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MOODY'S MANUAL OF INVESTMENTS

AMERICAN AND FOREIGN

INDUSTRIAL SECURITIES

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1947

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negotiated excessive profits and prior years' income taxes

⑦1946: Includes renegotiation refund for 1943, 1944 and 1945 (including $877,848 profits tax credits), $283,369; additional prior years' income taxes, $364,387; prior years interest, $58,863; total, $507,118.

General Notes

(a) Since January 1, 1924 it has been the accounting policy of the corporation to capitalize development costs (so-called intangible drilling costs) of oil properties and amortize such costs through depletion charges based on the number of barrels of recoverable and recovered oil. For tax purposes, these costs are claimed as deductions from taxable income in year in which incurred.

(b) Total taxes paid: 1946, $19,816,124; 1945, $14,035,634; 1944, $12,018,247; 1943, $13,472,980; 1942, $13,794,472; 1941, $12,467,601. Of these amounts, the following represent taxes on sale of products: 1946, $12,669,103; 1945, $10,170,315; 1944, $7,655,71[illegible]; 1943, [illegible]

During 1946 settlement of income taxes [illegible] 1936 through 1942 resulted in deficiency payment of $431,109. In 1941 company settled income taxes for 1922 through 1928 and [illegible] settled for 1929 through 1935 resulting in refunds to company, $617,781.

(c) In 1946 renegotiation proceedings [illegible] concluded for 1943, 1944 and 1945, resulting in net refund of $283,369.

Record of Earnings, years ended Dec. 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.
1935	$34,277,667	$31,938,774	$2,338,893	$368,058	$2,706,951	$289,776	$2,417,175	$737,243	1,857,912	[illegible]
1936	40,357,937	34,814,605	5,543,332	*d* 442,261	5,101,071	323,493	4,777,578	2,129,111	1,857,912	[illegible]
1937	41,975,771	36,483,881	5,491,890	498,036	5,989,926	685,049	5,304,877	2,788,198	1,857,912	[illegible]
1938	38,413,249	37,140,800	1,272,449	*d* 149,767	1,122,682	78,890	1,043,792	1,119,855	1,857,912	[illegible]
1939	38,258,786	35,802,698	2,456,088	302,695	2,758,783	108,281	2,650,502	1,119,071	1,857,912	[illegible]

BALANCE SHEETS

COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF DEC. 31

ASSETS	1946	1945	1944	1943	1942	1941	1940
②Refined and crude products	$11,204,810	$9,527,136	$9,243,426	$8,653,717	$9,204,319	$9,877,451	$8,79[illegible]
②Materials and supplies	2,538,808	1,876,714	1,831,979	2,888,716	2,897,766	2,237,006	1,2[illegible]
Notes and accts. receiv. (net)	5,122,457	3,671,388	4,448,170	4,528,736	4,127,574	3,222,961	2,7[illegible]
Cash	23,938,161	18,779,149	21,315,837	20,266,677	15,652,081	10,400,908	8,31[illegible]
U. S. Treasury obligations (cost)	6,984,000	9,032,309	6,911,000	5,230,463	5,151,463	4,451,063	3,25[illegible]
Total current assets	49,788,236	$42,886,695	$43,750,412	$41,568,309	$37,033,202	$30,189,389	$25,002,[illegible]
Oil res., undevel. lshlds. & intangibles	60,720,050	57,920,483	53,083,950	51,327,462	50,020,240	49,871,221	50,451,[illegible]
Less: Depreciation & depletion res.	36,688,575	34,400,792	33,262,463	32,450,359	31,883,446	30,596,117	30,107,[illegible]
Net oil reserves, etc.	24,031,474	$23,519,691	$19,821,487	$18,877,103	18,136,794	19,275,104	20,343,[illegible]
Refineries, building, equipment, etc.	48,956,108	46,560,324	45,250,066	46,780,286	46,177,333	44,927,364	44,502,[illegible]
Less: Depreciation reserve	28,823,631	28,484,923	27,869,660	29,206,616	28,871,050	28,167,304	27,771,[illegible]
Net refineries, etc.	20,132,477	18,075,401	17,380,407	17,573,670	17,306,283	16,760,060	16,730,[illegible]
Investments (cost)	590,067	654,471	1,066,390	1,229,054	1,127,394	3,272,578	3,256,[illegible]
Deferred debit items	275,859	120,289	183,674	249,840	233,433	319,729	459,012
Total	$94,818,114	$85,256,547	$82,202,369	$79,497,976	$73,837,107	$69,816,860	$65,892,841
LIABILITIES							
Accounts payable	$6,809,344	5,274,487	$4,648,385	$4,314,350	$2,872,818	$3,358,608	$2,802,811
Accrued taxes	5,967,931	2,782,557	3,281,951	4,524,338	3,557,076	1,720,131	650,428
Dividends payable	464,303	--------	--------	--------	--------	--------	--------
Total current liabilities	13,241,579	$8,057,044	$7,930,336	$8,838,688	$6,429,894	$5,078,739	$3,453,0[illegible]
Common stock (par $10)	18,579,120	18,579,120	18,579,120	18,579,120	18,579,120	18,579,120	18,579,120
Res. for contingencies, etc.	1,408,485	2,028,208	1,340,660	1,485,634	1,351,514	1,254,502	1,156,564
Minority interest	10,400	10,400	10,400	11,185	11,185	11,185	76,448
①Capital surplus	15,372,858	16,218,937	17,065,015	17,911,094	18,757,173	19,603,251	20,448,2[illegible]
Surplus from operations	46,205,672	40,362,839	37,276,838	32,672,256	28,708,222	25,290,063	22,179,487
Total	$94,818,114	$85,256,547	$82,202,369	$79,497,976	$73,837,107	$69,816,860	$65,892,841
Net current assets	$36,546,657	$34,829,654	$35,820,076	$32,729,621	$30,603,308	$25,110,650	21,549,5[illegible]

