Plasticizers

January sales of $740M were 6% below budget. Net income of $25M was twice budget. ROI on gross investment was 11%.

Rubber Chemicals

Sales of Santoflex products in January were 41 tons. Operations were slightly below break-even -- net loss of -$3M.

Functional Fluids

For exports, MMK adopted Monsanto's world-wide program on restrictions of PCB and PCT. In Japan, plasticizer and "open" use terminated on 12/31/71. With one exception, heat transfer sales were cut off on January 31. Electrical sales continued to reputable and responsive companies; however, the "hold harmless" letter required by Monsanto for its U.S.A. customers cannot be employed by MMK in Japan. The competitive Kaneclor has been withdrawn for "open" use but continues to be sold in Japan and exported without restrictions. Governmental investigation of samples continues and some restrictive regulations may follow eventually.

MMK is evaluating the justification for its biphenyl-terphenyl operations. Sales of biphenyl and hydrogenated terphenyl (Santotherm 66) continue to improve but volume is below break-even for the plant. Several alternate fluids from biphenyl are under study. A mixed isopropyl biphenyl is being sold.

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