FILE NAME: Philip Carey (PC)

DATE: 1955

DOC#: PC067

DOCUMENT DESCRIPTION: Entry in Moody's Industrial Manual

MOODY'S
INDUSTRIAL MANUAL

AMERICAN and FOREIGN

JOHN SHERMAN PORTER, *Editor-in-Chief*

1955

D. B. McCRUDEN, *Publisher*

MOODY'S INVESTORS SERVICE

99 CHURCH STREET, NEW YORK 7, N. Y.

PHILADELPHIA	BOSTON	CHICAGO	LOS ANGELES	WASHINGTON	SAN FRANCISCO
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LONDON: MOODY'S INVESTORS SERVICE LTD.

LONG TERM DEBT

1. Anderson, Clayton & Co. debenture 2¾s, series A, due 1971:
AUTHORIZED—All series, $36,000,000; outstanding, Dec. 31, 1954, this series, $17,000,000. Sold privately.
DATED—Oct. 1, 1946.
MATURITY—Oct. 1, 1971.
INTEREST—A&O 1.
TRUSTEE—Guaranty Trust Co., New York.
CALLABLE—As a whole, or in part by lot in multiples of $50,000, at 104 to Sept. 30, 1951; premium reducing each year thereafter.
Debentures redeemed to be cancelled. Also callable for sinking fund (which see) on like notice as above at par and interest.
SINKING FUND—Annually (1) fixed payments on Sept. 30, 1951-70, incl., sufficient to redeem on next ensuing Oct. 1, $1,000,000 of debentures, and (2) contingent payments on Dec. 31, 1947-70, incl., sufficient to redeem on next ensuing Jan. 1, not in excess of $500,000 debentures and not in excess of $5,000,000 in aggregate.
SECURITY—Not secured by any lien. These debentures are senior to debenture 4s, series 1979-88, and 4¼s series 1989-98.
DIVIDEND RESTRICTIONS—Company will not declare any dividends (except stock dividends) or make any distribution on or acquire for value (except in exchange for or from proceeds of stock) any class of stock or any debenture 4s, series 1979-88, or 4¼s, series 1989-98, unless such dividends are payable within 60 days, and unless (1) consolidated net working capital equals at least $50,000,000; (2) consolidated net working capital plus fixed sinking fund payment required within one year equals at least 1.6 times par of outstanding 1971 debentures; and (3) $5,000,000 plus (or minus deficit) consolidated net income from Aug. 1, 1950 exceeds all such disbursements plus debenture fixed sinking fund payments (excluding interest) becoming due from such date.
OFFERED—($25,000,000) sold privately Dec. 5, 1946 at par to Equitable Life Assurance Society of the U. S.

2. **Anderson Clayton & Co., sinking fund debenture 3¼s, series B, due 1971:** Outstanding, Dec. 31, 1954 $22,750,000. Sold to Equitable Life Assurance Society of the U. S. Proceeds used to reduce short-term bank borrowings.
Dated Oct 1, 1950; due Oct. 1, 1971; interest payable A&O 1; Guaranty Trust Co., New York, Trustee. Callable as a whole or in part at any time at 103 to Sept. 30, 1955, incl., premium reducing thereafter.
Secured equally with deb. 2¾s, series A due, 1971; other provisions substantially similar thereto.

3. **Anderson, Clayton & Co. sinking fund debenture 3⅛s, series C, due 1971:** Outstanding, Dec. 31, 1954, $5,600,000. Held by Equitable Life Assurance Society of the U. S. Proceeds used to retire long-term notes of Mrs. Tucker's Foods, Inc.
Dated Oct. 1, 1951; due Oct. 1, 1971; interest payable A&O1; Guaranty Trust Co., New York, Trustee; Callable as a whole or in part at any time at 103¾ to Sept. 30, 1954, premium reducing thereafter.
Secured equally with deb. 2¾s, series A due 1971 (No. 1 above); other provisions substantially similar thereto.

