

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF PITTSBURGH CORNING CORPORATION
HELD AT NEW YORK, NEW YORK. WEDNESDAY, DECEMBER 5, 1962

THE REGULAR QUARTERLY MEETING OF THE BOARD OF DIRECTORS OF PITTSBURGH CORNING CORPORATION WAS HELD AT THE APPOINTED TIME AND PLACE ON WEDNESDAY, DECEMBER 5, 1962.

MEMBERS PRESENT: RUSSELL BRITTINGHAM, PRESIDING
WILLIAM C. DECKER
DAVID G. HILL
AMORY HOUGHTON, JR.
AMORY HOUGHTON, SR.
FELIX T. HUGHES
GEORGE D. MACBETH

THE MINUTES OF THE PREVIOUS MEETING HELD NOVEMBER 8, 1962, AT NEW YORK, NEW YORK, WERE APPROVED.

THE PRESIDENT REPORTED ON THE NET SALES AND INCOME FOR THE ELEVEN MONTHS ENDING NOVEMBER 30, 1962, AND ALSO ON THE FORECAST FOR THE ENTIRE YEAR 1962. HE STATED THAT THE NET SALES WERE ESTIMATED AT APPROXIMATELY 1.8% BELOW BUDGET FOR THE YEAR BUT SHOULD BE 3.1% OVER 1961. NET INCOME AFTER TAXES IS ESTIMATED AT APPROXIMATELY \$1,000,000 COMPARED WITH A BUDGET OF \$1,034,000, DOWN 8.5% FROM BUDGET AND DOWN 10.1% FROM 1961.

THE CASH FORECAST FOR THE NEXT FOUR MONTHS WAS DISCUSSED. EXPENDITURES ARE SCHEDULED IN THE AMOUNT OF \$1,300,000 FOR FEDERAL TAXES, THE DECEMBER AND MARCH DIVIDENDS, THE PENSION PLAN CONTRIBUTION, AND OTHER MAJOR PAYMENTS. THE BALANCE AS OF THE END OF MARCH IS EXPECTED TO BE APPROXIMATELY \$2,400,000.

THE PRESIDENT RECOMMENDED THAT CONSIDERATION BE GIVEN TO THE DECLARATION OF THE REGULAR CASH DIVIDEND FOR THE FOURTH QUARTER AS WELL AS AN ADDED DIVIDEND. AFTER MOTION DULY MADE, SECONDED, AND CARRIED, IT WAS

RESOLVED, THAT THERE BE, AND HEREBY IS, DECLARED FROM THE SURPLUS PROFITS OF THE CORPORATION, A REGULAR DIVIDEND OF \$12.50 PER COMMON SHARE FOR THE QUARTER ENDING DECEMBER 31, 1962, PLUS AN ADDED DIVIDEND OF \$12.50 PER COMMON SHARE, PAYABLE ON THE 27TH DAY OF DECEMBER, 1962, TO HOLDERS OF RECORD OF SUCH STOCK ON THE 13TH DAY OF DECEMBER, 1962; AND THE TREASURER IS HEREBY DIRECTED AND AUTHORIZED TO CAUSE SAME TO BE PAID ON THE DATE SPECIFIED.

THE PRESIDENT SUBMITTED THE 1963 INCOME BUDGET. IN SUMMARY, THE YEAR 1963 IS EXPECTED TO REALIZE NET SALES OF \$15,812,000 AND NET INCOME AFTER TAXES OF \$1,208,000. THE PRESIDENT STATED THAT SALES ARE EXPECTED TO BE APPROXIMATELY 6.1% OVER 1962 AND NET INCOME AFTER TAXES 20.8% OVER 1962.

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DURING A DISCUSSION OF THE SALES INCREASE OVER 1962 THE DETERIORATION OF GLASS BLOCK SALES WAS REVIEWED. IT WAS MENTIONED THAT OVER THE PAST THREE YEARS GLASS BLOCK SALES HAVE DECLINED ALTHOUGH NEW PRODUCTS HAVE BEEN INTRODUCED TO THE TRADE. THE 1963 BUDGET WAS SET AT APPROXIMATELY 10% BELOW 1962 ACTUAL SALES. THE SUGGESTION WAS MADE BY THE BOARD THAT THE COMPANY CONSULT WITH A DEAN OF ARCHITECTURE OF A RECOGNIZED SCHOOL AND ENGAGE HIM TO ASSIST THE COMPANY IN DETERMINING NEW USES FOR GLASS BLOCK OR NEW APPROACHES IN THE PROMOTION OF THIS PRODUCT.

