

FILE NAME: Philip Carey (PC)

DATE: 1945

DOC#: PC055

DOCUMENT DESCRIPTION: Entry from Moody's Manual of Investments

MOODY'S 1945 TITLE PAGE MISSING FROM VOLUME.

FINANCIAL & OPERATING DATA

Statistical Record, Fiscal Years

Earnings per share—common	1944	1943	1942	1941	1940	1939	1938
Dividends per share—common	\$3.19	\$3.98	\$3.73	\$4.11	\$2.02	\$3.13	\$3.79
Price range—common	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Net assets per share—common	49 1/4-39 3/4	42 1/4-29 3/4	35-28 1/4	37-30	37 1/2-27	41-31 1/4	41-37 1/4
Fixed charges earned:	\$53.88	\$52.69	\$50.47	\$49.30	\$47.79	\$47.43	\$45.96
Before income taxes & deprec.	59.21	67.13	50.12	37.53	10.81	21.08	4.26
Before inc. taxes & after deprec.	49.66	58.10	38.70	23.18	8.30	9.14	2.61
After inc. taxes & deprec.	12.63	15.51	14.62	15.10	7.02	8.15	2.61
Net assets per \$1,000 funded debt	\$5,418	\$5,320	\$5,139	\$5,092	\$4,919	\$4,905	\$4,226
Net curr. assets per \$1,000 fund. debt	\$4,617	\$4,502	\$4,206	\$4,006	\$3,895	\$3,949	\$3,232
Number of shares, common	246,000	246,000	246,000	246,000	246,000	247,000	247,000

Price ranges for calendar years.

Financial & Operating Ratios

Current assets + curr. liabilities	4.25	4.26	3.51	3.83	8.44	6.59	10.94
% cash & securities to curr. assets	29.91	24.62	6.50	6.38	9.25	9.69	16.21
% inventory to curr. assets	44.60	46.61	56.05	54.92	56.04	54.81	46.12
% net curr. assets to net worth	104.51	104.20	101.62	97.89	99.39	98.57	102.97
% property depreciated	59.76	56.38	52.98	57.82	57.56	56.08	55.21
% ann. deprec. to gross property	4.38	4.64	4.78	3.26	3.43	3.46	3.20
Capitalization:							
% long-term debt	18.46	18.80	19.46	19.64	20.33	20.39	21.99
% common stock & surplus	81.54	81.20	80.54	80.36	79.67	79.61	78.01
Sales + inventory	6.60	6.47	4.88	4.23	3.45	3.59	4.13
Sales + receivables	11.55	10.49	7.30	6.00	5.57	5.54	5.86
% sales to net property	2,567.37	2,387.06	2,042.74	1,419.40	996.18	1,013.17	922.46
% sales to total assets	258.25	263.16	234.64	192.37	156.18	158.81	152.88
% net income to total assets	3.80	4.84	4.47	5.16	3.04	4.69	1.11
% net income to net worth	5.92	7.55	7.41	8.24	4.24	6.60	1.66

Preferred stock retired from proceeds of bonds dated Aug. 1.

Annual depreciation amount excludes charges in lieu of depreciation.

Analysis of Operations

Net sales	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Materials, supplies, etc.	51.44	50.63	50.88	48.87	45.19	42.29	46.06
Salaries and wages	26.41	25.85	25.86	25.60	27.94	28.58	26.53
Other mfg. expense, etc.	8.67	8.66	9.37	11.69	12.98	13.59	13.29
Sell. admin. & general exp.	7.61	7.88	8.80	9.70	11.98	12.35	12.42
Operating profit	5.86	6.98	5.09	4.14	1.90	3.19	3.83
Other income	0.43	0.39	0.35	.56	.82	.73	.84
Gross income	6.29	7.37	5.44	4.71	2.72	3.92	4.67
Income deductions	0.13	0.13	0.17	.49	.37	.63	.58
Income taxes & surtax	4.69	5.40	3.37	1.54	.41	.40	.11
Net income	1.47	1.84	1.90	2.68	1.94	2.89	.77

FUNDED DEBT

Bank Loan: Company has obtained a ten-year \$3,000,000 loan from Bankers Trust Co., New York, proceeds of which were used to refund a loan of like amount from Bankers Trust Co., New York, which was to mature March 29, 1949. New loan is payable in nine annual instalments of \$100,000 each, and \$2,100,000 at final maturity on April 1, 1955.

CAPITAL STOCK

1. Brown Shoe Co., Inc. common: no par. AUTHORIZED—500,000 shares; issued, 252,000 shares; in treasury, 6,000 shares; outstanding, 246,000; no par (changed from \$100 par Dec.

10, 1925; 3 no par shares issued for each \$100 share).

