FILE NAME: Philip Carey (PC)

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MOODY'S MANUAL OF INVESTMENTS

AMERICAN AND FOREIGN

INDUSTRIAL SECURITIES

1949

MOODY'S INVESTORS SERVICE

65 BROADWAY, NEW YORK 6, N. Y.

PHILADELPHIA Stock Exchange Bldg. — BOSTON 75 Federal St. — CHICAGO 105 W. Adams St. — LOS ANGELES Hollingsworth Bldg. — PITTSBURGH Union Trust Bldg. — SAN FRANCISCO Russ Bldg.

LONDON: MOODY'S INVESTORS SERVICE, LTD.

July 1, 1915, 2,000 shares (par $100) for cash at par.

Jan. 29, 1918, 23,000 shares (par $100) for acquisition of properties.

Dec. 22, 1922, 32,310 shares (par $100) as 100% stock dividend (paid Sept. 30, 1923).

Feb. 4, 1925, 150,000 shares (no par) in exchange for 22,910 shares (par $100), or a basis of about 6.55 shares for each $100 par share. A balance of 45,000 shares (par $100) was retired through exchange for a similar amount of 7% preferred stock (par $100).

Nov. 8, 1925, 1,543 shares (no par) for cash to employees and proceeds used for general corporate purposes.

May 24, 1927, 8,400 shares (no par) for cash for general corporate purposes.

July 1927, 39,357 shares (no par) to stockholders by subscription. Net proceeds used for general corporate purposes, including development of the Aston process for the making of wrought iron.

January 1929, 66,635 shares (no par) to holders by subscription. Proceeds ... the construction of a new plant for the manufacturing of wrought iron by the Aston ... developed by company and for general corporate purposes.

PRIC ERANGE— 1948 1947
Common....... 27⅞–16 22¼–13⅜

THE CELOTEX CORPORATION

CAPITAL STRUCTURE

FUNDED DEBT Issue	Rating	Amount Outstanding	[1]Times Charges Earned 1948	1947	Interest Dates	Call Price	Price Range 1948
1. 3¼% debentures, 1960	Baa	$4,348,000	36.29	42.26	F&A 1	[3]103	102 – 99 [illegible]
2. 3¼% debentures (series 1947), 1960	Baa	2,813,000			F&A 1	100	101 –100⅛ [illegible]

CAPITAL STOCK Issue	Par Value	Amount Outstanding	[1]Earned per Sh. 1948	1947	[1]Divs. per Sh. 1948	1947	Call Price	Price Range 1948
1. 5% cum. preferred	$20	256,862 shs.	$26.42	$24.25	$1.00	$1.00	20	20⅛– 17⅝ [illegible]
2. Common	No par	[6]905,472 shs.	7.21	6.59	1.75	1.12½	---	34⅜– 22¾ [illegible]

[1]Fiscal years. [2]Range since 1938, after 100% stock dividend. Before 100% stock dividend, 1935-38 range 48¼-12½. [3]To July 31, 19[illegible] thereafter at 102½ to July 31, 1951, incl. when price again changes; see text. [4]Range since 1945. [5]Range since 1943 for $20 par shares ... for $100 par shares from 1935 and to the 5-for-1 split in 1943, 93-46. [6]Includes 36,140 partially paid shares. [7]Range since 1947.

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 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.

On Aug. 30, 1946, acquired 83 1/3% interest in El Rey Products Co.; purchased balance of outstanding stock in 1947 and acquired direct ownership of property and assets including 20% interest in stock of California Mill Supply Co., dealers in waste paper, rags, etc.

Acquired properties in Ohio of Weaver-Hall Co. in Aug., 1946.

SUBSIDIARIES

This is principally an operating company. At Oct. 31, 1948, 100% of the voting power was owned in the following companies:

Name, place of incorporation and business:
American Gypsum Co., Ohio, inactive.
El Rey Products Co., Inc., California, inactive.

At Oct. 31, 1948, owned less than 100% of voting power in following company.

Celotex, Ltd., England, manufactures and sells Celotex products in British Empire (80%) [1].

[1]Articles of Association of Celotex, Ltd. provide that unless and until number shall be changed as provided therein, number of directors shall not be less than 2 nor more than 5. Holders of first preference shares are entitled to appoint 1 such director. By virtue of its ownership of 100% of deferred shares, Celotex Corp. is entitled to elect remaining directors. At Oct. 31, 1948, there were 5 directors.

