MOODY'S

INDUSTRIAL MANUAL

JUNE

1967

PLAINTIFF'S
EXHIBIT
K-1773

AMERICAN AND FOREIGN

(On $1 par shares)
1941--- 2.25 1942-45 2.00
2.25
1.50
On $1 par shares after 2 for 1 split)
0.40 1947--- 1.65 [3]1948-57 1.80
1.35 1959--- 1.35 1960--- 1.52½
1.60 1963--- 1.30 1964--- 0.80
1.00 1966--- 1.25 [4]1967--- 0.80
[2] Plus $2.50 in preferred stock.
[3] Plus $10 in preferred stock.
[4] Plus $0.70½ per share in 6% first preferred
$1.41 per share in 6% second preferred
both issues since retired). All payments made
prior to capital change.
[5] To May 2.
[6] Also in 1955 1/20 share of $4 series B pre-
ferred for each share held.

Dividends payable quarterly February 1, etc. to stock of record about January 19, etc.

DIVIDEND RESTRICTIONS—See long term debt above.

VOTING RIGHTS—One vote per share.

PREEMPTIVE RIGHTS — Has preemptive rights in any issue for cash (except not over 100,000 shares which may be sold to employees under qualified stock option plan) of common, preferred or other stock entitled to voting rights in ordinary circumstances, or in any securities convertible into or evidencing a right to purchase such stock.

LISTED—New York Stock Exchange.

TRANSFER AND DIVIDEND DISBURSING AGENT—Irving Trust Co., New York.

REGISTRAR—First National City Bank, New York.

ISSUED—(450,000 shares) in Sept., 1952 in connection with merger of Miles Shoes, Inc.

Recapitalization: On December 15, 1939 stockholders voted to exchange each share of old $5 par 6% preferred for 11/200 of a share of 4% (formerly 5%) convertible preferred and to exchange each share of the old no par common for 1/10 share of 4% (formerly 5%) convertible preferred, plus 2 shares of new $1 par common.

Stock Options held by key employees at Dec. 31, 1966 on 56,522 com. shares at prices from $19.875 to $34.50 a share expire to Dec. 1971.

OWENS-CORNING FIBERGLAS CORPORATION

CAPITAL STRUCTURE

LONG TERM DEBT

Issue	Rating	Amount Outstanding	Times Charges Earned 1966	Times Charges Earned 1965	Interest Dates	Call Prices	Price Range 1966	Price Range 1965
4 2% note, due 1988	[1]--	$50,000,000			--------	-----	[1]-----	[1]-----
4 ⅛% note, due 1973	[1]--	6,000,000			--------	-----	[1]-----	[1]-----
3 ⅝% note, due 1980	[1]--	6,500,000	13.80	18.65	--------	-----	[1]-----	[1]-----
3 ⅞% note, due 1974	[1]--	1,340,000			--------	-----	[1]-----	[1]-----
4 ⅜% other, due 1969	[1]--	579,900			--------	-----	[1]-----	[1]-----

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1966	Earned per Sh. 1965	Divs. per Sh. 1966	Divs. per Sh. 1965	Call Prices	Price Range 1966	Price Range 1965
Common	$1	6,757,702 shs.	$3.25	$2.90	$1.40	$1.30	-----	92¾- 58	71⅝- 52⅝

[1] Privately held.

HISTORY

Incorporated under Delaware laws Oct. 31, 1938 by Owens-Illinois Glass Co. and Corning Glass Works to continue development of fibrous glass products.

On Nov. 30, 1954, Fiberglas Contracting & Supply Co. and Fiberglas Engineering & Supply Co., former subsidiaries, were dissolved; now operated as divisions.

SUBSIDIARIES

Fibras y Lana de Vidrio Fibra-Glass S. A., Bogota Colombia (85%); Owens-Corning Fiberglas U. K. Ltd., London, England; Owens-Corning Fiberglas Europe, S. A., Brussels, Belgium; Owens-Corning Fiberglas International (Del.); Owens-Corning Fiberglas (Italy) S.p.A., Milan, Italy; Owens-Corning Fiberglas Venezuela, C. A., Caracas, Venzuela.

INTERNATIONAL DIVISION

Owens-Corning Fiberglas International, N. Y.

AFFILIATES

Company is affiliated with Owens-Illinois Glass Co. and Corning Glass Works, see general index, through stock ownership (see common stock, below).

Affiliates—Partly Owned:

Fiberglas Canada Limited, Toronto, Canada (48% of common; 50% of pfd.); plants at Sarina and Guelph, Ont. Edmonton, Alta. and Candiac, Que.

Asahi Fiber Glass Company, Ltd., Tokyo, Japan (40%); plant at Chigasaki.

Vitro-Fibras, S.A., Mexico City (40%); plant at Mexico City.

Australian Fibre Glass Pty. Ltd., Sydney (40%); plants at Melbourne and Sydney.

New Zealand Fibre Glass Ltd. (wholly-owned by Australian Fibre Glass), Auckland; plant at Auckland.

Fibreglass South Africa Pty. Ltd., Johannesburg (24.5%); plant at Springs (near Johannesburg).

Scandinavian Glasfiber AB, Vasteras, Sweden (40%); plant at Falkenberg.

BUSINESS & PRODUCTS

Company is engaged in development and manufacture of fibrous glass products, distributed by its own sales organization which has 78 sales offices located in cities throughout the United States.

Company's products can be classified into the following five groups: (1) Fiberglas "wool" products, used for thermal insulation and acoustical applications; (2) Fiberglas textile products, consisting of strands, yarns and cords, used by other companies in manufacture of electrical insulation and decorative and industrial fabrics, as reinforcements for plastics, papers, twines and rubber goods and for other industrial purposes; (3) Fiberglas Aerocor, an extremely light weight wool product used as an insulating and sound control materials; (4) Fiberglas filter products used in heating, air conditioning and ventilating systems and in industrial processes; and (5) Fiberglas mat products, consisting of porous thin sheets used principally in manufacture of storage batteries and as protective wrapping for underground pipes.

PLANTS & PROPERTIES

Company owns plants at Newark, O., Kansas City, Kan., Santa Clara, Cal., Barrington and Berlin, N. J., Anderson and Aiken, S. C., Ashton, R. I., Huntington, Pa. and Waxahachie, Tex. also research center at Granville, O. In addition 4 product and research laboratories are connected with the Anderson, Ashton, Granville and Santa Clara plants.

Toledo office and sales offices in principal cities are leased.

Affiliate Plants: See Affiliates above.

Company has 51 supply and contracting locations and sales offices throughout the U. S.

MANAGEMENT

Officers:
Harold Boeschenstein, Chairman
Gen. Lauris Norstad, President
J. M. Briley, Senior Vice-President
B. S. Wright, Vice-Pres. (Purch. & Trans.
W. W. Boeschenstein, Vice-Pres. (Mktg.)
B. E. Boyd, Vice-Pres. (Mfg.)
C. E. Peck, Vice-Pres. (Home Bldg. Prod.)
W. H. Curtiss, Jr., Vice-Pres. & Gen. Mgr., Pacific Coast Division
A. S. Kerivan, Vice-Pres. (Transp., equip. & appliance materials)
J. H. Thomas, Vice-Pres. (Research and Dev.)
F. R. Winnat, Vice-Pres. (Advertis.)
E. J. Detgen, Vice-Pres. (Nat'l Affairs)
Fowler Blauvelt, Vice-Pres. (Fiberglas Ind. Mats.)
R. E. Trumbull, Vice-Pres. (Mid-Continent Sales)
R. K. Biggers, Vice-Pres. (Nat'l Affairs)
G. O. Mabry, Vice-Pres. (Sales branch oper.)
R. P. Mulligan, Vice-Pres. (Eastn. Reg. Sales)
F. L. Purtill, Vice-Pres. (Pacific Coast Sales
D. W. Ladd, Jr. Vice-Pres. (Ind. & comm'l. Const. Mat.)
Roger van den Perre, Vice-Pres. (OCF Int'l.)
L. W. Saxby, Vice-Pres. (Supply & contracting)
W. E. Munsey, Vice-Pres. (Engr. to Supply, Pac. Coast Div.)
T. W. Fowler, Vice-Pres. (Exp. Mkt., OCF International)
C. F. Scarbrough, Vice-Pres. (Finance)
Wayne Ketner, Comptroller
C. G. Staelin, Vice-Pres. & Sec.
C. L. McKelvy, Jr., Treasurer
J. F. Ferger, Vice-Pres. (Dec. & Home Furn.)

