FILE NAME: Philip Carey (PC)

DATE: 1956

DOC#: PC068

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

1956

D. B. MCCRUDEN, *Publisher*

MOODY'S INVESTORS SERVICE

99 CHURCH STREET, NEW YORK 7, N. Y.

PHILADELPHIA	BOSTON	CHICAGO	LOS ANGELES	WASHINGTON	SAN FRANCISCO
1411 Walnut St.	75 Federal St.	105 W. Adams St.	606 So. Hill St.	Woodward Bldg.	Russ Bldg.

LONDON: MOODY'S INVESTORS SERVICE LTD.

Copyright, 1956—MOODY'S INVESTORS SERVICE, NEW YORK—*All rights reserved*

LIABILITIES (cont'd)	1955	1954	1953	1952	1951	1950	1949
U. S. Federal income tax	196,139	1,449,300	2,112,913	[4]97,563	[4]86,247	[4]104,746	[4]65,100
Canadian income tax	74,390	118,047	272,054	173,292	318,536	178,228	229,395
Reserve—Canadian exchange	----	----	----	----	----	----	124,311
Defense contract conting. prov.	85,000	150,000	300,000	----	----	----	----
Total current liabilities	$3,098,024	$3,902,846	$6,330,146	$3,650,412	$3,606,336	$4,147,681	$3,850,5[illegible]
Compensation insurance reserve	50,000	50,000	50,000	50,000	50,000	50,000	50,000
[3]Capital stock	5,587,500	5,587,500	5,587,500	5,587,500	5,587,500	5,587,500	5,587,500
Earned surplus	18,018,879	18,453,037	17,922,696	16,785,152	17,231,437	15,788,271	12,636,24[illegible]
Total	23,606,379	24,040,537	23,510,196	22,372,652	22,818,937	21,375,771	18,223,74[illegible]
[2]Less: Reacquired stock	304,089	304,089	279,769	235,172	147,533	147,533	147,533
Net capital & surplus	23,302,289	23,736,448	23,230,427	22,137,480	22,671,404	21,228,238	18,076,297
Total	$26,140,314	$27,689,294	$29,610,573	$25,837,892	$26,327,741	$25,425,918	$21,976,82[illegible]
Net current assets	$11,654,383	$11,942,151	$11,485,321	$9,712,520	$12,835,893	$12,862,437	$9,638,864

[1]At lower of cost (1951 and subsequently principally last-in, first-out method) or market.

1955 inventories comprise: Finished products, $594,983; in-process products, $1,274,-188; raw materials, $3,072,835; manufacturing supplies, $124,360; total, $5,066,367; (of which approximately 50% on last-in, first-out, balance on first-in, first-out method).

[2]Shares at cost: 1955, 9,142; 1954, 9,142; 1953, 8,142; 1952, 6,442; 1951-49, 3,482.

[3]412,500 no par shares

[4]After deducting U. S Treasury tax notes. 1952, $675,000; 1951, $4,075,300; 1950, $2,600,000; 1949, $1,900 000

[5]1954-53: Costs incurred on defense contracts, after deducting progress payments (1954, $482,616; 1953, $1,773,935).

[6]Canadian excess profits taxes only.

[7]Includes renegotiation rebates.

[8]1952: Includes $533,401 preparatory expenses on defense contracts.

[9]1954-53: Includes accounts receivable from U. S Government (1955, $852,101; 1954, $3,-300,225; 1953, $1,359,830) consisting principally of amounts due under negotiated contract price adjustments, claims arising from terminated contracts and other charges.

General Notes: (a) **Accounts of Canadian subsidiaries have been consolidated in above balance sheets and stated in U. S. dollars on basis of par of exchange except property plant and equipment included on basis of rate of exchange when acquired.**

These subsidiaries at July 31, 1955, had net current assets of $1,263,533 and other assets principally property, plant and equipment of $647,338.

(b) Sales for 1954 and 1955 include sales under defense contracts, subject to price redetermination and renegotiation. Adequate provision is believed to have been made for any further adjustments which may arise in connection with price revision or renegotiation of sales during fiscal years ended in 1954 and 1955.

