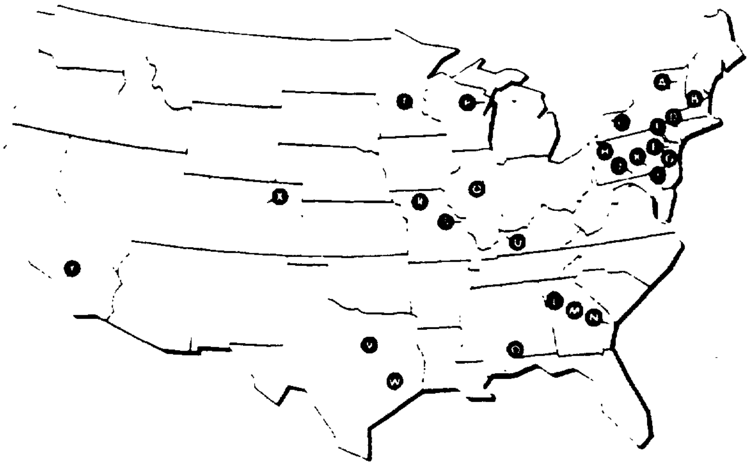
PLAINTIFF'S
EXHIBIT
GF-1958

The RUBEROID Co. 77th Annual Report / 1963

GAF 12305



RUBEROID PLANTS, MINES AND QUARRIES

A. Hyde Park, Vermont
B. Millis, Massachusetts
C. Wheatland, New York
D. Newburgh, New York
E. Bound Brook, New Jersey
F. South Bound Brook, New Jersey
G. Gloucester City, New Jersey
H. Erie, Pennsylvania
I. Baltimore, Maryland
J. Charmian, Pennsylvania
K. Delta, Pennsylvania
L. Fairmount, Georgia
M. Hartwell, Georgia
N. Savannah, Georgia
O. Mobile, Alabama
P. Kremlin, Wisconsin
Q. Joliet, Illinois
R. Kansas City, Missouri
S. St. Louis, Missouri
T. Minneapolis, Minnesota
U. Calvert City, Kentucky
V. Dallas, Texas
W. Houston, Texas
X. Denver, Colorado
Y. Long Beach, California

SALES OFFICES

Mobile, Alabama / Long Beach California / Denver, Colorado / Savannah, Georgia
Joliet, Illinois / Baltimore, Maryland / Hagerstown, Maryland
Millis, Massachusetts / Detroit, Michigan / Minneapolis, Minnesota
Kansas City Missouri / St. Louis, Missouri / S Bound Brook, New Jersey
Newburgh, New York / New York, New York / Wheatland, New York
Erie, Pennsylvania / Dallas, Texas / Houston, Texas

PRODUCTS

Building Products Division

ASPHALT ROOFING AND SIDING MATERIALS
Asphalt Roll Roofing—smooth, mineral surfaced
Asphalt Shingles—all types
Asphalt Sidings
Plastic Roof Cement and Roof Coatings

BUILT-UP ROOFING AND WATERPROOFINGS
Asphalt, Asbestos and Tarred Roofing Felts
T/NA 200® Roof Membrane
Universal Base Sheet
Special Roofing Bitumen
Fiberglas* Roof Insulation

ASBESTOS-CEMENT ROOFING AND SIDING
Asbestos Roof Shingles
Dura-Color® clapboard and weatherboard siding
Dura-Shake® weatherboard siding

UNSATURATED FELTS

GYPSUM WALLBOARD, LATH AND SHEATHING

BUILDING AND WATERPROOF PAPERS

FIBERGLAS* BUILDING INSULATION

Floor Tile Division

FLOOR TILES
Vinyl-Asbestos
Asphalt

ACCESSORIES
Cove Base and Corners
Feature and Reducing Strips
Adhesives

Roofing Granule Division

ROOFING GRANULES

FILLERS, MICA

Industrial Products Division

ASBESTOS-CEMENT PRODUCTS
Corrugated A-C Board
Stonewall® Board
Panelstone® Board

INSULATION—PIPE COVERINGS, ETC.
Molded Pipe Covering and Blocks—Calsilite
Fiber Glass Pipe and Duct Insulation
T/NA 100® Insulation Jacketing
Asbestos Paper—Rollboard—Millboard
Insulation Cements
Insulating Tape

AUTOMOTIVE PRODUCTS
Sound Deadening Felts
Dash Insulation Assemblies
Tufting Felts
Foundation Board

PIPE LINE PRODUCTS
Asbestos Pipe Line Felts
Flexible Rock Shield Board
Inner and Outer Glass Wrap

