PROSPECTUS

The Glidden Company

178,535 Shares

Common Stock

(Without Par Value)

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Company is offering to the holders of its outstanding Common Stock the right to subscribe for additional shares of Common Stock at the rate of one share for each ten shares of Common Stock held of record at the close of business on March 15, 1950, on the terms set forth herein under "Subscription Offer".

THE SUBSCRIPTION WARRANTS EVIDENCING SUCH RIGHTS TO SUBSCRIBE EXPIRE AT 3 O'CLOCK P. M., EASTERN STANDARD TIME, MARCH 29, 1950.

	Subscription Price	Underwriting Commissions (1)	Proceeds to Company (2)
Per Unit	$28.75	$1.00	$27.75
Total	$5,132,881.25	$178,535.00	$4,954,346.25

(1) In the Underwriting Agreement, referred to herein, the Company indemnifies the Underwriters against certain civil liabilities including liabilities under the Securities Act of 1933. See also statement below.

(2) Assuming all of the shares of Common Stock offered hereby are sold and before deduction of expenses of the Company, estimated at $60,750.

Upon the terms and subject to the conditions of the Underwriting Agreement, the Underwriters have agreed to purchase, at the subscription price per share set forth above, any unsubscribed portion of the shares of Common Stock offered hereby. As compensation for such commitments, the Company has agreed to pay to the several Underwriters for their pro rata accounts the sum of $178,535 ($1.00 per share for each share of Common Stock offered hereby).

Prior to expiration of the Warrants, the Underwriters may offer and sell Common Stock, including shares purchased by them through the exercise of Warrants, either firm or subject to subscription through the exercise of Warrants, at a price which may be varied each twenty-four hour period commencing on March 15, 1950, but which it is intended shall not be varied within any such period except that such price may be reduced within any such period. Such price shall be not less than the subscription price per share set forth above, less any concession allowed to dealers, and not greater than the highest price at which the Common Stock is then being offered on the New York Stock Exchange or Midwest Stock Exchange, plus the amount of any New York Stock Exchange brokerage commissions on any equivalent sale thereon. The last sale price of the Common Stock on the New York Stock Exchange on March 14, 1950 was 28¾.

After expiration of the Warrants, the Underwriters may make one or more private or public offerings of unsubscribed Common Stock and of Common Stock purchased by them through the exercise of Warrants. The price or prices of any such offerings have not been fixed as of the date hereof and will be determined as set forth under "Offering by Underwriters". As a result, the Underwriters may realize profits or losses independent of the underwriting commissions stated above.

Blyth & Co., Inc.

GLD011268

The date of issue of this Prospectus is March 15, 1950.

No dealer, salesman, or any other person has been authorized to give any information or to make any representations other than those contained in this Prospectus in connection with the offer contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or by any of the Underwriters. This Prospectus does not constitute an offer to sell the securities in any state in which such offering may not lawfully be made.

CONCERNING THE REGISTRATION STATEMENT

The Glidden Company (herein sometimes referred to as the "Company") has filed with the Securities and Exchange Commission, Washington, D. C., a Registration Statement (herein called the "Registration Statement") under the Securities Act of 1933 with respect to the securities offered hereby. Copies of the Registration Statement may be procured from the Commission upon payment of the regular charge therefor. This Prospectus constitutes a part of the Registration Statement. For further information with respect to the Company and the securities offered hereby, reference is made to the Registration Statement, including the schedules and exhibits filed therewith.

CONTENTS

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SUBSCRIPTION WARRANTS AND COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK AND MIDWEST STOCK EXCHANGES OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

GLD011269

The Glidden Company

178,535 Shares

Common Stock

(Without Par Value)

Transfer Agent	Registrar
The New York Trust Company 100 Broadway New York 15, New York	The Chase National Bank of the City of New York 11 Broad Street New York 15, New York

SUBSCRIPTION OFFER

The Glidden Company is offering to the holders of its Common Stock Rights to Subscribe to one share of the Common Stock of the Company offered hereby for each ten shares of Common Stock held of record at the close of business on March 15, 1950, at the price per share set forth on the cover of this Prospectus. As set forth under the caption "Underwriting Arrangements" herein, the Underwriters there named have agreed to purchase all of the shares not subscribed for.

Expiration Date:

The Rights to Subscribe will expire at 3:00 P. M., Eastern Standard Time, on March 29, 1950 ("the Expiration Date").

Agent:

The Company has appointed The New York Trust Company, 100 Broadway, New York 15, N. Y., its Agent, to accept subscriptions for the shares hereby offered.

Subscription Warrants:

The Rights to Subscribe are evidenced by transferable Subscription Warrants which are being mailed to holders of the Common Stock of the Company. Ten Rights are required to subscribe for each share of Common Stock of the Company.

No fractional shares of Common Stock of the Company are to be issued. Additional Rights may be purchased to entitle the holder of a Warrant to subscribe to one or more full shares of the Common Stock, or Rights may be sold.

Warrants are fully transferable and may be transferred at the principal office of the above named Agent.

Method of Exercising Rights to Subscribe:

Rights to Subscribe may be exercised by the surrender of a Warrant or Warrants appropriately filled out and executed together with full payment of the Subscription Price to the Agent. Payment of the Subscription Price must be in United States dollars and may be in cash or by check, bank draft or postal or express money order payable to the Agent.

Warrants and payments must be received by the Agent prior to the Expiration Date, but if prior to the Expiration Date the Agent has received the Subscription Price by telegraph or otherwise, together with a guarantee in writing or by telegraph from a bank, trust company or a member firm of the New York Stock Exchange that the Warrants with respect to the shares subscribed for have been or will

GLD011270

promptly be surrendered to such Agent, such subscription will be accepted subject to withholding delivery of the shares subscribed for until receipt of the duly exercised Warrants.

Purchase and Sale of Rights to Subscribe:

Rights to Subscribe may be bought or sold through banks, brokers or investment dealers.

For the convenience of Warrant-holders, the Company has made arrangements with the Agent under which a Warrant-holder may (a), when forwarding his Warrant to the Agent for exercise of Rights to Subscribe, place an order to buy sufficient Rights to Subscribe (not exceeding 9) which, with the Rights to Subscribe represented by his Warrant, will permit him to subscribe for one or more full shares; or (b) forward his Warrant to the Agent and place an order to sell Rights (not exceeding 9), in excess of the Rights used for a subscription, represented by the Warrant which he received. The execution of such order is subject to the Agent's being able to find a seller or purchaser, as the case may be. This service will be rendered without charge to Warrant-holders by the Agent as their agent.

The Agent has informed the Company as follows:

1. Orders for the purchase or sale of Rights to Subscribe received during each day prior to the Expiration Date (such day to commence at 12 o'clock noon, Eastern Standard Time, on each business day and to terminate at 12 o'clock noon, Eastern Standard Time, on the succeeding business day) will be executed by the Agent by set-off at the end of such day, and any remaining balances of sale or purchase orders for such Rights will be executed by the Agent on the New York Stock Exchange or otherwise.

2. Purchasers of Rights will be billed and sellers will receive payment on the basis of the average price paid or received by the Agent for such Rights on the New York Stock Exchange or otherwise during the day on which the orders were executed, whether by set-off or actual purchase or sale on such Exchange or otherwise. Delivery of the certificates for Common Stock of the Company will be withheld until the Agent has received payment on such billing and the proceeds from such sales will be remitted to the sellers as soon as possible.

Delivery of Stock Certificates:

Certificates for shares of Common Stock of the Company subscribed for will be delivered as soon as practicable after subscription is made.

PURPOSE OF ISSUE

In recent years the Company has found it desirable from time to time to borrow substantial amounts seasonally to purchase soy beans, flax seed, cottonseed oil and other raw materials. The Company desires to increase the amount of its working capital, thus permitting it to reduce its presently outstanding seasonal borrowings and to reduce the need for such borrowings in the future.

The net proceeds to be received by the Company from the sale of the 178,535 shares of Common Stock offered hereby are estimated at $4,893,596.25, after deducting underwriting commissions and expenses. Of such net proceeds, $4,500,000 will be applied to the reduction of seasonal borrowings of the Company, presently outstanding in the amount of $8,500,000. The following are the holders of $5,500,000 principal amount of such presently outstanding seasonal borrowings, in the form of short term notes: Central National Bank of Cleveland, The Chase National Bank of the City of New York, The National

GLD011271

City Bank of Cleveland, The National City Bank of New York, The New York Trust Company, The Philadelphia National Bank, and Wells Fargo Bank & Union Trust Co. The remaining $3,000,000 of the presently outstanding seasonal borrowings is in the form of commercial paper sold by the Company, the holders of which are not known to the Company.

