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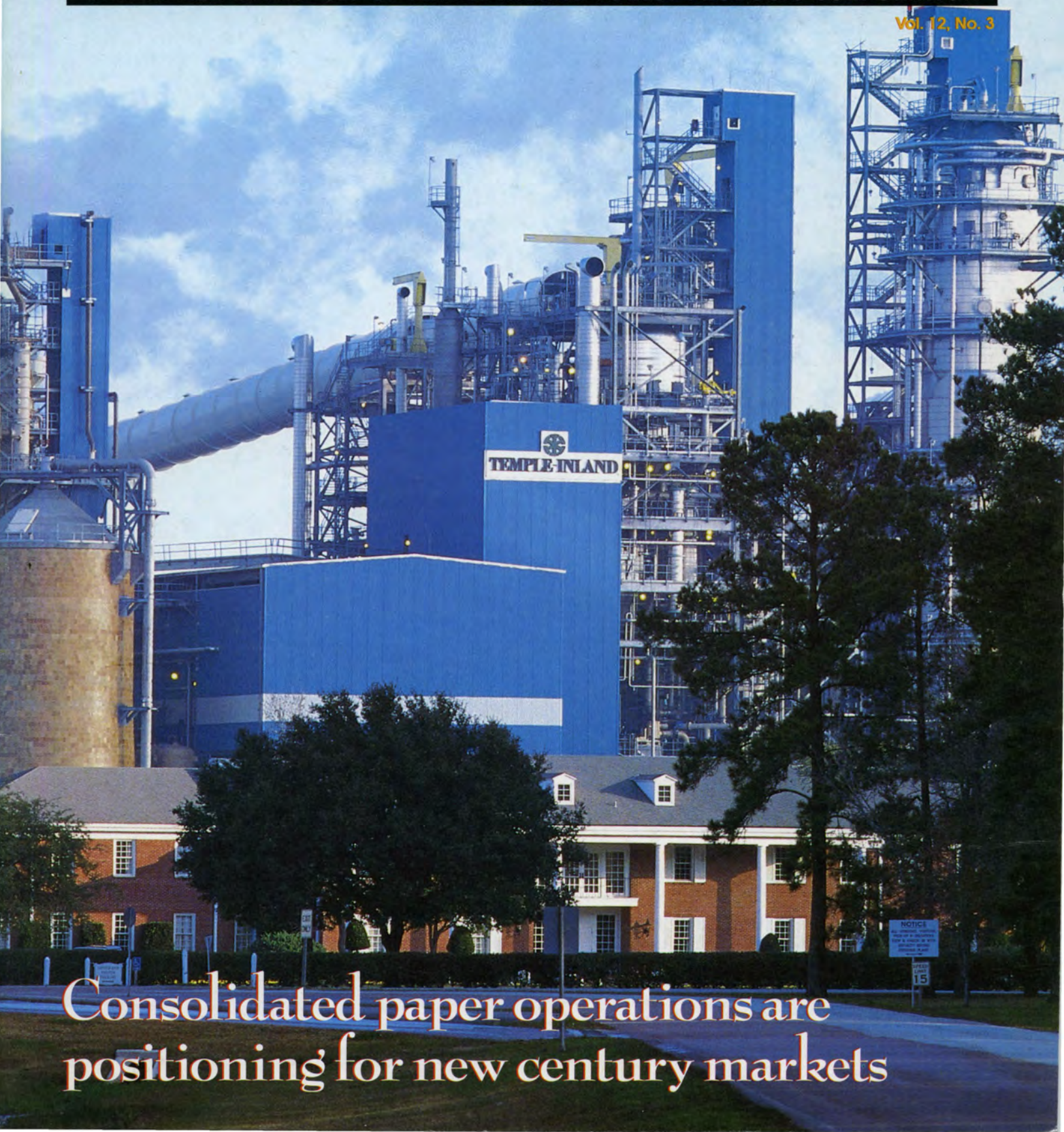
IN TOUCH

BY AND FOR EMPLOYEES OF TEMPLE-INLAND FOREST PRODUCTS CORPORATION

Vol. 12, No. 3



Consolidated paper operations are positioning for new century markets

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An InTouch interview with Clifford Grum

What is the outlook for our business segments for the remainder of the year?

As we reach the second half of 1996, it now appears that we are beginning the turnaround in both our paper segments; building products should build from the momentum of the second quarter; and financial services is expecting another record year. Demand for our paper products peaked in the second quarter of last year and remained stable through the first quarter of this year.

While demand was not growing, record levels of new paper capacity created an imbalance of supply, and prices for our products declined. Also, it became necessary for us to limit production in order to maintain inventories at manageable levels. In our bleached paperboard operations, the major expansion of our Evadale mill complicated our ability to sell our new productive capabilities in this weak market condition.

Demand for our paper products began to improve in the second quarter. June was an exceptionally good month with our Container Group recording its best shipping month since January, 1995, and the bleached paperboard group's increased activity allowing it to report a profitable month. Unfortunately, price discounting continued, and we enter the second half of the year with prices substantially below January levels.

After a difficult first quarter, primarily because of lumber pricing and the start-up of our new Hope, Arkansas, particleboard mill, Building Products enjoyed a good second quarter. Lumber prices improved; the new particleboard mill operated at a profitable level; and both fiberboard and gypsum products enjoyed very favorable markets. The third quarter should be another good period before the normal seasonal decline in the fourth period of this year.

Our Financial Services group continues to build from the platform we designed for this operation. Conservative lending policies and efficient delivery of the services for our customers allows maximum returns. The consolidation of most of our operating groups into one location in Austin, Texas, has allowed us to achieve improved levels of customer service with more productive employees.

What is the outlook for these segments for 1997?

Our outlook for the next eighteen months continues to be subject to worldwide economic activity. Order levels are currently improving and, if sustained, the paper recession of the last twelve months will be history, and we can return to our long-term growth curve. Building materials with our expanded particleboard and gypsum capacity should be able to leverage the expansion of housing markets predicted for next year.

The initial benefits of the consolidation of our two paper groups should begin to contribute to earnings in the next eighteen months. New customers for new products will be important in allowing the expanded Evadale mill to operate at maximum capacity.

Earnings in 1995 were a new record level. No doubt this year's level will fall below 1995, but earnings in 1997 could well approach 1995's level.



Clifford Grum
Chairman & Chief Executive Officer
Temple-Inland Inc.

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What long-term challenges do you see constraining the forest products industry, and how is Temple-Inland preparing now to meet these demands?