Dividend Record

(Calendar Years)

1913	nil	1914	\$3.00	1915-16	nil
1917-19	\$6.00	1920	\$5.25	1921-22	nil
1923	2.00	1924-25	4.00		
(On no par shares after three for one split)					
1926	2.00	1927	2.12 1/2	1928	\$2.50
1929	2.62 1/2	1930-37	3.00	1938	1.75
1939-44	2.00	1945	0.50		

Plus 33 1/3% in stock.

To Mar. 2.

Dividends payable quarterly March 1st, etc., to stock of record about February 20, etc.

VOTING RIGHTS—One vote per share. No encumbrance may be placed on company's property without authorization of at least 2/3 of the outstanding stock.

PREEMPTIVE RIGHTS—None.

LISTED—On New York and St. Louis Stock Exchanges.

TRANSFER AGENTS—Lawyers Trust Company, New York and St. Louis Union Trust Co., St. Louis.

REGISTRAR—Irving Trust Company, New York and Mississippi Valley Trust Co., St. Louis.

PRICE RANGE— 1944 1943 1942
Common 49 1/4-39 3/4 42 1/4-29 3/4 35-28 1/4

CAPITAL STRUCTURE

FUNDED DEBT

1. 3 1/4% debentures, 1955.

CAPITAL STOCK

1. 5% cum. preferred
2. Common

Fiscal years. Range since 1938, after 100% stock dividend. Before 100% stock dividend, 1935-38 range 48 1/4-12 1/4. Subject to change July 1. \$20 par stock. Of which \$2.50 paid on old \$100 par shares. 1943-44 range.

HISTORY

Incorporated in Delaware June 29, 1935, as successor in reorganization to the Celotex Co. (Del.). Latter company was incorporated in Delaware in 1920 as "Louisiana Celotex Co." On June 16, 1932, the latter company was placed in receivership. On Feb. 8, 1935, trustees were appointed under Section 77-B of the U. S. Bankruptcy Act. A reorganization plan was submitted under date of May 1, 1934 (subsequently modified), and on Nov. 1, 1935, the business and assets of the predecessor company were transferred to the present company. Details of reorganization appear in Moody's 1935 Industrial Manual.

In 1937, organized English Company, Celotex, Ltd.

In 1937 acquired an interest in American Gypsum Co., Port Clinton, Ohio, and in 1939 completed acquisition of company.

In 1937-38 acquired Gulf Gypsum Co. of Houston, Tex.; in June 1943 latter was liquidated.

In 1938 constructed a plant at London, England.

In 1939, acquired the Pottscro Corp. (Ill.), name subsequently changed to Expanded Products Corp., owner of a patent covering concrete.

In 1941, liquidated English subsidiary holding company, Texcel, Ltd.

Phoenix Securities Corp., former holder of approximately 27% of company's common stock, distributed practically all such stock to its own stockholders on Nov. 24, 1941.

In reference to litigation between the company and Certain-teed Products Corp., see latter company (general index).

In Mar., 1945, acquired properties and business of Texas Cement Plaster Co. located at Plasterco and Longworth, Tex. manufacturers of full line of gypsum plaster and board products.

SUBSIDIARIES

This is principally an operating company. At Oct. 31, 1944 100% of the voting power was owned in the following companies:

THE CELOTEX CORPORATION

Rating	Amount Outstanding	Charges Earned	Interest Dates	Call Price	Price Range
Baa	\$2,879,000	1944 1943 7.67 9.73	J & J 1	\$103	1944 1932-44 105 1/4-101 1/4 105 1/4-100 1/4
Par Value	Amount Outstanding	Earnings per Sh.	Divs. per Sh.	Call Price	Price Range
\$20	156,862 shs.	1944 1943 \$3.58 \$3.56	\$1.00 \$3.00	20	1944 1932-44 19 1/4-17 1/4 21-16 1/4
No par	755,472 shs.	0.53 0.54	0.50 0.50	---	15 1/2-11 1/2 18 1/2-5

Name, place of incorporation and business: Celotex, Ltd., England, manufactures and sells Celotex products in British Empire. American Gypsum Co., Ohio, inactive. Expanded Products Corp., Ill., owns patents on concrete.

At Oct. 31, 1944, the company also owned 147,260 shares of common stock of Certain-teed Products Corp. (see general index). Also, the company owned 205,328 shares of the common stock and \$1,577,260 5% cumulative income debentures (subordinated), due Nov. 30, 1973 of South Coast Corp. (see general index).

BUSINESS & PRODUCTS

The company manufactures building and insulating products, consisting for the most part of products marketed under the trade name "Celotex." These products are manufactured principally from bagasse, the fiber remaining after the juice has been extracted from sugar cane, and are used, among other things, for exterior sheathing, plaster base, exterior and interior finish, for insulating roofs, and as insulation in the manufacture of household refrigerators, railway refrigerator cars, cold storage plants and other products.

The company also manufactures and sells products for correction of acoustical conditions in office buildings, auditoriums, theaters, broadcasting studios, and other places in which acoustical treatment is desired, including products marketed under the trade names "Acousti-Celotex" and "Muffleton."