Other Funded Debt: Outstanding, Dec. 31, 1954, $5,268,500 debenture 4s due July 31, 1988 and $4,411,200 debenture 4¼s due July 31, 1998. On Apr. 6, 1945, company stated that there were no indentures for these issues and that amounts of $15,000,000 and $10,000,000 respectively had been authorized by the Board of Directors. For dividend restrictions see Capital Stock, below.

CAPITAL STOCK

1. Anderson, Clayton & Co., common; par $21.80:
AUTHORIZED—5,000,000 shares; outstanding, 3,242,060 shares; par $21.80.
DIVIDENDS PAID—

1945	$0.80	1946	$2.35	1947	
1948	4.00	1949	2.75	1950	
[1]1951	4.25	1952-54	2.00	1955	

[1]Also 100% in stock. Cash dividends in $3.25 paid prior to stock dividend.
[2]To Jan. 29.
DIVIDEND LIMITATION—Debentures 1988 contain a covenant providing that pany may not pay any dividends or rec purchase any stock unless thereafter n sets (excess of assets over all liabilities, f or otherwise) shall be at least 1¼ times debentures and other funded debt les part junior thereto. Debentures due 1998 tain similar covenant except that net a shall be 1¼ times funded debt.
For further limitations, see debenture 1971, above.
VOTING RIGHTS—Has one vote per sh
PREEMPTIVE RIGHTS — Has preem rights to subscribe to any issue of com stock except an aggregate of 200,000 shar be the extent that such shares may be offered or optioned to officers, directors, employees of company and of any subsidi Has preemptive right to subscribe to bonds, debentures, stock or other secu convertible into or exchangeable for com stock if such securities are sold for cash
LISTED—On New York Stock Exchange.
TRANSFER AGENT—Guaranty Trust New York.
REGISTRAR—J. P. Morgan & Co., Inc., York.
DIVIDEND DISBURSING AGENT—Guar Trust Co., New York.
OFFERED—(250,000 shares) at $44 per s on Apr. 6, 1945 by a syndicate headed by gan Stanley & Co., New York. Offering not represent company financing.
240,000 shares issued in Feb., 1952 in con tion with merger of Mrs. Tucker's Foods,

THE CELOTEX CORPORATION

CAPITAL STRUCTURE

LONG TERM DEBT Issue	Rating	Amount Outstanding	[1]Times Charges Earned 1954	1953	Interest Dates	Call Price	Price Range 1954	1932
1. 3¼% debentures, 1960	Baa	$1,502,000	22.50	34.38	F&A 1	[3]100½	100¼-98	[4]10
2. 3¼% debentures (series 1947), 1960	Baa	1,126,000			F&A 1	100	100¼-98	[6]104
3. 3⅜% & 3⅞% notes, ser. to 1969	[7]--	7,000,000			J&D 1	---	[7]------	[7]---

CAPITAL STOCK Issue	Par Value	Amount Outstanding	[1]Earned per Sh. 1954	1953	[1]Divs. per Sh. 1954	1953	Call Price	Price Range 1954	1932
1. 5% cumulative preferred	$20	256,362 shs.	$12.47	$11.78	$1.00	$1.00	20	19½-15¾	[5]23 -
2. Common	No par	878,651 shs.	3.35	3.05	1.50	1.50	--	30¼-16	[2]38½-

[1]Fiscal years. [2]Range since 1938, after 100% stock dividend. Before 100% stock dividend. 1935-38 range, 48¼-12½. [3]To July 31, incl., when price changes; see text. [4]Range since 1945. [5]Range since 1943 for $20 par shares. [6]Range since 1947. Range for $100 par sh from 1935 and to the 5-for-1 split in 1943, 93-46. [7]Privately placed.

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-Wall Co. in Aug., 1946.

On Aug. 15, 1950 acquired properties of Wasem Plaster Co., Fort Dodge, Ia.