Directors:
Harold Boeschenstein
J. E. Bierwirth
L. W. Cabot
J. M. Kemper, Jr.
D. W. Malott
H. J. Morgens
H. C. Nolen
Gen. Lauris Norstad
H. R. Winkle
W. J. Murray (Honorary)

Auditors: Arthur Andersen & Co.

Annual Meeting: Third Thursday in Apr.

No. of Stockholders: Jan. 5, 1967, 8,206.

No. of Employees: 1966 average, 12,767.

General Offices: National Bank Bldg., Toledo 1, O.

New York Office: 717 Fifth Ave.

INCOME ACCOUNTS

COMPARATIVE INCOME ACCOUNT, YEARS ENDED DEC. 31

	1966	1965	1964	1963	1962	1961	1960
Net sales	$373,673,079	$335,337,976	$299,812,261	$274,227,443	$253,258,218	$226,940,262	$218,178,030
Cost of sales	276,389,515	250,483,653	224,145,496	207,974,506	187,338,241	165,643,964	156,747,513
Research & devel. expenses	7,773,368	7,632,605	6,882,801	7,566,847	6,627,501	5,827,158	5,382,477
Selling expenses	28,709,840	25,378,405	22,171,590	21,547,693	19,212,419	16,954,972	16,348,336
General & admin. expenses	15,244,021	12,687,287	11,852,730	10,569,473	10,084,171	9,674,417	9,419,304
Operating profit	45,556,335	39,156,026	34,759,644	26,568,924	29,995,886	28,839,751	30,279,900
Royalties	2,076,659	1,957,880	1,924,595	2,639,968	2,816,769	2,353,863	2,432,248
Other income (net)	*dr*2,594,632	*dr*1,890,219	*dr*1,425,024	*dr* 1,494,208	*dr* 1,428,869	*dr* 1,372,694	*dr* 819,256
Total income	45,038,362	39,223,687	35,259,215	27,714,684	31,383,786	29,820,920	31,892,892
Interest on borrowed funds	3,263,386	2,102,832	1,716,167	1,494,598	1,342,192	1,455,000	1,233,090
Federal income tax	19,844,000	17,606,000	16,379,000	13,740,000	15,670,000	14,087,000	16,025,000
Net income	21,930,976	19,514,855	17,164,048	12,480,086	14,371,594	14,278,920	14,634,802
Earned surplus, Jan. 1	117,189,993	107,080,706	96,633,679	90,866,669	83,201,457	75,619,149	67,645,567
Common dividends	9,435,861	9,405,568	6,717,021	6,713,076	6,706,382	6,696,612	6,661,220
Earned surplus, Dec. 31	$129,685,108	$117,189,993	$107,080,706	$96,633,679	$90,866,669	$83,201,457	$75,619,149
SUPPLEMENTARY P. & L. DATA							
Maintenance & repairs	$23,569,854	$21,416,514	$20,100,500	$18,806,143	$16,149,793	$12,954,807	$13,094,039
Depreciation, depl. & amort.	15,106,564	13,446,181	14,111,600	12,835,457	12,519,512	12,784,903	10,217,963
Taxes, other than income	9,796,263	7,601,618	6,695,046	5,948,676	5,427,600	4,593,527	4,607,093
Rents and royalties	6,509,989	6,360,580	5,876,591	4,509,300	3,955,506	3,901,159	4,293,696

CORNING GLASS WORKS

CAPITAL STRUCTURE

LONG TERM DEBT

Issue	Rating	Amount Outstanding	Times Charges Earned 1966	1965	Interest Dates	Call Price	Price Range 1966	1965
1. 4¾% term note, 1968-72	[1]--	$50,000,000	39.69	221.12	-------	-----	[1]-----	[1]
2. Income debenture 3¾s, due 2002	[1]--	8,100,000			A&O [1]	See Text	[1]-----	[1]
3. Other notes	----	3,158,037			-------	-----	[1]-----	[1]

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1966	1965	Divs. per Sh. 1966	1965	Call Price	Price Range 1966	1965
1. 3½% cumulative pfd., 1945 series	$100	17,069 shs.	$3,173.80	$1,584.30	$3.50	$3.50	101	92 - 83	94 - 88
2. 3½% cumulative pfd., 1947 series	100				3.50	3.50	102½	96 - 85½	98 - 88
3. Common	5	6,852,043 shs.	7.90	5.64	3.25	2.50	-----	321 -229	247¾-169

[1]Privately held.

HISTORY

Incorporated in New York Dec. 24, 1936, as a consolidation of a New York company of same name originally incorporated in 1875 and Macbeth-Evans Glass Co. incorporated in Pennsylvania in 1899. Business established in 1851.

On Sept. 12, 1945, merged Corning Realty Co., a wholly-owned subsidiary owning Corning Building at Fifth Ave. and 56th St., New York and certain realty at Corning, N. Y.

In Aug. 1956 purchased remaining 50% interest in Corning Fibre Box Corp., which was operated as a subsidiary until 1963 when it was merged; now operaetd as a division under name of Corning Packaging Co.

On Nov. 28, 1958, merged Steuben Glass Inc., a subsidiary, now a division.

SUBSIDIARIES & AFFILIATES

Corhart Refractories Co., Inc. (wholly-owned): Organized in Delaware in 1927. Owns and operates refractories plant at Louisville, Ky., Buckhannon, W. Va. and Corning, N. Y. On Dec. 27, 1958, acquired refractories business of parent.

Corning Glass Works of Canada, Ltd. (wholly-owned): Organized in 1945. Offices and plant at Toronto, Ont. Plant processes Corning Ware and television picture tubes and is used as a warehouse and distributing point for Canadian market.

Corning Glass International, S.A. (wholly owned): Incorporated in Panama in 1959 with offices at Panama, R.P., Brussels, Belgium, Coral Gables, Fla., Zurich, Switzerland, 717 Fifth Ave., New York and Corning, N. Y. to coordinate export of all Corning and Corhart products in all countries outside of the U. S. and Canada.

Vidros Corning Brasil, S. A. (wholly-owned): Organized in Brazil in 1944 as a holding company. Became an operating company in 1965. Television bulb plant near Sao Paulo. Owns 31% of ordinary shares and 18% of preferred shares of Cia Vidraria Santa Marina, which operates a glass plant at Sao Paulo, Brazil.

Corning International Corp. (wholly-owned): Formed in early 1966 for purpose of raising funds overseas.

Pittsburgh Corning Corp. (50% owned): Organized in Pennsylvania in 1937 in association with Pittsburgh Plate Glass Co. Owns and operates plant at Port Allegheny, Pa., Sedalia, Mo. and Tyler, Tex. for manufacture of hollow glass building blocks, also cellular glass products sold under trade name of Foamglass used in refrigeration chambers and as a flotation material. Pittsburgh Corning owns Pittsburgh Corning Export Corp. and Pittsburgh Corning de Belgique, S.A.

Owens-Corning Fiberglas Corp. (30.51% owned): See general index.

Dow Corning Corp. (50% owned): Incorporated in Michigan in 1943 in association with Dow Chemical Co. Operates plants at Midland, Mich., and at other locations for manufacture of electrical insulating resins, greases, fluids and elastomers resembling natural or artificial rubber, all generally known as silicones. Dow Corning has complete or majority ownership in companies whose names include "Dow Corning" in Canada, Bahamas, Switzerland, Mexico, Brazil, Argentina, Netherlands, United Kingdom and Australia, in Armet Industries Ltd. and Armet-Hamilton Ltd. in Canada and in Molykote Produktiongesellschaft M.b.H. and Molykote K.G.

Industrial Reactor Laboratories, Inc.: Formed jointly with nine other companies to provide facilities for atomic energy research programs of constituent companies. Began operation early in 1959.

