Union Carbide trial exhibit UC-2828: W. C. Thurber to R. E. Byrne and Others Transmitting Revision I of the 1977-1...
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77/81/LRP ASBESTOS PLANT Cost ASSUMPTIONS

UC 442 11 PRINTED IN U.S.A.

				77			1.056 78			1.053 79			1.044 80			1.049 81		
				#M	COST		COST			COST			COST			COST		
		Qty	PRICE	VALUE	UNIT	VALUE	Qty	UNIT	VALUE	Qty	UNIT	VALUE	Qty	UNIT	VALUE	Qty	UNIT	VALUE
SG-	105	2000	100	200	73.54	147	2000	77.64	155	2000	81.75	164	2000	85.76	172	2000	89.87	180
SG-	104	10000	74	740	45.60	456	11000	48.15	530	12000	50.71	609	12000	53.19	638	12000	55.74	669
SG-	190	200	120	24	89.75	18	-0-	—	—	-0-	—	—	-0-	—	—	-0-	—	—
SG-	200	1000	110	110	75.71	76	1000	79.95	80	-0-	—	—	-0-	—	—	-0-	—	—
SG-	210	2000	150	300	113.08	226	1500	119.41	179	-0-	—	—	-0-	—	—	-0-	—	—
HDO		300	140	42	97.17	29	200	102.61	21	100	108.05	11	-0-	—	—	-0-	—	—
HPO		2000	150	300	123.04	246	2000	129.93	260	2000	136.82	274	2000	143.52	287	2000	150.41	301
RG	110	1000	160	160	114.86	115	1500	121.29	182	1500	127.72	192	1200	133.98	161	500	140.41	70
RG	144	600	360	216	127.56	77	1000	134.70	135	1500	141.84	213	1500	148.79	223	1500	155.93	234
RG	214	700	1520	1064	727.61	506	800	763.08	610	1000	803.52	804	1100	842.89	927	1100	883.35	972
MOW	ROLL	5500	108	594	76.93	423	6000	81.24	487	6000	85.54	513	6000	89.74	538	6000	94.04	564
77 TOTAL		25300		3750		2319	27000		2639	26100		2780	25800		2946	25100		2990
SG	no 103	2000	95	190	67.88	136	2500	71.68	179	3000	75.48	226	3500	79.18	277	4000	83.98	332
AS-	200	1600	100	100	73.94	74	1050	78.08	82	1100	82.22	90	1150	86.25	99	1200	90.39	108
HDO	EX	2000	130	260	93.53	187	2200	98.77	217	2400	104.00	250	2600	109.10	284	2800	114.34	320
HPO	EX	500	150	75	122.23	61	550	129.07	71	600	135.92	82	650	142.58	93	700	149.42	105
RG	110 EX	385	490	189	379.68	146	415	400.94	166	445	422.19	188	475	442.88	210	500	464.14	232
RG	110 NO EX	450	184	83	117.91	53	480	124.51	60	520	131.11	68	550	137.54	76	590	144.14	85
RG	144	145	360	52	127.56	18	160	134.70	22	175	141.84	25	190	148.79	28	200	155.93	31
SX-	14	120	300	36	127.71	15	130	134.86	18	150	142.01	21	170	148.97	25	200	156.12	31
RG-	214	210	1520	319	722.61	152	240	763.08	183	270	804.52	217	300	842.89	253	330	883.35	292
SX-	24	550	1250	688	702.23	386	600	741.55	445	650	780.86	509	700	819.12	573	750	859.40	644
78 TOT-	EXCEPT	7360		1992		1228	8325		1443	9310		1675	10285		1818	11270		2150
GRAND	TOTAL	32660		5742		3547	35325		4082	35410		4455	36085		4864	36370		5170
NIFS	AT 77-	(-0-)		-			6356			6792			7108			7223		
MARGIN-	DIRECT					2195			2274			2337			2244			2053
%	MARGIN					38.2			35.8			34.4			31.6			28.4
% SUR ADD																		
% FOR NIFS												4006						
					INFLATED	COST			4082									
					÷ INFLATION FACTOR = 77 COST				3766									
					% MARGIN - (77 NIFS - 77 COSTS) =				34									
					ADD NIFS TO ACTUAL ABOVE				6700									
					X- 4082 = .34 X				Δ = +344									

