NOV 21 1962

Zonolite Co.

5686

Stock	*Price 10/30/62	Dividend	Yield
COMMON	7¼ - 7¾	a$0.20	a2.5%

POSITION: *The company is a leading miner and processor of vermiculite, which is used mainly as a building material. Shareholders will be asked to vote on a proposal by W. R. Grace & Company to acquire Zonolite's business and assets.*

FUNDAMENTAL POSITION

Zonolite manufactures various insulating fireproof and water repellent building materials, and also distributes aluminum siding and Dyfoam Corporation's polystyrene insulation board products.

Products include insulating fill, plaster aggregate, acoustical plastic, finish aggregate, industrial insulation, high temperature cement, insulating plastic, insulating precast roof slabs, insulation for underground pipes and glass fiber. Mono-Kote, introduced in 1959, is used to fireproof steel buildings.

Non-building products include Terra-Lite vermiculite soil conditioner, fertilizer conditioner and carrier for insecticides, pesticides, fungicides and fumigants; Sani-Flor litter for chicks and turkey poults; Bar-B-Sorb mineral base for charcoal cooking; and Verxite for use in animal feeds.

The industrial division handles mining and milling and the sale of mine products and services to ore customers, and the products division handles sales from the processing plants to the building industry and other markets.

Superior Asbestos was formed as a wholly-owned subsidiary in March, 1962, to develop recovery of a short fiber asbestos at the Libby mine. Affiliates include Western Mineral Products (34%-held), California Zonolite (33 1/3%) and Ari-Zonolite (33 1/3%).

Plants are at Chicago, New Orleans, Trenton, Utica, Jacksonville, Wilder (Cincinnati), Dearborn, St. Louis, Little Rock, Tampa, High Point (North Carolina), Ellwood City (Pittsburgh), Libby, Muirkirk (Washington), Atlanta, Kansas City, Birmingham, Boca Raton, North Billerica (Boston) and Travelers Rest (South Carolina). Mines are located at Libby, Montana, and Kearney, South Carolina.

Employees: About 515.

EARNINGS-DIVIDEND RECORD

b Yr. End. Mar. 31	a Net Sales	--Per Share Data ($)-- Earns.	Divs.	c Range
1962	....	.....	0.20	7⅜- 4⅜
1961	9.87	0.52	0.20	6 - 3½
1960	9.60	0.38	0.15	5⅜- 3⅜
1959	10.02	0.64	0.20	6⅜- 3⅜
1958	8.92	0.45	Nil	4⅝- 1⅜
1957	8.05	0.05	Nil	3⅜- 1⅜
1956	7.58	0.14	0.07½	4⅜- 2½
1955	7.97	0.31	0.07½	6½- 4½
1954	6.35	0.37	0.07½	8 - 3½
1953	5.96	0.38	0.07½	4⅜- 4⅜
1952	5.94	0.47	0.07½	5⅜- 4⅜
1951	5.96	0.45	0.15	6⅜- 4⅜
1950	6.27	0.79	0.15	6⅜- 5½

a In millions of dollars. b Of the following calendar year. c Calendar year; bid prices.

RECENT DEVELOPMENTS

Sales and sundry income in the fiscal year ended March 31, 1962, rose 2.9% above the year-earlier level, with growing demand for newer building products more than offsetting declines for some older items and the agricultural division benefiting from broadening of the line. Improved margins on the expanded volume brought the gain in total income to 19%, and depreciation absorbed a smaller proportion of available income. The increase in pretax earnings was 33% and, after a lower tax charge, at 7% against 11%, final net advanced 39%.

For the six months ended September 30, 1962, net income receded 8% from a year before, and earnings dropped to $0.15 a share, from $0.16.

On October 22, 1962, W. R. Grace & Company announced it had reached a tentative agreement to acquire the business and assets of Zonolite. The proposal called for issuance of one share of Grace common in exchange for each four Zonolite shares. Completion of the transaction is subject to approval by Grace's directors and by Zonolite's directors and shareholders.

*Approx. - Traded over the counter. a Indicated rate.

EXHIBIT
PX-8 for id.
3-18-88

PLAINTIFF'S EXHIBIT
WRG 135