FILE NAME: Philip Carey (PC)

DATE: 1957

DOC#: PC069

DOCUMENT DESCRIPTION: Entry in Moody's Industrial Manual

MOODY'S
INDUSTRIAL MANUAL

AMERICAN and FOREIGN

JOHN SHERMAN PORTER, *Editor-in-Chief*

Editorial Board

CHARLES N. BERENTS
ARTHUR W. HERRMANN
DAVID M. DAY
FRANK J. PRENDERGAST
FRANK J. ST. CLAIR
GEORGE I. BLAIR
DAVID M. ELLINWOOD
GEORGE H. PARSONS

1957

D. F. SHEA, *Publisher*

MOODY'S INVESTORS SERVICE
99 CHURCH STREET, NEW YORK 7, N. Y.

PHILADELPHIA	BOSTON	CHICAGO	LOS ANGELES	WASHINGTON	SAN FRANCISCO
Suburb. Stat. Bldg.	75 Federal St.	105 W. Adams St.	606 So. Hill St.	Woodward Bldg.	Russ Bldg.

LONDON: MOODY'S INVESTORS SERVICE LTD.

Copyright, 1957 by MOODY'S INVESTORS SERVICE, NEW YORK—*All rights reserved*

1894–99	100.00	1900–-	300.00	1901–04	100.00
1905–-	200.00	1906–-	120.00	1907–-	320.00
1908–-	120.00	1909–-	160.00	1910–11	120.00
[1]1912–	80.00				

($100 par shares after 10 for 1 split and 200% stock dividend Dec., 1912)

1913–15	6.00	1916–-	8.00	[2]1917–	9.00
1918–-	20.00	1919–-	11.00	1920–-	17.00
[3]1921–22	12.00				

($100 par shares after 100% stock dividend Dec., 1922)

1923–24	6.00	1925–-	3.75	1926–33	Nil

(No par shares prior to 2-for-1 split)

1934–-	0.50	1935–-	Nil	1936–-	1.00
1937–-	1.80	1938–40	Nil	1941–-	0.50
1942–43	2.00	1945–-	2.50	1946–-	0.75

(No par shares after 2-for-1 split)

[4]1946–	2.00	[4]1947–	3.00	[4]1948–	3.50
1949–-	3.50	[4]1950–	2.50	1951–-	2.00
1952–-	1.50	1953–54	1.40	1955–56	1.00
[5]1957–	1.25				

[1]Plus 20% in stock. [2]Plus 25% in stock. [3]Plus 10% in stock Dec. 22, 1922. [4]Plus 5% in stock. [5]To Feb. 16.

PREEMPTIVE RIGHTS—There are no effective provisions in governing instruments, exclusive of statute and common law, relating to preemptive rights.

LISTED—New York and Boston Stock Exchanges.

TRANSFER AGENTS—Guaranty Trust Co., New York; New England Trust Co., Boston.

REGISTRARS—Bankers Trust Co., New York; The National Shawmut Bank, Boston.

OFFERED—55,000 shares in Feb., 1923 at $97.50 per share by Curtis & Sanger, Boston. This did not represent company financing.

PRICE RANGE—	1956	1955	1954	1953	1952
High	54	56	46	30	35¼
Low	30½	37¼	23	22⅜	24½

THE CELOTEX CORPORATION

CAPITAL STRUCTURE

LONG TERM DEBT

Issue	Rating	Amount Outstanding	[1]Times Charges Earned 1956	1955	Interest Dates	Call Price	Price Range 1956	1932–56
1. 4⅛% conv. subord. debentures, 1976	Ba	$20,000,000	18.75	31.85	M&N 1	[3]105	100¾–90	[4]100¾–90
2. 3⅜% and 3⅞% notes, ser. to 1969–-	[7]–-	6,475,000			J&D 1	-----	[7]------	[7]-------
3. 3¾% and 4¼% notes, ser. to 1971–-	[7]–-	7,475,000			J&D 1	-----	[7]------	[7]-------

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	[1]Earned per Sh. 1956	1955	[1]Divs. per Sh. 1956	1955	Call Price	Price Range 1956	1932–56
1. 5% cumulative preferred ----------	$20	256,362 shs.	$22.98	$19.78	$1.00	$1.00	20	20 –17½	[5]23 –15½
2. Common ----------	1	873,651 shs.	6.40	5.49	2.40	1.75	--	47⅞–34	[2]47⅞– 5

[1]Fiscal years. [2]Range since 1938, after 100% stock dividend; before 100% stock dividend. 1935-38 range, 48¼-12½. [3]To Apr. 30, 1958, incl., when price changes; see text. [4]Range since issuance. [5]Range since 1943 for $20 par shares; range for $100 par shares from 1935 and to the 5-for-1 split in 1943, 93-46. [7]Privately placed.

