Semi-Annual Report

National Lead Company

for Period Ending

June 30, 1936

Principal Office:

15 Exchange Place, Jersey City, N. J.

Executive Offices:

111 Broadway, New York City

To the Stockholders of National Lead Company:

The following is a Consolidated Statement of National Lead Company and all of its domestic subsidiary companies in which it owns all of the capital stock, for the six months ended June 30, 1936. The dividends received from foreign corporations owned in part or in whole, domestic corporations not wholly owned, 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 disbursements or as income.

The number of shares of Common Stock of the Company has been increased tenfold by a splitup of ten for one in conformity with action of stockholders at a special meeting held April 16, 1936. The splitup was made effective May 15, 1936.

FRED M. CARTER, *President.*

ASSETS

Current Assets:			
Cash		$ 4,223,719.12	
U. S. Government Securities (Market Value $1,231,744.87)		1,147,888.29	
Other Marketable Securities, Domestic (Market Value $4,196,176.75)	$ 3,243,032.13		
Other Marketable Securities, Foreign (Market Value $3,403,025.48)	3,380,066.06	6,623,098.19	
Accounts and Notes Receivable	$11,442,595.38		
Less Bad Debt Reserve	659,941.34	10,782,654.04	
Notes Receivable from Employees		144,676.92	
*Inventories (at Normal Prices, Excess at Cost or Market)		20,001,889.53	
Total Current Assets			$ 42,923,926.09
Investments:			
Securities of Affiliated Companies (at book value, in no cases exceeding cost)			
Domestic	$ 4,699,418.09		
Foreign	6,172,297.59	$10,871,715.68	
National Lead Company Capital Stock (34,883 shares Preferred A; 25,815 shares Preferred B; 3,210 shares Common) (Market Value $9,507,292.50)		7,654,510.57	
Miscellaneous Investments (not listed on any exchange)			
Domestic	$ 403,508.22		
Foreign	470,919.12	874,427.34	
Total Investments			19,400,653.59
Fixed Assets:			
Plant Properties and Equipment (net)			44,128,812.79
Deferred Charges			459,661.00
			$106,913,053.47

LIABILITIES

Current Liabilities:			
Accounts Payable, audited but not due		$ 3,034,420.22	
Notes Payable		2,250,000.00	
Tax Reserve		1,523,565.83	
Dividend Payable August 1, 1936 on Class B Preferred Stock		116,193.00	
Total Current Liabilities			$ 6,924,179.05
Reserves:			
Fire Insurance Reserve		$ 4,797,284.02	
Employers Liability Reserve		426,664.30	
Pension Reserve		7,000,000.00	
Foreign Exchange and Miscellaneous		248,713.99	12,472,662.31

Capital Stock and Surplus:	Authorized	Issued	
Capital Stock:			
Preferred—Class A—Par Value $100	$25,000,000.00	$24,367,600.00	
Preferred—Class B—Par Value $100	25,000,000.00	10,327,700.00	
Common —Par Value $ 10	50,000,000.00	30,983,100.00	
	$100,000,000.00	$65,678,400.00	
Earned Surplus		21,837,812.11	
Total Capital Stock and Surplus			87,516,212.11
			$106,913,053.47

DETAILS OF PLANT INVESTMENT

	June 30, 1936	Dec. 31, 1935	Increase or Decrease
Gross Property	$76,026,453.81	$75,503,580.49	$ 522,873.32
Less Depreciation and Depletion Reserves	31,897,641.02	31,041,291.99	856,349.03
Net Property	$44,128,812.79	$44,462,288.50	$ 333,475.71†

* See page 4. † Decrease.

CONSOLIDATED EARNINGS STATEMENT
For the Six Months Ended June 30, 1936

		Six Months Ended June 30th 1936		1935
Sales		$36,607,914.78		$32,064,071.16
Cost of Goods Sold, Taxes, Depreciation, and Other Expenses		34,320,529.56		30,268,336.46
Net Operating Profit		$ 2,287,385.22		$ 1,795,734.70
Other Income		453,541.83		819,775.11
Total Net Income		$ 2,740,927.05		$ 2,615,509.81
Dividends on Preferred Stock Outstanding:—Class A	$730,775.50		$730,775.50	
—Class B	232,386.00	963,161.50	232,386.00	963,161.50
Amount Earned on Common Stock		$ 1,777,765.55		$ 1,652,348.31

Note:—No provision has been made for Surtax, if any, on undistributed profits.

ANALYSIS OF CONSOLIDATED SURPLUS

		1936		1935
Surplus—At beginning of year		$20,833,821.56		$22,413,806.99
Add: Net Income for Six Months		2,740,927.05		2,615,509.81
		$23,574,748.61		$25,029,316.80
Deduct Dividends: Preferred Stock Outstanding:—Class A	$730,775.50		$730,775.50	
—Class B	232,386.00	$ 963,161.50	232,386.00	$ 963,161.50
Common Stock Outstanding		773,775.00		772,836.25
**14% Stock Dividend		....		3,059,543.76
Total Dividends		$ 1,736,936.50		$ 4,795,541.51
Surplus at June 30th		$21,837,812.11		$20,233,775.29

*The present normal stocks of the Company are as follows:

Lead	49,687¾	short tons valued at $0.03 per pound
Tin	1,124⅗	short tons valued at .21 per pound
Antimony	259	short tons valued at .05 per pound

Stocks in excess of these normals are valued at cost or market whichever is lower.

**A Stock Dividend to Common Stockholders of 14% payable in Common Stock was paid on January 15, 1935 out of Common Stock held by the Company in its treasury.

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