STATISTICAL RECORD

Fiscal years:	1955	1954	1953	1952	1951	1950	1949
Earned per share	$0.42	$3 32	$4.81	$2 42	$8.53	$11 46	$9.08
[1]Dividends per share	$1.50	$2.00	$2.00	$2.50	$4 00	$5.00	$3.00
[1]Price range	32⅜-23½	27-20	34½-20¼	34-27¼	41¼-30¾	37¾-24¼	28⅜-16⅝
Net tangible assets per share	$57.77	$58.85	$57.45	$54.54	$55.48	$51 95	$44 23
Number of shares	403,358	403,358	404,358	405,858	408,658	408,658	408,658

[1]Calendar years.

CAPITAL STOCK

1. L. A. Young Spring & Wire Corp. stock; par $5:

AUTHORIZED—1,000,000 shares; issued, 412,-500 shares; outstanding, Nov. 30, 1955, 403,-358 shares; in treasury, 9,142 shares; par $5 (changed from no par to $5 par Nov. 23, 195. share for share).

As of Oct. 5, 1954, L. A. Young owned directly 56,036 shares (13.83%); Ola Young (wife), beneficially, 33,303 shares (8.22%); and Lay Improvement Corp., 54,166 shares (13.37%). Latter is wholly owned by L. A. Young.

Dividend Record (in $)
(Calendar years)
(Since Jan. 1, 1923 no par shares)

1923	nil	1924	1.20	1925	2.50
1926-27	2 00	1928	2 50	[1]1929-30	3.00
1931	2.75	1932	1.00	1933	0.26
1934	0.75	[2]1935	2.75	1936	3 [illegible]
1937	2.25	1938-39	nil	1940	0 50
1941	1.00	1942	nil	1943-45	1.00
1947	0.25	1947	1.00	1948	1.50
1949	3.00	1950	5.00	1951	4.00
1952	2.50	1953-54	2.00	1955	1.00

($5 par shares)

[3]1956	0.50

[1]Plus 25% in stock Aug. 15, 1929.
[2]Plus 5% in stock Dec. 31, 1935.
[3]To Mar. 16.

Dividends payable quarterly, Mar. 15, etc., to stock of record Mar. 1, etc.
VOTING RIGHTS—One vote per share; cumulative voting for directors permitted.
PREEMPTIVE RIGHTS—None except as provided under Michigan laws
LISTED—New York Stock Exchange.
TRANSFER AGENTS—National Bank of Detroit; New York Trust Co.
REGISTRARS—Guaranty Trust Co., New York; Detroit Trust Co.
DIVIDEND DISBURSING AGENT — National Bank of Detroit
Stock Options: Outstanding, Nov. 30, 1955, options held by certain key employees on 28,200 common shares at $24.4625 per share. Options expire July 27, 1960.

THE CELOTEX CORPORATION

CAPITAL STRUCTURE

LONG TERM DEBT Issue	Rating	Amount Outstanding	[1]Times Charges Earned 1955	1954	Interest Dates	Call Price	Price Range 1955	1932-55
1. 3¼% debentures, 1960	Baa	$1,253,000	31.85	22.50	F&A 1	[3]101½	99½-99	[4]106-9[illegible]
2. 3¼% debentures (series 1947), 1960	Baa	939,000			F&A 1	100	----	[4]104-9[illegible]
3. 3⅜% & 3⅞% notes, ser. to 1969	[7]--	6,737,500			J&D 1	---	[7]----	[7]----

CAPITAL STOCK Issue	Par Value	Amount Outstanding	[1]Earned per Sh. 1955	1954	[1]Divs. per Sh. 1955	1954	Call Price	Price Range 1955	1932-55
1. 5% cumulative preferred	$20	256,862 shs.	$19.78	$12.47	$1.00	$1.00	20	19⅞-18¾	[5]23 -15[illegible]
2. Common	1	878,651 shs.	5.49	3.35	1.75	1.50	--	37¾-27	[4]36⅛- 5

[1]Fiscal years. [2]Range since 1938, after 100% stock dividend; before 100% stock dividend, 1935-38 range, 48¼-12½. [3]To July 31, 1959, 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

Acquired properties in Ohio of Weaver-Wall Co. in Aug., 1948.

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, 1955, 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, 1955, owned less than 100% of voting power in following company.

Celotex, Ltd., England, manufactures and sells Celotex products in British Empire (85.72%) [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, 1955 there were 7 directors.

Note: At Oct. 31, 1955, 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. Also owned interest in following companies, which have resulted from split-up of California Mill Supply Corp. 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 and 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 accustical 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 15 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 ware-

and curing building of about 50,000 re feet.

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

A plant near Ft. Dodge, Ia., manufactures plaster products.