Note: At Oct. 31, 1948, company owned 205,328 common shares of South Coast Corp. (see general index) constituting approximately 48% of voting power of all outstanding stock of that company.

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 "Muffletone."

The company also is engaged in the manufacture and sale of other types of insulating and building material products, including loose granulated 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.

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 slag, and is used with Portland cement to manufacture precast concrete.

The Celotex Corp. maintains offices throughout the world and has branch offices in 15 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.

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 14½ acres of land, and contains about 210,000 square feet of floor space, and is used for the manufacture of asbestos cement board with insulating case (Cemesto), insulating siding. There is also a warehouse and curing building of about 50,000 square feet.

A plant at Port Clinton, Ohio and a plant near Hamlin, Tex. are used in manufacture of gypsum products.

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

Plants at Cleveland, and Avery, O., Mar..., Ill., and Los Angeles, Cal. are used in ... facture of roofing products.

Plant of Celotex, Ltd., a subsidiary, located at Stonebridge Park, London. Building including office building, etc., have a combined floor area of approximately 141,3.. ft. Equipment includes facilities for preparing raw material and fabricating equipment ... preparing finished board.

MANAGEMENT

Officers

Bror Dahlberg, Chairman
O. S. Mansell, President
H. W. Collins, Exec. Vice-President
Carl G. Muench, Senior Vice-Pres.
C. L. Christensen, Vice-Pres. and Chairman Exec. Com.
F. A. Irvine, Vice-President
A. I. Schimpf, Treasurer
C. W. Johns, Secretary
W. D. Becker, Contr. and Asst. Sec.
H. W. Conway, Asst. Secretary
J. M. Erickson, Asst. Treasurer
A. F. O. Pfeiffer, Asst. Treasurer
J. W. Franklin, Purchasing Agent
Gates Ferguson, Advertising Manager
G. C. Snyman, Export Manager
Marvin Greenwood, Sales Manager

Directors

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

General Counsel: Pam. Hurd & Reichmann, Chicago.

Annual Meeting: Third Tuesday in February.

Number of Stockholders: Oct. 31, 1948, [illegible]

Number of Employees: Oct. 31, 1948, [illegible]

General Office: 120 So. La Salle St., Chicago 3, Ill.

Management Compensation Plan: For fiscal year bonus payments are based on the consolidated net earnings (as defined) in excess of $1,150,000 and are limited in case of (i) B. Dahlberg to $75,000 (ii) C. G. Muench to [illegible]700 and (iii) certain other employees to ... of combined annual compensation rate of ... employees, such amount to be distributed in accordance with their respective salaries with such modifications as are designated by the president.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED OCT. 31

	1948	1947	1946	1945	1944	1943	[illegible]
Net sales	$54,190,341	$46,872,120	$33,090,464	$22,185,651	$20,693,859	$22,598,269	$23,[illegible]
Cost of sales and expenses	41,530,140	35,668,208	25,425,359	20,041,957	19,099,196	20,017,458	19,[illegible]
[1]Deprec., depletion & amortization	1,322,596	925,048	557,250	770,782	816,481	612,724	[illegible]
Operating profit	11,337,605	10,278,864	7,107,856	1,372,912	978,182	1,968,107	[illegible]
Other income	388,132	354,220	459,661	244,357	194,410	166,739	[illegible]
Total income	11,725,737	10,633,084	7,567,517	1,617,269	1,172,592	2,134,846	[illegible]
Interest on funded debt	237,694	153,075	160,225	114,459	111,391	135,072	[illegible]
Other interest	45,302	85,040	8,135	--------	3,394	18,485	[illegible]
Debt discount and expense	35,050	10,952	10,139	13,580	15,057	37,664	[illegible]
Debt expense written off	--------	--------	--------	--------	--------	225,254	--------
[6]Other deductions	183,414	108,487	100,524	304,296	176,289	49,627	[illegible]
Federal income taxes	4,307,000	3,963,867	2,476,186	400,920	320,500	367,363	[illegible]
Excess profits tax	--------	--------	952,300	157,220	6,200	834,077	1,[illegible]
Post-war credit—excess profits tax	--------	--------	--------	--------	[3]cr 48,120	cr 20,588	cr [illegible]
Debt retirement credit	--------	--------	--------	--------	--------	cr [illegible],400	--------
Other inc. taxes & conting. tax res.	132,088	83,732	35,682	21,268	25,604	21,092	[illegible]
Net profit	6,785,189	6,227,929	3,824,324	605,525	562,276	530,199	[4]1,1[illegible]
Preferred dividends	256,862	256,863	256,862	170,752	156,863	148,863	[illegible]
Common dividends	1,518,091	968,628	830,513	377,772	377,759	325,293	[illegible]
[2]Surplus for year	$5,010,235	$5,002,438	$2,736,949	$57,000	$27,654	$56,043	[illegible]

[1]1945 includes amortization on accelerated basis ($268,910 after deducting $150,486 applicable taxes).