COAL TAR PRODUCTS
Refined Coal Tar
Coal Tar Pitch

*T.M. of Owens-Corning Fiberglas Corp

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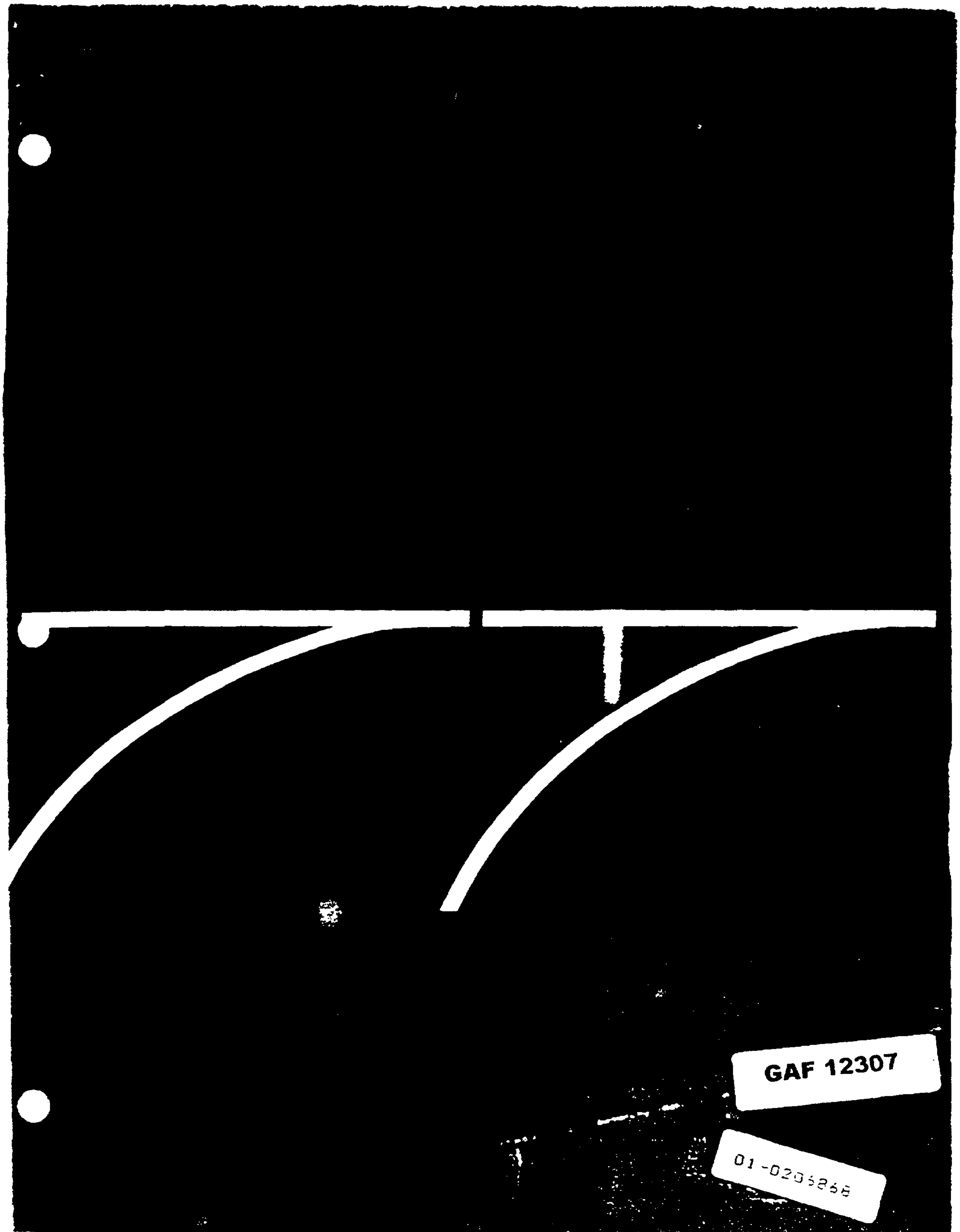
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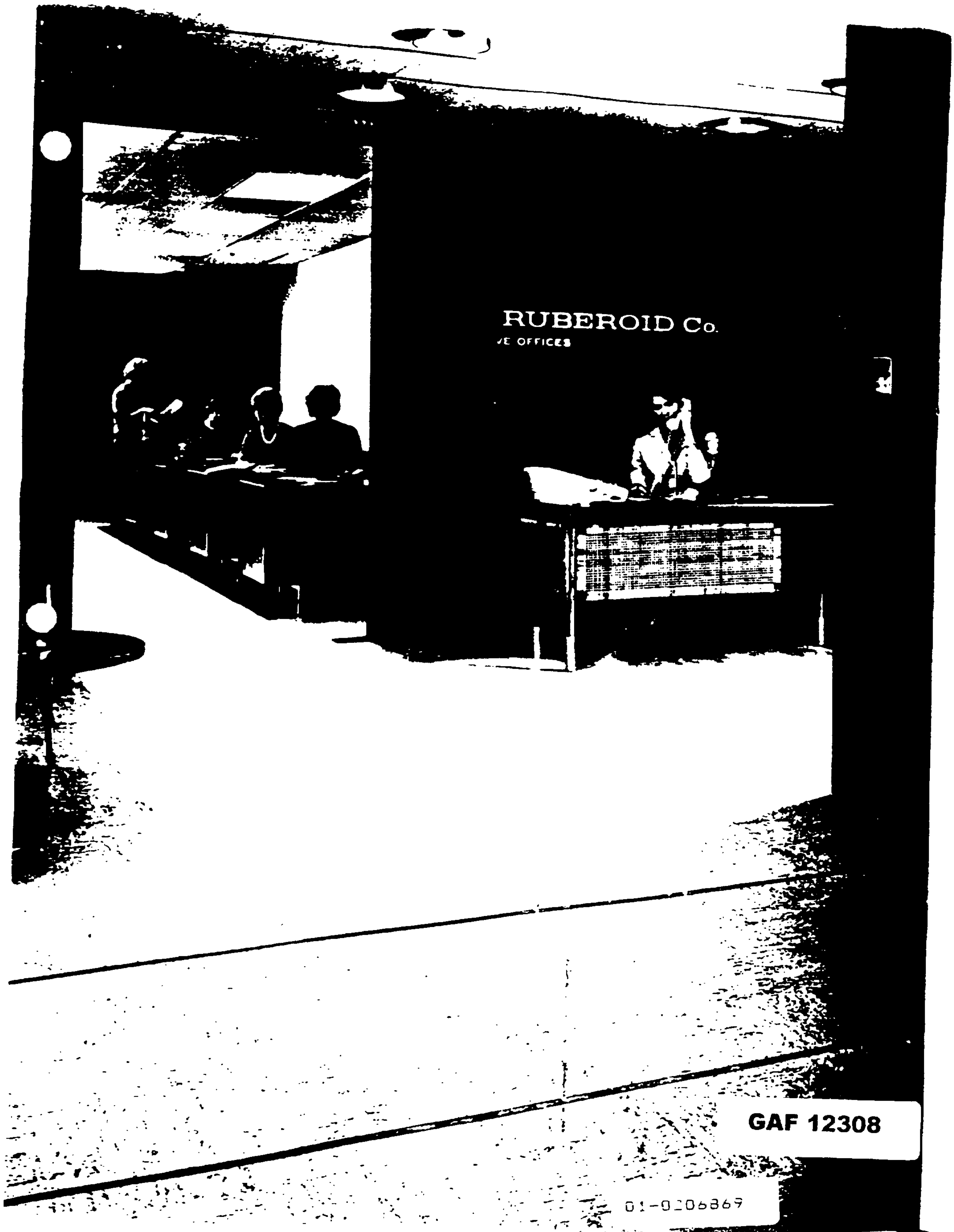