①After surplus adjustments, including debiting amortization of intangibles: 1946-42, $846,079; 1941-39, $846,019.

②Refined products at fixed costs (lower than market); other inventories at average cost, not in excess of market.

General Notes

Notes: (a) Accounts certified by Haskins & Sells.

(b) Capital assets include intangibles: 1946, none; 1945, $846,079; 1944, $1,692,157; 1943, $2,538,236; 1942, $3,384,314.

STATISTICAL RECORD

	1946	1945	1944	1943	1942	1941	1940
Earned per share—common	$5.43	$4.34	$3.74	$3.53	$3.29	$2.62	$1.60
Dividends per share—common	$2.00	$1.75	$1.40	$1.40	$1.40	$1.15	$0.80
Price range—common	45⅝-31½	36-25¾	28¼-23½	30⅝-18⅝	19½-12⅛	17⅞-13	17⅜-11¼
Net tangible assets per share	$43.14	$40.45	$39.25	$37.23	$35.55	$34.16	$32.94
Number of shares	1,857,912	1,857,912	1,857,912	1,857,912	1,857,912	1,857,912	1,857,912

CAPITAL STOCK

1. Mid-Continent Petroleum Corp. capital stock: par $10:

AUTHORIZED—3,000,000 shares; issued and outstanding 1,857,912 shares; par $10 (changed from par $5 to no par Feb. 14, 1920, 1 no par share issued for each five $5 shares; changed from no par to par $10 May 2, 1934, share for share).

Dividend Record (in $)

(Par $5 shares)

1917	0.30	①1918	0.12½	②1919	0.50
②1920	0.12½				

(No par shares)

1920	1.87½	1921	2.50	1922	2.87½
1923	3.00	1924-26	nil	1927	1.50
1928	nil	1929-30	2.00	1931	0.50
1932-34	nil				

(Par $10 shares)

1934	0.50	1935	0.40	1936	1.15
1937	1.50	1938-39	0.60	1940	0.80
1941	1.15	1942-44	1.40	1945	1.75
1946	2.00	③1947	1.25		

①Plus 12½% stock.
②Plus 2½% stock.
③To June 2.

Dividends in recent years payable semi-annually J&D 1 to stock of record about M&N 1.

PREEMPTIVE RIGHTS—Certificate of Incorporation contains no provision with respect to preemptive rights.

LISTED—New York Stock Exchange.

TRANSFER AGENTS—Chemical Bank & Trust Co., New York, and Equitable Trust Co., Baltimore.

REGISTRARS—Chase National Bank, New York, and Equitable Securities Co., Baltimore.

PRICE RANGE—	1946	1945	1944
Stock	45⅝-31½	36-25¾	28¼-23½

Subscription Rights: *Preferred and common* stockholders of record Jan. 10, 1929, had right to Jan. 30, 1939, incl., to purchase 447,912 shares additional common at $31 per share on basis of 4 shares for each 10 shares of preferred held and 3 shares for each 10 shares of common held.

THE CELOTEX CORPORATION

CAPITAL STRUCTURE

FUNDED DEBT

Issue	Rating	Amount Outstanding	①Times Charges Earned 1946	1945	Interest Dates	Call Price	Price Range 1946	1932-46
1. 3¼% debentures, 1960	Baa	$4,832,000	41.63	10.25	F & A 1	③104	105½-101⅜	④105½-101¾

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	①Earned per Sh. 1946	1945	①Divs. per Sh. 1946	1945	Call Price	Price Range 1946	1932-46
1. 5% cum. preferred	$20	256,862 shs.	$14.89	$2.36	$1.00	$1.00	20	23 -20	⑤23 -15½
2. Common	No par	855,472 shs.	4.17	0.57	1.00	0.50	--	38⅛-22½	②38⅛- 5

①Fiscal years. ②Range since 1938, after 100% stock dividend. Before 100% stock dividend, 1935-38 range 48¼-12½. ③To July 31, 1948, incl.; thereafter at 103½ to July 31, 1949, incl. when price again changes. Call for sinking fund at 104 to July 31, 1948, incl.; see text. ④Range since 1945. ⑤Range since 1943 for $20 par shares. Range for $100 par shares from 1935 and to the 5-for-1 split in 1943, 93-46.

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 1937-38 acquired Gulf Gypsum Co. of Houston, Tex.; in June 1943 latter was liquidated.

In 1938 constructed a plant at London, England.

In 1939, acquired the Pottsco Corp. (Ill.), name subsequently changed to Expanded Products Corp., owner of a patent covering concrete.