Corning Mexicana S. A. (wholly owned): Organized in Mexico in 1951 (inactive).

James A. Jobling Co. Ltd. (England) (40% owned): Stock interest acquired by company in 1954 from Pilkington Brothers, Ltd. Manufactures Pyrex brand ovenware, tableware, chemical ware, and industrial specialties in a plant at Sunderland, England.

Societe des Verreries Industrielles Reunies du Loing "Soviret" (France) (formerly La Pyrex, S. A.) (30.8% owned): Manufacturers Pyrex brand ovenware, television bulbs, chemical ware and other products at plants at Bagneaux-sur-Loing and Aniche, France.

Signetics Corp., Sunnyvale, Calif. Majority interest acquired in 1962. Operates plant at Sunnyvale, Calif. Manufactures microelectronic integrated circuits for the computer and communications industry.

Signetics Korea Co. Ltd. Organized in 1966. Manufactures electronics items at plant in Seoul, Korea.

Productos Corning de Mexico. Organized in Mexico in 1965. Manufacturing plant in Monterey, Mexico, for television picture tubes.

Other associated companies are Cristalerias Rigolleau, S. A. (Buenos Aires), Cia. Vidraria Santa Marina, S. A. (Sao Paulo), Cristalerias de Chile, S. A. (Santiago), L'Electro Refractaire and Sovcor Electronique, S.A. (Paris) Borosil Glass Works Ltd. (Bombay) Electrosil, Ltd. (England) and Iwaki Glass Co. Ltd. (Japan).

BUSINESS & PRODUCTS

Engaged in manufacture of glass products, including fluorescent, electric light, television and radio bulbs, electronic components; tree ornaments, tumblers, lamp chimneys, tubing, vacuum bottle liners, tableware and lighting ware, Steuben line of stemware and art glass, cooking ware, laboratory ware, insulators, lantern globes, optical glass, refractory products for chemical, metallurgical and electronics industries, etc. Most of company's products are sold under trade marks, Corning, Pyrex, Pyroceram Vycor, Corning Ware, Centura, Corning, Corex, Bestlite, Corgare, Cercor and Clearshield.

Sales offices at Corning, N. Y., New York, Chicago, Dallas, Houston, Atlanta, Washington, D. C., Cleveland, Toronto, Ontario, Louisville, Ky., Raleigh, N. C., Sunnyvale, Cal., Bradford, Pa., Towson, Md., Sydney, Australia, Zurich, Switzerland, Brussels, Belgium, Suzano, Brazil, Milan, Italy, Mexico City and Monterey, Mexico, Hong Kong, BCC and Coral Gables, Fla.

PLANT AND PROPERTIES

Main Plant: Corning, N. Y.: Railroad, marine and aviation signal ware; thermometer and other tubing; coffee makers; piping, special industrial glassware; optical ware; and technical glass filters, ovenware, top-of-stove cooking utensils. Floor space, 1,021,800 sq. ft.

Pressware Plant: Corning, N. Y.: Television bulbs. Floor space, 387,000 sq. ft.

Fall Brook Plant: Corning, N. Y.: Machine-made tubing and small bulbs. Floor space, 253,500 sq. ft.

Houghton Park: Includes Corning Glass Center (a tourist attraction of 100,900 sq. ft.), administration building and product development workshop for total of 397,700 sq. ft. Glass Center also includes Steuben manufacturing and employee recreation center.

Mechanical Engineering Building: Corning, N. Y.: Central machine shop and machine development departments. Floor space, 72,100 sq. ft.

Sullivan Park: Corning, N. Y. Researcch and development; 410,000 sq. ft.

Corning Packaging Co. (Division): Corning, N. Y.: Fibre boxes and foam plastic packaging items. Plants at Corning, N. Y., 190,000 sq. ft.; Frederick, Md., 23,100 sq. ft.; Marshall, Mo., 72,000 sq. ft.

Big Flats, N. Y., Plant: Chemical and laboratory glassware and other miscellaneous industrial glassware. Floor space, 187,000 sq. ft.

Wellsboro, Pa., Plant: Machine-made bulbs; Christmas tree ornaments. Floor space, 298,400 sq. ft.

Central Falls, R. I. Plant: Machine-made tubing, bulbs and vacuum bottle liners. Floor space, 441,400 sq. ft.

Charlerol, Pa. Plant: Housewares, tableware. lighting ware, miscellaneous products. Floor space, 628,000 sq. ft.

Bradord, Pa., Plant: Electronic components and fused silica proucts. Floor space, 237,000 sq. ft.

Parkersburg, W. Va. Plant: Machine-made tubing; chemical and apparatus ware; [illegible] glasses; miscellaneous industrial ware and piping. Floor space, 272,600 sq. ft.

Muskogee, Okla., Plant: Laboratory and coffee making ware. Floor space 268,600 sq. ft.

Albion, Mich. Plant: Manufactures television bulbs. Flood space, 716,000 sq. ft.

Danville, Ky. Plant: Manufactures bulbs and tubing. Floor area, 333,900 sq. ft.

Harrodsburg, Ky. Plant: Manufactures optical and ophthalmic glass. Floor area, 160,000 sq. ft.

Greenville, O.: Sealed beam plant. Floor area, 265,000 sq. ft.

Canton, N. Y.: Manufacturers fused silica. Floor space, 139,000 sq. ft.

Raleigh, N. C. Plant: Manufactures electronic components. Floor area, 147,000 sq. ft.

Martinsburg, W. Va. Plant: Manufactures Corning Ware utensils, percolators, teamakers. Floor space, 325,200 sq. ft.

Bluffton, Ind. Plant: Manufactures glass for color television bulbs. Floor space, 355,000 sq. ft.

Paden City, W. Va. Plant: Manufactures Centura tableware. Floor space, 205,800 sq. ft.

Greencastle, Pa. Plant: Final assembly and distribution of all consumer items. Floor space, 600,000 sq. ft.

New York Office: Office building and Steuben retail shop. Company occupies about 19% balance leased. Total area, 481,000 sq. ft.

Blacksburg, Va., Plant: Manufactures glass piping and components. Floor space, 210,000 sq. ft.

Medfield, Mass., Plant: Manufactures MC temperature process instruments and controls. Floor space, 40,500 sq. ft.

Newton, N. J., Plant: Manufactures printing plates from photosensitive glass. Floor glasses. Floor space, 230,000 sq. ft.

Danville, Va. Plant: Manufactures Pyrex brand glass and other high quality specialty glasses. Floor space, 230,800 sq. ft.

Horseheads, N. Y., Plant: Warehouse with some manufacturing. Floor space 1,214,700 sq. ft.

Wilmington, N. C., Plant: Manufactures electronic equipment. Floor space, 77,000 sq. ft.

Corning Glass Works of Canada, Ltd. Toronto, Ont.: Housewares and television bulbs produced; warehouse and distributing point. Floor space, 105,800 sq. ft.

Corhart Refractories Co., Refractories Plants at Louisville, Ky., 168,000 sq. ft., Buckhannon, W. Va., 89,000 sq. ft. and Corning, N. Y., 79,000 sq. ft.

Sydney, Australia: Small plant for manufacture of bulbs for television tubes. Floor space, 50,000 sq. ft.

Signetics Corporation: Produces electronic components at Sunnyvale, Calif. and Provo, Utah. Floor space 158,000 sq. ft.

Vidros Corning Brasil, S.A.: Plant at Suzano manufactures television bulbs. Floor space 132,000 sq. ft.

Productos Corning de Mexico, S.A. de C.V.: Television bulb plant at Monterrey. Floor space 51,400 sq. ft.

New Construction: Plants will add over 900,000 sq. ft. at State College, Pa., Oneonta, N. Y., Muskoka, Ont. and Seoul, Korea.

1966 Capital Expenditures totaled $73,651,560, which included addition of 900,000 sq. ft. of floor space, completion of 5 new plants and expansion of 10 plants.

