A REPORT ON DIVERSIFICATION

The
Glidden
Company

MAY, 1956

This report has been prepared by the Company to describe its diversified operations. It is intended for distribution to investors, security analysts and other persons interested in the Company. It is not a representation or prospectus in respect to the Company's securities and is not transmitted in connection with any proposed sale or offer to sell or buy any stock or security. The information contained in this report has been obtained from Company annual reports, Company reports to the Securities and Exchange Commission, Company internal reports and industry data.

QUALITY Glidden PRODUCTS

GLD32296

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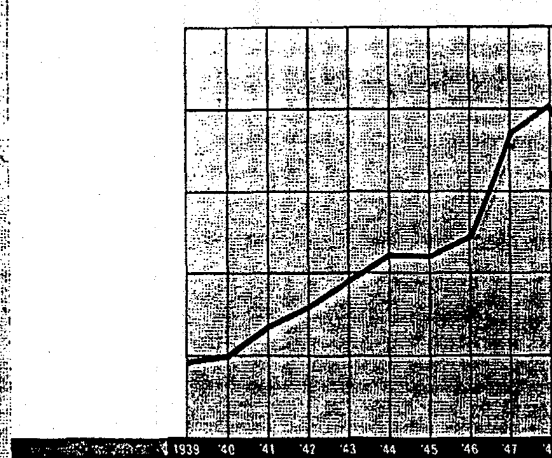

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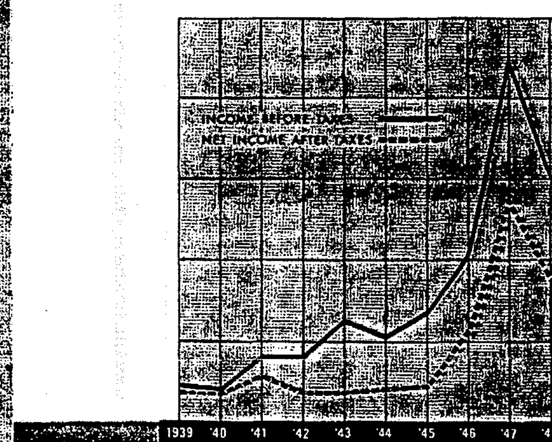

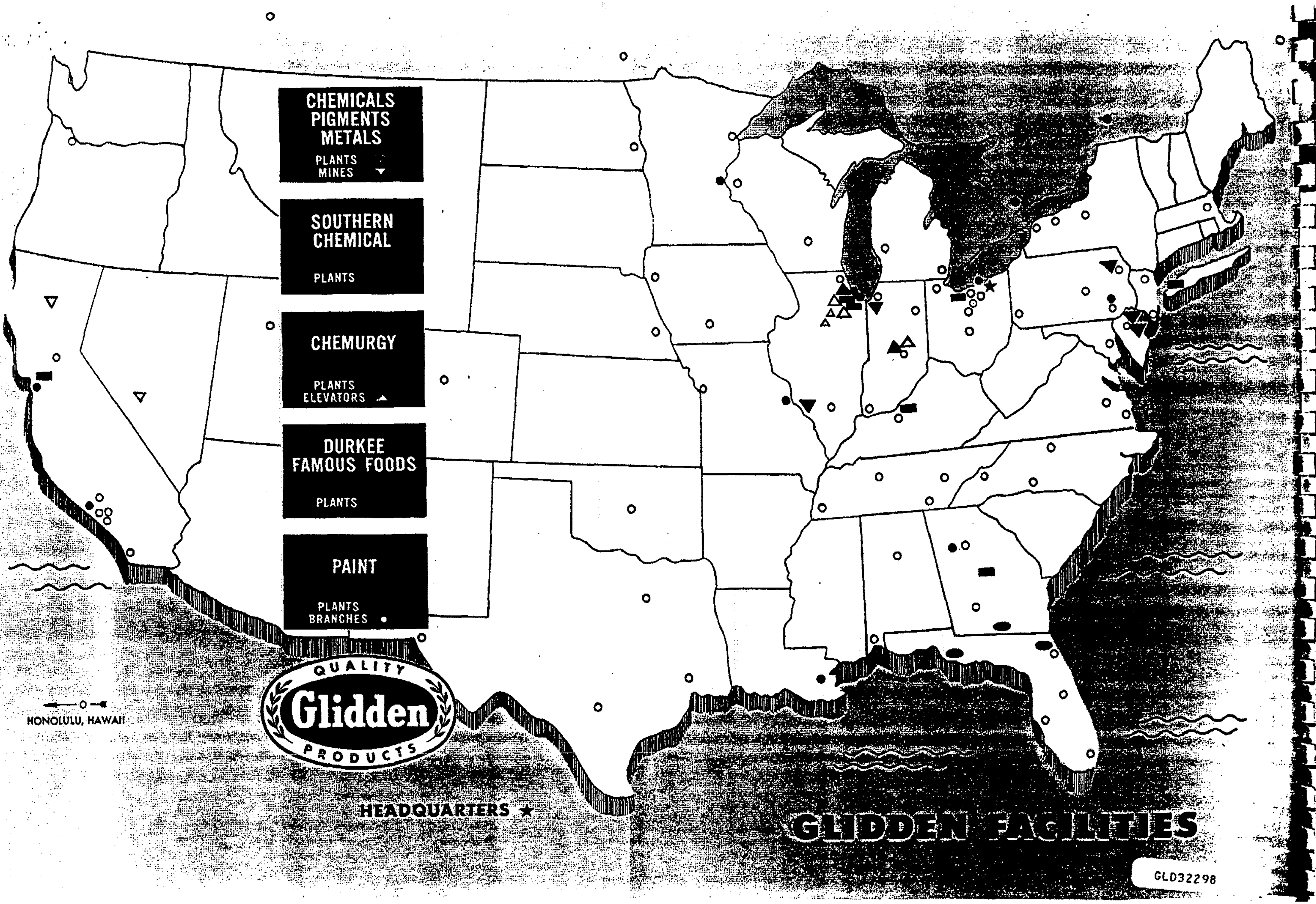

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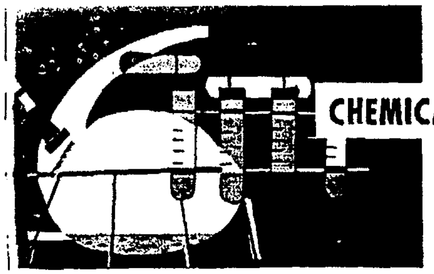