The major long-term challenge to our industry in my opinion is our forest. Fiber in the last ten years has been relatively cheap in our operating areas compared to competitors primarily in other sections of our country and Canada.

As more converting capacity in both building materials and paper has been added in our operating areas, our cost of fiber has increased, and we no longer maintain our competitive advantage especially as new forests in South America and Asia are now being utilized by many competitors.

Additional timberland at today's pricing only complicates the equation. We must create more productive resources. Growth rates per acre must increase by major percentages. New forestry practices including fertilization and pruning are only part of the solution if we are to be successful. Each acre of our land needs individual attention to maximize its productive ability while maintaining an environment that allows proper biodiversity and sustainability for future generations.

Current forestry practices will not allow us to meet these requirements and supply the Evadale mill with its hardwood needs from local sources; therefore, we will be starting new forests in other locations, such as our Mexican eucalyptus venture, to supplement our hardwood needs.

If we are not successful in these forest efforts, the only alternative will be to build our new facilities in other parts of the world.

Also, since we will be less competitive with our fiber costs, our manufacturing processes need to be more productive. Cost containment programs have served us well in the past to keep us competitive, and we must build on these programs in the future especially from the bottom up. The combination of a more productive forest (while maintaining superior environmental standards) with a more productive manufacturing group will be our answer to meeting the challenges of the future.

What areas of work should Temple-Inland employees focus on in order to achieve the strategic goal of being the most profitable forest products company in this industry?

Although we manufacture products largely without patent protection, we must continue to deliver these products to our customers in a differentiated process if we are to be the most profitable company in our industry. Unfortunately, we do not operate in a vacuum.

Our competitors are constantly improving; therefore, to be the most successful company, we must continue to innovate both in new products as well as cost containment. Our customers are the key ingredient -- are we offering the product that meets their needs and have we eliminated all possible waste, including materials, labor and overhead in producing the item.▲



By Tony Bennett

Vice President, Public & Government Affairs

Across the South this summer, state and local officials are taking a long, hard look at property taxes. As the costs of local governments escalate, and property taxes continue to be the principal source of revenue for schools, counties and cities, individual and business taxpayers are feeling an increased burden--and complaining more. The result has been a new review of the property tax system by many states.

In Texas, for example, Governor George W. Bush has committed his administration to some type of property tax relief, particularly for the funding of schools, and asked a Citizens' Committee on Property Tax Relief to conduct a series of statewide hearings to seek public input on three possible alternatives to school property taxes: a gross receipts tax, a value-added tax, or expansion of the state sales tax.

Other than private property rights, no other government issue attracts as much attention, discontent, and controversy in the forest products industry as property taxes.

A modern paper mill, for example, can pay as much as $6 million in annual school property taxes alone.

As one of the country's most heavily capitalized and real estate intensive industries, forest products manufacturing pays the bulk of school property taxes in many of East Texas' 42 forested counties. Property taxes figure significantly in the costs of making paper, plywood, lumber, particleboard and other wood products.

A modern paper mill, for example, can pay $6 million or more in annual school property taxes alone. Additional property taxes levied by counties, cities, and special districts can nearly double the total tax bill.

At the same time, property taxes levied on forestlands further drive up the costs for Texas forest products manufacturers. In East Texas, most of the region's commercial forests are owned by private landowners such as farmers and ranchers (about 60%) and large manufacturing companies (33%) rather than government (7%), which owns most of the forestland in other wood-producing regions such as in the western U.S.

Because property taxes levied against the forest products industry in Texas are already among the highest in the South, the industry will be watching the hearings by the Governor's Citizens' Committee on Property Tax Relief with considerable interest.▲

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Consolidated paper operations are positioning for new century markets

With the announcement last February of the consolidation of Temple-Inland Inc.'s two paper operations - Inland Container Corporation and the Bleached Paperboard Group - the new company is being positioned to meet the challenges of the marketplace.

According to William B. Howes, executive vice president of Temple-Inland Inc., the changes that have occurred have not come about quickly, nor easily.

"During the past four to five months, many of the people with both Inland Container and the former Bleached Paperboard Group have worked hard and honestly to design the organizational structure that will give us the best opportunity for success in the future," said Mr. Howes.

"With change, our company's ability to succeed in the future is greatly enhanced," he continued. "Without it, we risk becoming a dinosaur, going the way of the buggy whip or even our once-proud paper grocery bag."

Those changes included the elimination of a number of salaried positions to strengthen the competitiveness of the organization. After accounting for retirements, transfers, and other attrition, the workforce reduction totaled about 8 percent of the Bleached Paperboard Group's employees.

All departing employees were offered enhanced severance packages, financial and personal counseling, out placement services including resumé writing and interview skills training, and assistance in working with state and local agencies and the company's Employee Assistance Program.

Mr. Howes outlined key factors in the marketplace driving the changes will influencing the company's success in the 21st Century.

"It [the marketplace] is global in nature, which means that events half way around the world affect our business. We can no longer hide behind the boundaries of the United States. Globalization has made obsolete the rules by which we once competed.

"The consumer now has a great deal more to say about our products, paperboard and packaging, and how they are used. Thanks in large part to Sam Walton and the explosive growth of Wal-Mart, the purchasing power has shifted from the manufacturer of retail goods - our traditional customers - directly to the retailer. High-impact packaging graphics, shipper displays, even the tv shopping networks and the Internet - all of these tell us that we must understand distribution as well as box design.

"The environmentalist has become an everyday partner in our businesses, and that's as it should be. As a natural resource company, we should be the first environmental advocate. And while we have done much to protect and sustain the forests and other natural resources, much more remains to be done. The new Number 5 machine in Evadale... and our expanded design capabilities are positive steps in the right direction.

"Finally, in the 21st Century, where capital will continue to move around the world at increasingly breathtaking speeds, investors will not tolerate low returns on investment. The shareholders of Scott Paper sent a clear signal on that issue. We, as a company, must find ways to generate above-average profits from the millions of dollars our shareholders have invested," he concluded.

John L. Moore joins Bleached Paperboard Operations

Inland Container Corporation has named John L. Moore vice president and resident manager of the Evadale, Texas bleached paperboard mill, announced William B. Howes, group vice president. Moore assumed his new role June 3 and reports to Ted Owens, who will manage all of the company's paper mills.

Moore rejoins Temple-Inland from Georgia-Pacific Corporation where he most recently served as vice president-manufacturing technology. He had been with that company since 1989, holding successively more responsible positions.

From 1970 to 1975, he was with Inland Container Corporation as an assistant production manager at its New Johnsonville, Tennessee, paper mill. He also has held various management positions with Mead Corporation, Stone Container Corporation, Pineville Kraft Company and the Tennessee River Pulp & Paper Company during his 33-year career.