In 1941, liquidated English subsidiary holding company, Texcel, Ltd.

Phoenix Securities Corp., former holder of approximately 27% of company's common stock, distributed practically all such stock to its own stockholders on Nov. 24, 1941.

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.

Acquired properties in Ohio of Weaver-Hall Co. in Aug., 1946.

SUBSIDIARIES

This is principally an operating company. At Oct. 31, 1945, 100% of the voting power was owned in the following companies:

Name, place of incorporation and business:
American Gypsum Co., Ohio, inactive.

At Oct. 31, 1946, owned less than 100% of voting power in following company.

El Rey Products Co., California owns and operates a roofing plant and felt mill at Los Angeles (83 1/3%).

Celotex, Ltd., England, manufactures and sells Celotex products in British Empire (80%) ①.

①Articles 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 5. 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, 1945 there were 5 directors.

Note: At Oct. 31, 1946, 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.

SINESS & PRODUCTS

...e company manufactures building and in-...ting products, consisting for the most ... of products marketed under the trade ...e "Celotex." These products are manu-...ured principally from bagasse, the fiber ...aining after the juice has been extracted ...a sugar cane and are used among other ...gs, for exterior sheathing, plaster base, ...rior and interior finish, for insulating ...s, and as insulation in the manufacture of ...sehold refrigerators, railway refrigerator ..., cold storage plants and other products. ...e company also manufactures and sells ...ucts for correction of acoustical condi-...s in office buildings, auditoriums, theaters, ...dcasting studios, and other places in ...ch acoustical treatment is desired, includ-...products marketed under the trade names ...ousti-Celotex" and "Muff'etone." ...e company also is engaged in the handling ...sale of other types of insulating and build-...material products, including loose and ...forms of rock wool, roofing products, gyp-... plaster, lath and wallboards, and also ...ous items used as accessories in the ap-...ation of products sold.

...e company operates under patents and ...nt rights both of the United States and ...ign countries, covering various products, ...esses and machines, including a series of ...nts covering material and processes for ...ting insulating material for protection ...inst damage by dry rot, fungi, termites and ...r similar hazards.

...arkets for Celotex products include gen-... building, to which are sold various prod-...in both the residential and non-residential ...s in urban districts, and for farm homes ... other farm buildings in the rural districts; ...acoustical market, which embraces a large ...s such as offices, restaurants, industrial ...ts, schools, churches, etc., where it is ...rable to arrest noise and to correct acousti-... difficulties; and the industrial field, where ...otex products are widely used in the ...ufacture of various types of refrigerating ...ipment, in incubators, air ducts, radio sets, ... insulating brick sidings, etc.

...elotex also sells products made by other ...ufacturers, 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 precast concrete.

The Celotex Corp. maintains offices throughout the world and has branch offices in 14 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 143 acres of land, upon which are 24 principal buildings.

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

A plant at Metuchen, N. J., is located on approximately 12 acres of land, and contains about 210,000 square feet of floor space, and is used for the manufacture of asbestos cement board products, insulating siding and asphalt impregnated and coated products.

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

A plant near Lagro, Ind. and a plant in Detroit, Mich., are used for production of rock wool insulation products.

Plant of El Rey Products Co., a subsidiary, is located at Los Angeles for manufacture of roofing materials.

Other plants at Cleveland, and Avery, O. and Madison, Ill.

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

MANAGEMENT

Officers

Bror Dahlberg, President
Carl G. Muench, Vice-Pres. & Chief Eng.
O. S. Mansell, Vice-President
H. W. Collins, Vice-President
C. L. Christensen, Vice-President
H. G. Philbrook, Vice-President
F. A. Irvine, Asst. Vice-President
A. J. Schimpf, Treasurer
C. W. Johns, Secretary
W. D. Becker, Asst. Secretary
R. H. Thompson, Jr., Asst. Secretary
H. W. Conway, Asst. Secretary
J. M. Erickson, Asst. Treasurer
A. F. O. Pfeiffer, Asst. Treasurer
J. W. Franklin, Purchasing Agent
Gates Ferguson, Advertising Manager
G. C. Snyder, Export Manager
Marvin Greenwood, Sales Manager

Directors

C. L. Christensen, Chicago
W. W. Colpitts, New York
Bror Dahlberg, Chicago
A. J. Dallstream, Chicago
P. H. Davis, Chicago
Parrish Fuller, Oakdale, La.
E. B. Wilber, New York
John Irwin, Chicago
O. S. Mansell, Chicago
Carl G. Muench, Chicago
A. C. Simmonds, Jr., New York

General Counsel: Pam, Hurd & Reichmann, Chicago.

Annual Meeting: Third Tuesday in February.

Number of Stockholders: Oct. 31, 1946, 12,300.

Number of Employees: Dec. 31, 1945, 3,600 (of which 2,050 are employed in the plant at Marrero, La.).

General Office: 120 So. La Salle St., Chicago 3, Ill.

Management Compensation Plan: For fiscal year bonus payments are based on the consolidated net earnings (as defined) in excess of $750,000 and are limited in case of (i) Bror Dahlberg to $50,000, (ii) C. G. Muench to $18,000 and (iii) certain other employees to 34% of combined annual compensation rate of such employees, such amount to be distributed in accordance with their respective salaries with such modifications as are designated by the president.