[2]1946: Before debiting $456,634 provision for additional Federal income and excess profits taxes and interest for prior years (while basis and amount are being protested, this provision has been made for the entire amount computed on basis as proposed by the Treasury Dept.) and crediting $49,556 applicable net adjustments of depreciable assets.

1945: Before debiting $120,321 costs and expenses relative to sale of 100,000 additional preferred shares.

1941: 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 preferred dividends of Celotex, Ltd.

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

[illegible] $47,500 credit due to carry back [illegible] year of unused excess profits credit [illegible]. [illegible] Includes $122,335 loss on fixed assets [illegible] dismantled, etc.

1945: Includes $175 226 write-off of redemption premium and unamortized discount and expense on debenture 3¾s redeemed during year.

General Notes

Above report excludes Celotex, Ltd. Net profit of that company for years ended Oct. 31: 1948, $189,231; 1947, $44 148; 1946, $7,906; 1945, $59,343; 1944, $55,628; 1943, $44,103; 1942, $42,774.

[illegible] of Earnings, years ended Oct. 31:

	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.
[illegible]	$7,559,955	$6,724,665	$865,290	d $99,856	$765,434	$29,419	$736,015	--------	268,685	$2.20
[illegible]	10,574,242	9,280,992	1,293,250	37,203	1,330,453	63,700	1,266,753	$322,422	268,685	4.17
[illegible]	9,126,489	8,471,885	654,604	d 126,246	528,358	10,000	518,358	312,429	312,429	1.19
[illegible]	12,317,936	11 242,829	1,075,107	d 254,351	820,756	79,000	741,756	--------	629,960	0 95
[illegible]	13,817,501	12,808,896	1,008,605	d 171,677	836,928	89,300	747,628	--------	627,676	0.96
[illegible]	19,977,155	16,809,199	3,167,957	171,069	2,996,583	1,247,790	1,749,099	706,138	627,676	2.55