SUBSIDIARIES

This is principally an operating company. At Oct. 31, 1954, 100% of the voting power was owned in the following companies:

Name, place of incorporation and business:
El Rey Products Co., Inc., California, inactive.
At Oct. 31, 1954, owned less than 100% of voting power in following company.
Celotex, Ltd., England, manufactures and sells Celotex products in British Empire (85.72%) [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 7. 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, 1954, there were 7 directors.

Note: At Oct. 31, 1954, 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. Also owned interest in following companies, which have resulted from split-up of California Mill Supply Corp. 1,540.4 shares (20%) of California Mill Supply Corp., 3,484.8 shares (20%) of Berg Metals Corp. and 974.8 shares (20%) of Berg Pipe and Steel Corp.

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, trailers 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."

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 light weight concrete blocks.

The Celotex Corp. maintains offices throughout the world and has branch offices in 16 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 500 acres of land.

The company obtains bagasse, the prin raw material, from a number of sugar r in Louisiana.

A plant at Metuchen, N. J., is located approximately 18½ acres of land, and cont about 210,000 square feet of floor space, is used for the manufacture of asbe cement board with insulating core (Cemes and insulating siding. There is also a w house and curing building of about 50 square feet.

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

A plant near Ft. Dodge, Ia., manufactu plaster products.

A plant near Lagro, Ind. is used for p duction of rock wool insulation produ Plant at Lagro also manufactures acoust mineral tile.

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

Plant of Celotex, Ltd., a subsidiary, is cated at Stonebridge Park, London. Buildi including office building, etc., have a c bined floor area of approximately 141,000 ft. Equipment includes facilities for prepa raw material and fabricating equipment preparing finished board.

MANAGEMENT

Officers
O. S. Mansell, President
H. W. Collins, Exec. Vice-President
C. L. Christensen, Vice-Pres. and Chm Exec. Com.
F. A. Irvine, Vice-President
Marvin Greenwood, Vice-Pres., Sales M
J. R. Newberry, Vice-President
A. I. Schimpf, Treasurer
C. W. Johns, Secretary
W. D. Becker, Contr. and Asst. Sec.
J. M. Erickson, Asst. Treasurer
A. F. O. Pfeiffer, Asst. Treasurer
J. W. Franklin, Purchasing Agent
Gates Ferguson, Advertising Manager
D. W. Rice, Export Mgr.

Directors
C. L. Christensen, Chicago
H. W. Collins, Chicago
A. J. Dallstream, Chicago
P. H. Davis, Chicago
Parrish Fuller, Oakdale, La.
F. A. Irvine, Chicago
O. S. Mansell, Chicago
Carl G. Muench, Chicago
N. A. Owings, Chicago
A. C. Simmonds, Jr., New York
E. B. Wilber, Pittsburgh

General Counsel: Dallstream, Schiff, Hardin, Waite & Dorschel, Chicago.
Auditors: Arthur Young & Co.

Annual Meeting: Third Tuesday in February.
Number of Stockholders: Oct. 31, 1954: Preferred, 2,500; common, 8,881.

Number of Employees: Oct. 31, 1954, 5,100.
General Office: 120 So. La Salle St., Chicago 3, Ill.

