FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1995-05-10** | Period of Report: **1995-03-31**
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ELCOR CORP

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Type: **10-Q** | Act: **34** | File No.: **001-05341** | Film No.: **95536055**
SIC: **2950** Asphalt paving & roofing materials

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14643 DALLAS PKWY
DALLAS TX 75240-8871

Business Address
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2148510500

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For Quarter Ended March 31, 1995 Commission File number 1-5341

ELCOR CORPORATION

(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation or organization)

75-1217920
(I.R.S. Employer Identification No.)

14643 DALLAS PARKWAY
SUITE 1000, WELLINGTON CENTRE, DALLAS, TEXAS
(Address of principal executive offices)

75240-8871
(Zip Code)

Registrant's telephone number, including area code (214) 851-0500

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

As of close of business on May 1, 1995, Registrant had outstanding 8,715,749 of Common Stock, Par Value $1 per Share.

ITEM 1. Condensed Financial Statements (See Notes to Condensed Financial Statements)

ELCOR CORPORATION
CONSOLIDATED BALANCE SHEET
(Unaudited, $ in thousands)

<TABLE>
<CAPTION>

<S>	3-31-95 <C>	6-30-94 <C>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 2,294	$ 5,919
Trade receivables, less allowance of $762 and $610	30,113	33,537
Inventories -		
Finished goods	7,862	12,761
Work-in-process	749	807
Raw materials	5,002	3,325

Total inventories	13,613	16,893
Deferred income taxes	2,219	2,596
Prepaid expenses and other	1,655	1,603
Net assets of discontinued operations - current	--	629
Total current assets	49,894	61,177
PROPERTY, PLANT AND EQUIPMENT, AT COST	109,504	81,327
Less - accumulated depreciation	(53,217)	(50,550)
Property, plant and equipment, net	56,287	30,777
INVESTMENTS	5,378	5,378
NET ASSETS OF DISCONTINUED OPERATIONS - NONCURRENT	7,225	7,230
OTHER ASSETS	7,503	3,671
	$ 126,287	$ 108,233
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 7,310	$ 9,291
Accrued liabilities	9,746	12,378
Total current liabilities	17,056	21,669
LONG-TERM DEBT	17,800	--
DEFERRED INCOME TAXES	1,414	1,335
SHAREHOLDERS' EQUITY -		
Common stock	8,802	8,786
Paid-in-capital	71,760	71,685
Retained earnings	10,696	4,758
	91,258	85,229
Less: Treasury stock at cost, 84,374 shares	(1,241)	--
Total shareholders' equity	90,017	85,229
	$ 126,287	$ 108,233

</TABLE>

Condensed Financial Statements (See Notes to Condensed Financial Statements)

ELCOR CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited, $ in thousands
except per share data)

<TABLE>
<CAPTION>

	Three Months Ended		Nine Months Ended	
	3-31-95	3-31-94	3-31-95	3-31-94
<S>	<C>	<C>	<C>	<C>
SALES				

	$ 37,816	$ 37,961	$112,266	$117,775
COST AND EXPENSES:				
Cost of sales	27,736	26,657	82,265	82,933
Selling, general and administrative	7,388	5,874	20,433	18,086
INCOME FROM OPERATIONS	2,692	5,430	9,568	16,756
OTHER INCOME				
Interest and dividend income (expense), net	(39)	98	115	311
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	2,653	5,528	9,683	17,067
Provision for income taxes	1,039	2,074	3,746	6,414
INCOME FROM CONTINUING OPERATIONS	1,614	3,454	5,937	10,653
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	--	(705)	--	(1,494)
INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	1,614	2,749	5,937	9,159
Cumulative effect of change in accounting principle	--	--	--	668
NET INCOME	$ 1,614	$ 2,749	$ 5,937	$ 9,827
INCOME PER COMMON AND COMMON EQUIVALENT SHARE				
From continuing operations	$ .18	$ .39	$ .67	$ 1.20
From discontinued operations	--	(.08)	--	(.17)
Before change in accounting principle	.18	.31	.67	1.03
Cumulative effect of change in accounting principle	--	--	--	.07
INCOME PER COMMON AND COMMON EQUIVALENT SHARE	$ .18	$ .31	$ .67	$ 1.10
AVERAGE COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING	8,782	8,920	8,852	8,917