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

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

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, President
H. W. Collins, Exec. Vice-President
C. L. Christensen, Vice-Pres. and Chmn. Exec. Com.
F. A. Irvine, Vice-President
Marvin Greenwood, Vice-Pres., Sales Mgr
J. R. Newberry, Vice-President
G. C. Snyman, Vice-President
C. W. Johns, Treasurer
L. H. Thompson, Jr., Secretary
W. D. Becker, Contr. and Asst. Sec.
L. O. Karlson, Asst. Secretary
J. M. Erickson, Asst. Treasurer
A. F. O. Pfeiffer, Asst. Treasurer
J. W. Franklin, Purchasing Agent
Gates Ferguson, Advertising Manager
D. W. Rice, Export Mgr.

Directors

C. L. Christensen, Chicago
H. W. Collins, 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.
N. A. Owings, Chicago
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, 1955: Preferred, 2,400; common, 8,800.
Number of Employees: Oct. 31, 1955, 5,200
General Office: 120 So. La Salle St., Chicago 3, Ill.

INCOME ACCOUNTS

COMPARATIVE INCOME ACCOUNT, YEARS ENDED OCT. 31

	1955	1954	1953	1952	1951	1950	1949
Net sales	$71,136,590	$62,257,623	$59,980,026	$52,032,189	$59,241,625	$48,714,716	$38,362,160
Cost of sales and expenses	57,958,129	53,634,184	51,829,655	47,005,536	50,644,711	41,876,732	33,718,358
Deprec., depletion & amortization	2,085,338	1,953,705	1,879,698	1,809,525	1,670,822	1,599,690	1,503,697
Operating profit	11,093,123	6,669,734	6,270,673	3,217,128	6,926,102	5,218,294	3,140,405
Other income	373,508	451,602	391,835	446,050	496,751	370,684	384,758
Total income	11,466,631	7,121,336	6,662,508	3,663,178	7,422,853	5,588,978	3,525,193
Interest on funded debt	359,988	258,916	169,083	187,454	199,676	216,596	229,794
Debt discount and expense		52,383	22,235	26,245	28,732	30,621	33,808
Other deductions		117,389	84,347	233,436	113,073	213,208	126,401
Federal income taxes	5,890,000	3,400,000	3,272,000	1,562,000	3,494,000	2,051,000	1,135,000
Other inc. taxes & conting. tax res.	135,000	90,000	90,000	42,000	90,000	74,000	51,000
Net profit	5,081,643	3,202,649	3,024,844	1,612,043	3,497,371	3,003,552	1,949,190
Previous earned surplus	23,598,554	21,971,094	20,521,576	20,482,520	18,559,332	16,688,175	16,296,735
Surplus credit				2,448			6,666
Preferred dividends	256,677	256,677	256,677	256,862	256,862	256,862	256,863
Common dividends	1,536,810	1,318,513	1,318,648	1,318,573	1,317,320	875,532	1,307,554
[2]Earned surplus, 10-31	$26,886,710	$23,598,554	$21,971,094	$20,521,576	$20,482,520	$18,559,332	$16,688,175

[1]Includes loss on fixed assets sold, dismantled, etc.: 1955, none; 1954, $37,387; 1953, $34,423; 1952, $114,705.

[2]As of Oct. 31, 1955, $7,915,616 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: 1955, $410,385; 1954, $322,566; 1953, $191,409; 1952, $123,185; 1951, $153,998; 1950, $102,739; 1949, $147,954.

Equity in net income in excess of dividends received: 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 $99,856	$765,434	$29,419	$736,015	----------	268,655	$2.20
1937	10,574,242	9,280,992	1,293,250	37,203	1,330,453	63,700	1,266,753	$322,422	265,685	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	2.53
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	a 111,722	866,460	304 184	562 276	377,739	755,472	0 53
1945	22,185,651	20,812,739	1,372,912	d 187,979	1,184,933	579,408	605,525	377,772	755,472	0.57
1946	33,090,464	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