In his new post, Moore will be responsible for all manufacturing operations and community affairs at the Evadale mill, which is now under common management with Inland Container.

Moore received his bachelor of science degree in pulp and paper technology in 1963 from North Carolina State University where he formerly served as a director of the Pulp & Paper Foundation. In 1980, he completed the Stanford University executive program. A resident of Fayetteville, Georgia, Moore will be relocating to the Evadale area.▲

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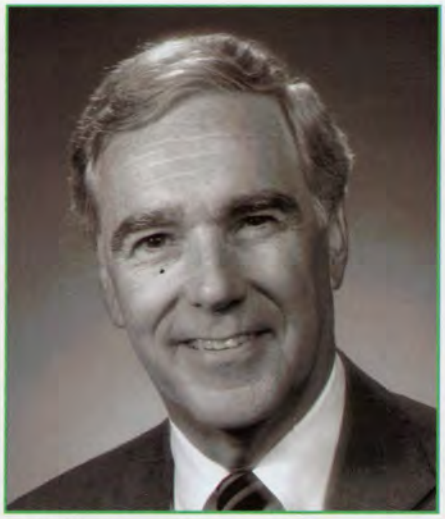
William B. Howes



Ted A. Owens



Joseph E. Turk

Temple-Inland Inc. announces election of William B. Howes to board and promotion to Executive Vice President

Temple-Inland Inc. has announced the election of William B. Howes to the Company's Board and his promotion to Executive Vice President of the Company.

Howes, 59, joined Temple-Inland in 1990 and has most recently served as Group Vice President and Chairman and CEO of the Company's Inland Container Corporation subsidiary. In his position as Executive Vice President, Howes will have overall responsibility for all of the Company's combined paper operations, including the Company's seven containerboard mills, one bleached papermill and 47 converting operations in the United States, Mexico and South America.

Prior to joining the Company, Howes had spent his entire career with the Union Camp Corporation, which he joined in 1962. He attended Furman University in South Carolina, where he earned a bachelor's degree in political science in 1959, and completed the Harvard University Advanced Management Program.

Temple-Inland Inc. names Ted A. Owens and Joseph E. Turk as Group Vice Presidents

Temple-Inland Inc. has announced the naming of Ted A. Owens and Joseph E. Turk as Group Vice Presidents of the Company.

Owens in his position as Group Vice President will be responsible for the papermill operations of all Temple-Inland Inc. subsidiaries, including 4 linerboard mills, 3 corrugated medium mills and the Company's single large bleached paperboard operation.

Owens has recently served as Executive Vice President of the Company's Inland Container Corporation subsidiary with the overall responsibility for the linerboard and corrugated medium mills of the Company. Before assuming this position, Owens served as Vice President Sales, Administration and Engineering of the Company's containerboard group. Prior to that, he had responsibility for the Company's containerboard mill in Orange, Texas, after spending 10 years with Georgia Kraft Company.

Owens, 57, was graduated from North Carolina State University in 1961. He earned a bachelor of science degree in paper and pulp technology and in 1963 earned his MBA from Harvard University.

In his new position as Group Vice President, Turk will have overall responsibility for all the Company's converting and specialty operations, including 47 box plants in the United States, Mexico and South America, and the Company's five food service converting operations.

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Customer Profile:

BMC West

Professional contractors and do-it-yourself repair and remodelers will find a professionally oriented product selection at any one of BMC West's 52 building material supply centers located throughout 10 western states.

The product selection includes doors, millwork, cabinets and roof trusses, as well as a full line of basic building materials. In addition, the high level of service and convenient locations makes BMC West a favorable alternative to shopping malls or warehouse stores.

Many Temple-Inland Forest Products materials can be found in the stores.

"We buy everything Temple-Inland produces," said Leroy Custer, BMC West Marketing and Purchasing vice president.

There exists a quality standard of Temple-Inland products that BMC customers have come to expect, but the business arrangement that works well for both companies isn't just about quality of products. It's also about good business practices.

"There are just certain companies that have a culture, a way of doing business, that makes you gravitate toward them. Temple-Inland is certainly one of those. Temple-Inland employees have an interest in BMC West's business, an interest that makes working with Temple-Inland a success," Custer said.

BMC West's predecessor companies can be traced back to 1915. BMC West President and CEO Donald S. Hendrickson, several other members of key management, and McCown De Leeuw & Co., a venture banking firm, purchased 20 building material centers from Boise Cascade Corp. in 1987. Prior to stepping into the executive officer's position, Hendrickson was general manager of the Boise Cascade Building Materials Distribution Division and had been with the company since receiving his MBA in 1964.

BMC West doubled in size from 1988 to 1993, both through acquisition of existing building material centers and strong same-store sales. The company continues to acquire existing, profit-generating operations as part of its ongoing growth strategy for increased market penetration, including the most recent acquisition of four centers in Texas during the first half of 1995. Today, BMC West services customers in the states of Arizona, California, Colorado, Idaho, Montana, Nevada, Oregon, Texas, Utah and Washington.

In August 1991, BMC West became a public company, and its stock is traded on the NASDAQ exchange under the symbol "BMCW." Total sales in 1995 were $630 million, up 15 percent over 1994, and net income per share was $0.79. Net sales during the first quarter of 1996 were $147.6 million, up 23 percent over 1995.▲

New assignments in solid wood plants

Temple-Inland's solid wood plants have answered the challenge of competing products and market pressures by making several assignment changes in management teams.

David Kellam, vice president, Solid Wood Operations, said the management team changes have been a gradual transition. At Pineland, the changes in management have been made internally as well as externally.

"The people we've chosen to be a part of the new management team will help the company accomplish its goals in the market because of their knowledge and experience in their respective fields," Kellam said.

THE CHANGES ARE:

- Mark Bohac moved from general superintendent over plywood to manager of Stud Mill Operations. He has been with Temple-Inland since 1986.
- Carlton Boatner moved from Finishing Superintendent to Dry End Superintendent. He has been with the company since 1991.
- Ronald Comeaux Jr. moved from Plywood Supervisor to Finishing Superintendent. He has been with the company since 1993.
- Paul O'Cain joined in June of 1995 as the Plywood Plant Manager.
- Gary Ulman, who also joined in June 1995, is the new Director of Human Resources.
- Bob Fox joined in July 1995 as the Green End Superintendent.
- Buddy Day came on board in July 1995 as the Maintenance Superintendent.

"In establishing a new management team at Pineland," Kellam said, "we are positioning ourselves to meet the challenges the rest of the plywood industry is facing from the onset of increased OSB production."