</TABLE>

Condensed Financial Statements (See Notes to Condensed Financial Statements)

ELCOR CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited, $ in thousands)

<TABLE>
<CAPTION>

	Nine Months Ended	
	3-31-95	3-31-94
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income from continuing operations	$ 5,937	$ 10,653
Adjustments to reconcile income from continuing operations to net cash from operating activities:		
Depreciation and amortization	2,858	3,120
Write-off of assets	--	478
Deferred income taxes	456	37

Changes in assets and liabilities:		
Trade receivables	3,424	(2,159)
Inventories	3,280	(3,631)
Prepaid expenses and other	(52)	68
Accounts payable and accrued liabilities	(4,613)	569
Net cash provided by continuing operations	11,290	9,135
Net cash provided by discontinued operations	635	(147)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant & equipment	(28,366)	(10,482)
Deferred preoperating costs	(4,230)	(795)
Other	395	(300)
Net cash provided by (used for) investing activities	(32,201)	(11,577)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term borrowings	17,800	--
Treasury stock transactions and other, net	(1,149)	323
Net cash provided by financing activities	16,651	323
NET INCREASE (DECREASE) IN CASH	(3,625)	(2,266)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,919	18,516
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 2,294	$ 16,250

</TABLE>

Notes to Condensed Financial Statements

1. The attached condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. As a result, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. The company believes that the disclosures included herein are adequate to make the information presented not misleading. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's 1994 Annual Report on Form 10-K. The unaudited financial information contained herein has been prepared in conformity with generally accepted accounting principles on a consistent basis and does reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the results of operations for the three-month and nine-month periods ended March 31, 1995, and 1994, but are, however, subject to year-end audit by the Company's independent auditors. Because of seasonal, weather-related conditions in some of the Company's market areas, sales can vary at times, and results of any one quarter should not necessarily be considered as indicative of results for a full fiscal year.

2. Net income per common and common equivalent share is computed based on the average number of common and common equivalent shares outstanding. Common equivalent shares include the dilutive effect of outstanding stock options. There is no material difference between primary and

fully diluted earnings per share.

3. The Company's investments are in convertible preferred stock of Amdura Corporation and are classified as available-for-sale in accordance with Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equities Securities. On April 24, 1995, these securities were sold following a tender offer by another company for Amdura Corporation's common stock. There was no gain or loss to the Company on the sale of these securities.

4. Effective October 31, 1994, the Company increased its unsecured revolving credit facility from $30 million to $50 million and the term was extended by one year to October 31, 1997. Borrowings under the facility currently bear interest at (1) the higher of the federal funds rate plus .5% or the lender's prime rate, or (2) at the Company's option, LIBOR, in each case plus specified basis points based on the ratio of the Company's total indebtedness to total capital. The credit facility provides for a commitment fee on the average unused portion of the line and is also based on the ratio of the Company's total indebtedness to total capital. Based on current financial ratios, the LIBOR borrowing rate is LIBOR plus .625% and the commitment fee rate is .25%.

ITEM 2. Management's Discussion and Analysis of the Results of Operations and Financial Condition

RESULTS OF OPERATIONS

CHANGES IN THE THREE-MONTH PERIOD ENDED MARCH 31, 1995, COMPARED TO THE THREE-MONTH PERIOD ENDED MARCH 31, 1994.

During the three-month period ended March 31, 1995, net income decreased to $1,614,000 from $2,749,000 for the same three-month period last year. Sales were virtually unchanged compared to the same prior year period. Net income in the prior year quarter included a $705,000 net loss from discontinued operations. Reduced income primarily reflects lower operating margins resulting from reduced sales prices, higher transportation and distributions costs and increased selling costs by the Roofing Products Group and certain adjustments to increase medical and casualty self-insurance reserves.

