NET WORTH 1953—SEVENTY-FOUR MILLION

36th. annual report

FISCAL YEAR ENDED OCTOBER 31ST, 1953

1946—THIRTY-NINE MILLION

1936—TWENTY-EIGHT MILLION

1926—FIFTEEN MILLION

1917—THREE MILLION

The Glidden Company

Paints, Varnishes, Lacquers, Durkee Famous Foods, Soybean Products, Livestock and Poultry Feeds, Vegetable Oils, Chemicals, Pigments, Metals, Minerals, Naval Stores

36th Annual Report of The

Transfer Agents

THE NEW YORK TRUST COMPANY
New York City

THE CLEVELAND TRUST COMPANY
Cleveland, Ohio

Registrars

THE CHASE NATIONAL BANK
New York City

CENTRAL NATIONAL BANK OF CLEVELAND
Cleveland, Ohio

GLD002726

Glidden Company 1953

TO THE STOCKHOLDERS

January 11, 1954

SUBSTANTIAL achievements in the growth and development of this diversified and decentralized organization continue to characterize its operations. The chart on the cover portrays 36 years of growth of your company.

In fiscal 1953, net profit after taxes and all charges was $7,109,272 compared to $6,948,805 in 1952. This was equal to $3.10 per share on the 2,290,794 shares outstanding at the close of the year October 31, 1953, and compares favorably with 1952, when earnings were equal to $3.04 per share on 2,284,739 shares outstanding.

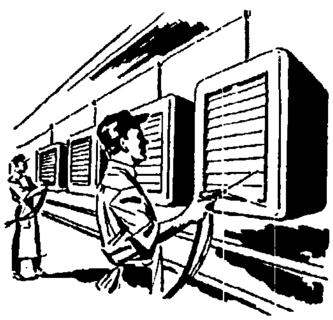
Regular cash dividends totaling $2.00 per share were paid during 1953. Dividends have been paid continuously since 1933.

Taxes continue to be extremely burdensome, with Federal and State income taxes amounting to $3.37 per share on the shares outstanding at the fiscal year end.

Physical volume of sales was 4 per cent above 1952 and reached a new high. Dollar volume of sales amounted to $211,758,522, an increase of $6,645,218 from last year.

Working capital at the end of the year totaled $46,004,697. Current assets were $67,429,973, and current liabilities were $21,425,276, a ratio of 3.15 to 1.

Our inventories are exceptionally well balanced and low in relation to sales volume. Year-end inventories, after deduction of LIFO Reserve of $2,235,334, amounted to $33,307,058, a reduction of $10,150,096. This reduction was partially due to market changes from a year ago. Satisfactory hedging operations against our major commodity inventories have been carried out, and this, together with our LIFO plan, assures adequate protection against unusual market variations.



Our other current notes and accounts receivable, advances and investments were up this year due to margins on trading accounts, certain receivables, commodity transfers and advances on purchase commitments.

Short term loans of $4,000,000 were created in October, 1953, for the purpose of carrying seasonal inventories accumulated during the crop harvesting season. These notes will be paid early in 1954 as inventories are processed. The first installment of $1,500,000 on our long term loan was paid during 1953.

Net worth of the company increased in 1953 by $2,680,428 and rose to $74,324,321. As the chart on the cover indicates, this continues the steady growth in net worth, which was $28,000,000 in 1936 and $39,000,000 in 1946.

Our federal income tax returns have been approved by the government through 1951 and we are not anticipating any difficulty with the years still open. Government review of renegotiable business has been completed through the fiscal year 1952 and no adjustments are contemplated.

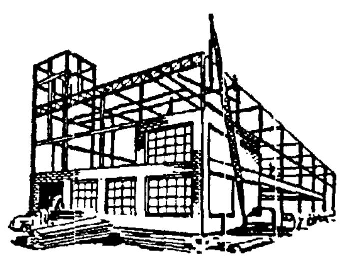
Retirement funds for employees deposited with bank trustees now total $6,136,098.

Gross plant additions during 1953 amounted to $4,149,573 and maintenance expenditures were $2,311,790.

PAINT DIVISION:

Sales and Profits in this division were the highest in the history of the company and the percentage of sales gain exceeded that of the paint industry as a whole. This sales record was achieved largely because of the great popularity of Spred Satin and the increased use of Nubelon by the industrial trade.

One of the important additions during the year was the establishment of an efficient manufacturing plant in Atlanta, Georgia. This was done through the purchase of the Eagle-Picher paint plant there, and the adding of the necessary buildings and equipment to increase its capacity to the point where it will now be able to service our many dealers, industrial customers and our own stores and warehouses in the great Southeast.