CHEMICALS-PIGMENTS-METALS DIVISION

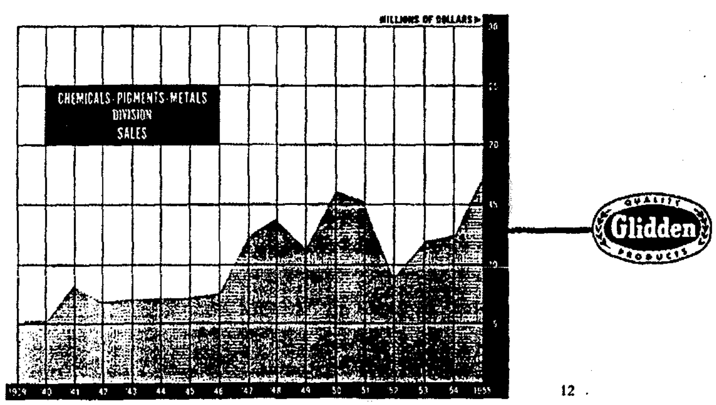
PRODUCTS

Titanium Dioxide Titanium dioxide, one of the most important single products produced by Glidden, is an outstanding white pigment used by the paint, paper and rubber industries. Glidden's titanium dioxide is marketed under the trade name Zopaque.

Approximately three fourths of the domestic consumption of titanium dioxide is by the paint and paper industries. Because of its superior covering power per dollar expended, titanium dioxide has largely replaced lithopone, zinc oxide and white lead as a white opacifier in paints, lacquers and enamels. It is used not only in white paints, but also as a tinting base for colored paints. A gallon of average white house paint contains about 1.6 pounds of titanium dioxide. However, because of the trend to one-coat repaint jobs, the amount used per gallon is increasing. Both alkyd and latex interior paints contain about 15-20% by weight of titanium dioxide. In the industrial field, there is a strong demand for the pigment in finishes for household appliances and equipment. With the increasing demand for pastel finishes on automobiles, its use in this field has been on the upswing.

In the paper industry, titanium dioxide is used in magazine papers and lightweight printing papers to minimize show-through, thereby increasing printing contrast and legibility. It is also used by makers of glassine, wax, and resin-treated papers. The paper industry provides a promising outlet for increased sales of titanium dioxide.

The principal use for titanium dioxide in the rubber industry is for product-whitening and color-brightening. In addition, it acts as a reinforcing agent, improving



the strength, flexing properties and resilience of rubber. The largest volume is used on white-walled tires. Other uses include boots, shoes, galoshes, inflated toys and tubing.

Titanium dioxide also is used in floor coverings, glassware, ceramics, enamel frits, coated fabrics, printing inks and for delustering synthetic fibers.

For the past fifteen years, it has been Glidden's policy to purchase titanium dioxide from all producers. Less than one fourth of the Paint Division's requirements have come from the Chemicals-Pigments-Metals Division. All such interdivision transactions are at regular market prices.

Other Pigments Glidden pioneered the development of cadmium red and yellow pigments through research directed toward utilizing a by-product of lithopone production. Approximately fifty per cent of the production of Cadmolith reds goes into automotive finishes because of the pigment's fade resistant and non-bleeding characteristics. The plastics industry is the second largest user. The Cadmolith yellows are principally used in latex and flatwall paints and in plastics. Other uses for these pigments, which are produced in varying shades, are in washable wallpaper, coated fabrics, paper coatings, printing inks, enamels, leather and rubber.

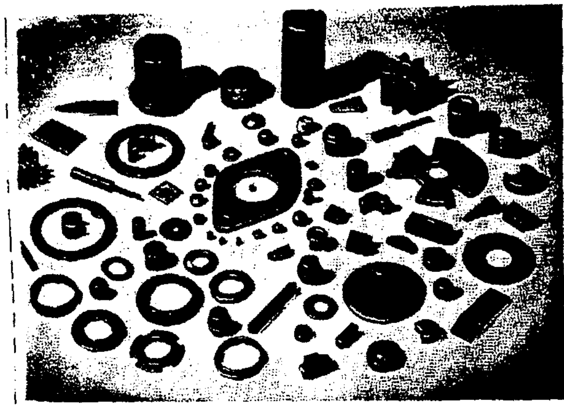
Although the demand for lithopone, a white pigment, has dropped substantially over the past several years, it still has certain characteristics justifying its continued use. Lithopone is used in oil cloth because of its weight and drying qualities; it is used in undercoatings because of sealing properties; in floor enamels because of high-wearing qualities; and in latex paints along with titanium dioxide to stabilize the solution and improve brushing qualities. Other uses for lithopone include rubber, wallpaper, wallboard coatings and felt-base products.

Glidden also produces white lead and lead-in-oil, which are used in house paints and in the manufacture of dry colors. There appears to be little potential in this field and this operation is maintained solely to fulfill existing demands.

Metal Powders and Other Metal Products Glidden is a major factor in the field of powder metallurgy. Metal powders are used principally in the production of small parts having an intricate design and close dimensions. These parts are made by pouring the metal powder into dies and applying pressure of five to sixty tons per square inch. The metal is then put into a furnace for baking at a temperature just under its melting point. The use of metal powders eliminates scrap losses, cuts the need for machining, reduces shipping and handling costs, and permits alloys not otherwise possible.

Glidden Resistox copper powders are sold to the automobile, carbon brush and appliance industries for fabricating into oilless bearings and bushings, bronze parts and carbon brushes. These copper powders are superior to those manufactured by other companies in that they are treated to prevent oxidation during storage, thus providing a better finished product at a lower cost to the fabricator.

Glidden is the leading producer of lead powder used for metallic packings and lead greases. Other products include cuprous oxide, used in marine paints and as a



Precision parts produced from metal powders find extensive use in automobiles and appliances.

chemical reagent in the production of nylon and artificial rubber, and cupric oxide which is also used as a chemical reagent. Cubond, a copper brazing compound used by the automotive and appliance industries, is fast growing in volume.

