

1849 1999 BULLS EYE BRIEFS

PRODUCT AND COMPANY NEWS FROM
WM. ZINSSER & CO., INC. An RPM Company

SPRING-SUMMER 1999

A Milestone in Corporate Longevity... Zinsser Celebrates 150 Years

Celebrating the 150th year anniversary of a company is not only a wonderful and exciting corporate milestone, but an accomplishment that should not be taken lightly. Perhaps what is most unique about Wm. Zinsser & Co., Inc.'s success is that the company still operates under the same basic principles on which it was founded one-and-a-half centuries earlier.

Innovation and Quality

When the original William Zinsser first brought his bleached shellac to market in 1849, he founded the company on two basic principles: innovation and quality. He main-

tained those principles in every phase of his business and passed along these traditions to his employees. His shellac blechery in New York City was the first in the U.S., and solutions of his white shellac were the first quick-drying, durable clear finishes available in this country. The quality of his product became evident early on when in 1853, Zinsser's White French Varnish, a shellac product, received a "First Premium" award at the International exhibit held in Philadelphia.

As the company continued to grow, so did its innovation, its dedication to quality and its exceptional customer support. Today, Zinsser

employs a dedicated and knowledgeable direct company sales force and a capable marketing team that provide outstanding services and extensive product training on Zinsser's extensive line of products that serve D-I-Y and professional users worldwide.

Industry Innovators

Webster's dictionary defines "innovation" as "something newly introduced; new method; change the way of doing things." Zinsser has earned the reputation as "innovators in the industry" by listening to contractors and consumers, then developing unique products that address distinct market needs. From the introduction of bleached shellac to the U.S. market to the introduction of interior and exterior mildew-proof paints, Zinsser has taken a leadership position, pioneering innovative products and building new product categories.

Looking to The Future

Advances in technology and a vision for the future have enabled Zinsser to remain an industry leader through 1999, with plans for continued growth well into the next millennium. Following the same traditions established by our founder has enabled us to prosper under successive generations of Zinssers and non-family management. We're proud to have reached our 150th anniversary, a milestone in corporate longevity that very few companies can celebrate.



Special 150th Anniversary Edition

B-I-N – Still the Best Stain & Odor Blocker

Few products that are an “instant success” have long-lasting staying power. Not so with B-I-N Primer Sealer. Introduced in 1946, it is still one of the most respected and recommended paint products. Zinsser is proud to have formulated a product that cannot be topped, even by today’s most advanced technology.

The popularity of the early Zinsser “Bulls-I-Namel” fast-drying shellac-based gloss paints prompted us to create the flat white undercoat eventually named “3-Purpose B-I-N Primer Sealer” whose three functions – (1) Primes White (2) Seals (3) Kills Stains – delighted painters everywhere.

While the product’s name was abbreviated



1946

to “B-I-N” the effectiveness of its 100% shellac resin base remains unbeatable. This all-natural resin adheres to just about anything, kills stains of all kinds, and seals porous surfaces and odors as well. Shellac is a barrier for water vapor as well as for most solvents and chemicals that bleed into ordinary films.

B-I-N is unparalleled in killing the toughest stains from grease to lipstick to water stains, and its handy aerosol formula is great for use on ceilings, acoustical tiles, and other hard-to-reach areas. Knot-bleed and tannin-bleed are common stubborn stains, and B-I-N blocks them both.

B-I-N blocks the widest variety of stains that the most damaging fire can produce. And because fires in most buildings result in

damage to a variety of materials – wood, metal, ceiling tiles, masonry and plastic – contractors are thrilled that B-I-N has great adhesion to all of these surfaces, making it the only primer needed.

Stains aren’t the only trouble resulting from fire. The acrid smell of fire and smoke can permeate every surface, and even seemingly untouched areas soak up odors like a sponge. B-I-N seals off fire odor permanently, with no telltale smell fouling the air, even on damp and humid days, long after the restoration has been completed.

B-I-N works great on a variety of other odors as well, from mothball-drenched closets to pet odors under carpeting.

Harnessing natural shellac created a coating that just can’t be beat. B-I-N – on problem jobs it works where nothing else does, and on routine jobs it provides an extra measure of quality, while saving time, too.

Zinsser Changes The Wallcovering Removal Industry

In 1975, Zinsser made headlines in the wallpaper removal market with the introduction of DIF® Wallpaper Stripper. Wallpaper removers were a new category, and in the traditional Zinsser innovative style, our foray into this market was both daring and confident. Our goal was to create a product that would completely revolutionize the market, and we did just that.