We have also added 108,000 square feet of storage and production area to our Nubian Industrial Paint Division in Chicago.

The Canadian Paint Division established a splendid record and plans have been worked out to add a new research laboratory at Toronto and to build a new paint manufacturing plant in Montreal. The Montreal plant will serve Quebec and the Maritime Provinces and permit us to grow with this rapidly developing territory.

At the Cleveland plant we are adding to our paint manufacturing facilities essential equipment that will increase greatly our production of synthetic resins and polyesters.

With the additional facilities for 1954, and with the introduction of new products from our paint laboratories, we believe that we will develop additional sales and profits in 1954.

DURKEE FAMOUS FOODS DIVISION:

This division had a successful year and several new items are now being placed on the market which we believe will add materially to our volume.

Additional facilities have been added to the Durkee plants at Louisville, Kentucky, Elmhurst, Long Island, and Chicago. Tank storage capacity has been markedly increased and efficient handling devices installed.

VEGETABLE OIL DIVISION:

The Vegetable Oil Division had a difficult marketing situation because of inadequate conversion margins on meal and oil from soybeans and flaxseed. Fortunately, our policy of developing manufactured products from meal and oil has helped carry the load and promises to be of great importance in the ensuing year. Our Protein products, Soya Flour and Lecithin are continually gaining in acceptance.

CHEMICALS, PIGMENTS AND METALS DIVISION:

This division has experienced a fine gain in both sales and profits. Our Titanium pigment manufacture is proving profitable and Cadmium pigments continue to lead in this field.

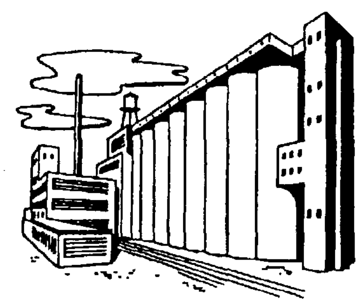
NAVAL STORES DIVISION:

This division, with plants at Jacksonville, Florida, and Valdosta, Georgia, has continued its intensive research on rosin based specialties and terpene products and the results are beginning to be felt in the Naval Stores profit picture. We are looking for a steady improvement in profits in this division.

RESEARCH:

We are continuing research and development in each of our 28 laboratories, and our big Central Laboratory in Chicago, with its capable personnel, is working to the benefit of all the smaller laboratories and is devoting its attention especially to creating greater utilization of the products of the soybean and expanding our edible oil research for the Durkee Famous Foods Division.

We look forward to the future with confidence and believe the coming year will be one of further growth. Our manufacturing facilities are in top shape to produce quality products economically, and our rapidly expanding sales organization is prepared to do hard and enthusiastic selling.



The management is constantly on the alert for new products, processes or methods which might be acquired by purchase and developed to the advantage of the company. Finally, but of utmost importance, many of the young men brought into the company since 1946 are now stepping into areas of great responsibility where they will have opportunities to apply their aggressiveness.

The loyal help and cooperation of all our people is deeply appreciated.

Dwight P. Joyce
President

Adrian D. Joyce
Chairman of the Board

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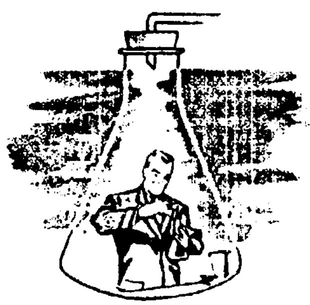
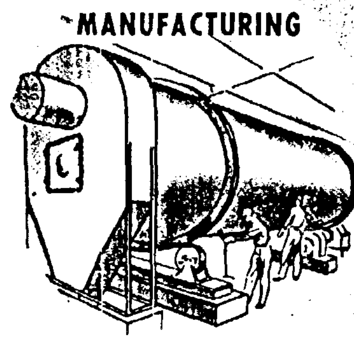
RAW MATERIALS