MANAGEMENT

Officers:

Amory Houghton, Jr., Chmn. and Chief Exec. Officer
R. Lee Waterman, President
E. C. Leibig, Asst. to Pres.
J. H. Allen, V.-P. (Dir. Manpower Devel.)
William H. Armistead, V.-P. (Tech. Staff)

Paul T. Clark, Vice-Pres. (Lighting Prod.)
Allen W. Dawson, V.-P. (Tech. Prod.)
F. P. Hunt, Vice-Pres. (Ind. Rel.)
T. C. MacAvoy, V.-P. (Electron Prod.)
Arthur W. Weber, V.-P. (Facilities)
Thomas S. Wood, Jr., V.-P. (Purchases)
Oakes Ames, V.-P. (T.V. Prod. Div.)
J. H. Bierer, V.-P. (Consumer Prod. Div.)
Frederick H. Knight, Secretary
Thomas Waaland, Treasurer
Robert W. Foster, Controller

Directors:
W. C. Decker, Corning, N. Y.
Amory Houghton, Corning, N. Y.
Amory Houghton, Jr., Corning, N. Y.
Arthur A. Houghton, Jr., New York
Charles D. LaFollette, Corning, N. Y.
George D. Macbeth, Corning, N. Y.
George Murnane, New York
Robert D. Murphy, New York
Howard C. Sheperd, New York
John R. Kimberly, Neenah, Wisc.
John B. Coburn, Cambridge, Mass.
R. Lee Waterman, Corning, N. Y.
William H. Armistead, Corning, N. Y.
Paul T. Clark, Corning, N. Y.
Roswell L. Gilpatric, New York

Auditors: Price Waterhouse & Co.
Corporate Counsel: Frederick H. Knight.
Annual Meeting: Second Tuesday in Apr
No. of Stockholders: Dec. 31, 1966: Pfd., 256; common, 14,510.
Number of Employees: Dec. 31, 1966, 21,372.
Main Office: Corning, N. Y.

INCOME ACCOUNT

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED

	Jan. 1,'67	Jan. 2,'66	Jan. 3,'65	Dec. 29,'63	Dec. 30,'62	Dec. 31,'61	Jan. 1,'61
Net sales	$444,139,133	$340,471,141	$327,612,307	$289,217,438	$262,199,886	$229,568,819	$214,871,286
†Cost of sales	291,669,419	237,048,270	229,432,187	183,784,809	171,154,450	150,058,528	148,931,976
†Selling, gen. & adminis. exps.	60,171,531	45,611,651	44,525,631	40,012,756	35,087,885	28,972,485	25,538,706
†Research & development expenses				15,425,935	12,945,628	10,714,482	9,360,782
Operating profit	92,298,183	57,811,220	53,654,489	49,993,938	43,011,923	39,823,324	31,039,822
Other income	15,403,781	12,488,946	10,093,354	10,554,273	9,592,589	8,835,473	10,159,769
Total income	107,701,964	70,300,166	63,747,843	60,548,211	52,604,512	48,658,797	41,199,591
Interest, etc.	6,333,119	2,622,545	1,504,534	1,708,090	1,407,903	731,897	710,850
Federal income tax	47,195,000	28,989,000	27,221,000	27,264,000	23,100,000	21,490,000	18,026,000
†State income tax						511,000	408,000
Net income	54,173,845	38,688,621	35,022,309	31,575,521	28,096,609	25,925,900	22,054,741
†Special charge or credit		cr1,279,499					2,334,924
Net income less special charge plus credit	54,173,845	39,968,120	35,022,309	31,575,521	28,096,609	25,925,900	19,719,817
Retained Earnings, Jan. 1	167,163,640	144,384,180	126,531,551	112,126,448	97,789,264	85,617,225	79,627,130
Preferred dividends	65,755	103,680	128,285	164,848	179,346	194,133	201,252
Common dividends	22,263,503	17,084,980	17,041,395	17,005,570	13,580,079	13,559,728	13,528,470
Retained Earnings, Dec. 31	$199,008,227	$167,163,640	$144,384,180	$126,531,551	$112,126,448	$97,789,264	$85,617,225
SUPPLEMENTARY P. & L. DATA							
Maintenance & repairs	$26,657,618	$22,160,908	$22,692,601	$20,113,272	$20,093,621	$16,406,029	$19,703,401
Depreciation, depl. & amort.	21,209,317	18,232,583	14,871,260	13,692,397	13,054,664	10,853,435	9,478,793
†Taxes, other than income	12,351,113	9,145,793	8,310,784	8,833,491	7,567,011	6,711,882	6,515,625
Rents	4,945,399	4,266,414	3,972,753	3,309,765	2,983,178	2,515,043	3,401,836

†Includes related portions of items shown under "Supplementary p. & l. data" shown below amount.

‡1964, 1965 and 1966 figures not separately shown.

§Jan. 1, 1961, loss; Jan. 2, 1966, gain; on disposition of investments in associated companies.

¶Included with interest, etc. in 1961-66.

#Includes payroll taxes (1966, $7,236,383).

General: (a) Company's equity in undistributed earnings of its major domestic affiliated companies (Dow Corning Corp., Owens-Corning Fibreglas Corp., Pittsburgh Corning Corp. and Sylvania-Corning Nuclear Corp.) was: 1966, $8,172,144; 1965, $6,252,107; 1964, $5,134,800; 1963, $3,072,730; 1962, $3,626,438; 1961, $3,243,105; 1960, $3,310,209.

(b) Company's share in undistributed earnings of its wholly owned foreign associates and subsidiary companies not consolidated was: 1966, $1,306,379; 1965, $1,837,937; 1964, $943,-341; 1963, $532,275; 1962, $696,412; 1961, $1,045,-964; 1960, $1,028,099.

(c) Commencing Jan. 1, 1954, parent company adopted the sum-of-the-years-digits method of computing depreciation of fixed assets as permitted by the Internal Revenue Code of 1954. The effect of this change on income for 1954 was not material.

(d) In accordance with the investment tax credit provisions of the Revenue Act of 1962, the company has taken a credit in the amount of $529,522 against income tax payable for the year 1962. This credit is to be reflected in income over the life of the related property and the amount of the tax reduction has been cnarged to income as additional depreciation for the year.

Sources and Disposition of Funds (in $1,000):

Sources of Funds:	1966	1965
Net income	$54,174	$38,689
Depr. & amort.	21,209	18,233
Incr. l. t. debt	53,158	
Sale of com. stk.	1,505	3,794
Other, net	4,424	3,961
Total	$134,470	$64,677
Disposition of Funds:		
Dividends	$22,330	$17,189
Capital expend.	73,662	31,475
Pfd. shares ret.	678	1,038
L. t. debt red.		200
Invest. in sub. cos.	cr187	6,707
Total	$96,483	$56,609
Work. cap. incr.	$37,987	$8,068

Record of Earnings, years ended about Dec. 31 (in $):

Year	Net Sales	Cost and Expenses	Operating Profit	Oth. Inc. & Ded. (Net)	Inc. Bef. Taxes	Income Taxes	Net Income	Common Dividends	Com. Shs. Outstand.	Earn. Per Com. Sh.
1947	61,295,727	57,145,718	4,150,009	d 549,100	3,600,909	1,382,500	2,218,409	1,317,154	2,634,308	0.73
1948	67,866,101	60,609,294	7,256,807	d 1,161,264	6,095,543	2,447,290	3,648,253	1,317,154	2,634,308	1.25
1949	73,197,782	61,618,194	11,579,588	236,848	11,816,436	4,738,052	7,078,384	2,634,308	2,634,308	2.56
1950	116,473,981	81,573,689	34,900,292	770,495	35,670,787	18,058,432	17,612,355	5,287,366	2,649,533	6.53
1951	115,750,172	93,052,059	22,698,113	1,164,551	23,862,664	13,724,500	10,141,164	5,318,016	2,659,008	3.70
1952	126,455,784	98,811,014	27,644,770	871,386	28,516,156	18,193,000	10,323,156	5,318,016	2,659,008	3.77
1953	149,294,036	116,779,396	32,514,640	1,524,755	34,039,395	21,358,000	12,681,395	5,318,016	2,659,008	4.66
1954	147,938,842	113,839,904	34,098,938	1,892,253	35,991,191	18,501,000	17,490,191	7,977,024	2,659,008	6.48
1955	157,663,837	121,559,461	36,104,376	2,792,295	38,896,671	20,270,000	18,626,671	9,980,655	6,660,020	2.76
1956	163,053,554	128,446,217	34,607,337	3,125,416	37,732,753	19,300,000	18,432,753	9,991,530	6,681,202	2.72
1957	159,069,721	132,854,207	26,215,514	4,817,890	31,033,404	14,500,000	16,533,404	10,052,653	6,707,252	2.43
1958	159,137,729	131,786,614	27,351,115	5,412,428	32,763,543	15,600,000	17,163,543	10,076,503	6,722,052	2.52
1959	204,887,424	167,026,013	37,861,411	7,195,488	45,056,899	20, 721,000	24,335,899	10,963,143	6,754,600	3.57
1960	214,871,286	183,831,464	31,039,822	9,448,919	40,488,741	18,434,000	[1]22,054,741	13,528,470	6,770,003	3.23

[1]Before special change; after, $19,719,817.

