National Lead Company

Semi-Annual Report

JUNE 30, 1949

N13822

NATIONAL LEA

111 Broad

New York 6,

To the Stockholders:

There are submitted on the followin
sheet of the Company and its wholly ow
30, 1949 in comparison with the correspo
1948, and consolidated statements of incom
six months of the years 1949 and 1948.

Earnings for the first six months of 1
with $6,512,990 for the corresponding per
payment of Preferred dividends, these e
share on the 3,253,225 shares of Commo
pared with $1.77 per share earned on the 3
outstanding in the first half of 1948.

The decrease in earnings reflects the
from generally reduced business activity
sold by the Company. During the period
marked the business picture during the f
metal inventories were at the lowest leve
of its operations. The effects of declining
earnings were offset by transfers made fro
ance with the principles of the normal sto

As a result of the stock dividend
December, 1948, scrip certificates represen
stock were issued to some stockholders. A
still outstanding; it is to the interest
convert it promptly into stock or to liqui
of the City of New York, 11 Broad Stree
as Scrip Agent for the convenience of scri

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NATIONAL LEAD COMPANY

AND ITS WHOLLY OWNED DOMESTIC SUBSIDIARIES

COMPARATIVE CONSOLIDATED BALANCE SHEET

• ASSETS

	June 30, 1949	Dec. 31, 1948
Current Assets:		
Cash	$ 15,800,912	$ 9,304,183
United States Government securities, at cost (approximately equivalent to amounts at market quotations)	2,937,707	1,995,014
Other marketable securities, at cost less reserves of: 1949, $522,892; 1948, $522,892 (at market quotations: 1949, $2,423,407; 1948, $2,965,279)	592,644	529,431
Accounts and notes receivable, less reserves of: 1949, $1,968,374; 1948, $1,962,363	17,066,062	28,013,657
Notes receivable from employees	89,409	106,649
Inventories	55,830,087	59,118,313
Total current assets	92,316,821	99,067,247
Investments (at cost or below) in and advances to unconsolidated subsidiaries, less reserves of: 1949, $4,305,711; 1948, $4,305,711	7,821,331	7,962,526
Miscellaneous investments, at cost or below, less reserves of: 1949, $846,778; 1948, $846,778	1,040,160	794,190
Plant, property and equipment (including intangibles), less reserves for depreciation, depletion and amortization of: 1949, $61,858,846; 1948, $59,856,625	73,762,385	74,022,615
Patents and licenses, less amortization	96,220	117,022
Prepaid expenses, deferred charges, etc.	2,248,898	1,497,504
	$177,285,815	$183,461,104

• LIABILITIES

	June 30, 1949	Dec. 31, 1948
Current Liabilities:		
Accounts payable and accrued liabilities	$ 9,797,406	$ 13,683,127
Payable to unconsolidated subsidiaries	881,023	842,966
Provisions for taxes, including federal taxes on income	19,365,585	20,709,584
Dividends payable on Class B preferred stock	123,600	123,600
Total current liabilities	$ 30,167,614	$ 35,359,277
Reserves:		
Fire insurance	$ 4,797,284	$ 4,797,284
Employer's liability	426,664	426,664
Pension	3,309,230	3,354,018
Contingencies	4,080,358	4,080,358
Inventory	17,901,303	22,538,007
	$ 30,514,839	$ 35,196,331

• CAPITAL

	June 30, 1949	Dec. 31, 1948
Capital Stock:		
Preferred Class A, 7 per cent cumulative, noncallable (par value $100); shares authorized 250,000, issued 243,676	$ 24,367,600	$ 24,367,600
Preferred Class B, 6 per cent cumulative, noncallable (par value $100); shares authorized 250,000, issued 103,277	10,327,700	10,327,700
Common (par value $10); shares authorized 5,000,000, issued 3,253,225	32,532,250	32,532,250
	67,227,550	67,227,550
Capital Surplus	4,523,071	4,523,071
Earned Surplus	48,343,749	44,645,883
	120,094,370	116,396,504
Less, Reacquired capital stock, at cost	3,491,008	3,491,008
	$116,603,362	$112,905,496
	$177,285,815	$183,461,104

NATIONAL LEAD COMPANY
AND ITS WHOLLY OWNED DOMESTIC SUBSIDIARIES

COMPARATIVE CONSOLIDATED STATEMENTS OF INCOME AND EARNED SURPLUS

	Six Months Ended June 30 1949	1948
Sales, less returns and allowances	$127,259,564	$148,121,628
Cost of sales, taxes (other than federal taxes on income), and other expenses	115,129,939	133,409,081
	12,129,625	14,712,547
Depreciation, depletion and amortization	2,086,935	1,820,128
	10,042,690	12,892,419
Other income	746,487	411,512
	10,789,177	13,303,931
Other charges	......	215,000
	10,789,177	13,088,931
Provision for federal taxes on income	4,398,049	6,575,941
Net income for the six months period	$ 6,391,128	$ 6,512,990

Earned surplus balance, January 1	$ 44,645,883	$ 42,098,542
Net income for the six months period	6,391,128	6,512,990
	$ 51,037,011	$ 48,611,532
Dividends:		
On Class A preferred stock	$ 820,026	$ 797,275
On Class B preferred stock	247,200	232,386
	1,067,226	1,029,661
On common stock	1,626,036	1,546,655
	$ 2,693,262	$ 2,576,316
Earned surplus balance, June 30th	$ 48,343,749	$ 46,035,216

NOTE:

Dividends received from foreign corporations owned in part or in whole, domestic corporations not wholly owned, as well as interest on bonds and miscellaneous items not directly connected with current operations, are included in the item "Other Income". Dividends on National Lead Company preferred and common stocks owned by the Company itself are not included in this statement, either as disbursement or as income.

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BOARD OF DIRECTORS

LEONARD T. BEALE
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JOSEPH A. MARTINO
DAVID A. MERSON
GEORGE L. RATCLIFFE
CHARLES SIMON
JAMES A. TAYLOR
HERMAN T. WARSHOW
HARRY C. WILDNER

EXECUTIVE COMMITTEE

JOSEPH A. MARTINO, Chairman

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CLAUDE F. GARESCHE
DAVID A. MERSON
CHARLES SIMON
HERMAN T. WARSHOW
HARRY C. WILDNER

EXECUTIVE OFFICERS

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JOSEPH A. MARTINO

Vice Presidents
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WALTER P. CARROLL
CLAUDE F. GARESCHE
DAVID A. MERSON
HERMAN T. WARSHOW
HARRY C. WILDNER

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ALFRED H. DREWES

Secretary
JOHN B. HENRICH

Treasurer
CHARLES SIMON

Comptroller
HARRY C. WILDNER

Assistant Secretary
THOMAS F. OWENS

Assistant Treasurer
JOSEPH J. MORSMAN, JR.

Assistant Comptrollers
GEORGE A. DEWEY
JOSEPH J. MORSMAN, JR.