Roofing Products

Sales in the Roofing Products Group for the three-month period ended March 31, 1995 decreased 4% compared to the same period in the prior year, despite a 6% increase in shipments of premium laminated fiberglass asphalt shingles. Lower average net selling prices were received on most products in the current year period and continued lower comparative net selling prices are expected for the remainder of fiscal 1995. However, a small price increase was implemented on March 1, 1995 and another price increase has been scheduled for June 1, 1995. Strong market demand is currently in evidence in most market regions. Improved demand in the Western United States, especially California, is expected as a result of heavy rainfall in the region in recent months. Higher raw materials costs, particularly asphalt and fiberglass, are projected for the remainder of fiscal 1995, but these increased costs are expected to be offset by the increased sales prices.

Continued lower comparative period prices, together with initial operating losses of a new roofing plant in Shafter, California, which is currently in production startup, could result in earnings in the fourth quarter of fiscal 1995 being lower than the prior year comparison period.

The Company's roofing products business is cyclical and is affected by some of the same economic factors that affect the housing industry generally, including interest rates, the availability of financing and general economic conditions. However, reroofing and remodeling, which constitute about 80% of industry unit sales, are generally less severely affected by economic downturns than product demand for new residential construction.

Industrial Products

Sales in the Industrial Products Group for the three-month period ended March 31, 1995 increased 21% and the Group reported an operating profit in the current year period compared to an operating loss in the same prior year period. Increased sales volume for several of Chromium Corporation's product lines, including a substantial increase in revenues from conductive coatings of plastic enclosures for electronic equipment, together with reduced operating costs throughout Chromium accounted for the majority of the improvement in operating results.

Ortloff Engineers Ltd. recorded lower patent licensing income and operating results during the current quarter as compared to the same quarter in the prior year. The Industrial Products Group is expected to continue to post improved operating results for the remainder of fiscal 1995.

Other

Selling, general and administrative expenses increased 26% in the March 1995 quarter as compared to the prior year quarter, primarily as a result of increased selling and marketing expenses in the Roofing Products Group and increased medical and casualty self-insurance reserves in the March 1995 quarter. The increased selling and marketing expenses are the result of increasing promotional activities and establishing a larger sales organization to better serve growing markets.

CHANGES IN THE NINE-MONTH PERIOD ENDED MARCH 31, 1995, AS COMPARED TO THE NINE-MONTH PERIOD ENDED MARCH 31, 1994.

During the nine-month period ended March 31, 1995, net income decreased to $5,937,000 from $9,827,000 in the same period last year. Sales decreased 5% compared to the comparable prior year period. Net income last year included a $668,000 cumulative effect of adopting Statement of Accounting Standards No. 109, Accounting for Income Taxes, and a $1,494,000 net loss from discontinued operations. The decrease in sales was primarily attributable to reduced shipments in the earlier months of the current fiscal year and lower prices received for certain products in the Roofing Products Group during the nine-month period ended March 31, 1995. The reduced income is primarily attributable to the lower operating results in the Roofing Products Group.

Roofing Products

Sales in the Roofing Products Group for the first nine months of fiscal 1995 decreased 7% compared to the same period last year and operating profit was substantially lower. Price increases implemented in the June 1994 quarter were not met by the competition and these higher prices for the Group's Prestique(R) products limited sales volume in the early months of the current fiscal year. In addition, lower prices from price adjustments for some of its products also resulted in lower net sales during the current year nine-month period.

Late in the first quarter of fiscal 1995, the Company introduced enhanced versions of its patented High Definition(R) Prestique(R) Plus and Prestique(R) I product lines and Raised Profile(TM) Prestique(R) II premium laminated fiberglass asphalt shingles. The higher cost of introducing these new products, together with pricing adjustments, higher transportation costs and lower production from current plants to reduce inventory levels during the seasonally slower winter months significantly reduced operating results during the first nine months of fiscal 1995 as compared to the prior year.

Industrial Products

Sales in the Industrial Products Group for the first nine months of fiscal 1995 increased 11% and the Group reported an operating profit compared to an operating loss in same prior year period.

Increased sales volume for many of Chromium Corporation's product lines, including hard chrome plated diesel engine cylinder liners and remanufactured pistons for the railroad, marine and stationary power industries, and conductive coatings of plastic enclosures for electronic equipment, together with reduced operating costs at that subsidiary accounted for the majority of the improvement in operating results. Ortloff Engineers reported lower operating results for the nine-month period ended March 31, 1995 as compared to the same period in the prior year.