BALANCE SHEETS

COMPARATIVE BALANCE SHEET, AS OF OCT. 31

ASSETS:	1955	1954	1953	1952	1951	1950	1949
Cash	$6 345,158	$8,109,505	$5,663,638	$4,-40,052	$5,904,218	$5,017,130	$6,491,340
U. S. Government securities	4,164,440	3,990,000	----------	----------	996,000	1,993,400	----------
[1]Notes and accounts receivable, net	9,004,121	7,872,275	7,334,572	7 481.422	6,402 018	6,638,856	4,787,368
[1]Inventories	5,983,417	5,612,652	5,796,789	5,850 054	5,482,426	4,814,099	5,077,234
Total current assets	$25,497,136	$25,584,432	$18,794,999	$14,471,528	$18,784,652	$18,463,485	$16,355,942
Operating properties	46,735,238	41,428,143	40,363,671	39,033,633	36,539 719	34,015,827	32,150,768
Deprec., depletion & amortization	20,107,164	18,390,283	17,059,131	15,561,101	14,147,484	12,775,108	11,419 129
Net operating property	26,628,074	23,037,860	23,304,540	23,472.142	22,392,235	21,240,719	20,731.639
Patents and rights	1	1	1	1	1	1	1
[3]South Coast Corp. investment	438,541	438,541	438,541	438.541	438,541	438.541	438,541
[4]Investment in Celotex, Ltd.	700,459	700,460	700,460	700.460	700,460	700,460	700,460
[5]Investmt. in other corps.	202,838	202,838	202,838	202.838	202 838	202,838	202.838
Other assets	306,922	294,507	183,123	172,758	166,094	165,169	340,001
Unamort debt discount & expense	87,730	109,103	94,274	116 509	142,754	171,487	202,107
Prepaid insurance	337,870	----------	----------	----------	----------	----------	----------
Deferred charges	375,286	1,006,946	951,423	1,096.926	1,107,899	540,254	383,534
Total	$54,574,857	$51,374,687	$44,670,197	$43,671,703	$43,935,473	$41,922,953	$39,355,063
LIABILITIES							
Accounts payable	$3,621,532	$2,808.479	$2,751,851	$2,673,527	$2,587,380	$2,503,539	$1,897,502
Accrued expenses	1,935,666	1,670,947	1,644,552	1.334.468	1,672,390	1,435,275	997,830
Accrued interest		129 998	41,080	44.224	47,759	51,269	54,673
Prov. for misc. taxes	369,790	308,021	288,062	235.344	269,918	248,298	181,882
Sinking fund requirement	700,000	699,584	435,584	386,890	437,500	437,500	437,500
[1]Prov. for income taxes	323,505	889,534	550,417	1,053,862	551,343	505,105	546,261
Total current liabilities	$6,950,493	$6,506,563	$5,711,546	$5,728,315	$5,666,790	$5,180,987	$4,115,648
Debentures	8,229,500	8,928,416	4,620,416	5,056,110	5,440,500	5,872,500	6.291,500
Def. Fed. income tax	167,000	----------	----------	----------	----------	----------	----------
4% 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	878,889	878 829	877,963	876,246	873,957
[6]Partially paid com. shares	----------	----------	26,826	26,828	27,572	29,226	31 319
[6]Paid-in surplus	6,325,253	6,325,253	6,330,450	6,329,070	6,309,152	6,269,661	6,217,014
Earned surplus	26,886,710	23,598,554	21,971,094	20,521,576	20,482,520	18,559,332	16,688.175
Total capital and surplus	39,227,864	35,939,708	34,344,509	32,893,553	32,834,458	30,871,715	28,947,915
[7]Less treasury common stock	----------	----------	6,275	6,275	6,275	2,250	----------
Net capital and surplus	39,227,864	35,939,708	34,338,235	32,887,278	32,828,183	30,869,465	28,947,915
Total	$54,574,857	$51,374,687	$44,670,197	$43,671,703	$43,935,473	$41,922,953	$39,355,063
Net current assets	$18,546,643	$19,077,869	$13,083,453	$11,743,213	$13,117,862	$13,282,498	$12,240,294

[1]At lower of cost or market. Comprises: Raw materials, 1955, $2,953,820; (1954, $2,650,-776); goods in process, 1955, $458,169; (1954, $450,127); finished goods, 1955, $1,208,548; (1954, $1,078,622); operating and maintenance supplies, 1955, $1,362,880; (1954, $1,433,527); total, 1955, $5,983,417 (1954, $5,612,652).

[2]1955: Comprises $8,577,260 debenture 5s (subordinated) 1973 and 5,328 shares of common stock carried at $438,541. Market value Oct. 31, 1955, debentures 5s (subordinated), 1973, $1,198,718; common shares, $1,591,292; total, $2,790,010.

[3]Investment at cost (less $64,940 reserve in 1955) in securities Celotex, Ltd. (English subsidiary—not consolidated).

[4]After reserves (1955, $859,040).