RUBEROID Co.
OFFICES

The President's Message

TO OUR STOCKHOLDERS:

In 1963, Ruberoid shipped the largest tonnage of products in its history. Building products sales were the second largest and income from this Division increased slightly over 1962 despite a highly competitive situation in the asphalt roofing industry. Sales and income of the Granule Division rose to new highs reflecting the successful expansion of this operation. Results in the Floor Tile Division were not favorable, due mainly to unsatisfactory operating conditions, lower sales and severe price competition within the industry. An intensified effort in all phases of cost reduction enabled the Company to show an improvement in net income from operations over 1962. A special charge of $576,919, primarily representing product development and start-up expenses deferred in prior years, reduced net income for the year by 31 cents a share.

During the latter part of the year, progress was noted from measures taken to improve our floor tile operations. New manufacturing equipment has given our floor tile product lines quality and appearance second to none in the industry. An accelerated product development program is proving successful. Competition in the building materials industry was vigorously met by Ruberoid with new products and cost reductions.

Completion in 1964 of a new roofing granule plant at Annapolis, Mo., will prove advantageous to the Company's granule customers and to its own roofing operations. Also scheduled for completion in 1964 are facilities at Gloucester City, N.J., for the production of high temperature industrial insulations under a new process, which will place Ruberoid in a favorable position in this specialized industry. Additional benefits are anticipated from Ruberoid's investment in Cabot Titania Corporation which has started operating its new plant at Ashtabula, Ohio. An encouraging improvement in the operations of Cumberland Chemical Corporation occurred during the latter part of 1963.

Your Management is confident that its plans and policies for Ruberoid's growth are sound and constructive. No effort is being spared to strengthen the Company; no potential is being overlooked to improve its earnings. Based upon the present outlook, 1964 should show gains in all operating divisions of the Company.

To all who have an interest in Ruberoid's welfare—stockholders, employees and customers—I extend our sincere appreciation for their loyal support.

Respectfully,

E. J. O'Leary

E. J. O'Leary
Chairman and President

FINANCIAL HIGHLIGHTS

	1963	1962
Net Sales	$117,392,981	$120,972,053
Net Income	$3,762,207*	$3,724,015
Net Income Per Share	$2.02*	$1.96
Cash Dividends	$2,976,987	$3,796,334
Dividends Per Share	$1.60	$2.00
Net Working Capital	$31,546,525	$35,373,692
Stockholders' Equity	$68,689,308	$68,851,458
Equity Per Share	$37.12	$36.93
Shares Outstanding at Year-End	1,850,292	1,864,292

*Exclusive of special charge of $576,919, equivalent to $.31 per share

GAF 12309

The depth and character of Travertine Marble—faithfully captured by Ruberoid in vinyl-asbestos floor tile—enhances the reception area of the Company's executive offices

Operations in 1963

■ SALES AND INCOME

Net income for 1963 amounted to $3,762,297, equal to $2.02 per share on the average number of shares of capital stock outstanding during the year. These amounts are exclusive of a special charge of $576,919, equal to 31 cents per share, primarily for developmental and start-up expenses deferred in prior years in connection with certain new products. Net income for 1962 was $3,724,015 or $1.96 per share. The average number of shares outstanding during 1963 and 1962 were 1,860,800 and 1,898,096, respectively.

Net sales for the year 1963 totaled $117,392,981 compared with $120,972,053 in 1962.

■ FINANCIAL CONDITION

The Company's financial condition at the close of 1963 was stronger than at the close of the preceding year. Working capital at December 31, 1963 increased to $31,546,525 from $25,373,692 at the end of 1962. Ratio of current assets to current liabilities was 4.9 to 1 at the 1963 year-end as against 3.1 to 1 at December 31, 1962.

During 1963, the Company negotiated an intermediate term loan in the amount of $7,000,000 to replace short term obligations which had been incurred for acquisitions and investments.

Ruberoid increased its ownership in Cumberland Chemical Corporation during the year from 40 to 50 percent. Your Company is co-owner with Air Reduction Company, Incorporated, of this producer of vinyl resins.

Additional purchases of Ruberoid stock on the open market during the year increased the Company's holdings of such shares to 65,300 at the 1963 year-end.

Stockholders equity at the close of 1963 increased to $37.12 per share from $36.93 per share at the prior year-end.

■ DIVIDENDS AND STOCKHOLDERS

Dividends totaling $1.60 per share of outstanding stock were paid in 1963. Dividend payments in 1962 amounted to $2.00 per share.

On December 31, 1963 there were 8,912 holders of the Company's outstanding shares which compares with 8,524 holders at the 1962 year-end.

■ INDUSTRIAL RELATIONS

Work stoppages occurred at two of the Company's 27 plants in 1963. Operations at the Joliet, Illinois floor tile plant were interrupted by a strike on May 18. Due to a number of factors which made continued operation of this facility economically impractical under existing conditions, the Company officially ceased operations at this plant on July 3, 1963. Operations at the Kansas City, Mo., plant were interrupted for a total of 25 days. Labor negotiations were successfully resolved at other locations during the year and the Company considers its relationship with the various unions representing employee groups as favorable.