Kellam said Pineland, which is a plywood plant complex with a studmill and log merchandising unit, is developing a strategy to manufacture products for specialty markets as an answer to the rapid expansion of OSB production across the country.

"We'll be looking into products that go into consumer goods other than roof decking and sub-flooring," Kellam said.

Another management change in Solid Wood Operations has been the assignment of Gary Frost to plant manager of Buna Lumber Operation, as well as plant manager for the Southwest Louisiana Lumber Operation. Frost, who has been the plant manager in DeQuincy since operations began in 1990, now has double responsibility as plant manager for both plants.

"I can see a lot of benefits that come from having one manager for both plants," Frost said. "For one thing, it will enable the company to lower the cost of manufacturing and improve operations at the same time. But the most important attribute is the company can take advantage of the strength of both plants through better communication and coordination."▲

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Saving for Retirement

Maximize Your 401(k) Contribution

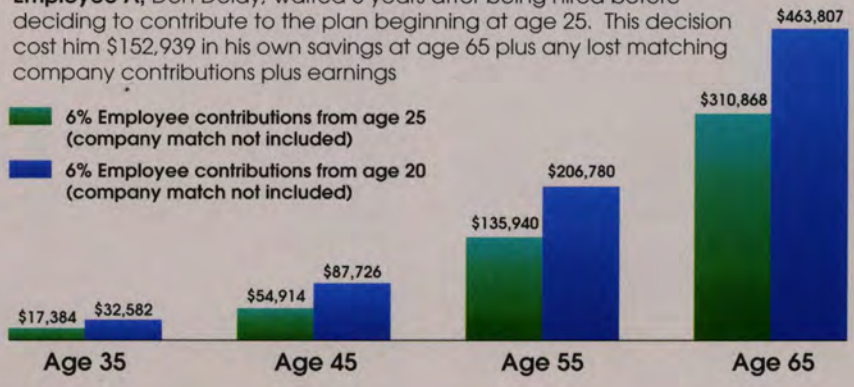
Most of us realize that we have a wonderful opportunity to accumulate significant sums for retirement through our 401(k) plan. When you contribute 1, 2 or 3 percent of your salary, the company makes matching contributions on your behalf. Plus contributions that you make above 3 percent of your salary, up to 6 percent, may result in an additional match by the company, depending upon the plan in which you are participating. Of course, any contributions which you can make above 6 percent of your salary will provide even more for retirement. Very few companies provide such a generous opportunity for employees to accumulate retirement savings. Your long-term savings potential, including earnings, is enormous.

Lost Savings Opportunities

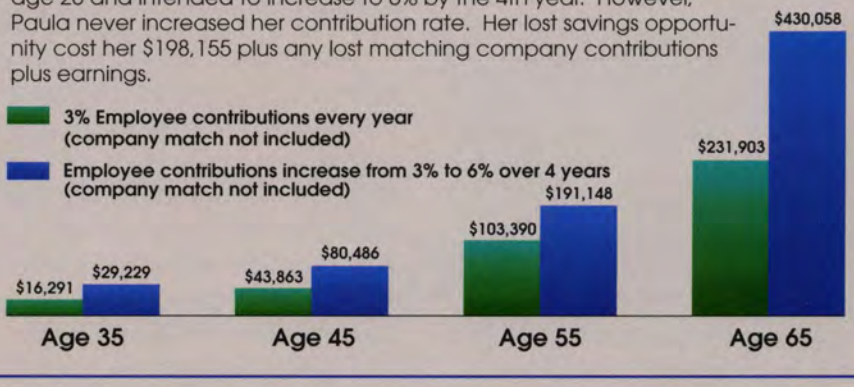
Unfortunately, some of us choose to delay our participation in the plan or decide to contribute less than the amount necessary to receive all available company matching contributions, generally 6 percent of salary. Also, some of us withdraw a portion of our funds before retirement. The results are lost savings opportunities that cannot be recovered. The most significant decision that many of us will make concerning our eventual retirement is how much we decide to contribute to the 401(k) plan. When we choose to contribute less than 6 percent of salary in any given year or withdraw funds, the result will be a smaller 401(k) balance at retirement or even a delay in our planned retirement date.

On this page are three tables which illustrate the lost savings opportunities that occur when we fail to maximize our 401(k) savings. In each illustration, our sample employee earns a constant $20,000 each year until retirement and the contributions are assumed to earn 8 percent each year. The accumulated amounts shown do not include the company matching contributions which, if included, would significantly increase the amounts shown on each table.

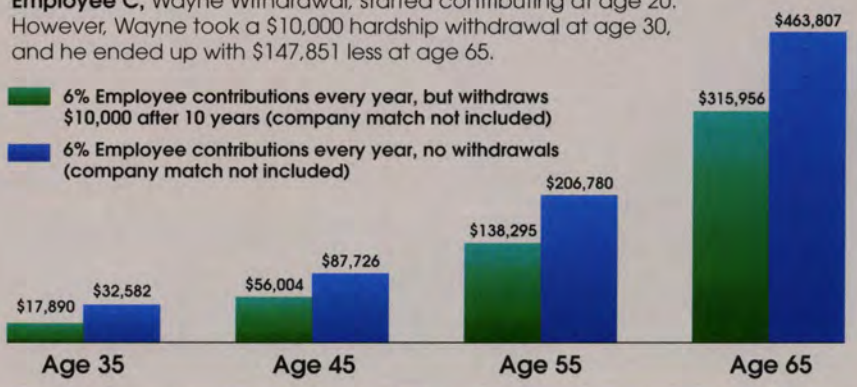
Employee A, Don Delay, waited 5 years after being hired before deciding to contribute to the plan beginning at age 25. This decision cost him $152,939 in his own savings at age 65 plus any lost matching company contributions plus earnings



Employee B, Paula Procrastination, started contributing 3% of salary at age 20 and intended to increase to 6% by the 4th year. However, Paula never increased her contribution rate. Her lost savings opportunity cost her $198,155 plus any lost matching company contributions plus earnings.



Employee C, Wayne Withdrawal, started contributing at age 20. However, Wayne took a $10,000 hardship withdrawal at age 30, and he ended up with $147,851 less at age 65.