BALANCE SHEET

CONSOLIDATED BALANCE SHEET, AS OF

ASSETS	Jan. 1,'67	Jan. 2,'66	Jan. 3,'65	Dec. 29,'63	Dec. 30,'62	Dec. 31,'61	Jan. 1,'61
Cash	$24,693,487	$14,628,614	$17,214,651	$21,127,163	$15,488,887	$13,329,286	$12,845,560
U. S. & Cdn. Govt. securities (at cost)	60,158,027	28,371,740	21,137,375	30,643,008	25,506,663	25,971,004	18,562,832
Receivables, net	50,153,695	37,330,130	35,899,254	28,874,060	26,044,236	22,483,754	20,143,562
†Inventories	56,493,466	47,841,705	43,353,639	40,991,020	35,878,226	33,396,041	35,374,530
Prepaid expenses	1,288,430	1,075,851	524,221	740,798	712,869	638,765	738,384
Total current assets	$192,787,105	$129,248,040	$122,376,949	$103,630,881	$95,818,850	$87,665,288	$95,739,516
†Plant & equipment	322,490,577	254,004,997	225,473,295	189,095,306	174,306,039	159,777,060	143,094,379
†Depreciation & amortization	141,662,196	126,976,997	110,930,009	98,737,628	86,954,214	77,091,652	68,558,999
Net property	180,828,381	127,028,000	114,543,286	90,357,678	87,351,825	82,685,408	74,535,380
Investment in foreign affil. & subs.	9,880,742	15,150,659	8,443,591	6,626,888	5,752,329	4,451,871	3,739,222
†Investment in affiliates	4,579,623	4,579,623	4,601,158	4,601,158	4,601,158	4,601,158	4,601,158
Other investments	212,067	212,068	212,017	209,575	203,114	201,459	171,324
Other assets	5,776,437	5,250,376	4,636,502	4,425,381	4,364,163	3,639,153	3,665,954
Total	$394,064,355	$281,468,766	$250,565,694	$228,597,629	$205,903,470	$191,397,898	$174,378,326
LIABILITIES							
Notes & accounts payable	$21,639,777	$12,555,613	$11,492,194	$10,167,024	$8,529,648	$7,178,088	$7,696,768
Accrued income taxes	28,700,935	19,931,596	18,858,434	19,172,984	15,909,433	15,515,311	13,193,548
Other accrued liabilities	20,570,565	12,871,764	11,957,087	12,019,010	9,515,468	10,642,802	8,457,395
Total current liabilities	$70,911,277	$45,358,973	$42,307,715	$41,359,018	$33,954,549	$33,336,201	$29,347,711
Deferred investment credit	3,860,384	2,402,485	1,434,791				
Long term debt	61,258,037	8,100,000	8,300,000	8,500,000	8,700,000	8,900,000	9,100,000
Furnace repair reserve	5,358,292	5,603,303	4,054,645	3,944,095	3,402,736	3,962,115	3,924,173
3½% preferred 1945 series ($100)	1,706,900	2,442,000	3,498,000	3,986,000	(2,085,000	2,281,500	2,536,000
3½% preferred 1947 series ($100)					(2,913,500	3,130,000	3,165,000
Common stock ($5 par)	34,260,215	34,218,010	34,105,635	34,027,735	33,959,425	33,928,310	33,850,015
Capital surplus	17,701,023	16,180,355	12,480,728	10,249,240	8,761,812	8,070,508	6,838,202
Retained earnings	199,008,227	167,163,640	144,384,180	126,531,551	112,126,448	97,789,264	85,617,225
Total stockholder equity	252,676,365	220,004,005	194,468,543	174,794,526	159,846,185	145,199,582	132,006,442
Total	$394,064,355	$281,468,766	$250,565,694	$228,597,629	$205,903,470	$191,397,898	$174,378,326
Net current assets	$121,875,828	83,889,067	$75,821,425	$81,017,931	$69,676,332	$62,482,649	$58,317,577

OWENS-ILLINOIS, INC.

CAPITAL STRUCTURE

LONG TERM DEBT

Issue	Rating	Amount Outstanding	Times Charges Earned 1966	1965	Interest Dates	Call Price	Price Range 1966	1965
Promissory notes	[2]--	147,153,251			-------	-----	[2]-----	[2]-----
Debenture 3¾s, due 1988	A	44,002,000	10.88	21.66	J&D 1	[5]104.00	86 - 75¼	94 - 88¾
Foreign subs. debt	----	15,787,192			--------	-----	-------	-------

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1966	[3]1965	Divs. per Sh. 1966	1965	Call Price	Price Range 1966	1965
4% cum. preferred	$100	533,901 shs.	$101.44	$94.02	$4.00	$4.00	[5]103.00	100 - 80½	99 - 91¾
Common	3.12½	14,795,230 shs.	3.51	3.38	1.35	[6]2.02½	-----	70 - 52½	[7]67¼ - 49⅝

‡Privately held. [3]Earned per share after special items: preferred, $121.17; common, $4.40. [5]Subject to change—see text. [7]After 3-for-1 split; before 120½-103¾.

HISTORY

Incorporated in Ohio, Dec. 16, 1907 as The Owens Bottle Machine Corp., successor to a New Jersey corporation of the same name, incorporated Sept. 3, 1903. Charter is perpetual. Name changed to The Owens Bottle Co Apr. 1, 1935 and to Owens-Illinois Glass Co. Apr. 17, 1957. Present title adopted May 1, 1965.

For subsequent acquisitions, see Moody's 1948 and 1949 Industrial Manuals.

In 1951 company purchased Sameric, Inc., Riverdale, N. J., manufacturer of thermoplastic caps and closures for glass and metal containers and plastic articles.

On Apr. 1, 1952 company sold American Closing Mills division to Robert Gair Co., Inc. for $6,170,701 and 400,000 shares of Gair common stock. Transaction involved paperboard mills at Elkhart, Ind., and Middletown, O., and carton plants at Elkhart, Chicago and Grand Rapids, Mich.

On Dec. 16, 1952, formed Owens-Illinois Inter-America Corp., wholly-owned.

On Sept. 16, 1953, acquired 50% interest in Fibreboard Corporation (Del.), from Emhart Manufacturing Co. at a cost of $8,000,000 (sold in 1957).

On June 1, 1955, organized Owens-Illinois of Panama, S.A. (named changed to Owens-Illinois International, S.A. in 1959). On Dec. 1, 1955, Cia de Vidrios Owens-Illinois de Cuba, S.A. was incorporated in Havana, Cuba (expropriated by Cuban Government in 1960).

On Apr. 18, 1956, Owens-Illinois de Venezuela, C.A. was incorporated as a wholly-owned subsidiary of Owens-Illinois of Panama, S.A. (acquired by Company in 1962 through exchange of assets). Oct. 4, merged with National Container Corp. thru issuance of 522,991 4% pfd. shares $100 par and 1,028,-000 com. shares. Each $1.25 conv. pfd. share of National received 352/1000 pfd. and 44/100 com. share of Owens-Illinois; and each com. of National received 1/5 pfd. and ¼ com. share (7,725 pfd. and 28,866 com. shares of National held by Co. were cancelled). Of the 4% pfd. shares issued, 92,587 were placed in escrow to protect Co. against certain contingencies; escrow agreement terminated Mar. 17, 1961. Bahamas Natcon, Ltd. (name changed to Owens-Illinois of the Bahamas Ltd. in 1957) was acquired in this merger.

