Operations Manager Hal Cordell. “CPI is not a separate program, but rather it is the way we want to run our entire business,” he said.

“CPI training is helping Temple’s people become ‘change-ready’ by giving them the tools to produce better results and grow into new leadership roles as Temple grows and expands. Another goal for the training is to encourage more communication and teamwork between operating groups. People often view their challenges as unique, when in fact, the majority of concerns are common to all plant locations,” said Robert Dickens, Ph.D., manager, Process Engineering — Panel Products. Mr. Dickens is a Certified Quality Engineer and has organized this and several previous CPI training initiatives for the Company.



Temple CPI Workshop attendees found that a valuable part of the program was the ability to interact with their peers from the other plants and work out solutions to their common challenges.

Pictured are attendees (l to r), Front Row: Brad Thompson, Thomson Particleboard Operations; Monte Whisenhunt and Robbie Fletcher, Diboll Particleboard Operations. Back Row: David Thelen and Randy Burt, Diboll Particleboard Operations; Steve Dwyer, Tony Amerson and Glenn Stephens, Thomson Particleboard Operations.



PEOPLE ON THE MOVE

Promotions

TIFPC - Diboll:

Mitchell C. Corley, *Account Manager*;
Thomas W. Cubley, *Account Manager*;
James M. Flournoy, *Maintenance Planner*;
John A. Lowther, *Assistant Maintenance Planner*;
Bart L. Morton, *Account Manager*;
Douglas C. Robertson, *Maintenance Supervisor*;
Michelle R. Rushing, *Industrial Trainer — Electrical*;
Roger J. Shadix, *Research Chemist*;
Rhonda K. Shivers, *Product Coordinator*;
David E. West, *Industrial Trainer — Mechanical*

TIFPC - Monroeville:

Mark B. Cox, *Maintenance Manager*

Temple-Inland Forest:

Joseph A. Rodgers, *Manager, Integrated Planning*

Del-Tin Fiber L.L.C.:

Gary J. Hamm, *Operations Lead*; Judy Y. Tucker, *Administrative Secretary*

Inland Rome - Forest:

Olin F. Cagle, *Forest Technician*; Allison L. Cape, *Administrative Assistant*; Anthony J. Cascio, *Forest Planning Manager*;

Gregory A. Day, *Technical Services Manager*; Tracy K. Dickerson, *Land Services Manager*; Kenneth B. Gibson Jr., *Forest Land Administrator*; Charles T. Hudspeth, *Data Development Manager*; Jeffrey D. Kastle, *Data Supervisor*; Ray E. Laney, *Forest Technician*; Steven M. Raper, *Forest Productivity Manager*; Timothy R. West, *Administrator*

New Hires

Temple-Inland Investment:

Louis R. Brill, *Vice President, Controller*

TIFPC - Corporate:

Adam Barna, *Computer Operator*;
Lloyd S. Cook, *Systems Admin. — Unix*;
Fernando Luna, *Computer Operator*;
Christopher T. Mathis, *Corporate Attorney*;
Denise L. McClinton, *Secretary*

TIFPC - Diboll:

David L. Bell, *Maintenance Supervisor*;
Russell Rowls, *Market Research Analyst*;
Christopher S. Theriault, *Account Manager*

TIFPC - SW Louisiana:

Charles G. Murphy, *Process Engineer*;
Paul W. Williams, *Production Manager*

Temple-Inland Forest:

Misty C. Bowie, *Fiber Analyst*; Robert J. Chlebnikow, *Procurement Administrator*;
Patrick M. Conway, *Inventory Forester*;
Sharon L. Weisinger, *Administrative Coordinator*;
Nageswara R. Yalamanchili, *Programmer/Analyst*

Fortra Fiber-Cement L.L.C.:

Elvia M. Martinez, *Accounting Clerk*

Standard Gypsum L.L.C. - McQueeney:

Andrea C. Estrada, *Receptionist*

Rome Lumber:

Mark A. Stuart, *Production Manager*

Inland Rome - Forest:

John Hendrickson, *Manager, Tree Improvement*

Retirees

TIFPC - Diboll: Shirley J. Watts, *Secretary*

Inland Rome - Forest:

Joe D. Lanham, *Timber Purchase Supervisor*

TEMPLE NEWSLETTER CORRESPONDENTS

Kristi Basey

Cumberland Gypsum

Janet Carroll

Fletcher Gypsum

Cathy Cleiland

Monroeville Particleboard

Cathy Dickerson

Temple-Inland Forest, DeQuincy

Jennifer Hardy

Pineland Complex

Cherie Harlow

West Memphis Gypsum

Jim Havard

Temple Human Resources

Bonnie Holden

Temple-Inland Forest, Rome

Melissa McCall

Solid Wood Operations

Juanita McDonald

West Memphis Gypsum

Ellen Moreau

Diboll Lumber

Will Hatfield

McQueeney Gypsum

Mary Peters

Fiber Products Operation

Leah Rigmaiden

Southwest Louisiana Lumber

Dot Saari

Buna Lumber

Faye Schonhoffer

Temple Pembroke

Brad Thompson

Thomson Particleboard

Barbara West

Temple-Inland Forest, Silsbee

Janet Stewart

Temple Clarion

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