[5]No par shares: 1955-54, 878,651; 1953, 878,889; 1952, 878,829; 1951, 877,963; 1950, 876,246; 1949, 873,957. Par value changed to $1 in Feb. 1956.

[6]At cost (after $47,162 reserve in 1955). Investment in California Mill Supply Corp. in 1951 and prior years, for 1954 see Note under "Subsidiaries" above.

[7]After deducting investment in U. S. Treasury notes, tax series at cost: 1955, $5,700,000;

1954, $2,800,000; 1953, $3,000,000; 1952, $800,000; 1951, $3,900,000; 1950, $2,000,000; 1949, $1,000,000.

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

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

[6] 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, $860,216; 1950, $701,424; 1949, $756,360); less unpaid portion due in instalments to 1956, 1953, $611,166 (1952, $612,604; 1951, $632,643; 1950, $672,198; 1949, $724,841); balance, 1953, $26,826 (1952, $26,828; 1951, $27,572; 1950, $29,226; 1949, $31,519).

[7] Principal paid-in surplus changes follow: 1954-49: After crediting (1954, $805; 1953, $1,380; 1952, $19,918; 1951, $39,491; 1950, $[illegible]; 1949, $106,375); excess of consideration received for 1954, 35 (1953, 60; 1952, 556; 1,717; 1950, 2,289; 1949, 4,625) common shares fully paid in the year over stated value of $1 per share, and debiting, in [illegible] justment of carrying value of common in treasury to stated value of $1 per share.

STATISTICAL RECORD, FISCAL YEARS

	1955	1954	1953	1952	1951	1950	
Earned per share—preferred	$19.78	$12.47	$11.78	$6.28	$13.62	$11.69	
—common	$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	
—common	$1.75	$1.50	$1.50	$1.50	$1.50	$1.00	
[1] Price range—preferred	197⅛-183¾	191½-153¾	167⅛-153¾	171⅛-16	177⅛-157⅛	173¾-151½	183¼-
—common	37¾-27	30¼-16	193¼-15½	191½-15⅛	20⅜-14½	21-13¼	28¼-
Net tangible assets per sh.—preferred	$152.71	$140.03	$133.68	$128 03	$127 81	$120.18	$
—common	$38.79	$35.06	$32.26	$30 66	$30 59	$28.42	$
Times charges earned:							
Before income taxes	31.85	22 50	34.38	16.05	32.00	21.75	12
After income taxes	15.12	11.29	16.81	8.54	16.31	13 15	
Times charges & ptd. div earned	8.82	6.19	7.18	3.88	7.68	6.45	
Price range—3¼s, 1960 (issued 1945)	99½-99	100¼-98	98⅝-98	100-99	102¼-98⅛	102-100½	101¾-
—3¼s, 1960 (series 1947)	No sale	100¼-98	98-98	100½-100½	102¼-102	101½-101½	101
Net tangible assets $1,000 lg. trm. debt	$5,767	$5,025	$8,432	$7,504	$7,033	$6,257	$
Net curr. assets per $1,000 lg. trm. debt	$2,254	$2,137	$2,832	$2,323	$2,411	$2,262	$1
Times preferred dividends earned	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
—common	878,651	878,651	[2] 905,199	[2] 905,199	[2] 905,199	[2] 905,374	[2] 905

[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. debenture 3¼s, due 1960:

Rating—Baa

AUTHORIZED—$5,000,000; outstanding, Oct. 31, 1955, $1,253,000.

DATED—Aug. 1, 1945.

MATURITY—Aug. 1, 1960.

INTEREST—F&A 1 at office of trustee or at City National Bank & Trust Co., Chicago. Principal and interest payable in U. S. legal tender.

TRUSTEE AND REGISTRAR—Chemical Corn Exchange Bank, New York.

DENOMINATION—Coupon, $1,000; registerable as to principal.

CALLABLE—As a whole or in part on at least 30 days' published notice at any time at 100½ to July 31, 1959 and at 100 thereafter.

Also callable for sinking fund, which see.

SINKING FUND—Annually on or before first day of fifth calendar month next succeeding close of each fiscal year beginning 1945, 15% of sinking fund earnings (as defined), but not to exceed $250,000. Sinking fund payments shall average at least $175,000, whether or not earned, cash to be used to purchase bonds at not exceeding redemption price or to redeem bonds. Debentures may be tendered in lieu of cash at an amount equal to principal amount of debentures or the cost but not to exceed sinking fund redemption price on next Aug. 1. Debentures purchased or redeemed to be cancelled.