HISTORY

Incorporated in Delaware June 29, 1935, as successor in reorganization to the Celotex Co (Del.). Latter company was incorporated in Delaware in 1920 as "Louisiana Celotex Co." On June 16, 1932, the latter company was placed in receivership. On Feb. 8, 1935, trustees were appointed under Section 77-B of the U. S. Bankruptcy Act. A reorganization plan was submitted under date of May 1, 1934 (subsequently modified), and on Nov. 1, 1935, the business and assets of the predecessor company were transferred to the present company. Details of reorganization appear in Moody's 1935 Industrial Manual.

In 1937, organized English Company, Celotex, Ltd.

In 1937 acquired an interest in American Gypsum Co., Port Clinton, Ohio, and in 1939 completed acquisition of company.

In Mar., 1945, acquired properties and business of Texas Cement Plaster Co. located at Plasterco and Longworth, Tex.; manufacturers of full line of gypsum plaster and board products.

On Aug. 30, 1946, acquired 83 1/3% interest in El Rey Products Co.; purchased balance of outstanding stock in 1947 and acquired direct ownership of property and assets including 20% interest in stock of California Mill Supply Co., dealers in waste paper, rags, etc. (sold in Nov., 1956).

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

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

In Nov. 1955 acquired almost half the common stock of Cepco, Inc., San Francisco, fabricator of plastics ceiling panels.

SUBSIDIARIES

This is principally an operating company. At Oct. 31, 1956, 100% of the voting power was owned in the following companies:

Name, place of incorporation and business:

El Rey Products Co., Inc., California, inactive.

At Oct. 31, 1956, owned less than 100% of voting power in following company.

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

[1]Articles of Association of Celotex, Ltd. provide that unless and until number shall be changed as provided therein, number of directors shall not be less than 2 nor more than 7. Holders of first preference shares are entitled to appoint 1 such director. By virtue of its ownership of 100% of deferred shares, Celotex Corp. is entitled to elect remaining directors. At Oct. 31, 1956, there were 5 directors.

Note: At Oct. 31, 1956, company owned 205,328 common shares of South Coast Corp. (see general index) constituting approximately 48% of voting power of all outstanding stock of that company.

Subsequent to Oct. 31, 1956, sold interest in following companies: 1,540.4 shares (20%) of California Mill Supply Corp., 3,484.8 shares (20%) of Berg Metals Corp., and 974.8 shares (20%) of Berg Pipe & Steel Corp.

BUSINESS & PRODUCTS

The company manufactures building and insulating products, consisting for the most part of products marketed under the trade name "Celotex." These products are manufactured principally from bagasse, the fiber remaining after the juice has been extracted from sugar cane, and are used, among other things, for exterior sheathing, plaster base, exterior and interior finish, for insulating roofs, and as insulation in the manufacture of household refrigerators, railway refrigerator cars, trailers and other products.

The company also manufactures and sells products for correction of acoustical conditions in office buildings, auditoriums, theaters, broadcasting studios, and other places in which acoustical treatment is desired, including products marketed under the trade names "Acousti-Celotex."

The company also is engaged in the manufacture and sale of other types of insulating and building material products, including loose, granulated and batt forms of rock wool, roofing products, gypsum plaster, lath and wallboards, and also various items used as accessories in the application of products sold.

Celotex also sells products made by other manufacturers, such as hard boards, which cut, saw and handle like lumber (made by Masonite Corp.), and are used for paneling of all sorts, for decoration, shelving, etc. Celocrete (made by various steel companies), a light weight concrete aggregate, is made of expanded molten blast furnace slag, and is used with Portland cement to manufacture light weight concrete blocks.

The Celotex Corp. maintains offices throughout the world and has branch offices in 16 cities located in various parts of the United States, including the Pacific Coast.

PRINCIPAL PLANTS & PROPERTIES

The main manufacturing plant is located at Marrero in Jefferson Parish, La., close to the City of New Orleans. It comprises approximately 565 acres of land.

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

A plant at Metuchen, N. J., is located on approximately 18½ acres of land, and contains about 210,000 square feet of floor space, and is used for the manufacture of asbestos cement board with insulating core (Cemesto) and insulating siding. There is also a warehouse and curing building of about 50,000 square feet.

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

A plant near Ft. Dodge, Ia., manufactures plaster products and gypsum board.