What We Can Learn From The Tables

We should start contributing as soon as we can and, when possible, contribute at least enough to maximize the company match. Withdrawals of funds should only be done when absolutely necessary, and we should first carefully consider alternatives, such as a 401(k) loan, if available. The three examples illustrate the dramatic impact on our saving opportunities when we make the wrong choices under our 401(k) plan. The decisions that we make now can directly affect our retirement well-being. Let's plan for a more comfortable retirement by maximizing our 401(k) contributions today!▲

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FORESTS



Temple-Inland Forest Products Corporation provided the seedling boxes for the Louisiana Forestry Association's Forestry Appreciation Day at the Louisiana State Legislature. Shown with the seedlings and boxes are Tree Farmers John Vickers, Jan and Henry Thrash and Sibyl Vickers who distributed the loblolly and longleaf pine seedlings to members of the Louisiana legislature.

ROME, GA. -- Service awards are being presented in the third quarter 1996 to the following Rome Forest Division employees: 40 years—Melvin L. Henderson, D-4 Equipment Operator, Coosa District. 35 years—Billy J. White, Timber Technician, Waleska District. 20 years—Ervin A. Boyd, Scaler-Forest Division, Operations Dept.; Jerry D. Pike, Forest Technician, Franklin District; Carolyn C. Willis, Management Secretary, Accounting Department; Larry J. Ware, Scaler-Forest Division, Operations Department. 10 years—Curtis J. Easley, Crew Leader, Ellijay District. 5 years—Stanley P. Terrell, Resource Analyst, Technical Services Department; C. Travis Hudspeth, Timber Technician.

Perry C. Seymour, R-1 Equipment Operator, Gainesville Woodyard, Gainesville District, recently retired. He was employed by the company in 1974 and has been with Temple-Inland almost 22 years. We wish Perry the very best in his retirement.

Recent hires are Allison L. Cape, secretary in the Coosa District, Jasper Region, and Jesse W. Thompson, research analyst in the Technical Services Dept., Rome Headquarters. Welcome aboard, Allison and Jesse!

As of the period ending Feb. 25, the Rome Forest Division worked 1,203,612 safe manhours, or 959 safe work days, since the last disabling injury in May 1992. For the year 1996 to date, the Division has had no lost-time or sub-major injuries.



Al Turner, Forest Inventory Systems Manager, presents Marian Ware, Senior Inventory Technician, with a certificate for working 20 years without an accident.

Marian Ware, senior inventory technician, was recently presented with a certificate for working 20 years without an accident. "Marian is a very safe worker who is always willing to lend a helping hand," said Al Turner, Forest Industry Systems manager in the Forest Division. Marian works at the Forest Division Headquarters office in Rome.

JASPER, TX. -- During the fire fighting suppression efforts experienced by the company recently, Lance Childress, Jasper Forests district harvest manager, came up with an idea that was implemented company-wide. The idea was to develop an identification system that would enable fire control aircraft to communicate instructions to the crews on the ground without confusion. The suggested solution was to place a "T" with district identification numbers on the top of all bulldozers and/or slide beds for easy visibility from the air. Pictured is the identification "T66" which translates to "Temple-Inland, Jasper District."





Temple-Inland hosted Texas Forest Service personnel as well as Forests Division employees at a fish fry in recognition of the fire fighting crews and their fire suppression efforts. John Monk (front left) received a plaque on behalf of Temple-Inland fire fighting crews from James B. Hull, Texas Forest Service director. Also pictured are John Burch, Walter Boyett and Lethern Craft, all Temple-Inland Forests Division employees.



Temple-Inland sponsored the first retirement luncheon for Forests Division employees. Some 32 retired employees with a combined total of 870 years of service, met in Jasper for food and fellowship. Regular meetings are planned.

BLEACHED PAPERBOARD

EVADALE, TX -- Bleached Paperboard employees serving in local fire districts saw plenty of action during the dry spell from late January to early March. A special recognition is extended to the following employees: Evan Lemons Jr., Tom Hardy and Paul Lewis with the Silsbee Volunteer Fire Dept.; Charles Anderson and Joe C. Richardson with the Buna Volunteer Fire Dept.; Kerry Bankston and Anthony Bielecki with the Evadale Volunteer Fire Dept.; Joe W. Richardson Jr. and Vandie Smith Jr. with the Tri-Community Volunteer Fire Dept.; and William Hoke with the Votaw Thicket Volunteer Fire Dept.

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IDE -INLAND

The Resource Recycle Team in Evadale recently raised enough money from the sale of recyclable materials to purchase and distribute T-shirts to all employees.





Between appearances in Silsbee, Governor George Bush took time for his daily jog with Evadale's interim Mill Manager Alec Benson.

Retiring recently from the Bleached Paperboard Group are James "Cat" Ricks, Herman Hutto, Sadie Hodge, Herschel Ratcliff, Johnny Hicks, Peggy Stone, and Lester Tucker.



Carl Powdrill (center) was recently recognized by the Bleached Paperboard Standing Safety Committee as being the longest tenured employee with no recorded on-the-job accident. Powdrill, with 26 years of service, is a heavy equipment operator in the Maintenance Department. Helping recognize Powdrill's accomplishment are Donny Spears (left) Safety Committee group facilitator and Alec Benson (right) interim mill manager.

CORPORATE

Sherrye Johnson, corporate accountant and May '96 MBA graduate from Stephen F. Austin State University, is the author of two case studies, "Flying High at Southwest Airlines" and "Body Shop: A Global Venture." Both studies will be published in the revised edition of *Management*, by Albanese, Franklin, and Wright. Ms. Johnson will be traveling to Maui, Hawaii, in October for a joint presentation on human resources management with Dr. Larry Watts of SFASU.



Sherrye Johnson

BUILDING PRODUCTS

West Memphis, Ar. -- James W. (Jim) McNeer has been elected second vice-chairman of the Gypsum Association for 1996-97. Mr. McNeer is plant manager at Temple-Inland's West Memphis, Arkansas, gypsum wallboard operation. He has served the Association as a board member for eight years and as an officer from 1983-1987. He served as head of the Association from 1985-1986 as chairman of the Board of Directors.



Several employees participated in the health fair held recently at West Memphis Gypsum.

The West Memphis Gypsum facility recently sponsored a free health fair for all its employees. The Crittenden Hospital Home Health personnel and the Med Mobile came on site to provide various health screenings. The Home Health nurses and Med Mobile staff conducted vital signs tests, hypertensive screenings, lung function tests, cardiac step tests, blood sugar tests, colon cancer tests and cholesterol checks.



Ricky Hart, mechanic, is shown having blood drawn for blood sugar and cholesterol screenings.

In addition, handouts on wellness awareness were provided at the health fair. The Crittenden Hospital Home Health will also provide educational classes in the future based on the results of the tests and needs of the employees.



During Diboll Particleboard's Family Tour Day, Jose "Chuy" Reyes and his family visited the press control where he has worked for 10 years as press operator.