FiNANCIAL CONDITION

Cash and cash equivalents decreased $3,625,000 during the first nine months of fiscal 1995. Excluding the decrease in cash and cash equivalents, working capital requirements decreased $3,045,000 primarily as a result of a $3,424,000 reduction in receivables and a $3,280,000 reduction in inventories, offset by a $4,613,000 reduction in trade payables and accrued liabilities. The reduction in receivables was the result of lower seasonal sales in the March 1995 quarter as compared to the fourth quarter of fiscal 1994. Finished goods inventories were reduced from the unusually high levels at year end that occurred from lower than anticipated demand during the fourth quarter of fiscal 1994. Raw materials inventories increased as a result of raw material purchase requirements for the new Shafter, California roofing plant. Historically, working capital requirements fluctuate during the year because of seasonality in some market areas. Generally, working capital requirements and borrowings are higher in the spring and summer months, and lower in the fall and winter months.

Capital expenditures during the first nine months of fiscal 1995 were $28,366,000, primarily as a result of construction of a new plant in Shafter, California to manufacture premium laminated fiberglass asphalt shingles. Consolidated capital expenditures are anticipated to be about $40 million in fiscal 1995. The majority of these expenditures relate to the completion of the roofing plant in Shafter, California and beginning construction of a new plant at the Company's Ennis, Texas facility to manufacture nonwoven fiberglass substrate materials and industrial facer products for the construction industry. This new plant is scheduled to be operational by the spring of 1996. Total cost of the two new plants when completed is estimated to be about $70 million of which $40 million relates to the Shafter plant and $30 million relates to the Ennis, Texas facility. Total cumulative combined expenditures have been approximately $42 million on the two new plants to date. The new plants should provide the potential to significantly increase the Company's sales, earnings and cash flow when completed and operating at near capacity in the years ahead.

On April 24, 1995, the company sold its investment in convertible preferred stock of Amdura Corporation for its book value of $5,378,000. Proceeds from this sale will be used to reduce long-term debt.

On September 27, 1994, the Company's Board of Directors authorized the purchase of up to $10 million of the Company's common shares from time to time on the open market to be used for general corporate purposes, including employee stock compensation and benefit plans. As of March 31, 1995, 85,500 shares with cumulative cost of $1,259,000 had been repurchased under this program.

Management believes that current cash and cash equivalents, cash flows from operations and borrowings under its $50 million revolving credit facility should be sufficient during fiscal 1995 and beyond to support the construction of the two new plants, other capital expenditures, working capital needs, stock repurchases and other cash requirements.

The Company's operations are subject to extensive federal, state and local laws and regulations relating to environmental matters. Although the company is not aware of any requirements to expend amounts which will have a material adverse affect on the Company's consolidated financial position or results of operations by reason of environmental laws and regulations, such laws and regulations are frequently changed and could result in significantly increased cost of compliance. Further, certain of the Company's industrial products operations utilize hazardous materials in their production processes. As a result, the Company incurs costs for remediation activities at its facilities from time to time. The Company establishes and maintains reserves for such remediation activities, when appropriate, in accordance with Statement of Accounting Standard No. 5, Accounting for Contingencies. Current reserves established for known or probable remediation activities are not material to the Company's financial position or results of operation.

PART II. OTHER INFORMATION

ITEM 6: Exhibits and Reports of Form 8-K

(a) Exhibits:

Exhibit (11): Computation of Income Per Common and Common Equivalent Share

Exhibit (20): Quarterly Report to Shareholders for the period ended March 31, 1995.