A plant at Lagro, Ind. is used for production of rock wool insulation products. Plant at Lagro also manufactures acoustical mineral tile.

Plant at Pittston, Pa. was to start production of acoustical mineral tile early in 1957.

Plants at Cleveland, and Avery, O., Madison, Ill., and Los Angeles, Cal. are used in manufacture of roofing products.

Construction of a plant at L'Ause, Mich., on a 242,000 acre site was begun in 1956.

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

MANAGEMENT

Officers

O. S. Mansell, Chairman
H. W. Collins, President
C. L. Christensen, Vice-Pres. and Chmn. Exec. Com.
F. A. Irvine, Vice-President
Marvin Greenwood, Vice-Pres., Sales Mgr.
G. C. Snyman, Vice-President
W. D. Becker, Controller
C. W. Johns, Treasurer
Richard Thompson, Jr., Secretary
P. O. Karlson, Asst. Secretary
J. M. Erickson, Asst. Treasurer
A. F. O. Pfeiffer, Asst. Treasurer
J. W. Franklin, Purchasing Agent
J. A. Hash, Advertising Manager
D. W. Rice, Export Mgr.

Directors

C. L. Christensen, Chicago
H. W. Collins, Chicago
L. T. Cross, Chicago
A. J. Dallstream, Chicago
P. H. Davis, Chicago
Parrish Fuller, Oakdale, La.
F. A. Irvine, Chicago
O. S. Mansell, Chicago
Carl G. Muench, Rancho Santa Fe, Cal.
A. C. Simmonds, Jr., New York
E. B. Wilber, Pittsburgh

General Counsel: Dallstream, Schiff, Hardin, Waite & Dorschel, Chicago.

Auditors: Arthur Young & Co.

Annual Meeting: Third Tuesday in Feb.

Number of Stockholders: Oct. 31, 1956: Preferred, 2,300; common, 8,900.

Number of Employees: Oct. 31, 1956, 5,100.

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

INCOME ACCOUNTS

COMPARATIVE INCOME ACCOUNT, YEARS ENDED OCT. 31

	1956	1955	1954	1953	1952	1951	1950
Net sales	$76,467,119	$71,136,590	$62,257,623	$59,980,026	$52,032,189	$59,241,635	$48,714,716
Cost of sales and expenses	62,059,542	57,958,129	53,634,184	51,829,655	47,005,536	50,644,711	41,876,732
Deprec., depletion & amortization---	2,319,643	2,085,338	1,953,705	1,879,698	1,809,525	1,670,822	1,599,690
Operating profit	12,087,934	11,093,123	6,669,734	6,270,673	3,217,128	6,926,102	5,218,294
Other income	622,389	373,508	451,602	391,835	446,050	496,751	370,684
Total income	12,710,323	11,466,631	7,121,336	6,662,508	3,663,178	7,422,353	5,588,978
Interest on funded debt	678,639	359,988	258,916	169,083	187,454	199,676	216,596
Debt discount and expense			52,383	22,235	26,245	28,732	30,621
[1]Other deductions			117,389	84,347	233,436	113,073	213,208
Federal income taxes	6,000,000	5,390,000	3,400,000	3,272,000	1,562,000	3,494,000	2,051,000
Other inc. taxes & conting. tax res.---	130,000	135,000	90,000	90,000	42,000	90,000	74,000
Net profit	5,902,284	5,081,643	3,202,649	3,024,844	1,612,043	3,497,371	3,003,552
Previous earned surplus	26,886,710	23,598,554	21,971,094	20,521,576	20,482,520	18,559,332	16,688,175
Surplus credit					2,448		
Preferred dividends	256,677	256,677	256,677	256,677	256,862	256,862	256,862
Common dividends	2,107,603	1,536,810	1,318,513	1,318,648	1,318,573	1,317,320	875,532
[2]Earned surplus, 10-31	$30,424,709	$26,886,710	$23,598,554	$21,971,094	$20,521,576	$20,482,520	$18,559,332

[1]Includes loss on fixed assets sold, dismantled, etc.: 1956-55, none; 1954, $37,387; 1953, $34,423; 1952, $114,705.

[2]As of Oct. 31, 1956, was unrestricted as to cash dividends under long-term debt agreement.

General Notes

Above report excludes Celotex, Ltd. Net profit of that company for years ended Oct. 31: 1956, $371,826; 1955, $410,385; 1954, $322,566; 1953, $191,409; 1952, $123,185; 1951, $153,998; 1950, $102,739.

Equity in net income in excess of dividends received: 1956, $283,325; 1955, $323,427; 1954, $235,421; 1953, $102,448; 1952, $36,541.