SALES ORGANIZATION

The Chemicals-Pigments-Metals Division maintains its own sales force and each salesman handles the entire line of products manufactured by this division. All sales are made directly to the industrial consumer of the product.

Advertising is principally in trade journals such as the *American Paint Journal, Rubber Age, Rubber World, Modern Plastics* and *Paper Trade Journal*.

COMPETITION

Because of the large capital investment required in the production of titanium dioxide, competition is limited to four other producers—National Lead Company, E. I. duPont de Nemours & Co., American Cyanamid Company and New Jersey Zinc Company.

Competition in cadmium colors is limited to The Harshaw Chemical Co. and American Cyanamid Co. Other producers of lithopone are Sherwin-Williams Co. and New Jersey Zinc.

Principal competitors in the non-ferrous metal powders field are American Metals Co., Ltd., Metals Disintegrating Co., Inc., Greenback Industries, New Jersey Zinc Co. and Metal Lead Corporation.

Principal copper oxide competition stems from C. K. Williams & Co., Rohm & Haas Co., The Mountain Copper Company, The Harshaw Chemical Company and Tennessee Corporation.

RESEARCH AND DEVELOPMENT

Principal research laboratories are maintained at Baltimore, Maryland, and Hammond, Indiana.

Due to the complexities involved in the production of titanium dioxide, a considerable amount of research is directed toward process improvement, cost reduction and the production of special types of pigment for individual industry requirements. Efforts are also being directed toward product quality improvement, and the production of certain metallic salts is being explored.

At the present time, Glidden is engaged in a research program on titanium metal. The principal objective of this program is to keep up to date on developments in the titanium field as some phases of this work are related to the production of titanium dioxide pigments.

At Hammond, considerable research is directed toward the production of new metal powders and various alloy powders. Several new powders are presently being produced experimentally and indications are that production difficulties will be overcome and that these powders can be marketed shortly.

MANUFACTURING

Manufacturing facilities are located at:

- Baltimore, Maryland (Titanium dioxide and cadmium colors)
- Hammond, Indiana (Metal powders and copper oxides)
- Collinsville, Illinois (Lithopone)
- Scranton, Pennsylvania (White lead and lead-in-oil)

Total gross expenditures for plant and equipment were $8,639,613 over the ten-year period 1946-1955.

A new titanium dioxide plant is presently under construction in Baltimore, Maryland. The first of three units of this plant is scheduled to be in operation in the Spring of 1956 and will cost approximately $8,000,000. The plant is designed so that it will be possible to add two additional units without disturbing existing equipment or structures or interfering with production schedules. Present plans indicate that construction of at least one of these additional units will be started in 1956.

There are two basic sources of raw material for titanium dioxide: ilmenite—a black powder containing approximately 47-62% titanium dioxide with the balance iron oxides, and titanium slags containing approximately 72-74% titanium dioxide with the balance iron, aluminum, magnesium and other metallic oxides. Ilmenite is available from domestic deposits and is also imported from India and other countries. The slag is imported from Canada. Glidden owns ilmenite deposits in North Carolina and a five-year supply has already been staked out. These deposits, however, are being held as emergency reserves.

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TWENTY-SEVEN YEAR SUMMARY OF FINANCIAL HIGHLIGHTS

12 Months Oct. 31	Net Sales	Income Before Taxes	Net Income	Dividends On Preferred Stock	Dividends On Common Stock
1929	$ 38,319,739	$ 3,318,610	$2,959,110	$505,713	$1,170,897
1930	36,434,053	11,366	11,366	519,841	1,308,143
1931	28,505,173	201,380	201,380	506,138	—
1932	22,259,953	531,435	531,435	471,086	—
1933	24,845,551	1,612,863	1,432,863	449,668	—
1934	29,820,274	1,726,324	1,532,324	440,345	746,160
1935	39,528,739	3,037,590	2,645,590	455,000	1,081,526
1936	44,580,959	3,559,469	3,085,469	453,755	1,576,924
1937	54,052,233	2,971,997	2,542,793	449,920	2,080,126
1938	44,049,023	186,973	205,597	449,887	399,897
1939	47,824,047	2,287,291	1,853,549	449,886	—
1940	50,169,733	2,075,138	1,727,829	449,886	904,152
1941	68,901,706	4,165,390	3,010,390	449,381	1,143,788
1942	81,705,732	4,145,753	1,853,753	448,986	1,077,206
1943	97,144,617	6,471,199	1,998,199	448,986	743,979
1944	111,897,815	5,452,289	2,117,289	448,987	742,899
1945	111,616,438	6,749,644	2,347,644	448,987	1,043,777
1946	122,439,119	10,430,515	5,715,015	448,986	1,781,920
1947	185,753,246	22,530,984	13,757,984	448,985	1,938,950
1948	202,318,794	15,442,819	9,276,819	448,985	3,336,675
1949	160,143,276	10,148,923	6,191,923	448,984	2,838,850[2]
1950	188,607,966	14,437,660	8,561,660	448,983	3,910,279
1951	228,522,503	16,000,868	8,313,868	402,154	4,512,127
1952	205,113,304	14,203,805	6,948,805	—	5,134,246
1953	211,758,522	14,834,272	7,109,272	—	4,578,538
1954	209,083,579	14,235,043	7,093,043	—	4,581,860
1955[1]	180,524,822	14,324,567	7,112,567	—	4,588,588

[1] Ten Months—August 31.
[2] Plus 2% stock dividend.