COME ACCOUNTS — COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED OCT. 31

	1946	1945	1944	1943	1942	1941	1940
...sales	$33,090,464	$22,185,651	$20,693,859	$22,598,269	$23,510,364	$19,977,155	$13,817,501
...of ...ies and expenses	25,425,359	20,041,957	19,099,196	20,017,438	19,110,688	16,361,701	12,360,204
...prec., ...epletion & amortization	557,250	770,782	616,481	612,724	534,526	447,498	448,692
Operating profit	7,107,856	1,372,912	978,182	1,968,107	3,865,150	3,167,957	1,008,605
...income	459,661	244,357	194,410	166,739	115,787	158,853	151,496
Total income	7,567,517	1,617,269	1,172,592	2,134,846	3,980,937	3,326,810	1,160,101
...rest on funded debt	160,225	114,459	111,391	135,072	143,543	151,615	162,654
...er interest	8,135	.....	3,394	18,485	8,890	3,172	25,120
...discount and expense	10,139	13,580	15,057	37,664	51,232	51,232	51,232
...expense written off	.....	.....	.....	225,254	.....	.....	.....
...her deductions	100,524	$04,296	176,289	49,627	37,369	123,903	84,169
...eral income taxes	2,476,186	400,920	320,500	$67,363	549,289	604,823	89,300
...ss profits tax	952,300	157,220	6,200	834,077	1,972,100	473,000	.....
...-war credit—excess profits tax	.....	.....	[5]cr 48,120	cr 20,588	cr 30,000	.....	.....
...retirement credit	.....	.....	.....	cr 63,400	.....	.....	.....
...inc. taxes & conting. tax res.	35,682	21,268	25,604	21,092	124,547	169,967	.....
...Net profit	$3,824,324	605,525	562,276	530,199	[4]1,123,967	1,749,099	747,628
...rred dividends	256,862	170,752	156,863	148,863	147,112	145,363	145,363
...mon dividends	830,513	377,772	377,759	325,293	471,901	706,138	.....
[3]Surplus for year	$2,736,949	$57,000	$27,654	$56,043	$504,954	$897,598	$602,265

...945 includes amortization on accelerated ... ($268,910 after deducting $150,486 ap-...ble taxes).

...945: Before debiting $120,321 costs and ex-...es relative to sale of 100,000 additional ...rred shares.

[3] Before crediting $85,596 net adjustment ...rovision for depreciation for prior years and $56,786 restoration of provision made at Oct. 31, 1938 for payment of first preference dividends of Celotex, Ltd.

[4] After renegotiation refund subject to final approval net profit was $931,187.

[5] Includes $47,500 credit due to carry back to prior year of unused excess profits credit of current year.

[6] 1945: Includes $175,226 write-off of redemption premium and unamortized discount and expense on debenture 3¾s redeemed during year.

General Notes

Above report excludes Celotex, Ltd. Net profit of that company for years ended Oct. 31: 1946, $7,906; 1945, $59,343; 1944, $55,628; 1943, $44,103; 1942, $42,774.

Record of Earnings, years ended Oct. 31:

	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.
.....	$7,589,955	$6,724,665	$865,290	d $99,856	$765,434	$29,419	$736,015	.....	268,685	$2.20
.....	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
.....	9,126,489	8,471,885	654,604	d 126,246	528,358	10,000	518,358	312,429	312,429	1.19
.....	12,317,936	11,242,829	1,075,107	d 254,351	820,756	79,000	741,756	.....	629,960	0.95

NCE SHEETS — COMPARATIVE CONSOLIDATED BALANCE SHEET, AS OF OCT. 31

SETS:	1946	1945	1944	1943	1942	1941	1940
.....	$2,453,820	$1,853,639	$2,256,657	$2,863,085	$1,190,786	$1,142,711	$1,059,958
Government securities	4,550,951	6,025,651	850,000	150,000	.....	.....	.....
... and accounts receivable, net	3,609,718	2,305,393	2,277,526	2,669,788	3,179,237	3,154,463	2,245,147
... tax refund claims	.....	266,730	.....	.....	.....	.....	.....
...tories	3,546,482	2,305,964	2,221,552	2,133,070	2,583,474	2,037,791	1,580,516
...al current assets	$14,160,971	$12,757,376	$7,605,735	$7,815,943	$6,953,497	$6,334,964	$4,885,621
...ting properties	19,130,942	13,183,159	11,570,263	11,421,344	11,218,640	10,876,443	10,696,168
..., depletion & amortization	8,591,957	8,094,104	7,317,421	6,867,285	6,318,695	6,080,646	6,031,317
... operating property	10,538,985	5,089,054	4,252,842	4,554,060	4,899,945	4,795,797	4,366,851
...erating property (net)	.....	120,197	177,523	115,665	144,814	252,932	276,203
... and rights	1	1	1	1	1	1	1
... Coast Corp. investment	438,541	438,541	438,541	438,541	58,502	1	1
...tment in Celotex, Ltd.	711,007	718,913	726,086	733,260	740,434	747,617	760,101
...ent in El Rey Prod. Co.	2,181,790	.....	.....	.....	.....	.....	.....
...e	[11]55,130	.....	.....	.....	.....	.....	.....
...t. Certain-teed Prod. Corp.	.....	.....	1,137,540	1,137,540	1,270,929	1,270,929	1,270,929
...r tax refund	.....	.....	83,753	50,588	30,000	.....	.....
...ssets	220,143	195,106	345,669	158,924	91,720	125,504	122,637
...t. debt discount & expense	92,204	102,671	107,769	122,827	217,735	268,966	320,198
...d charges	357,018	207,579	148,678	126,820	111,054	70,531	139,087