CAPITALIZATION

The capitalization of the Company authorized and outstanding as at March 15, 1950 and to be outstanding upon the issuance of the Common Stock offered hereby and application of the net proceeds of sale thereof is as follows:

	Amount Authorized	Amount Outstanding as of Mar. 15, 1950	Amount to be Outstanding
Notes Payable (1)		$8,500,000	$4,000,000
4½% Cumulative Convertible Preferred Stock, par value $50.00 per share	200,000 shs.	199,540 shs.	199,540 shs.
Common Stock, without par value	3,000,000 shs.	1,785,353 shs.(2)	1,963,888 shs.(2)

(1) The Company borrows from time to time to meet seasonal needs, without express limitation on the amount of such borrowings outstanding at any one time. Ten banks have extended to the Company lines of credit aggregating $13,000,000, and of the above notes $5,500,000 was in the form of short term notes, bearing interest at the rate of 2% per annum, issued to such banks. The remaining $3,000,000 was represented by commercial paper, in the form of non-interest bearing notes due on various dates to June 7, 1950, sold by the Company at a discount of 1½% per annum. $4,500,000 of the above notes, maturing on or prior to May 2, 1950, will be paid out of the proceeds of the Common Stock offered hereby.

(2) Excludes 294,920 shares reserved as of March 15, 1950 against conversion of the outstanding shares of Convertible Preferred Stock. The number of shares so reserved will be increased to 298,911 shares (1.498 shares of Common Stock per share of Convertible Preferred Stock) upon issuance of the stock offered hereby. Also excludes 30,697 shares held in the treasury of the Company, in respect of 19,810 shares of which there have been granted to certain officers and key employees options to purchase, at any time prior to November 1, 1952 so long as the holder remains in the employ of the Company, at a price which, as adjusted to give effect to the split-up of the Common Stock in 1947 and the 2% stock dividend distributed on the Common Stock in 1949, is now $20.59 per share. During the six months ended March 15, 1950 such options were exercised by eighteen employees, including three officers, as to 4,517 shares of Common Stock, at $20.59 per share.

RECENT OPERATIONS

It will be noted in the "Summary of Consolidated Earnings" shown below that net sales and net profit for the three months ended January 31, 1950 show a decline as compared with the three months ended January 31, 1949. The decline in net sales was due principally to lower prices in the Food and Vegetable Oil Divisions. The decline in net profit was due primarily to decreased profit in the Vegetable Oil Division and in part to abnormally high advertising and sales expenses incurred in promoting certain new products including "Grade AA Margarine" and "Spred Satin". Although net profits were lower in the Food and Vegetable Oil Divisions, net profits in each of the other Divisions of the Company were moderately improved for the three months ended January 31, 1950 as compared with the three months ended January 31, 1949. Margins of profit in the Vegetable Oil Division have recently been small because of the fact that market conditions affecting products of this Division have been very unstable, owing to uncertainty regarding the Government's disposal of surpluses, and the fact that support prices of certain of the raw materials used in this Division are fixed on the basis of so-called "parity" prices while prices of finished products of this Division are not so supported. These conditions are now being improved by the revival of export demands.

GLD011272

SUMMARY OF CONSOLIDATED EARNINGS

The following summary of income (except for the three-month periods ended January 31, 1949 and January 31, 1950) of The Glidden Company and Canadian subsidiary has been compiled, with certain retroactive adjustments, from financial statements of the Company and its Canadian subsidiary which have been examined annually by Ernst & Ernst, independent public accountants. The summary for the eight-year period has been reviewed by that firm and is subject to and should be read in conjunction with the financial statements (pertaining to the three years ended October 31, 1949) and the notes relating thereto which are hereinafter included in this Prospectus. The earnings for the three-month periods ended January 31, 1949 and January 31, 1950 are included without independent examination by Ernst & Ernst.

Year Ended October 31,	Net Sales	Profit—Before Provision for Depreciation, Depletion, and Amortization; and Taxes on Income	Provision for Depreciation, Depletion, and Amortization	Federal, Dominion, and State Taxes on Income	Net Profit	Dividends Paid on Common Stock Per Share(E)	Dividends Paid on Common Stock Amount	Dividends Paid on Preferred Stock Per Share	Dividends Paid on Preferred Stock Amount
1942	$ 81,705,731.65	$ 5,200,889.38	$1,070,648.12	$2,680,315.68	$ 1,449,925.58	$ .65	$1,077,205.90	$2.25	$448,985.95
1943	97,144,616.81	7,747,315.58	1,400,102.84	4,443,958.54	1,903,254.20	.45	743,978.70	2.25	448,986.16
1944	111,897,814.51	6,946,518.69	1,478,982.40	3,370,487.46	2,097,048.83	.45	742,898.70	2.25	448,986.78
1945	111,616,438.39	8,190,722.48	1,441,078.59	4,802,000.00	1,947,643.89	.60	1,043,777.20	2.25	448,986.37
1946	122,439,118.69	11,621,404.19	1,075,888.76	4,830,500.00	5,715,015.43	1.00	1,781,920.00	2.25	448,986.00
1947	185,753,245.89	23,914,015.81	1,198,031.40	8,958,000.00	13,757,984.41	1.10	1,938,950.00	2.25	448,985.45
1948	202,318,794.33	16,786,778.54	1,343,959.36	6,166,000.00	9,276,819.18	1.90	3,336,675.00	2.25	448,984.70
1949	160,143,275.90	11,767,149.27	1,618,226.11	3,957,000.00	6,191,923.16	1.60	2,838,850.00(F)	2.25	448,984.21
3 Months Ended January 31,									
1949	41,333,490.68	3,005,764.07	359,582.49	1,016,300.00	1,629,881.58	.40	700,966.80(F)	.56¼	112,246.09
1950	36,998,283.52	2,632,346.22	424,824.81	843,000.00	1,364,521.41	.80	1,425,046.40	.56¼	112,245.81

NOTE A—The amounts shown above have been adjusted to give effect to income tax settlements and acceleration of amortization of certain facilities, which adjustments have been recorded on the books of the Company as charges or credits to earned surplus during the period summarized above.

NOTE B—The Company provided by charges against income of the years ended October 31, 1944, 1946, and 1947, the sums of $150,000.00, $140,000.00, and $185,000.00. respectively, for certain contingencies which were subsequently satisfied by payment of $25,000.00. Inasmuch as there are possible additional assessments of federal income taxes, the excess provision has been retained in the reserve for contingencies pending settlement. In the above summary the excess provisions have been reclassified as provision for federal taxes on income. Such reclassifications have not changed net profit for any of the above years.

NOTE C—During the year 1947, the Company provided, by a charge against earned surplus, the sum of $1,000,000.00 for possible additional federal taxes on income for prior years. This amount was credited to reserve for contingencies. Such provision has been reclassified as taxes on income for the years 1941, 1942, 1943, and 1945, and is so reflected in the above summary.

NOTE D—During the year 1943, the Company charged to earned surplus an amount of $1,113,557.46 representing write-down of investment in California mining companies (not consolidated) to a nominal amount. Operation of the properties was discontinued in 1927. No provision has been made in the above profit and loss summary for losses of these nonoperating mining companies for years prior to 1943, and recoveries since 1943 on this charge-off have been credited to earned surplus.

NOTE E—The per share dividend rates for the years 1942 to 1947, inclusive, are restated on the basis of shares which would have been outstanding in such years if the 1948 stock split-up had been effected during such years. The dividend of 80¢ for the three months ended January 31, 1950, represents the regular quarterly dividend of 40¢ and an extra-dividend of 40¢.

NOTE F—Excluding $841,786.80 represented by a 2% common stock dividend—32,050 shares at approximate quoted market price, plus $72,586.80 cash in lieu of fractional shares.

NOTE G—The Company employs the last-in, first-out method of pricing principal raw material inventories which, except for minor variations, had the effect of applying costs of such materials during each of the above years against selling prices in the respective years.

GL0011273

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the State of Ohio on December 11, 1917. Its principal office is located at 1396 Union Commerce Building, Cleveland 14, Ohio.

The Company at its formation acquired the business and assets of The Glidden Varnish Company of Cleveland, Ohio, founded in 1875, which was engaged in the manufacture of industrial varnishes and "Jap-A-Lac" varnish stains. The business of the Company and its subsidiaries as now constituted comprises five principal classifications or subdivisions, namely, the Paint Division, the Food Division, the Chemical and Pigment Division, the Vegetable Oil Division and the Naval Stores Division. For the fiscal year ended October 31, 1949, the relative contribution of the various divisions to the net sales was approximately as follows: Paint Division 25%; Food Division 48%; Chemical and Pigment Division 7%; Vegetable Oil Division 16%; Naval Stores Division 4%.

Paint Division:

The Paint Division is the oldest Division operated by the Company. In 1919, the Company was reorganized under its present name of "The Glidden Company" and acquired the assets and businesses, or all of the outstanding capital stock, of eleven other manufacturers and distributors of paints, varnishes, dry colors, kalsomines and allied products, together with their brands and good will.

Since 1919, lacquers and other types of finishes have been developed and added to the Company's line so that it now manufactures and sells coating compositions of practically every type for the decoration and preservation of surfaces. In 1949, as the result of about eight years of research to develop a superior paint for interior wall and woodwork surfaces, the Company brought out a new product, the formulation of which includes synthetic latex. This product, which is sold under the trade name "SPRED SATIN", is easily applied, dries quickly without odor and is very washable.

The Company owns and operates eight paint and varnish factories in the United States which are believed to be strategically situated with regard to freight rates so that the Company is able to serve a nationwide business. In addition, thirty-six metropolitan branches and seven warehouses are maintained by the Company. The Glidden Company, Limited, a wholly-owned Canadian subsidiary, owns and operates a paint and varnish factory in Toronto, Canada. The products of these factories are distributed generally through jobbers and dealers. Finishes for industrial, railway, and general maintenance purposes are sold directly through specially trained salesmen who solicit the users.