12 Months Oct. 31	Earnings Reinvested	Stockholders' Equity	Working Capital	Total Assets	Net Property, Plant and Equipment	Gross Capital Additions
1929	$ 1,264,963	$28,620,234	$ 9,628,117	$ 34,318,466	$14,100,295	$ —
1930	*1,846,618*	26,840,996	12,858,030	35,034,031	14,407,865	1,242,209
1931	*333,888*	25,595,528	11,780,985	32,530,300	14,137,417	428,969
1932	39,330	20,837,623	9,855,248	26,732,366	10,626,273	122,593
1933	983,195	21,592,973	9,477,920	27,228,838	10,439,380	294,879
1934	345,819	22,240,131	8,745,034	29,493,600	11,054,013	1,296,985
1935	1,109,064	25,497,825	11,317,642	32,237,345	10,896,121	1,504,748
1936	1,054,790	27,831,066	12,928,958	30,966,989	12,014,382	1,661,194
1937	12,747	27,806,834	11,955,239	33,857,808	12,944,075	1,617,958
1938	*644,187*	28,062,263	15,389,619	34,286,015	14,232,965	2,002,013
1939	1,403,663	29,421,679	15,773,550	36,174,988	14,614,223	1,260,674
1940	373,791	29,712,268	15,372,397	35,910,650	15,043,421	1,343,407
1941	1,417,221	31,396,501	14,302,132	45,161,410	16,922,540	3,177,150
1942	327,561	31,749,204	18,065,474	47,208,019	17,287,044	1,600,285
1943	805,234	31,403,820	17,514,479	52,476,771	17,236,750	1,362,879
1944	925,403	32,348,923	25,468,727	53,552,374	16,655,524	965,300
1945	854,880	35,115,554	28,807,778	55,035,838	15,064,263	831,459
1946	3,484,109	38,508,802	30,286,627	59,113,139	15,800,027	2,298,760
1947	11,370,049	48,518,103	31,211,574	66,252,886	17,624,092	3,119,985
1948	5,491,159	53,884,639	32,496,487	75,655,571	20,550,271	4,490,173
1949	2,062,302	56,837,492	30,316,412	76,776,764	25,448,224	6,564,975
1950	4,202,398	66,194,160	38,420,037	84,311,254	26,922,042	3,330,050
1951	3,399,587	69,738,651	46,416,235	95,875,179	30,893,982	5,918,199
1952	1,814,559	71,643,893	46,474,504	101,957,921	31,393,854	3,042,934
1953	2,530,734	74,324,321	46,004,697	102,749,597	33,234,243	4,149,573
1954	2,511,183	76,922,608	51,225,674	102,669,755	34,493,146	4,020,936
1955[1]	2,523,979	79,513,017	47,155,983	106,762,124	39,993,479	8,155,366

Italics denote red figures.

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ASSETS

Oct. 31	Cash and Marketable Securities	Receivables	Inventory	Other Current Assets	Current Assets
1939	$ 3,721,585	$ 4,680,667	$ 9,779,601	$ 327,121	$18,508,974
1940	2,126,192	4,590,872	10,612,031	523,246	17,852,341
1941	2,262,551	7,179,515	15,521,122	655,613	25,618,801
1942	2,240,346	6,302,040	17,107,785	1,690,690	27,340,861
1943	3,888,917	6,271,318	22,889,602	351,049	33,400,886
1944	4,243,649	6,451,323	24,257,190	306,518	35,258,680
1945	7,268,271	5,953,352	25,010,799	295,640	38,528,062
1946	6,238,069	9,441,913	25,503,273	367,709	41,550,964
1947	5,808,490	11,620,840	28,104,527	887,500	46,421,357
1948	5,809,855	12,062,536	32,085,504	1,784,524	51,742,419
1949	6,653,013	10,559,867	29,124,601	1,418,203	47,755,684
1950	5,556,194	14,747,550	31,095,012	2,638,375	54,037,131
1951	13,036,143	15,618,864	31,110,474	2,787,282	62,552,763
1952	5,667,245	17,260,776	43,457,154	1,903,357	68,288,532
1953	8,230,545	17,511,525	33,307,058	8,380,845	67,429,973
1954	16,061,456	15,914,940	32,454,157	2,042,268	66,472,821
1955[1]	13,233,718	17,080,926	33,701,460	1,388,986	65,405,090

ASSETS

Oct. 31	Property, Plant and Equipment At Cost	Reserve for Revaluation	Reserve for Depreciation	Property, Plant and Equipment Net	Intangibles	Other Assets	Total Assets
1939	$25,270,261	$3,452,250	$ 7,203,788	$14,614,223	$ 85,217	$2,966,574	$ 36,174,988
1940	26,385,438	3,439,332	7,902,685	15,043,421	86,859	2,928,029	35,910,650
1941	29,225,434	3,389,489	8,913,405	16,922,540	127,714	2,492,355	45,161,410
1942	30,474,027	3,349,390	9,837,593	17,287,044	113,129	2,466,985	47,208,019
1943	31,488,874	3,343,197	10,908,927	17,236,750	98,545	1,740,590	52,476,771
1944	31,845,801	3,316,065	11,874,212	16,655,524	5,294	1,632,876	53,552,374
1945	31,750,916	3,307,623	13,379,030	15,064,263	4,508	1,439,005	55,035,838
1946	33,295,485	3,268,227	14,227,231	15,800,027	—	1,762,148	59,113,139
1947	36,092,409	3,258,517	15,209,800	17,624,092	—	2,207,437	66,252,886
1948	40,136,421	3,217,650	16,368,500	20,550,271	—	3,362,881	75,655,571
1949	46,085,419	3,163,929	17,473,266	25,448,224	—	3,572,856	76,776,764
1950	48,708,103	3,153,921	18,632,140	26,922,042	—	3,352,081	84,311,254
1951	53,207,300	3,035,656	19,277,662	30,893,982	—	2,428,434	95,875,179
1952	52,923,684	—	21,529,830	31,393,854	—	2,275,335	101,957,921
1953	55,527,573	—	22,293,330	33,234,243	—	2,085,381	102,749,597
1954	57,207,100	—	22,713,954	34,493,146	—	1,703,788	102,669,755
1955[1]	64,421,382	—	24,427,903	39,993,479	—	1,363,555	106,762,124

