PLAINTIFF'S
EXHIBIT
GF-898

RPF

July 31, 1968

Mr. P. B. Dalton
New York

Mr. R. P. Fraser, Jr.
New York

MARKETING AND MANUFACTURING PLAN

Attached is the Marketing and Manufacturing Three-Year Plan.

RPF:AD
Att.

INDUSTRIAL PRODUCTS DIVISION
GAF CORPORATION

Marketing and Manufacturing Three-Year Plan

7/68

MICH09334

INDUSTRIAL PRODUCTS DIVISION
OPERATIONAL PLANNING
THREE YEAR FORECAST

Sales projections over the next three years to 1971 are as follows:

		Projections		
Product Line	1968 Forecast	1969	1970	1971
Felt	$ 20,400,000	21,856,000	23,035,000	26,475,000
Granules	14,475,000	15,022,000	15,750,000	16,500,000
Contract	1,800,000	2,300,000	2,500,000	3,000,000
Asbestos, Automotive and Insulation	20,500,000	22,329,000	23,504,400	25,078,600
TOTALS	$ 57,175,000	61,507,000	64,789,400	71,053,600

These projections are based on internal growth.

This Report is a condensation of reports which are much more detailed for each of the Product Groups.

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FELT PRODUCTS

Product Line	1968	1969	1970	1971
Pressed Felt				
HAIR	1,300,000	930,000	800,000	315,000
PIANO	640,000	715,000	735,000	750,000
ROLL, SHEET AND FILTER	8,090,000	8,261,000	8,500,000	10,000,000
TOTAL	10,030,000	9,906,000	10,035,000	11,065,000
Feutron	2,270,000	2,500,000	2,850,000	3,600,000
Fabricated Components	5,250,000	5,400,000	5,750,000	6,000,000
Filter Products	1,250,000	2,250,000	2,500,000	3,600,000
Drycor				
Papermakers	400,000	500,000	500,000	800,000
Other	1,200,000	1,300,000	1,400,000	1,500,000
GRAND TOTAL	20,400,000	21,856,000	23,035,000	26,475,000

The decline in hair was anticipated due to the new Float process. Piano sales have leveled off and no major increase is expected.

Our largest category is general pressed felts. At an annual sales volume of $8,000,000, our Plants run at 100% capacity. An obstacle to further growth in sales will be manufacturing capacity. Due to the erratic nature of this line, adding manufacturing facilities is not easily justified. An alternate would be selectivity of business to pursue and accept. This would change our projection but maintain our profitability.

Although new applications are developing in Feutron Felts, the prime one isthe field of filtration. Our leadership in this field as allowed us to maintain a higher than normal gross profit for the Felt Industry. A great deal of competition is developing in this field which may mean a change in our pricing concepts. Potential sales and steady growth will necessitate additional capacity during the next 3 year period. General Tire production will require additional equipment in 1970 (estimated) but this is specific and will be tied in with the Customer's projections and time table.

To be examined and pursued are other growth areas in the needled felts, which are high volume low cost. Examples would be Automotive Trunk liners, Panel plumpers, cushion insole and heel pads.

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Fabrication of felt, feutron, asbestos sheet and millboard offers a growth potential currently being explored. Initial analysis indicates possible expansion through increased number of fabricating plants as opposed to increasing capacity of existing facilities.

Unique filter devices will be an important segment of our product line for future growth. In this area we feel acquisition of the McIntire Company or establishing our own molded products facility, would add a minimum of $500,000 to our sales immediately.

Although we had production problems with the Ford Filter Element, our production people are confident that we can maintain our production committments. Our long range projection is encouraging with Ford and other potential customers and our goal is $ 1,750,000 by 1971.

Present capacity at Drycor is $ 1,800,000 which we hope to attain during 1969-1970. With extended deliveries on new equipment, we did not project sales above this until 1971. New and wider equipment would increase our potential sales in the papermaker's Felt Market.

GRANULES

Product Line	1968	1969	1970	1971
Granules				
Outside Sales	6,450,000	6,775,000	7,100,000	7,450,000
Inter-Div.Sales	6,800,000	7,000,000	7,200,000	7,400,000
Filler, TCM, Other	1,100,000	1,250,000	1,450,000	1,600,000
TOTAL	14,350,000	15,025,000	15,750,000	16,450,000

In the area where we solicit granule sales, we have established goals and targets which could increase our share of the market to a greater extent than indicated in the figures above. The trend toward darker colors will change our overall dollar volume but will not affect tonnage. The trend also to new and additional colors will necessitate more storage capacity at our Plants. This is currently being studied. It is premature to state definitely at this time, however we do feel there are other markets for us to explore, and initial analysis indicate a great deal more filler can be marketed.