SECURITY—Not secured by any lien.

CREATION OF ADDITIONAL DEBT, ETC.—Company will not, directly or indirectly, create or assume, or permit any subsidiary to create or assume, any mortgage, pledge, or encumbrance on property or assets now owned or hereafter acquired, or on income or profits therefrom, unless debentures are equally and ratably secured thereby, except purchase money or other permitted liens.

Consent of 66 2/3% of debentures necessary to create, assume, or issue, directly or indirectly, or permit any subsidiary so to do, any additional funded debt, except (a) for refunding, renewal or extension of not to exceed like amount thereof, or (b) funded debt (as defined) of a subsidiary to company; provided, that company shall not dispose or part with control thereof (except to such subsidiary), unless immediately thereafter (1) average annual consolidated net earnings available for interest (as defined) on funded debt for two fiscal years immediately preceding equal at least 4 times total annual interest requirements on consolidated funded debt; (2) excess of current assets (as defined) over current liabilities at least equal outstanding funded debt, except funded debt secured by liens as permitted, and (3) consolidated net tangible assets (as defined) at least equal 2½ times consolidated funded debt.

DIVIDEND RESTRICTION—No dividend (except stock dividends) shall be declared or paid on capital stock if thereupon current assets would be less than twice current liabilities and cash dividends are restricted to net earnings after Oct. 31, 1944 plus $1,000,000

RIGHTS ON DEFAULT—In event of default (30 day grace period for payment of interest, 60 days for sinking fund installment), trustee or 25% of debentures may declare principal due and payable immediately.

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

PURPOSE—Net proceeds used to redeem debenture 3¾s, due 1955, and for additional working capital.

TAX STATUS—Company refunds personal property taxes in Pennsylvania not to exceed 4 mills and in Kentucky not to exceed 5 mills on taxable value, and income taxes in Massachusetts up to 6% and in Maryland up to 5% per annum.

LEGAL—For savings banks in New Hampshire.

LISTED—On New York Stock Exchange.

OFFERED—($5,000,000) at 102½ (proceeds to company 99) on Sept. 6, 1945 by a syndicate headed by Paul H. Davis & Co., Chicago.

2. Celotex Corp. debenture 3¼s (issue of 1947) due 1960:

Rating—Baa

AUTHORIZED—$3,000,000; outstanding, Oct. 31, 1955, $939,000.

DATED—Aug. 1, 1947.

MATURITY—Aug. 1, 1960.

INTEREST—F&A 1 at office of trustee or City National Bank & Trust Co., Chicago. Principal and interest payable in U. S. legal tender.

TRUSTEE AND REGISTRAR—Bank of New York, New York.

DENOMINATION—Coupon, $1,000; registerable as to principal.

CALLABLE—As a whole or in part on at least 30 days' published notice at any time at par and interest.

SINKING FUND—Annually on or before first day of tenth calendar month next succeeding close of each fiscal year, beginning with fiscal year ending in 1947, the lesser of 9% of sinking fund earnings (as defined) or $187,500, but to be maintained at a minimum average of $125,000 for each 12-months period regardless of such earnings. Debentures may be tendered at an amount equal to the principal amount of the debentures in lieu of cash; any excess credits to apply on future payments. Debentures so redeemed or credited to be cancelled.

OTHER PROVISIONS—Same as debenture 3¼s, issue of 1945, due 1960 (No. 1).

PURPOSE—Net proceeds to pay term bank loans; balance to general funds.

LEGAL—For savings banks in New Hampshire.

LISTED—On New York Stock Exchange.

OFFERED—($3,000,000 at 97½ on Nov. 21, 1947 by a syndicate headed by Paul H. Davis & Co., Chicago, and Union Securities Corp., New York.

3. Term Loan: Outstanding, Oct. 31, 1955, $6,737,500 represented by (1) $2,100,000 3⅜% 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.

At Oct. 31, 1955, $7,915,616 of earned surplus was unrestricted as to cash dividends under long-term debt agreement.

CAPITAL STOCK

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

AUTHORIZED—500,000 shares; outstanding 256,862½ 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 3¼s and term loan 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, 878,651 shares; par $1 (changed from no par in Feb. 1956, share for share).

Dividend Record (in $)
(Calendar years)

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	[2] 1946	0 60

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

[2] To Feb. 1.

DIVIDEND LIMITATIONS—See debenture 3¼s and term loan 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.