RESEARCH

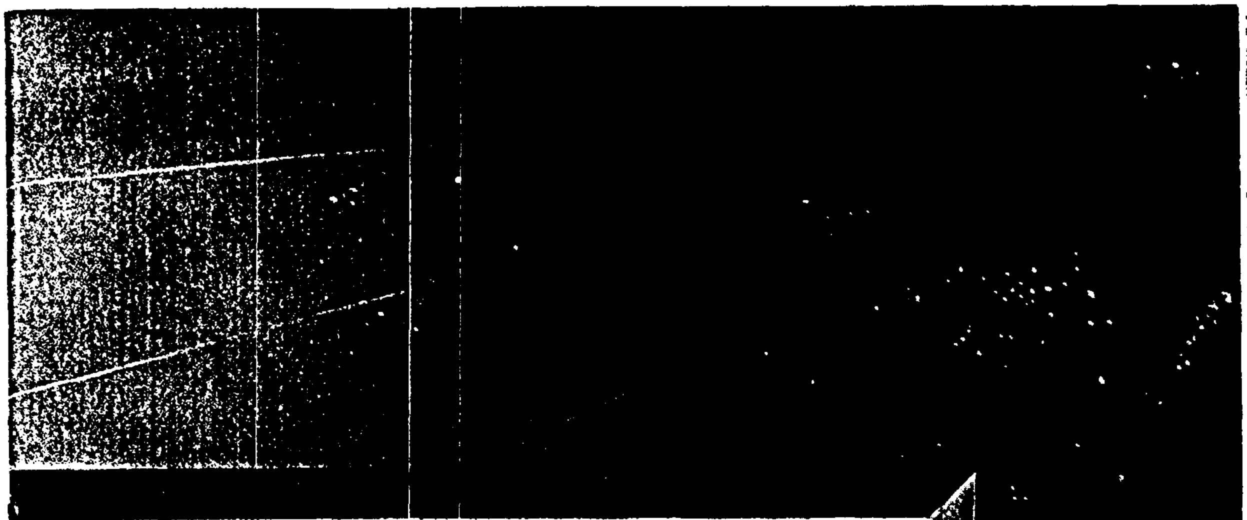


MANUFACTURING



YESTERDAY...

SHORTLY after the company was created in 1917, founder Adrian D. Joyce launched The Glidden Company on a carefully planned program to control raw material supplies and to diversify the firm's products. The results were phenomenal. By the early thirties, Glidden was operating 11 paint plants and was established in pigment production, metals refining and vegetable oil production and had become a major producer of margarine, spices and other food products. Its Soya Products, Naval Stores and Feed Mill units were added within the next few years. The company's remarkable growth already promised a great future.



TODAY ... *Tomorrow*

STRICT control of product quality and intensive research and development work are cornerstones of Glidden policy. Today Glidden is nationally known for the excellence of its products, many of which are unique in their uses. Glidden products include thousands of consumer items used daily in the home and on the farm, as well as a great variety of distinctive industrial and agricultural products.

Glidden is in a very sound financial condition and its physical plant has been modernized and brought to peak efficiency. Its employees are using these facilities to the utmost.

WITHIN the broad framework of its operations, The Glidden Company sees tremendous, inspirational opportunities for greater service to mankind. It expects to grow and prosper by continuing to recognize and develop these opportunities. As in the past, Glidden's constant search for the new, the better and the more economical will result in revolutionary new products, processes and methods vital to progress in many fields of human activity.

This continuing search, together with a firm faith in America's future, makes the Glidden Company confident it will successfully meet the challenge of tomorrow.

Consolidated Balance

ASSETS

CURRENT ASSETS		
Cash		$ 8,230,545
Trade accounts receivable, less allowances of $459,010 for doubtful accounts		17,511,525
Inventories—raw materials, in process, and finished goods Principal raw materials are stated at cost (last-in, first-out method) which did not exceed replacement market; other items are stated at the lower of cost (accumulated average) or replacement market		33,307,058
Other current notes and accounts receivable, advances and investments		8,380,845
TOTAL CURRENT ASSETS		$ 67,429,973
OTHER ASSETS		
Cash surrender value of life insurance	$ 840,678	
Prepaid insurance and expenses	840,270	
Miscellaneous notes and accounts receivable, advances and investments	404,433	2,085,381
PROPERTY, PLANT, AND EQUIPMENT		
Land—at cost	$ 3,207,499	
Buildings, machinery, and equipment—at cost	52,320,074	
	$55,527,573	
Less accumulated depreciation, depletion, and amortization	22,293,330	33,234,243
		$102,749,597

