

Ceramics & Additives Results, continued

DESULFEX sales continued on track in June, at \$104,000, just slightly under the forecasted \$109,000. Shipments were to three major accounts: Republic-Chicago, J & L - Aliquippa, and Wisconsin; five other accounts bought lesser amounts. Significantly, the initial test heat was successful at U.S.S.-Lorain. It had previously been difficult to obtain tests at U.S.S. because they were attempting to develop their own desulfurizer. They failed, however, and agreed to test DESULFEX.

RADEX continues to outpace all other products on a growth basis. It was sold to twenty-two accounts in June, hitting a new sales record at \$150,000; that beat out GARNEX by \$4,000 for highest sales volume in the Division. Estimated realistic sales potential for the product is \$2.5 million, of which approximately 60% has been developed, all by FOSECO.

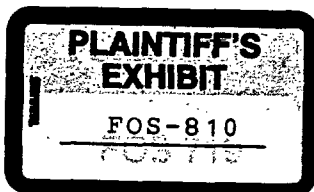
Some quality defects in Nippon Crucible's TEEBRIX have apparently manifested themselves at Wheeling Pittsburgh - Mingo Junction, in the form of laminations. Nippon's representatives have inspected them on-site, and instituted tighter tolerance limits for ultrasonic quality testing prior to the inserts leaving the factory. Trials continue at Wheeling, Inco-Burnaugh, and Bethlehem-Sparrows Point. Cameron Iron has become the first account to plan conversion to full production usage of Nippon's TEEBRIX.

Headings Systems Summary

Headings products sales were \$1,835,700 in June, 1.5% above forecast. Year-to-date sales are \$9,748,800 with a positive variance of \$108,100. Sales price increases year-to-date netted additional sales volume of \$92,000 in June.

In the analysis of the various product groups, the two B.E.U. hot top product groups continue to show a negative variance to forecast year-to-date. The other six product groups show positive sales variances ranging from Premix at 117.3% of forecast to FERRUX at 4.5%. The shortfalls in the B.E.U. Seal-On continue because of a combination of price competitiveness in the Pittsburgh district, and manufacturing problems in the Seal-On ring conversion to a non-asbestos bearing product. It is worth noting that by the end of June, Cleveland, Chicago and Mt. Braddock Plants were producing all products asbestos free.

The sales of B.E.U. Hot Tops remains far behind forecast with a negative variance of 26.4%. Year-to-date sales of only \$100,000 at Copperweld Steel versus a forecast of \$400,000 is the prime contributor to this negative variance. The previous quality problems have been resolved, yet pricing problems remain. A purchase contract between Copperweld and the competitor which was negotiated when FOSECO was having its quality problems of late 1975, is expiring at the end of July. FOSECO's participation should then increase greatly for the last five months of 1976.



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