Prior to DIF, most professional paperhangers would not strip wallpaper. Because the removal process and difficulty level were so unpredictable, realistic costs and time parameters were quite difficult to estimate.

The wallpaper solutions that were on the market were little better than hot water or vinegar and water. Laborious scraping was still required, causing damage to walls, meaning even more work and further delays in redecorating. Steamers, the only other alternative, were heavy and dangerous and also prone to cause damage. As a result, many settled for papering or painting over wallpaper that in reality should have been removed.

DIF Wallpaper Stripper Liquid Concentrate, as it is known today, was the first stripper that professionals quickly learned would allow them to strip wallpaper with confidence. We began to hear the phrase “It’s the only one that really works” so often, that we adopted it as the slogan for DIF.

Unlike other solutions, DIF contains multiple ingredients including special enzymes – a unique formulation on which Zinsser holds two U.S. patents.

1975

In 1977 we sought to make removal easier still and introduced DIF® Wallpaper Stripper Ready to Use GEL. The unique formula makes it easy to apply with a brush or roller and because it has excellent vertical cling, it stays in place once applied. There’s no run-off on the floor, no unintended wetting of adjacent areas, and considerably less mess to clean up. It is also unmatched at dissolving clay adhesives generally found in commercial applications.

Any stripper, however, must be able to reach the adhesive to work effectively. In the case of painted or coated wallpaper, flocks, suede, vinyl and other waterproof wallpaper, the wallpaper has to be scored in order for the stripper to reach the paste. Traditionally used tools included saw blades, razors and putty knives for punching holes into the surface, and sandpaper to wear away the waterproof finish.

In 1985, Zinsser introduced a tool that answered the need for a better way to perforate waterproof wallpaper. The PaperTiger® Wallcovering Scoring Tool was a revolutionary advance in scoring tools. The patented cutting wheels perforate wallpaper to a controlled depth and actually lift small sections of paper away from the wall. These openings enable the DIF Wallpaper Stripper to penetrate the paper and dissolve the paste. The

PaperTiger makes scoring any wallpaper fast, easy and safe even if the surface has multiple layers of wallpaper or paint over wallpaper.

Further advances were made in the wallpaper removal industry in 1995 with the introduction of the Paper Scraper™ Wallpaper Remover and Wall Scraper a unique tool designed to replace conventional razor scrapers and putty knives. The tool is constructed with a strong, yet not sharp, metal blade that holds the perfect scraping angle when placed flat against the wall. This reduces the chance of gouging the surface and damaging the underlying wallboard. The Paper Scraper also removes residual wallpaper glue, paint drips and high points on the wall surface.

Zinsser innovations eliminated the “decorator’s dilemma” of wallpaper removal by introducing a program of safe and effective tools and strippers. Our wallpaper removal system is yet another example of our never-ending search to bring quality and first-rate solutions to the problems of professionals, do-it-yourselfers and decorating enthusiasts.

1995





Who's
Who

1980

Bob Senior - President

When Bob Senior joined Wm. Zinsser & Company in June 1980 as the Assistant to the President, the company was the leading manufacturer in the shellac industry. Bob felt fortunate to have a strong foundation upon which to build an even better business which he has done successfully over the last 19 years.

Bob came to Zinsser after a successful career at Allied Chemical, where he gained extensive sales, marketing, and financial experience. Shortly after he joined Zinsser, the company experienced tremendous growth by expanding distribution, product categories and product lines. In 1985, Bob was promoted to be Zinsser's President following Gardner Cunningham's retirement.

In 1986, Zinsser was acquired by RPM Inc., a publicly held specialty coatings company, with a philosophy that allowed operating divisions that were well-managed to operate independently. Zinsser had a strong team in place and our progress went forward without missing a step.

Bob views Zinsser as an innovative company because we identify needs that can be met by a product that provides great results, and then we formulate new products or modify existing products to meet or satisfy the need. Zinsser is dedicated to vertical integration, (manufacturing key raw materials that provide most of our product's performance) including both bleached shellac and acrylic polymers. Bob says Zinsser's product line and business charter is powerful because "we're giving end users real value at an affordable price, and we're not afraid to take on the really tough product challenges."

A hidden success in building Zinsser was building several products into major brands without the availability of resources that many other companies had. Capital was tight, so Zinsser had to rely on our sales force, product sampling, public relations and creative trade ads to get the word out and educate our customers. Given our now broad line of popular products, this strategy was obviously a success.

