

port is the "Cube Concept"—7 cubes symbolizing the 7 operating divisions of the company; each related to the other within the "Cube Concept" for corporate growth; all related to the business of creating shelter. This concept compels consideration not only of building materials but of all of the other elements that make up the total living environment including systems for in-plant manufacture of complete units. It is this concept that logically led to the acquisition of Multicolor Company, producer of functional and decorative coverings for internal wall surfaces. The concept also led to the acquisition of Binswanger Glass Company and of Hamilton of Indiana, fabricator and installer of structural glass products, windows and mirrors. More recently, it led to the acquiring of DMH Corporation, a leading producer of mobile homes. The acquisition included Mobilife Corporation, a land development division of DMH.

#### H. K. PORTER CO., INC.

Net sales in 1970 were \$278,914,530 compared to \$289,838,712 in 1969. Net income from operations for the year amounted to \$1,844,662 compared to \$3,899,579 in 1969. After extraordinary items, Porter had a loss in 1970 of \$1,911,264 compared with a profit in 1969 of \$4,113,231. Capital expenditures for plant and equipment totaled \$11,051,000 during 1970, exceeding depreciation by \$5,003,408. The management took drastic steps during 1970 to reduce corporate debt, to increase liquidity and to reverse the downward trend in earnings experienced since 1966. Porter sold plants having a book value of \$9,281,321 for \$5,343,607 and has filed for a total cash income tax carry-back of \$2,269,760. In addition, certain operations were closed during the year and the machinery disposed of.

The Thermoid Division concentrated on consolidation, cost reduction, product improvement and new product development during 1970. Although the Nephi Works was sold, its conveyor, elevator and transmission belt production was transferred to the Quaker Works. Hydraulic hose will be made at the Ballefontaine Works. With the sale of the Russell Works, clutch facing and brake lining products were transferred to the Richmond Works. The St. Louis Works and the Davidson Works, both small asbestos textile plants, were consolidated into the larger and more modern facilities at the Charlotte and the Bennettsville Works. Also sold were Brown Rubber Works and the old Trenton Works, which had been mostly abandoned. Dust-free Portersite asbestos insulation and rewettable lagging for shipbuilding made major contributions to all-time sales records in the asbestos textile area.

Pacific Asbestos Corporation, Copperopolis, California, experienced a decrease in sales volume in 1970 due to an 11-week strike by production employees and less demand by manufacturers related to the homebuilding industry. Improvements in all activities combined with the installation of new mining and milling equipment should reflect in increased production and lower operating costs. For 1971, sales projections indicate high volume at increased net prices with a greater percentage of sales into the U.S. market.