May 1, 1958, sold substantially all assets, except cash and receivables, of Kaylo Division to Owens-Corning Fiberglas Corp.

In early 1959, purchased the glass container plant of the defunct Vidris, S.A. of Bogata, Colombia; plant was rehabilitated began operations (May 1960) as a division of Owens-Illinois International, S.A. (Panama). On Sept. 1, Co. sold the timberlands and 3 plants (2 in Vt. & 1 in Can.) of Owens-Illinois Plywood Co., Inc., wholly-owned, to Roddis Plywood Corp., and dissolved the subsidiary. Nov. 2, Co. issued 19,459 com. shs. for Keystone Brass Works, Lake City, Pa.; after selling certain assets to American Steel Co., transferred the business and plant to Libbey Plastics, Inc., wholly-owned (liquidated Oct. 1962). In Dec., Co. issued 39,696 com. shs. to acquire a 25% interest in Actien-Gesellschaft der Gerresheimer Glashuttenwerke vorm. Ferd. Heye (Gerresheim) of Dusseldorf, Germany, (subsequently increasing its minority interest to the present 76%) and to increase its minority interest in Cie. Internationale de Gobeleterie Mebrechable, S.A. (name changed in 1960 to Durobor, S.A.), Belgium (increasing its interest to 99% in 1960). Dec. 16, Owens-Illinois of Canada Ltd. was incorporated in Canada.

During the year, Co. liquidated Glasco Products Co. and Toledo Automatic Brush Machine Co., wholly-owned, and formed Bristol Paper Products Corp. (liquidated Dec. 31, 1961) and Northeastern Container Corp., wholly-owned, (name changed in 1961 to Forest Products Corp.).

Early in 1960, a 10% interest was purchased in Cia. Industrial Sao Paulo e Rio (Cisper), a Brazilian glass container manufacturing company. Investment was increased to 60% in 1962 and ownership transferred to Sao Raimundo, Participacoes e Representacoes, Ltda., a newly incorporated company. Investment was again increased to 80% in 1966. In April a new corporation, Owens-Illinois International, S.A., was incorporated in Switzerland. During the year, a minority interest was acquired in Nippon Electric Glass Co., Ltd.

In Mar. 1961, Owens-Illinois and National Distillers and Chemical Corp. formed jointly owned National Petro Chemicals Corp., to manufacture high density (linear) polyethylene to be used in the manufacture of plastic containers and other products. A new plant was constructed in Houston, Tex. Also in 1961, Kimble Italiana, S.p.A. an Italian corporation was formed with the Swiss subsidiary acquiring a 60% interest by the end of 1962.

In 1962, Owens-Administracao, Participacoes e Representacoes, Ltda. (name changed in 1964 to Sao Raimundo, Participacoes e Representacoes, Ltda.) was formed to hold Company's investment in Cisper. Owens-Illinois' operations in Colombia were merged with those of the Peldar group (merger effective Jan. 1, 1963) and Owens-Illinois received a 50% interest in the merged company, Cristaleria Peldar, S.A.

July 1, 1963, Owens-Illinois (Ventas) S.A., a newly formed subsidiary of Owens-Illinois de Venezuela, C.A., assumed sales responsibility for all products manufactured by its parent, Maviplanca (after window glass production was started in 1965), and for imports of domestic divisions of the Company. In Nov., Gerro Karton GmbH was incorporated in Hilden, Germany (75% owned by Gerresheim and 25% by Co.).

In 1964, Manufacturera de Vidrios Planos, C.A. (Maviplanca) was incorporated in Venezuela.

On April 16, 1965, sold kraft paperboard mill at Jacksonville, Fla., and five corrugated shipping container plants at Aurora, Ind., Dallas, Tex., Jacksonville, Fla., Long Island City, N. Y., and Milwaukee, Wisc. in final settlement of an anti-trust suit filed by U. S. Department of Justice against Owens-Illinois in 1956.

During 1966, Co. purchased a minority interest in United Glass Ltd., London, England with a 10 year option to purchase additional shares on a graduated basis which eventually could result in a 28% holding; a minority interest in Consolidated Glass Works Ltd., Johannesburg, South Africa; a majority interest in Bunder Glas GmbH, Bunde, Germany; formed Gerro Plastik GmbH, Monchengladbach, Germany; and with Sasaki Glass Co., Ltd., of Tokyo formed a jointly owned company, known as Sasaki-Owens Glass Co., Ltd. Angelina Plywood Co., Keltys, Tex., a softwood plywood manufacturer, was purchased from Angelina County Lumber Co. and Southland Paper Mills, Inc. and, at the same time, 160,565 acres of Texas timberlands acquired from the Angelina company. Owens Illinois Overseas Capital Corp. was formed as a foreign finance subsidiary.

Proposed Merger of Rayonier, Inc. (see appended statement) by issuance of 0.402 of a Co. com. sh. and 0.225 of a new Co. pfd. sh. for each of the 6,229,524 outstg. Rayonier shs. was approved in principle in Mar., 1967 and is subject to approval of directors and stockholders of both.

The pfd. stock would be convertible after 5 years into Owens-Corning Fiberglas Corp. com. stock, of which Co. holds 2,099,927 (31%) shs. Proposed conversion, dividend rates and other terms of the new pfd. "will be established to provide a value of $100 per sh." at time of definitive agreement. Application will be made for listing of new pfd. on NYSE.

SUBSIDIARIES

Company is primarily an operating company.

On Dec. 31, 1966, held 100% voting power in the following subsidiaries (except as noted):

Name, place of incorporation and business:

Actien-Gesellschaft der Gerresheimer Glashuttenwerke vorm. Ferd. Heye (Germany) (76%)
Angelina Plywood Co. (Texas)
Bunder Glas GmbH (Germany) (75%)
Durobor S.A. (Belgium) (99%)
Forest Products Corp. (formerly Northeastern Container Corp.) (Pa.)
Gerro Karton GmbH (Germany) (75% Gerresheim; 25% Company)
Gerro Plastik GmbH (Germany) (100% by Gerresheim)
Kimble Italiana, S.p.A. (Italy) (60%) (through Swiss subsidiary)
Manufactu/era de Vidrios Planos C. A. (Venezuela) (96%)
Marinette, Tomahawk & Western R.R. Co. (Wisc)—(see Moody's Transportation Manual).
Owens-Illinois of the Bahamas, Ltd. (Bahamas) (100% by Owens-Illinois International, S. A., Panama)
Owens-Illinois of Canada Ltd. (Canada)
Owens-Illinois Inter-America Corp. (Ohio)—Sells company products in Western Hemisphere outside of the U. S.
Owens-Illinois International S.A. (Switzerland and Panama)
Owens-Illinois Overseas Capital Corp. (Del.)
O-I Services, Inc. (Ohio)
O-I Timber Corp. (Wisc.)
Owens-Illinois de Venezuela, C.A. (Venezuela)
Owens-Illinois (Ventas) S.A. (100% by Owens-Illinois de Venezuela, C.A.)
Owens Inc. (Ohio) formerly Closing Machines, Inc.
Sabine River & Northern R.R. Co. (Texas)
Sao Raimundo, Participacoes e Representacoes, Limitada (Brazil)
Valdosta Southern R.R. Co. (Fla.)

Other Investments: As of Dec. 31, 1966, Owens-Illinois Inc. owned 2,099,927 common shares (about 31%) of Owens-Corning Fiberglas Corp. (see general index). Amount includes 533,901 shares reserved for exchange —see 4% preferred, below.

Also owned 40,000 shares of Container Corp. of America (see general index), 45,000 shares of Monsanto Co. (see general index) and 74,-428 shares of Pennsylvania Glass Sand Corp. (see general index).