Record of Earnings, years ended Oct. 31:

Year	Net Sales	Cost and Expenses	Operating Profit	Oth. Inc. & Ded. (Net)	Inc. Bef. Taxes	Income Taxes	Net Income	Common Dividends	Com. Shs. Outstand.	Earn Per Com Sh
1936	$7,589,955	$6,724,665	$865,290	d $99,808	$765,434	$29,419	$736,015	----------	268,685	$2 20
1937	10,574,242	9,280,992	1,293,250	37,203	1,330,453	63,700	1,266,753	$322,422	268,685	4.17
1938	9,126,489	8,471,885	654,604	d 126,246	528,358	10,000	518,358	312,429	312,429	1 19
1939	12,317,936	11,242,829	1,075,107	d 254,351	820,756	79,000	741,756	----------	629,960	0.95
1940	13,817,501	12,808,896	1,008,605	d 171,677	836,928	89,300	747,628	----------	627,676	0.96
1941	19,977,155	16,809,199	3,167,957	171,069	2,996,889	1,247,790	1,749,099	706,138	627,676	2 55
1942	23,510,364	19,645,214	3,865,150	d 95,247	3,769,903	2,645,936	1,123,967	471,901	632,068	1.54
1943	22,598,269	20,630,162	1,968,107	d 299,367	1,668,743	1,138 544	530,199	325,293	696,933	0.54
1944	20,693,859	19,715,677	978,182	d 111,722	866,460	304,184	562,276	377,759	755,472	0 53
1945	22,185,651	20,812,739	1,372,912	d 187,979	1,184,933	519,408	665,525	377,772	755,472	0.57
1946	33,050,464	25,982,608	7,107,856	180,637	7,288,493	3,464,168	3,824,325	830,513	855,472	4 17
1947	46,872,120	36,593,256	10,278,864	d 3,336	10,275,528	4,047,599	6,227,929	968,628	905,472	6 59
1948	54,190,341	42,852,736	11,337,605	d 113,328	11,224,277	4,439,088	6,785,189	1,518,091	905,472	7.20
1949	38,362,460	35,222,055	3,140,405	d 5,215	3,135,190	1,186,000	1,949,190	1,307,554	905,472	1.86

BALANCE SHEETS — **COMPARATIVE BALANCE SHEET, AS OF OCT. 31**

ASSETS:	1956	1955	1954	1953	1952	1951	1950
Cash	$7,580,699	$6,345,158	$8,109,505	$5,663,638	$4,140,052	$5,904,218	$5,017,130
U. S. Government securities	12,731,891	4,164,440	3,990,000	----------	----------	996,000	1,993,400
[4]Notes and accounts receivable, net	8,688,624	9,004,121	7,872,275	7,334,572	7,481 422	6,402,018	6,638,856
[1]Inventories	6,702,255	5,983,417	5,612,652	5,796,789	5,850,054	5,482,416	4,814,099
Total current assets	$35,703,469	$25,497,136	$25,584,432	$18,794,999	$17,471,528	$18,784,652	$18,463,485
Operating properties	57,493,958	46,735,238	41,428,143	40,363,671	39,033,633	36,539,719	34,015,827
Deprec., depletion & amortization	21,875,794	20,107,164	18,390,283	17,059,131	15,561,401	14,147,484	12,775,108
Net operating property	35,618,164	26,628,074	23,037,860	23,304,540	23,472,142	22,392,235	21,240,719
Patents and rights	----------	1	1	1	1	1	1
[2]South Coast Corp. investment	438,541	438,541	438,541	438,541	438,541	438,541	438,541
Investment in Celotex, Ltd.	700,459	700,459	700,460	700,460	700,460	700,460	700,460
[3]Investmt. in other corps.	202,838	202,838	202,838	202,838	202,838	202,838	202,838
Other assets	150,008	306,922	294,507	183,123	172,758	166,094	165,163
Unamort. debt discount & expense	163,242	87,730	109,103	94,274	116,509	142,754	171,487
Prepaid insurance	208,804	337,870	----------	----------	----------	----------	----------
Deferred charges	480,846	375,286	1,006,946	951,423	1,096,926	1,107,899	540,254
Total	$73,666,371	$54,574,857	$51,374,687	$44,670,197	$43,671,703	$43,935,473	$41,922,953
LIABILITIES							
Accounts payable	$3,639,506	$3,621,532	$2,808,479	$2,751,851	$2,673,527	$2,687,880	$2,503,539
Accrued expenses	1,859,248	1,935,666	1,670,947	1,644,552	1,334,468	1,672,390	1,435,275
Accrued interest			129,998	41,080	44,224	47,759	51,269
Prov. for misc. taxes	434,794	369,790	308,021	288,062	235,344	269,918	248,298
Sinking fund requirement	950,000	700,000	699,584	435,584	386,890	437,500	437,500
[7]Prov. for income taxes	346,960	323,505	889,534	550,417	1,053,562	551,343	505,105
Total current liabilities	$7,230,508	$6,950,493	$6,506,563	$5,711,546	$5,728,315	$5,666,790	$5,180,987
Debentures and notes	13,300,000	8,229,500	8,928,416	4,620,416	5,056,110	5,440,500	5,872,500
Def. Fed. income tax	370,000	167,000	----------	----------	----------	----------	----------
5% preferred stock ($20 par)	5,137,250	5,137,250	5,137,250	5,137,250	5,137,250	5,137,250	5,137,250
[5]Common stock	878,651	878,651	878,651	878,889	878 829	877,963	876,246
[9]Partially paid com. shares	----------	----------	----------	26,826	26,828	27,572	29,226
[10]Paid-in surplus	6,325,253	6,325,253	6,325,253	6,330,450	6,329,070	6,309,152	6,269,661
Earned surplus	30,424,709	26,886,710	23,598,554	21,971,094	20,521,576	20,482,520	18,559,332
Total capital and surplus	42,765,863	39,227,864	35,939,708	34,344,509	32,893,553	32,834,458	30,871,715
[8]Less treasury common stock	----------	----------	----------	6,275	6,275	6,275	2,250
Net capital and surplus	42,765,863	39,227,864	35,939,708	34,338,235	32,887,278	32,828,183	30,869,465
Total	$73,666,371	$54,574,857	$51,374,687	$44,670,197	$43,671,703	$43,935,473	$41,922,953
Net current assets	$28,472,961	$18,546,643	$19,077,869	$13,083,453	$11,743,213	$13,117,862	$13,282,498