GLD002734

THE GLIDDEN COMPANY

AND SUBSIDIARIES

OCTOBER 31, 1953

Sheet

LIABILITIES, CAPITAL STOCK, AND SURPLUS

CURRENT LIABILITIES			
Notes payable to banks:			
Short-term loans		$ 4,000,000	
Serial notes maturing July 1, 1954		1,500,000	$ 5,500,000
Accounts payable			6,358,282
Accrued taxes, insurance, royalties, and interest			1,692,162
Federal, state, and dominion taxes on income – estimated			7,874,832
TOTAL CURRENT LIABILITIES			$ 21,425,276
LONG-TERM DEBT			
Serial notes payable, maturing $1,500,000 annually in 1955 and 1956, and $4,000,000 in 1957, interest 3%			7,000,000
CAPITAL STOCK AND SURPLUS			
Capital stock:			
Common without par value:			
Authorized 3,000,000 shares (100,000 shares reserved for sale to key employees)			
Issued including treasury shares, 2,291,330 shares			
Stated capital		$ 5,728,325	
Capital surplus		26,875,642	
		$32,603,967	
Earned surplus (includes $4,056,570 of surplus of Canadian subsidiary)	$41,733,083		
Less 536 treasury shares – at cost	12,729	41,720,354	74,324,321
			$102,749,597

GLD002735

THE GLIDDEN COMPANY AND SUBSIDIARIES

Year ended October 31, 1953

Consolidated Income and Surplus

INCOME

Net sales		$211,758,522
Cost of goods sold, selling, administrative and general expenses, including provision of $2,185,184 for depreciation and amortization		197,231,463
		$ 14,527,059
Other income		664,985
		$ 15,192,044
Interest expense		357,772
INCOME BEFORE TAXES ON INCOME		$ 14,834,272
Taxes on income—estimated:		
Federal normal tax and surtax	$ 7,150,000	
Dominion and state taxes	575,000	7,725,000
CONSOLIDATED NET INCOME		$ 7,109,272

SURPLUS

CAPITAL SURPLUS	
Balance at November 1, 1952, and October 31, 1953	$ 26,875,642
EARNED SURPLUS	
Balance at November 1, 1952	$ 39,202,349
Add net income for the year	7,109,272
	$ 46,311,621
Deduct dividends paid—$2 per share	4,578,538
Balance at October 31, 1953	$ 41,733,083

GLD002736

Glidden Divisions

PAINT

The Glidden Company
Central Region
Cleveland, Ohio

The Glidden Company
Mississippi Region
The Campbell Paint & Varnish Company
St. Louis, Missouri

The Glidden Company, Ltd.
Toronto, Ontario, Canada

The Glidden Company, Ltd.
Montreal, Quebec, Canada

The Glidden Company
Eastern Region
The A. Wilhelm Company
Reading, Pennsylvania

The Glidden Company
Northwest Region
Minneapolis, Minnesota

The Glidden Company
Pacific Region
San Francisco, California

The Glidden Company
Southern and Texas Region
The American Paint Works
New Orleans, Louisiana

The Glidden Company
Nubian Industrial Division
Chicago, Illinois

The Glidden Company
Midwest Trade Sales Region
Chicago, Illinois

The Glidden Company
Southeastern Region
Atlanta, Georgia

FOOD

Durkee Famous Foods
Elston Avenue, Chicago, Ill.

Durkee Famous Foods
Louisville, Kentucky

Durkee Famous Foods
Elmhurst, Long Island, N. Y.

Durkee Famous Foods
Iron Street, Chicago, Illinois

Durkee Famous Foods
Macon, Georgia

Durkee Famous Foods
Norwalk, Ohio

Durkee Famous Foods
Berkeley, California

CHEMICALS, PIGMENTS AND METALS

The Glidden Company
Chemical - Pigment - Metals Division
St. Helena (Baltimore), Maryland

The Glidden Company
Chemical - Pigment - Metals Division
Collinsville, Illinois

The Glidden Company
Chemical - Pigment - Metals Division
Oakland, California

The Glidden Company
Chemical - Pigment - Metals Division
Hammond, Indiana

The Glidden Company
Euston Lead Division
Scranton, Pennsylvania

SOYA PRODUCTS AND VEGETABLE OILS

The Glidden Company
Chicago, Illinois

The Glidden Company
Indianapolis, Indiana

The Glidden Company
Buena Park, California

NAVAL STORES

The Glidden Company
Jacksonville, Florida

The Glidden Company
Valdosta, Georgia

E. W. Colledge, General Sales Agent, Inc.
Jacksonville, Florida

FEED MILL

The Glidden Company, Indianapolis, Indiana

MINES

Glidden Consolidated Copper and Zinc Mines
Shasta County, California

The Glidden Company
Barytes Mines
Battle Mountain, Nevada
Tonopah, Nevada

Retail Stores and Warehouses in the Principal Cities

AFFILIATED CORPORATIONS

Growth Products Company
Pascagoula, Mississippi

Jacksonville Processing Corporation
Jacksonville, Florida

QUALITY Glidden PRODUCTS

GLD002737

Accountants' Report

ERNST & ERNST

CLEVELAND

Board of Directors,
The Glidden Company,
Cleveland, Ohio.