[illegible] SHEETS

COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF OCT. 31

ASSETS:	1948	1947	1946	1945	1944	1943	1942
[illegible]	$5,777,132	$5,101,040	$2,453,820	$1,853,639	$2,256,657	$2,863,085	$1,190,786
[illegible] Government securities	--------	465,035	4,550,951	6,025,651	850,000	150,000	--------
[illegible] and accounts receivable, net	5,329,177	5,085,297	3,609,718	2,305,393	2,277,526	2,669,788	3,179,237
[illegible] tax refund claims	--------	--------	--------	266,730	--------	--------	--------
[illegible]	4,612,704	4,222,985	3,546,482	2,305,964	2,221,352	2,133,079	2,583,474
Total current assets	$15,719,013	$14,874,357	$14,160,971	$12,757,376	$7,605,735	$7,815,943	$6,953,497
[illegible] properties	31,514,090	28,349,631	19,130,942	13,183,159	11,570,263	11,421,344	11,218,640
[illegible] depreciation & amortization	10,332,815	9,249,071	8,591,957	8,094,104	7,317,421	6,867,285	6,318,695
[illegible] operating property	21,181,275	19,100,559	10,538,985	5,089,054	4,252,842	4,554,060	4,899,945
[illegible] property (net)	--------	--------	--------	120,197	177,523	115,665	144,814
[illegible] and rights	1	1	1	1	1	1	1
[illegible] Coast Corp. investment	438,541	438,541	438,541	438,541	438,541	438,541	58,502
Investment in Celotex, Ltd.	695,161	703,074	711,007	718,913	726,086	733,260	740,434
[illegible] in El Rey Prod. Co.	--------	[15]--------	2,181,790	--------	--------	--------	--------
[illegible] Mill Supply Corp.	202,838	[15]202,838	--------	--------	--------	--------	--------
[illegible]	--------	--------	[11]55,130	--------	--------	--------	--------
[illegible] Certain-teed Prod. Corp.	--------	--------	--------	--------	1,137,540	1,137,540	1,270,929
[illegible] tax refund	--------	--------	--------	--------	83,753	50,528	30,000
[illegible]	622,845	227,379	220,143	195,108	345,669	158,924	91,720
[illegible] debt discount & expense	235,915	81,252	92,264	102,671	107,769	122,827	217,735
[illegible] charges	448,747	475,439	357,018	207,579	148,678	128,820	111,054
Total	$39,544,336	$36,103,440	$28,755,790	$19,629,438	$15,024,138	$15,254,168	$14,518,631
LIABILITIES							
[illegible] payable	--------	$1,000,000	$1,300,000	--------	--------	--------	--------
[illegible] payable	2,223,634	2,234,898	2,310,542	$1,359,294	$986,057	$1,427,303	$1,497,242
[illegible] expenses	919,460	897,131	812,733	593,155	458,639	788,496	641,467
[illegible] interest	58,183	41,998	43,458	40,802	35,987	43,254	40,390
[illegible] misc. taxes	146,231	126,270	93,509	73,781	94,301	109,011	173,999
[illegible] fund requirement	437,500	250,000	250,000	175,000	--------	--------	--------
[illegible] for income taxes	[7]585,726	[7]1,912,673	[7]830,898	[7]257,810	[7]682,272	[7]821,277	[7]574,576
Total current liabilities	$4,370,735	$6,462,969	$5,641,140	$2,499,842	$2,257,257	$3,189,341	$2,927,673
[illegible]	6,723,500	4,342,000	4,582,000	4,825,000	2,879,000	3,000,000	3,158,500
[illegible]	--------	2,000,000	--------	--------	--------	--------	--------
[illegible] license agreement	--------	--------	--------	--------	23,849	38,341	51,802
[illegible] on stock sales	--------	--------	[11]55,130	--------	--------	--------	--------
[illegible] preferred stock	5,137,250	5,137,250	5,137,250	5,137,250	3,137,250	2,977,250	2,977,250
[illegible] stock	869,332	863,183	855,472	755,472	755,472	696,933	638,410
[illegible] paid com. shs.	[14]36,144	[14]42,325	--------	--------	--------	--------	--------
[illegible] surplus	6,110,639	5,969,212	5,7[illegible]5,659	2,457,684	1,953,797	1,363,845	706,843
[illegible] surplus	16,296,735	11,286,500	6,691,140	3,954,191	4,017,512	3,989,357	4,126,593
[illegible]	28,450,100	23,298,470	18,477,521	12,304,597	9,864,031	9,027,885	8,449,097
[illegible] common stock	--------	--------	--------	--------	--------	--------	68,441
[illegible] equity	28,450,100	23,298,470	18,477,521	12,304,597	9,864,031	9,027,885	8,380,656
Total	$39,544,336	$36,103,440	$28,755,790	$19,629,438	$15,024,138	$15,254,168	$14,518,631
[illegible] current assets	$11,348,278	$8,411,388	$8,519,831	$10,257,534	$5,348,478	$4,626,602	$4,025,824

[illegible] lower of cost or market. Comprises as [illegible] 1948: Raw materials (including, at [illegible] basic raw materials for which [illegible] is the only substantial mar[illegible]; goods in process, $403,910; finished goods, $718,950; operating and maintenance supplies, $1,759,432; total, $4,612,704.

[illegible] Comprises: $1,577,260 debenture 5s [illegible] 1973 and 205,328 shares of com[illegible] carried at $438,541. Market value [illegible] 1948, $1,577,260 debenture 5s (sub[illegible] 1973, $1,056,764; 205,328 common [illegible]; total, $1,826,744.

[illegible] at cost (less $64,940 reserve in [illegible] Celotex, Ltd. (English sub[illegible] consolidated).

[illegible] in Certain-teed shares at writ[illegible] ($29,743) after charge of $1,-[illegible] paid-in surplus during 1938 fiscal [illegible] reflecting subsequent purchases and [illegible]. At Oct. 31, 1944, comprised 147,-[illegible] shares, $1,137,540 (quoted market [illegible]).

[illegible] sold in 1945.

[illegible] shares: 1948, 869,332; 1947, $863,183; [illegible] 1945-44, 755,472; 1943, 696,933; 1942, [illegible]

[illegible] 1942, 6 342 shares.

