

[21295001]

Union Carbide Corp. said third-quarter net income plunged 35 % from a year earlier on weakness in the company 's mainstay chemicals and plastics business .

[21295002]

Net was \$ 139 million , or 98 cents a share , for the quarter , compared with \$ 213 million , or \$ 1.56 a share , a year ago .

[21295003]

Sales were \$ 2.14 billion , up 1.6 % from \$ 2.11 billion the previous year .

[21295004]

Carbide , like other companies with a heavy reliance on the so-called commodity end of the chemicals industry , was expected to post earnings sharply lower than in an exceptionally strong 1988 third quarter .

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But the company 's latest quarter was a few pennies a share lower than the more pessimistic projections on Wall Street .

[21295006]

" It certainly was n't a disaster , but it does show weakness " in some of the company 's chief markets , said George Krug , a chemicals-industry analyst at Oppenheimer & Co .

[21295007]

In New York Stock Exchange composite trading , Carbide closed at \$ 24.50 a share , down 50 cents .

[21295008]

Prices for polyethylene , a common plastic and an important Carbide product , started to fall early this year ; the slide accelerated in the third quarter as buyers continued to trim inventories .

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Prices also fell for ethylene oxide and glycols , products used in making antifreeze .

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Some producers of polyethylene , figuring the inventory reductions are near an end , have announced price boosts .

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A Carbide spokesman said the conditions are right for the increase to hold.

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[21295013]

For the third quarter, operating profit from Carbide's chemicals and plastics business fell to \$ 238 million from \$ 352 million a year ago, before accounting for taxes and interest expense.

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[21295014]

Operating profit from carbon products such as graphite electrodes also declined to \$ 6 million from \$ 20 million.

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[21295015]

In the industrial-gases segment, operating profit climbed to \$ 87 million from \$ 58 million.

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[21295016]

The latest quarter included a gain of about \$ 62 million on the sale of the company's urethane polyols and propylene glycols businesses.

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[21295017]

Propylene glycols are used in making personal-care products such as shampoo, and urethane polyols are used in making the polyurethane foam found in furniture cushioning and other products.

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[21295018]

That gain was mostly offset by a loss of about \$ 55 million from a write-down in its polysilicon business.

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[21295019]

Polysilicon is used in making integrated circuits.

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For the nine months, net totaled \$ 526 million, or \$ 3.74 a share, up 5 % from \$ 501 million, or \$ 3.71 a share, a year ago.

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[21295021]

Sales rose 7.7 % to \$ 6.66 billion from \$ 6.19 billion.

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