CONTRACT SALES

1968	1969	1970	1971
$ 1,800,000	2,300,000	2,500,000	3,000,000

Our objective is to build Contract Sales by broadening and intensifing our sales efforts. Specific targets have been established. Possible obstacles may be the general decrease of facilities and capabilities, such as capacity to estimate design capability and lack of a model shop. However, our immediate job will be to produce business which utilized present know-how and equipment, and to look ahead to develope business which will broaden our technological base.

ASBESTOS, AUTOMATIVE AND INSULATION

Product Line	1968	1969	1970	1971
Dry Organic Felt	25,000	25,000	25,000	25,000
Asbestos Pipeline Felt	376,600	400,000	440,000	474,000
Asbestos Cement Prod.	1,285,200	1,330,000	1,399,000	1,440,000
Automotive Prod.	8,082,200	8,500,000	9,200,000	10,200,000
Millboard	449,800	425,000	452,000	460,600
Asbestos Sheathing	1,820,700	1,820,700	1,887,600	2,031,100
Asbestos Fibers	2,558,700	3,122,300	3,122,300	3,247,100
Calsilite	2,700,600	3,000,000	3,104,200	3,104,200
Miscellaneous	198,000	225,000	240,000	254,000
T / NA 100	187,500	200,000	250,000	300,000
Total Outside Sales	17,684,400	19,048,000	20,120,100	21,536,200
INTER-DIV.SALES				
Asbestos Sheathing	2,069,100	2,616,200	2,719,500	2,877,600
Asbestos Fibers	713,500	664,800	664,800	664,800
Total Inter-Div.Sales	2,782,600	3,281,000	3,384,200	3,542,400
GRAND TOTAL	$20,467,000	22,329,000	23,504,400	25,078,600

Dry Felt is handled as an accommodation and volume will remain static.

With quality equal to competitors, and a better profit structure, we

anticipate continued growth in Pipeline Felts through Midwest Pipe line Products Co.

Twenty-five percent of our volume in Asbestos Cement (Standard and Utility, Corrugated and Mineral Flat Sheets) is with the cooling tower manufacturers. The balance is sold for new plant construction. Our quality is highly acceptable and capacity is ample.

In automotive products, we see trends of additional competition, but we have confidence in our product sales ability to meet is. Current competition is Globe, and Magnus, with possible new competition developing with Logan-Long, Flintkote, and Allen Industries.

We have alerted our manufacturing people that Globe appears to be lowering their quotations on basic mastic parts for the 1969 model year. We continue to have a great deal of activity with Ford, and expect new mastic parts from Chrysler for their 1969 model year. Since we currently have 60-65% of the market, our sales growth will follow increased car production.

Asbestos Sheathing, includes the wide range of dry asbestos felt for roofing and pipeline products, impregnated flooring and Tedlar base, and gasketing and commercial papers. The major volume is derived from Inter-Division sales, and sales to other Roofing Manufacturers, with gasketing materials next in volume.

Asbestos Fibers sales are based on production with an output of 39,000 tons, and is not expected to change for the next three years.

Although there is a current lull in Calsilite business, economists, and Engineering News Record, continue to be optomistic for the future, and support our forecast for full production for Calsilite. Our current approach to this market is working through independent contractors and it is proving successful. Current forecasts are based on present manufacturing facilities. Growth beyond this due to our efforts and the International Group would necessitate added facilities. If this facility becomes available, we would revise our sales projection by increasing our dollar volume by 30% for 1970 and additional 40% by 1971. Fiber glass should continue to be offered and urethane should be considered, to complete our line of Industrial and Commercial Insulation. Consideration will be given to assigning a Product Manager to this product line.

T/NA 100, an exclusive GAF Product, will show continued growth. Our sales effort will be backed up with a direct Mail and Advertising Program.

ORGANIZATION

Organization and possible consolidation will be of primary consideration. This is beginning with a study of the personnel and marketing techniques of each of the segments, as well as location of personnel and location of prime markets.