BALANCE SHEETS (cont'd)

LIABILITIES	1946	1945	1944	1943	1942	1941	1940
Notes payable	$1,300,000						$266 [illegible]
Accounts payable	2,310,542	$1,359,294	$986,057	$1,427,303	$1,497,242	$1,488,031	689 [illegible]
Accrued expenses	812,733	593,155	458,639	788,496	641,467	702 652	307 [illegible]
Accrued interest	43,458	40,802	35,987	43,254	40,390	40,078	44 [illegible]
Due to Celotex Ltd.						12,346	
Prov for misc. taxes	93,509	73,781	94,301	109,011	173,919	102,565	87,289
Sinking fund requirement	250,000	175,000					
[8]Prov. for income taxes	[7]830,898	[7]257,810	[7]682,272	[7]821,277	[7]574,576	[7]485,091	121 [illegible]
Total current liabilities	$5,641,140	$2,499,842	$2,257,257	$3,189,341	$2,927,673	$2,830,762	$1,718 [illegible]
Debentures	4,582,000	4,825,000	2,879,000	3,000,000	3,158,500	3,207,500	3,539 [illegible]
Notes payable							30 [illegible]
Liab under license agreement			23,849	36,941	51,802	66,487	81 [illegible]
Payment rec. on stock sales	[11]55,130						
5% preferred stock	[9]5,137,250	[9]5,137,250	[9]3,137,250	[9]2,977,250	[9]2,977,250	2,907,250	2,907 [illegible]
[5]Common stock	855,472	755,472	755,472	696,933	638,410	638,410	638 [illegible]
[10]Paid-in surplus	5,793,659	2,457,684	1,953,797	1,363,845	706,843	706,843	706 843
Earned surplus	6,691,140	3,954,191	4,017,512	3,989,857	4,126,503	3,621,640	2,581 659
Total	18,477,521	12,304,597	9,864,031	9,027,885	8,449,007	7,874,143	6,834 [illegible]
[6]Reacquired common stock					68,441	111,651	111,65[illegible]
Net equity	18,477,521	12,304,597	9,864,031	9,027,885	8,380,656	7,762,492	6,722 51[illegible]
Total	$28,755,790	$19,629,438	$15,024,138	$15,254,168	$14,518,631	$13,867,242	$12,141 [illegible]
Net current assets	$8,519,831	$10,257,534	$5,348,478	$4,626,602	$4,025,824	$3,504,202	$3,167 [illegible]

[1]At lower of cost or market: Raw materials (including, at cost, $663.912 basic raw materials for which the corporation is the only substantial market), $2,019,896; goods in process, $280,-743; finished goods, $248,340; operating and maintenance supplies, $997,593; total, $3,546,482.

[2]1946: Comprises: $1,577,260 debenture 5s (subordinated) 1973 and 84,428 shares of common stock carried at nominal value of $1. Other 120,900 shares of common stock purchased in 1942 and 1943 carried at cost of $438,-539. Market value Oct. 31, 1946, $1,577,260 debenture 5s (subordinated), 1973, $1,309,126; 205,-328 common shares, $1,231,968; total, $2,541,094.

[3]Investment at cost (less $49,094 reserve in 1946) in securities Celotex, Ltd. (English subsidiary—not consolidated).

[4]Investment in Certain-teed shares at written down value ($829,743) after charge of $1,-049,856 to paid-in surplus during 1938 fiscal year and reflecting subsequent purchases and sales at cost. At Oct. 31, 1944, comprised 147,-260 common shares, $1,137,540 (quoted market value, $1,086,043).

Investment sold in 1945.

[5]No par shares: 1946, 855,472; 1945-44, 755,472; 1943, 696,933; 1942-40, 638,410.

[6]At cost: 1942, 6,342 shares; 1940-41, 10,734 shares.

[7]After deducting investment in U. S. Treasury notes, tax series, at cost: 1946, $3,-190,000; 1945, $1,000,000; 1944, $390,000; 1943, $1,-320,000; 1942, $2,303,000; 1941, $801,320.

[8]Includes provision for renegotiation in 1942, 1943 and 1944.

[9]Par value: 1946-43, $20; 1942 and prior years, $100.

[10]Principal paid-in surplus changes follow:

1946: After crediting $3,575,000 excess of amount received from sale at 36¾ of 100,000 additional common shares over stated value of $1 per share; less $239,024 cost and expenses relative to sale of stock.

1945: After crediting $503,886 excess of net proceeds of sale of portion of investment in Certain-teed Products Corp. common stock over 1938 written-down value thereof.