[1]At lower of cost or market. Comprises: Raw materials, 1956, $3,002,378 (1955, $2,953,820); goods in process, 1956, $487,357 (1955, $458,169); finished goods, 1956, $1,879,360 (1955, $1,208,548); operating and maintenance supplies, 1956, $1,333,160 (1955, $1,362,880); total, $6,702,255 (1955, $5,983,417).

[2]1956: Comprises $1,577,260 debenture 5s (subordinated) 1973 and 205,328 shares of common stock carried at $438,541. Market value Oct. 31, 1956, debentures 5s (subordinated), 1973, $1,261,808; common shares, $3,182,584; total,, $4,444,392.

[4]After reserves: 1956, $779,484.

[5]1956: Par $1 per share.

1950-55 No par shares: 1955-54, 878,651; 1953, 878,889; 1952, 878,829; 1951, 877,963; 1950, 876,246.

[6]At cost. Investment in California Mill Supply Corp in 1951 and prior years; for 1956, see Note under "Subsidiaries" above.

[7]After deducting investment in U. S. Treasury notes, tax series at cost: 1956, $5,200,000; 1955, $5,700,000; 1954, $2,800,000; 1953, $3,000,000; 1952, $800,000; 1951, $3,900,000; 1950, $2,000,000.

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

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

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

[10]Principal paid-in surplus changes follow: 1954-50: After crediting (1954, $305; 1953, $1,380; 1952, $19.918; 1951, $39,491; 1950, $52,647); excess of consideration received for 1954, 35 (1953, 60; 1952, 866; 1951, 1,717; 1950, 2,289) common shares fully paid in the year over stated value of $1 per share, and debiting, in 1954, $6,002 adjustment of carrying value of common stock in treasury to stated value of $1 per share.