The Company's Paint Division, which utilizes a portion of the pigments, oils and other materials manufactured by the other Divisions, is one of the largest producers of coating compositions in the United States. Its sales are approximately 4% of the total estimated sales of paint, varnish and lacquer manufacturers. These products are manufactured by several large companies and a large number of small manufacturers located in all parts of the United States.

During the past five years the Company has not acquired any additional factories for the manufacture of coating compositions. The Company has, however, kept its paint plants in good condition and has expended approximately $3,700,000 in modernizing the facilities of its Paint Division and reducing its cost of manufacture.

Food Division:

In 1920, the Company incorporated The Glidden Food Products Company as a wholly-owned subsidiary, which acquired the business of E. R. Durkee & Company in 1929 and then changed its name to "Durkee Famous Foods, Inc.". As of January 1, 1936, the Company took over all the assets of this

GLD011274

subsidiary. All of the operations of the Company's Food Division are now carried on under the trade style "Durkee Famous Foods".

In its Food Division the Company operates eight manufacturing plants. Two of the plants crush copra and other oil-bearing seeds and nuts for the production of cocoanut oil and other oils; four refine vegetable oils and produce shortenings, plastic and hard butters, and coatings and fillings for the bakery trade; four produce oleomargarine sold under the trade name Durkee's Margarine; two produce salad dressing, mayonnaise, meat sauce, Worcestershire sauce and other condiments; and one produces shred cocoanut, both moist and dry, and a full line of spices.

In 1948, the Company acquired about forty-four acres of land, adjoining the city of Macon, Georgia, on which it has constructed a plant for the manufacture of margarine. This plant, with a capacity of 500,000 pounds per month, was completed about May 1, 1949, at a cost of approximately $550,000.

In 1949, the Company acquired the assets of the McCadam Cheese Company at Cambridge, Massachusetts, and established a subdivision known as the Durkee McCadam Company for the distribution of Durkee's Margarine, McCadam Cheese and allied products in the New England territory.

The products of this Division are sold through wholesale food distributors and, to a lesser extent, direct to retail food distributors, manufacturers and others.

This Division is the fifth largest manufacturer of margarine in the United States. During the fiscal year ended October 31, 1949, it produced and sold approximately 8% of all the margarine produced in the United States, which aggregated about 885,000,000 pounds. It is also one of the large producers of shortening, crude, refined and hydrogenated vegetable oils, spices, shred cocoanut, salad dressings and condiments.

In addition to the expenditure for construction at Macon, Georgia, referred to above, the Company has spent approximately $3,250,000 during the past five years for new plant, equipment and facilities for its Food Division.

Chemical and Pigment Division:

The Chemical and Pigment Division was started in 1921 when the Company incorporated The Chemical and Pigment Company, Inc., as a wholly-owned subsidiary. This subsidiary engaged in the manufacture of lithopone, a white pigment produced by combining materials derived from barium and zinc ores and extensively used in the paint, rubber, linoleum, oilcloth and shade cloth industries. This company also developed and produced, under patented processes, non-fading furnaced pigments known as cadmium yellows, cadmium and selenium reds and cobalt greens which are sold to the paint and ceramic industries, to manufacturers of printing inks, to outdoor advertisers, and for railway signal purposes. Large quantities of these materials are also used in the manufacture of automobile finishes. The stable qualities of these pigments make them desirable for such purposes. This Division also produces ground white barytes for the paint and rubber trade, and zinc sulphate crystals for the use of fertilizer manufacturers and fungicide spraying material manufacturers. As of January 1, 1936, the Company acquired the assets and business of this subidiary, and since then has continued such business as a part of its Chemical and Pigment Division.

In 1924, the Company entered into the manufacture of white lead carbonate and white lead carbonate in oil through the acquisition of the Euston Lead Company of Scranton, Pennsylvania, and in 1929 the manufacture of red lead, litharge, type metal, metal powders, cuprous oxide, white metal alloys and other allied

GLD011275

products through the purchase of the Metals Refining Company of Hammond, Indiana. The dry white lead carbonate is used principally in the manufacture of outside house paint. These companies were operated as wholly-owned subsidiaries of the Company until January 1, 1936, at which time their assets and businesses were acquired by the Company and have since been operated as part of the Company's Chemical and Pigment Division.

In 1944, the Company acquired all of the assets of American Zirconium Corporation, a Maryland corporation formed in 1933 for the purpose of producing titanium pigments. The Company now operates the plant at Baltimore, Maryland, and manufacturers titanium dioxide under the trade name "Zopaque", which is a neutral pigment of exceptional opacity used in the manufacture of paint, linoleum, oilcloth and paper and in the ceramic industry.

The Chemical and Pigment Division is one of four manufacturers of lithopone in the United States and produces about 28% of the total annual production. Its production of white lead carbonate and white lead carbonate in oil represents about 5% of the total production in the United States. The volume of the Company in titanium dioxide is about 8% of the total produced in the United States. The other products of this Division are not of material significance in relation to the total production in the United States.

Less than 10% of the production of this Division is used by the Company's Paint Division. The balance is sold directly to manufacturers.

During the past five years the Company has increased the productive capacity of the titanium dioxide plant at Baltimore, Maryland and has acquired new equipment and facilities for all of the plants in this Division at a total cost of approximately $3,000,000.

Vegetable Oil Division:

The Vegetable Oil Division of the Company is made up of soya bean oil extraction plants at Chicago, Illinois and Indianapolis, Indiana, the latter constructed in 1949 at a cost of approximately $3,200,000, and also a feed mill at Indianapolis and a flaxseed crushing plant at Buena Park, California.

Each of the soya bean plants produces soybean meal and soybean oil, and in addition to these products the Chicago plant produces soybean flour, proteins, sex and cortical hormones, and lecithin. The Company is the fifth largest crusher of soya beans in the United States. Its annual crushing capacity is approximately twelve million bushels or about 7% of the total capacity of the industry. The soybean oil is used in manufacturing operations of the Company and is also sold to other refiners and industrial users. Soybean flour and soybean proteins are used in the manufacture of paper coatings and sizings, and uses in other fields are being constantly developed. Lecithin, which is produced from soybean oil, is a fine emulsifying agent and is one of the best known wetting agents for use in the paint industry. Large quantities of lecithin are used in connection with chocolate for coating purposes in the baking and confectionery trades and also in the manufacture of oleomargarine and in the treatment of gasoline and lubricating oil.

The feed mill at Indianapolis, Indiana, is engaged in the production and sale of formulated feeds for poultry and animals. The Buena Park plant is engaged in the crushing of oil-bearing seeds and the production of crude and refined vegetable oils, particularly linseed oil.

GLD011276

In addition to construction of the soya bean oil extraction plant at Indianapolis, Indiana, the Company during the last five years has spent approximately $500,000 in the construction of an extraction unit at the Chicago soya bean plant and $2,000,000 for other equipment and facilities at all plants of this Division in order that they may be up-to-date and in first-class condition.

Naval Stores Division:

The Naval Stores Division, the property and business of which was acquired by the Company in 1938, is made up of a gum processing plant at Valdosta, Georgia and a destructive wood distillation, resin and turpene chemical plant located at Jacksonville, Florida. The plant at Valdosta, which is the largest plant of its kind in the United States, processes crude gum from pine trees and produces rosin, turpentine and nelio resin. This plant's production represents about 15% of the total of such products produced in the United States by this process.

At the destructive distillation plant at Jacksonville, Florida, stumps and down-wood are treated in retorts, and pine tar, pine tar pitch and charcoal are produced. Turpene chemicals, rubber compounding agents, metallic resinates and synthetic rosin-based resins and turpene solvents are produced from the pine tree chemicals.

During the past five years, the Company has expended approximately $1,100,000 in the purchase of new equipment and facilities for the plants of the Naval Stores Division.

PROPERTY

Paint Division:

The Company owns and operates eight plants in the United States which are engaged in the manufacture of coating compositions of various types including paints, varnishes, enamels, lacquers and water-thinned paints. These plants are of brick and steel and concrete construction and are equipped with modern machinery. Two of these plants are located in Chicago, Illinois and the remaining six are located in Cleveland, Ohio; Reading, Pennsylvania; St. Louis, Missouri; New Orleans, Louisiana; Minneapolis, Minnesota; and San Francisco, California. The plant at Cleveland occupies about one-half of a seventeen-acre tract, the balance of which is used for the storage of raw materials, steel drums and automobile parking. The other plants occupy properties which range in size from three to six acres. The Company's wholly-owned subsidiary, The Glidden Company, Limited, owns and operates a brick and steel and concrete paint, varnish and lacquer plant at Toronto, Ontario which occupies about one city block and is equipped with modern machinery.