[illegible] deducting investment in U. S. [illegible] notes, tax series, at cost: 1948, $4,-080,000; 1947, $3,380,000; 1946, $3,190,000; 1945, $1,-000,000; 1944, $390,000; 1943, $1,320,000; 1942, $2,-303,000.

[8]Includes provision for renegotiation in 1942, 1943 and 1944.

[9]Par value: 1947-43, $20; 1942 and 1941, $100.

[10]Principal paid-in surplus changes follow:

1948: After crediting $141,427 excess of consideration received for 6,149 common shares fully paid in the year over stated value of $1 per share.

1947: After crediting $177,353 excess of consideration received for 7,711 common shares fully paid during the year over stated value of $1 per share less $1,800 costs and expenses relative to sale of stock.

1946: After crediting $3.575,000 excess of amount received from sale at 36¾ of 100,000 additional common shares over stated value of $1 per share; less $239,024 cost and expenses relative to sale of stock.

1945: After crediting $503,886 excess of net proceeds of sale of portion of investment in Certain-teed Products Corp. common stock over 1938 written-down value thereof.

1944: 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.

1943: After crediting $529,410 excess from issuance of 58,523 additional common shares no par value over $1 stated value and $132,519 excess from sale of 5,696 preferred of Certain-teed Products Corp. over written-down value, and after deducting $4,928 loss on sale of 6,342 reacquired common shares.

[11]Amount received from employees on stock sales agreement.

[12]After reserves.

[13]1945: Includes $817,327 emergency facilities covered in full by reserve. It is anticipated that these facilities will continue in use.

[14]36,140 (1947, 42,289) shares partially paid. Total subscribed by employees, $867,360 (1947, $1,014,936); less unpaid portion due in installments to 1956, $831,216 (1947, $972,611); Balance, $36,144 (1947, $42,325).

[15]In 1946 company acquired interest in El Rey Products Co. and subsequently purchased the balance of the outstanding common stock and acquired direct ownership of the properties, assets and business. Among the assets was a 20% interest in California Mill Supply Corp.

Accounts certified by Arthur Young & Co.

STATISTICAL RECORD, FISCAL YEARS	1948	1947	1946	1945	1944	1943	1942
[illegible] per share—preferred	$26.42	$24.25	$14.89	$2.36	$3.58	$3.56	$37.75
—common	$7.21	$6.59	$4.17	$0.57	$0.53	$0.54	[4]$1.54
[illegible] per share—preferred	$1.00	$1.00	$1.00	$1.00	$1.00	[1]$3.00	$6.00
—common	$1.75	$1.12½	$1.00	$0.50	$0.50	$0.50	$0.75
[illegible]—preferred	20⅛-17⅝	21⅞-19¾	23-20	21⅞-18½	19⅛-17	[7]21-16½	75¾-66
—common	34⅜-22¾	32⅝-19⅞	38⅛-22½	25¼-14⅞	15½-11	14⅝-8¼	8½-6⅛
[illegible] assets per sh.—preferred	$110 76	$90.70	$71.93	$47.80	$62.88	$80.64	$281.49
—common	$25.75	$20.06	$15.59	$9.49	$8.90	$8.68	$8.55
[illegible] charges earned:							
[illegible] taxes, deprec. & depl.	40.45	45.97	44.95	16.27	12.42	12.93	21.98
[illegible] taxes & aft. deprec. & depl.	36.29	42.26	41.83	10.25	7.67	9.73	19.36
[illegible] tax, deprec. & depl.	22.33	26.00	22.42	5.73	5.33	3.77	6.52
[illegible] charges & pfd. div. earned	12.36	12.80	9.19	2.46	2.41	2.12	3.78
[illegible]—3¼s, 1960 (issued 1945)	102-99	106-101	105½-101⅜	103¼-102	--------	--------	--------
—3¼s, 1960 (series 1947)	101-100⅛	104-93	--------	--------	--------	--------	--------
[illegible] assets $1,000 fund. debt	$5,231	$4,674	$5,033	$3,550	$4,428	$4,809	$3,653
[illegible] assets per $1,000 fund debt	$1,688	$1,326	$1,859	$2,126	$1,858	$1,542	$1,275
[illegible] preferred dividends earned	26.42	24.25	14.89	3.55	3.58	3.56	7.64
[illegible] of shares—preferred	[5]256,863	[5]256,863	[5]256,863	[1]256,862½	[1]156,862½	[1]148,863	[1]29,773
—common	[2]905,472	[2]905,472	855,472	755,472	755,472	696,933	632,068

[illegible] years.