Ralph Cannon and family posed at the family photo staging area during Diboll Particleboard's Family Tour Day.

Diboll, Tx -- Diboll Particleboard recently hosted a plant-wide Family Tour Day. The day provided the opportunity for employees' families who had not seen the plant to share their workplace. At the end of the tour, families could sit for an informal photo portrait. Company literature, souvenirs and refreshments were also offered.

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Shown with the new plastic strapping on the left bundle and the old metal strapping on the right, are (front row from left) Frank Ybarro, machine operator; and Tino Salaiz, machine operator. Back row from left: Ricky Evans, labor; Todd Graham, labor; Jimmy Nash, labor; Jeff Miller, supervisor; Gonzalo Serrato,forklift operator; Lupe Guerro, labor; Jimmy McDonald, forklift operator.

At Diboll Particleboard, the Shelving and Countertop Department has changed to plastic unit strapping from the traditional metal strap. "Plastic straps will satisfy customer requests and provide benefits over metal strapping, including easier disposal, safer handling, more consistent tension, lighter weight and better package appearance," said Jeff Miller, millroom supervisor.

The development of a precision maintenance program is also underway at Diboll Particleboard. The new program will involve vibration analysis, precision alignment, oil analysis and computer trending to prevent breakdowns.





Charlie Johnson, vibration analyst technician, is shown monitoring a bearing vibration and downloading vibration data at Diboll Particleboard.

Garry Sorrell, Green End superintendent at Diboll Lumber, reported that the company will save 32 manhours of overtime per week after investing approximately $24,000 to pour concrete under the Ederer log deck. The time will be saved primarily during cleanup, and will finally result in an annual savings of approximately $35,000 per year. Mr. Sorrell said there is improved overall cleanup of the deck and surrounding area due to the ease of the system, and the bobcat can now easily maneuver under the deck and efficiently remove the bark.



Temple-Inland employees and their families enjoyed the Family Fun & Fitness Extravaganza at the Lottie & Arthur Temple Civic Center in Diboll in June. Among the crowd-pleasing events was the three-legged race.

A crowd of 800 attended the Temple-Inland Family Fun & Fitness Extravaganza in Diboll in June. According to Tina Avera, Health and Wellness administrator, Diboll Human Resources Department, the Extravaganza was an "unqualified success."

"We promoted the Extravaganza as a family event, and we were pleased with the turnout," said Ms. Avera.

The sweltering Texas heat failed to keep the crowd from enjoying rescue team demonstrations, adult fun races, and live entertainment. Low fat food was served and over 30 health and safety vendors attended.

SOUTHWEST, LA. -- Southwest Louisiana Lumber reported five areas of improvement utilizing Continuous Process Improvement:

1) Expendables: A 15 percent reduction in degreaser due to better control of the storeroom was measured in the first eight weeks of 1996 compared to the first eight weeks of 1995. Also, a 15 percent reduction in janitorial supplies was achieved due to using a cheaper paper towel, for a total savings of $5,700.

2) Hydraulic Hose & Fittings: Using a different vendor that offers a better quality crimper and better quality hose resulted in a savings of $2,420 during the first eight weeks of 1996 compared to the first eight weeks of 1995.

3) Log Mix: Changed the routing of logs. The CAT feeds the headrig and the bucksaw feeds the sharpchain. This increased headrig runs by one log run.

4) Electrical Materials: Implemented a checkout list for tracking inventory. Inventory was reduced 30 percent for a total savings of $1,200 per month.

5) Bulk Oil Storage: Construction is in progress to convert from 55 gallon drum storage to bulk oil storage for a total savings of $9,000 per year.

THOMSON, GA -- Thomson Particleboard Operation recently held a plant-wide cookout to celebrate an outstanding month for productivity and quality. A new benchmark was set during the month of May with employees producing over 9,600,000 feet of particleboard while having a downgrade percentage at a low of 2.5 percent. The high production level was aided in part by a boardline downtime percentage of 2.4 percent with finishing downtime at 1.6 percent.

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IDE -INLAND



Thomson Particleboard Operation employees enjoy a steak dinner with all the trimmings to recognize an outstanding production month.

Allan Wells reports from Thomson that employees got into the "Olympic" spirit as the date neared for 100th Olympic Games held in Atlanta, Ga. this summer. The Olympic torch passed through Thomson on its way to Atlanta, and a number of employees purchased tickets to the Games' events. Pine Top Farms, located just a half mile from the plant, was the pre-game host to the British and German Olympic equestrian teams to acclimate both horses and riders to the humid Georgia summer.



From left, Jeff Lane and Jimmy Haywood, Shipping Department loaders, and Doug Lawson, sales coordinator. On the forklift is Tony McTier, loader. Not pictured is Anthony Dawson, loader.

A single day shipment record for particleboard operations that had stood since 1981 fell on Feb. 15 at Georgia Particleboard. It was on that date the shipping department loaded 44 trucks and 4 railcars with more than 826,000 feet of board. Doug Lawson, sales coordinator for the Thomson facility, said, "We were not expecting a day like this to occur, but our shipping team rose to the occasion." The day, he said, was a result of the mammoth effort of the Sales and Traffic Departments in Diboll, the customers and, most of all, the loaders for working efficiently and safely.

Georgia Particleboard held a safety banquet on March 12 to honor employees on the completion of one year without a lost time accident. The employees also celebrated 100 days without a doctor's visit and a more than 80 percent decline in incurred costs over the previous year. Guests included employee spouses, the mayor of Thomson, and several physicians who work closely with the safety and health program. Safety-related door prizes were given out to those in attendance. Both past and present safety committee members were recognized for their active participation in achieving this milestone. Jackets proclaiming the record were also given out to all employees.

"It was a team effort that we all should be proud of," said Judy Hampton, a safety committee member who spoke at the banquet.



Alpha Peebles with his wife, Mattie, at a recent service awards banquet where he was honored prior to his retirement.

Alpha Peebles recently retired from Georgia Particleboard after 24 years of service with Temple-Inland. Alpha began work with the company at the particleboard plant in Diboll in 1972 as finishing foreman. He later transferred to the Thomson facility before construction was completed and was instrumental in its startup in 1974. He has served in many capacities since then, including production superintendent and sales coordinator. Alpha said his retirement plans include spending time in the north Georgia mountains and "picking up where he left off on the golf course."

ROME, GA -- Gary Myers, lumber operation manager, reports the plant has achieved a 15 percent improvement in recovery and has stepped up production by about the same amount. With the addition of a third kiln, Rome Lumber now has the capacity to dry 4/4 lumber and has been doing so for the entire quarter.

