PRESENTED TO DIRECTORS [illegible]

DEWEY AND ALMY CHEMICAL COMPANY

CAMBRIDGE 40 MASSACHUSETTS

July 23, 1954

To the Shareholders of Dewey and Almy Chemical Company

We want to inform you immediately of a development of interest to you. It is summarized in a statement being issued to the press this afternoon, which reads as follows:

"The Directors of W. R. Grace & Co. and of Dewey and Almy Chemical Co. are informing their respective shareholders of a proposed merger, it was announced today by J. Peter Grace, Jr. and Hugh S. Ferguson, the companies' presidents. The merger would provide Dewey and Almy shareholders with one share of W. R. Grace & Co. common stock for each share of Dewey and Almy stock. Methods of accomplishing the merger are being studied by both companies so that a plan can be presented to shareholders as soon as possible for their approval.

"Mr. Grace and Mr. Ferguson stated that if the plan is consummated, Dewey and Almy will continue to operate as an autonomous unit with its headquarters at Cambridge, Massachusetts with no change expected in the personnel or in the policies under which they work."

We are intensively exploring a number of methods of accomplishing a consolidation of interests, having in mind the desirability of simplicity, speed and the avoidance of unnecessary expense. As soon as a plan is worked out, we will communicate it to you.

W. R. Grace & Co., as you probably know, is extensively engaged in the chemical business in this country, as well as being active in banking, export and import, air transportation, shipping and South American manufacturing. Its stock is listed on the New York Stock Exchange and closed on July 22 at $38-5/8 a share. We will be glad to send you a copy of its latest annual report if you wish one.

For the Directors

Hugh S. Ferguson

Hugh S. Ferguson
President

HSF EB

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