[illegible] partially paid shares: 1948, 36,140; 1947, 42,289.

[illegible] stock dividend: range prior thereto, 10½-12½.

[illegible] 1948-43, $20; 1942, $100.

[illegible] on $100 par stock and 50 cents on $20 par stock.

[illegible] par shares; old $100 par shares, 93-76½.

FUNDED DEBT

1. Celotex Corp. debenture 3¼s, due 1960:

Rating—Baa

AUTHORIZED—$5,000,000; outstanding, Oct. 31, 1948, $4,348,000.
DATED—Aug. 1, 1945.
MATURITY—Aug. 1, 1960.
INTEREST—F&A 1 at office of trustee or at City National Bank & Trust Co., Chicago. Principal and interest payable in U. S. legal tender.
TRUSTEE AND REGISTRAR—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 July 31, incl., as follows:

1949	103½	1950	103	1951	102½
1952	102	1953	101½	1954	101
1959	100½	[1]1959	100		

[1]After July 31, 1959.

Also callable for sinking fund, which see.
SINKING FUND—Annually on or before first day of fifth calendar month next succeeding close of each fiscal year beginning 1945, 15% of sinking fund earnings (as defined), but not to exceed $250,000. Sinking fund payments shall average at least $175,000, whether or not earned, for each fiscal year after Oct. 31, 1944. Debentures may be tendered in lieu of cash at greater of cost or sinking fund redemption price on next Aug. 1; any excess of debentures (acquired otherwise than by redemption) so tendered shall be credited at not to exceed sinking fund redemption price against next succeeding payments. Cash payments to be used prior to the next succeeding Aug. 1 at direction of company to purchase at not to exceed sinking fund redemption price or to redeem debentures; company on request of trustee shall pay accrued interest and commissions on debentures purchased or redeemed. Any balance in sinking fund on any Aug. 1 sufficient to redeem at least $25,000 (or less if requested by company) to be used to redeem debentures by lot on or before next succeeding Oct. 1, and any moneys not so used shall be added to next sinking fund payment. Any amounts not so used after Oct. 1, 1959, shall be applied to payment at maturity or to earlier redemption of debentures. Debentures purchased or redeemed to be cancelled.

Callable for sinking fund at 104 to July 31, 1948, incl., and thereafter at above call prices.
SECURITY—Not secured by any lien.
CREATION OF ADDITIONAL DEBT, ETC.—Company will not, directly or indirectly, create or assume, or permit any subsidiary to create or assume, any mortgage, pledge, or encumbrance on property or assets now owned or hereafter acquired, or on income or profits therefrom, unless debentures are equally and ratably secured thereby, except purchase money or other permitted liens.

Company will not (A) pay or declare any cash dividend on common, or acquire for value any capital stock (except by issuance or application of proceeds of additional shares), or (B) make any investment in excess of $50,000 in capital stock or obligations of or loans to any company not then or immediately thereafter by reason thereof to become a subsidiary (except through issue or proceeds of sale or disposition of such investment or capital stock of company) if such dividends, acquisitions of stock, or amount of such investments or loans exceed the sum of (a) consolidated net earnings (as defined) since Oct. 31, 1944, plus (b) $1,000,000 and (c) proceeds of sale or disposition after date of indenture of any such investment or capital stock not applied as referred to in (A) and (B) above after deducting therefrom (i) all cash dividends paid or declared after Oct. 31, 1944, and cost of all stock acquired, in each case as in clause (A) above, and (ii) all investments or loans as in clause (B) above, after date of indenture.

Note: The above clauses (A) and (B) of the 1947 issue (No. 2) are the same except that the date is Apr 30, 1947 instead of Oct. 31, 1944.

Consent of 66 2/3% of debentures necessary to create, assume, or issue, directly or indirectly, or permit any subsidiary so to do, any additional funded debt, except (a) for refunding, renewal or extension of not to exceed like amount thereof, or (b) funded debt (as defined) of a subsidiary to company; provided, that company shall not dispose or part with control thereof (except to such subsidiary), unless immediately thereafter (1) average annual consolidated net earnings available for interest (as defined) on funded debt for two fiscal years immediately preceding equal at least 4 times total annual interest requirements on consolidated funded debt; (2) excess of current assets (as defined) over current liabilities at least equal outstanding funded debt, except funded debt secured by liens as permitted, and (3) consolidated net tangible assets (as defined) at least equal 2½ times consolidated funded debt.
DIVIDEND RESTRICTION—No dividend (except stock dividends) shall be declared or paid on capital stock if thereupon current assets would be less than twice current liabilities.

