

KEY EXTERNAL ASSUMPTIONS

VOLUME GROWTH:

- . VISCOSITY CONTROL -- 8% PER YEAR
- . SHORT FIBER ASBESTOS -- 0% PER YEAR

GOVERNMENT:

- . CLEAR POSITION TAKEN ON HEALTH QUESTION WITHIN 2-3 YEARS.
- . NO WIDESPREAD BANS OR MANDATORY SUBSTITUTION
- . OSHA TLV NO MORE RESTRICTIVE THAN ~~1.0~~ FIBER/CC
0.5

COMPETITION:

- . NO NEW MAJOR EXPLOITATION OF COALINGA DEPOSIT
- . RUSSIANS DO NOT ENTER SHORT FIBER MARKET
- . VISCOSITY CONTROL COMPETITORS DO NOT REDUCE PRICES
- . MARKETING POLICY OF SHORT FIBER PRODUCERS UNCHANGED
- . ATLAS OPERATES THROUGH AT LEAST 1981

CUSTOMERS:

- . HEALTH FACTOR HAS NO SIGNIFICANT ADDITIONAL
IMPACT ON SHORT FIBER ASBESTOS MARKET
- . APPREHENSION OF CUSTOMERS IN THE VISCOSITY
CONTROL AREA WILL SUBSIDE IN 2-3 YEARS

CURRENT DIRECTION

THE ASBESTOS BUSINESS HAS BEEN OPERATED TO MAXIMIZE EARNINGS AND CASH FLOW. AGGRESSIVE MARKETING AND PRODUCT DEVELOPMENT PROGRAMS HAVE BEEN MAINTAINED. CAPITAL INVESTMENT HAS BEEN LIMITED TO DUST CONTROL IMPROVEMENTS AND OTHER MINOR REQUIREMENTS.

-- MAINTAIN POSITION WHILE MINIMIZING RISK IN VIEW OF MARKET UNCERTAINTIES.

SALES HISTORY

	<u>M TONS</u>				
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
SHORT FIBER	28.5	22.5	22.8	32.9	26.5
VISCOSITY CONTROL	1.6	2.1	2.1	2.4	2.2
TOTAL	30.1	24.6	24.9	35.3	28.7

CONSTRUCTION EXPENDITURES

	<u>\$ M</u>
1975	542
1976	197
1977	47
1978	77
1979	57