

ZONOLITE DIVISION

7-1970

TO Pete Hollis High Point DATE May 4, 1970

FROM Jim Cintani

SUBJECT Monthly Situation Report
April, 1969

CC: S. Titus

**PLAINTIFF'S
EXHIBIT**

WH-959

Dear Pete:

Sales during the month of April was comparable to last years sales. Bag sales were 113,800 bags a decrease of 1% compared to last April's sales. Dollar sales amounted to \$216,000.00 a decrease of 7% in comparison to last years sales. Last April we had an unusually big sales volume in vent board which inflated our dollar volume. Our vent board sales will be approximately 1,900,000 board feet for the complete year.

Tabulated below is a comparison of sales for the first 4 months of 1970 compared to similiar period last year.

<u>Product</u>	<u>1970 Sales 4 months</u>	<u>1969 Sales 4 months</u>	<u>Difference</u>
Attic	151,200	102,400	48,800
Concrete			
Aggregate	59,300	50,400	8,900
Plaster	12,100	9,400	2,700
Masonry Fill	52,600	53,000	(400)
Perlite	32,400	29,200	3,200
Monokote	63,400	55,000	8,400
Dyfoam	1,026,000	1,069,000	(43,000)
Vent Board	185,500	490,200	(304,000)
Glass Fiber	1,195,000	2,822,000	(1,627,000)
Total Bags	385,600	334,000	51,600
Total Dollar	705,600	727,400	(21,800)

Concrete Aggregate sales during April amounted to 35,000 bags. Most of our roof deck applicators were busy during the month. The Month of May should also be a good volume month for concrete aggregate. In fact our applicators should be busy during the balance of the year. The only dark cloud on the horizon is the large number of local construction contracts that have to be negotiated this year.

HOME OFFICE

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All the trades are asking for large wage increases in the range of three dollars to five dollars per hour increases over a three year period. I am fearful that a large number of these contracts will be signed only after a long strike period.

Construction strikes will affect most of our product lines therefore I hope we are not hurt by these wage negotiations.

Perlite concrete aggregate sales are moving very well. We have been hampered by not being able to run our perlite furnace at Trenton. The furnace is down for air pollution equipment. It has been down for two weeks and the projection is for the furnace to be down for at least another week. We have been getting some perlite from Murkirk plant however because of heavy demand we were forced to buy perlite from Pennsylvania. Perlite in Allentown and also from Perlite Manufacturing in Primes, Penna. This has been very costly but was essential for us to hold the perlite business. This is particularly true with Concrete Plank Company, Arlington, New Jersey as they do not relish the prospect of buying perlite from us and are looking for reasons not to give their business to us.

Dermody Foltz & Pray will be starting their first Dri Pac job (8,000 bags) in mid-May. Henderson Johnson also has a number of smaller jobs which will be applied during the month of May.

During April we set up McGrady Roofing Company of Portland, Maine as a Permadeck applicator. These people are well respected by general contractors in the Portland area. About ten years ago McGrady had the Insulrock franchise. They gave it up to go into steel deck erection. The steel deck market in Portland area is decreasing and the wood fiber on the rise. Consequently they want to get back into the wood fiber business. They are in position to take carloads. I feel they will help us generate some Permadeck business in that area.

Monokote sales continue to go very strong. We sold 20,000 bags during April. Sales during the month of May should be especially strong if local construction strikes don't close the jobs down.

All spray fireproofing in the city of New York has been shut down. No one knows where to turn and most of the spray applicators are taking a wait and see attitude. The unanswered question is who is going to pay for the increased costs required to comply with the new regulations.

The New York ruling states that all spray fireproofing containing asbestos is subject to these regulations. This includes Monokote however we are hopeful of getting a waiver on Monokote at least until our non-asbestos Monokote is on the market.

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Our Monokote jobs in Philadelphia are still going however the city officials are looking at the New York regulations with the thought of doing something similar; at least as far as the use of an overpray is concerned.

We have received an order for 7,000 bags of Monokote from Mangano Bros. for the Keystone Building in Boston. In addition De Gregorio and Caccis have promised to give us the spray fireproofing on the John Hancock Building in Boston if we have a non asbestos product by mid-July.

I hope the Monokote mixing set up contemplated for the E. Hampton plant becomes a reality before too much longer. The Keystone Building job will be ready for Monokote within the next two weeks.

Actual profit prior to taxes for the Northeast for the 1st quarter is \$15,400 this is considerable below the budgeted goal of \$1,200 a good deal of the decrease is the result of high production costs of the Trenton plant. I am hopeful we can recover a portion of this loss within the next several months.

Sales during the month of May should continue on a high plane. I anticipate bag sales of 105,000 and dollar sales of \$210,000.

Sincerely,

ZONOLITE CONSTRUCTION PRODUCTS
DIVISION W. R. GRACE & COMPANY


James Cintani
District Manager

JC/ms