INCOME ACCOUNTS

COMPARATIVE INCOME ACCOUNT, YEARS ENDED OCT. 31

	1954	1953	1952	1951	1950	1949	1948
Net sales	$62,257,623	$59,980,026	$52,032,189	$59,241,635	$48,714,716	$38,362,460	$54,190,341
Cost of sales and expenses	53,634,184	51,829,655	47,005,536	50,644,711	41,876,732	33,718,358	41,530,140
Deprec., depletion & amortization	1,953,705	1,879,698	1,809,525	1,670,822	1,599,690	1,503,697	1,322,596
Operating profit	6,669,734	6,270,673	3,217,128	6,926,102	5,218,294	3,140,405	11,337,605
Other income	451,602	391,835	446,050	496,751	370,684	384,788	388,132
Total income	7,121,336	6,662,508	3,663,178	7,422,853	5,588,978	3,525,193	11,725,737
Interest on funded debt	258,916	169,083	187,454	199,676	216,596	229,794	237,594
Other interest	--------	--------	--------	--------	--------	--------	45,302
Debt discount and expense	52,383	22,235	26,245	28,732	30,621	33,808	35,050
[1]Other deductions	117,389	84,347	233,436	113,073	213,208	126,401	183,414
Federal income taxes	3,400,000	3,272,000	1,562,000	3,494,000	2,051,000	1,135,000	4,307,000
Other inc. taxes & conting. tax res.	90,000	90,000	42,000	90,000	74,000	51,000	132,088
Net profit	3,202,649	3,024,844	1,612,043	3,497,371	3,003,552	1,949,190	6,785,189
Previous earned surplus	21,971,094	20,521,576	20,482,520	18,559,332	16,688,175	16,296,735	11,286,501
Surplus credit	--------	--------	2,448	--------	--------	6,666	--------
Preferred dividends	256,677	256,677	256,862	256,862	256,862	256,363	256,862
Common dividends	1,318,513	1,318,648	1,318,573	1,317,320	875,532	1,307,554	1,518,091
Earned surplus, 10-31	$23,598,554	$21,971,094	$20,521,576	$20,482,520	$18,559,332	$16,688,175	$16,296,735

[1]Includes loss on fixed assets sold, dismantled, etc.: 1954, $37,387; 1953, $34,423; 1952, $114,705.

General Notes

Above report excludes Celotex, Ltd. Net profit of that company for years ended Oct. 31: 1954, $322,566; 1953, $191,409; 1952, $123,185; 1951, $153,998; 1950, $102,739; 1949, $147,954; 1948, $189,-231.

Equity in net income in excess of dividends received: 1954, $235,421; 1953, $102,448; 1952, $36,541.

Record of Earnings, years ended Oct. 31:

Year	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.
1936	$7,589,955	$6,724,665	$865,290	d $99,856	$765,434	$29,419	$736,015	--------	268,685	$2.20
1937	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
1938	9,126,489	8,471,885	654,604	d 126,246	528,358	10,000	518,358	312,429	312,429	1.19
1939	12,317,936	11,242,829	1,075,107	d 254,351	820,756	79,000	741,756	--------	629,960	0.95
1940	13,817,501	12,808,896	1,008,605	d 171,677	836,928	89,300	747,628	--------	627,676	0.96
1941	19,977,155	16,809,199	3,167,957	171,069	2,996,889	1,247,790	1,749,099	706,138	627,676	2.55
1942	23,510,364	19,645,214	3,865,150	d 95,247	3,769,903	2,645,936	1,123,967	471,901	632,068	1.54
1943	22,598,269	20,630,162	1,968,107	d 299,367	1,668,743	1,138,544	530,199	325,293	696,933	0.54
1944	20,693,859	19,715,677	978,182	d 111,722	866,460	304,184	562,276	377,789	755,472	0.53
1945	22,185,651	20,812,739	1,372,912	d 187,979	1,184,933	579,408	605,525	377,772	755,472	0.97
1946	33,090,464	25,982,608	7,107,856	180,637	7,288,493	3,464,168	3,824,325	830,513	855,472	4.17
1947	46,872,120	36,593,256	10,278,864	d 3,336	10,275,528	4,047,599	6,227,929	968,628	905,472	6.59

