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The RUBEROID Co.

ANNUAL REPORT 1936

Fiftieth Anniversary

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March 14, 1986

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ANNUAL REPORT

1936

The RUBEROID Co.

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Manufacturers of Asphalt and Asbestos
Building and Roofing Products

Year Ended December 31, 1936

Executive Offices

500 Fifth Avenue, New York, N. Y.

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The data herein are published solely for the information of the Company's stockholders. No statement in this booklet is made for the purpose of inducing the purchase of any security issued by the Company.

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PRESIDENT'S REPORT

February 11, 1937

To the Stockholders of The Ruberoid Co.:

In 1936, the year under review in this annual report, The Ruberoid Co. observed the fiftieth anniversary of its founding. Many messages of congratulation and good will were received from stockholders, which your directors and officers acknowledge with sincere thanks.

Financial Summary

The net profits of The Ruberoid Co. and domestic subsidiary companies for 1936, after provision for depreciation and taxes (including undistributed profits tax), amounted to $812,929.70, equal to $6.13 per share on the 132,602 shares of common stock in the hands of stockholders on December 31, 1936.

The net dollar volume of the sales of your company in 1936 amounted to $14,703,802.84, an increase of $2,869,294.29, or 24.2 per cent over 1935.

Dividends

Cash dividends during 1936 totalled $4.00 per share, including four quarterly payments of 25 cents each and a special year-end distribution of $3.00 per share.

Policy on Expansion

An established policy of your company has been that of keeping its productive facilities adjusted as closely as pos-

to the constantly changing conditions in the building field, embodying the following fundamental objectives:

1. To anticipate consumer demand as far as possible, as a result of careful study and analysis of national economic trends and conditions.
2. To diversify the Ruberoid line of building products by continually improving existing products and adding new ones of a related character.
3. To provide our customers through strategically located factories, the most efficient service at a minimum cost of transportation.
4. To secure for the Company adequate domestic sources of supply of basic raw materials.

In pursuance of this policy, and in keeping with improving conditions in the construction industry, substantial progress was made during 1936 with respect to the expansion program inaugurated three years ago.

Factory Additions and Improvements

In February, 1936, a subsidiary of The Ruberoid Co. acquired the properties of Vermont Asbestos Corporation, operating at Eden, Vermont, what is virtually the only active chrysotile asbestos mine in the United States. Extensive plant improvements made during the year have not only greatly facilitated the quarrying and milling operations and increased gross output, but have made possible the production of grades of asbestos fibre not heretofore recovered, including special fibres for brake lining and so-called "floats," used in the production of hot and cold molded products, composition flooring, lubricants, etc.

In August, 1936, an extension to the company's plant at Mobile, Alabama, was completed, for the manufacture of asbestos-cement shingles and house sidings, and has since

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to its former equipment, the Mobile factory is now able to make rapid deliveries of both asbestos and asphalt building products throughout the South.

In September, 1936, an extensive addition was started at the tar distilling plant at Joliet, Illinois, whereby its output will be substantially doubled.

In October, 1936, plans were completed and ground broken for an addition to the company's St. Louis plant, designed to increase this factory's output of asbestos-cement building products by fifty per cent. The purpose of this extension, expected to be completed by the middle of 1937, is to facilitate economical distribution to dealers in the West and Middle West, where there is a steadily increasing demand for shingles, sidings, panellings, corrugated sheets, and wall tiling of asbestos-cement.

In November, 1936, the properties of The Lang Company, operating at Gloucester City, New Jersey, the largest plant in the United States for the manufacture of dry felts used in the production of roofing and building products, were acquired by your company, following liquidation and distribution of the assets of The Lang Company to The Ruberoid Co. as its sole stockholder. The Lang plant, with an annual capacity of 50,000 tons, is now being operated as the Lang Mills, Division of The Ruberoid Co., and, in conjunction with the Ruberoid felt mills at Joliet, Ill. and Erie, Pa., will bring the annual felt capacity of your company to more than 100,000 tons.

In December, 1936, construction work was completed at the mineral wool plant at Joliet, whereby its former output has been more than doubled.

Management-Employee Cooperation

It seems appropriate, in this fiftieth annual report, that much more than passing mention be made of the pleasant