(b) No reports on Form 8-K was filed on during the quarter ended March 31, 1995.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ELCOR CORPORATION

DATE: May 10, 1995

/s/Richard J. Rosebery
Richard J. Rosebery
Executive Vice President,
Chief Administrative & Financial Officer,
and Treasurer

EXHIBIT INDEX

<TABLE>
<CAPTION>

EXHIBIT NO.	DESCRIPTION
<S>	<C>
27	Financial Data Schedule

</TABLE>

EXHIBIT (11)

Elcor Corporation and Subsidiaries
Computation of Income Per Common and Common Equivalent Share

(In thousands, except per share amounts)

<TABLE>
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1. Three Months Ended March 31, 1995 and March 31, 1994	Three Months Ended	
	3-31-95	3-31-94
<S>	<C>	<C>
Net Income	$ 1,614	$ 2,749
Shares:		
Weighted average common shares outstanding	8,739	8,725
Adjustments:		
(a) Assumed issuance of shares purchased under incentive stock option plan using the treasury stock method	43	195
Total Common and Common Equivalent Shares	8,782	8,920
Income per Common and Common Equivalent Share	$ .18	$ .31

</TABLE>

<TABLE>
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2. Nine Months Ended March 31, 1995 and March 31, 1994	Nine Months Ended	
	3-31-95	3-31-94
<S>	<C>	<C>
Net Income	$ 5,937	$ 9,827
Shares:		
Total Common and Common Equivalent Shares		
Three months ended 9/30/94 and 9/30/93	8,925	8,932
Three months ended 12/31/94 and 12/31/93	8,849	8,899
Three months ended 3/31/95 and 3/31/94	8,782	8,920
Average Nine Months ended 3/31/95 and 3/31/94	8,852	8,917
Income per Common and Common Equivalent Share	$ .67	$ 1.10

</TABLE>

EXHIBIT (20)

QUARTERLY REPORT

REPORT TO SHAREHOLDERS

Our new patented enhanced High Definition(R) and Raised Profile(TM) Prestique(R) premium laminated fiberglass asphalt shingles are being received very well in the market. Shipments are growing again, and prices are beginning to improve. Our new Shafter, California laminated asphalt shingle plant is in start-up, and we expect production operations to get underway within a matter of weeks. Our Industrial Products group has achieved a significant turnaround in operations. While sales and earnings are still below year-ago levels, we believe the growing demand for our Elk Prestique shingles and the continued improvement of our Industrial Products segment will result in higher sales and earnings in fiscal 1996.

OPERATING HIGHLIGHTS

Income from continuing operations and net income were $1,614,000, or $.18 per share, on sales of $37,816,000 for the third quarter. In last year's third quarter, Elcor reported income from continuing operations of $3,454,000, or $.39 per share, and net income of $2,749,000, or $.31 per share, including a loss from discontinued operations of $705,000, or $.08 per share. Fiscal 1994 third-quarter sales were $37,961,000.

For the first nine months ending March 31, 1995, Elcor reported income from continuing operations and net income of $5,937,000, or $.67 per share, on sales of $112,266,000, compared to income from continuing operations of $10,653,000, or $1.20 per share, and net income of $9,827,000, or $1.10 per share in the year-ago period. Net income in the prior year period included a loss from discontinued operations of $1,494,000, or $. 17 per share, and a gain of $668,000, or $.07 per share, for the cumulative effect of a change in accounting for income taxes, in accordance with the Statement of Accounting Standards No. 109, Accounting for Income Taxes. Sales were $117,775,000 in the first nine months last year.

FINANCIAL POSITION

Elcor maintains a strong financial position with $90 million in shareholders' equity and $17.8 million in long-term debt, as of March 31, 1995. Long-term debt amounted to only 16.5% of total invested capital at quarter end.

During the first nine months of fiscal 1995, we invested about $32 million to increase productivity and to expand operations. These investments were financed with cash flow from operations, available cash and $17.8 million of borrowings under the company's $50 million unsecured three-year revolving credit facility. On April 24, 1995, the company received about $5.4 million in cash from the sale of its Amdura Corporation Preferred Stock.

OPERATIONS

Despite lower results, the outlook for the Roofing Products segment brightened as the quarter progressed. Elk reported a 6% increase in shipments of Prestique premium laminated fiberglass asphalt shingles compared to the year-ago third quarter. However, lower average selling prices and mix changes, combined with higher transportation/distribution costs, resulted in 4% lower net sales for the quarter and significantly lower operating income than in the same quarter last year.