BALANCE SHEETS

COMPARATIVE BALANCE SHEET, AS OF OCT. 31

ASSETS:	1954	1953	1952	1951	1950	1949	1948
Cash	$8,109,505	$5,663,638	$4,140,052	$5,904,218	$5,017,130	$6,491,340	$5,777,132
U. S. Government securities	3,990,000	--------	--------	996,000	1,993,400	--------	--------
[4]Notes and accounts receivable, net	7,872,275	7,334,572	7,481,422	6,402,018	6,638,856	4,787,368	5,329,177
[1]Inventories	5,612,652	5,796,789	5,850,054	5,482,416	4,814,099	5,077,234	4,612,704
Total current assets	$25,584,432	$18,794,999	$17,471,528	$18,784,652	$18,463,485	$16,355,942	$15,719,013
Operating properties	41,428,143	40,363,671	39,033,633	36,539,719	34,015,827	32,150,768	31,514,090
Deprec., depletion & amortization	18,390,283	17,059,131	15,561,401	14,147,484	12,775,108	11,419,129	10,332,815
Net operating property	23,037,860	23,304,540	23,472,142	22,392,235	21,240,719	20,731,639	21,181,275
Patents and rights	1	1	1	1	1	1	1
[2]South Coast Corp. investment	438,541	438,541	438,541	438,541	438,541	438,541	438,541
[3]Investment in Celotex, Ltd.	700,460	700,460	700,460	700,460	700,460	700,460	695,161
[6]Investmt. in other corps.	202,838	202,838	202,838	202,838	202,838	202,838	202,538
Other assets	294,507	183,123	172,758	166,094	165,169	340,001	622,845
Unamort. debt discount & expense	109,103	94,274	116,509	142,734	171,487	202,107	235,915
Deferred charges	1,006,946	951,423	1,096,926	1,107,899	840,254	383,534	448,747
Total	$51,374,687	$44,670,197	$43,671,703	$43,935,473	$41,922,953	$39,355,063	$39,544,336
LIABILITIES							
Accounts payable	$2,808,479	$2,751,851	$2,673,527	$2,687,880	$2,503,539	$1,897,802	$2,223,634
Accrued expenses	1,670,947	1,644,552	1,334,468	1,672,390	1,435,275	997,830	919,460
Accrued interest	129,998	41,080	44,224	47,759	51,269	54,673	58,183
Prov. for misc. taxes	308,021	288,062	235,344	239,918	248,298	181,882	148,231
Sinking fund requirement	699,584	435,584	386,890	437,500	437,500	437,500	437,500
[7]Prov. for income taxes	889,534	550,417	1,053,862	531,343	505,106	546,261	585,726
Total current liabilities	$6,506,563	$5,711,546	$5,728,315	$5,666,790	$5,180,987	$4,115,648	$4,370,738
Debentures	3,928,416	4,620,416	5,056,110	5,440,500	5,872,500	6,291,500	6,723,500
5% preferred stock ($20 par)	5,137,250	5,137,250	5,137,250	5,137,250	5,137,250	5,137,250	5,137,250
[5]Common stock	878,651	878,889	878,829	877,963	876,246	873,957	869,332
[9]Partially paid com. shares	--------	26,826	26,828	27,572	29,226	31,519	36,144
[10]Paid-in surplus	6,325,253	6,330,450	6,329,070	6,309,152	6,269,661	6,217,014	6,110,639
[11]Earned surplus	23,598,554	21,971,094	20,521,576	20,482,520	18,559,332	16,688,175	16,296,735
Total capital and surplus	35,939,708	34,344,509	32,893,553	32,834,458	30,871,715	28,947,915	28,450,100
[8]Less treasury common stock	--------	6,275	6,275	6,275	2,250	--------	--------
Net capital and surplus	35,939,708	34,338,235	32,887,278	32,828,183	30,869,465	28,947,915	28,450,100
Total	$51,374,687	$44,670,197	$43,671,703	$43,935,473	$41,922,953	$39,355,063	$39,544,336
Net current assets	$19,077,869	$13,083,453	$11,743,213	$13,117,862	$13,282,498	$12,240,294	$11,348,275

[1]At lower of cost or market. 1954: Comprises: Raw materials (including at cost, $1,-325,790 (1953, $1,428,878) basic raw materials for which the corporation is the only substantial market), $2,650,377 (1953, $2,418,153); goods in process, $450,127 (1953, $388,314); finished goods, $1,078,622 (1953, $1,124,342); operating and maintenance supplies, $1,433,527 (1953, $1,865,980); total, $5,612,652 (1953, $5,796,-789).

[2]1954: Comprises $1,577,260 debenture 5s (subordinated) 1973 and 205,328 shares of common stock carried at $438,541. Market value Oct. 31, 1954, debentures 5s (subordinated), 1973, $1,182,945; common shares, $1,488,628; total, $2,671,573.