LIABILITIES AND STOCKHOLDERS' EQUITY

Oct. 31	Current Liabilities	Long-Term Debt	Capital Stock: Preferred	Capital Stock: Common	Capital Stock: Total
1939	$ 2,735,424	$ 3,750,000	$9,997,000	$ 4,180,655	$14,177,655
1940	2,479,944	3,500,000	9,997,000	4,180,655	14,177,655
1941	11,316,669	2,000,000	9,997,000	4,180,655	14,177,655
1942	9,275,387	6,000,000	9,997,000	4,180,655	14,177,655
1943	15,886,407	5,000,000	9,997,000	4,177,655	14,174,655
1944	9,789,953	10,000,000	9,997,000	4,177,655	14,174,655
1945	9,720,284	9,000,000	9,977,000	4,460,000	14,437,000
1946	11,264,337	8,000,000	9,977,000	4,460,000	14,437,000
1947	15,209,783	—	9,977,000	4,460,000	14,437,000
1948	19,245,932	—	9,977,000	4,460,000	14,437,000
1949	17,439,272	—	9,977,000	4,540,125	14,517,125
1950	15,617,094	—	9,977,000	4,986,463	14,963,463
1951	16,136,528	10,000,000	—	5,728,325	5,728,325
1952	21,814,028	8,500,000	—	5,728,325	5,728,325
1953	21,425,276	7,000,000	—	5,728,325	5,728,325
1954	15,247,147	10,500,000	—	5,733,638	5,733,638
1955[1]	18,249,107	9,000,000	—	22,953,500[2]	22,953,500[2]

Oct. 31	Capital Surplus	Earnings Reinvested	Less: Treasury Stock	Stockholders' Equity	Total Capitalization (Stockholders' Equity Plus Long-Term Debt)
1939	$ 8,374,037	$ 7,078,945	$208,958	$29,421,679	$33,171,679
1940	8,374,037	7,452,736	292,160	29,712,268	33,212,268
1941	8,374,037	8,942,329	97,520	31,396,501	33,396,501
1942	8,441,922	9,269,890	140,263	31,749,204	37,749,204
1943	8,444,163	8,961,567	176,565	31,403,820	36,403,820
1944	8,444,163	9,906,670	176,565	32,348,923	42,348,923
1945	9,961,117	10,717,437	—	35,115,554	44,115,554
1946	12,581,438	11,668,969	178,605	38,508,802	46,508,802
1947	12,581,438	22,039,018	539,353	48,518,103	48,518,103
1948	12,581,438	27,530,177	663,976	53,884,639	53,884,639
1949	13,270,513	29,785,805	735,951	56,837,492	56,837,492
1950	17,732,104	33,988,203	489,610	66,194,160	66,194,160
1951	26,875,642	37,387,790	253,106	69,738,651	79,738,651
1952	26,875,642	39,202,349	162,423	71,643,893	80,143,893
1953	26,875,642	41,733,083	12,729	74,324,321	81,324,321
1954	26,944,704	44,244,266	—	76,922,608	87,422,608
1955[1]	9,791,272[2]	46,768,245	—	79,513,017	88,513,017

[1] August 31.
[2] Reflects change from no par value to $10 par value of common.

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INCOME AND EXPENSES

12 Months Ended Oct. 31	Net Sales	Cost of Sales	Selling and Administrative Expenses	Operating Profit	Other Income	Total Income
1939	$ 47,824,047	$ 37,766,060	$ 7,560,701	$ 2,497,286	$ 390,996	$ 2,888,282
1940	50,169,733	40,435,945	7,722,691	2,011,097	421,177	2,432,274
1941	68,901,706	56,263,924	8,359,614	4,278,168	355,512	4,633,680
1942	81,705,732	68,463,439	8,817,388	4,424,905	441,194	4,866,099
1943	97,144,617	80,660,258	9,807,275	6,677,084	259,790	6,936,874
1944	111,897,815	95,015,022	11,043,579	5,839,214	361,398	6,200,612
1945	111,616,438	92,764,942	11,838,022	7,013,474	318,851	7,332,325
1946	122,439,119	99,496,271	12,685,567	10,257,281	586,163	10,843,444
1947	185,753,246	146,948,296	16,502,474	22,302,476	585,361	22,887,837
1948	202,318,794	168,002,809	19,262,382	15,053,603	389,216	15,442,819
1949	160,143,276	129,908,766	20,097,228	10,137,282	310,677	10,447,959
1950	188,607,966	151,877,859	22,381,734	14,348,373	384,864	14,733,237
1951	228,522,503	186,332,502	26,282,162	15,907,839	427,182	16,335,021
1952	205,113,304	164,889,799	26,238,307	13,985,198	556,697	14,541,895
1953	211,758,522	170,492,456	26,739,007	14,527,059	664,985	15,192,044
1954	209,083,579	168,032,940	27,513,536	13,537,103	1,078,858	14,615,961
1955[1]	180,524,822	142,243,394	24,144,648	14,136,780	480,287	14,617,067

12 Months Ended Oct. 31	Interest Expense	Provision For Contingencies	Other Deductions	Minority Interest	Income Before Taxes	Income and Excess Profits Taxes	Net Income
1939	$147,863	$200,000	$253,128	—	$ 2,287,291	$ 433,742	$1,853,549
1940	116,597	20,815	219,172	$ 552	2,075,138	347,309	1,727,829
1941	90,646	—	361,848	15,796	4,165,390	1,155,000	3,010,390
1942	259,050	—	487,749	*26,453*	4,145,753	2,292,000	1,853,753
1943	216,448	—	238,610	10,617	6,471,199	4,473,000	1,998,199
1944	268,786	150,000	319,284	10,253	5,452,289	3,335,000	2,117,289
1945	297,679	—	285,002	—	6,749,644	4,402,000	2,347,644
1946	202,750	140,000	70,179	—	10,430,515	4,715,500	5,715,015
1947	136,980	185,000	34,873	—	22,530,984	8,773,000	13,757,984
1948	—	—	—	—	15,442,819	6,166,000	9,276,819
1949	49,932	—	249,104	—	10,148,923	3,957,000	6,191,923
1950	80,611	—	214,966	—	14,437,660	5,876,000	8,561,660
1951	334,153	—	—	—	16,000,868	7,687,000	8,313,868
1952	338,090	—	—	—	14,203,805	7,255,000	6,948,805
1953	357,772	—	—	—	14,834,272	7,725,000	7,109,272
1954	380,918	—	—	—	14,235,043	7,142,000	7,093,043
1955[1]	292,500	—	—	—	14,324,567	7,212,000	7,112,567

