

SEMI-ANNUAL REPORT
**NATIONAL LEAD
COMPANY**

**FOR PERIOD ENDING
JUNE 30, 1945**



Principal Office:

FOOT OF CHEVALIER AVENUE, SAYREVILLE, N. J.

Executive Offices:

111 BROADWAY, NEW YORK 6, N. Y.

N13825

To the Stockholders of National Lead Company:

The following is a Consolidated Balance Sheet of National Lead Company as of June 30, 1945 and a Statement of Consolidated Income and Surplus for the first six months of 1945. The consolidation includes only domestic subsidiaries in which National Lead Company owns all of the outstanding capital stock. Dividends received from foreign corporations owned in part or in whole, domestic corporations not wholly owned, as well as interest on bonds and miscellaneous items not directly connected with current operations, are included in the item of "Other Income". Dividends on National Lead Company Preferred and Common Stocks owned by the Company itself are not included in this statement, either as disbursements or as income.

FLETCHER W. ROCKWELL, President.

NATIONAL LEAD COMPANY
And Its Wholly Owned Domestic Subsidiaries
CONSOLIDATED BALANCE SHEET
JUNE 30, 1945

ASSETS

Current Assets:		
Cash		\$ 13,318,642.83
United States Government Securities at cost (approximately equivalent to amount at market quotations)		18,435,498.47
Other Marketable Securities (at market quotations \$2,315,514.45)		532,116.70
Accounts and Notes Receivable	\$14,715,760.11	
Less, Reserve for Losses	1,267,771.88	13,447,988.23
Notes Receivable from Employees		31,933.36
Inventories		23,180,581.15
Total Current Assets		\$ 68,946,760.74
Fund for deferred expenditures on expansion and development:		
United States Government Securities at cost (approximately equivalent to amount at market quotations)	\$ 8,174,000.00	
Post-war Refund of Excess Profits Taxes	1,826,000.00	10,000,000.00
Investments in and Advances to Affiliated Companies, less Reserves		4,289,746.56
Miscellaneous Investments, less Reserves		1,179,897.20
Plant Property and Equipment (including intangibles)	\$99,519,154.26	
Less, Reserves for Depreciation and Depletion	48,633,891.35	50,885,262.91
Patents and Licenses, less amortization		452,957.38
Prepaid expenses, deferred charges, etc.		1,035,715.27
		\$136,790,340.06

LIABILITIES

Current Liabilities:		
Accounts Payable and Accrued Liabilities		\$ 6,557,573.12
Payable to Affiliated Companies		847,943.21
Provisions for Taxes, including Federal Income and Excess Profits Taxes		16,069,498.20
Dividend Payable August 1, 1945 on Class B Preferred Stock		116,193.00
Total Current Liabilities		\$ 23,591,202.53
Reserves:		
Fire Insurance	\$ 4,797,284.02	
Employer's Liability	426,664.30	
Pension	2,087,000.32	
Contingencies	6,835,000.00	
General Inventory	700,339.71	
Reserve for Post-War Contingencies	1,826,000.00	16,672,288.35

CAPITAL

Capital Stock:		Authorized	Issued
Preferred Class A, 7 pct. cumulative, non-callable, \$100 Par Value ...	\$ 25,000,000.00		\$ 24,367,600.00
Preferred Class B, 6 pct. cumulative, non-callable, \$100 Par Value ...	25,000,000.00		10,327,700.00
Common, \$10 Par Value	50,000,000.00		30,983,100.00
	<u>\$100,000,000.00</u>		<u>\$ 65,678,400.00</u>
Capital Surplus			485,295.18
Earned Surplus			35,411,401.89
			<u>\$101,575,097.07</u>
Less, Reacquired Capital Stock			5,048,247.89
			<u>96,526,849.18</u>
			\$136,790,340.06

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Sales	\$90,006,931.47	\$80,450,640.55
Cost of Goods Sold, Taxes (except Federal Income and Excess Profits Taxes) and Other Expenses	78,071,083.96	69,236,740.43
	\$11,935,847.51	\$11,213,900.12
Depreciation and Depletion	2,570,766.21	2,379,528.16
	\$ 9,365,081.30	\$ 8,834,371.96
Other Income	621,106.13	1,005,699.49
	\$ 9,986,187.43	\$ 9,840,071.45
Other Charges		68,100.71
	\$ 9,986,187.43	\$ 9,781,970.74
Federal Income and Excess Profits Taxes	6,447,841.80	6,250,905.74
	\$ 3,538,345.63	\$ 3,531,065.00
Additions to Reserves:		
Foreign Investments	\$ —	\$227,108.38
Pension	62,500.00	122,928.00
Contingencies		300,000.00
	62,500.00	650,036.38
Total Net Income	\$ 3,475,845.63	\$ 2,881,028.62
Dividends on Preferred Stock Outstanding:		
Class A	\$797,275.50	\$783,275.50
Class B	232,386.00	232,386.00
	1,029,661.50	1,015,661.50
Amount Earned on Common Stock	\$ 2,446,184.13	\$ 1,865,367.12
Amount Earned per share of Common Stock Outstanding	\$.791	\$.604

ANALYSIS OF CONSOLIDATED SURPLUS

	Six Months Ended June 30th	
	1945	1944
Earned Surplus—At beginning of year	\$33,737,883.76	\$31,594,349.43
Add: Net Income for Six Months	3,475,845.63	2,881,028.62
	\$37,213,729.39	\$34,475,378.05
Deduct: Adjustment *		298,232.93
	\$37,213,729.39	\$34,177,145.12
Deduct: Dividends Paid During Period—		
Preferred Stock Outstanding:		
Class A	\$797,275.50	\$783,275.50
Class B	232,386.00	232,386.00
	\$ 1,029,661.50	\$ 1,015,661.50
Common Stock Outstanding	772,666.00	772,666.00
Total Dividends Paid	\$ 1,802,327.50	\$ 1,788,327.50
Earned Surplus—June 30th	\$35,411,401.89	\$32,388,817.62
Capital Surplus—June 30th	485,295.18	386,672.92
Total Surplus—June 30th	\$35,896,697.07	\$32,725,490.54

* This adjustment reflects payment made in excess of the book value of the net assets acquired in connection with the purchase of the outstanding minority interest in the American Bearing Corporation.