[3]Investment at cost (less $64,940 reserve in 1953) in securities Celotex, Ltd. (English subsidiary—not consolidated.)

[4]After reserves (1954, $813,786).

[5]No par shares: 1954, 878 651; 1953, 878,889; 1952, 878,829; 1951, 877,963; 1950, 876,246; 1949, 873,957; 1948, 869,332.

[6]At cost (after $47,162 reserve in 1954). Investment in California Mill Supply Corp. in 1951 and prior years; for 1954 see Note under "Subsidiaries" above.

[7]After deducting investment in U. S. Treasury notes, tax series at cost: 1954, $2,800,000; 1953, $3,000,000; 1952, $800,000; 1951, $3,900,000; 1950, $2,000,000; 1949, $1,000,000; 1948, $4,080,000.

[8]Shares at cost: 1953-51, 273; 1950, 98 shares at cost.

1954: 26,821 common shares at stated value deducted from common stock above.

[9]1953, 26,583; 1952, 26,643; 1951, 27,509; 1950, 29,226; 1949, 31,515; 1948, 36,140 shares. Total subscribed by employees, 1953, $637,992. (1952, $639,432; 1951, $660,216; 1950, $701,424; 1949, $756,360; 1948, $867,360); less unpaid portion due in instalments to 1956, 1953, $611,166 (1952, $612,604; 1951, $632,643; 1950, $672,198; 1949, $724,841; 1948, $831,216); balance, 1953, $26,826 (1952, $26,828; 1951, $27,572; 1950, $29,226; 1949, $31,519; 1948, $36,144).

[10]Principal paid-in surplus changes follow: 1954-48: After crediting (1954, $805; 1953, $1,-380; 1952, $19,918; 1951, $39,491; 1950, $52,647; 1949, $106,375; 1948, $141,427) excess of consideration received for 1954, 35 (1953, 60; 1952, 866; 1951, 1,717; 1950, 2,289; 1949, 4,625; 1948, 6,149) common shares fully paid in the year over stated value of $1 per share, and debiting, in 1954, $6,002 adjustment of carrying value of common stock in treasury to stated value of $1 per share.

[11]As of Oct. 31, 1954, $18,971,094 was restricted as to dividends under long-term debt agreements.

STATISTICAL RECORD, FISCAL YEARS

	1954	1953	1952	1951	1950	1949	1948
Earned per share—preferred	$12.47	$11.78	$6.28	$13.62	$11.69	$7.59	$26.43
—common	$3.35	$3.05	$1.50	$3.57	$3.03	$1.86	$7.20
Dividends per share—preferred	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00
—common	$1.50	$1.50	$1.50	$1.50	$1.00	$1.50	$1.75
[12]Price range—preferred	19⅛-15¾	16⅞-15¾	17⅛-16	17⅞-15⅞	17⅝-15⅛	18⅝-15⅛	20⅛-17⅝
—common	30¼-16	19¾-15⅛	19½-15¼	20⅝-14½	21-13⅝	26⅝-13⅝	34⅝-22⅝
Net tangible assets per sh.—preferred	$140.03	$133.68	$128.03	$127.81	$120.18	$112.69	$110.76
—common	$35.06	$32.26	$30.66	$30.59	$28.42	$26.29	$25.75

Statistical Record, Fiscal Years (cont'd)