ADDITIONAL OPERATING DATA

12 Months Ended Oct. 31	Depreciation, Depletion and Amortization	Maintenance and Repairs	Taxes Other Than Income: Payroll	Taxes Other Than Income: Other	Rents Paid
1939	$ 804,516	$ 600,054	—	$ 622,290	$158,691
1940	835,754	740,612	$270,897	320,881	165,951
1941	846,703	896,239	296,560	369,624	174,440
1942	1,055,137	1,127,558	291,224	384,134	183,827
1943	1,276,116	1,537,644	303,358	421,334	198,662
1944	1,344,230	1,970,008	263,402	423,324	212,815
1945	1,441,079	1,994,782	245,210	408,713	195,059
1946	1,075,888	1,923,713	259,052	444,342	248,231
1947	1,198,031	3,006,872	294,796	519,696	303,149
1948	1,343,960	2,508,083	273,010	596,504	323,354
1949	1,618,226	1,735,993	265,050	685,970	336,831
1950	1,753,846	2,377,833	392,821	699,066	380,006
1951	1,730,547	2,782,457	454,579	800,857	491,837
1952	1,965,339	2,701,388	432,027	889,596	459,501
1953	2,185,184	2,311,790	404,613	1,017,437	541,908
1954	2,332,685	2,501,057	437,638	971,322	556,458
1955[1]	2,234,960	2,251,347	436,387	882,619	447,452

12 Months Ended Oct. 31	Royalties Paid	Provision for Doubtful Accounts Less Recoveries	Number of Employees
1939	$111,063	$ 76,195	—
1940	84,875	108,639	—
1941	121,839	99,389	—
1942	108,943	86,534	—
1943	107,560	78,153	—
1944	141,938	*10,902*	—
1945	121,734	*8,803*	4,839
1946	129,667	*5,752*	5,637
1947	134,181	96,245	6,005
1948	132,550	136,790	6,217
1949	122,373	214,879	5,931
1950	180,468	217,609	6,277
1951	109,258	132,086	6,130
1952	145,528	251,731	6,127
1953	114,186	102,430	6,120
1954	132,639	211,495	6,198
1955[1]	130,171	6,152	6,397

[1] Ten Months Ended August 31.

Italics denote red figures.

PER SHARE STATISTICS

12 Months Oct. 31	Number of Shares Outstanding at Year End		Earnings Per Share			Dividends Per Common Share	
				Common			
	Preferred	Common	Preferred	Actual	Adjusted[2]	Actual	Adjusted[2]
1939	199,940	825,421	$ 9.27	$1.70	$ .85	—	—
1940	199,940	818,920	8.64	1.56	.78	$1.10	$ .55
1941	199,640	830,543	13.08	3.08	1.54	1.40	.70
1942	199,540	827,243	9.29	1.70	.85	1.30	.65
1943	199,540	825,443	10.01	1.88	.94	.90	.45
1944	199,540	825,443	10.61	2.02	1.01	.90	.45
1945	199,540	892,000	11.77	2.14	1.06	1.20	.60
1946	199,540	887,700	28.64	5.93	2.97	2.00	1.00
1947	199,540	1,757,800	68.95	7.57	7.57	2.20	2.20
1948	199,540	1,752,717	46.49	5.04	5.04	1.90	1.90
1949	199,540	1,780,536	31.03	3.23	3.23	1.60[3]	1.60[3]
1950	199,540	1,971,623	42.91	4.11	4.11	2.10	2.10
1951	—	2,280,238	—	3.65	3.65	2.25	2.25
1952	—	2,284,739	—	3.04	3.04	2.25	2.25
1953	—	2,290,794	—	3.10	3.10	2.00	2.00
1954	—	2,293,455	—	3.09	3.09	2.00	2.00
1955[1]	—	2,295,350	—	3.10	3.10	2.00	2.00

12 Months Oct. 31	Book Value Per Share			Price Range of Common[4]			
		Common		Actual		Adjusted[2]	
	Preferred	Actual	Adjusted[2]	High	Low	High	Low
1939	$147.15	$23.53	$11.76	24½	14	12¼	7
1940	148.60	24.07	12.03	19¾	11	9⅞	5½
1941	157.26	25.78	12.89	17⅞	11	8⅞	5½
1942	159.11	26.32	13.16	16	12⅛	8	6
1943	157.38	25.95	12.98	22⅜	14¾	11⅛	7⅜
1944	162.12	27.10	13.55	25⅜	18¼	12⅝	9⅛
1945	175.98	28.18	14.09	39	25¼	19½	12⅝
1946	192.99	32.14	16.07	56¼	36⅜	28⅛	18⅛
1947	243.15	21.93	21.93	52¼	34	26⅛	17
1948	270.04	25.05	25.05	28	19⅜	28	19⅜
1949	284.84	26.32	26.32	25¾	17⅝	25¾	17⅝
1950	331.73	28.51	28.51	31½	22½	31½	22½
1951	—	30.58	30.58	48½	27¾	48½	27¾
1952	—	31.36	31.36	42⅝	32⅞	42⅝	32⅞
1953	—	32.44	32.44	38⅛	27⅞	38⅛	27⅞
1954	—	33.54	33.54	42½	28¾	42½	28¾
1955[1]	—	34.64	34.64	44½	36⅛	44½	36⅛

[1] Ten Months—August 31.
[2] Adjusted for two-for-one stock split in 1947.
[3] Plus 2% stock dividend.
[4] On calendar year basis.
[5] Annualized by 1.2.