The company also is engaged in the handling and sale of other types of insulating and building material products, including loose and batt forms of rock wool, roofing products, gypsum plaster, lath and wallboards, and also various items used as accessories in the application of products sold.

The company operates under patents and patent rights both of the United States and foreign countries, covering various products, processes and machines, including a series of patents covering material and processes for treating insulating material for protection against damage by dry rot, fungi, termites and other similar hazards.

Markets for Celotex products include general building, to which are sold various products in both the residential and non-residential fields in urban districts, and for farm homes and other farm buildings in the rural districts; the acoustical market, which embraces a large field such as offices, restaurants, industrial plants, schools, churches, etc., where it is desirable to arrest noise and to correct acoustical difficulties; and the industrial field, where Celotex products are widely used in the manufacture of various types of refrigerating equipment, in incubators, air ducts, radio sets, for insulating brick siding, etc. The company sells to approximately 65 different types of manufacturing.

Celotex also sells products made by other manufacturers such as hard boards, which cut, saw and handle like lumber (made by Masonite Corp.), and are used for paneling of all sorts, for decoration, shelving, etc. Celocrete (made by various steel companies), a light weight concrete aggregate, is made of expanded molten blast furnace slab, and is used with Portland cement to manufacture precast concrete.

The Celotex Corp. maintains offices throughout the world and has branch offices in 14 cities located in various parts of the United States, including the Pacific Coast.

PRINCIPAL PLANTS & PROPERTIES

The main manufacturing plant is located at Marrero, in Jefferson Parish, La., close to the City of New Orleans. It comprises approximately 143 acres of land, upon which are 24 buildings with a total of 602,000 sq. feet of floor space.

An agreement has been entered into with Certain-teed Products Corp. (see general index) for the use of Celotex of excess plants of Certain-teed in the manufacture of building materials such as roofing, etc. Details of agreement appear under Certain-teed Products.

The company obtains bagasse, the principal raw material, from a number of sugar mills in Louisiana.

A plant at Metuchen, N. J., is located on approximately 12 acres of land, and contains

about 210,000 square feet of floor space, and is used for the manufacture of asbestos cement board products, insulating siding and asphalt impregnated roof deck surfacing.

A plant at Port Clinton, Ohio, is used in the manufacture of gypsum products.

A plant near Lagro, Ind. and a plant in Detroit, Mich. are used for production of rock wool insulation products.

On Oct. 30, 1943, directors authorized purchase of assets of Insulation Industries, Inc., a Michigan corporation engaged in manufacture and sale of rock wool products, and the assets of Campbell Process Co., a Michigan corporation, including a patent having to do with manufacture of rock wool products. Company paid for Insulation Industries assets 8,000 shares of 5% cum. preferred stock and \$7,500 in cash, also assuming certain liabilities aggregating approximately \$33,500 and agreeing to pay to Insulation Industries up to \$5,000 on undisclosed claims and \$1,000 for services and expenses of attorneys in connection with the dissolution of Insulation Industries. Company also agreed to pay for the assets of Campbell Process Co. \$1,000 in cash and assume certain liabilities amounting to approximately \$4,700.

INCOME ACCOUNTS

Net sales	320,693,859
Cost of sales and expenses	19,099,196
Depreciation and depletion	616,481
Operating profit	978,182
Other income	194,410
Total income	1,172,592
Interest on funded debt	111,391
Other interest	3,394
Debt discount and expense	15,057
Debt expense written off	225,254
Other deductions	176,289
Federal income taxes	320,500
Excess profits tax	6,200
Post-war credit—excess profits tax	cr 48,120
Debt retirement credit	cr 63,400
Other inc. taxes & conting. tax res.	25,604
Net profit	562,276
Preferred dividends	156,863
Common dividends	377,759

Surplus for year \$27,654
 [1] Before debiting \$67,187 provision for payment of first preference dividends in excess of income for year ended Oct. 31, 1938, of Celotex, Ltd., British subsidiary.

[2] Before crediting \$85,596 net adjustment of provision for depreciation for prior years and \$56,786 restoration of provision made at Oct. 31, 1938 for payment of first preference dividends of Celotex, Ltd.

