

NOTES FROM 1970 ANNUAL REPORTS

GAF CORPORATION

The economic slowdown in 1970 resulted in a drop-off of sales for GAF Corporation of a little over 1%, from \$606,254,000 in 1969 to \$598,706,000 in 1970. Of the total 1970 sales figure, \$176,086,000 was for building materials, \$46,080,000 for industrial products and \$376,540,000 for chemicals, photographic products and business systems. Net income for 1970 was \$14,694,000 or 80c per common share as compared to \$11,068,000 or 54c per common share in 1969. Earnings for 1970 were aided by extraordinary gains of \$6,300,000 or 46c per common share. Plant and equipment expenditures totaled \$25,186,000 in 1970.

Sales of GAF building products in 1970 were strong and compared favorably with the previous year. One area of fast-rising commercial activity is GAF canal bulkhead corrugated sheeting for use in water-front property development and land reclamation projects. In this connection, the Building Products Division introduced a new and improved asbestos-cement bulkhead in March 1970.

Total sales for GAF floor coverings during 1970 just about equaled 1969. In all, more than 250 color/design pattern combinations were added to the Division's line of products during the year. Included were 26 patterns in the GAF Sure-Stick floor tile line, a pressure-sensitive, adhesive-backed vinyl-asbestos floor tile that was marketed nationally for the first time in 1970.

The mineral products group, the primary products of which are roofing granules and asbestos fibers, made a relatively good showing in the face of roofing industry work stoppages and the low level of housing starts. Overall sales for the GAF felt product line were down slightly from 1969 although the demand for asbestos paper and mill-board continued strong and ended 1970 substantially ahead of the previous year. GAF corrugated asbestos-cement sheets met with notable success in new power plant construction.

GAF recorded continued growth in foreign markets in 1970. Sales abroad of \$86,182,000 helped to compensate for weaker domestic sales and extended GAF brands into several new territories.

NATIONAL GYPSUM COMPANY

National Gypsum Company reported net sales in 1970 of \$398,371,000, compared with \$409,894,000 as restated for 1969. Net income totaled \$14,046,000 or 84c per share on average shares outstanding. Capital expenditures for property, plant and equipment were \$17,264,000. Current assets of \$177,423,000 at year end exceeded current liabilities by \$141,149,000. Total assets were \$429,476,000 and book value per common share was \$19.04.

The more than 400 products manufactured by National are largely used in the building of shelters. The theme of this year's annual re-