Food Division:

The Company owns and operates two brick and steel and concrete vegetable oil refineries and shortening plants located at Louisville, Kentucky and at Chicago, Illinois, each of which occupies about two city blocks; one newly constructed brick, steel and concrete margarine plant situated on a tract of approximately forty-four acres at Macon, Georgia; two modern brick and steel and concrete plants engaged in the manufacture of margarine, mayonnaise and salad dressing located in Chicago, Illinois and at Norwalk, Ohio, each of which occupies about one city block; a brick and steel and concrete plant and oil refinery at Elmhurst, Long Island, New York which occupies about one city block and produces salad dressing, spices, shred cocoanut, condiments, hydrogenated vegetable oils and shortening; two plants of brick and steel and concrete construction located at Buena Park, California and Portland, Oregon which are located on properties with areas of about five acres, and produce crude vegetable oils; and a brick and

GLD011277

steel and concrete plant located in Berkeley, California with an area of about five acres, which produces crude and refined vegetable oils, shortening, margarine, and salad dressing through the use of modern equipment. The Company, pursuant to acquisition of the Cambridge, Massachusetts property of the McCadam Cheese Company, is in the process of securing legal title to the warehouse and office of concrete block construction situated on a one-third acre tract in Cambridge.

Chemical and Pigment Division:

The Company owns and operates three brick, steel, concrete and iron-clad chemical plants which are engaged in the production of lithopone and located at Oakland, California, Collinsville, Illinois and Baltimore, Maryland. The last mentioned plant is also equipped to produce cadmium pigments. These plants each occupy properties with areas of from five to ten acres.

The Company owns and operates a brick, steel and iron-clad plant at Hammond, Indiana which occupies about five acres and is equipped to produce battery oxides, litharge, red lead, type metal, copper and iron powders, and cuprous oxide; a plant of brick and steel and heavy timber construction at Scranton, Pennsylvania which occupies about two acres and produces white lead carbonate, and a brick, steel and iron-clad chemical plant on about five acres of ground at Baltimore, Maryland engaged in the manufacture of titanium dioxide from ilmenite which is produced in a mill owned by the Company and located on about two hundred fifty acres of leased land containing a deposit of ilmenite near Lenoir, North Carolina.

Vegetable Oil Division:

The Company owns and operates a soya bean extraction plant in Chicago, Illinois, built in 1934 of brick, steel and concrete construction and occupying about ten acres of ground. The plant includes two large units for the extraction of oil by the use of a solvent, a large concrete elevator for the storage of soya beans, a lecithin extraction and refining unit, a protein production unit and a soya flour unit with the necessary storage facilities. At Indianapolis, Indiana, the Company owns and operates a newly constructed brick, steel and concrete soya bean extraction plant, including a large elevator of concrete construction for the storage of soya beans and equipment for the manufacture of soya bean meal, located on a site of approximately eleven acres. The Company also owns a plant manufacturing cattle and poultry feeds, which is of brick, concrete, steel and heavy timber construction and which, together with an elevator of concrete construction, is located on a site of about seven acres at Indianapolis, Indiana. The Company also owns a flaxseed crushing plant at Buena Park, California, which is of brick and steel and concrete construction and, with storage facilities for seed and oil, is located on a site of about 30 acres.

Naval Stores Division:

The Company produces resin and turpentine and other naval stores products through the operation of destructive distillation plants at Jacksonville, Florida and rosin and turpentine at Valdosta, Georgia. These plants are of brick, steel and metal clad construction and are equipped with modern machinery and facilities and are located on properties aggregating approximately fifty acres and twelve acres, respectively.

Executive and Accounting Offices:

The general executive offices of the Company and its subsidiaries are located in leased space at 1396 Union Commerce Building, Cleveland, Ohio. The general accounting offices are located in the Company's plant at 11001 Madison Avenue, Cleveland, Ohio.

GLD011278

Capital Expenditures:

Capital expenditures, heretofore described with respect to each Division under the caption "Description of Business", for each of the fiscal years 1945 through 1949, were as follows:

Year	Gross Plant Additions	Retirements	Net Plant Additions
1945	$ 831,459	$ 926,344	$ (94,885)
1946	2,298,759	754,191	1,544,568
1947	3,119,985	323,061	2,796,924
1948	4,490,173	446,160	4,044,013
1949	6,564,975	615,978	5,948,997
Total	$17,305,351	$3,065,734	$14,239,617

The Company considers that its properties are maintained in good operating condition and adequate for the purposes for which they are used. The estimated average age of the Company's depreciable properties, based on dollar investment per books as of October 31, 1949, was 10.7 years.

The foregoing properties except as otherwise indicated are owned in fee with the exception of the property, occupied by an elevator, warehouses and pumping facilities at the soya bean oil extraction plant in Chicago, which has been rented from the Trustees of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company pursuant to a lease expiring in 1989. The plants have been acquired by the Company at various dates between 1917 and 1949 and opinions of counsel or title policies satisfactory to the Company were obtained at time of acquisition. All of the plants and other properties have been openly and continuously occupied by the Company or its subsidiaries and used for its ordinary business purposes without adverse claim since the respective dates of acquisition. Except for current taxes or assessments, liens, rights of way, easements and other similar encumbrances, which do not materially interfere with the Company's use of its plants and properties, the Company knows of no material encumbrance or defect in title and believes that the statement that the foregoing properties are held in fee is fully warranted; however, examinations of titles to properties have not been made for the purposes hereof.

EMPLOYEE RELATIONS

As at January 25, 1950 the Company had approximately 6,027 employees, of which approximately 3,118 were production employees and 2,909 were administrative, sales, supervisory and office employees. The various Divisions of the Company have contracts with unions covering substantially all their production employees, which contracts normally extend for yearly periods and provide for rates which are generally comparable to the rates paid in the localities where the respective plants are located.

During the past five years wages of the Company's employees have been increased substantially. Renewals of the above union contracts which took place at various times during 1949 resulted in average wage rate increases in 1949 over the previous year of approximately 3%.

GLD011279

The relations with the unions and the employees have been generally satisfactory, and there have been no major labor diffculties or work stoppages in recent years.

At a meeting held on October 25, 1945 the stockholders of the Company approved The Glidden Company's Retirement Plan for Salaried Employees, including officers. The Plan does not provide for contributions from employees and in general covers all regular salaried employees of the Company, including officers, who on October 31, 1945 or any succeeding October 31 have had five consecutive years of continuous service and have reached age 35, nearest birthday, and who have not reached age 65. The normal retirement date is the employee's 65th birthday and each eligible employee, who has had 30 years of service, will receive after his normal retirement date a monthly pension equal to 1/12 of 40% of his average yearly salary (exclusive of bonuses, overtime and commissions) for the ten highest consecutive years of service, less an approximate primary Social Security benefit. If the employee does not have 30 years of service, his benefit will be reduced 1/30 for each year his service falls short of 30 years. The minimum benefit under the Plan is $1200 per year, less Social Security, and the maximum benefit under the Plan is $12,000 per year, less Social Security. An employee may retire under the Plan, with the consent of the Company, because of disability or other causes making him unsuitable for further duties at any time within ten years prior to his normal retirement date, and will receive benefits in accordance with the Plan. An employee may also retire after reaching his 55th birthday and after 20 years of continuous service and receive his benefit upon reaching 65 years of age, reduced by 1/30 for each complete year by which his age last birthday at the time of termination falls short of 65 years, unless he has been dismissed because of misconduct, dishonesty or gross insubordination. No benefits will be paid after the death of the employee.

The National City Bank of Cleveland has been selected as Trustee and all contributions under the Plan are made to the Trustee, to be held for the benefit of employees entitled to pensions. The Company reserves the right from time to time to add to or to amend, revoke or abandon in whole or in part the Plan, provided that the Company shall not thereby reacquire any of the trust assets. If the Company terminates or discontinues the Plan all contributions previously made shall be held by the Trustee for the purpose of providing benefits on a full or pro-rata basis for all employees who become eligible under the Plan previous to termination, with any balance allocated actuarially to employees who have not yet retired. The contributions and expenses in connection with the above Plan for the fiscal year ended October 31, 1949 amounted to $549,929.09. Since the Plan as established covers a funding over a period of 22 years at practically the same rate of contribution per year no calculation has been made as to what portion of the above amount applies to past service and what portion applies to future service. On October 31, 1949 there were 888 salaried employees covered by the Plan, including fifteen officers.

On November 18, 1949 the Board of Directors of the Company approved a retirement plan, effective October 31, 1949, for salesmen compensated on a straight commission basis or a salary and bonus or salary and commission basis. The plan applies to the commission and bonus portion of the compensation received by salesmen so compensated. The provisions of this plan are otherwise identical with The Glidden Company's Retirement Plan for Salaried Employees described above, with the exceptions that the maximum benefit is $4,800 per year, less Social Security, and that the Company will pay the retirement benefits directly to the employee upon retirement and contributions are not deposited with a trustee. No benefits have yet been paid under this plan, which now covers approximately 575 salesmen.