PLAINTIFF'S EXHIBIT
UC-2828

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TABLE G
LONG RANGE PLAN
STRATEGIC PLANNING UNIT DATA SHEET(1)

STRATEGIC PLANNING UNIT: ASBESTOS

CATEGORY: 3

MAJOR MARKETS SERVED

NAME	MARKET GROWTH RATE	% SPU SALES CURRENT YEAR	% SPU SALES 5th YEAR OF PLAN
1. Vinyl Asbestos Floor Tile	3%	24%	0
2. Thermoplastic Reinforcement	75%	1%	~~24%~~
3. Polyster Thixotropes	5%	25%	40%

MARKET, TECHNOLOGICAL & COSTS

STRENGTHS

1. Large ore reserves.
2. Proprietary products

WEAKNESSES

1. Toxicity regulations and emotional reactions thereto.

2 markets limited by nature of ore (i.e. short fiber

MARKET SHARE BY MAJOR MARKETS

	MARKETS 1.	2.	3.
UCC UNIT Metals	10%	~~6%~~	10%
PRIMARY COMPETITORS			
Carey Canadian	30%		
Johns-Manville	40%	10%	
Atlas (California)	20%		
Cabot Corp.			60%
Degussa			30%
~~PPG/OCF~~		~~16%~~	

CRITICAL ISSUES (Including Feedstock & Raw Materials)

1. Ability to meet current and future regulatory and ~~safety~~ requirements.
2. Selective development of new proprietary products and continued growth in existing proprietary products.
3. ~~Explore alternate plans to better utilize enormous reserves.~~

BUSINESS OBJECTIVES

PURPOSE – To contribute to Division objectives with full regard for health and safety of employees, customers and the public.

FINANCIAL – ROA over ~~15%~~

– Earnings growth over ~~50%~~ 25%

DIRECTION – Carefully planned modest growth via expansion of proprietary product sales.

STRATEGIES

1. Closely monitor & assist in development of safety & health regulations & practice.
2. Expand sales of proprietary products phase out of commodity products.
3. ~~Develop a plan to better utilize reserve position.~~

HISTORICAL 19 71	19 72	19 73	19 74	CURRENT 19 75	$ MILLION	PROJECTED 19 76	19 77	19 78	19 79	19 80
2.4	2.6	3.8	3.8	4.4	Customer Sales					
				16.4%	Total Net Sales	5.8	6.7	8.7	8.7	10.2
29.2	33.2	36.3	30.8	27.3	Growth Rate(2)					19.0%
21.5	21.1	22.2	23.2	19.3	Gross Margin %	36.2	35.8	40.2	40.2	42.2
–	.1	.3	.1	–	Overhead % of Sales	13.8	12.0	9.2	10.4	8.8
				–	Net Income After Tax	.6	.8	1.6	1.4	2.0
.2	.2	.5	.1	.6	Growth Rate(2)					65%
2.0	2.0	3.0	3.4	4.5	Construction	.3	.5	.4	.4	.7
–	4.0	11.5	2.6	1.0	Net Assets Employed	4.4	5.4	5.8	6.1	5.8
1.19	1.33	1.27	1.12	1.0	ROA %	13.6	14.8	27.6	23.0	34.5
					Sales ÷ Net Assets Employed	1.3	1.2	1.5	1.4	1.8

(1) All numbers except percentages should be shown in millions of dollars to the first decimal place.

(2) See Notes to Financial Projections.

DIVISION/AREA Metals/Asbestos

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UC 149-2

UNION CARBIDE

INTERNAL CORRESPONDENCE

METALS DIVISION

270 PARK AVENUE, NEW YORK, NEW YORK 10017

To (Name) Messrs. R. E. Byrne
Division F. H. Larrison
Location J. L. Myers
Floor Number Mrs. T. Nielsen
J. W. Rawlings
H. B. Rhodes
Copy to R. L. Schult
J. D. Thacker

Date June 8, 1976

Originating Dept.