1944: After crediting $514,953 net excess of consideration received from sale at $10.50 per share of 58,539 additional common shares, no par value over $1 stated value and $75,000 book value assigned to assets received in exchange for $125,000 principal amount of South Coast Corp. 5% income debentures (subordinated) which were carried on books at $1.

1943: After crediting $529,410 excess from issuance of 58,523 additional common shares no par value over $1 stated value and $132,519 excess from sale of 5,696 preferred of Certain-teed Products Corp. over written-down value, and after deducting $4,928 loss on sale of 6,342 reacquired common shares.

[11]Amount received from employees on stock sales agreement.

[12]After reserves (1945, $390,126).

[13]1945: Includes $817,327 emergency facilities covered in full by reserve. It is anticipated that these facilities will continue in use.

Accounts certified by Arthur Young & Co

STATISTICAL RECORD, FISCAL YEARS

	1946	1945	1944	1943	1942	1941	1940
Earned per share—preferred	$4.89	$2.38	$3.58	$3.56	$37 75	$60.16	$25 72
—common	$4.17	$0.57	$0.53	$0.54	[4]$1.54	$2.55	$0 96
Dividends per share—preferred	$1.00	$1.00	$1.00	[6]$3.00	$5.00	$5.00	$5 00
—common	$1.00	$0.50	$0.50	$0.50	$0.75	[illegible]12½	Nil
[1]Price range—preferred	23–20	21⅞–18½	19½–17	[7]21–16½	75¾–66	[illegible]5–65	72–48
—common	38⅛–22½	25¼–14⅞	15½–11	14¾–8¼	8½–6¼	10[illegible]–5⅜	12⅛–5
Net tangible assets per sh.—preferred	$71.93	$47.90	$62 88	$60.64	$281 49	$267.00	$231 23
—common	$15.59	$9.49	$8.90	$8.68	$8.55	$7.74	$6 08
Fixed charges earned:							
Bef. inc. taxes, deprec. & depl.	44.75	16.27	12.42	12.93	21.98	17.72	6 39
Bef. inc. taxes & aft. deprec. & depl.	41.63	10.25	7.67	9.73	19.36	15.55	4 50
After inc. tax., deprec. & depl.	22.42	5.73	5.33	3.77	6 52	9.49	4 13
Times charges & pfd. div. earned	9.19	2.46	2.41	2.12	3.78	5.56	2 57
Price range—4½s, 1947					100–93¼	97⅛–88	90¼–73¾
—3¾s, 1955			105¼–101¼	102⅛–100¾			
—3¼s, 1960	105½–101⅜	103¼–102					
Net tangible assets $1,000 fund. debt	$5,033	$3,550	$4,426	$4,009	$3,653	$3,420	$2,858
Net curr. assets per $1,000 fund debt	$1,859	$2,126	$1,858	$1,542	$1,275	$1,092	$875
Times preferred dividends earned	14.89	3.55	3.58	3.56	7 64	12.03	5 14
Number of shares—preferred	[5]256,863	[5]256,862½	[5]156,862½	[5]148,863	[5]29,773	29,073	29,07[illegible]
—common	855,472	755,472	755,472	696,933	632,068	627,676	627 676

[1]Calendar years.
[4]After 100% stock dividend; range prior thereto 30⅛–12½.
[5]Par value: 1946-43, $20; 1942 and prior years, $100.
[6]$2.50 on $100 par stock and 50 cents on $20 par stock.
[7]$20 par shares; old $100 par shares, 93-76¾.

FUNDED DEBT

1. Celotex Corp. debenture 3¼s, due 1960:
Rating—Baa

AUTHORIZED—$5,000,000; outstanding, Oct. 31, 1946, $4,832,000.

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 Bank & Trust Co., 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 to July 31, incl., as follows:

1946	105	1947	104½	1948	104
1949	103½	1950	103	1951	102½
1952	102	1953	101½	1954	101
1959	100¼	[1]1959	100		

[1]After July 31, 1959.

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, for each fiscal year after Oct. 31, 1944. Debentures may be tendered in lieu of cash at greater of cost or sinking fund redemption price on next Aug. 1; any excess of debentures (acquired otherwise than by redemption) so tendered shall be credited at not to exceed sinking fund redemption price against next succeeding payments. Cash payments to be used prior to the next succeeding Aug. 1 at direction of company to purchase at not to exceed sinking fund redemption price or to redeem debentures, company on request of trustee shall pay accrued interest and commissions on debentures purchased or redeemed. Any balance in sinking fund on any Aug. 1 sufficient to redeem at least $25,000 (or less if requested by company) to be used to redeem debentures by lot on or before next succeeding Oct. 1, and any moneys not so used shall be added to next sinking fund payment. Any amounts not so used after Oct. 1, 1959, shall be applied to payment at maturity or to earlier redemption of debentures. Debentures purchased or redeemed to be cancelled.

Callable for sinking fund at 104 to July 31, 1948, incl., and thereafter at above call prices.