See also clauses (A) and (B) above.
RIGHTS ON DEFAULT—In event of default (30 day grace period for payment of interest, 60 days for sinking fund installment), trustee or 25% of debentures may declare principal due and payable immediately.
INDENTURE MODIFICATION — Indenture may be modified except as provided with consent of 66 2/3% of debentures.
PURPOSE—Net proceeds used to redeem debenture 3¾s, due 1955, and for additional working capital.
TAX STATUS—Company refunds personal property taxes in Pennsylvania not to exceed 4 mills and in Kentucky not to exceed 5 mills on taxable value, and income taxes in Massachusetts up to 6% and in Maryland up to 5% per annum.
LISTED—On New York Stock Exchange.
OFFERED—($5,000,000) at 102½ (proceeds to company 99) on Sept. 6, 1945 by a syndicate headed by Paul H. Davis & Co., Chicago.

PRICE RANGE—	1948	1947	1946
3¼s, 1960	102–99	106–101	105½–101⅜

2. Celotex Corp. debenture 3¼s (issue of 1947) due 1960:

Rating—Baa

AUTHORIZED—$3,000,000; outstanding, $2,813,000.
DATED—Aug. 1, 1947.
MATURITY—Aug. 1, 1960.
INTEREST—F&A 1 at office of trustee or City National Bank & Trust Co., Chicago. Principal and interest payable in U. S. legal tender.
TRUSTEE AND REGISTRAR—Bank of New York, 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 at par and interest.
SINKING FUND—Annually on or before first day of tenth calendar month next succeeding close of each fiscal year, beginning with fiscal year ending in 1947, the lesser of 9% of sinking fund earnings (as defined) or $187,500, but to be maintained at a minimum average of $125,000 for each 12-months period regardless of such earnings. Debentures may be tendered at an amount equal to the principal amount of the debentures in lieu of cash; any excess credits to apply on future payments. Debentures so redeemed or credited to be cancelled.
OTHER PROVISIONS—Same as debenture 3¼s, issue of 1945, due 1960 (No. 1) with exception noted.
PURPOSE—Net proceeds to pay term bank loans; balance to general funds.

LISTED—On New York Stock Exch...
OFFERED—$3,000,000 at 97½ on Nov ... by a syndicate headed by Paul H. Dav... Chicago, and Union Securities Co... York.
PRICE RANGE—1948, 101-100⅛; ... (bid prices)

CAPITAL STOCK

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

AUTHORIZED—500,000 shares (increa... 100,000 shares, July 12, 1943); outstan... 31, 1948, 256,862½ shares; par $20 ... from $100 par June 18, 1943, five $20 par sh... issued for each $100 par share).
PREFERENCES—Has preference for ... and dividends.
DIVIDEND RIGHTS—Entitled to cum... dividends of 5% per annum, payable quar... Feb. 1, etc.
DIVIDEND RECORD—No dividends ... $100 par shares to Nov. 10, 1936 when ... paid clearing up arrears. Thereafter, ... dividends paid quarterly February 1, ... May 4, 1943, incl.

Initial dividend of 25 cents per share ... on $20 par shares Aug. 9, 1943; regular ... dends paid quarterly thereafter.
DIVIDEND LIMITATIONS — See "Dividend Restriction" under debenture 3¼s, 1960.
VOTING RIGHTS—None, except that if ... time cumulative dividends have accrued ... extent of $2 per share, holders of prefer... stock shall have one vote per share.
LIQUIDATION RIGHTS—Has preference ... common to par plus accrued and unpaid ... dends.
PREEMPTIVE RIGHTS—None
CALLABLE—On any quarterly dividend ... 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.
OFFERED—(100,000 shares) at $20 per share (proceeds to company $19 per share) on Sept. 6, 1945 by a syndicate headed by Paul H. Davis & Co., Chicago.

PRICE RANGE—	1948	1947	
Preferred	20⅛–17⅝	21⅞–19¾	[illegible]

2. The Celotex Corp. common; no par.

AUTHORIZED—1,500,000 shares; outstanding Oct. 31, 1948, 905,472 shares (including ... shares partially paid subscribed by employees) no par.