The new gang allows the opportunity to manufacture 4x4s out of selected cants, as well as dry and surface them on site.

PINELAND, TX -- Pineland Plywood Operation has successfully completed installation of a state-of-the-art veneer welder, also known as the veneer composer. The $800,000 project will enable the Plywood Plant to manufacture wide sheets of veneer from random width strips and defective wide sheets. The composed sheets can be used in a number of process applications, including faces, centers and backs on plywood, or can be cut for interply core for plywood. The composer will also enable the mill to manufacture a core-void free panel that is highly desirable in the industrial grade plywood market.

The composer is also expected to decrease waste veneer.

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TEMPLE-INLAND, CARAUSTAR *form joint venture*

Temple-Inland Forest Products Corporation has expanded its wallboard business with the creation of a joint venture between Temple-Inland and a subsidiary of Caraustar Industries Inc. The new company, Standard Gypsum L.L.C., has acquired substantially all the assets of Standard Gypsum Corporation's wallboard plant in McQueeny, Texas and the gypsum rock quarry in Fredericksburg, Texas. Under the terms of the joint venture arrangement, Temple-Inland will manage the Standard Gypsum venture and will be responsible for all sales and marketing for the operation.

Joe Brown, formerly plant manager at Temple-Inland's Gypsum Wallboard Operation in Fletcher, Oklahoma, is now the McQueeny plant manager.

"This joint venture makes good sense for Temple-Inland on several counts," said Brown, who has been at the McQueeny operation since April 1 when the joint venture was complete. "It gives us a raw materials source, an access to markets in South Texas, and a chance to capitalize on the different technologies available at our other two plants."



Roy Williams, loading foreman, and Rene Rivera, forklift driver, are pictured in the warehouse. The fleet of trucks and rail services allow shipment throughout Texas and to the East coast.

Standard Gypsum produces 250,000 square feet of wallboard annually. The quarry encompasses 750 acres and produces about 300,000 tons of rock per year.

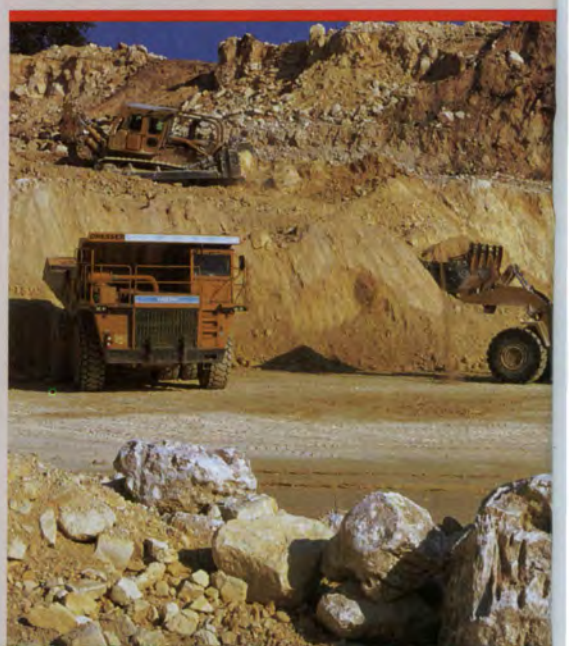
To support the two operations, Standard Gypsum has a fleet of 42 tractor trailers and the availability of rail services out of McQueeny. In addition to supplying transportation of the rock to the wallboard plant, the fleet of trucks and rail services can ship finished products to customers throughout Texas and to the East coast.

"Standard Gypsum is located within 10 miles of Interstate 35 and has easy access to Interstate 10 to Houston," said Brown. "The new plant will allow us to penetrate markets we were unable to efficiently seek with the two plants in Oklahoma and Arkansas."



Finely crushed gypsum rock is stored under roof and is the key ingredient in the making of wallboard.

Standard Gypsum is in the process of hiring another shift for the plant, which is running 24 hours a day, seven days a week.▲



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THE GYPSUM CONNECTION

It's natural. It's inexpensive. And, it's fire retardant. What more could builders and homeowners desire in an interior wall panel? Apparently nothing, because gypsum wallboard has become a universal product for builders nationwide, and has been a successful business for Temple-Inland since the company got into the business in 1965.

In that year, the company purchased the remaining shares in Texas Gypsum Co., owned by Claude Huckleberry of Dallas and the Rosario Mining Co. of New York City. At the time of the purchase, Texas Gypsum operated a small plant in El Paso, but closed it and opened a new plant in Irving. It was here that the company began production of its first wide board, but there wasn't much demand for the product. When the Irving plant closed in the mid-1970's, the product died for the time being.

"Every single family home, multi-family unit or commercial building uses gypsum because it is inexpensive and safe."



The quarry near Fredericksburg, Texas, encompasses 750 acres and produces about 300,000 tons of rock per year.



Gypsum wallboard is a major component of both residential and commercial construction in the United States. Manufacturing capacity is 26 billion square feet on an annual basis in the United States alone.

Construction of the company's West Memphis, Arkansas plant began in 1971. Gypsum was and is still taken from the company's quarry in Fletcher, Oklahoma, and transported in company leased cars via Burlington Northern railroad. The plant was so successful, a completely new plant was designed and built in Oklahoma in 1986.

In the early 1990's, Temple-Inland re-introduced a wide board at the suggestion of Jerry Meadows, a wallboard distributor in Memphis, Tennessee. As a result, Temple-Inland began production of Stretch 54™ at West Memphis. Stretch 54™ is 54 inches wide, rather than the traditional 48 inches. Walls in new homes or commercial structures with increasingly popular 9-foot ceiling configurations can be covered with two pieces of Stretch 54™ hung horizontally, leaving just one joint to cover and smooth. Though Stretch 54™ costs about 15 percent more per square foot than traditional 48 inch board, it can cut hanging time by one-third.

Jim McNeer, plant manager at West Memphis, said gypsum is the interior wall panel of choice, and as long as houses are being built, the industry will need gypsum.

"Every single family home, multi-family unit or commercial building uses gypsum because it is inexpensive and safe," he said. ▲



Stretch 54™ being applied in a residential application saves time, material, and money.

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MONROEVILLE BEGINS MODERNIZATION PROJECT

On June 8, the Monroeville Particleboard plant was shut down for completion of an $11 million modernization project. The heart of the project is the installation of a new Schenck mat former and caul transportation line. Other work will include re-conditioning the press, a new loader/unloader system for the press and a new raw material storage building.



Forming line equipment is assembled for the modernization project at Monroeville Particleboard.