We have examined the consolidated balance sheet of The Glidden Company and subsidiaries as of October 31, 1953, and the related statements of consolidated income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and surplus present fairly the consolidated financial position of The Glidden Company and subsidiaries at October 31, 1953, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST
Certified Public Accountants

Cleveland, Ohio
December 15, 1953

DIVERSIFIED PRODUCTS BY GLIDDEN

FOODS

Durkee's Margarine
Durkee's Stayfresh Coconut
Durkee's Dixie Cut Coconut
Durkee's Mayonnaise
Durkee's Whipped Salad Dressing
Durkee's Sandwich Spread
Durkee's French Dressing
Durkee's Famous Dressing
Durkee's Shortening
Durkee's Salad Oils
Durkee's Deep Fat Frying Oil
Durkee's Spices and Extracts
Durkee's Worcestershire Sauce
Durkee's Bakers Margarine
Special Ingredients for Bakers and Confectioners

SOYBEAN PRODUCTS

Alpha* Protein
Beta* Protein
Prosein*
Soya Meal—Flour—Flakes
Lecithin
Fine Chemicals—Steroids
Edible Emulsifiers

LIVE STOCK AND POULTRY FEEDS

Glidden Cattle and Hog Feeds
Glidden Poultry Feeds
Glidden Feed Concentrates

PAINTS, VARNISHES AND LACQUERS

SPRED SATIN
SPRED GLOSS
Endurance* House Paint
Endurance* Imperial House Paint
Japalac*
Ripolin* Enamel
Spray-Day-Lite
Brush-Day-Lite
Speed-Wall*
Gliddenspar Varnish
Florenamel
Pli-namel
Glid-Tone Stains
Graphic Arts Finishes
Glidair Aviation Finishes
Nubelite*
Nubelac*
Nubelon*
Nubelyn*
Nubeloid*
Nu-Pon*
Spatterloid*
Spattertone*
Hammerloid*
Metalescent*
Vinyl-Cote*
Bombay Black*
Glidvar* Wire Coatings
Nuflex* Paper Coatings
Spedene* A. D. Synthetics
Stains, Fillers, Sealers, Varnishes and Lacquers for Wood Furniture

VEGETABLE OILS

Soybean Oils
Cottonseed Oils
Coconut Oils
Peanut Oils
Corn Oils
Palm Oils
Linseed Oils

CHEMICALS AND PIGMENTS

Zopaque* Titanium Dioxide
Sunolith* Lithopone
Cadmolith* Cadmium Colors
Euston* White Lead
Bleached Barytes
Oil Well Barytes
Zinc Sulphate Crystals
Coal Tar Products

METALS AND MINERALS

Powdered Copper and Lead
Cuprous Oxide
Cupric Oxide
Cubond* Brazing Compound
Barite
Ilmenite

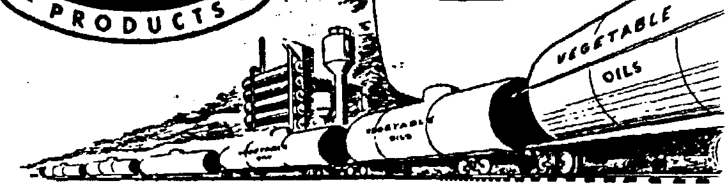
NAVAL STORES

Nelio* GN and NXD Gum Rosin
Nelio* Gum Turpentine
Sunny South* D.D. Turpentine
Pigmentar* (Pine Tar)
Alpha and Beta Pinene
Guai-a-phene* and Glidcol* Anti-Skin Agents
Terpene Chemicals
Nopol, Camphene, Myrcene
Rosin Oils
Gloss Oils—Lobeite* Hard Rosin
Terpex*
Synthetic and D.D. Pine Oil
Ester Gum, Rosin Based Resins
Merez Metal Resinates
Pine Wood Charcoal
Rubber Compounding Agents

**Trade Mark Registered*

Much of The Glidden Company's business comes from the processing and production of raw materials for sale to other industries.

QUALITY
Glidden
PRODUCTS



36 YEARS OF GROWTH AND PROGRESS

Founded by Adrian D. Joyce in 1917 as a producer of paints and varnishes, The Glidden Company today is among the foremost of America's industrial concerns. Its broad, yet integrated diversification, its continued intensive emphasis on research and development, promise even greater growth and progress in the years ahead.

QUALITY Glidden PRODUCTS

GLD002740