

National Lead Company



Semi-Annual Report

JUNE 30, 1949

N13822

NATIONAL LEAD COMPANY

111 Broadway
New York 6, N. Y.

August 1, 1949.

TO THE STOCKHOLDERS:

There are submitted on the following pages the consolidated balance sheet of the Company and its wholly owned domestic subsidiaries at June 30, 1949 in comparison with the corresponding statement at December 31, 1948, and consolidated statements of income and earned surplus for the first six months of the years 1949 and 1948.

Earnings for the first six months of 1949 were \$6,391,128 as compared with \$6,512,990 for the corresponding period of the preceding year. After payment of Preferred dividends, these earnings were equal to \$1.64 per share on the 3,253,225 shares of Common stock now outstanding, as compared with \$1.77 per share earned on the 3,090,664 shares of Common stock outstanding in the first half of 1948.

The decrease in earnings reflects the decline in sales which resulted from generally reduced business activity and lower prices for those metals sold by the Company. During the period of declining metal prices which marked the business picture during the first half of 1949, the Company's metal inventories were at the lowest levels consistent with the continuance of its operations. The effects of declining metal prices upon the Company's earnings were offset by transfers made from the inventory reserve in accordance with the principles of the normal stock system.

As a result of the stock dividend paid on the Common stock in December, 1948, scrip certificates representing fractional shares of Common stock were issued to some stockholders. A number of these certificates are still outstanding; it is to the interest of stockholders owning scrip to convert it promptly into stock or to liquidate it. The Chase National Bank of the City of New York, 11 Broad Street, New York 15, New York, acts as Scrip Agent for the convenience of scrip holders.

By Order of the Board of Directors

JOSEPH A. MARTINO
President

0000-NIL-000018381

NATIONAL LEAD COMPANY

AND ITS WHOLLY OWNED DOMESTIC SUBSIDIARIES

COMPARATIVE CONSOLIDATED BALANCE SHEET

• ASSETS	June 30, 1949	Dec. 31, 1948	• LIABILITIES	June 30, 1949	Dec. 31, 1948
Current Assets:			Current Liabilities:		
Cash	\$ 15,800,912	\$ 9,304,183	Accounts payable and accrued liabilities.....	\$ 9,797,406	\$ 13,683,127
United States Government securities, at cost (approximately equivalent to amounts at market quotations).....	2,937,707	1,995,014	Payable to unconsolidated subsidiaries.....	881,023	842,966
Other marketable securities, at cost less reserves of: 1949, \$522,892; 1948, \$522,892 (at market quotations): 1949, \$2,423,407; 1948, \$2,965,279).....	592,644	529,431	Provisions for taxes, including federal taxes on income	19,365,585	20,709,584
Accounts and notes receivable, less reserves of: 1949, \$1,968,374; 1948, \$1,962,363.....	17,066,062	28,013,657	Dividends payable on Class B preferred stock.....	123,600	123,600
Notes receivable from employees.....	89,409	106,649	Total current liabilities.....	\$ 30,167,614	\$ 35,359,277
Inventories	55,830,087	59,118,313	Reserves:		
Total current assets.....	92,316,821	99,067,247	Fire insurance	\$ 4,797,284	\$ 4,797,284
			Employer's liability	426,664	426,664
Investments (at cost or below) in and advances to unconsolidated subsidiaries, less reserves of: 1949, \$4,305,711; 1948, \$4,305,711	7,821,331	7,962,526	Pension	3,309,230	3,354,018
Miscellaneous investments, at cost or below, less reserves of: 1949, \$846,778; 1948, \$846,778.....	1,040,160	794,190	Contingencies	4,080,358	4,080,358
Plant, property and equipment (including intangibles), less reserves for depreciation, depletion and amortization of: 1949, \$61,858,846; 1948, \$59,856,635.....	73,762,385	74,022,615	Inventory	17,901,303	22,538,007
Patents and licenses, less amortization.....	96,220	117,022	Total	\$ 80,514,839	\$ 85,196,331
Prepaid expenses, deferred charges, etc.....	2,248,898	1,497,504	• CAPITAL		
	\$177,285,815	\$183,461,104	Capital Stock:		
			Preferred Class A, 7 per cent cumulative, noncallable (par value \$100); shares authorized 250,000, issued 243,676	\$ 24,367,600	\$ 24,367,600
			Preferred Class B, 6 per cent cumulative, noncallable (par value \$100); shares authorized 250,000, issued 103,277	10,327,700	10,327,700
			Common (par value \$10); shares authorized 5,000,000, issued 3,253,225	32,532,250	32,532,250
			Capital Surplus	67,227,550	67,227,550
			Earned Surplus	4,523,071	4,523,071
				48,343,749	44,645,883
			Less, Required capital stock, at cost.....	120,094,370	116,396,504
				3,491,008	3,491,008
				\$116,603,362	\$112,905,496
				\$177,285,815	\$183,461,104

NATIONAL LEAD COMPANY **AND ITS WHOLLY OWNED DOMESTIC SUBSIDIARIES** **COMPARATIVE CONSOLIDATED STATEMENTS** **OF INCOME AND EARNED SURPLUS**

	Six Months Ended June 30	
	1949	1948
Sales, less returns and allowances.....	\$127,259,564	\$148,121,628
Cost of sales, taxes (other than federal taxes on income), and other expenses.....	115,129,939	133,409,081
Depreciation, depletion and amortization.....	12,129,625	14,712,547
Other income	2,085,985	1,820,128
Other charges	10,042,690	12,892,419
Provision for federal taxes on income.....	746,487	411,512
Net income for the six months period.....	10,789,177	13,303,931
		215,000
	10,789,177	13,088,931
	4,398,049	6,575,941
	\$ 6,391,128	\$ 6,512,990

Earned surplus balance, January 1.....	\$ 44,645,883	\$ 42,098,542
Net income for the six months period.....	6,391,128	6,512,990
	\$ 51,037,011	\$ 48,611,532
Dividends:		
On Class A preferred stock.....	\$ 820,026	\$ 797,275
On Class B preferred stock.....	247,200	232,386
On common stock.....	1,067,226	1,029,661
	1,625,036	1,546,655
	\$ 2,693,262	\$ 2,576,316
Earned surplus balance, June 30th.....	\$ 48,343,749	\$ 46,035,216

NOTE:
Dividends received from foreign corporations owned in part or in whole, domestic corporations not wholly owned, as well as interest on bonds and miscellaneous items not directly connected with current operations, are included in the item "Other income". Dividends on National Lead Company preferred and common stocks owned by the Company itself are not included in this statement, either as disbursement or as income.

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