



price bulletin

Corporate Office
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September 30, 2011

To Our Customers:

Our business has continued to endure the effects of an unprecedented housing market decline and a challenging economy. Wallboard demand has been essentially flat and at historically low levels for the better part of three years running. The outlook for the next 12 to 18 months might at best be described as a slow "climb out."

In response to these circumstances, we have downsized and streamlined our operations. We have also critically examined our internal policies and practices to identify other ways to improve administrative efficiencies and our financial performance. As a result, we have also determined that the present pricing levels and practices under such circumstances are not sustainable. Therefore, after careful consideration, we have decided to implement the following actions:

The practice of providing job quotes is broken and counterproductive to meaningful and consistent price management needed to support profitability. Therefore, effective immediately, we will discontinue for all product lines the policy of providing job quotes. All job commitments previously made, and for which we have received a signed Notice of Intent from the customer, will be honored. This procedure was outlined in our May 19, 2009 communication letter to our customers. We will strictly enforce this policy and have set a date of October 14, 2011, by which to verify those commitments.

In addition, National Gypsum Company will implement a price increase of 35% on all wallboard products, to be effective on January 1, 2012. It is our intention that the resultant price (up 35%) will apply for all of 2012. We are providing this notice well ahead of the effective date of the increase in order that you can be guided accordingly in your planning for 2012.

We will offer guidance on projects that extend into 2013 in future communications.

Price increases on other product lines will be communicated at a future time.

AREA: Entire U.S. and all Export

NATIONAL GYPSUM COMPANY
AND ITS SUBSIDIARY ENTITIES