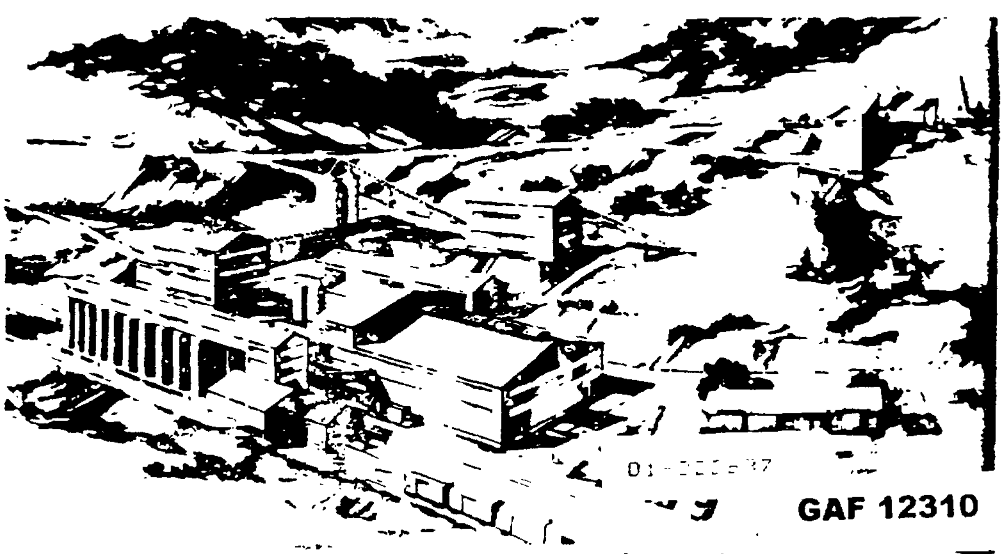
■ ORGANIZATION

Board Changes—At the Annual Meeting of Stockholders on April 26, 1963, three new members were elected to the Company's Board of Directors to fill existing vacancies. The new directors are: Thomas H. Dermody, Vice President—Finance, The Ruberoid Co.; Elmer N. Funkhouser, Jr., Executive Vice President, American Metal Climax, Inc.; and Gavin K. MacBain, Chairman and President, Gristede Bros., Inc.

Former members of the Board who did not stand for re-election at the 1963 Annual Meeting are George F. Bahrs who retired during the year as vice president and treasurer of the Company after 35 years of service; E. N. Funkhouser, consultant who

At immediate right: In the Fall of 1964 this plant, now under construction at Annapolis, Missouri, will provide a substantial addition to the Company's roofing granule production capacity.

At far right: Principal units at Cabot Titania Corporation's new flame process titanium dioxide plant at Ashtabula, Ohio, in which Ruberoid owns a one-third interest. Almost every man-made object of a white color contains this essential coloring agent.



had served as a director since 1959. Frank J. McGinley a retired officer of the Company and a director since 1952 and Edward M Railton a retired officer and a director since 1937

In 1963 the Company suffered the loss of two gentlemen, each of whom had a long and distinguished career with the Company Mr Stanley Woodward, who joined Ruberoid in 1928 and served as president from 1954 to 1958 and a director since 1929 died on September 1. and Mr Frank J McGinley one of the founders of American Asphalt Roof Corporation which Ruberoid acquired in 1952 died on July 29. The Company acknowledges with deep appreciation their invaluable contribution to Ruberoid s progress and welfare

Executive Changes—A number of executive changes were made during 1963 at both corporate and divisional levels

Mr Thomas H Dermody was elected to the newly-created position of Vice President – Finance. He was formerly Vice President and Comptroller.

Mr O A Maggia. Secretary of the Company, was elected to the additional post of Treasurer

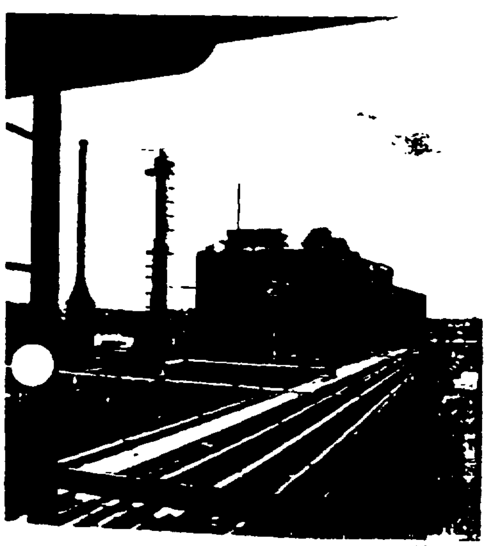
Mr Robert N Ettlinger joined the Company as Comptroller He was previously Controller of the Papermate Division of the Gillette Company and Controller of Eversharp, Inc.

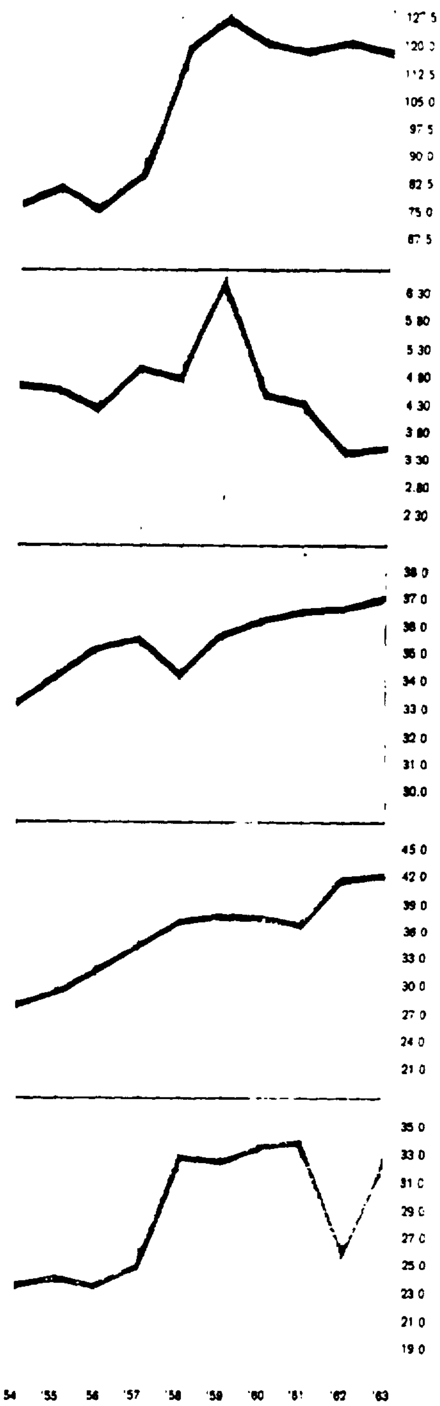
Mr. Carl L Eddins. Assistant Secretary. was elected to the additional post of Assistant Treasurer of the Company