GLD011280

DIRECTORS AND OFFICERS

The names and addresses of the directors and principal executive officers of the Company, each of whom at present is serving, are as follows:

Name	Address	Office
Adrian D. Joyce	1396 Union Commerce Building Cleveland, Ohio	Director and Chairman of the Board of Directors and Executive Committee
Dwight P. Joyce	1396 Union Commerce Building Cleveland, Ohio	Director, President, and member of Executive Committee
Clifton M. Kolb	1396 Union Commerce Building Cleveland, Ohio	Director, Senior Vice President, Secretary, and member of Executive Committee
Paul E. Sprague	1396 Union Commerce Building Cleveland, Ohio	Director, Vice President, Assistant to the President, and member of Executive Committee
William J. O'Brien	1396 Union Commerce Building Cleveland, Ohio	Director, Vice President, and member of Executive Committee
Newell Beatty	2900 Fifth Street Berkeley, California	Vice President
Alexander D. Duncan	11001 Madison Avenue Cleveland, Ohio	Director and Vice President
Lovell Y. Pulliam	1303 S. Shelby Street Louisville, Kentucky	Vice President
John P. Ruth	1396 Union Commerce Building Cleveland, Ohio	Director and Vice President
Nestor B. Betzold	1396 Union Commerce Building Cleveland, Ohio	Director and Manager of Packaged Food Sales
Ralph G. Golseth	5161 W. Moffat Street Chicago, Illinois	Director and Vice President
John A. Peters	11001 Madison Avenue Cleveland, Ohio	Director and Treasurer
B. W. Maxey	11001 Madison Avenue Cleveland, Ohio	Director and Controller
W. W. Conant	11001 Madison Avenue Cleveland, Ohio	Assistant Secretary
R. D. Horner	1396 Union Commerce Building Cleveland, Ohio	Assistant Secretary

During the last five years, all of the principal executive officers of the Company have been actively engaged in the business and affairs of the Company, with the exception of Mr. R. G. Golseth who entered the employ of the Company in January, 1946. For more than 15 years prior thereto he was employed by Cargill, Inc., Minneapolis, Minnesota, serving as Vice President in the grain trading division of that company prior to entering the employment of the Company. He was elected a Vice President of The Glidden Company in 1947 and a Director in 1949.

GLD011281

As of January 31, 1950, all directors and officers of the Company as a group owned 63,291 shares of Common Stock of the Company, constituting 3.48% of the shares outstanding. The shares of 4½% Convertible Preferred Stock held by directors and officers constitute less than one percent of the class of shares outstanding.

The following table states the aggregate remuneration directly or indirectly paid or set aside by the Company and its subsidiary during the fiscal year ended October 31, 1949 to or for the benefit of (a) each person who is a director of the Company and whose aggregate remuneration, exclusive of pension, retirement and similar payments, exceeded $25,000, and (b) all directors and officers of the Company as a group, as well as showing the annual benefits estimated to be payable at normal retirement date pursuant to the Company's Retirement Plan to each individual listed in the table who participates in such Plan.

Name of Individual or Identity of Group	Capacities in Which Remuneration Was Received	Fees, Salaries and Commissions	Paid to Trustee for Benefit of Officer Pursuant to Retirement Plan (a)	Annual Benefits Estimated to be Payable in the Event of Retirement (b)
Adrian D. Joyce	Chairman of the Board and Director	$ 96,500	—	—
Dwight P. Joyce	President and Director	75,500	$ 4,282	$11,520
Clifton M. Kolb	Senior Vice President and Director	35,500	8,214	11,520
Paul E. Sprague	Vice President and Director	40,450	6,107	11,520
William J. O'Brien	Vice President and Director	40,450	7,472	11,520
John P. Ruth	Vice President and Director	35,500	5,539	11,520
Alexander D. Duncan	Vice President and Director	27,550	4,109	10,320
Lovell Y. Pulliam	Vice President and Director	27,900	4,614	10,600
Ralph G. Golseth	Vice President and Director	40,350 (c)	—	—
John A. Peters	Treasurer and Director	35,450	7,209	11,520
All directors and officers as a group (including those named above)		602,672	58,672	

(a) Reference is made to the heading "Employee Relations".

(b) The information given in this column as to officers participating in the Retirement Plan is based on the assumption that such officers will continue to receive the present rate of compensation until retirement at age 65, that they do not at any time prior to retirement date die or withdraw from active service with the Company, and that the Company continues its contributions to the Retirement Plan on the present basis.

(c) Excluding $10,000 paid as bonus.

GLD011282

During the fiscal year ended October 31, 1949 no options, referred to under "Capitalization", were granted to or exercised by any director or officer of the Company. Since October 31, 1949 options to purchase Common Stock have been exercised by certain directors and officers as indicated in the following table:

Name	Date of Exercise	No. of Shares	Option Price	Market Value*
N. B. Betzold	11/21/49	102 shs.	$2,100	$2,333
N. B. Betzold	11/25/49	102 shs.	2,100	2,448
A. D. Duncan	1/23/50	204 shs.	4,200	5,482
L. Y. Pulliam	1/31/50	306 shs.	6,300	8,338
L. Y. Pulliam	2/3/50	306 shs.	6,300	8,835
R. G. Golseth	2/9/50	204 shs.	4,200	5,839

* Approximate market value of shares purchased, based on closing quotation on the New York Stock Exchange on the date of exercise of the option.

Article II-A of the Regulations of the Company provides for the indemnification of its directors and officers in relation to certain matters. Said Article II-A of the Regulations reads as follows:

Each director and each officer of the Company, who is in office at the time of the adoption of this Article or thereafter, shall be indemnified by the Company against all costs and expenses (including the cost of reasonable settlements made with a view to the curtailment of costs of litigation) reasonably incurred by him in connection with or arising out of any claim, action, suit or proceeding in which he may be involved or to which he may be made a party by reason of his being or having been a director or officer of the Company, whether or not he continues to be a director or officer at the time such costs and expenses are incurred; provided, however, that such indemnity shall not include any costs or expenses incurred by any such director or officer in respect of matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duties as such director or officer, and provided further that the Company shall not indemnify any such director or officer against such costs and expenses incurred in any action, suit or proceeding, in which a settlement or compromise is effected, if the total amount of such costs and expenses, including the cost of settlement, incurred by such director or officer in connection therewith, shall substantially exceed the amount of the costs and expenses which might reasonably have been incurred by such director or officer in conducting such litigation to a final conclusion. The foregoing right of indemnification shall inure to the benefit of the heirs, executors or administrators of each such director or officer and shall not be exclusive of any other rights to which such director or officer may be entitled as a matter of law.

Insofar as the foregoing provision may permit indemnification for liabilities arising under the Securities Act of 1933, the Company has been advised that in the opinion of the Securities and Exchange Commission it is against public policy as expressed in the Act and therefore unenforceable. In the event that a claim for indemnification for liability under the Securities Act should be asserted by an officer or director, the Company will, unless the question has already been settled by controlling precedent, submit to a court or appropriate jurisdiction the question of whether or not indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

DESCRIPTION OF COMMON STOCK

For a full statement of the terms and provisions of the Common Stock, without par value, and 4½% Convertible Preferred Stock, par value $50.00 per share, of the Company, reference is made to the

GLD011283

Company's Amended Articles of Incorporation, a copy of which, as amended, is filed as an Exhibit to the Registration Statement. The following summary of such terms and provisions does not purport to be a complete statement of all such terms and provisions and is qualified in its entirety by reference to such Exhibit.

Dividend Rights:

The holders of Common Stock are entitled to such dividends thereon as may be declared from time to time by the Company's Board of Directors out of the surplus profits of the Company, subject to the prior and preferential rights of the holders of Convertible Preferred Stock.

The holders of Convertible Preferred Stock are entitled to receive preferential cumulative cash dividends thereon, when and as declared by the Board of Directors, out of the surplus profits of the Company at the rate of 4½% per annum and no more, payable quarter-yearly on the first day of January, April, July and October in each year.

If dividends at the rate of 4½% per annum have not been paid for any past quarter-yearly dividend period on the Convertible Preferred Stock, or funds for the payment thereof set apart, and the dividends for the then current quarter-yearly period shall not have been declared and funds for the payment thereof set apart, such deficiency shall be fully paid or funds for the payment thereof set apart, but without interest, before any dividends shall be paid or set apart for the Common Stock.

Voting Rights:

Subject to the voting rights vested in the holders of the Convertible Preferred Stock as summarized below, the holders of the Common Stock shall be entitled at all times to one vote for each share of Common Stock, except that, in voting upon any matter upon which the holders of the Convertible Preferred Stock are then also entitled to vote, but are not entitled to vote thereon separately as a class, the holders of the Common Stock shall be entitled to only one-half of one vote, instead of one vote, for each share of Common Stock.

Except in certain cases of default and in respect of certain matters as hereinafter stated, or by statute expressly provided, the holders of Convertible Preferred Stock have no right to vote for the election of directors or for any other purpose.

In the event the Company is in default in the payment of two successive quarter-yearly dividends upon the Convertible Preferred Stock, the holders of record of the Convertible Preferred Stock then outstanding, voting as a class, shall have and, until such defaults are cured, shall continue to have the right to elect one-half of the members of the Board of Directors, and on all other matters each share of Convertible Preferred Stock shall entitle the holder thereof to one vote.

The Company, without obtaining the affirmative vote or written consent of holders of record of at least two-thirds of the aggregate par amount of Convertible Preferred Stock outstanding, shall not (i) sell, lease or otherwise dispose of all or substantially all of its assets or any portion thereof essential for it to retain; (ii) enter a merger or consolidation involving the extinction or merger of its corporate entity; (iii) encumber its assets or income except with respect to (a) purchase money mortgages with certain limitations and (b) pledges of quick assets as security for loans in the regular course of business maturing in less than eighteen months; (iv) issue or guarantee any obligations maturing more than eighteen months from date of issue; (v) authorize or issue any shares of stock on a parity with or having priority over the Convertible Preferred Stock.