A modest price increase was implemented on March 1, 1995, and a second price increase has been announced for June 1, 1995. Since then, prices have remained firm and most manufacturers have announced a further price increase to become effective in May or June, 1995. Good market demand throughout the country, plus higher fiberglass and asphalt raw material costs, should support a further price increase in the June quarter.

In addition, roofing contractors and distributors in California expect brisk demand for calendar year 1995. That state's record rainfall during this year's March quarter should substantially increase demand as many homeowners replace leaking roofs. Elk's new California plant is well positioned to supply this anticipated increased demand. Shafter will produce Elk's patented new enhanced High Definition and Raised Profile Prestique premium laminated fiberglass asphalt shingles, which will be introduced into the Western States market when the Shafter plant begins shipments this spring.

Construction of Elk's new $30 million nonwoven fiberglass mat plant at its Ennis, Texas facility is underway, with start-up operations expected in the spring of 1996. During the March quarter, a decision was implemented to increase the initial capacity of the plant to 75 million squares per year (7.5 billion square feet) while operating at 1,500 feet per minute on a 2.0 pounds per square fiberglass roofing mat, rather than wait until 1998 to increase capacity.

Our Industrial Products segment reported substantially improved third quarter operating results. This segment achieved both higher sales and operating profits in the March quarter than the earlier quarters of this fiscal year. Its Chromium Corporation subsidiary continued a significant turnaround in performance, offsetting lower operating results for Ortloff Engineers, which reported lower patent licensing income during this year's third quarter.

CONDENSED RESULTS OF OPERATIONS

<TABLE>
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(Unaudited, $ in thousands except per share data)	Third Quarter Three Months Ended March 31, 1995	1994	Nine Months Ended March 31, 1995	1994	Trailing Twelve Months Ended March 31, 1995	1994
<S>	<C>	<C>	<C>	<C>	<C>	<C>
SALES	$ 37,816	$ 37,961	$ 112,266	$ 117,775	$ 151,522	$ 159,546
COSTS AND EXPENSES:						
Cost of sales	27,736	26,657	82,265	82,933	106,891	111,460
Selling, general & administrative	7,388	5,874	20,433	18,086	27,283	23,869
Interest and dividend (income) expense, net	39	(98)	(115)	(311)	(208)	(139)
Total Costs and Expenses	35,163	32,433	102,583	100,708	133,966	135,190
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	2,653	5,528	9,683	17,067	17,556	24,356
Provision for income taxes	1,039	2,074	3,746	6,414	6,701	9,236
INCOME FROM CONTINUING OPERATIONS	1,614	3,454	5,937	10,653	10,855	15,120
DISCONTINUED OPERATIONS:						
Operating loss, net of tax	0	(623)	0	(1,412)	0	(1,782)
Loss on disposal, net of tax	0	(82)	0	(82)	0	(82)
LOSS FROM DISCONTINUED OPERATIONS	0	(705)	0	(1,494)	0	(1,864)
INCOME BEFORE CHANGE IN ACCOUNTING	1,614	2,749	5,937	9,159	10,855	13,256
Cumulative effect of change in accounting for income taxes	0	0	0	668	0	668
NET INCOME	$ 1,614	$ 2,749	$ 5,937	$ 9,827	$ 10,855	$ 13,924
INCOME (LOSS) PER COMMON SHARE:						
From continuing operations	$ 0.18	$ 0.39	$ 0.67	$ 1.20	$ 1.22	$ 1.75
From discontinued operations	0.00	(0.08)	0.00	(0.17)	0.00	(0.22)
Before change in accounting	0.18	0.31	0.67	1.03	1.22	1.53
Cumulative effect of change in accounting for income taxes	0.00	0.00	0.00	0.07	0.00	0.08
NET INCOME PER SHARE	$ 0.18	$ 0.31	$ 0.67	$ 1.10	$ 1.22	$ 1.61
AVERAGE COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING	8,782	8,920	8,852	8,917	8,872	8,664