Dividend Record (in $)

(Calendar years)

1935–36	Nil	1937	1.20	1938	[1]
1939–40	Nil	1941	1.12½	1942	[illegible]
1943–45	0.50	1946	1.00	1947	[illegible]
1948	1.75	[2]1949	0.50		

[1]Paid 100% in stock Nov. 4, 1938.
[2]To Jan. 31.

DIVIDEND LIMITATIONS — See "Dividend Restriction" under debenture 3¼s, 1960.
VOTING RIGHTS—One vote per share. Cumulative voting permitted for election of directors. 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.
OFFERED—(100,000 shares) at 36¾ by Paul H. Davis & Co., Chicago and Union Securities Corp., New York.

PRICE RANGE—	1948	1947	
Common	34⅜–22¾	32⅝–19⅞	[illegible]

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.

DEVOE & RAYNOLDS COMPANY, INC.

CAPITAL STRUCTURE

FUNDED DEBT

Issue	Rating	Amount Outstanding	Times Charges Earned 1948	Times Charges Earned 1947	Interest Dates	Call Price	Price Range 1948	Price Range 19[illegible]
1. Debenture 2⅞s, 1965	A	$3,185,000	31.90	37.28	A&O 1	[3]102⅝	101 –97½	[5]104[illegible]

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	[2]Earned per Sh. 1948	[2]Earned per Sh. 1947	[2]Divs. per Sh. 1948	[2]Divs. per Sh. 1947	Call Price	Price Range 1948	Price Range 19[illegible]
1. Class A	$12.50	438,592 shs.	$4.41	$5.62	$2.60	$1.60	---	28½–19¼	[11]39[illegible]
2. Class B	No par	188,626 shs.	2.21	2.81	1.30	0.80	---	14 –11	[12]17[illegible]

[2]Fiscal years. [3]To Sept. 30, 1950, incl. when price again changes. Also callable for sinking fund (see text). [5]Range since 1945. [11]Range since 2½-for-1 split in 1945; 1932-45 range for old stock, 76⅛-7. [12]Range for new stock since 1945; 1932-44 range for old, 68-5.

HISTORY

Incorporated in New York, Apr. 6, 1917 to acquire the businesses of (1) The F. W. Devoe & C. T. Raynolds Co., a New York corporation which in 1909 purchased the business of a New Jersey corporation of identical name formed in 1892, and (2) Devoe & Raynolds Co., incorporated in Illinois in 1897 and controlled by F W Devoe & C. T. Raynolds Co The business was originally established in 1754 by William Post.

In Nov., 1925 completed negotiations for the purchase of and in May, 1927 completed the purchase contract for the acquisition of Wadsworth, Howland & Co., Inc.

On May 1, 1928 acquired the entire paint varnish and lacquer business and the real and certain personal properties of Peaslee-Gaulbert Co. of Louisville, Ky. and its subsidiaries

On May 31, 1938 acquired Jones-Dabney Co., organized in 1919, with plants at Louisville, Ky. and Detroit, Mich., manufacturers of paints, varnishes, lacquers and synthetic resins, sold to automobile, furniture, paint and other industrial manufacturers, paying therefor 28,000 shares of class A stock.

In April, 1945, company acquired Beckwith-Chandler Co. with plant and offices on a 13-acre tract at Newark, N. J., makers of railroad and industrial product finishes, and Truscon Laboratories, Inc. of Detroit.

In 1948, company acquired Bishop-Conklin Paint Co., Los Angeles, manufacturers of paint, varnishes, etc., now operated as a division.

SUBSIDIARIES

Truscon Laboratories, Wadsworth, Howland & Co., Peaslee-Gaulbert Paint & Varnish Co., Jones-Dabney Co. and Beckwith-Chandler Co, former subsidiaries, are now operated as divisions.

BUSINESS & PRODUCTS

Company and its divisions manufacture a diversified line of general purpose paints, varnishes, lacquers, enamels and paint brushes sold mostly under advertised trade names; also paints and finishes used by the automotive, marine, railroad, refrigerator, furniture and other industries; synthetic resins, which are basic materials in the manufacture of modern protective coatings and have many uses outside the protective coatings field; water and damp proofing products, and specialized coatings for concrete, masonry and steel surfaces; precast concrete tile for industrial roofing; and art colors and materials and artists' brushes. The division handling products for the general trade accounts for more than half of total sales, the industrial division for about one-third, and the brush division for one-tenth, Company sells direct from its factories, through field wareh...