BALANCE SHEETS

ASSETS:	
Cash	\$2,256,657
U. S. Government securities	850,000
Notes and accounts receivable, net	2,277,526
[1] Inventories	2,221,552
Total current assets	\$7,605,735
Operating properties	11,570,263
Depreciation	7,317,421
Net operating property	4,252,842
Non-operating property (net)	177,523
Patents and rights	1
[2] South Coast Corp. investment	438,541
Investment, American Gypsum Co.	438,541
Investment in Celotex, Ltd.	cr 726,086
[3] Invest. Certain-teed Prod. Corp.	1,137,540
Post-war tax refund	83,753
Other assets	345,669
Unamort. debt discount & expense	107,769
Deferred charges	148,678
Total	\$15,024,138
LIABILITIES:	
Notes payable	
Accounts payable	\$986,057
Accrued expenses	458,639
Accrued interest	35,987
Due to Celotex Ltd.	94,301
Prov. for misc. taxes	109,011
Preferred dividends payable	cr 682,272
[4] Prov. for income taxes	cr 821,277
Total current liabilities	\$2,257,257
Debentures	2,879,000
Notes payable	
Common stock dividend	
Liab. under license agreement	23,849
5% preferred stock	cr 3,137,250
[5] Common stock	755,472
Paid-in surplus	cr 1,953,797
Earned surplus	4,017,512
Total	9,864,031
Reacquired common stock	
Net equity	9,864,031
Total	\$15,024,138
Net current assets	\$5,348,478

[1] At lower of cost or market

[2] 1944: Comprises: \$1,577,260 debenture 5s (subordinated) 1973 and 84,428 shares of common stock carried at nominal value of \$1. Other 120,900 shares of common stock purchased in 1942 and 1943 carried at cost of \$438,539. Market value Oct. 31, 1944: \$1,577,260 debenture 5s (subordinated), 1973, \$1,214,490; 205,328 common shares, \$615,984.

MANAGEMENT

Officers

Bror Dahlberg, President
 Carl G. Muench, Vice President
 O. S. Mansell, Vice President
 H. W. Collins, Vice President
 C. L. Christensen, Vice President
 H. G. Philbrook, Vice President
 F. A. Irvine, Asst. Vice President
 A. I. Schimpf, Treasurer
 C. W. Johns, Secretary

Directors

C. L. Christensen, Chicago
 W. W. Colpitts, New York
 Bror Dahlberg, Chicago
 A. J. Dallstream, Chicago
 P. H. Davis, Chicago
 E. B. Wilber, New York
 John Irwin, Chicago
 O. S. Mansell, Chicago
 Carl G. Muench, Chicago

General Counsel: Pam. Hurd & Reichmann

Annual Meeting: Third Tuesday in January.

Number of Stockholders: Dec. 31, 1944: Preferred 1,641; common, 7,504.

Number of Employees: Dec. 31, 1944, 3,400 (of which 2,400 are employed in the plant at Marrero, La.).

General Office: 170 So. La Salle St., Chicago

Management Compensation Plan: For the fiscal years 1940 and 1941, in addition to fixed salary, compensation of Bror Dahlberg, President, was 5% of the "net earnings" above \$650,000. Also, Vice-Presidents L. R. Boulware and C. G. Muench received in addition to fixed salaries, 1% of net earnings in excess of \$650,000. Also, there was set aside 7% of net earnings in excess of \$650,000 for executives and department heads, to be distributed in accordance with their salary levels. For fiscal year ended Oct. 31, 1942, under an employees' profit sharing plan, in addition to salaries, Bror Dahlberg, President received 3.10% of "net earnings", above \$750,000; 5.90 2/3% was allocated to other employees, subject to limitation that C. G. Muench, Vice-Pres., should not receive more than two-thirds of his salary; other employees not to exceed 26 2/3% of compensation. Profit sharing arrangements for 1943 are same as for previous fiscal year, except that they are based on "net earnings" in excess of \$825,000. "Net earnings" are determined before certain interest and amortization charges, and certain taxes, and exclusive of profits or losses derived from certain sources.

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED OCT. 31

	1944	1943	1942	1941	1940	1939	1938
Net sales	\$220,693,859	\$22,598,269	\$23,510,364	\$19,977,155	\$13,817,501	\$12,317,936	\$9,126,489
Cost of sales and expenses	19,099,196	20,017,438	19,110,688	16,361,701	12,360,204	10,819,666	8,081,951
Depreciation and depletion	616,481	612,724	534,526	447,498	448,692	423,762	389,932
Operating profit	978,182	1,968,107	3,865,150	3,167,957	1,008,605	1,075,107	654,604
Other income	194,410	168,739	115,787	158,853	151,496	57,069	133,268
Total income	1,172,592	2,134,846	3,980,937	3,326,810	1,160,101	1,132,176	787,872
Interest on funded debt	111,391	135,072	143,543	151,615	162,654	165,902	170,013
Other interest	3,394	18,485	8,890	3,172	25,120	35,197	10,478
Debt discount and expense	15,057	37,864	51,232	51,232	51,232	51,232	51,232
Debt expense written off	225,254	225,254	37,369	123,903	84,169	59,090	27,791
Other deductions	176,289	49,627	549,289	604,823	89,300	79,000	10,000
Federal income taxes	320,500	367,363	1,972,100	473,000			
Excess profits tax	6,200	834,077	cr 30,000				
Post-war credit—excess profits tax	cr 48,120	cr 20,588					
Debt retirement credit	cr 63,400	cr 63,400					
Other inc. taxes & conting. tax res.	25,604	21,092	124,547	169,967			
Net profit	562,276	530,199	\$1,123,967	1,749,099	747,628	741,756	518,358
Preferred dividends	156,863	148,863	147,112	145,363	145,363	145,363	145,363
Common dividends	377,759	325,293	471,901	706,138			312,429
Surplus for year	\$27,654	\$56,043	\$504,954	\$897,598	\$602,265	\$596,393	\$60,566

[4] After renegotiation refund subject to final approval net profit was \$931,187

[5] Includes \$47,500 credit due to carry back to prior year of unused excess profits credit of current year.