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 (1) purchase money or existing liens on property hereafter acquired not to exceed two-thirds of purchase price, or renewal, refunding, or extension thereof in not to exceed like amount similarly secured; (2) by a subsidiary for refunding, renewal or extension of any pledge, lien or encumbrance existing at time same became a subsidiary, in like amount and similarly secured; (3) mechanics' liens, deposits in connection with tenders or leases of real estate, bids, contracts (other than for payment of money), surety, stay or appeal bonds; for taxes, etc.; (4) security required by law or governmental regulations for license or privilege to transact business; to maintain self-insurance; for workmen's compensation, unemployment insurance, etc.; (5) for debt of a subsidiary to company; provided, that company shall not dispose or part with control of any such debt (except to debtor subsidiary); or, (6) for taxes protected by adequate reserves.

Except as expressly permitted, company will not, nor permit any subsidiary to, guarantee payment of dividend, debt, or other obligation of another entity, except (a) performance of contract by company or a subsidiary; (b) customers' notes, trade acceptances and other contracts or obligations in ordinary course of business, or (c) renewal or extension of guarantee by a subsidiary of debt or obligation of such subsidiary existing at date of indenture or at time same became a subsidiary, in not to exceed like amount.

Company will not (except to a subsidiary), or permit any subsidiary (except to company or another subsidiary), assign, sell, or transfer stock of a subsidiary if thereby same would cease to be a subsidiary, unless all owned stock of such subsidiary is simultaneously disposed of.

Company will not (a) permit any subsidiary to issue preferred (except to company), nor (b) part with control of any preferred stock of a subsidiary, except to issuing subsidiary.

Company will not (A) pay or declare any cash dividend on common, or acquire for value any capital stock (except by issuance or application of proceeds of additional shares), or (B) make any investment in excess of $50,000 in capital stock or obligations of or loans to any company not then or immediately thereafter by reason thereof to become a subsidiary (except through issue or proceeds of sale or disposition of such investment or capital stock of company) if such dividends, acquisitions of stock, or amount of such investments or loans exceed the sum of (a) consolidated net earnings (as defined) since Oct. 31, 1944, plus (b) $1,000,000 and (c) proceeds of sale or disposition after date of indenture of any such investment or capital stock not applied as referred to in (A) and (B) above after deducting

therefrom (i) all cash dividends paid or declared after Oct. 31, 1944, and cost of all stock acquired, in each case as in clause (A) above, and (ii) all investments or loans as in clause (B) above, after date of indenture.

If on consolidation or merger, or on sale or conveyance of substantially all assets, any property or assets would become subject to any mortgage, pledge, or encumbrance (except as in clauses (3) and (4) above, if such merged corporation at time of such creation or assumption had been a subsidiary), prior to such transaction company will secure outstanding debentures equally and ratably with any other indebtedness entitled thereto by a direct prior lien on all such property and assets. No consolidation, merger, sale or conveyance may be effected unless immediately thereafter consolidated net tangible assets (as defined) of company or resulting corporation or purchaser are at least 2½ times consolidated funded debt (as defined).

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.

See also clauses (A) and (B) above.

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.

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.

PRICE RANGE—1946, 105½-101⅜; 1945, 103½-102.

CAPITAL STOCK

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

AUTHORIZED—500,000 shares (increased from 100,000 shares, July 12, 1943); outstanding, Oct. 31, 1946, 256,862½ shares; par $20 (changed from $100 par June 18, 1943, five $20 par shares issued for each $100 par share).

DIVIDEND RIGHTS—Has preference over common to cumulative dividends of 5% per annum, payable quarterly.

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 "Dividend Restriction" under debenture 3¼s, 1960.

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 National Bank, New York.

REGISTRAR—Chemical Bank & Trust Company New York.

OFFERED—(100,000 shares) at $20 per share (proceeds to company $19 per share) on Sept. 6, 1945 by a syndicate headed by Paul H. Davis & Co., Chicago.

PRICE RANGE—	1946	1945	1944
Preferred	23-20	21⅞-18½	19½-17

2. The Celotex Corp. common; no par.

AUTHORIZED—1,500,000 shares; outstanding, Oct. 31, 1946, 855,472 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	[2]1947	0.50

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

DIVIDEND LIMITATIONS — See "Dividend Restriction" under debenture 3¼s, 1960.

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 National Bank, New York.

REGISTRAR—Chemical Bank & Trust Company, New York

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

PRICE RANGE—	1946	1945	1944
Common	38⅛-22½	25¼-14⅞	15½-11

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.

THE CLEVELAND GRAPHITE BRONZE COMPANY

CAPITAL STRUCTURE

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh. 1946	Earned per Sh. 1945	Divs. per Sh. 1946	Divs. per Sh. 1945	Call Price	Price Range 1946	Price Range 1932–46
1. 5% cumulative preferred	$100	24,320 shs.	$101.52	$51.75	$5.00	$5.00	105	108½–106	[1]110½–95¾
2. Common	1	[2]643,840 shs.	7.28	3.65	3.00	2.00	---	77 – 52	77 –15¼

[1]Range since 1941. [2]After 2-for-1 split of May 8, 1947.

HISTORY

Incorporated in Ohio, March 22, 1919.

As of April 1, 1919, acquired the assets and assumed certain liabilities of The Dann Products Co., issuing common stock as the consideration.

In 1939 sold to Detroit Gasket & Mfg. Co. the spring insert business, and related equipment, which business comprised less than 1% of company's 1939 dollar sales.