Mr. James C Murphy was appointed Vice President—Sales Floor Tile Division

■ PLANT AND EQUIPMENT

Negotiations were completed in 1963 for the leasing of a plant for the production of roofing granules at Annapolis. Mo The plant and its equipment will be owned by the City of Annapolis which is financing its construction through a $5.000.000 issue of industrial revenue bonds Scheduled for completion





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late in 1964, this facility will be an important addition to Ruberoid's granule operations. The plant is strategically located to provide more efficient service to roofing manufacturers in the south and southwest as well as to several of the Company's roofing plants.

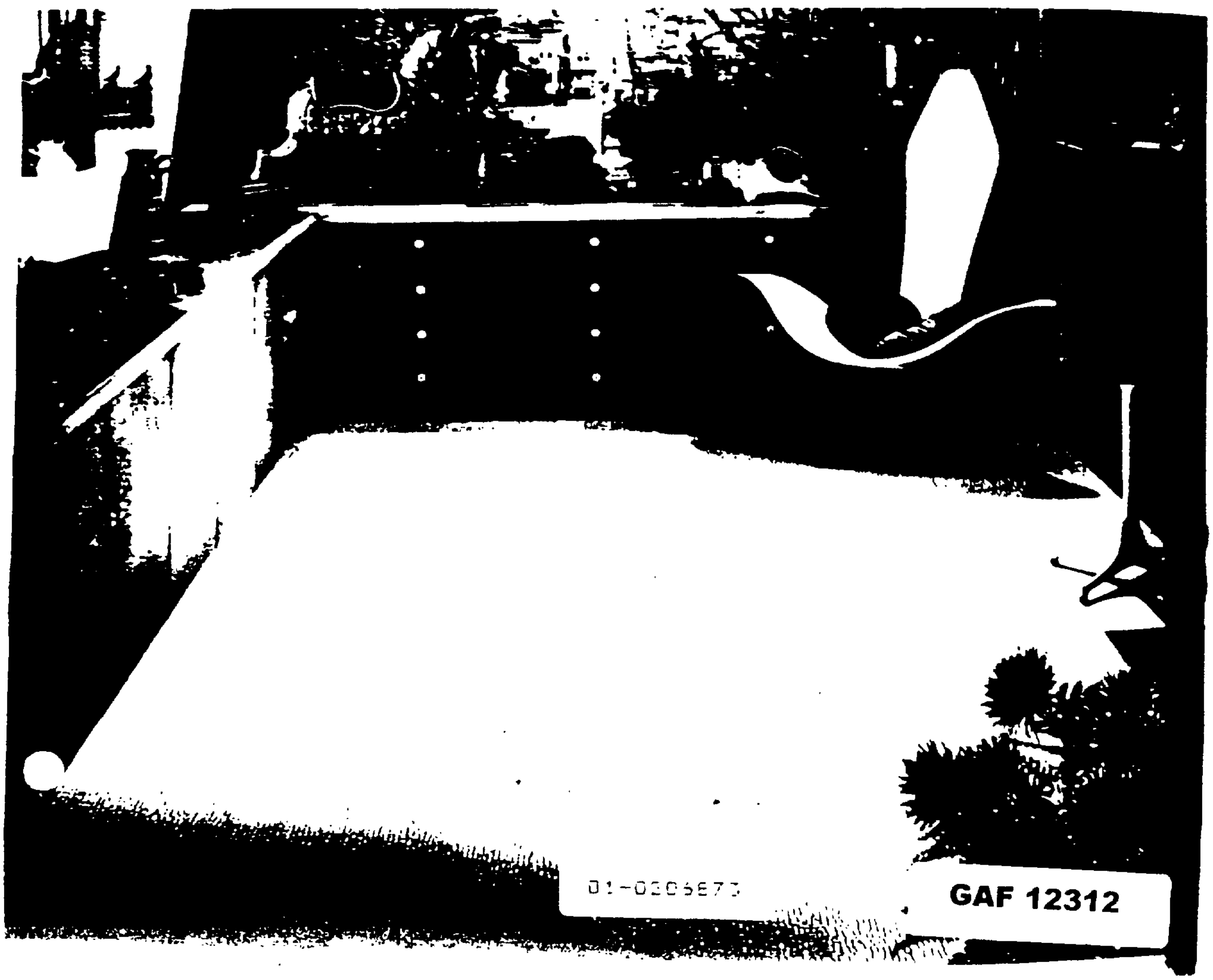
Construction was commenced during 1963 of a new plant at Gloucester City, N.J., for the production of calcium silicate high temperature industrial insulations which will utilize a new fully-automated process developed by Ruberoid research. The plant is expected to be in operation by mid-1964.

Capital appropriations for various improvements in the Company's plants in 1963 totaled $4,071,011 compared with $7,461,696 in 1962. Expenditures for repair and maintenance amounted to $6,688,651 in 1963 as against $6,768,725 in 1962. Plant, property and equipment at the end of 1963 was carried at a net value of $42,323,695 compared with $42,244,948 at the end of 1962. Depreciation and depletion charges in 1963 totaled $3,661,609 as against $3,312,273 in 1962.

■ RESEARCH AND DEVELOPMENT

Ruberoid's research and development activities continue to assume greater significance.