	1954	1953	1952	1951	1950	1949
Fixed charges earned:						
Before income taxes	22.50	34.38	16.05	32.00	21.75	12.89
After income taxes	11.29	16.81	8.54	16.31	13.15	8.39
Times charges & pfd. div. earned	6.19	7.18	3.88	7.68	6.45	4.23
Price range—3¼s, 1960 (issued 1945)	100¼-98	98⅝-98	100-99	102¼-98¼	102-100½	101⅝-99¼
—3¼s, 1960 (series 1947)	100¼-98	98-98	100½-100½	102¼-102	101½-101½	101½-101
Net tangible assets $1,000 fund. debt	$5,025	$8,432	$7,504	$7,033	$6,257	$5,601
Net curr. assets per $1,000 fund. debt	$2,137	$2,832	$2,323	$2,411	$2,262	$1,946
Times preferred dividends earned	12.48	11.78	6.28	13.62	11.69	7.59
Number of shares—preferred	256,863	256,863	256,863	256,863	256,863	256,863
—common	878,651	[2]905,199	[2]905,199	[2]905,199	[2]905,374	[2]905,472

[1]Calendar years.
[2]Including partially paid shares: 1954, none; 1953, 26,583; 1952, 26,643; 1951, 27,509; 1950, 29,226; 1949, 31,515; 1948, 36,140.

FUNDED DEBT

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

Rating—Baa

AUTHORIZED—$5,000,000; outstanding, Oct. 31, 1954, $1,502,000.

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 Corn Exchange Bank, 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 100½ to July 31, 1959 and at 100 thereafter.

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, cash to be used to purchase bonds at not exceeding redemption price or to redeem bonds. Debentures may be tendered in lieu of cash at an amount equal to principal amount of debentures or the cost but not to exceed sinking fund redemption price on next Aug. 1. Debentures purchased or redeemed to be cancelled.

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.

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 and cash dividends are restricted to net earnings after Oct. 31, 1944 plus $1,000,000.

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.

LEGAL—For savings banks in New Hampshire.

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.

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

Rating—Baa

AUTHORIZED—$3,000,000; outstanding, Oct. 31, 1954, $1,126,000.

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).

PURPOSE—Net proceeds to pay term bank loans; balance to general funds.

LEGAL—For savings banks in New Hampshire.

LISTED—On New York Stock Exchange.

OFFERED—($3,000,000 at 97½ on Nov. 21, 1947 by a syndicate headed by Paul H. Davis & Co., Chicago, and Union Securities Corp., New York.

3. Term Loan: Outstanding, Oct. 31, 1954, $7,000,000 represented by (1) $2,100,000 3⅜% notes payable $262,500 annually to June 1, 1960 and $565,000, June 1, 1961 and (2) $3,900,000 3⅞% notes payable $600,000 annually, June 1, 1952-68 and $700,000, June 1, 1969. Proceeds to redeem $1,994,000 debenture 3¼s due 1960, for capital expenditures and for other corporate purposes.

Company may not pay cash dividends on common or acquire any capital stock in excess of consolidated net earnings since Oct. 1, 1953 plus $3,000,000 and unless thereafter, on consolidated basis, current assets are at least twice current liabilities and net working capital at least equals funded debt. Company may not pay cash dividends on or make any other distribution on preferred unless, after giving effect thereto, on consolidated basis, current assets are at least twice current liabilities and current assets at least equal funded debt. Company agrees to maintain consolidated current assets in excess of consolidated current liabilities by amount at least equal to greater of $5,000,000 or 75% of consolidated funded debt. Company will not permit consolidated funded debt to exceed at any time $13,000,000, of which not to exceed $3,000,000 may be secured by mortgages, pledges or permitted liens or incurred under conditional sales or other title retention agreements.

At Oct. 31, 1954, $18,971,094 of earned surplus was restricted as to cash dividends under long-term debt agreement.

CAPITAL STOCK

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

AUTHORIZED—500,000 shares; outstanding, 256,862½ shares; par $20 (changed from $100 par June 18, 1943, five $20 par shares issued for each $100 par share).

PREFERENCES—Has preference for assets and dividends.

DIVIDEND RIGHTS—Entitled to cumulative dividends of 5% per annum, payable quarterly Feb. 1, etc.

DIVIDEND RECORD—No dividends paid on $100 par shares to Nov. 10, 1936 when 5% was paid clearing up arrears. Thereafter, regular dividends paid quarterly February 1, etc., to May 4, 1943, incl.