A graduate of Bloomfield College with an MBA in finance from Fairleigh Dickinson University, Bob resides in Chatham, N.J. with his wife Linda. His daughters, Stacy and Diana have both recently married. Bob enjoys his work and while he doesn't have much time for hobbies, he does enjoy music, reading and his vacation home on Martha's Vineyard.



Bulls Eye 1-2-3® - The Great Whole House Water-Base Primer

1982

When we initiated research to create Bulls Eye 1-2-3, our goal was to develop a revolutionary universal, water-base, low-odor primer-sealer, which would seal off stains and adhere tenaciously to a variety of surfaces, interior and exterior. While the challenge to create such a product seemed insurmountable to some, in 1982 our chemists created a water-base stain-killing primer-sealer that is still unmatched in the industry. With the introduction of Bulls Eye 1-2-3, and product improvements in the next few years, Zinsser quickly became the leader in the water-base primer industry.

That the revolutionary polymers found in Bulls Eye 1-2-3 are unique to Zinsser is a testament to Zinsser's innovation in another area of business - vertical integration in acrylic polymers.

Prior to Bulls Eye 1-2-3, water-base primers simply did not offer the necessary stain sealing nor adhesion for universal performance and application. Good painting practice meant that glossy and hard-to-stick-to surfaces should be sanded before priming or painting so the coating could bite, and water soluble stains like tannins in cedar needed alkyd primers, because these stains would bleed right through ordinary latex primers.

But the resin technology used to create water-base Bulls Eye 1-2-3 changed all of that. The unique polymers in Bulls Eye 1-2-3 provided exceptional adhesion to even the slickest and glossiest of surfaces, without sanding. On stains, the fast drying film was reliable where others failed.

Water-base Bulls Eye 1-2-3 provided other benefits to the professional painter as well. Because it was the first interior-exterior adhesion-promoting primer-sealer, the contractor could use it on walls and ceilings, exterior siding, soffits or gutters and downspouts, eliminating the need to carry many different products in his or her truck.

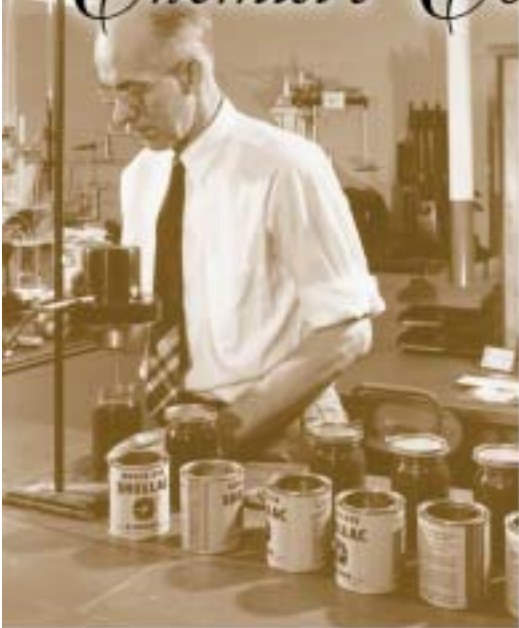
That surface versatility helped the house painter and the structure itself, because Bulls Eye 1-2-3 provided the needed flexibility and breathability for exterior wood siding and other materials that expand and contract with the changing weather.

Wood isn't the only substrate that expands and contracts, and the adhesion and flexibility of Bulls Eye 1-2-3 also made it an excellent primer for metal. It prevents flash rusting before the topcoat is applied, and is an ideal coating for iron railings, decorative metal-work, gutters, and downspouts.

Its magnificent range of surface applications quickly led to the common reference of Bulls Eye 1-2-3 as the "whole house primer."

With so many positive and user-friendly features and benefits, it is no wonder that this revolutionary product was so instantly and openly embraced by our customers. When it comes to choosing a water-base primer with superior adhesion that is unmatched in the variety of surfaces where it can be used, interior and exterior, it's as easy as one-two-three - Bulls Eye 1-2-3.

Chemist's Corner



A regular feature of the Bulls Eye Briefs, Chemist's Corner often focuses on a certain aspect of coating technology, the testing involved in some of our products, or other technical subjects. In this, our anniversary issue, we'd like to provide a brief, technical glance into several of our revolutionary products.

