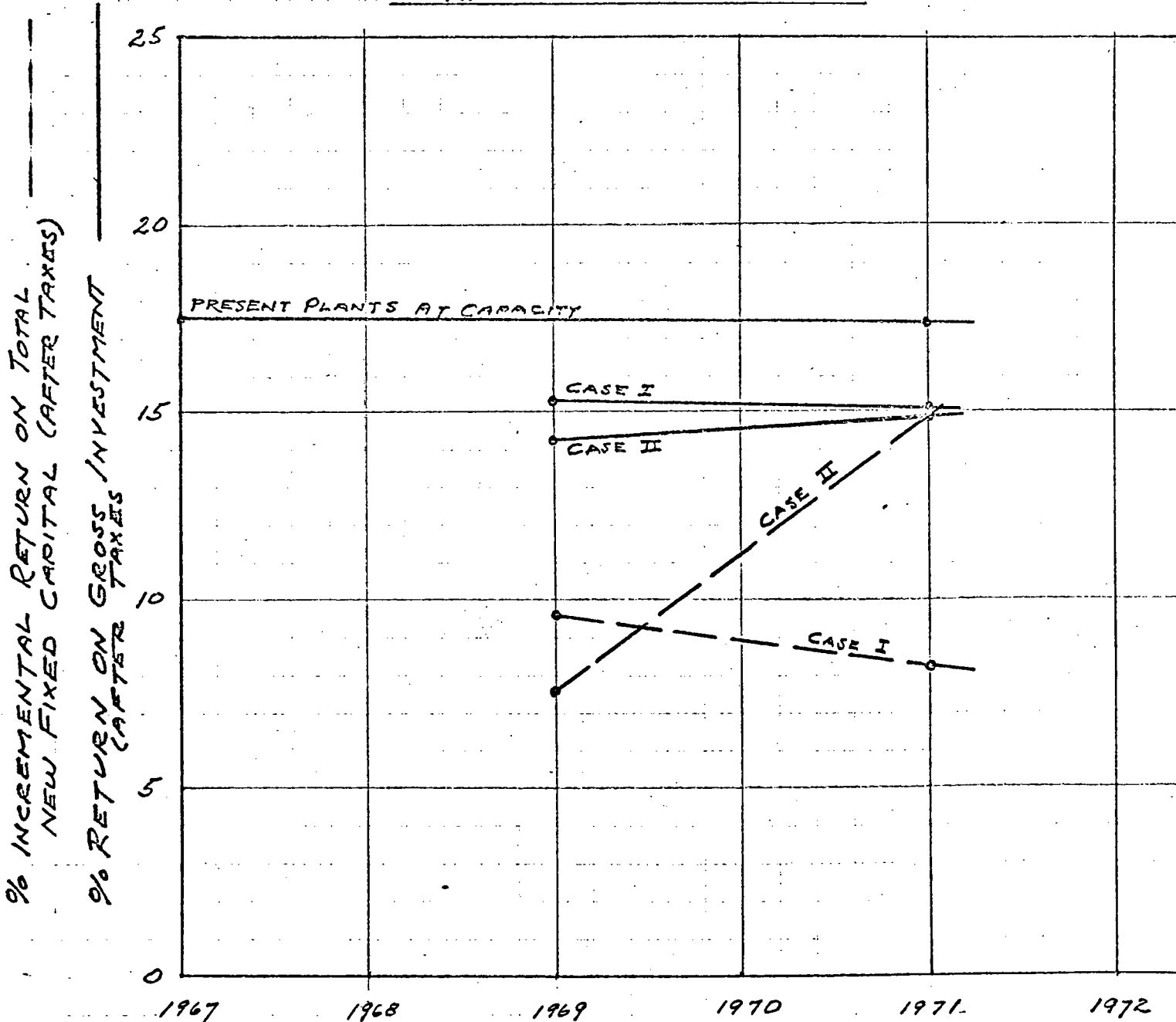


AROCLOE EXPANSIONS - WVK & ANNISTON

RETURN ON INVESTMENT FOR:

CASE I: \$2.0M, INCLUDING EXPANSION OF STORAGE,
BLENDING, AND FLAKING AT ANNISTON
PLUS STORAGE AT WVK.

CASE II: \$3.0M, CASE I PLUS 40M LB./YR.
EXPANSION AT WVK.