General Notes

(a) Company has not completed renegotiation of its war contracts for 1943, reserve for

which was provided in that year at an amount computed on same general basis as the settlement for the preceding year. On same basis no provision is necessary for 1944. The computations are subject to final review by the Government.

(b) Above report excludes Celotex, Ltd. Net profit of that company for year ended Oct. 31, 1944, \$55,628; 1943, \$44,103; 1942, \$42,774.

COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF OCT. 31

	1944	1943	1942	1941	1940	1939	1938
Cash	\$2,256,657	\$2,863,085	\$1,190,786	\$1,142,711	\$1,059,958	\$600,484	\$865,256
U. S. Government securities	850,000	150,000					
Notes and accounts receivable, net	2,277,526	2,669,788	3,179,237	3,154,463	2,245,147	1,938,633	1,427,551
[1] Inventories	2,221,552	2,133,070	2,583,474	2,037,791	1,580,516	1,824,418	1,678,036
Total current assets	\$7,605,735	\$7,815,943	\$6,953,497	\$6,334,964	\$4,885,621	\$4,363,535	\$3,970,843
Operating properties	11,570,263	11,421,344	11,218,640	10,876,443	10,398,168	10,608,272	8,888,674
Depreciation	7,317,421	6,867,285	6,318,895	6,080,646	6,031,317	5,879,960	4,502,089
Net operating property	4,252,842	4,554,060	4,899,945	4,795,797	4,368,851	4,728,312	4,386,585
Non-operating property (net)	177,523	115,665	144,814	252,932	276,203		
Patents and rights	1	1	1	1	1	1	1
[2] South Coast Corp. investment	438,541	438,541	58,502	1	1	1	1
Investment, American Gypsum Co.	438,541	438,541	58,502	1	1	1	1
Investment in Celotex, Ltd.	cr 726,086	cr 733,260	cr 740,434	cr 747,617	cr 760,101	cr 1,190,947	856,701
[3] Invest. Certain-teed Prod. Corp.	1,137,540	1,137,540	1,270,929	1,270,929	1,270,929	1,373,981	829,743
Post-war tax refund	83,753	50,588	30,000				
Other assets	345,669	158,924	91,720	125,504	122,637	116,978	5,612
Unamort. debt discount & expense	107,769	122,827	217,735	268,966	320,198	371,429	422,661
Deferred charges	148,678	126,820	111,054	70,531	139,087	192,442	136,889
Total	\$15,024,138	\$15,254,168	\$14,518,631	\$13,867,242	\$12,141,629	\$12,337,625	\$11,091,950
LIABILITIES:							
Notes payable					\$266,190	\$539,107	\$475,000
Accounts payable	\$986,057	\$1,427,303	\$1,497,242	\$1,488,031	689,937	876,205	776,410
Accrued expenses	458,639	788,496	641,467	702,652	507,508	408,326	249,690
Accrued interest	35,987	43,254	40,390	40,078	44,937	47,897	42,193
Due to Celotex Ltd.	94,301	109,011	173,999	102,565	87,988	84,667	67,872
Prov. for misc. taxes	109,011	109,011	173,999	102,565	87,988	84,667	67,872
Preferred dividends payable	cr 682,272	cr 821,277	cr 574,576	cr 485,091	121,871	100,302	36,341
[4] Prov. for income taxes	cr 821,277	cr 821,277	cr 574,576	cr 485,091	121,871	100,302	19,056
Total current liabilities	\$2,257,257	\$3,189,341	\$2,927,673	\$2,830,762	\$1,718,431	\$2,056,504	\$1,666,562
Debentures	2,879,000	3,000,000	3,158,500	3,207,500	3,539,000	3,665,000	3,750,500
Notes payable					80,000	396,190	299,880
Common stock dividend							312,429
Liab. under license agreement	23,849	36,941	51,909	66,487	81,688	81,950	
5% preferred stock	cr 3,137,250	cr 2,977,250	cr 2,977,250	2,907,250	2,907,250	2,907,250	2,907,250
[5] Common stock	755,472	696,933	638,410	638,410	638,410	638,410	312,429
Paid-in surplus	cr 1,953,797	cr 1,363,843	708,843	708,843	698,299	698,299	458,899
Earned surplus	4,017,512	3,989,857	4,126,593	3,621,640	2,581,859	1,979,394	1,383,001
Total	9,864,031	9,027,885	8,449,097	7,874,143	6,834,163	6,218,347	5,062,579
Reacquired common stock			68,441	111,651	111,651	60,366	
Net equity	9,864,031	9,027,885	8,380,656	7,762,492	6,722,512	6,127,981	5,062,579
Total	\$15,024,138	\$15,254,168	\$14,518,631	\$13,867,242	\$12,141,629	\$12,337,625	\$11,091,950
Net current assets	\$5,348,478	\$4,626,602	\$4,025,824	\$3,504,202	\$3,167,199	\$2,207,031	\$2,304,281