Company also has a 50% interest in Cristaleria Peldar, S. A. (Colombia), 50% interest in National Petro Chemicals Corp. 50% interest in Sasaki-Owens Glass Co., Ltd. (Japan) and a 80% interest in Companhia Industrial Sao Paulo e Rio "Cisper" (Brazil) and minority interest in Nippon Electric Glass Co., Ltd. (Japan), Consolidated Glass Works Ltd. (South Africa) and United Glass Ltd. (England).

BUSINESS AND PRODUCTS

The general organization is composed of an administrative division and five operating divisions.

Glass Container Division: glass containers, corrugated and wood shipping containers, for Company products, molds, machines, machine parts, inks, dies, sand, blown plastic containers, metal and plastic closures, and plastic fitments for glass containers.

Forest Products Division: containerboard (kraft and NESTEN linerboard, semi-chemical corrugating medium, and lightweight chip), corrugated and solid fiber shipping containers, multiwall paper bags, plastic shipping sacks, composite fibre cans, pulpwood, plywood and products of tall oil fractionation.

Consumer and Technical Products Division: Kimble Products-scientific and laboratory glassware, KIMAX borosilicate glassware, glass pipe, glass tubing and rod and products made from them—such as ampuls, vials and syringe cartridges; Libbey Products-glass tumblers, stemware, and tableware, and melamine dinnerware; Industrial and Electronic Products-glass television bulbs (black and white and color), special property glasses for fibre optics, industrial and military bulbs, color TV bulb sealing, and other uses and line insulators.

Plastic Products Division: blown plastic containers, injection-molded closures and fitments, injection-molded, thermo-formed containers; and extruded sheet products.

International Operations: Glass containers, rolled glass, glass block, glass tubing, window glass, plastic and metal closures, plastic containers, corrugated shipping containers and television bulbs.

PRINCIPAL PLANTS & PROPERTIES

Operating facilities are located as follows:

Alton, Ill.
Atlanta, Ga.
Baltimore, Md.
Big Island, Va.
Bradford, Pa.
Bridgeton, N. J.
Bristol, Pa.
Brockport, N. Y.
Charlotte, Mich.
Charlotte, N. C.
Chicago, Ill.
Circleville, O.
Chicago Heights, Ill.
Cincinnati, O.
City of Industry, Cal.
Clarion, Pa.
Columbus, O.
Corona, Cal.
Dallas, Tex.
Detroit, Mich.
Durham, N. C.
Edison, N. J.
Fairmont, W. Va.
Flint, Mich.
Gas City, Ind.
Glassboro, N. J.
Godfrey, Ill.
Huntington, W. Va.
Ione, Cal.
Jaite, O.
Jersey City, N. J.
Keltys, Tex.
Lake City, Pa.
Lakeland, Fla.

Los Angeles, Cal.
Madison, Ill.
Memphis, Tenn.
Miami, Fla.
Minneapolis, Minn.
Moonachie, N. J.
Muncie, Ind.
New Orleans, La.
Newark, N. J.
Newberry, S. C.
Newburyport, Mass.
North Bergen, N. J.
No. Kansas City, Mo.
Oakland, Cal.
Okemos, Mich.
Orlando, Fla.
Pacific Grove, Cal.
Perrysburg, O.
Ponca City, Okla.
Portland, Ore.
Richmond, Calif.
St. Charles, Ill.
Salisbury, N. C.
San Jose, Cal.
St. Louis, Mo.
Streator, Ill.
Toledo, O.
Tomahawk, Wisc.
Tracy, Cal.
Valdosta, Ga.
Vineland, N. J.
Waco, Tex.
Warsaw, Ind.
Wayne, N. J.
Winter Haven, Fla.
Worcester, Mass.

Company has, in West Virginia, an undivided half interest in 169,023 owned or leased acres of gas rights on which there are 788 wells supplying its Charleston and Huntington plants and Charleston plant of Libbey-Owens-Ford Glass Co.

Twenty-one factories of foreign companies, in which company holds a 50% or greater interest, are located as follows: Germany (9), Colombia (3), two each in Belgium, Brazil, and Venezuela and one each in Canada, Italy and Japan.

MANAGEMENT

Officers

J. P. Levis, Chmn. of Bd. & Exec. Com.
R. H. Mulford, President
H. C. Laughlin, Exec. Vice-President
R. E. Graham, Exec. Vice-President
E. C. Jones, Exec. Vice-President
E. D. Dodd, Exec. Vice-President
A. M. Turner, Exec. Vice-President
F. M. Canter, Exec. Vice-President
G. S. Babcock, Vice-President
K. K. Hepp, Vice-President
R. F. Miller, Vice-President
J. W. Hackett, Vice-President
H. S. Wade, Vice-President
W. J. Stewart, Vice-President
M. G. Beishline, Vice-President
R. L. Berry, Vice-President
S. F. Davis, Vice-President
W. B. Owen, Vice-President
E. R. Owens, Vice-President
G. W. Cook, Vice-President
W. F. Spengler, Vice-President
R. T. Wallace, Vice-President
C. F. Babbs, Vice-Pres., Sec. & Asst. Gen. Counsel
J. A. Bohland, Treasurer
K. E. Tigges, Comptroller

Directors

E. C. Arbuckle, Stanford, Calif.
[7]H. E. Collin, Toledo
G. A. Costanzo, New York
E. D. Dodd, Toledo
R. E. Graham, Toledo
[7]A. J. Hettinger, Jr., New York
[7]J. A. Hill, Hartford, Conn.
C. E. Janssen, Brussels, Belgium
E. C. Jones, Toledo
H. C. Laughlin, Toledo
[1]J. P. Levis, Toledo
R. H. Levis, II, Alton, Ill.
H. McIntosh, Toledo
[1]R. H. Mulford, Toledo
[1]J. T. Rohr, Toledo
R. L. Snideman, Pebble Beach, Calif.
A. M. Turner, Toledo
[1]Member of Executive Committee.
Director Emeritus
W. W. Knight.

Auditors: Arthur Young & Co.
General Counsel: Fred E. Fuller.
Annual Meeting: Third Wednesday in April at Toledo, O.
No. of Stockholders: Dec. 31, 1966: Preferred, 4,719; common, 23,568.
No. of Employees: Dec. 31, 1966, 32,319.
General Office: Owens-Illinois Bldg., Madison Ave., Toledo, Ohio 43604.
Mailing Address: P. O. Box 1035, Toledo, Ohio 43601.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31

(Taken from reports filed with Securities and Exchange Commission)

