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Construction Products Division

To: R. J. Bettacchi

Date: September 28, 1983

From: P. E. Korenberg

Subject: Monthly Report
September, 1983

I. International Consolidated

Gross sales for September were \$94,710, 5% favorable to budget but 20% unfavorable to September, 1982. Gross sales YTD are \$1,306,663, 62% favorable to budget and 53% favorable to YTD 1982. Current estimate remains at \$1,752M, however unanticipated sales to PID may increase this to \$2,000M.

II. Zonolite Finished Products

A. Sales

Zonolite sales totaled \$62,941 and were broken down as follows: Monokote to PID \$4,605; Monokote to Saudi Arabia \$32,101; Insulperm to Saudi Arabia \$19,759; Masonry to Saudi Arabia \$5,644; and, Other \$832. The 55,000 bags of Monokote to Korea are still on hold. Singapore, however, has released 41,000 bags for shipment from October-December, 1983.

B. Zonolite Expanding/Blending Facilities

1. Saudi Arabia

The Gosaibi agreement, as drafted by legal, has been returned to Sami Al Gosaibi for final review. We expect the present form to require only slight modification, and expect execution sometime in October. The cost data, supplied by engineering and used in preparation of the quotation to Gosaibi for a D-18 furnace, was found to contain an error of approximately \$45,000. Our original profit on sale of the furnace of \$80.6M will now be reduced to \$35.6M.

2. United Kingdom & Europe

Bettacchi is scheduled to meet with Hawkins (of IMC) in the United Kingdom on October 28th to discuss details of a Zonolite licensee agreement. Hawkins has asked for preliminary numbers regarding ore costs, yields, etc., based upon purchasing Libby concentrate from us.

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C. Mansour Industrial Marine Coatings (Saudi Arabia)

Irvine Rogers reports a major project in Jeddah - Jamjoun Commercial Center, Approximately 130,000 bags - which will require the fireproofing to pass the French Standard fire test (similar to BS476 and UL ASTM E119). I have requested Hawkins to meet with the architect in France to attempt to have USA standards allowed, and will have Irvine in Saudi contact Gosaibi to exercise all possible influence.

D. Mike Rew

Mike has been following up Saudi calls with meetings in New York and Toronto with purchasing agents and architectural firms to try to tie down new work.

E. Technical Service - B.S. 476 Pt. 8

Bob Merther has confirmed that further fire testing will be necessary to obtain competitive ratings with Monokote. Bob is to meet with test lab personnel in early October to draw up the necessary test schedule. Lloyd has further confirmed that these approvals are necessary to protect his projected 250,000 bag Monokote market in Singapore. As these test approvals are not required for either the USA or Saudi market, PID will be required to fund this additional testing effort.

F. W. R. Grace/Hong Kong

Pacific Partitions diverted "Alaska" Monokote to Singapore to avoid the higher PID price. Due to jobsite problems in Singapore, several bags were returned to the USA for testing. The material, then approximately 3 months old, had passed its useful shelf life and had sets in the 17-18 hour range. This reconfirms the necessity for the plastic lined bag for export Monokote. Bill Culver worked closely with Lloyd in Hong Kong to explain to principals of both the USA and Singapore companies the meaning of the test results and how to avoid future reoccurrences.

III. PetersA. Sales

Peters gross sales for September were \$31,769, 73% ahead of budget. Sales in September, 1982 were \$0 - so prior year

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comparison is invalid. YTD Peters sales total \$294,417, 112% favorable to budget and 64% ahead of YTD 1982.

B. Japan

Yamato has obtained a temporary permit from the Japanese Department of Agriculture to import professional Peters into Japan. A permanent license is expected to be granted upon submission of our comparative analysis - Hyponex vs Peters.

C. Brinkman - Holland

A meeting is scheduled with Brinkman for 24 October to discuss various options to increase our European market penetration.

D. General

A Peters sales and market exploration trip has been scheduled for early November and will be combined with Zonolite meetings in Saudi. As scheduled, I will meet with distributors representing 84% of our Peters export business and will explore new opportunities in Singapore and Malaysia. There are recent articles indicating that significant quantities of Orchids and Chrysanthemums are grown in these areas, and our present sales are minimal. Grace/Hong Kong and Grace/Singapore and a new potential distributor are aiding me in making initial contacts.

E. Grace/New Zealand

Neil Burns - Porirua - has submitted a full set (28 pages) of Peters literature masters prepared for the New Zealand market for our review and comment. They have only just arrived, but upon initial review seem excellent both technically and with respect to detailing Peters benefits.

IV. Darex Corrosion Inhibitor

Fahad Mira has, on his own initiative, advised that he has sold 30 drums of DCI to Tradco Vulcan for use on Aramco projects at a price of between SR29 and SR39 (\$8.53-\$11.47) per gallon. Fahad indicates that since taking over DCI administration, the Italians have not mentioned DCI nor are they aware of the sales. While this is no longer our area of administration, it would be regrettable if our initial specification efforts were not followed up to make the best of any available sales opportunities.

DEC 1/82

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D. E. Korenberg