[1] At lower of cost or market

[2] 1944: Comprises: \$1,577,260 debenture 5s (subordinated) 1973 and 84,428 shares of common stock carried at nominal value of \$1. Other 120,900 shares of common stock purchased in 1942 and 1943 carried at cost of \$438,539. Market value Oct. 31, 1944: \$1,577,260 debenture 5s (subordinated), 1973, \$1,214,490; 205,328 common shares, \$615,984.

[3] 1944: In securities Celotex, Ltd. (English subsidiary—not consolidated) plus, in 1939, current indebtedness and construction advances. [4] Investment in Certain-teed shares at written down value (\$829,743) after charge of \$1,049,856 to paid-in surplus during 1938 fiscal year and reflecting subsequent purchases and sales at cost. At Oct. 31, 1944, comprised 147,260 common shares, \$1,137,540 (quoted market

[5] No par shares: 1944, 755,472; 1943, 696,933; 1939-42, 638,410; 1938, 312,429

[6] At cost: 1942, 6,342 shares; 1940-41, 10,734 shares; 1939, 8,450 shares.

[7] After deducting investment in U. S. Treasury notes tax series, at cost: 1944, \$390,000; 1943, \$1,320,000; 1942, \$2,303,000; 1941, \$801,320

[8] Includes provision for renegotiation in

Par value: 1944 and 1943, \$20; 1942 and prior years, \$100.

After crediting \$529,410 excess from issuance of 38,523 additional common shares, no par value over \$1 stated value and \$132,519 excess from sale of 5,698 preferred of Certain Products Corp. over written-down value, and after deducting \$4,928 loss on sale of 6,342 reacquired common shares.

After crediting \$514,953 net excess of consideration received from sale at \$10.50 per

share of 58,539 additional common shares, no par value over \$1 stated value and \$75,000 book value assigned to assets received in exchange for \$125,000 principal amount of South Coast Corp. 5% income debentures (subordinated) which were carried on books at \$1.

General Notes

(a) Sinking fund in respect of 3½s, debentures requires payment to trustee on Mar. 1, 1945 of \$125,000 to be applied to purchase of

debentures at prices not exceeding redemption price.

(b) Assets of Texcel, Ltd. (wholly owned English subsidiary—liquidated in 1941), consisting of \$2,032 in cash at converted value (1939: cash, \$7,877, advances for construction (net) of \$137,178 at converted value and securities owned of Celotex, Ltd.) have been consolidated in 1940 statement.

Accounts certified by Arthur Young & Co.

STATISTICAL RECORD, FISCAL YEARS

Earnings per share—preferred	1944	1943	1942	1941	1940	1939	1938
—common	\$3.58	\$3.56	\$37.75	\$60.16	\$25.72	\$25.51	\$17.40
Dividends per share—preferred	\$0.53	\$0.54	\$1.54	\$2.55	\$0.96	\$0.95	\$0.95
—common	\$1.00	\$3.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Price range—preferred	\$0.50	\$0.50	\$0.75	\$1.12½	Nil	Nil	Nil
—common	19½-17	21-16½	75¼-66	75-65	72-48	72¼-58	72¼-46
Net assets per share—preferred	15½-11	14¼-8¼	8½-6½	10½-5¾	12½-5	19½-7½	19½-11
—common	\$62.88	\$60.64	\$281.49	\$267.00	\$231.23	\$210.79	\$174.14
Fixed charges earned:	\$8.90	\$8.68	\$8.55	\$7.74	\$6.08	\$5.11	\$6.50
Bef. inc. taxes, deprec. & depl.	12.42	12.93	21.98	17.72	8.38	5.93	4.96
Bef. inc. taxes & aft. deprec. & depl.	7.67	9.73	19.36	15.55	4.50	4.25	3.28
After inc. tax, deprec. & depl.	5.33	3.77	6.52	9.49	4.13	3.94	3.24
Times charges & pfd. div. earned	2.41	2.12	3.78	5.56	2.57	2.50	1.99
Price range: 4½s, 1947	105¼-101¼	102½-100¾	100-98¼	97½-88	90¼-73¼	97-76	92¼-58
3½s, 1955	\$4,426	\$4,009	\$3,653	\$3,420	\$2,858	\$2,509	\$2,250
Net assets per \$1,000 funded debt	\$1,858	\$1,542	\$1,273	\$1,092	\$875	\$568	\$569
Net curr. assets per \$1,000 fund debt	3.58	3.56	7.64	12.03	5.14	5.10	3.57
Times preferred dividends earned	156,862½	148,863	29,773	29,073	29,073	29,073	29,073
Number of shares—preferred	755,472	696,938	632,068	627,676	627,676	629,960	312,429
—common							

Calendar years.

