NATIONAL LEAD COMPANY,

1 Exchange Place, Jersey City, N. J.

REPORT PRESENTED TO THE STOCKHOLDERS AT THEIR TWELFTH ANNUAL MEETING, FEBRUARY 18, 1904, FOR THE FISCAL YEAR ENDING DECEMBER 31, 1903.

To the Stockholders of National Lead Company:

The following Balance Sheet shows the condition of the Company on December 31, 1903.

ASSETS.

Plant Investment		24,143,298.55
Other Investments		618,150.09
Stock on hand, manufactured, in process and raw		5,910,486.48
Treasury Stock—Common	94,600.00	
—Preferred	96,000.00	190,600.00
Cash in Banks		150,104.52
Notes Receivable		174,088.53
Accounts Receivable		1,519,423.12
		$32,706,151.29

LIABILITIES.

Capital Stock—Common	15,000,000.00		
—Preferred	15,000,000.00	30,000,000.00	
Surplus, December 31, 1903		1,962,831.04	
Mortgages		12,603.25	
Notes Payable		600,000.00	
Accounts Payable		130,717.00	$32,706,151.29

A comparison with the preceding year is given in the following statement:

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$1,569,069.47 show a gratifying increase over preceding years, and after paying dividends of $1,043,280, enable us to add $525,789.47 to Surplus Account which now shows a credit balance of $1,962,831.04 and is actively employed in the business. A large "Surplus Account" is required for adequate working capital, and is also a provision against possible shrinkage in the value of the large stocks necessarily carried. During the period under review $132,569.15 was expended for ordinary repairs and $220,905.14 for new improvements, making an aggregate of $353,474.29, all of which was charged to operating expense. While the value of inventory is on a lower basis than last year, "Stock on Hand" shows an increase of $271,869.16 due to the necessity of carrying larger stocks to supply increasing demands.

During the year we bought a prominent white lead plant and business, to meet the increased demand and supplement existing properties. Plans have been approved for additional construction in other departments which will be hastened to completion. Generally the business may be said to be in a prosperous condition, and the properties in the best of order. The annual meeting for the year 1905 will be held in April, in accordance with the charter as amended March 19, 1903, but the fiscal year of the Company will continue to be the calendar year.

Thanks are due to officers and employees for faithful and intelligent service.

Respectfully,

L. A. COLE,

President.

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ASSETS.

	Dec. 31, 1902.	Dec. 31, 1903.	Increase.	Decrease.
Plant Investment....	23,465,356.72	24,143,298.55	677,941.83	....
Other Investments...	1,219,241.54	618,150.09	....	601,091.45
Stock on hand........	5,638,617.32	5,910,486.48	271,869.16	....
Treasury Stock......	190,600.00	190,600.00	....	....
Cash in Bank........	352,343.29	150,104.52	....	202,238.77
Notes Receivable....	152,575.02	174,088.53	21,513.51	....
Accounts Receivable.	1,544,750.15	1,519,423.12	....	25,327.03
	$32,563,484.04	$32,706,151.29	$971,324.50	$828,657.25

LIABILITIES.

	Dec. 31, 1902.	Dec. 31, 1903.	Increase.	Decrease.
Capital Stock........	30,000,000.00	30,000,000.00	....	....
Surplus...............	1,437,041.57	1,962,831.04	525,789.47	....
Mortgages...........	12,603.25	12,603.25	....	....
Notes Payable........	1,050,000.00	600,000.00	....	450,000.00
Accounts Payable....	63,839.22	130,717.00	66,877.78	....
	$32,563,484.04	$32,706,151.29	$592,667.25	$450,000.00

SURPLUS ACCOUNT.

Surplus, December 31, 1902..................................	1,437,041.57
Net Earnings during 1903..............................	1,569,069.47
	$3,006,111.04

DIVIDENDS PAID DURING 1903.

On Preferred Stock.

March 16........................	Dividend No. 45	260,820.00	
June 15........................	" No. 46	260,820.00	
Sept. 15........................	" No. 47	260,820.00	
Dec. 15........................	" No. 48	260,820.00	1,043,280.00
Surplus, December 31, 1903,			$1,962,831.04

We submit the foregoing statement to stockholders showing the financial status of the Company at the close of 1903, and the results of the business for that year. The aggregate tonnage was slightly increased over 1902, and our capacity was heavily taxed during the busy season; the later months were not so active as in the previous year. The net earnings o

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