In the building materials industry, intensification of competition and the determination of manufacturers to give the homeowner the best possible product emphasize Ruberoid's consistent policy of no substitute for quality. As the leader in the development of asphalt roofing products, Ruberoid has been responsible for numerous advances in all-weather roof protection. Most notable of these products are "Self-Sealing" asphalt shingles which are sealed against wind and weather, the "Windjammer"® shingle developed chiefly for the extensive re-roofing market, and the 1963 addition to the Ruberoid roofing line, the "Sovereign"®, a heavyweight, wind-safe shingle. Designed for new construction as well as re-roofing, this premium shingle answers the need of the builder, the applicator and the homeowner for a blend of long-lasting, trouble-free roof protection and massive, colorful beauty



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Another Ruberoid building products line was augmented with the introduction at the year-end of Dura-Shake ® siding. This newest member in the family of Dura-Color® all-mineral siding features deep striations with a grainy texture that closely simulates wood shakes. Developed for both new and re-siding applications, "Dura-Shake ® answers the mounting demand for a shake-type siding with the added advantages of permanence, toughness dimensional stability and minimum maintenance.

Research and development have proven of great importance to Ruberoid's progress in resilient flooring as 1963 heralded a new era in styling and patterns in floor tile. New materials and unusual manufacturing techniques will result in dramatic accomplishments never thought possible in this field.

Completion in 1963 of the Company's program of expansion and modernization of its floor tile facilities has substantially strengthened the Company's ability to undertake fundamental research and product development. Ruberoid's product development efforts are concentrated on vinyl asbestos floor tile which has replaced asphalt tile as the industry's largest seller. The initial results of these efforts appeared in the latter part of 1963 as the Company introduced two new styles—Mosaicflor and Travertine. A third new pattern—Brocade—now ready for distribution, will be followed by other exciting designs.

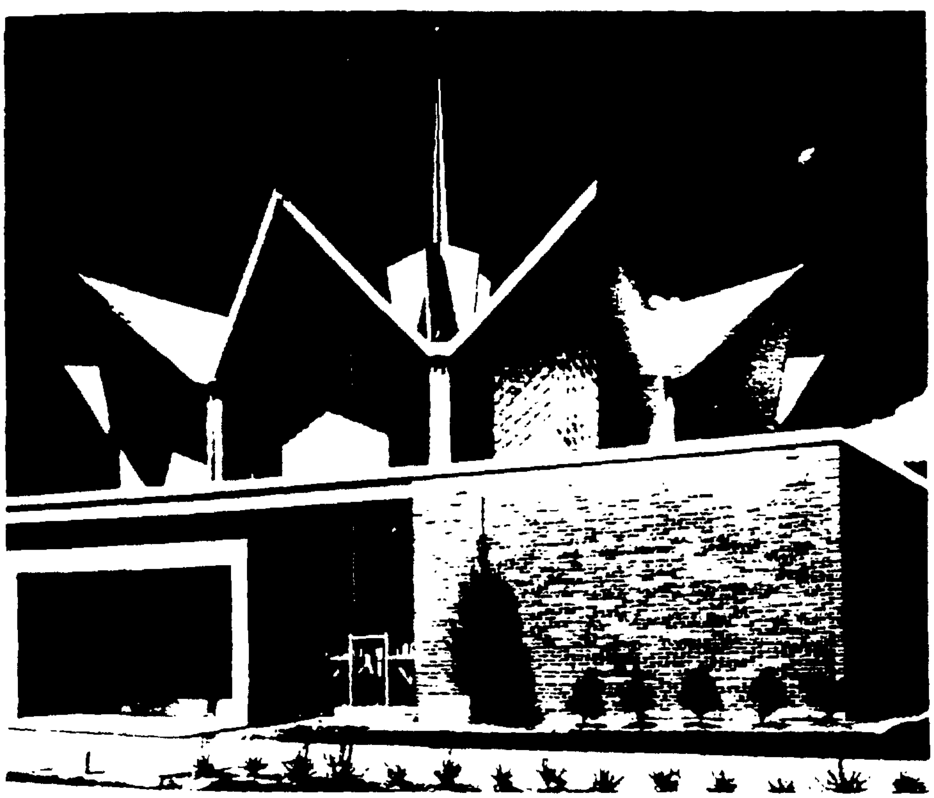
High-temperature industrial insulations is a specialized field in which Ruberoid has become increasingly active. Expanded production of these materials by a new process in 1964 coupled with new arrangements under which Ruberoid will distribute fiber glass industrial insulations, will substantially strengthen the Company's position in this market.

As a large producer of a broad line of building materials and industrial specialties, Ruberoid must of necessity carry on numerous research programs. Tangible results of the continued progress made in these areas in 1963 will become apparent in 1964 through new and improved products and new applications for existing materials.

At left: Mosaicflor by Ruberoid in grease and acid-resistant vinyl-asbestos brings dramatic beauty in resilient flooring to the do-it-yourself market.

Below: Ruberoid's T NA 200® roofing membrane—a combination of Du Pont's Tedlar* film and asbestos felt—accentuates the unusual architectural lines of this modern church. Several buildings at the New York World's Fair will be roofed with this versatile material.

*Du Pont registered trade mark



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FINANCIAL STATEMENTS

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INCOME AND INCOME RETAINED IN THE BUSINESS

	1963	1962
Revenues:		
Net sales	$117.392.981	$120.972.053
Other income, net	266.240	88 833
	117.659 221	121.060.886
Costs and Expenses:		
Cost of goods sold	94.279 548	98.027 572
Selling and administrative	13 241.767	13 456.026
Depreciation and depletion	3 661.609	3 312.273
Federal income taxes	2.714.000	2 541.000
	113.896.924	117.336 871
Net Income for the Year	3 762.297	3 724 015
Special Charge:		
Primarily development and start-up expenses deferred in prior years in connection with certain new products less related federal income taxes	576.919	
Net Income for the Year Less Special Charge	3.185.378	3 724 015
Income Retained in the Business at Beginning of the Year	34.583.037	34.655.356
Cash Dividends Paid—$1.60 per share (1963) and $2 00 per share (1962)	(2 976 987)	(3 796 334)
Income Retained in the Business at End of the Year	$ 34 791 428	$ 34.583.037

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FINANCIAL POSITION AT DECEMBER 31

