

ARMCO STEEL MAPS MAJOR EXPANSION

**Plans \$200 Million Outlay
for New Hot-Strip Mill
at Middletown, Ohio**

EARNINGS RISE SHARPLY

**Profit for First Quarter Is
\$1.02 a Share, Up 38%
From 74 Cents in '63**

The Armco Steel Corporation reported a sharp increase in first-quarter earnings yesterday and also disclosed plans for a major expansion program.

Logan T. Johnston, president, told stockholders at the annual meeting in Middletown, Ohio, that the expansion program would include expenditures of more than \$200 million at the Middletown plant, including a new hot-strip mill and related facilities. The expansion will create more than 1,000 new jobs, he said.

Mr. Johnston reported that Armco's profit for the first quarter was 38 per cent higher than in the 1963 period. Net income rose to \$15,042,716, or \$1.02 a share, from \$11,015,000, or 74 cents a share. Net sales advanced to \$238,403,224 from \$213,776,177.

Gain Seen for Year

Forecasting a year of good business, the Armco executive said that results for the entire year should be better than in 1963, when the company had net income of \$60.9 million, or \$4.12 a share, on sales of \$933.4 million. The 1963 results did not include a special credit of \$4.9 million, or 33 cents a share.

"The demand for steel continues strong," Mr. Johnston said. "We expect the second quarter to at least equal the first, and it could show an improvement of as much as 5 per cent. The third quarter may bring a normal seasonal dip, but the fourth quarter will strengthen again as steel users begin production of their 1965 model products."

Three new directors were elected at the meeting. They are Edwin J. Thomas, chairman of the executive and finance committees of the Goodyear Tire and Rubber Company; D. E. Reichelderfer, executive vice president of Armco, and E. A. Correa, vice president and secretary of Armco.

National Lead

Demand for the National Lead Company's products continued strong in the first quarter of this year, Joseph A. Martino, president, said at the annual meeting of stockholders in Sayreville, N. J., yesterday.

"There is every indication that the high level of business activity which the company is enjoying will continue as the year progresses," Mr. Martino said.

He reported that sales in the first quarter rose 12.5 per cent to \$161,633,000 from \$143,640,000 in the 1963 period. Earnings climbed 16.5 per cent to \$12,425,000, or \$1.06 a share, from \$11,043,000, or 91 cents a share.