BULLS EYE 1-2-3®

Bulls Eye 1-2-3 is a pigmented acrylic emulsion (also called a water-reducible latex or water-base polymer system). The unique characteristics of Bulls Eye 1-2-3 come from the expertise of Zinsser chemists who create our

polymers. These polymers assure the great adhesion and binding strength of Bulls Eye 1-2-3. The polymers form a coating that is vapor-permeable and permanently flexible, and its acrylic resin components remain durable for the life of the coating.

PERMA-WHITE®

Remarkable polymers are also essential to our Perma-White mildew-proof paints. No one ingredient can be added to produce long-term mildew protection; there are many variables involved. A mildew-proof coating must resist cracking and dirt-pickup, as these facilitate mildew growth on the paint film. Because moisture is a fertile breeding ground for mildew, moisture repellency is also critical. Perhaps most important, however, is that the paint formula be designed so that the resistance to mildew is maintained over a long period of time, and doesn't leach out as mix-in mildew-resistance additives do.

Our mildew-proof coatings must pass rigorous testing, such as the American Society for Testing Materials 3273, 3274, and other on-the-job tests conducted in independent laboratories and field testing facilities around the world.

B-I-N®

The superiority of B-I-N as a primer, sealer, stain-killer, odor-sealer and adhesion promoter is due to its unusual basic ingredient – shellac. Similar to how honey comes from a bee, shellac is secreted by the tiny “lac” insect as a protective shell for its larvae, and deposited on soft-bark trees in India and Thailand. Once the

lac deposits are harvested, cleaned, ground and processed, we combine them with alcohol, white pigment and other ingredients to create B-I-N Primer Sealer.

Our shellac is dissolved in denatured alcohol which evaporates quickly upon application. B-I-N cures immediately and its 45-minute dry time is faster than latex or alkyd primers.

COVER-STAIN®

Alkyds are the basic resins in solvent-base coatings, also known as “oil-base” paints and primers. The special alkyd resins in Cover-Stain are fast-dry alkyds, far different from the alkyds that require hours or overnight to dry. Because Cover-Stain cures rapidly, solvents in the topcoat have little effect on its stain-sealing film.

DIF® Wallpaper Strippers

Enzymes are the key to DIF® Wallpaper Strippers. Enzymes are complex protein compounds that cause chemical reactions. The patented enzymes in DIF are selected for their ability to break down the molecular structure of paste. They transform molecules found in wallpaper adhesives, such as starch carbohydrates, into simpler, smaller ones. As a result, the paste becomes a thin watery solution that has little adhesion, allowing the wallpaper to be easily striped from the wall.

DIF® GEL contains enzymes similar to those found in DIF liquid concentrate, but its ready-to-use, non-drip formula means significantly less mess than with spray-on solutions.

Shieldz® Breaks New Ground

1984

Every once in a while, a new product comes along that radically changes the way an industry does things. In 1984, Zinsser's Shieldz® Universal Pre-Wallcovering Primer did just that.

Working with leading wallpaper manufacturers and paperhangers in the early 1980s, Zinsser's ambitious goal was to develop a water-base primer that would allow “strippable” papers to be reliably removed in full sheets and would protect drywall facing paper from damage. In addition, we wanted that same product to make strippable papers easier to hang.

Prior to Shieldz, traditional theory was that the only foolproof way to prepare walls for hanging wallcovering was to apply a coat of oil-base paint or primer, let it dry overnight and then apply sizing. Competing with that “safe” approach were other wall preparation products – fast



dry alkyds, shellacs, other latex preps and sizes. None of these worked on all surfaces or with all wallcoverings. Confused, consumers either opted for painting instead of papering or gambled by skipping proper wall preparation and generally ending up with a failure of some sort – bubbles, popped seams, gaps, etc.

Shieldz ended the confusion over proper surface preparation and the fear of wallcovering failure. It was a one-step pre-wallcovering primer that assured perfect installation of any type wallcovering hung over any surface with any type of adhesive, and no sizing was needed.

In 1998, Zinsser introduced an enhanced formula of the original Shieldz called SHIELDZ® WHITE, a technically advanced formula that

is the lowest odor wallpaper primer on the market. It also has the lowest spatter and provides the best resistance to re-wetting while repositioning or double-cutting.

When we first introduced Shieldz, we took a risk because the product was more expensive than most traditional wall preparations. It ended up becoming the most preferred wall prep on the market – an overnight category killer. Shieldz enjoyed immediate success with professionals and do-it-yourself paperhangers and today is among the most widely used primers in the U.S. The fact that people selected it over less expensive products available is a testament to its superior qualities, obviously much needed by users.