7-28-67

AROCLOR EXPANSIONS - WCK & ANNISTONDESCRIPTION OF CASESBASE CASE:

EXISTING FACILITIES AT WCK & ANNISTON AT
FOLLOWING PRODUCTION LEVELS (AS AROCLORS)

	<u>1967</u>	<u>1971</u>
LIQUID AROCLORS - WCK	19685 M*	19685 M*
BLENDS - WCK	<u>9815</u>	<u>9815</u>
	29500 M	29500 M
LIQUID AROCLORS - ANNISTON	42065	47805
BLENDS - "	5935	5935
SOLID AROCLORS - "	9926	9926
MONTARS - "	<u>730</u>	<u>730</u>
	58656 M	64396 M

CASE I

DSW 200712

TANK FARM, BLENDING, & DRUMMING
AT ANNISTON

\$ 1290 M

NEW FLAKING FACILITY AT ANNISTON

325

ADDITIONAL STORAGE AT WCK

385
\$ 2000 M

PRODUCTION LEVELS EVALUATED

	<u>1969</u>	<u>1971</u>
LIQUID AROCLORS - WCK	21685 M*	21685 M*
BLENDS - WCK	<u>9815</u>	<u>9815</u>
	31500 M	31500 M
LIQUID AROCLORS - ANNISTON	47805	47805
BLENDS - "	5935	5935
SOLID AROCLORS - "	10426	10926
MONTARS - "	<u>730</u>	<u>730</u>
	64896 M	65396 M

7-28-67

CASE ISAVINGS ESTIMATED FOR CALCULATING RETURNS:

15 TANK CARS NOW REQUIRED AT ANNISTON TO
 INCREASE CAPACITY FROM 48M TO 53.5M $\times$
 @ \$1925/YR./CAR = 21.4M
 3 LABORERS IN DRUMMING & STORAGE
 AT ANNISTON 35 M
 4 LABORERS IN FLAKING AREA 46 M
 TOTAL ANNISTON \$102 M/YR

SAVINGS AT WCK - NONE CLAIMED
 NEW CAPACITY
 29.5 TO 31.5M $\times$ /YR @ WCK

CASE II

TANK FARM, BLENDING, & DRUMMING
 AT ANNISTON \$1290 M
 NEW FLAKING FACILITY AT ANNISTON 325
 INCREASE CAPACITY TO 70M $\times$ /YR. AT WCK 1385
 (INCLUDES TANK FARM ADDITIONS)
\$3000 M

PRODUCTION LEVELS EVALUATED
 (1969 & 1971 FORECAST LEVELS)

	<u>1969</u>	<u>1971</u>
LIQUID AROCLORS - WCK	29385M [*]	36185M [*]
BLEND - WCK	9815	9815
	<u>39200</u>	<u>46000</u>
LIQUID AROCLORS - ANNISTON	42805	47805
BLEND - "	5935	5935
SOLID AROCLORS - "	10456	10926
MONTARS - "	730	730
	<u>59896 M</u>	<u>65396 M</u>

CASE II

SAVINGS ESTIMATED FOR CALCULATING RETURNS:

15 TANK CARS REQUIRED TO INCREASE
CAPACITY AT ANNISTON FROM 48M TO 53.5M \$ 21.4M

3 LABORERS IN DRUMMING & STORAGE
AT ANNISTON 35 M

4 LABORERS IN FLARING AREA
TOTAL ANNISTON $\frac{46 M}{102 M/Y}$

SAVINGS AT WCK - NONE

NEW CAPACITY AT WCK - 40M #/YR

PRODUCT GROUPINGS	PRESENT WGR + ANNISTON		CASE I 385M AT WGR 1615M AT ANNISTON		CASE II 385M AT WGR 1615M AT ANNISTON	
	1967	1971	1969	1971	1969	1971
TOTAL SALES M L.B. PRODUCTS AS M L.B. PROCCLOS	96156 M 88156	101996 M 93896	104396 M 96396	104896 M 96896	106966 M 99096	119266 M 111396
TOTAL SALES \$ (NET BACK) COST OF GOODS SOLD	\$M 14321 6750	\$M 14936 7029	\$M 15364 7200	\$M 15387 7280	\$M 15881 7538	\$M 17582 8264
GROSS PROFIT OR SAVINGS	7571	7907	8154	8107	8343	9260
SHARE EXPENSE @20% SALES	2863	2979	3070	3075	3173	3504
FEDERAL INCOME TAXES @50%	2354	2464	2547	2516	2585	2882
NET INCOME	2354	2464	2547	2516	2585	2882
NEW FIXED CAPITAL: DIRECT DEPT. UTIL. & SERVICES ALLOCATED INVESTMENT: DIRECT DEPT. UTIL. & SERVICES PACKING & SHIPPING CHLORINE BIPHENYL INTERMEDIATES (OTHER) SHARE @ 4% SALES	2393 684 160 2150 2801 127 1286 9601 3909 13510	2462 684 170 2281 3011 127 1351 10086 4100 14186	2340 924 173 2335 3079 127 1380	2340 924 175 2355 3081 127 1385	2340 1348 178 2214 3151 127 1424	2340 1348 201 2355 3570 127 1578
GROSS FIXED INVESTMENT: WORKING CAPITAL @2.5% GROSS INVESTMENT:	9601 3909 13510	10086 4100 14186	12358 4190 16548	12387 4198 16585	13782 4331 18113	14519 4784 19303
RETURN ON NEW FIXED CAPITAL	%		9.6	8.1	7.7	17.6
RETURN ON GROSS INVESTMENT	17.4 %	17.3	15.4	15.1	14.3	14.9
* INCLUDES: LIQUID AROCCLOS SOLID AROCCLOS BLENDS MONTARS						