Floor Number

Answering letter date

Subject REVISION - 5 Year Forecast
1977 - 1981

Attached is Revision I to the 5 Year Forecast (1977 - 81). The base plan shows no RG-600 sales. An alternate sales plan involving RG-600 sales is also included based upon the following:

1977 -	1000 Tons	- Produced at	Niagara Falls	- 0% G.M.
1978 -	2000 "	- "	at King City	- 50% G.M.
1979 -	2500 "	- "	" " "	- 50% G.M.
1980 -	3000 "	- "	" " "	- 50% G.M.
1981 -	3500 "	- "	" " "	- 50% G.M.

RG-600 is assumed to replace Standard Grade and Hi-Purity production at ratios of 1 to 3 and 4 to 7 respectively.

W. C. THURBER

WCT:jl
Att.

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ALTERNATE

1977-81 LONG RANGE SALES FORECAST
ASBESTOS SPU
WITH RG-600 SALES

	Initials	Date
Prepared By	WCT	2/7/77
Approved By		

BURROUGHS CORPORATION — TODD COMPANY DIV. — Form H558 Buff, Form G55b Green

	(1) PRODUCT	(2)	(3) PRICE $/T	(4) 1977 TONS	(4) 1977 $/M	(5) 1978 TONS	(5) 1978 $/M	(6) 1979 TONS	(6) 1979 $/M	(7) 1980 TONS	(7) 1980 $/M	(8) 1981 TONS	(8) 1981 $/M
1	DOMESTIC												
2	SG-103		100	2000	200	2000	200	2000	200	2000	200	2000	200
3	SG-104		74	10000	740	11000	814	12000	888	12000	888	12000	888
4	SG-130		120	200	24	—	—	—	—	—	—	—	—
5	SG-200		110	1000	110	1000	110	—	—	—	—	—	—
6	SG-210		150	2000	300	1500	225	—	—	—	—	—	—
7	HPP		140	300	42	~~200~~	~~28~~	~~400~~	~~44~~	—	—	—	—
8	HPO		150	2000	300	~~2000~~	~~300~~	2000	300	2000	300	~~2000~~	~~300~~
9	RG-110		160	1000	160	200	32	~~1500~~	~~240~~	~~1200~~	~~192~~	~~500~~	~~80~~
10	RG-144		360	600	216	1000	360	1500	540	1500	540	1500	540
11	RC-244		1520	700	1064	800	1216	1300	1520	1100	1672	1100	1672
12	Montello		108	5500	594	6000	648	6000	648	6000	648	6000	648
13	RG-600		600	1000	600	2000	1200	2500	1500	3000	1800	3500	2100
14													
15	Total Domestic			~~25300~~	~~3390~~	~~22000~~	~~4141~~	~~26400~~	~~4350~~	~~25800~~	~~4440~~	~~25100~~	~~4328~~
16				26300	4380	25500	4805	25000	5296	25600	5748	26100	6043
17													
18	EXPORT												
19	SG-100 HP3		95	2000	190	2500	238	3000	285	3500	333	4000	380
20	AS-200		100	1000	100	1050	105	1100	110	1150	115	1200	120
21	HPP-EX		130	2000	260	2200	286	~~2225~~ ~~2400~~	~~289~~ ~~312~~	1200 2600	156 ~~338~~	~~2300~~	~~364~~
22	HPO-EX		150	500	75	550	83	~~600~~	~~90~~	650	98	~~700~~	~~105~~
23	T-135-P		450	385	189	415	203	445	218	475	233	500	245
24	RC-110-EX		184	450	83	480	88	520	96	550	101	465 ~~500~~	86 ~~107~~
25	RG-144		360	145	52	160	58	175	63	190	68	200	72
26	SX-14		300	120	36	130	39	150	45	170	51	200	60
27	RG-244		1520	210	319	240	365	270	410	300	456	330	502
28	SX-24		1250	556	688	600	750	650	813	700	875	750	938
29													
30	Total Export			7360	1993	8325	2215	~~9200~~	~~2442~~	~~10285~~	~~2612~~	~~11200~~	~~2975~~
31								9135	2329	8235	2388	~~7345~~	2403
32					$		$		$		$		$
33	~~TOTAL~~			~~33660~~	~~5712~~	~~33825~~	~~6356~~	~~35610~~	~~6792~~	~~36085~~	~~7148~~	~~37300~~	~~7923~~
34													
35													
36					$		$		$		$		$
37	TOTAL			33660	6342	32825	7020	34135	7625	33835	8136	33745	8451
38													
39													
40													

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