Liquidation Rights:

In the event of any liquidation of the Company, the holders of Common Stock are entitled to share ratably, on the basis of the number of shares held by each, in all assets available for shareholders after payment to the holders of Convertible Preferred Stock of the par value thereof together with all accrued and unpaid dividends thereon.

Preemptive Rights:

The holders of Common Stock have no preemptive rights in fractional shares or in any shares of Common Stock which may be required for issuance in satisfaction of the conversion rights of the holders of outstanding shares of Convertible Preferred Stock. Otherwise they have preemptive rights as to authorized but unissued shares of Common Stock which are sold for cash, except in cases where such preemptive rights are released, as provided by statute.

Conversion Rights:

There are no provisions for the conversion of Common Stock. The holders of the Convertible Preferred Stock are entitled, at any time prior to the date of redemption thereof (if any call therefor be made), to convert their shares thereof into fully-paid and non-assessable shares of Common Stock, at the rate of conversion provided for in the Amended Articles of Incorporation of the Company, which rate is subject to certain adjustments designed to compensate for certain types of dilution. The present rate of conversion is 1.478 shares of Common Stock for each share of Convertible Preferred Stock. Upon the issuance of the shares of Common Stock offered hereby, the rate of conversion will be changed as indicated in Note (2) under "Capitalization" herein.

Redemption Provisions:

There are no provisions for the redemption of Common Stock.

Liability to Further Calls:

The certificates representing the Common Stock state that the shares represented thereby are fully paid and non-assessable. Otherwise, no provision is contained in the governing instruments with respect to liability for further calls.

Application of Consideration:

The shares of Common Stock offered hereby will be stated in the Stated Capital Account at $2.50 per share and the balance of the consideration received by the Company therefor, after deducting all expenses in connection with the sale of said shares, will be credited to the Capital Surplus Account of the Company.

LEGAL OPINIONS

The legality of the Common Stock offered by this Prospectus will be passed upon for the Company by Messrs. M. B. & H. H. Johnson, Cleveland, Ohio, counsel for the Company, and for the Underwriters by Messrs. Sullivan & Cromwell, New York, N. Y.

EXPERTS

The financial statements herein and the information under the heading "Summary of Consolidated Earnings", to the extent there indicated, have been reviewed by Ernst & Ernst, independent public accountants. Such statements and information are included herein in reliance upon that firm's report herein, which report is given upon their authority as experts.

GLD011285

INDEX TO
FINANCIAL STATEMENTS AND SCHEDULES

ACCOUNTANTS REPORT

Board of Directors,
THE GLIDDEN COMPANY,
Cleveland, Ohio.

We have examined the consolidated balance sheet of The Glidden Company and Canadian subsidiary as of October 31, 1949, the related statements of consolidated profit and loss and surplus for the period of three years then ended, and the schedules listed in the accompanying index. Our examination 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.

In our opinion, the accompanying balance sheet and statements of profit and loss and surplus present fairly the consolidated financial position of The Glidden Company and Canadian subsidiary at October 31, 1949, and the results of their operations for the period of three years then ended, in conformity with generally accepted accounting principles applied on a consistent basis. Further, it is our opinion that the schedules previously referred to present fairly the information therein set forth.

We have also reviewed the tabulation of net sales and operating results of The Glidden Company and subsidiaries appearing in the Prospectus under the heading "Summary of Consolidated Earnings" for the period from November 1, 1941, to October 31, 1949. The tabulation was compiled from financial statements of the companies reported on by us annually based upon examinations similar to our examinations for the period of three years ended October 31, 1949. In our opinion, such tabulation presents fairly the information therein summarized in accordance with generally accepted accounting principles applied on a consistent basis.

ERNST & ERNST
Certified Public Accountants

Cleveland, Ohio
December 15, 1949

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

CONSOLIDATED BALANCE SHEET

October 31, 1949

ASSETS

Current Assets		
Cash on hand and demand deposits		$ 6,561,251.18
Dominion of Canada Victory Loan Bonds—at cost (approximate market)		91,761.36
Trade receivables (including $238,175.23 of notes)	$10,924,605.80	
Less allowances for doubtful accounts	364,738.81	10,559,866.99
Inventories:		
Raw materials, less reserve of $445,000.00 to reduce certain items to replacement market	$16,816,431.34	
Finished merchandise (includes minor amount for work in process)	11,703,098.21	
Supplies	605,071.73	29,124,601.28
Principal raw materials are stated at cost (last-in, first-out method); other items are stated at the lower of cost (accumulated average) or replacement market		
Other current notes and accounts receivable and advances	$ 1,426,936.15	
Less reserve	8,733.02	1,418,203.13
Total Current Assets		$47,755,683.94
Other Assets		
Advance payment on account of possible federal income tax assessment	$ 1,000,000.00	
Cash surrender value of life insurance	740,207.50	
Miscellaneous investments, at cost or less (no quoted market prices)	222,623.00	
Miscellaneous notes and accounts receivable and advances, less reserves of $11,367.62	576,367.75	
Estimated refund of federal and dominion taxes on income of prior years	248,310.63	2,787,508.88
Property, Plant, and Equipment—Note A		
Land, buildings, machinery, and equipment at cost or appraised amount	$46,085,418.69	
Less reserves for revaluation	3,163,928.33	
	$42,921,490.36	
Less reserves for depreciation, depletion, and amortization	17,473,266.36	25,448,224.00
Deferred Charges		
Prepaid insurance and expenses		785,346.92
		$76,776,763.74

See principles of consolidation and notes to financial statements.

GLD011287

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

CONSOLIDATED BALANCE SHEET

October 31, 1949

LIABILITIES, CAPITAL SHARES, AND SURPLUS

CURRENT LIABILITIES		
Notes payable to banks		$ 5,000,000.00
Accounts payable—trade	$ 6,061,456.45	
Wages and commissions	750,402.56	
Pay roll and withholding taxes	217,532.23	
Other current liabilities	92,684.18	7,122,075.42
Accrued liabilities:		
Taxes	$ 343,957.40	
Royalties, water rent, etc.	347,046.40	
Insurance	223,417.18	914,420.98
Federal, state and dominion taxes on income—estimated		4,402,775.14
TOTAL CURRENT LIABILITIES		$17,439,271.54
RESERVE		
For tax contingencies—Note E		2,500,000.00
CAPITAL SHARES AND SURPLUS		
Capital stock:		
Convertible preferred 4½% cumulative, par value $50.00 a share redeemable at $52.50 a share (aggregate amount $10,475,850.00) each share convertible into approximately 1.478 shares of common stock:		
Authorized 200,000 shares		
Issued and outstanding 199,540 shares	$ 9,977,000.00	
Common without par value:		
Authorized 3,000,000 shares		
Outstanding, including treasury shares, 1,816,050 shares		
Reserved for conversion of preferred stock 294,920 shares		
Stated capital	4,540,125.00	
	$14,517,125.00	
Capital surplus—see statement	13,270,513.41	
Earned surplus (includes $2,303,012.61 of surplus of Canadian subsidiary)—see statement	29,785,805.32	
Less common stock in treasury 35,514 shares, at cost (includes 29,835 shares reserved for sale to certain officers and key employees—Note F)	*735,951.53*	56,837,492.20
		$76,776,763.74

See principles of consolidation and notes to financial statements.

GLD011288

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

	Year Ended October 31st, 1947	1948	1949
Gross sales, less discounts, returns, and allowances	$185,753,245.89	$202,318,794.33	$160,143,275.90
Cost and expenses:			
Cost of goods sold—Notes B, C and D	$146,948,296.28	$168,002,808.95	$129,463,765.56
Provision to reduce certain inventory items to replacement market	—	—	445,000.00
Selling, general, and administrative expenses	16,441,101.79	19,125,592.36	19,882,349.77
Provision for doubtful accounts	96,244.80	136,789.58	214,878.68
	$163,485,642.87	$187,265,190.89	$150,005,994.01
	$ 22,267,603.02	$ 15,053,603.44	$ 10,137,281.89
Other income:			
Profit on storage, processing, purchases and sales of miscellaneous merchandise	445,985.60	288,925.04	201,852.63
Miscellaneous	139,376.12	100,290.70	108,824.50
	$ 22,852,964.74	$ 15,442,819.18	$ 10,447,959.02
Other deductions:			
Interest on long-term debt retired during the year 1947	$ 136,567.32	$ —	$ —
Other interest	413.01	—	49,932.34
Adjustment of net current assets and miscellaneous other assets of Canadian Subsidiary to Control Board rate of exchange	—	—	145,120.68
Loss on disposal of properties	—	—	103,982.84
	$ 136,980.33	$ —	$ 299,035.86
PROFIT BEFORE TAXES ON INCOME	$ 22,715,984.41	$ 15,442,819.18	$ 10,148,923.16
Taxes on income-estimated:			
Federal income taxes ($185,000 of 1947 provision credited to reserve for contingencies—Note E)	$ 8,685,000.00	$ 6,000,000.00	$ 3,900,000.00
Dominion and state taxes	273,000.00	166,000.00	57,000.00
	$ 8,958,000.00	$ 6,166,000.00	$ 3,957,000.00
CONSOLIDATED NET PROFIT	$ 13,757,984.41	$ 9,276,819.18	$ 6,191,923.16

See principles of consolidation and notes to financial statements.