STATISTICAL RECORD, FISCAL YEARS

	1956	1955	1954	1953	1952	1951	1950
Earned per share—preferred	$22.98	$19.78	$12.47	$11.78	$6.28	$13.62	$11.69
—common	$6.40	$5.49	$3 35	$3.05	$1.50	$3.57	$3.03
Dividends per share—preferred	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00	$1.00
—common	$2.40	$1.75	$1.50	$1.50	$1.50	$1.50	$1.00
[1]Price range—preferred	20–17½	19⅞–18¾	19½–15¾	16⅞–15¾	17⅛–16	17⅛–15⅛	17¾–15½
—common	47⅞–31	37¾–27	30¼–16	19¾–15½	19½–15⅛	20⅞–14⅛	21–13¼
Net tangible assets per sh.—preferred	$166.49	$152.71	$140.03	$133.68	$128 03	$127.81	$120 18
—common	$42.83	$38.79	$35.06	$32.26	$30 66	$30.59	$28.42
Times charges earned:							
Before income taxes	18.75	31.85	22.50	34.38	16.05	32.00	21.75
After income taxes	9.70	15.12	11.29	16.81	8.54	16.31	13.15
Times charges & pfd. div. earned	7.04	8.82	6.19	7.18	3.88	7.65	6.45
Price range—4⅛s, 1976	100¾–90	----------	----------	----------	----------	----------	----------
Net tangible assets $1,000 lg. tm. debt	$4,215	$5,767	$5,025	$8,432	$7,504	$7,033	$6,257
Net curr. assets per $1,000 lg. tm. debt	$2,141	$2,254	$2,137	$2,832	$2,323	$2,411	$2,262
Times preferred dividends earned	22.99	19.80	12.48	11.78	6.28	13.62	11.69
Number of shares—preferred	256,863	256,863	256,863	256,863	256,863	256,863	256,863
—common	878,651	878,651	878,651	[2]905,199	[2]905,199	[2]905,199	[2]905.374

[1]Calendar years.

[2]Including partially paid shares: 1955-54, none; 1953, 26,583; 1952, 26,643; 1951, 27,509; 1950, 29,226; 1949, 31,515; 1948, 36,140.

FUNDED DEBT

1. Celotex Corp. convertible subordinated debenture 4⅛s, due 1976:

Rating—Ba

AUTHORIZED—$10,000,000; outstanding, $10,000,000.

DATED—May 1, 1956.

MATURITY—May 1, 1976.

INTEREST—M&N1 at office of trustee and City National Bank & Trust Co., Chicago.

TRUSTEE—Bank of New York, New York.

DENOMINATION—Coupon, $1,000, $10,000 and authorized multiples of $10,000; registerable as to principal; interchangeable.

CALLABLE—As a whole or in part on at least 40 days' notice at any time to Apr. 30 incl. as follows:

1958	105	1959	104¾	1960	104½
1961	104¼	1962	104	1963	103¾
1964	103½	1965	103¼	1966	103
1967	102¾	1968	102½	1969	102¼
1970	102	1971	101¾	1972	101½
1973	101¼	1974	101	1976	100

Also callable for sinking fund (which see) at 100.

SINKING FUND—Annually, Aug. 1, 1966-75, to retire debentures equal to lesser of (1) 10% of debentures outstanding May 1, 1966, or (2) $600,000; plus optional amount equal to required retirements. Credit may be taken for debentures converted or otherwise acquired as provided.

CONVERTIBLE—Into common at any time (if called, to close of business on 10th day before redemption date) at $48.75 per share, with no adjustment for interest or dividends; scrip or cash to be paid in lieu of fractional shares. Conversion privilege protected against dilution.

SECURITY—Not secured; subordinated to prior payment of senior debt, representing money borrowed.

CREATION OF ADDITIONAL DEBT—Company or any subsidiary may not create additional funded debt, except for refunding, unless immediately thereafter consolidated net tangible assets at least equal 200% of consolidated funded debt.

DIVIDEND RESTRICTIONS—Company may not pay cash dividends on common or acquire any stock in excess of consolidated net earnings after Oct. 31, 1955, plus $4,500,000, and net proceeds of sale thereafter of stock or any indebtedness (including debentures) converted into stock.

RIGHTS ON DEFAULT—In event of default (30-day grace period for payment of interest or sinking fund instalment), trustee or 25% of debentures may declare principal due and payable.

INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66 2/3% of debentures.

PURPOSE—Proceeds to build plant at L'Anse, Mich., and to acquire timber land and timber rights from the Ford interests.

LEGAL—For savings banks in New Hampshire.

OFFERED—($10,000,000) at 101⅝ (proceeds to company, 100) on May 16, 1956 by Hornblower & Weeks and Union Securities Corp., New York, and associates.

2. Term Loan; Outstanding, Oct. 31, 1956, $6,475,000, represented by (1) $2,100,000 3¾% notes payable $262,500 annually to June 1, 1960 and $525,000, June 1, 1961 and (2) $4,900,000 3⅞% notes payable $600,000 annually, June 1, 1962-68 and $700,000, June 1, 1969. Proceeds to redeem $1,994,000 debenture 3¼s due 1960, for capital expenditures and for other corporate purposes.

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

Term Loan: Outstanding, Oct. 31, 1956, $7,775,000, comprising (1) $3,175,000 3¾% notes payable $687,500 annually to June 1, 1960 and $425,000 on June 1, 1961 and (2) $4,600,000 4¼% notes payable each June 1: $350,000, 1962 to 1968; $250,000, 1969; $950,000, 1970 to 1971. Proceeds used in connection with plant construction and timberland acquisition.