	1966	1965	1964	1963	1962	[7]1961	[2]1960
Net sales & other operating rev.	$907,955,210	$825,754,916	$693,560,200	$654,083,586	$627,766,444	$596,424,616	$561,042,[illegible]
[4][5]Cost of sales, royalties paid, etc.	740,467,207	665,754,182	560,464,315	532,744,843	511,513,887	480,474,567	447,018,[illegible]
[3]Selling, general & adm. expenses	79,999,344	72,966,712	64,758,587	61,778,257	59,778,902	58,892,022	56,814,[illegible]
Operating profit	87,488,659	87,034,022	68,337,298	59,560,486	56,473,655	57,058,027	57,510,[illegible]
Dividends received	4,112,392	3,733,084	3,944,168	3,671,616	3,770,729	3,641,048	3,663,[illegible]
Interest received	3,136,036	2,480,769	1,517,540	916,641	1,017,820	1,895,775	2,198,[illegible]
Miscellaneous other income	7,635,744	5,838,646	4,725,286	2,553,250	2,505,811	3,697,073	1,672,[illegible]
Total	102,372,831	99,086,521	78,524,292	66,701,993	63,768,015	66,291,923	65,043,[illegible]
Provision for bad debts	545,602	588,928	1,166,944	505,207	882,396	278,126	21,[illegible]
Interest expense	9,149,871	4,436,129	3,622,184	3,557,855	3,865,797	3,733,975	3,474,[illegible]
Minority interest	1,390,626	784,740	-------	-------	-------	-------	-------
Sundry expenses & losses (net)	929,105	1,621,442	*d*125,337	22,684	*d* 40,350	420,911	166,[illegible]
Total income before taxes	90,357,627	91,655,282	73,860,501	62,616,247	59,060,172	61,858,911	61,287,[illegible]
[1]Provision for Federal income tax	36,200,000	39,500,000	31,200,000	27,500,000	25,900,000	[27,500,000	26,100,[illegible]
Net income	54,157,627	52,155,282	42,660,501	35,116,247	33,160,172	34,358,911	35,187,[illegible]
[1]Special item	-------	*cr*15,062,606	-------	*cr* 4,411,456	-------	-------	*dr* 3,747,[illegible]
Net income to surplus	54,157,627	67,217,888	42,660,501	39,527,703	33,160,172	34,358,911	29,439,[illegible]
Retained earnings beg. of year	304,364,834	249,764,138	228,005,645	209,996,616	198,387,434	184,517,247	176,577,[illegible]
[1]Surplus credits	-------	9,536,566	-------	-------	-------	1,047,088	-------
Preferred dividends	2,156,430	2,239,135	2,522,855	3,214,243	3,278,184	3,291,724	3,291,[illegible]
Common dividends	19,959,876	19,914,623	18,379,153	18,304,431	18,272,806	18,244,088	18,308,[illegible]
[6]Retained earnings, end of year	$336,406,155	$304,364,834	$249,764,138	$228,005,645	$209,996,616	$198,387,434	$184,817,[illegible]
SUPPLEMENTARY P. & L. DATA							
Deprec., depl. & amortization	$27,712,388	$23,130,129	$28,159,998	$26,788,310	$25,986,949	$22,725,692	$19,490,[illegible]
[3]Molds charged to expense	17,825,663	15,632,484	12,462,785	11,170,272	11,173,897	10,297,399	11,402,[illegible]
Maintenance & repairs	51,964,716	47,136,242	37,931,761	35,036,433	33,068,088	31,092,212	31,463,[illegible]
[3]Taxes (other than income)	31,254,223	26,072,516	19,044,134	18,680,171	17,484,388	15,498,155	14,409,[illegible]
[7]Rents	13,446,215	11,678,054	9,760,568	8,155,131	4,208,112	3,886,325	3,482,[illegible]
Royalties	865,728	615,417	519,582	469,525	486,226	592,472	1,221,[illegible]

[1]Includes foreign subsidiaries not previously consolidated.

[2]Adjusted to include foreign subsidiaries: Net sales, $569,395,656; net income, $33,793,411; retained earnings, $185,564,335.

[3]Includes payroll taxes (1966, $17,402,504).

[4]Cost of sales and other operating expenses (including depreciation, depletion and amortization: 1966, $25,706,750; 1965, $21,116,020; 1964, $26,425,673; 1963, $25,123,336; 1962, $24,471,829; 1961, $21,302,449; 1960, $18,213,882; and research and engineering expenses: 1966, $26,542,556; 1965, $22,876,930; 1964, $21,534,639; 1963, $19,170,282; 1962, $16,179,716; 1961, $13,915,270; 1960, $13,165,747.

[5]Includes related portions of items shown under "Supplementary P. & L. Data" below statement.

[6]At Dec. 31, 1966, $249,363,310 of retained earnings was restricted as to cash dividends on common stock.

[7]1966: Includes machinery and equipment rentals of $6,673,454.

[8]1965-62: See under Depreciation policy below.

1961: Includes $1,290,000 prior years adjustments.

[9]Company and certain foreign subsidiaries provide no depreciation on molds but carry such assets at fixed values and charge new and replacement molds to expense. Other foreign subsidiaries charge the cost of molds to property accounts and depreciate such costs over the lives of the items.

[1]1965: Equity in retained earnings and deficits at December 31, 1964, of companies first consolidated in 1965, $2,966,350; credit relating to prior years arising from extension of tax allocation procedures, $6,570,216; total, $9,536,566.

1961: Retained earnings of foreign subsidiaries not previously consolidated.

[7]1965: Gain on sale of six forest products plants, less applicable Federal income tax of $6,162,000.

1963: Gain on sale of stock of Continental Can, Inc. less applicable Federal income tax ($1,465,664).

1960: Loss on Cuban investment, receivables and inventories, less related reduction in provision for federal income taxes ($4,031,423).

General Notes

Total salaries, wages, etc.: 1966, $369,075,000; 1965, $331,254,000; 1964, $289,220,000; 1963, $273,999,000; 1962, $260,573,000; 1961, $246,101,000; 1960, $231,262,000.

Source of Disposition of Funds:

Source of funds:	1966	1965
Net earnings	$54,157,628	$52,155,[illegible]
Depr., amort., etc.	27,712,387	23,130,[illegible]
Incr. in def. inc. tax, furnace rebuild., etc.	9,108,181	8,864,[illegible]
Property retired	1,849,169	2,247,[illegible]
Incr. in l. t. debt	100,532,502	-------
Sale of com. stk.	1,282,877	1,560,[illegible]
Gain sale prop.	-------	23,168,[illegible]
Consol. of fgn. subs.	1,259,982	9,221,[illegible]
Other	-------	630,[illegible]
Total	$195,902,726	$120,000,[illegible]
Disposition of Funds:		
Capital expend.	$176,046,888	$80,544,[illegible]
Dividends paid	22,116,307	22,153,[illegible]
L. t. debt paid	-------	414,[illegible]
Add. to fgn. inv.	12,488,197	2,752,[illegible]
Incr. in oth. assets	10,075,958	1,439,[illegible]
Pfd. stk. purch.	1,999,992	1,999,[illegible]
Total	$222,727,342	$109,298,[illegible]
Work. cap. incr.	d$26,824,616	$10,810,[illegible]

Record of Earnings, years ended Dec. 31 (in $):

Year	Net Sales	Cost and Expenses	Operating Profit	Oth. Inc. & Ded.(Net)	Inc. Bef. Taxes	Income Taxes	Net Income	Common Dividends	Com. Shs. Outstand.	Earn. Per Com. Sh.
1947	231,310,180	208,518,441	22,791,739	*d* 3,243	22,788,496	8,829,065	13,959,431	8,848,874	3,047,476	4.[illegible]
1948	224,396,075	206,294,545	18,101,530	*d* 419,555	17,681,975	7,355,800	10,326,175	9,156,483	3,056,874	3.[illegible]
1949	223,826,827	196,390,482	27,436,345	*d* 1,540,529	25,895,816	9,458,000	16,437,816	9,170,622	3,056,874	5.[illegible]
1950	282,942,898	235,189,287	47,753,611	*d*559,610	47,194,001	22,875,000	24,319,001	9,934,841	3,056,874	7.[illegible]
1951	309,774,611	261,137,647	48,636,964	*d* 186,348	48,450,616	31,428,000	17,022,616	12,227,496	3,056,874	5.[illegible]
1952	293,181,523	263,211,768	29,969,755	3,596,066	33,565,821	17,365,000	16,200,821	12,227,496	3,056,874	5.[illegible]
1953	333,024,055	294,764,461	38,259,594	*d* 3,086,208	35,173,386	18,906,000	16,267,386	12,227,496	3,056,874	5.[illegible]
1954	336,708,809	294,867,372	41,841,437	597,528	42,438,965	20,900,000	21,538,965	12,227,496	3,056,874	7.[illegible]
1955	370,347,666	317,349,286	52,998,380	1,123,930	54,122,310	27,100,000	27,022,310	12,991,714	6,113,748	4.[illegible]
1956	495,974,236	425,070,512	70,903,724	1,235,494	72,139,218	36,790,000	35,349,218	17,581,671	7,143,287	4.[illegible]
1957	510,486,850	444,100,911	66,385,939	1,101,378	67,487,317	33,400,000	34,087,317	17,858,217	7,143,287	4.[illegible]
1958	508,459,931	445,162,261	63,297,670	*d* 757,075	62,540,595	29,800,000	32,740,595	17,866,343	7,148,287	4.[illegible]
1959	552,676,933	474,345,309	78,331,624	1,699,730	80,031,354	39,200,000	40,831,354	17,898,317	7,216,692	5.[illegible]
1960	561,042,319	503,532,318	57,510,001	3,777,104	61,287,105	28,100,000	33,187,105	18,208,462	7,287,710	4.[illegible]