PER SHARE STATISTICS

12 Months Oct. 31	Percent Distributed To Common	Net Sales Per Common Share[2]	Inventories Per Common Share[2]	Net Property, Plant and Equipment Per Common Share[2]
1939	—	$28.97	$5.92	$8.85
1940	70.8	30.63	6.48	9.18
1941	44.7	41.48	9.34	10.19
1942	76.7	49.38	10.34	10.45
1943	48.0	58.84	13.86	10.44
1944	44.5	67.78	14.70	10.09
1945	55.0	62.56	14.02	8.44
1946	33.8	68.96	14.36	8.90
1947	14.6	105.67	15.99	10.03
1948	37.8	115.43	18.31	11.72
1949	49.4	89.94	16.36	14.29
1950	48.2	95.66	15.77	13.65
1951	57.0	100.22	13.64	13.55
1952	73.9	89.78	19.02	13.74
1953	64.4	92.44	14.54	14.51
1954	64.6	91.16	14.15	15.04
1955[1]	64.5	78.65	14.68	17.42
1955[5]	—	94.38	—	—

12 Months Oct. 31	Working Capital Less Funded Debt Per Share		Depreciation Per Share	
	Preferred	Common[2]	Preferred	Common[2]
1939	$ 60.14	$ 1.23	$4.02	$ .48
1940	59.38	1.14	4.18	.51
1941	61.62	1.40	4.24	.51
1942	60.47	1.26	5.29	.64
1943	62.72	1.54	6.40	.77
1944	77.52	3.32	6.74	.82
1945	99.27	5.51	7.22	.81
1946	111.69	6.94	5.39	.60
1947	156.42	12.08	6.00	.68
1948	162.86	12.85	6.74	.77
1949	151.93	11.42	8.11	.91
1950	192.54	14.43	8.79	.89
1951	—	15.97	—	.76
1952	—	16.62	—	.86
1953	—	17.03	—	.95
1954	—	17.76	—	1.02
1955[1]	—	16.62	—	.97
1955[5]	—	—	—	1.16

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EARNINGS RATIOS

12 Months Ended Oct. 31	Percent Net Income To Gross Plant	Percent Income Before Taxes To Net Plant	Percent Net Income To Net Plant	Percent Income Before Taxes To Year-End Total Assets	Percent Net Income To Year-End Total Assets	Percent Income Before Taxes To Stockholders' Equity
1939	7.3	15.6	12.7	6.3	5.1	7.8
1940	6.6	13.8	11.5	5.8	4.8	7.0
1941	10.4	24.7	17.9	9.3	6.7	13.3
1942	6.0	23.8	10.6	8.7	3.9	13.0
1943	6.4	37.6	11.6	12.4	3.8	20.6
1944	6.7	32.7	12.8	10.2	4.0	16.8
1945	7.4	44.8	15.6	12.3	4.3	19.2
1946	17.2	66.0	36.2	17.6	9.7	27.1
1947	38.1	127.8	78.1	34.0	20.8	46.4
1948	23.1	75.1	45.1	20.4	12.3	28.6
1949	13.4	39.9	24.3	13.2	8.1	17.8
1950	17.6	53.6	31.8	17.1	10.2	21.8
1951	15.6	51.8	26.9	16.7	8.7	22.9
1952	13.1	45.2	22.1	13.9	6.8	19.8
1953	12.8	44.6	21.4	14.4	6.9	20.0
1954	12.4	41.3	20.6	13.8	6.9	18.5
1955[1]	11.0	35.8	17.8	13.4	6.7	18.0
1955[2]	13.2	43.0	21.3	16.1	8.0	21.6

12 Months Ended Oct. 31	Percent Net Income To Stockholders' Equity	Percent Net Income To Total Capitalization	Fixed Charges Times Earned Before Tax and Depreciation	Fixed Charges Times Earned Before Tax	Fixed Charges Times Earned After Tax	Fixed Charges and Preferred Dividend Times Earned After Tax
1939	6.3	5.6	21.9	16.5	13.5	3.3
1940	5.8	5.2	26.0	18.8	15.8	3.2
1941	9.6	9.1	56.5	47.1	34.4	5.8
1942	5.8	4.8	21.0	16.9	8.0	2.9
1943	6.4	5.5	36.8	30.9	10.3	3.3
1944	6.6	5.0	26.3	21.3	8.9	3.3
1945	6.7	5.3	28.5	23.7	8.9	3.5
1946	14.8	12.3	57.8	52.4	29.2	9.1
1947	28.4	28.4	174.2	165.5	101.5	23.7
1948	17.2	17.2	—	—	—	20.7
1949	10.9	10.9	236.7	204.2	125.0	12.5
1950	12.9	12.9	201.8	180.1	107.2	16.3
1951	11.9	10.4	54.1	48.9	25.9	11.7
1952	9.7	8.7	48.8	43.0	21.6	21.6
1953	9.6	8.7	48.6	42.5	20.9	20.9
1954	9.2	8.1	44.5	38.4	19.6	19.6
1955[1]	8.9	8.0	57.6	50.0	25.3	25.3
1955[2]	10.7	9.6	—	—	—	—

[1] Ten Months Ended August 31.
[2] Annualized by 1.2.

SALES RATIOS

12 Months Ended Oct. 31	Net Sales To Year-End Inventory	Net Sales To Year-End Receivables	Net Sales To Gross Plant	Net Sales To Net Plant	Net Sales To Total Assets	Net Sales To Total Capitalization	Net Sales To Working Capital	Net Sales To Current Assets
1939	4.89	10.22	1.89	3.27	1.32	1.44	3.03	2.58
1940	4.73	10.93	1.90	3.33	1.40	1.51	3.26	2.81
1941	4.44	9.60	2.36	4.07	1.52	2.06	4.82	2.69
1942	4.78	12.96	2.68	4.73	1.73	2.16	4.52	2.99
1943	4.24	15.49	3.08	5.64	1.85	2.67	5.55	2.91
1944	4.61	17.34	3.51	6.72	2.09	2.64	4.39	3.17
1945	4.46	18.75	3.52	7.41	2.03	2.53	3.87	2.90
1946	4.80	12.97	3.68	7.75	2.07	2.63	4.04	2.95
1947	6.61	15.98	5.15	10.54	2.80	3.83	5.95	4.00
1948	6.30	16.77	5.04	9.84	2.67	3.75	6.22	3.91
1949	5.50	15.16	3.47	6.29	2.08	2.82	5.28	3.35
1950	6.06	12.79	3.87	7.00	2.24	2.85	4.91	3.49
1951	7.34	14.63	4.29	7.40	2.38	2.86	4.92	3.65
1952	4.72	11.88	3.88	6.53	2.01	2.56	4.41	3.00
1953	6.36	12.09	3.81	6.37	2.06	2.60	4.60	3.14
1954	6.44	13.14	3.65	6.06	2.04	2.39	4.08	3.15
1955[1]	5.36	10.57	2.80	4.51	1.69	2.04	3.83	2.76
1955[2]	6.43	12.68	3.36	5.42	2.03	2.45	4.59	3.31