Company may not pay cash dividends on common or acquire capital stock (except from proceeds of stock sold after Apr. 16, 1956) in excess of consolidated net earnings after Oct. 31, 1955, plus $4,500,000, and unless thereafter consolidated current assets are at least twice consolidated current liabilities. Company agrees to maintain consolidated net current assets by amount at least equal to greater of $10,000,000 or 100% of consolidated funded debt.

At Oct. 31, 1956, $22,386,710 retained earnings were so restricted.

CAPITAL STOCK

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

AUTHORIZED—500,000 shares; outstanding, 256 862½ shares; reserved for conversion of debentures, 205,128 shares; par $20 (changed from $100 par June 18, 1943, five $20 par shares issued for each $100 par share).

PREFERENCES—Has preference for assets and dividends.

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

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

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

DIVIDEND LIMITATIONS — See debenture 4⅛s and term loans above.

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

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

PREEMPTIVE RIGHTS—None.

CALLABLE—On any quarterly dividend date, in whole or in part (by lot), on 30 days' notice, at $20 per share plus accrued dividends.

LISTED—On New York Stock Exchange.

TRANSFER AGENT—Chase Manhattan Bank, New York.

REGISTRAR—Chemical Corn Exchange Bank, New York.

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

***2. The Celotex Corp. common;* par $1:**

AUTHORIZED—1,500,000 shares, outstanding 378,651 shares, par $1 (changed from no par in Feb. 1956, share for share).

Dividend Record (in $)
(Calendar years)

On no par shares:

1935-36	Nil	1937	1.20	1938	[1]
1939-40	Nil	1941	1.12½	1942	0.75
1943-45	0.50	1946	1.00	1947	1.12½
1949	1.75	1949	1.50	1950	1.00
1951-54	1.50	1955	1.75	1956	0.60

On $1 par shares:

1956	1.80	[2]1957	1.20

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

DIVIDEND LIMITATIONS — See debenture 4⅛s and term loans above.

VOTING RIGHTS—One vote per share. Cumulative voting permitted for election of directors. See "Voting Rights" under 5% preferred stock, above.

PREEMPTIVE RIGHTS—None.

LISTED—On New York Stock Exchange.

TRANSFER AGENT—Chase Manhattan Bank, New York.

REGISTRAR—Chemical Corn Exchange Bank, New York.

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

Subscription Rights: Common stockholders of record Oct. 22, 1943 had right to subscribe, at $10.50 per share, for shares of common stock, on the basis of one share for each ten shares then held.

THE CUDAHY PACKING COMPANY

CAPITAL STRUCTURE

LONG TERM DEBT Issue	Rating	Amount Outstanding	Times Charges Earned 1956	1955	Interest Dates	Call Price	Price Range 1956	1932-56
1. First s. f. 2⅝s, C, 1967	Baa	$9,849,000	10.32	3.52	M&N 1	[1]101½	94-87½	[3]98½-84
2. 3¼% to 4% bank loan, 1958	----	1,750,000					[4]-----	[4]-------

CAPITAL STOCK Issue	Par Value	Amount Outstanding	Earned per Sh. 1956	1955	Divs. per Sh. 1956	1955	Call Price	Price Range 1956	1932-56
1. 4½% cumulative preferred	$100	100,000 shs.	$61.37	$27.03	$11.25	Nil	100	84½-65	[5]106 -48½
2. Common	5	1,542,213 shs.	[2]3.12	1.46	Nil	Nil	---	14⅛- 7⅞	[6]17¾- 4⅜

[1] Subject to change; see text. [2] Including non-recurring profit, $3.69. [3] Privately placed. [4] Range since issuance. [5] Range since 1945. [6] Range since stock split in 1947; range from 1932 to the 3-for-1 split in 1947, 66 2.

HISTORY

Incorporated under Maine laws Oct. 7, 1915, successor to an Illinois corporation organized in 1887 as Armour-Cudahy Packing Co., name changed in 1890. Opened large plants at San Diego in 1930; at Denver in 1933. In 1947 acquired plant in Phoenix, Ariz. from Tovrea Packing Co. Has made numerous other acquisitions from time to time.

In May 1955, company sold Old Dutch Cleanser and Soap Division to Purex Corp., Ltd. for 130,000 shares of Purex stock.

In Oct., 1956, acquired Blue Ribbon Packing Co., Houston, Tex. and in Feb., 1957, Seattle Packing Co., Seattle, Wash.