Initial dividend of 25 cents per share paid on $20 par shares Aug. 9, 1943; regular dividends paid quarterly thereafter.

DIVIDEND LIMITATIONS — See debenture 3¼s and term loan above.

VOTING RIGHTS—None, except that if at any time cumulative dividends have accrued to the extent of $2 per share, holders of preferred stock shall have one vote per share.

LIQUIDATION RIGHTS—Has preference over common to par plus accrued and unpaid dividends.

PREEMPTIVE RIGHTS—None.

CALLABLE—On any quarterly dividend date, 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 Manhattan Bank, New York.

REGISTRAR—Chemical Corn Exchange Bank, New York.

OFFERED—(100,000 shares) at $20 per share (proceeds to company $19 per share) on Sept. 8, 1943 by a syndicate headed by Paul H. Davis & Co., Chicago.

2. The Celotex Corp. common; no par.

AUTHORIZED—1,500,000 shares; outstanding, 878,651 shares; in treasury, 26,821 shares; no par.

Dividend Record (in $)
(Calendar years)

1935-36	Nil	1937	1.20	1938	[1]
1939-40	Nil	1941	1.12½	1942	0.75
1943-45	0.50	1946	1.00	1947	1.12½
1949	1.75	1949	1.50	1950	1.00
1951-54	1.50	[2]1955	0.37½		

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

DIVIDEND LIMITATIONS — See debenture 3¼s and term loan above.

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 Manhattan Bank, New York.

REGISTRAR—Chemical Corn Exchange Bank, New York.

OFFERED—(100,000 shares) at 36¾ by Paul H. Davis & Co., Chicago and Union Securities Corp., New York.

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.

R. H. MACY & CO., INC.

CAPITAL STRUCTURE

LONG TERM DEBT

Issue	Rating	Amount Outstanding	Times Charges Earned [1]7-31-54	Times Charges Earned [1]8-1-53	Interest Dates	Call Price	Price Range 1954	Price Range 1932-54
1. Debenture 2⅞s, 1972	A	$18,147,000	5.80	6.98	M&N 1	[3]101½	100-95¾	[7]102½-90
2. 3¾% notes payable due to 1973	--	15,000,000			--------	-------	[2]------	[2]--------

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. [1]7-31-54	Earned per Sh. [1]8-1-53	Divs. per Sh. [1]7-31-54	Divs. per Sh. [1]8-1-53	Call Price	Price Range 1954	Price Range 1932-54
1. 4¼% cum. preferred, series A	$100	161,650 shs.	$18.23	$18.52	$4.25	$4.25	107½	92 -81¼	[6]111⅛-78⅞
2. 4% cum. preferred, series B	100	100,000 shs.			4.00	4.00	[9]---	[2]-------	[2]---------
3. Common	No par	[4]1,719,354 shs.	2.14	2.20	1.60	1.60	-----	30½-20⅞	65¾-17

[1]52 weeks ended. [2]Privately placed. [3]Subject to change; see text. [4]Excluding 3,939 treasury shares. [6]Range since 1944. [7]Range since 1947. [9]See text.

HISTORY

Incorporated under New York laws May 28, 1919, successor to the partnership of R. H. Macy & Co. Business was founded in 1858 by Rowland H. Macy. In 1923 purchased a substantial interest in Lasalle & Koch Co., and in 1924, 1934 and 1935 acquired additional stock in this concern, which is now wholly-owned.

In 1925 acquired a substantial interest in Davison-Paxon-Stokes Co. (now Davison-Paxon Co., an Atlanta, Ga. department store), in which remaining stock was subsequently acquired. In 1929 acquired entire common stock of L. Bamberger & Co.

In July, 1937 organized Supremacy Products, Inc., chiefly to purchase and sell at wholesale products bearing company brand names. Company was dissolved, Jan. 26, 1948.

On Sept. 14, 1939 organized a wholly-owned banking subsidiary, known as Macy's Bank, which on Dec. 31, 1940 took over functions of "Depositors Account Department" formerly conducted by the private banking firm of R. H. Macy & Co.