</TABLE>

CONDENSED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

(Unaudited, $ in thousands)	For the Nine Months Ended March 31, 1995	1994

<S> <C> <C>

CASH FLOWS FROM:		
OPERATING ACTIVITIES		
Income from continuing operations	$ 5,937	$ 10,653
Adjustments to income from continuing operations		
Depreciation and amortization	2,858	3,120
Write-off of assets	0	478
Deferred income taxes	456	37
Changes in assets and liabilities:		
Trade receivables	3,424	(2,159)
Inventories	3,280	(3,631)
Prepaid expenses and other	(52)	68
Accounts payable and accrued liabilities	(4,613)	569
Net cash from continuing operations	11,290	9,135
Net cash from discontinued operations	635	(147)
INVESTING ACTIVITIES		
Additions to property, plant & equipment	(28,366)	(10,482)
Deferred preoperating costs	(4,230)	(795)
Other	395	(300)
Net cash from investing activities	(32,201)	(11,577)
FINANCING ACTIVITIES		
Long-term borrowing	17,800	0
Treasury stock transactions and other, net	(1,149)	323
Net cash from financing activities	16,651	323
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,625)	(2,266)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,919	18,516
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 2,294	$ 16,250

</TABLE>

CONDENSED BALANCE SHEET

<TABLE>
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(Unaudited, $ in thousands)	March 31, 1995	March 31, 1994
<S>	<C>	<C>
ASSETS		
Cash and cash equivalents	$ 2,294	$ 16,250
Receivables, net	30,113	28,177
Inventories	13,613	11,956
Deferred income taxes	2,219	1,771
Prepaid expenses and other	1,655	1,151
Net assets of discontinued operations - current	0	23
Total Current Assets	49,894	59,328
Property, plant and equipment, net	56,287	25,166
Net assets of discontinued operations - noncurrent	7,225	7,445
Investments	5,378	5,344
Other assets	7,503	3,173
Total Assets	$126,287	$100,456

<CAPTION>

	March 31, 1995	March 31, 1994
<S>	<C>	<C>
LIABILITIES AND SHAREHOLDERS' Equity		
Accounts payable and accrued liabilities	$ 17,056	$ 20,559
Current maturities on long-term debt	0	0
Total Current Liabilities	17,056	20,559

Deferred income taxes	1,414	0
Long-term debt, net	17,800	0
Shareholders' equity	90,017	79,897
Total Liabilities and Shareholders' Equity	$126,287	$100,456

</TABLE>

OUTLOOK

Demand for our Elk Prestique premium laminated fiberglass asphalt shingles is very good in all areas of the country. With one price increase already in place, we believe that favorable market conditions will permit a second increase in June. In addition, our Shafter, Calffornia laminated fiberglass asphalt roofing shingle plant should be coming on-line just when market demand in California is significantly above calendar year 1994's depressed levels.

Presently, we expect higher shipments of our Elk Prestique premium laminated fiberglass asphalt shingles will lead to higher fourth quarter sales; however, operating profit will be affected as a result of lower prices, higher raw material costs and the initial operating losses as the new Shafter plant gets up and running. Looking ahead to fiscal 1996, however, we expect sales and earnings should show solid improvement over fiscal 1995. Sales and earnings in the years ahead should also benefit from increasing sales and production levels at the two new plants.

/s/ ROY E. CAMPBELL
Roy E. Campbell
Chairman and President

April 28, 1995

[PICTURE]

The introduction of the new patented enhanced Prestique High Definition premium laminated fiberglass asphalt shingles in fiscal 1995 continues Elk's leadership position in product innovation. A few years ago, Elk introduced the original patented Prestique High Definition shingles with a new shading effect for a thicker appearance. Now, the new enhanced High Definition design, with its improved shading effect, provides more impressive definition than ever.

New enhanced High Definition shingles are available in both Prestique Plus and Prestique I premium laminated designs and in a variety of colors to compliment any style of roof. Other product innovations from Elk, such as Z(R) ridge and Seal-A-Ridge(R) Plus ridge products and Elk's matching roof accessory paint, continue to make Elk The Premium Choice(R) for discerning homeowners, architects and builders all across the country.

[ELCOR LOGO]

Wellington Centre, Suite 1000
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Dallas, Texas 75240-8871

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM (A) CONSOLIDATED BALANCE SHEET AND CONSOLIDATED STATEMENT OF OPERATIONS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH (B) FORM 10Q FOR QUARTER ENDED MARCH 31, 1995.
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