SUBSIDIARIES

On Oct. 31, 1956, held 100% voting power in *the following subsidiaries:*

Name, place of incorporation and business:
Barry Machinery Co. (Ill.) Buying
The Dow Cheese Co. (Wis.) Cheese dealer
Midwest Meat Co. (Del.). Operates branch houses at Tucson and Phoenix, Ariz. and Salt Lake City, Utah
Burnett Meat Co. (Del.). Operates branches at Kansas City, Mo.
Blue Ribbon Packing Co. (Tex.) Packing plant
Mission Provision Co., San Antonio, Tex.—Packing plant
Cudahy Packing Co., Ltd. (Eng.) Casing

Subsidiaries in which voting power held was less than 100% were:
American Salt Corp. (Del.) (98.923) Salt mining and processing

BUSINESS AND PRODUCTS

A principal factor in meat packing. Purchases and slaughters livestock and processes and markets meats and by-products, including beef, pork, lamb, hams and bacon, sausage, canned meats, and by-products such as glue, animal feed and fertilizer.

Supplementary activities include: Refining vegetable oils, production and sale of shortening and cooking and salad oils; pulling, scouring and combing of wool, and marketing of wool and sheepskins; purchasing, packing and selling eggs, poultry and cheese; purchasing cream and butter and manufacturing and selling butter, margarine and ice cream; mining rock salt; operating brine wells and producing and handling all kinds of salt; owning and operating refrigerator and tank cars.

Trade names include Puritan, Rex, Gold Coin, Sunlight, Delrich, Economy and Trix. Distribution is conducted in the United States through 13 branch houses, also in foreign markets.

PRINCIPAL PLANTS & PROPERTIES

Plants have a combined ground area of about 235 acres, with a slaughtering, curing and preparing capacity of about 20,000 hogs, 5,000 cattle and 10,000 sheep per day. Company operates 9 principal slaughtering and meat packing plants, as follows:

South Side, Omaha, Neb.
Wichita, Kans.
North Salt Lake, Utah
San Diego, Cal.
Denver, Colo.
Phoenix, Ariz.
San Antonio, Tex.
Houston, Tex.
Seattle, Wash.

Other important plants include:

East Chicago, Ind.: Glue and refrigerator car construction and repair shops.

Leewood, near Memphis, Tenn.: Refinery for vegetable oils, producing lard substitutes, margarine and salad oils.

Lyons, Kans.: A salt mine and refinery, producing rock and evaporated salts.

Company and subsidiaries operate 9 dairy and poultry plants in 18 western and southwestern states, of which 4 plants are leased.

There are a number of produce collecting and processing plants, largest of which are located at Washington Court House, O., Neosho, Mo., Harrodsburg, Ky., Bedford, Ia., Tompkinsville, Ky., Forest, Miss., Wichita, Kan., and Fond du Lac, Wis. The 13 branch houses are located in principal cities. Company's mineral lands in California and Kansas contain chemicals used in cleansing powders.

Company also owns about 650 refrigerator cars and 125 trucks. In addition, company leases or operates under contract 105 tank cars and 215 trucks.

MANAGEMENT

Officers
E. A. Cudahy, Chairman
L. F. Long, President
P. B. Thompson, Exec. Vice-Pres. & Treas.
J. L. Crowley, Senior Vice-President
J. W. Breathed, Vice-President & Adv. Agt.
J. W. Christian, Vice-Pres. & Gen. Mgr. Omaha plant
D. G. Heugly, Vice-President
L. E. Taylor, Vice-President
J. J. O'Neill, Vice-President
R. A. Norris, Secretary & Asst. Treas.
C. A. Bastow, Controller
H. W. Hately, Asst. Secretary
H. V. Andersen, Asst. Secretary
C. J. Brude, Jr., Asst. Treasurer

Directors
A. B. Cudahy, Omaha
E. A. Cudahy, Chicago
E. A. Cudahy, Jr., San Diego, Cal.
J. L. Crowley, Omaha
L. F. Long, Omaha
P. B. Thompson, Omaha
J. W. Breathed, Omaha
J. W. Christian, Omaha
J. C. Hemphill, Chicago
W. A. Sawtell, Omaha

General Attorney: Yale C. Holland.

Auditors: Arthur Andersen & Co.

Annual Meeting: Second Friday in Feb.

No. of Stockholders: Nov. 16, 1956: Preferred, 2,072; common, 3,040.

No. of Employees: Oct. 27, 1956, 8,400.

General Offices: 5002 So. 33rd St., Omaha 7, Nebr.