Paid 100% stock dividend Nov. 4, 1938.

After 100% stock dividend range prior thereto, 30¼-12½.

After renegotiation refund earned per share was \$1.24.

Par value: 1944 and 1943, \$20; 1942 and prior years, \$100, \$2.50 on \$100 par stock and 50 cents on \$20 par stock.

FUNDED DEBT

1. Celotex Corp. debenture 3½s, due 1955:
Rating—Baa

AUTHORIZED—\$3,000,000; issued, \$3,000,000; outstanding, \$2,879,000; retired through sinking fund, \$121,000.

DATED—July 1, 1943.

MATURITY—July 1, 1955.

INTEREST—J&J 1 at City National Bank & Trust Co., Chicago or at Trustee's office. Principal and interest payable in U. S. legal tender.

TRUSTEE—Chemical Bank & Trust Co., New York.

DENOMINATION—Coupon, \$1,000; registerable as to principal.

CALLABLE—As a whole or in part on at least 30 days' published notice at any time to June 30 incl. as follows:

1944—103¼	1945—103	1946—102½
1947—102	1948—101¼	1949—101
1950—100¾	1951—100½	1952—100

Also callable for sinking fund (which see).

SINKING FUND—On or before first day of fifth calendar month next succeeding close of each fiscal year, beginning with fiscal year ending in year 1943, company agrees to pay Trustee 15% of sinking fund earnings for such year (not exceeding \$200,000 annually). If less than \$125,000, then, unless amounts paid into the sinking fund for all preceding fiscal years together with amount then payable shall at least average \$125,000 for each year, the company shall pay a sum at least equal to such deficiency. In lieu of cash, company may deliver debentures (acquired other than by redemption) at cost but not exceeding sinking fund redemption price.

Cash deposited is to be applied by Trustee prior to July 1 next following to purchase of debentures at not exceeding sinking fund redemption price on next July 1 or to redemption thereof at such price. In the event on any July 1 Trustee has unexpended balance sufficient to redeem at least \$25,000 of debentures, the Trustee shall select by lot for redemption on or before next ensuing Sept. 1 debentures sufficient to absorb said balance. Debentures acquired hereunder are to be cancelled.

Debentures are callable for the sinking fund to each June 30 incl. as follows:

1946—102½	1947—102	1948—101¼
1949—101	1950—100¾	1951—100½
1952—100		

SECURITY—Not secured by any lien. Company will not create or permit to be created any mortgage or lien upon any of its properties now owned or hereafter acquired, without securing debentures equally and ratably with indebtedness secured by such mortgage or lien. Exceptions to this restriction are purchase money and similar mortgages up to two-thirds of purchase price of property acquired and renewals of such mortgages; mechanic's liens; liens arising by reasons of deposits with or the giving of any form of security to any governmental agency as a condition to transaction of any business or to enable company or any subsidiary to maintain self-insurance or to participate in any fund in connection with workmen's compensation, unemployment insurance, etc. or to share in other benefits provided for companies participating in such arrangement or for liability on any insurance risks; or mortgages on property of any subsidiary as security for indebtedness owing by such subsidiary to the company, as provided.

Without consent of holders of two-thirds of debentures, company may not create or permit to be created any funded debt other than

debentures, unless thereafter: (1) average annual consolidated net earnings available for interest on funded debt for two fiscal years preceding are equal to at least four times total annual interest requirements on total funded debt; (2) excess of aggregate current assets over aggregate current liabilities is at least equal to aggregate consolidated funded debt and (3) consolidated net assets are at least equal to 2½ times aggregate consolidated funded debt. Exceptions to this restriction are: (a) any funded debt to provide for any refunding, renewing or extension of maturity of any funded debt; provided that principal amount of funded debt so created does not exceed funded debt to be refunded, renewed or extended; (b) any funded debt of a subsidiary owing to the company. Funded debt is defined to mean indebtedness maturing later than twelve months from date of creation thereof.

Company agrees (1) not to permit any subsidiary to issue any preferred except to the company; (2) nor to sell or part with control of any preferred stock of a subsidiary held by company except to subsidiary which issued such stock so long as such subsidiary remains a subsidiary.

CREATION OF ADDITIONAL DEBT—Issuance of debentures under this indenture is limited to \$3,000,000. Restrictions on issuance of further debt are noted above under "Security."