Not only notable for its superior performance and universal merit, water is the principal solvent in Shieldz, making it non-hazardous, low in odor and free from dangerous air-pollutants, not to mention easy to clean up. Thanks to Zinsser innovation, proper wallcovering preparation is not only easier and more effective than it used to be, it is safer too.

Mildew Meets its Match in Zinsser's Mildew-Proof Technology

Mildew is a fungus that feeds on organic matter including wood and most paints. It is both destructive and unattractive, and eventually destroys the surface on which it feeds. It is an unsightly and smelly nuisance that has plagued homeowners and contractors over and over and over again.

Wm. Zinsser & Co., Inc. saw the challenge mildew presented and resolved that through coatings technology, we would put an end to its reign. This determination prompted us to create the first interior and exterior architectural paints that not only claim to be mildew-proof, but are backed with a five-year factory warranty.

In 1991, Zinsser introduced Perma-White® Bathroom Wall & Ceiling Paint. Paint in bathrooms has always been the hardest to keep looking good and mildew-free. That's because the bathroom presents the harshest conditions an interior paint must withstand. The only way to treat the scourge of mildew

was through periodic washing with bleach – not only harsh and unpleasant, but also ultimately damaging to the existing paint coating. Worst of all, the bleach cleaning only provided temporary relief. Perma-White changed that. This water-base paint outperforms other paints because even those claiming mildew resistance eventually develop mildew. But not Perma-White Mildew-Proof Bathroom Paint. It contains environmentally safe mildewcides that are unique in their long-lasting activity, as well as many other technically innovative formulation elements that combine to prevent mold and mildew growth for many years.

Its unique formulation is also moisture resistant and formulated with outstanding “wet adhesion,” making it blister-proof as well as mildew-proof. Perma-White has phenomenal adhesion to hard-to-stick-to materials such as gloss paint, tile, Formica® and glass – without sanding. The bright, brilliant white Perma-White finish can be tinted to off-white and pastel shades, and cleanup is easy, just use soap and water.

Zinsser proved it could defeat interior mildew through innovative coating technology. Our customer feedback not only included appreciation for our efforts, but pleas for us to create an equally effective exterior

1991

mildew-proof paint. We introduced Perma-White® Mildew-Proof Exterior Paint in 1998, another testament to years of dedicated research and testing.

Like Perma-White Interior Mildew-Proof Paint, Perma-White Exterior is a two-coat system and is self-priming on most surfaces. Its 100% acrylic formulation comes in a bright white satin finish that can be tinted to off-white, pastel or earth tone colors.

Perma-White Exterior is a long-life, stable, mildew-proof formula that does not provide a surface on which mildew can grow or feed. This water-base coating resists cracking, fading and dirt-pickup, all vehicles for mildew-growth. It repels moisture and remains tremendously flexible so it can adjust to the expansion and contraction of variable climates and weather conditions.

When it comes to tackling a mildew-prone surface, it is important that all mildew is removed (killed). For the difficult task of cleaning exterior mildew-prone surfaces before painting, Zinsser acquired Jomax® House Cleaner and Mildew Killer. Less harsh than bleach, yet far more effective, Jomax is yet another weapon in Zinsser's arsenal against mildew.

Where mildew isn't a problem, Jomax can be used as an excellent house wash and cleaner. Thanks to incredibly effective Jomax, washing one's house has never been as easy or safe.

Being an innovator often means tackling a tough job from which others shy away. Zinsser is fueled with the spirit of innovation, and we were delighted to be able to bring mildew to its knees through the wonders of coating technology.



Down
Memory
Lane

1849

When Wm. Zinsser & Co., Inc. was founded, these events also took place:

- Gold Rush Fever struck as more than 80,000 “49ers” headed west to California.
- There were six territories in the United States and 30 states in the union, half of which were slave states. At that time Texas was the most western state.
- *The Lily*, published by Amelia Bloomer, advocated temperance, women's rights, and popularization of women's pants, known as “bloomers.”
- Walter Hunt of New York City patented the safety pin.
- Harriet Tubman escaped from slavery.
- The Associated Press was organized to distribute telegraphic news to the daily press.
- Edgar Allan Poe died at the age of 40.
- Elizabeth Blackwell became the first woman in the United States to receive a medical degree.
- Henry David Thoreau, author of *Civil Disobedience*, was jailed for refusing to pay his taxes. Payment, he argued, would constitute complicity in the crimes of the government – slavery, persecution of the Indians, and the war with Mexico.
- Senator John C. Calhoun of South Carolina blasted abolitionist Northerners in response to anti-slavery legislation proposed by Representative Abraham Lincoln of Illinois.
- French physicist Armand Fizeau measured the speed of light.