GLD011289

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

STATEMENT OF CONSOLIDATED SURPLUS

	Year Ended October 31st,		
	1947	1948	1949
CAPITAL SURPLUS			
Balance at beginning of period	$12,581,438.41	$12,581,438.41	$12,581,438.41
Add portion of common stock dividend in excess of stated value of shares issued	—	—	689,075.00
Balance at end of period	$12,581,438.41	$12,581,438.41	$13,270,513.41
EARNED SURPLUS			
Balance at beginning of period	$11,668,968.63	$22,039,017.59	$27,530,177.07
Add:			
Net profit for the fiscal year	13,757,984.41	9,276,819.18	6,191,923.16
Recovery on investments previously charged off	—	—	193,326.10
	$25,426,953.04	$31,315,836.77	$33,915,426.33
Deduct:			
Dividends (cash):			
Convertible preferred—$2.25 per share	$ 448,985.45	$ 448,984.70	$ 448,984.21
Common (1947—$1.10 for each share outstanding after split up; 1948—$1.90 per share; 1949—$1.60 per share)	1,938,950.00	3,336,675.00	2,838,850.00
Dividend paid in common stock and cash:			
2% on common stock—32,050 shares at approximate quoted market price, plus $72,586.80 cash in lieu of fractional shares	—	—	841,786.80
Provision for possible additional assessment of federal taxes on income of prior years (added to reserve for contingencies)	1,000,000.00	—	—
	$ 3,387,935.45	$ 3,785,659.70	$ 4,129,621.01
Balance at end of period	$22,039,017.59	$27,530,177.07	$29,785,805.32

See principles of consolidation and notes to financial statements.

GLD011290

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

October 31, 1949

Principles of consolidation:

(a) The companies included in the consolidated financial statements at October 31, 1949, and for the fiscal year then ended are the same companies included in the financial statements for the preceding two years.

(b) Inventories include small amounts of inter-company profit which are not significant and have not been eliminated because it is not considered practicable to do so.

(c) Inter-company sales have been eliminated.

(d) Assets of Canadian subsidiary included herein comprise net current assets and miscellaneous other assets $1,451,206.61, at the Control Board rate of exchange, and property, plant, and equipment, $522,740.76, at cost to the subsidiary. The net profit of Canadian subsidiary included in the consolidated profit and loss statement amounted to $116,717.12, $203,260.66, and $74,588.89 respectively for the years ended October 31, 1947, 1948, and 1949, and after reflecting, in 1949, the exchange adjustments resulting from the devaluation of Canadian currency.

(e) The equity of the parent Company in the net assets of its Canadian subsidiary, as shown by its books at October 31, 1949, after appropriate adjustments for exchange, exceeds the parent Company's investment by the sum of $2,303,012.61. This excess represents the undistributed earnings of the subsidiary since date of acquisition, and is added to earned surplus in the consolidated statements. Realization of such undistributed earnings in United States funds is subject to restrictions on exchange and may be reduced through deduction of income taxes payable thereon upon receipt by parent Company.

NOTES:

Note A—Property, plant, and equipment are stated on the basis of cost or appraisal value less reserves provided for revaluation, depreciation, depletion, and amortization. The remaining portion of unrealized appreciation (approximately $1,600,000.00) included in the gross amount of these assets is offset by a portion of the revaluation reserve which reserve was also provided to further reduce the recorded amount of certain assets from cost to estimated values prevailing during the year 1932 as determined by the Board of Directors. Cost of property, plant, and equipment represents principally cash expenditures, although certain properties were acquired for stock. The net book amount is not intended to represent the present values of the properties.

Note B—Raw materials priced under the last-in, first-out method are included in the consolidated balance sheet at approximately $10,000,000.00; the replacement cost of such materials, priced at October 31, 1949 indicated market prices, would aggregate approximately $13,500,000.00. The difference between the foregoing amounts is not to be regarded as realized or realizable profit and, in the event of realization, would be subject to federal taxes on income.

The last-in, first-out method of pricing the principal raw material inventories had, except for minor variations, the effect of applying costs of such materials during each fiscal year against selling prices in that year.

Total inventories, at the beginning and end of each fiscal year, used in the computation of cost of goods sold, priced as described under the inventory caption of the consolidated balance sheet, were as follows:

October 31, 1946	$25,503,273.42
October 31, 1947	28,104,527.11
October 31, 1948	32,085,504.02
October 31, 1949	29,124,601.28

Note C—Depreciation, depletion, obsolescence, and amortization:

The policy of the companies with respect to depreciation is to provide amounts considered by the management as fair and reasonable to cover wear, tear, and deterioration of the property on a basis of specific rates as determined. It is not certain as to what extent obsolescence is covered in the provisions, as changes in the art may result in shortening the useful life of the property. The companies do not believe it practicable to set forth the rates in use as such rates have been determined generally as applicable to specific assets or group of assets in various geographical locations.

GLD011291

Provision for depletion is computed for each unit of production, based upon estimated recoverable ore.

Expenditures for maintenance, repairs, and renewals are charged to operating expenses, and expenditures for betterments are added to the property accounts.

The recorded amounts of properties retired or sold are charged to related reserves for depreciation and revaluation if such retirements or disposals were contemplated in the determination of depreciation rates. If such retirements or disposals were not contemplated, the asset accounts and related reserves for depreciation and revaluation are reduced by amounts included therein for such properties.

Note D—Reference is made to schedule of supplementary profit and loss information as to charges for maintenance and repairs, depletion, depreciation and amortization, taxes (other than income taxes), management and service contract fees, rents and royalties.

Note E—The reserve for contingencies has been provided primarily for possible additional assessment of federal taxes on income of prior years. The Company provided by charges against income of the years ended October 31, 1944, 1946, and 1947, the sum of $150,000.00, $140,000.00, and $185,000.00, respectively, for certain contingencies which were subsequently satisfied by payment of $25,000.00. Inasmuch as there are possible additional assessments of federal income taxes, the excess provision has been retained in the reserve for contingencies for settlement of any assessments. In the statement of profit and loss, for the year ended October 31, 1947 the provision of $185,000.00 has been reclassified as provision for federal taxes on income. Such reclassification has not changed net profit for that year.

Note F—In respect of 24,535 shares reserved for sale to certain officers and key employees there have been granted options to purchase, at any time prior to November 1, 1952 so long as the holder remains in the employ of the Company, at a price which, as adjusted to give effect to the split-up of the Common Stock in 1947 and the 2% stock dividend distributed on the Common Stock in 1949, is $20.59 per share.

Note G—The Company has in effect a Retirement Plan for Salaried Employees which in general covers all regular salaried employees, including officers, and does not provide for contributions from the employees. Each eligible employee who has had thirty years of service will receive after his normal retirement date annual benefits equal to 40% of his average yearly salary for the ten highest consecutive years of service (exclusive of bonuses, commissions and overtime). Where period of service is less than thirty years, benefits will be reduced proportionately. Minimum and maximum benefits under the Plan are $1,200.00 and $12,000.00 per year, respectively. All benefits are less primary Social Security benefit. The Plan provides for funding over a period of twenty-two years in practically equal annual contributions of approximately $550,000.00, which contributions, it is estimated, will include approximately $3,000,000.00 applicable to past service.

The Company has an additional Plan, effective October 31, 1949, applicable to salesmen whose compensation comprises or includes commissions or bonuses. This Plan is designed to provide or augment benefits, if any, which such salesmen will receive under the aforementioned Retirement Plan for Salaried Employees, proportionately to the amount of such commissions or bonuses received during the ten-year service period but with maximum benefits of $4,800.00 per year less Social Security benefits. No provision is included in the Plan for the funding of such benefits; payments will be made by the Company directly to the salesmen. No benefits have yet been paid under this Plan and, as retirement is not compulsory, it is not determinable to what extent the Company may be required to make payments.

The Plans contain special provisions for early voluntary retirement or retirement because of inability to perform regular duties.

The Company reserves the right from time to time to add to or to amend, revoke, or abandon in whole or in part the Plans, provided that the Company shall not thereby reacquire any Trust assets.