	1963	1962
Current Assets:		
Cash	$ 6.778.655	$ 3.187.500
Marketable securities, at cost (which approximates market value)	59.794	114.743
Receivables, less allowances	16.314.272	18.818.578
Inventories, at lower of average cost or market:		
Raw materials and supplies	7.967.834	7.121.483
Finished products and work in process	7.855.053	6.956 587
Prepaid expenses	665.731	1.229.722
Total current assets	39.641.339	37 428 613
Less—Current Liabilities:		
Accounts payable	3.963 809	4.526.994
Notes payable to banks and others		4.500.000
Accrued expenses	2.207.322	2.125 948
Federal income taxes	1.923.683	901.979
Total current liabilities	8 094 814	12.054 921
Working Capital	31.546.525	25.373.692
Investments and Advances, at cost (Note 1)		
Cumberland Chemical Corporation	4 196.785	3 160.000
Cabot Titania Corporation	2.600 000	2.000.000
Property, Plant and Equipment, at cost, less accumulated depreciation and depletion of $43.606.860 through 1963 and $40.381.744 through 1962	42.323.695	42 244 948
Working Capital and Other Assets	80 667.005	72.778 640
Less		
4½% Notes payable to banks due 1965 to 1968 (Note 2)	7.000.000	
Reserve for guaranteed roofs	1.763 799	1 932 677
Reserve for compensation insurance	79.378	130 505
Deferred federal income taxes and other credits	3 134 520	1.864 000
	11.977.697	3 927 182
Stockholders' Equity	$68 689 308	$68 851 458
Represented by:		
Capital stock—authorized 3.000.000 shares of $1 par value —issued 1,915.592 shares (Note 4)	$35.718 082	$35 718 082
Income retained in the business, excluding amounts transferred to capital stock	34 791.428	34 583 037
	70.509.510	70.301 119
Less— Capital stock held in the treasury, at cost— 65.300 shares (1963) and 51.300 shares (1962)	1.820.202	1 449 661
	$68.689.308	$68.851 458

GAF 12315

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1963

■ NOTE 1—INVESTMENTS:

During 1963 the company acquired from Air Reduction Company, Incorporated, an additional 10% interest in Cumberland Chemical Corporation. As a result of this acquisition, the company and Air Reduction each own a 50% interest in Cumberland. The company's investment in Cumberland at December 31, 1963, based upon recent unaudited financial statements, exceeds its equity in the net assets thereof by approximately $155,000. No permanent impairment of this investment appears to exist as Cumberland, which commenced operations in 1960, has been in a period of product development which is virtually completed.

The company's investment in Cabot Titania Corporation consists of 20,000 shares of 5% cumulative convertible voting preferred stock and a note receivable of $600,000 due December 31, 1973, with interest at 5½%.

The company is also contingently liable as guarantor of notes payable of Cumberland Chemical Corporation in the amount of $1,500,000 and Cabot Titania Corporation in the amount of $2,500,000.

■ NOTE 2—NOTES PAYABLE TO BANKS:

Notes payable to banks amounting to $7,000,000 are payable in quarterly instalments commencing on September 30, 1965. The quarterly instalments mature at the rate of $280,000 in the first year, $490,000 in the second year and $980,000 in the final year. The loan agreement contains certain restrictive provisions none of which are significant under present conditions.

■ NOTE 3—LONG-TERM LEASE:

On October 1, 1963 the company entered into an agreement with the City of Annapolis, Missouri to lease, for a period of twenty years ending on September 30, 1983, a roofing granule plant presently under construction in Annapolis. Annual rentals under the agreement will be approximately $385,000, commencing on September 15, 1965, plus certain other costs and expenses. The lease is renewable, at the company's option, for fifteen five-year periods at reduced rentals. The company has an option to purchase the plant and property, under certain specified conditions, among which would require a change in existing laws of Missouri to empower the City of Annapolis to sell the facility.

■ NOTE 4—STOCK OPTION PLAN:

The company's incentive stock option plan for officers and key employees dated April 26, 1957,

TEN YEAR REVIEW—1954-1963

ALL DOLLAR FIGURES EXCEPT THOSE PER SHARE ARE EXPRESSED IN THOUSANDS

						NET INCOME			DIVIDENDS		
YEAR	NET SALES	MATERIALS AND OTHER COSTS—NET	WAGES AND SALARIES	INCOME BEFORE TAXES	FEDERAL INCOME TAXES	Amount	Per Share†‡	% to Sales	Amount	Per Share‡	Stock
1954	76.424	45.087	20.236	8.861	4.232	4.629	3 19	6.1	2.497	1 75	2.5%
1955	82.134	49.590	21.098	8.967	4.456	4.511	3.05	5.5	2.960	2.00	–
1956	76.360	46.181	19.509	8.117	3.825	4 292	2 90	5.6	2.960	2.00	–
1957*	85.257	50.946	21.568	9.792	4.570	5.222	3 26	6.1	3.191	2.10	–
1958*	118.377	77.519	29.312	8.376	3.521	4.855	2 56	4.1	3.042	2.00	–
1959*	127.308	81.177	30.883	12.087	5.457	6.630	3 49	5.2	3.764	2.20	–
1960	120 077	77.190	30.957	8.717	4.049	4 668	2 45	3 9	3,818	2 00	–
1961	119 119	76.808	30.705	8.412	3.915	4 496	2.35	3.8	3.824	2.00	–
1962	120.972	80.021	31.374	6.265	2.541	3 724	1 96	3.1	3.796	2.00	–
1963	117.393	77.008	30.247	6.476	2.714	3.762**	2 02**	3.2	2.977	1.60	–

*Adjusted for pooling of interests of The Ruberoid Co with The Funkhouser Company in 1957 and 1958 and with The Mastic Tile Corporation of America in 1958 and 1959

**Exclusive of special charge of $576 919 equivalent to $ 31 per share as amended April 29, 1960, provides for the granting of options not exceeding, in the aggregate, 200,000 shares of capital stock at not less than 95% of the fair market price at the date the options are granted, with the stipulation that no one employee be granted an option for more than 10,000 shares. The optionee may exercise up to 40% of the shares subject to option in each of the first two years following the date of grant and the remainder at any time thereafter up to ten years from the date the options are granted. Options become cumulative, if not exercised, for the duration of the option period.

