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The RUBEROID Co.

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EXECUTIVE OFFICES

March 22, 1965

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Gentlemen:

**FIRST QUARTER 1965 REPORT
BUILDING & INDUSTRIAL PRODUCTS DIVISION**

BUILDING PRODUCTS

Asphalt product volume is running approximately 10% ahead of last year. The price advance announced by the industry to become effective March 1, 1965 was delayed to March 15th and the amount of the advance diminished to an average of 7½% by The Barrett Co. The elimination of a second line of shingles not carrying the Underwriters' label in the Southwest has made the profit return of the three plants involved more promising.

Commercial production of our Class "A" Shingle, "Fire Guard", was started at our Bound Brook, N. J. Plant during March.

Mineral Fiber (asbestos-cement) product volume is slightly ahead of last year and the market price is stable. We advanced prices 5% generally on this group of products to compensate for increased asbestos fiber costs. Research has first priority on the development of a new family of mineral fiber products for residential siding. Semi-commercial runs and test marketing will be attempted during the next quarter.

Our Gypsum product business continues to improve. The first quarter should produce 20% greater volume and improved profit as compared to the same quarter last year. We have just introduced a decorative vinyl surfaced wallboard that gives promise of increased profit and volume. Our Gypsum product volume is relatively small, being budgeted for \$3,000,000 in 1965.

The Waterproof Paper operation at Millis, Mass. will be closed April 1st. This has not been a profitable operation for the last several years and held no promise for improvement. We have bids on the equipment which exceed its book value at the present time. This volume amounted to about \$700,000 annually. We will continue to sell profitably an estimated \$250,000 volume of these items, purchased from vendors.

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**FIRST QUARTER 1965 REPORT
BUILDING & INDUSTRIAL PRODUCTS DIVISION**

March 22, 1965

INDUSTRIAL PRODUCTS

Automotive products during this period have sold very well. Present figures indicate that our dollar sales in these products will exceed the same quarter last year by 80%. Prospects for the next quarter are very good

Asbestos Papers and Millboard volume remains good and the operation of the Erie 16th St. Plant profitable. The second quarter looks good for these products.

The Calsilite Filter Press installation at Gloucester was completed during the first quarter. The quality of the product is excellent but with the break-in period still in progress and standard costs to be revised, the degree of profitability cannot be determined. The outlook is promising and an appraisal of the operation will be given at the end of the next quarter.

Asbestos Fiber sales remain good. A backlog of import under the A.I.D. Program assures a continuing backlog. The price advance of 5% that became effective during this quarter is firm.

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The first quarter Plan for 1965 will be exceeded insofar as net sales are concerned and profit should meet Plan.

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For the second quarter of 1965, the Division expects net sales to equal or exceed Plan. Profit will continue to be favorably affected if the lightweight, non-UL shingle does not become a competitive factor in the Southwest and high automotive volume sustains.

Yours very truly,
The RUBEROID Co.

F. K. Sweeney
Vice President - General Manager
Building & Industrial Pds. Div.

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