GLD011292

THE GLIDDEN COMPANY AND CANADIAN SUBSIDIARY

SUPPLEMENTARY PROFIT AND LOSS INFORMATION

Col. A	Col. B		Col. C		Col. D
	Charged Directly to Profit and Loss		Charged to Other Accounts		
Item	(1) To Costs or Operating Expenses	(2) Other	(1) Account	(2) Amount	Total
YEAR ENDED OCTOBER 31, 1947					
Maintenance and repairs	$2,848,488.16	$158,383.59		$ —	$3,006,871.75
Depreciation and depletion	1,198,031.40	—		—	1,198,031.40
Taxes:					
Pay roll taxes	$ 196,062.82	$ 98,733.40		$ —	$ 294,796.22
Real and personal and miscellaneous taxes	323,234.86	196,461.10		—	519,695.96
TOTAL TAXES	$ 519,297.68	$295,194.50		$ —	$ 814,492.18
Rents—Note A	68,117.17	235,032.31		—	303,149.48
Royalties	134,181.43	—		—	134,181.43
Management and service contract fees	—	—		—	—
YEAR ENDED OCTOBER 31, 1948					
Maintenance and repairs	$2,404,835.25	$103,247.76		$ —	$2,508,083.01
Depreciation and depletion	1,343,959.36	—		—	1,343,959.36
Taxes:					
Pay roll taxes	$ 189,040.84	$ 83,969.49		$ —	$ 273,010.33
Real and personal and miscellaneous taxes	380,478.95	216,025.30		—	596,504.25
TOTAL TAXES	$ 569,519.79	$299,994.79		$ —	$ 869,514.58
Rents—Note A	57,728.85	265,625.29		—	323,354.14
Royalties	132,549.93	—		—	132,549.93
Management and service contract fees	—	—		—	—
YEAR ENDED OCTOBER 31, 1949					
Maintenance and repairs	$1,651,787.71	$ 84,205.64		$ —	$1,735,993.35
Depreciation and depletion	1,618,226.11	—		—	1,618,226.11
Taxes:					
Pay roll taxes	$ 170,101.80	$ 94,948.38		$ —	$ 265,050.18
Real and personal and miscellaneous taxes	453,217.51	232,752.32		—	685,969.83
TOTAL TAXES	$ 623,319.31	$327,700.70		$ —	$ 951,020.01
Rents—Note A	47,348.88	289,481.68		—	336,830.56
Royalties	122,373.30	—		—	122,373.30
Management and service contract fees	—	—		—	—

NOTE A—The aggregate annual amount of rentals upon real property now leased to the Company and its subsidiary for terms expiring more than three years after date of filing is not significant.

GLD011293

UNDERWRITING ARRANGEMENTS

The names and addresses of the several Underwriters, and the respective percentages of the shares of Common Stock offered by this Prospectus not subscribed for by the holders of Warrants (such shares being herein called the "Unsubscribed Stock") which the Underwriters have severally agreed to purchase subject to the conditions set forth in the Underwriting Agreement, are as follows:

Underwriter	Address	Percentage of Unsubscribed Stock*
Blyth & Co., Inc.	14 Wall Street, New York 5, N. Y.	27.0
Hornblower & Weeks	40 Wall Street, New York 5, N. Y.	10.0
Lehman Brothers	1 William Street, New York 4, N. Y.	10.0
Merrill Lynch, Pierce, Fenner & Beane	70 Pine Street, New York 5, N. Y.	10.0
A. G. Becker & Co. Incorporated	120 South La Salle Street, Chicago 3, Ill.	5.5
Central Republic Company (Incorporated)	209 South La Salle Street, Chicago 90, Ill.	5.5
Hallgarten & Co.	44 Wall Street, New York 5, N. Y.	5.5
Hayden, Miller & Co.	Union Commerce Building, Cleveland 14, Ohio	5.5
Carl M. Loeb, Rhoades & Co.	61 Broadway, New York 6, N. Y.	5.5
McDonald & Company	Union Commerce Building, Cleveland 14, Ohio	5.5
American Securities Corporation	25 Broad Street, New York 4, N. Y.	3.0
Maynard H. Murch & Co.	1186 Union Commerce Building, Cleveland 14, Ohio	3.0
Bacon, Whipple & Co.	135 South La Salle Street, Chicago 3, Ill.	2.0
Henry Herrman & Co.	1 Wall Street, New York 5, N. Y.	2.0
		100.0%

* Subject to adjustment to eliminate fractional shares.

GLD011294

The Underwriting Agreement is subject to termination at the election of the Company or Blyth & Co., Inc. (the "Representative" of the Underwriters) at any time prior to the first mailing of the Warrants. The obligations of the several Underwriters to purchase the Unsubscribed Stock are subject to certain conditions being satisfied as of the time of such mailing and as of the date of delivery of the Unsubscribed Stock, including the approval of legal proceedings by counsel, the accuracy of certain representations and warranties by the Company and the delivery to the Representative of a certificate of certain officers of the Company to the effect that, except for changes in the ordinary course of business, there has been no substantial unfavorable change in the condition of the Company, financial or otherwise, and the financial position and net worth of the Company are at least as favorable as on October 31, 1949.

The Underwriting Agreement also provides that it may be terminated if, prior to the date of delivery of the Unsubscribed Stock, the Company shall have sustained a loss on account of fire, flood, accident or other calamity, which, in the judgment of the Representative, renders it inadvisable to proceed with the delivery of the Unsubscribed Stock.

If any Underwriter or Underwriters default in the performance of their purchase obligations, the remaining Underwriters, or another underwriter or underwriters substituted under the terms of the Underwriting Agreement, may take up the shares which the defaulting Underwriter or Underwriters agreed but failed to purchase. If shares of a defaulting Underwriter are not so taken up, the Company may terminate the Underwriting Agreement.

OFFERING BY UNDERWRITERS

The several Underwriters, through their Representative, have advised the Company as follows:

Prior to the expiration of the Warrants, the Representative is authorized to buy Warrants for the accounts of the several Underwriters and to exercise or not to exercise any Warrants so purchased and to offer and sell shares of Common Stock for the accounts of the several Underwriters for long or short account provided that the net commitment of any Underwriter for long or short account pursuant to such authorization plus the net commitment, if any, of such Underwriter under the provisions for stabilization summarized below shall not exceed 15% (or a higher percentage if approved by a majority in interest of the Underwriters) of the maximum number of shares of Common Stock which such Underwriter has agreed to purchase under the Underwriting Agreement (Warrants being considered as the equivalent of the number of shares of Common Stock purchasable upon the exercise of such Warrants). During such period each Underwriter, with the prior consent of the Representative, will be free to offer and sell shares of the Common Stock offered hereunder, provided that such sales shall be subject to sales and reservations made by the Representative. Any such sales of Common Stock by the Representative or the Underwriters will be at a price or prices within the range set forth on the cover page hereof. In the case of sales to dealers (including any of the Underwriters) the Representative may allow concessions not exceeding 75 cents per share of Common Stock so sold. The Underwriters will not buy or sell any Warrants except with the prior written consent of the Representative. Each Underwriter has agreed not to buy or sell any Warrants or Common Stock of the Company for its own account during the life of the Agreement Among Underwriters except as otherwise provided therein.

After the expiration of the Warrants, the Representative is authorized to sell for the accounts of the Underwriters any unsold shares of Unsubscribed Stock and of the Common Stock purchased by the Representative for the accounts of the several Underwriters (such shares being herein called the "Purchased Stock") by general public offering, at private sale or otherwise, on such terms and at such

GLD011295

prices (not less than the price per share set forth on the cover page hereof under "Subscription Price", except with the approval of a majority in interest of the Underwriters), as the Representative may determine. The Representative is authorized to determine whether there shall be such a general public offering, the time or times of any such offering, the initial public offering price and the concessions and discounts to dealers, if any, and after such initial public offering, to change the public offering price and such concessions and discounts. The Representative is authorized to reserve Purchased Stock for sale to selected dealers and others and to sell Purchased Stock to such dealers.

Offerings by the Underwriters will be for delivery when, as and if issued and accepted by them.

In order to facilitate the distribution of the Common Stock offered by this Prospectus, the Representative is authorized, prior to the termination of the Agreement Among Underwriters, and for the accounts of the several Underwriters, to make purchases of Warrants and purchases and sales of Common Stock of the Company in the open market or otherwise, for long or short account, on such terms as the Representative may determine, and, in arranging sales, to over-allot and, either before or after the termination of the Agreement Among Underwriters, to cover any short position incurred pursuant to the foregoing provisions. At no time will the net commitment of any Underwriter under such authorization exceed 10% of the maximum number of shares of Common Stock which such Underwriter has agreed to purchase under the Underwriting Agreement. The existence of such provisions and the indication on the cover page hereof that the prices of the Subscription Warrants and of the Common Stock of the Company may be stabilized are no assurance that the price of either of such securities will be stabilized or that such stabilizing, if commenced, may not be discontinued at any time. Any stabilizing operations may have an effect upon the prices of the Subscription Warrants and the Common Stock of the Company.

Any Common Stock sold by any Underwriter other than through the Representative which the Representative purchases in the open market for an Underwriter's account as provided in the Agreement Among Underwriters shall be repurchased by such Underwriter at cost plus commissions and taxes or may be sold by the Representative and the profit or loss charged to the account of such Underwriter, or such account may be charged not more than the dealer's concession on such Common Stock.

The Agreement Among Underwriters will terminate fifteen days after the expiration of the Warrants or earlier as the Representative may determine. Such Agreement may be extended for fifteen days under certain conditions.

The foregoing brief summary of certain provisions of the Agreement Among Underwriters is qualified in its entirety by reference to the copy thereof filed as an Exhibit to the Registration Statement.

THE GLIDDEN COMPANY

By DWIGHT P. JOYCE,
President

GLD011296

The Glidden Company

178,535 Shares
COMMON STOCK
(Without Par Value)

PROSPECTUS

Dated March 15, 1950

GLD011297