In 1939 and 1940 undertook expansion of facilities with ultimate objective of concentrating operations on owned property in Cleveland, O., such expansion being partly financed by sale of 30,000 shares of 5% preferred stock approved by stockholders Feb. 24, 1941 and sold Feb. 26, 1941.

On Nov. 4, 1941, acquired entire common stock (54% of voting power) of The Properties Co. owning company's East 72nd St. plant.

SUBSIDIARIES

Company owns an 18.85% interest in the voting stock of Monmouth Products Co., manufacturer and distributor of automobile service parts. Four of company's directors own an aggregate of 35.9% of the voting stock of Monmouth Products Co. but as there is no agreement or understanding between company and such directors with respect to voting such stock, Monmouth is not considered to be an affiliate of the company.

BUSINESS & PRODUCTS

Principal business of the company is the manufacture and sale of lined bearings (used in engines as main, connecting rod and cam shaft bearings) and bronze bushings (both plain and graphited). Sales of bearings commenced in 1937 and have since grown in importance to the point where they constitute the company's major product.

Company's products are used mainly in the automobile industry. In 1940 began manufacture of lined bearings for use in airplane engines.

Among the principal customers are Ford, General Motors, Pratt & Whitney, International Harvester, Monmouth Products, Nash, Chrysler and Studebaker.

Company has granted licenses to Ford Motor Co., Ford Motor Co. of Canada, Ltd., and General Motors Corp. for certain of its products.

PRINCIPAL PLANTS & PROPERTIES

In 1941, company completed construction of new plant at 17000 St. Clair Ave., Cleveland, which is owned in fee and has a floor space of 659,000 sq. ft.

In 1944, company purchased a plant at Bridgeport, O. with estimated engine bearing capacity of 1,500,000 to 2,000,000 a month.

In May, 1946 purchased a plant at Fort Wayne, Ind. with 42,500 sq. ft. for production of bearings.

MANAGEMENT

Officers

Ben F. Hopkins, President
J. J. McIntyre, Senior Vice-President
James L. Myers, Exec. Vice-President
Carl W. Johnson, Vice-President (Sales)
G. O. Smith, Secretary
J. W. Dixon, Treasurer & Comptroller
Carl Dautel, Asst. Treasurer
F. H. Standley, Asst. Treasurer.
N. D. Baker, III, Asst. Secretary
L. W. Christenson, Sales Mgr.
W. G. Laffer, Works Mgr.
H. W. Luetkemeyer, Chief Engineer
M. A. Young, Personnel Director

Directors

T. J. Conway, Cleveland
F. C. Crawford, Cleveland
F. J. Griffiths, Massillon, Ohio
Ben. F. Hopkins, Cleveland
Carl W. Johnson, Cleveland
A. W. Lueke, Cleveland
James L. Myers, Cleveland
J. C. McHannan, Cleveland
J. J. McIntyre, Cleveland
John Sherwin, Cleveland
G. A. Vandervell, London, England

Annual Meeting: First Monday in April.

Number of Stockholders: Mar. 3, 1947: Preferred, 669; common, 2,322.

Number of Employes: Dec. 31, 1946, 4,545.

General Office: 17000 St. Clair Ave., Cleveland 10, O.

INCOME ACCOUNTS

COMPARATIVE INCOME ACCOUNT, YEARS ENDED DEC. 31

	1946	1945	1944	1943	1942	1941	1940
Net sales	$28,230,417	[3]$37,941,486	[3]$47,275,713	[3]$41,916,977	[3]$24,987,786	$14,867,071	$10,582,219
[1]Cost of goods	24,628,689	30,731,666	39,274,011	33,037,320	19,441,328	11,054,729	7,924,792
[1]Selling and general expense		3,415,922	2,740,125	1,644,373	1,049,435	856,253	659,111
Operating profit	3,601,728	3,793,898	5,261,577	7,235,284	4,497,023	2,956,090	1,998,316
Other income	507,148	290,128	359,177	265,049	76,422	56,102	40,074
Royalty income					74,350	43,365	31,551
Total income	4,108,877	4,084,026	5,620,754	7,500,333	4,647,795	3,055,557	2,069,941
Miscellaneous expenses	---	225,635	144,983	143,163	66,334	24,152	41,587
Employees vacations	---	---	---	---	---	138,616	116,282
Employees dividends	---	---	---	---	---	57,284	48,246
[3]Social security tax	---	---	---	---	---	7,336	5,937
Loss disposal of fixed assets	---	---	---	---	---	---	4,365
Federal income taxes	1,640,000	760,000	704,000	760,000	762,906	515,766	442,962
Surtax						150,182	---
Excess profits tax	---	1,794,000	3,358,000	5,000,000	2,564,064	660,861	88,303
Post-war tax refund	---	---	cr 340,000	cr 500,000	cr 256,406	---	---
Provision for contingencies	---	---	---	300,000	---	---	---
Net income	2,468,877	1,304,391	1,755,770	1,797,169	[1]1,510,897	1,501,359	1,322,258
Preferred dividends	126,025	130,738	136,711	141,609	146,540	124,200	---
[4]Common dividends	965,760	643,840	643,840	644,320	644,320	644,320	644,320