THE PRESIDENT REPORTED ON THE STATUS OF UNIBESTOS SALES AND PROFIT FOR THE FIVE MONTHS ENDING NOVEMBER, 1962. HE STATED THAT NET SALES FOR THE FIRST FIVE MONTHS OF OPERATIONS WERE \$420,000, OR \$80,000 BELOW THE LEVEL EXPECTED FOR THIS PERIOD, DUE TO A VERY SMALL UNFILLED ORDER BACKLOG AT THE TIME OF ACQUISITION. THE SALES PROMOTION ACTIVITIES OF UNION WERE NEGLIGIBLE IN THE THREE OR FOUR MONTHS PERIOD PRIOR TO THE SALE TO PC. IT WAS NECESSARY FOR PITTSBURGH CORNING TO REBUILD THE DISTRIBUTION SYSTEM WITH MANY CHANGES IN DEALERSHIPS AND TO START AN ACTIVE PROMOTION FOR THE SALE OF THIS PRODUCT. FOR THE FIRST FULL YEAR IT IS EXPECTED THAT WE WILL MEET OUR INITIAL PROJECTION OF NET SALES. IT WAS ALSO STATED THAT WE ARE CLOSE TO THE GROSS PROFIT PROJECTION EVEN THOUGH MAJOR EQUIPMENT REPAIRS WERE MADE.

THE PRESIDENT REPORTED THAT THE COMPANY IS IN THE PROCESS OF MAKING A REVIEW OF EUROPEAN MARKETS WITH THE ASSISTANCE OF BOOZ, ALLEN, AND HAMILTON AND THAT PITTSBURGH CORNING HAD TWO OF ITS SALES PERSONNEL IN EUROPE AT THIS TIME ASSISTING IN THIS PROJECT. HE SUGGESTED A MEETING BE HELD EARLY IN FEBRUARY TO DISCUSS THE RESULTS OF THE SURVEY.

MR. BRITTINGHAM REPORTED THAT HE AND MR. MASTON HAD DISCUSSED WITH THE GOVERNMENTS OF BOTH HOLLAND AND BELGIUM OUR POSSIBLE ERECTION OF A PLANT IN THEIR COUNTRIES. HE REPORTED THAT HOLLAND HAS A VERY TIGHT LABOR SITUATION AND CANNOT GUARANTEE AN ADEQUATE SUPPLY OF FACTORY PERSONNEL. BUILDING PERMITS ARE REQUIRED TO ERECT MANUFACTURING FACILITIES AND A PERMIT COULD NOT BE SECURED IN LESS THAN FIFTEEN MONTHS. THE INCENTIVES WE WERE COUNTING ON ARE NOT AVAILABLE IN HOLLAND.

DISCUSSIONS WITH THE BELGIAN AUTHORITIES INDICATE WE CAN ERECT A PLANT AT TESSENDERLO—APPROXIMATELY 40 MILES NORTHEAST OF BRUSSELS—WITH AN ADEQUATE LABOR SUPPLY, ADEQUATE TRANSPORTATION FACILITIES, AND WE WOULD RECEIVE THE TOP INCENTIVES NOW GRANTED BY THE GOVERNMENT.

THE PRESIDENT ALSO REPORTED THAT A WEST GERMAN LOCATION IS UNSUITABLE AS WE RECEIVED NO ENCOURAGEMENT FROM THE WEST GERMAN AUTHORITIES.

THE REGULAR QUARTERLY BOARD MEETINGS FOR THE FIRST HALF OF 1963 WERE SET AS FOLLOWS:

MARCH	WEDNESDAY	6TH	NEW YORK CITY
JUNE	THURSDAY	6TH	LIGONIER

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THE BOARD APPROVED THE ADDED COMPENSATION LIST AS SUBMITTED BY THE
PRESIDENT UNDER DATE OF NOVEMBER 23, 1962.

NO FURTHER BUSINESS BEING BROUGHT BEFORE THE BOARD, THE MEETING WAS
ADJOURNED AS OF 2:10 P.M.


FRANK F. MASTON
SECRETARY

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