MONSANTO CHEMICAL COMPANY

GENERAL OFFICES

SAINT LOUIS

CABLE ADDRESS
MONSANTO-ST. LOUIS

October 30, 1935.

TO THE STOCKHOLDERS OF
MONSANTO CHEMICAL COMPANY:

Net profits available to the common stock for the third quarter of the year were \$884,550 or 89½ cents on 987,876 shares outstanding. \$566,195 or 65½ cents a share was earned during the corresponding quarter of 1934 on 864,000 shares then outstanding.

For the nine months of 1935, earnings available to common stock total \$2,732,999 or \$2.76½ a share, which compares favorably with 1934 results of \$1,945,230 or \$2.25 a share. 1935 figures include the earnings of the subsidiaries of The Swann Corporation, which were acquired during the year.

In view of the satisfactory results, the Board of Directors declared an extra dividend of 25 cents a share, to be paid with the regular dividend of 25 cents a share on December 14 to stockholders of record November 25, next.

The income account for the first nine months and the balance sheet as of the close of the period are attached.

Edgar M. Queeny
President.

DSW 331301

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MONSANTO CHEMICAL COMPANY AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet, September 30, 1935

ASSETS

Current Assets:		
Cash	$ 4,255,872.16	
Marketable Securities	103,857.19	
Customers' Notes and Accounts Receivable	2,451,396.26	
Miscellaneous Accounts Receivable	93,037.42	
Inventories	5,151,970.50	$12,056,133.53
Other Assets:		
Due from Officers and Employees		
On Purchases of Company's Stocks	$ 116,241.73	
Advances	37,235.49	
Miscellaneous Investments	295,721.00	
Loans, Deposits, etc	195,134.68	
Unconsolidated Subsidiaries at Nominal Value	2,652.99	$646,985.89
Plant Property:		
Land	$ 1,508,741.34	
Buildings	5,269,705.16	
Machinery and Equipment	15,520,532.29	$22,298,978.79
Patents and Processes:		$2.00
Deferred Charges:		
Prepaid Items	$ 294,698.13	
British Subsidiary Reorganization Expense	52,299.00	$346,997.13
		$35,349,097.34

LIABILITIES

Current Liabilities:		
Accounts Payable	$ 1,267,976.08	
Accrued Items	473,737.01	
Estimated Income Taxes	827,059.17	$ 2,568,772.26
Funded Debt:		
2½% Convertible Notes Due May 1, 1945		$525,000.00
Reserves:		
Depreciation and Obsolescence	$ 7,868,121.66	
For Redemption of Returnable Containers	573,521.36	
For Fluctuations of Exchange	234,298.05	
For Contingencies	296,683.35	
For Relocations and Revaluations of Plants and Properties	593,099.92	$ 9,565,724.34
Minority Interests:		$424,589.53
Capital Stock and Surplus:		
Capital Stock:		
Monsanto Chemicals, Limited 5½% Redeemable Cumulative Preference Shares of £1 Each; Authorized 500,000 Shares; Outstanding 400,000 Shares	$ 1,940,000.00	
Monsanto Chemical Company Authorized 1,250,000 Shares of $10.00 Each; Issued 1,013,414 Shares; Less—in Treasury * 25,538 Shares; Outstanding 987,876 Shares	$ 9,878,762.50	
Surplus:		
Paid-In Surplus	$ 3,009,186.16	
Earned Surplus Acquired from Predecessor Corporation	772,377.14	
Earned Surplus	6,664,685.41	$22,265,011.21
		$35,349,097.34

Notation.—The Assets and Liabilities of the British Subsidiary have been converted at $4.85 per £.

* Includes 8,750 Shares held for conversion of 2½% convertible notes.

MONSANTO CHEMICAL COMPANY
AND SUBSIDIARY COMPANIES

Statement of Consolidated Income for the Nine Months Ended September 30, 1935, and 1934, and Comparison

	Nine Months Ended September 30, 1935	Nine Months Ended September 30, 1934	Increase
Gross Profit from operations before Depreciation and Obsolescence	$6,768,529.29	$4,524,294.98	$2,244,234.31
Deduct:			
Selling and administrative expenses	$2,020,487.79	$1,285,447.33	$ 735,040.46
Depreciation and obsolescence	931,678.27	674,769.79	256,908.48
Research expenses	500,537.05	351,915.31	148,621.74
Total	$3,452,703.11	$2,312,132.43	$1,140,570.68
Net Profit from Operations	3,315,826.18	2,212,162.55	1,103,663.63
Other Income:			
Interest Earned	$ 19,839.49	$ 17,282.57	$ 2,556.92
Other	304,936.03	237,759.51	67,176.52
Total	$ 324,775.52	$ 255,042.08	$ 69,733.44
Gross Income	$3,640,601.70	$2,467,204.63	$1,173,397.07
Income Charges:			
Bond and Note Interest	$ 42,959.20	$ 41,956.95	$ 1,002.25
Other Charges	180,508.56	95,756.84	84,751.72
Total	$ 223,467.76	$ 137,713.79	$ 85,753.97
Net Income before provision for income taxes	$3,417,133.94	$2,329,490.84	$1,087,643.10
Provision for income taxes	550,321.03	384,260.81	166,060.22
Net Income for period	$2,866,812.91	$1,945,230.03	$ 921,582.88
Net Income applicable to minority interests	58,125.78	——	58,125.78
Net Income for period transferred to Surplus	$2,808,687.13	$1,945,230.03	$ 863,457.10
Preferred dividends	75,687.36	——	75,687.36
Net Earnings available for Common Stock	$2,732,999.77	$1,945,230.03	$ 787,769.74
Per Share	$2.76½	$2.25	

Notation—1935 figures include the earnings of the subsidiaries of the Swann Corporation, which were acquired during the year, and of New England Alcohol Company.
The earnings of the British subsidiary have been converted at $4.85 per £.

DSW 331303