RPM REPORT

RPM, Inc., a world leader in specialty coatings, is the holding company that owns Wm. Zinsser & Co., Inc., and 35 other independent corporations. RPM shares are traded on the New York Stock Exchange under the symbol RPM.

RPM recently announced that it achieved record sales, earnings and earnings per share for the nine-month period ended February 28, 1999.

For the nine-month period, sales reached a record \$1.24 billion, a 6 percent increase over the prior year's nine-month sales of \$1.16 billion. Net income for the nine-month period

totaled a record \$59.1 million, a 7 percent increase over the prior year's nine-month earnings of \$55.2 million. Diluted earnings per share for the nine-month period were a record \$.54, a 2 percent increase over the prior year's nine-month earnings per share of \$.53.

Sales for the third quarter were a record \$373.0 million, a 6 percent increase over the prior year's third quarter sales of \$350.5 million. Net income for the third quarter increased 11 percent, totaling \$6.1 million, compared to the prior year's third quarter net income of \$5.5 million. Earnings per share were \$.06, equal to last year's per share figure.

The difference between the increase in net income and the lower level of earnings per share growth is primarily the result of the

redemption of convertible debt in July 1998. The redemption substantially improved the company's balance sheet by reducing the debt capital ratio from approximately 56 percent to 44 percent at the end of the third quarter. Beginning next fiscal year, the difference between net earnings growth and earnings per share growth, as a result of this redemption, will be much less significant.

The RPM Board of Directors declared, on April 5, 1999, the regular quarterly cash dividend of \$.1175 per share to be paid April 30, 1999 to shareholders of record April 16, 1999. RPM's cash dividend was increased for the 25th consecutive year this past October.

RPM is looking forward to its 52nd consecutive record year in sales and earnings for the year ending May 31, 1999.

Frequently Asked Questions on Bulls Eye Products

Below are questions of broad interest to both professional contractors using our products and sales personnel recommending them.

As a house painter, I've always used bleach and water to kill exterior mildew before painting. Why should I now start using Jomax® House Cleaner and Mildew Killer Concentrate?

While a solution of bleach and water is effective for killing mildew because it oxidizes the mildew, it doesn't clean the surface. That means residual dirt is left behind to provide a food source for new mildew spores, or to interfere with the adhesion of the new paint you are applying. Jomax not only contains a bleach catalyst - allowing you to use less bleach and cover more area - but it also contains detergents that wash away residual dirt and grime, leaving a surface that is not only mildew-free, but also clean.

I've heard a lot about your Perma-White® Mildew-Proof Exterior Paint. What makes

Perma-White Exterior any better than a paint with a mildewicide mixed in at the store?

Mildewicides mixed in at the store are not stable and leach out of the paint over time. While additives may provide mildew-resistance, they are not guaranteed to be mildew-proof like Perma-White, because no one ingredient, even a quality mildewicide, can be added to paint to give long-term protection from mildew. It's the blend of many active and inactive ingredients in Perma-White Mildew-Proof Exterior Paint working together to create a paint that outperforms exterior paints offering only mildew-resistance. Perma-White was specially formulated to be a flexible coating that resists cracking, fading and dirt-pickup - all important variables that can lead to the growth of mildew on

paint. Perma-White also repels moisture, the main ingredient necessary for mildew to grow.

I'd be interested in Perma-White Mildew-Proof Exterior Paint if I was more comfortable with its tintability. Will tinting Perma-White Exterior be a problem?

When we created Perma-White Mildew-Proof Exterior Paint we spent considerable time addressing the ability to tint consistently. Perma-White Exterior is a tint-base product that tints consistently, can-to-can, batch-to-batch, to most any off-white, pastel or earth tone color. We have created and will continue to create tint formulations for any dealer or distributor who wants to carry our product. Attractive color cards and tinting formulation sheets have been created to help communicate the tintability of Perma-White Exterior.

ANNIVERSARY EDITION
SPECIAL 150th

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BULLS EYE BRIEFS

