INTERNAL CORRESPONDENCE

MINING AND METALS DIVISION — 270 PARK AVENUE, NEW YORK, NEW YORK 1002[illegible]

To (Name) Mr. J. L. Myers
Company M&M Division
Location Niagara Falls, New York

Date August 18, 1971

Originating Dept

Answering letter date

Subject

Copy to

PLAINTIFF'S EXHIBIT
Number UC-1371

Dear John:

As you are aware, the Asbestos Business showed a loss of $77,000 June year-to-date. As you are also aware, we must have a positive cumulative income before tax by year end of $80,000 to meet our current forecast. The Budget for July called for income before tax of $14,000 which would have reduced the $157,000 delta (from June year-to-date of $-77 to year end cumulative of $+80) to $143,000. However, July sales, at 81% of Budget, had an adverse effect on income before tax of $17,000. This was partially offset by a $4,000 positive, or credit variance, at the King City mill. It appears, therefore, that the final July results will show near break even at the income before tax line and that we will have made no headway against our goal of a total positive $157,000 in income before tax in the second half of 1971.

It is obvious that we must average over $31,000 of income before tax in each of the five remaining months in order to achieve our current income estimate. We will be $56,000 short of this goal if we achieve only Budgeted income before tax for each of the remaining five months. It is, therefore, vitally necessary that we meet our revised sales forecast of $2,539,000 for the year. Achieving this goal is, of course, your primary duty. The achievement of this goal will require sales for each of the remaining five months averaging $250,000. We do, of course, have the additional GAF NIFS of slightly over $11,000 in each of the remaining five months. However, our best sales month ever, without the GAF business, was $243,000. In short, meeting our revised profitability estimate will require a superb sales effort for the remaining months of this year.

For the reasons set forth above, and with the exception of some few necessary matters such as the 1972 Budget, I urge that you and your entire staff direct 100% of your considerable talents to meeting our current 1971 sales forecast.

Very truly yours,

JWR:mc

J. W. Rawlings.