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COMPAGNIE FINANCIÈRE ETERNIT

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SECTEUR AMIANTES

WORLD TRADE CENTER
TOUR 1
Bd. E. Jacqmain 162 - Boite 37
B-1000 Bruxelles

BRUXELLES, LE August 11, 1982.

Mr. Moke HARRIS
JOHNS-MANVILLE SALES CORPORATION
Ken-Karyl Ranch
P.O. Box 5108
DENVER-COLORADO 80217
U.S.A.

RECEIVED BY
AUG 17 1982
M. HARRIS

Dear Moke,

This letter is further to our discussions in New York on Thursday, August 5.

As we stated, our interpretation of our contract as well as its spirit is that our purchases of 4T fibre are to be based upon your "list price in effect" at the time of sale, less the 15 percent discount. Moreover, it has always been the intention that we had at least and in any case a 5 percent protection, inasmuch as it is clearly said in the basic agreement of September 10, 1975 that "C.F.E. is under this contract receiving net prices lower than other customers of CJMA due to C.F.E.'s commitment to purchase at the large volumes specified".

This year and also in 1981, your so-called list price has not been effective, this, of course, is common in the industry at this time where discounting is invariably the rule with the result that no producer's list price is currently effective, there being no list based upon the prices which are actually in effect. In other words and in order to have our net prices the lowest ones, the prices charged to us should be based upon the real prices charged to others, less our contractual discount.

We draw your attention to the fact that on one hand the market has worsened in an unforeseeable way and on the other hand our factories tend to reduce your tonnages in preference to others due to the prices. We believe that this is entirely due to your continued use of your list prices when setting prices to Eternit.

Considering the above, we could not and cannot accept your proposal which only deals with alf of the 1982 tonnages (i.e. our balance of 21,000 tons still to be shipped during the second half-year to reach the total of 43,000 tons) and which only increases our rebates to 20 percent from so-called list prices.

COMPAGNIE FINANCIÈRE ETERNIT S.A.

Suite n° 1 à notre lettre du 8/11/82 à Mr. Moke Harris / Johns-Manville Sales Corporati

Considering our very old and friendly relationship, we are open to your proposal to review once again our present contract and to consider a long-term collaboration on new bases. We recognize that the economic circumstances require that you would compete with the most competitive producers in order to supply us with fibres at reasonable prices while conserving for yourselves a sufficient feasibility.
At least, we would need guarantees of the supply of your fibres for the total duration of the foreseen agreement.

Looking forward to receiving your news, we remain,

Yours sincerely,

J.M. EMSENS

MT 010234