DSW 200715

REV. NO.	DATE	REVISION	BY	DATE



CASE I - TANK FARM NORTH OF COOLING TOWER

FLAKING AND DRUMMING IN NEW AREA NORTH
OF 6TH STREET

COST \$1,900,000

Plus Factors

Negative Factors

- 1) AREA MORE ACCESSIBLE TO
TANK TRUCKS (1 every 3 dr),
DRUM TRAILERS (1 every 4 1/2 dr).
- 2) MORE CONVENIENT MEANS OF
EXPANDING WAREHOUSE.
- 3) MINIMIZE TRAFFIC CONGESTION.
- 4) DRUMMING FACILITIES WILL
RESULT IN LABOR DECREASE
AMOUNTING TO \$30,000 YR
AND WILL MINIMIZE PRODUCT
CONTAMINATION.
- 5) FLAKER OPERATIONS IN
NEW FACILITY ADJACENT
TO DRUM OPERATIONS AND
NEW WHSE.

- 1) HIGHEST COST
- 2) LONGER PIPE RUNS WILL RESULT
IN HIGHER MAINT COST
- 3) TANK FARM & FLAKING EQUIP
SEPARATE FROM DEPT (300-400 FT)



CASE II TANK FARM NORTH OF 5TH STREET
FLAKING AND DRUMMING ADJACENT TO TANK FARM

COST \$ 1,540,000

Plus Factors

Negative Factors

- 1) 360,000 LOWER IN CAPITAL INVESTMENT THAN CASE I.
- 2) SHORT PIPERUNS WILL RESULT IN LOWER MAINT COST THAN CASE I.
- 3) ELIMINATE PRESENT SEWERAGE DISPOSAL FIELD (20MS RANGE FACTOR)
- 4) FLAKER OPERATIONS IN NEW FACILITY ADJACENT TO DRUM OPERATIONS AND NEW WAREHOUSE.
- 5) NEW DRUMMING FACILITIES WILL RESULT IN LABOR DECREASE (\$30,000/YR) AND WILL MINIMIZE PRODUCT CONTAMINATION.
- 6) COMPACT INSTALLATION.

- 1) RAIL SPUR CUTS THROUGH AREA NORTH OF 6TH ST DECREASING ITS LAND TRAIL VALUE.
- 2) WILL RESULT IN SOME INCREASE IN TRAFFIC CONGESTION ON 5TH ST BUT LOWER TANK CAR LOADING CONGESTION.
- 3) REQUIRES RELOCATION OF PLANT OFFICE PARKING LOT.



CASE III TANK FARM NORTH OF RIDGE 27
NO DRUMMING EXTENSIONS
NEW FLAKING FACILITIES IN SOUTH END OF RIDGE 27
COST \$ 885000

Plus Factors

Negative Factors

1) ³ 665,000 LOWER IN CAPITAL INVESTMENT THAN CASE II.

1) PROVIDES FOR NO CHANGE IN PRESENT DRUMMING METHOD - APPROX 50% INCR. CAN BE EXPECTED IN DRUM HOLD IN NEXT 5 YEARS.

2) FLAKING EQT WOULD BE PLACED IN ANTIQUATED 50 YEAR OLD BUILDINGS WHICH SHOULD BE TORN DOWN.

3) FLAKING OPERATIONS ARE DIVORCED FROM WARE AREA.

4) UNACCEPTABLE TRAFFIC CONGESTION - DRUMS, TANK CARS, TRUCK TRAILERS

5) NO GOOD WAY TO EXPAND TANK FARM IN FUTURE.

6) SPREAD TANKS OVER TOO WIDE AN OPERATING AREA.

7) DOES NOT RELIEVE TANK CAR CONGESTION.

DSW 200718