PLAINTIFF'S EXHIBIT
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A report on the UNIBESTOS operations at both Port Allegany and Tyler was given by the President. He noted that both plants have experienced increased volume and that orders received have been at a high level -- the first two months of 1966 have exceeded budgeted sales by 44%, or $127,000, and gross margins have exceeded budget by $79,000.

The Port Allegany plant costs have been under review for some time and the operation had been cut back to a Tyler-type operation. It is expected that the 1966 gross margin from this plant will be about breakeven.

The Board discussed this problem and requested that a five-year sales and income projection be drawn up and presented at the June Board Meeting.

Frank R. Maston
Secretary