12 Months Ended Oct. 31	Percent Cost of Sales to Net Sales	Percent Selling and Administrative Expense to Net Sales	Percent Net Income Before Taxes To Net Sales	Percent Net Income to Net Sales
1939	79.0	15.8	4.8	3.9
1940	80.6	15.4	4.1	3.4
1941	81.7	12.1	6.1	4.4
1942	83.8	10.8	5.0	2.2
1943	83.0	10.1	6.7	2.1
1944	84.9	9.9	4.9	1.9
1945	83.1	10.6	6.0	2.1
1946	81.2	10.4	8.5	4.6
1947	79.1	8.9	12.1	7.4
1948	83.1	9.5	7.6	4.6
1949	81.1	12.6	6.3	3.8
1950	80.5	11.9	7.7	4.6
1951	81.6	11.5	7.0	3.6
1952	80.4	12.8	6.9	3.4
1953	80.5	12.6	7.0	3.4
1954	80.4	13.1	6.8	3.4
1955[1]	78.8	13.4	7.9	3.9

[2] Annualized by 1.2.

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BALANCE SHEET RATIOS

Oct. 31	Percent Classification of Assets: Current	Property	Deferred And Other	Percent to Total Current Assets: Cash	Marketable Securities	Receivables	Inventory	Other
1939	51.2	40.4	8.4	20.1	—	25.3	52.8	1.8
1940	49.7	41.9	8.4	11.9	—	25.7	59.4	3.0
1941	56.7	37.5	5.8	8.8	—	28.0	60.6	2.6
1942	57.9	36.6	5.5	8.2	—	23.0	62.6	6.2
1943	63.7	32.8	3.5	11.6	—	18.8	68.5	1.1
1944	65.8	31.1	3.1	11.7	.3	18.3	68.8	.9
1945	70.0	27.4	2.6	13.4	5.4	15.5	64.9	.8
1946	70.3	26.7	3.0	14.5	.5	22.7	61.4	.9
1947	70.1	26.6	3.3	12.1	.4	25.0	60.5	2.0
1948	68.4	27.2	4.4	11.2	.0	23.3	62.0	3.5
1949	62.2	33.1	4.7	13.7	.2	22.1	61.0	3.0
1950	64.1	31.9	4.0	10.0	.3	27.3	57.5	4.9
1951	65.3	32.2	2.5	20.8	—	25.0	49.7	4.5
1952	67.0	30.8	2.2	8.3	—	25.3	63.6	2.8
1953	65.6	32.4	2.0	12.2	—	26.0	49.4	12.4
1954	64.7	33.6	1.7	24.2	—	23.9	48.8	3.1
1955[1]	61.3	37.4	1.3	20.3	—	26.1	51.5	2.1

Oct. 31	Working Capital Ratio	Cash and Marketable Securities To Current Liabilities	Stockholders' Equity To Current Liabilities	Current Assets Less Inventory To Current Liabilities	Percent Working Capital to Stockholders' Equity
1939	6.77	1.36	10.76	3.19	53.6
1940	7.20	.86	11.98	2.92	51.7
1941	2.26	.20	2.77	.89	45.6
1942	2.95	.24	3.42	1.10	56.9
1943	2.10	.24	1.98	.66	55.8
1944	3.60	.43	3.30	1.12	78.7
1945	3.96	.75	3.61	1.39	82.0
1946	3.69	.55	3.42	1.42	78.6
1947	3.05	.38	3.19	1.20	64.3
1948	2.69	.30	2.80	1.02	60.3
1949	2.74	.38	3.26	1.07	53.3
1950	3.46	.36	4.24	1.47	58.0
1951	3.88	.81	4.32	1.95	66.6
1952	3.13	.26	3.28	1.14	64.9
1953	3.15	.38	3.47	1.59	61.9
1954	4.36	1.05	5.04	2.23	66.6
1955[1]	3.58	.73	4.36	1.74	59.3

[1] August 31.

BALANCE SHEET RATIOS

12 Months Oct. 31	Percent Property Depreciated	Percent Annual Depreciation To Gross Property	Percent Annual Depreciation To Net Property	Percent Net Plant To Stockholders' Equity	Percent Cash Dividends To Stockholders' Equity
1939	28.5	3.2	5.5	49.7	1.5
1940	30.0	3.2	5.6	50.6	4.6
1941	30.5	2.9	5.0	53.9	5.1
1942	32.3	3.5	6.1	54.4	4.8
1943	34.6	4.0	7.4	54.9	3.8
1944	37.3	4.2	8.1	51.5	3.7
1945	42.1	4.5	9.6	42.9	4.2
1946	42.7	3.2	6.8	41.0	5.8
1947	42.1	3.3	6.8	36.3	4.9
1948	40.8	3.3	6.5	38.1	7.0
1949	37.9	3.5	6.4	44.8	5.8
1950	38.2	3.6	6.5	40.7	6.6
1951	36.2	3.2	5.6	44.3	7.0
1952	40.7	3.7	6.3	43.8	7.2
1953	40.1	3.9	6.6	44.7	6.2
1954	39.7	4.1	6.8	44.8	6.0
1955[1]	37.9	3.5	5.6	50.3	5.8
1955[2]	—	4.2	6.7	—	—

12 Months Oct. 31	Percent Funded Debt To Total Capitalization	Percent Preferred Stock To Total Capitalization	Percent Common Stock And Surplus To Total Capitalization
1939	11.3	30.1	58.6
1940	10.5	30.1	59.4
1941	6.0	29.9	64.1
1942	15.9	26.4	57.7
1943	13.7	27.4	58.9
1944	23.6	23.6	52.8
1945	20.4	22.6	57.0
1946	17.2	21.4	61.4
1947	—	20.6	79.4
1948	—	18.5	81.5
1949	—	17.6	82.4
1950	—	15.1	84.9
1951	12.5	—	87.5
1952	10.6	—	89.4
1953	8.6	—	91.4
1954	12.0	—	88.0
1955[1]	10.2	—	89.8

[1] Ten Months—August 31.
[2] Annualized by 1.2

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