Particulars relating to shares of capital stock issuable under options granted under the plan follow:

Option date and price per share	Shares under option December 31, 1962	Terminated during 1963	Shares under option December 31, 1963	Exercisable at December 31, 1963
June 25, 1957 – $28.50	20,017	1,250	18,767	18,767
Feb. 25, 1958 – $34.25	2,400	–	2,400	2,400
Feb. 24, 1959 – $40.00	5,900	500	5,400	5,400
Jan. 26, 1960 – $38.75	19,650	1,800	17,850	17,850
Oct. 14, 1960 – $31.75	15,100	2,000	13,100	13,100
Apr. 11, 1962 – $35.50	5,500	1,500	4,000	3,200
May 22, 1963 – $27.00	–	–	21,350	8,540
	68,567	7,050	82,867	69,257

No options were exercised during 1963.

In all cases the option price represents 95% of the market price of the stock on the date the options were granted. At December 31, 1963, there were 91,625 shares available under the plan for the granting of additional options. The proceeds of the shares sold have been credited to the capital stock account.

YEAR	AVERAGE NO. OF SHARES	STOCKHOLDERS' EQUITY Amount	STOCKHOLDERS' EQUITY Per Share ‡	TOTAL ASSETS	PROPERTY, PLANT AND EQUIPMENT	DEPRECIATION AND DEPLETION	CURRENT ASSETS	CURRENT LIABILITIES	WORKING CAPITAL
1954	1,452.284	49.485	33.44	54.576	28.635	2.240	25.595	2.408	23.186
1955	1 479.986	51.037	34 48	56.248	30,121	2.479	26.127	2.403	23 724
1956	1.479.986	52.369	35.38	57.592	32.319	2.553	25.273	2 271	23.002
1957*	1 600.332	57.358	35.82	62.528	35.725	2 951	26.803	2 146	24.657
1958*	1 893.875	65.443	34.50	80.306	38.301	3.170	41,706	8 743	32.963
1959*	1.901.276	68.528	35.99	83.413	38.815	3.161	42.598	10.089	32.509
1960	1.908.739	69.542	36.41	81.613	38.451	3.213	41.002	7 679	33 323
1961	1 911.903	70.324	36.74	81.557	37.720	3.194	40.957	7 360	33.597
1962	1.898.096	68.851	36.93	84.834	42 245	3.312	37,429	12.055	25 374
1963	1.860.800	68.689	37.12	88.762	42.324	3.662	39.641	8.094	31.547

*Average number of shares outstanding during year
‡Adjusted for two-for-one stock split and for stock dividend in year 1954

01-0235673

SOURCE AND APPLICATION OF FUNDS—1963

Additions to Working Capital	
Net income for the year less special charge	$ 3,185,378
Charges to income for depreciation and depletion, not requiring a cash outlay	3,661,609
Increase in deferred federal income taxes and other credits	1,270,520
Proceeds of intermediate term financing	7,000,000
	$15,117,507
Deductions from Working Capital	
Cash dividends	$ 2,976,987
Net additions to property, plant and equipment	3,740,356
Increase in investments and advances:	
Cumberland Chemical Corporation	1,036,785
Cabot Titania Corporation	600,000
Cost of Treasury Stock acquired	370,541
Reduction in reserves	220,005
	$ 8,944,674
Increase in Working Capital	$ 6,172,833

PRICE WATERHOUSE & CO.

60 BROAD STREET, NEW YORK, NEW YORK

To the Board of Directors of The RUBEROID Co.

In our opinion, the accompanying statements present fairly the financial position of The Ruberoid Co. at December 31, 1963 and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year Our examination of these statements 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.

Price Waterhouse & Co

Price Waterhouse & Co.

January 28, 1964

GAF 12318

BOARD OF DIRECTORS

E. J. O'Leary † Chairman
Herbert Abraham*
Thomas H. Dermody
Elmer N. Funkhouser, Jr.
Harry C. Hachmeister
William H. Kershaw*
Gavin K. MacBain
Seymour Milstein*
LeRoy A. Petersen
Lyle L. Shepard*
William J. Van Akin

*Member of Executive Committee
†Chairman of Executive Committee

OFFICERS

E. J. O'Leary
Chairman of the Board of Directors and President

Thomas H. Dermody
Vice President–Finance

Richard N. Funkhouser
Vice President–General Manager
Roofing Granule Division

Julien O. Heppes
Vice President–General Manager
Floor Tile Division

Kenneth R. MacDonald
Vice President–Purchasing

Seymour Milstein
Senior Vice President–Corporate Development

Frederick K. Sweeney
Vice President–General Manager
Building and Industrial Products Division

William J. Van Akin
Senior Vice President–Operations

Oscar A. Maggia
Secretary and Treasurer

Robert N. Ettlinger
Comptroller

Thomas A. Dent
Assistant Vice President–Operations

Carl L. Eddins
Assistant Secretary and Assistant Treasurer

Transfer Agent. . . .	The Bank of New York, New York
Registrar	The Chase Manhattan Bank, New York
General Counsel	Austin, Burns, Appell & Smith, New York
Auditors. . .	Price Waterhouse & Co., New York

■ Annual Meeting of Ruberoid stockholders will be held in the Company's offices, South Bound Brook, N. J., on April 24, 1964. All stockholders are cordially invited to attend. A notice of the meeting, a proxy statement and a proxy solicited by the management will be mailed to each holder of capital stock.

■ The data herein are published solely for the information of the Company's stockholders. No statement in this booklet is made for the purpose of inducing the purchase of any security issued by the Company.

■ In connection with its examination of the financial statements of The Ruberoid Co. at December 31, 1963, Price Waterhouse & Co. has also reviewed the statistical data set forth elsewhere in this annual report and has found such information to have been compiled properly from the records and reports available to the Company.

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GAF 12319