The new Schenck machine is a mechanical former and will produce a four-layer board. The former orients the wood fiber into a layered "mat" which will then be transported on cauls to the press where it is pressed into a board. The Schenck line will replace the traditional aluminum caul sheets with a flexible screen caul.



Monroeville's new raw materials building nears completion.



Workers are seen drilling ground water wells and placing I-beam supports for the press pit walls on the existing front line at Monroeville Particleboard.

"Customer quality requirements are changing, and the new former and press work will allow Monroeville to produce a board to better meet our customers' needs," said Plant Manager Joe Pridgen.

Monroeville employees will be working on a variety of jobs. Maintenance personnel will be installing several smaller pieces of equipment as well as doing preventative maintenance work. The Production Department will attend training classes for the new equipment, visiting the Hope Particleboard Operation, visiting customers and assisting with maintenance projects. The Finishing personnel will be assisting the Hope plant.

Safety will be stressed throughout the project. With the addition of some 100 contract personnel, Safety Coordinator Cliff Farish and his counterpart at Reinicke Corp. will closely monitor the safety and security of all company and contract personnel.

Ricky Horton, one of four Press operators who will run the new line, is looking forward to the installation.

"With the startup of a brand new machine, we are all facing a big challenge," said Horton. ▲

CPI CH

Continuous Proc

Alabama Particleboard

The quality of the surface layers or "faces" on any particleboard panel are critical to the industrial particleboard user. Lamination requires the face of the panel to be uniform, smooth and defect free. Process improvement at Alabama Particleboard has recently focused on the consistency of the face material.

Face material is "milled" in the Milling and Drying (M&D) Area. The milling equipment is actually one Sprout disc refiner, a Bliss rotary hammermill (material sizing equipment) and fine particles generated at the screening area. The four M&D operators - Bo Kimbro, Anthony Morrissette, Dan Mohn and Alvin Royster - utilized a new measurement and tracking system to identify trends and spot problems.



From left, Monroeville Particleboard's Dan Mohn and Bo Kimbro, M&D operators.

Once a problem was recognized, they used their expertise to identify and eliminate the problem source. The tracking system has worked so well that Operator Morrissette suggested the system be implemented for core material.

The results have been outstanding. Variation in the face material has been reduced by 35 percent, and the amount of

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large material has been reduced by 70 percent. The improvements have allowed a decrease in the percentage of face material required to make a panel - an improvement that lowers manufacturing cost while still maintaining surface quality, physical properties and customer acceptance.



Also, Chris Seymour, process technician; Anthony Morrissette, M&D operator; and Alvin Royster, M&D operator.

Attention to problems at M&D brought about changes and improvements in screening efficiency and hammermill throughput. Continued work, with the help of Process Technician Chris Seymour, will focus on a preventative maintenance plan to sustain these improvements and make further improvements in the operation of the refiners.

According to Royster, "M&D has improved a great deal in the nine years I've been employed here such as the addition of hammermills. I look forward to being a part of additional improvements in years to come."

Production Superintendent Jerry Jones said, "The attention and effort put forth by the M&D operators has been the key to the success of this project. Everyone in the plant is more aware of our face material quality."

Service Anniversaries

May / June 1996

Big Tin Barn

5 years
Dale Abshire

Bleached Paperboard

40 years
Ronald Collins
Charles Hudgins

30 years
Wilton Adams
Jimmy Clark
Johnnie Franklin
Charles Miller
Lovain O'Quinn
Lamar Parker
Betty Robison
Charles Wilson

20 years
David Booker
Delores Cannon
Euger Deets
Larry Gentry
Elwood Gore Jr.
John Lackey
James Pell

15 years
Darron Denbow
John Hargraves

5 years
Alan Akin
Arthur Guy
Barbara Hollis
Tassie Smith
Susan Whitehead

Building Products

Diboll

40 years
Joe Ruby

30 years
Jose Sosa

25 years
Joe Capps
Gregory Drake
Florentino Garza
C.W. Loftin
Juan Maldonado
Gary McGaughey
Pedro Olvera
Abelino Reyes
Ned Rhoades
G.B. Treadway
Donn K. Vance
John Wallace

20 years
Melvin Thompson

10 years
Pat Aldred
Jim Brody
Robbie Fletcher
Edwin McGaughey
Bert Nash Jr.
John Temple
George White

5 years
Jimmy Bolton
Everardo Castillo
Jose Compean
Katrina Jordan
David McGaughey
Ruby Mettlen
Gary Myers
Charles Shofner
Garry Sorrell
William K. Tipton
Edmond Wiggins

Fletcher

10 years
Abel Bustos
Ernie Embrey
Kenneth Etter
Ronald Hodge
Tim Smith
Sammy Watts

5 years
Victor McKee

Hope

5 years
Philip Shoults

Monroeville

5 years
Darrel Turberville
Peggy Sigler

Pineland

30 years
Raybon Hunt
Troy Roberts
Joan Traylor

25 years
Bonnie Davis
Jerry Fields
Armour Parks Jr.
John Taylor

15 years
L.C. Holman Jr.

10 years
Thomas Butler
Charles Clark Jr.
Patricia Good
Thomas Impson
Mike Jerge
Coleman Lindsey
Neulon McBride Jr.
John Stewart
Jeffrey Watts

5 years
Brian Beatie
Joleen Price
Vincent Sidney
Thomas Townsend Jr.

Southwest Louisiana

5 years
Corwin Archield
Frank Lorenz

Thomson

20 years
Lloyd Roberts Jr.

15 years
John Cummings

5 years
William Deloach
Jeffrey Dent

Corporate

15 years
Lacy Breckenridge

10 years
Treasia Leatherbury
Neuville Miller

5 years
Thomas Craven
Logan Moss

Food Service

15 years
Stanley Dalton

5 years
Guillermo Guzman
Richard Manning Sr.
Phong Nguyen

Forests

50 YEARS
DOROTHY BIRDWELL

30 years
Ronald Ducote
Paul Hugon

25 years
Rodney Fox

20 years
Wes Wright

15 years
Michael Hudson

5 years
Luther Corum
Roy Sanderson Jr.

Investment Division

10 years
Charlie M. Mahan

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The American Lotus (Nelumbo Lutea), blooms in a lake on company lands in Trinity County, Texas

InTouch is published 6 times a year by Temple-Inland Forest Products Corporation. Richard A. (Tony) Bennett, Vice President, Public & Government Affairs; Carolyn C. Elmore, Director, Corporate Communications and InTouch Editor; Jay Brittain, Manager, Creative Services and InTouch Designer
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