DIVIDEND RESTRICTIONS—Company will not (a) pay cash dividends on common, nor purchase, redeem or otherwise acquire for a consideration any shares of stock of company (other than by issuance of and application of proceeds of additional shares of capital stock to such purchase, redemption or acquisition); or (b) make any investment over \$50,000 in shares of capital stock or obligations of, or any loans to, any company not then, nor thereafter by reason of such investment, a subsidiary (other than by issuance of additional shares of capital stock); if amount of such dividends or amount devoted to purchase, redemption or acquisition of such stock, or the amount such investments shall involve amounts in excess of a sum equal to (1) consolidated net earnings since Oct. 31, 1942 plus (2) \$1,000,000, plus (3) all proceeds from sale of capital stock subsequent to July 1, 1943 not applied in (a) or (b) above, after deducting from such aggregate sum (x) all cash dividends paid since Oct. 31, 1942 and (y) cost of all shares of stock purchased, redeemed or otherwise acquired subsequent to July 1, 1943 (other than by issuance or application of proceeds of additional shares of capital stock) and (z) amount of all investments or loans in (b) above subsequent to July 1, 1943.

So long as the debentures are outstanding, company will not pay any dividend (other than stock dividends) on capital stock if upon payment of such dividend current assets shall be less than two times current liabilities.

Company will not itself, nor will it permit any subsidiary to, guarantee payment of any dividend, debt or other obligation, except as provided.

RIGHTS UPON DEFAULT—In event of default (30-day grace period provided for interest), the Trustee or holders of at least 25% of debentures may declare debentures due immediately.

INDENTURE MODIFICATION—Provisions may be modified, except as provided, with consent of holders of 66 2/3% of debentures.

PURPOSE—Net proceeds used to redeem debenture 4½s due 1947.

TAX STATUS—Company refunds all taxes of Pennsylvania (other than transfer, gift, estate, succession, inheritance, income and capital stock taxes) in an amount not exceeding 5 mills per annum on each dollar of principal amount thereof. No provisions for assumption or refund of any Federal taxes.

LEGAL—For trust funds in New Jersey.

LISTED—On New York Stock Exchange.

PRICE RANGE—1944 1943
Deb. 3½s, '55—105¼-101¼ 102½-100¾

CAPITAL STOCK

1. The Celotex Corp. 5% cumulative preferred stock; par \$20.

AUTHORIZED—500,000 shares (increased from 100,000 shares, July 12, 1943); outstanding, Oct. 31, 1944, 156,862½ shares; par \$20 (changed from \$100 par June 18, 1943, five \$20 par shares issued for each \$100 par share).

DIVIDEND RIGHTS—Has preference over common to cumulative dividends of 5% per annum, payable quarterly.

DIVIDEND RECORD—No dividends paid on \$100 par shares to Nov. 10, 1936 when 5% was paid clearing up arrears. Thereafter, regular dividends paid quarterly February 1, etc., to May 4, 1943, incl.

Initial dividend of 25 cents per share paid on \$20 par shares Aug. 5, 1943; regular dividends paid quarterly thereafter.

DIVIDEND LIMITATIONS—See "Dividend Restrictions" under debenture 3½s, 1955.

VOTING RIGHTS—None, except that if at any time cumulative dividends have accrued to the extent of \$2 per share, holders of preferred stock shall have one vote per share.

LIQUIDATION RIGHTS—Has preference over common to par plus accrued and unpaid dividends.

PREEMPTIVE RIGHTS—None.

CALLABLE—On any quarterly dividend date, in whole or in part (by lot), on 30 days' notice, at \$20 per share plus accrued dividends.

LISTED—On New York Stock Exchange.

TRANSFER AGENT—Chase National Bank, New York.

REGISTRAR—Chemical Bank & Trust Company, New York.

PRICE RANGE—1944 1943 1942

Preferred—19½-17 21-16½ 75¼-66

\$100 par shares.

2. The Celotex Corp. common; no par.

AUTHORIZED—1,500,000 shares; outstanding, Oct. 31, 1944, 755,472 shares; no par.

Dividend Record (in \$)

(Calendar years)

1935-36 Nil 1937—1.20 1938—

1939-40 Nil 1941—1.12½ 1942—0.75

1943-44 0.50 1944—0.25

Paid 100% in stock Nov. 4, 1938.

To May 2.

DIVIDEND LIMITATIONS—See "Dividend Restrictions" under debenture 3½s, 1955.

VOTING RIGHTS—One vote per share. See "Voting Rights" under 5% preferred stock, above.

PREEMPTIVE RIGHTS—None.

LISTED—On New York Stock Exchange.

TRANSFER AGENT—Chase National Bank, New York.

REGISTRAR—Chemical Bank & Trust Company, New York.

PRICE RANGE—1944 1943 1942

Common—15½-11 14¼-8¼ 8½-6½

Subscription Rights: Common stockholders of record Oct. 22, 1943 had right to subscribe, at \$10.50 per share, for shares of common stock, on the basis of one share for each ten shares then held.